

KUKA

_Keep on Moving



Sustainability Report 2023

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About this report

With this Sustainability Report, KUKA AG is once again accounting for the company's economic, ecological, social and societal responsibility. Our target groups are our employees, customers, suppliers, the capital market, non-governmental organizations, politicians and public authorities as well as interested members of the public. We would like to inform the aforementioned parties about the measures we are taking to implement responsibility and corporate sustainability throughout our processes, products, the supply chain and towards our employees.

This report was created in accordance with the GRI Standards (2021). 2021 we validated the key sustainability topics for KUKA in an updated [materiality analysis](#).

The reporting period corresponds to the 2023 financial year (January 1 to December 31). The information relates to all affiliated companies of KUKA AG that are included in the KUKA Annual Report. Any deviations have been identified as such. This report was published in German and English at the end of April 2024. In the future, it will continue to be published annually in April.

Foreword by the Management Board

*Ladies and Gentlemen,
Dear Readers*

International conflicts, economic challenges and the global impact of climate change: we are living in a time of uncertainty. This makes it all the more important to be resilient and open to change, to look positively to the future and to play an active role in shaping the transformation – especially when it comes to a sustainable future. Industrial companies like KUKA not only have a special responsibility here, but can also benefit from a more sustainable business model in the long term.

With our automation, robotics and digitalization products and solutions, we at KUKA enable more efficient and resource-saving production to our customers. For example, for one of the projects in 2023, KUKA designed a CO2-neutral plant for automotive supplier Valmet in southern Finland for the sustainable production of battery systems for electric vehicles, with all solutions and products from a single source.

Additionally, seven specific innovation projects were developed as part of the company-wide Innovation Challenge on the topic of “Circular Economy” and tested on potential customers. This led, among other things, to the development of “KUKA | Circle”, a platform for buying and selling used robots. And our new robot generations, such as the KUKA bestseller KR QUANTEC, are more energy-efficient than ever before. Especially in times of rising costs, the low total cost of ownership of our products and solutions is an important factor for our customers.

And, of course, we are also working on greater sustainability within our own company, with specific CO2 savings targets. We have set ourselves the goal of supplying all subsidiaries with 100% renewable energy by 2030. Furthermore, the entire KUKA vehicle fleet is to be converted to e-cars by 2030. We are also planning measures to increase energy

efficiency at our locations worldwide. Our aim is to reduce greenhouse gas emissions from our own business activities by at least 40% by 2030. This also includes achieving greater transparency about our emissions and receiving data from all locations, because we can only reduce what is measurable and known.

It is also important to us to consider all dimensions of sustainability equally – economically efficient, ecologically viable and socially just. Sustainability is an important factor for KUKA’s long-term success. It is an issue that affects all departments, divisions and employees of our company – and also influences our corporate culture. After all, it is primarily the KUKA employees worldwide who drive our company forward with their motivation, creativity and team spirit and are therefore indispensable for the long-term and for sustainable success of the company.

Peter Mohnen
Chief Executive Officer



For 125 years, our company has been changing the world of work with its products and solutions. Transformation is part of KUKA’s DNA. That is why it is also in our interest – and indeed our duty – to help shape one of the central change topics of our time: sustainability. After all, it will also be an important pillar for our success in the years to come.

Peter Mohnen
Peter Mohnen



Company and strategy

KUKA is a global automation corporation with sales of around 4.1 billion euro and roughly 15,000 employees. As one of the world's leading producers of intelligent automation solutions, KUKA offers customers everything they need from a single source: from the component, such as robots or automated guided vehicles (AGVs), to manufacturing cells and even fully automated systems and their networking in markets such as automotive, plastics, metal, general industry, consumer goods, e-commerce/retail and healthcare. Today, KUKA plays a central role worldwide in the implementation and design of intelligent automation, the digital networking of production, and modular and flexible manufacturing concepts.

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- ▶ Our strategic high-priority markets
- ▶ Corporate governance with responsibility
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- ▶ Our climate strategy
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- ▶ Significant risks and effects
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Corporate profile

For 125 years, KUKA has been committed to making life and work easier for people. We have a passion for automation. KUKA is one of the world’s leading specialists in automation. We support our customers in the holistic optimization of their value creation by providing comprehensive automation and digitalization know-how. KUKA generated sales of EUR 4.1 billion in 2023 (2022: EUR 3.9 billion) with 14,726 employees (2022: 15,064)*. The global technology corporation operates in more than 50 countries in Europe, the Americas and Asia.

The company offers its customers everything they need from a single source: from the core component – such as robots, automated guided vehicles (AGVs) and other automation components – to production cells, turnkey systems and networked production with the aid of cloud-based IT tools. Through its advanced automation solutions KUKA contributes to increased efficiency and improved product quality for its customers.

Industrie 4.0 – the next stage of the Industrial Revolution – is bringing digital, networked production, flexible manufacturing concepts and logistics solutions, as well as new business models to the fore. With its decades of experience in automation, in-depth process know-how and cloud-based solutions, KUKA ensures its customers have an edge on the competition. The strategic markets include the automotive, electronics, consumer goods, e-commerce/retail and healthcare industries

Corporate structure

The organizational structure includes five business segments: KUKA Systems, KUKA Robotics, Swisslog, Swisslog Healthcare and China. KUKA Aktiengesellschaft, headquartered in Augsburg, is the Group’s holding company and is responsible for corporate tasks within the group of companies. The business segments are operationally coordinated by the respective Managing Directors, who in turn report to the Management Board. With the exception of the China division, the segments operate globally and are supported by their local establishments, regional subsidiaries, and assembly and support services. Midea Group, headquartered in Shunde (China), has held 100% of the company’s shares since 2022.

KUKA Systems division

The Systems portfolio covers the entire value chain of a system: from individual system components, tools and fixtures to complete turnkey systems. From traditional body-in-white production in the automotive industry through battery production plants in the electromobility sector to initial non-automotive projects: the goal is the efficient design of production processes by means of adaptable, modular and automated manufacturing and logistics processes. Systems works together with its customers on flexible, scalable concepts and solutions for the factory of tomorrow. As an automation specialist for hardware and software solutions, Systems provides impetus for the digital factory.

Markets in Germany and elsewhere in Europe are served from the headquarters in Augsburg, while the Greater Detroit area in the USA is responsible for the North/South America region, and Shanghai in China manages the Asian market. In Toledo, USA, KUKA Toledo Production Operations (KTPO) manufactures the Jeep® Gladiator for Chrysler under the terms of a pay-on-production contract.



14,726
employees

* Figures for employees are based on the full-time equivalent

KUKA Robotics division

The core component for automating production processes is provided by the Robotics division: Industrial, collaborative and autonomous mobile robots (AMR) – combined with the robot controller, the appropriate software and digital services for each phase of the customer journey. The broad product portfolio – ranging from traditional 6-axis robots to DELTA and SCARA robots – covers payload ranges from three to 1,300 kilograms. Robotics also offers a wide range of services. Customers can, for example, pursue technical training and continuing education from KUKA Colleges at more than 30 locations worldwide.

KUKA Robotics is continuously expanding its range of products and services in order to be able to offer customers suitable solutions from a wide variety of industries – particularly in markets such as automotive with a focus on e-mobility & battery, electronics, metal & plastic, consumer goods, e-commerce, retail and healthcare. KUKA also offers small and medium-sized companies a simple and economical point of entry into automation. Research and development plays an important role here. The trend is towards robots that are simple to program, flexible to deploy, and easily integrated and networked. Supplemented by KUKA’s AMR range, robots become flexible and intelligent production assistants.

Swisslog division

With its Swisslog division, KUKA is tapping the growth markets of e-commerce/retail and consumer goods in the field of intralogistics. Based in Buchs (Aarau), Switzerland, Swisslog serves customers in over 50 countries worldwide. The division implements integrated automation solutions for forward-looking warehouses and distribution centers. As a general contractor, Swisslog offers complete turnkey solutions, from planning through to implementation and service, employing data-driven and robot-based automation in particular. Swisslog offers smart technologies, innovative software and adapted support services to improve the long-term competitiveness of its customers in the logistics sector. By combining Swisslog logistics solutions with the robotic automation solutions of the other divisions of the Group, KUKA offers new possibilities of flexible automation along the entire value chain.

Swisslog Healthcare division

The Swisslog Healthcare division (HCS) develops and implements automation solutions for modern hospitals. The aim is to boost efficiency and increase patient safety. With the aid of process optimizations in the field of medication management during and after in-patient treatment, hospital staff can free up more time for patient care. At the same time, the use of automation solutions can reduce the incidence of medication errors.

China division

The China segment comprises all business activities of the Chinese companies in the Systems, Robotics, Swisslog and Swisslog Healthcare divisions. In addition to KUKA industrial robots, automation solutions such as warehouse management systems and automated solutions for the healthcare sector are developed, offered and marketed in China. Industrial robots are manufactured at the Shunde location and sold on the Chinese market. Furthermore, new robot models, such as the SCARA and DELTA robots, have been developed in China.

Our strategic high-priority markets

Business expansion: new markets, software & services

KUKA is continuously diversifying its business activities into high-growth, profitable business segments

KUKA concentrates on markets that are primarily characterized by high growth and profit potential and on regional growth opportunities, especially in fast-growing Asian countries. While KUKA has benefited greatly in the past from its pioneering role in automotive automation, future potential is increasingly emerging in areas outside the automotive sector.

Automotive

The automotive industry has always been of great importance to KUKA and remains a key pillar. It is a very important driver of technology and innovation and has been in a period of transition for some time. Established concepts and business models are undergoing major changes in terms of the way vehicles are developed, built, sold and used. KUKA will continue to grow around the world with its expanding portfolio of automotive and tier 1 customers and support them as a partner in automation, digitalization and electrification.

Electronics

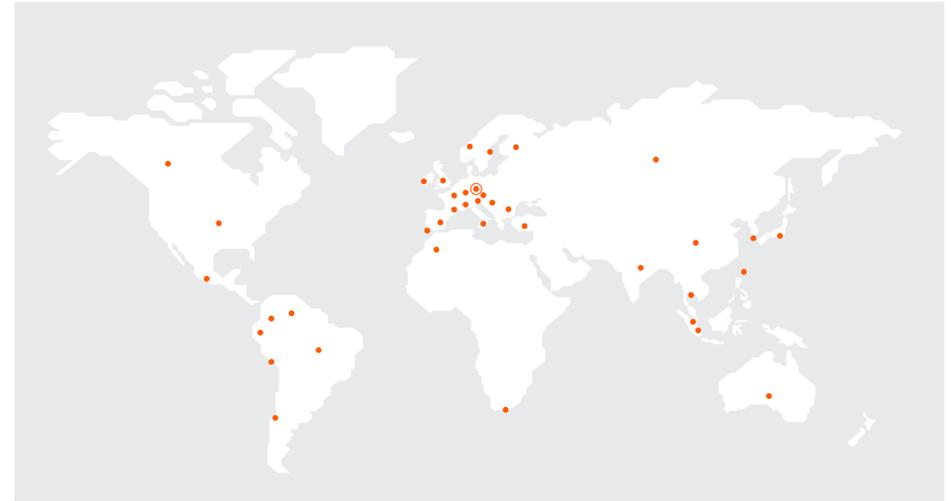
The electronics industry is one of the most diverse sectors in the present-day industrial landscape. It includes the production of household electrical appliances, cutting-edge technologies such as semiconductors or solar cells, and industrial electronics. The most important submarket for us with the highest revenues is the 3C market (computers, communications and consumer electronics).

Metal & plastics

Entry into robot-based automation in emerging markets often starts with arc welding applications. Robots are used not only for welding applications and machine handling, but also for a wide range of other tasks, for example polishing or processing, due to their comprehensive functionality. This also opens up new growth opportunities in saturated industries.

E-commerce & retail

Electronic commerce results in large quantities of varied goods being sent to consumers via goods distribution centers. Fast and correct order fulfillment is crucial for profitable operations and can only be achieved in the long term through automation. The e-commerce segment is therefore an important sales market for smart logistics concepts based on intelligent software and combined with innovative, robot-based automation.



Consumer goods

Robots have been efficiently and successfully supporting the production of fast-moving consumer goods (FMCG) for many years, especially in the food and beverage industry, but also in shoe or textile production, cosmetics and pharmaceuticals.

Healthcare

The healthcare sector is one of the most important growth markets of the future. Demographic change, medical innovations and the development of healthcare systems in emerging countries, as well as the shortage of skilled workers and the increasing cost awareness of healthcare

facilities, are creating a need for new solutions. The automated supply of medication can be part of the solution to the challenges in the healthcare sector: The aim is to boost efficiency and increase patient safety. With the aid of process optimizations in the field of medication management during and after in-patient treatment, hospital staff can free up more time for patient care. At the same time, the use of automation solutions demonstrably reduces the incidence of medication errors.

KUKA Medical Robotics offers a comprehensive portfolio of robotic components for integration into medical technology products: Applications for KUKA robots range from X-ray imaging to radiation therapy, patient positioning and robot-based assistance systems for surgical procedures in operating rooms, or as a supporting partner in the field of rehabilitation.

Expansion of the software and digital services business

Production and intralogistics systems of the future will be digitally networked and increasingly smart. While value creation through hardware is declining, software is becoming more and more important. This goes hand in hand with the trend towards easy-to-use, intuitive automation with falling barriers to entry. By investing in value-added software and services and digitalizing its product range, KUKA is taking an important step toward ensuring profitable growth in the future.

At the same time, KUKA is using its digital customer portal to optimize its sales and service delivery methods with the goal of improving the customer experience across all regions. With its digital products, KUKA enables its customers to virtually simulate and digitally network machines and systems in the cloud, thereby increasing efficiency in various areas, such as predictive maintenance.

Corporate governance with responsibility

As a German stock corporation, the statutory rules impose on KUKA AG a dual corporate governance system comprising a Management Board and a Supervisory Board. The members of the Management Board share the responsibility for company management. The CEO coordinates the work of the Board; he is responsible for representing and leading the Board in its cooperation with the Supervisory Board and its members. Midea Group, headquartered in Shunde / China, has held 100% of the company's shares since 2022.

The Management Board of KUKA AG consists of the Chief Executive Officer (CEO) Peter Mohnen and the Chief Financial Officer (CFO) Alexander Tan.

In accordance with the Articles of Association, the Supervisory Board of KUKA AG has a total of 12 members, 6 of whom are elected by the shareholders and 6 by the employees. Supervisory Board elections are held every 5 years; the last election took place on March 28, 2023. The responsibilities of the Supervisory Board include the appointment of members of the Management Board as well as their supervision and the provision of advice. The Chairman of

the Supervisory Board, Dr. Andy Gu, coordinates the work of the Supervisory Board. Furthermore, the Supervisory Board and the Management Board regularly inform themselves about key topics.

The Supervisory Board has formed five committees. An overview of them is provided on page 8 of the [Annual Report](#). Environmental and social issues impact many topics, and may be dealt with by the Supervisory Board or in the individual committees.

The Supervisory Board determines the compensation system and the specific compensation for the Management Board. The compensation system was established in December 2022 for the following fiscal years. The corporate governance statement is published on [KUKA's website](#). The objective is to continuously enhance the trust in corporate governance by combining sustainable governance and the necessary transparency.



Sustainability management at KUKA

For KUKA, sustainability means responsible corporate action towards the environment, our employees, customers, investors and our social environment. The goal is the continuous and sustainable further development of the company in view of dynamic changes in the economy, environment and society. With our sustainable management (ecological, social and economic), we simultaneously help our customers to implement and achieve their sustainability goals, thereby establishing important conditions for our economic success.

KUKA concentrates on five fields of action:

- » **Responsible employer**
- » **Ecological responsibility**
- » **Efficient products and solutions**
- » **Sustainable supply chain**
- » **Good Corporate Governance**

The Sustainability Report with an integrated non-financial report is prepared on behalf of the Management Board and approved at a Management Board meeting.

At Group level, the Corporate Sustainability department (ESG Office) is responsible for global coordination and the establishment of Group-wide structures and processes for sustainability management. Targets and strategies are developed in close consultation with the sustainability managers from the segments and finally approved by the Management Board. Corporate Sustainability reports to the CEO. The sustainability managers from the segments and the specialist departments develop and manage their segment-specific and location-specific measures in line with the corporate strategy. Those responsible report their segment-specific analyses and key figures to the management of the segments.

At Swisslog, for example, an interdisciplinary team headed by the CFO Swisslog is responsible for the sustainability program together with a Sustainability Committee. This is intended to anchor sustainability in the corporate strategy at segment level in order to promote long-term activities and investments in corresponding technologies. The aim is to anchor sustainability in Swisslog's corporate culture.

As part of the sustainability program, a sustainability roadmap was defined for Swisslog, which is based on the areas of action within KUKA Group. For example, the relevant emissions for determining the company's carbon footprint (corporate carbon footprint) or the CO₂ footprints of products (product carbon footprint) are identified and determined. Energy efficiency in product development is also part of the sustainability program.

We have summarized our most important environmental and human rights-related principles in our KUKA Code of Conduct. These are our guard rails on the way to a successful and sustainable future.

Our climate strategy

We see the consequences of climate change as a major challenge. That is why we want to help limit global warming to 1.5 °C and are driving forward the reduction of our CO₂ emissions. The [Paris Climate Agreement](#) created a framework for a global climate policy. Countries around the world have committed to curbing climate change and transforming the global economy in a climate-friendly way. The aim of the international agreement is to keep the increase in the global average temperature to well below 2 °C beyond pre-industrial levels and to continue efforts to limit the temperature increase to 1.5 °C beyond pre-industrial levels. In order to achieve this goal, no more climate-damaging gases may be emitted in the second half of this century than are removed from the atmosphere. The COP28 world climate action summit was another signal for companies to strive for a transformation in order to operate as climate-neutrally as possible. With our Group targets, we want to make our contribution and reduce greenhouse gas emissions from our own business activities (Scope 1 and 2). By 2030, KUKA aims to reduce its Scope 1 and Scope 2 emissions by 40% compared to the base year 2022:

- » We intend to reduce our consumption and improve energy efficiency at our locations worldwide.
- » We are continuing to drive our own renewable electricity supply forward.
- » By 2030, we want to use 100% green electricity at all our locations worldwide.
- » We want to convert our company vehicles gradually to a battery-powered vehicle fleet by 2030 and further expand the charging infrastructure at our locations.

SBTi Commitment

In 2023, KUKA signed the SBTi Commitment Letter (Science Based Targets initiative), committing to develop targets in line with a 1.5 °C and net-zero future. It is the start of a multi-stage process. In line with the commitment, scientifically based short and long-term emission reduction targets for Scope 1, 2 and 3 will be developed that meet the [SBTi](#) criteria. As soon as the targets have been validated by SBTi, KUKA will report on the progress of the targets every year. The SBTi is a partnership between [CDP](#), [United Nations Global Compact](#), [World Resources Institute \(WRI\)](#) and [World Wide Fund for Nature \(WWF\)](#). It supports the goals of the Paris Climate Agreement and enables organizations to set emission reduction targets on the basis of scientific findings.

Sustainability ratings

More and more of our customers expect us as a supplier to present our sustainable performance transparently and demand information and corresponding evidence. Sustainability rating agencies, for example, evaluate how well a company has integrated the principles of sustainability into its business and management system. Since 2008, KUKA has regularly participated in the CDP (formerly Carbon Disclosure Project), which analyzes information relating to climate and water risks from a financial perspective. In 2023, KUKA's rating was C in the Climate Change category and C- in the Water Security category. As a machine and system manufacturer, KUKA is thus in the middle of the field.

In Supplier Assurance, KUKA 2023 achieved a top result of 92 out of 100 points. This puts KUKA well above the average for mechanical engineering and for industry as a whole.

KUKA received a bronze medal from EcoVadis in the year under review. The silver medal from the previous year was only narrowly missed.

From EcoVadis, KUKA Systems North America (KSNA) achieved an increase of 43 percent compared to the previous year and received a silver medal for their performance. KSNA achieved the greatest improvements in the areas of environment, labor and human rights, and sustainable procurement. This means that KUKA Systems North America achieved the ESG targets set by customers for 2025 two years early.



KUKA was nominated for the German Sustainability Award (DNP) for the first time in the year under review. The DNP seal is Germany's most prestigious recognition for exemplary ecological and social performance. The DNP recognizes pioneering contributions to the transformation towards a sustainable future. The selection is made by a jury of experts on the basis of publicly available sustainability information. KUKA has been identified as one of the pioneers in the mechanical engineering sector.



EcoVadis – Rating:
Bronze



In dialog with society

KUKA is in regular contact with various sectors of society. In some instances, these may have quite different perspectives and demands on the company and may, under certain circumstances, impact KUKA's reputation. Our key stakeholders are customers, business partners, suppliers, but also media representatives, the public and our employees.

Communicating openly with these stakeholders is important to KUKA, because this forms the basis for mutual understanding and acceptance of the business decisions. The respective divisions are responsible for communicating with the various stakeholders. We have been collaborating closely with various customers for many years in the implementation of technical innovations in industrial production within the scope of joint projects. The purchasing department is the contact for suppliers, the human resources department for employees, and the press department for representatives of the media, while sustainability rating agencies are handled by the Corporate Sustainability department.

The allocation of the added value in KUKA Group to the key stakeholders can be seen in the [Annual Report](#).

International cooperation

KUKA is a member of numerous organizations and initiatives. We are also involved in various project groups within the [German Mechanical Engineering Association \(VDMA\)](#). We participate, for example, in the VDMA Sustainable Finance project group, the Corporate Responsibility working group and the Battery Production specialist department and are also involved in the Robotics + Automation trade association. KUKA is a key driver of Industrie 4.0 in other organizations. We provide the Chairman of the Board of the [Open Industry 4.0 Alliance](#), which is also heavily involved in Manufacturing X, and we are on the board of the [Industrial Digital Twin Association](#) and on the advisory board of [Digital Industries World](#).

KUKA is also active in various OPC UA ([Open Platform Communications – Unified Architecture](#)) working groups. OPC-UA offers networking technology for factory and process automation, as required for Industrie 4.0. Together with other companies, KUKA is working on standards that will enable standardized communication between devices and machines in the future. Germany is one of the world's leading markets in the field of mechanical engineering and automation components manufacturing, and is expected to play an active role in shaping these standards. Other associations of which KUKA is also a member include the [Federation of German Industries \(BDI\)](#), [EUnited \(European](#)

[Engineering Industries Association\)](#), [euRobotics](#), the [International Federation of Robotics \(IFR\)](#) and the [Association for Advancing Automation \(A3\)](#).

KUKA cooperates with various international colleges, universities and institutes as part of several development projects.

Significant risks and effects

Risk management

The Management Board has implemented a comprehensive corporate risk management system to systematically identify, evaluate, manage, monitor and report internal and external risks for all business segments and subsidiaries.

Identified risks are assessed throughout the Group according to their potential impact on business development and the achievement of corporate targets (such as revenues and EBIT). The analysis also includes the legal framework for sustainability reporting, climate risks and other legal sustainability requirements. The analysis considers probabilities of occurrence both qualitatively and, if possible, quantitatively. A monthly reporting process (risk inventory) identifies new risks and performs follow-up assessments of existing risks. This monthly risk report is submitted to the Management Board.

The managers of the business segments and subsidiaries are directly responsible for the early identification, control and communication of risks. Each segment has installed a

risk officer for risk management. The risks reported from the segments are consolidated at Group level.

The aim is to identify risks so that countermeasures can be taken at an early stage. For this reason, KUKA informed its employees during Risk Information Week 2023 what risks are, what risk management means in general, and that we are basically all risk managers.

Moreover, a risk analysis was carried out in the year under review in accordance with the German Supply Chain Due Diligence Act (LkSG). With the help of the risk analysis, the KUKA identified, evaluated and prioritized the human rights and environmental risks for both its own business area and also the business area of its direct supplier. The analysis serves as a basis for determining effective preventive measures and corrective action.

In 2023, our locations around the world were subjected to a climate risk and vulnerability analysis. Potential impacts were analyzed on the basis of various scenarios. The evaluation included the effects of extreme precipitation,

drought, flooding, areas with extreme temperatures and rising sea levels. The moderate scenario is based on global warming of less than 2 °C beyond the pre-industrial age, the medium scenario on global warming of more than 2 °C and the severe scenario on a warming of more than 4 °C. The procedure is based on the climate model of the Intergovernmental Panel on Climate Change (IPCC). The locations that are exposed to a heightened climate risk are subjected to further analyses.

Impact on the economy, environment and society

As part of our materiality analyses in accordance with GRI, we analyze the impact of our business activities on people and the environment along the entire value chain. With our products and solutions, we contribute to economic growth and promote technological progress. Our automation solutions can improve working conditions for our customers. KUKA sees itself as a partner to its customers and a responsible employer for its workforce and their families.



Non-financial statement

KUKA contributes to environmental protection through the careful use of natural resources and an effective environmental management system. Applicable laws and regulations are respected at all times. We comply with our environmental and human rights due diligence obligations in our upstream value chain by taking measures to improve working conditions in our supply chains. We expect our suppliers to commit to respecting human rights and to comply with appropriate due diligence processes. To this end, we work with a binding Code of Conduct for Business Partners, and those responsible for purchasing must ensure it is agreed to.

KUKA takes this responsibility seriously and is also aware of the possible negative impact of its business activities. This includes identifying and mitigating the consequences for the economy, the environment and society, as well as for the Company and its employees. As a technology company, we know that a large proportion of emissions, for example, is generated in the downstream value chain. With our products and systems, we help to shape sustainable production at our customers' plants, for example by supplying energy-efficient robots or by setting up CO₂-neutral production facilities to reduce CO₂ emissions at our customers' sites.

In a world that is changing rapidly and encountering major challenges in the face of climate change, we can help to reduce emissions with energy-efficient solutions and thus also secure our long-term business success.

Material sustainability topics

Sustainability affects economic, ecological and social aspects. Therefore, the key issues for the Company must be identified in order to be able to develop a sustainability strategy. In this context, we also take into account such demands as are placed on us from outside the company.

In order to achieve improvements, but also to identify risks and opportunities, it is crucial to know one's value chain. For this reason, KUKA has identified the most important ESG issues that have a significant impact on people, the environment and our company across our entire value chain in a materiality analysis. KUKA is currently preparing to implement the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). From the 2025 fiscal year, KUKA will report comprehensively and Group-wide in accordance with the ESRS standard. Until then, KUKA will continue to prepare the Sustainability Report in accordance with the GRI standards.

With the help of the materiality analysis in accordance with the CSR Directive Implementation Act (CSR-RUG) from 2021, five topics were identified as central and important: "Climate protection and climate risks" as a central environmental topic, "Efficient and responsible products and solutions" from the economic topic area, and "Responsible procurement" and "Employee responsibility and development" from the social and societal area. The topic of "Good Corporate Governance" covers other material topics as an important interdisciplinary function.

Sustainability goals were defined for KUKA on the basis of the materiality analysis.



Results of the materiality analysis

Material Topics	Concerns according to CSR Directive Implementation Act	Material impacts internal and external to the company	GRI-Standards
Climate protection and climate risks	Environmental concerns	External	GRI 302: Energy GRI 303: Water and effluents GRI 305: Emissions GRI 306: Waste
Efficient and responsible Products and solutions	Social concerns	External	GRI 302: Energy GRI 416: Customer health and safety GRI 417: Marketing and labeling GRI 418: Customer privacy
Employee responsibility and development	Employee concerns	Internal	GRI 401: Employment GRI 402: Employee-employer relationship GRI 403: Occupational health and safety GRI 404: Training and further education GRI 405: Diversity and equal opportunity
Responsible procurement	Human rights and Environmental concerns	External	GRI 204: Procurement practices GRI 308: Supplier environmental assessment GRI 407: Freedom of association and collective bargaining GRI 408: Child labor GRI 409: Forced or compulsory labor GRI 414: Supplier social assessment
Good Corporate Governance	Anti-corruption	Internal	GRI 205: Anti-corruption GRI 206: Anti-competitive behavior



Our goals

Fields of action	Goals
Ecological responsibility	Continuous improvement of our environmental performance Target for Scope 1+2 emissions by 2030: -40% compared to base year 2022 Net zero by 2050
Efficient products and solutions	Continuous improvement of the energy and resource efficiency of our products and solutions
Sustainable supply chain	Ensuring a sustainable and reliable supplier network
Responsible employer	Increasing employer attractiveness





Compliance

Ethical, responsible corporate governance is one of KUKA's most important principles. Our Corporate Compliance Program provides a basic framework to ensure that our employees behave in a manner that complies with laws and regulations. Our compliance structure is based on fundamental ethical values and is intended to protect our economic values. This also applies to product safety. It is our aim to protect our customers against risks and damage caused by our products, both in terms of their health and also with regard to data protection issues. We thus create a safe and secure environment for customers, employees and our company.

- ▶ Tough on corruption and bribery
- ▶ Corporate compliance as a foundation
- ▶ Guidelines for product safety

Tough on corruption and bribery

Even though our market environment is subject to dynamic changes worldwide, our fundamental ethical standards and the associated internal rules remain unchanged. As a foundation for our business activities, we have anchored our core values in policies. They are included in our Corporate Compliance Program and thus an integral part of our daily business decisions.

Our core values are:

- » Ethical principles are a core element of our business activities.
- » Laws and regulations must be complied with, as must our core values and internal policies.
- » A working environment in which all employees are appreciated and receive equal treatment form the basis for good cooperation.

- » Transparency in decision-making processes and a high degree of integrity are what set us apart.
- » The health and safety of employees in the workplace is a priority for us.

Corruption and bribery must be systematically combated for both legal and ethical reasons, and sanctioned where necessary. Cases of corruption entail reputational risks for our company and can result in fines, claims for damages or exclusion from public tender procedures.

In competition with other companies, KUKA prohibits any form of corruption and demands abidance by the principles of fair competition. This self-image is a fundamental part of our corporate culture. That is why we do not participate in price fixing and other anti-competitive practices.

Compliance structure

The Compliance department falls within the remit of the CEO of KUKA AG. The Chief Compliance Officer (CCO) is responsible for the Corporate Compliance Program and its operational implementation. Moreover, the senior executive levels are involved in the operational implementation; this responsibility devolves to all management levels. We have established various processes and measures in order to implement compliance together with all employees and external partners. Together, these elements form our Compliance Management System (CMS).



Corporate compliance as a foundation

The Management Board is responsible for the Corporate Compliance program established in 2008. Each corporate policy is in turn an integral part of this program and applies globally to KUKA Aktiengesellschaft. The policies describe in detail how employees are to behave in certain problem situations or other situations in terms of business practices with integrity.

The content of the Corporate Compliance Program – which is also the foundation of the CMS – is laid out in our Corporate Compliance Manual. This includes the most important points of contact as well as the 16 compliance-specific corporate policies which define the rules of conduct, cooperation, personal commitment and framework for KUKA's business operations.

The Manual constitutes the basis of the CMS. It is available to all employees via the company-wide intranet and is accessible to the public on the company's website. The Manual is revised as necessary to adapt it to current requirements. In 2023, we again reviewed all corporate compliance policies to ensure they were up to date. In this context, the 8th corporate policy "Insider provisions for KUKA employees" was removed, as it is no longer relevant for the company since the delisting.

In 2023, the content was reviewed and partially updated. As a result, the structure has been made more transparent, making the content clearer. The new version of the

Compliance Manual will be published at the beginning of the following year.

Another foundation for the CMS at KUKA is an internal database in which compliance inquiries and issues are systematically recorded. It is regularly evaluated in order to draw conclusions on the effectiveness and need for adaptation of the CMS.

Online and classroom training

In order to train employees in compliance issues, training measures are an inherent feature of the CMS. They are provided in various formats. These include computer-supported learning methods (e-learning) and worldwide classroom training on selected topics as required on specific occasions. Participation in "Corporate Compliance" e-learning is mandatory for all employees and is confirmed with a certificate after successful completion. Both new and existing employees are invited to take part in the e-learning at regular intervals. All employees are urged to refresh their compliance know-how on a regular basis.

E-learning programs are used to teach the core values as well as fundamental compliance skills and codes of conduct. Available in 13 languages, the program has a modular format and is geared to specific target groups. In 2023, the e-learning was completely revised in terms of both content

and appearance; this will be completed at the beginning of the following year. The use of e-learning modules is to be expanded in the future as well, this method having proved its worth in the training concept.

For employees who are unable to participate in the e-learning program, offline training material is available. It is aimed, for example, at employees in Production and Logistics. The content and language of the training have been adapted to this target group. If required, additional classroom training is carried out.

Expansion of our communication channels

All KUKA employees should be able to provide information about suspected compliance violations without fear of negative consequences. This is set out in our Corporate Compliance Manual. The various communication channels available to both employees and external parties in the event of a suspected violation are also listed here in detail. They may report concerns to their manager, the HR department or Compliance Officers who are deployed on site and regionally. Suspected violations cases can also be reported anonymously to an ombudsperson who is not employed by the company and is therefore independent. The ombudsperson forwards the issues to the Compliance Officer (CCO), in anonymous form if so desired. Additionally, the web-based KUKA Integrity platform is available, which

can be used to report compliance issues both anonymously and non-anonymously. Internal and external reports are treated with the same care.

The KUKA reporting channels fully comply with the Whistleblower Protection Act (HinSchG), which came into force in July 2023.

The communication channels which are currently in place proved effective in 2023. During the fiscal year, KUKA Group became aware of 21 potential compliance incidents (2022: 20). These were carefully processed and, if necessary, appropriately sanctioned. Furthermore, cases of corresponding relevance were reported to the Management Board or the Audit Committee of the Supervisory Board.

An extensive campaign was conducted in the year under review to raise awareness of the reporting channels, including the new web-based platform. In order to reach all employees, both digital and print media were used. The web-based platform has also been adequately integrated into the KUKA website to draw the attention of external parties to the possibility of reporting compliance issues.

Further training of compliance experts

KUKA has been working closely with the Center for Professional Development and Knowledge Transfer (ZWW) at the University of Augsburg for many years. As in previous years, KUKA once again hosted the Company Campus Day of the “Compliance Officer (Univ.)” certification course in 2023; for the first time since the coronavirus pandemic, the event was held on site again in spring and fall. The course provides participants with practical insight into compliance issues within an industrial company.

»» In order to train employees in compliance issues, training measures are an inherent feature of the Compliance Management System. ««

Guidelines for product safety

We are committed to safety, whether in production, purchasing, quality management or service and sales. We also live up to this expectation after delivery and installation of our products and systems. That is why, already during the development of new products, KUKA works on excluding product defects or operating errors to the fullest possible extent. All details and responsibilities are explained thoroughly in the KUKA policy on product safety.

Our robots and systems comply with the applicable legal requirements and technical standards. These include, for example, the EU Machinery Directive 2006/42/EC as well as EN 528, EN 619 and the EN ISO 10218 series. We confirm product conformity via the CE marking or country-specific authorizations and certificates from third parties – for example, UL/CSA in North America. We ensure compliance with the requirements internally as part of product development and project implementation and, where necessary and appropriate, involve external bodies in the conformity assessment.

KUKA frequently sells to system integrators that install our products at the end customers' facilities. KUKA is thus often unaware of the purpose and location of the individual robots, and in such cases only comes into contact with the product again via Customer Service, for example during routine maintenance. Here, the service technicians pay attention to potential safety risks and other relevant aspects.

We have clearly defined processes and procedures for potential safety risks involving robots that have already been installed. Corresponding risks are reported to the Product Compliance department. In the event of a safety risk being identified, we actively approach the customer.

With the aid of worldwide product monitoring and the experience we have gained over the years, as well as by tracking, and in some cases actively participating in, the activities of standards working groups, we are able to prepare our products early for a future state of the art. In 2023, we trained a total of 105 employees on the topics of product safety and technical safety regulations, and an e-learning module on product safety was implemented for the Swisslog Logistics division.

The principle of "Security by Default" or "Privacy by Default" is being increasingly taken into account at KUKA against the background of advancing networking. At KUKA, we program the factory settings in our products or other applications in such a way that users and their data are protected without any corresponding settings having to be made to this effect.

Responsibility for product safety lies with the management of the segments.

Reviews and training

Our customers and business partners learn how to safely handle and program robots and cells in user training courses at KUKA Colleges around the world. In addition to the expert operation of the machines and components, the aim is to prevent accidents and increase work safety for the customer. In 2023, over 3,000 robot training courses were held at KUKA locations worldwide. After the end of the pandemic, the proportion of practical training courses that were supplemented with digital learning content for consolidation and follow-up increased significantly again.

The Product Compliance department at KUKA regularly monitored compliance with the Product Safety policy during the year under review, checked any deficiencies and successfully remedied them. In addition to safety aspects, the policy includes a variety of product labeling requirements that are playing an increasingly important role in market entries and lowered trade barriers in global supply chains. Essential for this are the product directives of the European Union, in particular the Machinery Directive, which must be applied to all industrial robots and production systems. Equally relevant are market-specific certification and approval requirements, for example for the North American or Asian markets.

KUKA meets these requirements by means, among other things, of continuous training of its employees and the expertise of internal and external specialists. Frequent interdepartmental reviews additionally ensure product compliance prior to distribution. We intensify the dialog on relevant topics through a continuous exchange of experience among product safety experts within KUKA Group.

Tax Compliance

KUKA underscored its Group tax strategy in 2021 with a corporate policy on tax compliance. KUKA strives to fulfill the tax law obligations applicable worldwide out of a sense of social and ethical responsibility. A Tax Compliance Management System (Tax CMS) ensures that the tax obligations of Group companies are met and that integrity standards are maintained by adopting appropriate measures – such as efficient, high-quality and reliable expertise, processes, systems, methods and controls. The Tax Compliance policy defines the framework for these activities and governs the corresponding responsibilities.

To ensure compliance with the legal requirements relating to tax governance and compliance, the Group tax department annually offers training courses on international taxation for colleagues in Finance and all others in Group management.

KUKA's tax strategy is geared towards trust-based and respectful relations with the tax authorities and other public bodies.

A multinational group of companies like KUKA is obliged to create a country-by-country report (CbCR) if its annual consolidated sales revenue in the previous fiscal year totals at least 750 million euro. The CbCR contains certain key performance indicators such as tax payments, current tax expense, income and number of employees. It is prepared annually in aggregated form per country and sent to the tax authorities of the country in which the ultimate parent company Midea is domiciled. The relevant tax authorities can retrieve the information via the automated data exchange.

Information security and data protection

KUKA is committed to protecting the information processed by our customers and ourselves. To this end, we have incorporated the issues of information security and data protection into the product development cycle as fixed elements and take them into account with the goals of “security by design” and “privacy by design” when developing the hardware and software for our products.

KUKA has implemented globally applicable policies on information security and data protection; these provide a uniform level of protection and are based on internationally recognized standards (for example, ISO 27001, EU GDPR). Our employees are able to contact the responsible departments at KUKA directly in the event of queries or incidents. In addition to the personal points of contact, general e-mail accounts can also be used for these topics.

Information security and data protection affect all KUKA employees. For this reason, in addition to the extensive internal regulations, there are also mandatory online training courses on data protection in seven languages and on information security in 19. All employees are required to undergo this training each year.

For employees who do not have access to a PC, corresponding classroom training is available. Specially tailored training courses have been created for groups of people who are confronted with particular requirements regarding information security or data protection, for example information security for developers, data protection for HR employees.

Despite technical safeguards, employees may occasionally receive fraudulent e-mails that can cause damage. In 2023, we have therefore significantly intensified our phishing prevention campaigns, as well as continuously conducting phishing tests and deriving measures to raise employee awareness. With these anonymized tests, we considerably raised awareness of fraudulent e-mails and the associated dangers.

Additionally, we introduced a data loss prevention tool for Office documents and Outlook mails in the year under review. Based on the classification of documents, the tool can prevent documents from being sent by e-mail or restrict the printing or creation of copies. This strengthens the IT infrastructure and protects confidential and highly confidential information in particular.



Ecological responsibility

An intact environment and responsible use of natural resources are important prerequisites for long-term business success. However, the ever more urgent climate crisis, polluted air, increasingly scarce resources, escalating waste problems, contaminated soil and water, and the loss of biodiversity require the adoption of countermeasures. As an industrial company, KUKA wants to make a measurable contribution to the reduction of environmental pollution.

- ▶ Environmental protection in the company
- ▶ Conserving resources

Environmental protection in the company

Operational environmental protection has always been of great importance at KUKA. In particular, we want to make an active contribution to climate protection, because CO₂ emissions have a major impact on climate change. Mindful of our responsibility for climate protection, and also in the interests of efficient production, we aim to keep our carbon footprint at all production locations to an absolute minimum.

Waste also pollutes the environment. Surface waters and soils may be adversely affected by illegal disposal or unforeseeable environmental accidents at production locations. KUKA counteracts potential environmental impacts from its waste disposal with far-reaching measures.

Together with the responsible employees, our environmental management continuously considers and evaluates the environmentally relevant effects of our business activities. Our main production locations work according to internationally recognized management system standards in the areas of environment (ISO 14001), energy (ISO 50001), occupational health and safety (ISO 45001), quality (ISO 9001) and other industry-specific regulations, for example, VDA 6 Part 4.

In our Code of Conduct, we have defined the principles for quality, health protection, occupational safety, environmental and energy management in accordance with all management system standards. Responsibility for these cross-location management systems lies with the Management Board of the Group.

Environmental management focuses on energy consumption in production, and waste and water management at the production locations. We also look at other factors such as the use of the vehicle fleet and logistics, and try to implement eco-efficient processes and potential environmentally friendly alternatives at key points.

The immediate goal of environmental management at KUKA is to avoid or limit the harmful effects of our locations on people and the environment. Regular internal and external audits ensure a consistently high level of protection. If weak points are diagnosed, we take consistent action. In 2023, as in the preceding years, we recorded no significant* incidents.

In addition to audits, independent ratings also help to assess the level of sustainability performance and indicate deficiencies (see page 13).

» Goal of environmental management at KUKA is to avoid or limit the harmful effects of our locations on people and the environment. «

* Significant incidents in environmental management constitute events with potentially severe consequences for the environment, health or safety. The exact definition of these incidents varies depending on the company targets, legal requirements and industry standards.

Contribution to the UN development goals

Environmental management at KUKA contributes to the achievement of several goals or targets of the United Nations' Agenda 2030. In particular, this relates to the following UN Sustainable Development Goals (SDGs):



SDG 8.4:
Improve resource efficiency in consumption and production



SDG 12.2:
Sustainable management and efficient use of natural resources

SDG 12.4:
Environmentally sound management of chemicals and all wastes

SDG 12.5:
Substantially reduce waste generation



SDG 13.2:
Climate protection measures and strategies

Reducing environmental impact

As an industrial company, KUKA wants to make a measurable contribution to the reduction of environmental pollution, significantly improve energy efficiency at its own locations through targeted measures by 2030, and generate more electricity from renewable energies itself. By renewing and optimizing the measurement, control and regulation technology in buildings, for example, we can provide energy flows in line with demand and discover further efficiency potential. Other measures to improve our energy efficiency include the automated shutdown of machines, the regulation of light intensity depending on daylight, the ongoing conversion of lighting to LEDs at more and more locations worldwide, modern, energy-efficient air compressors and refrigeration systems, the installation of programmable thermostats, the use of waste heat for our heating systems and the adjustment of the temperature of the water heater.

Within the company, there is an exchange between the locations about implemented measures and optimization possibilities. Last but not least, we also raise employees' awareness of the need to use energy responsibly. Even small everyday measures such as shutting down laptops at the end of the day, switching off monitors and lights or driving more fuel-efficiently make a difference.

KUKA continues to drive its own renewable energy supply forward and installed a photovoltaic (PV) system covering an area of 2,100 m² on the roof of the company building in Augsburg in 2023. The system consists of over 1,000 modules and can produce an annual energy volume of 440,000 kWh.

A PV system also supplies solar power at our Hungarian location in Taksony. The system covers around a quarter of the total electricity demand in Taksony.

At an increasing number of locations, we are using environmentally friendly green sources to cover a share of electricity requirements (EE-01). Compared to the average electricity mix in Germany, purchasing green electricity enables us to save around 6,000 tonnes of CO₂ annually. By using district heating instead of natural gas, we achieve a significant reduction in CO₂ emissions at some European locations.

In 2023, KUKA Systems North America supported the One Tree Planted organization. Systems pledged a donation for every supplier registration on our online supplier platform. This enabled the municipal forestry department to plant a total of 200 trees on our behalf.

By making our environmental performance transparent, we uncover potential for improvement and can ensure better achievement of our environmental and energy targets. As part of the preparations for the CSRD (Corporate Sustainability Reporting Directive), further global locations are being integrated into the data collection process.

KUKA sets itself ambitious global targets to reduce greenhouse gas emissions from our own business activities (Scope 1 and 2). By 2030, KUKA aims to reduce its emissions (Scope 1 and 2) across the Group by 40% compared to the base year 2022, while at the same time increasing sales growth.

Compared to the previous year, KUKA was able to decrease its heat consumption slightly by 1.2% to 34,734 MWh. Despite the growth in sales, electricity consumption was only just above the prior-year level at 73,329 MWh. The energy intensity of total energy consumption fell by 3.2% compared to the previous year. CO₂ emissions (Scope 1 and 2) increased year-on-year to 43,650 tonnes, as did CO₂ intensity. The increase is primarily due to revenue increase, the expansion of locations and conversion work on existing buildings.

Energy consumption¹

	2022 ²	2023 ²	Change year-on-year
in MWh			
Heat	35,146	34,734	-1.2%
Electricity	72,182	73,329	1.6%
Total	107,327	108,063	0.7%

Energy intensity¹

	2022 ²	2023 ²	Change year-on-year
Consumption in MWh per € 1 million turnover			
Heat	9.0	8.6	-5.0%
Electricity	18.5	18.1	-2.3%
Total	27.5	26.7	-3.2%

CO₂ emissions¹

	2022 ²	2023 ²	Change year-on-year
in t CO ₂			
Scope 1 (direct emissions)	10,267	10,006	-2.5%
Scope 2 (indirect emissions)	30,071	33,643	11.9%
Total	40,338	43,650	8.2%

CO₂ Intensity for Scope 1 and Scope 2¹

	2022 ²	2023 ²	Change year-on-year
CO ₂ intensity in tonnes per € 1 million turnover			
Scope 1 (direct emissions)	2.6	2.5	-6.3%
Scope 2 (indirect emissions)	7.7	8.3	7.6%
Total	10.4	10.8	4.0%

Promoting sustainable mobility

We want to make a measurable contribution to the reduction of our direct emissions and therefore aim to convert our KUKA vehicle fleet to electric vehicles by 2030. The target is being gradually implemented at all locations worldwide. We are also continuing to invest in the charging infrastructure. By the end of 2023, 120 charging points had been installed at the Augsburg site alone.

To make sustainable modes of transport more attractive and reduce emissions on the way to work, we motivate our employees by offering a subsidy for rail travel in conjunction with the so-called Deutschlandticket. The Deutschlandticket was introduced by the German government in the spring of 2023 to make local public transportation more attractive and thus reduce the number of people traveling on their own by car.

In addition, employees have been able to order a JobRad at many German locations since mid-September. With this model, employees can finance a new bicycle or an e-bike through deferred compensation and thus benefit from cost advantages. This not only helps to protect the environment, it also promotes the health of employees.

¹ KUKA's large sites in Europe, North America and Asia (Augsburg, Bremen, Dortmund, Westerstede, Kunshan, Shanghai, Shunde, Sterling Heights, Toledo, Broomfield, Füzesgyarmat, Taksony, Sibiu, Sipbachzell, Buchs, Boxholm, Cuneo and Maranello)

² As not all consumption figures were available at the time of publication, estimated values are also included. The previous year's figures were therefore adjusted accordingly.

Conserving resources

Within the framework of the environmental management system, KUKA also considers the development of waste and wastewater volumes, adopting measures to reduce them. With forward-looking environmental management, we are thus able to make measurable contributions to the conservation of resources.

Waste management

In order to ensure high-quality recycling of inevitable waste, production waste at KUKA in Augsburg is consistently collected and separated into different waste categories. We are also in the process of implementing a new waste concept at the Augsburg location. With the new recycling center, we are implementing internal logistical optimizations.

We also ensure that the building materials are separated by type when it comes to dismantling buildings. For example, the concrete waste from the demolition of a production shop in Augsburg was processed and certified. This means that the material can be recycled as a high-quality building material.

When packaging our products and components at various locations, we use eco-friendly returnable packaging instead of disposable packaging in order to reduce packaging waste.

In 2023, the amount of waste generated at the major locations around the world was 13,331 tonnes (2022: 13,670 tonnes). Overall, the volume of waste was reduced. The increase in hazardous waste is primarily due to pollutants from previously used construction materials during building demolition work at the Augsburg location. The previous year's figures were adjusted due to estimated values that were included in the previous year.

Waste generation and disposal¹

	2022 ²	2023 ²	Change year-on-year
in tonnes			
Non-hazardous waste	12,689	12,108	-4.6%
Hazardous waste	981	1,223	24.6%
Total	13,670	13,331	-2.5%

¹ KUKA's large sites in Europe, North America and Asia (Augsburg, Bremen, Dortmund, Westerstede, Kunshan, Shanghai, Shunde, Sterling Heights, Toledo, Broomfield, Füzesgyarmat, Taksony, Sibiu, Sipbachzell, Buchs, Boxholm, Cuneo and Maranello)

² As not all consumption figures were available at the time of publication, estimated values are also included. The previous year's figures were therefore adjusted accordingly.

Water management

We are aware that the availability of water, water quality and the increasing demand for water can increase our water-related risks. These risks can affect both our business activities and the activities in our value chain. This is why we use the [Aqueduct Water Risk Atlas](#) of the World Resources Institute (WRI) to analyze the impact of our locations. As a result, one percent of employees work in countries affected by extreme water scarcity, such as the United Arab Emirates and India. Five percent of employees work in countries classified as having high water scarcity, 65 percent in countries with medium-high water scarcity, ten percent in countries with low-medium water scarcity and 18 percent in countries affected by low water scarcity.

KUKA obtains the water required for production and administration primarily from the local drinking water supply systems. Wastewater is returned via the public sewer system in the quality prescribed by the local authorities. At our production sites in Augsburg and Shunde, some of the waste water is filtered and reused. In Augsburg, around 350,000 m³ of groundwater is drawn from three production wells to cool the data center and parts of the main building. Here, the water is heated exclusively in a controlled manner and the same volume is returned to the groundwater. Wastewater is returned via the local networks and in the quality stipulated by the local authorities.

Water consumption is measured according to the environmental management specifications. Based on these data, we develop specific saving measures that have both environmental and cost benefits. Various saving measures have been implemented in the production shops and office buildings, for example.

At 289,065 m³, water consumption increased compared to the previous year (2022: 283,171 m³). Most of the water consumption was attributable to the construction work at our Chinese location.

»» Based on the data, we develop specific saving measures that have both environmental and cost benefits. «



Efficient products and solutions

Products and systems from KUKA are synonymous with innovation, quality and efficiency. We can reduce the environmental impact of our customers with energy-efficient products and solutions. Energy consumption is also a significant cost factor. For this reason, the operating costs of a robot or system are becoming an increasingly important decision-making criterion for our customers, alongside functionality and acquisition costs. This applies in particular to customers who want to save costs over the life cycle and reduce their environmental impact. Furthermore, KUKA is working jointly with other companies and researchers on the working world of tomorrow, which will be characterized by interaction between humans and machines.

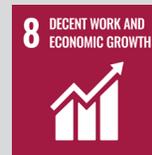
- ▶ Cutting costs with energy-efficient products and solutions
- ▶ Energy efficiency in robot products
- ▶ Energy efficiency in plants and systems
- ▶ Areas of application for greater sustainability
- ▶ World of work of the future
- ▶ Digitalization and information security

Cutting costs with energy-efficient products and solutions

Energy-efficient robots and systems are an important lever for reducing our customers' consumption and thus also their environmental impact. The Research and Development department at KUKA is implementing these requirements and specifically working on new products with lower energy consumption compared to predecessor models. This has resulted in a wide range of energy-efficient solutions. In our experience, energy costs account for at least 40 percent of the total cost of ownership (TCO) for production systems. We measure customer satisfaction through regular customer surveys.

We are involved in various initiatives and working groups to further develop our approach and attract even more customers to energy-efficient products. With an optimized energy model for newly developed robots, the use of durable components, the upgrading of welding processes and automation solutions for warehouse logistics, we have already launched groundbreaking innovations. For example, the new design of the robots in the KR FORTEC ultra family results in greater dynamic performance, lower energy consumption and a lower CO₂ footprint due to the reduced use of material.

In our own research and development as well as in cooperation with renowned partners from industry and research, we systematically address customer requirements and are continuously working on solutions to achieve greater energy efficiency.



Energy efficiency in robot products

For all manufacturing companies wanting to operate sustainably, the energy consumption of an industrial robot is an important factor. This is because, depending on the electricity mix, energy consumption is associated not only with costs, but also with significant CO₂ emissions. Eco-efficiency as a contribution to both cost reduction and climate protection is therefore becoming increasingly important. Market dynamics are also driven by the European Green Deal, which makes the contribution of industrial products and processes to sustainability an important criterion in lending.

KUKA attaches great importance to eco-efficiency in the new development of a robot system. Robots are issued with a certificate in accordance with the AIDA procedural instruction relating to the energy consumption of industrial robots and can thus be compared with competitors. Furthermore, most newly developed robot systems are equipped as standard with an optimized energy model, making it possible to determine energy consumption for a wide range of applications without the need for additional peripheral equipment. This applies to both ongoing operation and simulation. It opens up a wide range of possibilities for further reducing the energy consumption of the application in question.

With this commitment, we are doing our part to achieve the UN Sustainable Development Goals (SDGs), in particular target 7.3 (“Double the rate of improvement in energy efficiency”).

Eco-efficiency and cost-effectiveness can also be a product of reliable and troublefree operation. This is ensured, for example, by the [iiQoT software platform](#) launched at the end of 2021. The name is derived from ii = industrial intelligence, iQ = intelligent capability, and IIoT = Industrial Internet of Things. KUKA iiQoT provides important status data for an entire robot fleet in real time. In addition to the visualization, supplementary orientation parameters help to interpret messages more easily and to be able to correct any errors. The application thus facilitates remote monitoring of robotic systems, covering the hardware, software and controller. In this way, the system minimizes downtime, maximizes operating time and ensures smooth operations. This added value is enhanced by functions currently under development such as energy and cycle time monitoring as well as predictive maintenance.

At KUKA, sustainability is always to be linked to leaps in efficiency. The new iiQKA.OS operating system is designed for both experts and beginners. [iiQKA.OS](#) is easy to use and offers beginners an intuitive application of robotics and experienced users an improvement of their automation processes. The modern and modular software architecture of the new operating system enables high user-friendliness, performance and flexibility, thereby increasing the efficiency and speed of development processes.

Under the motto “Keep on Moving”, KUKA demonstrated at the Automatica trade fair in Munich how robots and system concepts are evolving to sustainably shape a changing world. Sustainable management is one of the most pressing tasks of our time. Energy-efficient robots and systems powered by economical DC technology are important leverage. With our latest robots from the KR QUANTEC family, our customers can save up to 60% energy compared to our Series 2000 generation produced until 2010.

Energy efficiency in plants and systems

KUKA offers industrial robots in a wide range of versions with various payload capacities and reaches. The spectrum of products also includes the appropriate robot peripheral equipment – from linear units to end effectors and on to controller software. KUKA thus offers solutions for a wide variety of manufacturing processes at maximum speeds behind safety fencing as well as in mobile solutions or direct interaction in human-robot collaboration (HRC).

The portfolio also covers custom-tailored complete solutions for automating manufacturing processes. The expertise lies in automating individual production processes such as welding and joining, processing various materials and integrating different production stages to form a fully automatic system.

KUKA Systems already pays attention to energy efficiency when planning and designing new systems: Industrial robots, robot control and programming are optimized so that as little energy as possible is consumed while maintaining short cycle times. The location of the system and how the cycle times are regulated also play a role. This can significantly reduce energy consumption, e.g. by keeping robot travel distances short.

Areas of application for greater sustainability

Sustainable innovations in systems engineering

When it comes to the automation of manufacturing processes in electromobility, KUKA possesses bundled experience and competencies in engineering, project management, process expertise, commissioning and servicing. KUKA has an equally strong presence in the automated production of electric vehicles and their powertrains.

KUKA is present in every single step of the process chain: from battery module & pack assembly lines to rotational friction welding systems for the production of battery contacts and battery compartments using robot-guided friction stir welding and on to robot systems for the assembly of electric motors or hybrid transmissions, to quality control with leak tests and even the installation of battery packs in the electric vehicle as well as solutions for the production of battery cells. In this context, KUKA is primarily seeking synergies from its expertise in mechanical engineering and the Digital Factory for efficient and intelligent automation.

With this experience, KUKA supports its customers in reducing the energy consumption of their production systems by implementing the most resource-saving processes and optimized programming, for example with “sleep mode”. This is because energy consumption, for the most sustainable production possible, is also a decisive criterion when awarding contracts.

Sustainable solutions are also used in the company's own production facilities. KUKA converted an existing cell at the Augsburg location to DC. Recovered braking energy or yields from PV systems, for example, can be stored with low losses. This energy can then be used when needed, thus reducing peak loads in the grid. This storage supplies the required energy even in the event of short-term AC grid failures, so that the system can continue to operate self-sufficiently. In order to make it easier for DC technology to enter the market, further standards must be incorporated into the world of standardization and DC-compatible devices must be available as standard.

Innovative ideas for a future worth living

The company-wide Innovation Challenge on the topic of the circular economy was launched in 2022. All KUKA employees worldwide were able to contribute their ideas on how KUKA can help shape this growth area. In the year under review, the ideas submitted resulted in seven specific innovation projects that were tested on potential customers. This led to the development of [KUKA | Circle](#), for example, an online marketplace for used robots that brings buyers and sellers together under the KUKA umbrella.

Greater energy efficiency and lower CO₂ emissions with Smart Energy Solutions

The term Smart Energy Solutions refers to a new approach in which we are combining IoT data on the status of machines and systems with energy data, i.e. values on the energy generation and consumption of a business, for the first time. We also integrate external data sources, e.g. weather forecasts, solar yields and electricity prices. We combine all these data in an intelligent planning algorithm to enable companies to plan for a specific timeframe that is optimized with regard to costs and also – in the long term – emissions. Companies can optimize several things with the help of Smart Energy Solutions: Building and infrastructure control – this includes, for example, the improved use of self-generated solar power and the optimal utilization of battery storage systems. This can also help to avoid peak loads. Companies can save a lot of money if the electricity is also purchased automatically at particularly favorable times of day and used to fill up storage systems.

Automation for shorter transport routes

Our automation solutions help production locations to remain competitive, especially in high-wage countries. Customers bring back their production and thus save thousands of transport kilometers that were necessary for logistics in the upstream and downstream value chain. For example, one of our medium-sized customers was able to save the transportation of 40 tonnes twice a week from Eastern Europe to Germany.

Sustainably built and operated logistics center

Swisslog offers a wide range of services from a single source, including particularly sustainable distribution centers.

Thanks to good insulation and natural cooling, it was possible to dispense with artificial air conditioning in a logistics center built entirely from wood. Swisslog's compact warehouse logistics solutions can shorten transportation routes and reduce CO₂ emissions.

The exact same thing – in green?!

Swisslog is running a podcast series together with Kühne Logistics University entitled "[Das Gleiche in Grün?!](#)" (The exact same thing – in green?!) to inform the public about the sustainable transformation. Sustainable ideas for logistics are discussed with changing guests.

World of work of the future

The digital transformation of the economy is an unstoppable process that simultaneously forms the basis of KUKA Group's business. Within this dynamic market environment of industrial automation and digitalization, the share of robotics is gradually increasing. In Germany, for example, the proportion of industrial robots per 10,000 employees was 415 units in 2022. The average annual growth rate between 2017 and 2022 was 5%. This means that Germany remains by far the largest robot market in Europe. The Asian market in particular has grown strongly, with an average annual growth rate between 2017 and 2022 of 15%. In the same period, the growth rate in Europe was 8%.

With its products and solutions for robotics, automation and digitalization, KUKA is helping to shape the working world of tomorrow. We are aware of the social responsibility that this change entails. Certain manual or industrial professions that were common decades ago are on the decline. At the same time, however, new jobs have been created in areas that did not previously exist. Occupational profiles are changing due to increasing digitalization and automation. In this way, automation can also lead to production facilities that were once relocated abroad being brought back to Western industrialized nations and contributing to economic growth here.

Good work – with robots

Today, robots perform many tasks, but they cannot carry out an entire qualified occupation. They lack creativity and intuition. What they can do is to take on jobs that are monotonous, repetitive, physically demanding, or even posing a health hazard. With our automation solutions, we thus support our customers and their employees in equal measure. In the [Good Work Charter](#) of the [EUropean Robotics Association](#), of which KUKA is a member, and which has in the meantime merged with VDMA Robotics + Automation, the European robotics industry presents its vision of good work for the future. Here it identifies ten focus areas and argues for a transition to an era of digitization and automation. In this age, the focus remains on people as workers.

The transition to a more sustainable and resource-conserving economy and lifestyle can only succeed with the aid of new technologies such as automation, robotics and digitalization. KUKA and Swisslog are aware of this responsibility and support the UN's "[AI for Good](#)" initiative, which has developed into a year-round digital platform where start-ups and AI innovators can network and exchange ideas. AI for Good is organized by the ITU, the UN specialized agency for information and communication technologies, together with 40 UN partner organizations. It has set itself the goal of creating AI-based solutions that contribute to the UN's Sustainable Development Goals (SDGs).



» The transition to a more sustainable and resource-conserving economy and lifestyle can only succeed with the aid of new technologies such as automation, robotics and digitalization. «

Progress through cooperation

Cooperation with partners and joint research projects open up innovative possibilities for the use of robotics in entirely new areas of application.

These include the medical and healthcare sector, where KUKA demonstrated potential applications with partners in 2023.

Robotics for bowel cancer screening

New technologies such as sensitive robotics are opening up new possibilities, particularly in the field of medicine, where they treat patients more gently and in a more targeted manner. The sensitive KUKA LBR Med lightweight robot is the first collaborative robot to be specially certified for integration into a medical device, thus opening up new treatment options. Colonoscopy is a widely used procedure for detecting bowel cancer at an early stage. It offers great advantages, but the current technology is also associated with significant disadvantages, such as patient discomfort, complications associated with sedation and high variability in treatment outcomes. Together with partners, KUKA is working on innovative applications with the [KUKA LBR Med lightweight robot](#), including robot-assisted, magnetic endoscopy for pain-free bowel cancer screening. The concept is for the endoscope to be navigated gently through the large intestine using “intelligent magnetic manipulation”, i.e. using an external magnet positioned by an LBR Med.

Brain tumor biopsy with sensitive robot

KUKA also jointly demonstrated with partners how the LBR Med can be used in sensitive tasks such as brain tumor biopsies. In the application, a tumor biopsy is simulated on a model with real-time tracking. As part of this, the user can insert the biopsy needle with the aid of the robot. The target and entry positions are planned in advance on the basis of computed tomography data and displayed on an interactive screen. The application is an example of what can be achieved in medical technology thanks to the use of robots.

A robot in the dental practice

Hygiene is a top priority in medical facilities such as hospitals and doctors' offices. This means that employees regularly have to spend many working hours sterilizing instruments. Then there is the bulky protective clothing, the monotonous process and the hours spent handling disinfectant chemicals. With the aid of a robotic cell, a dental practice switched to an automated process. Operation of the compact sterilization cell begins with manually loading the machine with the used instruments. The instruments are then automatically decontaminated, rinsed, disinfected by means of chemical and mechanical processes, washed and placed in a drying station. The KUKA robot detects the dental tools and moves them through the sterilization steps. In the final phase, each instrument is individually packaged and sterilized so that it is ready for its next use. As soon as the sterilization cell is loaded, it can work without human supervision.

Digitalization and information security

Job requirements and descriptions are changing. New and often interdisciplinary qualifications are needed. Some established occupational profiles will become less important, while new ones will emerge. Employees at our own company and also those of our customers will have to be prepared for this.

With its products, KUKA is a driving force behind automation and technological progress and is an innovation leader in Industrie 4.0. KUKA is involved in various different committees to help shape digitalization and the world of Work 4.0.

This will undoubtedly be accompanied by new uncertainties related to application risks, and we have to make higher demands on the safety of products, processes and information. The legislature has regulated the application safety of robot-based automation solutions, and KUKA conscientiously implements the corresponding requirements. We therefore also involve our suppliers. Thus, we can ensure that all Group companies worldwide achieve the same standard in the market.

The KUKA Product Safety policy serves to implement the product compliance requirements, including safety aspects, and centrally regulates the necessary requirements, tasks, activities and responsibilities. The policy is managed by the central Product Compliance department, which reports to the head of the Legal department. Customers learn how to work safely with the robots and program them at our [KUKA College](#).

KUKA takes its responsibility with regard to the data protection of customers and employees seriously. For this purpose, a global data protection management system is in place to systematically organize, implement and monitor the high requirements worldwide. In recent years, numerous new data protection regulations from the European Union, the USA, Brazil and China have been incorporated into our data protection management system.

KUKA is registered as a partner of the automotive industry in the ENX network, among others. Every 3 years, the information security industry standard TISAX® is audited by independent service providers. Internal audits and employee training are also carried out regularly.

Data protection

KUKA has been working closely with many customers for years and attaches great importance to data protection. KUKA ensures that it has a globally uniform minimum standard in place for handling corporate and personal data.

Customer data are protected from unauthorized access and misuse, being processed in a CRM system to which only a small number of authorized employees have access. In the current year under review, once again, no infringements of customer privacy or loss of customer data were reported to us.





Sustainable supply chain

Suppliers can have a major impact on a company's sustainability footprint. By instilling a common understanding of quality and responsibility, as well as monitoring in the business segments and regions, we are able to shape our supply chain on the basis of sustainability criteria. By systematically anchoring sustainability criteria in our policies and procurement processes, as well as corresponding audit procedures, we are also meeting the increasing regulatory obligations in this area.

- ▶ Supply chain responsibility
- ▶ Human rights due diligence in our supply chain
- ▶ Local procurement

Supply chain responsibility

Globally oriented supply chain management based on the principles of sustainability is a significant success factor for KUKA. After all, quality-related, ecological or social risks on the part of suppliers can have a direct impact on the satisfaction of our customers.

We are always talking to our suppliers about ways to minimize potential risks. After all, the impact that our supply chain has on our own sustainability performance grows in direct proportion to the increase in the quantity of outsourced products and services. Depending on the division, the scale of the impact felt at KUKA can be significant.

Basic and uniform rules of conduct apply worldwide to cooperation within the company and with our suppliers. These are summarized in a Code of Conduct and in our Corporate Compliance Manual. Furthermore, we are guided by various Group-wide and segment-specific policies. With the annual risk analysis, we identify risks in our supply chain, review our preventive measures and implement further measures if these contribute to an improvement. However, we are aware that despite all supplier management measures, the supply chain is still exposed to human rights risks. Even proven processes and management systems cannot fully cover all risks. However, high standards are important to us, particularly in view of our global growth strategy.

The systematic integration of sustainability and compliance into operational processes is continuously being driven forward in supply chain management. We can use the supplier portal or the IntegrityNext online platform to check the basic requirements during the registration and qualification process of a new supplier. These include, for example, approval of the Code of Conduct for Business Partners, valid environmental certification, or the degree of maturity of hazardous materials management.



Non-financial statement

Ecological and social factors

We work with a binding Code of Conduct for Business Partners to establish basic requirements for minimum standards and norms within our global supply chain network. This Code of Conduct is aligned with KUKA's corporate values and contains, among other things, core elements relating to environmental protection, product quality and safety, data protection and information security, as well as the protection of human rights, including good working conditions. Other essential components include compliance with and dissemination of the contents of the Code of Conduct by suppliers to their subcontractors. Environmental aspects are ensured, for example, in the supplier portal, via supplier questionnaires or via our online platforms, by means of relevant certificates and checks in the area of material compliance.

KUKA trained the responsible employees in the respective segments on the meaning, scope and implementation of the defined core contents of the Code of Conduct for Suppliers. New employees – especially in Strategic Purchasing – are also made aware at an early stage of the importance of ecological and human rights due diligence at KUKA.

Segment-specific responsibility

The processes and responsibilities pertaining to supply chain management are clearly defined at KUKA. Our overall business is divided into individual segments, each with its own responsible management bodies. These report directly to the Management Board, so that segment-specific requirements can be implemented within the associated functions while at the same time maintaining close coordination between the specialist departments.

The purchasing organizations are set up differently depending on the region and size. In the Robotics business segment, Supply Chain Management with its Order Management, Planning, Logistics, Purchasing and Supplier Quality Management departments is responsible for the procurement of products and standard solutions. This area closely coordinates with the corresponding functions of other segments. In this way, potential can be exploited in a targeted manner at the global level while taking local conditions into account. The Robotics segment has procurement departments at all of its production locations. At KUKA Systems, the regional companies in Europe, North America and China use their own purchasing processes and corresponding reporting lines. Procurement at Swisslog is divided into regional purchasing categories and projects.

This organization can vary depending on the region and size. The regional companies around the world operate independently due to the project business. The business activities of the Systems, Robotics, Swisslog and Swisslog Healthcare divisions at the Chinese subsidiaries are bundled in the China segment. Depending on the product and system solution, China is thus closely intertwined structurally with the corresponding business segments (Systems, Robotics, Swisslog and Swisslog Healthcare) for various customer groups. There is no separate description of supplier management in this report considering the fact that the processes used by the divisions around the world are organized in a similar way.



Human rights due diligence in our supply chain

KUKA is aware of its responsibility for due diligence with regard to human rights. Our goal is to prevent risks associated with human rights or the environment and to minimize or end violations.

We meet this responsibility by taking measures to improve working conditions in our own business area as well as in our supply chain. Our principles are guided by the internationally recognized United Nations Guiding Principles on Business and Human Rights, the United Nations Universal Declaration of Human Rights, the core labor standards of the International Labor Organization (ILO), and the OECD Guidelines for Multinational Enterprises.

We expect our suppliers to commit to respecting human rights and to comply with appropriate due diligence processes. We have summarized the expectations we have of our business partners in the “Code of Conduct for Business Partners”. New suppliers are subject to a segment-specific onboarding process. Beyond this, we either request further details via specially developed questionnaires or use an online platform for this purpose. If any anomalies are identified via this information, or as part of our annual risk analysis, we take corrective steps. This includes dedicated exchanges or on-site supplier audits. The experience thus acquired will be incorporated into our risk analysis in fiscal 2023 in order to obtain a clearer focus on the risks in our supply chain.

We are making our employees aware of the necessity to comply with human rights principles in their operational activities through regular compliance training. The training measures are offered in different formats. These include computer-supported learning methods (e-learning) and worldwide classroom training on selected topics as required on specific occasions. Beyond this, specialist departments received custom-tailored training on human rights. For example, the worldwide purchasing departments were trained on the Supply Chain Management policy.

The specialist departments in the segments are responsible for maintaining and complying with the due diligence obligations. Furthermore, KUKA has set up a Human Rights Committee in which each segment is represented by at least one Human Rights Officer. The Human Rights Officers are the contact persons for human rights issues within their segment. Together with a representative from Risk Management and a representative from Corporate Sustainability, the Human Rights Officers form the Human Rights Committee. Among other things, the committee is responsible for monitoring compliance and meets at least once a year. Overall responsibility for due diligence relating to human rights and the environment lies with the Management Board of KUKA AG.

For KUKA, appropriate and effective complaints management is an important part of our due diligence processes. Violations or suspected violations can be reported to KUKA – and remedial action demanded – via the Compliance complaints procedure. Various communication channels are available to the stakeholder groups for this purpose. Our stakeholders can either contact a Compliance Officer or report their concerns anonymously via a web-based platform or an ombudsman who is not employed by the company and is thus independent. Employees also have the option of contacting their supervisor or the HR department.

Further details can be found in our [Policy Statement on Respect for and Protection of Human Rights](#) and on our website.

Local procurement

KUKA has more than 10,000 suppliers worldwide across all segments. Wherever possible, preference is given to regional suppliers from the vicinity of our respective production plants. When selecting suppliers, we primarily check quality and reliability, as well as the business terms and conditions. In the China segment, the local supplier base is being continuously expanded. Here, right from the outset of a project, local procurement strategies are incorporated into all new developments that are tailored to the Chinese market. In this way, we are contributing to a continuous further reduction in long-distance transportation and the associated environmental impact.

Due to the high quality requirements and the frequently complex technical specifications, it is rarely the case that our requirements can be met with standardized catalog goods. That is why we produce many special configurations with a high development effort, and for which the origin of the required components is already very transparent for quality reasons alone. In addition to standard industrial sheet metal, electronic parts, cables and hoses, we purchase specialized gear units, motors, castings and structural parts for the robot arms, for example.

Sustainability goals

With our commitment to ecological and social criteria in the supply chain, we want to support the human rights-related targets of the United Nations Sustainable Development Goals (SDGs). For us, these are the following targets in particular:

- » **SDG 8.5:** Achieve full and productive employment and decent work, and equal pay for work of equal value
- » **SDG 8.7:** End modern slavery, human trafficking and child labor
- » **SDG 8.8:** Protect labor rights and promote safe and secure working environments

At KUKA, so-called conflict minerals (raw materials from conflict areas) may at most be contained in purchased components. No direct procurement of non-certified melts is carried out. KUKA requires its suppliers to avoid indirect use of minerals from high-risk areas. In doing so, we comply with the recommendations of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Requirements at KUKA Systems

At Systems, legal compliance, occupational health and safety, environmental protection and respect for human rights are anchored in contracts, audit specifications, the KUKA Code of Conduct and supplier management. Suppliers are required, for example, to prove that they employ internationally recognized management systems such as ISO 9001 and ISO 14001 or adhere to comparable standards. KUKA Systems' suppliers are regularly analyzed to ensure compliance with the requirements and evaluated, among other things, by means of risk analyses. Furthermore, Systems also carries out random audits of suppliers. There were no anomalies in 2023.

Auditing of suppliers at Robotics

We require our suppliers to observe and comply with the defined environmental goals. According to the contractually agreed performance requirements, they are obliged, for example, to use environmentally-friendly products and energy-efficient processes both for their own services and for ancillary services provided by third parties. In addition to recycled variants with regard to the direct use of materials, reusable packaging plays a key role in the supply process. Here, for example, the amount of paper required annually has been reduced by more than 23 tonnes and the use of plastic by 2 tonnes. Further optimizations are continuously being driven forward in order to exploit additional potential at our production facilities for more environmentally friendly export packaging.

Before being accepted for collaboration, our suppliers are required to register in our Supplier Portal and agree to our Code of Conduct for Business Partners. In this context, relevant certifications and evidence of quality and environmental management are requested in advance as part of the qualification process. An on-site audit is also carried out for specific suppliers. In addition to content-related focal points such as quality, costs, delivery capability or process reliability, environmental risk avoidance and compliance issues are also addressed. Further audits can be carried out if critical performance metrics suggest that these are necessary.

Continuous improvement of the supply chain with regard to process optimization and quality is always carried out in close cooperation with quality, environmental and energy experts. Findings from audits, such as corrective and preventive actions, are systematically analyzed and processed. The Supplier Quality Team continuously audits the supplier base with clearly defined priorities and defined cycles.

During audits on environmental standards, working standards and occupational health and safety standards, we check how materials are stored, used and disposed of. We also analyze waste separation, check hygiene standards and evaluate the machine pool.

As far as possible, we avoid substances of very high concern (SVHCs) and potential conflict minerals in our products, as these substances can have a negative impact on human health and the environment or result in human rights violations. Within quality management, the Material Compliance team deals with the use or avoidance of SVHCs and conflict minerals in the components of our product portfolio. The process was adapted due to the German Mineral Resources Due Diligence Act (MinRohSorgG), which has been in force in Germany since 2021, and automated to a greater extent via the supplier portal. The process is accompanied by audits.

Assessment procedures at Swisslog

At Swisslog, risk management plays a central role in purchasing and includes country and industry-specific risks in addition to the self-assessment of suppliers. By including multiple factors, an ESG matrix is created that enables Swisslog to perform a comprehensive evaluation of its suppliers.

For many years, supplier assessments have been carried out with system support via the IntegrityNext online platform. From a defined purchasing volume, the registration process for all new suppliers of direct materials is carried out via IntegrityNext, in which 25 ESG criteria are checked.

Furthermore, an international sustainability team was established in the year under review. Among other things, they prepare the ESG activities in regional purchasing, exchange experiences on ESG assessments, check the ESG status of suppliers and focus primarily on suppliers with increased risk. The members of the sustainability team work closely with the global purchasing departments and suppliers to drive forward the due diligence process in the supply chain. To this end, they carry out audits (online and on-site) and initiate remedial measures in the event of violations.

Assessment procedures at Swisslog Healthcare

At Swisslog Healthcare, the Production Purchasing and Project Purchasing departments are responsible for supplier evaluation and monitoring. Project Purchasing is divided into four regions: Europe, Americas, China and Rest of Asia.

Swisslog Healthcare supplies automation solutions for hospitals. For this reason, our solutions must meet particularly high safety and quality standards. During the selection of suppliers, the requirements relating to safety, quality, the environment, occupational health and safety and compliance are addressed to suppliers via contracts and our Code of Conduct, for example. The suppliers are evaluated using a supplier performance rating system on a quarterly basis or upon completion of a project, as appropriate. Swisslog Healthcare uses its own auditing process for this. In addition to the standard audits for existing suppliers, further comprehensive assessments of potential new suppliers were performed in 2023.

» Swisslog Healthcare supplies automation solutions for hospitals. For this reason, our solutions must meet particularly high safety and quality standards. «



Responsible employer

As an automation corporation, KUKA specializes in future-oriented technologies. Our working environment is shaped by our customers' expectations with regard to sustainability, efficiency and cost discipline. We are meeting these challenges with forward-looking human resources work. As a company, we are continuously transforming. Our corporate values are however essential constants. This includes quality-driven education and training and a commitment to diversity. KUKA promotes a working environment in which everyone can develop. This requires adaptable work models that offer greater flexibility by means of freedom in terms of time and space. In this way, KUKA is creating a more modern (work) culture in order to attract and retain talent. We are also promoting occupational health management measures even more intensively.

- ▶ Responsibility as an employer
- ▶ Employees: Challenges and opportunities
- ▶ Vocational training in a future-oriented industry
- ▶ Leadership and values
- ▶ Diversity as a success factor
- ▶ Occupational health and safety

Responsibility as an employer

KUKA is shaping the workplace of the future. With our technologies, we have a formative influence on many different sectors. Just like our customers, the digital transformation is also changing our working world. We are continually advancing digital processes and preparing our employees accordingly through structured training and continuing education. As one of the key topics of the materiality analysis, employee responsibility and development are a top priority for KUKA. The measures in human resources are intended to create added value for our company as well as designed in an intuitive and modern way to ensure our future viability as an automation specialist.

Challenging projects, agile teams and an international setting offer plenty of room for shaping these future topics and people’s personal careers at KUKA. Our success is founded upon productive and motivated employees. They are key to dealing with the changes our customers experience and to opening up new markets for robot-based automation.

Human resources management

The Corporate Human Resources (CHR) department reports directly to the Chief Executive Officer and, together with our experienced Centers of Expertise, is responsible for all strategic HR processes worldwide. We manage these processes via a globally and regionally differentiated HR business partner organization, taking business-relevant specifics into account. Local HR departments and highly effective Shared Service Centers are responsible for efficient and legally compliant implementation.

The interests of our employees are safeguarded by means of a number of contracts and policies. In Germany, for example, collective bargaining agreements and local works agreements apply. Around 50 percent of our employees worldwide are covered by collective bargaining agreements. In Germany, this proportion is 80 percent. Employees not covered by collective bargaining agreements receive pay increases in line with collective bargaining agreements. In addition, the company has its own target agreements, working time regulations, policies and Code of Conduct. Our Integrated Management System (IMS) describes and governs principles, organizational structures, tasks, processes and responsibilities. In the case of particularly

high production capacity utilization, KUKA also resorts to the use of temporary workers in the form of personnel leasing.

Broad support

KUKA is striving to further improve its attractiveness as an employer. This includes the promotion of job rotation, a challenging training and development package, diversity and equal opportunities, a good work-life balance, the possibility of sabbaticals, individual development plans, high occupational safety standards, and a health and sports program. Diversity within the company is governed, among other things, by the corporate policy “Principles of cooperation within KUKA Group” as part of the Corporate Compliance Handbook. In Germany, KUKA is also a signatory to the “Diversity Charter” and is thus publicly professing to the company’s commitment to diversity and a prejudice-free work environment. KUKA measures the success of these measures using various KPIs. These include, for example, the turnover rate and the number of applications received, especially for key and bottleneck positions.



Employees: Challenges and opportunities

Increasing employer attractiveness

A high level of employer attractiveness is a decisive success factor in attracting talent. We know that our success is based on committed and creative employees. They work on challenging projects in an international setting that gives them plenty of room for shaping these future topics and their personal and career development.

KUKA is committed to further improving its attractiveness as an employer. Through a positive image within and outside the company as well as high attractiveness of the location, we want to retain talent in the company and attract high-profile applicants to KUKA.

In the year under review, KUKA implemented numerous measures, such as the financial promotion of sustainable mobility. In August 2023, KUKA launched a one-year pilot phase for the JobTicket in Augsburg. The JobTicket is a discounted version of the Deutschlandticket, which was introduced by the German government in spring 2023 to make local public transport more attractive and thus reduce the number of people traveling on their own by car. KUKA subsidizes the Deutschlandticket, which enables every employee to travel in an environmentally conscious manner, including at weekends and in their free time. Over 270 JobTicket subscriptions have already been issued in Augsburg. In addition, KUKA offers its employees at many

German locations the opportunity to finance a new bicycle or e-bike through deferred compensation and thus benefit from cost advantages.

Satisfaction surveys

The corporate culture, cooperation and the way we approach tasks at KUKA are important to us. We want to improve ourselves together and create an environment in which we feel empowered and motivated to give our best. For this reason, we conducted an employee survey in the second half of the year. The results of the survey were evaluated down to team level and discussed with the respective managers. We concentrated on where we could realize specific potential for improvement. It is important for us to address one point at a time and achieve results that help us move forward on our Culture Journey.

In 2023, Group IT once again conducted a customer satisfaction survey, which focused on the satisfaction of our employees with their IT equipment and IT services. More than 2,400 employees worldwide (just under 19 percent of the relevant workforce) took part. The survey results showed a high level of overall satisfaction and an increase compared to the previous year.

Work and private life

At many locations, KUKA offers flexible working times to allow work and private life to be better combined. For example, our employees at the German sites may work part-time, use flextime arrangements or work from home (teleworking). The “reduced full-time” model was also continued in 2023 in accordance with the IGM collective agreement. This model includes an entitlement to reduce working hours down to 28 hours per week for a period of between six months and two years, as well as a right to return to the collectively agreed full-time working hours of 35 hours per week. Internal job opportunities for management positions with a part-time option of at least 32 hours per week are also offered in Augsburg.

Swisslog Healthcare’s SMART Work program offers employees various options to make their own workday more flexible. The situation of each colleague is assessed individually. SMART Work describes adaptable work models and includes a flexible arrangement of working hours and/or a choice of work location. Thus, each job is checked in advance for the following options: flexible work hours, telework, job sharing, reduced work hours, shortened work week, remote work.

At our headquarters in Augsburg, the non-profit association Orange Care e.V. founded by KUKA employees offers a daycare center with a capacity for 30 children. Moreover, employees at the Augsburg location have the opportunity to make use of a kid's holiday club for children aged 3 to 12 for four weeks during the summer vacation.

Employees by age group, type of employment and gender¹

	2022	2023
Under 35 years	5,728	5,564
36 to 55 years	7,112	6,999
Over 56 years	2,178	2,130
Total	15,018	14,693
Female	3,070	2,996
in %	20.5	20.4
Male	11,948	11,684
in %	79.5	79.6
Temporary employees	1,806	1,893
Female	363	348
Male	1,443	1,545
Permanent employees	13,212	12,800
Female	2,707	2,648
Male	10,505	10,152
Full-time employees	14,504	14,177
Female	2,755	2,681
Male	11,749	11,496
Part-time employees	514	516
Female	315	315
Male	199	201
Number of temporary employees	1472	1,401

¹ Group-wide, December 31. Active personnel excluding casual workers, student trainees, apprentices, interns, dormant jobs and employees exempted from normal duties.

Employees by region and employee turnover¹

	2022	2023
Europe/Middle East/Africa	9,130	8,729
Americas	3,145	3,028
Asia/Pacific	2,743	2,936
Total	15,018	14,693
Temporary employees		
Europe/Middle East/Africa	191	181
Americas	0	0
Asia/Pacific	1,615	1,712
Permanent employees		
Europe/Middle East/Africa	8,939	8,548
Americas	3,145	3,028
Asia/Pacific	1,128	1,224
Full-time employees		
Europe/Middle East/Africa	8,635	8,233
Americas	3,131	3,018
Asia/Pacific	2,738	2,926
Part-time employees		
Europe/Middle East/Africa	495	496
Americas	14	10
Asia/Pacific	5	10
New hires	2,831	3,470
Employee departures	1,986	2,588

¹ Group-wide, December 31. Active personnel excluding casual workers, student trainees, apprentices, interns, dormant jobs and employees exempted from normal duties.

Vocational training in a future-oriented industry

Just a few years after the company was founded in 1898, KUKA began vocational training of young people in Augsburg. We have continued to develop over the years. Today, in a modern education center with digital curricula and new technologies, KUKA is currently preparing a total of 200 young men and women for the working world of the future in ten apprenticeships and seven dual integrated studies courses, and attaches great importance to high standards.

We are proud of our young talents. Training has a high priority at KUKA, because the people behind the technologies are the basis for the success of our company.

Vocational training and continuing education in the fields of robotics and automation turn junior KUKA talent and employees into responsible participants in shaping the working world of tomorrow. Our commitment to education and training is our contribution to achieving the UN Development Goal SDG 4.3, “Equal access to affordable technical, vocational and higher education”.

We offer apprenticeships at our sites in Augsburg and Bremen. The Group offers apprenticeships ranging from technical professions – such as industrial mechanic, lathe/milling machine operator, mechatronics technician, electronics technician for automation technology, warehouse logistics specialist and vehicle paint technician – to the commercial sector, with occupations such as industrial clerk, specialist for forwarding and logistics services, and IT specialist. In the

Swabian region of Bavaria, KUKA Augsburg is top ten among the approximately 5,000 regional training companies.

KUKA trains in line with requirements. On completion of their training, our apprentices are qualified specialists immediately ready for their jobs and with whom future projects and new technologies can be quickly implemented. KUKA has a state-of-the-art education center at its Augsburg location. In addition to the employee and customer training rooms, this also houses the Personnel Development department with the premises of the KUKA Academy and the HR Development team.

The German training system stands out in a global comparison because it is based on a dual system. This means that, on the one hand, the trainees are at a vocational school, where they acquire theoretical knowledge. On the other hand, they also work in the company, where they complete the practical part of their training and put their theoretical knowledge into practice straight away. During vocational training at KUKA, there is the opportunity to take part in robotics programming courses as well as stays abroad and English language courses.

At KUKA, employees also have the opportunity to benefit from intercultural learning and to think and act across company boundaries. We attach great importance to familiarizing apprentices with the international strategy of the Group at an early stage. For successful integration into local life

and work, it is important to understand the local culture. This can certainly be a challenge, but it is also fun. We offer all employees the opportunity to learn and work abroad for a period of 3 to 6 months to gain intercultural experience as part of our Global Exchange Program.

KUKA also offers the opportunity to train as a “Robot Trainer”. The prospective trainers are trained in the use of our robots at KUKA College. After a training period of up to three years, the trainers are endowed with a broad range of technical know-how for maintaining and programming the robots. They also have teaching skills for the transfer of knowledge.

Offerings with external partners

In addition to the traditional apprenticeships, KUKA offers a dual, training-integrated degree course at the University of Augsburg, culminating in a Bachelor's degree. In addition to the dual studies course for mechanical engineering, mechatronics and electrical engineering, the disciplines of business administration, information technology, technical information systems and business information systems are also available to choose from. KUKA Assembly & Test GmbH in Bremen also offers dual integrated studies courses in mechatronics and mechanical engineering in cooperation with Bremen University of Applied Sciences. Furthermore, KUKA attends numerous university contact fairs each year and appears at many graduate fairs.

At the Augsburg location alone, KUKA trained 204 apprentices and dual degree students in 2023. In total, there were around 260 apprentices in Germany. This number also includes the apprentices of our external partner organizations. KUKA offers bookable training modules for these partners. In the year under review, 168 people also took part in internships or completed their theses at KUKA.

Further education and training

As part of the continuing education programs at KUKA Academy, we accompany and support KUKA employees in their personal and professional development. Our diverse range of continuing education courses includes interdisciplinary seminars as well as technical training for a wide variety of areas in the company.

Our continuing education measures, which we offer internationally with a regional focus, include seminars to promote personal and social as well as intercultural skills, in addition to language courses. Another essential component relates to the Global Leadership Circle, which focuses on teaching and strengthening leadership skills.

KUKA further expanded its training program in the year under review and offers employees additional flexible learning formats with a wide range of e-learning courses. This range is continuously being adapted and updated. For example, the "Introduction to Circular Economy" e-learning module has been added and is available to all employees. Here, employees learn more about the relevance of the circular economy and how we can reduce our environmental impact through the efficient use of resources. Demand for online language courses rose sharply again last year; this is a result of the increasing internationalization of our employees, among other factors.

» KUKA further expanded its training program in the year under review and offers employees additional flexible learning formats with a wide range of e-learning courses. «

Leadership and values

The high level of commitment, engagement and innovation of KUKA employees is firmly anchored in our leadership culture. The workforce is united by the same understanding of fundamental values, principles and corporate culture. We make a point of ensuring that managers reinforce this culture.

The most important principles (“KUKA values”) are also part of the performance management for the executive management team, with the expectation that they will model this code of conduct. Within the framework of global feedback initiatives for senior management, employees can provide their managers with feedback on “KUKA values” and thus initiate targeted development measures. The KUKA values thus have a high level of visibility and form the basis for the global talent management system. This forms the basis for structured succession planning when filling key positions in the Company worldwide. Individual development plans as well as specific measures for the personal and professional skills profile are drawn up with all new recruits.

KUKA VALUES



Culture Journey

Corporate culture is the DNA of a company. It is the shared values, beliefs, conduct and ways of thinking that reflect the social environment of an organization. Together with the employees, KUKA is embarking on a journey – the Culture Journey – towards the target culture. Reference is consciously made here to a “journey”, as culture is not just a temporary initiative or project, but is constantly evolving.

The KUKA target culture is described by the guiding principle “KUKA Cares. KUKA Leads.”. The six corporate values provide the “guard rails” along the way.

A survey on the employee loyalty is conducted every six months to support this process. This makes it possible to identify and realize specific potential for improvement at team level. This is because the working environment has a major impact on performance, job satisfaction, innovation, employee retention, collaboration and the ability to create added value for KUKA’s customers.

Diversity as a success factor

The diversity of our workforce is a source of creativity and innovation at the company and thus an important business success factor. That is why it is also part of our corporate culture to live and promote diversity. Regardless of social background, gender, age, physical or mental disability, religious beliefs, political opinion or sexual orientation, it is our duty to ensure that KUKA employees are equally valued. Our aim is to create a work environment that is characterized by acceptance and tolerance and is free of prejudice and discrimination. No distinction is made between genders in our compensation system. On the contrary, for us, fairness and equality of all includes compensation exclusively on the basis of performance and competence.

Global KUKA diversity principles and campaigns

As a signatory to the Diversity Charter, KUKA has anchored the topic within the structure of the company. Diversity and appreciation are firmly anchored in the company by means of a corporate policy. Diversity aspects are taken into account when new policies and processes are created. In this way, we support UN Development Goal SDG 10.3, “Ensure equal opportunities and eliminate discrimination”.

Our diversity principles, which are valid worldwide, emphasize KUKA’s positive attitude toward diversity within the company. This is also associated with clear expectations on the part of the Management Board, Corporate Human Resources and the management of all segments. The principles are intended to ensure equal rights, equal opportunities and respect for all, and to prevent discrimination. Any violations will be rigorously sanctioned. A diversity manager coordinates the relevant issues.

KUKA is represented with a diverse workforce all over the world. We therefore have a responsibility to create a secure basis for the global and Group-wide communication of diversity. For example, we celebrated the 11th German Diversity Day for a whole week under the motto “Communicating Diversity” and drew attention to it with posters, various presentations and keynote speeches. The focus was on the questions of why it is important to communicate diversity,

what preconditions are necessary for communication and how everyone can learn to become active themselves. The keynote speeches on unconscious bias and “Allyship in Action” made it clear once again that no one is free of prejudice. Bias influences our actions. The image we have formed and internalized of a group of people always resonates internally in the form of expectations. However, these are usually wrong. And these assumptions are often the seeds of discrimination. We cannot stop our prejudices, but we can try to recognize them and rethink and question our decisions and our behavior. The aim of our campaigns is to draw attention to this and prevent discrimination.

Gender diversity is crucial for KUKA, especially in the area of innovation, because innovation and diversity are mutually dependent. Diversity makes it possible to incorporate new perspectives into the thought process and thus create innovations that promote market growth. At KUKA, the female Innovation Network (femaleIN) supports women by encouraging them to participate actively in innovations at KUKA Group. The femaleIN network provides up-to-date information on innovation topics, addresses women directly for specific open teamwork, offers special training on various innovation methods and approaches, and promotes exchange among its members.

As at December 31, 2023, the proportion of women on the Group Management Board and the Management Boards of the three German companies (KUKA AG, KUKA

Systems GmbH and KUKA Deutschland GmbH) was cumulatively 0 percent (2022: 0 percent). The first management level below that had 16 percent women for all three companies (2022: 15 percent), and the second level of management a cumulative 20 percent (2022: 16 percent). We are consciously focusing on a continual increase in the proportion of women in the Global Talent Program and in succession planning.

Networking and support

Through our internal networks, we not only promote exchange among ourselves, we also create spaces for employees to find individual ideas and solutions, for joint activities and mutual support. These include, for example, the women’s networks orangeWIN and femaleIN as well as the LGBTQI+ network Queer@KUKA. The global network “Female Innovation Network” (femaleIN) has set itself the goal of bringing together and supporting the skills of women in the field of innovation. The orangeWIN (Women in Network) network, which is under the patronage of the CEO, is actively committed to the promotion, visibility and further development of talents. In 2023, OrangeWIN developed new goals and also organized a “wishing tree” campaign during Advent to collect donations and gifts for the women’s shelter in Augsburg.

The exchange of ideas and further training and networking opportunities take place regularly in various formats. The “Lunch & Learn” program, for example, offers a cross-divisional exchange on specialist topics.

An internal mentoring program initiated by women’s network orangeWIN for the exchange of experiences and the targeted further development of individual strengths was joined by 8 new pairings from different hierarchical levels in 2023 (2022: 6). Thus a total of 96 pairings have so far participated in the program, which was launched in April 2017.

KUKA is also active in external networks, such as the association of women’s networks “Women in Network” (WIN) in Munich and the surrounding area. This includes more than 20 companies whose representatives meet once a quarter.

In addition, KUKA has been participating in the Augsburg cross-mentoring program since 2011. This program supports young managers with their professional and personal development and is designed as a company-wide program. A female mentee and a mentor from KUKA are taking part in 2023 – 2024. KUKA is also involved in the mentoring partnership MigraNet, which is committed to the professional integration of people with a migrant background. A further 7 KUKA employees were involved as mentors in 2023.

»» Through our internal networks, we not only promote exchange among ourselves, we also create spaces for employees to find individual ideas and solutions, for joint activities and mutual support. «

Occupational health and safety

Occupational health and safety are an essential requirement for ensuring that business operations run safely and efficiently in manufacturing companies like KUKA. Appropriate management systems and general awareness of occupational health and safety not only serve to protect the health of employees, but also affect the success of our company.

Through occupational health and safety, we aim to eliminate hazards at our sites, prevent work-related illnesses and avoid accidents. We are thus, within the scope of our influence, committed to achieving the UN Development Goal SDG 8.8, “Protect labor rights and promote safe and secure working environments”. Occupational health and safety are firmly embedded in management systems at KUKA Group’s main production locations, with certifications in some cases. In the year under review, further locations were certified to the international occupational safety standard ISO 45001. The scope has been covered by ISO 45001 since 2020. As a result, approximately 65 percent of the company workforce worked at safety-certified locations at the end of 2023.

The locations are responsible for occupational health and safety. At the Augsburg location, our experts from various departments regularly discuss occupational health and safety and develop improvement measures together.

In 2023, several German locations were audited by the Joint German Occupational Health and Safety Strategy (GDA) (a long-term platform of the federal government, federal states and accident insurance institutions anchored in the German Occupational Health and Safety Act and Social Code VII) for implementation and compliance with legal obligations and preventive action. These audits confirmed that KUKA has a modern and functioning occupational health and safety system, which is continuously being developed and modernized. KUKA has succeeded in creating incentives to strengthen the health and safety of its employees still further.

Involvement of employees

Another Germany-wide cross-segment Health & Safety workshop was held in 2023. The aim was to leverage synergies between the locations by harmonizing processes and software solutions, defining uniform standards and implementing these together.

In addition, the global focus in the area of Health & Safety is being stepped up further and cross-segment cooperation is being expanded.

To improve the involvement of our employees, we have set up a showroom for personal protective equipment in Augsburg, where employees not only receive expert advice, but can also test the protective equipment and actively influence the choice of equipment provided. This has contributed to a significant improvement in the acceptance of personal protective equipment.

Positive balance for 2023

We can work effectively to prevent occupational accidents. At the Augsburg location, we are raising our employees' safety awareness and behavior-based safety approach by having set up a safe box area covering an area of around 160 m². This safe box area uses practical examples to bring occupational health and safety to life and make it tangible. Each box presents one or two key topics, such as occupational health and safety, environment and energy, hazardous goods and fire protection, company medical services, and addiction counseling and prevention. All employees and managers at the Augsburg location undergo safe box area training.

The safety performance indicators recorded across the Group include the LTIR (lost time injury rate). The world-wide figure was 0.29 in 2023 (2022: 0.33). The figure for the 1,000-man ratio that is widely used in Germany was 1.88 in 2023, the year under review (previous year: 2.36). As a key indicator of accident severity, we also track the severity rate (number of lost days per 200,000 working hours), which was 4.36 in the reporting year (previous year: 5.94) and thus developed positively. There were no fatal accidents at work across the Group in 2023.

Preventive healthcare

KUKA attaches great importance to consistent occupational health and safety. To ensure long-term success, the preventative approach to health protection is being consistently expanded and continuously developed. As a modern service provider, the company medical service in Augsburg takes a holistic approach to occupational preventive care, taking into account previous illnesses and professional life as a whole. In 2023, occupational health management was evaluated and further strengthened by a newly established steering committee. One area of focus was the company's addiction prevention program. In close cooperation with a statutory health insurance company, long-established workplace health promotion measures, such as the annual flu vaccinations, have been supplemented by additional measures that are needs-based, modern, medically effective and geared towards everyday life. Events held in 2023 included a stress theme week, a balance check with determination of heart rate variability and a skin cancer screening.

KUKA promotes physical activity and offers a wide range of sporting activities. In Augsburg, employees can keep fit in several company sports groups, as well as participating in the corporate challenge run or city cycling event.

» This safe box area uses practical examples to bring occupational health and safety to life and make it tangible. «

KUKA places great importance on mutual appreciation, an open feedback culture that enables constructive criticism, and the reintegration of employees who have fallen ill or whose performance has changed. This mindset is reinforced by the corporate culture "KUKA Cares. KUKA Leads.". Our Academy offers employees a wide range of courses in digital and face-to-face formats to improve their physical and mental health. The program ranges from "Mental health and empathic leadership" to "Breathing and mindfulness exercises" and "Positive emotions and resilience".



Social engagement

KUKA operates in an innovative industry that has a major impact not only on the manufacturing industry, but also on society, our daily lives and the world of work. This is why we promote education and research and are particularly committed to supporting children and young people. We focus our engagement on the locations of our business activities and, in doing so, also consciously establish regional networks. Recognizing the opportunities and risks for our own business, we also aim to heighten the public's understanding of robotics and present possible solutions to a range of challenges confronting society today.

▶ Our commitment to society

KUKA is a future-oriented company with a sense of social responsibility. With its commitment to socially appropriate initiatives and projects, KUKA also wants to contribute to the implementation of the United Nations Sustainable Development Goals (SDGs). The main focus here is on targets SDG 4.7 and 12.8, which address the promotion of sustainable development through information and education. Beyond this, there are targets relevant to climate change mitigation, SDG 13.2 (Integrate climate change measures into strategies and planning) and 13.3 (Improve education and awareness for climate change mitigation and adaptation).

10 years of social engagement

In the communities near our sites, the non-profit association Orange Care e. V. founded 10 years ago by KUKA employees supports social and charitable causes. In particular, the association is concerned with helping needy children and families, and supporting working parents in balancing family and career. Orange Care frequently supports local projects or ones that can be attributed to the dedication of our employees. Furthermore, Orange Care e. V. has been responsible for the Orange Care daycare center since 2013.

The association celebrated the anniversary at a summer party on the grounds of the daycare center together with the childminders, children, parents and members of the association. To mark the anniversary, Orange Care invested in new play equipment for the indoor and outdoor areas of the daycare center.

Orange Care also continued to help people in need in the year under review. In May 2023, as part of the “Care4U” initiative, the volunteer members of the association organized an aid transport with first-aid supplies and food for Ukraine together with KUKA employees and the partner initiatives “Project Nadiya” and “#AuxhelpsUkraine”.

Orange Care also supported Empowerland. This is a project that offers specially designed vacation camps to provide children with the tools they need to master the challenges of today’s world with confidence. Orange Care sponsored the participation of a socially disadvantaged child at the vacation camp in Dasing.

In the run-up to Christmas, Orange Care once again made Christmas wishes come true through the charitable organization Kinderweihnachtswunsch e. V. The association supports children and young people who live in and are cared for by social institutions in the Augsburg area. With donations through the association, Orange Care was able to realize a number of group wishes, such as a trip to an amusement park, toys and equipment for the group kitchen.

Several fundraising initiatives were held throughout the course of the year, such as discarded smartphones in exchange for a donation or a wheel of fortune competition on KUKA Family Day. The donations collected can be used for other charity projects.

Beyond the Orange Care program in Germany, KUKA employees worldwide are committed to social causes. Employees in the USA, for example, support the KUKACARES Foundation. This is a non-profit organization (under Section 501(c)(3) of the US Internal Revenue Code) established by KUKA Systems North America and KUKA U.S. Holdings Company in conjunction with eight suppliers. Through various events, funds are raised for individuals and families who are facing particular challenges or difficult situations.



Our commitment to society

Donation for earthquake victims

There was a great upwelling of sympathy among the KUKA workforce. Many wanted to help the earthquake victims in Turkey and Syria. An appeal for donations at KUKA raised a total of €21,888.88. This amount was doubled by KUKA and donated to the Red Cross.

Company cell phone for a donation

Many KUKA employees took the opportunity to acquire a discarded company cell phone in exchange for a donation to Orange Care e. V. This campaign raised around €3,500, which the association will use for charitable purposes.

Cash for Schools

KUKA was one of the sponsors of the “Cash for Schools” campaign in Great Britain, which was aimed at elementary schools up to sixth grade. Over a period of four weeks, schools collected as many “tokens” as possible, which appeared daily in the regional evening newspaper. The five schools that cut out the most tokens per head received 12,000 pounds. The schools invest the money in technology or use it to buy books, for example.

Support for children, young people and families

Education makes us strong, because it allows us to shape our lives in a self-determined manner. Companies can and should also make their contribution to education – for the youngest and the oldest, and thus for the skilled workers of tomorrow. These four examples from KUKA show just how diverse this commitment can be.

Being an engineer at the female researcher camp

For us, investing in education means, for example, giving talented young people practical experience and thus getting them enthusiastic about professions in which there is a particularly high shortage of skilled workers. There are still fewer women than men opting for STEM professions. That is why the female researcher camp at KUKA in Augsburg in the fall of 2023 focused on digital technologies and specifically got schoolgirls aged 15 or over interested in robotics and artificial intelligence.

For one week, twelve young women worked on a task set by KUKA – with the aid of equipment including the sensitive [cobot LBR iiwa](#). The central question was: How can automation be used to make the supermarket of the future more sustainable? The female researcher camp at KUKA was a joint initiative with the Bildungswerke Bayerische Wirtschaft and the Hochschule der deutsch-bayerischen Wirtschaft.



Robotics in vocational training

There are also numerous initiatives in China for the promotion of skilled workers. The role of humans in modern manufacturing is changing and with it the importance of robotics in vocational training. Against this backdrop, the 17th “Zhen Xing Cup”, the national competition for professional skills, was held in the megacity of Chongqing for the third time. More than 300 participants from different provinces competed against each other in the final at the end of March 2023. This year, for the first time, the focus was also on the operation of industrial robot systems. The aim of the competition was the optimal preparation of young people for the labor market by giving them the opportunity to improve their professional skills and innovative strength. The final of the Zhen Xing Cup was supported by KUKA, among others, with the latest technology.

Bringing robotics and automation closer to the public

As every year, KUKA again participated in November 2023 in the European Robotics Week initiated by the European robotics association euRobotics. During this week of events, KUKA employees got involved in bringing the topic of robotics and automation closer to the general public. Another aim was to arouse the interest of young people in technology and scientific subjects. In 2023, a number of KUKA employees once again visited schools and other institutions for children to introduce them to the topic of robotics in presentations appropriate for their age. In our anniversary year, the European Robot Week (ERW) at KUKA was also dedicated to KUKA's birthday. Under the motto "Everybody celebrate _we can all be robot stars", there was an even more colorful program ranging from the KUKA Dance Challenge to a virtual factory tour of the Augsburg site. Here, interested visitors were able to take a look at robot production or discover what future topics KUKA is working on in the virtual evening lecture.

KUKA employees in Hungary got children interested in robotics and worked closely with local elementary schools. During orientation days, for example, KUKA offered guided tours of the production facility at the Taksony location. More than 200 school students were introduced to the world of robotics in child-friendly language. Our employees were also involved in Hungarian universities, giving programming courses and guest lectures as well as being available for discussions.

In Germany, KUKA has been a sponsor of the Herrenberg-Gäu Aerospace Lab e.V. youth research center for many years now. The aim of this non-profit association is to familiarize children more with applied robotics and programming at an early age. This way, the children are introduced to technical topics and research by means of long-term and individual support in group work for STEM subjects. In addition to this, a Girls' Day was once again held at the Augsburg location's education center in the year under review, in which 20 girls participated. Various stations offered insight into mechanics, electronics, control technology and working with robots. The girls were able to assemble components, plug together installation circuits, set up pneumatic systems or even program a robot.

In the year under review, KUKA also sponsored the international start-up competition "Robotics for Good Innovation Factory" with prize money of 20,000 euro. The competition is organized by the International Telecommunication Union (ITU), a specialized agency of the United Nations for information and communication technologies, which promotes collaborative AI solutions through its "AI for Good" (Artificial Intelligence) platform with the aim of advancing the SDGs of the United Nations. In addition to the prize money, KUKA supports the competition through its participation in the jury. The global competition ran until the beginning of July 2023. The KUKA and Swisslog brands are also "Full Year Supporters" of AI for Good.

In February 2023, we supported a hacking challenge for school students at Augsburg University of Applied Sciences with the aim of getting young people to deal with the dangers (data security) on the Internet and at the same time promoting STEM subjects.

Italian research team wins KUKA Innovation Award 2023

With the KUKA Innovation Award, we raise awareness of innovation through automation and robotics in new fields of activity. The prize has been awarded since 2014 and is endowed with 20,000 euro. The KUKA Innovation Award 2023 was all about simple operation and maximum flexibility of robots. For the first time, the robotics competition was based on the new KUKA iiQKA robot operating system and its associated ecosystem. The winning team JARVIS worked on the development of a complete plug & play method for programming collaborative robotics applications, for example for assembly and packaging, which is fully integrated into the iiQKA ecosystem. It enables unskilled operators to instruct the robot for a new task and generalize to unknown situations, including new tasks and product variants, through the integration of artificial intelligence.





Appendix

The Sustainability Report was created in accordance with the GRI Standards. The standards of the Global Reporting Initiative (GRI) support companies in disclosing their sustainability performance in a transparent and comprehensible manner. This serves to fulfill the information needs and requirements of a wide range of stakeholder groups, including customers, suppliers, policymakers, capital markets and the general public.

- ▶ GRI Content Index
- ▶ Imprint and contact

GRI Content Index

Declaration of use	KUKA AG reports on the 2023 fiscal year in accordance with the GRI standards.
GRI used	GRI 1: Foundation 2021
Applicable GRI sector standard(s)	None

GRI Standards	Page	Response/Comment
General Disclosures		
GRI 2: General Disclosures 2021		
1. The organization and its reporting practices		
2-1 Organizational details	5 – 9	
2-2 Entities included in the organization's sustainability reporting	3	
2-3 Reporting period, frequency and contact point	3	
2-4 Restatements of information		Corrections have been marked and justified in the chapters
2-5 External assurance		There was no external assurance on the information in this report.
2. Activities and workers		
2-6 Activities, value chain and other business relationships	5 – 9, 39 – 42	
2-7 Employees	49	
2-8 Workers who are not employees	47, 49	
3. Governance		
2-9 Governance structure and composition	10, 11	Report of the Supervisory Board as well as our website
2-10 Nomination and selection of the highest governance body	10	
2-11 Chair of the highest governance body	10	Report of the Supervisory Board as well as our website
2-12 Role of the highest governance body in overseeing the management of impacts	10 – 11, 15 – 16	

GRI Standards	Page	Response/Comment
2-13 Delegation of responsibility for managing impacts	10 – 11, 15 – 16, 20, 26, 40 – 41	
2-14 Role of the highest governance body in sustainability reporting	11, 15	
2-15 Conflicts of interest		No reporting
2-16 Communication of critical concerns	20 – 22	
2-17 Collective knowledge of the highest governance body		Report of the Supervisory Board as well as our website
2-18 Evaluation of the performance of the highest governance body	10	For reasons of confidentiality, KUKA does not disclose information on the salaries of its Management Board members.
2-19 Compensation policies	10	No reporting
2-20 Process to determine compensation	10	No reporting
2-21 Annual total compensation ratio		No reporting
4. Strategy, policies and procedures		
2-22 Statement on sustainable development strategy	3	
2-23 Policy commitments	19 – 21, 23 – 24, 38, 40, 42, 47	
2-24 Embedding policy commitments	19 – 24, 40 – 42	
2-25 Processes to remediate negative impacts	20 – 22, 42	
2-26 Mechanisms for seeking advice and raising concerns	20 – 22	
2-27 Compliance with laws and regulations	19 – 24	
2-28 Membership associations	14, 36 – 37	
5. Stakeholder engagement		
2-29 Approach to stakeholder engagement	14 – 17	
2-30 Collective bargaining agreements	47 – 48	
Material Topics		
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	16 – 17	
3-2 List of material topics	17	

GRI Standards	Page	Response/Comment
Climate protection and climate risks		
3-3 Management of material topics	11 – 12, 15 – 16, 26 – 29	
GRI 302 Energy 2016		
302-1 Energy consumption within the organization	28	
302-2 Energy consumption outside of the organization		Scope 3 data is not yet recorded globally
302-3 Energy intensity	28	
302-4 Reduction in energy consumption	27 – 28	
302-5 Reductions in energy requirements of products and services	33 – 35	
GRI 303 Water and Effluents 2018		
303-1 Interactions with water as a shared resource	26, 29 – 30	
303-2 Management of water discharge-related impacts	29 – 30	
303-3 Water withdrawal	29 – 30	
GRI 305 Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	28	
305-2 Energy indirect (Scope 2) GHG emissions	28	
305-3 Other indirect (Scope 3) GHG emissions		Scope 3 data is not yet recorded globally
305-4 GHG emissions intensity	28	
305-5 Reduction of GHG emissions	27 – 30	
305-6 Emissions of ozone-depleting substances (ODS)		Data are not recorded
GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Data are not recorded
GRI 306 Waste 2020		
306-1 Waste generation and significant waste-related impacts	26, 29	
306-2 Management of significant waste-related impacts	26, 29	
306-3 Waste generated	29	
Efficient and responsible products and solutions		
3-3 Management of material topics	23 – 24, 32 – 38	
GRI 302 Energy 2016		
302-5 Reductions in energy requirements of products and services	32 – 35	

GRI Standards	Page	Response/Comment
GRI 416 Customer Health and Safety 2016		
416-1 Assessment of the health and safety impacts of product and service categories	23, 44	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	23	There were no legal proceedings with fines for breach of customer safety in the year under review.
GRI 417 Marketing and Labeling 2016		
417-1 Requirements for product and service information and labeling	23	
417-2 Incidents of non-compliance concerning product and service information and labeling		No such incidents were reported in the year under review
417-3 Incidents of non-compliance concerning marketing communications		No such incidents were reported in the year under review
GRI 418 Customer Privacy 2016		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	38	
Employee responsibility and development		
3-3 Management of material topics	10, 23 – 24, 46 – 56	
GRI 401 Employment 2016		
401-1 New employee hires and employee turnover	49	We do not report on new hires by age group and gender at a global level, as these are not controller-relevant data.
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Benefits are provided to all full-time and part-time employees. There may be deviations for temporary employees.
401-3 Parental leave		In Germany, the right to parental leave is regulated by law. However, parental leave is not socially established in all countries. We do not collect data company-wide.
GRI 402 Labor/Management Relations 2016		
402-1 Minimum notice periods regarding operational changes		KUKA complies with the applicable legal requirements with regard to notice periods.
GRI 403 Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	55 – 56	
403-2 Hazard identification, risk assessment, and incident investigation	55 – 56	
403-3 Occupational health services	55 – 56	

GRI Standards	Page	Response/Comment
403-4 Worker participation, consultation, and communication on occupational health and safety	55 – 56	
403-5 Worker training on occupational health and safety	55 – 56	
403-6 Promotion of worker health	55 – 56	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	23 – 24, 55 – 56	
403-8 Workers covered by an occupational health and safety management system	55	
403-9 Work-related injuries	56	
403-10 Work-related ill health		Data on work-related ill health is not collected globally, since the possibilities for recording work-related ill health vary from country to country.
GRI 404 Training and Education 2016		
404-1 Average hours of training per year per employee		The number of training hours and hours for further education is currently not collected globally
404-2 Programs for upgrading employee skills and transition assistance programs	50 – 51, 53 – 54	
404-3 Percentage of employees receiving regular performance and career development reviews		Data is not collected globally
GRI 405 Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	10, 49, 53 – 54,	For corresponding disclosures for the Supervisory Board, see the Corporate Governance Statement
405-2 Ratio of basic salary and remuneration of women to men		Data are not recorded
406-1 Incidents of discrimination and corrective actions taken		In the reporting year, a few complaints were registered about suspected discriminatory behavior. The cases were dealt by Human Resources and/or Compliance.

GRI Standards	Page	Response/Comment
Responsible procurement		
3-3 Management of material topics	39 – 45	
GRI 204 Procurement Practices 2016		
204-1 Proportion of spending on local suppliers	43	We do not record the proportion of procurement spending on local suppliers at a global level, as the effort involved in obtaining the information is not reasonably proportionate to its value.
GRI 308 Supplier Environmental Assessment 2016		
308-1 New suppliers that were screened using environmental criteria	43 – 45	
308-2 Negative environmental impacts in the supply chain and actions taken	42 – 45	
Good Corporate Governance		
3-3 Management of material topics	20 – 22	
GRI 205 Anti-corruption 2016		
205-1 Operations assessed for risks related to corruption		Operating sites are regularly audited by the Corporate Audit department. Corporate Audit's task as a process-independent entity is to identify and assess potential risks for the business activities of the KUKA Group.
205-2 Communication and training about anti-corruption policies and procedures	21	We do not collect quantitative data on training measures yet.
205-3 Confirmed incidents of corruption and actions taken		There were no such incidents in the year under review
GRI 206 Anti-competitive Behavior 2016		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	20	There were no legal actions in the year under review.
Additionally reported topics		
GRI 207 Tax 2019		
207-1 Approach to tax	24	
207-2 Tax governance, control, and risk management	24, 15 – 16	
207-3 Stakeholder engagement and management of concerns related to tax	24	
207-4 Country-by-country reporting	24	

GRI Standards	Page	Response/Comment
GRI 407 Freedom of Association and Collective Bargaining 2016		
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	40 – 45	KUKA recognizes the right to freedom of association and assembly at its own locations and expects the same from its suppliers. The expectations on suppliers are described in the Code of Conduct for Business Partners. Further information can be found in our Code of Conduct, Code of Conduct for Business Partners, Policy Statement and on our website.
GRI 408 Child Labor 2016		
408-1 Operations and suppliers at significant risk for incidents of child labor	40 – 45	See Policy Statement on our website
GRI 409 Forced or Compulsory Labor 2016		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	40 – 45	See Policy Statement on our website
GRI 410 Security Practices 2016		
GRI 410-1 Security personnel trained in human rights policies or procedures		Data are not recorded globally
GRI 413 Local Communities 2016		
413-1 Operations with local community engagement, impact assessments, and development programs	58 – 60	
Rights of Indigenous Peoples 2016		
411-1 Incidents of violations involving rights of indigenous peoples		No such incidents were reported in the year under review
GRI 414 Supplier Social Assessment 2016		
414-1 New suppliers that were screened using social criteria	42 – 45	
414-2 Negative social impacts in the supply chain and actions taken		
Public Policy 2016		
GRI 415-1 Political contributions		No political contributions were made in the year under review.

Imprint and contact

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Forward-looking statements

The Sustainability Report contains forward-looking statements on expected developments. These statements are based on current assessments and are naturally subject to risks and uncertainties. Actual results may differ from these statements.

As part of the preparations for the CSRD (Corporate Sustainability Reporting Directive), further global locations will be gradually integrated into the scope of reporting.

The key performance indicators contained in the report have been rounded in accordance with standard commercial practice. In individual cases, it is therefore possible that figures in this report do not add up exactly to the total stated and that percentages do not precisely correspond to the values indicated.

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