



ESG program

ESG area/topic	Description of measures	Start	End	Status	SDG
RELIABLE EMPLOYER					
Employer attractiveness					
Making production areas more attractive	By implementing a cloud-based payment system, the snack allowance of EUR 2.00 per day could be systematically granted to all production employees. As part of the full renovation of all break-time and social areas in vehicle assembly to upgrade them to modern standards, care was taken in the design to ensure short distances from the workplace and expand the offer.	2021	2022	●	8.5
Measures in relation to employee mobility (2021: Improvement of transport links)	In order to make it easier for employees to commute to work, the "Plant Bus" pilot project was launched in mid-2022 and has since been expanded to three routes. This transports an average of up to 150 people to the respective plants every day, providing a low-emission, stress-free alternative option for commuting to work. For business trips within the Mattighofen and Munderfing area, loanable e-bikes have been available to all employees since spring 2022, following a successful trial phase in 2021. The 16 pool bikes are spread across four locations (headquarters, House of Brands, KTM Components and the engine plant). They are reserved and booked using an external mobility sharing app.	2021	2022	●	8.5
Employees recruit employees	The project launched in 2021 in the area of production to find motivated employees and meet the demand for additional production resources continued successfully in 2022.	2021	2022	●	8.5
Flexible working hours model in production	After making working hours flexible for white-collar employees, a new four-day week shift model was introduced for employees in vehicle assembly as a trial from October 2022 to February 2023. It will be possible to revert back to this model when necessary in the future.	2022	2022	●	8.5
Employee rights and working conditions					
Employee app	In order to provide all employees with important information and the option of accessing important data via their cell phone, the PITBOARD employee app was developed and put into operation in October 2022. This means that non-desk workers now also have the option to access their remuneration and time statements digitally at any time and to view their history. For employees who do not have access to digital devices in their personal lives, the company provides PCs to allow them to access PITBOARD with their personal login details. The PITBOARD app therefore also makes internal communications easier and more targeted. Other measures such as the Plant Bus or employee recommendations can also be used on the app.	2021	2023	◐	8.5
Occupational safety and employee health					
Focus on health & safety	In the Health & Safety department, the issues of occupational safety, occupational medicine, health and sports are combined and made more accessible for all employees. In the 2022 reporting year, fundamental strategic pillars were established for the future direction of this area and the evolution of specific topics. The rollout is set to continue in 2023. Aim: Company-wide standards and targeted programs.	2021	2023	◐	8.8

ESG area/topic	Description of measures	Start	End	Status	SDG
Training and further education					
Priority measures for apprentices	<p>The offers for apprentices were enhanced even further. Thanks to a conversion of the apprentice workshop in Mattighofen, which was completed in 2022, there is now space for up to 230 apprentices in a training facility that has excellent technical equipment.</p> <p>With the digital and mobile "Apprentio" apprenticeship management app, apprentices can access their rotation schedule as well as vocational college, training dates and vocational training blocks at any time on their smartphone. The app also offers a standardized feedback process and documents learning progress at the same time.</p> <p>In addition, 42 apprentices have been accommodated in a residential facility run by the Upper Austrian Housing Association. The rental costs are paid by the company.</p> <p>Visitor events were held to give interested parties an insight into apprenticeship training at KTM.</p> <p>As of the reporting date, there were around 200 apprentices. The company continues to pursue the goal of increasing the number of apprentices beyond 200.</p>	2021	2022	●	8.6
Internationalization of KTM_academy training portal (2021: Expansion of training programs)	<p>The aim is to link all parts of the group around the world to the learning management system in 2023. In addition to the desktop system, a mobile app also makes the training and education opportunities that are on offer accessible to employees – here too the intention is to gradually expand access to all employees around the world in 2023.</p>	2021	2022	●	4.3 4.4
ENVIRONMENTALLY AWARE PRODUCTION					
Waste management					
Expansion of storage facilities for hazardous materials and waste	<p>At the engine plant, storage capacity was created by acquiring an additional suitable storage container. Furthermore, the storage space is being completely reconfigured here as part of the extension of the engine plant toward Aumayer and included in the construction planning.</p> <p>In the area of the main plant, planning was postponed because the configuration of the waste disposal area is being completely redesigned. This redesign has a massive impact on the planning of the storage areas for the main plant.</p> <p>Goal: To improve the amount of storage space for hazardous materials and waste</p>	2021	2024	●	6.3 12.4
Adjustments in waste management	<p>Adjustments that were planned for 2022 were implemented. A training program for employees in the form of a "Waste Management" e-learning course was put online.</p>	2020	2022	●	12.4
Improved waste separation	<p>After focusing on the separate collection of paper in offices and of plastic and EPS in production in 2021, in 2022 sorting of PET bottles and unmixed packaging films was expanded. An evaluation in terms of reliable figures will be possible in 2023 (with reference to the goal of ensuring better recycling of packaging materials).</p> <p>The volume of residual waste was reduced by 37.9% in 2022 compared to the reference year of 2019. The planned target of a 10% reduction by 2024 was therefore significantly exceeded.</p> <p>Goal: Better recycling of packaging materials</p>	2021	2023	●	12.5


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Impacts of procurement and logistics on the climate and environment					
Active container tracking	The active container tracking project is designed to increase transparency in the inflow of containers. The increased visibility provided by live tracking and better knowledge of the transport routes of the various cargoes results in better planning overall and helps to reduce air freight. Goal: Reduce the amount of air freight	2021	2023	●	12.7 13.2
Proportion of suppliers with a certified environmental management system	Following a review in 2021, it was determined that the certification of an environmental management system would be considered as a criterion for selecting suppliers. It is classified as optional in order to adequately reflect the very different sizes of supplier businesses. In this context, the company also set the target of achieving a share of 45% of series and non-series suppliers and logistics service providers with a certified environmental management system (ISO 14001, EMAS or comparable) by the end of 2023. Goal: Check that 45% of series and non-series suppliers as well as logistics service providers have corresponding certification	2021	2023	●	12.7 13.2
Optimization of inbound deliveries	The project aims to bundle the needs and demands of all departments and facilitate optimum use of the capacity in the supply flows. Feasibility tests of various methods are part of the project. Consolidation of all goods from India at two locations took place back in 2021. An expansion to Japan was examined, but a switch was only made to a limited extent.	2021	2022	●	12.7 13.2
Switchover to direct shipping for PG&A items	In 2022, work started on switching selected suppliers for PG&A items to direct shipping without an intermediate stop in Austria. The first pilot deliveries were successful and, in addition to time and cost benefits, initial analyses suggested that there were also significant reductions in CO ₂ . All suppliers were analyzed to determine their suitability for making the corresponding switch. Work to switch over further suppliers commenced at the start of 2023, but this will take place in tranches due to the high level of complexity. Goal: Switchover of 15 of the largest suitable suppliers by the end of 2023	2022	2023	○	12.7 13.2
Recording CO ₂ emissions of transport service providers	In 2022, work began to record CO ₂ emissions from company-related shipments by asking the relevant transport service providers to provide the relevant data. Following internal consolidation and processing, it was thus possible to calculate a figure for logistics-related CO ₂ emissions for 2021. As recording the data is still a laborious process, the figure for 2022 is not expected to be available until after the report has been published. The processes are currently being aligned. In the future, this data will serve as a basis for determining potential for optimization or reduction. One area that has already been identified as requiring action is reducing CO ₂ -intensive air freight.	2022	2023	●	12.7 13.2
Clustering motorcycle deliveries	The quantities of motorcycles delivered to each destination address in Europe (EU) were examined. The planned clustering in terms of geography and time with higher volumes of motorcycle deliveries in Europe has already been partially implemented. The objective is to actively save individual journeys by truck to dealers in metropolitan areas as well as to the major regions formed by the clustering. The intention is that dealers in metropolitan areas, but also large regions formed by clustering, will be supplied more regularly, but less frequently, yet with higher quantities.	2021	2023	●	12.7 13.2


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PG&A shipping policy	As of January 1, 2022, a new shipping policy was implemented for the Parts, Garments & Accessories (PG&A) business unit. The objective is to ensure reliable shipping logistics to reflect demand and to incentivize larger orders at intervals spaced more widely apart. The aim is to reduce the number of express consignments involving air freight and a large amount of packaging.	2022	2022	●	12.5 13.2
Impacts of production on the climate and environment					
Energy ring	By setting up a private 30 kV energy ring, the renewable energy from the photovoltaic installations can be passed on from Logistics Center 2 and the Motorsport building to a total of five consumers (Logistics Center 1, Logistics Center 2, Motorsport, Engine Plant, KTM Components Plant). This means that the rate of consumption for the company's own needs of the photovoltaic installations can be increased to approx. 75-80%. Of the 4.5 million kWh of solar power that are forecast to be produced, approximately 3.5 million kWh can thus be consumed by KTM. Goal: Reduce the amount of electricity purchased from the public grid	2022	2023	○	7.2
Energy monitoring	By installing energy monitoring software and having more detailed metering points for electricity, water, heating and cooling, high energy consumers in the buildings can be located and reduced by implementing technical or organizational measures.	2022	2023	○	7.3
Other climate and environmental impacts					
Electrification of the passenger car fleet	The stated target of achieving a 20% share of electric or hybrid vehicles in the overall company car fleet before the end of 2022 was exceeded with a share of 22% being achieved. Goal: 20% (E+hybrid) by the end of 2022	2021	2022	●	13.2 13.3
KTM Motohall carbon footprint	A project to prepare a carbon footprint for the KTM Motohall in Mattighofen for 2022 was started. Once completed, the aim is to use the carbon footprint calculated from the project as the basis for determining the next steps such as measures and objectives.	2022	2023	○	13.2
Switch to LED lighting	After the switchover to LED lighting in vehicle assembly, which was completed back in 2021, the aim will be to complete the full switchover in the spare parts center by the end of 2023.	2022	2023	○	7.3 13.2
Construction of further photovoltaic installations	Further photovoltaic installations will be constructed on Logistics Center 2 and the Motorsport building. They will then also form part of the energy ring (see the Energy ring measure).	2022	2023	○	7.2

SUSTAINABLE
MOBILITY**Innovations from
in-house research &
development**

EMotion research project	The "Emotion" project launched in 2020 is dedicated to sustainable two-wheel mobility. The aim is to have cost-effective, energy-efficient, comfortable and lightweight electric two-wheelers, along with innovative user interfaces and eco-coaching strategies for efficient and resource-saving use. Initial concepts and prototypes are available and undergoing evaluation. A pilot phase for eco-coaching strategies is planned for 2023.	2020	2023	◐	11.5 13.3
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CONEXUS	<p>In 2022, the first series components of a hybrid brake disc guard featuring CONEXUS technology were launched as an accessory for all full-size MX and Enduro models of the KTM, Husqvarna and GASGAS brands. The patented CONEXUS technology, which was developed in-house, enables different materials to be joined without requiring an additional process such as gluing or bolting. At the end of each component's life cycle, this makes it possible to separate the two materials into their respective types and they can then undergo the optimum end-of-life scenario in each case (e.g., single-variety plastics recycling). In addition, CONEXUS makes it possible to use and combine other, more sustainable materials such as flax fiber with bio-based plastic.</p> <p>The hybrid brake disc guard is scheduled to be used as a fixed component for the first time on selected models in 2023. A second product, the hybrid skid plate, is set to go on sale later this year.</p>	2022	2023	○	12.2 12.5
Impacts of the product design/end of life on the climate and environment					
Life cycle assessment as a basis for evaluation	<p>In 2022, the first steps were taken toward providing a life cycle assessment for components and complete vehicles. This should make it possible to consider the environmental impact of products right from when they first start to be developed, very much embracing sustainable engineering. Specifically, work was carried out to determine a carbon footprint for the materials used. The GaBi software from Sphera is also used for this purpose. The interim goal is to have a carbon footprint for a relevant metal component (frame) by the end of 2022, followed by the goal of creating a footprint for a complete vehicle by the end of 2023.</p> <p>Goal: Calculate the carbon footprint for a complete vehicle by the end of 2023.</p>	2022	2023	○	13.3
Own traction battery	<p>In 2022, the company began work on developing its own traction batteries in-house. This will make it possible to create solutions designed for recycling. The more components are easy to separate, the more they can be recycled. These batteries will be used in a variety of the group's motorcycle models. The first use in production motorcycles is scheduled for 2024.</p>	2022	2024	○	11.5 13.3
Impacts of using the product on the climate and environment					
Swappable Batteries Motorcycle Consortium (SBMC)	<p>The SBMC, which was founded in 2021 by KTM F&E GmbH together with three other motorcycle manufacturers, is intending by 2024 to develop a common technical standard for a battery swap system including the corresponding battery swap stations which should meet customer expectations in an economical way. The number of members has increased to 21. In the year under review, representatives of the consortium met for the SBMC summit at the KTM Motohall in Mattighofen to reflect on progress. Currently, it is assumed that the goals will continue to be achieved as planned.</p>	2021	2024	◐	11.5 13.3
Project: Range prediction	<p>A project to evaluate possibilities for optimizing and expanding range calculations in the e-bicycle and e-motorcycle sector was launched in 2022. The goal is to have dynamic prediction based on individual riding behavior and external influencing factors to deliver a more precise, reliable result. This should address the problem of range anxiety, which is critical for the acceptance of electric mobility. The evaluation project is scheduled to be completed in 2024. Further steps will then be examined on this basis.</p>	2022	2024	○	11.5 13.3

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Joint platform strategy with Bajaj Auto	Having already developed a joint platform for electric two-wheelers with partner Bajaj Auto Ltd. in 2021, the collaboration was stepped up in 2022. Besides joint vehicles, part of this cooperation includes an open approach to different battery solutions in order to exploit the advantages of both integrated and removable batteries. The aim is still to launch the first products on the market in years to come.	2021		●	11.5 13.3
FAIR BUSINESS PRACTICES					
Impacts of procurement on people and human rights					
Examination of a sustainability platform for procurement	Following the completion of a detailed review of various options for a platform for systematically recording environmental and social standards in the supply chain, the ESG SupplierAssurance platform started operating as planned in 2022. This measure has therefore been successfully completed. A first follow-up measure based on this is the newly adopted measure "Auditing suppliers via the Sustainability Platform".	2021	2022	●	8.7 8.8
Auditing suppliers via the Sustainability Platform	In the same year, just under 60 % of series suppliers were audited on the Sustainability Platform, which was launched in 2022 to assess the sustainability performance of suppliers. Goal: Increase the percentage of suppliers audited to 80 % by the end of 2023	2022	2023	●	8.7 8.8
Supplier audit	116 supplier audits were carried out in 2022. Of these, four audits were so-called qualification audits for new suppliers, which were newly established in December 2022 and already include criteria focusing on purchasing and the supply chain. Questions in relation to the environment and social aspects are also assessed. The project focusing on a separate sustainability audit is to be reassessed in 2024.	2021	2024	●	8.7 8.8
Data protection and cyber security					
Training on data protection and GDPR	In 2022, an awareness content platform with predefined content was purchased, and this will provide content for new IT security awareness training content in the future. The aim is to make the training courses modern and interesting. Further revisions are planned in 2023, as well as targeted training for specialist areas with a particularly high level of involvement with data protection issues.	2021	2023	●	

ESG area/topic	Description of measures	Start	End	Status	SDG
ESG					
ESG management [strategic]	<p>In 2022, a project was launched together with an external service provider to identify a basis for making the ESG strategy more focused. Using a risk-based approach (focus on outside-in risks), content, data and scenarios are collected and developed to provide an even more precise understanding of the impact of ESG-related issues and trends on the company. This will serve as the basis for further focusing and expanding the ESG strategy in the following year.</p> <p>Goal: expand the basis for the ESG strategy in 2023.</p>	2022	2023	<input type="radio"/>	13.2

Key: New In progress Done