

About this report

 G4-17, G4-18, G4-28, G4-30, G4-32, G4-33

REPORT CONTENT

This is the KION Group's first sustainability report on its sustainability activities.

In it, it focuses on explaining its strategies, management approaches and measures in addition to presenting its figures. To identify the most material sustainability topics for its report the KION Group reflected on the materiality assessment conducted in 2015 by Linde Material Handling, and transferred it to the Group in 2016. In 2018 it plans to review the materiality analysis at KION Group and operating unit level.

In this Sustainability report, the KION Group has aligned itself with the G4 guidelines of the Global Reporting Initiative (GRI). In doing so, it opted not to have the contents of this report audited by an external firm. This report has been prepared in accordance with the G4 guidelines, "core" option.

SCOPE AND REPORTING PERIOD

The contents of the report relate to the KION Group and its consolidated subsidiaries. It is in the process of integrating Dematic, which was acquired in November 2016, into the Group so this company is only reflected in certain KPIs for 2016. Disclosures including Dematic are reported separately. Data relating to the Egemin Group – which had joined the Group before Dematic and which is now part of the Dematic operating unit following Dematic's consolidation – is included in all KPIs for 2016, including those figures highlighted as being exclusive of Dematic.

90 reporting entities were included in the gathering of KPIs. These include data gathered on 24 separate production and administration locations, which it refers to as 'plants', while 66 disclosure points on sales and service companies in some cases include aggregated data from multiple locations. The report therefore covers approx. 400 locations in 29 countries. With the exception of Egemin Group locations, the reporting entities do not include any Dematic locations.

The majority of disclosures cover 24,395 employees, which represents around 80 percent of the workforce as at 31 December 2016. Currently, the Group's various Financial Services units and Dematic are not covered. The entire workforce is covered in the case of data that already includes Dematic. During 2017 the Group will expand the scope of the report to include all subsidiaries, including Dematic and its Financial Services units. For a list of all consolidated units, see [Table 129 of the KION Group Annual Report 2016](#).

The Sustainability Report 2016 relates to the fiscal year 2016 covering the period 1 January to 31 December 2016. As this is the KION Group's first Sustainability Report it includes important developments in the 2017 fiscal year up to the editorial deadline of 30 June 2017.

GATHERING AND COMPARABILITY OF DATA AND INFORMATION

Within the Company the KION Group uses the WeSustain software solution to record around 800 indicators across the Group. These indicators underpin the key figures contained in the report. The KION Group is now one of the leading users of this software, and it shares its experiences of using it in specialist articles and webinars as well as with other companies.

As this is the KION Group's first sustainability report, this was the first time it had gathered most of the figures. In future, the KION Group will show the development of sustainability KPIs over the course of several years. Certain numbers in this sustainability report have been rounded up or down. This may result in differences between the sum of the individual amounts in the tables and the overall totals stated as well as between the figures stated in the tables and their analysis in the main body text of the sustainability report. All percentage changes and indicators were calculated based on the underlying data.

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 subsidiaries 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 double-gender pronouns. No significance is implied, and any mentioning of personal pronouns is to be understood as gender-independent.

The Sustainability Report 2016 is available in German and English in both online and PDF editions. For further information, see the corporate website www.kiongroup.com and the [Annual Report](#).

The Company will publish its next sustainability report in early 2018.

Key sustainability figures

Key performance indicator	2016 fiscal year
Company profile	
Revenue (incl. Dematic)	€ 5,587.2 million
Consolidated earnings (incl. Dematic)	€ 246.1 million
Products and solutions	
Research and development expenditure	€ 147.1 million
Patent applications and patents granted	2,689
of which new applications in the reporting year	93
Number of orders for electric industrial trucks	147,120
Number of used industrial trucks sold	49,152
Environment	
Level of ISO 14001 certification (plants as well as sales and service locations)	40%
Total energy consumption	2,013,045 GJ
Greenhouse gas emissions (Scope 1, 2, 3)	206,257 t CO _{2e}
Total water consumption	455,099 m ³
Total waste produced	51,042 t
Employees	
Employees (incl. Dematic)	30,544
Personnel expenses	€ 1,520.3 million
Percentage of female employees	16.3%
Number of apprentices	580
Level of OHSAS 18001 certification (plants as well as sales and service sites)	31%
Health rate	96.2%
Lost time injury frequency rate (occupational accidents per million hours worked)	14.8