KION GROUP

PEOPLE

PROCESSES

PRODUCTS

PERFORMANCE

MOVED BY SUSTAINABILITY

SUSTAINABILITY REPORT
2019

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                corporate   solutions and health, safety and
                governance   supply chain environmental
                                             protection

Selected sustainability-relevant key figures[1]

Key figures	2019	2018
Company profile		
Revenue	€ 8,806.5 milion	€ 7,995.7 million
Net income	€ 444.8 million	€ 401.6 million
Products and solutions		
Research and development expenditure	€ 237.3 million	€ 221.7 million
Patent applications and patents granted	2,912	2,923
of which new applications in the reporting year	81	105
Number of orders for electric industrial trucks	181,631	171,302
Number of used industrial trucks sold	57,694	48,834
Environment		
Level of ISO 14001 certification[2] (plants as well as sales and service locations)	52 %	46%
Total energy consumption	2,397,983 GJ	2,412,433 GJ
Greenhouse gas emissions (Scope 1, 2, 3)[3]	247,184 t CO_2e	248,747 t CO_2e
Total water consumption	541 Ml	552 Ml
Total waste produced	68,498 t	65,840 t
Employees		
Employees[4]	34,604	33,128
Personnel expenses	€ 2,292.8 million	€ 2,100.2 million
Percentage of female employees	16.7 %	16.2 %
Number of apprentices	672	601
Level of ISO 45001 certification[2] (plants as well as sales and service locations)	49 %	44 %
Illness rate[5]	2.8 %	2.8 %
Lost time injury frequency rate[6]	8.7	10.8

[1] Inter alia under Global Reporting Initiative (GRI) and the German implementation of the EU Directive on non-financial reporting requirements (CSR-RUG)
[2] Or equivalent standard
[3] Data is location-based
[4] Number of employees (full-time equivalents) as at balance sheet date 31/12/
[5] Absence days due to illness or occupational accidents related to planned working days of active employees
[6] Occupational accidents with one or more working days lost per million hours worked

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                    corporate   solutions and   health, safety and
                    governance   supply chain   environmental
                                                         protection

Contents

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                               protection

Foreword

⚛ 102-14

Ladies and Gentlemen,

2019 was a year of sustainability – in particular, protecting both the environment and climate set the tone of public debate. Limiting global warming and achieving the objectives set out in the Paris Climate Agreement are worthy aims. Consequently, companies are called upon to systematically address the environmental and social implications of their actions, as well as to make a positive contribution through their products and solutions.

At KION, sustainability has long been on the agenda. After all, issues such as efficiency, safety and ergonomics have always been crucial to success in the intralogistics industry. Yet with the KION Group's sustainability programme we take things one step further, in the full knowledge that long-term corporate success depends on companies aligning their economic activities with the principles of responsible corporate governance.

Sustainable corporate strategy is also becoming increasingly significant on the capital markets. Alongside key financial data, analysts and investors are increasingly taking a company's environmental and social track record into account. Only companies that can meet expectations across the board will be able to preserve trust in the long term. At the KION Group, we ensure that our actions are always transparent.

We regularly consult our stakeholders on the issues they feel we have a responsibility to address. Where can we show further commitment to make a positive environmental and social impact? Where can we still improve? We use the feedback to adapt our sustainability strategy. Our goal is clear: We want to be an industry leader in sustainability too. Various rankings and ratings confirm that our achievements are appreciated. This is evidenced by our inclusion in the FTSE4Good Index Series in June 2019, as well as by the fact we achieved Prime Status (C+) in the sustainability rating of ISS ESG, one of the world's largest service providers for responsible investing.

This is a great source of motivation and strength in encouraging us to continue down our path in the future, including climate protection. We want to continuously reduce our energy-related CO_2 emissions – by 30 percent by 2027 alone compared to 2017. Moreover, the company as a whole is working on making energy consumption as efficient and sustainable as possible. In this context, we are systematically promoting the use of renewable energy at all our sites. In the year under review we have ensured that, going forward, electricity for our sites in Germany and the

Czech Republic – in other words, for the majority of our production locations – will come from renewable sources. Joining the KION site in Summerville, South Carolina, our new plant in Pune, India, is now also equipped with a photovoltaic system. We are also testing the use of photovoltaics in our other new construction projects, notably at our plant in Kołbaskowo in Poland which is currently being built.

Sustainability also characterises our product portfolio. Today, around 85 per cent of our trucks are already equipped with electric drives. What's more, our clear focus on safety and ergonomics protects the health of the people working with our products on a daily basis – both with our industrial trucks and in warehouse logistics.

Moreover, our firm commitment to occupational health and safety within the KION Group is proving effective. 2019 saw significantly fewer workplace accidents than the previous year, not least as a result of the Group's strong safety culture. This meant that the number of accidents at work resulting in at least one working day's absence went down by 16.9 percent.

But sustainability doesn't stop at the plant gates. Over the past year, we stepped up our efforts to incorporate our suppliers and business partners into our sustainability activities. Based on the EcoVadis CSR ratings, we intend to source a significant share of our purchasing volume from sufficiently highly rated suppliers in the future.

All of these examples illustrate that we are making headway. Our sustainability strategy is leading to fundamental change. The programme and planning of past years have translated into tangible action – for sustainable success in the truest sense of the word. I am delighted to see your interest in our commitment and hope you will continue to support us in the future.

With my best regards,

Gordon Riske
Chief Executive Officer
KION GROUP AG

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                   corporate   solutions and   health, safety and
                   governance   supply chain   environmental
                                                         protection

About this report

Contents

This Sustainability Report (SR) shows the progress the KION Group has made in terms of its sustainable business development during the reporting period. Through this report, the KION Group also fulfils its obligation to submit a separate Group non-financial report as required by §§ 315b, 315c in conjunction with 289c to 289e HGB (German Commercial Code). To increase transparency, the main elements of the Group non-financial report (NfR) are identified by the symbol and the relevant NfR information. To improve readability, not all mandatory content of the NfR has been marked in full. The SR also contains further information on the KION Group's sustainability activities that goes beyond statutory reporting requirements. The design of this report is based on the GRI Standards of the Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI Standards: Core option.

The KION Group Supervisory Board commissioned an auditing firm with an external limited-assurance audit of the contents of the Group non-financial report pursuant to § 315b HGB for the fiscal year 2019. The Supervisory Board has included the auditor's assessment in its independent review of the Group non-financial declaration and respective final assessment. Complementing this, a limited-assurance audit of this report was carried out in accordance with the GRI Standards' 'Core' option. The audit mandate and audit results for both audits are available in the Assurance Reports.

Materiality analysis

NfR: Identification of material issues, Non-financial risks, Specific financial items in the Financial Statement

In 2018, the KION Group revised its materiality analysis and completed the evaluation in 2019, replacing the previous materiality analysis carried out in 2015. This report marks the first time that the results of the new materiality analysis have been considered in sustainability reporting. As part of the new analysis, the issues material to the Group for the Group non-financial report were also assessed. For this purpose, opportunities and risks for business activities as well as positive and negative effects of the company's activities on the environment and society in particular were taken into consideration. Further information and an overview of the aspects identified as material can be found in the section "2018 materiality analysis provides clear priorities". Issues relevant for the NfR can be found in Table 1.

No material issues for the KION Group regarding the aspect of 'Social matters' were identified, as no related statements were assessed as necessary for an understanding of the performance or results of the business, the situation of the incorporated company, or impacts of KION's business activities on social matters.

Non-financial risks to the KION Group's business activities are addressed by the KION Group's risk management, which is explained in detail in the risk report of the combined management report in the KION Group Annual Report. In accordance with § 289c (3) no. 3 and 4 HGB (German Commercial Code), no material risks were identified with a very high probability of serious negative impacts regarding the aspects set out in the CSR-RUG that are related to the KION Group's own business activities, business relationships, products and services. References to specific financial items in the Financial Statement are not required to understand the Group non-financial report.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                               protection

Table 1: Index for the Group non-financial report (NfR)

Description of the business model	
Environmental matters	Environmentally responsible supply chain
	Location-specific greenhouse gas (GHG) emissions
	Product-related greenhouse gas (GHG) emissions
Employee matters	Diversity and equal opportunities
	Employee health and safety
Anti-corruption and bribery matters	Prevention of corruption and bribery
Respect for human rights	Socially responsible supply chain
Further aspects	Product safety

Scope and reporting period   102-45, 102-50

The contents of the report relate to the KION Group and its consolidated subsidiaries. A list of the consolidated entities is provided in Table 124 of the Annual Report. The key performance indicators (KPIs) in this report were essentially produced based on data from 117 reporting units. In doing so, data for 34 production and administration locations (referred to as 'plants') was gathered individually, while 83 disclosure points for sales and service companies in some cases comprise aggregated data from several locations. Varying degrees of data-gathering aggregation are indicated wherever relevant, where in exceptional cases the data does not cover all KION Group employees or subsidiaries. The report therefore covers all consolidated KION Group companies based in 33 countries and at approx. 400 locations. The Sustainability Report 2019 relates to the fiscal year 2019 covering the period 1 January to 31 December 2019.

Collection and comparability of data and information   102-48

The data collection which provides the main basis for the KPIs presented in this report is supported across the company by WeSustain software. Data on around 800 sustainability indicators is currently gathered Group-wide. The figures in this Sustainability Report have been rounded up or down in accordance with standard commercial practice. This may result in differences between the sum of the individual amounts given in the tables and the overall totals stated, as well as between the figures stated in the tables and their analysis in the main text of the Sustainability Report. All percentage changes and KPIs were calculated based on the underlying data. Possible deviations from data provided in previous reports may be the result of subsequent improvements in the underlying data, a modification in the calculation method or periodic updates of conversion and emission factors applied. This resuls in retrospective adjustments, especially for indicators that relate to climate and environmental issues. Significant changes from previously reported data, i.e. more than 15 per cent of the overall totals, are indicated as such where they occur.

Forward-looking statements

This Sustainability Report contains forward-looking statements that relate to the current plans, objectives, forecasts and estimates of the management of the KION Group. The management of the KION Group cannot guarantee that these forward-looking statements will prove to be correct. The future development of the KION Group and its sub-sidiaries, and the results that are actually achieved, are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements.

Additional remarks

In the interests of legibility, the KION Group avoids the use of multiple-gender pronouns. No significance is implied, and any mentioning of personal pronouns is to be understood as gender-neutral. The Sustainability Report 2019 can be downloaded in PDF format in German and English on the Group website. For further and more detailed information, see the corporate website www.kiongroup.com and the Annual Report. The company will publish its next sustainability report for the fiscal year 2020 in spring 2021.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                               protection

Company profile   ☼ 102-1, 102-2, 102-5, 102-6, 102-7, 102-10

We keep the world moving.

The KION Group is a leading global provider of integrated supply chain solutions. The company's range of services includes industrial trucks, warehouse technology and supply chain solutions, including related services. Across over 100 countries, the KION Group's logistics solutions optimise material handling processes and the flow of information at factories, warehouses and distribution centres.

With over 34,000 employees, the company is the largest manufacturer of industrial trucks in Europe and the second-largest worldwide as well as the leading provider of automation technology and software solutions. With a global volume of more than 1.4 million industrial trucks and over 6,000 installed systems, the KION Group's customer base includes companies in all industries and of all sizes on six continents.

We are moved by sustainability.

The KION Group aspires to understand the needs of its customers like no other company anywhere in the world, and to impress them with customised material handling solutions. Sustainable business practices are the logical conse-quence of this aspiration. By aligning its actions with environmental, social and economic aspects, the KION Group also supports its customers in implementing their sustainability programmes, thereby meeting a key prerequisite for their own success.

This makes sustainability a task for all employees. Everyone in the company is encouraged to contribute through innovations, ideas and consistent action to ensure the KION Group also fulfils its claim to be a sustainability leader. With a clear sustainability strategy, ambitious objectives and effective measures, the KION Group is on the right track. This report sets out its approach.

Business model and organisation

⊗ NfR: Description of the business model

The KION Group is active in the market via its five operating units: LMH EMEA, STILL EMEA, KION APAC, KION Americas and Dematic. While the operating units bear full operational and economic responsibility in their markets, KION GROUP AG is responsible for the Group-wide strategy and central business standards. The internal manage-ment of the company is handled by the two segments Industrial Trucks & Services (ITS) and Supply Chain Solutions (SCS). The Corporate Services segment comprises the other activities and holding functions of the KION Group.

For a detailed illustration of the KION Group's organisational structure, its business model and its key markets, see the section "Fundamentals of the KION Group" of the combined management report, which is part of the Annual Report and provides a detailed description of the Group's economic position. It is complemented by the quarterly reporting and relevant information in the Investor Relations section of the corporate website.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                   corporate   solutions and   health, safety and
                   governance   supply chain   environmental
                                                         protection

Sustainable corporate governance

- Sustainability strategy
- Organisation and management
- Compliance
- Stakeholder dialogue

Sustainability strategy

Based on the Group's vision, the 'KION 2027' strategy provides orientation for strategic development for the coming years in five clearly defined fields of action: Energy, Digital, Automation, Innovation and Performance (see Annual Report > KION Group Strategy). Sustainability was incorporated into the strategy process as a basic attitude and guideline for action. The KION Group's corporate values defined in 2017 (Integrity, Collaboration, Courage and Excellence) also make clear reference to sustainability – and with the inclusion of sustainability principles in the Group-wide KION Group Code of Compliance, they shape the actions of every individual in the company.

Figure 1: KION Group sustainability strategy

We take responsibility – to foster sustainable development of our company, our industry and the society we live in.

We adopt a long-term business perspective. Through sustainable business practices we want to achieve added value and growth – for us and the society we live in.

Performance

We aim to be an employer people are keen to work for. As a good corporate citizen, we support the society we are part of.

People

We are moved by sustainability

Products

We provide innovative products and solutions, which are safe and efficient to use, supporting our customers´ business needs and sustainable efforts as well.

Processes

We use our resources as efficiently as possible. With transparent processes and a collaborative business approach, we generate value and aim for continuous improvement throughout the entire value chain.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                    corporate   solutions and   health, safety and
                    governance   supply chain   environmental
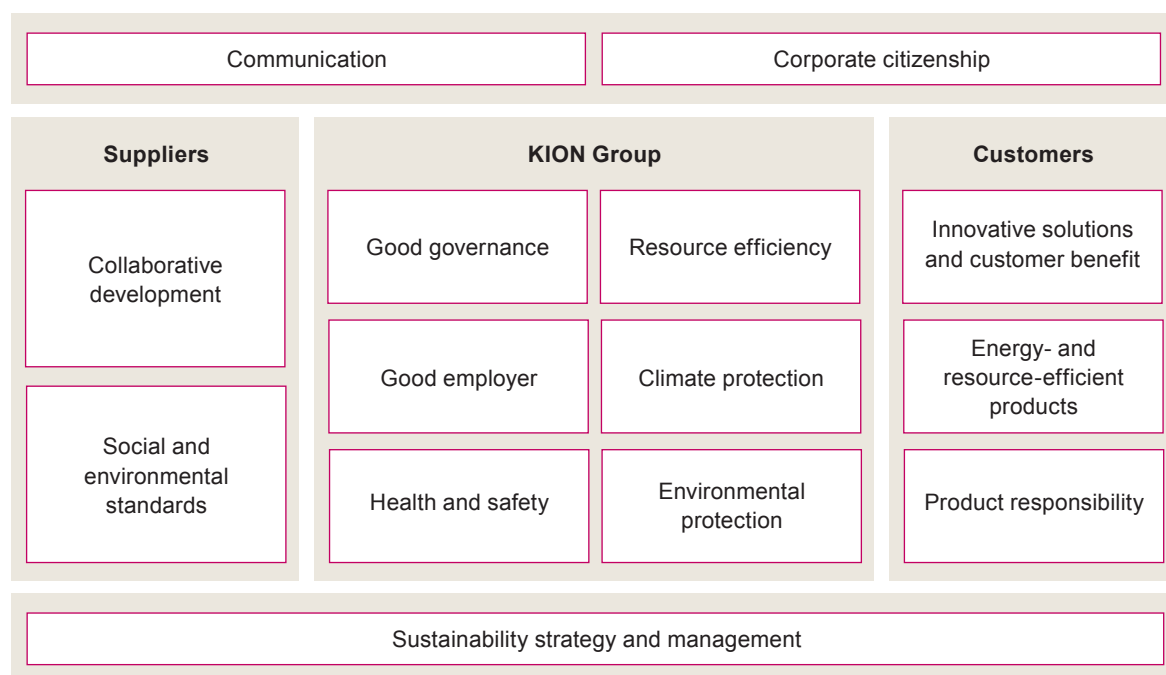   protection

The sustainability strategy established in 2017 provides the necessary orientation and serves as the guideline for everybody in the company (Figure 1). Run under the motto, 'We are moved by sustainability', it summarises the key trajectories and defines the respective corporate mindset with regard to the four priorities: Performance, Products, Processes and People.

Based on this strategy, a systematic Group-wide approach has been derived that addresses and prioritises the KION Group's primary challenges in 14 action fields (Figure 2). Depending on the results of the materiality analysis, underpinning each action field is a specific programme with objectives, measures and, where appropriate, quantifiable performance indicators. The relevance of the action fields for the individual operating units is also determined by the materiality analysis.

Responsibility for implementing these measures lies with the relevant managers, who are also responsible for integrating sustainability aspects into the processes. The sustainability targets define a minimum standard that is binding for the entire KION Group. Individual organisational units may go beyond these standards in their sustainability activities and/or extend them. The structure of the sustainability programme serves as a Group-wide regulatory framework and will be retained despite an updated materiality analysis. However, the contents of the individual action fields will be adapted accordingly and reprioritised.

Figure 2: KION sustainability management action fields

Communication		Corporate citizenship	
Suppliers	**KION Group**		**Customers**
Collaborative development	Good governance	Resource efficiency	Innovative solutions and customer benefit
Social and environmental standards	Good employer	Climate protection	Energy- and resource-efficient products
	Health and safety	Environmental protection	Product responsibility
Sustainability strategy and management			

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                               protection

2018 materiality analysis provides clear priorities   ☀ **102-43, 102-46, 102-47 102-49**

In 2018, the KION Group revised its sustainability approach with a Group-wide materiality analysis, which was further detailed in 2019. Among other things, this took into account the integration of Dematic and the greater regionalisation of the sustainability programme within the operating units. A global survey of the most important stakeholder groups resulted in a comprehensive synopsis of opinions. Based on the United Nations' Sustainable Development Goals (SDGs), the KION Group's core sustainability team (consisting of the sustainability coordinators of the operating units) identified 15 potentially relevant aspects, which were evaluated at the level of all operating units in workshops and then aggregated into a KION Group result at a further workshop. In doing so, opportunities and risks arising from business activities were examined, as were the positive and negative effects of the company's activities on the environment and society. The findings were presented and confirmed in the Sustainability Steering Committee and the Group Executive Committee, which comprises the members of the Executive Board and the presidents of the operating units.

In this process, relevant aspects across the Group and the regions were identified; these are the focus points of this report. In 2019, the results of the analysis and initial measures were presented to the Sustainability Steering Com-

Figure 3: Findings of the 2018 materiality analysis   ☀ **102-47**
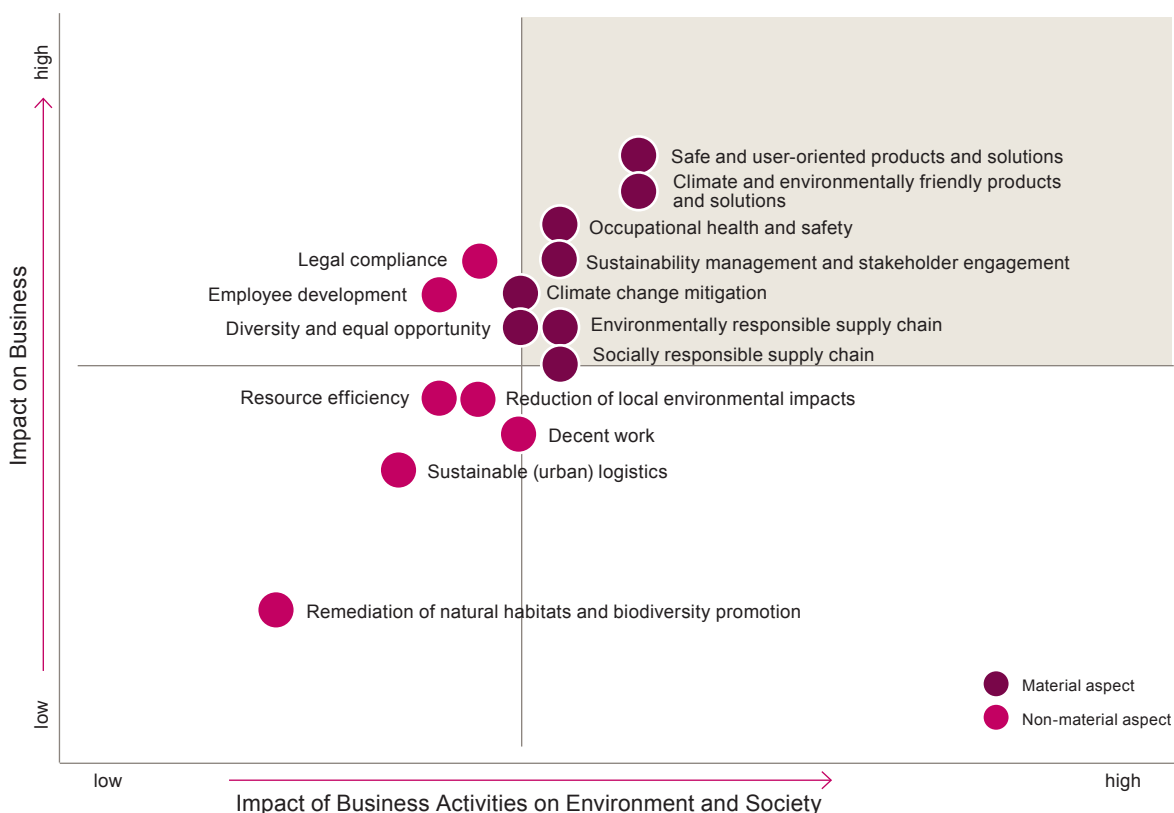
mittee and subsequently assigned to the action fields for specific implementation. The basic contents and topics of the sustainability strategy are still relevant. A review and possible substantiation of the existing strategy is planned for the business year 2020.

Commitment recognised ⁑ 102-12, 102-43

The KION Group aims to be appropriately represented in the relevant sustainability ratings and rankings, based on the Sustainability Report, which complies with the internationally accepted standards of the Global Reporting Initiative. This report is the most recent edition.

The KION Group achieved prime status (C+) in the rating of ISS ESG, one of the world's largest service providers for responsible investment. The company has been a member of the FTSE4Good Index Series since 2019 and is listed in FTSE Russel's ESG Rating with a score of 3.4. In the CDP (formerly Carbon Disclosure Project) rating, the KION Group was able to confirm its B score in 2019, outperforming the average of the companies assessed by CDP.

Individual operating units or subsidiaries of the KION Group are subject to the EcoVadis rating, a platform that specialises in evaluating suppliers in accordance with sustainability criteria. By the end of 2020, all operating units will be evaluated as well as the entire KION Group re-evaluated by EcoVadis.

Organisation and management ⁑ 102-16, 102-18

The Executive Board of KION GROUP AG is responsible for the operational management of the KION Group. For further information on the duties and composition of the Executive Board and Supervisory Board of KION GROUP AG, see the Annual Report. The KION Group works according to recognised standards of sound, responsible corporate governance. Besides statutory regulations, the German Corporate Governance Code (DCKG) guides how the KION Group manages and controls the company. Further information on the applied standards is included in the Corporate Governance Statement. The statement is available on the corporate website and is part of the Annual Report.

The KION Group's risk management system is documented in a Group risk policy that defines tasks, processes and responsibilities, and sets out the rules for identifying, assessing, reporting and managing risk. Further information can be found in the Annual Report.

Sustainability organisation

Taking a sustainable approach is linked with clear responsibilities at the KION Group. On the Executive Board, this issue is the responsibility of the CFO. With the support of the Group Executive Committee, the entire Executive Board ensures that the company's commitment to sustainability translates into specific measures. The KION Group's Sustainability Steering Committee, consisting of the coordinators of the action fields and the sustainability coordina-

tors of the operating units, ensures that the sustainability programme is uniform across the Group and continually developed further. The Steering Committee also regularly deals with the non-financial aspects in accordance with the German Commercial Code (HGB) and the resulting requirements for the KION Group (see About this report – Contents). In 2019, the Sustainability Steering Committee met three times. The focus was on the findings of the stakeholder survey and the materiality analysis as well as the evaluation of the materiality in keeping with the CSR Directive Implementation Act. Other agenda items included the status and advancement of the sustainability programme. The committee furthermore dealt with the KION Group's results in the individual sustainability ratings and identified further potential for improvement.

KION's central sustainability management controls and coordinates the Group's sustainability programme, defines sustainability-related performance indicators and tracks target achievement in the action fields. It furthermore ensures coordination between the individual action fields, the organisational units and within the Group and is available to provide specialist support.

The coordinators responsible for the individual action fields manage the relevant programmes and assume full responsibility for budgets and resources. They are also responsible for implementing the agreed action plans, up to and including their transfer to operating units and subsidiaries. At the operational level, sustainability programmes

Table 2: Group-wide sustainability principles and guidelines

Principle/guideline	Scope
Anti-Bribery and Anti-Corruption Policy	Sets out guidelines to avoid corruption and any semblance of corruption
Compliance Principles for Independent Partners in KION's Sales and Service Organisation	Commits its sales and service partners to upholding the KION Group's compliance principles
Data Protection and Data Security Policy	Policy on collection and processing of customers', contracting parties' and employees' personal data
Donations Policy	The principles of social involvement set out the focus and requirements for donation and sponsorship activities
Guidelines for the Avoidance of Conflict of Interest	Set out to avoid any conflict of interest; describes principles governing KION's business relationships
HSE Policy	Guidelines for occupational health, safety and environmental protection, concerning employees, customers and the general public
KION Group Code of Compliance	Code of Conduct sets out guidelines for all employees across the KION Group to act lawfully and ethically
Policy on International Minimum Employment Standards	Explanation of underlying social rights and principles; excludes child and forced labour
Principles of Supplier Conduct	Set out principles with which the KION Group requires its suppliers to comply
Quality Policy	Sets out guidelines for quality assurance in product development and production
Risk Management Policy	Describes tasks, processes and responsibilities in risk management and provides rules for identifying and assessing risks
Travel Policy	Defines principles for business travel and aims, among other things, to avoid travel and replace it with digital alternatives

corresponding to the KION Group action field model are established and cascaded to the local level. The KION Group sustainability strategy and the corresponding objectives are based on existing Group-wide standards and codes of conduct that ensure compliance with rules and regulations (Table 2). These include the KION Group Code of Compliance (KGCC).

Compliance

The KION Group stands for consistent adherence to laws, guidelines and voluntary codices. This is ensured via a comprehensive compliance management system that centres on the KION Group Code of Compliance (KGCC), which lays out the guidelines for ethical, value-oriented and law-abiding business activities. It is supplemented by numerous other company-wide regulations on various topics covering the entire scope of the company's activities.

Clear rules as the basis for correct conduct

The KGCC is binding for all employees and sets out clear rules that include guidance on correct conduct between employees and their colleagues, as well as on how they deal with customers, partners and the public. The KGCC is available in 24 languages and is updated periodically in order to comply with the prevailing legal situation and the current corporate conditions at all times. As a German corporation, KION GROUP AG is primarily subject to German law. At the same time, the company is required to uphold national laws at its global locations. Where there are legal conflicts, the KGCC sets out the company's approach. In any cases of doubt concerning legal requirements, the Group's compliance or legal departments serve as the points of contact.

The KION Group's compliance programme is continually updated to include new topics and new priorities. In the period under review, compliance activities focused primarily on anti-bribery and anti-corruption once again (see Zero tolerance for corruption and bribery).

Work also continued on data protection and IT security, foreign trade and export control, the fight against money laundering, as well as directors' and officers' liability and responsibility. The risk analysis launched in the previous year in the area of competition and antitrust law was completed as planned in the year under review. Following the successful test operation in the regions, the Business Partner Check was established throughout the Group. An essential component of the anti-corruption programme, this IT-supported process is used to prepare risk profiles of business partners.

Compliance organisation

NfR: Prevention of corruption and bribery

The Executive Board of KION GROUP AG bears overall responsibility for the compliance management system in the Group. The compliance department reports directly to the CEO of the Group and is headed up by the Chief Compliance Officer. The Chief Compliance Officer and the compliance team further develop the compliance manage-

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                 corporate   solutions and   health, safety and
                 governance   supply chain   environmental
                                                    protection

ment system, provide advice and information on compliance topics and are responsible for the appropriate training. Each operating unit has a full-time Compliance Officer who reports directly to the Chief Compliance Officer. Local and regional compliance representatives ensure that operations at subsidiaries comply with statutory and regulatory requirements. Consequently, they are the first points of contact for questions on or reporting of possible instances of non-compliance. Together they form the Group-wide compliance team, reporting to the Compliance Officer of the operating unit.

On a quarterly basis, the local representatives report to the compliance department on inquiries, reported potential compliance violations as well as locally conducted compliance training. The quarterly report also includes information on donations and sponsoring activities.

The KION Group compliance department works closely with the legal, internal audit and human resources departments. As a cross-functional body, the KION Compliance Committee is staffed by senior managers from these departments. It deals primarily with addressing compliance concerns, managing investigations and advising on sanctions when compliance violations are identified.

Actual or suspected incidents of non-compliance can be reported by telephone, post, e-mail or fax. In addition, all KION Group employees as well as external stakeholders can use a 24/7 whistleblowing hotline to report potential compliance violations anonymously if they so wish. Furthermore, the compliance department's section on the KION Group website has been expanded to also include such contact details in order to increase transparency for the public.

The effectiveness of the KION Group's compliance management system is continually reviewed and refined. It is based on the model of the IDW PS 980 auditing standard, which focuses on preventing compliance violations. Within the framework of its regular audits as well as through ad-hoc audits, its Group audit department checks compliance with the KION Group's compliance requirements at the subsidiaries. In 2020, the compliance management system in the field of anti-corruption will be audited in accordance with IDW PS 980, based on ISO 19600. The corresponding readiness check was successfully completed at the end of 2019. The audit will start with a central adequacy check and a global structural analysis, followed by an effectiveness check at both central and local levels.

Zero tolerance for corruption and bribery

⬦ NfR: Prevention of corruption and bribery   **⁂ 205-1, 205-3**

Corruption and bribery are not tolerated at any time or in any form by the KION Group. The company pursues a 'Prevent – Detect – Respond' approach to meet this high standard. The KION Group Code of Compliance (KGCC) sets out specific requirements on conduct to prevent corruption. It focuses on the handling of gifts or benefits granted by or to business partners, dealing with public officials, and the topics of donations and sponsorship. Detailed rules are included in the KION Anti-Bribery and Corruption Policy, the KION Guidelines on avoiding conflicts of interest and the KION Group Donations Policy.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                              protection

With the new Anti-Bribery and Corruption (ABC) Policy published in September 2018, the KION Group is responding to the increasingly stringent anti-corruption regulations worldwide, setting clear and uniform rules to minimise the corresponding risks. The new guideline was actively communicated to the employees. The members of the Executive and Supervisory Boards were also informed of the policy. Among other things, it regulates cooperation with external business partners with regard to integrity checks or performance incentives. Compliance reviews within the scope of merger and acquisition activities are also covered. Furthermore, the policy sets country-specific approval limits and a uniform approval process for handling gifts and invitations and defines guidelines for the correct documentation of such transactions. The KION Group is taking another consistent step in this direction with the introduction of a new IT-based register for gifts and invitations. The register, developed in 2019, will in future record invitations and gifts that KION Group employees receive or give to business partners. The application, which will be introduced throughout the Group from 2020, also maps out the corresponding approval process.

Corruption and bribery risks are recorded and evaluated throughout the Group in a systematic analysis and adequate measures to eliminate process and control weaknesses derived. The characteristics of the corruption perception index for the respective country, the size and structure of the local purchasing or sales organisation and contacts with public officials play an important role in risk assessment. The analysis has already been completed for 96 per cent of all KION subsidiaries, and no significant risks of corruption have been identified.

All reported suspected cases are followed up rigorously. Violations that have already occurred are detected through effective control measures such as regular or special audits. Disciplinary action is taken in any cases of misconduct, and if necessary the compliance management system is modified to counter future violations. Appropriate clauses in contracts with dealers, consultants and suppliers also have a preventive effect. The regular training of employees who are exposed to an increased risk of corruption also serves to prevent bribery and corruption risks.

In the reporting year, there were no confirmed cases of corruption or bribery at the KION Group.

Extensive training measures on compliance issues

NfR: Prevention of corruption and bribery   ✷ **205-2**

Every new employee at the KION Group is required to complete an e-learning course that covers all aspects of the KION Group Code of Compliance. Employees without a PC and those who are exposed to particular compliance risks owing to their activities, such as in the area of sales, receive special face-to-face training. The KION Group aims to train all its employees regularly on the most critical topics (anti-corruption, avoiding conflicts of interest, competition law, anti-money laundering, data protection, IT security and human rights). Besides findings from its compliance management system, changes to legislation or internal regulations are also incorporated into the face-to-face training courses.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                              protection

In the reporting year, 20,364 participants received a total of over 27,000 online and face-to-face training hours on compliance, primarily on anti-corruption, handling of conflicts of interest and antitrust law. 97 per cent of employees who received compliance training in 2019 were also trained in fighting corruption. In 2020, new e-learning courses will be added to the KION Group's compliance training programme. A specific e-learning course on anti-corruption is already being prepared and will be made available to all employees in the first quarter of 2020, followed by a further training course every quarter. The topics to be covered will be respectful treatment of others in the workplace, dealing with conflicts of interest and competition law. The courses will be available in 22 languages and are mandatory for all employees.

Stakeholder dialogue   ❋ 102-13, 102-40, 102-42, 102-43, 102-44

The KION Group and its operating units are in regular dialogue with a wide range of stakeholder groups, either directly, via surveys or at events (Table 3). This enables the Group to identify their requirements of the company at an early stage and incorporate them in decisions.

The KION Group's key stakeholders are customers, employees, the capital markets (investors, shareholders) and suppliers. In addition, the company and its operating units are members of industry associations and international institutions. The KION Group is actively working on sustainability issues, for instance in the German Mechanical Engineering Industry Association (VDMA), whose Blue Competence sustainability initiative the KION Group supports as a member. Furthermore, the KION Group is part of, for example, the Federation of German Foundry Industry (BDG) and the European Materials Handling Federation (FEM, Fédération Européenne de la Manutention). The KION Group is also involved in developing environmental standards such as ISO, CEN or DIN.

The KION Group identifies stakeholder groups that are particularly relevant to sustainability management according to clear criteria. In doing so, the company focuses on the importance and contribution of stakeholders to the KION Group's success and on their specific requirements with regard to the company's sustainability performance. The Sustainability Steering Committee is continuing to develop this assessment.

In keeping with the KION Group Code of Compliance, the KION Group does not maintain any political relationships beyond its association work.

The form and frequency of dialogue are adapted to suit particular needs. Findings obtained from stakeholder dialogue are used to develop the company further. Of particular significance is the dialogue with customers, as understanding their requirements is central to the company's success. As part of the 2018 materiality analysis, the KION Group conducted a stakeholder survey. It resulted in around 2,400 responses, some with in-depth feedback from employees, customers, investors and suppliers. The evaluation of the results shaped the materiality analysis and provided important insights into the direction of the KION Group's commitment to sustainability.

Table 3: Stakeholder dialogue
102-13, 102-40, 102-43, 102-44

Stakeholders	Format	Topics in 2019
Customers	Regular customer visits, service helpdesk, customer audits, external assessments (e.g. EcoVadis), complaints management, customer events, trade fairs and in-house exhibitions, consulting, customer magazines, Internet, LMH Product Clinic, image brochures and one-pagers for key account customers, online stakeholder survey, Sustainability Report and sustainability brochures	Product features, e.g. efficiency and safety, service offering, ergonomic design of vehicles and systems, assessment of sustainability performance of sites and organisations, important sustainability topics for KION
Distributors	Distributors' Board, regular meetings (annual kick-off and year-end events)	Zero Accident philosophy at LMH EMEA
Employees	Management and employee survey, KEEP employee participation programme, suggestion scheme, employee magazine, intranet, online stakeholder survey, Sustainability Report, instruments and committees of co-determination for an in-depth exchange	Company development, important sustainability topics for KION
Financial market	Section on Sustainability in the Annual Report, answering questions in the context of investor discussions, assessment by rating organisations, online stakeholder survey, Sustainability Report	Sustainability management, social topics, environmental protection, important sustainability topics for KION, governance, transparent reporting on ESG criteria (Environment, Social, Governance), e.g. CDP, ISS ESG
General public	Journal articles, social media, campaign days, the section on Sustainability in the Annual Report, Sustainability Report	Sustainability management, social aspects, environmental protection, transparent reporting on sustainability
(Industry) associations	Participation in symposiums and working groups, membership of numerous associations such as ISO, DIN, VDMA, FEM	Energy efficiency, product specifications, product safety, product life cycle sustainability
Legislative bodies/policy makers	Dialogue with authorities, association work	Approvals, inspections
Local communities	Local events such as the StaplerCup federal state preliminary rounds, Training Day, regular exchange with local authorities at the locations, participating in the local Agenda 21 committee	Social and cultural engagement, products, safety standards, environment, traffic and traffic management
Media	Section on Sustainability in the Annual Report, press events, Sustainability Report, social media	Sustainability management, social topics, environmental protection, transparent reporting on sustainability, efficient energy systems, safety technology, sustainability activities
Non-governmental organisations	Dialogue forums with NGOs (e.g. Linde China)	Volunteering activities for environmental protection and education within and beyond the company
Science and research	Collaborations with education institutions, research projects, information days, internships, collaboration with students on dissertations and theses	e.g. alternative drive technologies
Suppliers	Supplier negotiations, EcoVadis supplier assessments, supplier audits, online stakeholder survey	KION Group Principles of Supplier Conduct, EcoVadis supplier assessments, important sustainability topics for KION

Products, solutions and supply chain

— Products and solutions

— Sustainable procurement

With the implementation of its 'KION 2027' strategy, the KION Group is clearly committed to the future-defining topics of digitalisation, mobile automation, robotics and e(nergy)-offerings and is working on the targeted expansion of its product range. Sustainability considerations are incorporated into the product development process at various stages. The KION Group also pays particular attention to a supplier's sustainability performance in its supplier selection process.

Products and solutions

MANAGEMENT APPROACH

◈ **NfR: Product-related greenhouse gas (GHG) emissions, Product safety**

Within the scope of the KION sustainability strategy, two action fields (see section on Sustainable corporate management) specifically address product-related sustainability aspects on group level. One is devoted to the energy and resource efficiency of products, aiming in particular at "climate- and environmentally friendly products and solutions", i.e. improved energy efficiency, the reduction of fuel and energy consumption and consequently also of emissions.

The action field of product responsibility focuses on "safe and user-driven products and solutions". Besides the safe and ergonomic use of products, this also includes compliance with legal provisions and standards as well as requirements surrounding servicing and (dis)assembly. The first holistic understanding of product sustainability at the KION Group was developed as early as 2018. In 2019, the company began to define strategic objectives and establish performance indicators for these areas of activity.

In both action fields, the focus of activities in 2019 was on communicating with the operating units. All information on actions planned or being implemented was consolidated centrally in the dashboard established in 2018. For the first time, a full picture of all measures of the operating units and the central product strategies is now available.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                                protection

Product strategy and organisation

The KION Group pursues a cross-brand and cross-regional development approach. The aim is to use uniform standards and global coordination of technical activities to be able to offer more product variants in the future that require less effort and shorter development processes. To this end, the technical functions of research and development (R&D), procurement, quality assurance and the production system have been brought together in a central KION organisation headed by the Chief Technology Officer (CTO). Further information on research and development can be found in the Annual Report.

The Group-wide CTO organisation coordinates and pools development projects set out by the product managements of the operating units depending on the needs in their respective markets. Their decisions are based on findings from customer meetings, market research and competitive analyses. Within the CTO organisation, the product sustainability department forms an important interface with the KION Sustainability Team.

The Product Strategy Councils (PSC) are a central element in the KION Group's product development process. This is where development programmes are discussed and coordinated. Close involvement of customers in the product development process characterises the KION Group's innovation management and product development. It has been observed that sustainability aspects such as energy consumption and CO_2 emissions are becoming decisive purchasing criteria.

Sustainability in product development

✧ NfR: Product-related greenhouse gas (GHG) emissions, Product safety

In both the ITS and SCS segments, the aim is to design products and solutions that are as environmentally friendly and energy-saving as possible in order to offer customers resource- and thus cost-efficient solutions. This also includes the selection of materials that are as environmentally friendly as possible. In addition, the KION Group places the highest standards on product safety and ergonomic design, which means customers can also offer their employees maximum protection as well as optimise occupational health and safety through ergonomic workflows.

To pay even greater consideration to sustainability aspects in product development activities going forward, the Group is currently revising and restructuring the product development process as part of the KPDO (KION Product Development Optimisation) project. The aim is to integrate product sustainability issues into the milestone process and make it one of the focus areas right at the beginning of the product development process.

Once the results are available in 2020, it will be examined to what extent the existing evaluation system in the ITS segment can be expanded. It provides objective criteria that describe the added value of development projects for the product roadmap and thus enable prioritisation. In the SCS segment, sustainability requirements for the evaluation of new development projects were introduced in 2018 and have since been queried.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                 corporate   solutions and   health, safety and
                 governance   supply chain   environmental
                                              protection

Comprehensive quality management to minimise performance risks

⬦ NfR: Product safety

Quality is a key component of the promise to deliver the benefits offered by all KION Group products. In doing so, the company is pursuing ambitious goals: to further optimise quality shortfall statistics in the long term, minimise vehicle downtimes and introduce standardised quality assurance processes worldwide. The KION Group attaches great importance to quality and reliability as early as the supplier selection process (see the section on Sustainable procurement). The quality management systems of the KION Group and its operating units hold an ISO 9001 certification. Around 80 per cent (2018: 80 per cent) of all production plants and administrative offices (39 locations) as well as the entire CTO organisation are covered by the certification.

ENERGY- AND RESSOURCE-EFFICIENT PRODUCTS

⬦ NfR: Product-related greenhouse gas (GHG) emissions

The KION Group wants to be a leader in the material handling market when it comes to the efficient use of energy in its products and solutions. Depending on the drive technology, the company faces different challenges: For vehicles with combustion engines, for instance, the focus is on constantly tightened emissions limit values and thus rising acquisition and manufacturing costs. As far as electric drives are concerned, the development of the corresponding entry-level products and the availability of suitable battery cells on the procurement markets remain the key challenge.

Given this situation, the KION Group and BMZ Holding GmbH established a joint venture, KION Battery Systems GmbH, in the EMEA region during the year under review. The new company aims to expand the range of lithium-ion products and their production capacities in order to best serve the rapidly growing demand for lithium-ion battery systems in the field of intralogistics.

Regardless of the drive technology, the KION Group's goal is always to find the ideal solution for the application in question, which combines the lowest possible total cost of ownership for the customer with maximum environmental protection, particularly by reducing the greenhouse gas emissions of the products. Suitable performance indicators are currently being worked on as part of the sustainability programme. LMH EMEA has analysed key products along the product life cycle using life cycle assessments. The procedure applied has been examined and certified by TÜV Rheinland. Across all product groups, the analysis showed that energy and fuel consumption during the service life is the biggest emission driver. This is why the drives' energy efficiency is always the top priority.

The KION Group is continuously working to optimise the various drive variants, focusing both on the further development of combustion engine drives and the development of high-performance electric drive technologies. At present, a large number of projects in the operating units are concerned with reducing fuel consumption or emissions. Renting a truck or purchasing a pre-owned truck also saves customers costs and conserves resources. For a num-

ber of years now, KION's operating units in the ITS segment have offered cost-effective equipment suitable for any application. In 2019, one in five forklifts sold in the company's Industrial Trucks & Services segment was an item of used equipment.

Clear trend towards electric drives

The KION Group is a global market leader in electric forklift trucks and warehouse trucks and intends to strengthen this position further in the future. The focus is increasingly shifting to electrically powered trucks of high tonnages, which in the past were powered by combustion engines.

The energy-efficient lithium-ion batteries are available at Linde and STILL throughout a majority of the fleet and are specifically adapted to the relevant vehicles. Lithium-ion batteries offer a host of benefits over conventional lead-acid batteries, such as faster charging times, as well as a three to four times longer service life, and significantly higher energy efficiency of over 90 per cent. This allows customers to achieve savings of around 30 per cent both in terms of their energy consumption and associated greenhouse gas emissions compared to a conventional battery-charger combination.

At the customer's request, fuel cells can also be integrated into LMH EMEA and STILL EMEA's industrial trucks. Complementing the lithium-ion technology, LMH EMEA aims to offer a full range of fuel-cell trucks as well. Around 80 per cent of all Linde electric forklift trucks can currently be equipped with fuel cells. STILL offers fuel cells on a project basis and operates Europe's largest customer-based hydrogen fleet. Plug-and-play solutions to replace lead-acid batteries with fuel cells in an existing mass-produced model remain a challenge that only a few manufacturers are rising to meet. Developers are also focusing on the durability and reliability of systems, as well as the required vehicle-refuelling infrastructure. The limited supply of fuel cells with the required power output is hampering progress, as cells that can deliver more than 10 kW of power are still not available.

In the SCS segment, innovative and energy-saving drive technologies are also a key topic. Dematic storage and retrieval systems are equipped with energy-recovery systems as standard. Thanks to the lightweight construction and energy recovery system, energy savings of up to 29 per cent are achievable compared to systems without these characteristics.

2019 milestones

Further important milestones were achieved by the operating units in the year under review. In the ITS segment, LMH EMEA launched several new, electrically powered model series in the warehouse technology sector by the end of the year, including the new N20C low-lift order picker. The battery portfolio was expanded to include medium-capacity lithium-ion batteries and the product family of lithium-ion chargers was expanded in the 24 V range. Since the end of 2019, LMH EMEA has also been offering its own chargers for lead-acid batteries. In addition, LMH EMEA is further expanding its consulting expertise and upgrading the existing lithium-ion calculator to an energy calculator that will enable customers to make comprehensive comparisons between different drive technologies. This is because customers' need for advice is growing in line with the multitude of options for energy provision. This trend

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                     corporate   solutions and   health, safety and
                     governance   supply chain   environmental
                                                           protection

is expected to continue in the future, especially when it comes to the use of lithium-ion and fuel cell technologies. In the year under review, STILL introduced the new electrical RX60 counterbalance truck in the tonnage range of 2.5 to 3.5 tonnes. It was confirmed by an independent body that for the first time this truck offers a higher performance potential than a truck of the same tonnage class powered by a combustion engine.

In the SCS segment, Dematic launched a life cycle analysis for selected products in 2019. Further specific electrification measures in the SCS segment are planned for 2020. For example, experts are working on a completely new conveyor technology module that can do without any pneumatic components by applying electrically-powered actuators. The market launch is planned for 2020.

Continuous optimisation of drives with combustion engines

Even though electric drives are undoubtedly on the gaining ground, industrial trucks with diesel or liquid gas combustion engines remain an important alternative in many areas of application. The KION Group therefore continues to work on constantly reducing the environmental impact of trucks fitted with combustion engines. For years, Linde and STILL industrial trucks have been among the lowest-emission trucks on the market in all load-capacity classes. The latest examples are the H20 - H35 industrial trucks from LMH EMEA, available with diesel and gas drives.

With the implementation of the European Union's Euro V emission standard in 2019, pollutant limits tightened by up to 98 per cent. Almost all trucks with combustion engines of the STILL and Linde brands have been equipped with the necessary technology to comply with the new limits for some time now. By the end of the transition period in mid-2020, the remaining trucks with combustion engines for the European market will be successively converted to the new Level V exhaust technology.

PRODUCT RESPONSIBILITY

⬧ NfR: Product safety   **⚹ 403-7, 416-1, 416-2**

The safe, ergonomic operation of all KION Group products has always been a focus of KION's product development activities. As part of the product development process, all KION Group products are tested for their health and safety impacts in accordance with legal requirements. All products must comply with the laws and regulations in the respective countries.

In the reporting year, the company was not notified of any instances or significant fines owing to non-compliance with laws and regulations concerning the supply and use of products and services, or their impact on health and safety.

A constant challenge in terms of product responsibility is substituting chemical substances that may be harmful to humans or may have an adverse effect on the environment. In the past, the company already initiated a range of activities aimed at replacing hazardous substances in the production process and sales products. Among them, in

2016 the KION Group committed itself to eliminating components that are manufactured using chromium VI. Major milestones towards this goal were reached in 2019, for instance, final adjustments of drawings were made. At present, only small amounts of old stock are still being used up. As far as product development is concerned, the technical conversion in Europe is now completed. In the other operating units, the conversion is ongoing.

Focus on operators' safety

⬙ NfR: Product safety

The KION Group's products, in particular those of the premium brands Linde and STILL, set standards in terms of safety. Globally, the respective national laws set the framework and the sales unit in the respective country is responsible for compliance. In addition, each operating manual is issued with a reference to compliance with national law. Besides the operator's manual and the ISO 3691 standard, which regulates the safety requirements for vehicles, other laws and regulations apply in Europe, ranging from directives on electromechanical compatibility and explosion protection to the Outdoor Noise Directive on noise protection and road traffic regulations.

But the KION Group goes beyond these legal requirements. Numerous tests and trials with KION Group trucks are designed to ensure maximum safety for operators and the environment. Besides procedures such as the simulation of different driving conditions or load tests, KION also employs in-house developed test methods in the product development process. In some cases, these go far beyond the requirements set out in the relevant standards.

Active and passive safety systems offer maximum safety and reduce the risk of accidents. Assistance systems offered by Linde (Safety Pilot, Speed Assist) and STILL (OPTISAFE, OPTISPEED 4.0) support the driver in critical situations and largely rule out human error during operation. There are also extensive safety packages that make it possible to perfectly adapt the vehicles to the various areas of application. In 2019, further work was carried out to supplement and advance these systems.

In the SCS segment, the Dematic specialists consider safety aspects when developing innovative logistics solutions. Smart control software not only increases efficiency but also helps to minimise risks through optimised coordination and control. After the supply chain solution is installed, Dematic supports customers if they have any safety optimisation concerns.

Since 2019, new products in the SCS segment must also comply with regional safety standards such as CE and UL certifications or the Australian C-Tick/RMC standards system as part of the global product launch, even if these are not required in the target market in question. This requirement further emphasises the importance of safety aspects.

All operating units offer their customers comprehensive training measures and product handling instructions. A good example in this context is the Linde Safety Scan. With this tool, LMH EMEA has been making its safety experience available also for the design of internal logistics processes, supporting customers in the analysis and elimination of safety risks. Since 2017, LMH EMEA has conducted more than 75 Safety Scan projects in Europe. The

increase in safety is also reflected in project costs, as accident costs (infrastructure, goods, vehicle repairs or personnel absence costs) have decreased significantly on average.

Ergonomics as a development goal

The KION Group aims to minimise the strain on people by ensuring that its products are as ergonomic as possible. The range of equipment variants and standard equipment available to customers is constantly being expanded: Multi-adjustable workstations with elements such as ergonomically shaped joysticks, height-adjustable seats, suspension of the workstations, displays for visualising and operating vehicle functions, patented, particularly ergonomic workstations on low-platform trucks – these are all measures designed to contribute to optimum vehicle operation, focused on the perfect interaction between operator and machine. The aim in both segments is always to relieve strain on the user as far as possible.

A particular emphasis of the operating units in the ITS segment lies on reducing human body vibration – mechanical oscillations and vibrations to which the drivers and operators of forklift trucks and warehouse technology are exposed during the course of their everyday work. Once again, the goal is to exceed the applicable standards for the benefit of the operators. For the majority of the product portfolio in the ITS segment, decoupled cabs, vibration-damped seats or damped driver workstations are therefore available as standard or optional equipment.

By optimising processes, reducing the number of process steps required and increasing automation and reducing the associated manual processes, the intralogistics solutions in the SCS segment also help to reduce particularly unergonomic activities in workflows.

Sustainable procurement   � **102-9**

The KION Group's purchasing organisation is globally positioned in the ITS and SCS segments, operating with a cross-brand and cross-regional material group structure. Centrally managed and controlled, the organisation aims to identify cross-functional synergies, for instance by pooling purchasing volumes, expertise or resources.

For example, combustion and electric drives, accumulators, industrial tyres, hydraulic parts, auxiliary and operating materials, various financial and logistics services as well as information technology are purchased. The largest share of the purchasing volume consisted of € 4.1 billion worth of materials in 2019 (2018: € 3.7 billion). For the KION Group's purchasing departments, steel sheets and metal components (e.g. cast and forged parts) continue to account for the largest categories of material in terms of quantity. The key components of KION forklift truck and warehouse technology equipment in the ITS segment are manufactured by the company itself, specifically the lift masts, axles, counterweights and chassis. Further components, such as hydraulic and electronic components, rechargeable batteries, engine components and industrial tyres, are purchased through a global procurement sys-

tem. In the SCS segment, the precisely specified system components for each customer project are primarily man-ufactured in-house but also partly by quality-audited third-party suppliers approved by KION.

Around 91 per cent of the purchasing volume comes from Europe and North America, and the remainder from Asia and other regions around the world. Comparable products are always sourced from the country with the most cost-effective package of costs, technology, innovation and service. This comprehensive view also includes shipping costs and customs duties. The KION Group therefore strives to use local supplier structures to reduce transport distances and optimise the availability of materials and parts (just-in-time, just-in-sequence). This approach also minimises the environmental impact of goods in transit.

The challenges for KION purchasing lie mainly in managing global and increasingly complex supply chains. Further information can be found in the Annual Report – Procurement risks.

Clear rules for supplier management

⬨ NfR: Socially and environmentally responsible supply chain   ⁝⁝ 102-16, 407-1, 408-1, 409-1

The KION Group's specific guidelines and regulations also set out the company's sustainability requirements for its suppliers. For example, the KION Group Code of Compliance and the General Terms and Conditions of Purchase already contain specific requirements and rules of conduct for responsible procurement. But the Group's Principles of Supplier Conduct, approved by the Executive Board in 2015, establish the fundamental framework for this. Focused on the most important procurement markets, these specifications are available in eight languages and set out clear environmental and ethical guidelines for supplier management activities. They also comprise the expecta-tion of all suppliers to respect human rights and uphold international social standards, including the ban on child and forced labour in accordance with International Labour Organization (ILO) conventions, as well as the enforcement of statutory minimum health and safety standards (see the KION Group Principles of Supplier Conduct).

The KION Group was not notified of any significant violations of these principles in the reporting year. Furthermore, the company has no evidence that its individual suppliers may be infringed human rights, in particular the right to freedom of association or collective bargaining, as well as the ban on child and forced labour. If the KION Group becomes aware of violations of these principles, such as through audits or notifications, this can lead to the barring of the supplier concerned.

In order to integrate sustainability even more firmly in the supply chain, various key purchasing documents will be revised in 2020 and supplemented or extended to include sustainability aspects. These include the Principles of Supplier Conduct, the audit questionnaire for suppliers, requests for information and offers, and the corresponding contractual documents. The revision is based on the findings of the materiality analysis, which assign greater impor-tance to the supply chain in terms of social and environmental standards. Adoption and publication of the revised documents is also planned for 2020. Each purchasing department is responsible for monitoring compliance with

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                              protection

guidelines in its area. Commodity Managers consider sustainability factors and devise specific solutions in the event of deviating standards among suppliers. In addition, there is a dedicated function in the central technical purchasing department, which deals primarily with sustainability issues.

Supplier assessments to step up sustainability performance

NfR: Socially and environmentally responsible supply chain   **308-1, 414-1**

The KION Group relies on the EcoVadis platform to objectively and reliably evaluate the sustainability performance of its most important suppliers. This way, the KION Group aims to increase the transparency of individual suppliers' sustainability performance and manage risks and opportunities in a more targeted way with regard to the sustainability of their supply chains. The evaluation process requests suppliers to describe their processes for ensuring the individual sustainability criteria – especially with regard to the environment, working conditions, human rights, fair business practices and sustainable procurement.

The KION Group's goal is to cover 25 per cent of the purchasing volume of each operating unit through the EcoVadis assessment. Once the individual supplier has undergone its initial assessment, the evaluation is to be updated every three years. In 2019, the evaluation progressed further, covering already more than 20 per cent for LMH EMEA, for instance. On top of that, a third of the KION Group's top 100 suppliers have already undergone the evaluation process.

In 2019, it was decided to develop a procedure in 2020 to assess the risks of the very complex global supplier base from a sustainability perspective and to identify particularly risky suppliers. An EcoVadis assessment will then also be carried out for these suppliers and further measures will be derived from the results.

Irrespective of the EcoVadis system, the KION Group continued the Group-wide categorisation of suppliers last year to evaluate their commercial, qualitative, logistical and technical performance. The long-term goal is to secure the performance of suppliers through appropriate processes. To date, the majority of strategically important suppliers has been assessed. The risks identified were then jointly transferred to corresponding action plans for risk minimisation. In future, sustainability criteria will also be included in this process via the EcoVadis evaluation.

Audits at the beginning of a business relationship with a particularly important supplier also help to minimise risks. Among other things, the KION Group audits whether its suppliers have an established and recognised quality management system. If suppliers fail to maintain their management systems over time, the business relationship will usually be terminated. With the integration of sustainability aspects in the audit questionnaires planned for 2020, the KION Group is once again underlining its comprehensive understanding of quality and its high standards for the supply chain.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                    corporate   solutions and   health, safety and
                    governance   supply chain   environmental
                                                           protection

Occupational health, safety and environmental protection

- Management approach
- Occupational health and safety
- Climate protection
- Further information

The KION Group aims to avoid or reduce its negative impact on people and the environment as far as possible. To this end, the company has established a comprehensive Health, Safety, Environment (HSE) management system that covers all aspects of occupational health, safety and environmental protection and applies to all employees. As a responsible employer, the KION Group focuses on preventing accidents and occupational illnesses as much as possible, as well as safeguarding each individual's long-term capacity to work. A dedicated action field in the KION sustainability strategy underscores the significance of occupational health and safety to the company.

Environmental responsibility comprises two aspects for the KION Group. On the one hand, the company intends to minimise the environmental footprint of its own actions as part of its HSE management. On the other hand, the KION Group wants its products and solutions to also help its customers save energy and reduce emissions as well as improve efficiency and performance (see section on Products and solutions). Five of the 14 action fields of the sustainability strategy address environmental aspects (see section on Company management). At Group level, the top priority is climate protection, especially with regard to energy use. Using resources responsibly and preventing local environmental impacts are mostly relevant at the specific locations and the level of the operating units.

Management approach

✎ **NfR: Employee health and safety, Location-specific greenhouse gas (GHG) emissions**

The general guideline for all HSE activities is provided by the KION HSE policy, which is derived from the KION Group Code of Compliance. It lays out that the company commits to:
- comply with all national laws and standards to which the company is subject in the course of its global operations,
- make efficient use of energy and commodities,
- use materials, products and processes that are consistent with best environmental practice,
- reduce waste through better use of raw materials and the use of recyclable materials and
- create a safe working environment and train staff accordingly.

Compliance with relevant legislation in particular is an ongoing task in a company with several hundred locations in more than 30 countries, especially in view of constantly changing legal frameworks.

In everyday practice, a minimum HSE standard established Group-wide in 2018 sets the rules. It can be viewed by all employees at any time on the KION Social Intranet. Additional HSE regulations for the operating units and the sales and service companies furthermore consider regional and local specifics within the framework of the Group-wide standards. Like the Group-wide standard, these rules and regulations are continuously adapted to new conditions. For example, the content of the HSE rules for the sales and service companies at Linde EMEA was revised during the reporting year.

HSE management continues to work on converting the measures implemented at the sites from a reactive to a proactive approach. Internal communications play a key role here. Numerous initiatives, ranging from the comprehensive HSE intranet offering to the Group-wide KION HSE Championship, raise employees' awareness and underscore the great importance of HSE issues throughout the Group.

The Group-wide HSE network of experts ensures that knowledge is shared and best practices rolled out throughout the Group. Once a year, the HSE programme owners at the company's plants and sales and service units meet. Regular conference calls and a Group-wide document platform further support the exchange of information. Plants also have a set date on which to discuss the current accident situation.

Group-wide certification is the objective

✎ NfR: Employee health and safety, Location-specific greenhouse gas (GHG) emissions   ✳ 403-8

HSE certifications and systematic audits ensure that all relevant data on health, safety and environmental issues is available in the required quality at all times and that corrective action can be taken quickly if necessary.

Every year, the number of certified sites increases. By 2021, all production plants as well as sales and service locations are to be certified in accordance with ISO 14001 and ISO 45001 or equivalent systems. In the same year, KION aims to have rolled out an ISO 50001 compliant energy management system at its 25 reporting entities with the highest energy use. The organisational restructuring at KION APAC led to postponing the milestones originally planned for 2020.

The KION audit programme, which monitors compliance with laws as well as internal HSE standards Group-wide, is of central importance in HSE management. The results of the audits are furthermore factored into the continuous improvement of the HSE standards of the units. A revision of the contents of the internal HSE audit questionnaire has been underway since 2019 and will be finalised following validation in the first audits in 2020. The goal is to ensure a more operational orientation to complement the external certifications.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                 corporate   solutions and   health, safety and
                 governance   supply chain   environmental
                                                   protection

Table 4: Environmental management system certification status

	ISO 14001*		ISO 45001*	
Percentage certified	**2019**	2018	**2019**	2018
Plants & Administration	83 %	76 %	58 %	49 %
Sales & Services	48 %	42 %	47 %	43 %
Total	**52 %**	**46 %**	**49 %**	**44 %**

2019: 370 locations considered; 2018: 363 locations considered
* Or equivalent standard

Internal reporting and risk assessment

Every year, a central management report summarises the activities of all HSE departments in the operating units of the KION Group. A monthly report also provides information on progress in occupational health and safety. Based on the reporting, objectives are defined and future measures derived. These are included in the HSE audit programme to ensure that they are implemented according to plan.

In-house reporting also provided the foundation for the assessment of locations with respect to their potential HSE risks, which was successfully completed in 2017. The individual locations were assessed with regard to their present range of activities and the type of facilities on-site as well as the existing management system. Based on these facts, the KION Group has an average cross-sector HSE risk rating. The measures introduced in 2017 to minimise the identified HSE risks are being further implemented. The evaluation of the effectiveness of the individual measures is ongoing, complemented by targeted audits at the relevant sites. In the year under review, the corresponding audit questionnaire was revised and aligned more strongly with operational requirements, which also supports the process. Another aim is to continuously update the risk assessment criteria and to carry out a meaningful assessment for new locations as well. To this end, the methodology was reviewed and refined in 2019. A subsequent reassessment is planned for 2020.

Occupational health and safety

⬙ NfR: Employee health and safety   **⁘ 403-1, 403-2, 403-7, 403-9**

Regular job safety analyses form the basis for the risk assessments on occupational safety. Based on the experience of the KION HSE experts, particular emphasis is placed on the areas that pose comparatively higher risks to employees' health and safety. These include the foundry, assembly of facilities and deployments to customer sites.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                                protection

Local legal and organisational conditions are always considered when implementing any measures, so no uniform Group-wide procedure can be established. In accordance with KION's safety culture, all employees have the right and duty to withdraw from hazardous work situations and report identified risks. KION also involves its business partners, suppliers and guests in its measures. In principle, visitors to a KION location are firstly familiarised with safety instructions. Furthermore, suppliers working on site are instructed, monitored and, to a certain extent, audited. Safety aspects, such as the existence of a management system, are already considered in the supplier selection process.

Key figures collected are the illness rate* and the Lost Time Injury Frequency Rate (LTIFR**). Based on these indicators, clear objectives are defined. The LTIFR is to stabilise at a value below eight by 2021. The limit value for the illness rate stands at 3.3 per cent; actual values have been lower for years. Achievement of the objectives is ensured by consistent follow-up through monthly reporting and inclusion in the annual management report. Various sites launched specific programmes to improve the LTIFR or illness rate.

In 2019, 238,094 working days were lost within the KION Group due to accidents or illness, taking the illness rate to 2.8 per cent (2018: 2.8 per cent). At 8.7, the Lost Time Injury Frequency Rate decreased in 2019 (2018: 10.8). In the year under review, the KION Group recorded 532 Lost Time Injuries (LTI; 2018: 640), i.e. work-related accidents with one or more working days lost. There was also one fatal work accident. In addition, there were 1,426 minor injuries (2018: 1,594) and 233 commuting accidents (2018: 146). There were 59 occupational accidents resulting in the loss of one full working day or more among temporary agency staff in the year under review (2018: 42).

* Calculation is based on absence days due to illness and work related accidents and planned working time of active employees, excluding long-term illness.

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

Success factor: practical relevance

NfR: Employee health and safety   **403-4, 403-5**

Employees are always involved in occupational safety issues, for example in risk and accident analyses or in the respective works council committees on occupational safety. In 106 reporting units of the Group, employees are represented by employee committees in matters of occupational health and safety, covering 89 per cent of the Group's employees. The functioning and responsibilities of employee committees vary according to local circumstances, such as country-specific legislation, which is why KION has not established any Group-wide regulation.

116 reporting units (99 per cent of all employees) ran occupational health and safety trainings in the reporting year. The goal is to ensure that every new employee receives appropriate training already on their first day at work, to be followed by additional safety training at least once a year. Different forms of training are used to suit different requirements. In 2019, for example, an e-learning module was introduced for the annual instruction of employees in office areas. Via its Social Intranet, KION also raises its employees' awareness of occupational health and safety topics and shares information about current developments (safety alerts) and practical tips.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                              protection

With the "Golden Rules of Occupational Safety", newly introduced in 2019, managers received central instructions to improve occupational safety in their area of responsibility. Specific measures taken by the operating units ensured wide-reaching communication throughout the company. The first positive results are evident, for example, in the reduced accident frequency rate in the year under review.

Health protection

◈ NfR: Employee health and safety   **❖ 403-3, 403-6**

A particular focus in the year under review was health protection. Targeted and needs-oriented measures were implemented in almost all operating units – from health days, back training and flu jabs to training on how to deal with jet lag or staying fit at the assembly line. As a rule, preventive measures are the top priority in employee health promotion at the KION Group. As many employees as possible should have fast and easy access to medical care. Seminars on relevant health topics and health protection are also offered on an ongoing basis. The KION Group also encourages its employees to exercise wherever possible.

As at the end of the reporting year, employees in 83 reporting units had access to a company doctor (77 per cent of employees). In 102 reporting units employees were able to benefit from occupational health examinations (88 per cent of employees). Further voluntary health measures were available to employees in 72 reporting units (73 per cent of employees), with health training courses offered to a comparable number of employees (70 per cent of employees).

Climate protection

◈ NfR: Location-specific greenhouse gas (GHG) emissions

Based on the materiality analysis, the KION Group has identified climate protection as the key environmental issue. The KION Group intends to continue to minimise its contribution to global warming and has dedicated a separate action field in its sustainability programme to climate protection. The company bases its activities on the Treaty of the Paris Conference on Climate Change and the objective stipulated therein of limiting global warming to below 2° C compared to the pre-industrial period. A science-based climate target was developed for the KION Group to reduce the company's energy-related emissions (Scope 1, 2, and to an extent 3) by 30 per cent by 2027. The corporate carbon footprint in 2017, which resulted from the use of energy in production, sales and service, serves as a benchmark. Scope 1 and 2 were examined in full during the analysis; Scope 3 emissions were evaluated in connection with the company's own energy use.

The Group-wide climate target also comprises specific targets for the operating units. In the reporting period, the Group-wide recording of CO_2 reduction measures was further substantiated. As part of the internal annual reporting for 2019, scheduled to take place in the first quarter of 2020, a Group-wide data retrieval via the central sustainability reporting is planned for the first time, which will also include the reduction quantities of individual measures.

All measures to reduce greenhouse gas emissions follow clear principles. The company will constantly strive to reduce its CO_2 emissions. If it cannot go any further, it will endeavour to substitute fuels with lower-emission fuels. And once this measure no longer delivers further reductions, the company will then counter the impact of its CO_2 emissions through offsetting measures. Of particular internal relevance are production-related energy consumption (e.g. foundry, heating, ventilation, lighting) and transport-related consumption, e.g. for the operation of service vehicles or in-house logistics. Besides these, CO_2 emissions are generated predominantly during the products' utilisation phase. The company therefore plans to identify additional measures in the future (see section on Products and solutions). Product-specific life cycle analyses and the evaluation of the entire LMH EMEA fleet, for example, have already been carried out. In the year under review, a corresponding analysis was also started for selected Dematic products.

The areas of logistics, transport and commuting are seen as less relevant when it comes to the overall life cycle assessment of the products examined. Nevertheless, the KION Group is trying to achieve improvements in these areas as well. For example, CO_2 emissions play a key role when purchasing new company vehicles. Furthermore, 61 reporting entities are working on specific measures to improve their transportation activities, including the optimisation of route planning and the use of GPS to avoid multiple trips.

The regular sharing of experiences in the HSE network of experts, as well as measures to raise employee awareness and get them actively involved, also help to anchor the climate protection goals in the mindset of the entire KION Group workforce and make sure that all employees know what contribution they can make. In 2019, the company ran local awareness-raising and information programmes on energy consumption and emissions in 40 reporting units, reaching a total of 47 per cent of all employees. A KION environmental training course was also created in 2019 and is being used throughout the Group.

The KION Group presents its greenhouse gas emissions in accordance with the internationally recognised rules of the Greenhouse Gas Protocol. In this context, consumption data is converted using emission factors derived from the database of the Department for Environment, Food & Rural Affairs (DEFRA) in the United Kingdom (as of 2019). Emission factors for purchased electrical energy are based on data published by the German Association of the Automotive Industry (VDA, as of 2019). In addition, reporting for scope 2 emissions was largely complemented by market-based values in 2019. The KION Group does not fall within the scope of the EU Emissions Trading System (EU ETS).

23 reporting entities have set specific emissions reduction targets, while 43 have made specific process optimisations, and 28 already use technologies to reduce GHG emissions.

Energy use as a main driver

⬨ NfR: Location-specific greenhouse gas (GHG) emissions   ⁂ 302-1, 305-1, 305-2, 305-3, 305-7

Greenhouse gas emissions at the KION Group result almost entirely from the use of energy (Table 5). Reducing the amount of energy consumption and substituting current energy sources by more carbon-neutral ones are thus the Group's key levers in minimising its impact on climate change – and also among its main environmental cost factors. All KION Group organisational units continued to work on minimum energy standards in 2019. At various locations, environmental certifications provided the foundation for launching a continuous improvement process via the management systems. Moreover, a coordinating KION function has access to all locations when it comes to planning

Table 5: GHG emissions   ⁂ 305-1, 305-2, 305-3

in t CO_2e	2019	2018	Change
Total greenhouse gas emissions (Scope 1, 2, 3*)	**247,184**	**248,747**	**-0.6%**
(Total ghg emissions, market-based)	(227,944)	(242,619)	(-6.0%)
Direct (Scope 1)	**121,597**	**120,966**	**+0.5%**
Diesel	54,838	54,010	+1.5%
Coking coal	27,714	27,994	-1.0%
Natural gas	28,061	28,757	-2.4%
Gasoline/petrol	7,636	7,170	+6.5%
Others**	3,347	3,035	+10.3%
Indirect (Scope 2)	**92,480**	**94,196**	**-1.8%**
(Indirect Scope 2, market-based)	(73,240)	(88,067)	(-16.8%)
Electricity purchased	88,267	89,470	-1.3%
(Electricity purchased, market-based)	(69,027)	(83,342)	(-17.2%)
Heating purchased	4,213	4,725	-10.8%
Other indirect GHG emissions from direct and indirect energy use (Scope 3)*	**33,108**	**33,585**	**-1.4%**
Scope 3 emissions from direct energy use	23,054	23,090	-0.2%
Scope 3 emissions from energy purchased	10,054	10,495	-4.2%

Data is location-based, which means that greenhouse gas emissions are calculated based on the combination of company-specific energy use data and regional average emission factors (e.g. country electricity mix), whereas market-based calculations (in brackets) apply emission factors according to the company's actual energy mix as sourced from suppliers (e.g. certified renewable electricity).
*Scope 3: Covering energy related other indirect emissions (category 3)
**Oil for heating, ethanol, LPG, coal, woodchips, hydrogen, CNG, LNG
Calculated biogenic emissions (not included in scope 1,2,3): 16,644 t CO_2e (2018: 16,662 t CO_2e) from indirect energy and 720 t CO_2e (2018: 403 t CO_2e) from direct energy.
2018 data has been adapted by an update of emission and conversion factors.
2019: Market-based emissions from electricity purchased could be reduced by sourcing more electricity from renewable sources.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                corporate   solutions and   health, safety and
                governance   supply chain   environmental
                                                    protection

Table 6: Other significant air emissions (direct)   ⁑ 305-7

in kg	2019	2018	Change
Carbon Monoxide (CO)	1,269,568	1,268,214	+0.1%
Volatile Organic Compounds (VOC)	276,084	300,439	-8.1%
Particulate Matter (PM)	239,275	238,523	+0.3%
Nitrogen Oxides (NOx)	27,209	28,719	-5.3%
Others (SOx, Phosphats etc.)	69,082	92,221	-25.1%

2018: Partial adaptions due to modifications in calculation method.

Table 7: Energy use   ⁑ 302-1

in GJ	2019	2018	Change
Total energy consumption within the organisation	**2,397,983**	**2,412,433**	**-0.6%**
Direct	**1,668,625**	**1,657,481**	**+0.7%**
By source			
Fuel consumption non-renewable sources	**1,660,168**	**1,653,116**	**+0.4%**
Diesel	734,436	722,543	+1.6%
Natural gas	494,517	506,563	-2.4%
Coking coal	270,815	276,232	-2.0%
Gasoline	108,366	101,833	+6.4%
Others (oil for heating, CNG, LNG, LPG, coal, ethanol)	52,034	45,946	+13.2%
Fuel consumption renewable sources (geothermal, woodchips, biodiesel, bioethanol)	**8,456**	**4,364**	**+93.8%**
By purpose			
Fuel consumption non-transport	**827,936**	842,795	-1.8%
Fuel consumption transport	**840,689**	814,686	+3.2%
Indirect energy consumption	**729,622**	**754,952**	**-3.4%**
Electricity	645,677	654,219	-1.3%
Heating	83,945	100,733	-16.7%
Self-generated energy not consumed	**6,089**	**4,523**	**+34.6%**
Energy sold	**6,354**	**4,523**	**+40.5%**
Electricity	5,706	4,011	+42.3%
Heating	648	512	+26.5%

2019: Increase in other non-renewable fuels caused by increased LPG and CNG use in plants. Renewable fuels increased due to slight increase in use of woodchips and data availability for bioethanol at one reporting entity. Heating purchased could be reduced due to technical optimisation and weather conditions. An own solar installation generated electricity for the first complete year leading to an increase in self-generated energy sold.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                    corporate   solutions and   health, safety and
                    governance   supply chain   environmental
                                                            protection

building and plant engineering and can thus ensure that the minimum energy standards are considered. To further reduce energy consumption, Group-wide measures were continued or newly implemented in 2019. These include optimisations in buildings (e.g. expansion of measuring networks, optimisation of lighting and heating systems, energetic refurbishment), renewals in the vehicle fleet and measures to raise employee awareness.

The use of electrical energy is of particular relevance. The KION Group therefore aims to switch the electricity mix to renewable energies at as many sites as possible. In the period under review, the effects of switching the electricity mix to renewable energies were examined for the KION Group's European sites. As a first step, the invitation to tender for the supply of electricity to the main plants in Europe and some sales and service locations was extended to include renewable energies in 2019. In changing the electricity mix, KION relies, among others, on solar power. In addition to the Project Sunshine (1 MW) implemented at the KION site in Summerville, South Carolina, the new plant in India was also equipped with a solar plant with a capacity of 750 kW. The use of photovoltaics for other new construction projects is currently being examined, including the planned plant in Kołbaskowo in Poland. Solar power is also used at sales and service locations.

Further information

As part of the reassessment of the key issues in sustainability management, the priorities in the area of the environment have been revised. As a result, potential local environmental impacts will in future be managed primarily on a decentralised basis by the operating units. Irrespective of this, the focus in the field of environmental protection continues to be on implementing the HSE minimum standards, raising employee awareness, tracking the relevant environmental indicators, substituting hazardous substances and further developing the HSE system to include dealers.

Water and wastewater

As the KION Group's business activities only have a relatively low impact on water quality, the company does not need to carry out its own pre-treatment prior to discharge, except for the use of volatile liquid separators.

Waste and recycling

The KION Group intends to continuously reduce the amount of waste it generates. To this end, the company is primarily focusing on its production plants, which naturally generate the largest amount of waste. Comprehensive waste management programmes were established under the responsibility of the relevant sites in 2019.

Table 8: Water withdrawal   ✳ 303-3

in Ml	2019	2018	Change
Water withdrawal	**540.5**	552.4	**-2.1%**
Municipal water supply	499.0	510.7	-2.3%
Ground water	34.4	34.3	+0.3%
Other sources (surface, rain, sea, third party, produced water)	7.2	7.3	-2.4%

Table 9: Waste water   ✳ 303-4

in Ml	2019	2018	Change
Water discharge	**446.8**	**462.7**	**-3.4%**
Sewage	446.3	461.7	-3.3%
Surface water bodies	0.1	0.1	-0.8%
Other destinations (or not specified)	0.4	1.0	-56.6%

Table 10: Waste   ✳ 306-2

in t	2019			2018			Change
	non-hazardous	hazardous	Total	non-hazardous	hazardous	Total	Total
Total amount of waste	**55,710**	**12,788**	**68,498**	**54,205**	**11,635**	**65,840**	**+4.0%**
Waste recovered	**43,695**	**9,191**	**52,886**	**42,061**	**7,895**	**49,956**	**+5.9%**
Recycled	38,573	8,069	46,641	37,641	6,362	44,004	+6.0%
Prepared for reuse	4,715	695	5,410	4,065	1,112	5,178	+4.5%
Other recovery method	407	427	834	355	420	775	+7.7%
Waste disposed	**12,016**	**3,597**	**15,612**	**12,144**	**3,740**	**15,884**	**-1.7%**
Incineration	1,209	864	2,073	1,432	924	2,356	-12.0%
Landfill	7,111	360	7,471	7,114	228	7,342	+1.7%
Other disposal method	3,696	2,373	6,069	3,598	2,587	6,186	-1.9%

2019: Increase in hazardous waste caused by improved tracking and reporting capabilities.

Employees

- Management approach
- Diversity and equal opportunities
- Further information

Over 34,000 people work for the KION Group worldwide, making them part of a dynamic company that understands its workforce as the valuable basis for its successful business development in the future. This is why the KION Group offers its employees an attractive work environment, fair remuneration and numerous measures for personal and professional development. The KION Group considers the diversity of its workforce in particular to be a key factor in the sustainable development of the company.

Management approach

With its 'KION 2027' strategy, the KION Group clearly defines the company's claim to leadership and aims at further profitable growth. These objectives are supported by the HR strategy that pursues the primary goal of employing a sufficient number of highly qualified and highly motivated employees at all times and in every area of the company.

Like almost all industrial companies, the KION Group is currently facing key challenges in the area of human resources. Vital aspects include finding answers to the demographic change in certain regions and the increasingly fierce competition for qualified young talent. In addition, there are the challenges of digital transformation, which lead to fundamentally changed external conditions. The HR strategy encompasses the essential aspects of HR activities and aims to develop an integrated, Group-wide approach with uniform standards. The measures defined in the individual areas have since been implemented.

In addition, preparations are currently underway for the Group-wide introduction of a globally standardised IT system for HR. The core indicator for developing the KION Group leadership culture further is the Organisational Health Index (OHI) which also highlights areas for possible improvement. A feature of this method is the benchmarking of the Group's results against other companies. In the last round in 2019, the measured values once again showed improvements in all areas, with the KION Group advancing toward the top quartile of all surveyed companies with 72 points (2017: 68 points).

Uniform process for HR development

Human resource development remains an important anchor point of the KION Group's HR strategy. The Group companies work together closely in terms of talent management as well as on training and personnel development programmes. The individual operating units and Group companies also offer comprehensive training programmes for this purpose, which are targeted at the specific local and regional demands.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                               protection

As a rule, all employees have access to human resource development measures. The strategy aims to place and promote employees to adequate positions in keeping with their potential and skills. The KION Group attaches particular importance to succession planning for key positions and the promotion of high-potential employees. The performance, talent and succession-planning management at the KION Group is based on a standardised Group-wide process, the Organization Capability Talent Review (OCTR). Besides the clearly defined competence model and management guidelines, the assessment is based on the KION Group's shared values: Integrity, Collaboration, Courage and Excellence.

Clear employment standards
✸ 102-16, 102-41, 407-1, 408-1, 409-1

Across the KION Group, minimum employment standards apply. Based on the fundamental conventions drawn up by the International Labour Organization (ILO), these include freedom of association, the right to collective bargaining, the elimination of child and forced or compulsory labour, and a ban on discrimination in respect of employment and occupation. These topics also represent essential human rights, one of the company's principles. Furthermore, the KION Group is committed to ensuring health and safety standards in the workplace worldwide and to paying its employees in line with the industry average in their particular country, and at the very least providing them with a living wage.

The respective management teams and those responsible in the operating units ensure compliance with statutory standards. These standards are also reviewed via internal audits or as part of the annual internal sustainability reporting process. Instances of non-compliance can be reported at any time, including anonymously via a compliance hotline. The KION Group is not aware of any violations of the minimum employment standards that may occur at any unit. As in previous years, the company was not aware of any significant incidents in 2019. The Group companies reported approx. 23,000 KION Group employees covered by collective bargaining agreements at the end of 2019. Involving employees in codetermination matters as well as through employee representative bodies at a business unit and Group level is handled in accordance with national legislation. For cross-border issues, the employees of the KION Group's European locations are represented by the European Works Council.

Diversity and equal opportunities

⬧ **NfR: Diversity and equal opportunities**
✸ 102-16, 406-1

At the KION Group, every employee is valued and respected, irrespective of gender, ethnic or religious background, age, culture, social background or other personal characteristics. These principles are laid down in the KION Group's mandatory minimum employment standards, which apply globally and across all of its locations. In the reporting period, KION was not notified of any discriminatory behaviour. Should violations become known, these would be sanctioned according to the legal instruments available locally. The KION Group considers itself a global supplier with intercultural expertise. This is demonstrated by the fact that by the end of 2019, people from about 95 different

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                              protection

countries were working for the company. The international nature of the Group is evident not only in the workforce but also on the management level. Wherever possible, local management positions are held by local executives. Furthermore, the KION Group seeks to fill an increasing number of Group management positions with international candidates. It also encourages international collaboration through its KION expat programme, which supports employees in gaining experience in another country where the KION Group is represented.

KION Group companies strive to offer employees with disabilities a suitable working environment, facilitate continued employment in the event of physical disability as well as reintegration into the workforce. Severely disabled people receive assistance to be able to remain in their work environment and avoid any further barriers or restrictions. Wherever reasonable, contracts are awarded to institutions that provide disabled individuals with work. For the KION Group, diversity means equal opportunities and fair treatment for all employees, as well as tolerance and appreciation of different ways of thinking. When staffing supraregional projects and training programmes, KION attaches importance to team compositions that are as international as possible. This is because intercultural communication promotes mutual understanding between people of different origins and also helps to eliminate diversity-specific obstacles to career development. In addition, there are individual diversity programmes at the local level, which often focus on regional or national specifics.

In Germany, the law requires the Executive and Supervisory Boards of publicly listed companies to set targets for the proportion of women on the Executive Board as well as on the two management levels below that. The Supervisory Board set the target for the minimum proportion of women on the Executive Board of KION GROUP AG at 0 per cent, to be achieved by 31 December 2021. During the reporting period the share of women on the Executive Board reached 40 per cent. For the first and second management levels below the Executive Board of KION GROUP AG, the Executive Board set the targets to be achieved by the end of 2021 at ten per cent and 30 per cent respectively. Furthermore, binding targets are set for the share of women on the management levels of Linde Material Handling GmbH, STILL GmbH and Dematic GmbH. Further information can be found in the Annual Report, section Corporate Governance.

Since 2019, the KION Group has also been a member of the German "Chefsache" network. Under the patronage of the German Chancellor Angela Merkel, executives from business, science, the media and the public sector devote themselves to equal opportunities for men and women. Dr Eike Böhm (CTO) has assumed responsibility for this topic on the Executive Board of the KION Group.

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                     corporate   solutions and   health, safety and
                     governance   supply chain   environmental
                                                         protection

Further information

✛ 102-7, 102-8, 405-1

In 2019, the KION Group's average headcount stood at 34,002 people as calculated in full-time equivalents (2018: 32,524; including trainees and apprentices). At the end of 2019, the number of full-time employees stood at 34,604 across the KION Group (2018: 33,128). As at the end of 2019, 672 (end of 2018: 601) apprentices were working at the KION Group.

Further information on employee structure and personnel expenses can be found in Tables 11 to 15 and in the Annual Report.

Table 11: Age structure   ✛ 405-1

	2019	2018
Employees per age group	**100 %**	100 %
<20 years	1.1 %	1.2 %
20-29	16.7 %	17.2 %
30-39	29.9 %	29.7 %
40-49	25.6 %	25.7 %
50-59	21.2 %	21.2 %
60 years and over	5.4 %	5.0 %

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

Table 12: Contract type full-time/part-time, gender   ✛ 102-8

	2019		2018	
	full-time	**part-time**	**full-time**	**part-time**
Total	**97.1 %**	**2.9 %**	**97.1 %**	**2.9 %**
Male	98.9 %	1.1 %	98.9 %	1.1 %
Female	88.1 %	11.9 %	87.5 %	12.5 %

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

Table 13: Contract type indefinite/fixed-term, gender   ✴ **102-8**

	2019		2018	
	indefinite	fixed-term	indefinite	fixed-term
Total	**91.2 %**	**8.8 %**	**89.9 %**	**10.1 %**
Male	91.5 %	8.5 %	90.1 %	9.9 %
Female	89.6 %	10.4 %	88.7 %	11.3 %

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

Table 14: Contract type indefinite/fixed-term, region   ✴ **102-8**

	2019		2018	
	indefinite	fixed-term	indefinite	fixed-term
Total	**96.8 %**	**3.2 %**	**96.1 %**	**3.9 %**
Western Europe	96.3 %	3.7 %	95.0 %	5.0 %
Eastern Europe	90.8 %	9.2 %	92.2 %	7.8 %
Middle East and Africa	98.3 %	1.7 %	99.2 %	0.8 %
North America	100.0 %	0.0 %	100.0 %	0.0 %
Central and South America	99.8 %	0.2 %	99.8 %	0.2 %
Asia-Pacific	99.6 %	0.4 %	99.5 %	0.5 %

Based on full-time equivalents (FTE) as at balance sheet date 31/12/.

Table 15: Length of service   ✴ **405-1**

	2019	2018
Employees per length of service	**100 %**	**100 %**
<5 years	45.4 %	43.8 %
5-9	20.0 %	18.5 %
10-19	18.9 %	21.3 %
20-29	10.0 %	10.8 %
30-39	4.7 %	4.5 %
40 years and more	1.0 %	1.0 %

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

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                        corporate   solutions and   health, safety and
                        governance   supply chain   environmental
                                                                       protection

Annex

- **Auditor's Reports**
- **GRI Content Index**

- **Imprint and Contact**

Independent Auditor's Reports   ✳ 102-56

Independent auditor's report on a limited assurance engagement of the non-financial group report according to section 315b German commercial code (HGB)

To KION GROUP AG, Frankfurt/Germany

Our engagement

We have performed a limited assurance engagement on the separate non-financial Group Report of KION GROUP AG, Frankfurt/Germany, (hereinafter: "the Company") in accordance with Section 315b German Commercial Code (HGB), for the period from January 1 to December 31, 2019 (hereinafter: "sustainability report").

It was not part of our engagement to audit referenced websites of the Company.

Responsibility of the executive directors

The executive directors of KION GROUP AG are responsible for the preparation of the sustainability report in accordance with Sections 315b, 315c German Commercial Code (HGB) in connection with Sections 289c to 289e German Commercial Code (HGB).

In preparing the sustainability report, the executive directors used the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) stated under the "Core" option and have indicated these within the sustainability report.

This responsibility of the Company's executive directors includes the selection and application of appropriate methods for preparing the sustainability report as well as making assumptions and estimates related to individual non-financial disclosures, which are reasonable in the circumstances. In addition, the executive directors are responsible for such internal control they have determined necessary to enable the preparation of the sustainability report that is free from material misstatements, whether intentional or unintentional.

The accuracy and completeness of the environmental data in the sustainability report are inherently subject to limits that result from the manner in which data is collected and calculated and assumptions made.

Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the sustainability report, based on the assurance engagement we have performed.

We are independent of the Company in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our audit company applies the German national legal requirements and the German profession's pronouncements for quality control, in particular the by-laws governing the rights and duties of public auditors and chartered accountants (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer) as well as the IDW Standard on Quality Control 1: "Requirements for Quality Control in Audit Firms [IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)]", which comply with the International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB).

We conducted our assurance engagement in compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement in a form that enables us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the information disclosed in the sustainability report has not complied, in all material respects, with Sections 315b, 315c in connection with Sections 289c to 289e German Commercial Code (HGB). In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and, therefore, a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's professional judgment.

Within the scope of our limited assurance engagement, which was performed from October 2019 to April 2020, we conducted, amongst others, the following audit procedures and other activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- On-site visits to the subsidiaries Linde Material Handling EMEA in Stříbro, Czech Republic, and KION Supply Chain Solutions Czech in Stříbro, Czech Republic, as part of an investigation into the processes for collecting, analyzing and aggregating selected data
- Interview of the executive directors and relevant employees that participated in the preparation of the sustainability report about the process of preparation, the measures on hand and precautionary measures (system) for the preparation of the sustainability report as well as about the information within the sustainability report
- Identification of the risks of material misstatement within the sustainability report
- Analytical evaluation of selected disclosures within the sustainability report
- Reconciliation of the disclosures within the sustainability report with the respective data within the consolidated financial statements as well as the combined management report
- Evaluation of the presentation of the disclosures

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                    corporate   solutions and   health, safety and
                    governance   supply chain   environmental
                                                         protection

Practitioner's conclusion

Based on the assurance work performed and evidence obtained, nothing has come to our attention that causes us to believe that the information disclosed in the sustainability report of KION GROUP AG, for the period from January 1 to December 31, 2019 has not complied, in all material aspects, with Sections 315b, 315c German Commercial Code (HGB) in connection with Sections 289c to 289e German Commercial Code (HGB).

Our practitioner's conclusion does not extend to the content of the company's website to which the sustainability report refers.

Purpose of the assurance statement

We issue this report on the basis of the engagement agreed with KION GROUP AG. The limited assurance engagement has been performed for purposes of KION GROUP AG and the report is solely intended to inform KION GROUP AG on the results of the assurance engagement.

Liability

The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility exclusively refers to KION GROUP AG and is also restricted under the engagement agreed with KION GROUP AG on December 19, 2019 as well as in accordance with the "General engagement terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German public auditors and German public audit firms)" from January 1, 2017 of the Institut der Wirtschaftsprüfer in Deutschland e.V. We do not assume any responsibility to third parties.

Frankfurt/Germany, April 24, 2020
Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Kirsten Gräbner-Vogel   Signed: p.p. Thomas Krick
[German Public Auditor]

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                                protection

Independent auditor's report on a limited assurance engagement concerning sustainability information according to GRI criteria

To KION GROUP AG, Frankfurt/Germany

Our engagement

We have performed a limited assurance engagement on the disclosures made within the KION Sus-tainability Report 2019 (hereinafter: "sustainability report") of KION GROUP AG, Frankfurt (Germany), (hereinafter: "the Company") for the period from January 1 to December 31, 2019.

It was not part of our engagement to audit referenced websites of the Company.

Responsibility of the executive directors

The executive directors of KION GROUP AG are responsible for the preparation of the sustainability report in compliance with the Sustainability Reporting Standards of the Global Reporting Initiative provided in the "Core" option (hereafter: "GRI criteria").

This responsibility of the Company's executive directors includes the selection and application of appropriate methods for the preparation of the sustainability report as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. In addition, the executive directors are responsible for such internal control they have determined necessary to enable the preparation of a sustainability report that is free from material misstatements, whether intentional or unintentional.

The accuracy and completeness of the environmental data in the sustainability report are inherently subject to limits that result from the manner in which data is collected and calculated and assumptions made.

Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures within the sustainability report, based on the assurance engagement we have performed.

We are independent of the Company in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit company applies the German national legal requirements and the German profession's pronouncements for quality control, in particular the by-laws governing the rights and duties of public auditors and chartered accountants (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer) as well as the IDW Standard on Quality Control 1: "Requirements for Quality Control in Audit Firms [IDW Qualitätssicherungsstandard 1: Anforderungen an die

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                    corporate   solutions and   health, safety and
                    governance   supply chain   environmental
                                                         protection

Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)]", which comply with the International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB).

We conducted our assurance engagement in compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement in a form that enables us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the information disclosed in the sustainability report has not been prepared, in material respects, in compliance with the relevant GRI criteria. In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and, therefore, a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's professional judgment.

Within the scope of our limited assurance engagement, which was performed from October 2019 to April 2020, we conducted, amongst others, the following audit procedures and other activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- On-site visits to the subsidiaries Linde Material Handling EMEA in Stříbro, Czech Republic, and KION Supply Chain Solutions Czech in Stříbro, Czech Republic, as part of an investigation into the processes for collecting, analyzing and aggregating selected data
- Interview of the executive directors and the relevant employees that participated in the preparation of the sustainability report about the process of preparation, the measures on hand and precautionary measures (system) for the preparation of the sustainability report as well as about the information within the sustainability report
- Identification of the risks of material misstatement within the sustainability report
- Analytical assessment of disclosures within the sustainability report
- Comparison of disclosures within the sustainability report with corresponding data in the consolidated financial statements and combined management report
- Evaluation of the presentation of the disclosures

Practitioner's conclusion

Based on the assurance work performed and evidence obtained, nothing has come to our attention that causes us to believe that the information disclosed in the sustainability report of KION GROUP AG, for the period from January 1 to December 31, 2019 has not been prepared, in material respects, in compliance with the relevant GRI criteria.

Our practitioner's conclusion does not extend to the content of the company's website to which the sustainability report refers.

Purpose of the assurance statement

We issue this report on the basis of the engagement agreed with KION GROUP AG. The limited assurance engagement has been performed for purposes of KION GROUP AG and the report is solely intended to inform KION GROUP AG on the results of the assurance engagement.

Liability

The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility exclusively refers to KION GROUP AG and is also restricted under the engagement agreed with KION GROUP AG on December 19, 2019 as well as in accordance with the "General engagement terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German public auditors and German public audit firms)" from January 1, 2017 of the Institut der Wirtschaftsprüfer in Deutschland e.V. We do not assume any responsibility to third parties.

Frankfurt (Germany), April 24, 2020
Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Kirsten Gräbner-Vogel   Signed: p.p. Thomas Krick
[German Public Auditor]

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                               protection

GRI CONTENT INDEX

✳ **102-55**

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. This service was performed on the German version of the report.

Disclosures	Comments	References

GRI 101: Foundation 2016

[GRI 101 does not contain any disclosures.]

GRI 102: General Disclosures 2016

Organizational Profile

Disclosures		Comments	References
102-1	Name of the organization		> Company profile (p. 9)
102-2	Activities, brands, products, and services	The KION Group is not aware of any cases where its brands, products, and services are not permitted in certain markets.	> Company profile (p. 9) > AR 2019: Business model and organisational structure
102-3	Location of headquarters	Frankfurt am Main, Germany	
102-4	Location of operations		> AR 2019: Business model and organisational structure > AR 2019: List of shareholdings
102-5	Ownership and legal form		> Company profile (p. 9) > AR 2019: Organisational structure
102-6	Markets served		> Company profile (p. 9) > AR 2019: Company profile
102-7	Scale of the organization		> Company profile (p. 9) > Further information (p. 42) > AR 2019: Business model and organisational structure > GB 2019: Consolidated financial statements
102-8	Information on employees and other workers		> Further information (p. 42-43) > AR 2019: Employees
102-9	Supply chain		> Sustainable procurement (p. 26-27)
102-10	Significant changes to the organization and its supply chain		> Company profile (p. 9) > AR 2019: Business Performance
102-11	Precautionary Principle or approach	The KION Group is committed to the precautionary principle. The general guideline for all environmental activities is provided by the KION HSE policy, which is derived from the KION Group Code of Compliance.	

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                corporate   solutions and   health, safety and
                governance   supply chain   environmental
                                                         protection

Disclosures		Comments	References
102-12	External initiatives		> Commitment recognised (p. 13)
102-13	Membership of associations		> Stakeholder dialogue (p. 18-19)
Strategy			
102-14	Statement from senior decision-maker		> Foreword (p. 4-5)
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior		> Organisation and management (p. 13-15) > Clear rules for supplier management (p. 27-28) > Clear employment standards (p. 40) > Diversity and equal opportunities (p. 40-41)
Governance			
102-18	Governance structure		> Organisation and management (p. 13-15) > AR 2019: Corporate governance report > AR 2019: Organisational structure
Stakeholder Engagement			
102-40	List of stakeholder groups		> Stakeholder dialogue (p. 18-19)
102-41	Collective bargaining agreements		> Clear employment standards (p. 40)
102-42	Identifying and selecting stakeholders		> Stakeholder dialogue (p. 18-19)
102-43	Approach to stakeholder engagement		> 2018 materiality analysis provides clear priorities (p. 12-13) > Commitment recognised (p. 13) > Stakeholder dialogue (p. 18-19)
102-44	Key topics and concerns raised		> Stakeholder dialogue (p. 18-19)
Reporting Practice			
102-45	Entities included in the consolidated financial statements		> Scope and reporting period (p. 7) > AR 2019: List of shareholdings
102-46	Defining report content and topic Boundaries		> Materiality analysis (p. 6) > 2018 materiality analysis provides clear priorities (p. 12)
102-47	List of material topics		> 2018 materiality analysis provides clear priorities (p. 12-13)
102-48	Restatements of information		> Collection and comparability of data and information (p. 7)

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                corporate   solutions and   health, safety and
                governance   supply chain   environmental
                                                       protection

Disclosures		Comments	References
102-49	Changes in reporting	With the new materiality analysis in 2018, the KION Group reassessed the relevant issues across both the Group and the regions. As a result, the list of material topics has changed compared to previous years. The current list of material issues can be found in this report. For the list of material topics from previous years, see the 2018 KION Sustainability Report.	> 2018 materiality analysis provides clear priorities (p. 12) > KION Group Sustainability Report 2018: Materiality as the basis for strategy development
102-50	Reporting period		> Scope and reporting period (p. 7)
102-51	Date of most recent report	The Sustainability Report 2018 was published in April 2019.	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report		> Imprint (p. 57)
102-54	Claims of reporting in accordance with the GRI Standards		> Contents (p. 6)
102-55	GRI content index		> GRI Content Index (p. 50-56)
102-56	External assurance		> Contents (p. 6) > Independent Auditor's Reports (p. 44-49)

GRI 200: Economic

Topic: Anti-corruption

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary		> Compliance (p. 15-18)
103-2	The management approach and its components		
103-3	Evaluation of the management approach		

GRI 205: Anti-corruption 2016

205-1	Operations assessed for risks related to corruption		> Zero tolerance for corruption and bribery (p. 16-17)
205-2	Communication and training about anti-corruption policies and procedures		> Extensive training measures on compliance issues (p. 17-18)
205-3	Confirmed incidents of corruption and actions taken		> Zero tolerance for corruption and bribery (p. 16-17)

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                corporate   solutions and health, safety and
                governance   supply chain   environmental
                                             protection

Disclosures	Comments	References
GRI 300: Environmental		
Topic: Energy		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary		> Occupational health, safety and environmental protection (p. 29)
103-2	The management approach and its components		> Management approach (p. 29-31)
103-3	Evaluation of the management approach		> Climate protection (p. 33-37)
GRI 302: Energy 2016		
302-1	Energy consumption within the organization		> Energy use as a main driver (p. 35-36)
Topic: Emissions		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary		> Occupational health, safety and environmental protection (p. 29)
103-2	The management approach and its components		> Management approach (p. 29-31)
103-3	Evaluation of the management approach		> Climate protection (p. 33-37)
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions		> Energy use as a main driver (p. 35-36)
305-2	Energy indirect (Scope 2) GHG emissions		> Energy use as a main driver (p. 35-36)
305-3	Other indirect (Scope 3) GHG emissions		> Energy use as a main driver (p. 35-36)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		> Energy use as a main driver (p. 35-36)
Topic: Supplier Environmental Assessment		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary		> Sustainable procurement (p. 26-28)
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	In the 2019 reporting year, the evaluation of strategic suppliers, which has been ongoing since 2018, was continued. Work is also underway to integrate new suppliers into the evaluation process. However, it was not yet possible to implement this in 2019, as originally planned.	> Supplier assessments to step up sustainability performance (p. 26)

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                              protection

Disclosures	Comments	References

GRI 400: Social

Topic: Occupational Health and Safety

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary		> Occupational health, safety and environmental protection (p. 29)
103-2	The management approach and its components		> Management approach (p. 29-31)
103-3	Evaluation of the management approach		> Occupational health and safety (p. 31-33)

GRI 403: Occupational Health and Safety 2018

403-1	Occupational health and safety management system	The basic information can be found in the „Occupational health and safety" section. Due to the complexity of the organisation and the associated numerous local differences, as well as for ease of reading, the KION Group does not provide further details.	> Occupational health and safety (p. 31-33)
403-2	Hazard identification, risk assessment, and incident investigation		> Occupational health and safety (p. 31-33)
403-3	Occupational health services		> Health protection (p. 33)
403-4	Worker participation, consultation, and communication on occupational health and safety		> Success factor: practical relevance (p. 32-33)
403-5	Worker training on occupational health and safety		> Success factor: practical relevance (p. 32-33)
403-6	Promotion of worker health		> Health protection (p. 33)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		> Occupational health and safety (p. 31-33) > Product responsibility (p. 24-26)
403-8	Workers covered by an occupational health and safety management system		> Group-wide certification is the objective (p. 30-31)
403-9	Work-related injuries		> Occupational health and safety (p. 31-33)

Topic: Diversity and Equal Opportunity

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary		> Diversity and equal opportunities (p. 40-41)
103-2	The management approach and its components		> AR 2019: Diversity
103-3	Evaluation of the management approach		

GRI 405: Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees		> Further information (p. 42-43) > AR 2019: Diversity > AR 2019: Organisational structure

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                corporate   solutions and   health, safety and
                governance   supply chain   environmental
                                              protection

Disclosures	Comments	References
Topic: Non-discrimination		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary		> Clear employment standards (p. 40) > Diversity and equal opportunities (p. 40-41)
103-2 The management approach and its components		
103-3 Evaluation of the management approach		
GRI 406: Non-discrimination 2016		
406-1 Incidents of discrimination and corrective actions taken		> Diversity and equal opportunities (p. 40-41)
Topic: Freedom of Association and Collective Bargaining		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary		> Clear rules for supplier management (p. 27-28) > Supplier assessments to step up sustainability performance (p. 28) > Clear employment standards (p. 40)
103-2 The management approach and its components		
103-3 Evaluation of the management approach		
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		> Clear rules for supplier management (p. 27) > Clear employment standards (p. 40)
Topic: Child Labor		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary		> Clear rules for supplier management (p. 27-28) > Supplier assessments to step up sustainability performance (p. 28) > Clear employment standards (p. 40)
103-2 The management approach and its components		
103-3 Evaluation of the management approach		
GRI 408: Child Labor 2016		
408-1 Operations and suppliers at significant risk for incidents of child labor		> Clear rules for supplier management (p. 27) > Clear employment standards (p. 40)
Topic: Forced or Compulsory Labor		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary		> Clear rules for supplier management (p. 27-28) > Supplier assessments to step up sustainability performance (p. 28) > Clear employment standards (p. 40)
103-2 The management approach and its components		
103-3 Evaluation of the management approach		

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                              protection

Disclosures	Comments	References
GRI 409: Forced or Compulsory Labor 2016		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		> Clear rules for supplier management (p. 27) > Clear employment standards (p. 40)
Topic: Supplier Social Assessment		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary		> Sustainable procurement (p. 26-28)
103-2 The management approach and its components		
103-3 Evaluation of the management approach		
GRI 414: Supplier Social Assessment 2016		
414-1 New suppliers that were screened using social criteria	In the 2019 reporting year, the evaluation of strategic suppliers, which has been ongoing since 2018, was continued. Work is also underway to integrate new suppliers into the evaluation process. However, it was not yet possible to implement this in 2019, as originally planned.	> Supplier assessments to step up sustainability performance (p. 28)
Topic: Customer Health and Safety		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary		> Management approach (p. 20-21) > Comprehensive quality management to minimise performance risks (p. 22) > Product responsibility (p. 24-26)
103-2 The management approach and its components		
103-3 Evaluation of the management approach		
GRI 416: Customer Health and Safety 2016		
416-1 Assessment of the health and safety impacts of product and service categories		> Product responsibility (p. 24)
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		> Product responsibility (p. 24)

Introduction   Sustainable   Products,   Occupational   Employees   Annex
                      corporate   solutions and   health, safety and
                      governance   supply chain   environmental
                                                              protection

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PUBLISHER

KION GROUP AG
Thea-Rasche-Straße 8
60549 Frankfurt am Main
Germany
Phone: +49 69 20110 0
Fax: +49 69 20110 1000
info@kiongroup.com
www.kiongroup.com

Images: KION GROUP AG

CONTACT

Dr. Holger Hoppe
Senior Director Sustainability Management
Phone: +49 6021 99 2470
holger.hoppe@kiongroup.com