

KÄRCHER

AN OVERVIEW

Sustainability Report: Facts & Figures 2023



**BE THE
DIFFERENCE**

[karcher.com/sustain](https://www.karcher.com/sustain)

CON- TENT

- 3 About this report
- 4 Foreword
- 5 The Kärcher company
- 6 Kärcher sites worldwide

01

- 7 Governance**
- 8 Corporate governance and compliance
- 15 Materiality assessment
- 17 Sustainability management
- 18 Sustainability Strategy 2025
- 20 Environmental management
- 22 Supply chain management

02

- 24 Environment**
- 25 Climate protection
- 32 Environmental protection
- 35 Water
- 37 Biodiversity
- 38 Resource use and the circular economy

03

- 50 Social**
- 51 Employee responsibility
- 56 Employee satisfaction
- 58 Equal opportunities and diversity
- 60 Occupational health and safety
- 63 Consumers and end users
- 65 Social commitment

- 68 GRI content index
- 74 Legal information

ABOUT THIS REPORT

This report contains Kärcher's sustainability key figures, targets and activities. The information applies to the business year 2023 (01.01.2023 to 31.12.2023), but key figures from the years 2021 and 2022 have also been provided in some places, as a basis for comparison. Unless otherwise stated, the reported information relates to the worldwide activities of the Kärcher Group. Information on Alfred Kärcher SE & Co. KG relates to the headquarters and the factory in Winnenden, the production and logistics sites in Obersontheim/Oberes Bühlertal and Illingen as well as the service centre in Ahorn. To date, the Kärcher Group's production and logistics sites in Germany, Brazil, China, Italy, Mexico, Romania and the USA have been included in the sustainability report, and the production site in Latvia has been added for reporting year 2023.

Unless otherwise specified, the data in the "Environment" and "Social" chapters of this report covers 82 Kärcher companies and therefore reflects the current consolidated companies in Kärcher's annual individual and consolidated financial statements.

The report was produced in line 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 report was approved by the Board of Management. The editorial deadline for this report was 29.02.2024. The Sustainability Report 2023 was published on 13 May 2024 and is an annual publication.

In preparation for the future reporting requirements of the European Corporate Sustainability Reporting Directive (CSRD), we implemented a gap analysis to prepare for the reporting that will be required from 2025. Therefore, this report also follows the European Sustainability Reporting Standards (ESRS) and the environment, social and governance (ESG) structure provided for this purpose.

More information about the topic of sustainability at Kärcher can be found online at: www.karcher.com/sustain

DEAR READERS,

In 2023, we once again faced many challenging events. Despite ongoing global crises, we have shown that Kärcher is able to stay on course even in difficult conditions and can implement sustainable corporate practices consistently. But the past year has also demonstrated the great importance of sustainability for our company. We take a holistic approach to sustainability: economic, ecological and social.

The success of the past year is therefore not only reflected in the business figures but also in strategic developments and decisions. Our continuous growth, with a turnover of 3.294 billion euros, shows that our long-term corporate strategy, which is focused on innovative products, international expansion and increased investments in infrastructure and qualified employees, is taking effect and is enabling us to operate successfully even in a challenging environment.

The creation of the new Corporate Sustainability department at the beginning of 2024 highlights our

commitment to sustainability and meets the growing customer demand for environmentally friendly solutions. Based on the political initiative of the European Union in the context of the Green Deal, we have further intensified our activities to reduce emissions and resource consumption. This highlights our commitment to making a measurable contribution to a sustainable future.

We would like to thank you, dear readers, for your continued interest in our company. Your trust motivates us to continue to take innovative steps towards a sustainable and responsible corporate culture.

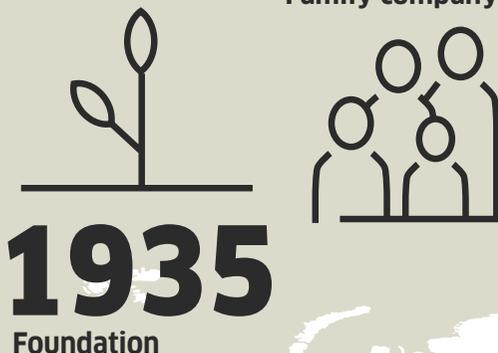
With best wishes from Kärcher,



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



Family company



1935

Foundation



HEADQUARTERS

in Winnenden, Germany

Over
160

» companies in
82 countries



16,000

employees
WORLDWIDE

50,000

service points
in all countries



3.294

billion euros turnover in 2023

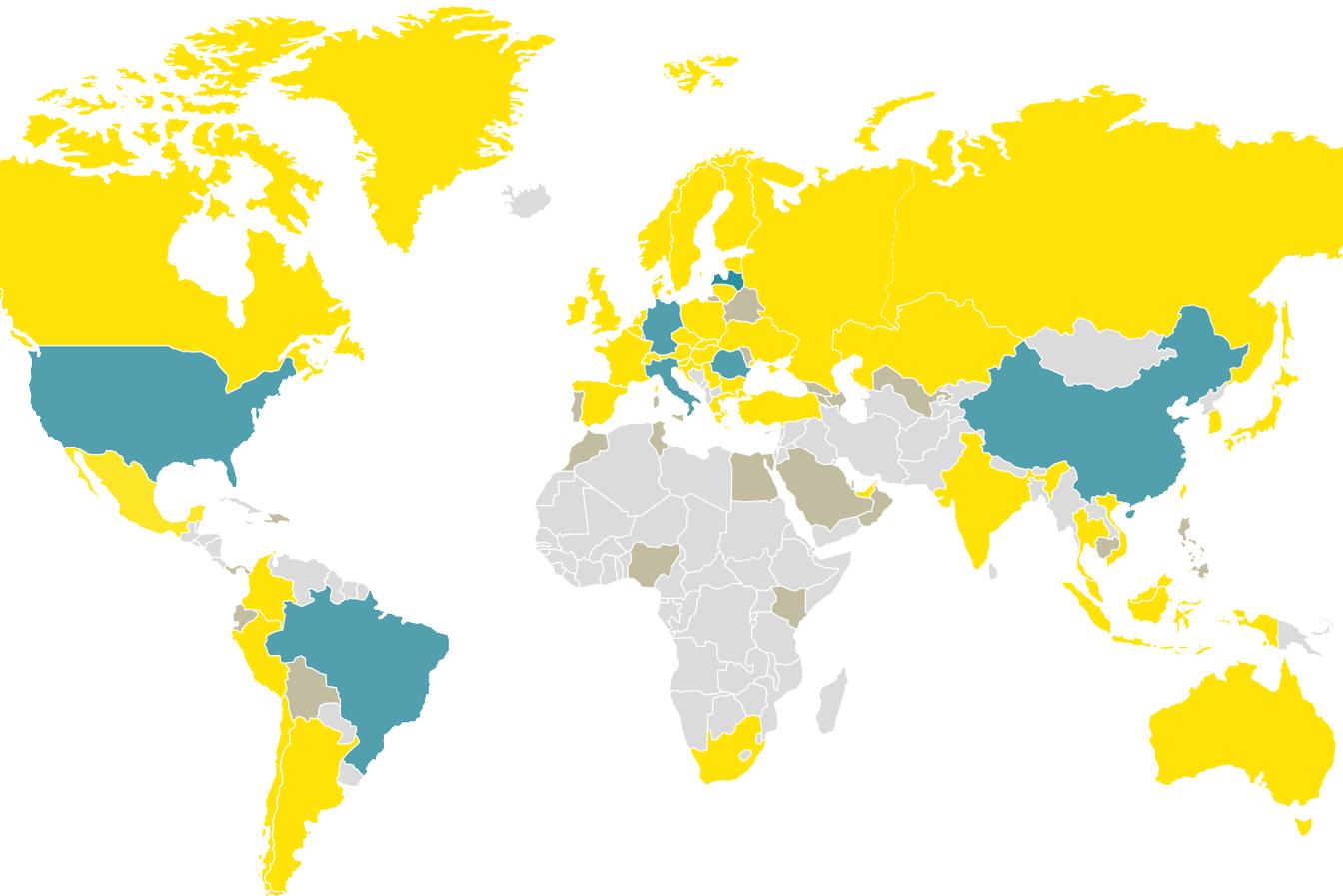
THE KÄRCHER COMPANY

Kärcher is the world's leading provider of cleaning technology. The company develops, produces and sells machines and systems for cleaning and green space maintenance, including the corresponding detergents, services and digital solutions. As a manufacturer of cleaning systems and as a pioneer of high-pressure cleaning, Kärcher covers basic needs worldwide for cleaning transport vehicles, buildings and surfaces, as well as cleaning and pumping liquids.

You can find more information about Kärcher online at: www.karcher.com

KÄRCHER SITES WORLDWIDE

Rooted in Germany – active all over the world: Kärcher produces and sells its products around the globe. The map provides an overview of our worldwide production and logistics sites as well as the approximately 80 countries with sales and service sites.



■ Countries with Kärcher sales and service sites.
■ Countries with Kärcher production and logistics sites as well as sales and service sites.
■ Countries with Kärcher sales and service sites that are not part of this report.

Our production and logistics sites and their certifications

Production and logistics sites	9001:2015 (Quality)	14001:2015 (Environment)	50001:2018 (Energy)	45001:2018 (Occupational safety)
Germany				
Winnenden (Headquarters)	■	■	■	
Winnenden (Factory)	■	■	■	
Ahorn Service Centre	■	■	■	
Obersontheim (Factory)	■	■	■	
Obersontheim (Logistic Centre)	■	■	■	
Bühlertal	■	■	■	
Illingen	■	■	■	
Schwaikheim	■	■	■	
Waldstetten	■	■	■	
Duisburg	■	■	■	
Reutlingen	■	■		
Italy				
Correggio/Reggio Emilia	■	■	■	■
Quistello	■	■	■	■
Reggio Emilia	■	■	■	■
Romania				
Curtea de Arges	■	■	■	■
USA				
Aurora	■	■		
Blackwood (Logistic Centre)				
Fayetteville (Logistic Centre)				
Mexico				
Monterrey	■	■		
Brazil				
Vinhedo	■	■		
China				
Changshu	■	■	■	■
Latvia				
Jelgavas Novads	■	■	■	

01

GOVERNANCE

As a family company, long-term thinking is part of our corporate identity. We associate this with the aspiration to accept responsibility for future generations. This understanding shapes both the corporate governance and the future development of Kärcher. It is driven to a large extent by our Sustainability Strategy 2025, with which we link clear goals and measures for more climate protection, resource efficiency and added value for society.



CORPORATE GOVERNANCE AND COMPLIANCE

Kärcher is aware of its responsibility as an international company and its role as a Global Corporate Citizen. This is reflected in our aspiration to further develop the company from economic, ecological and social perspectives in equal measure. Our actions are guided by clearly defined values, which together form our corporate mission statement.

Our corporate mission statement

Our corporate mission statement is binding and shapes all our activities and projects both internally and externally. We model our approach to business on the tradition of the "ehrbarer Kaufmann/honourable merchant". Our business activities are governed by the overriding principle that we preserve our independence and autonomy. Our goal is long-term economic success. We operate sustainably, which includes preserving our local environment in both human and natural respects.

Our mission statement describes the benefits to be achieved through our corporate activities. These recommended actions for employees and business partners are divided into ten areas: customer focus, employees, collaboration and communication,

our performance commitment, market position, innovation, our brand, sustainability, corporate independence and family business.

Our purpose

"Renew to sustain. Together we make a powerful impact towards a clean world." Our purpose provides us with the answer to the question of what we as a company do for a better world beyond achieving economic success and why. It is made up of a total of nine core elements - Renew, Sustain, Together, Make, Powerful, Impact, Towards, Clean and World - which, as a whole, describe Kärcher's raison d'être and account for the value-driven development of the company.

Our purpose guides all of the company's activities and influences, for example, our strategy, corporate management and the new employer branding campaign.

You can find out more about our purpose on our [website](#).

Corporate management

Since the beginning of 2024, Kärcher's Board of Management has had six members. They are: Hartmut Jenner (Chairman of the Board of Management), Christian May (Deputy Chairman and Board Member for Sales, Marketing & Service), Stefan Patzke (Board Member for Finance, Law & IT), Michael Häusermann (Board Member for Special Business Units), Marco Cardinale (Board Member for Technology & Product Management) and Markus Limberger (Board Member for Operations). They are not only responsible for the strategic further development of the company but also for Kärcher's sustaina-

bility requirements. To this end, during Board of Management meetings, for example, the Board of Management is continuously informed about company-specific and overarching developments in the area of sustainability. Board Members are appointed exclusively by decision of the Supervisory Board, the company's highest controlling body. The Chairperson of the Supervisory Board is Franziska Kärcher.

Business model

Kärcher was founded in 1935. The parent company is Alfred Kärcher SE & Co. KG, which is fully family-owned and has its headquarters in Winnenden. The Kärcher Group includes over 160 companies in 82 countries. Kärcher has around 16,000 employees in Europe, America, Asia, Oceania and Africa, and 50,000 service points all over the world ensure comprehensive customer service.

Kärcher's portfolio includes high-pressure and ultra high-pressure cleaners, vacuum cleaners for various purposes, steam cleaners, sweepers and scrubber dryers, gantry car wash systems in-

cluding self-service technology, industrial cleaning technology for special applications, detergents, systems for the treatment of drinking and reclaimed water, water dispensers and air purifiers, pumps and watering systems, machines for green space maintenance, software for fleet and process management as well as digital applications for mobile devices. Perfectly matched products and accessories are accompanied by comprehensive advice and service geared towards specific target groups. In 2023, Kärcher once again achieved the highest turnover in its history with 3.294 billion euros.

Code of Conduct and compliance

In the Code of Conduct, revised in 2022, Kärcher has laid down the essential principles of behaviour for its daily work. We are guided by relevant principles and guidelines from international institutions such as the United Nations (UN), the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO). Our principles include social responsibility, environmental and climate protection, anti-corruption and compliance, product and occupational safety, data protection and respect for human rights, in particular the rejection of all forms of child and forced labour and discrimination. We also expect our business partners to adhere to these principles and, in 2023, we compiled the Kärcher Code of Conduct for Business Partners to provide a contractual basis for this. Both the Kärcher Code of Conduct and the Kärcher Code of Conduct for Business Partners can be accessed via the intranet, our website and our supplier platform.

In addition to these Codes of Conduct, Kärcher has other international and national guidelines and directives. The Policies, Guidelines & Compliance unit

is responsible for the coordination and publication of guidelines and directives. Guidelines and directives are developed and revised in close collaboration with the departments responsible for specific topics, such as the HR department for the topic of labour law.

Line managers are responsible for instructing employees on the applicable guidelines and directives. Line managers are also the first point of contact for questions and potential violations of the Code of Conduct, or for any other concerns. Topic-specific issues are dealt with by the responsible departments.

To ensure honest conduct, we also have Local Compliance Managers at all legally independent sites, who receive regular training and monthly updates on current compliance-relevant topics. We also regularly raise awareness among all our employees of conduct in accordance with the rules and with integrity. In 2023, for example, the Local Compliance Managers held training courses on the new Kärcher Code of Conduct at the individual sites. In addition, the Compliance unit at Kärcher can respond to all

questions and notifications via the usual channels, such as email or a special hotline.

Kärcher has also introduced a whistleblower system that can be accessed worldwide. This is accessible via the global website as well as via the intranet. The system enables those affected and observers of potential violations to report such violations at any time, securely, confidentially and, if desired, anonymously. Potential violations of any kind as well as reports of risks or violations in relation to human rights or environment-related obligations can also be submitted. Kärcher does not impose any contractual, civil/criminal law or similar reprisals against whistleblowers. The system offers the possibility of communicating with whistleblowers and informing them about the status of the matter they reported or the corrective measures taken. We continuously review the implementation of the corrective measures.

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 is combined with the existing management system for information security.

Group-wide data protection organisation is regulated by a globally valid guideline that defines the responsibilities and coordination duties of the subsidiaries. This states that each company of the Kärcher Group must take responsibility for following national data protection provisions. In addition, each company that is subject to the General Data Protection Regulation (GDPR) must appoint an internal contact person for data protection. In the event of a breach of data protection that could pose a risk to the rights and freedoms of natural persons, the internal contact person must immediately inform the data protection officer of Alfred Kärcher SE & Co. KG.

In our data privacy policy, we have published important principles for the processing of personal data. This policy is consistent with our corporate mission statement, our corporate strategy and our Kärcher values. It applies to all companies of the

Kärcher Group that are subject to GDPR. It should also serve as a guide for all other companies.

All personal data handling as well as conduct in the event of data privacy violations are regulated by the data privacy policy. A locally valid data privacy policy is implemented in each company that is subject to GDPR.

At Alfred Kärcher SE & Co. KG and the majority of subsidiaries that are subject to GDPR, the employees are provided with data protection training by means of a mandatory annual online training course. The involvement of the Board Members is ensured by means of an annual data protection report. Thanks to our established data protection structures and processes, there were no reportable data protection breaches at Alfred Kärcher SE & Co. KG in 2023.

Taxes

Kärcher maintains constructive, cooperative and trustworthy collaboration as well as open and transparent communication with the financial authorities. In the context of statutory obligations (country-by-country reporting), we send tax information for all Group companies to the Federal Central Tax Office. For the consolidated companies, this information is based on the consolidated financial statement audited by an independent auditing firm. Our tax policy also defines tasks, responsibilities and processes to meet the Group-wide tax obligations. In this context, we have a tax compliance management system, which we continuously further develop.

INVOLVEMENT OF STAKEHOLDER GROUPS

We consistently involve our stakeholder groups in the further development of the company. Their view from outside the company opens up new perspectives for us and helps us to take economic, social and ecological interests into account in equal measure. Therefore, we actively promote dialogue with our numerous stakeholders, especially with our customers, employees, company owners and suppliers as well as with politicians and society. We adapt our dialogue formats to the respective expectations and requirements of the stakeholders. The individual departments act as the first point of contact. For example, the Procurement department is the first point of contact for the needs of the suppliers or the HR department for the needs of the employees. In order

to encourage this target group-oriented dialogue and to meet the expectations of the individual stakeholders, we use specific channels and formats: these include, for example, the regular employee survey, participation in trade and consumer fairs, expert conferences on industry issues, supplier days or other events such as on-site presentations and podium discussions to enable a dialogue with the local population. Through our membership in associations and initiatives, we also participate in dialogue on political, social or environmental issues, among others.



MEMBERSHIPS AND COMMITMENTS

ASSOCIATION, COMMITTEE AND UNION MEMBERSHIPS (SELECTION):

AACEM

(American Association of Cleaning Equipment Manufacturers)

AISE

(International Association for Soaps, Detergents and Maintenance Products)

AmCham Germany

(American Chamber of Commerce in Germany e.V.)

BCM

(German Organisation of Compliance Managers)

CETA

(Cleaning Equipment Trade Association)

DGFP

(German Association for Human Resource Management)

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

(Expert Forum on Global Environmental Compliance)

global verantwortlich BW

IHK Stuttgart, in particular CCI Energy Committee and Climate Protection Company Network

(Chamber of Commerce and Industry)

ISSA

(International Sanitary Supply Association)

IVG

(German gardening industry association)

Klimabündnis BW

(BW Climate Alliance)

PHINEO

Corporate Citizenship Working Group

SBTi

(Science Based Targets initiative)

Foundation for Family Businesses and Politics

UN Global Compact

VDMA e.V.

(German Mechanical Engineering Industry Association)

ZVEI e.V.

(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
(German Institute for Standardisation)

DKE
(German Commission for Electrotechnical, Electronic & Information Technologies of DIN and VDE)

IEC
(International Electrotechnical Commission)

ISO
(International Organization for Standardization)

UL
(Underwriters Laboratories)

SOCIAL COMMITMENTS (SELECTION):

Internationale Bachakademie Stuttgart

Global Nature Fund

SOS-Kinderdorf e. V.

One Earth - One Ocean e.V.

Europa Minigärtner gUG

SOS Villages d'enfants France

Clowns mit Herz Rems-Murr e.V.

UNITATEA DE ASISTENȚĂ MEDICO SOCIALĂ SIBIU (Romania)

Caritas (Austria)

MATERIALITY ASSESSMENT

Method

The sustainability topics identified in 2021 continue to be the focus of sustainability and reporting for Kärcher. They were, among other things, the result of the opinions of our stakeholder groups combined with an analysis of the competitive environment and external standards (including the UN Global Compact and the Global Reporting Initiative [GRI]). In internal workshops with representatives from different departments, the topics were then evaluated from two perspectives: their relevance to our own business (outside-in) and the impact of our own business activities on the business environment (inside-out).

Updated materiality analysis

In 2023, we reviewed and re-evaluated the topicality of our materiality analysis. At Kärcher, the Corporate Sustainability department is responsible for the materiality assessment. Experts from Human Resources, Corporate Compliance, Procurement Governance, Sustainability Strategy, Sustainability in Operations (including environmental and energy

management) as well as Sustainability Products & Customers were involved in the materiality assessment in 2023. Through the expertise of this group of participants, we were able to incorporate the different perspectives of different stakeholders. As part of the determination of the material topics, the core content of the European Sustainability Reporting Standards (ESRS) was included in the re-evaluation.

Material topics

The evaluation has resulted in the topic of “climate protection and energy management” gaining in importance due to the integration of the perspectives of different stakeholder groups. The environmental aspects remain the most relevant topics, together with the social component of “working conditions and human rights in our business area” as well as “responsible corporate management”. Preparations for the extensive re-evaluation of the material topics according to ESRS, as announced last year, began in 2023 and will be implemented in 2024.

The following topics fall outside our materiality threshold:

Biodiversity: we are able to see the relevance of considering measures to protect biodiversity in corporate activities, and we do this within the context of our global environment management. Our analyses showed that our impact and the extent of our activities in relation to biodiversity are very low. Therefore, from a reporting perspective, we classify the topic as insignificant but, in our operations, we continue to work on supporting local biodiversity at all sites worldwide.

Data protection and information security: from our perspective, this topic is already managed professionally at a local level and is already extensively addressed and handled through corresponding legislation.

MATERIALITY ANALYSIS 2023



SUSTAINABILITY MANAGEMENT

At Kärcher, our success is secured by long-term strategies. Our sustainability management is also shaped around this understanding. From 2014 to 2020, Kärcher was already following the company-wide “Sustainability Excellence” sustainability strategy, in order to ensure holistic consideration of all sustainability aspects and to implement them in the form of specific measures and targets. After its successful completion in 2020, it was followed by the Sustainability Strategy 2025 with its three central initiatives “Zero Emissions”, “Reduce, Reuse, Recycle” and “Social Hero”.

The Sustainability Strategy 2025 is an important part of our corporate strategy. It is the responsibility

of the Board of Management, which decides on the central course for Kärcher’s sustainable orientation and is in continuous dialogue with internal and external stakeholder groups and experts. In this way, the Board of Management continuously receives information about current developments on the topic of sustainability, for example in the context of regular expert reports or through formal and informal exchange formats.

The Corporate Sustainability 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 trans-

parency requirements. It communicates closely with a wide range of areas, such as Procurement, HR, Development, Product Management, Sales, Communication and Corporate Citizenship. It also reports to the Board of Management quarterly and as needed regarding progress and current developments in the context of the three strategic “Zero Emissions”, “Reduce, Reuse, Recycle” and “Social Hero” initiatives. In line with our overall “Sustainability is everyone’s responsibility” approach, all sustainability activities are implemented across the entire company.

Outstanding sustainability management

The three initiatives of our Sustainability Strategy 2025 are not only ambitious – they are also award-winning. The most recent acknowledgement came in autumn 2023 in the form of the DQS Sustainability Heroes Award 2023 in the category “Sustainable innovation”, which was presented by the German Association for Quality (DGQ) and the German Association for the Certification of Quality Assurance Systems (DQS) for the bio-based material packaging concept for the steam cleaner SC 3 Upright. This uses a substitute for the petroleum-based plastic inlay. The inlay is now made from compostable waste from pea starch that is a waste product of the agricultural industry. This saves over three tonnes of plastic per year.

Other awards came in the form of the “Commitment to Climate Protection” jury prize of the Baden-Württemberg Environmental Award 2022 for the “Zero Emissions” initiative. The award came close after winning the Sustainability Heroes Award 2022 in the “Social Commitment” category. This award recognised our projects in cooperation with the Global Nature Fund for a clean water supply, which are implemented within the framework of our “Social Hero” initiative. Kärcher had also already accepted the German Sustainability Award 2022 for “Reduce, Reuse, Recycle”. In just twelve months, all three sustainability initiatives thus received awards – a real success and an acknowledgement of our commitment.

SUSTAINABILITY STRATEGY 2025

Our “Zero Emissions”, “Reduce, Reuse, Recycle” and “Social Hero” initiatives form the focus of our sustainability strategy up until 2025. They include targets and measures that we want to implement by 2025 – from production with green energy to the recycling of raw materials, the reduction of plastic packaging and the more sustainable design of our global supply chain and on to the further development of our social commitment.

In 2024, we will turn our attention to our next sustainability strategy. We will give this sustainability strategy a new orientation based on the results of the next materiality analysis – which will be conducted in accordance with ESRS requirements for the first time.

Kärcher sustainability strategy is consistent with the SDGs

Kärcher’s Sustainability Strategy 2025 is 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 with the solution of globally relevant challenges. With our “Zero Emissions”, “Reduce, Reuse, Recycle” and “Social Hero” initiatives, we are making a specific contribution to a total of 13 of the 17 SDGs. This is the result of a comprehensive analysis – based on the internationally recognised method of the SDG Compass.



ZERO EMISSIONS

Since 2021 ...

- All Kärcher plants globally have been producing with green energy that has been produced in-house or procured externally

By 2025 ...

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

Status

22 sites¹ in 8 countries use green energy that has been generated in-house or procured externally

Absolute carbon emissions were reduced by 16,660 tonnes compared to 2020 with simultaneous company growth¹

Scope 3 emissions were analysed fully in 2023 for the first time, including CO₂ emissions of products in the use phase



¹ This information includes the Kärcher headquarters as well as the production and logistics sites of the Kärcher Group in Germany, Brazil, China, Italy, Mexico, Romania, Latvia and the USA.



REDUCE, REUSE, RECYCLE

Since 2020 ...

- In cooperation with the environmental organisation One Earth - One Ocean (oeoo), we have been supporting the reduction and reuse of plastic waste found in the ocean

By 2025 ...

- We will optimise the sustainability of all product packaging
- Select consumer and professional machines will achieve a recycled plastic content of up to 50%
- We aim to implement pilot production without plastic waste
- Sustainability will be an integral part of new business models

Status

All paper-based packaging materials are made from at least 80% recycled paper

68.8 tonnes of plastic in packaging was saved in 2023 through reduction and by switching from plastic to paper (e.g. polystyrene and bubble wrap)

1,986 tonnes of recycled materials were used in products with a recycled material content of up to 60%² in 2023



² Based on all plastic parts in the product, excluding accessories, e.g. the T 11/1 vacuum cleaner is made from 60% recycled materials.



SOCIAL HERO

By 2025 ...

- Our social commitment will be focused on value preservation
- We will establish a proactive supplier risk management system for sustainability

Status

82% of all projects are focused on value preservation

10.2 tonnes of waste were collected during Kärcher Cleanup Day in 19 companies in 2023

16 monuments and buildings were cleaned as part of our cultural sponsorship in 2023



ENVIRONMENTAL 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 careful handling of resources such as water and effluent, as well as raw materials, and we implement this aspiration in all our factories worldwide.

Kärcher takes responsibility for the environment. We have laid down this attitude in our environmental policy, which is also the basis for responsible action by all employees. In addition, Kärcher has guidelines for handling water and waste water as well as materials and waste. These include clear requirements, responsibilities, process descriptions and goals. They constitute binding instructions that we increase material efficiency, reduce water consumption and collect, store and document waste and recyclable materials properly, and ensure they are recycled correctly. Our global network of environmental officers is responsible for implementation at the different sites.

Twenty Kärcher production and logistics sites have an environment management system certified in accordance with ISO 14001. In 2023, the sites at Aurora (USA), Jelgavas Novads (Latvia) and Reutlingen (Germany) were newly certified. We use a standardised procedure to check the requirements resulting from the environment management system 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. The legal requirements are regarded as global minimum standards. In many places, our internal regulations go beyond the legal requirements, for example through the implementation of ISO standard 14001.

As part of our environmental management, we also assess the impact of various environmental aspects, including waste or water, at least once a year. If necessary, measures are implemented and monitored in connection with local environmental objectives.

ENVIRONMENTAL ASPECTS IN PRODUCT DESIGN

In our product design, we consistently take environmental aspects, such as resource efficiency and recyclability, into account. Although our product portfolio is not currently affected by the labelling requirements of the EU Energy Efficiency Directive, we still align ourselves with this and other legal requirements. Our aims regarding recyclability and resource efficiency exceed current and future legal regulations and standards in many ways. Throughout our product development process, we ensure compliance with the voluntary and statutory sustainability requirements for our products.

In general, recyclability is a fundamental part of our sustainability strategy for product development. The strategic sustainability aspects for each product category are embedded in our product development specifications – including the use of natural substances from food and agricultural waste, the use of recycled plastic, taking reparability and durability into account in the product design, and energy, water and chemical resource efficiency.

In 2023, we also revised our sustainability targets for all product groups in order to ensure full integration of all relevant sustainability aspects from the outset. These targets were based on the requirements of specific customers and target groups. Following a pilot phase, we expanded this new product sustainability focus to a wider product range.

You can find more information about our sustainable product design in the chapter on resource use and the circular economy.

Innovative product ideas for the environment

With 718 active patent families at the end of 2023, 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 detergents and to our cleaning machines – for private and commercial use. Aspects like resource efficiency are a fixed part of our innovation management.

SUPPLY CHAIN MANAGEMENT

Our close cooperation with suppliers is crucial for Kärcher's success. That's why we want to be a trustworthy and reliable partner to our suppliers and their employees. This also includes taking responsibility for the protection of people and the environment in our supply chain. In light of this, we are continuously further developing our corporate due diligence in the supply chain.

Sustainable procurement

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 been able, over recent years, to shorten supply chains and supply our production sites using mainly regional supply companies. We also achieved our goal of reducing our total number of material suppliers by 40% by 2025 ahead of schedule. In 2023, the Kärcher Group sourced almost three quarters of its goods from the respective domestic market.

One focus in Procurement is the sustainability of our supply chain. Here, we have developed an overall concept to implement the requirements of the German Supply Chain Due Diligence Act (LkSG) for our own business area and the supply chain. In light of this, we have established a proactive risk management system throughout the supply chain – also one of our targets under the “Social Hero” initiative.

Sustainable procurement involves systematically assessing the social and environmental impacts arising from our business relationship with suppliers and their own activities. At Kärcher, this is done with the help of AI-supported software. If risks or potential or specific breaches are identified, we are consistent in introducing preventive or remedial measures. This means that, together, we can ensure compliance with the environmental and human rights standards in our supply chain, embed them in the long-term and thus improve the situation for employees.

In January 2023, we appointed a human rights officer. We have also published a policy statement on corporate due diligence at Kärcher and have not only revised our Code of Conduct but also supplemented it with a separate version for our business partners.

Our business partners must commit to complying with our Code of Conduct, which also defines important sustainability principles. For example, they must take our internal Kärcher standard for substances (KN 050.032) into account. During the course of the collaboration, we continuously monitor compliance with sustainability criteria. Our business partners are obligated to provide information about their sustainability performance at regular intervals. In addition to this self-assessment, we also use the assessment of independent institutions. We supplement these assessments with regular audits of our business partners' production materials, during which we not only check the quality criteria, but also compliance with social, environmental and occupational safety standards. In 2023, we conducted more than 270 audits.

02

ENVIRONMENT

Our cleaning machines are the result of a careful use of resources, such as raw materials, energy and water. We establish the basis for this with a production process that fully supports environmental and climate protection. Our specific focus is on reducing the use of virgin plastics, making packaging more environmentally friendly, promoting the use of renewable energies and reducing the carbon emissions we generate.



CLIMATE PROTECTION

The battle against global warming is one of the most pressing challenges of our time. It is not only countries, but companies too that are obligated to play their part. Kärcher is aware of its own responsibility and, in this context, aspires to the objectives of the Paris Agreement. In order to emphasise the relevance of the issue, we have defined climate protection as a major component of our Sustainability Strategy 2025.

Our climate protection objectives

As part of the “Zero Emissions” initiative, we are pursuing a clear timetable to reduce energy use and therefore also carbon emissions at Kärcher. Our production sites are the initial focus here. Due to the high level of vertical integration at Kärcher, we can make an effective contribution to climate protection by reducing production-related emissions. By 2025, we want to reduce our carbon emissions in production by 21% compared to 2020 and by at least 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). Key measures to achieve our goals are, above all, the gradual switch to regional green electricity suppliers and the expansion of photovoltaic systems at all sites.

At the same time, we are currently working on expanding the recording of such emissions that arise from upstream and downstream activities in the supply chain (scope 3). In 2023, we analysed the entire scope 3 for the first time and identified hotspots in two categories: category 3.1 “Purchased goods and services” and category 3.11 “Use of sold products”. We have also developed measurable

reduction targets for these categories. Our reduction targets are focused on the current findings of climate research. In April 2022, Kärcher committed to submitting all targets to the Science Based Targets initiative (SBTi) and having them validated by the organisation in 2024.

The Corporate Sustainability Management department is responsible for developing, implementing and checking the company-wide climate strategy and climate protection goals. This department also includes the company's global officers responsible for environmental management according to ISO standard 14001 and energy management according to ISO standard 50001. Operational environmental and energy management, such as the implementation of efficiency measures, is carried out by the sites themselves, coordinated by the respective environmental and energy officers on site.

Our climate protection efforts also include adaptation to the consequences of climate change. In light of this, we conducted an initial climate risk and vulnerability assessment of our sites and business strategies in 2023 and will continue to expand this systematically. Based on climate scenarios, we check, for example, the extent to which our sites could be affected by physical climate risks, such as flooding - and investigate the effectiveness of the respective measures already in place.

Preparation for the EU taxonomy

Within the framework of the "Green Deal", the European Union is establishing a classification system for sustainable economic activities with the EU taxonomy. The EU taxonomy defines standardised criteria and framework conditions regarding the extent to which a company's business is ecologically sustainable. In doing so, it provides investors, among others, with an objective information and decision-making basis for investment in sustainable plants.

For companies, the taxonomy is associated with extensive disclosure obligations, which will apply to Kärcher from business year 2025 in the context of CSRD reporting. Kärcher is implementing extensive preparations to meet the requirements of the EU disclosure regulation.

We have been determining our taxonomy-related information since business year 2022. Specifically, we are investigating which economic activities could potentially make a significant contribution to the six environmental objectives of the EU:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Overall, Kärcher has identified six taxonomy-relevant activities in environmental objectives 1 and 4.

Business activities can only be declared ecologically sustainable in the sense of the EU taxonomy (taxonomy-aligned) if the corresponding technical evaluation criteria are observed. We are continuously checking whether this is the case at Kärcher. Our team is also continuously optimising the process for determining the corresponding key figures. We will continue to work intensively on the developments, requirements and implementation of the EU taxonomy.

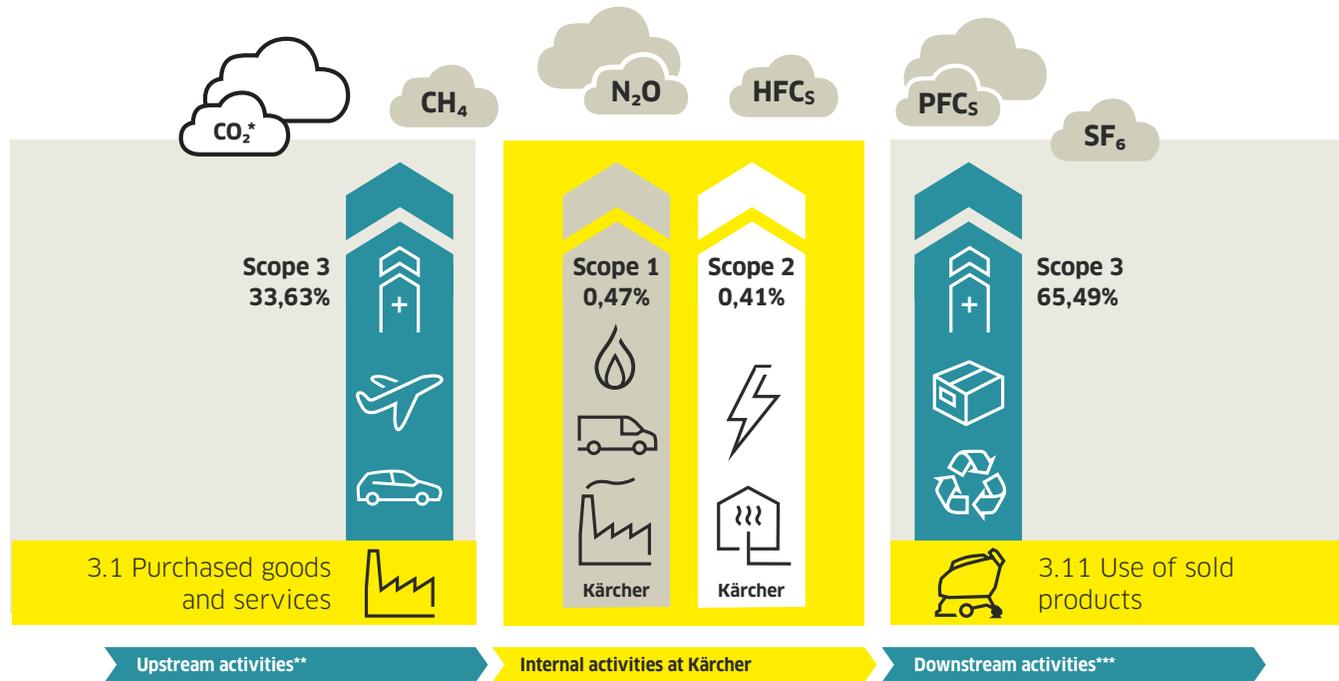
EMISSIONS IN TERMS OF SCOPES

Based on the Greenhouse Gas Protocol, the following graphic shows the Kärcher 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 indirect GHG emissions, which are associated with the purchase of electricity and district heating. Scope 3 includes all indirect emissions, which occur along the value creation chain, including upstream and downstream emissions.

To assess the impact of the various greenhouse gases, all greenhouse gases are converted into kilograms of CO₂ equivalents at the end and listed as a number.

Kärcher is currently focusing on scope 1, scope 2 and the two main drivers of scope 3 emissions (categories 3.1 and 3.11 of the Greenhouse Gas Protocol). We place particular emphasis on calculating the carbon footprint of products. In 2023, we were able to implement successful preliminary studies on this.

We address the issue at different levels of the product life cycle and are therefore taking important steps towards greater transparency in terms of the breakdown of emissions for the product categories. In accordance with the scientific criteria of the Science Based Targets initiative (SBTi), we have developed a reduction target for our total carbon footprint in scope 1, scope 2 and in scope 3 categories 3.1 and 3.11. At the beginning of 2024, we submitted the objectives to the SBTi for validation.



Determination of the development phase of emissions

The emissions screening in 2023 showed that most emissions develop during the use of our machines. Therefore, in future, we will focus more on researching possible ways to reduce emissions in the use phase. We will also further expand the systematic provision of product-based CO₂ information, in order to support our customers in their decision to buy. We ensure that our products are designed for energy efficiency from the outset, in order to minimise energy consumption and reduce the environmental impact. As a responsible company, we closely monitor the impacts of the decarbonisation of electricity generation in global markets. We actively confront the developments in the energy sector and take these into account in our business strategy, in order to support the transition towards low-carbon electricity generation.

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

* Our initial focus is on the analysis of carbon emissions. In addition, we successively check the relevance of all greenhouse gases for Kärcher.

** Also includes: rented or leased fixed assets, employee commuting, business travel, produced waste, transport and distribution, fuel and energy-related emissions as well as capital goods.

*** Also includes: investments, franchises, rented or leased fixed assets, transport and distribution of sold products, processing of sold products and handling of sold products at the end of their life cycle.

ENERGY CONSUMPTION AND CO₂ EMISSIONS

We record the disclosures about energy consumption and emissions quarterly for all Kärcher factories worldwide. This means we can monitor our goals and identify additional potential to save CO₂. The most important way to reduce carbon emissions is to reduce energy consumption. Other than Kärcher Municipal in Reutlingen, all our European factories have a certified energy management system in accordance with the ISO 50001 standard. We have summarised responsibilities, process descriptions and documentation obligations for the factories in a guideline. In this policy, we have also formulated the fundamental objective of increasingly using renewable energies and continuously increasing energy efficiency.

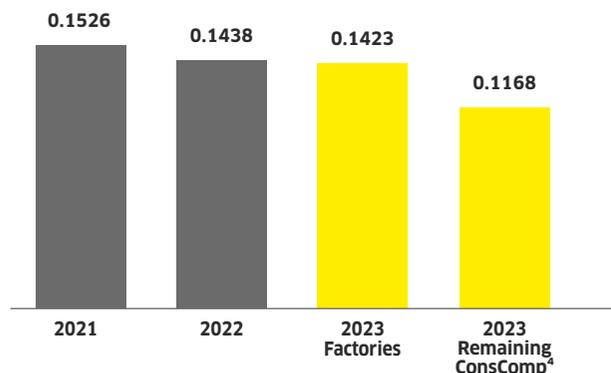
In recent years, we have been able to significantly improve our energy balance sheet, primarily thanks to more efficient plants and buildings, as well as LED lighting. Many small measures at our sites worldwide also contribute to this, such as additional insulation, improved monitoring or energy recovery systems. Due to corporate growth, however, our absolute energy consumption at our production and logistics sites increased slightly in the reporting year. In 2023, total energy consumption was 130,205 MWh (468.74 TJ), primarily resulting from the purchase of electricity and heat as well as the use of natural gas (2022: 126,297 MWh [454.67 TJ]). The energy intensity, i.e. energy consumption per million euros of turnover, was 0.1423 TJ in the reporting year (2022: 0.1438 TJ). We were able to further increase the share of renewable energies. Our focus was on converting the lighting to LED technology and on expanding photovoltaic systems. These measures were taken to further reduce energy consumption and increase the share of self-produced electricity.

The energy used in our factories should increasingly be obtained from regenerative sources. The proportion used in our global production network is currently at 65%. Since 2021, our production and logistics sites worldwide have been working with 100% green energy that has been generated in-house or procured externally. Many factories already have photovoltaic systems. Our largest plant in China can produce 980,000 kWh over 9,000 square metres. In the past year, we have made impressive progress worldwide by installing a total of 1,400 kWp (Kilowatt-Peak) photovoltaic capacity.

Energy consumption in TJ¹

	2021	2022	2023	2023
			Fac-tories	Remaining ConsComp ⁴
Total consumption	471.94³	454.67³	468.74	384.79
Of which renewable energies		143.34	187.84	22.07
Primary energy use	175.19³	163.64³	162.56	300.43
Natural gas	142.51 ³	128.53 ³	128.08	31.04
Heating oil	15.64	18.35	14.63	6.40
Diesel	16.56	15.47 ³	17.57	218.11
Petrol	0.38	1.07	1.37	44.67
Liquid gas (LPG)	0.032	0.22 ³	0.92	0.21
Butane, propane, ethane	0.07	0.001	0	0
Secondary energy use	296.75	291.03³	306.18	84.13
External power procurement	264.95	258.56 ³	275.38	70.43
Internal power generation	11.40	16.14	13.81	1.8
District heating	20.40	16.32	17.00	11.9
Total turnover in € billions	3.092	3.161	3.294	3.294

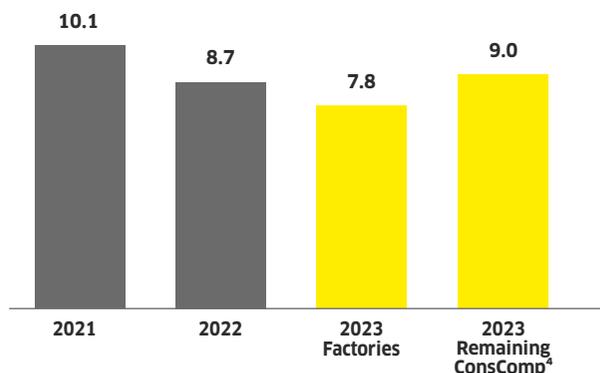
Energy intensity in TJ per million € turnover²



Greenhouse gas emissions¹ in kg CO₂⁵

	2021	2022	2023	2023
			Fac-tories	Remaining ConsComp ⁴
Total	31,144,781³	27,472,211³	25,566,035	29,620,677
Scope 1	10,096,197³	9,727,757³	9,623,512	21,631,958
Natural gas	7,864,291 ³	7,091,400 ³	7,006,311	1,712,434
Heating oil	1,076,118	1,367,362	1,090,102	476,972
Diesel	1,102,843 ³	1,167,621 ³	1,308,477	16,126,017
Petrol	50,897 ³	87,263 ³	100,251	3,302,919
Liquid gas (LPG)	2,028 ³	14,044 ³	58,371	13,617
Butane, propane, ethane	20	67	0	0
Scope 2	21,048,584³	17,744,454³	15,885,584	7,988,719
External power procurement	21,040,481 ³	17,737,971 ³	15,878,832	7,259,997
Internal power generation	0	0	0	0
District heating	8,103	6,483	6,752	728,722

Greenhouse gas intensity in t CO₂ per million € turnover



With the help of in-house production and by purchasing renewable energies, we have been able to significantly reduce our carbon emissions in recent years. In 2023, absolute production-related carbon emissions were at around 25,566 tonnes of CO₂ (2022: 27,472 t CO₂). This means we were able to reduce our emissions by more than 7% compared with the previous year. The switch to green energy at a number of different sites played a key role in this. The relative carbon emissions per million euros of turnover was 7.8 tonnes of CO₂ (2022: 8.7 tonnes of CO₂).

¹ This information includes the Kärcher headquarters as well as the production and logistics sites of the Kärcher Group in Germany, Brazil, China, Italy, Mexico, Romania, Latvia and the USA. Due to the first-time inclusion of the Reutlingen site in 2022 and Latvia in 2023, comparisons with the previous year are only possible to a limited extent.

² Energy use within Kärcher is taken into account.

³ Adjusted values due to improved recording of primary and secondary energy use. This also affects the overall consumption and overall emissions.

⁴ This information includes all consolidated units in business year 2023 (consolidated companies or "ConsComp") excluding the Kärcher headquarters as well as production and logistics sites; this figure includes partial extrapolations.

⁵ The calculation is based on the specifications of ISO standard 50001; other greenhouse gases besides CO₂ are currently not considered in the survey; emission factors based on the Global Emission Model for Integrated Systems (GEMIS).

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 the individual bought-in components and the use of our products by customers. Scope 3 emissions often lie outside our direct sphere of influence, which makes it more difficult to obtain and ensure the availability and quality of corresponding emissions data. In 2023, we analysed our scope 3 footprint in detail for the first time. This resulted in a differentiated image, on the basis of which we have formulated specific reduction targets. These targets were submitted to the SBTi for validation at the start of 2024 and will be published on our website on completion.

We already record individual scope 3 emission categories such as business travel in detail – and are working to reduce them: for example, we are increasingly avoiding business trips by replacing them with digital meetings. Before booking travel, we also raise awareness among our employees to choose the most environmentally friendly option. For example, the travel booking portal shows the specific carbon impact of the means of travel and the travel route. We are increasing the number of electric vehicles in our fleet.

In our headquarters in Winnenden, for example, 29% of the pool vehicle fleet is made up of electric cars. Eleven percent of kilometres travelled in 2023 were travelled in electric cars (2022: 9%). A total of 42% of our company cars and department cars are electric and hybrid cars. Some of our subsidiaries are already front-runners here: at Kärcher Norway and Kärcher Sweden, around 73% of all vehicles are already electric or hybrid cars, and at our IT subsidiary Zoi Germany, the share has exceeded 90%. Across all companies relevant to the report, the share of electric and hybrid cars is around 11%.

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 CO₂. We are also increasingly relocating the distribution of our products from road to rail.

New service centre in Ahorn sets benchmarks

Our new service centre in Ahorn is implementing important energy efficiency measures, including a new building with a KfW efficiency rating of 40 (KfW-40). This means that the building has improved insulation and that the primary energy requirement is just 40% of that of a similar new building. The building is equipped with efficient radiant ceiling panels for heating and has a smart lighting concept. In addition, its heat is produced through efficient and environmentally friendly wooden pellets, while the ventilation system is equipped with a heat recovery system. With the KfW-40 building, we are taking an important step towards energy sustainability and are contributing towards resource-friendly operation.

ENVIRONMENTAL PROTECTION

Minimising our impact on the environment is a task that we tackle in the different phases of the upstream and downstream supply chain as well as in our own production processes. The production and use of our products requires resources, for example the use of electricity, the use of raw materials, the consumption of water or the use of detergents. We are aware of this and therefore pay particular attention to environmental protection in all phases of the product life cycle.

In production and use, we pay particular attention to the following topics: air pollution, water pollution, soil contamination and the contamination of living organisms and food resources, as well as substances of very high concern and microplastics.

In our view, the use phase is particularly important. During this phase, we recognise that we can exert an even greater positive influence on the environmental impact and further reduce it. For this reason, our customers can find expert tips about application methods on our website or in digital applications, such as apps and service platforms. We are also working on collecting the required data to minimise the environmental influence in this phase.

Kärcher monitors substances of very high concern – in particular those that are subject to the provisions

of substance-related legislation, such as REACH and RoHS. For over a decade, we have also been requiring our supply chain to restrict the use of harmful substances in our machines through our in-house standard KN 050.032 “Prohibition and declaration of substances”.

In the use phase, the use of detergents plays an important role in terms of environmental protection. Kärcher attaches great importance to sharing its knowledge of the ideal way to use Kärcher detergents (e.g. correct dosing or optimal application methods). We do this using language-neutral visualisations on labels, for example, or detailed application instructions on product data sheets. More important still is to design detergents that are safe for the environment and for people.

For 45 years, Kärcher has been developing its own detergents. In 2018, the knowledge gained over decades culminated in the establishment of an in-house detergents centre of competence 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 detergents shouldn't simply combat dirt effectively, but should also be free from risks for the users and the environment. To this end, our environment specifications set clear requirements of the products – in particular in relation to their ingredients. Many of our detergents are based on natural substances. Kärcher now has over 40 eco-certified cleaning products in its range, providing a powerful and environmentally friendly alternative for a wide range of cleaning tasks.

Since 2012, Kärcher has also been certified with the Sustainable Cleaning Label, as a producer of detergents. The label indicates products which were manufactured in companies that act in a sustainable manner.

The professional detergents we offer under the name eco!perform are particularly eco-friendly. The range includes a complete line for building cleaning and products for vehicle washes. Not only do these detergents contain no phosphates, microplastics or halogenated hydrocarbons that are harmful to health, but they are also made exclusively from easily degradable components. They have been awarded international environmental certificates such as the EU Ecolabel or the Nordic Swan Ecolabel.

Beyond our own production process, Kärcher also takes the subject of environmental protection and, above all, water pollution seriously. Together with the Global Nature Fund, we are committed to the "Clean Water for the World" initiative and promote what are known as green filter facilities. These facilities clean waste water in remote communities using aquatic plants – without expensive sewage works. The collaboration with local communities ensures the sustainability of the projects, as they take on operation of the facilities for at least eight years. The successful implementation of 17 green filter facilities in eleven countries shows that this cost-efficient and environmentally friendly solution can be carried out in a variety of different environments. A key success factor here is the involvement of local organisations, such as the Fundación Humedales in Colombia.

Together for a more environmentally friendly production

In October 2023, Kärcher held its eighth Global Environment Conference. This is a hybrid event (i.e. both on-site and virtual), where the environmental and energy officers of our international production network come together at regular intervals to exchange experiences and present concrete environmental projects. The two-day conference was supplemented with workshops on biodiversity, climate risks and energy management. In 2023, three outstanding projects with special sustainability value were presented with awards.

Saving water

In the Vinhedo factory (Brazil), employees have found new ways to reduce fresh water consumption: new machines are now tested with rainwater or recycled water. In 2023, it was possible to cover 80% of the entire plant's water requirement without the use of fresh water.

Waste reduction

In the KTC factory (China), the canteen now offers employees the option to choose between a standard portion or a smaller portion, in order to reduce food waste. The "Empty Plate" project resulted in up to 5 tonnes less food waste in 2023.

Energy efficiency

In the Bühlertal factory (Germany), employees have optimised the control of compressors. Where several compressors were previously still controlled manually, software is now used to efficiently control the entire compressor network, which saves 110,000 kWh of electricity per year.

WATER

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

Water withdrawal

We record production-related data on water withdrawal quarterly for each site based on the incoming invoices and the respective meter statuses. For water withdrawal, we distinguish between groundwater and water from public suppliers. Our aim is to require less water year on year. We were able to achieve this target in 2023, even including new production sites, and were able to reduce the volume of water withdrawn compared to the previous year.

At the same time, we regularly assess the extent to which our factories are located in regions exposed to high water stress, i.e. the human or ecological demand for water cannot be met under certain circumstances.

For this purpose, we used the Aqueduct Water Risk Atlas of the World Resources Institute in the reporting year. In 2022, we identified an increased water stress risk at our production and logistics sites, not including our sites in Italy and Duisburg. Based on this, we set a global target to save water in 2023 (minus 2% compared to the base year 2022), in order to further reduce the withdrawal of fresh water and not cause an unnecessary burden on regions with water stress. Since 2023, we have distinguished between water withdrawal in regions with water stress and water withdrawal in regions without water stress, based on the GRI standards. In 2023, around 60% of our production and logistics sites were in regions with an increased risk of water stress.

In our factories, we are increasingly using water recycling solutions and are therefore reducing the withdrawal of fresh water. Eighty per cent of all water consumption in our factory in Brazil is of reused water. For example, we only use collected rainwater to test the machines. Thanks to a water recycling plant, the Bühlertal factory was also able to save almost 66,460 cubic metres of water in 2023 alone.

Waste water

At sites that produce waste water, the waste water is treated and discharged. It must only be routed into the drainage system if it has previously been cleaned by a waste water treatment system, such as an oil separator. Waste water whose safety is proven is an exception. 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. For waste water, a separate measurement is only taken at the sites in Obersontheim and Monterey. Therefore, the waste water volume corresponds to the volume of water withdrawn. This is not the case at the above-mentioned sites: the reason is that the water withdrawn is used to produce our detergents. This means that less water goes into the drainage system than was originally removed.

Water withdrawal in m³¹

	2021 ²	2022 ³	2023	2023
			Fac-tories	Remaining ConsComp ²
Total water withdrawal (GRI 303-3)	354,049	426,494	316,985	116,950
By water stress region				
Water withdrawal (no water stress)	n/a	n/a	32,051	n/a
Water withdrawal (water stress)	n/a	n/a	284,934	n/a
By withdrawal type				
Groundwater and surface water	0	13,826	76,707	n/a
Municipal water supply	354,049	412,668	240,278	n/a
Water intensity (m³ per million € turnover)	114.5	134.9	96.2	35.5
Turnover in € billions	3.092	3.161	3.294	3.294

Water discharge and water consumption¹

	2023 ⁴
Total water discharge (GRI 303-4)	302,266 m³
By water stress region	
Water discharge (no water stress)	32,051 m ³
Water discharge (water stress)	270,130 m ³
Water consumption (GRI 303-5)	9,068 m³

¹ This information includes the Kärcher headquarters as well as the production and logistics sites of the Kärcher Group in Germany, Brazil, China, Italy, Mexico, Romania, Latvia and the USA. Due to the first-time inclusion of the Reutlingen site in 2022 and Latvia in 2023, comparisons with the previous year are only possible to a limited extent.

² This information includes all consolidated units in business year 2023 (consolidated companies or "ConsComp") excluding the Kärcher headquarters as well as production and logistics sites; this figure includes partial extrapolations.

³ Correction of the consumption values.

⁴ Collected in 2023 for the first time.

Innovative effluent treatment

A new vacuum evaporation plant installed in 2021 in our in-house detergent 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 this 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.

Water recycling award

In 2023, two of our most important customers in New Zealand were presented with the "Stormwater Superhero Award" by the local environment authority there for the first time, in recognition of their exemplary use and reuse of rainwater in their vehicle wash systems in combination with the WRB Bio biological waste water cleaning system from our cooperation partner aqua-detox. This award shows that water treatment systems make an important contribution to minimising fresh water consumption and the efficient handling of effluent.

BIODIVERSITY

Our materiality assessment shows that biodiversity is not a material topic for Kärcher's business activity, yet it does have a high significance in general. We have therefore included the protection of biodiversity in our report. The EU has declared the protection of biodiversity as one of its five environmental objectives. At the end of 2022, the member states of the International Convention on Biodiversity agreed to place at least 30% of global land and sea areas under protection by 2030 and thus contribute to the protection of species and ecosystems. This sets the framework for a future binding target at EU level in terms of biodiversity and the restoration of nature.

Biodiversity at the Kärcher sites

For some years, Kärcher has been working on further developing and expanding its management of biodiversity. During 2023, for example, we started assessing biodiversity risks at our production and logistics sites using the WWF Biodiversity Risk Filter. At our Global Environment Conference, we took stock of the current state of affairs with all the local environmental officers and collected new ideas on how to protect biodiversity. Kärcher is contributing to the preservation of biodiversity with individual measures at its operating sites. For example, some sites have wildflower strips, insect hotels, nesting boxes or beehives. The topic also plays a role in

new buildings, such as a building in Winnenden that was designed with a near-natural courtyard.

Another particularly effective project is the biotope at the Winnenden site. This is designed to create an attractive habitat, in line with specific design and maintenance specifications. The 21,000-square-metre biotope is equipped with stone cairns, dry stone walls, clay pools and wet meadows as well as nesting boxes, among other things. Thanks to these measures and active care, protected and endangered species such as the sand lizard, the green toad and the copper butterfly have been able to settle

Sustainability information path

At the Bühlertal site, part of the prize money from the Baden-Württemberg Environmental Award was used to create a sustainability information path on the footpath and cycle path along the road from Obersontheim to Bühlertann, in order to provide the public in Oberes Bühlertal with more information about our company's contribution towards sustainable environmental protection in the Kärcher factory in Bühlertal. The signs provide information about the environmental protection measures at Kärcher that can be seen along the path.

and multiply in the area. In November 2023, in collaboration with the "FrühAuf" fishing club from Winnenden, the town, the German Nature and Biodiversity Conservation Union (NABU) and other supporters, a clean-up campaign took place at the Buchenbach river. The main priority of the campaign was not only to remove rubbish and dirt from the river but also to restore the natural habitat for various species of birds, in particular the native kingfisher, and thus make a contribution towards local biodiversity.

RESOURCE USE AND THE CIRCULAR ECONOMY

Through high resource efficiency in our products, we combine profitability with environmental protection. That's because the efficient use of resources not only saves costs, but also has a positive effect on the eco-footprint of our products. We view the topic holistically – from the supply chain to our production process and on to the use of our products and packaging. The topic of the circular economy is becoming increasingly important.

With our “Reduce, Reuse, Recycle” initiative, we continue our commitment to design recyclable products and packaging. 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 emphasises on the recyclability of the products and the increasing use of secondary material, such as recycled plastic.

But the initiative also includes designing more sustainable packaging, increasing zero plastic waste production processes and developing new business models.

The Kärcher Innovation Lab

At Kärcher, we experience the joy of innovation every day. That's why the Innovation Lab has been an integral part of Kärcher since 2017. There, we develop new solutions within and outside our core business. For this, employees are released from their regular work for a defined period of time and are supported and coached by the Lab Team in the implementation of ideas. This results in new business models and product innovations. In addition to developing innovative solutions using the ideation & exploration technique, we also promote and demonstrate the Kärcher intrapreneurial spirit. Sustainability plays an important role in many ideas and solutions. Among other things, we have investigated topics such as “cleaning green façades” or “resource-friendly cleaning methods without water”.

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 can minimise the use of packaging. In addition, we are gradually substituting single-use packaging materials made from primary plastics with plastics made from recycled material and are replacing non-recyclable packaging with alternatives – such as the inlay of the EU version of our steam cleaner SC 3 Upright, which is made from compostable pea starch from agricultural waste.



By 2025, selected consumer and professional machines will achieve a recycled plastic content of up to 50%:

To achieve this, we are consistently reducing and replacing the proportion of virgin plastics in our products, such as in the T 11/1 Classic HEPA Re!Plast professional vacuum cleaner or the FlexoMate cleaning trolley series. Depending on the configuration, this is made from up to 25% recycled plastic, based on all plastic parts used, excluding accessories (drawers and buckets made from 100% post-industrial recycled material), and meets the highest sustainability standards. It has been awarded the Green Good Design Award. In 2023, over 37 tonnes of plastic were saved in this way. The T 11/1 Re!Plast vacuum cleaner impresses with its 60% share of recycled plastic, based on all plastic parts used, excluding accessories, the use of high-quality post-industrial recycled material and the consistently high durability. In the consumer area, Kärcher is already using recycled plastics across the whole product range, including over 1,400 tonnes in the high-pressure range as well as in other product ranges (see page 43).

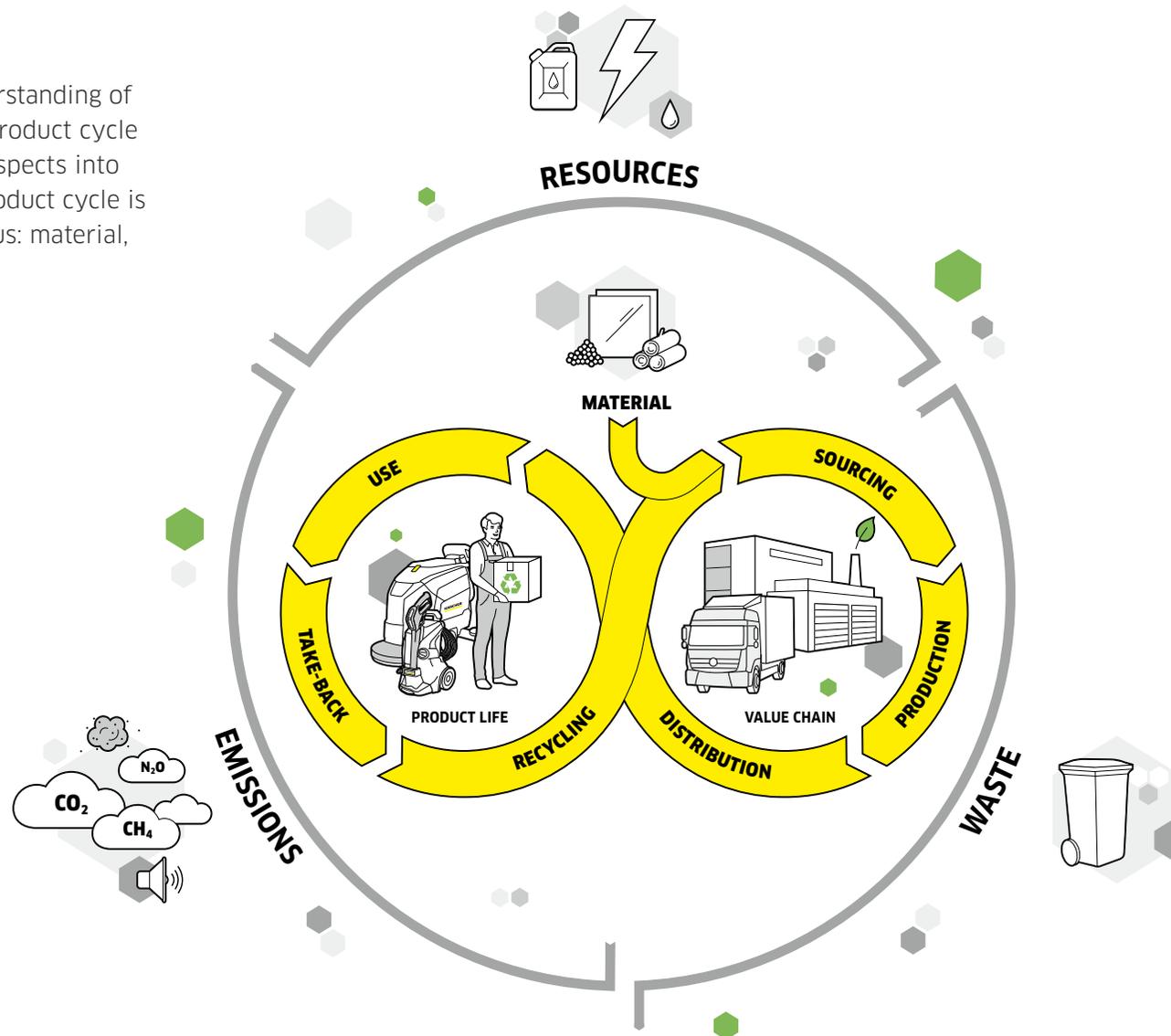


By 2025, sustainability will be an integral part of new business models:

We are reviewing business models such as sharing, service provision and recycling for Kärcher, including business models for innovative materials such as wood composite. The housing of a water siphon for private households is made from almost 100% renewable material. In addition, we are cooperating with the Israeli start-up TULU, which offers various rental products for home use in larger residential complexes such as apartment complexes and student dormitories. For this purpose, self-service stations are being set up that can be operated via an app.

THE CIRCULAR ECONOMY AT KÄRCHER

At Kärcher, we have a holistic understanding of recycling. We consider the entire product cycle and take material environmental aspects into account in the supply chain. The product cycle is divided into four main areas of focus: material, resources, waste and emissions.



1. Material

Our focus is on the efficient use of materials in production and on the resource-friendly use of our machines, accessories, detergents and packaging. This aspect is crucial to the creation of a circular economy. Key pillars supporting this include material efficiency in product development, the use of natural substances instead of substances based on mineral oils and the use of recycled plastics from post-industrial or post-consumer waste. All measures concerning the durability, service and reparability of our products also enable us to keep our products in use for as long as possible and thus reduce the demand for new materials. We strive towards improved reparability in our newly developed products. To do this, we are creating an index based on the French statutory Repair Index.

This area of focus includes:

- Resource saving
- Material efficiency
- Recyclate
- Durability
- Maintenance
- Reparability
- Reuse

2. Resources

Resource efficiency plays a fundamental role in our product design. With initiatives for energy, water and chemical efficiency in the product usage phase, such as eco!efficiency, Kärcher is making a contribution to responsible handling of the finite resources of our environment. In different product groups, we are focusing on electrification in order to be less and less dependent on fossil fuels.

This area of focus includes:

- Water efficiency
- Energy efficiency
- Energy electrification
- Chemical efficiency

3. Emissions

We consider emissions in all phases of the product life cycle. The aim is to be transparent about the greenhouse gas emissions caused by our products and to reduce them through lower consumption of energy, water and chemicals. Noise and dust emissions are also a focal point.

This area of focus includes:

- Greenhouse gas emissions
- Dust emissions
- Noise emissions

4. Waste

We consider waste along the entire supply chain, starting with the purchase of raw materials and continuing on through to the shipping and sale of the end products. Throughout the product life cycle, waste avoidance plays an important role. By ensuring our products and packaging are highly recyclable, we are contributing to closing the recycling loop.

This area of focus includes:

- Recyclability
- Return for recycling
- Hazardous substances

MATERIAL EFFICIENCY IN PRODUCTION AND IN PRODUCT DEVELOPMENT

The production materials used in our factories are primarily metals and plastics, which as production waste also make up part of the waste volume. We can fully return these to the production cycle. The largest share of waste, however, is made up of packaging materials from suppliers, including, in particular, paper, cardboard and plastics, such as films. This is the focus of our resource management in our factories, which consists of avoiding the use of primary plastics and reducing 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 terms of the locally procured goods – produces zero plastic waste.

Primarily, we are working on high material efficiency for our production process and our products. To achieve this, in our production process, we rely both on technical possibilities, 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 produces new granulate from scrap parts. This is used to produce transport crates for logistics, among other things (see Recycling highlight box). In product development, we are always looking for ways to reduce material use without negatively influencing the durability of our products. So, for example, we were able to achieve a 45% reduction in material use in the pump heads of the K 5 class of our consumer pressure washers.

Material usage¹

	2021	2022	2023
Metals (kg)	66,660,000	60,795,685	56,100,000
Plastic granulate (kg)	54,738,000	54,371,120	50,800,000
of which recycled plastic	1,440,000	1,315,000	1,986,000 ²
Pallets (pieces)	1,097,486	815,808	756,800

¹ This information includes the Kärcher headquarters as well as the production and logistics sites of the Kärcher Group in Germany, Brazil, China, Italy, Mexico, Romania, Latvia and the USA. Due to the first-time inclusion of the Reutlingen site in 2022 and Latvia in 2023, comparisons with the previous year are only possible to a limited extent.

² Weight of 100% recycled plastic in all plastic granulates (new 2023 definition of recycled material based on DIN EN 45557 and DIN SPEC 91446, therefore not directly comparable with 2022/2021).

Recycling: new transport boxes – made from old plastic

We are constantly looking for the best possible ways to keep materials in the cycle. Our factory in Romania has come up with an outstanding idea: plastic scraps that are no longer suitable for product manufacturing are processed into transport boxes there. This significantly reduces both the amount of waste and the effort involved in the packaging process. The 50,000 or so regranulate boxes that have already been produced since 2022 are also made available by Kärcher to its suppliers for transporting their goods. And with great success, as some delivery companies have already completely converted their disposable packaging to the resource-conserving multi-purpose boxes.

Pallets: first steps towards a circular pallet economy

Since 2023, the Bühlertal factory has been using a circular pallet recycling system for the purchase of granulate. Once used, the pallets borrowed from the provider are returned for new deliveries of granulate. In 2023, the factory achieved a return rate of over 65%.

REDUCTION OF PRIMARY PLASTICS THROUGH THE USE OF RECYCLED MATERIALS

Recycled plastics, or secondary materials, are increasingly being used in Kärcher products. For example, in 2023 we introduced the first Kärcher vacuum cleaner made from 60% recycled material in our professional range, based on all plastic parts excluding accessories. As a result, we saved 1.4 tonnes of primary plastics in 2023. The market feedback regarding demand is huge. Since 2022, our FlexoMate cleaning trolley product line has also been characterised by its recyclability. Its bucket and drawers are made from 100% recycled plastic (post-industrial recycled material). In 2023 alone, this already corresponds to a saving of over 37 tonnes of primary plastics.

In spray lances and connection threads for the water supply hose on our consumer pressure washers, we have already been using a high-quality recycled polyamide since 2018. We obtain this from the fabric of recycled airbags and from residual material from their production. This guarantees both a consistent material quality and security of supply.

We also use recycled material in other consumer products, depending on availability and technical feasibility. For example, the lower sections of the housings on our SC range of steam cleaners are made from recycled plastic. The polypropylene (PP) recycled material used here is dimensionally stable over a large temperature range. This makes it the ideal material for steam cleaners, without any disadvantages compared to virgin plastic.

The use of recycled material is an important part of Kärcher's plan to reduce emissions. In total, we used over 1,900 tonnes of recycled plastic in 2023. By using recycled materials, it is not only possible to save fossil resources but also to reduce carbon emissions generated during the production of the recycled materials by up to 75%, as recycled materials cause lower emissions than virgin plastics during the production process.

Recycled material: innovative product ideas for the environment

There are also challenges regarding the use of plastic in the field of detergents. We have taken on this challenge and, in the detergents centre of competence, we are working intensively to develop containers made from recycled materials. In 2023, we developed initial prototypes of detergent bottles made from 100% post-consumer recycled materials, which we then introduced from the end of 2023.

NATURAL MATERIALS

In addition to recycled materials, Kärcher also uses natural materials, such as in the Natural Detergents product line. Instead of mineral-oil-based plastics, wood-based bioplastics are used in machines. We want to treat our environment in a resource-friendly manner and rely even less on fossil resources.

Detergents: floor cleaner made from natural ingredients

With the Natural product line, we are focusing on natural ingredients. The formula for the natural floor cleaner RM 538N for the consumer market is made up of more than 99% renewable raw materials. The cleaner is vegan and free from microplastics, silicones or dyes. In the professional range, the RM 82N natural active cleaner for high-pressure and hot water high-pressure cleaners is made from 99% natural ingredients. Eighty-five per cent of the ingredients are plant-based. The surfactants are obtained from waste from the food industry, including from wheat bran, corn and coconut oil. They are biologically degradable and have the same cleaning power as petrochemical ingredients.

EXTENDING MATERIAL USE THROUGH DURABILITY AND REPARABILITY

We provide our customers with detailed information to help continuously improve the useful life of our products. This includes instructions for correct maintenance and care, in order to extend the lifetime of our products. To further improve the reparability of our products, we started developing an internal reparability assessment matrix in 2022, based on the French statutory Repair Index. We have been incorporating the findings into product development in the professional and consumer areas since 2023.

We use simulation technology as early as possible in the material selection process and in the design of the product. This provides us with valuable information on the robustness of the component and product right at the beginning of its development. Later in the process, we use test methods under real conditions (i.e. the conditions in which the product will subsequently be used) and endurance runs on the test bench.

Durability: extending product lifetime

In our battery competence centre, we ensure the quality and careful selection of battery cells. This means we can achieve a long lifetime for the entire battery. Before battery cells can be approved for Kärcher products, extensive lifetime tests and checks are performed. If they do not meet Kärcher standards, ways to optimise the lifetime are investigated together with the cell manufacturers.

MORE SUSTAINABLE PACKAGING MATERIALS

Our product packaging fulfils a variety of tasks. It protects our products against external conditions, thus maintaining their quality, and also serves as an information carrier for consumers. At the same time, however, packaging is also associated with high resource consumption and recycling challenges. Knowing this, we are consistently developing the environmental aspects of our packaging – a focus of our “Reduce, Reuse, Recycle” initiative. The Packaging Development team is responsible for this in close cooperation with Product Development and Sustainability Management. Our approach to making our packaging more sustainable is based on the concept of the circular economy. This includes, first of all, using less packaging material. The focus is on the reduction of plastics.

This includes both replacing and avoiding EPS inlays (polystyrene) for our Home & Garden products. We have been able to achieve this in all newly developed products since 2021. Instead, we use paper-based materials, such as corrugated cardboard or pulp. We also use packaging materials that are less conventional, including inlays made from pea starch, for example. Last year, this innovative

approach was awarded the Sustainability Hero Award in the category “Sustainable Innovation”. The material is a waste product of the food industry and is completely biodegradable. From the middle of 2024, pea starch will be used to package all our SC 3 Upright EasyFix steam cleaners in the EU. This switch alone cuts our polystyrene use by 3.2 tonnes per year.

Kärcher also cooperates with start-ups from the packaging industry, including in a pilot project with the start-up Prosvoration. Prosvoration is developing a sustainable alternative to polystyrene based on husks, the hulls of cereal grains. The husks are an unused by-product and are not ordinarily put to any further use. We are supporting Prosvoration in developing the inlays further and in exploring their potential for industrial applications. The first prototypes have already been put to the test in our laboratory.

Our strategy has also paid off in other initiatives. For example, in the Ahorn service centre, plastic bubble wrap has been replaced with recycled paper and, as a result, around 26 tonnes of plastic has been

saved per year. The EPS inlays for our floor cleaner FC 7 have been replaced with pulp. This resulted in a plastic saving of around 32 tonnes. Continually reflecting on our packaging developments and processes has enabled us to reduce the packaging size for the filters for our wet and dry vacuum cleaner (WD) and, in doing so, save around 95 tonnes of paper and 160 tonnes of CO₂ per year.

The use of materials from sustainable forestry is also crucial. For example, in 2023 we prepared for certification of our paper-based packaging and filter products according to a recognised forestry management certification system, and achieved this at the beginning of 2024.



RESOURCE EFFICIENCY THROUGH ENERGY- AND WATER-SAVING CLEANING MACHINES

We attach great importance to ensuring that our products use energy efficiently. For example, the eco!efficiency mode on our professional high-pressure cleaners, vacuum cleaners and scrubber dryers ensures that all machine functions are automatically set to maximum efficiency during operation. The eco!efficiency mode saves energy while continuing to remove lighter dirt effectively. The mode also regulates the water temperature of our hot water high-pressure cleaners to 60°C and saves up to 80 litres of water per hour with our HD 4/11 C cold water high-pressure cleaner, for example.

Numerous model series of Kärcher scrubber dryers with traction drive or step-on control also have the eco!efficiency mode, which reduces the brush speed and suction power to an output adequate for lighter dirt. This allows for convincing cleaning results with significantly lower resource consumption and protects the machine. With 40% lower power input, the eco!efficiency dry vacuum cleaners achieve 98% of the suction power of the basic machine, which is more than sufficient for daily maintenance cleaning. The eco!efficiency machines also vacuum much more quietly, at just half the volume.

The eco!efficiency mode therefore reduces the energy consumption of our vacuum cleaners and scrubber dryers by up to 30%. For our T 9/1 professional vacuum cleaner, for example, eco!mode reduces energy consumption by 1.46 kWh per 1,000 square metres compared to the standard mode on the machine. The eco!mode on our scrubber dryers, in part paired with other technologies such as eco!Flow, also saves electricity and water. Take, for example, our BR 45/22C scrubber dryer, which saves 14.4 litres of water and 0.11 kWh of energy per 1,000 square metres when operated in eco!mode rather than standard mode.

With eco!Flow technology, the water output is adapted to the driving speed of selected scrubber dryers and water efficiency is therefore further improved. Additional efficiency is achieved through proven technologies such as replaceable brush heads or the intelligent detergent dosing unit DOSE. The DOSE dosing system automatically supplies the fresh water tank with the preset amount of detergent. This prevents overdosing and protects the environment. Some of our scrubber dryers and hot water high-pressure cleaners are certified with the EUnited Green Cleaning label – a recognised mark of particularly efficient cleaning products. All these measures result in lower resource consumption of energy, water and detergents – and therefore reduced emissions during operation, by up to 56% depending on the product category and use case.

Saving water with Kärcher eco!Flow technology

Responsible handling of water is more important today than ever before. The B 110 R ride-on scrubber dryer also gets by with little water when cleaning large floor areas. The reason for this is the eco!Flow mode. It adjusts the water delivery to the driving speed. This avoids overdosing when driving slowly. Compared to machines with constant water delivery, this saves up to 50% water.

Our products are always required to achieve the best possible cleaning results. At the same time, they should consume fewer and fewer resources and produce fewer emissions in the fulfilment of their tasks.

This interplay of performance and sustainability forms the basis of our product development – and can also be expressed in facts and figures: pressure washers, for example, save around 80% of water and time through their high cleaning performance compared to working with a garden hose.¹ Pumps for the garden make rainwater usable for watering the area around the house. And recycling systems in vehicle wash systems collect up to 98% of the used water, process it and use it for the next cleaning process.



¹ Based on water consumption of 20 l/min with a standard garden hose. Compared with water consumption of a Kärcher pressure washer that consumes 8 l/min. Moreover, a Kärcher pressure washer cleans the same area in half the time.

REDUCTION OF DUST AND NOISE EMISSIONS

Noise and dust are also emissions and should not be underestimated. Kärcher has already developed products that take these emissions into account, such as the IVR 50/30 Sc industrial vacuum cleaner, which operates at a 50% lower volume than competitor products in its class. Kärcher uses HEPA (High Efficiency Particulate Air) filters to combat dust emissions. With a filtration and separation rate of over 99.9%, even the smallest of particles, such as viruses, aerosols and bacteria measuring just a few micrometres, can be filtered out. This guarantees high-quality, clean blower air at all times. In addition, our particularly high-quality L/M/H filter systems in commercial vacuum cleaners guarantee maximum safety, as they are suitable for collecting hazardous substances.

WASTE MANAGEMENT IN PRODUCTION AND LOGISTICS

We record recycled material flows and waste using a data collection system that has been expanded and optimised over the years. The corresponding data is currently determined quarterly for each site, in the categories of metals, paper and cardboard, plastics, wood, electronic waste, hazardous waste and miscellaneous. We do this using a cloud-based software solution. At Kärcher, we class recycled waste as all waste that is recycled materially. When disposing of our waste, we work with selected certified waste management companies in Germany. We review these every two years using self-regulation – and, as warranted, also through additional checks on-site. As part of our global ISO 14001 management system and the European Waste Directive, proper waste disposal and recycling within Europe is a matter of course for us. We also ensure the correct recycling of waste outside Europe. In 2023, we were able to slightly reduce our waste volume at production and logistics sites despite the addition of the site in Latvia. We were also able to keep the share of recycled

waste at a constantly high level. In addition, we are raising our employees' awareness of the correct handling of waste. The offices of our administrative buildings, for example, are equipped with information sheets on the correct separation of waste.

Small action – big effect

In autumn 2023, employees in the logistics centre started a campaign to reduce the number of waste bins and thus reduce plastic waste. Motivated by this idea, the factory in Bühlertal has also initiated a campaign to reduce their total number of waste bins. Through the huge support of the employees, it has since been possible to collect up and remove more than 69 waste bins from the offices and factory. This will save around 6,500 bin bags per year in future. At the same time, consistent separation of recyclable materials was also implemented as part of the initiative.

Waste and recycling¹

	2021	2022 ²	2023	2023
			Factories	Remaining ConsComp ⁴
Total waste (t)	13,170.55	13,125.81	12,687.42	60,844.72
Non-hazardous waste (t)	12,677.51	12,499.44	12,353.23	-
Metal	2,614.46	2,707.56	2,851.98	-
Wood	2,318.52	2,606.16	2,598.31	-
Paper and cardboard	4,873.13	4,245.32	4,162.13	-
Plastic	1,575.50	1,877.42	1,573.37	-
Other non-hazardous waste	1,295.90	1,062.83	1,088.34	-
Electronic waste	-	-	79.10	-
Hazardous waste (t)	493.04	626.37	334.19	-
Share of recycled waste (%)³	67.60⁵	81.69	81.77	-

¹ This information includes the Kärcher headquarters as well as the production and logistics sites of the Kärcher Group in Germany, Brazil, China, Italy, Mexico, Romania, Latvia and the USA. Due to the first-time inclusion of the Reutlingen site in 2022 and Latvia in 2023, comparisons with the previous year are only possible to a limited extent.

² The waste figures reported for 2022 were extrapolations in the previous year. These were adjusted in the reporting year on the basis of the real values.

³ The recycled waste reported up to 2022 included waste that was recycled either in terms of material or energy. We have changed this with the conversion to GRI and from now on will only be taking materially recycled waste into account as recycled waste.

⁴ This information includes all consolidated units in business year 2023 (consolidated companies or "ConsComp") excluding the Kärcher headquarters as well as production and logistics sites; this figure includes partial extrapolations.

⁵ Adjusted value due to differentiated recording of recycled waste.

WASTE AVOIDANCE IN THE PRODUCT LIFE CYCLE

Waste avoidance is also an important aspect of product development at Kärcher, such as through clear development specifications regarding the recyclability of our machines or packaging. For example, we have developed guidelines for our products that include specific measures to improve recyclability, such as the avoidance of glass fibre-reinforced plastics. These guidelines are taken into account during product development. Models for the return and reconditioning of our products, whether our own or participation in models on the market, are becoming increasingly important and are being proactively pursued by Kärcher (see highlight box). In addition, Kärcher also advocates for the avoidance of substances that are harmful to the environment and people, going beyond the legal standards.

Used machines – new power

As good as new: Kärcher offers professionally and meticulously reconditioned used machines for eco-friendly operation. All components that are subject to normal wear are replaced with genuine Kärcher spare parts. Our used machines are reconditioned in different condition classifications. Every used machine is put through a thorough reconditioning process according to the highest quality standards and meets all legal requirements. After reconditioning, the visible differences compared to a new machine are minimal, and in technical terms, the reconditioned machine is just as good as a new one.

Kärcher Austria listed on refurbished

At the start of 2023, Kärcher Austria entered into partnership with refurbished – an online market for reconditioned products. Since then, Kärcher has been offering reconditioned products on this platform. Kärcher products that can no longer be sold through conventional retail are given a second chance on refurbished and are offered for sale there.

03

SOCIAL

As a globally active company, Kärcher has an influence on the lives of many people. In our role as an employer and corporate citizen, we want to take responsibility - for our employees and for society as a whole. We offer our employees attractive and flexible conditions, exciting jobs and individual potential for development. As part of our social commitment, which goes beyond business activity, we support projects for culture, nature and society worldwide.



EMPLOYEE RESPONSIBILITY

The performance of our employees worldwide is crucial for the success of our company. Their commitment and skills are the cornerstone of innovation and quality at Kärcher and are highly valued by the company. Kärcher takes responsibility for the mental and physical well-being of its employees and provides a positive working environment that consistently takes their needs into account.

Sustainable HR management

Kärcher pursues a globally valid human resources strategy. This is the responsibility of the central HR Management team in the head office at the Winnenden site and is implemented in collaboration with the HR departments of the subsidiaries. With this strategy, we are pursuing the goal of attracting new talented employees, retaining employees in the long term and developing them in a targeted man-

ner. In this context, we take the employee experience of our workforce seriously. With our sustainable HR strategy, we want to meet the challenges of a shortage of specialists and demographic change while also ensuring our competitiveness. In doing so, we are working to establish global standards and promote cooperation between the individual sites.

Employee acquisition and loyalty through a strong employer brand

In 2023, we introduced a new employer branding campaign worldwide. We developed this in collaboration with representatives from factories, sales regions and national companies. The aim is to gain talented new employees for Kärcher in all markets. A strong employer brand also has a positive impact on employee loyalty and therefore, at the same time, on the motivation and commitment of the workforce.

Attractive conditions

We offer our employees a working environment characterised by collaboration and communication, mutual appreciation, trust and respect. Entrepreneurial freedom enables each individual person to contribute their skills and creativity responsibly for the benefit of the company and to further develop themselves.

A fair remuneration package and a wide range of benefits help create attractive conditions for our employees. At Alfred Kärcher SE & Co. KG, remuneration is based on the defined function structure and therefore on a uniform and transparent system. For example, we create cross-location regulations where possible, highlight options for further development and ensure that equal work means equal pay – regardless of gender. Extensive analysis has shown that Kärcher has created a fair and transparent remuneration system with an annual process to ensure correct classification, in which there

are no salary differences between men and women. In addition to the annual standard process to re-view the correct classification of employees in the remuneration system, salary adjustments are implemented regularly taking into account the overall economic and company-specific situation.

The countless benefits that are stipulated in the company agreements include a company pension and lifetime working time accounts. The option of flexible working means we provide our employees with another attractive means of configuring their work individually. Flexible working hours models with flexitime and trust-based working hours ensure even more personal freedom. These measures enable self-determined and flexible working and make a significant contribution towards work-life balance. In addition, all employees are entitled to take parental leave.¹

Since 2013, the “berufundfamilie” (Work & Family) audit has confirmed that we offer particularly family-friendly conditions. This audit is conducted every three years and was most recently conducted in 2023 – in connection with a target agreement with multiple measures to improve work-life balance.

Flexible working from a home office

Mobile working became an established practice during the coronavirus pandemic. Since 2023, our sales company in Austria has been offering its employees the option of performing their duties from any location within Austria or abroad. This provides the employees with greater flexibility and supports their work-life balance.

¹ This information includes all consolidated units in business year 2023.

OUR WORKFORCE

The satisfaction of our employees is 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. At 3.6% in 2023 (2022: 3.1%), staff turnover remains at a comparatively low level.

Total employees

	2021	2022	2023
Kärcher Group	14,400	15,330	16,000

Number of employees (headcount)

	2022 ¹	2023 ²	2023 ²
		Total	Pro-portion
Report-relevant Kärcher companies	7,885	15,113	100%
of which male	5,397	10,374	68.6%
of which female	2,469	4,702	31.1%
of which non-binary/not specified	19	37	0.0%
of which in Europe	5,736	10,477	69.3%
of which in Asia	594	2,884	19.1%
of which in North America	787	876	5.8%
of which in South America	768	553	3.7%
of which in Oceania	-	231	1.5%
of which in Africa	-	92	0.6%

Staff turnover

	2022 ¹	2023 ²	2023 ²
	Total	Resignations	
Total departures	670	2,004	1,218
Departures from Alfred Kärcher SE & Co. KG	116	279	136
of which in Europe	251	980	596
of which in Asia	80	492	315
of which in North America	138	329	196
of which in South America	201	125	44
of which in Oceania	-	54	44
of which in Africa	-	24	23
Staff turnover rate ³			
Total staff turnover rate	8.5%	13.3%	8.1%
Alfred Kärcher SE & Co. KG	3.1%	7.3%	3.6%

Temporary workers

	2022 ¹	2023 ²
Temporary workers (average FTE/month)	1,092.4	1,630.0

¹ This information includes resignations at the Kärcher headquarters as well as the production and logistics sites of the Kärcher Group in Germany, Brazil, China, Italy, Mexico, Romania and the USA.

² This information includes all consolidated units in business year 2023.

³ The total number includes resignations as well as employees leaving the company due to dismissal, retirement or death.

EMPLOYEE DEVELOPMENT

Kärcher's ambition is to attract new, talented professionals and to fully utilise the potential of existing employees. In doing so, we build on our training programmes, which have grown over the years, and on a standardised talent management process in conjunction with targeted further training. In this way, we drive the establishment and development of the necessary future competencies – based on the Kärcher competency model.

Continuous development

The personal and professional development of employees depends on personal responsibility. As part of a standardised talent management process, individual performance targets, improvement of skills and development targets are defined by employees and their managers each year. This process applies to our entire workforce.¹

In 2023, the talent management processes for the identification and targeted promotion of talented employees was further developed. We are also working on the introduction of a global talent market platform to enable cross-location coordination and staffing of suitable positions. The revision of the

talent management process will continue in 2024 with the focus on the further development of our employees.

In this context, and in dialogue with managers, individual requirements for personal and professional further development can be defined. The aim is to ensure that all employees are in the right position at the right time with the right perspectives and can develop in a targeted manner. The basis for the assessment and further development of employees is the Kärcher competence model. It includes the competences required for Kärcher within the categories of Culture and Leadership, Innovation and

Change Management, Strategic Orientation, Entrepreneurial Orientation, Collaboration and Professional Competence.

For the practical implementation of the model, Kärcher offers a diverse development programme, for which the Training & Development department is responsible. The corresponding training courses are implemented centrally by the Kärcher Campus global department. Their core tasks include advising on didactics, methodology and knowledge exchange, planning and creating training programmes as well as providing, organising and following up on training courses. The Kärcher training academy also includes the GROW further development programme, which is targeted at specialists and managers. Management, professional, social and methodological skills should be enhanced through a variety of training courses and further training. Suitable candidates for the GROW programme 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 entire range of training courses – and register for appropriate further training.

¹ This information includes all consolidated units in business year 2023.

In total, around 2.5 days were spent on further training measures in 2023 (2022: 2.5 days) for each employee of Alfred Kärcher SE & Co. KG. 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 with a flat-rate amount of funding. Alternatively, Kärcher offers a token of appreciation, which is paid in accordance with 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 187 apprentices and dual work-study students were employed during the reporting year (2022: 175) – around a third of whom were female. The apprenticeship quota in 2023 was 5.0% (2022: 4.6%). They are supported by the Training & Development department. The high quality of our training programme is frequently commended with awards. In 2022, the Chamber of Industry and Commerce Stuttgart Region presented us with a certificate for our outstanding training and examination achievements. In addition, Kärcher was once again awarded the BEST PLACE TO LEARN seal of approval as a top trainer. In 2023, the Handelsblatt newspaper also awarded us first place as the best training company.

Apprentices and dual work-study students at Alfred Kärcher SE & Co. KG (headcount)

	2021	2022	2023
Total	165	175	187
of which apprentices	103	109	111
of which dual work-study students	62	66	76
Apprenticeship quota	4.4%	4.6%	5.0%

Training days at Alfred Kärcher SE & Co. KG

	2021	2022	2023
Training days per employee	2.7	2.5	2.5

Fit for KIRA – the qualification of our production employees

The complexity of the KIRA B 50 autonomous cleaning robot sets new challenges for production. In order to meet the additional demand for trained employees, the “Fit for KIRA” project was launched last year in collaboration with the Fraunhofer Institute for Industrial Engineering. For the new production line, workplaces are being digitalised and training courses held. A platform containing the work sequences, the machine’s routing slip and various checklists in digital form supports the employees with the assembly process. This helps ensure the desired quality while also facilitating shift management.

Onboarding of new employees

In addition to local onboarding, we implemented a virtual onboarding programme in 2023 to provide a standardised global welcome to new employees of Kärcher. With this global standard, we ensure that new employees quickly become familiar with our corporate culture and our values and that they gain a good understanding of our business processes. This means new employees are valued from the outset, feel loyalty to the company from an early stage and can contribute their knowledge in a targeted manner and further develop themselves.

EMPLOYEE SATISFACTION

The opinion of our employees is essential for our HR management. That's why we regularly ask them about all kinds of aspects of their working life. More than 11,200 employees took part in the 2022 survey – around 85% of the global workforce. The results show that we were able to improve in all areas compared to the last survey. The high level of identification of the employees with the company is particularly positive – whether with their own products and solutions or with Kärcher's commitment to sustainability.

Furthermore, the employees value the excellent working environment combined with interesting tasks, the good working conditions and the profitable teamwork at Kärcher. The same applies to the offer of flexible working time models for a better work-life balance and Kärcher's commitment to society and the environment. We have also been successful in further developing our corporate culture: the approval ratings increased compared to the previous survey with regard to openness, consistency, empowerment and cross-cutting cooperation. At the same time, the survey revealed potential for devel-

opment. This lies above all in attracting and retaining employees and enabling better cooperation beyond divisional and national borders. The available results were discussed again in global team workshops in order to further develop Kärcher on this basis.

Further team workshops were also held in 2023 to define improvement measures. Many of these measures are already completed or are in progress. For example, we launched the "Mystery Meet", where employees are randomly paired with a counterpart. This helps participants to extend their own Kärcher network and get to know employees from different departments and regions, with whom they wouldn't normally cross paths. The global focus topics defined on the basis of the employee survey were processed in the context of a number of projects. The next employee survey will be conducted in 2025.

Award-winning employer

Kärcher is one of the most popular employers worldwide. This is proven, among other things, by the "World's Best Employers" ranking of the business magazine Forbes. In 2023, Kärcher was again placed on this list, which comprises a total of 800 companies with the highest scores. With 46th place overall, we achieved a significantly higher ranking thanks to the further development of our HR strategy (2022: 126th place). We also ranked first in Germany in the category "Semiconductors, Electronics, Electrical Engineering, Technology, Hardware & Equipment" (2022: 2nd place).

In addition, we achieved a top ranking in a large-scale study by Stern magazine together with the market research company Statista in 2023. With 10th place in the category "Germany's most popular employer", we were also able to improve on the previous year (2022: 19th place). In 2023, we also took first place in the "Mechanical and plant engineering" section.

IDEAS PLATFORM FOR OUR EMPLOYEES

Our employees are full of their own initiative and energy. With our IDEAS platform for ideas, we give them an opportunity to contribute their own ideas to the company. To make the programme visible and to further motivate employees, Kärcher organises idea campaigns at regular intervals. For example, the employees at the Ahorn service centre contributed almost 60 ideas on the subjects of sustainability, energy efficiency, workplace design and other issues regarding the relocation to the new service centre.

In 2023, the first ideas campaign was held in the Brazil subsidiary on the topic of “Renew to Sustain – How can we make sustainability a part of Kärcher’s culture?”. One hundred ideas relating to our “Zero Emissions”, “Reduce, Reuse, Recycle” and “Social Hero” sustainability initiatives were submitted. These included ideas to reduce plastic in the production process and in the office, to reuse production material and to engage intensively with schools to make the importance of sustainability more tangible. The majority of suggestions are implemented step-by-step by the employee who submitted the idea together with the corresponding specialist departments.

Even aside from campaigns, there are numerous ideas that make a positive contribution towards sustainability. For example, we implemented an idea to optimise and thus increase the number of Kärcher products in containers. This means fewer containers are required for transport and carbon emissions are reduced.

EQUAL OPPORTUNITIES AND DIVERSITY

At Kärcher, everyone should be able to develop their own potential – regardless of gender, age, nationality, physical and mental abilities, social background, sexual orientation or religion and ideology. We are proud of the fact that people from 116 nations work together successfully at Kärcher in more than 80 countries. Diversity strengthens our collaboration, our understanding of our customers' needs and our innovative strength.

Kärcher is fundamentally opposed to any form of discrimination and has laid this down in its Code of Conduct. We raise awareness among all employees regarding this attitude and for a discrimination-free working environment. The compliance whistleblowing system is open to employees and third parties worldwide to report potential incidents of discrimination. In Germany, the General Equal Opportunities Act (Allgemeines Gleichstellungsgesetz) also lays down corresponding framework conditions, which Kärcher consistently implements.

In order to underpin our commitment to a diverse workforce, we embedded the issue of diversity and inclusion in our Corporate Guiding Principles (mission statement) in 2021. In it, we commit to a culture that enables the integration of a wide range of perspectives. In the same year, we also started a process to proactively promote diversity in all dimensions

in the company. An initial focus is on gender diversity in leadership positions.

Our measures include accession to the “Diversity Charter” initiative. As part of its membership, Kärcher participated in Diversity Week 2022, for example by offering training on the diversity dimensions for employees in the HR department. Together with the initiative, other companies and the Stifterverband, Kärcher has also co-developed a procedure for the strategic development of diversity and inclusion in organisations – the “Diversity Compass”. To develop the strategy, Kärcher took part in the pilot project of the Diversity Compass, in order to establish a diversity, equity and inclusion strategy. Four fields of activity were defined: internationality, employer attractiveness, managers and generations as well as life phases. We also drafted an initial action plan. The Diversity Com-

pass and the associated certification will be completed in the second quarter of 2024.

In 2022, we launched a communication campaign showcasing “Women in Leadership”. Discussion groups are held on a global level to make leadership positions more attractive for women and to share success stories and best practices. In recruiting, we are also taking measures to reach more female candidates, for example. At the same time, we are adapting the working environment to the specific needs of parents according to country-specific conditions. In Germany, for example, we support child-care and offer flexible working time models including home office and part-time management. We use campaign days, such as World Women's Day, Pride Month and Purple Light Up Day to enter into dialogue with our internal and external stakeholders. Internationally, we have also supported a variety of campaigns, including in the USA, where we took part in the sponsorship for the Hygieia network (a network for women in the cleaning industry), participated in the Pride Parade and celebrations of different cultures.

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."

Leave for family reasons¹

	2023 ²	2023 ²
	Total	As %
Proportion of employees that have taken leave for family reasons	1,235	8.1%
of which female	549	44.5%
of which male	686	55.5%

¹ Leave for family reasons includes maternal and paternal leave, parental leave and leave for care providers.

² This information includes all consolidated units in business year 2023.

Employees by age groups

	2022 ¹	2023 ²
< 30 years	17.9%	16.2%
30-50 years	52.7%	59.1%
> 50 years	29.4%	24.7%

¹ This information includes the Kärcher headquarters as well as the production and logistics sites of the Kärcher Group in Germany, Brazil, China, Italy, Mexico, Romania and the USA.

² This information includes all consolidated units in business year 2023.

Employees in top management by gender

	2022 ¹	2023 ²
Male	90.9%	86.8%
Female	9.1%	13.2%

¹ This information includes the Kärcher headquarters as well as the production and logistics sites of the Kärcher Group in Germany, Brazil, China, Italy, Mexico, Romania and the USA.

² This information includes all consolidated units in business year 2023.

Employees with disabilities

	2022	2023
Total¹	n/a	3%
Alfred Kärcher SE & Co. KG	4%	4%

¹ This information includes all consolidated units in business year 2023.

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 aspects are crucial for our corporate and economic success.

Safety in the workplace

Kärcher pursues the goal of preventing work-related accidents and occupational illnesses as effectively as possible. In principle, all of our sites have local occupational safety organisations, in order to implement the respective applicable national regulations on safety at work. At Kärcher in Germany, with the exception of Kärcher Industrial Vacuuming GmbH and WOMA GmbH, the Occupational Safety department is centrally responsible for this. In this role, it has the task of dealing with all of the issues and concerns regarding safety in the workplace, which serve to ensure the health and safety of employees and temporary workers. This includes, among other things, regulating the handling of hazardous substances, the safety of machinery or the provision of personal protective equipment.

Current issues are also discussed in the individual factories during quarterly meetings of the occupa-

tional safety committee. Strategic issues and health and safety standards are defined, and relevant control variables, such as illness rates or accidents at work, as well as compliance with legal requirements are monitored and checked during regular safety inspections. At operational level, on the other hand, the Health Steering Committee is decisive – with all sites participating actively and directly through the respective works councils.

We consistently involve our employees in order to ensure that all work safety regulations are in place and adapted as necessary: occupational safety committee meetings are held four times a year at each site, attended by the company, works council, safety officers, safety specialists and medical professionals. The works council represents the workforce in health and safety committees. 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 inspections combined with risk assessments guarantee that workplaces are safe and accidents and occupational illnesses are avoided. However, should accidents occur or danger spots be identified, we record them with the help of software, which also assesses the risks and informs the hierarchical levels in order to eliminate or reduce the hazards as quickly as possible. Accident and cause analyses can also be saved in the system. For 2023, the analyses showed that the majority of accidents were due to cuts (43.8%), crushing injuries (12.1%) and tripping, slipping or falling (10.3%).

Overall, the frequency of accidents at Kärcher Germany (excluding WOMA and KIV) was 4.5* in the reporting year, according to the Lost Time Injury Rate (LTIR) (2022: 4.9), and was therefore significantly lower than the industry average of 20.4 (Source: German Social Accident Insurance [DGUV], Trade Association for Wood and Metal 2022). We continuously raise our employees' awareness of safety-relevant aspects in the workplace. Training is available, for example, on the handling of hazardous substances, high-voltage batteries and vehicles or securing loads. Individual consultations are also available, such as regarding ergonomics or on the basis of specific hazards, taking the respective situation at the workplace into account.

Employee accident statistics for Kärcher Germany (excluding Kärcher Industrial Vacuuming GmbH and WOMA GmbH)

	2022 ¹	2023
Hours worked	10,172,000 h	10,672,000 h
Reportable accidents ² (without commuting accidents)	37	38
Accident rate per 1,000 employees	7.3	7.1
LTIR	4.9	4.5
Deaths	0	0

¹ Due to adjustments in the calculation method, no direct comparability with the previous year.

² The majority of these injuries are cuts. This was determined through recordings of the injuries in our online system. All necessary hierarchy levels are informed and involved in identifying preventive measures.

* Not including temporary workers.

Health

Countless 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 at our headquarters. This is organisationally assigned to the HR department. At the international sites, activities are organised by the persons in charge locally. 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 (Occupational Integration Management). The health centre implements aptitude testing for people with hazardous jobs, to the extent that this is operationally required for personal safety and is regulated by an overall works agreement, and also cooperates in Occupational Health Management (BGM) measures. This includes countless options and preventive measures to support employees in maintaining their ability to work and perform as well as to support their personal well-being.

Measures to promote health at work are controlled centrally at Kärcher – and supported at the individual locations by BGM officers and the works council. In addition, Kärcher also works with a number of internal and external points of contact, which deal with specific private concerns, such as care aspects or mental health problems. We ensure the strictest confidentiality in all our activities,

including through non-disclosure agreements or the involvement of the data protection officer.

In the reporting year, the central BGM offered numerous measures for the employees of Alfred Kärcher SE & Co. KG. Activities included a wide variety of vaccination offers – from travel vaccinations to flu shots, health campaigns with healthy snacks in the company restaurants and at the Winnenden factory as well as a lecture by external experts as part of the campaign week on the topic of mental health. In addition, alongside the permanent company sports programme (company sport courses, company sport groups, etc.), the active break was performed both digitally and on-site during the reporting year. The active break offers employees the opportunity to do small mobility, relaxation, stretching and strengthening exercises under the guidance of an expert in a time-saving and effective way, and then return to their workplace motivated. Occupational health management at the international sites is organised and carried out locally by the persons responsible for each site.

In addition, employees and temporary workers can register for a variety of health training courses, if required. In the digital training series on stress management, participants receive information and incentives on the topics of exercise, healthy sleep, mindfulness and relaxation. Apprentices at Alfred Kärcher SE & Co. KG take part in two workshops on specific health issues in each year of their apprenticeship. All training courses are evaluated at the end with the help of a questionnaire. 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.

The KIV sustainability challenge

In March 2023, a sustainability challenge was launched at Kärcher Industrial Vacuuming GmbH (KIV) in Waldstetten. All employees who travelled to work six times by bicycle, bus/train, car share or on foot had the opportunity to fill out a raffle ticket and take part in a prize draw at the end of the year. Extrapolated from March to December 2023, the 13 participants achieved an impressive 726 sustainable travel days. This campaign will be continued in 2024. An initiative like this helps to increase awareness of sustainable mobility and reduce our carbon footprint.

Award-winning company catering

Kärcher company restaurants set standards for healthy and sustainable nutrition. It is not for nothing that four sites were awarded the European “Green Canteen” seal in 2022, including the company restaurants in Winnenden, Obersontheim and Schwaikheim. The certification is linked to strict requirements for sustainable gastronomy, which Kärcher has worked hard to implement. Since February 2023, these sites have also been certified as organic at product level, according to the German eco label regulation. The focus is on having more regionality and seasonality in the range of foods offered as well as supporting animal welfare. This is also expressed in the certification of the businesses with the “Taste the South” award. The majority of vegetables and meat are sourced locally and often directly from the producer. Around 10% of our goods are produced organically. In addition, packaging could be reduced through the use of reusable systems, for example when purchasing coffee or cooking oil. These are supplied in reusable bulk containers. In the reporting year, we were already able to increase this and meet the “Green Canteen” requirements with an average score of 76% (2022: 69%).

CONSUMERS AND END USERS

Kärcher products have always stood for excellent quality and consistent customer orientation. Our extensive quality management helps ensure that our products are safe, high-quality and durable. Close and trusting cooperation with all participants is crucial.

Product quality and security

Quality and safety of products is a key aspect even during the product development process. Specific requirements for each product are codified in a separate requirements and performance specification. Our four quality gates allow us to ensure product quality throughout the entire development phase and on to market maturity. Before our products go on sale, we test them extensively for functionality and safety. We also continuously monitor product quality once the products are in the hands of the consumers, such as through warranty management. If a product is reported as unsafe, a standard process is implemented, for which the Operations Quality department is responsible. This begins with a risk assessment and, depending on the risk potential, leads to corresponding measures to eliminate the safety risk.

The Product Development Quality, Series Production Quality, Market Quality and Intellectual Property & Regulatory Affairs departments are responsible for the quality and safety of our products, with the last-named department ensuring that all machines meet the corresponding safety standards. The safety and quality of our products are also the result of trust-based collaboration with our many suppliers and partner companies.

To permanently ensure high quality, we primarily use preventive measures and methods. By involving all parties 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 for further optimisation. The general safety assessment of all products includes analysing potential impacts on health.

We regularly check national, regional and international product standards relevant to us to ensure conformity with the essential health and safety requirements. These include, for example, the electro-technical standards of the International Electrotechnical Commission (IEC) and the European Committee for Electrotechnical Standardization (CENELEC). In 2023, 15 of the total of 72 product standards relevant to Kärcher were revised, with a direct impact on us. Consequently, we made corresponding adjustments.

Focus on detergents and care agents

Our detergents and care agents have a particular health and safety relevance, especially when used by customers. All our detergents are developed with the utmost care for people and the environment. The overriding goal is to bring products to market with the lowest possible hazardous substance labelling. Taking into account all legal requirements for compulsory labelling, we inform customers comprehensively on the labels and in the safety data sheet about the correct application and disposal of the agents or also about hazardous substances contained. At the same time, we endeavour to continuously improve the aspects of eco-friendliness and application safety. This is illustrated by our membership of the International Association for Soaps, Detergents and Maintenance Products (AISE) – a voluntary, European sustainability initiative of the detergent and care agents industry. We support its vision of

making the cleaning and hygiene industry a role model by tackling the question of how society can be served in innovative and sustainable ways. Safety aspects are also part of the review, such as in the form of a chemical safety assessment.

Varied contact options

Our quality claim also includes maximum customer focus, because our customers' satisfaction with our products and services is of paramount importance to Kärcher. That's why we offer 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 include increasingly digital and automated channels, such as one-to-one webchats and automated chatbots, social media or mobile messaging, in order to provide our customers with low-threshold access and quick help. At the same time, we check customer feedback on major online platforms, including with the use of AI-supported systems, through market research on sustainability or through direct contact with professional customers. We incorporate any findings from this customer dialogue directly into our quality management.

SOCIAL COMMITMENT

At Kärcher, we are aware of our social responsibility. That's why we support non-profit initiatives and organisations that make a significant contribution to society and stand for values such as family, education and equal opportunities as well as the protection of the environment and resources. 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 values, whether social or ecological. That's why value preservation is also the focus of our "Social Hero" initiative – one of the three pillars of our 2025 Sustainability Strategy.

Globally committed

Kärcher coordinates its global social commitment from the company headquarters in Winnenden. This falls under the remit of the Corporate Citizenship team. The individual companies of Kärcher 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. All Corporate Citizenship officers are provided with a manual containing guidelines, criteria and principles on which they should base their social commitment.

For children and families

Kärcher supports numerous SOS Children's Village facilities around the world that create positive living conditions for disadvantaged young people and their families. 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 13 years, a total of 1,500 donated machines were handed over in 46 countries worldwide, including 123 in 2023 alone.

For people in disaster areas

Both after the severe earthquakes in Turkey and Syria and after the tropical storm in New Zealand and the flooding in Italy and Slovenia, the company provided urgently needed machines with a total value of over half a million euros in a very short time. The Group headquarters and the local national companies worked together closely to provide aid to the affected people quickly and as unbureaucratically as possible.

Regular discussion meetings between the subsidiaries on the topic of corporate citizenship were also held in 2023. These gave space for dialogue and inspiration as well as the opportunity to further develop a common approach. The corporate citizenship strategy is decisive for Kärcher's worldwide activities. With it, we ensure that all supported CSR (Corporate Social Responsibility) activities are in line with the sustainable orientation and values of the company.

The central building blocks of the Corporate Citizenship strategy are the three focus areas of cleaning & hygiene, environment & resources and family & social issues, which provide the framework for our global social commitment. Already, 82% of Kärcher companies around the world make a local contribution to the company-wide social commitment in these areas. In total, Kärcher carried out 473 donations and sponsoring activities worldwide in 2023. On our website, we provide a comprehensive overview of selected projects.

For clean water

Since 2012, we have been collaborating with the Global Nature Fund for "clean water for the world" as part of the initiative of the same name. Specifically, we are carrying out drinking water projects in countries of the Global South such as Jordan, Burundi, Kenya and Bangladesh. At the same time, we are setting up so-called green filter systems there – natural filter systems for waste water purification. Thanks to the cooperation, 17 green filter systems and 14 drinking water systems were built within eleven years. The result: a direct and indirect improvement in the sanitation situation of more than 450,000 people. For this cooperation, in 2022 Kärcher received the Sustainability Heroes Award from the German Association for Quality. Furthermore, we support the GNF's global lake network Living Lakes, which works for the protection of water bodies worldwide.

For plastic-free waters

Since 2020, we have been cooperating with the environmental organisation One Earth – One Ocean (oeoo) and supporting them in their work to rid polluted waters worldwide of waste. In this context, we have been involved in a project on the Mekong River in Cambodia since 2022, for example. Every month, a local team collects up to 4.5 tonnes of waste and recycles it. As part of its corporate volunteering, Kärcher also carries out regular cleaning campaigns – with professional support from oeoo. Over 580 employees and their family members from 19 Kärcher companies worldwide took part in the so-called Kärcher Cleanup Days in 2023 – more than ever before. On beaches, in the water, in the forest and in parks, they collected over 10 tonnes of carelessly discarded litter to dispose of it properly afterwards. In addition, Kärcher, together with oeoo, is researching whether marine plastic can be recycled in the company's products in the future.

KÄRCHER FOR SOCIETY



2023 »»» 473

donations and sponsorship activities worldwide

82% of all projects are focused on value preservation

16 monuments and buildings cleaned in 10 countries as part of our cultural sponsorship

10 tonnes of waste collected in 19 companies on Cleanup Day

GRI CONTENT INDEX

Declaration of use	Kärcher is reporting on fiscal year 2023 in accordance with the GRI standards
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, 6, 9	
2-2 Entities included in the organisation's sustainability reporting	3, 6	
2-3 Reporting period, frequency and contact point	3, 74	
2-4 Restatements of information	30, footnote 3 36, footnote 3 49, footnotes 2, 5 61, footnote 2	
2-5 External assurance	-	No external audit of the report
2. Activities and employees		
2-6 Activities, value chain and other business relationships	9	No significant changes to the business model to report compared to the previous year
2-7 Employees	5, 53	
2-8 Workers who are not employees	53	
3. Corporate governance		
2-9 Governance structure and composition	9	
2-10 Nomination and selection of the highest governance body	-	Omission due to confidentiality constraints: information is treated as confidential
2-11 Chair of the highest governance body	9	
2-12 Role of the highest governance body in overseeing the management of impacts	9, 17	
2-13 Delegation of responsibility for managing impacts	9, 17	
2-14 Role of the highest governance body in sustainability reporting	9, 17	
2-15 Conflicts of interest	10	
2-16 Communication of critical concerns	-	Omission due to confidentiality constraints: information is treated as confidential
2-17 Collective knowledge of the highest governance body	9, 17	
2-18 Evaluation of the performance of the highest governance body	-	Omission due to confidentiality constraints: information is treated as confidential
2-19 Remuneration policies	-	Omission due to confidentiality constraints: information is treated as confidential

2-20 Process to determine remuneration	-	Omission due to confidentiality constraints: information is treated as confidential
2-21 Annual total compensation ratio	-	Omission due to confidentiality constraints: information is treated as confidential
4. Strategy, policies and processes		
2-22 Statement on sustainable development strategy	4, 18	
2-23 Policy commitments	8, 10, 22-23	
2-24 Embedding policy commitments	10, 12, 22, 32	
2-25 Processes to remediate negative impacts	10, 22-23	
2-26 Mechanisms for seeking advice and raising concerns	10, 22-23	
2-27 Compliance with laws and regulations	-	Omission due to confidentiality constraints: information is treated as confidential
2-28 Membership associations	13-14	
5. Stakeholder engagement		
2-29 Approach to stakeholder engagement	12	
2-30 Collective bargaining agreements	-	Omission due to confidentiality constraints: information is treated as confidential
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	15	
3-2 List of material topics	16	
GRI 201: Economic Performance 2016		
3-3: Management of material topics	5, 9, 10-11, 22-23, 26, 33-34, 35, 37, 60, 63	
GRI 201-1: Direct economic value generated and distributed	9	Omission due to confidentiality constraints: information is treated as confidential
GRI 201-2: Financial implications and other risks and opportunities due to climate change	25, 26	
GRI 201-3: Defined benefit plan obligations and other retirement plans	-	Omission due to confidentiality constraints: information is treated as confidential
GRI 201-4: Financial assistance received from government	-	Omission due to confidentiality constraints: information is treated as confidential
GRI 203: Indirect Economic Impacts 2016		
3-3: Management of material topics	65-66	
GRI 203-1: Infrastructure investments and services supported	65-66	
GRI 203-2: Significant indirect economic impacts	65-66	
GRI 204: Procurement Practices 2016		
3-3: Management of material topics	22-23	
GRI 204-1: Proportion of spending on local suppliers	22-23	

GRI 205: Anti-corruption 2016		
3-3: Management of material topics	10	
GRI 205-1: Operations assessed for risks related to corruption	-	Omission due to confidentiality constraints: information is treated as confidential
GRI 205-2: Communication and training about anti-corruption policies and procedures	10	
GRI 205-3: Confirmed incidents of corruption and actions taken	-	Omission due to confidentiality constraints: information is treated as confidential
GRI 206: Anti-competitive Behaviour 2016		
3-3: Management of material topics	10	
GRI 206-1: Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	-	Omission due to confidentiality constraints: information is treated as confidential
GRI 207: Tax 2019		
3-3: Management of material topics	11	
GRI 207-1: Approach to tax	11	
GRI 207-2: Tax governance, control and risk management	11	
GRI 207-3: Stakeholder engagement and management of concerns related to tax	11	
GRI 207-4: Country-by-country reporting	11	
GRI 301: Materials 2016		
3-3: Management of material topics	38-42	
GRI 301-1: Materials used by weight or volume	42	
GRI 301-2: Recycled input materials used	42	
GRI 301-3: Reclaimed products and their packaging materials	42-45	
GRI 302: Energy 2016		
3-3: Management of material topics	29-31	
GRI 302-1: Energy consumption within the organisation	29-30	
GRI 302-2: Energy consumption outside of the organisation	31	Information not available/incomplete: currently no collection of quantitative data
GRI 302-3: Energy intensity	30	
GRI 302-4: Reduction of energy consumption	30	
GRI 302-5: Reductions in energy requirements of products and services	46-47	Information not available/incomplete: currently no collection of quantitative data
GRI 303: Water and Effluents 2018		
3-3: Management of material topics	9, 20, 34-36	
GRI 303-1: Interactions with water as a shared resource	9, 20, 35	
GRI 303-2: Management of water discharge-related impacts	35-36	
GRI 303-3: Water withdrawal	35-36	
GRI 303-4: Water discharge	36	
GRI 303-5: Water consumption	36	

GRI 305: Emissions 2016		
3-3: Management of material topics	19, 25-31, 41	
GRI 305-1: Direct (Scope 1) GHG emissions	27-30	Information not available/incomplete: all greenhouse gas emissions are recorded collectively. The breakdown (e.g. according to CO ₂ , CH ₄ etc.) is expected to be available from 2024.
GRI 305-2: Energy indirect (Scope 2) GHG emissions	27-30	Information not available/incomplete: all greenhouse gas emissions are recorded collectively. The breakdown (e.g. according to CO ₂ , CH ₄ etc.) is expected to be available from 2024.
GRI 305-3: Other indirect (Scope 3) GHG emissions	27-28, 31	Information not available/incomplete: the scope 3 analysis was carried out on the basis of the spend-based approach
GRI 305-4: GHG emissions intensity	30	
GRI 305-5: Reduction of GHG emissions	25-31	
GRI 306: Waste 2020		
3-3: Management of material topics	34, 41, 42, 48-49	
GRI 306-1: Waste generation and significant waste-related impacts	48-49	
GRI 306-2: Management of significant waste-related impacts	34, 41, 42, 48-49	
GRI 306-3: Waste generated	49	
GRI 306-4: Waste diverted from disposal	49	
GRI 306-5: Waste directed to disposal	-	Information not available/incomplete: information expected to be available from 2024
GRI 308: Supplier Environmental Assessment 2016		
3-3: Management of material topics	22-23	
GRI 308-1: New suppliers that were screened using environmental criteria	-	Information not available/incomplete: information expected to be available from 2024
GRI 308-2: Negative environmental impacts in the supply chain and actions taken	-	Information not available/incomplete: information expected to be available from 2024
GRI 401: Employment 2016		
3-3: Management of material topics	51-53	
GRI 401-1: New employee hires and employee turnover	53	Information not available/incomplete: new recruitment and breakdown by age and gender not fully available
GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	52	
GRI 401-3: Parental leave	59	
GRI 403: Occupational Health and Safety 2018		
3-3: Management of material topics	60-62	
GRI 403-1: Occupational health and safety management system	6, 60-61	
GRI 403-2: Hazard identification, risk assessment and incident investigation	60-61	
GRI 403-3: Occupational health services	60-62	
GRI 403-4: Worker participation, consultation and communication on occupational health and safety	60-62	
GRI 403-5: Worker training on occupational health and safety	60-62	
GRI 403-6: Promotion of worker health	61-62	

GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60-62	
GRI 403-8: Workers covered by an occupational health and safety management system	6, 60	
GRI 403-9: Work-related injuries	61	
GRI 404: Training and Education 2016		
3-3: Management of material topics	54-55	
GRI 404-1: Average hours of training per year per employee	55	
GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes	54-55	
GRI 404-3: Percentage of employees receiving regular performance and career development reviews	54	
GRI 405: Diversity and Equal Opportunity 2016		
3-3: Management of material topics	58-59	
GRI 405-1: Diversity of governance bodies and employees	59	
GRI 405-2: Ratio of basic salary and remuneration of women to men	52	Omission due to confidentiality constraints: information is treated as confidential
GRI 406: Non-discrimination 2016		
3-3: Management of material topics	10, 58	
GRI 406-1: Incidents of discrimination and corrective actions taken	-	See report on LkSG 2023 (on the website)
GRI 407: Freedom of Association and Collective Bargaining 2016		
3-3: Management of material topics	7, 22-23	
GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	See report on LkSG 2023 (on the website)
GRI 408: Child Labour 2016		
3-3: Management of material topics	7, 22-23	
GRI 408-1: Operations and suppliers at significant risk for incidents of child labour	-	See report on LkSG 2023 (on the website)
GRI 409: Forced or Compulsory Labour 2016		
3-3: Management of material topics	7, 22-23	
GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour	-	See report on LkSG 2023 (on the website)
GRI 413: Local Communities 2016		
3-3: Management of material topics	65-66	
GRI 413-1: Operations with local community engagement, impact assessments and development programmes	65-66	
GRI 413-2: Operations with significant actual and potential negative impacts on local communities	-	See report on LkSG 2023 (on the website)
GRI 414: Supplier Social Assessment 2016		
3-3: Management of material topics	22-23	
GRI 414-1: New suppliers that were screened using social criteria	-	Information not available/incomplete: information expected to be available from 2024
GRI 414-2: Negative social impacts in the supply chain and actions taken	-	Information not available/incomplete: information expected to be available from 2024

GRI 416: Customer Health and Safety 2016

3-3: Management of material topics 63

GRI 416-1: Assessment of the health and safety impacts of product and service categories 63

GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services - In the reporting year, there was a market event that resulted in a recall campaign at Kärcher Municipal

GRI 417: Marketing and Labelling 2016

3-3: Management of material topics 32, 47, 63-64

GRI 417-1: Requirements for product and service information labelling 63-64

GRI 418: Customer Privacy 2016

3-3: Management of material topics 11

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

LEGAL INFORMATION

Publisher

Alfred Kärcher SE & Co. KG
Alfred-Kärcher-Straße 28-40
71364 Winnenden, Germany

T +49 (0) 7195 14-0
F +49 (0) 7195 14-2212

www.karcher.com

Contact

Corporate Sustainability Team
Paul Zimmermann v. Siefert
sustainability@karcher.com

Editing

Margit Mehlo, Marie Kristin Schmidt,
David Wickel-Bajak, Marina Kunert,
Alfred Kärcher SE & Co. KG

Consulting and text

Berichtsmanufaktur GmbH

Design

aha graphic design

Visit us at karcher.com/sustain and find out more about sustainability at Kärcher and the people who are propelling the company into the future with their work and projects.