KÄRCHER

THE WHOLE AT A GLANCE

Sustainability Report: Facts & Figures 2021

CONTENTS

Sustainability reporting

This report details Kärcher's key figures, targets and activity in the field of sustainability. The data applies to business year 2021 (1.1.2021 to 31.12.2021), but key figures from years 2019 and 2020 have also been provided in some places, as a basis for comparison. The reported figures and data generally relate to the global activities of the Kärcher Group, unless otherwise indicated. The information in the "Employees and society" section focuses on Alfred Kärcher SE & Co. KG. The data in the "Environmental protection in production" section concerns the Kärcher Group's production and logistics sites in Germany, Brazil, China, Italy, Mexico, Romania and the USA.

The report was prepared in accordance with the standards of the current version of the Global Reporting Initiative (GRI) from 2021. An overview of the GRI disclosures used can be found in the GRI content index at the end of the report. No external verification was carried out. The editorial deadline for this report was 30 April 2022. The 2021 Sustainability Report was published in July 2022. With immediate effect, the Sustainability Report should be published annually.

For more information, go to
www.kaercher.com/CSR

DEAR READERS,

Due to the coronavirus pandemic, 2021 proved to be yet another difficult year. However, despite the many challenges, Kärcher was able to end the year with record turnover.

One crucial reason for this success is that we do not rely on short-lived trends but rather take a long-term approach to running our business. Sustainability has always been an integral part of our corporate philosophy.

As a family company, we understand sustainability to mean acting with future generations in mind – at all levels. Sustainability, even in the environmental sense, is not left to chance at Kärcher; it is the result of analytical processes and deliberate decisions. We use the 17 Sustainable Development Goals of the United Nations as a guide and standard for our own activities.

Kärcher wants to be responsible and, as a "good corporate citizen", wants to contribute to the well-being of society and our environment. This is because we can only be successful in the future if we put the protection and preservation of the planet front and centre in our business.

In this report, we provide you with information on how our understanding of sustainability can be implemented in practice. The report is based on the internationally recognised reporting standards of the Global Reporting Initiative and therefore makes our actions comparable, measurable and transparent.

The report focuses on our Sustainability Strategy 2025, as part of our corporate strategy. With it, we show that the future of Kärcher is directly linked with sustainability. With "Zero Emissions", "Reduce, Reuse, Recycle" and "Social Hero", we are taking three central initiatives and supporting them with clear measures and goals that we want to achieve. You will see that we are making very good progress.

This has also been confirmed by the German Sustainability Award 2022, which Kärcher received in December 2021. This is a particular honour for us – it is both an acknowledgement and an incentive. Above all, however, the award is the result of the commitment of everyone who works at Kärcher. Because sustainability as a strategic orientation only bears fruit if it is implemented and adopted by all.

The economic success that we were able to post in 2021 is based on the fact that our corporate development focuses on people and the environment. This has always been the case – and it will remain our benchmark in the future.

With kind Kärcher regards,

Hartmut Jenner
Chief Executive Officer and Chairman
of the Board of Management

01

SUSTAINABILITY AT KÄRCHER

As a family company, long-term thinking is part of our corporate identity. We see this as being intrinsically linked to the aspiration to accept responsibility for future generations. It is this understanding that characterises Kärcher's corporate management and its future development, both of which are driven by our Sustainability Strategy 2025. This allows us to bring together clear goals and provisions for greater climate protection, resource efficiency and social added value.

Family company

1935
Foundation

HEADQUARTERS
in Winnenden, Germany

150 »» Companies in more
than 80 countries

50,000
service points
in all countries

14,400
employees
WORLDWIDE

€ **3.092**
billion euros turnover
in 2021

COMPANY PROFILE

Kärcher is the world's leading provider of cleaning technology. The company was founded in 1935 and, to this day, is a family company based in Winnenden, near Stuttgart. The Kärcher Group includes 150 companies in more than 80 countries in Europe, America, Asia, Oceania and Africa. Globally, Kärcher has over 14,400 employees. Fifty thousand service points all over the world ensure comprehensive customer service. In 2021, Kärcher achieved a turnover of EUR 3.092 billion – the highest in its history.

Business model

Kärcher develops, produces and sells equipment, machines and systems for cleaning and maintenance. As a manufacturer of cleaning systems and a pioneer of high-pressure cleaning, Kärcher covers the basic requirements for the cleaning of transport vehicles, buildings and surfaces, as well as the cleaning and delivery of liquids, worldwide. The company's portfolio includes high- and ultra high-pressure cleaners, vacuum cleaners for a variety of uses, steam cleaners, sweepers and scrubber dryers, vehicle wash systems including self-service technology, industrial cleaning technology for special applications, cleaning agents, systems for drinking and reclaimed water treatment, water dispensers and air purifiers, software for fleet and process management, pump and watering systems as well as machines for garden maintenance. Perfectly matched products and accessories are accompanied by comprehensive advice and service tailored to specific target groups.

Corporate management

Kärcher's Board of Management is made up of five members. These are: Hartmut Jenner (Chief Executive Officer and Chairman of the Board of Management), Christian May (Deputy Chairman and Board Member for Sales, Marketing & Service), Dieter Grajer (Chief Operating Officer), Stefan Patzke (Chief Financial Officer) and Michael Häusermann (Chief Special Businesses Officer). They are not only responsible for the further strategic development of the company but also for Kärcher's sustainability requirements. Board members are appointed exclusively by decision of the Supervisory Board, the company's highest controlling body. Johannes Kärcher holds the chair. The committee also has the task of advising the Board of Management on the management of the company, as well as making decisions on Group actions that are subject to approval.

VALUE-BASED CORPORATE DEVELOPMENT

Kärcher is aware of its responsibility as an international company and global corporate citizen. This is reflected in our aspiration to further develop the economic, environmental and social aspects of the company in equal measure. Our actions are guided by clearly defined values, which together form our corporate mission statement.

Code of Conduct and compliance
Our Code of Conduct sets out the essential principles of conduct for daily work. These are based on international standards, such as those of the International Labour Organisation (ILO), the Business Social Compliance Initiative (BSCI) and the UN Global Compact. The principles include respect of human rights, equal rights, anti-discrimination, fair business practices, anti-corruption, environmental protection, product safety and data protection. We also expect our suppliers to adhere to these principles. The Code of Conduct has been approved by Kärcher's Board of Management and is available on the Intranet, via our website and on the supplier platform.

In addition to the Code of Conduct, there are also countless international guidelines and policies within the individual departments of Kärcher, for example regarding information security and integrity. The Corporate Governance & Compliance department is responsible for coordinating and publishing guidelines and policies. In turn, managers are responsible for instructing employees on the applicable guidelines and policies. They are also the first point of contact if the Code of Conduct is violated, or for any other concerns. Specific issues are handled by the departments responsible for the respective guidelines and policies. In addition, the Compliance Unit at Kärcher can respond to all questions and notifications via the usual channels, such as email or telephone. We facilitate whistle-blowing with special software, which can be accessed via the global website or the Intranet. To ensure honest conduct, we also have Local Compliance Managers at all sites, who are given regular training.

Data protection
The protection of personal data is also part of our corporate responsibility. We have established a data protection management system for this, which has been combined with the existing management system for information security. Since 2021, we have also been able to handle requests from data subjects via this system. For all companies, we have published important principles for the processing of personal data in our data privacy policy. This policy is consistent with our corporate mission statement, our corporate strategy and our Kärcher values. All personal data handling and conduct in the event of data privacy violations are regulated by the data privacy policy, which applies to all employees of Alfred Kärcher SE & Co. KG. A locally applicable data privacy policy is implemented in the companies that fall under the General Data Protection Regulation (GDPR). We also provide a mandatory annual online training course to train our employees on data protection and information security. The involvement of the Kärcher board members is ensured by means of an annual data protection report.

Taxation
Kärcher works with the tax authorities in a constructive, cooperative and trustworthy manner, as well as maintaining open and transparent communication with them. Compliance with all national and international tax laws is a matter of course for Kärcher. To fulfil our statutory obligations (country-by-country reporting), we send tax information for all Group companies to the Federal Central Tax Office. This information is based on the Group's independently audited consolidated financial statement.

Our tax policy defines tasks, responsibilities and processes designed to ensure we meet our Group-wide tax obligations. We also have a tax compliance management system, which we are continuously developing.

Stakeholder involvement
We consistently involve our stakeholders in the further development of the company. Their point of view from outside the company opens up new perspectives for us and helps us to take economic, social and environmental interests into account in equal measure. That is why we actively encourage dialogue with our many interest groups. As a basis for this, we have identified our most important stakeholder groups, focusing on the needs of our customers, employees, company owners and suppliers, as well as politics and society. We have created specific channels and provisions for all of these groups to encourage communication and meet their expectations. We also encourage dialogue through our membership of associations and initiatives.

Sustainable ideas from employees
Our sustainability strategy is the result of intensive dialogue. For example, our employees were actively included in the development of the strategy during three workshops at our sites in Brazil, China and Germany in 2019. We collected over 400 ideas at these events and discovered that employees attribute particular importance to the use of sustainable materials for products and in production, a responsible supply chain and increased social commitment by the company. In addition to this, our strategy development also takes into account the customer's perspective – including with the aid of a representative customer survey in the USA, Germany, France, Brazil and Japan.

ASSOCIATION, COMMITTEE AND UNION MEMBERSHIPS (SELECTION):

AACEM
American Association of Cleaning Equipment Manufacturers

AISE
International Association for Soaps, Detergents and Maintenance Products

B.A.U.M. e. V.
Bundesdeutscher Arbeitskreis für Umweltbewusstes Management
(German Working Group for Environmentally Conscious Management)

BCM
Berufsverband der Compliance Manager
(German Organisation of Compliance Managers)

CETA
Cleaning Equipment Trade Association

EGMF
European Garden Machinery Industry Federation

EPTA
European Power Tool Association

EUnited
European Engineering Industries Association

EuropElectro
ZVEI representation in China

Fraunhofer Institute for Manufacturing Engineering and Automation IPA, industry working group
"Global Environmental Compliance" expert forum

global verantwortlich BW

IHK Stuttgart

ISSA
International Social Security Association

IVG
Industrieverband Garten
(Industrial Association Garden)

Klimabündnis BW
(BW Climate Alliance)

Markenverband e. V.

SBTi
Science Based Targets initiative, since 03/2022

UN Global Compact

Unternehmensnetzwerk Klimaschutz
IHK; since 04/2022

VDMA e. V.
Verband Deutscher Maschinen- und Anlagenbau
(German Mechanical Engineering Industry Association)

ZVEI e. V.
Verband der Elektro- und Digitalindustrie
(German Electro and Digital Industry Association)

PARTICIPATION IN STANDARDISATION GROUPS (SELECTION):

CEN
European Committee for Standardisation

CENELEC
European Committee for Electrotechnical Standardisation

CSA
Canadian Standards Association

DIN
Deutsches Institut für Normung
(German Institute for Standardisation)

DKE
Deutsche Kommission Elektrotechnik
(German Commission for Electrotechnical, Electronic & Information Technologies)

IEC
International Electrotechnical Commission

UL
Underwriters Laboratories

SOCIAL COMMITMENTS (SELECTION):

Bachakademie

Bürgerstiftung Winnenden

Clowns mit Herz

Europa Minigärtner

Global Nature Fund

One Earth – One Ocean

Paulinenpflege Winnenden

Samariterstift Obersontheim

SOS-Kinderdorf e. V.

Unimog-Museum Gaggenau

SUSTAINABILITY MANAGEMENT

At Kärcher, our success is secured by long-term strategies. Our commitment to sustainability is also shaped around this understanding. Since 2014, Kärcher has been pursuing a company-wide "Sustainability Excellence" strategy to ensure that all aspects of sustainability are considered holistically and implemented using specific measures and goals.

In 2020, the "Sustainability Excellence" strategy came to a successful conclusion and was replaced by the Sustainability Strategy 2025. This is based on the three central initiatives of "Zero Emissions", "Reduce, Reuse, Recycle" and "Social Hero". The Sustainability Strategy 2025 is an important part of our corporate strategy.

The Sustainability & Quality Principles department is responsible for steering the sustainability strategy. This department coordinates the strategic sustainability activities at Kärcher, continuously monitors target achievement and is responsible for compliance with all transparency requirements. It communicates closely with a wide range of departments, including Purchasing, HR, Development, Product Management, Sales, Communication and Corporate Citizenship. In line with our overall "Sustainability is everyone's responsibility" approach, all sustainability activities are implemented across the entire company.

German Sustainability Award for Kärcher
For our commitment to the issue of sustainability, Kärcher was awarded the German Sustainability Award 2022 in December 2021 in the category "Transformation Field – Resources". In their statement, the jury praised our full commitment as well as our consistent, exemplary and innovative development in the field of sustainability and highlighted the "Reduce, Reuse, Recycle" initiative in particular.

WINNER

German Sustainability Award 2022

THE KÄRCHER SUSTAINABILITY STRATEGY 2025

Our sustainability commitment up until 2025 focuses on three initiatives. They include clear targets and measures that we want to implement in the coming years – from climate-neutral production to the recycling of raw materials, reducing plastic packaging, a more sustainably designed global supply chain and the further development of our social commitment.

In line with our global development goals
Kärcher's new Sustainability Strategy 2025 was guided by the Sustainable Development Goals of the United Nations (SDGs). For us as a company, the SDGs provide a good framework as they connect our own actions to the resolution of globally relevant challenges. With our three initiatives, we are making a specific contribution to a total of 13 SDGs. This is the result of a comprehensive analysis – based on the internationally recognised SDG Compass method.

ZERO EMISSIONS

Since 2021 …
- Kärcher's factories across the world have been CO_2-neutral
- Business travel within Germany and from Germany to destinations abroad has been CO_2-neutral

By 2025 …
- Kärcher will reduce its real scope 1 and scope 2 emissions by 21% compared with the base year of 2020. By 2030, this will be reduced by a further 21% (total: 42%)
- Kärcher will establish a management system for its scope 3 emissions and make the carbon footprint of its products transparent

Status

> 18 factories in seven countries are CO_2-neutral

> 180,000 hectares of forest have been protected thanks to compensation payments

REDUCE, REUSE, RECYCLE

Since 2020 …
- We have been supporting a reduction in ocean plastic

By 2025 …
- We will optimise the sustainability of all product packaging
- Selected Consumer and Professional machines will achieve a recycled plastic content of up to 50%
- We aim to establish a pilot production without plastic waste
- Sustainability will be an integral part of new business models

Status

> 1.5 tonnes of waste collected over a length of 40 kilometres of beach in 2021

> 37% of all projects for more sustainable product packaging have been implemented

SOCIAL HERO

By 2025 …
- Our social commitment will be focused on preserving value
- We will establish a proactive supplier risk management system for sustainability

Status

> 68% of all projects are focused on value preservation

> 14 monuments and buildings cleaned as part of our cultural sponsorship in 2021
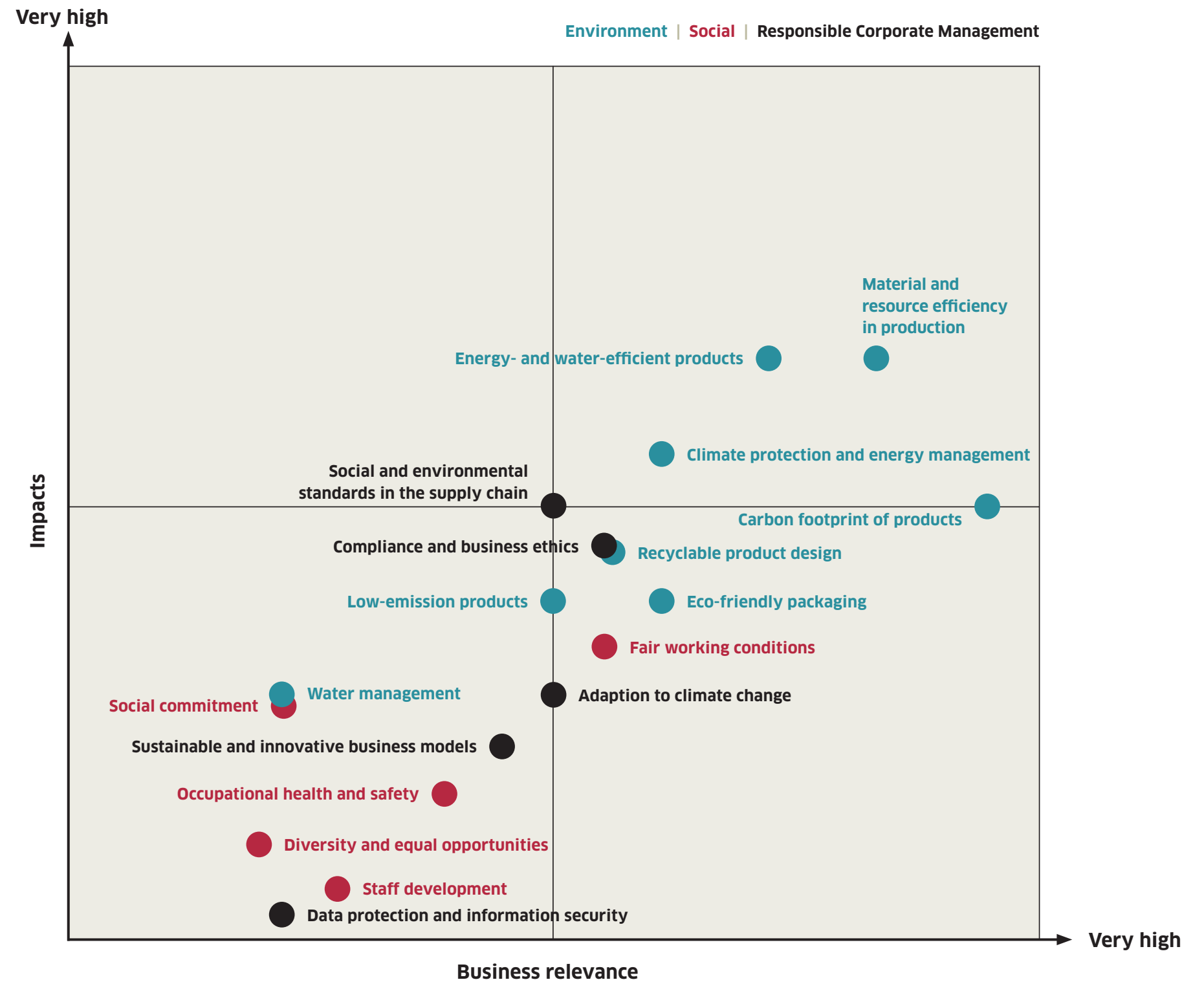
Materiality assessment

In 2021, we conducted a materiality assessment. The aim of the assessment was to identify and assess key sustainability topics for Kärcher in order to derive key reporting points. We did this by first creating a list of topics that included both stakeholder matters and an analysis of the competition, as well as international standards such as those of the UN Global Compact and the Global Reporting Initiative (GRI). We then assessed the selected topics from two perspectives during an internal workshop with representatives of various departments:
1. Outside-in: to what extent do the sustainability issues affect business performance, operating results and the position of Kärcher?
2. Inside-out: what positive or negative influence does Kärcher's business activity have on the economy, environment and society?

The assessment showed that environmental concerns such as climate protection and energy management, eco-friendly products or material and resource efficiency in production were particularly important. However, fair working conditions and social and environmental standards in the supply chain were also very relevant. The results of the materiality assessment are therefore consistent with our strategic focus in terms of sustainability.

Very high

Environment | Social | Responsible Corporate Management

Impacts

Material and resource efficiency in production

Energy- and water-efficient products

Climate protection and energy management

Social and environmental standards in the supply chain

Carbon footprint of products

Compliance and business ethics
Recyclable product design

Low-emission products
Eco-friendly packaging

Fair working conditions

Water management
Adaption to climate change

Social commitment

Sustainable and innovative business models

Occupational health and safety

Diversity and equal opportunities

Staff development
Data protection and information security

Very high

Business relevance

SUPPLY CHAIN

As a production company, Kärcher mainly purchases mechanical and electronic components. All decisions on awarding contracts at Kärcher are based on our commodity group strategies, in which the type and origin of the individual commodities are specifically defined. We focus on long-term and, as far as possible, regional procurement structures. In this context, we have over recent years been able to shorten supply chains and supply our production sites using mainly regional suppliers. For example, in 2021, Alfred Kärcher SE & Co. KG procured almost three quarters of its goods domestically.

Sustainable procurement

When it comes to purchasing, one important focus is the sustainability of our upstream supply chain. To this end, we are primarily working on obligating our suppliers to meet social and environmental standards, and on analysing our risks in greater detail.

As part of our "Social Hero" initiative, we have undertaken to establish a proactive supplier risk management system for sustainability by 2025. We are taking this step in order to systematically assess the social and environmen-

tal impacts of our business relationships with suppliers and of their own activities. This means that we are also already observing one of the future regulatory requirements for corporate due diligence in the supply chain. As part of the initiative, we also want to reduce our material suppliers by 40% by 2025 – supporting regional procurement and thus a reliable and sustainable supply chain.

Compliance with environmental and social standards is already a key criterion both when selecting new suppliers and in the context of existing working relationships. For

example, we already use AI-based software to check suppliers for possible social and environmental risks before signing contracts with them – and we are continuously expanding on this. Before commissioning, we also obligate suppliers to comply with our Code of Conduct, which contains important sustainability principles, as well as our internal Kärcher standard for materials (KN 050.032).

During the course of the working relationship, we continuously monitor compliance with sustainability criteria. Our suppliers are obligated to provide information about

their sustainability performance at regular intervals. In addition to this self-assessment, we also use assessments from independent institutions. We supplement these assessments with regular audits of our production materials suppliers, during which we not only check quality criteria but also compliance with social, environmental and occupational safety standards. In 2021, more than 50 supplier audits were conducted, taking the above-mentioned aspects into account.
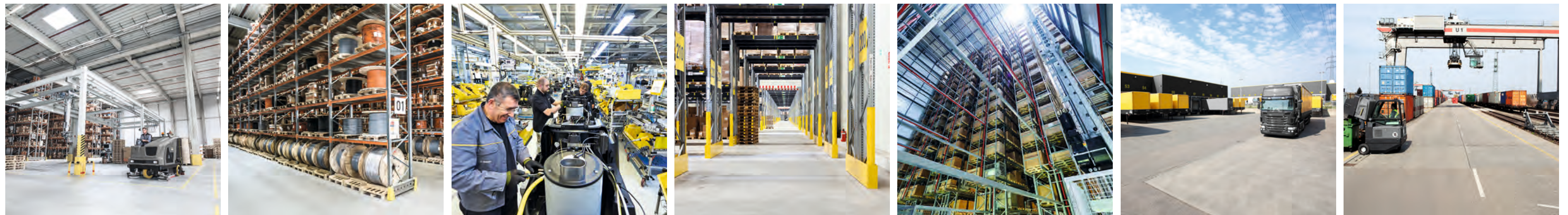
02
ENVIRONMENTAL PRO-TECTION IN PRODUCTION

Our cleaning machines are the result of a careful use of resources such as raw materials, energy and water. We have established the basis for this with a production process that fully supports environmental and climate protection. Our main focuses are on reducing the use of plastic, encouraging the use of renewable energies and reducing the CO_2 emissions we generate – driven by our "Reduce, Reuse, Recycle" and "Zero Emissions" initiatives.

CLIMATE PROTECTION

The battle against global warming is one of the most important challenges of our time. Both countries and companies are obligated to play their part. Kärcher is aware of its responsibility and, in this context, aspires to the objectives of the Paris climate treaty. In order to emphasise the relevance of this issue, we have defined climate protection as one of the three pillars of our Sustainability Strategy 2025. As part of the "Zero Emissions" initiative, we are pursuing a clear timetable to reduce energy consumption and therefore also CO_2 emissions at Kärcher.

Our goals

Our production sites are the focus here. By 2025, we want to reduce our CO_2 emissions in production by 21% compared to 2020 and by 42% by 2030. In accordance with the Greenhouse Gas Protocol, this concerns our direct emissions, which are generated by our own activities at our sites (Scope 1), as well as indirect emissions through the purchase of energy (Scope 2).

In order to establish a scientific basis for these goals, we are planning to have them validated by the Science Based Target initiative (SBTi) in 2022. By joining the SBTi, we are also undertaking to expand the recording of our Scope 3 emissions and develop prospective goals for their reduction.
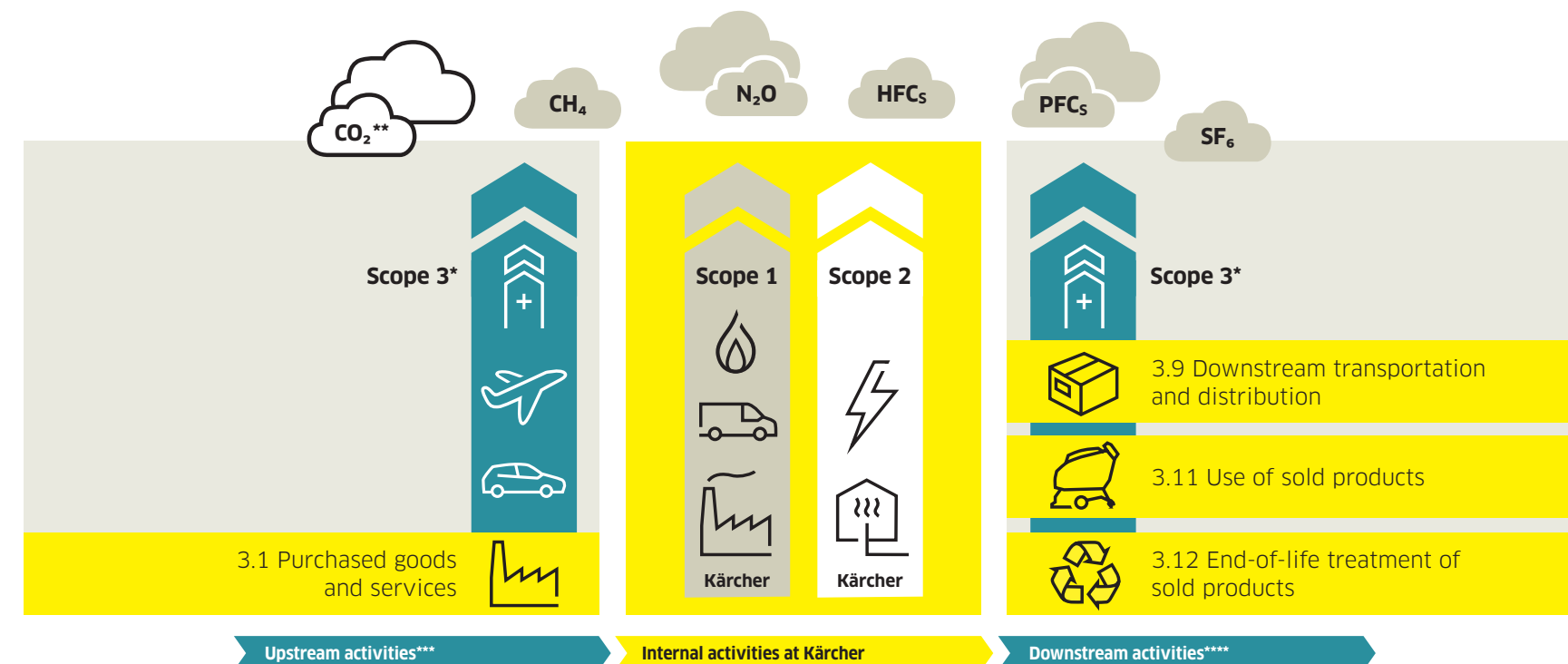
Our Sustainability & Quality Principles department is responsible for developing and implementing the company-wide climate protection goals. This department also includes the global officers responsible for environmental management according to ISO standard 14001 and energy management according to ISO standard 50001. All energy efficiency measures are coordinated by the energy officers at the respective sites.

Emissions in terms of scopes

Based on the Greenhouse Gas Protocol, the following graphic shows Kärcher's emissions of greenhouse gases (GHG) and their categorisation into three scopes. As a result of our activity, GHG emissions are produced from the stationary and mobile combustion of fuels, which are categorised as Scope 1. Scope 2 emissions are the indirect GHG emissions associated with the purchase of electricity and district heating. Scope 3 includes all indirect emissions that occur along the value chain, including upstream and downstream emissions. At the end, all greenhouse gases are converted into kilograms of CO_2 equivalents and listed as a number. Kärcher is currently focusing on Scope 1, Scope 2 and the four Scope 3 emissions highlighted in yellow (categories 3.1, 3.9, 3.11 and 3.12 of the Greenhouse Gas Protocol). These categories are important for the calculation of the Product Carbon Footprint of our entire product portfolio. We are working on defining a reduction goal that is in line with the scientifically based criteria of the Science Based Target initiative (SBTi) in order to reduce our overall footprint.

Scope 3* — CO_2** — CH_4 — N_2O — HFC_S — PFC_S — SF_6

Scope 1 — Scope 2

3.1 Purchased goods and services

Kärcher — Kärcher

Scope 3*
3.9 Downstream transportation and distribution
3.11 Use of sold products
3.12 End-of-life treatment of sold products

Upstream activities*** | Internal activities at Kärcher | Downstream activities****

This is a schematic illustration which provides no information about the actual relationship. The arrow sizes should therefore not be understood as values.

* Scope 3 categories according to the GHG Protocol.
** Our initial focus is on the analysis of CO_2 emissions. In addition, we are successively checking the relevance of all greenhouse gases for Kärcher.
*** Also includes: rented or leased fixed assets, employee commuting, business travel, waste generated in operations, transportation and distribution, fuel- and energy-related activities as well as capital goods.
**** Also includes: investments, franchises, rented or leased fixed assets and processing of sold products.

Energy consumption and CO₂ emissions

We record the data regarding energy consumption and emissions quarterly for all Kärcher factories worldwide. This means we can monitor our goals and identify additional potential to save CO_2. The most important way of reducing CO_2 emissions is to reduce energy consumption. All of our European factories have a certified energy management system in accordance with ISO standard 50001. We have summarised the responsibilities, process descriptions and documentation obligations for the factories in a guideline. In this guideline, we have also formulated the fundamental objective of increasingly using renewable energies and continuously increasing energy efficiency. In recent years, we have been able to significantly improve our energy balance sheet, primarily thanks to more efficient plants and buildings, as well as LED lighting. At our German sites alone, a variety of measures enabled us to save over 1,700 MWh of energy in 2021. In 2021, total energy consumption was 21,287.51 MWh (811.66 TJ), primarily as a result of purchasing electricity and heating and the use of natural gas. The energy intensity, i.e. the energy consumption per million euros of turnover, was 0.26 TJ in the reporting year – a significant reduction compared to the previous year.

The energy used in our factories should increasingly be obtained from regenerative sources. The proportion used in our global production network is already currently at 33%. We will continue to increase this share in future by purchasing greater volumes of electricity from renewable energies or by generating our own electricity. Many factories already have photovoltaic systems. Our largest system, in Quistello, Italy, produces 360,000 kWh of electricity annually from an area of 11,500 square metres.

Energy consumption in TJ	2020	2021
Total	**986.54**	**811.66**
Primary energy use	**711.64**	**514.91**
Natural gas	102.30	108.13
Heating oil	18.18	15.64
Diesel	8.02	16.56
Petrol	1.31	0.38
Liquid gas (LPG)	581.45	374.14
Butane, propane, ethane	0.38	0.07
Secondary energy use	**256.90**	**296.75**
External power procurement	229.47	264.95
Internal power generation	8.49	11.40
District heating	18.93	20.40
Energy intensity per million euros of turnover	**0.36**	**0.26**

Greenhouse gas emissions in kg CO₂	2020	2021
Total	**35,499,334**	**28,927,347**
Scope 1	**7,591,376**	**8,222,586**
Natural gas	5,717,410	6,043,099
Heating oil	1,250,782	1,076,118
Diesel	526,617	1,074,496
Petrol	93,544	26,978
Liquid gas (LPG)	2,914	1,875
Butane, propane, ethane	109	20
Scope 2	**27,907,958**	**20,704,761**
External power procurement	27,900,438	20,696,658
Internal power generation	0	0
District heating	7,520	8,103
Greenhouse gas intensity per million euros of turnover	**12.7**	**9.4**

Conversion factors in accordance with GEMIS 4.9
(Global Emissions Model for Integrated Systems)

With the help of in-house production and by purchasing renewable energies, we have been able to significantly reduce our CO_2 emissions in recent years. In 2021, absolute production-related CO_2 emissions were at around 28,927 tonnes of CO_2 (2020: 35,499 tonnes of CO_2). This means we were able to reduce our emissions by more than 18% compared with the previous year. The switch to green energy at a number of different sites played a key role in this. The relative CO_2 emissions per million euros of turnover was 9.4 tonnes of CO_2 (2020: 12.7 tonnes of CO_2). For the first time, in the current reporting year, we also fully offset the remaining production-related emissions through our partner company First Climate. This means that, since 2021, all 20 Kärcher production and logistics sites worldwide have been operating with CO_2-neutral production. The compensation payments are fed into a forest protection project in Brazil, which has already enabled the protection of around 180,000 hectares of rainforest. These are based on the strict Verified Carbon Standard (VCS) and the Gold Standard supported by the WWF.

Other indirect emissions

A significant share of Kärcher's carbon footprint can be traced back to upstream and downstream activities (Scope 3). This includes, for example, the production of individual components, the use of our products by customers, logistics or even business travel. Scope 3 emissions often lie outside our direct sphere of influence, which makes it more difficult to obtain and ensure the quality of corresponding emissions data. At Kärcher, we have therefore undertaken to significantly expand the recording of Scope 3 emissions by 2025 – a central goal in the context of our membership of the Baden-Württemberg Climate Alliance.

We already record individual Scope 3 emissions categories in detail, such as business travel – and we are working on reducing these emissions. For example, we are increasingly avoiding business trips by replacing them with digital meetings. In addition, since 2021, we have been fully offsetting global flights and rental car bookings by our German sites – and they are therefore CO_2-neutral. We are further increasing the number of electric vehicles in our fleet. Electric cars were used for 10% of the kilometres covered in 2021 (2020: 6%). We are already reducing emissions generated in transport logistics by continually optimising our transport routes. In line with our "regional for regional" approach, our Kärcher factories globally already acquire 75% of purchasing volume from regional suppliers located less than 1,000 km from the production site. In this way, we are reducing our transport routes and minimising emissions of CO_2. We are also increasingly relocating the distribution of our products from road to rail.

RESOURCE EFFICIENCY AND WATER MANAGEMENT

With our "Zero Emissions" and "Reduce, Reuse, Recycle" initiatives, we are aiming to achieve cleaner production. At Kärcher, we understand this to mean eco-friendly production as well as the careful handling of resources such as water, effluent and raw materials. We are putting this requirement into practice at all Kärcher factories worldwide.

Environmental management
Our management is based on the guidelines for dealing with water and waste water, as well as with materials and waste. These include clear requirements, responsibilities, process descriptions and goals, which ensure that we increase material efficiency, reduce water consumption or collect, store and document waste and recyclable materials properly, and ensure they are recycled correctly. Our global network of environment officers are responsible for implementation at the different sites.

All of our factories have a certified environmental management system in accordance with ISO standard 14001. We use a standardised procedure to check the requirements resulting from this and other environmental legislation and standards at least once a year. If the scope changes, we make additional checks. Overall, we adhere to over 10,000 regulations and obligations.

Material use and waste
Through high resource efficiency in our production, Kärcher combines efficiency with environmental protection. This not only saves costs but also has a positive effect on the eco-footprint of our products. We look at the issue as a whole – from the supply chain to our production and on to our products and packaging.

A clear focus of our resource management at Kärcher is to avoid the use of primary plastics and reduce plastic waste. In this context, we have set ourselves the aim, by 2025, of establishing a pilot production at our headquarters in Winnenden which – in relation to the locally procured goods – produces zero plastic waste (see highlight box).

Primarily, we are working on high material efficiency in production. For this, we rely both on technical options, such as the use of more efficient procedures, and on organisational solutions, such as improved separation of individual recyclable materials. At the same time, we are working on establishing closed-loop material cycles to enable the reuse of materials where possible. In this context, we recycle as much plastic as possible internally. For example, our factory in Romania uses production scrap to produce new granulate, which can then be used to produce transport crates for logistics, amongst other things.

Material use in global production	2020	2021
Metals (kg)	57,126,000	66,660,000
Plastic granulate (kg)	40,800,000	54,738,000
of which recycled granulate (kg)*	5,608,000	1,440,000
Pallets (pieces)	644,973	1,097,486

* Changed definition of recyclate in 2021;
as a result, the quantities are not directly comparable.

Pilot production for zero waste
Our site in Winnenden is to become a role model for production with zero plastic waste. As part of a pilot project, it is our aim that, by 2025, there will be no need for any plastic packaging for goods procured from local suppliers. We are already pursuing this approach for internal goods transport. In Winnenden, certain components are thus transported between assembly lines in multi-use boxes rather than plastic wrap. This saves 3,000 kg of plastic film per year.

In order to record recycled material flows and waste, we use a data collection system that has been expanded and optimised over the years. For each site, the corresponding data is currently calculated quarterly for the categories of metals, paper and cardboard, plastics, wood, hazardous waste, recycled waste and miscellaneous. We do this using a cloud-based software solution. At Kärcher, we classify recycled waste as all waste that is either materially recycled or reused as an energy source.

When it comes to waste, after a reduction in volume we recorded an increase again in 2020. Among other things, this is the result of a high proportion of scrap metal, which was produced when dismantling a test bench for wash systems. The measures that were extended during the coronavirus pandemic have also contributed towards an increased volume of waste compared with the previous year, for example due to disposable hygiene items. When disposing of our waste, we collaborate with selected waste management companies. We review these every two years using a self-assessment – and with additional on-site checks as required.

Water and effluent

Kärcher uses water in many production processes, for example in the paint shop or as part of our product trials. We are continuously working on minimising our water consumption and effluent quantities as well as avoiding and reducing harmful substances in the effluent. The environment officers coordinate the respective improvement measures at our sites.

We record production-related data on water withdrawal quarterly for each site based on the incoming invoices and the respective meter readings. For water withdrawal, we distinguish between groundwater and water from public suppliers. Our aim is to require less water year on year. At some sites, we have put water recycling solutions in place. This means less fresh water has to be withdrawn. No separate measurement of effluent is taken, which is why the quantity of effluent corresponds to the quantity of water withdrawn.

In our factories, we are increasingly using water recycling solutions and are therefore reducing the withdrawal of fresh water. In our factory in Brazil, for example, we collect 80% of rainwater and use it to cover the entire water requirement of the laboratory there. In one of our Italian factories, in Reggio Emilia, technical measures have enabled us to recycle almost all the water from the test benches, which was originally routed into the drainage system. As a result, there is no longer any need to take water from the public water network here – and water consumption at this site fell by 57% in 2021.

At sites that produce waste water, this is treated and discharged. This waste water may only be routed into the drainage system once it has been cleaned by a waste water treatment system, such as an oil separator. Only provably safe waste water is exempt from this. Regular inspection of the waste water flows should ensure that no harmful substances are contained in the effluent. In addition, waste water treatment systems and drainage systems must be state of the art.

Innovative effluent treatment

A new vacuum evaporation plant installed in 2021 in our in-house cleaning agent production facility in Sulzdorf reduces the amount of waste to be disposed of there by up to 95%. The vacuum evaporation concentrate is collected and disposed of as aqueous washing liquid. Thanks to the new plant, only a fraction of it must be disposed of as special waste. The rest of the distillate can be routed into the waste water network and treated.

Waste and recycling	2020	2021
Non-hazardous waste (t)	9,221,680	12,483,330
Metal	1,401,050	2,602,090
Wood	1,888,670	2,239,010
Paper and cardboard	3,567,900	4,830,380
Plastic	1,264,700	1,574,230
Other non-hazardous waste	1,099,360	1,237,620
Hazardous waste (t)	416,210	424,360
Proportion of recycled waste (%)	78.4	77.9

Water withdrawal in m³	2020	2021
Water withdrawal	328,767	321,749
Ground water and surface water	0	0
Municipal water supply	328,767	321,749

03

INNOVATIVE AND ECO-FRIENDLY PRODUCTS

Kärcher's high standards of quality, innovation and sustainability come together in its products. Consumers not only achieve efficient cleaning results but also receive additional environmental value. Our portfolio extends from eco-friendly cleaning agents to water-saving, energy-efficient and low-emission machines, which are also increasingly made from recycled materials – a focal point of our product design.

PRODUCT QUALITY AND SAFETY

Our extensive quality management helps ensure that our products are safe, high quality and durable. The Product Development Quality and Intellectual Property & Regulatory Affairs departments at Kärcher are responsible for this. The latter ensures that all machines meet the corresponding safety standards.

Quality and safety every step of the way

From the product development process onwards, the quality and safety of our products is key. Specific requirements for each product are codified in an individual requirements and performance specification. Our four test points allow us to ensure product quality over the entire development phase and through to market maturity. We also continuously monitor product quality once the products are in the hands of consumers, for example through warranty management. If a product is reported unsafe, a standard process is implemented by the Operations Quality department. This begins with a risk assessment and, if necessary, leads to corresponding measures to eliminate the safety risk.

The safety and quality of our products are also the result of the trust-based relationships we have with our many suppliers. To ensure permanently high quality, we primarily use preventive measures and methods. By involving our partners in our processes at an early stage, we aim to develop a shared understanding of customer requirements right from the start of a new product development project. We then enable continuous feedback loops throughout the entire product life cycle.

The general safety assessment of all products includes analysing potential impacts on health. In line with this, we regularly check the national, regional and international product standards that apply to us in order to ensure compliance with the fundamental health and safety requirements. These include, for example, the electrotechnical standards of the International Electrotechnical Commission (IEC). In 2021, ten of a total of 27 product standards that are relevant for Kärcher were revised; we were directly affected by this and made and implemented corresponding adjustments.

Focus on cleaning and care agents

When it comes to our cleaning and care agents, health and safety is particularly important, especially when they are being used by consumers. That's why all of our cleaning agents have a hazardous materials marking on their labels and in the safety data sheet. The safety data sheets are available on our website.

At the same time, we endeavour to continuously make our products more eco-friendly and safer to use. This is illustrated by our membership of the International Association for Soaps, Detergents and Maintenance Products (AISE) – a voluntary, European sustainability initiative of the cleaning and care agents industry. We support its vision of making the cleaning and hygiene industry a role model for how society can be served in innovative and sustainable ways. Safety aspects are also part of the review, for example in the form of a chemical safety assessment.

In contact with our customers

Our quality standard also includes maximum customer focus. That's because our customers' satisfaction with our products and services is of paramount importance for Kärcher. We offer customers many ways to get in touch with us before, during and even after making a purchase. We do this using a wide range of channels – depending on customer habits in the respective country. These increasingly include digital and automated channels, such as personal and automated chats, social media or video calls, in order to provide our customers with low-threshold access and quick help. We incorporate any findings from this customer dialogue directly into our quality management.
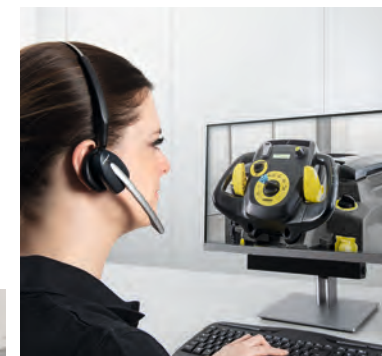
INNOVATIVE PRODUCT IDEAS FOR THE ENVIRONMENT

With over 650 active patents at the end of 2021, Kärcher has once again proven its innovative strength. We have always combined this with the aspiration to develop sustainable solutions for our customers. This applies both to our cleaning agents and to our cleaning machines – for private and commercial use. Aspects such as resource efficiency are an inherent part of our innovation management.

Product labelling
Even as early as the product design phase, we consistently take environmental aspects into account. Our product portfolio is not currently affected by the labelling requirement of the EU regulation on energy labelling, yet we align ourselves with its requirements for resource-efficient and recyclable product design. With our in-house standard KN 050.032, we have also been regulating the restriction of harmful ingredients in our machines and the supply chain for over a decade – and even go beyond the legal requirements, for example through a more strictly regulated use of polycyclic aromatic hydrocarbons (PAH).

Water- and energy-saving and low-emission cleaning machines
We develop our products so that they can complete their tasks with minimal use of resources. High-pressure cleaners save around 80% of water due to their high cleaning performance compared with working with a garden hose, for example. Pumps for the garden make rainwater usable for watering the area around the house. And recycling systems in gantry car wash systems, for example, collect up to 85% of the used water, process it and use it for the next cleaning process.

In addition to efficient water handling, our machines are also characterised by their low-emission design. By emissions, we mean both greenhouse gases and dust or operating noise. Especially in interior spaces and if users are working in direct contact with the machine, it is important to reduce emissions or totally avoid them where possible. So it is particularly important with vacuum cleaners, for instance, that they really capture the drawn-in dust and do not release it from the machine again. In other areas, such as for lawn mowers and power saws, our battery-powered machines are zero-emission, low-noise products.

Kärcher cleaning machines – designed for efficiency
Resource efficiency, durability and recyclability characterise our machines. For example, some of our scrubber dryers and hot water high-pressure cleaners are certified with the EUnited Cleaning label – a recognised mark of particularly efficient cleaning products. Many of our professional machines also have the Kärcher eco!efficiency mode. With this, all machine functions are automatically set to maximum efficiency – even during active use. The result: reduced consumption of energy, water and cleaning agent.

Eco-friendly cleaning agents

Thanks to the efficiency of our cleaning machines, such as steam cleaners or hot water high-pressure cleaners, dirt can often be removed without the use of chemicals. In order to further increase the effectiveness of the cleaning, Kärcher has a wide range of cleaning agents, which take health protection, environmental compatibility and effectiveness into account in equal measure.

For 40 years, Kärcher has been developing its own cleaning agents. In 2018, the knowledge gained over decades culminated in the establishment of an in-house cleaning agents centre of expertise in Winnenden. Since then, we have been controlling the entire development process there – from product concept to prototypes and series production.

During development, we consistently take sustainability into account. That's because cleaning agents shouldn't simply combat dirt effectively but should also be risk-free for users and the environment. To this end, our environmental specifications set clear requirements for the products – in particular in relation to their ingredients. Our cleaning agents are generally easily biodegradable, and many of them are produced using natural substances. In addition, a number of the more than 600 different Kärcher cleaning agents meet the requirements of international, sustainable environmental certificates. Since 2012, Kärcher has also been certified as a producer of cleaning agents with the Sustainable Cleaning Label. The label identifies products which were manufactured in companies that act in a sustainable manner.

Our eco!perform professional cleaning agents are particularly eco-friendly. The range includes a complete line for building cleaning and products for vehicle washes. These are made from exclusively biodegradable components and do not use any phosphates, microplastics or harmful halogenated hydrocarbons. The products have been awarded international environmental certificates such as the EU Ecolabel and the Nordic Swan Ecolabel.

Another big challenge for our cleaning agents is to make their packaging more eco-friendly. Since many cleaning agents contain chemical substances, detailed safety regulations must be taken into account alongside the environmental aspects. Nonetheless, we are currently working intensively in the cleaning agents centre of expertise to develop containers made from recyclate.

The Kärcher Innovation Lab

Kärcher gives its employees space to be creative and contribute their own ideas. The focal point of this is the company's Innovation Lab, which regularly advertises "Innovation Challenges" throughout the company. Following a successful application, employees are released from their regular work for a defined period of time and are instead supported and coached by the Lab Team to bring their idea to fruition. This results in new business models and radical product innovations – such as a kitchen composter. This machine, produced from our own think tank, will use sophisticated technology to turn kitchen waste into nutrient-rich compost in just 48 hours.

RESOURCE-EFFICIENT PRODUCTS AND PACKAGING

Sustainability in our products is primarily embodied by the resource-saving use of materials. In line with this, we are also working on increasing both the recyclability of our cleaning machines and packaging and the proportion of recyclate used in them. We are increasingly focusing on the principles of the recycling economy – i.e. avoiding, reducing and reusing materials.

Fighting plastic waste in the oceans
Since 2020, in cooperation with the environmental organisation One Earth – One Ocean (OEOO), we have been promoting the reduction of plastic waste found in the ocean. We have also successfully supported many beach clean-up campaigns: in 2021, over a length of 40 km, around 1.5 tonnes of waste was collected at a total of ten beach clean-up operations.

An overview of our product goals

- **By 2025, we will optimise the sustainability of all product packaging:**
  We are improving the stability of our products so that we no longer need to use any plastic packaging. One example is our mobile Outdoor Cleaner OC 3, whose packaging has been switched to cardboard and for which no polystyrene at all is used. In this way, we were also able to reduce the overall size of the packaging.

- **By 2025, sustainability will be an integral part of new business models:**
  We are reviewing Kärcher's business models in areas such as sharing, services and recycling. Kärcher Used Equipment GmbH specialises in the preparation and Europe-wide sale of used machines and thereby ensures that machines remain in use for longer, instead of being disposed of.

- **By 2025, selected consumer and professional products target a recycling plastic content of up to 50%:**
  To do this, we are consistently reducing and replacing the amount of virgin plastics in our products, such as in the spray lances of our high-pressure cleaners.

Our "Reduce, Reuse, Recycle" initiative

With our "Reduce, Reuse, Recycle" initiative, we are continuing our commitment to use fewer resources and to design recyclable packaging and products. This is backed by clear goals to be met by 2025. These take into account the varied aspects behind the concept of the circular economy – starting with a product design that focuses on the recyclability of the products and the increasing use of secondary material. But more sustainable packaging design, increasing plastic-free production (see the section on "Resource efficiency and water management" on page 15) and the development of new business models are also on the agenda. Kärcher is also committed beyond its own company boundaries – such as in the context of our cooperation with the One Earth – One Ocean NGO, which advocates a reduction in plastic waste in the oceans (see highlight box at the top right).

More sustainable packaging

Our approach to increasing the sustainability of our packaging design is based on the concept of the circular economy and focuses on materials from sustainable sources and on closing the loops.

We were able to reduce the amount of paper used in virtually all product packaging in the consumer segment by over 10% – saving around 1,500 tonnes of paper a year. In the reporting year, we were also able to reduce plastic consumption by 230 tonnes through the optimisation of film thicknesses and the use of different compounds. We also replaced 13.3 tonnes of plastic bubble wrap with paper padding.

We are currently working hard on alternatives made from renewable raw materials to replace used polystyrene and plastic bags. In the short term, we will convert the existing plastic bags to recycled material.

Secondary plastics in our products

Recycled plastics are increasingly being used in Kärcher products. In spray lances and water supply hose connection threads for high-pressure cleaners, for example, we use a particularly high-quality recycled polyamide, which is obtained from the fabric of returned airbags and residual material from their production. That guarantees both a consistent material quality and security of supply. In addition, CO_2 emissions, water consumption and the use of fossil fuels can be significantly reduced. Overall, this recyclate is already contained in 14 types of spray lance and connection thread, and thus in 113 machine models.

Additionally, we use recycled material in other consumer products when it is available or technically feasible, such as for the lower housing parts of our SC steam cleaner range. The polypropylene (PP) material used here is dimensionally stable over a large temperature range. This makes it the ideal material for steam cleaners, and it has no drawbacks compared to new plastic.

ECO-FRIENDLY PRODUCTS

Produced with low emissions and environmentally conscious material selection, as well as saving water and energy when in use – products for cleaning and maintenance should be sustainable in many ways. Responsible behaviour at Kärcher thus includes machine development and continues right through the production and supply chain to correct disposal – and so does not end at our factory gates. You can find more product examples and see how sustainable they are on our website: **www.kaercher.com/CSR**

Compact, versatile and extremely quiet – that's our **K 25 Silent pressure washer.** Its innovative silent feature reduces the perceived noise level by 50 per cent in comparison with other pressure washers in the same class. Because even noise emissions are emissions that must be reduced.

Our **vacuum cleaners** in the **VC Cordless product range** are particularly impressive in terms of efficiency. They only need about a third of the energy required by a conventional canister vacuum cleaner. The VC 7 Cordless, for example, also has dust sensor technology. This means that the power is automatically regulated, which extends the runtime of the machine.

The **FC 7 Cordless floor cleaner** removes all types of dry and wet daily contamination in a single step. This saves the machine up to 90 per cent of water when cleaning a 60-square-metre floor area, in comparison with a conventional wiping mop with bucket.

Completely without chemicals, the **SC 2 Upright EasyFix steam mop** is ideally suited to cleaning all sealed hard floors thanks to its preset steam flow control. Because thorough cleaning does not always require a cleaning agent.

We make the **spray lances for our high-pressure cleaners** out of recyclate from the fabric of returned airbags and residual material from their production. The polyamide used is reinforced with 30 per cent fibreglass. That's because the spray lances must be able to withstand high pressure during use and must be hard-wearing when coming into contact with environmental influences and cleaning agents. It is also worth noting that the properties of the recycled material are in no way inferior to those of the raw material.

The **ultra-lightweight BVL 5/1 BP backpack vacuum cleaner's** low weight is due to the EPP plastic used in its production. However, the material is not only extremely lightweight but also fully recyclable. The vacuum cleaner also offers quiet, energy-efficient operation thanks to its brushless motor and eco!efficiency mode.

The **B 110 R ride-on scrubber dryer** makes cleaning large areas, such as in supermarkets, airports and warehouses, even more convenient and efficient. The newly developed ride-on machine is ergonomically designed and delivers the best cleaning results with increased productivity. A further highlight: the water supply adjusts to the speed, which significantly reduces water consumption. The machine is also extremely durable and quiet on the move.

The **WRB 4000 Bio water treatment system** for biological waste water purification treats the waste water from vehicle wash systems in a natural way. The system can process up to 4,000 litres of water an hour, thereby returning up to 98 per cent as clear and odour-neutral reclaimed water into the circuit or directing 100 per cent of it into the sewer system in compliance with the legal provisions. In doing so, it removes cleaning agents and drying aids reliably and without the use of flocculation agents or other chemicals.

The best way to avoid exhaust fumes and emissions is not to let them be produced in the first place, for example by using our **Outdoor Power Equipment products.** With high 36 V performance and endurance, no compromises have to be made when working with leaf blowers, hedge trimmers, etc. At the same time, users can work quietly, ergonomically and without emissions.

With hot water under high pressure, comparable cleaning results are achieved with a significantly decreased use of water. Moreover, the eco!efficiency mode can be used with **hot water high-pressure cleaners**. If it is active, the water temperature is set to 60°C, as this temperature is completely sufficient for most cleaning tasks.

04
EMPLOYEES AND SOCIETY

Top achievements, innovation and quality are the result of a high-performing and motivated workforce. We offer attractive and flexible conditions, exciting jobs and individual development opportunities. Even beyond our corporate boundaries, we act responsibly by supporting projects for culture, nature and society across the globe.

EMPLOYEE RESPONSIBILITY

The performance of our employees worldwide is crucial for the success of our company. With our HR strategy, we aim to acquire new, talented workers and retain current employees. In this way, we want to meet challenges such as the shortage of specialists and demographic change while also ensuring our competitiveness.

Attractive conditions
The attractive conditions at Kärcher are primarily based on fair and performance-related pay. At Alfred Kärcher SE & Co. KG, this is based on the defined function structure and therefore on a uniform and transparent system. We ensure that equal work means equal pay. We also create cross-location regulations where possible, while highlighting options for further development. In an annual standard process, correct classification in the pay system is checked for every single employee. In addition, regular salary adjustment is also implemented, taking into account the macroeconomic and company-specific situation.

Since 2013, the berufundfamilie audit (Work & Family) has categorised Kärcher as a family-friendly company. This audit is conducted every three years and was most recently conducted in 2020 – it is linked to a target agreement containing multiple measures to improve work-life balance. The aims and measures that have already been implemented include the introduction of working time accounts and a partial retirement plan. In addition, Kärcher encourages more fathers to take parental leave. We also want to appoint more women to management positions at Kärcher (see the Equal Opportunities and Diversity section for further details).

Employee satisfaction
The opinion of our employees is essential for our HR management. That's why we regularly ask them about numerous aspects of their working life. The last survey, conducted in 2019, showed that Kärcher is associated with exciting jobs and career opportunities, teamwork, an open and respectful corporate culture, good working conditions together with a wide range of benefits as well as flexible working hours, which contribute to a good work-life balance. Employees saw potential for further development in relation to inter-departmental and cross-location collaboration and a more efficient design of internal processes. As a result, we have initiated a range of measures at different locations to encourage cross-divisional collaboration. For example, in 2020, at the Winnenden site, we brought together employees from different divisions, who have since been working together on improving internal workflows. We are also improving international collaboration at Kärcher with our Employee World Meeting, which, due the pandemic, was last held at the start of 2018. The next comprehensive employee survey will be conducted in 2022.

The satisfaction of our employees is also expressed in their long-term loyalty to the company. At the Alfred Kärcher SE & Co. KG sites in Germany, employees have been working at Kärcher for an average of 14 years. Turnover** is very low, at just 1.6 per cent.

Employees

Kärcher	2020	2021
Kärcher worldwide	13,489	14,403
of which Alfred Kärcher SE & Co. KG	3,589	3,777

Part-time at Alfred Kärcher SE & Co. KG	2020	2021
Male	209	253
Female	405	426
Total	614	679

By age at Alfred Kärcher SE & Co. KG	2020	2021
20–29	16.7%	17.1%
30–39	24.4%	24.7%
40–49	22.7%	22.5%
50–59	28.8%	27.4%
≥ 60	7.4%	8.3%
Average age (in years)	42.8	42.9

New hires and turnover at Alfred Kärcher SE & Co. KG	2020	2021
New hires*	166	392
Terminations	56	60
Turnover**	1.5%	1.6%

Turnover by age at Alfred Kärcher SE & Co. KG	2020	2021
< 24	8	8
25–29	8	13
30–34	16	10
35–39	11	11
≥ 40	13	18

Temporary workers at Alfred Kärcher SE & Co. KG	2020	2021
Temporary workers (average FTE****/month)	308.7	287.4
Number of acquisitions	23***	178

* Not taking into account employees returning from leaves of absence (parental leave, sabbatical leave, long-term illness).
** Only taking into account voluntary terminations.
*** In 2020, due to the coronavirus, significantly fewer temporary workers were taken on.
**** FTE: Full Time Equivalent.

Award-winning working conditions
In 2021, Kärcher was presented with the "familyNET 4.0 – Corporate culture in a digital working world" award from the Ministry of Economics, Labour and Tourism and the Bildungswerk der Baden-Württembergischen Wirtschaft e.V. The award is aimed at companies that have stood out – even throughout the coronavirus pandemic – through convincing concepts for a digital working world and attractive offerings for a good work-life balance. Kärcher has also demonstrated its claim to be an attractive company in the employer rankings: for example, Kärcher was very highly recommended in DUP magazine's ranking for "Germany's best companies for career progression".

!DEAS: the ideas platform for our employees
Our employees are full of ideas and drive. With our !DEAS platform, we give them an opportunity to contribute both of these to the company. Since the platform was launched in 2020, over 1,100 ideas have already been entered – many of which relate to sustainability: at the Winnenden site, bee populations were established on the factory premises in 2021 at the initiative of an employee, in cooperation with the company Beefuture. At the same time, we regularly implement ideas competitions with the !DEAS campaign. In addition to competitions within individual departments, two national campaigns have also been conducted: our employees were called upon to develop creative solutions for garden care as well as for indoor cleaning. The best of over 300 ideas submitted were awarded material prizes during a virtual prize-giving ceremony.

EMPLOYEE DEVELOPMENT

At Kärcher, we believe in the personal responsibility of employees. This applies to both their personal and professional development. As part of a standardised talent management process, employees and their managers define individual performance targets, skills to be improved and development targets each year. In this context, and in dialogue with their managers, they can define individual requirements for their further personal and professional development. In total, around 2.7 days were spent on further training for each Alfred Kärcher SE & Co. KG employee in 2021.

Continuous development

Our comprehensive development programme includes training with various focuses on professional, methodological, social and personal skills. Until the end of 2021, these were offered locally by Kärcher via the so-called academies of the respective departments. Since 2022 they have come together to form the Kärcher Campus. The Kärcher training academy also includes the GROW development programme, which is targeted at specialists and managers. Management, social and methodological skills should be enhanced through a variety of training courses and further training. Suitable candidates for GROW programmes are nominated by their manager and the respective HR officer. The associated mandatory training courses are assigned to specific target groups via our digital learning platform. There, our employees can access the full range of training courses – and book appropriate further training following approval by their managers.

In addition to specific further training, we at Kärcher also support life-long learning. Employees wishing to pursue an extra-occupational higher qualification, such as engineering diplomas, master's certificates or academic degrees, are encouraged to do so through the Kärcher scholarship, which awards a fixed amount of funding. Alternatively, Kärcher offers an employee recognition award, the amount of which is dependent upon the final grade.

For many years, Kärcher has also been a successful training organisation for industrial/technical and commercial apprentices. At Alfred Kärcher SE & Co. KG, a total of 165 apprentices and dual work-study students were employed during the reporting year – around a third of whom were female. They are supported by the Training & Development department. The high quality of our training programme is frequently commended with awards. In 2021, the Stuttgart Chamber of Commerce presented us with a certificate for our outstanding training services – in particular for the skilled occupations of electronics engineer and IT specialist.

Apprentices and dual work-study students

Alfred Kärcher SE & Co. KG	2020	2021
Total at Alfred Kärcher SE & Co. KG	163	165
of which commercial apprentices	34	34
of which industrial/technical apprentices	70	69
of which dual work-study students	59	62
Apprenticeship quota	4.5%	4.4%

Further training days

Alfred Kärcher SE & Co. KG	2020	2021
Further training days per employee	1.5	2.7

EQUAL OPPORTUNITIES AND DIVERSITY

Diversity strengthens our working relationships, our understanding of customer needs and our innovative strength. We are proud of the fact that people from over 130 nations work together successfully at Kärcher in more than 80 countries. In order to underpin our commitment to a diverse workforce, we embedded the topic of diversity and inclusion into our Corporate Guiding Principles in 2021. We are committed to a culture that enables the integration of a wide range of views – regardless of gender, age, sexual orientation, physical and mental capacity, religion and world view or origin.

Statement by the Board of Management on Diversity & Inclusion
"At Kärcher, we make an impact through our behaviour, our way of treating others and lived diversity. It is the different perspectives, the expertise, and the skills of our employees in more than 80 countries that make a difference. Because only those who focus on looking at the diverse needs and problems of their customers are going to show them solutions that not only offer the best possible cleanliness but also contribute to the preservation of values. Diversity and inclusion bring our company culture to life. They take our company and especially our community a lot further."

In order to actively promote diversity in the company, we launched a process in 2021 that initially focused on gender diversity. As part of this process, we first conducted a global survey to evaluate the specific situation at Kärcher and identify challenges. Based on this, the project team, together with the Board of Management, set the initial course to break down gender-specific obstacles and promote diversity.

The measures we have taken include joining the "Diversity Charter" initiative. By taking this step, we are undertaking to promote diversity in the company. Together with this initiative, other companies and the donor's association, Kärcher is currently also involved in developing a diversity audit for organisations. This audit should, in future, highlight ways in which company-specific diversity strategies can be developed and implemented. As a further measure, we have established the Diversity Management Panel – a cross-divisional platform to promote diversity in the company.

Employees

By gender at Alfred Kärcher SE & Co. KG	2020	2021
Male	71%	69%
Female	29%	31%

Employees in management positions

By gender at Alfred Kärcher SE & Co. KG	2020	2021
Total management positions		
Male	87%	85%
Female	13%	15%
Top management*		
Male	93%	92%
Female	7%	8%
Other managers		
Male	86%	85%
Female	14%	15%

* Divisional management and Board of Management

OCCUPATIONAL HEALTH AND SAFETY

Healthy employees are the prerequisite for our company's performance. Kärcher takes the health and safety of its employees extremely seriously. Both are crucial for our corporate and economic success.

Safety in the workplace

In general, all of our sites have local occupational safety organisations in order to implement the applicable national regulations on safety in the workplace. At Kärcher in Germany, the Occupational Safety department has central responsibility. In this role, it has the task of dealing with all issues and concerns regarding safety in the workplace, which serves to ensure the health and safety of employees and temporary workers. This includes, amongst other things, regulating the handling of hazardous substances, the safety of machinery and the provision of personal protective equipment.

The parent committee for occupational safety and the promotion of health is the Health & Safety Board, which is made up of members of the Board of Management, divisional managers and representatives from the overall works council, the health centre and occupational health. It defines strategic issues as well as health and safety standards for Kärcher in Germany, and monitors relevant control variables, such as illness rates or company accidents, as well as compliance with statutory requirements. At operational level, on the other hand, the Health Steering Committee is in charge – with all sites participating actively and directly through the respective works councils. Current issues are also discussed in the individual factories during regular meetings of the occupational safety committee.

In order to ensure all occupational safety regulations are adhered to and adapt them as required, we consistently involve our employees: at each site, occupational safety committee meetings are held four times a year, attended by the company, works council, safety officer, safety specialist and company doctor.

The works council also represents the workforce in the Health Steering Committee and in the central Health & Safety Committee. The Kärcher employee survey also covers occupational health and safety. Employees receive health and safety-related information via digital blackboards at central points of buildings and via the Intranet.

In practice, regular safety training and surveys ensure that workplaces are safe and accidents are avoided. Training is available, for example, on the handling of hazardous substances, high-voltage batteries and vehicles or securing loads. Individual consultations are also available, for example regarding ergonomics or on the basis of specific hazards, taking the respective situation at the workplace into account. All factories have escape and rescue processes and plans, fire protection regulations as well as alarm and emergency plans. If accidents do happen nonetheless, or if dangers are identified, we record these using a company-wide online system, which both assesses the risks and informs hierarchy levels. Accident and cause analyses can also be saved in the system. For 2021, these showed that the majority of accidents involved cuts on the hand.

Employee accident statistics

Alfred Kärcher SE & Co. KG	2020	2021
Hours worked	7,276,280	7,644,648
Reportable accidents*	38	44
Accident rate per 1,000 employees	10.57	11.65
LTIFR (Lost Time Injury Frequency Rate)	5.22	5.76
Deaths	0	0

Temporary worker accident statistics

Alfred Kärcher SE & Co. KG	2020	2021
Hours worked	455,400	333,960
Reportable accidents*	0	2
Accident rate per 1,000 employees	0	12.12
LTIFR (Lost Time Injury Frequency Rate)	0	5.99
Deaths	0	0

* The majority of injuries were cuts on the hand.
  This was determined by recording the injuries in our online system.
  All necessary hierarchy levels were informed and involved in identifying preventative measures.

Health promotion

All activities to promote the health of the employees of Alfred Kärcher SE & Co. KG and of the individual subsidiaries are brought together in our health centre. Organisationally, this falls under the HR department and includes three main areas of focus: the first – occupational medical care – includes primary medical attention as well as a variety of consultations and screenings on health issues, including ergonomics, addiction or even reintegration after a serious illness. The second relates to our commitment to work-life balance. The third is made up of occupational health management (OHM). This includes a large number of activities and preventive measures to support employees in maintaining their ability to work and perform as well as to support their personal wellbeing. OHM at Kärcher is controlled centrally – and supported at the individual sites by OHM officers or the works council. Kärcher also has a number of internal and external points of contact, which deal with specific private concerns such as care aspects or mental health issues. We guarantee the strictest confidentiality in all our activities.

In the reporting year, despite the pandemic-related restrictions, the OHM offered numerous activities. These included webinars on the subject of nutrition or flexible locations for work, a variety of vaccinations – from travel vaccinations to flu and coronavirus vaccinations – and even a 48-hour health measurement via a portable sensor. In addition, employees can register for a variety of health training courses, if required. Occupational health examinations at Kärcher cover all employees. To date, temporary workers receive care via the contracting company – as well as corresponding protective equipment from Kärcher, if necessary.

Kärcher as a bicycle-friendly company

Health goes hand in hand with a sustainable lifestyle. At Kärcher, we therefore encourage employee transport by eco-friendly means. In 2021, Kärcher received a "Silver" rating as a bicycle-friendly employer at its Winnenden, Obersontheim, Illingen and Gissigheim sites. This initiative of the EU and the ADFC (German National Cyclists' Association) highlighted our longstanding commitment to this issue, the many bicycle campaigns for employees and the good infrastructure with bicycle parking spaces, which have been significantly expanded in recent years.

Kärcher company restaurants: healthy and regional

Kärcher company restaurants set standards for healthy and sustainable nutrition. In countless initiatives, they have committed to producing less food waste, less packaging waste and ensuring greater use of regional, organic and certified products. They maintain close relationships with regional producers. This sustainable focus has also been praised externally: the Kärcher company restaurants in Winnenden, Schwaikheim and Obersontheim as well as the company's event area have been "Schmeck den Süden" (Taste of the South) restaurants since 2020 – an award for menus with a regional focus.

SOCIAL COMMITMENT

At Kärcher, we are aware of our social responsibility. That's why we support initiatives and organisations that make a significant contribution to society and stand for values such as family, education, equal opportunities and environmental protection. In all three areas – donations and sponsorship, long-term cooperation and employee commitment – we take our role as a social stakeholder seriously and are therefore dedicated to preserving value, whether social or environmental. That's why value preservation is also the focus of our "Social Hero" initiative – one of the three pillars of our 2025 Sustainability Strategy.

Central organisation

Kärcher coordinates its global social commitment from the company headquarters in Winnenden. This falls under the remit of the Corporate Citizenship team. All companies are provided with a manual containing guidelines, criteria and principles on which they should base their social commitment. The individual Kärcher companies each have a local officer in charge. This person is responsible for planning and implementing locally adapted activities based on the centrally specified action framework.

In 2021, we interconnected our global commitment even more closely. To this end, we communicated the objectives of the strategic orientation to all companies. At the same time, we recorded all of our global activities centrally during the reporting year – and assigned them to our focal issues. New central initiatives and project ideas were also agreed. In 2021, we also implemented training courses in all companies on the subject of Corporate Citizenship. At the same time, we initiated an exchange of best-practice projects. In 2022, we will implement the strategic approaches in all companies. In this way, we can ensure that future activities are in agreement with the sustainable orientation of the company.

For the flood regions

Kärcher provided fast and straightforward assistance to the people affected by the flooding in Germany in 2021, in particular in the Ahr Valley. We provided aid organisations like the German Red Cross with machines worth a total of EUR 110,000 – including urgently required high-pressure cleaners, dirty water pumps, power generators and wet and dry vacuum cleaners, including accessories. At the same time, a kitchen team from Kärcher, with the help of a field kitchen from Kärcher Futuretech, supplied aid organisations in the flood-damaged Ahr Valley with daily meals. We also provided water treatment systems from Kärcher Futuretech free of charge.

For clean water

Since 2012, we have been collaborating with the Global Nature Fund for "clean water around the world" as part of the initiative of the same name. Specifically, we are implementing drinking water projects and setting up natural filter systems for waste water purification using what are known as green filter systems. In this way, we are improving water and sanitation in developing and emerging nations. Similar projects were also started in Jordan, Burundi and Bangladesh in 2021.

For plastic-free seas

As part of the World Cleanup Days 2021, Kärcher teams took part in public clean-up campaigns. For example, in Georgia, Kärcher employees collected 350 kg of waste. In Denmark, the employees initiated a rubbish collection in Copenhagen harbour.

For children worldwide

Kärcher supports many SOS Children's Villages around the world, which enable disadvantaged young people and their families to access positive living conditions. In order to reduce everyday stress for employees on-site and give them more time to look after the children, we have been providing the establishments with financial aid as well as cleaning machines for many years. Within 11 years, a total of 1,227 machines were donated in 42 countries worldwide, including 147 in 2021 alone.

KÄRCHER FOR SOCIETY

2021 ⟫⟫ 366
donations and sponsorship worldwide

14 monuments and buildings cleaned in 8 countries as part of our cultural sponsorship.

GRI CONTENT INDEX

Statement of use	Kärcher has reported in accordance with the GRI Standards for the period 2021
GRI 1 used	GRI 1: foundation 2021
Applicable GRI Sector Standard(s)	None

Standard/disclosure	Page	Remark/omission
GRI 2: General Disclosures 2021		
1. The organisation and its reporting		
2-1 Organisational details	5	
2-2 Entities included in the organisation's sustainability reporting	2	
2-3 Reporting period, frequency and contact point	2	See also legal information on the last page
2-4 Restatements of information		Not applicable as it is the first report in accordance with the GRI standards
2-5 External assurance		No external assurance of the report
2. Activities and employees		
2-6 Activities, value chain and other business relationships	5	
2-7 Employees	5, 24	
2-8 Workers who are not employees	24	
3. Corporate governance		
2-9 Governance structure and composition	5, 8	
2-10 Nomination and selection of the highest governance body		Information is considered as confidential
2-11 Chair of the highest governance body	5	
2-12 Role of the highest governance body in overseeing the management of impacts	5	Additional information considered as confidential
2-13 Delegation of responsibility for managing impacts	6, 8	
2-14 Role of the highest governance body in sustainability reporting	8	
2-15 Conflicts of interest		Information is considered as confidential
2-16 Communication of critical concerns		Information is considered as confidential
2-17 Collective knowledge of the highest governance body		Information is considered as confidential
2-18 Evaluation of the performance of the highest governance body		Information is considered as confidential
2-19 Remuneration policies		Information is considered as confidential
2-20 Process to determine remuneration		Information is considered as confidential
2-21 Annual total compensation ratio		Information is considered as confidential
4. Strategy, policies and processes		
2-22 Statement on sustainable development strategy	3	
2-23 Policy commitments	5–6	
2-24 Embedding policy commitments	5–6	
2-25 Processes to remediate negative impacts	6	
2-26 Mechanisms for seeking advice and raising concerns	6	
2-27 Compliance with laws and regulations		Information is considered as confidential
2-28 Membership associations	7	
5. Stakeholder engagement		
2-29 Approach to stakeholder engagement	6	
2-30 Collective bargaining agreements		Information is considered as confidential

Standard/disclosure	Page	Remark/omission
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	10	
3-2 List of material topics	10	
GRI 201: Economic Performance 2016		
3-3 Management of material topics	5	
GRI 201-1: Direct economic value generated and distributed	5	
GRI 201-2: Financial implications and other risks and opportunities due to climate change	13	
GRI 201-3: Defined benefit plan obligations and other retirement plans		Information is considered as confidential
GRI 201-4: Financial assistance received from government		Information is considered as confidential
GRI 203: Indirect Economic Impacts 2016		
3-3 Management of material topics	29	
GRI 203-1: Infrastructure investments and services supported	29–30	
GRI 203-2: Significant indirect economic impacts	29–30	
GRI 204: Procurement Practices 2016		
3-3 Management of material topics	11	
GRI 204-1: Proportion of spending on local suppliers	11	
GRI 205: Anti-corruption 2016		
3-3 Management of material topics	6	
GRI 205-1: Operations assessed for risks related to corruption		Information is considered as confidential
GRI 205-2: Communication and training about anti-corruption policies and procedures	6	
GRI 205-3: Confirmed incidents of corruption and actions taken		Information is considered as confidential
GRI 206: Anti-competitive Behaviour 2016		
3-3 Management of material topics	6	
GRI 206-1: Legal actions for anti-competitive behaviour, anti-trust and monopoly practices		Information is considered as confidential
GRI 207: Tax 2019		
3-3 Management of material topics	6	
GRI 207-1: Approach to tax	6	
GRI 207-2: Tax governance, control and risk management	6	
GRI 207-3: Stakeholder engagement and management of concerns related to tax	6	
GRI 207-4: Country-by-country reporting	6	
GRI 301: Materials 2016		
3-3 Management of material topics	15–16	
GRI 301-1: Materials used by weight or volume	15	
GRI 301-2: Recycled input materials used	15	
GRI 301-3: Reclaimed products and their packaging materials	15	

Standard/disclosure	Page	Remark/omission
GRI 3: Material Topics 2021		
GRI 302: Energy 2016		
3-3: Management of material topics	14	
GRI 302-1: Energy consumption within the organisation	14	
GRI 302-2: Energy consumption outside of the organisation	14	
GRI 302-3: Energy intensity	14	
GRI 302-4: Reduction of energy consumption	14	
GRI 302-5: Reductions in energy requirements of products and services	19, 22	
GRI 303: Water and Effluents 2018		
3-3: Management of material topics	16	
GRI 303-1: Interactions with water as a shared resource	16	
GRI 303-2: Management of water discharge-related impacts	16	
GRI 303-3: Water withdrawal	16	
GRI 303-4: Water discharge	16	
GRI 303-5: Water consumption		Currently no data available
GRI 305: Emissions 2016		
3-3: Management of material topics	13–14	
GRI 305-1: Direct (Scope 1) GHG emissions	14	
GRI 305-2: Energy indirect (Scope 2) GHG emissions	14	
GRI 305-3: Other indirect (Scope 3) GHG emissions	14	
GRI 305-4: GHG emissions intensity	14	
GRI 305-5: Reduction of GHG emissions	14	
GRI 305-6: Emissions of ozone-depleting substances (ODS)		Not relevant
GRI 305-7: Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant air emissions		Not relevant
GRI 306: Waste 2020		
3-3: Management of material topics	15–16	
GRI 306-1: Waste generation and significant waste-related impacts	15–16	
GRI 306-2: Management of significant waste-related impacts	15–16	
GRI 306-3: Waste generated	16	
GRI 306-4: Waste diverted from disposal	16	
GRI 306-5: Waste directed to disposal	16	Currently no data available
GRI 308: Supplier Environmental Assessment 2016		
3-3: Management of material topics	11	
GRI 308-1: New suppliers that were screened using environmental criteria	11	
GRI 308-2: Negative environmental impacts in the supply chain and actions taken	11	
GRI 401: Employment 2016		
3-3: Management of material topics	24	
GRI 401-1: New employee hires and employee turnover	24	
GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	24	Information is considered as confidential
GRI 401-3: Parental leave	24	Exact data expected to be available as of 2023
GRI 403: Occupational Health and Safety 2018		
3-3: Management of material topics	27–28	
GRI 403-1: Occupational health and safety management system	27–28	
GRI 403-2: Hazard identification, risk assessment and incident investigation	27	
GRI 403-3: Occupational health services	27	
GRI 403-4: Worker participation, consultation and communication on occupational health and safety	27	
GRI 403-5: Worker training on occupational health and safety	27	
GRI 403-6: Promotion of worker health	28	
GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	27	
GRI 403-8: Workers covered by an occupational health and safety management system	27	
GRI 403-9: Work-related injuries	27	
GRI 403-10: Work-related ill health		Currently no data available
GRI 404: Training and Education 2016		
3-3: Management of material topics	25	
GRI 404-1: Average hours of training per year per employee	25	
GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes	25	
GRI 404-3: Percentage of employees receiving regular performance and career development reviews	25	
GRI 405: Diversity and Equal Opportunity 2016		
3-3: Management of material topics	26	
GRI 405-1: Diversity of governance bodies and employees	26	
GRI 405-2: Ratio of basic salary and remuneration of women to men		Information is considered as confidential
GRI 406: Non-discrimination 2016		
3-3: Management of material topics	26	
GRI 406-1: Incidents of discrimination and corrective actions taken		Information is considered as confidential
GRI 407: Freedom of Association and Collective Bargaining 2016		
3-3: Management of material topics	11, 24	
GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Information expected to be available as of 2023
GRI 408: Child Labour 2016		
3-3: Management of material topics	11	
GRI 408-1: Operations and suppliers at significant risk for incidents of child labour		Information expected to be available as of 2023
GRI 409: Forced or Compulsory Labour 2016		
3-3: Management of material topics	11	
GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour		Information expected to be available as of 2023
GRI 413: Local Communities 2016		
3-3: Management of material topics	29–30	
GRI 413-1: Operations with local community engagement, impact assessments and development programmes	29–30	
GRI 413-2: Operations with significant actual and potential negative impacts on local communities		No significant impacts known
GRI 414: Supplier Social Assessment 2016		
3-3: Management of material topics	11	
GRI 414-1: New suppliers that were screened using social criteria	11	
GRI 414-2: Negative social impacts in the supply chain and actions taken	11	
GRI 416: Customer Health and Safety 2016		
3-3: Management of material topics	18	
GRI 416-1: Assessment of the health and safety impacts of product and service categories	18	
GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	18	No events became known in the reporting year
GRI 417: Marketing and Labelling 2016		
3-3: Management of material topics	19	
GRI 417-1: Requirements for product and service information and labelling	19	
GRI 417-2: Incidents of non-compliance concerning product and service information and labelling		We are not aware of any violations in the reporting year
GRI 417-3: Incidents of non-compliance concerning marketing and communications		We are not aware of any violations in the reporting year
GRI 418: Customer Privacy 2016		
3-3: Management of material topics	6	
GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data		We are not aware of any violations in the reporting year

KÄRCHER

makes a difference

THE STORIES
BEHIND THE FIGURES

Visit us at **www.kaercher.com/CSR** to find out more about sustainability at Kärcher and the people who are propelling the company into the future with their work and projects.