

Group sustainability report

General information

Basis of sustainability reporting

General basis for the preparation of the sustainability report

The Group sustainability statement ('sustainability report') was prepared in accordance with the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD), of Article 8 of Regulation (EU) 2020/852, and of section 315c in conjunction with 289c to 289e of the German Commercial Code (HGB) regarding consolidated non-financial statements. The Group sustainability report covers the period from January 1 to December 31, 2024. In accordance with section 315c (3) HGB, the non-financial Group report was prepared as a framework based on the first sentence of the European Sustainability Reporting Standards (ESRS). KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, was commissioned to perform a voluntary limited assurance engagement on the non-financial report.

In addition to KION GROUP AG, all material subsidiaries were included that are controlled by KION GROUP AG and therefore contribute to the Group's business activities (see also the basis of consolidation in the notes to the consolidated financial statements, [note \[4\]; \[ESRS 1.123\]](#)).

Alignment in accordance with CSR-RUG with voluntary application of ESRS

This Group sustainability report was prepared in accordance with the applicable legal requirements of CSR-RUG. The concept of double materiality analysis in accordance with ESRS means that the understanding of materiality according to GAS 20 is significantly expanded upon for the Group non-financial statement. Based on the KION Group's material topics, the five matters outlined in CSR-RUG have already been covered as follows in accordance with ESRS and expanded for individual requirements of CSR-RUG.

The description of the business model can be found in the '[Strategy, business model, and value chain of the KION Group](#)' chapter (pages 114 to 121). Notes on the amounts reported in the consolidated financial statements, the non-financial risks, and the identification of material matters can be found in the '[Basis of sustainability reporting](#)' chapter (pages 111 to 113) and the '[Impact, risk, and opportunity management](#)' chapter (pages 122 to 132). Environmental matters according to CSR-RUG are comprehensively covered in the reporting with reference to ESRS E1 '[Climate change](#)' (pages 139 to 164), ESRS E2 '[Pollution](#)' (pages 165 to 173), ESRS E3 '[Water and marine resources](#)' (pages 173 to 178), and ESRS E5 '[Resource use and circular economy](#)' (pages 179 to 188).

'Employee matters' according to CSR-RUG are covered by the KION Group under ESRS S1 '[Own workforce of the KION Group](#)' (pages 197 to 212).

The disclosure requirements according to CSR-RUG on 'social matters' were identified in the KION Group's double materiality analysis as not subject to reporting requirements in accordance with ESRS. The policy on 'social matters' according to CSR-RUG is discussed in the '[Strategy, business model, and value chain of the KION Group](#)' chapter (pages 114 to 121). The findings of the double materiality analysis are taken into account in the targets, actions, and results of the 'social matters' policy reported in the respective topics and sub-topics of the ESRS disclosure requirements. The overarching involvement of stakeholders is disclosed in the '[Description of the process to identify and assess material impacts, risks, and opportunities](#)' (pages 122 to 128) and

'Interests and views of stakeholders' (pages 128 to 131) chapters. The latter chapter has an additional focus on the customers as a stakeholder group and on the safety of KION Group products.

The disclosure requirements relating to 'respect for human rights' according to CSR-RUG are disclosed in reporting in line with ESRS S1 'Own workforce of the KION Group' (pages 197 to 212) and ESRS S2 'Workers in the value chain' (pages 212 to 220).

The disclosure requirements according to CSR-RUG on 'anti-bribery and anti-corruption' were identified in the KION Group's double materiality analysis as not subject to reporting requirements in accordance with ESRS. The requirements with regard to 'anti-corruption and anti-bribery' policies according to CSR-RUG have been integrated into ESRS G1 'Business conduct' (pages 221 to 224).

Definition of the basis of consolidation and information on the upstream and downstream value chain

The assessment of the upstream and downstream value chain included the unconsolidated subsidiaries and equity investments as well as the entities consolidated for financial reporting purposes. The findings of this assessment confirmed that the former are not material, based on the non-financial thresholds defined as material for the Group. This review of the value chain includes the required disclosures on greenhouse gas emissions (GHG emissions) according to ESRS E1 paragraph 44. The basis of consolidation for sustainability reporting is therefore in line with that for financial reporting.

For this disclosure requirement, no joint ventures, joint operations, or equity-accounted material equity investments were identified as part of the Group's value chain (ESRS 1.67) over which it has operational control (ESRS 1.50 b).

As part of the double materiality analysis, the KION Group's own operations and its upstream and downstream value chain were included in the evaluation of the impacts, risks, and opportunities (IROs). This sustainability report therefore also covers the upstream and downstream value chain on the basis of double materiality. Where individual policies, actions, metrics, and targets also relate to the value chain, or to specific parts of the value chain, they are highlighted accordingly in this sustainability report.

Amounts and metrics based on estimates and assumptions are explained, as is the methodology for deriving them. No information regarding the protection of confidentiality or of intellectual property has been omitted. Unless stated otherwise, the qualitative and quantitative disclosures in this sustainability report relate to the period of the KION Group's financial year from January 1 to December 31, 2024.

Disclosures in relation to specific circumstances

The KION Group has voluntarily applied the European Sustainability Reporting Standards (ESRS), specified as the authoritative reporting standards by the CSRD, to prepare this sustainability report. In accordance with ESRS 1.110 and section 289b (1) and (3) and section 315b (1) and (3) of the German Commercial Code (HGB), this sustainability report has been integrated into the combined management report and follows the applicable requirements of the CSR Directive Implementation Act (CSR-RUG).

Voluntary ESRS implementation brings with it the following changes to sustainability reporting defined by section 315 in conjunction with sections 289c to 289e HGB:

- A double materiality analysis carried out in accordance with ESRS for the purpose of identifying material impacts, risks, and opportunities (IROs) in the KION Group's own operations and in the upstream and downstream value chain,
- new or expanded disclosure requirements, metrics, and other key performance indicators in line with ESRS requirements, including descriptions of the material IROs and policies, actions, metrics, and targets.

Prior-year figures have not been disclosed, in accordance with the exemption provision in the first year that ESRS is applied.

Voluntary additional disclosures, including sources

The KION Group reports on requirements beyond the ESRS by providing voluntary disclosures as part of its Group sustainability report, which are labeled accordingly pursuant to ESRS 1.114 a).

Complementary information such as references and sources (for example, websites) that is not part of this Group sustainability report and the combined management report have been clearly labeled in the respective sections of text with double square brackets [...] where necessary.

General information in the context of material non-financial metrics

Some metrics in the sustainability report are subject to a high degree of estimation and measurement uncertainty. The reasons for this are explained in the respective chapters. The following metrics are subject to a very high degree of estimation and measurement uncertainty:

- GHG emissions in categories '3.1 Purchased goods and services' and '3.11 Use of sold products' ('[Metrics related to climate change](#)')
- Substances of very high concern (SVHC) ('[Metrics related to pollution](#)')
- Microplastics ('[Metrics related to pollution](#)')
- Resource inflows ('[Resource inflows and outflows](#)')

The disclosures, metrics, and other key performance indicators have undergone some changes year on year due to adjustments to the definition of metrics and scales as a result of ESRS being applied for the first time. In addition to a new level of detail, some of the Group's internal metrics have been adjusted. This statement is therefore not fully comparable with the 2023 non-financial report.

No prior-year adjustments were made for possible material errors or changes to estimates for the metrics and other key performance indicators, in accordance with the exemption provision for the first-time application of ESRS.

In order to meet each specific requirement, forward-looking statements regarding sustainability matters made in this sustainability report are always viewed over an appropriate time horizon in line with the financial reporting of the KION Group. A short-term time horizon is a period of up to one year, a medium-term time horizon is a period of between one and five years, and a long-term time horizon is a period of more than five years.

Strategy, business model, and value chain of the KION Group

The KION Group is among the world's leading suppliers of industrial trucks and supply chain solutions. Its portfolio encompasses industrial trucks such as forklift trucks and warehouse trucks, as well as integrated automation technology and software solutions for the optimization of supply chains, including all related services. Across more than 100 countries worldwide, the KION Group sells logistics solutions that improve the flow of material and information within factories, warehouses, and distribution centers. The KION Group, which is included in the MDAX, is the largest manufacturer of industrial trucks in the EMEA region. In China, it is the leading foreign manufacturer.

The KION Group's brands have been established in the regional markets EMEA, APAC, and the Americas for decades. Dematic is a global leader in warehouse automation, providing a diverse range of intelligent supply chain and automation solutions. The Linde and STILL brands serve the premium and higher value segments of the industrial truck market. Baoli focuses on industrial trucks in the lower value and economy segments. The regional industrial truck brand Fenwick is one of the leading suppliers of material handling products in France, while OM is among the leading vendors in the Indian market.

The KION Group is a global company employing 43,297 people from more than 110 countries as at December 31, 2024.

The EMEA region and the key market of Western Europe accounted for the largest share of the workforce with 69.3 percent (30,018 employees) at the end of the year. The APAC region and the key market of China, a future growth market for the KION Group, accounted for 16.9 percent (7,307 employees). The Americas region, including the key market of North America, accounted for 13.8 percent (5,972 employees).*

The business is combined in the two operating segments Industrial Trucks & Services and Supply Chain Solutions, whose respective market position and regional presence complement each other. Corporate Services comprises holding companies and other service companies that provide services such as IT and general administration activities across all segments.

The Industrial Trucks & Services segment sells forklift trucks, warehouse technology, and related services, including complementary financial services, through the three international brands Linde, STILL, and Baoli plus the regional brands Fenwick and OM. The Industrial Trucks & Services segment has a diversified customer base. Customers range from large key accounts with global operations to small and medium-sized enterprises across all sectors.

The Supply Chain Solutions segment, which operates under the Dematic brand, focuses on concept development for, and the installation of, integrated technology and software solutions that are used to optimize supply chains. With global resources, eleven production facilities worldwide, and regional teams of experts, Dematic is able to plan and deliver logistics solutions with varying degrees of complexity in most parts of the world. Key customer industries are general merchandise, grocery retail, apparel, and food and beverage.

Through its regional market presence, the KION Group has positioned itself in the global markets with the product portfolio of its established brands, its sales and service network, and its varied customer portfolio. KION Group customers include major manufacturers, the logistics and transportation sector, grocery retailers, pure-play e-commerce customers, and small and medium-sized manufacturers.

The business model of the Industrial Trucks & Services segment covers the key process steps of the value chain to fully cater to the needs of material handling customers worldwide: product

* This section contains voluntary disclosures in accordance with ESRS 1.114 a).

development, procurement and manufacturing, sales and service, truck rental – including short-term rental – and used trucks, fleet management, and financial services through lease agreements that support the core industrial truck business.

The product portfolio is complemented by services that cover the customers' use of the products. The spare parts business and the provision of service packages for repair and maintenance underpin the longevity and efficient use of these products. Alongside these recurring services, another important building block in the downstream value chain in terms of circularity is the refurbishment of used forklift trucks, such as returns from leasing agreements, and the remarketing of used trucks and trucks that have undergone a major overhaul (remanufacturing).

The business model of the Supply Chain Solutions segment, with Dematic as one of the world's leading warehouse automation providers, comprises intelligent supply chain solutions, automation solutions, and the offering in the autonomous mobile robot (AMR) segment. As supply chain installation projects for these customized systems can take a long time, often up to several years, and frequently involve considerable capital expenditure by the customer, it is only natural that customers expect these installations to be durable, not least from a cost perspective. The business activities of the Supply Chain Solutions segment are rounded off by the service business (customer services), which includes maintenance and modernization of, and upgrades to, installed equipment. Further information on the KION Group's business model and organizational structure can be found in the section '[Fundamentals of the KION Group](#)' in this annual report ([\[ESRS 1.119 a\)\]](#)).

As a manufacturer of industrial trucks and a provider of intralogistics solutions, it makes sense for the KION Group to take the whole value chain into account in its sustainability strategy due to the size of its supplier base. But this is also a highly complex task due to the number of stakeholders along the process chain. The KION Group has identified the material topics within its value chain in order to meet the requirement of being able to substantially manage material impacts, risks, and opportunities (IROs). These sustainability matters are discussed in the sections of this sustainability report.

Strategic sustainability management

Strategic sustainability management was a key driver of the new 'Playing to Win' corporate strategy in 2024 [\[\[see 'Strategy of the KION Group'\]\]](#). The KION Group firmly believes that enshrining sustainability in the corporate strategy can encourage profitable growth, resilience, customer focus, and the successful development of sustainable products and services, and reinforce a sense of responsibility for the Company's workforce, the environment, and society. Building sustainability into the entire value chain starts with product design and encompasses the supply chain, the KION Group's own operations, logistics processes and the lifecycle of the products, solutions, and services offered. By focusing on sustainability, the KION Group strives to offer its customers safe products that are manufactured in the most resource-efficient and energy-efficient way possible in a work environment that is safe and free from discrimination.

The global research and development activities, with their focus on intelligent, networked automation solutions and energy-efficient drive solutions, play their part in achieving the groupwide sustainability targets. An additional focus is the development of software solutions for energy management. Through its business model and strategy, the KION Group pursues the goal of offering increasingly integrated, circular, and emission-free intralogistics solutions in order to contribute to emission reduction. This includes the manufacture of low-emission industrial trucks with alternative drive technologies, and the further development of robotic and automation solutions. The goal is supported by the KION Group's official commitment to net zero (net zero greenhouse gas emissions) by no later than 2050, and by the application of the established international framework of the

Science Based Targets initiative (SBTi). This requires responsible practices along the entire value chain.

In the Industrial Trucks & Services segment, the KION Group's own operations focus on a portfolio of electric trucks, including products powered by batteries and fuel cells. The proportion of industrial trucks ordered with an electric drive system amounted to 91.7 percent in the reporting period.

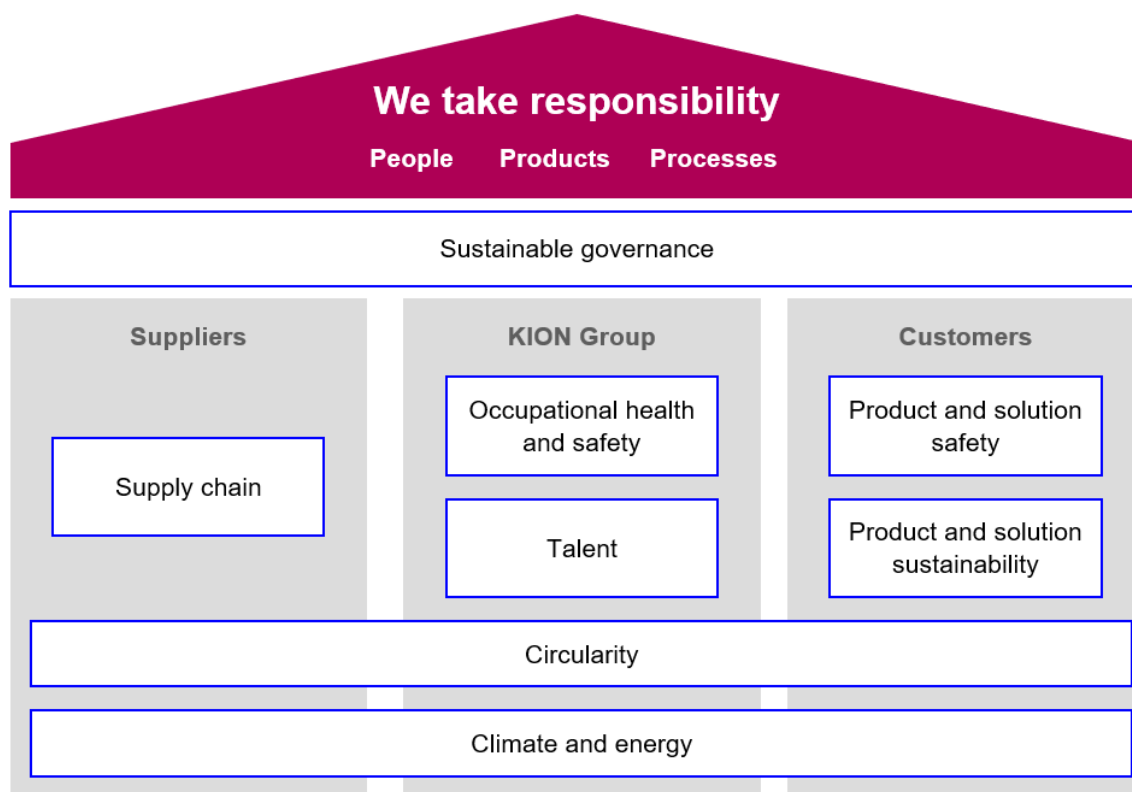
The KION Group's Hamburg facility has been manufacturing high-performance, 24-volt fuel cell systems for industrial trucks since 2023. Lithium-ion batteries have been made by KION Battery Systems GmbH (KBS) since 2020. In addition to its used truck business, the KION Group also stepped up its efforts to reuse materials in line with the principles of the circular economy. Furthermore, the company agreed a strategic partnership with Li-Cycle Holdings Corp. in 2023 for the recycling of lithium-ion batteries.

In the project business for automation solutions, the aim is to integrate innovative drive technologies into the standard product ranges in order to harness the use of electricity more efficiently, and to help customers to reduce their energy consumption. Cloud-native software solutions (IT/OT-driven solutions) are also being increasingly deployed. The Supply Chain Solutions segment offers tailored solutions for numerous cloud environments and helps customers to reduce their environmental footprint through lower material consumption and improved energy efficiency.

The ability of the KION Group's two operating segments to mitigate risk in terms of supply capability, quality, costs, and sustainability along the supply chain is critical for their business activities. Substituting chemical substances that can be harmful to human health or the environment is one of the key principles by which the KION Group operates sustainably and responsibly. The KION Group is continuing to establish a stable supplier base in order to minimize disruptions to production and promote growth. This is an integral element of the 'Playing to Win' corporate strategy, supporting growth and sustainability targets and helping to optimize the cost of materials. It should also encourage the circularity of supply chains and a range of sustainability-conscious products and solutions for customers in order to ensure profitability and competitiveness over the long term. Targeted supply chain management is therefore essential for ensuring the best possible traceability of materials along the value chain.

The KION Group's sustainability activities are managed strategically on a groupwide basis. At its heart, the sustainability strategy is built around the guiding principle of 'We take responsibility' with its three strategic dimensions of people, products, and processes. Within these dimensions, eight overlapping sustainability action fields were defined in which each strategic target has been enshrined [(see '[Strategy of the KION Group](#)')].

The eight action fields of KION Group's sustainability management



Strategy targets and target achievement in 2024

The KION Group's sustainability strategy was enhanced in 2024, with the eight action fields retained as the foundation of the targets for the years ahead. In the 'Product and solution sustainability' and 'Climate and energy' action fields, the targets for an increase in electric industrial trucks ordered by customers from 90 percent to 92 percent by 2027, and a reduction in GHG emissions against the base year of 2021 (per year on a linear basis up to 2030: Scope 1 and 2 from 4.2 percent to 4.7 percent, Scope 3 from 2.5 percent to 2.8 percent, net zero by 2050) based on the Greenhouse Gas Protocol, were made more specific than in the previous year. The GHG targets are based on the well-respected Greenhouse Gas Protocol and its operational control approach, and on the net-zero standard of the Science Based Targets initiative.

A quantification was also carried out in the 'Circularity' action field in 2024 with a specific target value for an increase in waste recycling in the Company's own operations to over 85 percent. In the 'Sustainable governance' action field, the KION Group increased the targets for EcoVadis ratings for the Group and for selected subsidiaries from 'Gold' to 'Platinum', the highest rating.

New targets were also set for other action fields. In 'Occupational health and safety (OHS)', a target of full compliance with the HSE Standard (KION HSE Assessment) by 2027 was added; in 'Climate and energy', the energy intensity in own operations is to be progressively reduced; and in 'Supply chain', the proportion of tier 100 suppliers with a low ESG risk is to be successively increased.

The 'Product and solution safety' action field was recalibrated and therefore not included in the specific target-setting for 2024, though the underlying policy remained the same (see '[Interests and views of stakeholders](#)'). There were no changes to the other targets within the groupwide sustainability strategy.

The sustainability strategy includes a qualitative description of the short, medium, and long-term sustainability targets, which were actively pursued up to the end of 2024. The corresponding quantitative metrics and their status at the end of 2024 compared with the previous year can also be found in the following overview. In 2024, the long-standing targets for complete certification of all KION Group sites in accordance with ISO 45001 (occupational health and safety) and ISO 14001 (environmental management) by the end of 2024 were almost achieved. Year-on-year improvements were also achieved for some of the other medium to long-term targets.

Sustainability strategy - Leading targets and status of the KION Group sustainability strategy¹

Dimension	Action field	Targets and indicators	Target year	Status 2024	(unassured) Status 2023
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)*	annually	4.4 target achieved	5.2 target achieved
		100% ISO 45001 ³ certification rate (all sites)	2024	99%	89%
		KION HSE Assessment: 100% average fulfilment score of the KION HSE standard (all sites)	2027	95.8%	♦
	Talent	Increase in employee satisfaction to an engagement score ⁴ of at least 75 and a participation rate ⁴ of at least 80%, as measured by an annual, global employee survey**	2026	Engagement score: 75 Participation rate: 83%	Engagement score: 74 Participation rate: 80%
		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	Action field under review	♦	♦	♦
	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 ⁵ to 92%	2027	91.7%	91.1%
		Increase number of products with available lifecycle assessment**	ongoing	♦	♦
		Increase number of products with cradle to cradle certification**	ongoing	♦	♦
Processes	Climate and energy	Absolute reduction in GHG emissions (Scope 1, 2, 3) in metric tons of CO ₂ e ⁶ compared with base year 2021: Until 2030: Scope 1+2 by 4.7% per year (linear) Scope 3 by 2.8% per year (linear)		-1.9% -31.8%	-2.2% -25.1%
		Until 2050: net-zero Scope 1, 2, 3 by 100%	Net-Zero until 2050	16.2 million tons	17.7 million tons
		Increase share of renewable energy use ⁷ in own operations	ongoing	21.2%	20.3%
		Decrease energy intensity ⁸ in own operations	ongoing	54.8 MWh per million €	56.4 MWh per million €
		100% ISO 14001 ³ certification rate (all sites)**	2024	99%	90%

Sustainability strategy - Leading targets and status of the KION Group sustainability strategy¹

Dimension	Action field	Targets and indicators	Target year	Status 2024	(unassured) Status 2023
Processes	Circularity	Increase share of recovered waste in own operations to ≥ 85%	2030	78%	80%
	Supply chain	Increase the share of the annual spend related to Direct Tier-1 category A suppliers with low ESG risk^{8*}	ongoing	60.5%	24.0%
	Sustainable governance	EcoVadis platinum rating for the KION Group and selected assessed subsidiaries**	2027	KION: Gold Subs.¹⁰: 2 platinum; 2 gold; 1 bronze; 1 unrated	KION: Gold Subs.: 2 platinum; 2 gold; 1 bronze; 1 unrated
		S&P Global Corporate Sustainability Assessment (CSA) score ≥ 70 points for the KION Group**	2027	64	61

* Further alternative entity-specific indicator; ** Additional disclosure according to ESRS 1.114 a)

1 Further information regarding status and details in the corresponding sub-topics

2 Accident frequency rate is calculated as actual number of lost-time injuries of the own workforce (≥ 1 working day) in relation to the total number of active working hours; in the reporting period and relative to one million hours worked

3 ISO 45001, ISO 14001 or equivalent standards. As initially defined in the target scope, the calculation excludes selected sites that were newly established or acquired during the previous two reporting periods and based on other pre-defined criteria

4 Engagement score is based on the employee satisfaction and the satisfaction with the company (on a 100-point scale). The participation rate indicates how many employees took part in KION Group's global survey

5 Proportion of electric-powered products in ITS segment in terms of units of trucks ordered (based on order intake).
Data source: World Industrial Truck Statistics (WITS)/Fédération Européenne de la Manutention (FEM).

6 According to GHG protocol and the approach of operational control; operating lease contracts classified in category 3.11 ('use of sold products')

7 In accordance with the GHG Protocol and the operational control approach; classification of operating lease contracts outside own operations; purchased energy from renewable sources without specification in the contracts where the underlying supply sources are known (e.g., from residual mixes for electricity) is included (differs from the ESRS definition)

8 In accordance with the GHG Protocol and the operational control approach; classification of operating lease contracts outside own operations; includes energy consumption and revenue of the KION Group without limitation to activities in high climate impact sectors (differs from ESRS definition)

9 Low risk suppliers refers to industry, country, goods and individual supplier risk based on sustainability criteria

10 Status refers to the latest valid rating for selected assessed subsidiaries of the KION Group in the reporting year

♦ In process

With a view to the double materiality analysis carried out in 2024, the material impacts, risks, and opportunities presented in this sustainability report are predominantly managed through these strategic targets under the sustainability strategy or are managed as part of action field programs at other levels. Material results and newly identified, additional specific topics are taken into consideration when the sustainability strategy is being further developed and targets set.

In the environment, social responsibility, and corporate governance (ESG) dimensions, strategic sustainability targets are also used to set variable remuneration for the Executive Board of KION GROUP AG in connection with ESG targets (see '[Integration of sustainability-related performance in incentive schemes](#)').

Business model and value chain

The material inputs of the KION Group's upstream value chain include: engines, electric and other components, high-performance forged parts, counterweights and safety equipment, industrial tires, batteries, conveyor belts and components, structural steel components, and sheet steel components. To produce these inputs, raw materials such as steel, rubber, oil, lead, and lithium are required, in addition to energy. The key suppliers include companies from the automotive, metal construction, electronics, and battery production sectors. The KION Group follows a sustainable procurement approach with interlinked phases: strategy development, risk assessment, risk mitigation, incident management, and corrective actions. The results of each phase feed into the next with the aim of using largely sustainable inputs and creating a circular process.

The conservation of resources is a core element of the KION Group's strategy and business model aimed at minimizing resource outflows from the Group's own value chain. Energy consumption, water consumption, and quantities of waste are the material resource outflows in the KION Group's value chain. The KION Group's aim, therefore, is to offer its customers products and solutions in the future that are resource-efficient as well as energy and cost-efficient. This already involves purchasing and using inputs and materials that were produced in a resource-efficient manner and allow easy reuse, repair, and remanufacturing. By taking appropriate action, the KION Group expects not only a reduction in resource outflows but also benefits, especially for customers, investors, and other stakeholders. This could give the KION Group a competitive edge and increase its profitability.

KION Group customers are very diverse and include major manufacturers, logistics and transportation firms, grocery retailers, general merchandisers (including pure-play e-commerce customers), and small and medium-sized manufacturers. As a result, the KION Group offers its customers a product portfolio with a broad range of product options. Besides its sales business, the Group offers customers – as end-users – product options in the transition to a circular economy that include the acquisition of used trucks, short and long-term lease financing models, and the short-term rental of equipment or rental fleets. The KION Group's distribution channels comprise trade fairs and an established network of dealers in addition to its direct sales activities. Thanks to its long-standing customer base in both operating segments, KION has a strong relationship with its customers, although its market position can be impacted by the competition at any time. In order to cater as fully as possible to customer requirements in relation to resource-efficient products in the downstream value chain, the KION Group must therefore also consider customer interests when dealing with the upstream value chain. A functioning supplier management system with rules and policies for suppliers is thus essential for monitoring the inputs that are purchased.

But it is important to take into consideration that certain inputs can only be purchased from a limited number of suppliers, meaning that there is a certain dependency on suppliers for KION's own operations. By acquiring companies, operating in the production of frames for industrial trucks or in IoT-based software, for example, and establishing its own lithium-ion battery production and own fuel cell production, the KION Group has already expanded its business model with the aim of becoming more resilient.

The established KION Group brand companies set high standards of quality for their premium products and integrated solutions. A long product life and reparability are thus core elements of the KION Group business model. The product lifecycle can be extended through regular servicing and repairs, through modernization measures and modifications, and through upgrades to the materials used. The service and spare-parts business and the remarketing of used trucks following remanufacturing are therefore core elements of the KION Group business model. This means that KION products can be used by customers for a longer overall time in the downstream value chain.

Due to the large number of leasing agreements, returned leased trucks (Industrial Trucks & Services segment) are temporarily reintegrated into the KION Group's portfolio at the end of the contractual lease period. Refurbishment provides at least one more product lifecycle for these trucks as used trucks, and refurbished products can also be used again in the circular economy. Because the majority of materials are recyclable, equipment is returned to the material flow through the recovery of resources at the end of its initial life. The increased use of recycling is an example of recovery here. This lifecycle management comprises the rental, leased, and used truck businesses, as well as repair, maintenance, upgrading, and remanufacturing activities and the recycling of lithium-ion batteries. Through the strategic partnership with Li-Cycle in Magdeburg, the critical conflict minerals used in the Group's lithium-ion batteries are used to manufacture new batteries thanks to the almost complete recovery of the minerals at the end of the first lifecycle. Coupled with KION's own KBS battery production facility in Karlstein am Main, this arrangement means that the resource-efficient battery lifecycle from production to mineral recovery is a closed loop in the KION Group.

The automation solutions (Supply Chain Solutions segment) installed on customer sites are predominantly large-scale installations with numerous individual components. This entails a high level of capital expenditure for the end-user, which means that long useful lives of the installed systems are also in the customers' interests. Modifications and upgrades – including energy-related measures – and the standard spare parts and service business also extend the product lifecycle. Beyond this solution-oriented product lifecycle, materials from these largely bespoke installations and facilities are returned to the materials cycle as far as possible through recycling.

As the KION Group believes that maintaining long-term customer loyalty is a key factor in the Company's success, great importance is attached to distribution channels in its business model. The KION Group follows a hybrid sales strategy. Besides a network of dealers and direct sales through field staff, a key role is also played by trade fairs, digital trading platforms, and other digital sources of information. The digitalization and connectivity of KION's own trucks, tools, and customer installations means that the diminishing volume of business travel by field staff helps to limit carbon emissions. Additional physical and virtual showrooms with 3D product visualization and special design tools allow customers to get a personal insight into the product portfolio or automation solutions before the actual production or installation commences. This conserves resources and cuts greenhouse gas emissions.

Impact, risk, and opportunity management

The ESRS table below shows the topics, (entity-specific) sub-topics, and sub-sub-topics identified by the KION GROUP on the basis of the double materiality analysis that was performed:

Material sustainability matters covered in topical ESRS

Topical ESRS	Topic	Sub-topic	Sub-sub-topic
E1	Climate Change	Climate change adaptation	
		Climate change mitigation	
		Energy	
		Energy-efficient products (entity-specific)	
E2	Pollution	Pollution of air	
		Substances of very high concern	
		Microplastics	
E3	Water and marine resources	Water	Water consumption
			Water withdrawals
E5	Circular economy	Resource inflows, including resource use	
		Resource outflows related to products and services	
		Waste	
S1	Own workforce	Working conditions	Health and safety
S2	Employees in the value chain	Other work-related rights	Child labor
			Forced labor
G1	Business Conduct	Management of relationships with suppliers, excluding payment practices (entity-specific)	

Description of the process to identify and assess material impacts, risks, and opportunities

The material impacts, risks, and opportunities (IROs) for the KION Group are based on the core results of the recent double materiality analysis (DMA) which was carried out in 2023 and finalized in 2024. The KION Group has considered and assessed environmental, social, and governance matters in accordance with the principle of double materiality, which includes the environmental and social impacts of the KION Group's business activities (inside-out) as well as the financial risks to and opportunities for (outside-in) the KION Group's business activities. The DMA is based on the differentiation between material and non-material IROs. The approach to identifying and assessing them is described below.

With regard to the KION Group's business model, the DMA relates to the two operating segments Industrial Trucks & Services and Supply Chain Solutions, as described in the '[Strategy, business model, and value chain of the KION Group](#)' chapter. The materiality analysis in 2022 already followed the principle of double materiality. A new DMA process was formulated and implemented

in 2024 to ensure that it meets the methodological requirements of ESRS 1. The next revision of the DMA is scheduled for 2025.

The KION Group has defined the following value chain stages for the identification of IROs: upstream (which includes suppliers, raw materials, and other inputs to the company), own operations, and downstream (which covers distribution, sales, product use, and end-of-life handling as defined in the '[Strategy, business model, and value chain of the KION Group](#)' chapter). The identified IROs were categorized and evaluated according to the respective stage.

To identify potential and actual IROs, the DMA covered all sustainability matters listed in ESRS 1 AR 16. In addition, a benchmark analysis, the results of the 2022 double materiality analysis, and the KION Group's sustainability reports to date were taken into account. Furthermore, external sources such as an analysis of sector-specific trade literature and interviews with selected suppliers, customers, and investors of the KION Group were used to identify IROs.

Various relevant stakeholder groups were directly and indirectly involved in the initial IRO identification phase. Taking into account specific business relationships, the KION Group interviewed customers and suppliers from different Operating Units and regions as well as investors, due to their importance as external key stakeholder groups (see '[Interests and views of stakeholders](#)'). Within its own operations, the interests of the consolidated and unconsolidated subsidiaries of the KION Group were represented by the sustainability coordinators and working groups, and also by the sustainability leads of the Operating Units. Interviews were also conducted with investors, representing the financial and capital markets, and with customers, representing end users in the downstream value chain. With regard to the upstream value chain, suppliers were interviewed as representatives of 'workers in the value chain'. In addition to the direct involvement of suppliers and customers, the interests of other relevant stakeholders such as employees, affected (local) communities, non-governmental organizations, and nature (considered a 'silent stakeholder') were indirectly included by involving relevant corporate functions and sustainability experts, and by including insights from scientific research.

These underlying internal and external inputs formed the basis for a preliminary list of IROs, into which the sustainability risks of the groupwide risk management system were additionally integrated. This preliminary list of IROs was verified and expanded by the Operating Unit (OU) sustainability leads and their respective working groups, as well as by specialists from the corporate functions (see '[The role of the administrative, management, and supervisory bodies](#)'). Their review ensured that relevant activities and business relationships, as well as the context in which they occur (i.e., geographies, sectors, etc.), were taken into consideration.

The KION Group has defined specific rating categories for the evaluation of IROs. The evaluation was performed on a gross basis in line with the groupwide risk management system.

Risks and opportunities in the short, medium, and long term were assessed with respect to their likelihood of occurrence and the potential magnitude of their financial impact. The categories and threshold values for financial materiality and the likelihood of occurrence were in line with the groupwide risk management system applicable in 2024 ('[risk report](#)'; [\[ESRS 1.119 a\)\]](#)). The severity of actual or potential impacts was assessed from the perspective of the affected stakeholders.

The negative impacts of the KION Group's business activities on the environment and society were assessed in terms of the three components of severity (scale, scope, and irremediable character). With respect to potential negative human rights impacts, severity took precedence over likelihood. Positive impacts, in contrast, were assessed in terms of scale and scope only. Impacts were assessed qualitatively on the basis of the best available data sources, such as internal documentation or literature reviews and articles. Risks and opportunities were assessed on the basis

of existing financial evaluations from previous risk assessments, where available, and other data sources, such as market trends or literature reviews and articles.

In the DMA, 'high risks' are understood in the same way as 'material risks'. During the materiality validation process, the materiality threshold for positive and negative impacts was adjusted to ensure a sufficient coverage of relevant impacts. Consequently, the KION Group decided to define the threshold for the financial dimension and the impact dimension at over 50 percent of the highest theoretically possible IRO score per dimension. The IRO score was calculated by taking into account the financial magnitude and impact severity, multiplied in each case by the likelihood of occurrence of risks, opportunities, and potential impacts. This means that IROs are deemed to be material if the IRO assessment exceeds the threshold of 50 percent of the highest possible IRO value resulting from a combination of largest financial scope and/or severity and the highest probability of occurrence.

The methodology used for the financial scope and the assessment is based on the groupwide risk management system. Where possible, the sustainability-related risks were financially quantified or qualitatively assessed and assigned to one of the three assessment categories. The material risks identified through the DMA were integrated into the groupwide risk management system in 2024 and applied qualitatively. A standardized integration of these risks, including a detailed quantitative evaluation, is planned for the future. The process to identify and assess material opportunities and report on them was presented to the Executive Board of KION Group AG in the context of the DMA results. The involvement of the Executive Board of KION GROUP AG in the sustainability due diligence process is described in the ['Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies'](#) chapter.

The preliminary results of the DMA were subject to two review rounds involving internal experts from the corporate functions and the DMA project team. The review included checking the completeness of information and explanations, as well as the plausibility of the evaluation, including cross-checks between IROs. Beyond the sub-topics required by ESRS, two additional entity-specific material sub-topics were identified: 'Energy-efficient products' (['Climate change'](#)) and 'Management of relationships with suppliers, excluding payment practices' (['Business conduct'](#)). The final results were discussed with the Sustainability Council and other relevant corporate functions in a dedicated meeting, presented to the workers' representatives and approved by the Executive Board of the KION GROUP AG.

The KION Group is fully committed to continually reviewing and updating its assessments to ensure compliance with relevant regulations, and to mitigate any potential impacts as new information or changes in business activities arise.

The following section provides information on how the standards on the topics of environment and corporate governance were included.

Identifying and assessing material IROs in relation to ESRS E1 Climate change

The DMA procedure integrates climate considerations through data collection and analysis. The sustainability leads of the Operating Units and functions and the KION Group's climate experts were also involved in the DMA process. The aim is to ensure that both the impacts on climate change and the climate-related effects on the Group's value chain, including its own operations, are assessed.

The KION Group identifies relevant Scope 3 categories through a regular materiality analysis of GHG emissions. During this process, activities and plans are screened in order to identify actual and potential future GHG emission sources. The categories '3.1 Purchased goods and services', '3.3 Fuel and energy-related emissions', '3.4 Upstream transportation and distribution', '3.6 Business travel', '3.7 Employee commuting', '3.11 Use of sold products', and '3.12 End-of-life treatment of

sold products' of the Greenhouse Gas Protocol (GHG Protocol) standards have been deemed as material for the KION Group since 2021. The categories '3.2 Capital goods', '3.5 Waste generated in operations', and '3.15 Investments' were added in 2023. Categories '3.8 Upstream leased assets', '3.9 Downstream transportation', '3.10 Processing of sold products', '3.13 Downstream leased assets', and '3.14 Franchises' were not deemed as material. The regular reassessment of materiality within the Scope 3 categories and the inclusion in the DMA process emphasize the Group's ambition to comprehensively manage and systematically reduce its GHG emissions. Furthermore, the Group's total GHG emissions profile, previously performed analyses and risk assessments, results from climate-related workshops, as well as research and studies of relevance to the industry, were taken into account in order to identify actual and potential impacts on and by climate change.

The KION Group identified climate-related hazards over the short, medium, and long term and evaluated whether its assets and business activities may be exposed to these hazards through a multi-location analysis of physical risks. [[This was done with the help of four IPCC Representative Concentration Pathway (RCP) scenarios: RCP 2.6, RCP 4.5, RCP 6.0, and RCP 8.5.]]

Considering the variety of results and conclusions that can be drawn from current literature, the KION Group believes that using a wider range of scenarios ensured an appropriate coverage of its assumed risks and uncertainties. These scenarios therefore enabled KION Group to make informed decisions about sensible adaptation measures to mitigate identified risks. The Group's location-specific geospatial coordinates were used as key inputs to the scenario analysis. Limitations arose mainly from the incomplete coverage of the scope for the sake of practicality with a focus on selected company locations, and from potential uncertainties regarding data validity.

The assessment utilized a combination of ERA5 reanalysis, Intergovernmental Panel on Climate Change (IPCC) climate model data, and external risk datasets for the current period (2011 to 2030), while the assessment for the future climate period (2031 to 2050) focused on the likelihood that future climate values will exceed the mean value of the current climate. The KION Group defined time horizons in line with the strategic planning horizons and capital allocation plans: short-term (up to 1 year), medium-term (1 to 5 years), and long-term (5 to 10 years).

The physical risks analysis assessed the likelihood and magnitude of climate-related adverse events and the vulnerability of the KION Group's locations to these events. The analysis has not identified material risks in its own operations. While several instances of high risk were identified in the Group's locations, a detailed review supported by local Health, Safety, and Environment (HSE) teams showed that vulnerability to those risks can be considered low due to indirect exposure and the remedial action already taken.

The results of the various Representative Concentration Pathway (RCP) scenarios, including the high-emission scenario, formed the basis for identifying and assessing short, medium, and long-term climate-related hazards in the Group's own operations. Additionally, the Group's DMA covered physical risks affecting the upstream value chain. The main focus was on disruption to the supply chain due to extreme weather events, which are listed as a material risk in the material sub-topic 'Climate change adaptation'. Previous climate risk analyses did not identify any material downstream physical risks.

In 2023, the KION Group conducted a dedicated transition risks workshop to identify material risks in its own operations and along the value chain. The analysis applies scenarios consistent with limiting global warming to 1.5°C to identify risks pertaining to political, technological, market-related, and reputation-related factors. The net-zero by 2050 scenario was considered appropriate to model the expected development of market demand for low-carbon products and solutions, global supply chains for low-carbon materials, increasing costs of carbon, and the impact of existing and future regulation. This scenario takes into consideration the political, technological and market-related changes to be expected in a transition consistent with the Paris Agreement climate goals. These

changes will shape the conditions in which the KION Group expects to be operating, for example in relation to customer demand, availability and pricing of sustainable materials, energy costs, availability of renewable electricity, carbon taxes and pricing, as well as bans on certain products and technologies. Political and market-related developments, both at national and regional level, provided key inputs for the scenario analysis. The main constraints identified relate to the uncertainty of policy implementation, market dynamics, and adoption rates of low-carbon technologies.

The KION Group identified transition events over the short, medium, and long term. Taking into consideration their likelihood, magnitude and duration (permanent or temporary), these events were set in relation to the Group's assets and business activities to determine vulnerability and exposure, as well as the applicability of identified opportunities. Exposure was assessed by quantifying potential financial impacts across various risk categories, namely low, medium, and high impact.

During the course of the DMA process, the Group considered the transition risk workshop's findings and also included opportunities in its own operations and along the value chain. The results of the scenario analysis mentioned above were used during the DMA process as the basis for identifying and assessing short, medium, and long-term climate-related transition risks. Long-term refers to more than five years, with transition risks in more than ten years' time also taken into account.

Although the Group identified assets which contribute to significant GHG emissions and business activities which are not yet taxonomy-aligned, a decarbonization roadmap addressing all sources of GHG emissions was developed as part of the KION Group's commitment to net zero and SBTi. The roadmap includes planned retirement of emission-intense assets and investment in low-carbon technologies. The roadmap thus demonstrates and supports the feasibility of a transition to a climate-neutral economy.

The KION Group used scenarios and assumptions to assess the financial impact of climate-related risks and opportunities. In this financial report, the Group makes qualitative disclosures about risks and opportunities that were deemed material. For example, a stronger involvement in the electrification of intralogistics was identified as a strategic opportunity. This opportunity is consistent with a climate transition scenario in which an increasing carbon price strengthens market demand for electric products that emit significantly less GHGs during their use phase. The disclosed environmental risks are based on the same framework as that underlying the assessment of climate-related risks.

General disclosures on identifying and assessing material IROs in relation to ESRS E2 Pollution, ESRS E3 Water and marine resources, ESRS E4 Biodiversity and ecosystems, and ESRS E5 Resource use and circular economy

To identify and assess actual and potential IROs related to E2, E3, E4, and E5 in its own operations and in the value chain, the KION Group considered all business activities from its consolidated and unconsolidated entities. A list of company activities was compiled and centrally reviewed, and experts from the relevant corporate functions were involved in the identification of IROs and the assessment process. Given the nature of the KION Group's business and of its operating segments, the activities in its own operations are not categorized as highly polluting and are not deemed to be particularly water-intensive. Additionally, the KION Group took the environmental standards applicable to all its entities and sites into consideration. All entities and sites are required to adhere to the Group's HSE Standards and to certify their environmental management systems according to the ISO 14001 standard.

So far, no direct consultations with affected communities have been conducted as part of the DMA process, but they are under consideration as a possible future improvement.

Identifying and assessing material IROs in relation to ESRS E2 Pollution

The assessment identified material impacts and risks related to pollution associated with both business segments, particularly in the upstream value chain. These include impacts on air pollution due to the extraction and processing of raw materials and impacts and risks due to the presence of substances of very high concern (SVHC) found in purchased components. Impacts related to microplastics were deemed to be material, particularly in relation to tire abrasion, which is applicable to any transportation activity across the value chain, and also downstream in the Industrial Trucks & Services segment during the product use phase. For these reasons, the outcome of the DMA outlined material IROs that do not relate solely to a specific site or region.

Identifying and assessing material IROs in relation to ESRS E3 Water and marine resources

The KION Group conducts water stress risk assessments for its own operations resulting in a list of sites located in high water stress areas. [[The assessment of the current climate water stress (available blue water) was based on the World Resources Institute's Aqueduct Water Risk Atlas (version 4.0), while the assessment for the future climate was based on the Aqueduct Water Stress Projections Data.]] The results were taken into account when determining the materiality of water withdrawal in its own operations for both the Industrial Trucks & Services segment and the Supply Chain Solutions segment. With regard to upstream activities, raw material extraction and processing were identified by the KION Group as posing high material risks related to water, particularly in respect of steel and electronics. In its business activities, the KION Group does not depend on marine resources or on commodities related to marine resources.

Identifying and assessing material IROs in relation to ESRS E4 Biodiversity and ecosystems

In 2023, the KION Group carried out an analysis of biodiversity risks for KION Group sites based on their geolocations. The analysis considered proximity to protected areas of biodiversity such as the Natura 2000 sites. Although none of the sites overlap with protected areas, the proximity of some locations is less than one kilometer. The evaluation concluded that the overall risk of negative impacts can be considered low, although further investigation is required at selected sites. There is currently no evidence of significant negative impacts from the KION Group's activities on these areas with sensitive biodiversity that lead to the degradation of natural habitats or disturbances to species within protected sites. These results were taken into account when identifying and assessing IROs related to biodiversity and ecosystems. Furthermore, upstream and downstream activities were considered during the IRO identification process, with the involvement of external stakeholders (customers, suppliers) and experts from corporate functions.

At this stage, the KION Group has analyzed transition and physical risks in the context of climate change, which may include some aspects related to biodiversity.

The identification and assessment of specific dependencies, transition and physical risks, as well as of systematic risks related to biodiversity and ecosystems, were identified as areas for potential improvement and are being considered for future optimization of the DMA process using a step-by-step approach. Based on the DMA findings, the KION Group does not currently foresee a necessity for specific mitigation measures.

Identifying and assessing material IROs in relation to ESRS E5 Resource use and circular economy

To identify and assess actual and potential IROs with respect to resource inflow and waste, the KION Group gave special consideration to its HSE Standard that establishes requirements for material use and waste management. At this stage, a detailed screening of the Group's assets has not yet been performed but is being considered as an area for potential future improvement.

The materiality analysis identified that material IROs related to circularity exist in both operating segments. Analysis confirmed that steel and iron constitute the majority of material resources used. The analysis revealed material risks and opportunities, including risks related to continuing with business activities as usual, such as potential loss of competitiveness, reputational damage, and raw material shortages. Material opportunities related to resource use and circular economy encompass new business models (services, used trucks, leasing and renting) and utilizing waste as a resource. Material risks of transitioning to a circular economy involve challenges with the current product portfolio, extended product development times, and significant investment requirements.

While material IROs were identified in the Group's own operations and across the value chain, the procurement and production stages were identified as primary focus areas, particularly with regard to the use of recycled raw materials, the reduction of hazardous materials, and security of supply.

Identifying and assessing material IROs in relation to ESRS G1 Business conduct

With regard to business conduct, various business activities, sectors, locations, and types of transaction relevant to the KION Group were considered during the DMA process, thanks to the involvement of the corporate compliance experts and the sustainability leads from the Operating Units and corporate functions. Furthermore, insights from established compliance frameworks, including the annual compliance risk assessment and incident management processes, along with different regulatory requirements and market conditions, informed the identification of material IROs related to business conduct matters.

Interests and views of stakeholders

The social and environmental expectations of internal and external stakeholder groups with regard to the KION Group's business activities are addressed as part of active stakeholder management and dialogue. The KION Group has used certain criteria to identify stakeholder groups that are of particular importance for groupwide sustainability management. Given the importance of these stakeholders and the significant role that they play for sustainable and long-term added value, the KION Group aims to consider their specific contributions and requirements in its sustainability performance. The Group's key stakeholders include customers, KION employees, the financial and capital markets (investors, shareholders), suppliers, and workers' representatives. The relevant legislation in the regions where the KION Group operates and, where appropriate, the work of non-governmental organizations (NGOs) and communities, including local communities, are also considered in this analysis.

As described in the double materiality analysis process, the KION Group has interviewed customers, employees, suppliers, and investors in order to identify and analyze material topics. For the qualitative survey in the double materiality analysis, customers and suppliers from the Operating Units and regions were selected in order to provide as full a picture as possible. The views of investors were taken as representative for financial and capital markets. Employee interests were incorporated through working groups in the Operating Units, through action field leads, and through central functions. The Sustainability Council led by the Chief People & Sustainability Officer (CPSO), the Executive Board of KION GROUP AG, the European Works Council, and the Group Works

Council were informed of the views and interests of the relevant stakeholders in the course of discussions about the results of the double materiality analysis (see [‘Description of the process to identify and assess material impacts, risks, and opportunities’](#))

Customers

The KION Group continuously monitors the changing needs of key accounts and refines the sustainability strategy accordingly. In 2023, mounting customer expectations and carbon-neutral commitments encouraged the KION Group to formally commit to the SBTi’s net zero by 2050 target. The strategic target and the related actions are enshrined in the ‘Climate and energy’ action field. This means that these sustainability-related corporate governance actions also indirectly reflect customer interests. Due to its special importance to customers, the KION Group also participates in the annual sustainability assessment carried out by EcoVadis. As part of its efforts to enhance the sustainability strategy in 2024, the KION Group raised its target EcoVadis rating for the KION Group and its assessed subsidiaries from its current Gold rating to the top Platinum rating between now and 2027 (see [‘Strategy targets and target achievement in 2024’](#))

In addition to the abovementioned involvement of stakeholders, ‘social matters’* in the context of CSR-RUG also focuses on the strategic ‘Product and solution safety’ action field. With the involvement of key stakeholders, the due diligence processes for this non-financial matter were also carried out at the overarching level as part of the double materiality analysis and validated by the Executive Board of KION GROUP AG (see [‘Description of the process to identify and assess material impacts, risks, and opportunities’](#)).

The KION Group strives to continually improve the safety features of its products in line with the ‘Product and solution safety’ action field, with a focus on providing user-oriented, safe, and ergonomic products and solutions. The strategic targets set for the ‘Product and solution safety’ action field were under review in 2024 (see [‘Strategy targets and target achievement in 2024’](#)). In 2024, the KION Group pursued the following general ambitions.

Many of the safety features in the Industrial Trucks & Services segment are already part of the vehicles’ standard equipment level, which can be expanded at the customer’s request. The KION Group is continuously developing and improving the safety features of its products with the aim of making industrial trucks safer to use. A particular focus of product development in 2024 was on avoiding accidents that lead to personal injury. The KION Group introduced a range of digital assistance and warning systems to minimize this risk, and now offers, among other things, the new safety options Front and Reverse Assist Camera and Reverse Assist Radar. The AI-based camera technology identifies people and avoids collisions by issuing warning signals and reducing speed.

In the context of product safety, a particular focus in the Supply Chain Solutions segment was on avoiding risks from noise pollution at customer sites. New types of analysis, including 3D noise mapping, were integrated to reduce user exposure to increased noise levels and to improve safety at work. The visualization of noise pollution can reveal room for improvement in the systems installed at customer sites. In the Supply Chain Solutions segment, the Dematic Drone Inspection Services support the safety of service technicians during regular inspections of warehouse equipment, from high-bay storage to facility management for an entire building.

The results of the actions described in both segments are in line with the general ambitions of the strategic ‘Product and solution safety’ action field.

* Voluntary disclosure in accordance with ESRS 1.114 a).

Employees

The KION Group performed its annual KION Pulse global staff survey once again in 2024. The survey addresses topics such as internal communication and collaboration, while also providing a platform for employees to share their personal points of view. The aim is to gather ideas, information, and suggestions from all employees and draw on them to take the company forward and fuel the KION Group's sustained – and sustainable – growth. The survey serves as a basis for actions to promote employee satisfaction, motivation, and commitment. In the 'Talent' action field of the KION Group sustainability strategy, target achievement for employee satisfaction is defined in terms of KION Pulse. The survey is also enshrined in the long-term incentive scheme for the Executive Board and executives of KION GROUP AG.

Financial and capital markets

As a listed company, KION GROUP AG – the strategic management holding company of the KION Group – maintains relationships with the financial and capital markets. It does so through regular and close contact with investors and through capital market conferences, for example, where sustainability criteria are also discussed. The KION Group also meets the capital market's need for information by actively participating in the annual Corporate Sustainability Assessment (CSA) carried out by financial services company S&P Global Switzerland SA and is monitored as part of the 'Sustainable governance' action field of the sustainability strategy (see '[Strategy targets and target achievement in 2024](#)').

The sustainability-related interests of the KION Group's financial backers are also consistently addressed. For example, the Group issued a variable-rate promissory note in 2023 that is linked to the achievement of ESG targets over a term of up to seven years (ESG-linked revolving credit facility) (see [notes to the consolidated financial statements, note \[30\]](#); [\[ESRS 1.123\]](#))

Suppliers

The KION Group formulates its sustainability requirements for suppliers in dedicated guidelines and regulations. It works closely with its suppliers and business partners to encourage and call on them to commit to responsible and low-carbon operations. Besides the Principles of Supplier Conduct, the General Terms and Conditions of Purchase of the KION Group also contain contractual clauses and requirements that not only promote sustainable sourcing, but also demand it of suppliers. [[Both documents can be found online at www.kiongroup.com/en/About-us/Suppliers.]]

The KION Group also undertakes initiatives and pilot projects focusing on lifecycle assessments and cradle-to-cradle certification (C2C) in collaboration with suppliers. This creates a high degree of transparency for sustainable supply chains for KION Group end products and also boosts suppliers' sustainability efforts.

Legislation

The KION Group constantly monitors new legal provisions and amendments, establishing the necessary processes to meet statutory requirements, such as the EU taxonomy and the CSRD. As part of standardization initiatives and the work of interest groups, the KION Group gets involved in dialogue with political decision-makers, especially in relation to digital, environmental, and safety-related product requirements. Besides the KION Group being a member of the Blue Competence initiative of the Mechanical Engineering Industry Association (VDMA), its subsidiaries get involved in the work of trade associations and are also members of international institutions. Furthermore, the KION Group is a member of the German Federal Foundry Association (BDG) and the European Materials Handling Federation (FEM). In line with its Code of Compliance, the Group does not have

any political relationships other than its membership of associations. [[The KION Group Code of Compliance (KGCC) can be found online at www.kiongroup.com/en/About-us/Compliance/.]] Over and above its involvement in trade associations, the KION Group is not represented in non-governmental organizations but press releases from these organizations are still followed and considered in its sustainability analysis where appropriate.

Communities and local communities ('social matters')*

Through its dialogue with communities, including local ones, at the municipal, regional, and overarching level, the KION Group pursues a global strategy of ongoing corporate citizenship with specific areas of focus with regard to fundraising and sponsorships: funding community facilities, providing humanitarian assistance in emergencies, promoting education and research, and supporting environmental projects. One of the purposes of the groupwide fundraising and sponsorship guideline is to provide transparency internally with regard to the KION Group's corporate citizenship.

In 2024, the KION Group encouraged its employees to take part in a relief campaign for the victims of the floods in the Spanish province of Valencia. In addition to donations in kind, the campaign raised a total of €257,000 in December 2024 for the Red Cross in Spain.

Material impacts, risks and opportunities and their interaction with strategy and business model

The material risks and opportunities identified by the KION Group were qualitatively assessed in terms of their interaction with its strategy and business model. The assessment factored in scenario analyses and probabilities of occurrence, mainly with regard to climate risks, but also to possible bans on relevant substances. Based on this resilience analysis, the KION Group believes that its strategy and business model are currently resilient in relation to the identified sustainability risks. The actions already initiated and the future mitigation and adaptation actions have been taken into account in the strategy and align with the Company's business model. Adjustments to the business model or to the product portfolio, or more extensive investment in newer technology, may be required in the future if the risk assessment changes or in order to boost the Group's resilience, for example in relation to climate change.

Overall, no financial transactions were identified with regard to the material risks and opportunities that had a significant impact on the KION Group's financial position, financial performance, and cash flow. Up to December 31, 2024, a total of €22.4 million was set aside as a provision for future disposal and recycling obligations, primarily connected to the recycling of lithium-ion batteries installed in industrial trucks. (see [notes to the consolidated financial statements, note \[33\], \[ESRS 1.123\]](#))

The current potential financial effects of the individual sustainability matters in this sustainability report were individually assessed on the basis of a double materiality analysis in relation to their probability of occurrence and their materiality for the KION Group. They were subsequently classified in qualitative terms as low, medium, or high (see '[Description of the process to identify and assess material impacts, risks, and opportunities](#)'). Risks and opportunities with a current high financial effect combined with a medium or high probability of occurrence / risks and opportunities with a medium financial effect combined with a high probability of occurrence were identified as material for the KION Group.

* Voluntary disclosure in accordance with ESRS 1.114 a).

Identified risks and opportunities with a current high financial effect and the associated cash flow related to:

- Loss of competitiveness (risk)
- Supply disruption due to a potential ban of PFAS (with no alternatives) (risk)
- Cost increases due to suppliers' efforts to decarbonize and due to the monitoring of data in order to avoid greenwashing (risk)
- New business opportunities from the circular economy (opportunity)
- Achieve compliance with the law while making strategic plans (opportunity)

Risks and opportunities with a current medium financial effect and the associated cash flow related to:

- Extreme weather events in the supply chain (risk)
- Water scarcity in own operations (risk)
- Water scarcity in the supply chain (risk)
- Raw material shortages (risk)
- Organizational structures supporting circularity (risk)
- Reputational damage (risk)
- Low-carbon products (opportunity)
- Alignment of products with sustainability efforts of customers (opportunity)
- Waste as a resource (opportunity)
- Competitive advantage in the market (opportunity)

A detailed explanation of the risks and opportunities can be found in the '[Climate change](#)', '[Pollution](#)', '[Water and marine resources](#)', '[Resource use and circular economy](#)', '[Own workforce of the KION Group](#)', '[Workers in the value chain](#)', and '[Business conduct](#)' chapters in this sustainability report.

Governance

The following chapter comprises disclosure requirements for ESRS 2 GOV-1 'The role of the administrative, management, and supervisory bodies', GOV-2 'Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies', GOV-3 'Integration of sustainability-related performance in incentive schemes', and GOV-5 'Risk management and internal controls over sustainability reporting'. The '[Statement on due diligence](#)' in accordance with ESRS 2 GOV-4 can be found in the notes to this sustainability report.

The role of the administrative, management, and supervisory bodies

From the KION Group's point of view, being transparent, sustainable, and socially responsible, taking account of the societal expectations of stakeholders and the associated management of resources and environmental protection, as well as compliance with and strengthening of living and working conditions, are key criteria for the Group's long-term business success.

Close collaboration between the CPSO and the other Executive Board members and the Supervisory Board of KION GROUP AG is therefore the basis for embedding and managing sustainability as a core element of the corporate strategy. The Supervisory Board's Audit Committee is responsible for all sustainability issues. This non-financial report also falls within its remit. Close

collaboration between the Executive Board and the Supervisory Board ensures that sustainability is continually and effectively promoted and embedded in all areas of the Company.

The administrative, management, and supervisory bodies comprised 22 members as at December 31, 2024. Around 27 percent of the positions in the aforementioned bodies are held by women.

Administrative, Management and Supervisory Bodies (AMSB)

Bodies	Total
Executive Board	6
Gender diversity ratio ¹	20.0%
Supervisory Board	16
Gender diversity ratio ¹	45.5%
thereof Employee Representatives	8
thereof independent from undertaking and Executive Board (in %) ²	81.3%
AMSB KION GROUP AG in total	22

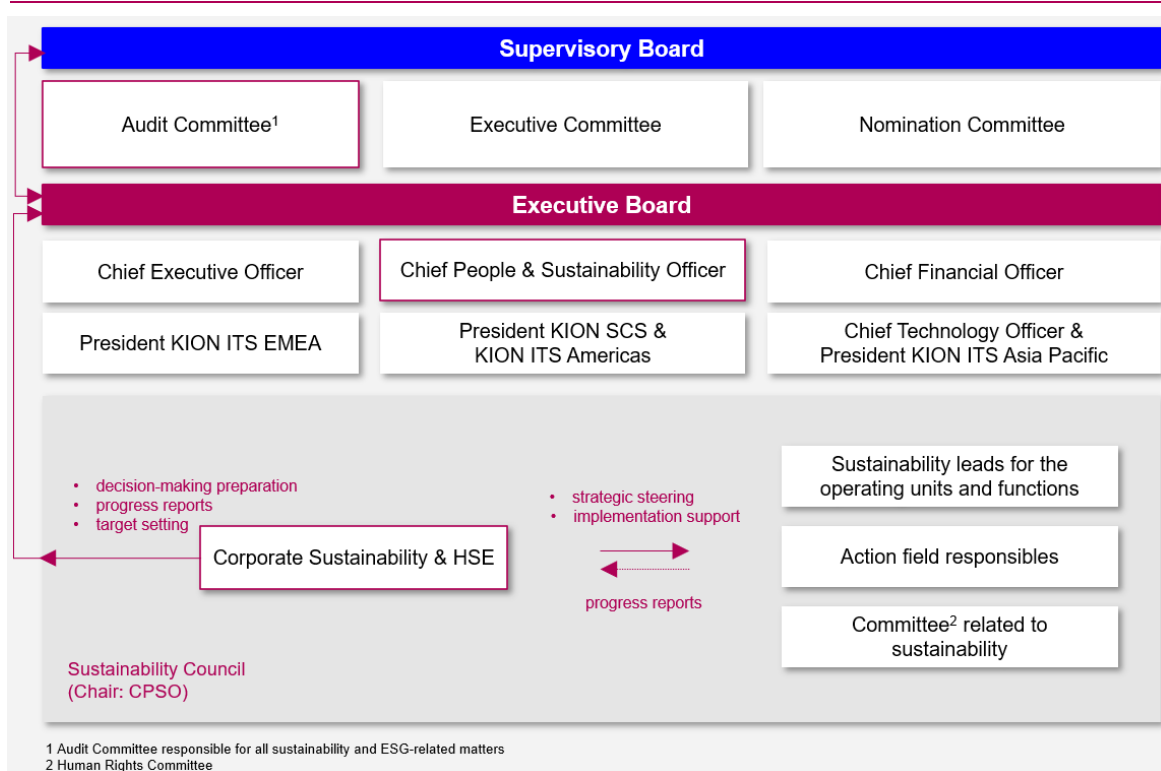
1 Calculated as an average ratio of female to male in the Executive Board and Supervisory Board

2 Disclosure in accordance with the definition of the German Corporate Governance Code (GCGC)

The Executive Board of KION GROUP AG bears collective responsibility for the corporate strategy and is responsible for aligning sustainability targets with the Company's wider goals. It must ensure that decisions are guided by environmental and social aspects as well as commercial aspects.

The CEO is responsible, in particular, for the corporate strategy, including its communication to the Supervisory Board and other stakeholders, and for its implementation in operations.

Within the Executive Board, the CPSO is responsible for human resources and sustainability issues, including occupational health and safety. The CPSO's role also entails responsibility for ensuring that the sustainability strategy is developed and implemented in line with the Company's goals. The CPSO also chairs the Sustainability Council, to which action field leads, sustainability leads from the Operating Units and functions, and members of Corporate Sustainability also belong. Another responsibility of the CPSO is to ensure that all relevant sustainability-related data is captured across the Group and regularly presented to the administrative, management, and supervisory bodies. The remit also encompasses actively supporting the implementation of ESG targets in the Group and strengthening its culture of responsible business.

Roles and responsibilities at a glance

A central task of KION's sustainability reporting is to provide regular updates on current developments and actions to the Supervisory Board, which is informed at least every six months about progress made towards sustainability targets and about strategic initiatives and their impact the KION Group. The Audit Committee reads these progress reports before they are discussed by the Supervisory Board. For urgent matters, additional ad hoc reports are made to ensure the committee's ability to respond rapidly.

Another fundamental instrument is the materiality analysis, which is used to identify and assess impacts, risks, and opportunities related to sustainability. This analysis is performed by Corporate Sustainability in collaboration with the relevant departments and stakeholders and is signed off by the Executive Board. The results of the analysis are presented to the Supervisory Board for information and discussion.

The Executive Board involves the Supervisory Board and, specifically, the Audit Committee in the development of the sustainability strategy and makes ongoing adjustments to the strategy. The Supervisory Board monitors the Executive Board's implementation of the sustainability strategy and assists the Executive Board in an advisory capacity.

In connection with the Company's targets, the Supervisory Board adopted a profile of skills and expertise for itself in 2017, which is regularly reviewed. The last review was carried out in 2022, during which the profile of skills and expertise for the Supervisory Board was supplemented, among other things, by expertise and experience related to sustainability, especially in the area of alternative energies.

Prior to taking up her position of CPSO of KION GROUP AG on May 1, 2023, Valeria Gargiulo already possessed the requisite functional and practical skills in sustainability management in the automotive industry and also had a long and successful track record in HR management.

Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

The employees of the KION Group are consulted on an ongoing basis through the representative functions (Corporate Sustainability, action field leads, sustainability leads from the Operating Units and central functions) established by the various governing bodies for the three regions EMEA, APAC, and the Americas. This enables employees' perspectives on potential impacts, risks, and opportunities in the value chain to be considered in operational decision-making on an ongoing basis. Progress is regularly reviewed by the sustainability leads, the action field leads, Corporate Sustainability, and special committees. Progress reports from the regions and from the functions are made to Corporate Sustainability and the Sustainability Council and presented in Executive Board meetings as part of the KION Group's groupwide strategy development and implementation. The action field leads manage the overall programs and targets at Group level. They also assign the agreed targets to the individual segments, regions, and functions and monitor progress toward achievement of the sustainability strategy targets.

The selection of potential Supervisory Board members is primarily based on the specific needs of the KION Group. In addition to professional experience, skills, and qualifications, personal qualities are also considered in the selection process. Equally, demographic criteria (including the standard retirement age of Executive Board members), and diversity are considered. The Supervisory Board believes that, in its current composition, it has adequate sustainability-related skills and expertise in terms of sufficient practical experience (skills) and/or professional/academic training and knowledge (expertise). In order to perform their duties properly, the governing bodies must possess in-depth knowledge in all areas of sustainability and enhance that knowledge at regular intervals (['Profile of skills and expertise for the Supervisory Board'; \[ESRS 1.123\]](#)).

The Executive Board of KION GROUP AG, led by CEO Dr. Richard Robinson Smith, sets targets and makes decisions on sustainability matters for the KION Group and is responsible for monitoring sustainability-related impacts, risks, and opportunities of the Company's activities. Within the Executive Board, the CPSO leads on sustainability.

The CEO and CPSO stipulate the targets agreed on the basis of the impacts, risks, and opportunities. They make decisions on open sustainability questions related to ESG targets that are part of the groupwide strategy of the KION Group.

The Sustainability Council, chaired by the CPSO, was introduced in 2023 to succeed the sustainability steering group, which had been created in 2017. The Sustainability Council members include the action field leads, the sustainability leads in the segments, regions, and functions, and members of Corporate Sustainability. The Sustainability Council meets every six weeks on average in order to drive forward strategic initiatives related to sustainability. The Council prepares decision proposals for the Executive Board and oversees implementation of the sustainability program across the KION Group. The Corporate Sustainability & HSE department offers guidance and support for the implementation of sustainability topics in the KION Group and informs the Executive Board and Supervisory Board at least once a quarter about developments and progress using a standardized sustainability report format. The reports by Corporate Sustainability & HSE are used as a basis for making decisions about further steps in connection with the impacts, risks, and opportunities.

The KION Group follows generally accepted standards of sound, 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 (GCGC).

Within the bounds of applicable legal provisions, KION also regularly discusses sustainability-related topics with organizations outside the Group. It does so, among other things, through its participation in professional associations and through regular meetings with analysts, investors, and advisory firms. The sustainability expertise of the Executive Board and Supervisory Board is also enhanced through participation in training and complemented by experts [[see [‘Profile of skills and expertise for the Supervisory Board’](#)]].

As part of its corporate governance, the KION Group also considers sustainability matters of relevance for its business model when establishing targets, action steps, and due diligence processes. To be able to fulfill its due diligence obligation with regard to sustainability, the Executive Board is informed about progress, developments, impacts, risks, and opportunities at regular intervals. Corporate Sustainability is responsible for reporting. Information is also shared with the administrative, management, and supervisory bodies through regular meetings of the Sustainability Council. Should serious events occur, the Executive Board also requests proactive ad hoc reports.

Risks and infringements can also be reported directly and anonymously through the Compliance department and its compliance management system (such as the whistleblowing system), meaning that these information channels can also be used for sharing sustainability-related information with the administrative, management, and supervisory bodies.

Integration of sustainability-related performance in incentive schemes

The Executive Board of the KION Group bears collective responsibility for achieving the Group’s short, medium, and long-term sustainability targets. For this reason, sustainability-related performance incentives are an integral element of the Executive Board’s system of remuneration. The incentive structures for the Executive Board of KION GROUP AG and for senior management are an important lever for driving progress in the area of sustainability.

When setting Executive Board remuneration, the Supervisory Board places particular emphasis on sustainability – by considering social and environmental aspects – as well as on the Company’s long-term growth. It does so by giving a high weighting to the variable remuneration components.

The variable Executive Board remuneration comprises a one-year variable component based on the current financial year and a multiple-year variable component based on three financial years (long-term incentive – LTI). The variable components of Executive Board remuneration comprise both short and long-term targets, which are derived from the corporate strategy, including non-financial targets of the sustainability strategy. To ensure that the non-financial sustainability targets remain relevant to the strategy, the Supervisory Board determines the specific targets based on a selection of verifiable ESG targets, which were set for the KION Group’s business model and were identified as material for the achievement of the defined sustainability targets.

Both the short-term variable remuneration (short-term incentive – STI) and the long-term variable remuneration (long-term incentive – LTI), which apply to all KION Group executives, incorporate two ESG performance targets. In each case, the ESG targets account for 20 percent of short-term and long-term variable Executive Board remuneration.

The non-financial measures of performance are linked to ESG targets. For the STI 2024, the Supervisory Board defined the following two non-financial targets, each with a weighting of 10 percent:

- The target chosen for the STI 2024 from the 'occupational health and safety' category was the KION Group's lost time injury frequency rate (LTIFR), which indicates the frequency of accidents resulting in lost time of at least one shift per one million hours worked.
- The non-financial measure of performance defined for the STI 2024 from the 'sustainability and environment' category was the extent of ISO certification at KION sites in accordance with environmental and occupational safety criteria (ISO 14001 and ISO 45001).

The non-financial measures of performance are linked to ESG targets derived from the Company's sustainability strategy. For the LTI 2022–2024, the Supervisory Board defined the following two non-financial targets, each with a weighting of 10 percent:

- In the 'attractiveness as an employer' category, the results of the annual KION Pulse employee survey are used, specifically the participation rate and the engagement score, each with a weighting of 5 percent. The engagement score measures employees' motivation and commitment.
- The non-financial measure of performance chosen in the 'sustainability and environment' category for the LTI 2022–2024 is the score achieved in the independent sustainability rating S&P Global CSA, which evaluates the Company as a whole, and its progress, based on various criteria.

The Remuneration Committee prepares all Supervisory Board resolutions, especially in connection with the Executive Board members' variable remuneration components (setting of targets and target achievement for the short-term and long-term variable components of remuneration).

The Remuneration Committee of the Supervisory Board comprises five members. Three of its members are shareholder representatives and two are employee representatives. It is always chaired by the chairman of the Supervisory Board. The Remuneration Committee primarily deals with matters relating to Executive Board remuneration and the remuneration report that has to be prepared each year. In accordance with section 87a AktG, the Supervisory Board of KION GROUP AG is responsible for setting and regularly reviewing the Executive Board remuneration system of KION GROUP AG and the total pay of the individual members of the Executive Board. The Remuneration Committee is responsible for preparing all Supervisory Board resolutions pertaining to the Executive Board's remuneration.

Risk management and internal controls over sustainability reporting

As part of its internal control mechanisms, the KION Group regularly records risks in the Group through a systematic, groupwide analysis and assessment. The risks include corruption and bribery risks, money laundering risks, and risks of non-compliance in connection with antitrust laws, tax regulations, and cybersecurity rules. Sustainability-related risk, such as human rights abuses or environmental breaches in the supply chain are also systematically recorded. To this end, the KION Group has established a supplier management process in which infringements of protected rights in the supply chain are defined.

In the assessment of potential risk, the characteristics of the corruption perception index for the respective country, the size and structure of the local procurement or sales organization, and contacts with public officials are considered. The groupwide risks are assessed and then assigned a priority in a standardized process. Newly emerging non-financial risks are documented and prioritized. Adequate measures are subsequently determined to eliminate weaknesses, both in processes and control mechanisms.

At regular meetings, the highest supervisory body – the Supervisory Board – is informed of the current situation in the areas of occupational health, safety, and the environment. It also monitors and checks significant sustainability-related risks in relation to corrective actions taken. Furthermore, the Supervisory Board is involved in every key step of the implementation of fundamental initiatives for the future of the Company through regular reports.

Incomplete, inconsistent, or incorrect reporting data is a material source of errors in sustainability reporting and can give rise to erroneous risk assessments for the Group.

Sustainability data covers a broad spectrum of topics and is collated, consolidated, and assessed using raw data from a number of systems of KION subsidiaries. Potential risk in terms of reporting can result from data that is retrospectively updated (e.g., due to improved base data) or from estimates that are replaced with subsequently available actuals, a change in calculation methodology, or regular updates of conversion and emission factors.

To support general data validity and the validity of the data reported by the subsidiaries, the KION Group uses a system-based software solution with integrated controls and an approval process for the individual data packages. Authorized people are assigned specific topics or datapoints, which are run through a standardized process to validate and approve the respective data. This control and its documentation are an integral element of the groupwide internal control system of the KION Group.

With the voluntary initial application of the CSRD in 2024, disclosure requirements and interpretations of the standards entailed risk, which was mitigated by consulting outside advisory firms to meet the minimum requirements of the CSRD.

The risks identified in connection with sustainability reporting are reviewed and classified, and internal control mechanisms are closely scrutinized in the event of any findings relating to them. Risk management concentrates on the content presented in this sustainability report and on the underlying raw data and information, which is incorporated into this sustainability report.

Environmental information

Climate change

The 'Climate change' chapter meets the disclosure requirements of ESRS E1 and is based on the results of the double materiality analysis. Material topics for the KION Group are managed in the context of the 'Climate and energy' action field.

Transition plan for climate change mitigation

Based on the initial climate targets in 2018 and a comprehensive revision of the climate strategy from 2021 onward, the KION Group formally committed to net-zero greenhouse gas (GHG) emissions by no later than 2050. The climate-related near-term environmental and net-zero targets were formally validated by SBTi in 2024. The KION Group does not have a finalized transition plan for climate change mitigation in place yet. The Group intends to drive forward its transition plan in 2025 by expanding on existing feasibility studies.

Cross-sectoral pathway

	2030	2050
Cross-sector (ACA) reductions ¹ pathway based on the year 2020 as the reference year	–42.0%	–90.0%

[[1 Based on Pathways to net-zero – SBTi Technical Summary (Version 1.0, October 2021)]]

Material impacts, risks, and opportunities and their interaction with strategy and business model in relation to climate change

The double materiality analysis outlined in the '[Description of the process to identify and assess material impacts, risks, and opportunities](#)' chapter identified the following positive and negative material impacts, risks, and opportunities in connection with climate change, including the entity-specific sub-topic 'Energy-efficient products'.

List of all material Impacts, Risks and Opportunities - Climate Change

		Value chain			Time horizon		
Sub-topic	IRO	Up-stream	Own operations	Down-stream	< 1 year	1–5 years	> 5 years
Climate change mitigation							
Own production and facilities	Negative impact		•		•	•	•
Primary aluminum production	Negative impact	•			•	•	•
Steel production	Negative impact	•			•	•	•
Purchase of pre-processed parts	Negative impact	•			•	•	•
Business travel	Negative impact	•			•	•	•
Transport and logistics	Negative impact	•	•		•	•	•
Product use phase and end of life	Negative impact			•	•	•	•
Low-carbon products	Opportunity		•			•	•
Competitive advantage in the market	Opportunity		•	•		•	•
Achieving legal compliance while strategically planning	Opportunity		•			•	•
Cost increases due to suppliers implementing decarbonization and to monitor data to avoid greenwashing	Risk	•				•	•
Energy							
Energy use	Negative impact		•		•	•	•
Energy-efficient products (entity-specific)							
Global electrification through product portfolio	Positive Impact			•		•	•
Selection of materials with a high carbon footprint	Negative impact	•		•		•	•
Alignment of products with sustainability efforts of customers	Opportunity	•	•	•		•	•
Climate change adaption							
Extreme weather events in the supply chain	Risk	•					•

Own production and facilities (negative impact)

The KION Group has an influence on climate change through the use of fossil fuels and purchased fossil-based energy in its own operations. This includes mobile use by company vehicles and stationary use in production and in facilities. Fossil-fuel-based energy is used in most KION Group

locations, both production sites and administrative sites, for heating, cooling, electricity, process heat, and vehicles.

The scale of the impact of GHG emissions from the Group's own operations is considered medium, with 146,554 tCO₂eq emitted in 2024 (Scope 1 and 2). The impact is widespread due to the Group's international presence, and either difficult to reverse or only reversible over the long term due to the persistent nature of GHG emissions.

The KION Group's business activities require energy, but it does not have to come from fossil sources. By taking the expected legal, commercial, and technological changes in the future into account, the KION Group can adapt its strategy and business model to move away from fossil fuels and the associated GHG emissions in the future.

Primary aluminum production (negative impact)

Some of the goods and components sourced by the KION Group contain aluminum. The mining and processing of primary and recycled aluminum occurs in the upstream value chain and consumes energy, generating GHG emissions as a result. The scale of the negative impact by the KION Group is considered low, based on the aluminum content in purchased goods and services in 2024. However, the impact is widespread due to the Group's global supplier landscape, and either difficult to reverse or only reversible over the long term due to the persistent nature of GHG emissions.

Among other things, the KION Group's business activities involve the manufacturing of material handling equipment, which entails using aluminum. The energy use and GHG emissions associated with the production and processing of aluminum are not a key element of the Group's strategy, which would not be negatively affected by using aluminum made with low-carbon or zero-carbon technologies.

Steel production (negative impact)

Steel is an important raw material for the KION Group and an integral element in assembled parts purchased for its own production. The associated GHG emissions from steel production are generated in the Group's upstream supply chain. The scale of the negative impact is considered medium based on the proportion of the KION Group's GHG emissions accounted for by purchased goods and services in 2024. However, the impact is widespread due to the KION Group's global supplier landscape, and either difficult to reverse or only reversible over the long term due to the persistent nature of GHG emissions.

The KION Group's business activities involve manufacturing material handling equipment, which requires the use of steel. The energy use and GHG emissions associated with the production and processing of steel are not a key element of the Group's strategy, which would not be negatively affected by using steel made with low-carbon or zero-carbon technologies.

Purchase of pre-processed parts (negative impact)

Intermediate products made from steel, plastics, electronic parts, cables, permanent magnets, screws, washers, nuts, etc. are important materials, components, and parts used in the KION Group's production processes. These pre-processed parts cause GHG emissions in the upstream supply chain. The scale of the impact is considered high based on the large proportion of purchased goods and services accounted for by pre-processed parts in 2024. Furthermore, the impact is widespread due to the KION Group's global customer landscape, and either difficult to reverse or only reversible over the long term due to the persistent nature of GHG emissions.

The KION Group's business activities involve manufacturing material handling equipment, which requires the use of pre-processed parts manufactured by suppliers. The energy use and GHG emissions associated with the production and processing of pre-processed parts are not a key element of the Group's strategy, which would not be negatively affected by using pre-processed parts made with low-carbon or zero-carbon technologies.

Business travel (negative impact)

Business travel leads to GHG emissions, with a negative impact on climate change. GHG emissions from business travel are part of the KION Group's upstream value chain. The scale of the negative impact from the approximately 26,000 tCO₂eq of GHG emissions from employees' global business travel in 2024 is considered low. However, the impact is widespread due to the Group's international presence, and either difficult to reverse or only reversible over the long term due to the persistent nature of GHG emissions.

The KION Group's business activities rely to some extent on travel, for example visiting customers and suppliers or facilitating meetings between employees from different global locations. The KION Group encourages its employees to avoid travel in order to progressively reduce the GHG emissions. This goal is supported by increasing digitalization and by networking in virtual meetings and through customer showrooms.

Transportation and logistics (negative impact)

The KION Group's business activities rely on transporting goods between locations. GHG emissions are generated by the transportation of raw materials from suppliers to KION Group locations, and the transportation of semi-finished and finished products between KION Group locations and to customers and dealers. With estimated GHG emissions from the KION Group's upstream transportation and distribution estimated at around 175,000 tCO₂eq in 2024, the scale of the negative impact is considered medium. However, the impact is widespread due to the Group's extensive supplier and customer landscapes, and either difficult to reverse or only reversible over the long term due to the persistent nature of GHG emissions.

The impact of transportation and logistics is caused almost exclusively by the KION Group's upstream value chain, as the Group operates only a small number of its own cargo vehicles that shuttle between Company locations, and commissions most transportation services from third-party providers.

Product use phase and end-of-life treatment (negative impact)

KION Group products cause GHG emissions during their use phase. While electric trucks potentially generate fewer emissions, depending on the electricity mix used, industrial trucks with internal combustion engines can be a significant source of GHG emissions, from use phase to the end of the product lifecycle. These GHG emissions contribute to climate change and its associated negative impacts. With GHG emissions from use phase and end-of-life of around 12.7 million tCO₂eq in 2024, the scale of the negative impact is considered very high. Furthermore, the impact is widespread due to the Group's extensive global customer base, and either difficult to reverse or only reversible over the long term due to the persistent nature of GHG emissions.

GHG emissions from product use phase and end-of-life are directly related to the KION Group's business model. Currently, every product sold and every customer project leads to GHG emissions through energy consumption during the use phase and the treatment at the end of functional life. The Group's strategy includes both a reduction in vehicles' energy consumption and a reduction in

the number of vehicles with internal combustion engines. Furthermore, the offering of alternative drive options, such as hydrogen-powered industrial trucks, is to be expanded. Electric vehicles have the potential to be climate-friendly if operated with electricity from renewable sources.

This negative impact is directly linked to the KION Group's business activities, but is located in the downstream value chain. The KION Group can prioritize low-GHG products in its product development and sales strategy, but it has no control over the use phase or the electricity mix of its customers.

Low-carbon products (opportunity)

A shift in customer preferences towards environmentally friendly and low-GHG products could affect demand for products and services. This could have a positive impact on the KION Group's profitability due to higher unit sales of products with electric drive systems. This opportunity depends on shifting demand as well as on the Group's ability to meet this demand with appropriate products and solutions.

Competitive advantage in the market (opportunity)

Rising customer demand for energy-efficient products, solutions, and services could potentially give the KION Group a competitive edge, as energy efficiency is also a key consideration in its product portfolio. This includes relevant certifications. As more businesses focus on sustainability and energy efficiency, customers are increasingly looking for products and services that are climate-resilient and can withstand the effects of extreme weather events.

Achieving legal compliance while strategically planning (opportunity)

The KION Group's compliance and sustainability teams are working to anticipate upcoming climate change regulations and to establish resources and processes to comply with them. Insights gained through early preparation influence the Group's sustainability strategy. Assuming that regulators and markets exert influence on one another, anticipating future compliance requirements potentially supports the Group's ability to develop products and services which fulfill customers' emerging climate-related demands. By closely linking legal compliance with strategic planning, the KION Group strives to anticipate and respond to emerging trends and opportunities. This could have a positive impact on its profitability due to an increase in revenue.

Cost increases due to implementation of decarbonization strategies by suppliers and monitoring of data to avoid greenwashing (transition risk)

The decarbonization of suppliers will require training, collaboration projects, changes in production technology, materials or processes, budget for data tracking tools (for example, to follow up on implemented changes and to avoid greenwashing allegations through robust data availability), and additional employees for managing the transition in the KION Group's entire supply base. Increased costs for implementing decarbonization measures at suppliers could therefore also have a negative impact on the KION Group's profitability.

Energy use (negative impact)

The KION Group consumes energy, mainly electricity, at all of its locations worldwide. While around 74 percent of electricity used across the Group came from renewable sources in 2024, GHG emissions from generating the purchased electricity still accounted for approximately 34,000 tCO₂eq

when applying the market-based calculation method in Scope 2. In addition, the KION Group directly uses fossil sources of energy in its own operations, including diesel, gasoline, natural gas, and coking coal. Using these other energy sources generated approximately 108,000 tCO₂eq of GHG emissions in Scope 1 in 2024. While the impact of these GHG emissions is considered low, the impact is widespread due to the Group's international presence, and either difficult to reverse or only reversible over the long term due to the persistent nature of greenhouse gas.

The KION Group's business activities require energy, but not necessarily fossil energy. Electricity is used to power electric appliances, electric trucks, and some heating systems. Fossil fuels are used in the company's vehicle fleet, in production processes, space heating, and cafeterias, and in its sold products with internal combustion engines, which are delivered to customers with fuel in the tank. The plan is to gradually switch most appliances currently operating on fossil fuels to electricity from renewable sources in the future. This will be implemented in line with the assets' planned replacement cycles and according to the availability and maturity of new technologies. The switch from internal combustion to electric vehicles, for example, is intended to coincide with the renewal of leasing agreements, and will depend on how well-developed the charging infrastructure in each region is. With regulatory, market-related, and technological changes expected in the future, the KION Group's corporate strategy and business model could fully transition away from GHG emissions linked to fossil fuels.

Global electrification of the product portfolio (positive impact)

The positive impacts of a global product portfolio electrification are directly linked to the KION Group's future business performance, as demand for electric trucks and therefore the KION Group's overall revenue have increased in recent years. Many KION Group products and services are available with an electric drive system and can offer the same performance as IC trucks. This has a positive impact on the product portfolio as more and more IC trucks are being replaced by electric ones.

The KION Group is committed to net-zero GHG emissions by 2050, which directly affects its strategy. Since all products in the Supply Chain Solutions segment are only available with an electric drive system, this part of the impact arises directly from the business model itself. In the Industrial Trucks & Services segment, the long-term plan is to electrify most products and solutions (for example through fuel-cell technology and other forms of electrification), creating a close connection between the impact and the ability to implement the business strategy.

This transition affects the carbon footprint of KION Group products and solutions, as energy consumed during the use phase is a significant factor in the products' GHG footprint. If the energy used to power electric trucks comes from renewable sources, it may contribute to the reduction of GHG emissions.

Selection of materials with a high carbon footprint (negative impact)

Selecting goods and materials with a high carbon footprint can significantly impact on a product's ecological footprint, as material consumption and purchased goods are a major contributor to GHG emissions (category '3.1 Purchased goods and services'). By selecting materials and goods with lower GHG emissions, it is possible to reduce the environmental footprint of KION Group products (mainly category 3.1) and the emissions from their use by customers (category '3.11 Use of sold products'). The KION Group has started to review the status of its product portfolio from this perspective and is working on introducing measures to optimize the materials used in its products according to their carbon footprint. This impact is directly related to the KION Group's business

activities as low-carbon and net-zero-carbon products require adjustments in product development and production, as well as in the strategic management of the supply chain.

This impact is relevant in the KION Group's business relationships (selection of materials) upstream and downstream. In order to gain information on the GHG emissions of its upstream value chain, the Group must work closely with its suppliers. The KION Group is responsible for helping them to reduce their GHG emissions and work on alternatives that have a positive impact on the GHG emissions generated by purchased materials, goods, and services (category 3.1).

Alignment of products with sustainability efforts of customers (opportunity)

It is important for the KION Group to align its product and solution portfolio with customers' sustainability efforts by integrating relevant requirements into the product development process, complying with industry-specific initiatives and standards, and responding to customers' needs. Furthermore, the KION Group is focused on incorporating these insights into the development of new products and services, on complying with new regulations that affect customer needs, and on advising customers about best practice when it comes to using products and solutions (such as switching to renewable energy).

Extreme weather events in the supply chain (physical risk)

The physical impacts of climate change and the increased frequency and severity of extreme weather events (storms, floods, hurricanes) due to global warming could lead to an unstable supply chain and to material shortages, which in turn could result in disruptions in the supply chain and increased material costs for purchased goods.

Resilience of the strategy and business model in relation to climate change

In 2024, the KION Group reviewed the resilience of its strategy and business model with regard to sustainability risks using scenario analyses that included climate risks. The analyses covered all areas of the value chain (see ['Material impacts, risks, and opportunities and their interaction with strategy and business model'](#))

Based on a net-zero scenario in line with limiting global warming to 1.5° Celsius, the analysis assumed that there will be a shift in demand from higher-emission to lower-emission products and services as customers seek to reduce their GHG footprint. However, the speed at which this shift takes place will vary from one region of the world to another. As a consequence, a diversified product portfolio will be needed to meet customer demands at different stages of climate transition. The analysis also assumed that internal combustion engines will be banned in certain countries, while production and sales will remain possible in other regions. These assumptions are reflected in the KION Group's strategy to offer a broad product portfolio of vehicles with high-efficiency internal combustion engines and drives that run on alternative fuels, while simultaneously pressing ahead with the electrification of the entire range.

The resilience analysis used the International Energy Agency's Announced Pledges Scenario (APS) and a net-zero scenario to estimate the development of energy markets. The APS was chosen as a more conservative approach, not focused on a 1.5°C target, to assess the impact of energy-related emissions in the event that the world's leading regions are not ambitious enough in setting targets for their energy systems in the coming years. These estimates interact with the KION Group's goal of achieving net-zero GHG emissions by 2050 at the latest, which depends to a large extent on the availability of low-emission energy in the products' use phase. The APS was also used to estimate

carbon prices, which in turn influence the decision to invest in low-carbon technologies in the Group's own operations.

It was presumed, based on the assumptions of carbon costs and the availability of low-carbon energy, and in line with the KION Group's decarbonization targets, that currently existing and emerging technologies will be available to the extent and at the cost required to meet the Group's Scope 1 and 2 targets by 2030. This applies to fuel consumers in own operations, including the Group's vehicle fleet and foundries. Assumptions were also made regarding the availability and cost of raw materials with a low GHG footprint, particularly steel products, by 2050.

Raw materials and components are a major source of GHG emissions in the KION Group's upstream value chain. The transformation required in the industry to supply low-carbon alternatives is still at an early stage, and therefore the market volumes are limited compared to what is required.

The resilience analysis of the KION Group's strategy and business model included transition scenarios up to 2030, 2040, and 2050, as well as anticipated financial effects, in line with the near-term and long-term decarbonization and reduction targets set.

The transformation of the industry is expected to generate high demand for low-carbon alternatives, such as green steel, and increase competition. As a consequence, the prices of low-carbon alternatives could rise significantly in the short and medium term. By focusing on reducing the energy consumption of sold products (category '3.11 Use of sold products') and shifting to a broadly electrified product and solution portfolio as part of the short-term strategy, the KION Group is addressing net-zero requirements while remaining competitive and developing capacity and robust structures in the supply chain.

[[To assess the vulnerability to physical climate risks, scenarios with high emissions, including RCP 8.5, were taken into account in order to model acute and chronic location-specific climate risks.]]

There is a degree of doubt in the resilience analysis due to uncertainties in the underlying data and models. Assumptions about future carbon prices and technologies will influence the planning of investments in low-carbon technologies, while technological changes affecting energy consumption and the energy mix will influence the anticipated reduction in emissions during the use phase of KION Group products.

In its strategies, investment decisions, and climate change mitigation activities, the KION Group addresses business activities that are not compatible with a net-zero target, e.g., the manufacture of vehicles with internal combustion engines, by taking appropriate action to improve their performance and climate impact. At the same time, it is focusing its business on activities that are compatible with the targets set. This two-pronged approach allows the Group to align its business strategy with climate targets while making the transition financially viable.

The results of the analysis were positive with regard to the KION Group's ability to adapt its business model to climate change. Feasibility studies were conducted up to mid-2024 to assess the necessary action to achieve GHG reductions in line with net-zero requirements. The feasibility studies showed only a limited need for investment, based on the assumption that the ability to achieve climate targets will help the KION Group to secure finance on favorable terms.

To ensure the highest level of transparency and comparability, the KION Group uses the widely adopted international disclosure and scoring platform CDP in order to publicly communicate its GHG management and the progress made against targets since 2017.

Policies related to climate change mitigation and adaptation

The following subchapters deal with the KION Group's material strategic priorities in relation to climate change mitigation.

Commitment to net zero and the Science Based Targets initiative

Through its explicit commitment to achieving net-zero GHG emissions along the entire value chain by no later than 2050 and setting appropriate strategic climate targets, the KION Group strives to align its targets with the goal of the Paris Climate Agreement to limit global warming to 1.5°C. The SBTi used its own net-zero standard to formally validate the KION Group's climate targets in 2024. This standard sets the minimum ambition for climate change mitigation, to which the KION Group is committed and which it has enshrined in its sustainability strategy. Energy efficiency and the use of renewable energy are elements of the roadmap toward net zero.

The commitment to SBTi covers the Group's Scope 1, 2, and 3 emissions, including the entire value chain, the Company's products and solutions, and the energy used in its own operations. Responsibility lies with the Executive Board of KION GROUP AG, in particular with the CPSO. The targets are assessed regularly (at least once a year) as part of strategy reviews, internal target setting, and progress monitoring. Progress on climate targets, action taken, and GHG emissions is reported publicly at least once a year. The KION Group's commitment to the SBTi is available to the public at www.sciencebasedtargets.org/companies-taking-action and is communicated to the Company's employees and to customers and suppliers.

The commitment to net zero mainly affects the KION Group's employees, suppliers, customers, investors, and other stakeholders. Employees provided input and feedback on the feasibility of targets when defining the commitment. They also suggested schedules for implementation and supported the planning of each initiative. Customers and investors expressed their expectations – as part of regular stakeholder dialogue or in the context of materiality analyses, for example – of the KION Group's climate-related targets and performance.

In addition to the 'Climate change mitigation' subtopic, the commitment to the net-zero target and Science Based Targets initiative addresses aspects of climate change adaptation. Beyond this, no specific policy for the 'Climate change adaptation' sub-topic was in place in the upstream value chain at the end of 2024. The Group intends to formulate a policy from 2025 onward based on the results of future risk analyses.

Health, Safety, and Environment Statement of Intent

Particularly worth highlighting in the context of climate action is the Health, Safety, and Environment (HSE) Statement of Intent's ambition to use fewer natural resources and energy, generate less waste, and reduce the Group's own operations' emissions in air, land, and water. This policy is linked to climate change mitigation as it aims to reduce emissions, such as greenhouse gases, into the air and the consumption of natural resources, including for power generation.

The policy covers Scope 1 and 2 emissions without alternatives. However, Scope 3 emissions are not within the scope of this policy. Responsibility lies with the Executive Board of KION GROUP AG, in particular with the CPSO. Data on energy use, GHG and pollutant emissions, and waste generated is published every year.

The HSE Statement of Intent is binding for the entire KION Group, including employees, contractors, and agency workers. The policy was developed by involving employees via representatives (OU HSE heads), while other stakeholder groups were taken into account through their respective

departments. The HSE Statement of Intent is reviewed regularly, and at least annually, by Corporate Sustainability & HSE and other relevant stakeholder functions.

The policy is provided to employees during their induction, displayed on the organization's notice boards, and communicated via the intranet. A copy of the policy statement must be made available upon request to any employee, customer, contractor, auditor, or regulatory authority.

[[The HSE Statement of Intent is also available to the public on the KION Group's website via www.kiongroup.com/sustainability.]]

Strategic focus on increasing the proportion of renewable energies

Increasing the proportion of renewable energy helps to reduce Scope 1 and 2 GHG emissions and is thus linked to climate change mitigation and energy use. The KION Group has pursued this strategy since 2023 and aims to increase the proportion of renewable energy in the total energy used in the Group's own operations and at its sites within Scope 1 and 2. The annual publication of data on energy consumption and GHG emissions is overseen by the CPSO (see '[Strategy targets and target achievement in 2024](#)')

This strategy affects the KION Group's employees, suppliers, customers, and investors. The input and feedback of employees on the feasibility of targets, including suggested schedules for implementation and support for initiatives, was taken into account during development. Customers were indirectly involved in enshrining this approach in the strategy. [[Further information on the strategy is available to the public on the KION Group website at www.kiongroup.com/sustainability/ and is communicated internally to employees.]]

The product development process in the Industrial Trucks & Services segment

The Innovative Product Evolution Process 2 (iPEP 2) is a framework for product development along the entire value chain in the Industrial Trucks & Services segment. Key elements are the definition of roles and process architecture, integrated project planning, and a shared glossary. The main idea is to tailor the process to a specific project. Every project has specific parameters and requirements, such as the need for sustainability, that must be taken into account in project management.

The Chief Technology Officer (CTO) on the Executive Board of KION GROUP AG is responsible for iPEP implementation. The policy undergoes regular internal checks through which requested changes are approved, rejected, or revised. After approval, all changes undergo the same implementation phase, during which they are tested, communicated, and released into the process.

The policy mainly affects product development, but other functions such as product management, quality assurance, operations, procurement, controlling, and service are also involved. It was developed with input from all affected stakeholders and underwent a process evaluation as part of the KION Product Development Optimization change initiative. Every iPEP user can request changes and a review of the process, which is then evaluated according to the proposed change. The policy is available on the intranet and communicated to the workforce by the communications department.

Actions and resources in relation to climate change policies

With regard to its Scope 1 emissions, the KION Group began to progressively replace internal combustion vehicles with electric vehicles in its fleet of company cars and service vehicles in 2023. This action is expected to be completed by 2040. This links to the commitment to the net-zero

targets, the SBTi targets, and the targets for absolute GHG reduction. The Group intends to press ahead with its transition plan in 2025.

A progressive electrification of the fleets of company cars and service vehicles is not feasible across the entire Group due to country-specific restrictions such as supply bottlenecks in vehicle production and inadequate charging infrastructure. As a result, the KION Group subsidiary in Brazil started to switch to bioethanol as a short-term solution for reducing GHG emissions from gasoline consumption. This action is linked to the strategic targets of the 'Climate and energy' action field to increase the proportion of renewable energy used and achieve an absolute reduction in GHG emissions for the Group. In the context of Scope 1 GHG emissions, this represents a decarbonization lever through the use of renewable energy sources in own operations. The subsidiary plans to further increase the proportion of bioethanol in its fuel consumption in 2025.

More than 74 percent of the electricity purchased by the KION Group in 2024 already came from renewable sources (green electricity, Scope 2). Due to the organization's global footprint and the large number of sites, sourcing green electricity through power purchase agreements (PPAs) or local retail renewable PPAs is not always feasible. The KION Group therefore plans to gradually improve transparency by purchasing energy attribute certificates (EACs) to achieve 100 percent electricity from renewable sources at all its locations, and thus reduce Scope 2 emissions by increasing the proportion of renewable energy. The ultimate goal is to completely switch to green electricity by 2030. This action is at the planning stage and is expected to start in 2025.

In the context of the ESRS disclosure requirements for contractual instruments for the sale and purchase of energy, these only applied to electricity for the KION Group.

Furthermore, the Group is pursuing the ambition to ensure that its suppliers can also meet SBTi decarbonization targets by 2029. In total, at least 5 percent of the Group's emissions from purchased goods and services are generated on the supplier side. The active involvement of suppliers and the corresponding actions are linked to the commitment to net-zero targets and SBTi targets, and to the guidelines on climate change mitigation that apply to suppliers. A base year of 2023 was set for these targets.

Actions related to energy-efficient products (entity-specific)

The KION Group is working on collecting supplier-specific data in order to improve the underlying data. With this in mind, it launched a project in March 2024 aimed at reducing emissions in procurement, which relates to the entity-specific 'Energy-efficient products' sub-topic. The project is designed to help the global procurement team to reduce greenhouse gas emissions in category '3.1 Purchased goods and services' by evaluating, analyzing, and actively reducing GHG emissions of purchased goods and services. The focus is on direct tier 1 suppliers worldwide in the KION Group's upstream value chain. These are suppliers who have a direct business relationship with a KION Group entity. Direct suppliers are those who supply materials used in KION's products.

The project includes the following milestones: analyzing previous GHG emissions, conducting a feasibility study for a net-zero target by 2050, creating structures and processes that enable the procurement team to consider GHG emissions in its decisions, and conducting pilot supplier workshops to understand their climate-related ambitions. Furthermore, the selection of a suitable software tool for managing GHG emissions is to be supported.

Teams of lifecycle assessment (LCA) experts assist the affected internal stakeholders. New insights based on the findings of the LCAs can then be integrated early on during the design phase. Online training sessions on LCAs come under the company-specific topic of energy-efficient products. Several extended online training courses on this topic were conducted with external partners in 2024 to provide the relevant employees with the necessary knowledge and skills to make informed

decisions based on lifecycle assessments. The sessions in 2024 covered theoretical and practical aspects of LCAs and were targeted at a broad audience, from managers to technicians across a wide range of departments. The employees learned what an LCA is and how it can be best used for projects and design evaluations to support general decision-making regarding the sustainability aspects of KION Group products. This is especially important for research and development (R&D).

Working with an external provider, the KION Group conducted a series of workshops in 2024 on the company-specific topic of energy efficient products, in line with the Cradle-to-Cradle principle and relevant categories. They were designed to give the KION Group's sustainability experts the knowledge they need so that they can concentrate on their activities connected to the Cradle-to-Cradle certification. The workshops were targeted at a broad audience, from managers to technicians, with the aim of increasing skills in this area.

The KION Group's decarbonization levers

Switching to alternative fuels is the key decarbonization lever in the KION Group's own operations. Diesel and gasoline consumption in the vehicle fleet (mainly company cars and service vehicles) accounts for a large proportion of energy consumption and emissions in the Group's own operations. By switching its fleet to electric, the KION Group can benefit from electric vehicles' lower energy consumption, and switch to electricity from renewable sources to further reduce GHG emissions from transportation.

Another source of fossil GHG emissions are the KION Group's two foundries, which use coking coal. The KION strategy includes replacing the coke-powered furnaces with electric arc furnaces. Natural gas consumption for space heating and process heat, such as the ovens used in manufacturing, can be addressed by switching to technologies such as heat pumps for space heating and electric ovens in manufacturing.

Combined with fuel switching, the use of renewable energy is another key decarbonization lever for the KION Group's business activities. The proportion of renewable energy used in the Group in 2024 was 21 percent. And the proportion of renewables in total energy consumption can be significantly increased through the electrification of processes for which alternative technologies are potentially available. Where electrification is not feasible in the medium term, alternative renewable fuels such as bioethanol or green hydrogen could provide an alternative.

Emissions from the product use phase in the Industrial Trucks & Services segment accounted for more than 66 percent of the KION Group's total GHG footprint in 2024. Although the proportion of sold vehicles with internal combustion (IC) engines was only 8 percent, the GHG emissions from their use phase amounted to over 35 percent. Further reducing the proportion of IC vehicles will help to reduce GHG emissions meet the Group's climate targets.

More than 50 percent of the KION Group's total GHG emissions in 2024 were attributed to the use phase of electric products and solutions sold to customers. In order to reach the net-zero target, it is necessary to address these emissions too. The corporate strategy therefore involves increasing the energy efficiency of products by improving battery technology and using high-efficiency batteries, such as lithium-ion cells, to reduce energy consumption. Furthermore, the KION Group is working closely with its customers to increase the proportion of renewables in their electricity mix.

'Purchased goods and services' (category 3.1) represented 20 percent of the KION Group's total GHG emissions in Scopes 1 to 3 in 2024. As part of its overall decarbonization strategy, the Company plans to work with its suppliers on reducing GHG emissions. This includes increased material efficiency, switching to alternative materials, increased use of recycled materials, and technological solutions to decarbonize production processes for energy-intensive products like steel. Further details can be found in the 'Actions related to energy-efficient products (entity-specific)'

chapter. Beyond this, the KION Group had not implemented a specific policy for the 'Climate change adaptation' sub-topic in the upstream value chain at the end of 2024.

In 2024, the KION Group had only minimal capital expenditure and operating expenses in connection with actions and policies relating to climate change. The assumption is that significant expenditure will be necessary to achieve the targets relating to climate change mitigation and climate change adaptation. The relevant planning process for this is currently still at the implementation stage. In 2025, the KION Group intends to define in greater detail the investments in, and expenditure on, climate change mitigation in its transition plan, and follow that up with detailed reporting. The plan will also close any gaps in policies and actions relating to identified impacts, risks, and opportunities.

Targets related to climate change mitigation and adaptation

The KION Group calculates and controls its GHG emissions based on the international Greenhouse Gas Protocol (GHG Protocol). Where it is technologically possible, the GHGs covered are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.

The GHG Protocol includes an option, in the attribution of emission sources and company thresholds to the direct and indirect GHG emissions categories in Scope 1, 2, and 3, to determine beneficial ownership on the basis of operational control. The KION Group has taken an operational control approach for years and attributes indirect GHG emissions generated during the use of products, including those leased downstream over which the KION Group retains beneficial ownership (financial control) as the lessor (operating lease agreement), to the GHG emissions in Scope 3. The main factors influencing these GHG emissions, such as the type of product, the way and extent to which it is used, and the electricity mix powering electric products, lie outside of the KION Group. The Group therefore believes that the quantification and control of these GHG emissions differs significantly from the way in which GHG emissions included in Scope 1 and 2 are quantified and controlled. The classification of operating leases in Scope 3 is thus the same as for lease business in which the customer takes beneficial ownership (finance lease), and for sold products and solutions that are recognized over their entire lifetime in the combined category '3.11 Use of sold products', which includes category '3.13 Downstream leased assets'.

Unlike the KION Group's chosen approach of operational control in accordance with the GHG Protocol, ESRS follows the principle of financial control and the importance of beneficial ownership. Changing the classification of lease business from operating leases to align with ESRS would result in significant adjustments to the KION Group's existing sustainability strategy.

Given the abovementioned climate targets, in particular the net-zero target, the disclosures on target achievement, and the formal validation by the SBTi in 2024, the KION Group has decided to deviate from ESRS 1.62 and the principle of financial control. Instead, the Group will persist with the approach of operational control and, in accordance with the GHG Protocol, continue this method of reporting consistently in this Group sustainability report.

All of the abovementioned GHG targets are gross targets and do not include negative GHG emissions, carbon offsetting, or GHG emission avoidance as a means of achieving GHG emission reduction targets. Starting from the base year of 2021, the GHG emission reduction targets aim to limit global warming, on a cross-sector pathway, to 1.5°C compared with pre-industrial levels. The assessment excludes any GHG emission reductions before 2020. The KION Group considered a net-zero scenario as well as one based on pledges announced to date.

Absolute reduction targets for Scope 1 and 2

The KION Group has set itself the target of reducing Scope 1 and 2 GHG emissions by at least 90 percent by 2050, starting with 2021 as the base year (baseline value: 149,359 tCO₂eq). The near-term target for 2030 is an absolute reduction by 42 percent. The baseline for the Scope 1 and Scope 2 reduction target relates to GHG emissions from direct and indirect energy consumption in own operations. Emissions from customers' use of leased products over which the KION Group retains beneficial ownership (financial control) as the lessor (operating lease agreements) are classified as Scope 3 emissions in line with the operational control approach of the GHG Protocol, and are thus not part of the reduction target for Scope 1 and 2.

The target has a scientific basis and covers all Scope 1 and 2 emissions that are under the operational control of the KION Group within the meaning of the GHG Protocol. For the purposes of setting and achieving targets for GHG emissions, the KION Group uses the market-based method as the basis for the calculated Scope 2 GHG emissions. The KION Group set the target using the SBTi net-zero framework and the detailed methodology sheets. The Science Based Targets initiative (SBTi) is an organization that helps companies to set climate targets. The goals set by the Science Based Targets initiative are widely accepted and considered to be grounded in climate science. The SBTi's methodology is subject to inherent uncertainties with regard to the underlying research findings and forward-looking assumptions about the reduction of greenhouse gas emissions needed to achieve the 1.5°C target. The SBTi methodology, which was published in 2021, is currently being revised. New research-based insights into the progress of climate change could lead to a revision of the SBTi methodology and of the assessment whether the target levels are sufficient to limit global warming to 1.5°C. The KION Group will adjust its target if the SBTi methodology changes.

The target was formally validated by SBTi in 2024. When defining the basic assumptions for GHG emission reduction targets, the KION Group considered future developments that could potentially influence its GHG emissions and its efforts to reduce them: Company growth and a rise in unit sales would lead to an increase in energy consumption and emissions along the value chain. The switch to electric vehicles, the decarbonization of global electricity grids, rising carbon taxes, and the availability of technologies such as green steel and electric arc furnaces would help the KION Group to reduce the emission intensity of its activities.

The KION Group has taken the following actions to ensure that the baseline value is representative:

- The KION Group used emission factors from the same sources. Where methodologies or emission factors were changed, the base year was recalculated using the same methods.
- Adjustments to the organizational boundaries accounted for less than 5 percent of changes in the GHG inventory.
- The base year of 2021 is considered representative for the KION Group's business activities in the years since. This was formally validated in the SBTi's assessment of the reduction targets.

With regard to sustainability matters prior to 2030, the same base year of 2021 is used for comparative analyses. The KION Group will choose a base year no more than three years before the first reporting year of the new target period when defining new targets. From 2030 onward, the Group will update its base year every five years.

Absolute reduction target for Scope 3

The KION Group's absolute reduction target for Scope 3 emissions was set using the SBTi methodology. It envisages a reduction of at least 25 percent in category '3.11 Use of sold products' by 2030, and of no less than 90 percent across Scope 3 by 2050. According to the operational control approach, category 3.11 includes GHG emissions generated during the use of products leased downstream as part of the KION Group lease business. The base year is 2021 with a baseline value of 19,764,107 tCO₂eq. The SBTi formally validated 2021 as the representative base year for the KION Group, based on historical data and expected future growth. The target covers 100 percent of the KION Group's Scope 3 emissions for the net-zero target and 83 percent of Scope 3 emissions for the near-term target which covers category 3.11. If the SBTi methodology is updated, the KION Group agrees to adjust its target accordingly. Affected stakeholders were involved in setting the target. Customers and investors were interviewed about their expectations regarding the KION Group's climate targets, while internal stakeholders were consulted about the feasibility and timeline of necessary action.

Currently, the Group is pursuing the strategic objectives of conducting more lifecycle assessments for products and obtaining Cradle-to-Cradle certificates for selected products. LCAs are an essential source of information used to define GHG emission reduction targets as part of the KION Group's commitment to the SBTi framework. They provide an overview of the environmental impact of KION products, including their carbon footprint. This kind of information is increasingly requested by customers and essential when it comes to countering the negative impact of selected materials on the environment.

The KION Group is currently following the Cradle-to-Cradle processes with the aim of obtaining the Environmental Protection Encouragement Agency (EPEA) certificate. A Cradle-to-Cradle analysis complements the LCA by assessing the effectiveness of processes in terms of their sustainability. It assesses the safety, circularity, and sustainability of a product across five categories with regard to sustainability performance. Furthermore, implementing the Cradle-to-Cradle framework into its processes should help the KION Group to align its products with the sustainability efforts of its customers.

The KION Group's two strategic objectives relating to LCAs and cradle-to-cradle certifications form the basis for the development of targets directly linked to the IROs in question. The plan is to define specific metrics and targets for them by the end of 2025.

No target was defined for the 'Climate change adaptation' sub-topic in 2024 in relation to Scope 3 GHG emissions in the upstream value chain.

Proportion of electric vehicles sold annually (Industrial Trucks & Services segment)

The KION Group plans to establish a portfolio focused on electric drive systems, including battery-powered and fuel cell-powered products, by increasing the proportion of electric vehicles sold annually. Given the positive trend, starting from a base year of 2019 and a baseline of 85 percent, the KION Group decided to increase the previous target from 90 percent to 92 percent by 2027.

The target is calculated as the proportion of electric products (including fuel cells and other electric technologies) ordered annually in the Industrial Trucks & Services segment (in terms of units in new business).

This target relates to the GHG emission reduction target in the KION Group's commitment to the SBTi framework, and to the IRO 'Global electrification of the product portfolio'. The target was defined in collaboration with the relevant departments and Operating Unit representatives who are responsible for the 'Product and solution sustainability' action field. The adjusted target was then approved by the Executive Board of KION GROUP AG.

Metrics related to climate change

In the context of climate change, the metrics for energy consumption, energy mix, and energy intensity, the metrics for greenhouse gas emissions, and the entity-specific metrics for energy-efficient products are presented below. The methods and significant assumptions are explained in this context, as are, where appropriate, the estimates and outcome uncertainties. Furthermore, information is disclosed on greenhouse gas removal, on greenhouse gas reduction projects financed through emission allowances, and on internal carbon pricing.

Metrics on energy consumption, energy mix, and energy intensity

Energy-related metrics are determined in the same way as GHG emissions. Energy data for the KION Group's own activities is primarily calculated and controlled in line with the definition of the Company for the purposes of calculating GHG emissions in accordance with the GHG Protocol and the operational control approach. The energy consumed in the reporting year by products leased downstream over which the KION Group retains beneficial ownership (operating lease) is not included in the Company's own energy consumption. This definition, which is comparable to the approach for GHG emissions, is in line with the attribution of energy consumption in the KION Group that is relevant to climate targets and the commitment to SBTi.

To calculate energy data, the KION Group uses conversion factors in the latest version of 'UK Government GHG Conversion Factors for Company Reporting' (Department for Environment, Food & Rural Affairs, DEFRA). The factors used were selected due to their scientific basis, reliability, and widespread acceptance in international reporting standards.

To determine energy intensity in climate-intensive sectors according to ESRS, the NACE classification system was used to identify the energy intensive sectors of relevance for the KION Group. Entities in the KION Group were assigned the relevant NACE Codes. The KION Group operates in the following energy-intensive sectors according to ESRS, which were included in the calculation of energy intensity:

- NACE Code 46 Wholesale trade, except of motor vehicles and motorcycles
- NACE Code 28 Manufacture of machinery and equipment n.e.c.
- NACE Code 52 Warehousing and support activities for transportation
- NACE Code 27 Manufacture of electrical equipment

Energy consumption, energy mix and energy intensity (own operations) according to GHG protocol and the operative control approach¹

in Mega-Watt-hours (MWh)	2024
Total Energy consumption by sources of energy (MWh)	
(1) Fuel consumption from coal and coal products	58,879
(2) Fuel consumption from crude oil and petroleum products	245,060
(3) Fuel consumption from natural gas	122,015
(4) Fuel consumption from other fossil sources	43
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	76,073
(6) Total fossil energy consumption (MWh) (lines 1 to 5)	502,071
Share of fossil sources in total energy consumption (%)	79.7%
(7) Consumption from nuclear sources (MWh)	5,878
Share of nuclear sources in total energy consumption (%)	0.9%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	2,499
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources [actively sourced] ²	116,380
(10) Consumption of self-generated non-fuel renewable energy	3,365
(11) Total renewable energy consumption (MWh) [actively sourced]² (lines 8 to 10)	122,243
Share of renewable sources in total energy consumption (%) [actively sourced]²	19.4%
Total energy consumption (MWh) (total lines 6, 7 and 11)	630,191
Total energy consumption from activities in high climate impact sectors (MWh)	624,189
Energy intensity per KION Group's net revenue associated with activities in high climate impact sectors (in MWh/€ million)	54.3
Renewable energy production in own operations	10,237

1 KION Group's energy data and GHG emissions are calculated and managed in accordance with the GHG Protocol and the operational control approach. Leased assets that remain in the ownership of the KION Group for the term of the lease in accordance with the financial control approach (operating lease contracts) are classified as Scope 3 GHG emissions due to their indirect nature and the lack of operational control. Differs from ESRS 1.62 and not allocated to the Group's own operations (energy data and GHG emissions in scope 1 and scope 2)

2 In accordance with ESRS E1 AR32 (j), the energy classification of electricity, steam, heat or cooling is defined more strictly with regard to the allocation to renewable and non-renewable sources. Energy consumption is only taken into account as renewable if the origin is specifically defined in the contractual agreements with the suppliers. These include, for example, electricity purchase agreements, standardized green electricity tariffs, market instruments such as guarantees of origin for renewable sources in Europe or comparable instruments such as certifications for renewable energies in the USA and Canada). In accordance with ESRS, renewable components from sources not specified in contractual instruments (e.g. when using residual mixes for electricity) are classified as non-renewable

Metrics on greenhouse gas emissions

GHG emissions for Scope 1, Scope 2, and Scope 3 are always calculated in line with the standards of the Greenhouse Gas Protocol. The calculation takes entities under financial control into account, including financially immaterial subsidiaries and those under operational control.

The subsidiaries' greenhouse gas emissions are recorded, reported, and reviewed annually while taking the threshold values set at Group level into account. This review is based on the scope of consolidation for financial reporting, including the subsidiaries classified as financially immaterial,

and the criteria for operational control. Compared with 2023, there are no material changes in the definition of the KION Group business units to be included or its upstream and downstream value chain for 2024.

When calculating or reporting greenhouse gas emissions, the KION Group does not use any information from entities in its value chain that have a different reporting period.

The KION Group primarily calculates and controls GHG emissions in accordance with the GHG Protocol and the operational control approach. For the reporting year, GHG emissions from the use of products leased downstream over which the KION Group retains beneficial ownership (operating leases) are recognized in full as indirect GHG emissions for the entire lifecycle in the year the order was placed, together with other products and solutions sold, in category '3.11 Use of sold products' in combination with '3.13 Downstream leased assets', and in '3.12 End-of-life treatment of sold products'. This approach is in line with the KION Group's commitment to SBTi.

According to ESRS 1.62, the principle of financial control must be followed. The KION Group decided to deviate from ESRS when it comes to leased property, plant and equipment over which the Group retains beneficial ownership (operating lease) during the term of the lease. Under the principle of financial control, the energy consumed and greenhouse gases emitted during the use of assets leased downstream would have to be recognized by the KION Group under Scope 1 and 2. However, since it is the customers that have operational control, there is a significant difference to the energy consumed and greenhouse gases emitted in the Group's own operations in terms of their origin and the ability to measure and control them. They are indirect in nature from the Group's perspective. Furthermore, period-specific shifts and adjustments to indirect GHG emissions would arise in categories '3.3 Fuel and energy-related emissions', '3.11 Use of sold products' (respectively '3.12 End-of-life treatment of sold products' and '3.13 Downstream leased assets'). For this reason, the KION Group is following the operational control approach.

Greenhouse gas emissions (GHG emissions) according to GHG protocol and the operational control approach¹

	Retrospective		Milestones and target years			
	2021 (Base year)	2024	2025	2030	(2050)	Average annual % target / Base year
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions (tCO ₂ eq)	111,484	108,401	90,673	64,660	11,148	4.7
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	–	20.5%				
Scope 2 GHG emissions						
Gross Scope 2 GHG emissions (location-based) (tCO ₂ eq)	88,164	77,176	–	–	–	–
Gross Scope 2 GHG emissions (market-based) (tCO ₂ eq)	37,875	38,153	30,986	22,069	3,809	4.7
Significant scope 3 GHG emissions²						
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	23,476,782	16,011,381	–	–	2,347,678	2.4
(1) Purchased goods and services	3,096,120	2,824,664	–	–	309,612	–
(2) Capital goods	46,631	39,102	–	–	4,663	–
(3) Fuel and energy-related activities (not included in scope 1 or scope 2)	39,900	40,711	–	–	3,990	–
(4) Upstream transportation and distribution	162,098	174,956	–	–	16,210	–
(5) Waste generated in operations ³	16,292	16,393	–	–	1,629	–
(6) Business traveling	11,030	25,826	–	–	1,103	–
(7) Employee commuting	30,114	30,326	–	–	3,011	–
(11) Use of sold products ^{3,4}	19,764,107	12,556,215	17,568,095	14,823,080	1,976,411	2.8
(12) End-of-life treatment of sold products	189,502	118,853	–	–	18,950	–
(15) Investments	120,986	184,335	–	–	12,099	–
Total GHG emissions						
Total GHG emissions (location-based) (tCO ₂ eq)	23,676,430	16,196,957	–	–	–	–
GHG intensity (location-based) per KION Group's net revenue (t CO ₂ e / €)	–	0.0	–	–	–	–
Total GHG emissions (market-based) (tCO ₂ eq)	23,626,141	16,157,934	21,304,159	18,524,241	2,352,807	2.4
GHG intensity (market-based) per KION Group's net revenue (t CO ₂ e / €)	–	0.0	–	–	–	–

Greenhouse gas emissions (GHG emissions) according to GHG protocol and the operational control approach¹

	Retrospective		Milestones and target years			
	2021 (Base year)	2024	2025	2030	(2050)	Average annual % target / Base year
Total biogenic emissions of CO ₂						
Biogenic emissions of CO ₂ from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions	735	715	–	–	–	-
Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions	7,240	11,522	–	–	–	-
Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass that occur in value chain not included in Scope 3 GHG emissions ³	–	849,931	–	–	–	-

1 KION Group's energy data and GHG emissions are calculated and managed in accordance with the GHG Protocol and the operational control approach. Leased assets that remain in the ownership of the KION Group for the term of the lease in accordance with the financial control approach (operating lease contracts) are classified as Scope 3 GHG emissions due to their indirect nature and the lack of operational control. Differs from ESRS 1.62 and not allocated to the Group's own operations (energy data and GHG emissions in the Scope 1 and Scope 2)

2 Share of total GHG emissions in scope 3 calculated from primary data amounting to 0.1%

3 The value reported for the base year 2021 in Scope 3.5 includes both fossil and biogenic emissions from the treatment of waste from own operations. For the reporting year 2024, the value in Scope 3.5 only includes fossil GHG emissions. Biogenic emissions from the treatment of waste generated in own operations in 2024 are included in the key figure for biogenic CO₂ emissions from the value chain

4 GHG emissions from the 'use of products' that are initially leased to customers are included in the GHG emissions from the 'use of products' over their entire life cycle. Category 3.11 therefore includes GHG emissions from category 3.13 ('downstream leased assets')

Scope 1 greenhouse gas emissions

Emissions from stationary combustion, such as through the use of heating systems, process heat, furnaces, and generators, are calculated on the basis of the amount of fuel consumed.

GHG emissions from mobile combustion result from the fuel used by KION vehicles and forklift trucks on the KION Group's sites. Emissions are calculated based on the volumes of fuel recorded.

To calculate GHG emissions in Scope 1, the KION Group uses the latest version of 'UK Government GHG Conversion Factors for Company Reporting' (Department for Environment, Food & Rural Affairs, DEFRA) to obtain conversion and emission factors. The emission factors used were selected due to their scientific basis, reliability, and widespread acceptance in international reporting standards.

Scope 2 GHG emissions

Scope 2 GHG emissions are calculated on the basis of the purchased electricity, heat, and cooling consumed at production sites and in administrative buildings. The KION Group reports Scope 2 GHG emissions under the location-based and the market-based approach.

Location-based emissions are calculated on the basis of average regional emission factors from the ecoinvent database. Market-based GHG emissions are calculated on the basis of contracts and information from suppliers about emissions. At sites with power purchasing agreements and

guarantees of origin, the specific energy sources are used. Otherwise, the data is based on supplier-specific information from power purchasing agreements. In a few cases, no information on energy sources is available, so information on the residual electricity mix at the site is used. This is based on data from the European Residual Mix, published by the AIB (Association of Issuing Bodies), and emission factors from the ecoinvent database, which provide detailed information on the composition of regional energy mixes. The KION Group uses the latest version of DEFRA's emission factors to calculate GHG emissions from purchased heat. The emission factors used were selected due to their scientific basis, reliability, and widespread acceptance in international reporting standards.

Significant Scope 3 GHG emissions

The KION Group carried out a GHG materiality analysis to determine the relevant Scope 3 categories. This analysis is updated in the event of significant organizational changes and is carried out in accordance with the KION Group's internal guidelines for calculating emission data. The following categories are not currently considered in detail in the calculation of Scope 3 GHG emissions, as they were not deemed material: '3.8 Upstream leased assets', '3.9 Downstream transportation and distribution', '3.10 Processing of sold products', and '3.14 Franchises'. The category '3.13 Downstream leased assets' is not disclosed separately; instead, it is reported, together with sold products and solutions over the entire lifetime, in category '3.11 Use of sold products' using the same calculation method.

The GHG emissions in categories '3.1 Purchased goods and services' and '3.2 Capital goods' mainly stem from the sourcing of steel and steel constructions, batteries and chargers, engines and generators, industrial trucks, chemicals, lubricants, and industrial gases (category 3.1) as well as machines, building constructions, hardware, equipment, and facilities (category 3.2). An internal database, which directly interfaces with the KION Group's accounting system, is a central source of data. It tracks spending on purchased goods and services, capital goods, transportation, and leased assets. For category 3.1, only spending on purchased goods and services is taken into account, whereas category 3.2 covers spending on capital goods. As the internal database does not cover the entire KION Group, estimates are made for these entities in order to calculate the GHG emissions. In addition, the months from October to December are extrapolated on a linear basis using the actual data up to September in each year. Emissions are also determined based on expenditure. The KION Group obtains the emission factors from a specialist provider to ensure that the data is up to date and offers a high degree of geographical and sector-specific detail. The KION Group is working on successively collecting supplier-specific data in order to improve the underlying data for key areas of spending. The 'cradle-to-gate' methodology is applied in respect of GHG emissions included in the calculation.

The GHG emissions under category '3.3 Fuel and energy-related emissions' were calculated using energy consumption data for each entity. The same data serves as the basis for calculating Scope 1 and 2 GHG emissions. For direct energy sources, emission factors from the UK's Department for Environment, Food and Rural Affairs (DEFRA) were used in order to calculate upstream emissions. For upstream emissions from purchased indirect energy (electricity, heating, cooling) and for transmission and distribution losses, country-specific ecoinvent emission factors were used.

The GHG emissions reported under category '3.4 Upstream transportation and distribution' are mainly gleaned from general logistics, road transportation, intralogistic services, and storage. They are calculated using a spend-based approach, as described in connection with category '3.1 Purchased goods and services'. The internal database is also the main source of information here, as it tracks spending on transportation, goods and services, capital goods, and leased assets, taking account of the emission factors obtained from a specialist provider. Estimates are made on the same basis as for category 3.1. Only the transportation emissions arising from inbound and

outbound transportation (well-to-wheel) in connection with transportation activities carried out and paid for by the KION Group in 2024 are reported on this basis.

The calculation under category '3.5 Waste from own operations' is based on entity-specific waste data from Group sites, broken down by waste category and recycling rates. Non-recycled materials were calculated using emission factors from the ecoinvent database, which entail assumptions about the treatment of waste. The calculation does not include emissions from the recycling process.

The calculation in category '3.6 Business travel' is based on the actual distance traveled and the mode of transportation, or, if that information is not available, on spend data. The required information is submitted by various travel providers and aggregated centrally by the KION Group. Any missing data from individual Operating Units was extrapolated on the basis of headcount. The emissions comprise all relevant greenhouse gas emissions during transportation. They are calculated using the well-to-wheel approach. Emissions from hotel stays are outside the minimum boundary and are not reported under category 6. The emission factors from 'UK Government GHG Conversion Factors for Company Reporting' (DEFRA) were adjusted for inflation and also adjusted using inflation rates and exchange rates for Europe from Statista.

Emissions in category '3.7 Employee commuting' were calculated for each region based on the number of employees at the end of the financial year (headcount). The following regions, in which there are sites, were included in the calculation: western Europe, eastern Europe, Middle East and Africa, North America, Central America, South America, China, and the APAC region excluding China. Assumptions were made about the mode of transportation (car, ride sharing, public transportation, bicycle, walking) and average distance commuted. The emissions were calculated using the emission factors from 'UK Government GHG Conversion Factors for Company Reporting' (DEFRA) and the well-to-wheel approach. Emissions include all relevant greenhouse gas emissions that arise from vehicle use by employees while commuting. Emissions from remote working are below the minimum boundary and are not reported under category 7.

GHG emissions in categories '3.11 Use of sold products' and '3.13 Downstream leased assets' are calculated separately for the Industrial Trucks & Services and the Supply Chain Solutions segments. In the Industrial Trucks & Services segment, information on the energy consumption of forklift trucks and warehouse trucks is taken, for example, from product specifications given to customers and from internal sources and calculations. The number of trucks recorded in 2024 is based on the number of industrial trucks ordered, which are logged every month in the Industrial Trucks & Services segment for the World Industrial Truck Statistics (WITS) statistics. As neither the statistics nor the intern available information on order intake differentiate between sold assets and those leased downstream, the KION Group discloses the GHG emissions from both categories collectively in category 3.11. This is based on the assumption that there is no material difference in the way that sold trucks and leased trucks are used. For the Supply Chain Solutions segment, a revenue-based calculation model is used in the form of a reference approach. An average energy intensity (estimated energy over the lifetime of solutions per euro of revenue based on reference prices) was calculated in order to determine the GHG emissions on the basis of anticipated achievable revenue. The objective is to account for the complexity and individual nature of each project, which currently prevent the use of a standard method of calculation. The reference model was developed with the aid of an internal calculation tool that is used during the tendering process to estimate a facility's energy consumption with the help of customer specifications, empirical values, and scientifically based technical parameters. This involves identifying from the agreed facility layout which conveyor assets are used in which specifications, and calculating the resulting energy consumption over the lifetime and, based on the associated price structure, relating it to revenue.

The GHG emissions in category '3.11 Use of sold products' were calculated using the emission factors from 'UK Government GHG Conversion Factors for Company Reporting' (DEFRA) for vehicles with internal combustion engines, and the ecoinvent database for electricity consumption

during product use. Geo-specific emission factors were used to take the end customer's electricity mix into account (location-specific). The products of the KION Group are sold or initially leased, but are recognized together as the estimated GHG emissions from the use of sold or initially leased products are the same. All emissions from the use of sold or leased products are reported under category 3.11 in accordance with the GHG Protocol and the operational control approach.

In relation to category '3.12 End-of-life treatment of sold products', lifecycle assessments are available for several representative product categories in the Industrial Trucks & Services segment that include information on end-of-life treatment. They are used to determine average GHG emissions per product category. The number of trucks recorded in 2024 is based on sales figures from internal sources and order intake data from World Industrial Truck Statistics (WITS). In the Supply Chain Solutions segment, end-of-life emissions are estimated using extrapolated data from the Industrial Trucks & Services segment and based on revenue figures because detailed analysis is not currently possible. As the range of industrial trucks used in projects in the Supply Chain Solutions segment is very broad and includes third-party equipment, insufficient data was available at the end of the reporting year for a specific analysis of emissions from the handling of sold Supply Chain Solutions products at the end of their lifecycle. The KION Group is in the process of preparing lifecycle assessments for the Supply Chain Solutions segment in order to establish a more reliable basis for calculation.

The KION Group holds investments in associates and other entities whose emissions are reported under category '3.15 Investments'. These emissions are calculated on the basis of the investees' prior-year revenue and the KION Group's share in the investees. The investees' revenue is multiplied by a sector and country-specific emission factor and the KION Group's share in the investees. The pro rata Scope 1 and Scope 2 emissions of these investees are included under category 3.15 for 2024 in accordance with the minimum requirements of the GHG Protocol. Scope 3 emissions of investees that are part of the KION Group's value chain are included in the reporting. Emission factors from the Exiobase database are used.

Emission Reduction Targets and Decarbonisation Levers¹

	2021 (Base year)	2030	2050
GHG Emissions - Scope 1 and 2 - Business as Usual Scenario (in kt CO₂eq)	149	191	201
Decarbonisation Levers (reduced kt CO₂eq)			
Energy efficiency and consumption reduction	–	–1	–2
Fuel switching and electrification	–	–72	–126
Use of renewable energy	–	–32	–49
Other	–	–	–9
GHG Emissions Targets - Scope 1 and 2 - Reduction Scenario (in ktCO₂eq)	149	86	15
GHG Emissions - Scope 3 - Business-as-usual-Scenario (in kt CO₂eq)	23,477	25,423	30,140
Decarbonisation Levers (reduced kt CO₂eq)			
Use of renewable energy	–	–5,166	–16,441
Phase out, substitution or modification of product	–	–1,721	–5,458
Green procurement	–	–	–5,893
Total GHG Emissions - Reduction Scenario (kt CO₂eq)	23,477	18,536	2,348
Total GHG Emissions - Business-as-usual-Scenario (kt CO₂eq)	23,626	25,614	30,341
Total GHG Emissions - Reduction Scenario (kt CO₂eq)	23,626	18,622	2,363

¹ The calculation of GHG emissions in the business-as-usual scenario takes into account both the assumed company growth and changes in the energy systems and the resulting reductions in the GHG intensity of energy used.

Sources of estimation and outcome uncertainty

The calculations under categories '3.1 Purchased goods and services', '3.2 Capital goods', and '3.4 Upstream transportation and distribution' are based on secondary data and are therefore subject to inherent uncertainty. Supplier-specific figures are not currently available, which is why average emission factors for the industry were used. The data is based on procurement data rather than on weight information or specific aspects of transportation. The procurement data available as at the end of the third quarter of the year is extrapolated. Due to the spend-based approach, the accuracy of the GHG emissions calculations compared with mass-based and activity-based approaches is limited. As not all subsidiaries are fully covered by the underlying spend data, an extrapolation is made on the basis of total energy consumption. A different extrapolation factor is used for production sites than for sales and administrative sites. In general, uncertainty arises from the use of industry-average emission factors. Although these have been checked and are scientifically sound, they are also based on a large number of assumptions. The allocation of emission factors and the categorization of purchased goods and services creates additional uncertainty. This arises in particular from purchased merchandise or semi-finished parts, as they cannot be clearly assigned to a category. As a result, a proportion of purchased goods and services remains unassigned to a category, and no suitable emission factor is available for this expenditure. Instead, it is calculated using an average emission factor that is specific to the KION Group.

The calculations under category '3.6 Business travel' are predominantly based on activity data, such as passenger kilometers. Where no activity data is available, calculations are based on procurement data and extrapolations using headcount. Procurement data is subject to fluctuations and costs can vary depending on business conditions; estimates of travel emissions are therefore subject to uncertainty. In addition, secondary data from internationally recognized emission databases is used.

No primary measurement data is available for the category '3.7 Employee commuting'. Instead, statistical figures – which vary by region – are used in order to estimate emissions from KION employees' commuting. These figures are based on averages from relevant surveys and can only approximate the actual emissions.

The following calculation methodologies apply in relation to category '3.11 Use of sold products'. The calculation of emissions in the Supply Chain Solutions segment is generally subject to a high degree of uncertainty due to project-specific differences in components and energy consumption. An average energy consumption figure for a number of reference projects was therefore determined through an analysis of projects. This figure has a high degree of uncertainty, as the elements can vary significantly between projects, energy consumption data from outsourced work can sometimes be incomplete, usage by customers can only be estimated on the basis of project specifications, assumptions about technical parameters might be adjusted, and no measurement data is available yet to validate planning data. Furthermore, the useful life of the assets can vary widely depending on the project. A medium average useful life was assumed for the calculation. There is also a lack of primary data on the electricity mix of customers, which is why national-average grid electricity factors are used (location-specific). Taking a conservative approach, the current location-specific electricity mix is applied for the entire use phase (lifetime emission factors), which adds uncertainty as potentially decreasing or increasing power grid factors are not taken into account. Furthermore, breaking the energy use in reference projects down to a revenue-based average value is a major simplification that entails a high degree of uncertainty. It should also be noted that all reference projects for the Supply Chain Solutions segment that were taken into account in the development of the reference model are located in the EMEA region. The extrapolation to other regions adds a further element of uncertainty to the estimates. The base data has not been updated as part of an annual review of the methodology since the average lifetime energy intensity was determined via the reference projects in 2022.

In the Industrial Trucks & Services segment, material uncertainty stems from the estimated operating hours of the equipment, which can vary considerably depending on how and where the equipment is used. Further uncertainty stems from estimates of lifetime electricity consumption. As there is no primary data on the electricity mix of customers, national-average grid electricity factors are used (location-specific). Taking a conservative approach, the current location-specific electricity mix is applied for the entire use phase (lifetime emission factors), which adds uncertainty as potentially decreasing or increasing power grid factors are not taken into account. As a data source, WITS gives rise to uncertainty as it reflects global order intake, and the number of trucks ordered is not based on the actual time of delivery to the customer. Overall, this time lag is negligible when it comes to calculating the GHG footprint.

In the calculation of category '3.12 End-of-life treatment of sold products', the end-of-life emissions per truck category in the Industrial Trucks & Services segment are based on modeled average figures that are taken from lifecycle assessments for the relevant truck category. Truck-specific end-of-life GHG emissions therefore cannot be disclosed precisely. There is no primary data in the Supply Chain Solutions segment, which is why end-of-life emissions are extrapolated from revenue-based data in the Industrial Trucks & Services segment.

No primary data is available for GHG emissions from investments under category '3.15 Investments'. Instead, industry-specific Scope 1 and Scope 2 emission factors are used to multiply the relevant prior-year revenue. This approximation does not reflect the companies' specific activities, but represents a statistical average value for the respective industry.

Disclosures on greenhouse gas removal, on greenhouse gas reduction projects financed through emission allowances, and on internal carbon pricing

In 2024, the KION Group did not carry out any GHG removal or storage activities either in its own operations or in its upstream or downstream value chain. The KION Group is in the planning phase for defining the scope of the methodologies and frameworks applied in terms of neutralizing any residual, unavoidable greenhouse gas emissions. The Group is guided by the standards of the SBTi on carbon removals as part of a net-zero target framework.

In the course of validating its climate targets, the KION Group resolved to not communicate claims of GHG neutrality.

The KION Group did not purchase any carbon credits in 2024, and no internal carbon pricing scheme was in place.

Entity-specific metrics for energy-efficient products

With respect to the material impacts and opportunities related to energy-efficient products, the KION Group discloses the entity-specific metric 'proportion of electric vehicles sold' for the Industrial Trucks & Services segment. The metric is linked to the respective strategic target and reflects both the potential positive impacts on downstream GHG emission reductions and the opportunities associated with a highly electrified product portfolio. In the reporting year, the proportion of electric vehicles sold in the Industrial Trucks & Services segment amounted to 91.7 percent (see '[Strategy targets and target achievement in 2024](#)').

The calculation is based on the number of units in the order intake documented on a monthly basis for new business and is considered representative of the number of trucks sold. This involves determining the number of trucks ordered with an electric drive as a proportion of the total order volume in the Industrial Trucks & Services over the year as a whole. Order intake data is reported by the regional subsidiaries and brands across the Group, and software is used to collate it in the course of market research analyses. The industrial trucks ordered are divided into product categories according to the World Industrial Truck Statistics (WITS) of the Fédération Européenne de la Manutention (FEM), and the volume of electric trucks ordered is determined on the basis of these categories. The metric was not validated by an external body.

Pollution

The 'Pollution' chapter meets the disclosure requirements of ESRS E2 and is based on the results of the double materiality analysis. Material topics for the KION Group are managed in the context of the 'Climate and energy' action field.

Material impacts, risks, and opportunities and their interaction with strategy and business model in relation to pollution

The double materiality analysis described in the '[Description of the process to identify and assess material impacts, risks, and opportunities](#)' chapter identified the following material negative impacts and risks in relation to pollution. These primarily relate to the upstream value chain. In two cases, potentially negative impacts in the KION Group's own operations were identified.

List of all material Impacts, Risks and Opportunities - Pollution

		Value chain			Time horizon		
Sub-topic	IRO	Up-stream	Own operations	Down-stream	< 1 year	1-5 years	> 5 years
Pollution of air							
Resource extraction and processing	Negative impact	•			•	•	•
Environmental pollution due to logistics	Negative impact	•	•		•	•	•
Substances of very high concern							
Substances of very high concern in the upstream value chain	Negative impact	•	•		•	•	•
Supply disruption due to potential ban of PFAS (without alternatives)	Risk	•				•	
Supply disruption due to potential ban of PFAS (with some alternatives)	Risk	•				•	
Microplastics							
Microplastic creation during transport	Negative impact	•	•	•	•	•	•

Resource extraction and processing (negative impact)

Raw materials such as steel, iron, and other metals are contained in parts and products purchased by the KION Group and used in its products. The extraction of these raw materials generally has a relevant environmental impact, primarily air pollution, which is caused by the release of pollutants during the extraction and processing of raw materials in the upstream value chain. Nitrogen oxides, carbon dioxide, and carbon monoxide are some of the pollutants known to result from this process.

As a manufacturer of material handling equipment that relies on these raw materials, the KION Group has identified air pollution caused by the production of these materials and resulting from business relationships as a material impact in the upstream value chain.

Pollution from logistics (negative impact)

Road transportation is a major source of air pollution, with carbon dioxide, particulate matter, and nitrogen oxide being the most relevant pollutants. The largest source of air pollution for the KION Group is the transportation of goods from suppliers to its sites, as well as transportation between its sites, which is primarily operated by third-party logistics providers.

The potential impact of the Company's vehicle fleet on pollution was also taken into account, but was deemed not material as it was found to be below the relevant thresholds due to the mileage and transported weight. While the transportation of people and goods is essential to the KION Group's operations, the negative impact is not part of the corporate strategy. The link between the KION Group and the impact is mainly the result of business relationships, with the Group's own operations contributing to a lesser extent. It is estimated that the bulk of transportation-related air pollution is attributable to third-party freight transportation providers. A smaller proportion can be traced back to the Company's fleet, which mainly consists of service vehicles.

Substances of very high concern in the upstream value chain (negative impact)

Substances of very high concern (SVHCs) have a negative impact on humans and the environment due to their intrinsic properties, such as carcinogenicity, mutagenicity, reproductive toxicity, persistence, and bioaccumulation. If these substances are released into the environment, humans can be exposed through the ingestion of water and food, or through inhalation, for example. The emission of SVHCs, for example due to a leak, can cause health problems or lead to a loss of biodiversity.

This impact is not directly linked to the KION Group's business model, as the Group neither produces nor directly uses SVHCs. While SVHCs might be found in parts and products purchased by the KION Group, they are not expected to be released into the environment. Within the context of business relationships in the upstream value chain, these substances could potentially have an impact in the production processes of supplied parts and products.

Supply disruption due to potential ban of per- and polyfluoroalkyl substances (without alternatives) (risk)

A potential complete ban of perfluoroalkyl and polyfluoroalkyl substances (PFAS) by the European Commission under REACH Annex XVII represents a material risk for the KION Group, as it would substantially affect several components in KION Group products. A potential lack of alternatives – from a technical and financial perspective – to PFAS could negatively impact on the Group's productivity and result in fines and lost sales. The probability of this risk occurring depends on the final decision taken by the European Commission.

A complete ban could lead to the exclusion of certain KION Group products from the Company's product portfolio. Higher maintenance costs and production halts due to insufficient availability of parts are also possible. Depending on the nature of the restrictions on PFAS, this could have various consequences. These may include disruption to the supply of parts, limited availability of complete products, and reduced access to certain technologies.

Supply disruption due to potential ban of per- and polyfluoroalkyl substances (with some alternatives) (risk)

Disruption to the supply chain following a ban would represent a risk to the Group's profitability, even if there were alternatives for certain applications. This scenario could lead to disruption or delays to supply, similar to a complete ban, though the consequences would be less severe. In this case, the

number of affected components in KION products could be lower, depending on the defined alternatives. The overall impact would mirror that of a ban without alternatives, though to a lesser extent.

Generation of microplastics during transportation (negative impact)

Microplastics can have a negative impact on humans and the environment. This impact occurs in the Group's own operations and in the upstream and downstream value chain. The transportation of goods or people on road surfaces such as asphalt causes tire abrasion, particularly during braking, which generates microplastics that accumulate in the environment.

The impacts of transportation-related microplastics were not part of the KION Group's corporate strategy or business model. Nonetheless, there is a partial link in the downstream value chain to the Group's products through the tires as purchased parts for vehicles in the Industrial Trucks & Services segment. As manufacturing these tires is not a business activity of the KION Group, most of the negative impact occurs in the downstream value chain when customers use KION industrial trucks.

A smaller proportion of microplastics is generated in the upstream value chain during the transportation of goods between suppliers and the KION Group's sites, as well as between its sites, and during the internal use of its vehicle fleet (mainly in connection with distribution and service activities).

Policies related to pollution

The following subchapters deal with the KION Group's material policies related to pollution.

The KION Group addressed the growing relevance of microplastics throughout the value chain as part of its double materiality analysis in 2024 and deemed this negative impact to be material for the first time. As a consequence, no specific policy was in place for the complex sub-topic of 'Microplastics' at the end of 2024.

Principles of Supplier Conduct

The KION Group Principles of Supplier Conduct contain specific requirements and rules with regard to pollution in the upstream value chain, and set out environmental, ethical, and social guidelines for the global supplier base. Suppliers are encouraged to manage their emissions responsibly in order to protect the environment for current and future generations.

Further details on the KION Group Principles of Supplier Conduct are available in chapter ['Policies related to value chain workers'](#).

KION Group Code of Compliance

The KION Group Code of Compliance (KGCC) sets out general principles for conduct that are binding for all employees and business partners of the KION Group. In the context of pollution, the KION Group strives to develop environmentally friendly products and business processes. The Group is also committed to protecting the environment and society by using eco-friendly manufacturing technologies. Furthermore, the KGCC demands compliance with regulations and the timely securing of required permits, and calls on all KION Group entities and employees to reduce pollution overall. The code also indirectly addresses the substitution and minimization of substances of concern by considering the latest technology standards, the best available and environmentally friendly methods, the use of safe products, and the reduction of pollution.

The scope of the KGCC includes upstream and downstream operations as well as the Group's own operations. The CEO and Chief Compliance Officer are responsible for overseeing compliance.

Stakeholder groups, including employees and business partners, are involved in the regular review of the KGCC through central functions such as the HR department, with regard to human rights, and the Procurement department, with regard to supplier requirements. To ensure that the KGCC is effectively communicated, the KION Group conducts regular training sessions for employees and all new workers. Business partners are informed about the policy in various ways, depending on the type of relationship.

[[The KGCC is available to the public on the KION Group's website www.kiongroup.com/en/About-us/Compliance/.]]

Health, Safety, and Environment Statement of Intent

The Health, Safety, and Environment (HSE) Statement of Intent is a policy that outlines the principles governing HSE. The key content of the policy, which applies upstream, downstream, and to the Group's own operations, covers compliance with legislation and standards, aspects that promote an HSE culture, mandatory training and stakeholder engagement, impact assessments, and reporting and responsibilities.

The HSE Statement of Intent also covers the mitigation of negative impacts linked to the pollution of air, water, and soil, including prevention and control. It states that the KION Group, represented by the Executive Board of KION GROUP AG, is responsible for systematically pursuing efforts to reduce emissions and discharges into air, land, and water. Furthermore, business partners covered by the scope of the policy have to comply with all national HSE legislation, codes of practice, and industry standards relevant to the KION Group's activities. The Group must provide a safe environment for anyone affected by its operations. This is to be achieved by identifying hazards and eliminating them, or reducing them to an acceptable level, in accordance with or exceeding applicable standards. The HSE Statement also calls for the assessment of the environmental impact of historical, current, and future activities.

Further details on the HSE Statement of Intent are available in chapter '[Policies related to climate change mitigation and climate change adaptation](#)'.

Health, Safety, and Environment Standard

The KION Group HSE Standard defines minimum requirements for all KION Group locations and entities with regard to HSE matters, in addition to local regulations and the requirements of relevant ISO standards, such as ISO 14001 Environmental management systems. The HSE Standard applies to all KION employees, workers, and guests across all locations, including factories, sites, sales and service organizations, and individuals at customer sites. The standard applies to contractors, such as companies or individuals, who provide services or products to the KION Group and its local sites on behalf of an external company.

The CPSO function is responsible for implementing and overseeing the standard. The HSE Standard is reviewed regularly, and at least once a year, by the central Sustainability & HSE department and the stakeholder functions. The KION Group's workers were involved in the review, approval, and development process for the standard through the HSE heads of the Operating Units and the HSE network.

With regard to mitigating negative impacts linked to the pollution of air, water, and soil, including prevention and control, the HSE Standard states that effective environmental management is

essential to the KION Group. All local subsidiaries are called upon to control and reduce waste, emissions, and the use of hazardous substances in accordance with applicable national legislation and the ISO 14001 or equivalent standards. This includes water, water discharges, land use, noise, biodiversity, and vibration. Furthermore, as part of the ISO 14001 certification process, all local subsidiaries are required to maintain an environmental impact and aspect register, which is supported by environmental audits and highlights the impacts on the environment. The HSE Standard also requires subsidiaries to complete an environmental risk assessment to minimize or eliminate any environmental risks. The assessment of environmental risks must cover all local subsidiaries and any customer sites where KION employees work. Emergency planning for sites is also included, with the fundamental aim of avoiding accidents and emergency situations.

The KION Group's HSE Standard is available to the workforce in nine languages.

Actions and resources related to pollution

The following subchapters deal with the KION Group's material actions related to pollution.

Supplier compliance program

In 2022, the KION Group started to systematically collect data on material compliance information from its supplier base. In 2024, the compliance program focused on the KION ITS EMEA Operating Unit. Its purpose is to collect compliance data on substances of very high concern (SVHCs) in goods according to Article 33 of the EU REACH regulation, as well as information relating to the Restriction of Hazardous Substances Directive (EU-RoHS), to chemicals covered by the Toxic Substance Control Act (US-TSCA), to Article 9 of the EU's Waste Framework Directive (WFD), and to conflict minerals according to the US Dodd-Frank-Act. Through global supply chain compliance provider Assent, the KION Group called on suppliers to provide part-specific chemical composition information in the context of its compliance program.

By systematically assessing supplier data, the KION Group strives to reduce compliance risks, increase transparency along the upstream value chain, and avoid pollution. This includes the gradual reduction of harmful materials and compounds, and the restoration, regeneration, and transformation of ecosystems where pollution has occurred.

Reporting of substances of concern in products across KION ITS EMEA

Article 9 of the EU's Waste Framework Directive (WFD) requires suppliers of articles containing substances of very high concern to provide information on these articles. This information is stored in the European database of substances of concern in articles as such or in complex objects (Products) (SCIP), which is managed by the European Chemicals Agency (ECHA). The KION Group began to submit SCIP reports as early as December 2020. Since 2024, these SCIP reports have been automated thanks to a data interface with the EU system. Assent, the KION Group's global supply chain compliance partner, is currently producing and submitting SCIP dossiers on behalf of 21 consolidated subsidiaries that sell products in the EMEA region. Several hundred simplified SCIP notifications (SSNs) have already been submitted, with the aim of increasing transparency and thus helping to avoid pollution. This includes the gradual reduction of harmful materials and compounds, the minimization of pollution, and the restoration, regeneration, and transformation of ecosystems. In addition, the reporting to authorities could positively influence pollution management.

Development of actions to address microplastics

As pollution from microplastics is a new and specific material topic for the KION Group, further analysis is needed to gain a better understanding of influencing factors. Future developments, including a detailed roadmap, will be defined once adequate assessments have been completed and data collection processes have been optimized.

Development of actions to address upstream air pollution

Potential actions in relation to the new material topic of air pollution in the upstream value chain are currently being examined. As the KION Group does not directly control sources of air pollution in purchased materials, formulating a detailed roadmap is a complex task because all proposed actions have to be carried out in collaboration with suppliers. The first step is to obtain better data on materials associated with air pollution from key suppliers supplying such material to the KION Group's subsidiaries.

Targets related to pollution

At the time of reporting, specific targets for environmental pollution were in preparation but have not yet been finalized. Since SVHCs and microplastics are relatively new aspects, further analysis of influencing factors, metric and scope definitions, and structured databases and data collection are required to establish a baseline and set targets. The necessary processes are already under way and will be continued in the coming years.

Metrics related to pollution

The following subchapters deal with the KION Group's material metrics related to pollution.

Reporting on pollution has been expanded in line with the DMA results. The following includes disclosures on the newly identified material sub-topics of SVHCs and microplastics, and a revised scope of disclosure for air pollution.

Where available, measurements were used to develop pollution-related metrics. Estimates were only used where measurements were unavailable. The metrics for microplastics and SVHC metrics were not validated by an external body.

Metrics related to air pollution and microplastics

With respect to air pollution, the KION Group identified a material negative impact in relation to its logistics infrastructure (upstream and own operations) (see '[Material impacts, risks, and opportunities and their interaction with strategy and business model](#)'). The air pollutants linked to the Group's vehicle fleet were analyzed and an estimate was made for each substance. A comparison of the estimated amounts against the thresholds defined by the European Pollutant Release and Transfer Register (E-PRTR) confirmed that no substance exceeded the threshold.

With regard to the material impacts of air pollution identified in upstream activities linked to the extraction and processing of raw materials, the KION Group applies transitional provisions for value chain information.

The KION Group also reported on microplastics for the first time in 2024 based on the negative material impact 'Generation of microplastics during transportation'. The following method was used to calculate the volume of microplastics: the number of kilometers driven by the KION Group fleet multiplied by the amount of microplastics generated per kilometer. The calculation is based on the

actual fuel consumption for the reporting year, which is used to estimate the distance driven by applying a conversion factor of liters per kilometer. For greater accuracy, publicly available studies were used to determine specific average conversion factors depending on the type of vehicle and fuel. Fuel consumption data is gathered for each consolidated subsidiary and listed as a table in a groupwide system encompassing the KION Group's consolidated entities for financial reporting purposes. Electric vehicles were included by applying the average distance driven in the reporting year to the number of vehicles. The number and type of vehicles was determined across the Group based on a range of data sources at regional level and at the level of the Operating Units. The amount of microplastics was then estimated using average emission factors for the various vehicle types. Publicly available studies were consulted for the calculation of microplastics from vehicle tire wear.

In the reporting year, the amount of microplastics generated through tire abrasion during transportation was 59,753 kilograms.

The data is based on specific assumptions regarding fuel consumption. An assumption was made, for example, that diesel consumed by the subsidiaries was only used in vehicles and that other uses of the fuel were negligible. With regard to the consumption of compressed natural gas in vehicles, the same methodology was applied as for electric vehicles. Hybrid and internal combustion vehicles were included in the same pool to ensure that the fuel consumption of the hybrid vehicles was sufficiently reflected when estimating the distance traveled.

This metric is subject to a high degree of measurement uncertainty due to the reliance on average conversion factors, scientific research, and estimates regarding distance traveled and microplastics generated. The main limitations are therefore related to the use of conversion factors, averages, and the inevitable uncertainty of using scientific research in place of actual data. A range of sources and studies were consulted in order to minimize this uncertainty as much as possible.

Metrics related to substances of very high concern

With respect to the negative material impact 'Substances of very high concern', the KION Group discloses the amount of SVHCs that are embedded in its products, or in parts of its products, due to procured components in the Industrial Trucks & Services segment. The external service provider Assent supports the data collection process for SVHC-related information with regard to the parts purchased for the KION ITS EMEA Operating Unit (see '[Actions and resources related to pollution](#)'). This information is then combined with the quantities and weight of the purchased parts to calculate the amount of SVHCs for KION ITS EMEA. The amount calculated for KION ITS EMEA was used as a reference value and applied to the APAC and Americas regions, with revenue as a parameter.

Substances of very high concern (SVHCs)

in kg	2024
Total amount of substances of very high concern that leave facilities as products and as part of products	4,677.2
Allocation of SVHCs by hazard classes¹:	
Hazardous to the aquatic environment (Aquatic Acute 1)	4,441.5
Hazardous to the aquatic environment (Aquatic Chronic 1)	4,441.5
Reproductive toxicity (Repr. 1A)	4,391.8
Reproductive toxicity (Lact.)	4,391.8
Specific target organ toxicity — repeated exposure (STOT RE 1)	746.0
Acute toxicity (Acute Tox. 4)	696.3
Carcinogenicity (Carc. 2)	696.3
Reproductive toxicity (Repr. 1B)	61.7
Respiratory/skin sensitization (Resp. Sens. 1)	61.8
Reproductive toxicity (Repr. 2)	49.7
Acute toxicity (Acute Tox. 2)	49.7
Carcinogenicity (Carc. 1b)	47.5
Germ cell mutagenicity (Muta. 2)	47.5
Flammable gases (Flam. Gas 1)	1.0
Gases under pressure (Press. Gas)	1.0
Oxidising solid (Ox. Sol. 1)	2.2
Carcinogenicity (Carc. 1A)	2.2
Germ cell mutagenicity (Muta. 1B)	2.2
Acute toxicity (Acute Tox. 3)	2.2
Skin corrosion/irritation (Skin corr. 1A)	2.2
Respiratory/skin sensitization (Skin Sens. 1)	2.2

1 SVHCs can be assigned to more than one hazard class. An addition of the hazard classes therefore does not correspond to the total amount of SVHCs in the products or parts of products produced.

The calculation methodology is based on the assumption that all components purchased in the reporting year were incorporated into products or were parts of products. Where suppliers stated the exact concentration of SVHCs, this figure was used. Otherwise, the concentration applied was equal to the minimum amount for which a supplier is legally required to report the substance (above 0.1 percent weight by weight). Given the lack of options for estimating with more reliable data, this methodology was deemed to provide the best possible estimate. The use of data from the EMEA region as a reference implies a similar base of materials in supplied parts, and thus a similar presence of SVHCs in the portfolio of the Industrial Trucks & Services segment, in the APAC and Americas regions too.

The main limitations result from the assumptions regarding the concentration of SVHCs, the partially incomplete data on the weight of purchased parts, and the lack of SVHC data for purchased parts in the two other regions. To address these limitations, calculation and logic rules were set that

require the use of accurate data where feasible and the avoidance of underestimating and overestimating as much as possible. While SVHC data was available for individual components of the purchased parts, only the total weight was available for the purchased parts as a whole.

Consequently, the calculation of SVHCs had to be based on a best estimate derived from the total quantity of purchased parts. This involved taking the highest reported concentration for each SVHC contained in the various purchased parts as a best estimate and extrapolating it to the total weight of the product. The total quantity of SVHCs may be overestimated as a result of this generalized calculation. With respect to purchased parts for which weight information is not available, the KION Group opted to exclude them from the calculation as no reasonable estimate was possible. For these reasons, and due to the reliance on third-party (upstream) data and the use of estimates, the reported amount of SVHCs in, or as part of, products is subject to measurement uncertainty.

The KION Group evaluated a number of potential approaches to reporting with the aim of disclosing the respective metrics related to substances of very high concern for the Supply Chain Solutions segment. It was not possible to obtain specific information as the method for calculating the data was still in development in the year under review. The Group therefore considered using estimates based on reference models and publicly available information. However, these approaches were rejected as they were deemed to not fulfil the requirements of ESRS 1 Appendix B in terms of data quality and reliability.

The KION Group therefore relies on the applicable transitional provisions in the same way as it does for information from the value chain, as the relevant data from the upstream value chain is needed for the required metrics for the Supply Chain Solutions segment. The Group will continue to pursue an approach to obtaining SVHC data for the Supply Chain Solutions segment in the next reporting period. With this in mind, future plans include an expansion of upstream SVHC data collection via Assent or, alternatively, via a reference-model approach that includes a survey to collect specific data from the respective main suppliers.

Water and marine resources

The 'Water and marine resources' chapter meets the disclosure requirements of ESRS E3 and is based on the results of the double materiality analysis. Material topics for the KION Group are managed in the context of the 'Climate and energy' action field.

Impacts, risks, and opportunities and their interaction with strategy and business model in relation to water and marine resources

The double materiality analysis described in the '[Description of the process to identify and assess material impacts, risks, and opportunities](#)' chapter identified the following material negative impacts and risks in relation to water and marine resources.

List of all material Impacts, Risks and Opportunities – Water and marine resources

Sub-topic	IRO	Value chain			Time horizon		
		Up- stream	Own operations	Down- stream	< 1 year	1–5 years	> 5 years
Water							
Water withdrawals							
Water scarcity in own operations	Risk		•			•	•
Water scarcity in the upstream value chain	Risk	•	•			•	•
Water consumption							
Water consumption in the upstream steel industry	Negative impact	•			•	•	•
Water consumption in the upstream electronics industry	Negative impact	•			•	•	•

Water scarcity in own operations (risk)

The KION Group faces material risks from increasing water scarcity in some locations due to water-intensive processes such as cooling at foundries and the washing of machinery and equipment, as well as consumption for drinking and other operational uses. Climate change and extreme weather events exacerbate this scarcity, heightening the risk of production disruptions and unforeseen operational costs. In water-stressed regions, the KION Group's water use may intensify local resource depletion, further straining ecosystems. Although most of the water is returned to the environment, the risk of operational disruption remains. The KION Group is committed to reducing water withdrawal across its operations to further mitigate the risk of water scarcity.

Water scarcity in the upstream value chain (risk)

As the KION Group relies on global supply chains, the potential risk of water scarcity at different levels of its upstream supply chain may pose the risk of intermittent disruption to the manufacture of KION products. Disruption could be caused by delays in receiving materials from suppliers due to water shortages in upstream processes. This may result in a high level of operational inefficiencies and unforeseen costs for the KION Group. With water shortages expected to disrupt operations ever more frequently, the risk to business continuity and operational efficiency could grow in the future.

Water consumption in the upstream steel industry (negative impact)

Steel is a key upstream material for the KION Group. Producing steel consumes substantial amounts of water and thus contributes to the depletion of water resources, particularly in water-stressed regions such as parts of China, Mexico, and India. The extensive use of water, coupled with water-related hazards such as contamination and scarcity, may have negative environmental impacts in certain regions. It can therefore be assumed that these upstream activities have a negative impact on water scarcity and lead to increased pressure on the environment in vulnerable regions.

Water consumption in the upstream electronics industry (negative impact)

Like the steel industry, the electronics industry is a key supplier for the KION Group's products and solutions. The KION Group recognizes that the manufacture of electronic products and certain parts of the upstream value chain for electronic products consume significant amounts of water, particularly in the production of non-ferrous raw materials such as copper and lithium. Smelters and refineries use local water resources, which may lead to a depletion of those resources, especially in regions where water scarcity is already a concern. The KION Group is aware that sourcing electronics for its products may contribute to negative environmental impacts.

Policies related to water and marine resources

The following subchapters deal with the KION Group's material policies related to water and marine resources.

The KION Group is committed to sustainable water management practices across its operations. In its own operations, the Group acts in accordance with the HSE Statement of Intent and the HSE Standard in order to promote the responsible use of water at all sites, including those in areas where water risk is high. No groupwide policy specifically addressing water scarcity in the Group's own operations and water consumption in the upstream supply chain was in place in the reporting year. This is because water scarcity was newly identified as a specific risk in the upstream value chain and in own operations and only deemed material in the most recent double materiality analysis conducted in 2024. The KION Group plans to further elaborate its policies to address identified impacts, risks, and strategic developments.

Health, Safety, and Environment Statement of Intent

One of the aims of the HSE Statement of Intent is to reduce the consumption of natural resources, including water, while minimizing polluting discharges. Further details are provided in the ['Policies related to pollution'](#) chapter.

Health, Safety, and Environment Standard

The internal HSE Standard outlines site-specific actions that, in some cases, exceed national regulations and meet ISO 14001 standards. Local guidelines and standards are in place to ensure compliance with regional regulations and support the administration of environmental management across the KION Group's sites. As part of the HSE induction, all employees at local sites and mobile engineers, agency workers, temporary workers, and contractors working for the KION Group must receive initial environmental training that covers water conservation, the management of waste, and recycling. Water consumption is also to be reduced by converting waste materials into reusable materials and objects, which is why all local sites must have waste recycling procedures in place. Further details about the HSE Standard are provided in the ['Policies related to pollution'](#) chapter.

Principles of Supplier Conduct

The KION Group sets sustainability standards for the suppliers in its supply chain through specific guidelines, including its Principles of Supplier Conduct, that require compliance with national water management standards. Suppliers entering into a business relationship with the KION Group must meet these requirements. The Principles of Supplier Conduct are described in greater detail in the ['Policies related to workers in the value chain'](#) chapter.

The KION Group expects to update its Principles of Supplier Conduct in the future to incorporate water-related matters and promote responsible and sustainable water usage by suppliers.

Actions and resources related to water and marine resources

The following subchapters deal with the KION Group's material actions related to water and marine resources.

As water scarcity was newly identified and deemed material in the most recent double materiality analysis conducted in 2024, a detailed roadmap that includes a structured action plan is required. The KION Group launched several initiatives in 2024 aimed at addressing water-related impacts and risks, in line with existing policies and the results of the materiality analysis.

With regard to the KION Group's own operations, the results of the materiality analysis were incorporated into the sustainability strategy, particularly in the 'Climate and energy' action field, which encompasses local environmental protection and water management (see '[Strategy targets and target achievement in 2024](#)')

Water-related initiatives in the Group's own operations

The KION Group has implemented several initiatives at local level in its own operations aimed at reducing water withdrawal from a variety of sources. These initiatives meet legal requirements and are consistent with environmental management systems such as ISO 14001.

Projects to improve water management include the construction of water treatment plants to enable the reuse of water. One such plant was opened in 2022 for the ITS segment in India, for example. This included rainwater harvesting projects and the introduction of water-saving technologies to optimize water usage. Measures to detect and prevent leaks were also implemented. Regular local monitoring of water data has been instituted, complemented by centralized reporting to improve oversight.

In order to establish a culture of economical water use, communication initiatives were launched to educate employees, and regular training courses were held to embed effective water management practices. In addition to external auditing as part of ISO 14001 certification, internal central audits are carried out in accordance with the HSE Standard to support local efforts to manage water resources effectively.

While several water-related initiatives have been implemented over the years, the focus in future will be on targeted and effective action that makes a measurable and significant contribution to mitigating water scarcity in the Group's own operations. By taking this action, the KION Group is committing itself to the sustainable management of water resources and the minimization of negative water-related impacts in its own operations.

Water risk and stress analysis in the Group's own operations

The KION Group strives to deepen its understanding of water risks within its own operations, particularly in regions where water stress is high. With this in mind, an analysis of the potential water risks in the KION Group's own operations was carried out across most of its sites in 2024, based on the current status of data according to the Aqueduct Water Risk Atlas (version 4.0) of the World Resources Institute. The majority of identified sites generally consume relatively little water. Due to significant water withdrawals at some KION Group sites, the analysis shows a medium overall risk. The results indicate that targeted investments and action at selected sites with high water risk can make a significant contribution to reducing the overall risk. Furthermore, the results must be

integrated into the regular risk management process to ensure that water risks are systematically monitored and addressed.

Water risk and stress in the upstream supply chain

Water scarcity in the supply chain was newly identified and deemed a material topic in the most recent double materiality analysis conducted in 2024. No specific action was taken during the reporting period to address these risks or related issues.

A range of screening methods and tools, such as the EcoVadis assessment, are used to evaluate suppliers against sustainability criteria, including water management practices. This identifies potential areas for improvement and highlights suppliers who have already taken action to protect water resources (see [‘Policies related to workers in the value chain’](#)).

The collection of comprehensive environmental data on the entire lifecycle of selected components, including the associated water consumption, was started in LCA projects. This data collection will help to build a robust database that will inform future sourcing decisions (see [‘Actions related to energy-efficient products \(entity-specific\)’](#)).

Looking ahead, the KION Group aims to adopt an incremental approach, starting with detailed analyses focusing on water-intensive raw materials and components. The plan is to use insights from these analyses to mitigate water risks in the supply chain.

Targets related to water and marine resources

The KION Group did not pursue specific, groupwide targets that address water scarcity in its own operations in 2024. Targets were set locally by each site, taking into account potential environmental impacts in accordance with local regulations and ISO 14001 certification.

The KION Group monitors the effectiveness of policies and actions relating to water withdrawal and discharge in its own operations, which fall within the scope of its annual reporting. As the ‘Climate and energy’ action field evolves, the need for groupwide, water-related targets for own operations is being analyzed to facilitate adaptation to strategic developments and effective regular monitoring of the impact and effectiveness of policies and actions aimed at mitigating associated risks.

The KION Group did not pursue water consumption reduction targets in the upstream value chain in 2024. The gradual phase-in of action on upstream water consumption is under consideration in supplier management.

Metrics related to water and marine resources

The following deals with the KION Group’s material metrics related to water and marine resources.

The KION Group defined entity-specific metrics for monitoring the material risks associated with water withdrawal in the Group’s own operations. In order to standardize these disclosures, the Group aimed to mirror the metrics defined under ESRS E3-4 paragraph 28 ‘Water consumption’ and applied them to water withdrawals.

Water withdrawal in own operations

in cubic meters (in m³)	2024
Total water withdrawal	606,030
thereof in areas at water risk ¹	324,877
Water withdrawal by source in total:	
Third-party water	575,402
Groundwater	21,140
Surface water	846
Seawater	–
Other sources	8,642
Water intensity²	52.7

1 Including areas with high-water stress

2 Relation of total water withdrawal of own operations in m³ per € million net revenue

The KION Group collects and compiles water-related data from consolidated entities on an annual basis through a centralized internal reporting system. Reporting entities are required to highlight deviations from previous reporting periods, along with any relevant contextual explanations. Where available, the data sources included direct measurements (water meters) and invoice data from utility companies. Otherwise, estimated values were used as described below. Reporting entities must follow a standardized, groupwide estimation guideline, with data based on estimates documented in a dedicated field. In the reporting year, 40 percent of water withdrawal data was based on direct measurements (water meters) or on invoice data. 37 percent of metrics were calculated using best estimates based on data from previous years. In the remaining cases (22 percent), metrics were extrapolated using available data, historical data, country-specific averages, and other key business variables. Estimates are verified to maintain accuracy and reliability. Furthermore, external certification bodies validate the local environmental reporting procedures (including water) and the corresponding evidence as part of ISO 14001 certification.

Water withdrawal refers to the volume of water drawn from the respective sources and is measured according to standardized definitions that facilitate consistent reporting across all locations. Water withdrawal data for areas at water risk, including high water stress, was calculated using a data model based on the Atlas Aqueduct 4.0 framework. Water risk areas were identified using the default settings provided by the World Resources Institute (WRI), which classifies overall risk scores on a scale from 3 (high) to 5 (extremely high). Areas of high water stress were defined according to ESRS criteria. The identified risk areas were matched with corresponding KION Group locations using geolocation data, and the water withdrawal volumes were consolidated for these locations.

Resource use and circular economy

The 'Resource use and circular economy' chapter meets the disclosure requirements of ESRS E5 and is based on the results of the double materiality analysis. Material topics for the KION Group are managed in the context of the 'Circularity' action field.

Material impacts, risks, and opportunities and their interaction with strategy and business model in relation to resource use and circular economy

The double materiality analysis described in the '[Description of the process to identify and assess material impacts, risks, and opportunities](#)' chapter identified the positive and negative material impacts, risks, and opportunities outlined below in relation to resource use and circular economy in the KION Group.

List of all material Impacts, Risks and Opportunities – Resource use and circular economy

		Value chain			Time horizon		
Sub-topic	IRO	Up-stream	Own operations	Down-stream	< 1 year	1–5 years	> 5 years
Resource inflows, including resource use							
Natural resource depletion	Negative impact	•					•
Use of recycled raw materials and components	Positive Impact	•					•
Production and disposal of batteries	Negative impact			•		•	
Loss of competitiveness	Risk			•		•	
Reputational loss	Risk		•				•
Raw material shortages	Risk	•	•			•	
New business opportunities	Opportunity		•			•	
Resource outflows related to products and services							
Non-circular product portfolio	Negative impact		•	•			•
Refurbishment of products	Positive Impact			•		•	•
Corporate structure to support circularity	Risk		•	•		•	
Waste							
Packaging waste	Negative impact	•	•	•	•		
Waste from own operations	Negative impact		•			•	•
Waste as resource	Opportunity		•			•	•

Depletion of natural resources (negative impact)

The KION Group has identified the depletion of natural resources through the consumption of various raw materials, input materials, and rare precious metals as a material negative impact. The depletion of natural resources in a linear economy can have long-term consequences for people and the planet, leading to the destruction of ecosystems or water scarcity. The resulting fluctuations in commodity prices can put pressure on the economy as a whole and lead to social upheaval. The KION Group's business model is based on the manufacturing of products for which a number of raw materials and components are required. To mitigate the depletion of natural resources, the KION Group can directly influence sustainable sourcing, for example by purchasing recycled products.

Use of recycled materials and components (positive impact)

Besides virgin resources, the KION Group also uses raw materials with a recycled content in its production, such as steel and iron, which saves finite natural resources and protects ecosystems. The KION Group thus reduces the potential waste involved and helps to avoid the GHG emissions that the extraction of new raw materials entails. Together with these positive impacts, the KION Group believes that the use of recyclates and refurbished components is also an important building block for growing its business as it provides better coverage of the Group's resource needs. To achieve this aim, adjustments must be made to the upstream value chain.

Manufacture and disposal of batteries (negative impact)

Due to technological advances in batteries, the KION Group has identified material negative impacts in the production and disposal phases. When producing batteries, particularly lithium-ion batteries, a number of materials are used, including flammable substances, heavy metals, and electrolytes that have a potentially harmful impact on the environment. Improper disposal of these materials can not only cause pollution but can also endanger people, animals, and plants. The KION Group produces its own lithium-ion batteries for the products powered by electric drives in the Industrial Trucks & Services segment. The Group ensures the safe disposal of leased batteries that are returned after use by the customer and over which the KION Group retains beneficial ownership. Where batteries are sold to customers or dealers, however, the waste disposal obligation is transferred along with beneficial ownership.

Loss of competitiveness (risk)

There is a material risk for the KION Group if its competitive position is potentially weakened. The resilience of the KION Group could be under threat in the long term should competitors succeed in fully implementing circular economy strategies ahead of time. Customers, including major customers, could prefer competitor products.

Reputational damage (risk)

In view of customer expectations with regard to circularity, an inadequate range of circular products could result in a loss of market share and damage the Company's reputation in the capital markets. Investors' interest in the Company could also be tangibly dampened, and obtaining corporate finance could become harder.

Raw material shortages (risk)

In the materiality analysis, raw material shortages were determined as a further risk that could entail supply shortages and rising material prices for the KION Group. This could push up purchase costs and lead to production stoppages. It could also increase inventory levels and lengthen delivery times for customers, which could have an adverse impact on the KION Group's profitability.

New business opportunities (opportunity)

Integrating circular business processes presents a material opportunity for the KION Group to expand its current business model and tap into new customer segments. This could generate additional revenue streams. To achieve this, circularity needs to move further up the agenda in the political arena and in society as a whole in order to create the right framework conditions and facilitate a lasting increase in circularity.

Non-circular product portfolio (negative impact)

The KION Group has identified its contribution to the linear use of resources – due to a product design that follows a linear lifecycle – to be a material negative impact of its operations. Products in a non-circular product portfolio frequently comprise materials, composites, and components that are difficult to recycle. This means that valuable raw materials are lost from the recycling system, both depleting natural resources and making it more difficult and costly to dispose of these products. In the course of its business activities, the KION Group exerts direct influence on the development and design of its product portfolio, including the composition and properties of its products and solutions. At the same time, the KION Group is dependent on the alternatives available on the market to achieve consistent characteristics for products with recycled materials.

Refurbishing of products (positive impact)

The KION Group can make sure that the design of its products is potentially sustainable by taking criteria such as durability, repairability, and accessibility into account. Using a high proportion of recyclable materials also allows products to be reused or refurbished more easily. In turn, this can have a positive impact on ecosystems and biodiversity because valuable resources are saved and GHG emissions are cut in sourcing and production. Refurbishing trucks and warehouse technology and modernizing fully integrated systems are part of the KION Group's business model. The industrial trucks in the Industrial Trucks & Services segment, of which the KION Group retains beneficial ownership, are leased to customers multiple times, refurbished between leases if required, or sold to dealers or customers following refurbishment. In the Supply Chain Solutions segment, equipment is serviced or upgraded, with older technology being replaced by newer and more efficient technology.

Organizational structures supporting circularity (risk)

With regard to a functioning circular economy, sufficient financial resources must be available for the necessary investment in the development and expansion of existing corporate structures if the risks of a loss of competitiveness and reputation are to be avoided. This can represent a financial risk for the KION Group.

Packaging waste (negative impact)

The creation of packaging waste in the course of the KION Group's business was determined as a material negative impact. The KION Group works with complex products and equipment that are handled in great numbers along the value chain. This means that packaging waste arises in the procurement of goods in the supply chain, during the Company's own production processes, when setting up equipment and using products and solutions at customers, and when shipping spare parts. Packaging waste, which comprises various types and forms of plastic, can be hugely damaging to the environment with the greatest impact on oceans and seas. This results in a loss of biodiversity and poses a risk to humans, whose bodies absorb microplastics through their food.

Waste from own operations (negative impact)

Waste from the KION Group's own operations has been identified as a further negative impact, in particular waste that cannot be recycled. This includes mixed waste from demolition works or hazardous waste from production, for example paint shop residue or work materials and replaced components covered in oil. If this waste is not disposed of properly and finds its way into the environment, soil and water can be contaminated, endangering plants and living things in the surrounding area.

Waste as a resource (opportunity)

An improvement in its ability to sort and recycle waste would enable the KION Group to reuse more of its waste and integrate it into circular processes. This represents a material financial opportunity for the KION Group as it could give rise to significant cost reductions. It could also help to secure the availability of resources. Turning waste into a resource depends on further technological advances in the recycling industry and on the KION Group optimizing its internal processes.

Policies related to resource use and circular economy

The following subchapter deals with the KION Group's material policy related to resource use and circular economy.

'Circularity' is a relatively new action field in the KION Group's sustainability strategy. In the past, the focus was on internal communication, network building, and establishing the action field. A comprehensive circularity strategy including targets, KPIs, and an action plan is in the process of being drawn up for both the Industrial Trucks & Services and the Supply Chain Solutions segments (see '[Strategy targets and target achievement in 2024](#)'). As a result, there is as yet no central groupwide policy on the sub-topics of resource inflows and resource outflows.

Health, Safety, and Environment Standard

The KION HSE Standard governs management of the sub-topic of waste. In addition to environmental protection, it covers a number of other areas, such as health and safety aspects. The 'Environmental protection' chapter addresses various issues such as training, risk assessment and audits, waste management, packaging and materials management, waste recycling, climate change mitigation, emissions, and the discharging of liquid chemicals. More information on application of the HSE Standard is provided in the '[Policies related to pollution](#)' chapter.

The HSE Standard sets out the requirement that all local sites must control and minimize waste, emissions, and the use of hazardous substances in accordance with national legislation and ISO 14001 or equivalent certification. The Standard also stipulates that the logistics department must design packaging in consultation with the procurement department to minimize waste and the

use of materials and to reduce upstream and downstream energy consumption. Furthermore, the HSE Standard also requires all group sites to operate a program for the regular collection and disposal of hazardous and non-hazardous waste by approved contractors. These contractors must be approved and suitably qualified in their fields and hold the permits required under national legislation.

Beyond the material impacts, risks, and opportunities, other aspects – such as transitioning away from the use of virgin resources, relative increases in the use of recycled resources, sustainable sourcing, and the use of renewable resources – are not covered by the HSE Standard or other policies.

Actions and resources related to resource use and circular economy

The following subchapters deal with the KION Group's material actions related to resource use and circular economy. In this context, the KION Group focuses on refurbishing used industrial trucks, recycling lithium-ion batteries, and improving its waste management.

Refurbishment of used industrial trucks

The refurbishing process includes disassembly, changing wearing parts, repainting, and reassembly. Used trucks, especially returned leased trucks, are carefully checked at the end of their first lifecycle of around five years and refurbished in a standardized procedure.

In the KION ITS EMEA sales and service organizations, the KION Group operates refurbishing centers at sites in Barcelona (Spain), Lainate (Italy), Stuhr (Germany), Örebro (Sweden), Poznań (Poland), and Çerkezköy (Turkey). In April 2024, the KION Group commenced work on extending its current refurbishing center in Velké Bílovice (Czech Republic). Scheduled for completion in 2025, it should significantly increase the KION Group's refurbishing capabilities. Furthermore, the refurbishing of used trucks also continued around the world at KION sites in Indaiatuba (Brazil) and Jingjiang (China) in 2024.

Recycling of lithium-ion batteries

With regard to KION ITS EMEA Sales & Service, in the reporting year the KION Group continued its strategic partnership with Li-Cycle Holdings Corp., which began in 2023. The cooperation agreement that was signed with the latter on the recycling of lithium-ion batteries facilitates the resource-efficient recovery of a large proportion of the materials in these batteries. It means that the critical minerals contained in the old batteries can be used to make new batteries. With the material from batteries starting to be recovered in 2023, the Group's recycling figure by weight increased substantially in 2024.

Other actions were also taken in relation to the refurbishing of lithium-ion batteries. The refurbishing of batteries creates a new product lifecycle for them, saving valuable resources and reducing GHG emissions (Scope 1). KION Battery Systems GmbH (KBS), a subsidiary of the KION GROUP AG, is the central unit responsible for refurbishing the lithium-ion batteries from the returned leased trucks. In the first half of 2024, work also commenced on drafting a workshop handbook for the refurbishing of lithium-ion batteries (48V/90V) for the STILL branches in Germany. The handbook is intended to enable the branches' workshops to refurbish the batteries themselves, depending on their condition. The aim is to minimize journeys transporting the batteries to be refurbished centrally by KBS, allowing branches to make the refurbished batteries available to their customers more quickly and cheaply. A feasibility study for refurbishing lithium-ion batteries for the North America region was also carried out in the first half of 2024.

Improvement of waste management

In the reporting year, measures were introduced in the Supply Chain Solutions segment aimed at reducing the volume of waste being generated and increasing the proportion being recycled. The Installation Waste Management Team, which is responsible for avoiding waste, was established in 2024. At regular meetings, ideas for reducing the volume of waste that is generated at customer sites are shared and strategies are developed. Potential steps include identifying and compiling a list of suitable recycling partners, assessing sites' waste disposal practices, and, taking this as the starting point, creating strategic waste disposal plans. The KION Group's overarching aim is to enhance the recycling and waste management capacities of the sites.

Also in 2024, the Supply Chain Solutions segment used records and observations to create a guideline for assessing waste management at site level and determining appropriate measures. Since conditions at Dematic's sites vary, for example due to differing requirements in each US state or to the type of waste involved, different approaches are needed in order to bring about improvements. The guideline facilitates a more precise assessment of the waste generated at different sites and sets out suggested plans of action and next steps for making waste management sustainable. The finalized guideline including recommended action is intended to support the expansion of recycling and waste management capacities of Dematic's sites from 2025.

Targets related to resource use and circular economy

The following subchapter deals with the KION Group's material targets related to resource use and circular economy.

Increase in waste recycling

For the sub-topic of waste, the KION Group has set itself a target of significantly increasing the proportion of waste that it recycles relative to the total volume of waste generated. The target for increasing the proportion of recycled waste from the Group's own operations has been embedded in its sustainability strategy. The KION Group's target for 2030 is at least 85 percent, with a baseline value from 2023 of 80 percent. In terms of the waste hierarchy, the target relates to the levels of Preparation for reuse and Recycling. The target has been set voluntarily and is not the result of a statutory obligation (see '[Strategy targets and target achievement in 2024](#)')

The target was developed in collaboration with HSE staff of the KION Group who are experts in waste management. Because it is not currently possible to forecast the volume of waste that will be generated in the future, the target is based on the absolute figures from 2023 and past experience in recent years. The relevant Operating Units define their individual percentage targets using a bottom-up approach. These results are aggregated with the absolute figures to produce a groupwide target.

Conversion and construction work on buildings and factories can produce considerable volumes of waste that cannot be recycled. If such measures are planned at the Operating Units' sites, they are factored into the target setting, even though precise volumes of waste cannot be forecast.

In terms of material impacts, risks, and opportunities in the sub-topics of resource inflows and resource outflows, there is currently neither a measurable, outcome-oriented target nor a time-bound target that is used as a central key performance indicator. In 2024, emphasis was placed on increasing internal transparency and evaluating different KPIs.

Resource inflows and outflows

In addition to providing general information about resource inflows and outflows in the KION Group, the following subchapters deal with the KION Group's material metrics in this regard.

Various materials are used in the manufacture of the KION Group's product portfolio. These materials are mainly composed of steel and iron. They are used to manufacture components such as masts, cabins, counterweights, or parts for storage systems, conveyor systems, and sortation systems. Process materials and semi-manufactured parts are also used in the course of production. They include chemicals, such as paint, powder coatings, and oil and lubricants. Various types of plastic and rubber are used as well as electronics. Batteries for industrial trucks are purchased or produced in-house. Packaging material, including wood, cardboard, and plastic, is also used for shipping spare parts and delivering system parts to customers.

Durability

Durability and repairability are essential properties that are factored into the product development process for the KION Group's products. The counterbalance trucks and warehouse trucks that are produced in the Industrial Trucks & Services segment are designed to have a long life. Their construction from predominantly steel and iron helps to ensure that the industrial trucks are robust. They can clock up many hours of operation. The number varies in line with individual customer use and product configuration. A large proportion of the equipment in the Supply Chain Solutions segment is also composed of steel in order to ensure the equipment's robustness and durability for many years. Their modular construction allows systems to be flexibly adjusted and expanded in order to cater to changing requirements.

With regard to the expected durability of the products manufactured by the KION Group, there is currently no generally recognized industry average for specific products or for product groups.

Repairability and refurbishment

Because downtime for systems or industrial trucks can entail considerable costs, the products of the KION Group are designed to give customers maximum possible operational readiness. In the event of a stoppage, technicians must be able to access the point of repair rapidly, so straightforward and safe access is essential. A high degree of repairability and durability are important principles for the KION Group and form the core basis of the aftersales business model.

There is no established rating system for the repairability of products and systems of the KION Group. However, a high level of repairability is an important factor in their sustainability. This is reflected in a number of indicators, such as the long availability of spare parts, customized service agreements, and modular product construction. The speed of accessing the point of repair, the ease of disassembly with standard tools, and the option to install software upgrades and updates help to ensure that repairs can be made rapidly. These measures mean that products and systems can be used for a long time, thereby saving resources.

The longevity and repairability of KION Group products, particularly industrial trucks, allow them to be refurbished at the end of their first customer deployment. This provides the option of reusing them as rental or used trucks.

Recycling

The use of iron and steel in KION Group products ensures a high level of recyclability. Plastic components and lithium-ion batteries are a further major source of recycling potential. Steps have already been taken to improve the recycling process for lithium-ion batteries.

Metrics on resource inflows and outflows

The reported metrics for resource inflows and outflows are based on specific methods and significant assumptions, and, where applicable, on the estimates and outcome uncertainties presented below.

Resource inflows and outflows

in tonnes (t) and in %	2024
Resource inflows	
Overall total weight of used products and technical and biological materials (including packaging) (t)	989,509
Weight of secondary reused or recycled components and intermediary products used in production (t)	281,251
Share of secondary reused or recycled components and intermediary products used in production (%)	28.4%
Resource outflows	
Share of recyclable content in products and their packaging	48.5%

The main source of data for determining the 'Overall total weight of used products and technical and biological materials (including packaging)' metric is an internal database, which directly interfaces with the KION Group's accounting systems and is based on primary data such as invoices. If no direct data is available, figures are extrapolated on the basis of average purchases of materials. Only purchase data for materials from outside the Group is used in the calculation. Movements of materials within the Group are not included. Procurement spending that does not directly contribute to the consumption of materials, such as travel expenses or services, is not included in the calculations.

The overall total weight for the Industrial Trucks & Services segment was extrapolated on a linear basis using the data available. This calculation involved the use of proportionally available procurement data as well as a pro rata projection combined with a benchmark (kg per industrial truck) based on the KION Group's order intake data. For the Supply Chain Solutions segment, the weight of procured materials was determined on the basis of an analysis of material groups due to a lack of available data. Owing to the similarity of the material groups in the two segments, an ITS benchmark based on the ratio of weight to procurement costs (kg per euro) was used for the segment and extrapolated to a total weight for SCS.

The overall total weight of products and technical and biological materials used (including packaging) includes all KION Group entities subject to disclosure requirements. The base data only takes external procurement data into account. Intragroup supply relationships were not included to avoid double counting. All resource-relevant procurement categories are covered. Net material weight is used. The biological materials used in the manufacture of KION Group products were deemed not to be relevant, as an analysis of the procurement data concluded that the total amount was below the defined materiality threshold.

A degree of measurement uncertainty in this metric stems from the lack, and sometimes insufficient quality, of weight data stored in the procurement systems. Where an Operating Unit does not have specific weight data, average figures from comparable Operating Units with a similar product portfolio are used and extrapolated on the basis of procurement spending.

No complete data from the upstream value chain is available for the 'Weight of secondary reused or recycled components and intermediary products used in production' metric. The KION Group therefore used secondary data from internationally recognized sources. For steel and iron, which represent the largest proportion of purchased materials, average global recycling input rates for iron and steel are used. These are obtained from the recycling atlas of the German Mineral Resources Agency (DERA) at the Federal Institute for Geosciences and Natural Resources (BGR).

The recycling input rate of other materials was not included in this metric in the financial year, but there are plans to do so in the future. As part of a pilot project, data was requested directly from suppliers; however, the response rate was too low to make reliable assertions regarding the KION Group's recycling input rates. In addition to steel and iron, the KION Group plans to systematically assess other material groups over the coming years and determine the relevant average values. Until then, a conservative recycling input rate of zero is assumed for the materials used, as no reliable reference data is available. For more information regarding substances of very high concern in the materials used, see chapter '[Metrics related to substances of very high concern](#)'.

The calculation of the 'Proportion of recyclable products and their packaging' metric is based on the total weight of materials used. [[The recyclability was calculated on the basis of a global average figure for steel and iron contained in the OECD report 'Global Material Resources Outlook to 2060' ([Publications | OECD](#)).]] This average figure is also used in the highly respected DERA recycling atlas.

There is a degree of measurement uncertainty in the 'Weight of reused or recycled secondary components and materials used in production' and 'Proportion of recyclable products and their packaging' metrics as no data from the upstream value chain is available. Consequently, the DERA recycling atlas was used to source the average global values for both metrics, in particular for steel and iron as essential purchased materials.

Metrics on waste generated

The KION Group is a mechanical engineering company, most of whose waste is in the scrap metal waste stream. In 2024, another substantial amount came from the foundries. Packaging waste such as wood was also generated.

Waste generated

in tonnes (t)	2024		
	Non-hazardous	Hazardous	Total
Total amount of waste generated	68,620	15,826	84,446
Waste diverted from disposal	54,605	11,055	65,660
Preparation for reuse	3,840	950	4,790
Recycling	38,360	8,880	47,240
Other recovery operations	12,406	1,224	13,630
Waste diverted from disposal (in %)	79.6%	69.9%	77.8%
Waste directed to disposal	14,015	4,771	18,786
Incineration	2,418	696	3,113
Landfill	8,678	1,672	10,350
Other disposal operations	2,920	2,403	5,323
Total amount of non-recycled waste	30,261	6,945	37,206
Share of non-recycled waste in %	44.1%	43.9%	44.1%

Data on waste volumes is collected at the relevant KION Group sites. Where direct measurement on site is not possible, the amount of waste is primarily based on estimates drawing on waste disposal documentation, waste amounts from previous years, and the experience of those in charge of local waste management. The estimation of waste volumes is always based on a standardized Group specification.

Incorporating the EU Taxonomy

Regulation (EU) 2020/852 (Taxonomy Regulation) and the corresponding delegated acts establish a classification system that defines sustainability criteria for economic activities across six environmental objectives: climate change mitigation, climate change adaptation, sustainable extraction and use 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 regulatory framework, the KION Group discloses the taxonomy-aligned, taxonomy-eligible but not taxonomy-aligned and the taxonomy non-eligible proportion of turnover (revenue), capital expenditure (CapEx), and operating expenditure (OpEx) for the 2024 financial year.

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 or for the corresponding taxonomy metrics. The templates specified in the supplementary Delegated Regulation are not applicable and are not included in this report.

Detailed tables in accordance with the Taxonomy Regulation can be found in the notes to the Group sustainability report (see ['Further disclosures on the EU Taxonomy'](#)).

Taxonomy-eligible economic activities

An interdisciplinary team reviewed the Group's relevant economic activities and allocated them to the corresponding taxonomy-eligible activities as defined in the Taxonomy Regulation. For the 2024 financial year, the KION Group assessed taxonomy eligibility for economic activities defined in the Climate Delegated Act (Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Delegated Regulation (EU) 2022/1214), the Amending Climate Delegated Act (Delegated Regulation (EU) 2023/2485), the Environmental Delegated Act (Delegated Regulation (EU) 2023/2486), and the Disclosures Delegated Act (Delegated Regulation (EU) 2021/2178 as amended on June 27, 2023). The assessment concluded that the KION Group's economic activities relate to the environmental objectives of climate change mitigation (CCM) and transition to a circular economy (CE). The four remaining environmental objectives were also evaluated for potentially taxonomy-eligible activities, but no taxonomy eligibility was identified.

In addition, Delegated Regulation (EU) 2022/1214 outlines specific disclosure requirements for economic activities related to fossil gas and nuclear energy. 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 metrics. The templates specified in the supplementary Delegated Regulation are not applicable and are not included in this report.

The KION Group's taxonomy-eligible economic activities are listed in the table below.

KION Group taxonomy-eligible activities

Contribution to environmental objective	Economic activity under 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	4.1 Provision of IT/OT data-driven solutions	Software solutions and operational technologies (OT) based on artificial intelligence (AI)
	5.1 Repair, refurbishment and remanufacturing	Repair activities provided as part of aftersales services (ITS and SCS segment)
	5.2 Sale of spare parts	Sale of spare parts as part of aftersales 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 the taxonomy eligibility of economic activities

For the KION Group, the most relevant economic activities related to the CCM 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 regards economic activity 3.6 as the most appropriate for its core manufacturing activities, since no industry-specific economic activity has been defined for the intralogistics sector as yet. This activity relates to technologies that demonstrate substantial savings of GHG emissions over their lifecycle compared with the best performing alternative technology available on the market.

In addition, the KION Group identified several activities related to the CE objective as taxonomy-eligible. The activities relevant to the Group under this environmental objective are '4.1 Provision of IT/OT data-driven solutions', '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 the taxonomy alignment of economic activities

In accordance with the Taxonomy Regulation, the taxonomy alignment of taxonomy-eligible economic activities was assessed on the basis of the following requirements:

- Compliance of the associated economic activity with the technical screening criteria for a substantial contribution,
- Compliance of the associated economic activity with the technical screening criteria for the prevention of significant harm to one or more of the environmental objectives (do-no-significant-harm or DNSH criteria)
- Compliance with minimum safeguards

Compliance with substantial contribution criteria

The taxonomy alignment of activity '3.2 Manufacture of equipment for the production and use of hydrogen' under the CCM objective was assessed, as the KION Group develops and manufactures fuel cells. Since a substantial contribution is inherent in the activity's description, the manufacturing activity automatically fulfills the criterion.

The taxonomy alignment of the manufacture of selected electric trucks (e-trucks) was also assessed, in reference to activity '3.6 Manufacture of other low-carbon technologies' under the CCM objective. These particular trucks represent the only available technology solution in their power range currently on the market that enables the electrification of outdoor logistics handling. In previous years, an externally verified lifecycle assessment (LCA) showed that e-truck technology can produce substantially lower GHG emissions over its lifecycle compared to conventional internal combustion (IC) trucks. This LCA was performed on the basis of ISO 14040 and ISO 14044. It does not currently meet the material contribution criterion. In the reporting year, the KION Group also completed a carbon footprint analysis based on the ISO 14067 standard, in accordance with the relevant requirements, although this has not yet been verified by a third party.

Assessments were also carried out for the taxonomy alignment of activities '3.4 Manufacture of batteries' and '3.10 Manufacture of hydrogen' under the CCM objective. The manufacture of lithium-ion batteries contributes substantially to the reduction of GHG emissions due to their greater energy efficiency compared with lead-acid batteries. In addition, batteries pave the way for a substantial number of low-carbon technologies in other sectors and industrial applications. The reduction of lifecycle GHG emissions calculated for economic activity 3.10 has not been verified and therefore does not meet the substantial contribution criterion.

The economic activities '6.5 Transport by motorbikes, passenger cars and light commercial vehicles' and '7.7 Acquisition and ownership of buildings' under CCM cannot fulfill the substantial contribution criterion at this time. With respect to activity CCM 6.5, electric vehicles currently do not constitute a material portion of the overall Group fleet; the KION Group therefore did not pursue the assessment of substantial contribution requirements further. Regarding activity CCM 7.7, the assessment confirmed that the requirements have not been met, either due to the buildings' energy performance or because the energy performance certificates do not meet the requirements of the Taxonomy Regulation. Consequently, these economic activities can only be classified as taxonomy-eligible for the 2024 financial year.

The taxonomy alignment for economic activities under the CE objective was assessed for the first time in 2024.

Within economic activity '4.1 Provision of IT/OT data-driven solutions', the KION Group develops software inhouse and sells it along with third-party hardware, which is used to operate this software. The requirements for a substantial contribution were deemed to have been met with respect to at least two of the software functions listed. However, the requirements related to the hardware

materials and to the reuse, recovery, or recycling at the end of life could not be met. The KION Group is only a reseller of hardware manufactured by third parties, who control the materials used in components and the design. Furthermore, the hardware's end of life is managed by the customers and not by the KION Group. As the software and the hardware are currently sold under the same performance obligation pursuant to IFRS 15, it was not possible to consider the software for alignment in isolation. The activity can therefore only be considered as taxonomy-eligible, but not as taxonomy-aligned.

With respect to economic activity '5.1 Repair, refurbishment, and remanufacturing', assessment of the substantial contribution criteria focused on sales contracts and waste management. The KION Group selected and assessed a sample of service contracts from the Industrial Trucks & Services segment and the Supply Chain Solutions segment that were deemed to be representative. Based on this assessment, the activity was confirmed to fulfill the necessary requirements. Waste management processes were assessed separately, taking refurbishment and repair activities into account. In the Industrial Trucks & Services segment, the analysis focused on the waste management plans of the refurbishment sites. With respect to repair activities, the criteria were deemed not to be applicable to either segment since the repairs (and therefore the related handling of waste) occur primarily at customer sites.

The KION Group also assessed the substantial contribution criteria for economic activities '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', with a particular focus on requirements related to sales contracts and packaging. Samples of service contracts covering the sale of spare parts, from both the Industrial Trucks & Services segment and the Supply Chain Solutions segment, as well as contracts covering industrial truck leasing and the sale of used trucks, were deemed to fulfill the necessary requirements. With respect to packaging, the criteria were mainly assessed for activity CE 5.2, where partial alignment could be confirmed for some packaging suppliers. For activities CE 5.4 and CE 5.5, a preliminary assessment showed that the main materials required for shipping industrial trucks are only for protective purposes (such as foam), while common packaging (such as pallets or plastics covers) is used very rarely and could be considered not to be material. However, a more detailed assessment would be required to fully confirm fulfillment of the criteria, and such an assessment would also have to be performed if the activities are to fulfill the DNSH requirements in Appendix C.

Compliance with DNSH criteria

The KION Group also assessed the DNSH criteria, which are designed to ensure that the risk of considerable impairment toward another environmental objective is avoided.

An assessment of climate risk and vulnerability was carried out in line with Appendix A of Annex 1 to the Delegated Regulation (EU) 2021/2139 in order to determine whether the Group's economic activities do no significant harm to the 'Climate change adaptation' objective. The focus was on KION Group sites where taxonomy-eligible activities related to the core business (CCM 3.2, CCM 3.4 and CCM 3.10) are performed. Overall, no material climate-related physical risks were identified.

To review the other overarching DNSH criteria, workshops were held with HSE managers of the Operating Units in relation to the KION Group's affected economic activities. The analysis initially focused on activities CCM 3.2, CCM 3.4, and CCM 3.10. Compliance with the DNSH criteria is ensured primarily by employing established environmental management systems that adhere to ISO 14001 standards. In addition, the KION Group sites relevant to taxonomy alignment were analyzed with respect to their proximity to biodiversity-sensitive areas. The base data for this assessment was provided by the European Environmental Agency's Natura 2000 Network Viewer. The analysis found that none of the KION Group sites where taxonomy-eligible economic activities

related to the 'Climate change mitigation' objective take place are located in or near these sensitive areas. The assessment of the DNSH criteria in accordance with Appendices B and D of Annex 1 to the Delegated Regulation (EU) 2021/2139 therefore concluded that the aforementioned activities and the associated sites fulfill these criteria.

In the reporting year, the Group also investigated whether its activities fulfill the DNSH criteria with regard to the objective of a transition to a circular economy. For activity CE 5.1, the assessment considered repair and refurbishment activities separately. With respect to the refurbishment activities, the analysis evaluated selected refurbishment centers, which were confirmed to comply with the criteria set out in Appendix B, since they are assessing and tracking water-related impacts in a dedicated register as part of the ISO 14001 certification process. The criteria in Appendix B were deemed not to be applicable to repair activities in either segment, since repairs (and the relevant water-related impacts) mainly occur at customer sites. With respect to activities CE 5.2, CE 5.4, and CE 5.5, spare parts warehouse sites (both for the Industrial Trucks & Services segment and the Supply Chain Solutions segment) and manufacturing sites (for the Industrial Trucks & Services segment) were identified as relevant locations for the KION Group. Given that 99 percent of the Group's sites (100% for the manufacturing sites of the Industrial Trucks & Services segment) are ISO 14001 certified, the Group considers this to be an indication that the criteria set out in Appendix B have potentially been met. The criteria set out in Appendix D are not applicable to activity CE 5.1 and were therefore not considered.

The DNSH criteria for pollution prevention and control outlined in Appendix C of Annex 1 to the Delegated Regulation (EU) 2021/2139 require that economic activities do 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 Delegated Regulation (EU) 2023/2485, the requirements under point (f) are currently not fulfilled for activities CCM 3.2, CCM 3.4, CCM 3.6, and CCM 3.10. With respect to activity CE 5.1, only the labor portion of the repair activities fulfilled the criteria, the materials used in the repairs did not. This distinction was only possible for the Industrial Trucks & Services segment. Repair activities in the Supply Chain Solutions segment therefore have to be considered in total, and are considered not taxonomy-aligned. Similar to activities CCM 3.4 and CCM 3.6, activities CE 5.2, CE 5.4, and CE 5.5 do not currently comply with the requirements outlined in Appendix C either. Overall, only a clearly defined portion of activity CE 5.1 currently fulfills the DNSH criteria set out in Appendix C, while all other activities mentioned above do not fulfill these criteria and are therefore shown as taxonomy-eligible but not taxonomy-aligned.

With regard to the objective of a transition to a circular economy, assessment of the DNSH criteria is focused on reuse and the use of secondary raw materials, design for greater durability and recyclability, and the provision of information on materials throughout the lifecycle of the manufactured products. Fulfilment of these requirements was assessed and found to be met. Analysis of activity CCM 3.4 demonstrated that batteries produced by the KION Group are designed for high durability and easy disassembly. The KION Group is also legally obliged to ensure that batteries can be returned and recycled. Furthermore, the steel used in industrial trucks can be easily recycled, meaning that a high proportion of this material can be reused, in line with the principles of the circular economy.

DNSH requirements related to the CCM objective apply to activities CE 5.2, CE 5.4, and CE 5.5 only. The criteria are not applicable with respect to the KION Group's CE 5.1 activity, as there is no on-site generation of heating or cooling, nor any cogeneration, including power. Further analysis regarding activities CE 5.2, CE 5.4, and CE 5.5 would have to be carried out at a later stage to see if these activities fulfill the DNSH requirements in Appendix C.

Compliance with minimum safeguards

The Taxonomy Regulation requires undertakings to implement processes that ensure compliance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles (UNGP) on Business and Human Rights, the eight fundamental conventions of the International Labour Organization, and the International Bill of Human Rights. These minimum safeguards primarily cover human rights, bribery and corruption, fair competition, and taxation. To ensure compliance with these minimum safeguards, the KION Group is establishing appropriate processes (including due diligence and risk assessments) and setting groupwide guidelines and policies, the use of which is monitored. The actions taken with regard to the aforementioned topics are analyzed in order to identify, prevent, and monitor risks and manage any associated negative impacts. The KION Group also verified that there were no confirmed violations in any of the aforementioned areas during the reporting year.

[[With respect to human rights, the KION Group has an established [Human rights assessment and due diligence \(HRDD\)](#) process, based on the six steps of human rights due diligence defined by UNGP, which was assessed to confirm compliance with the minimum safeguards in this area.]]

Calculation of key figures for the EU taxonomy

The collection of revenue, capital expenditure (CapEx), and operating expenditure (OpEx) data 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.

The subsidiaries' financial reporting was used as the basis for collecting and consolidating the taxonomy-relevant data, which was validated and consolidated centrally. Where no revenue, CapEx, or OpEx was reported for a particular economic activity, they were deemed as not being applicable to that economic activity within the scope of this data collection.

To determine the taxonomy-eligible and taxonomy-aligned proportion of consolidated revenue, the revenue from all eligible and aligned economic activities was calculated in relation to the KION Group's total revenue. The taxonomy-eligible revenue was taken from financial accounting and internal reporting on the relevant taxonomy-eligible economic activities, while total revenue corresponds to the sum of the consolidated net revenue of all consolidated subsidiaries (see [consolidated income statement](#) in the [consolidated financial statements](#) of this annual report; [ESRS 1.123]).

To determine the taxonomy-eligible and taxonomy-aligned proportion of capital expenditure, the capital expenditure in all eligible and aligned economic activities was calculated in relation to the KION Group's total CapEx. The total CapEx corresponds to the sum of operational CapEx (see [notes to the consolidated financial statements](#), note [39]; [ESRS 1.123]) in the additions to the assets held for lease and rental, and right-of-use assets in other property, plant and equipment, primarily from procurement leases for buildings and company cars (see [notes \[17\], \[18\], and \[19\]](#) in the notes to the consolidated financial statements; [ESRS 1.123]).

To determine the taxonomy-eligible and taxonomy-aligned proportion of OpEx, the relevant operating expenditure for all eligible and aligned economic activities was calculated in relation to the total operating expenditure of the KION Group in accordance with the Delegated Act supplementing Article 8 of the Taxonomy Regulation. Total OpEx corresponds to the sum of all relevant non-capitalized expenditure related to research and development, building renovation, short-term leases, maintenance and repair, and all other direct expenses related to the day-to-day maintenance of property, plant, and equipment by the Group, or third parties to whom activities are outsourced, and which are necessary to ensure the continuous and effective functioning of these assets.

The reporting approach for economic activity CCM 3.4 was revised due to its relevance and contribution to the KION Group's revenue, and economic activity CE 4.1 is now reported separately. From 2024 onward, intragroup revenue and external revenue will be shown as a total for activity CCM 3.4. Revenue from intragroup supply relationships will be deducted for activity CCM 3.6 to avoid double counting for the taxonomy alignment. Total revenue is also shown for activity CE 4.1, with the revenue from intragroup supply relationships deducted from the total taxonomy-non-eligible consolidated revenue, as this proportion is not allocated to any other economic activity.

Additionally, clear definitions and processes were established to ensure consistent allocation of financial accounting data to the relevant activities and to prevent double counting of revenue, CapEx, and OpEx from economic activities that contribute to more than one economic activity.

Taxonomy-eligible and taxonomy-aligned activities are therefore allocated either to the 'Climate change mitigation' objective or to the objective of the transition to a circular economy, which further reduces the risk of double counting.

The following provides an overview of taxonomy-eligible and taxonomy-aligned activities with regard to the financial metrics revenue, CapEx, and OpEx for 2024 and the comparative period of 2023.

Taxonomy eligible and aligned environmentally sustainable economic activities by the financial metrics

in € million	2024	in % ¹	2023	in % ¹	Change
Total Revenue	11,503.2	100.0%	11,433.7	100.0%	0.6%
thereof taxonomy-eligible activities ²	7,277.9	63.3%	6,856.2	60.0%	6.1%
thereof taxonomy-aligned activities ³	364.9	3.2%	–	0.0%	–
Total capital expenditures (CapEx)	1,855.4	100.0%	1,718.5	100.0%	8.0%
thereof taxonomy-eligible activities ²	1,578.5	85.1%	1,501.2	87.4%	5.2%
thereof taxonomy-aligned activities ³	–	0.0%	–	0.0%	–
Total operating expenses (OpEx)	397.3	100.0%	439.7	100.0%	–9.7%
thereof taxonomy-eligible activities ²	183.9	46.3%	255.4	58.1%	–28.0%
thereof taxonomy-aligned activities ³	–	0.0%	–	0.0%	–

1 All percentages relate to total revenue, CapEx and OpEx in accordance with the definitions of EU Taxonomy. For further explanation on total revenue, CapEx and OpEx see in the notes to the consolidated financial statements and in the combined management report

2 Refers to the sum of A.1 and A.2 of the taxonomy-aligned and taxonomy-eligible, but not aligned activities in the EU Taxonomy tables for total revenue, CapEx and OpEx (see annex 'disclosures on EU taxonomy' of this group sustainability report)

3 Taxonomy-alignment was assessed for the economic activities of the environmental objectives 'climate change mitigation' and 'circular economy'

The percentage of taxonomy eligibility in the financial metrics revenue, CapEx, and OpEx in accordance with the EU Taxonomy did not change significantly year on year. The economic activity CE '4.1 Provision of IT/OT data-driven solutions' was identified as taxonomy-eligible and included in 2024. With regard to taxonomy alignment, the economic activities were assessed under the environmental objective 'Transition to a circular economy' for the first time in 2024. As a result, the proportion of taxonomy-aligned revenue rose from 0.0 percent in 2023 to 3.2 percent in 2024. Despite the stricter DNSH criteria following the changes in 2024 to Appendix C (paragraph f) in Annex I to the Delegated Regulation (EU) 2021/2139, a clearly defined part – under the environmental objective 'Transition to a circular economy' – of economic activity CE 5.1 was considered taxonomy-aligned.

Further notes on the EU Taxonomy Regulation

The Taxonomy Regulation is dynamic and evolving, indicating ongoing amendments, adjustments and extensions over time. The KION Group is convinced that the Group and its portfolio, consisting of efficient products and solutions in both segments, can make a major contribution to the objectives defined in the regulation. The current version of the Taxonomy Regulation does not provide sufficiently detailed descriptions of the economic activities nor appropriate technical screening criteria for all activities. For example, due to the complexity and individual nature of automated supply chain solutions there is currently no dedicated EU Taxonomy economic activity against which to assess their eligibility and alignment. The sustainability strategy complies with the specifications and objectives of the Taxonomy Regulation, which are incorporated into the Group's activities, along with other requirements. The detailed descriptions of the activities contained within the relevant chapters of this report provide an overview of the KION Group's commitment in the area of sustainability and its performance.

Social information

Own workforce of the KION Group

The 'Own workforce of the KION Group' chapter meets the disclosure requirements of ESRS S1 and is based on the results of the double materiality analysis. Material topics for the KION Group are managed in the context of the 'Occupational health and safety' action field in the sustainability strategy.

Material impacts, risks, and opportunities and their interaction with strategy and business model in relation to own workforce

The double materiality analysis outlined in the '[Description of the process to identify and assess material impacts, risks, and opportunities](#)' chapter identified a positive and a negative material impact of the Group's business activities on its own workforce. The KION Group had already identified occupational health and safety (OHS) as a material topic in previous materiality analyses, and it was once again confirmed as material in the most recent materiality analysis conducted in 2024. Human rights due diligence related to OHS is carried out within the scope of the 'Occupational health and safety' action field in the KION Group's sustainability strategy (see '[Strategy targets and target achievement in 2024](#)').

It is highly unlikely that the KION Group's own operations would lead to a significant risk of forced labor or child labor. [[This is set out in the document 'Group internal human rights assessment & due diligence 2023/2024', available on the KION Group website at www.kiongroup.com/en/About-us/Management/.]]

List of all material Impacts, Risks and Opportunities – Own workforce

Sub-topic	IRO	Value chain			Time horizon		
		Up-stream	Own operations	Down-stream	< 1 year	1–5 years	> 5 years
Working conditions							
Occupational accidents and injuries	Negative impact		•		•	•	•

Occupational accidents and injuries (negative impact)

The manufacturing industry is inherently prone to occupational accidents and injuries, representing a systemic negative impact. The severity of the impact is assessed individually for each case. While the entire workforce of the KION Group, including indirect administrative functions, could potentially be affected by an occupational accident or incident, the main focus of this negative impact is on the direct workforce performing activities in production functions, particularly in foundries, in sales and service, or in logistics. This includes non-employees as well as workers engaged by third parties, such as contractors and temporary agency workers.

The potential risk to employees and non-employees is dependent on their assigned task in the workforce and the associated work environment. To develop a better understanding of greater risks of harm, the KION Group assesses hazards and associated risks in certain environments as part of

its hazard identification and risk assessment process at individual sites. Where occupational accidents and incidents occur in the course of its own business activities, the KION Group is directly responsible for the negative impact on employees and non-employees and must actively ensure that preventative measures are taken.

Interests and views of stakeholders

As a company that operates globally, the KION Group bears corporate social responsibility not only toward its customers, investors, and the general public, but also in particular toward its own workforce as a key group of affected stakeholders. This corporate social responsibility requires KION Group to comply with all applicable laws, to respect ethical values, and to act sustainably everywhere and at all times.

KION GROUP AG has developed tools to allow employee representatives to directly address the Group management and its representatives about matters that are of relevance to the workforce, or to inform them of economic factors affecting fundamental corporate decisions.

The KION Group conducts the annual KION Pulse survey to identify and adequately reflect the interests and views of its own workforce. The objective of increasing employee satisfaction as measured by the KION Pulse survey is enshrined in the 'Talent' action field of the KION Group sustainability strategy (see '[Strategy targets and target achievement in 2024](#)'). The employee survey addresses topics such as internal communication and collaboration, while also enabling the workforce to share their personal perspectives and to raise actual and potential impacts. The findings of the survey provide direct insights that help to further improve the engagement and motivation of the KION Group's workforce. Annual participation is monitored and compared with the results of previous years in the respective areas in an equivalent and measurable way under the supervision of the CPSO. In 2024, the KION Group was able to increase the number of active employees and apprentices taking part in the KION Pulse employee survey and improve the resulting engagement score (see '[Strategy targets and target achievement in 2024](#)'). The survey's engagement score and participation rate are factors in the calculation of the variable remuneration of the KION GROUP AG Executive Board based on long-term sustainability targets, and are also being factored in for executives from 2024 onwards (see '[Integration of sustainability-related performance in incentive schemes](#)').

The KION Group is committed to complying with internationally agreed labor rights and human rights and regards them as a minimum standard to be achieved at all times. [[Respect for human rights, in particular, is enshrined in several policies, including the [International minimum employment standards in the KION Group](#), the [KION Group Code of Compliance](#), the [Statement on the KION Group's human rights strategy](#) and the [Group internal human rights assessment & due diligence 2023/24](#) document.]] The function of the human rights officer described in the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz) is delegated to the KION Group's Human Rights Committee, which reports to the Executive Board of KION GROUP AG. The Human Rights Committee receives reports and complaints about human rights and environmental violations that are addressed to the committee as a whole or to its members, or that it receives via the KION whistleblowing system, for further processing. In addition, the Human Rights Committee monitors the processes established to identify, prevent and remedy risks of human rights and environment-related violations and the implementation of remedial measures. In addition, the KION Diversity & Inclusion Council was established to actively drive progress toward greater diversity, inclusion, and equity within the KION Group.

The interests and views of the own workforce are collected in regular meetings on health, safety and environment (HSE) at local and central level. The KION Group HSE Standard requires a local procedure to be in place to enable both employees and non-employees to raise occupational health

and safety issues. As part of its sustainability strategy, the KION Group endeavors to take the interests and views of its own workforce into account, with the central HSE function playing a key role in the development of the 'Occupational health and safety' action field (see next chapter ['Processes for engaging with own workforce and workers' representatives about impacts'](#)).

Processes for engaging with own workforce and workers' representatives about impacts

The following subchapters deal with the KION Group's processes for engaging with its own workforce and workers' representatives about impacts.

Investigation of occupational accidents and injuries

The HSE Standard requires all local entities to have an incident investigation procedure in place for any type of accident. According to the HSE Standard, the investigation must be carried out by the line management, with the participation of the employees involved in the accident. In case of a fatality or further accidents, local entities are responsible for the accident investigation. The central HSE function carries out a post-fatality audit focused on management responsibility. It also supports the local investigation of serious incidents, which are classified in accordance with the KION Group process for serious incidents and fatalities. On this basis, fatalities are the result of work-related accidents or work-related illnesses, while serious incidents are categorized as personal injury, environmental incident, or property damage. The findings of the incident investigation are used to identify precautionary measures to avoid similar incidents in future, and are shared in HSE meetings at local and central level. How often the company's own workforce participates in such investigations depends on the frequency of accidents and injuries.

Regular central HSE meetings

In addition to the workforce involvement in incident investigations, the central HSE function organizes various virtual HSE meetings with the HSE heads of the Operating Units and the regional HSE representatives of the Operating Units, as well as the wider HSE network.

A monthly HSE leadership meeting is held with the HSE heads of the Operating Units, chaired by the head of the Sustainability & HSE department. The HSE heads are a specific group of senior HSE managers from the Operating Units KION ITS EMEA, KION ITS Americas, KION ITS APAC, and KION SCS who are in charge of the activities relating to occupational health and safety in the relevant Operating Unit. The meeting focuses on strategic topics and involves target setting, a performance review of HSE metrics, and discussion of the findings of incident investigations. A dedicated time slot is reserved at the end of the meeting for participants to raise any concerns or relevant discussion points, which can be used to assess the effectiveness of this engagement process.

In addition, an HSE communication meeting, led by the central HSE function, is held every two months. The regional HSE representatives of the Operating Units and the wider HSE network are invited to take part in these meetings, which focus on operational activities. The regional HSE representatives of the Operating Units are a diverse group comprising members from every global region in which the KION Group is active. They are responsible for occupational health and safety in one or more entities that cover several locations. The HSE communication meetings discuss the findings of incident investigations and also share initiatives and examples of best practice from the Operating Units, regions and local sites.

There is also a monthly HSE network meeting chaired by the head of the Sustainability & HSE department.

Local HSE meetings and consultations

The HSE Standard requires all entities within the KION Group to conduct at least one quarterly HSE meeting on relevant HSE subjects at site level. These HSE meetings have to be chaired by a senior manager within the entity and must include a workforce representative.

The HSE Standard also requires all subsidiaries to establish a documented HSE consultation process for their own workforce. The process must ensure that the workforce can raise concerns on HSE issues and that these concerns will be addressed by management.

How effectively the company's workforce is involved at a local level is measured using a groupwide HSE assessment, which includes a specific question to evaluate this aspect (see '[Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions](#)').

Engagement through workers' representatives

Employee engagement based on participation rights, along with the formation of workers' representative bodies at workplace and at Group level, follows the relevant national regulations. In several European countries, workers' representatives are organized at local level. In Germany, the Group Works Council consists of representatives from local works councils from across the Group. The European Works Council represents the interests of employees in the European Union in international matters.

The employees of the KION Group can express their interests and views to the workers' representatives, who deal with them in regular and ad hoc meetings. These meetings also address occupational health and safety issues. HSE targets and programs must be communicated to stakeholders such as the works council in accordance with the requirements of ISO 45001 certification.

Processes to remediate negative impacts and channels for own workforce to raise concerns

The following subchapters deal with the KION Group's processes to remediate negative impacts and channels for own workforce to raise concerns.

KION Group whistleblowing system

A key component of the KION Group's compliance management system is the whistleblowing system that employees and third parties can use to confidentially report actual or suspected cases of unlawful or inappropriate conduct. This includes concerns about negative impacts on matters such as human rights, working conditions, equal treatment and other work-related rights.

[[The primary avenues for reporting are the whistleblowing tool and hotline, which enable anonymous submissions in writing or by phone. Reports can be made via the KION Group's website at www.kiongroup.com/whistleblowing.]] Employees can also contact the Compliance, Legal, or Internal Audit departments or members of the KION Group Compliance Committee directly. Some entities offer additional local reporting channels, such as Compliance Committees or Ethics Committees. The whistleblowing tool is operated by an external provider in order to ensure

confidentiality. Reports made through other channels are documented and managed in the compliance case management system.

The whistleblowing system is designed to be global but addresses local needs to the greatest possible extent. Anyone should be able to access the system and use it in their own language via their preferred communication channel. To encourage use of the system and promote a culture of speaking up, the reporting channels are communicated via the intranet, in mandatory e-learning courses (e.g., on the KION GROUP Code of Compliance (KGCC), on the 'speak-up culture', and on minimum employment standards), and in classroom-based training.

The integrated compliance case management system is designed to ensure that all reports received are reviewed and that each case is processed systematically and in compliance with the EU Whistleblowing Directive. Depending on the nature of the report, the responsibility for managing the investigation, as well as completing the process and carrying out the follow-up, either falls to a Compliance Officer or a representative of another central department. Embedded processes and policies are in place to reinforce confidentiality and protection against retaliation. In 2024, the KION Group looked into all cases reported to the whistleblowing system and investigated all credible allegations of potential violations. Reports are considered reliable if they include sufficiently concrete facts that can be verified with reasonable effort. Disciplinary action is taken in any identified cases of misconduct. If necessary, the compliance management system is modified to counter future violations.

The KION Group is continuously improving the whistleblowing system, based on feedback from reporting parties and users of the system. Anyone is entitled to suggest improvements. These will be discussed by Corporate Compliance, the Compliance Committee, and other stakeholders as appropriate. Questions concerning the whistleblowing system are included in the annual compliance risk assessment questionnaires that are completed by the KION Group entities.

The KION Group prohibits any retaliation against whistleblowers. Whistleblower protection is codified in the KGCC and in the internal investigation policy. There is no compensation system in place to manage compensation for workers in the value chain if they were or are affected by negative impacts. Compensation is considered on the basis of individual cases. The effectiveness of the whistleblowing system is monitored by the Compliance Committee and the Human Rights Committee.

Reporting channels and processes related to occupational accidents and injuries

All KION Group employees, contractors and/or visitors are mandated to immediately report accidents and incidents that occur while they are working for the KION Group, or on a KION Group site, to their supervisor or contact person at the KION Group.

The KION Group offers its own workforce various reporting channels to raise concerns and grievances related to occupational accidents and injuries, for example the Group's anonymous whistleblowing system, operated by an external provider. Other reporting channels include the local ideas management, near-miss management, and meetings between individual employees and their line manager or supervisor, as well as safety walks and behavior-based safety observations carried out at the workplace. The availability of these channels is communicated to new employees during the HSE induction training at local level, while existing employees are reminded as part of HSE refresher courses. In addition to the groupwide whistleblowing system, local HSE representatives report employee concerns and grievances, including accidents, incidents, and near misses, using an internal reporting system, which is monitored by the Corporate Sustainability & HSE department. The effectiveness of this reporting procedure is reviewed on a monthly basis in terms of data completeness, and annually for data validity.

Actions associated with concerns and grievances are monitored until their implementation is completed at the local sites. In case of a negative impact of an occupational accident or injury, affected employees receive compensation in accordance with national legal requirements. HSE representatives at the local sites are responsible for the effectiveness and adequacy of remediation measures.

The reporting channels and the employees' commitment to reporting workplace accidents and incidents are reviewed as part of the central HSE audits, the HSE assessments, and the local ISO 45001 certification (see [‘Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions’](#)).

Policies related to own workforce

The following subchapters deal with the KION Group's material policies related to own workforce.

KION Group Code of Compliance

[[The [KION Group Code of Compliance](#) (KGCC) is based on the three principles of human dignity, human rights, and no discrimination, among others.]] In particular, this includes zero tolerance for child labor, any harmful employment of young people, or any form of forced labor. All forms of discrimination – whether it be on the grounds of nationality, ethnic origin, religion, age, disability, skin color, sexual identity, political belief, or gender – and harassment, including sexual harassment, are prohibited. The KION Group is committed to complying with the following state-level international agreements, which provide important guidance: The United Nations' Universal Declaration of Human Rights, the European Convention for the Protection of Human Rights and Fundamental Freedoms, and the fundamental labor conventions of the International Labour Organization (ILO), as documented in the ILO Declaration on Fundamental Principles and Rights at Work.

With respect to particularly vulnerable employees, the KGCC includes legal provisions regarding the protection of young people, pregnant women, and people with disabilities. Additional policies, such as agreements on the inclusion of people with disabilities at local level, emphasize the KION Group's commitment to improving reintegration into work and to enabling people with physical disabilities to remain in employment.

All KION Group employees must abide by the KGCC. The KGCC also covers non-employees as part of the own workforce, as business partners are expected to comply with all applicable laws. These include laws to prevent child labor, to respect human rights, to not engage in modern slavery (including forced labor and human trafficking), and to take responsibility for the health and safety of their workers. Any misconduct, concerns, or contraventions can be reported via the whistleblowing system (see [‘Processes to remediate negative impacts and channels for own workforce to raise concerns’](#)). Further details on the KGCC can be found in the [‘Policies related to pollution’](#) chapter.

International minimum employment standards in the KION Group

In addition to the KION Group's positioning on human rights as outlined in the KGCC, including related principles and expectations towards employees and business partners, the Company is committed to meeting standardized minimum employment standards across the organization. These are laid down in the 'International minimum employment standards in the KION Group' corporate policy, which applies to all workers in the KION Group and to all entities in which KION GROUP AG has a direct or indirect majority stake or over which it has direct or indirect control.

The minimum employment standards are based on the UN Guiding Principles on Business and Human Rights, and on the principles and rights at work prescribed in the eight fundamental conventions of the International Labour Organization (ILO). The KION Group is committed to treating all employees with equal respect, regardless of personal characteristics such as gender, color, ethnic or social origin, age, or religious beliefs. The minimum employment standards also prohibit human trafficking, forced labor, and child labor. To avoid any discrimination, the standards also require special attention to be paid to relevant regional minorities (for example indigenous people, migrants, or religious minorities), as well as to the protection of female employees.

The KION Group conducts a regular review of the implementation and application of the international minimum employment standards. As part of the groupwide compliance risk assessment, the Company conducts an annual local survey via the entities regarding these standards and any potential breaches in the reporting period. It is initiated at Group level and covers all KION Group entities within the scope of the corporate policy. The results of the assessment indicate areas that require improvement or special attention in order to mitigate and/or eliminate the potential risk of human rights violations. Compliance with, and the proper application of, the standards is also part of local internal audits. The selection of standards and procedures to be audited is based on a risk assessment process that is used to determine the overall risks to the KION Group.

As part of the annual compliance risk assessment, the KION Group considers the topic of discrimination and collects information locally on preventive and remedial action taken by the individual entities and at Operating Unit level. If a reported incident of discrimination is verified, remedial action must be taken. An appropriate training course was rolled out to selected functions in the reporting year to enhance awareness of the international minimum employment standards, including the prevention of discrimination.

The international minimum employment standards apply to all employees of the KION Group, including executives, members of the Executive Board, and members of the management boards of the Group companies, as well as non-employees within the definition of the companies' own workforce. They do not apply to employees in the value chain.

All members of the workforce, especially managers and the members of the subsidiaries' management teams, must base their actions and decisions in their area of responsibility on these principles. The management teams of each local entity and of the Operating Units are responsible for implementing the minimum employment standards, and for monitoring and enforcing compliance, including prevention and risk mitigation and prevention. They must verify the application of the standards' principles on a regular basis and, if necessary, put effective measures in place. Violations must be eliminated and sanctioned appropriately. The management teams of the Operating Units in each region must follow up these measures in an appropriate manner. As the minimum employment standards apply to all employees, they were indirectly involved in the standards' development through the chairman of the European Works Council.

[[The KION Group's international minimum employment standards are available to the public on the Group's website at www.kiongroup.com/en/About-us/Management/.]] The international minimum employment standards are also communicated to the employees via the intranet, through training courses, and by the HR department. Members of the workforce can access the policy internally in all nine standard languages of the KION Group.

Health, Safety, and Environment Statement of Intent

The HSE Statement of Intent highlights the Group's commitment to protecting the health and safety of its employees, temporary employees, agency workers and contractors with respect to occupational health and safety. In order to meet this commitment, each entity of the KION Group is locally responsible for supporting a range of actions. These include, but are not limited to, maintaining occupational health and safety standards in accordance with the applicable requirements of the ISO 45001 standard and national legislation, setting targets and defining reporting structures, including incident investigation processes and corrective actions, providing OHS training, and engaging in regular consultations with relevant stakeholders. Although forced labor, child labor and human trafficking are not within the scope of this policy, the KION Group demonstrates its commitment to maintaining a responsible and ethical work environment by referencing the ILO Occupational Health and Safety Conventions while also endeavoring to comply with international labor standards. This link increases the KION Group's focus on promoting a culture of safety and sustainability across its worldwide operations through the HSE Statement of Intent.

Further details on the HSE Statement of Intent can be found in the '[Policies related to climate change mitigation and adaptation](#)' chapter.

Health, Safety, and Environment Standard

The KION Group HSE Standard defines minimum requirements for all KION Group locations and entities with regard to HSE matters, in addition to local regulations and the requirements of relevant ISO standards, such as ISO 45001 Occupational Health and Safety. With respect to the identified OHS-related material impacts, the HSE Standard provides guidelines regarding risk assessments and risk management, employee consultation and HSE meetings, training programs, accident management and measurement, and other relevant control systems for occupational health and safety.

Further details about this policy can be found in the '[Policies related to pollution](#)' chapter.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The following subchapters deal with the KION Group's material actions related to own workforce.

Preventive actions to address potential or actual negative impacts related to occupational accidents and injuries are identified in a variety of ways, such as during HSE meetings at central or local-entity level. To prevent and mitigate negative impacts on the health and safety of the workforce, operational activities must comply with the HSE Standard, the requirements for HSE training programs must be adhered to, and the requirements under the ISO 45001 standard for a comprehensive management system must be applied at all times. The actions presented below are aimed at reducing the risk and likelihood of incidents at work, and at fostering an HSE culture and raising awareness of HSE matters.

The actions' effectiveness is monitored and assessed using occupational health and safety targets and metrics, such as LTIFR, which provide insights into the efficacy of these OHS programs (see '[Targets related to own workforce](#)' and '[Health and safety metrics](#)'). The HSE network supplies the necessary resources to implement the identified actions, which mainly consist of data collection systems, personnel, and relevant training at central and local-entity level.

HSE assessment

HSE assessment is a self-evaluation tool that helps local teams to set up and improve their HSE management systems based on the KION Group HSE Standard. The tool is available to all of the KION Group's local entities on an ongoing basis. It is used to identify gaps, evaluate performance, and identify corrective actions. The latest HSE assessment began in January 2024 and was completed in May 2024. Effectiveness is monitored and assessed by the central HSE function, and progress is measured via an annual groupwide target within the action field 'Occupational health and safety' in the sustainability strategy, which is broken down into internal targets for the Operating Units (see ['Targets related to own workforce'](#)).

Central HSE audit

The central HSE audit is a continuous health and safety improvement scheme, based on the KION Group's HSE Standard, which the KION Group regards as an effective and proactive HSE tool. The central HSE audit influences HSE culture within the Group and drives it forward, allowing the central HSE function to share internal experience with local sites while identifying strengths, weaknesses, opportunities, and threats. The scope of the central HSE audit includes employees, contractors, agency workers, and visitors, as well as suppliers, vendors, and customers. The result is a comprehensive audit report that is delivered to local management teams and to the Executive Board of KION GROUP AG. The audit has been a recurring event since 2010, and the KION Group strives to repeat it every two years. The central HSE audit program began in January 2024 and was completed in December 2024. Following each central HSE audit program, the effectiveness of the HSE audit is assessed on the basis of a survey in which the participating local teams responsible for the HSE audit have the opportunity to give feedback on the overall process.

KION Board OHS Award

The KION Board OHS Award is designed to recognize and reward local entities that demonstrate outstanding achievements in the area of health and safety management. All entities within the KION Group can submit a project application, which is reviewed by the central HSE function and assessed against current and past initiatives to monitor progress and effectiveness. The annual program was revised in 2023. The award process began in September 2024 and is expected to be completed in the first quarter of 2025. The aim the program is to foster an HSE culture of best practice and continuous improvement and to raise awareness of health and safety matters throughout the entire KION Group.

Health, Safety, and Environment training

The KION Group's HSE Standard requires all of the KION Group's local entities to provide HSE induction training covering a set list of relevant HSE topics. The standard stipulates that training is to be provided to all new employees and non-employees in the Group's own workforce, as well as to contractors at KION Group sites, within their first day of joining the local entity. In addition to this, all employees, including the local management team, participate in an annual HSE awareness training course that covers a list of specific HSE matters. The purpose of the training courses is to raise awareness of HSE topics and to reduce the risk and likelihood of occupational accidents and injuries.

Targets related to own workforce

The following subchapters deal with the KION Group's material targets related to own workforce.

As set out in the HSE Statement of Intent, the KION Group is committed to protecting the health and safety of its own workforce. In order to implement this commitment, it is necessary to assess and continuously improve the HSE management systems of all local entities within the KION Group. To this end, the KION Group has defined targets to monitor groupwide occupational health and safety performance to help assess the effectiveness of action programs.

The targets described below cover the KION Group's own operations at groupwide level and are defined in collaboration with the HSE heads of the Operating Units. The central HSE function proposes targets, which are agreed with the HSE heads of the Operating Units. During this phase, the HSE heads of the Operating Units consult their respective workforces to collect relevant feedback. Following the agreement, the targets are submitted to the Executive Board of KION GROUP AG for validation and to the Supervisory Board of KION GROUP AG for approval.

The occupational health and safety performance relative to the specified targets, including an analysis of trends, is monitored on a monthly basis using a dedicated internal reporting tool managed by the central HSE function. Results are discussed in various settings, for example at the monthly HSE leadership meetings of the HSE heads of the Operating Units. The HSE network and the Executive Board of KION GROUP AG are involved in the internal reporting of HSE results. This also includes the sharing of examples of best practice and lessons learned, as well as of general potential for improvement. Furthermore, individual improvements are regularly assessed in external ISO 45001 audits and central HSE audits conducted in collaboration with local HSE representatives.

Lost Time Injury Frequency Rate

The KION Group manages the workplace accident rate using an entity-specific metric, the Lost Time Injury Frequency Rate (LTIFR). The LTIFR calculates the number of fatalities and injuries caused by work-related accidents resulting in a loss of one or more working days in relation to 1 million hours worked. The calculation uses the following formula: $LTIFR = \text{Lost Time Injuries} * 1 \text{ million hours worked} / \text{actual working hours}$. By 2027, the KION Group aims to reduce the LTIFR by a minimum of 5 percent year-on-year, regardless of the previous year's performance. During the period since the base year (2017: 10.3), when the initial target was defined, the LTIFR has decreased significantly in absolute terms (2024: 4.4). The specified target of a 5 percent reduction year-on-year was achieved again in 2024 (see [‘Strategy targets and target achievement in 2024’](#)).

Certification rate in accordance with ISO 45001

The KION Group's sustainability strategy includes the strategic aim of certifying all of the Group's sites in accordance with ISO 45001. The ISO 45001 certification rate represents the percentage of KION Group sites that have been externally certified. In the base year 2021, 68 percent of sites had been certified in accordance with ISO 45001. The targeted strategic goal for 2024 could be nearly achieved with a certification rate of 99 percent. The KION Group has continuously increased its ISO 45001 certification rate and therefore considers progress to be in line with the initial target set (see [‘Strategy targets and target achievement in 2024’](#)).

HSE assessment

Since the KION Group expected to achieve the ISO 45001 certification rate target in 2024, it set a new strategic target to continue addressing material impacts related to occupational health and safety. This target is for the KION Group to achieve an average score of 100 percent for compliance with the HSE Standard throughout the KION Group sites by 2027. The scope of the target therefore covers own operations at all sites across the Group. During 2024, the KION Group focused on establishing a baseline for setting the 2025 target and on further reflecting the average 2024 score (95.8 percent), as well as on achieving full participation in the HSE assessment by all sites. For this reason, no disclosure is as yet being provided regarding performance and progress against the target (see [‘Strategy targets and target achievement in 2024’](#)).

Metrics related to own workforce

The following subchapters deal with the KION Group’s material metrics related to own workforce.

Characteristics of the employees

The KION Group collects and records employee numbers and characteristics using a groupwide HR system. Employee-specific datapoints are aggregated in accordance with the basis of consolidation for financial purposes. The KION Group reports the number of employees and apprentices based on headcount, using the actual number at the end of the financial year 2024 (December 31, 2024). The total number of employees (headcount) is cross-referenced with the number of full-time equivalents (FTE) in the section [‘Headcount’ \[ESRS 1.119 a\)\]](#).

The metrics for the employee characteristics include active and inactive employees of the KION Group, while apprentices, interns, and temporary student employees are not included. Apprentices were excluded from the definition of own workforce, as they cannot be considered to be employees or non-employees. However, since the KION Group does consider them to be relevant internal stakeholders, data on apprentices is provided separately.

When disclosing the rate of staff turnover and the number of employees whose employment relationship ended, the KION Group takes dismissals and retirement into account, as well as other voluntary and involuntary reasons, while intercompany transfers are excluded to avoid double counting. The KION Group uses the average number of employees over a twelve-month period (as of the last day of each month, divided by the number of months) as the denominator for the rate of staff turnover.

Employees by gender (headcount)

Gender	2024
Male	35,066
Female	8,183
Other ¹	6
Not reported	42
Total number of employees at the end of the reporting year (headcount)²	43,297
Employees leaving the undertaking in the reporting period	5,235
Turnover rate of employees in the year under review³	12.1%

1 Gender as specified by the employees themselves

2 Headcount including inactive employees and excluding apprentices, interns and working students

3 Number of employees leaving the undertaking in the reporting period in relation to the annual average number of employees

Number of employees by contract types and gender (headcount) as at Dec. 31, 2024

	Breakdown by gender				Total
	Male	Female	Other ¹	Not disclosed	
Number of employees by contract types at the end of the reporting year (headcount)²	35,066	8,183	6	42	43,297
thereof number of permanent employees	32,378	7,500	6	42	39,926
thereof number of temporary employees	2,662	677	–	–	3,339
thereof number of non-guaranteed hours employees	26	6	–	–	32
Additional information: Number of apprentices³	693	155	1	2	851

1 Gender as specified by the employees themselves

2 Headcount including inactive employees and excluding apprentices and interns

3 Breakdown of apprentices in main countries (in %): Germany (64.3%), UK (14.6%), France (13.7%) and other countries (7.4%)

In 2024, the majority of the KION Group's employees were on a permanent contract. Contracts for temporary employment were in place to cover, for example, seasonal demand, time-limited project work, temporary replacements (for example during parental leave), and probation periods.

Own workforce by country¹

	2024
Number of employees at the end of the reporting year (headcount)²	43,297
thereof located in:	
Germany	12,627
China	5,264
USA	4,354
Other countries	21,052

1 Countries with at least 50 employees and at least 10 percent share in each country

2 Headcount including inactive employees and excluding apprentices, interns and working students

Incidents, complaints, and severe human rights impacts

The metrics for incidents, complaints, and severe human rights impacts include incidents of discrimination and systematic harassment reported as substantiated in the reporting period as part of the annual compliance risk assessment of local entities, or that were reported via the KION Group's whistleblowing system and substantiated by the investigative process in the reporting period, as described in the '[Processes to remediate negative impacts and channels for own workforce to raise concerns](#)' chapter.

The KION Group defines complaints under ESRS S1-17 as allegations, complaints, or concerns that were reported during the reporting period, regardless of whether they were substantiated or not.

As part of the annual compliance risk assessment process, a groupwide system collected information on any incidents connected to the Group's own workforce, including those related to discrimination, systematic harassment, and human rights violations. This annual process was initiated by Group headquarters at the end of 2024. The HR department in each Operating Unit supported and oversaw the compliance risk assessment with regard to labor rights and human rights. The data for each entity is reported internally via a questionnaire by the respective management teams and/or members of the HR department. The management team and HR department of each Operating Unit are responsible for the validation, assessment, and approval of the data and information reported for all entities in the respective Operating Unit. The Compliance Risk Assessment covers the consolidated subsidiaries as well as certain unconsolidated equity investments, which are based on the scope of the minimum employment standards policy (see '[Policies related to own workforce](#)'). The metrics disclosed below relate to the consolidated entities for financial reporting.

Work-related incidents and/or complaints within own workforce

	2024
Total number of incidents of substantiated discrimination¹ including systematic harassments in the reporting period	–
Total number of other filed complaints in the reporting period	92
Total amount paid for fines, penalties and compensations for damages as a result of these incidents and complaints (in € thousands)	–

1 Discrimination by gender, ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of language

No breaches of the KION Group's minimum employment standards came to light in 2024, and thus also no severe human rights issues in the Company's workforce, such as child labor, forced labor, or human trafficking (see '[Strategy targets and target achievement in 2024](#)'). The same applies to incidents of discrimination and systematic harassment; none of the incidents of harassment documented in the whistleblowing system and substantiated in 2024 were deemed material, even where they resulted in disciplinary action.

The KION Group also collects the number of complaints related to social topics, including human rights factors and issues, formally submitted and documented via different channels. These channels include complaint mechanisms, such as the KION Group's whistleblowing system, and can be used by employees and non-employees to raise concerns (see '[Processes to remediate negative impacts and channels for own workforce to raise concerns](#)'). Additional channels include the local HR department and Executive Board, the employee representatives, and the employees responsible for compliance. For the sake of completeness, the number of complaints reported as part of the compliance risk assessment is reconciled against the data from the KION Group's whistleblowing system.

The amounts of fines, penalties, and compensation for damages as a result of these incidents and complaints, if any, are also collected via the questionnaire used in the compliance risk assessment.

The calculation of the metrics for the characteristics of the employees and for the incidents, complaints, and severe human rights impacts disclosed above was not validated by an external body other than the assurance provider.

Health and safety metrics

With respect to material impacts related to the health and safety of its own workforce, the KION Group discloses its 2024 health and safety metrics in line with ESRS S1-14, 88. Metrics to which the transitional provisions in ESRS S1-14 apply are not disclosed.

Health and safety metrics¹

	2024
Percentage of people in its own workforce who are covered by the health and safety management system²	97.7%
Number of fatalities as result of work-related injuries and work-related ill health	
Employees ¹	1
Non-employees in own workforce	0
Other workers working on sites	1
Number of recordable work-related accidents for employees	444
Lost Time Injuries (LTIs) - employees ¹	351
Other injuries - employees ¹	93
Rate of recordable work-related accidents for employees²	5.8

1 Employees include active employees and apprentices

2 Number of reported work-related accidents resulting in the loss of one full working day or more

A groupwide reporting system collects occupational health and safety data from the KION Group's consolidated subsidiaries, including incidents, working hours, management system certifications, and other health and safety metrics. This system aggregates entity-specific datapoints in accordance with the scope of consolidated entities for financial reporting. The local accident reporting processes and the occupational health and safety management system are validated by external certification bodies as part of ISO 45001 certification audits.

Additional metrics with relevant targets have been put in place to further address the 'Occupational health and safety' action field of the Group's sustainability strategy. These include the LTIFR, the ISO 45001 certification rate (at site level), and the HSE assessment score (see '[Strategy targets and target achievement in 2024](#)').

With respect to the HSE assessment score, the groupwide score is equivalent to the average of the individual results of the HSE assessments for all sites. These individual scores are calculated based on the level to which each site complies with the HSE Standard (see '[Policies related to own workforce](#)'). In the reporting year, efforts focused on setting a baseline for the average score for compliance with the HSE Standard, as well as ensuring that all sites participated in the HSE assessment. In 2024, the average score for compliance with the HSE Standard was 95.8 percent. The current difference between the actual compliance score and the complete average score of 100 percent is mainly due to new sites and to the revision of the HSE Standard in 2023. The revised HSE Standard contains new and more detailed requirements, and was still in the process of being implemented in 2024. The metric is an important tool for ensuring and monitoring full and continuous compliance with the HSE Standard at all KION Group sites.

Compared to previous reporting periods, changes in the calculation and preparation of the disclosed metrics mainly relate to different reporting scopes. The scope for the metrics on employee characteristics was modified, as it previously included apprentices but excluded inactive employees. With respect to incidents, complaints, and severe human rights impacts, the scope for incident reporting was broadened to the own workforce, which now includes additional categories of non-

employees. In line with the requirements of ESRS S1-14 for health and safety metrics, the breakdown for fatalities and the types of incidents reported were also revised to include the Group's own workforce and other workers on site, as well as all recordable occupational health and safety incidents.

Workers in the value chain

The 'Workers in the value chain' chapter meets the disclosure requirements of ESRS S2 and is based on the results of the double materiality analysis. Material topics for the KION Group are managed in the context of the 'Supply chain' action field.

Material impacts, risks, and opportunities and their interaction with strategy and business model in relation to workers in the value chain

The double materiality analysis described in the '[Description of the process to identify and assess material impacts, risks, and opportunities](#)' chapter identified two negative material impacts of the KION Group in relation to workers in the value chain within the 'Other work-related rights' sub-topic.

List of all material Impacts, Risks and Opportunities – Employees in the value chain

Sub-topic	IRO	Value chain			Time horizon		
		Up-stream	Own operations	Down-stream	< 1 year	1–5 years	> 5 years
Other work related rights							
Forced labour in the metal supply chain	Negative impact	•				•	
Child labour in manufacturing supply chains	Negative impact	•				•	

Forced labor in the metal supply chain (negative impact)

The KION Group is aware that extracting raw materials for iron and extracting non-ferrous metals, such as copper, zinc, cobalt, or lithium, and their subsequent processing through to the production of an end product, can – depending on the country, industry, and stage of production – have varying degrees of negative impact for workers in the upstream value chain. These negative impacts can include child labor, forced labor, forms of coercion and repression in the workplace (that are frequently part of modern slavery), disregard for workplace health and safety provisions, discrimination, non-payment of a living wage, or the use of force by security personnel. In accordance with the International Labour Organization (ILO), forced labor in the mining and metal working sector – especially in geopolitically sensitive regions – is classed as a substantial risk. This is a widespread and systemic negative risk.

KION Group products contain numerous components for assembly that feature, or consist of, a variety of metals. The KION Group is not directly involved in the extraction of raw materials as it purchases goods and components from manufacturers around the world instead. The KION Group's direct influence on practices in the upstream value chain and thus on the material negative impact

of forced labor in the metal industry is therefore limited. As part of its direct business relationships, the KION Group assesses and evaluates tier 1 suppliers using the ESG supplier risk management process described in the '[Policies related to workers in the value chain](#)' chapter. Where necessary, an escalation process is initiated in line with the KION Group's existing guidelines.

Child labor in manufacturing industry supply chains (negative impact)

Due to the global nature of the KION Group's procurement activities, child labor has been identified as a potential negative impact in manufacturing industry supply chains and deemed material in the KION Group's double materiality analysis. In accordance with the ILO, child labor in global manufacturing supply chains – especially in geopolitically sensitive regions – is classed as a substantial risk along with forced labor. Breaches of international labor standards and human rights, particularly cases of child labor, are reported throughout the industry. This is a widespread and systemic negative risk.

As explained above, the KION Group is not directly involved in the extraction or direct processing of raw materials, so it has limited direct influence on practices in the upstream value chain and thus on child labor in the manufacturing industry supply chains. As part of its direct business relationships, the KION Group assesses and evaluates tier 1 suppliers using the ESG supplier risk management process described in the following chapter. Where necessary, an escalation process is initiated in line with the KION Group's existing guidelines.

Policies related to workers in the value chain

The following subchapters deal with the KION Group's material policies related to workers in the value chain.

The KION Group has defined sustainability strategies, procedures, and requirements in order to assess the two aforementioned material impacts of the KION Group's business on the upstream value chain and the workers in it, and to avoid, mitigate, or eliminate risk. The KION Group requires direct suppliers to act in accordance with the following policies, which is also demanded with regard to the interests, views, and rights of workers in the upstream value chain.

Principles of Supplier Conduct (code of conduct)

The KION Group Principles of Supplier Conduct contain specific requirements and rules of conduct for responsible procurement. The Principles of Supplier Conduct – which are available in German, English, and Chinese – formulate environmental, ethical, and social guidelines for the global supplier base. Furthermore, the Principles of Supplier Conduct contain specific requirements on working conditions, equal treatment, equal opportunities, and other work-related rights in accordance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work (in particular Convention Nos. 138 and 182), and the OECD Guidelines.

Also set out in the Principles of Supplier Conduct is the KION Group's zero tolerance approach to child labor and forced labor, for example, as well as related requirements of suppliers in terms of environmental, social, and governance practices. The supplier's obligation to prevent inhumane, discriminatory, and unsafe working conditions for their employees is a core principle. Moreover, every supplier must ensure that their suppliers, in turn, adhere to these principles and requirements.

The Principles of Supplier Conduct are an essential and integral part of the KION Group's General Terms and Conditions of Purchase. All suppliers entering into a business relationship with the

KION Group must fulfill this requirement and agree to the Principles of Supplier Conduct – either by acknowledging the General Terms and Conditions of Purchase or by concluding an individually negotiated agreement. In addition, both the General Terms and Conditions of Purchase of the KION Group and individual agreements contain further requirements and obligations for the supplier that are intended to ensure compliance with applicable law and responsible practices within the value chain.

The Head of Global Procurement is responsible for the Principles of Supplier Conduct and the General Terms and Conditions of Purchase of the KION Group. Both sets of requirements were compiled with the Legal and Compliance department of the KION Group and apply to all direct suppliers of the KION Group.

[[The KION Group Principles of Supplier Conduct are publicly available on the KION Group's website at www.kiongroup.com/en/About-us/Suppliers/.]]

ESG Risk Management Standard for Suppliers*

To ensure that the actual and potential material impacts, risks, and opportunities for workers in the upstream value chain are assessed and that actual or potential negative impacts are minimized or eliminated, the KION Group has established a three-stage process for assessing supplier risk in terms of the environment, social responsibility, and corporate governance (ESG). This process is described in the ESG Risk Management Standard for Suppliers of the KION Group.

Every supplier in a direct business relationship with a KION Group company (tier 1 supplier) must be analyzed and assessed using the ESG supplier risk management process. This process assesses the efforts of suppliers to comply with and achieve certain labor-law, social, ethical, and environmental standards. Specific focuses of the ESG Risk Management Standard include workplace health and safety, anti-corruption and anti-bribery practices, product-related environmental protection, upstream supply chain monitoring, and, in particular, compliance with fundamental human rights, labor rights, and employment standards, which include questions about child labor and forced labor.

The first stage of the three-stage ESG supplier risk management process is the ESG supplier risk assessment, through which the KION Group monitors and assesses the extent to which direct suppliers comply with the standards. This encompasses global risk mapping followed by an additional assessment of individual supplier-specific risks. The KION Group uses the IQ product from EcoVadis for its global risk mapping. It provides an abstract assessment of the suppliers' inherent sustainability risk profiles based on their country, sector, and goods risk. In addition, an individual risk assessment is carried out by service providers IntegrityNext and EcoVadis if a supplier is classified as high risk during global risk mapping, or if the KION Group specifically selects the supplier for an individual assessment. All new suppliers undergo an individual risk assessment.

The second stage of the process 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 stage. The severity and potential impacts of the identified risks, the significance of the suppliers for the KION Group's operations, and potential alternative sources for procuring the relevant products are considered in this analysis. The ESG supplier risk thus determined is then systematically assigned to one of three categories: 'low ESG risk', 'some degree of potential ESG risk', or 'high ESG risk'.

* The assessments by EcoVadis and IntegrityNext were not part of the audit carried out by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin.

The results of this ESG supplier risk analysis determine whether and what kind of improvement actions will be taken in the third stage of the process. The first step of the third stage is to analyze suppliers in detail and assess them by means of a desk audit, which primarily involves questionnaires and documentation checks. The next steps are defined and agreed on the basis of the desk audit results. These can include on-site audits and specific actions, such as individually agreed remedial action. All suppliers passing an EcoVadis desk audit have the opportunity to attend training courses that support them in making improvements.

Should a supplier fail to comply with the ESG supplier risk management process – for example by refusing to provide information, preventing audit initiatives, or unilaterally failing to instigate remedial action plans – the escalation process is triggered in line with the current KION Group rules. Non-compliance can have a wide range of consequences for the supplier. The KION Group ultimately reserves the right to end the business relationship, with the supplier agreeing to this under the Principles of Supplier Conduct.

The ESG supplier risk assessment is carried out once a year and on an ad hoc basis as required. A regular risk analysis is performed for all direct tier 1 suppliers (as defined below) and the KION Group's own subsidiaries. New suppliers are subject to this risk assessment as part of the introduction, selection, and contract award process for suppliers. The ad hoc risk analysis must be carried out if there is any change in the supplier's business, if a new project is awarded, new businesses are acquired, new markets are entered, or if the KION Group becomes aware of misconduct.

As every (tier 1) supplier must be analyzed and assessed using the ESG supplier risk management process, the KION Group executes this process in a compliant, focused, and efficient manner, prioritizing suppliers on the basis of the following criteria (target groups):

- Tier 1 suppliers in direct procurement that, due to their country or industry, are subject to increased ESG supplier risk (high-risk countries), and/or
- Tier 1 suppliers in direct procurement that are considered to be category A suppliers (essential for the KION Group's production processes), and/or
- Tier 1 suppliers in indirect procurement for specific categories that, due to their industry or country, are subject to increased ESG supplier risk as defined in the ESG Risk Management Standard for Suppliers.

For all other suppliers, the ESG supplier risk assessment is carried out on an ad hoc basis.

The ESG Risk Management Standard for direct Suppliers was developed in collaboration with the following internal functions during the preparation, drafting, and revision phases: the Procurement department, the Legal and Compliance department, the Sustainability department, and the HR department. The defined process applies to all direct suppliers of the KION Group and to its Operating Units.

The global Supplier Sustainability Team – part of the Procurement organization – is responsible for execution, compliance, quality, and effectiveness. The team leads the relevant processes at the start of each year and initiates the follow-up process in the third quarter. The ESG supplier risk management process itself is reviewed in December each year to check its effectiveness. All insights gathered during this phase are reviewed and the process is adapted where appropriate.

The KION Group has created an internal ESG supplier dashboard for information and reporting purposes in order to integrate the process of assessing ESG supplier risk into the KION Group's procurement organization and its procurement strategy, and to manage the actual and potential material impacts, risks, and opportunities in the upstream value chain. All the results of the assessments are available in this dashboard and can be accessed by the global procurement team.

Some procurement processes have also been updated to reflect the dashboard and now include sustainability criteria and the KION Group ESG supplier score, which is displayed in the ESG dashboard. Among these processes are the KION Group Standard on Sourcing and Awarding Committee (for direct and indirect procurement), requests for tender, and the supplier scorecard.

The results of the ESG supplier risk management process are taken into account in the decision-making process for awarding contracts, as are conflict minerals, for example. Special metrics and related targets are determined in order to monitor the strategy and track progress. The results also feed into the Supplier Performance Management department's supplier performance score.

The ESG Risk Management Standard for Suppliers is available internally on the KION Group intranet. To facilitate understanding and compliance, the process has also been communicated via dedicated emails and training sessions for members of the Procurement team.

Sustainability is also a frequent topic in the Global Procurement Governance Council's regular meetings and in regional and global quarterly meetings. The Global Procurement Governance Council is composed of the Head of Global Procurement and its global direct reports. The Council discusses and decides on general strategies, processes, governance, and developments. The quarterly meetings, which are attended by the heads of specific regions and global procurement categories, serve to monitor and manage procurement activity on the basis of KPIs, including those related to sustainability.

Conflict Minerals Standard

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.

Every year, the KION Group carries out due diligence checks in its supply chain in order to ascertain whether the goods that it is procuring from its suppliers, and that are ultimately used in the end products of the KION Group, potentially contain conflict minerals. The Head of Global Procurement and the Head of Sustainability & HSE are responsible for this.

The Conflict Minerals Standard applies to all direct suppliers. It was created by the relevant internal stakeholders, who drafted, checked, and reviewed it. The content of the standard can be viewed by anyone affected by it on the KION Group's website and intranet. It has also been communicated in dedicated emails and training sessions.

[[The standard is available to the public on the KION Group's website at www.kiongroup.com/en/About-us/Suppliers/.]]

Processes for engaging with value chain workers about impacts

During the first stage of the ESG supplier risk management process described in the '[Policies related to workers in the value chain](#)' chapter, direct suppliers are provided with several self-assessment questionnaires by the service providers IntegrityNext and/or EcoVadis. In terms of material impacts, these cover various topics such as child labor, forced labor, discrimination, other labor-related rights, environmental topics, and internal procedural matters. Under the supervision of the Head of Global Procurement, the global Supplier Sustainability Team is responsible for the execution, compliance, quality, and effectiveness of the questionnaires. The ESG supplier risk management process itself

is reviewed at the end of each year to check its effectiveness. All insights gathered during this phase are reviewed and the process is adapted where appropriate.

The KION Group, and specifically the Supplier Performance Management department within the procurement organization, is responsible for monitoring and developing the existing supplier base as well as potential new suppliers on a global level. As part of this remit, the department also carries out in-depth, on-site supplier assessments and a range of audits of potential new suppliers, and of selected suppliers as required. Key sustainability criteria were included for the first time in 2024. They were part of an initial pilot project that included employee surveys on topics such as child labor, forced labor, and violence in the workplace, as well as working conditions and fundamental environmental aspects of the company. This local supplier assessment also includes discussions with specific members of the workforce. Where the assessment identifies potential risks, further investigations are initiated in accordance with the ESG supplier risk management process as described in the '[Policies related to workers in the value chain](#)' chapter.

The KION Group also offers its suppliers training on the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) and other sustainability topics, which, depending on the supplier's structure, brings the Supplier Sustainability Team or other members of the procurement organization into contact with the supplier's workforce.

To reinforce the inclusive nature and diversity of the supplier network, the KION Group supports a wide-ranging formal policy in the US on the advancement of companies owned or run by a member of an underrepresented group.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

The KION Group provides a number of ways for internal and external whistleblowers to report potential breaches of the law or of other regulations. Actual or suspected breaches of the law or regulations can be reported to the Group's Compliance department by email, telephone, or post. The KION Group can also be contacted through social media.

External whistleblowers can additionally make use of the KION Group whistleblowing system's dedicated hotline to anonymously report actual or suspected compliance breaches. [[This system provides several channels for reporting concerns, such as an online form (www.kiongroup.com/whistleblowing), a hotline, and an email address (compliance@kiongroup.com).]]

[[The existence of these channels is clearly communicated on the website and in the KION Group Code of Compliance. They are accessible to the public at www.kiongroup.com/en/About-us/Compliance/ and in the information for suppliers of the KION Group.]]

It is standard policy at the KION Group to investigate and follow up on every compliance report, with each one being documented in the Compliance Case Management System and reviewed by the KION Group Compliance Case Manager. Depending on the nature of the report, either a Compliance Officer or a representative of another competent KION Group function is appointed to manage the investigation, close it, and follow-up on the report. The Compliance Case Manager monitors progress and prepares management reports.

The KION Group continuously improves the whistleblowing system on the basis of feedback from whistleblowers and other users of the system. Anyone can make suggestions for improvements. In 2024, these were discussed by the Compliance department, the Compliance Committee, and any other internal stakeholders as appropriate. Questions on the whistleblowing system were included in the annual compliance risk assessment questionnaires that were filled out by the local

KION Group sites in 2024. To date, no formal assessment of employees' trust in the channels has been carried out. Corporate Compliance is responsible for the procedure for dealing with compliance incidents, which is set out in the KION Group's policy on internal investigations.

[[The KION Group Code of Compliance serves to protect whistleblowers and is available to the public on the KION Group's website at www.kiongroup.com/en/About-us/Compliance/.]] The Code sets out that reprisals, threats, or attempted reprisals against a whistleblower are forbidden in internal investigations at the KION Group.

In addition to its whistleblowing system, the KION Group screens news to identify cases that come to light through reports in the media and involve a potential breach of compliance. These incidents are also documented in the Compliance Case Management System.

In accordance with the ESG supplier risk management process described in the '[Policies related to workers in the value chain](#)' chapter, the KION Group has defined a process for any infringements of protected rights in the supply chain. This process serves, in particular, to follow up any infringements categorized as a 'Human rights or environmental breach in the supply chain' and to take suitable remedial action.

Once a report has been made via one of the aforementioned channels, the incident is assigned to be followed up by the global Supplier Sustainability Team, which is part of the procurement organization. The investigation is performed as described in the ESG supplier risk management process and is subject to the same requirements as for compliance case management. The aim is to analyze all incidents thoroughly, uniformly, and with the same level of detail.

There is no defined process for managing compensation for workers in the value chain. Workers have to make their case themselves and decisions are made following an individual review.

Regular checks by the Compliance Committee of the KION Group and the Human Rights Committee are designed to monitor the effectiveness and efficiency of the process.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The following subchapters deal with the KION Group's material actions related to workers in the value chain.

The KION Group's sustainability strategies, procedures, and requirements described in the '[Policies related to workers in the value chain](#)' chapter are used as binding criteria for the selection of suppliers and give rise to specific actions. The sustainable approach to procurement follows a continuous improvement process across the phases of strategy development, risk assessment, risk mitigation, incident management, and corrective actions.

Two potential incidents of forced labor were identified through news screening, which were documented and processed via the Compliance Case Management System (see '[Processes to remediate negative impacts and channels for value chain workers to raise concerns](#)').

One of the cases was closed promptly, as the affected company made a public pledge to take corrective action. The second case refers to the exposure of forced labor in a particular country. An ad hoc risk analysis of suppliers from this country was initiated to check that the conditions described are not prevalent at suppliers to the KION Group. The risk analysis was carried out for the majority of suppliers in the reporting year, and no cases of this type were identified. The risk analysis is scheduled to be completed in early 2025.

ESG supplier risk management including forced and child labor

In 2024, the three-stage ESG supplier risk management process described in the [‘Policies related to workers in the value chain’](#) chapter was used by the global Supplier Sustainability Team – as part of the Procurement organization – to determine actual or potential material negative impacts on workers or on the environment in its upstream value chain. The KION Group’s mandatory ESG supplier risk management process includes explicit questions on child labor and forced labor as well as on the supplier’s onward supply chain. The actions to be taken to prevent, mitigate, or remediate actual or potential negative impacts are defined in this process. The KION Group also expects compliance with the requirements to be replicated along the entire value chain and requires its suppliers to uphold the Principles of Supplier Conduct described in the [‘Policies related to workers in the value chain’](#) chapter in their supply chains.

As part of its management of the ESG risk management process for suppliers, the KION Group introduced a new strategic target in 2024. It is explained in more detail in the following chapter.

Transparency regarding conflict minerals

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 service provider Assent, aims to approach directly those SORs that have not yet been, or have refused to be, assessed by local auditors regarding their conflict-free minerals sourcing. The initiative does not specifically target the KION Group’s suppliers but is a general due diligence initiative as part of an industry-recognized assessment program, with the objective of improving transparency globally.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The following subchapter deals with a material target of the KION Group related to workers in the value chain.

The KION Group has been carrying out sustainability risk assessments of selected tier 1 suppliers through EcoVadis for several years. Explicit reference was made in this context to actual and potential impacts in the upstream value chain, including child labor and forced labor.

Due to the ever-growing importance of the topic and also to address LkSG requirements, the KION Group introduced the global ESG supplier risk management process in 2023. The process is presented in the [‘Policies related to workers in the value chain’](#) chapter.

Increase in spend on tier 1 suppliers with a low ESG risk

In order to strategically counter negative impacts on workers in the value chain, the KION Group defined a new target in the ‘Supply chain’ action field of its sustainability strategy in 2024. This target is driving the continual expansion of a very low-risk upstream value chain and preventing, mitigating, or remediating actual or potential negative impacts on the environment or human rights, such as exploitative child labor and forced labor. The KION Group is pursuing the new strategic target of increasing the proportion of annual spending on tier 1 suppliers in category A with a low ESG risk. Category A suppliers are strategic suppliers that are essential to production according to an ABC categorization based on the proportion of spend they account for (see [‘Strategy targets and target achievement in 2024’](#)).

For 2024, the KION Group's target was to raise the proportion to 31.5 percent. The base year was 2023 with a base value of 24 percent. The Procurement department, the Legal and Compliance department, the Sustainability department, and the HR department were all involved in formulating this groupwide target.

Metrics related to workers in the value chain

The following deals with a material metric of the KION Group related to workers in the value chain.

In 2024, the KION Group managed to increase the proportion of annual spending on tier 1 suppliers in category A with a low ESG risk to 60.5 percent.

The metric measures the proportion of spending on tier 1 suppliers in category A that were identified as low ESG risk by the ESG supplier risk assessment. This is calculated as a percentage of the total spend on direct tier 1 suppliers in category A. Tier 1 suppliers provide products or services directly to the KION Group, excluding sub-suppliers or downstream suppliers. Direct suppliers deliver materials that are directly incorporated into the end products. Category A suppliers are strategic suppliers that, according to an ABC categorization based on the proportion of spend they account for, receive a total of around 80 percent of overall expenditure on tier 1 suppliers and are therefore materially important to the KION Group.

Only external spending is taken into account. Intracompany transactions and expenditure for companies in which the KION Group holds a minority interest are excluded. The main source of the operating expenditure data is an internal database that predominantly contains primary data such as invoices and directly interfaces with the KION Group's accounting systems. Since not all of the entities are linked to this database, it does not capture 100 percent of the Group's operating expenditure. Entities that are not linked to this internal database are asked to identify their suppliers so that these can be included in the assessment.

The ESG risk levels – low, medium, and high – are calculated by external tools such as EcoVadis IQ, individual EcoVadis ratings, and individual Integrity Next ratings. Which tool is chosen depends on the suppliers' preferences and their familiarity with the tools, and on how well the assessment methods are known in the industry. Following the initial risk categorization using the tools, the KION Group takes targeted corrective action, in accordance with the ESG Risk Management Standard, designed to minimize or prevent risk at suppliers with high ESG risk. Corrective action is optional for suppliers with a medium risk and depends on the decisions of the buyer and the department for supplier sustainability. Successfully implemented and documented corrective action can help to lower the initial risk level and keep track of the progress made by suppliers. As specified in the ESG risk management process, the decision to take corrective action is made for each supplier based on the findings of the ESG supplier risk assessment and the ESG risk analysis. The ESG risk assessment meets the requirements of the LkSG, which calls for risk analyses to be conducted to identify risks such as child labor and forced labor. The assessment process includes a global risk analysis, individual supplier assessments, weighting and prioritization, and the planning of corrective action. The ESG criteria and actions are based on and aligned with LkSG requirements.

Governance information

Business conduct

The 'Business conduct' chapter meets the entity-specific disclosure requirements of ESRS G1 and is based on the results of the double materiality analysis. For the KION Group, sustainable management is a fundamental part of the decision-making process and the wider implementation of decisions, particularly where its relationships with business partners are concerned (see '[The role of the administrative, management, and supervisory bodies](#)'). Material topics for the KION Group are managed in the context of the 'Supply chain' action field.

Furthermore, 'Anti-corruption and anti-bribery' was integrated into this 'Business conduct' chapter as a mandatory disclosure under CSR-RUG.

Material impacts, risks, and opportunities and their interaction with strategy and business model in relation to business conduct

The double materiality analysis outlined in the '[Description of the process to identify and assess material impacts, risks, and opportunities](#)' chapter identified the following entity-specific sub-topic in relation to the 'Business conduct' topic based on a positive impact that was assessed as material.

List of all material Impacts, Risks and Opportunities - Governance

Sub-topic	IRO	Value chain			Time horizon		
		Up-stream	Own operations	Down-stream	< 1 year	1-5 years	> 5 years
Management of relationships with suppliers, excluding payment practices (entity-specific)							
Responsible selection and assessment of suppliers	Positive Impact						

Responsible selection and assessment of suppliers (positive impact)

The responsible selection and assessment of suppliers on the basis of sustainability criteria helps to make the supply chain more sustainable and can encourage suppliers to actively collaborate on sustainability activities. By considering sustainability matters in the selection and contract awarding process, the KION Group creates an incentive for suppliers to offer goods with relatively low negative – or positive – environmental and social impacts. It motivates suppliers to continually improve or at least maintain their ESG risk assessment level. This process is supported by the KION Group's ESG supplier risk management process, as described in the '[Policies related to workers in the value chain](#)' chapter.

As a global company, the sustainability performance of the KION Group's products and services depends not only on the properties of its directly sourced raw materials, goods, and services, but also on its business relationships. The strategic approach in the upstream supply chain and the associated positive impact are therefore closely linked with the business model and business strategy of the KION Group.

Policies related to management of relationships with suppliers, except for payment practices (entity-specific)

The binding rules of the KION Group ESG Risk Management Standard for Suppliers, as described in the '[Policies related to workers in the value chain](#)' chapter, address the systematic implementation of sustainable and ethical standards in the upstream value chain. Several years ago, the KION Group implemented and expanded the ESG risk management process to identify and investigate any shortcomings in supply chain relationships.

In order to ensure that actual or suspected instances of non-compliance can be reported anonymously, the KION Group has a standardized whistleblowing procedure. This is described in greater detail in the '[Processes to remediate negative impacts and channels for own workforce to raise concerns](#)' chapter.

Management of relationships with suppliers, except for payment practices (entity-specific)

Sustainability is a key topic of and firmly embedded in the corporate strategy. As integral elements of this sustainability strategy, the supply chains and the relationships with suppliers play a vital role in responsible business conduct. The responsible selection and assessment of suppliers is therefore not just a key component of the KION Group's business model for legal reasons, it also promotes sustainable practices along the entire supply chain.

The KION Group sources raw materials, goods, and services from suppliers in different parts of the world. The responsible selection and assessment of suppliers guided by sustainability in line with the KION Group's ESG supplier risk management process can help to make the supply chain more sustainable and encourages suppliers to actively work on sustainability-related activities. By considering sustainability matters in the selection and contract awarding process, the KION Group creates an incentive for suppliers to offer goods with relatively low negative – or positive – environmental and social impacts. ESG supplier risk is reviewed and updated annually. The outcome of this ESG supplier risk assessment is incorporated into the supplier performance risk and influences the individual supplier performance score. This motivates suppliers to continually improve or maintain their ESG risk assessment level. A good ESG supplier risk score not only has a positive influence on the overall assessment of supplier performance, it also has a positive effect on the business relationship and awarding of contracts going forward.

More information on the ESG supplier risk management process is provided in the '[Workers in the value chain](#)' chapter.

Actions related to management of relationships with suppliers, excluding payment practices (entity-specific)

The KION Group took material steps in 2024 to embed ESG criteria – particularly in the upstream value chain – into its procurement practices, integrating them into the Global Supplier Awarding Committee (GSAC) process and the supplier performance scorecard. In both cases, the ESG supplier risk score is used as determined in the ESG supplier risk management process. Assessments of existing tier 1 suppliers are generally conducted every year, but they are also performed on an ad hoc basis, for example for prospective new suppliers.

The GSAC, made up of a cross-functional team, decides in an internal process which suppliers are shortlisted for the awarding of contracts. The supplier score card facilitates the assessment of supplier performance and strengthens the supplier relationship. Six areas of supplier performance are assessed, including sustainability. The ESG supplier risk score is determined as part of the

sustainability assessment and makes up 15 percent of the supplier performance score. This has a direct impact on the specific supplier relationship.

More information on the ESG supplier risk management process is provided in the [‘Workers in the value chain’](#) chapter.

Targets related to management of relationships with suppliers, excluding payment practices (entity-specific)

As mentioned above, the KION Group set a new target in the ‘Supply chain’ action field of the sustainability strategy in 2024. The KION Group aims to continually increase the proportion of annual global spending on deliveries from direct suppliers that are essential for production (A suppliers) with a low ESG risk, and set itself the target of raising the proportion to 31.5 percent in 2024. In 2024, the KION Group managed to increase the proportion of tier 1 suppliers in category A with a low ESG risk to 60.5 percent (see [‘Strategy targets and target achievement in 2024’](#) and [‘Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities’](#)).

Contextual information for this metric can be found in the [‘Metrics related to workers in the value chain’](#) chapter.

Anti-corruption and anti-bribery matters

In line with its compliance management system, the KION Group aims for systematic compliance with laws, guidelines, and voluntary codes across the Company. The Executive Board is collectively responsible for the groupwide compliance management system of the KION Group. In organizational terms, the compliance function reports directly to the Chief Executive Officer of KION GROUP AG.

[[The [KION Group Code of Compliance](#) underpins the compliance management system and is complemented by other groupwide regulations on a wide range of matters that cover the KION Group’s full spectrum of activities.]] The KGCC is binding for all KION Group employees and provides guidance on the correct and appropriate way to interact with colleagues, customers, business partners, and the public. All new KION Group employees must complete an e-learning course covering all aspects of the KGCC.

The KION Group expressly supports the fight against any form of corruption and bribery. With this in mind, it takes a prevent-detect-respond approach, which aims to permanently prevent misconduct, uncover misconduct that has occurred, and initiate appropriate remedial action in a timely manner. In addition to the rules on conduct and anti-corruption in the KGCC, further detailed requirements can be found in topic-specific guidelines. These include the KION Group anti-bribery and anti-corruption policy, the KION Group policy on conflicts of interest, and the KION Group donations and sponsorship policy. Among other things, it stipulates that every donation and every sponsorship activity must be checked and approved in advance by the Compliance department.

Employees and external stakeholders of the KION Group can report actual and suspected compliance violations via the whistleblowing system in person or by telephone, post, or email. In addition, a 24/7 whistleblower hotline and an online form are available for the anonymous reporting of potential compliance violations. Further information can be found in the [‘Processes to remediate negative impacts and channels for own workforce to raise concerns’](#) and [‘Processes to remediate negative impacts and channels for value chain workers to raise concerns’](#) chapters.

The effectiveness of the KION Group's compliance management system is continuously monitored and optimized. It is modeled on audit standard 980 of the Institute of Public Auditors in Germany (IDW PS 980), which focuses on the avoidance of compliance violations. Through regular and ad hoc audits, Group Internal Audit ensures that the compliance requirements are met by KION GROUP AG and all of its subsidiaries.

The risks relating to corruption and bribery are documented and assessed on an annual basis as part of a systematic compliance risk analysis throughout the Group, including for KION GROUP AG. Money laundering risks, risks of non-compliance with antitrust laws, tax regulations, and cybersecurity rules, and violations of human rights are also assessed. Non-financial risks that arise on an ongoing basis are identified, assessed, and managed. Adequate measures are subsequently determined to eliminate weaknesses, both in processes and control mechanisms.

The characteristics of the corruption perception index for the respective country, the size and structure of the local procurement or sales organization, and contacts with public officials play an important role in the assessment of risk. The risk analysis conducted in 2024, which focused on corruption and bribery, did not identify any incidents or risks that could be deemed material according to the internally defined thresholds.

Notes to the Group sustainability report

Index – Statement on due diligence

Statement on due diligence

Core elements of due diligence	Topical ESRS	Page(s)
a) Embedding due diligence in governance, strategy and business model	ESRS 2 SBM-3; GOV-2; GOV-3	131 f.; 135 f.; 136 f.
		139 – 145; 165 – 167;
	ESRS 2 SBM-3: E1; E2; E3; E5	173 – 175; 179 – 182
	ESRS 2 SBM-3: S1; S2	197 f.; 212 f.
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 IRO-1; SBM-2; GOV-2	122 – 128; 128 – 131; 135 f.
	ESRS 2 MDR-P: E1; E2; E3; E5	147 f.; 167 – 169; 175 f.; 182 f.
	ESRS 2 MDR-P: S1; S2	202 – 204; 213 – 218
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1; SBM-3	122 – 128; 131 f.
		139 – 145; 165 – 167;
	ESRS 2 SBM-3: E1; E2; E3; E5	173 – 175; 179 – 182
d) Taking actions to address those adverse impacts	ESRS 2 SBM-3: S1; S2	197 f.; 212 f.
	E1-1	145 f.
	ESRS 2 MDR-A: E1; E2; E3; E5	148 – 151; 169 f.; 176 f.; 183 f.
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-A: S1; S2	204 f.; 218 f.
		151 – 153; 170; 177;
	ESRS 2 MDR-T: E1; E2; E3; E5	184 f.; 219 f.
		154 – 164; 170 – 173;
	ESRS 2 MDR-M: E1; E2; E3; E5	177 f.; 185-188
	ESRS 2 MDR-T: S1; S2	206 f.; 219 f.
	ESRS 2 MDR-M: S1; S2	207 – 212; 220

Index – List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page(s)
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material	–
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated regulation (EU) 2020/1816, Annex II		Not material	–
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table # 3 of Annex 1				Not material	–
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table # 1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated regulation (EU) 2020/1816, Annex II		Not material	–
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table # 2 of Annex 1		Delegated regulation (EU) 2020/1816, Annex II		Not material	–
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table # 1 of Annex 1		Delegated regulation (EU) 2020/1818, Article 12(1) Delegated regulation (EU) 2020/1816, Annex II		Not material	–
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated regulation (EU) 2020/1818, Article 12(1) Delegated regulation (EU) 2020/1816, Annex II		Not material	–
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU), 2021/1119, Article 2(1)	Not material	–

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page(s)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material	–
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table # 2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: alignment metrics	Delegated regulation (EU) 2020/1818, Article 6		Material	162
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table # 1 and Indicator number 5 Table # 2 of Annex 1				Material	155
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table # 1 of Annex 1				Material	155
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table # 1 of Annex 1				Material	155
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table # 1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	157 f.
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table # 1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	155
ESRS E1-7 GHG removals and carbon credits paragraph 56				Delegated Regulation (EU)	Not material	–

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page(s)
				2021/1119, Article 2(1)		
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated regulation (EU) 2020/1818, Annex II Delegated regulation (EU) 2020/1816, Annex II		Material	2024: Phase-in provision
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Material	2024: Phase-in provision
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material	2024: Phase-in provision
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated regulation (EU) 2020/1818, Annex II		Material	2024: Phase-in provision
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	Indicator number 8 Table # 1 of Annex 1 Indicator number 2 Table # 2 of Annex 1 Indicator number 1 Table # 2 of Annex 1 Indicator number 3 Table # 2 of Annex 1				Not material	–
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table # 2 of Annex 1				Material	175 f.

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page(s)
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table # 2 of Annex 1				Not material	–
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table # 2 of Annex 1				Not material	–
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table # 2 of Annex 1				Not material	–
ESRS E3-4 Total water consumption m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table # 2 of Annex 1				Not material	–
ESRS 2 – IRO-1 – E4 paragraph 16 (a) i	Indicator number 7 Table # 1 of Annex 1				Not material	–
ESRS 2 – IRO-1 – E4 paragraph 16 (b)	Indicator number 10 Table # 2 of Annex 1				Not material	–
ESRS 2 – IRO-1 – E4 paragraph 16 (c)	Indicator number 14 Table # 2 of Annex 1				Not material	–
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table # 2 of Annex 1				Not material	–
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator number 12 Table # 2 of Annex 1				Not material	–
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table # 2 of Annex 1				Not material	–
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table # 2 of Annex 1				Material	188
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table # 1 of Annex 1				Not material	–
ESRS 2 SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table # 3 of Annex I				Not material	–

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page(s)
ESRS 2 SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table # 3 of Annex I				Not material	–
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table # 3 of Annex I and Indicator number 11 Table # 1 of Annex I				Not material	–
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated regulation (EU) 2020/1816, Annex II		Not material	–
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table # 3 of Annex I				Not material	–
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table # 3 of Annex I				Material	204
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table # 3 of Annex I				Material	202
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table # 3 of Annex I		Delegated regulation (EU) 2020/1816, Annex II		Material	211
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table # 3 of Annex I				Material	2024: Phase-in provision
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table # 1 of Annex I		Delegated regulation (EU) 2020/1816, Annex II		Not material	–
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table # 3 of Annex I				Not material	–
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table # 3 of Annex I				Not material	–

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page(s)
ESRS S1-17 non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table # 1 of Annex I and Indicator number 14 Table # 3 of Annex I		Delegated regulation (EU) 2020/1816, Annex II Delegated regulation (EU) 2020/1818 Art 12(1)		Not material	–
ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and number 13 Table # 3 of Annex I				Material	212 f.
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table # 3 of Annex 1 and Indicator number 11 Table # 1 of Annex 1				Material	213
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and 4 Table # 3 of Annex 1				Material	213 – 216
ESRS S2-1 non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table # 1 of Annex 1		Delegated regulation (EU) 2020/1816, Annex II Delegated regulation (EU) 2020/1818 Art 12(1)		Material	213
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated regulation (EU) 2020/1816, Annex II		Material	213
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table # 3 of Annex 1				Material	218 f.
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table # 3 of Annex 1 and Indicator number 11 Table # 1 of Annex 1				Not material	–

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page(s)
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table # 1 of Annex 1		Delegated regulation (EU) 2020/1816, Annex II Delegated regulation (EU) 2020/1818 Art 12(1)		Not material	–
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table # 3 of Annex 1				Not material	–
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table # 3 and Indicator number 11 Table # 1 of Annex 1				Not material	–
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table # 1 of Annex 1		Delegated regulation (EU) 2020/1816, Annex II Delegated regulation (EU) 2020/1818 Art 12(1)		Not material	–
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table # 3 of Annex 1				Not material	–
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table # 3 of Annex 1				Not material	–
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table # 3 of Annex 1				Not material	–
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table # 3 of Annex 1		Delegated regulation (EU) 2020/1816, Annex II		Not material	–
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table # 3 of Annex 1				Not material	–

Index – Disclosure requirements in ESRS covered by the Group's sustainability statement

Appendix C: Disclosure and Application Requirements in Topical ESRS that are applicable in conjunction with ESRS 2 General disclosures

ESRS 2 Disclosure Requirement	Related ESRS paragraph	Page(s)
GOV-1 The role of the administrative, management and supervisory bodies	ESRS G1 Business conduct (para. 5)	132 – 135
GOV-3 Integration of sustainability-related performance in incentive schemes	ESRS E1 Climate change (para. 13)	136 f.
SBM-2 Interests and views of stakeholders	ESRS S1 Own workforce (para. 12)	128 – 131
	ESRS S2 Workers in the value chain (para. 9)	128 – 131
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS E1 Climate Change (para. 18 to 19)	131 f.; 145 f.
	ESRS S1 Own workforce (para. 13 to 16)	197 f.
	ESRS S2 Workers in the value chain (para. 10 to 13)	212 f.
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	ESRS E1 Climate change (para. 20 to 21)	124 – 126
	ESRS E2 Pollution (para. 11)	126 f.
	ESRS E3 Water and marine resources (para. 8)	126 f.
	ESRS E5 Resource use and circular economy (para. 11)	126 – 128
	ESRS G1 Business conduct (para. 6)	128

Annex – Further disclosures on the EU Taxonomy

Proportion of revenue from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

	Code (2)	Revenue 2024 (3)	Proportion of revenue 2024 (4)	Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)										
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of aligned (A.1.) or eligible (A.2.) revenue 2023 (18)	Category enabling activity (19)	Category transitional activity (20)	
Economic activities (1)	€ million	% ¹		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	% ¹	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned) ²																				
Repair, refurbishment and remanufacturing	CE 5.1	364.9	3.2	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	–		
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		364.9	3.2	3.2	–	–	–	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–		
of which enabling		–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	E	
of which transitional		–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacture of batteries	CCM 3.4	229.6	2.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.0				
Manufacture of other low carbon technologies	CCM 3.6	3,269.2	28.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL							29.7				
Provision of IT/OT data-driven solutions	CE 4.1	61.4	0.5	N/EL	N/EL	N/EL	N/EL	EL	N/EL							–				
Repair, refurbishment and remanufacturing	CE 5.1	892.4	7.8	N/EL	N/EL	N/EL	N/EL	EL	N/EL							9.2				
Sale of spare parts	CE 5.2	801.9	7.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL							6.8				
Sale of second-hand goods	CE 5.4	468.0	4.1	N/EL	N/EL	N/EL	N/EL	EL	N/EL							4.0				

Proportion of revenue from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

	Code (2)	Revenue 2024 (3)	Proportion of revenue 2024 (4)	Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of aligned (A.1.) or eligible (A.2.) revenue 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	1,190.3	10.3	N/EL	N/EL	N/EL	N/EL	EL	N/EL								10.2		
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6,913.0	60.1	30.4	-	-	-	29.7	-								60.0		
A. Revenue of Taxonomy eligible activities (A.1 + A.2)		7,277.9	63.3	33.6	-	-	-	29.7	-								60.0		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Revenue of taxonomy-non-eligible activities (B)		4,225.4	36.7														40.0		
TOTAL (A. + B.)		11,503.2	100.0														100.0		

1 All percentages relate to KION Group's total revenue [\[ESRS 1.123\]](#). Revenue reported for activity CCM 3.4 includes internal and external revenue from reporting year 2024 onwards, whereas the revenue reported in prior years refers only to external revenue. This does not result in double counting due to a reduction in activity CCM 3.6

2 Taxonomy-alignment was assessed for the economic activities of the environmental objectives 'climate change mitigation' and 'circular economy'. Each eligible activity was considered for alignment in regards to only one environmental objective. A clear definable component of activity CE 5.1 was considered as taxonomy-aligned in the reporting year 2024

Legend: **Y:** Yes, taxonomy-eligible activity and taxonomy-aligned with the relevant environmental objective; **N:** No, taxonomy-eligible activity but not taxonomy-aligned with the relevant environmental objective; **EL:** Taxonomy eligible activity for the relevant objective; **N/EL:** Taxonomy non-eligible activity for the relevant objective; **CCM:** Climate Change Mitigation; **CCA:** Climate Change Adaptation; **WTR:** Water and Marine Resources; **CE:** Circular Economy; **PPC:** Pollution Prevention and Control; **BIO:** Biodiversity and ecosystems

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

				Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)										
	Code (2)	CapEx 2024 (3)	Proportion of CapEx 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of aligned (A.1.) or eligible (A.2.) CapEx 2023 (18)	Category enabling activity (19)	Category transitional activity (20)	
Economic activities (1)	€ million	% ¹		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	% ¹	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned) ²																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)				–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–		
of which enabling		–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	E	
of which transitional		–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0.2	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.1				
Manufacture of batteries	CCM 3.4	3.4	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.2				
Manufacture of other low carbon technologies	CCM 3.6	154.7	8.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL							10.0				
Manufacture of hydrogen	CCM 3.10	–	–	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	119.7	6.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL							4.8				
Renovation of existing buildings	CCM 7.2	15.6	0.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL							–				
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	2.3	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL							–				

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

	Code (2)	CapEx 2024 (3)	Proportion of CapEx 2024 (4)	Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards (17)	Proportion of aligned (A.1.) or eligible (A.2.) CapEx 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.1	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Acquisition and ownership of buildings	CCM 7.7	163.5	8.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7.8		
Provision of IT/OT data-driven solutions	CE 4.1	0.4	0.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Repair, refurbishment and remanufacturing	CE 5.1	0.1	0.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Sale of spare parts	CE 5.2	9.0	0.5	N/EL	N/EL	N/EL	N/EL	EL	N/EL								2.6		
Sale of second-hand goods	CE 5.4	–	–	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.2		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	1,109.5	59.8	N/EL	N/EL	N/EL	N/EL	EL	N/EL								61.6		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,578.5	85.1	24.8	–	–	–	60.3	–								87.4		
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		1,578.5	85.1	24.8	–	–	–	60.3	–								87.4		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy-non-eligible activities (B)		276.9	14.9														12.6		
TOTAL (A. + B.)		1,855.4	100.0														100.0		

1 All percentages relate to KION Group's capital expenditure (CapEx according to the definition of the EU taxonomy)

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Code (2)	CapEx 2024 (3) Proportion of CapEx 2024 (4)	Substantial Contribution Criteria							DNSH criteria (Does Not Significantly Harm)						
		Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of aligned (A.1.) or eligible (A.2.) CapEx 2023 (18)

2 Taxonomy-alignment was assessed for the economic activities of the environmental objectives 'climate change mitigation' and 'circular economy'. Each eligible activity was considered for alignment in regards to only one environmental objective. A clear definable component of activity CE 5.1 was considered as taxonomy-aligned in the reporting year 2024, for which no CapEx was identified

Legend: **Y:** Yes, taxonomy-eligible activity and taxonomy-aligned with the relevant environmental objective; **N:** No, taxonomy-eligible activity but not taxonomy-aligned with the relevant environmental objective; **EL:** Taxonomy eligible activity for the relevant objective; **N/EL:** Taxonomy non-eligible activity for the relevant objective; **CCM:** Climate Change Mitigation; **CCA:** Climate Change Adaptation; **WTR:** Water and Marine Resources; **CE:** Circular Economy; **PPC:** Pollution Prevention and Control; **BIO:** Biodiversity and ecosystems

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

	Code (2)	OpEx 2024 (3) Proportion of OpEx 2024 (4)	Substantial Contribution Criteria							DNSH criteria (Does Not Significantly Harm)										
			Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of aligned (A.1.) or eligible (A.2.) OpEx 2023 (18)	Category en- abling activity (19)	Category transi- tional activity (20)		
Economic activities (1)	€ million	% ¹	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	% ¹	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned) ²																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–		
of which enabling	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	E	
of which transitional	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	2.8 0.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							–				
Manufacture of batteries	CCM 3.4	5.2 1.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.9				
Manufacture of other low carbon technologies	CCM 3.6	164.4 41.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							44.8				
Manufacture of hydrogen	CCM 3.10	0.1 0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.4				
Renovation of existing buildings	CCM 7.2	5.8 1.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							–				
Acquisition and ownership of buildings	CCM 7.7	1.7 0.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							–				
Provision of IT/OT data-driven solutions	CE 4.1	0.1 0.0	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL							–				
Repair, refurbishment and remanufacturing	CE 5.1	1.6 0.4	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL							–				

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

	Code (2)	OpEx 2024 (3)	Proportion of OpEx 2024 (4)	Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards (17)	Proportion of aligned (A.1.) or eligible (A.2.) OpEx 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Sale of spare parts	CE 5.2	0.9	0.2	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.5		
Sale of second-hand goods	CE 5.4	0.2	0.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	1.2	0.3	N/EL	N/EL	N/EL	N/EL	EL	N/EL								11.5		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		183.9	46.3	45.3	–	–	–	1.0	–								58.1		
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		183.9	46.3	45.3	–	–	–	1.0	–								58.1		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy-non-eligible activities (B)		213.3	53.7														41.9		
TOTAL (A. + B.)		397.3	100.0														100.0		

1 All percentages relate to KION Group's operating expenditure (OpEx). Total amount for OpEx was reduced by €664.0 million for the previous year 2023 in relation to the correction of activity CE 5.1 under A.2

2 Taxonomy-alignment was assessed for the economic activities of the environmental objectives 'climate change mitigation' and 'circular economy'. Each activity was considered for alignment with respect to only one environmental objective for which it is eligible. A clear definable component of activity CE 5.1 was considered as taxonomy-aligned in the reporting year 2024, for which no OpEx was identified

Legend: **Y:** Yes, taxonomy-eligible activity and taxonomy-aligned with the relevant environmental objective; **N:** No, taxonomy-eligible activity but not taxonomy-aligned in regards to the relevant environmental objective; **EL:** Taxonomy eligible activity for the relevant objective; **N/EL:** Taxonomy non-eligible activity for the relevant objective; **CCM:** Climate Change Mitigation; **CCA:** Climate Change Adaptation; **WTR:** Water and Marine Resources; **CE:** Circular Economy; **PPC:** Pollution Prevention and Control; **BIO:** Biodiversity and ecosystems