



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

**2023 REPORT**



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# From the President and CEO

## Dear Kennametal Stakeholders,

I am pleased to present Kennametal’s Environmental, Social and Governance (ESG) Report for fiscal 2023. This report outlines our continued progress throughout the year in advancing our ESG strategies and our commitment to accountability and transparency. We improved our performance on the ESG issues most important to our stakeholders, including environmental, health and safety (EHS), employee engagement, workforce training and development, diversity and inclusion, community engagement and other material topics.

### Our accomplishments included:

- We remained focused on mitigating potential risks from the environmental effect of our business, including manufacturing operations and our supply chain. We achieved reductions in our Scope 1 and 2 greenhouse gas (GHG) emissions, energy consumption, water consumption and increased our waste recycling.
- The health and safety of our employees and contractors continues to be our highest priority. We enhanced our EHS Management System to streamline the collection and analysis of key metrics to help

improve our safety programs. All of this is focused on achieving our target of zero work-related injuries and illnesses. We also enhanced our EHS training programs to continue developing a world-class health and safety culture.

- Our total recordable incident rate continues to perform at a world-class level, 148 percent better than U.S. industry standard. In fiscal 2023, we set records for proactive risk identification and closure through our Stop Work, Find & Fix and Fatal and Serious Injury (FSI) programs.
- We recognize that our continued long-term success depends on

attracting and retaining talented employees. We continued to advance the development and engagement of our employees through programs including the OneTeam Learning Management System, the Kennametal Knowledge Center, our Leadership Excellence Advancement Program (LEAP) and the EMERGE early-career rotational development program. We use our annual employee engagement survey to gather input and feedback to further enhance our career development programs.

- Our diversity and inclusion (D&I) strategy is based on our cultural belief that “Everyone Matters” and our commitment to helping all individuals succeed and contribute to our long-term growth. In fiscal 2023, we implemented initiatives to advance the goals of our four D&I strategic pillars: awareness, acquisition, development and community. We continued building a diverse talent pipeline through our Employee Resource Groups, the Allyship Program, the Mentor-Mentee Program and other programs.

- We continued to support our communities through financial donations and employee volunteer efforts in cooperation with community organizations focused on workforce development, improving lives and the environment. We worked with colleges and schools at all levels to promote STEM education and careers.

I am proud of the hard work and dedication our employees show towards our ESG initiatives and achieving our ESG strategy. We are thankful for the support of all our stakeholders – suppliers, customers, investors and community partners – in helping Kennametal as we progress on our ESG journey.

Best regards,



**Christopher Rossi**  
President and Chief Executive Officer



# ESG Strategy

Kennametal's ESG strategy is focused on achieving continuous improvement in our ESG performance to build long-term value for all of our stakeholders. We incorporate our ESG strategy into all aspects of our business and operations to enable us to live our cultural beliefs at work and in our global communities. Our strategy proactively identifies and mitigates ESG risks and captures opportunities that benefit our stakeholders.



In fiscal 2023, we continued to incorporate input from both internal and external stakeholders in our ESG strategic process and initiatives. We gathered feedback from employees across the organization through collaborative efforts including surveys and in-person meetings, and engaged with external stakeholders including investors, communities, customers and suppliers. Our ESG strategy is also informed by peer benchmarking and research to identify and utilize industry best practices in ESG.

We continued to incorporate our ESG strategy into our overall corporate strategic review process with our Board of Directors, Executive Leadership Team and business segment leaders who identify where and how their respective plans support our ESG strategy and associated internal goals. Our Nominating/Corporate Governance Committee has oversight of our ESG strategy, maturity path and associated initiatives with the full Board reviewing the ESG strategy at least annually as part of the overall corporate strategy.

At the management level, our ESG Steering Committee, which is co-chaired by our VP, Secretary and General Counsel and our VP and Chief Administrative Officer, is comprised of a cross-functional team of employees that oversees the implementation of our ESG strategy and programs. We also have a cross-functional ESG working team responsible for implementing and executing our ESG strategy and initiatives. This team regularly reports on its progress to the ESG Steering Committee, who reports regularly to the Nominating/Corporate Governance Committee.





## Materiality-based Approach to ESG

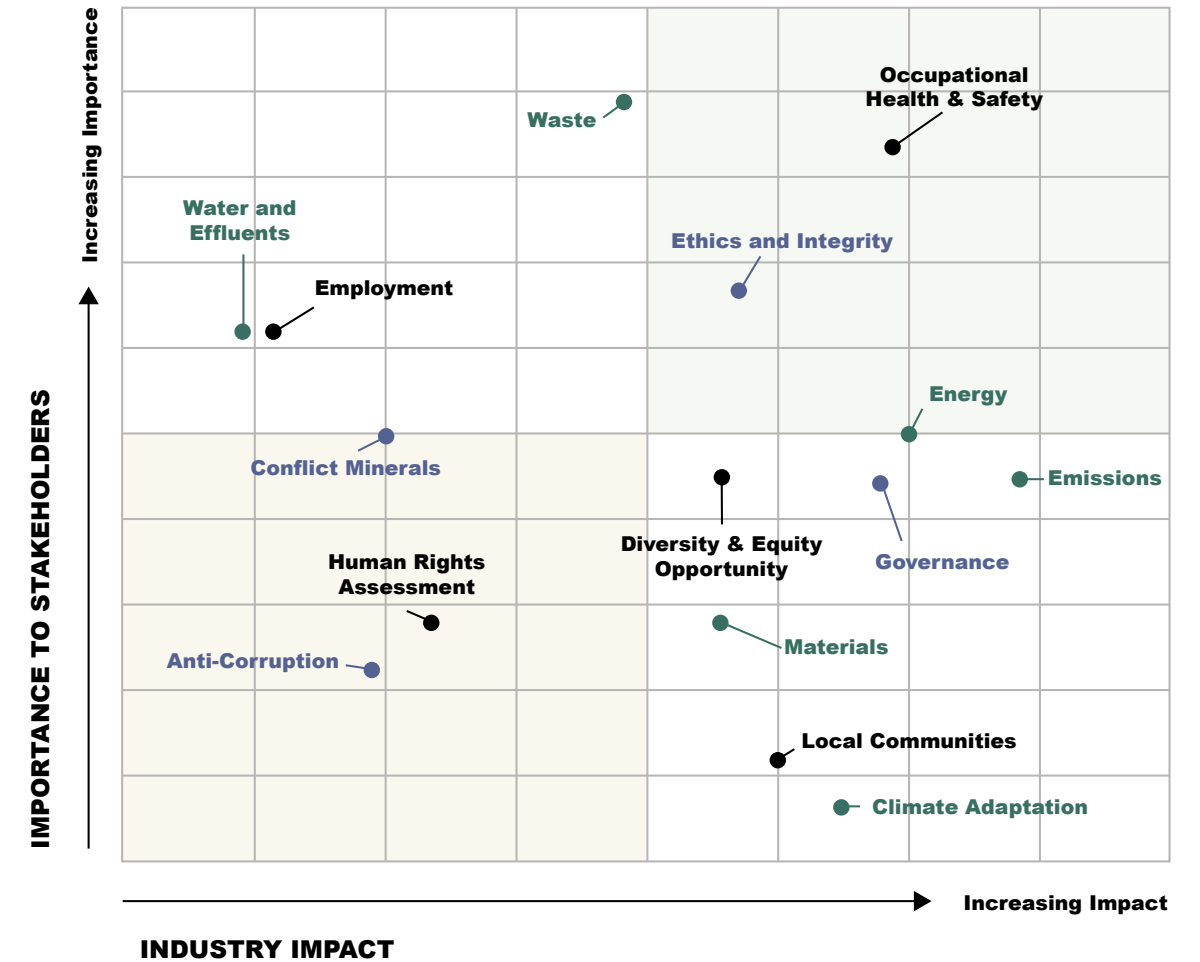
We utilize a materiality-based approach to ESG to ensure that our ESG strategy is aligned with the issues and challenges most relevant to our business and stakeholders. We periodically review our material topics, with the most recent materiality assessment completed in fiscal 2022 by a third-party firm. The information from the materiality assessment was used to develop and refine our ESG strategy to meet stakeholder expectations.

The assessment examined a range of key stakeholders, including investors, customers, employees and ESG rating organizations, as well as analyzing industry peers, to identify the most material ESG topics for Kennametal. Potential topics included each of the GRI Standards Topics, the SASB Industrial Machinery & Goods 2018 Sustainability Accounting Standard and other ESG topics of interest to investors and other important stakeholders.

Sector-specific material ESG topics identified by these stakeholders were mapped to the GRI Standards Topics, with material topics that did not map

directly to a GRI Standards Topic added to the analysis as additional “Non-GRI Material Topics” and included in the GRI Content Index. Initially, 39 topics of interest to various stakeholders were identified. Then, a deeper analysis was done to prioritize these issues by assessing a selection of industry peers and customers that are highly rated for ESG performance. The methodologies of leading ESG investor raters and institutional investors, including their strategic selection of material ESG topics in their sustainability disclosure, investment decision-making, goal setting and strategy, were also examined.

Using this assessment, along with input from Kennametal’s employees and Executive Leadership Team, an overall materiality score was calculated for each ESG topic to help focus our ESG strategy and disclosures in this report. Using this quantitative model, Kennametal identified the 15 highest scoring topics as most material to the business.



## United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a series of interlinked goals adopted by UN member states in 2015 focused on creating more sustainable economic and environmental practices by 2030.

Kennametal recognizes the importance of the SDGs and we have identified throughout this report how the SDGs are aligned with our priority topics. More details on our alignment with the SDGs can also be found in our GRI Content Index starting on page 87.



# Responsible Environmental Practices

**Kennametal remains committed to minimizing the environmental impact of our manufacturing operations and all aspects of our business. This commitment is highlighted in our Code of Conduct and our Environmental, Health and Safety Policy.**

## SECTION CHAPTERS

**Environmental Management  
and Climate Change**

**Climate Protection**

**Water Conservation**

**Waste Management**



# Responsible Environmental Practices

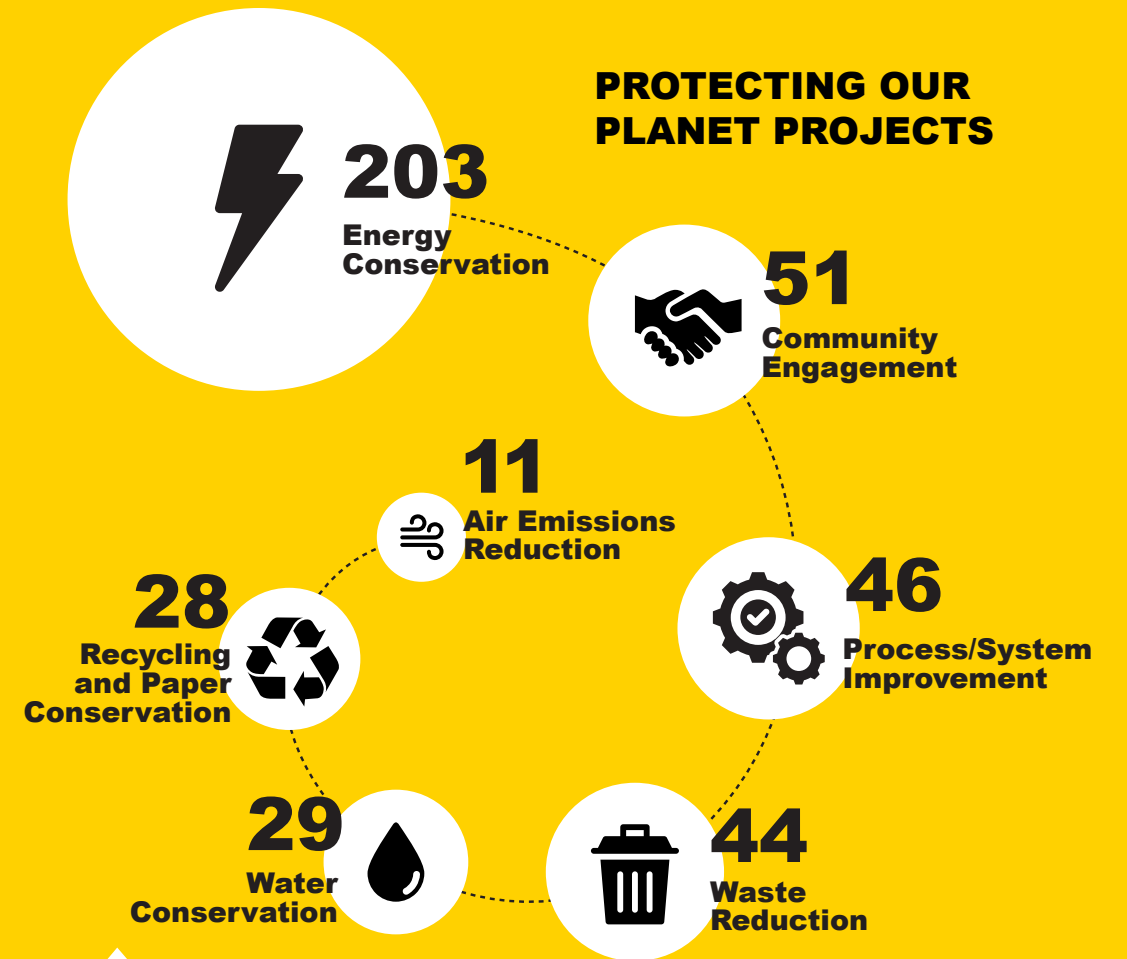
## 2023 VS. 2022 HIGHLIGHTS

↓ **5.3%** decrease in energy intensity

↓ **3.7%** decrease in Scope 1 and 2 GHG intensity

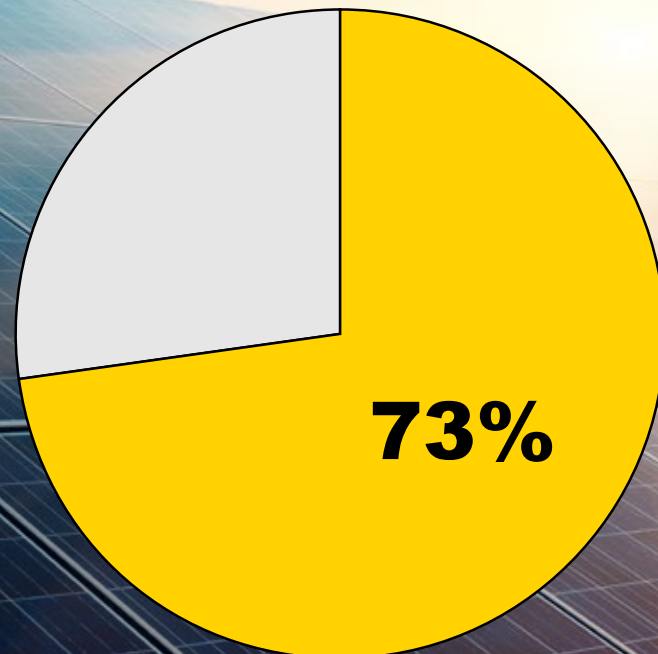
↓ **14%** decrease in water withdrawal intensity

**15.5%** increase in waste recycled



## RENEWABLE ENERGY

Our Bengaluru, India plant sourced 73 percent of their required electricity in fiscal 2023 along with renewable energy credits (RECs) from an in-country solar farm. The plant has been purchasing RECs since 2018, which has significantly helped lower their scope 2 GHG emissions from purchased electricity.



Since the launch of the Protecting Our Planet (POP) initiative in fiscal 2008, we have completed over

**400**

POP projects



Chapter SDGs:



# Environmental Management and Climate Change

Kennametal is committed to conducting our business, manufacturing and selling of our products in ways that do not harm the environment, as highlighted in our Code of Conduct and Environmental, Health and Safety Policy. We are dedicated to complying with all applicable environmental laws and regulations, including ensuring all environmental controls and permits are in place and working properly. We prioritize this commitment in an effort to build long-term success for our Company, customers and communities.

## Environmental Strategy and Oversight

Our commitment to environmental responsibility starts at the top with Board oversight of our environmental risks and opportunities, strategies and goals. The Executive Leadership Team (ELT) is responsible for integrating our environmental strategies into Kennametal’s business strategy, including setting goals and measuring progress. Cross-functional teams, including the ESG committee, business segment leaders and process owners, assist the ELT in setting goals and implementing initiatives to achieve those goals. Key performance indicators are reported to the ELT each month and to the Board each quarter.

## ENVIRONMENTAL STRATEGY

Each of our manufacturing plants is responsible for implementing Kennametal’s environmental strategy, which is essential in meeting our environmental goals. Our environmental strategy is to:



Reduce environmental impact of operations, including compliance obligations, energy, greenhouse gas (GHG) emissions, water consumption, waste sent to landfill, and spills and releases.



Eliminate higher environmental impact activities and processes through continuous improvement.



Develop environmental management systems to ensure consistency of environmental practices and support accurate data gathering.



## Environmental Management System

To implement our environmental strategy, we use our EHS Management System, which enables tracking and regular reporting of environmental data and metrics at the location, regional and business segment level. The EHS Management System helps equip our employees with the information, tools and verification they need to drive continuous improvement of our environmental risks and opportunities, as well as compliance with applicable environmental laws, regulations and internal standards wherever we operate globally. In fiscal 2023, we continued to focus on strengthening and standardizing our EHS Management System companywide to measure and improve overall performance and innovation.

Kennametal's focus on continuous improvement includes applying industry best practices and standards, where applicable, to ensure the highest quality and efficiency of our manufacturing processes. Twenty of our plants are certified to the ISO14001 standard for effective Environmental Management

Systems, of which fourteen are from our active manufacturing plants. Independent third-party assessors certify our plants' compliance with the International Organization for Standardization (ISO) standards.

In fiscal 2023, we launched an environmental permit review standard to drive effective development of permitting strategy, accurate completion and timely submittal of permit applications. This included a thorough review and understanding of permit requirements and the development of controls to achieve continuous compliance. Additionally, we conduct EHS audits of our plants on a regular basis to encourage identification, conduct root cause analysis, and drive sustaining actions necessary to improve compliance, prevent recurrences and strengthen overall performance. Beginning in fiscal 2024, we started implementing environmental permit compliance verification audits of our highest-risk permitted plants to further drive sustained compliance worldwide.



# 20

of our plants are certified to the ISO 14001 standard for effective Environmental Management Systems



## Training and Awareness

Kennametal is committed to providing our employees with the knowledge, skills and abilities to help minimize our environmental impact and mitigate climate change risk. We develop training and lessons-learned programs based on regulatory requirements, ongoing risk assessments, ESG risks and opportunities, general workplace best management practices and historical incidents.

We provide both formal and on-the-job training for all employees and managers to educate on expectations, deployment of strategies and measurement according to our environmental systems and policies, based on their level and area of responsibility. All salaried employees, executives and independent directors receive mandatory annual refresher training on our Code of Conduct, which includes our environmental commitments. Our Environmental, Health and Safety Policy is available to all employees, customers and suppliers on our internal and external websites.

We strive to raise awareness and involve employees in our environmental

responsibility efforts, including via our employee-driven POP annual initiative. Under this initiative, each plant is encouraged to complete at least one project annually in one of the following seven categories:

1. Energy conservation
2. Recycling and paper conservation
3. Waste reduction
4. Air emissions reduction
5. Water conservation
6. Community engagement
7. Process/system improvement

Since the launch of the POP initiative in fiscal 2008, we have completed over 400 POP projects. These projects are included in our library of best practices and shared with our network of EHS professionals and designated sustainability champions at each site.

As part of a POP initiative in fiscal 2023, we engaged our plants worldwide to conduct a review of energy consumption (both base load and production-related) to help build an energy efficiency roadmap. This initiative focused on further understanding which operations or processes at our plants consume the

most energy due to lack of metering. We also engaged an independent third-party to help identify consumption trends in both base and production-related loads to identify potential future energy consumption reduction efforts.

As a result of enhanced metering and data tracking at some of our plants in Germany, we obtained a general understanding of their baseload and production-related energy consumption. In fiscal 2024 we plan to build upon this exercise, including refreshing and refining data collected, to help build our future energy efficiency roadmap, make smarter purchasing decisions and keep employees aware of opportunities to lessen energy consumption in the future.

<b>POP PROJECTS FISCAL 2008-2023</b>	<b>Number of projects</b>
<b>Energy Conservation</b>	203
<b>Recycling and Paper Conservation</b>	28
<b>Waste Reduction</b>	44
<b>Air Emissions Reduction</b>	11
<b>Water Conservation</b>	29
<b>Community Engagement</b>	51
<b>Process/System Improvement</b>	46





## EARTH DAY CELEBRATIONS

Every April, Kennametal facilities celebrate Earth Day to raise awareness of the importance of environmental protection and conservation. This year, employees in our facilities in Tianjin, China; Hanoi, Vietnam; Belleville, Canada; and Victoria, Canada, celebrated Earth Day with various activities including tree planting and trash pickup.



## WORLD ENVIRONMENT DAY ACTIVITIES

Kennametal India celebrated World Environment Day by dedicating the entire week to activities aimed at raising awareness on reducing plastic pollution and supporting other sustainability initiatives. Activities included planting saplings at our Bengaluru plant, an eco-tour of a world-class manufacturing company to learn best practices in EHS, and a seminar by a leading environmentalist on waste management and sustainable living. Employees also participated in an activity to calculate average plastic consumption organization-wide and develop ways to mitigate related risks.





## Climate Protection

Kennametal is committed to continuous improvement in energy efficiency of our manufacturing operations and developing innovative solutions to help reduce our carbon footprint. We are continuing to invest in and develop our energy and EHS Management System to collect and track more comprehensive emissions data, which will enable us to set credible and realistic energy and emission reduction goals.



## Energy and Greenhouse Gas Emissions

Our energy management strategy at Kennametal is focused on improving the energy use and efficiency of our operations and the resulting GHG emissions. We continue to invest in modernizing our manufacturing plants, simplifying our processes, and increasing equipment monitoring to drive efficient energy use.

We are continuing to explore the procurement of renewable energy and carbon-free energy from energy providers, where feasible. Our Bengaluru, India plant sourced 73 percent of their required electricity in fiscal 2023 along with renewable energy credits (RECs) from an in-country solar farm. The plant has been purchasing RECs since 2018, which has significantly helped lower their scope 2 GHG emissions from purchased electricity. Our Indaiatuba, Brazil plant is using electricity that is sourced from 100 percent hydropower. Our Victoria, Canada plant is using electricity sourced from over 98 percent clean, renewable sources, where the majority of the source mix is hydro and a small portion is from wind, solar and biomass. The remaining two percent comes from natural gas, which is only used as backup generation during high demand periods such as winter months. Lastly, our plant in Orwell, Ohio is currently procuring 100 percent carbon-free nuclear energy for all electricity uses.

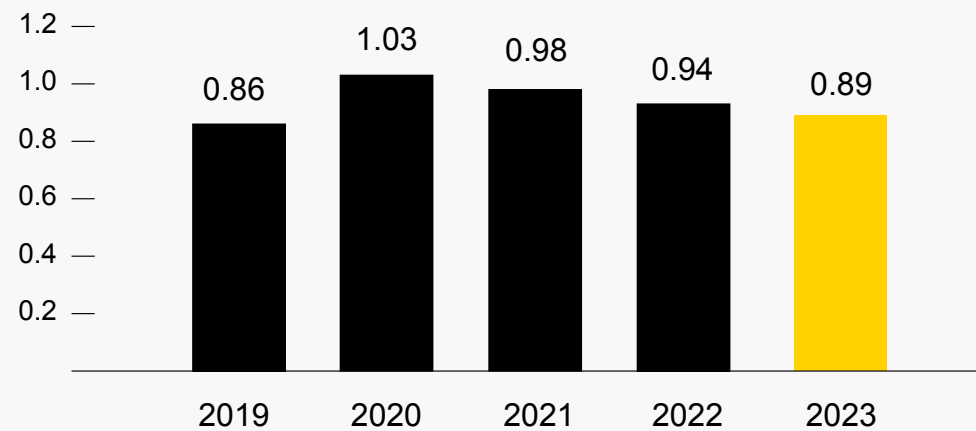


<b>ENERGY CONSUMPTION</b> Millions of gigajoules	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Direct	0.60	0.61	0.51	0.56	0.54
Indirect	1.43	1.33	1.30	1.33	1.30
<b>Total</b>	<b>2.03</b>	<b>1.94</b>	<b>1.81</b>	<b>1.89</b>	<b>1.84</b>

Data represents consumption of natural gas, electricity, propane, heating oil, diesel fuel and district heating. Direct is energy from the combustion of natural gas and includes propane, heating oil and diesel fuel. Indirect is purchased grid electricity and district heating. Other energy sources not mentioned here are immaterial. Energy from our fleet services are not included. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded from this scope. Our Latrobe campus, which includes corporate center, administrative buildings and technology center is included within the Metal Cutting business segment. Data changes from prior reporting are due to refinement of our data with updated information.

### ENERGY INTENSITY

Gigajoules / Millions USD of revenue



Data represents consumption of natural gas, electricity, propane, heating oil, diesel fuel and district heating compared to the fiscal year revenue. Other energy sources not mentioned here are immaterial. Energy from our fleet services is not included. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded from this scope. Data changes from prior reporting are due to refinement of our data with updated information.

Overall energy consumption (all commodities) companywide was 1.84 million gigajoules in fiscal 2023, which was a 2.6 percent decrease from the prior fiscal year.

Our energy intensity (gigajoules/revenue) decreased 5.3 percent compared to the prior fiscal year. This reduction was due to improved energy efficiency and previous investments in modernization of equipment and process simplifications.

Purchased grid electricity worldwide accounted for 71 percent of the energy we consumed in fiscal 2023, with the remaining balance comprised of 24 percent natural gas and five percent of propane, heating oil and, to a lesser extent, diesel fuel and district heating. All the electricity we consumed came from the grid.

In fiscal 2023, 12 percent of our purchased grid electricity for our manufacturing operations in the U.S., our largest electricity consumer, was generated from renewable resources. The sources of renewable electricity for our U.S. manufacturing operations are primarily hydro, wind, biomass and solar.

We hold eleven certifications under the ISO 50001 standard for Energy Management Systems, with eight of the certifications held by our active manufacturing operations. These independent third-party assured certifications support our ongoing energy reduction and efficiency efforts at our manufacturing locations and reinforce our focus on efficient energy management, GHG emissions reduction and climate protection.



<b>ENERGY CONSUMPTION BY BUSINESS SEGMENT</b> Millions of gigajoules	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Infrastructure	1.22	1.17	1.06	1.14	1.11
Metal Cutting	0.81	0.77	0.75	0.75	0.73
<b>Total</b>	<b>2.03</b>	<b>1.94</b>	<b>1.81</b>	<b>1.89</b>	<b>1.84</b>

Data represents consumption of natural gas, electricity, propane, heating oil, diesel fuel and district heating. Direct is energy from the combustion of natural gas and includes propane, heating oil and diesel fuel. Indirect is purchased grid electricity and district heating. Other energy sources not mentioned here are immaterial. Energy from our fleet services is not included. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded from this scope. Our Latrobe campus, which includes corporate center, administrative buildings and technology center is included within the Metal Cutting business segment. Data changes from prior reporting are due to refinement of our data with updated information.

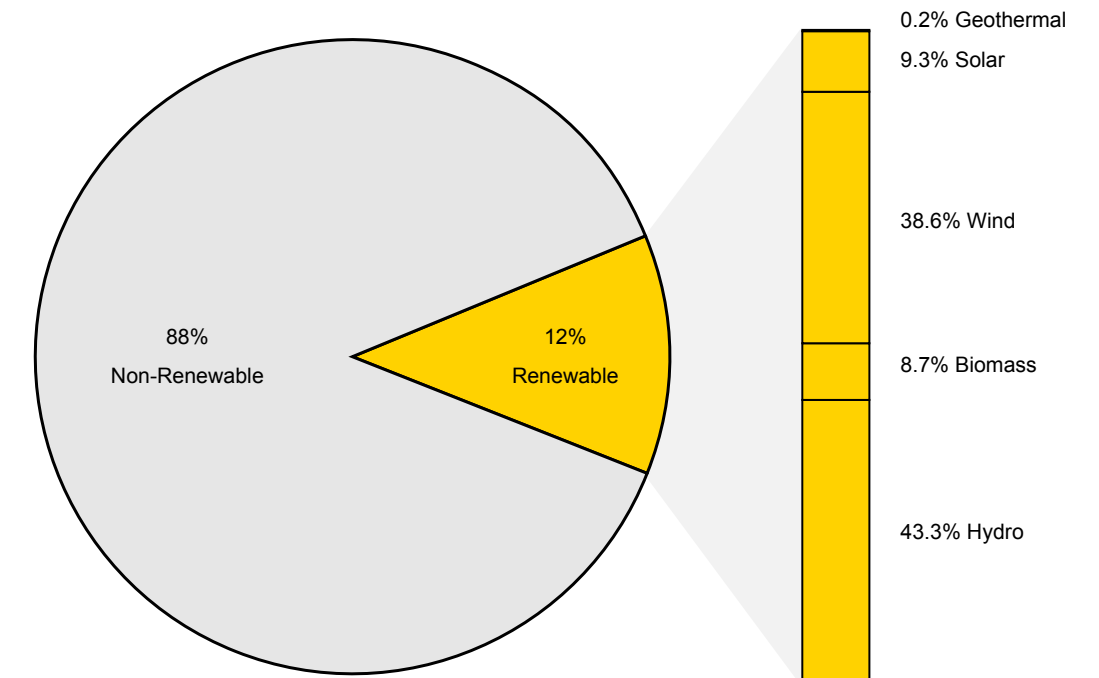
<b>ENERGY CONSUMPTION BY UTILITY</b> Percent of total consumption	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Natural Gas	27%	25%	26%	27%	24%
Grid Electricity	70%	69%	72%	70%	71%
Other Energy Sources	<b>3%</b>	<b>7%</b>	<b>2%</b>	<b>3%</b>	<b>5%</b>

"Others" includes propane, heating oil, diesel fuel and district heating. Data changes from prior reporting are due to refinement of our data with updated information.

Additional data can be found in the Appendix of this report.

## FY23 SOURCES OF RENEWABLE ENERGY FROM U.S. SUPPLIED ELECTRICAL GRID

Based on 2021 USEPA eGrid



All renewables and non-renewables that we consume are from grid-supplied electricity and are based on data available from those grids that supply to our locations (USEPA eGrid). Renewable refers to wind, hydro, biomass, solar and geothermal energy sources. Non-renewable is natural gas, coal, diesel, propane, nuclear, distillates and other oils.

### FY23 U.S. LOCATIONS ELECTRICAL GRID ENERGY CONSUMPTION BY SOURCE

Percent of total consumption

	<b>Millions of GJ</b>	<b>Percentage</b>
Renewable	0.08	12%
Non-Renewable	0.61	88%
<b>Total</b>	<b>0.69</b>	<b>100%</b>

All renewables and non-renewables that we consume are from grid-supplied electricity and are based on data available from those grids that supply to our locations (USEPA eGrid). Renewable refers to wind, hydro, biomass, solar and geothermal energy sources. Non-renewable is natural gas, coal, diesel, propane, nuclear, distillates and other oils.



## Greenhouse Gas Emissions

Kennametal's Scope 1 (direct) and Scope 2 (indirect) GHG emissions in fiscal 2023 totaled 161 thousand metric tons of CO<sub>2</sub>e, which was a 1.2 percent reduction from the prior fiscal year. Primary factors that contributed to this decrease are the reduction in energy consumption, improved energy efficiency, previous modernization of equipment and process simplifications, and the use of carbon-free energy sources.

Our Scope 2 GHG emissions associated with purchased electricity used in our manufacturing operations, continues to be the most significant source of GHG emissions for Kennametal. In fiscal 2023, Scope 2 GHG emissions comprised 83 percent of our total emissions and Scope 1 represented 17 percent. Emissions intensity (CO<sub>2</sub>e emissions/revenue) for Scope 1 and Scope 2 decreased 3.7 percent from the prior fiscal year due to the reasons mentioned above for our absolute emissions, along with the impact of increased revenue.

In fiscal 2023, Kennametal began to evaluate its Scope 3 GHG emissions. Using published U.S. EPA emissions factors and other publicly available Scope 3 estimation information and methodologies, Kennametal estimated its emissions from relevant categories amount to 470 thousand metric tons CO<sub>2</sub>e world-wide with Category 1 (purchased goods & services) comprising more than 70 percent of this current estimate. Scope 3 emissions for fiscal 2023 does not include category 3 (non-Scope 1 and 2 fuel- and energy-related activities), category 8 (upstream leased assets), category 10 (processing of sold products), category 11 (use of sold products), category 12 (end-of-life treatment of sold products), category 13 (downstream leased assets), category 14 (franchises) and category 15 (investments), as our current ongoing assessment indicates the emissions from these categories are either immaterial or not applicable to Kennametal. We will continue to further refine our Scope 3 GHG emissions over time to reflect the best available data.

Additional data can be found in the Appendix of this report.

### SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

Thousand metric tons of carbon dioxide equivalents

	2019	2020	2021	2022	2023
Scope 1 (Direct)	31	34	27	29	28
Scope 2 (Indirect)	179	155	145	134	133
<b>Total</b>	<b>210</b>	<b>189</b>	<b>172</b>	<b>163</b>	<b>161</b>

Source of GHG emissions is energy consumption. Our GHG calculations are based on World Resource Institute (WRI) GHG Protocol Corporate Standard guidance methodology. We also used the U.S. Environmental Protection Agency's (EPA) Emission factors for Greenhouse gas inventories, International Energy Agency (IEA) country emission factors, IPCC Guidelines for National Greenhouse Gas inventories, UK DEFRA emission factors and National Inventory Report: Greenhouse Gas Sources & Sinks in Canada Province emission factors. Gases considered in the GHG calculations are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Excluded emissions include hydrofluorocarbons primarily used in refrigeration systems and SF<sub>6</sub> used in high voltage dielectrics because they are immaterial. GHG emissions are adjusted to account for market-base reductions (carbon emission free credits) from a couple operating facilities. We are reporting emissions from district heating from a couple of our operating facilities for the first time in fiscal 2023. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded from this scope. Data changes from prior reporting are due to refinement of our data with updated information.

### SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS INTENSITY

Mt CO<sub>2</sub>e / Million USD of revenue

	2019	2020	2021	2022	2023
Scope 1 (Direct)	0.13	0.18	0.14	0.14	0.13
Scope 2 (Indirect)	0.75	0.82	0.79	0.67	0.65
<b>Total</b>	<b>0.88</b>	<b>1.00</b>	<b>0.93</b>	<b>0.81</b>	<b>0.78</b>

Data represents GHG emissions from consumption of natural gas, electricity, propane, heating oil, diesel fuel and district heating compared to the fiscal year revenue. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded from this scope. Data changes from prior reporting are due to refinement of our data with updated information.

### SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS BY BUSINESS SEGMENT

Thousand metric tons of carbon dioxide equivalents

	2019	2020	2021	2022	2023
Infrastructure	118	106	94	96	96
Metal Cutting	92	83	78	67	65
<b>Total</b>	<b>210</b>	<b>189</b>	<b>172</b>	<b>163</b>	<b>161</b>

Source of GHG emissions is energy consumption. Our GHG calculations are based on World Resource Institute (WRI) GHG Protocol Corporate Standard guidance methodology. We also used the U.S. Environmental Protection Agency's (EPA) Emission factors for Greenhouse gas inventories, International Energy Agency (IEA) country emission factors, IPCC Guidelines for National Greenhouse Gas inventories, UK DEFRA emission factors and National Inventory Report: Greenhouse Gas Sources & Sinks in Canada Province emission factors. Gases considered in the GHG calculations are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Excluded emissions include hydrofluorocarbons primarily used in refrigeration systems and SF<sub>6</sub> used in high voltage dielectrics because they are immaterial. GHG emissions are adjusted to account for market-base reductions (carbon emission free credits) from a couple operating facilities. We are reporting emissions from district heating from a couple of our operating facilities for the first time in fiscal 2023. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded from this scope. Our Latrobe campus, which includes corporate center, administrative buildings and technology center is included within the Metal Cutting business segment. Data changes from prior reporting are due to refinement of our data with updated information.





### PROVIDING MACHINING SOLUTIONS FOR EV MANUFACTURERS

Kennametal has been a global leader in automotive machining solutions for more than 80 years. Today, we are evolving with the fast-growing hybrid and electric vehicle market to identify and tackle e-mobility challenges and create new machining solutions for the industry. We prioritize innovation, high performance and reliability and we are experts at the application of additive manufacturing processes like innovative 3D printing design. By applying additive manufacturing processes, we are helping our customers improve operational efficiencies and reduce manufacturing costs and lead times.

#### Our solutions for EV production include:

- aluminum machining solutions for EV battery housings
- covers and structural components
- steel machining solutions for gears, rotors and shafts
- carbon fiber-reinforced plastic (CFRP) components

### REUSING AIR COMPRESSOR WASTE HEAT FOR ENERGY SAVINGS

Our facility in Mistelgau, Germany upgraded the plant's air compressors in fiscal 2023 to enhance energy efficiency and reduce energy consumption, with an expected savings of approximately 150,000 kWh of electricity consumption per year. The air compressors were also equipped with heat recovery systems to extract waste heat generated, which is used to supplement building heating during colder months and for hot tap water. Approximately 60 percent of heat is recovered through this process, equating to an estimated 200,000 kWh of energy savings per fiscal year. Several other operating facilities in Germany have also implemented similar air compressor upgrades, which has helped reduce overall energy consumption in the EMEA region, particularly reducing natural gas usage. In fiscal 2023, natural gas consumption by our operating facilities in EMEA was 7,200 gigajoules, which was a 26 percent reduction from fiscal 2022.





## Air Emissions

In addition to GHG, we understand how important it is to reduce non-GHG air pollutants, such as nitrogen oxide (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAPs), and particulate matter (PM) emanating from our operations to protect human health and the environment.

Overall, we generate very low levels of these pollutants from our operations due to the nature of our manufacturing activities. The type and quantity of these air pollutants at our operations vary widely depending on the type of production process, ranging from large facilities required to operate within permitted emissions limits to smaller machining facilities with little to no emissions.

Where applicable, we employ engineered controls such as pollution control equipment, preventive maintenance, inspections and standard work practices to control and minimize these emissions to comply with regulatory requirements and permits. In areas where there are few applicable regulations, we follow our stricter internal policies and implement controls or best

management practices to minimize emissions that could have an impact on human health and the environment.

We capture most PM, if not all, and its precursors from our raw and intermediate material handling operations in baghouses using high efficiency filters and other filtering devices. Most of the captured materials are either reused on-site or sent to other Kennametal locations. As such, most PM emissions result from on-site combustion of fuels and other sources we consider immaterial, and therefore do not track. Additional information on our control of PM is included in [Chapter 4](#) on Waste Management. VOCs are measurable but insignificant amounts are emitted in our operations, thus we deem it immaterial. Like our PM emissions, our HAP emissions are captured and reused, as stated above.

We will continue to monitor our company-wide air emissions footprint globally to appropriately determine the material emissions to track and disclose in the future. In addition, we plan to conduct a double materiality assessment in fiscal 2024, which will further help us understand the risks and impact of our non-GHG emissions.







## Water Conservation

At Kennametal, we are focused on water conservation because we understand that water is a vital component of our global manufacturing operations, and how water scarcity can pose a risk to our business. To mitigate that risk, we continue to improve our manufacturing operations to increase water recycling and water reuse, where feasible. Most of our operations use closed-loop systems to recycle and reuse process water, which reduces water use by only withdrawing water to make up for evaporation losses.

Water is primarily used by our plants for manufacturing processes, cooling purposes, potable uses and sanitary uses. The majority of the water we withdraw for use in our plants comes from municipal water sources, which are considered freshwater. Groundwater is also used by three of our plants globally. Each of our plants track water withdrawn and we use this information to identify and respond to unexplained increases,

including those caused by leaks and other issues, and to develop any appropriate or necessary water reduction opportunities. In fiscal 2024, our plants will continue their efforts to develop and maintain a water balance to track water input, uses and output to further help us identify opportunities for improving water efficiency and to determine applicable regulatory requirements around water and wastewater management.

### BENGALURU, INDIA WATER RESTORATION PROJECT

Our Bengaluru team completed a restoration project at Devanahalli Lake as part of our POP initiative. The project spans nearly 17 acres of land and more than 535 million liters of water in the lake. In partnership with United Way India and our on-the-ground partner, Environmentalist Foundation of India, the teams worked together to help raise the groundwater and improve the moisture content in the soil. Restoration efforts will support the community of up to 5,000 people living in and around Devanahalli.





We operate and abide by all applicable water standards (regulatory, internal policies or standards, permits from governmental agencies), particularly with our large manufacturing plants. We constantly evaluate type, volume and potential impact of our wastewater discharge to identify any laws or regulatory requirements that may apply to ensure that any appropriate and necessary wastewater discharge permit is obtained and complied with. All our manufacturing plants are either classified as indirect dischargers (discharging wastewater to local wastewater treatment plants) or do not discharge any process-related wastewater. Most plants that indirectly discharge wastewater to local treatment plants conduct some form of on-site pre-treatment prior to discharging wastewater.

We strive to minimize impact on stormwater runoff from our industrial activities by using management plans, best management practices, engineered controls, and administrative controls such as proper housekeeping and routine inspections, including at plants where local regulations do not require a permit for the discharge of stormwater. In

fiscal 2023, our Henderson plant in North Carolina and our Traverse City plant in Michigan eliminated their stormwater permits by implementing controls to place all industrial materials and all activities under cover and protected to prevent exposure to stormwater runoff, rain or snowmelt.

In fiscal 2023, we withdrew approximately 766.6 megaliters (203 million gallons) of water from municipal and groundwater sources, compared to 861.3 megaliters (228 million gallons) in fiscal 2022. The 11 percent reduction in water usage was primarily due to water conservation efforts and improved water efficiency of processes due to our previous investments in modernization of equipment and process simplifications. In fiscal 2023, our water intensity decreased by 14 percent due to the reasons mentioned above.

### WATER WITHDRAWAL BY SOURCE

	2020	2021	2022	2023
Megaliters				
Municipal/Third-party	813	803	774	679
Groundwater	83	74	87	87
<b>Total</b>	<b>896</b>	<b>877</b>	<b>861</b>	<b>766</b>

Outside of municipal/third-party water and groundwater, Kennametal does not directly withdrawal from surface water, seawater or produced water. Water used for sanitary purposes are included in this data. Water used for irrigation is excluded from the scope, where possible. Warehouses, Rapid Response Centers (RRCs), corporate offices/ other offices and sales offices are deemed immaterial and have been excluded from scope. Fiscal 2023 data includes data from our Lyndonville facility, which is no longer operational. Data changes from prior reporting are due to refinement of our data with updated information.

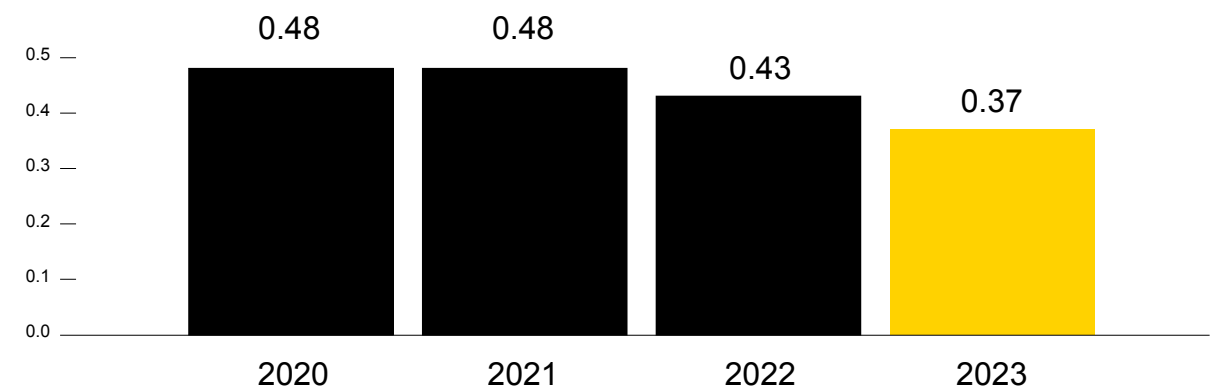
### WATER WITHDRAWAL BY BUSINESS SEGMENT

	2020	2021	2022	2023
Megaliters				
Infrastructure	487	439	495	491
Metal Cutting	409	438	366	275
<b>Total</b>	<b>896</b>	<b>877</b>	<b>861</b>	<b>766</b>

Outside of municipal/third-party water and groundwater, Kennametal does not directly withdrawal from surface water, seawater or produced water. Water used for sanitary purposes are included in this data. Water used for irrigation is excluded from the scope, where possible. Warehouses, Rapid Response Centers (RRCs), corporate offices/ other offices and sales offices are deemed immaterial and have been excluded from scope. Fiscal 2023 data includes data from our Lyndonville facility, which is no longer operational. Our Latrobe campus, which includes corporate center, administrative buildings and technology center is included within the Metal Cutting business segment. Data changes from prior reporting are due to refinement of our data with updated information.

### WATER INTENSITY

Megaliters / Million USD of Revenue



Data shows water withdrawn compared to the fiscal year revenue. Sources of water withdrawal are municipal/third-party and groundwater. Water used for sanitary purposes are included in this data. Water used for irrigation is excluded from the scope, where possible. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded from this scope. Data changes from prior reporting are due to refinement of our data with updated information.



## Waste Management

We remain committed to minimizing the environmental impact of the waste generated from our operations. Our strategy is to reduce industrial waste generated at the source, find alternative uses and recycling options for the waste that we generate, and mitigate any potential contamination risk from industrial waste treatment, recycling, storage and disposal, both on-site and off-site.

Our plants track the waste they generate, divert or dispose of so that we can continuously improve our manufacturing processes and enhance our recycling and reuse programs. In addition, to continue to drive our strategy, we are working with a qualified waste vendor to help identify alternative options to landfilling our waste. We also work to reduce waste by promoting a circular economy, including extending the useful life of our products through reconditioning services and recycling products that have reached the end of their useful life. These services reduce our use of virgin materials, which can significantly reduce the emissions, energy and water footprint of a product

made of recycled or reused materials compared to products manufactured from virgin materials. See the Recycling and Reconditioning sections below for further details on these initiatives.

Kennametal is committed to maintaining compliance with all applicable laws and regulations regarding hazardous and nonhazardous waste storage and disposal management. When waste is generated, we classify it to determine safe handling, management and disposal. We inventory the waste we generate, store, accumulate, label and inspect in accordance with applicable regulatory requirements and best management practices.

In fiscal 2023, we refreshed our commercial waste vendor standard and checklist, which requires that we vet and approve all treatment, storage and disposal facilities and recyclers prior to sending any Kennametal industrial waste. This standard encourages best management practices and minimizes Kennametal's potential liability associated with the management of industrial waste.

In fiscal 2023, we generated approximately 13.3 thousand metric tons of waste, compared with 11.3 thousand metric tons of waste in the previous fiscal year. Of the total waste generated, 19 percent was hazardous waste and 81 percent was non-hazardous waste. We landfilled 5.4 thousand metric tons of waste, which is 40 percent of the total waste we generated. We recycled 6.7 thousand metric tons of waste, which is 51 percent of the total waste we generated, with the remaining 9 percent going for wastewater treatment. Our landfilled waste intensity increased by 4 percent compared to the prior fiscal year due to increased generation of one-time production-related waste.

### **BENGALURU REDUCES WASTE TO LANDFILL**

Our Bengaluru, India facility generates hazardous waste including ETP sludge, oil-soaked cotton waste and waste wax as byproducts from our furnaces. These waste materials have typically been sent offsite to a landfill or for incineration. In fiscal 2023, as part of our efforts to drive waste landfill volumes down, we began working with an authorized waste vendor to preprocess these waste materials to be used for coprocessing at a cement kiln as raw material.



<b>WASTE BY TYPE</b> Thousand metric tons	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Hazardous	2.4	2.3	2.2	2.2	2.5
Non-Hazardous	11.4	10.4	9.3	9.1	10.8
<b>Total</b>	<b>13.8</b>	<b>12.7</b>	<b>11.5</b>	<b>11.3</b>	<b>13.3</b>

Waste data excludes episodic non-production related waste such as remediation waste, asbestos waste, construction & demolition debris (C&D) and polychlorinated biphenyl (PCB) waste. Warehouses, Rapid Response Centers (RRCs), corporate offices/ other offices and sales offices are deemed immaterial and have been excluded. Fiscal 2023 data includes our Latrobe Campus for the first time. Data changes from prior reporting are due to refinement of our data with updated information.

<b>WASTE GENERATED BY BUSINESS SEGMENT</b> Thousand metric tons	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Infrastructure	7.3	6.6	5.7	6.6	7.5
Metal Cutting	6.5	6.1	5.8	4.7	5.8
<b>Total</b>	<b>13.8</b>	<b>12.7</b>	<b>11.5</b>	<b>11.3</b>	<b>13.3</b>

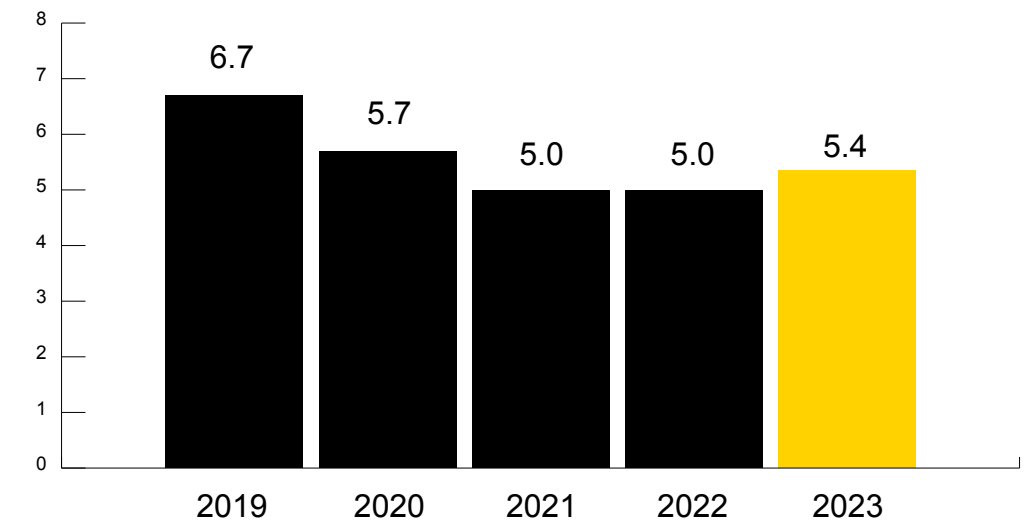
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<b>FY23 WASTE BY TYPE AND DISPOSAL METHOD</b> Thousand metric tons and percent	<b>Recycle/ Reuse</b>	<b>Landfill</b>	<b>Wastewater Treatment</b>
Hazardous	2.1	0.4	0.0
Percentage	83%	15%	2%
Non-Hazardous	4.6	5.0	1.2
Percentage	43%	46%	11%
<b>Total</b>	<b>6.7</b>	<b>5.4</b>	<b>1.2</b>

Reuse means to put a waste stream to use for the purpose for which they were conceived and is used without any form of treatment. Recycling is when you reprocess or treat the waste/material to make new materials. We define landfilled to include landfilling, incineration, solidification and other means of disposition outside of recycle/reuse. Waste data excludes episodic non-production related waste such as remediation waste, asbestos waste, construction & demolition debris (C&D) and polychlorinated biphenyl (PCB) waste. Warehouses, Rapid Response Centers (RRCs), corporate offices/ other offices and sales offices are deemed immaterial and have been excluded. Fiscal 2023 data includes our Latrobe Campus for the first time. Data changes from prior reporting are due to refinement of our data with updated information.

## TOTAL WASTE LANDFILLED

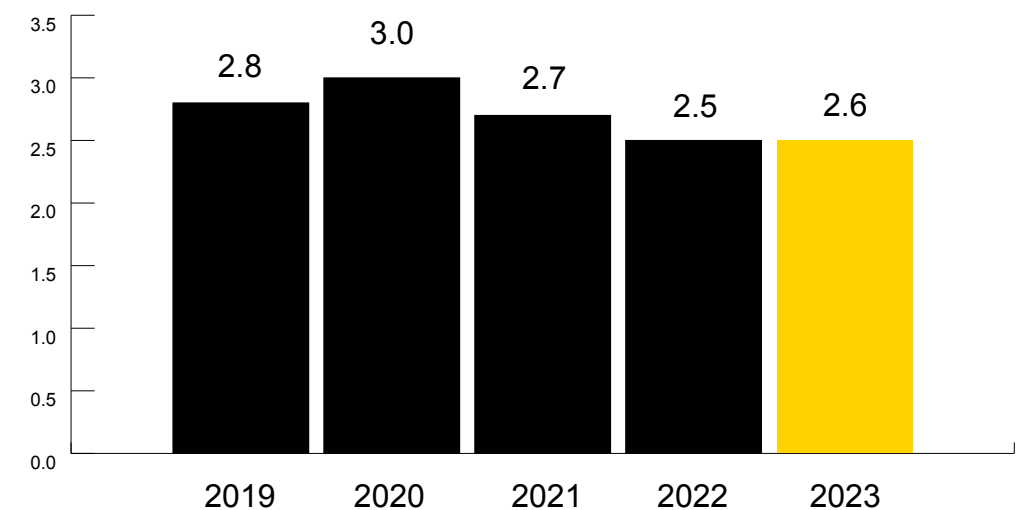
Thousand metric tons



Landfill is the final disposition of waste, from below or above ground level, at a designated engineered disposal site. Landfilled waste includes other methods of waste disposition such as incineration solidification and other means of disposition outside of recycle/reuse. Waste data excludes episodic non-production related waste such as remediation waste, asbestos waste, construction & demolition debris (C&D) and polychlorinated biphenyl (PCB) waste. Warehouses, Rapid Response Centers (RRCs), corporate offices/ other offices and sales offices are deemed immaterial and have been excluded. Fiscal 2023 data includes our Latrobe Campus for the first time. Data changes from prior reporting are due to refinement of our data with updated information.

## LANDFILLED WASTE INTENSITY

Metric ton / million US of revenue



Data shows waste landfilled compared to the fiscal year revenue. Landfill is the final disposition of waste, from below or above ground level, at a designated engineered disposal site. Landfilled waste includes other methods of waste disposition such as incineration, solidification and other means of disposition outside of recycle/reuse. Data changes from prior reporting are due to refinement of our data with updated information.

Additional data can be found in the Appendix of this report.



### **NEWPORT AND SCHONGAU FACILITIES PROMOTE CIRCULAR ECONOMY**

Kennametal strives to promote a circular economy by keeping products and materials in use as long as possible. Our Newport facility in the United Kingdom makes ceramic powders which are supplied to our Schongau, Germany facility for use as powder feedstock to make evaporator boats. These evaporator boats are supplied to customers to make metallized films and papers that are used in the food packaging, capacitor film, decorative and electronic industries.

At the Schongau facility, we collect any unused powders and machine dust and return it to the Newport facility for reuse. This reclaimed powder is added to virgin feedstock, with an estimated 28-30 percent of Newport's total ceramic powder feedstock originating from this reclaimed powder. In addition, we provide our customers, located in various locations around the world, a collection of used evaporator boats as an offered service.

### **CARBIDE RECYCLING**

The carbide we use in our operations is produced from ore and scrap. As good corporate citizens, we ensure to source both materials in a responsible manner. Our tungsten carbide operation consumes a large percentage of scrap (over 50 percent). Over the past year, we invested in equipment to modernize and increase capacity in our operations that consume scrap. In addition, we have plans to continue investing in tools and processes to reduce waste and increase capacity, further reducing the strain on resources. Lastly, we are proud of our heritage as scrap processors as Kennametal was one of the earliest innovators of the zinc reclaim processes which is used by many around the globe today as a means of processing scrap carbide. We are committed to continuing our legacy as a world class and efficient tungsten processor.



## Recycling Services

Kennametal recycles scrap, fluids and sludges produced from cutting, machining and grinding metal and reuses these materials as tungsten feedstock, which is a critical material for our operations. End-of-life sintered carbide products and hard scrap carbide on average consist of 90 percent tungsten carbide, which is infinitely recyclable. We implemented a targeted global recycling strategy to capture the economic, environmental and supply security benefits of these end-of-life products and scrap materials.

Through our Green Box™ recycling program, we purchase solid scrap from customers who send their scrap to us in recyclable containers that we provide. We also purchase sludge carbide scrap from customers and have a web-based buyback program to purchase solid and sludge carbide scrap from third parties.

In addition to our program aimed at customers, we partner with our suppliers to recycle tungsten scrap generated in our supply chain. One of our initiatives is aimed at working with our grinding suppliers to have them return the tungsten they grind off the rods they mill for us.

The majority of our recycling, including the recycling of internal scrap, is processed internally. Recovered carbide is used to produce new products, with the amount of recycled carbide varying by product. We are focused on increasing the use of recycled materials in products where feasible.

# 90%

**of our end-of-life sintered carbide products and hard scrap carbide consists of infinitely recyclable tungsten carbide.**

## RECONDITIONING SERVICES

Kennametal's global Blue Box™ reconditioning program enables customers and other end users to ship their used drills, end mills, reamers and additional products to us or to an authorized reconditioning center using a special shipping container that we provide. We also accept competitor brands for the Blue Box™ program.

Among the products we recondition are those made with carbide, polycrystalline diamond (PCD), cubic boron nitride (CBN) and ceramics. Our services include sharpening, retipping and reapplying coatings, with reconditioned products meeting nearly 100 percent of new tooling performance. We further reduce waste by returning reconditioned products to the customer using the same container whenever feasible.

Products that can no longer be reconditioned are transitioned into our Green Box™ recycling program.





# Committed to Making a Social Impact

The social components of Kennametal's ESG strategy are focused on key stakeholders including our employees and communities. We are committed to ensuring the health and safety of our workforce, helping our employees achieve their career goals through learning and development opportunities, and fostering a workplace that values diversity and supports a culture of inclusion. We strive to have a positive impact on our local communities through workforce development programs, strategic partnerships, philanthropic support and employee volunteerism.

## SECTION CHAPTERS

Human Capital Management

Diversity and Inclusion

Health and Safety

Community Engagement



# Committed to Making **Social Impact**



## COMMUNICATIONS

**Accountability is one of our core values and that extends into our communities. At our locations across the globe, we are accountable to our communities and strive to make a positive impact where we live and work through:**

- Workforce development initiatives
- Strategic community and educational partnerships
- Financial and in-kind donations
- Volunteering



**Ariel Shasko was named a Women MAKE Awards Emerging Leader by The Manufacturing Institute**

## HUMAN CAPITAL

**Kennametal takes a genuine interest in employees' well-being. One example is promoting Mental Health Awareness Month, which brings attention to the importance of mental health and its effect on our employees professionally and personally.**



## HEALTH AND SAFETY

**Our proactive Find and Fix, Stop Work and Fatal and Serious Injury risk identification and closure influence our recordable incident rate, which is performing at**

# 148%

**better than industry standard.**





## Human Capital Management

Kennametal recognizes that effective Human Capital Management (HCM) programs, which include employee development and engagement, are critical to our ability to attract and retain talented employees to power our long-term growth and success. Our HCM policies and programs are overseen by our Vice President and Chief Administrative Officer, who reports regularly to the Board's Compensation and Human Capital Committee.

We observe fair labor and employment practices including providing equal opportunities and promoting diversity and inclusion, which is discussed in [Chapter 6](#). Kennametal supports freedom of association for our employees and maintains a positive relationship with labor groups.

Kennametal utilizes the HCM system to gather and analyze employee data to improve business processes and enhance employee recruitment and retention. The HCM system also provides a framework to better manage employee hiring and career development, including goal setting, learning and development, performance appraisals, mentoring and succession planning.

As part of career development, all professional employees participate in an annual performance cycle with recommended quarterly check-ins and mandatory mid-year and year-end reviews. The performance cycle is designed to help employees set goals and align those goals with Company objectives. The process is also intended to encourage career development conversations and assist managers in making compensation recommendations aligned with our pay-for-performance philosophy.





## Culture and Engagement

Our employee engagement strategy is based on fostering a culture we call The Kennametal Way, which was introduced in fiscal 2020. The Kennametal Way encompasses five cultural beliefs and underlying behaviors, and it builds employee accountability recognizing each individual's importance to Kennametal and their ability to help the Company achieve our long-term business results.

Training in The Kennametal Way is required for all employees and was completed for all professional employees globally in fiscal 2021 through online and in-person training. In fiscal 2023, Kennametal began rolling out this training to production employees.

To measure the effectiveness of our employee engagement strategy, we track key performance indicators such as our voluntary turnover rate. We also conduct annual "Be Heard" employee engagement surveys to gather input and feedback on a wide range of

categories including teamwork, diversity and inclusion, health and safety, ethical behavior and decision-making. We use the survey results, which are shared with employees, to refine employee engagement programs and develop new initiatives.

In our most recent survey launched in April 2023, we had a response rate of 78 percent and showed improvement in engagement scores across our global production and professional workforce. Our average engagement score was 69 (benchmark of 74), up from 64 in 2020. Scores are tabulated on a 5-point agreement scale (1-5) and we use the average scores for the manufacturing industry as a benchmark. We have shown improvement in 14 of the categories measured and exceeded the benchmark of 71 with a score of 73 for work-life balance (up 3 points from the prior year). The average engagement score takes all scores into account, not just responses in the favorable categories of the scale.

## THE KENNAMENTAL WAY BELIEFS



### CUSTOMER FIRST

I deliver exceptional customer experience.



### EVERYONE MATTERS

I collaborate across the enterprise with trust and respect.



### OWN IT

I act to drive and execute our strategy with an emphasis on continuous improvement.



### BE BOLD

I am empowered to make informed decisions with speed.



### FOCUS NOW

I focus my time and talent on our highest priorities to achieve the targeted results.

**Kennametal also tracks our voluntary turnover rate as a key performance indicator of employee engagement.**

VOLUNTARY TURNOVER RATE	2019	2020	2021	2022	2023
Involuntary	3.1	6.0	4.2	2.6	3.2
Voluntary	5.9	6.0	7.5	9.1	8.1
Overall	9.0	12.0	11.7	11.7	11.3

**In 2023, employee training hours were recorded in OneTeam for a total of**

**>15,765 HOURS**

### **Learning and Development**

Kennametal is committed to developing a qualified and motivated workforce by providing opportunities for employees to gain the skills and knowledge they need to advance in the Company, achieve personal career goals and contribute to our long-term success. Our OneTeam learning management system, which is available in multiple languages, offers more than 5,000 online courses in an easy-to-use interface.

In addition to our online system, our learning and development programs include leadership development training for senior, midlevel and emerging leaders. We develop a pipeline of operational leaders through our Leadership Excellence Advancement Program (LEAP), a 12-month program focused on developing leaders for plant

management and other operational leader positions. Approximately 200 leaders around the globe participated in the midlevel programs in fiscal 2023.

Our EMERGE program is an early-career rotational leadership development program, focused on building emerging leaders within Kennametal through diverse experiences. The program is comprised of four program tracks, including IT, Operations, Commercial and Technology. Rotations are unique to each participant and fulfill a business need while providing first-hand experience. In fiscal 2023, Kennametal expanded the program to our sites in China and India, with six participants in China completing two-year rotational programs, and nine participants in India completing one-year rotational programs. In the U.S., we had 29 active participants in the program.

We offer skills development programs for specific roles, such as project management, process improvement and sales training. Our operational employees receive technical training on metalworking and machining practices through the Kennametal Knowledge Center (KKC). All employees are offered online learning courses through OneTeam focused on building awareness and fostering a culture of diversity and inclusion.

As described throughout this report, training is offered to our employees in many different formats across our professional and production employees including leadership, business competencies, EHS and technical skills. Although not all training hours are tracked through OneTeam, in fiscal 2023 over 15,765 hours of completed training were recorded in the system.

In addition to general training and development, Kennametal has a Talent Review and Succession Planning process that identifies high-potential employees, critical roles and key positions to focus knowledge transfer planning and development through mentoring, coaching, and standard development programs.

Kennametal offers tuition reimbursement to employees who enroll in undergraduate or graduate programs to help further their skills and advance their career development. In fiscal 2023, we entered into a grant program with Colorado Technical University in which U.S. employees will be able to pursue undergraduate and graduate degrees through eight-week courses, all paid through the tuition reimbursement program.





## **KENNAMETAL KNOWLEDGE CENTER (KKC)**

Metalworking is a science and at Kennametal we believe in providing world-class training on the latest machining practices to our employees. We are also committed to advancing our industry by providing brand-independent training to our channel partners (distributors and sales agents) and customers around the world.

We established the KKC in 1998 to develop qualified machinists by offering training that includes machining fundamentals, tool design and selection and metalcutting applications. Our training combines theory and best

practices with the latest strategies in tooling and manufacturing, offering customized on-site training programs and self-paced online programs to achieve Certified Metalcutting Professional (CMP) status. In fiscal 2023, 73 people completed the CMP program.

Instructor-led training is delivered in the local language at our corporate training centers in Latrobe, Pennsylvania; Fuerth, Germany; Bengaluru, India; and Shanghai, China. During fiscal 2023, our global team conducted 101 instructor-led training sessions for 2,968 participants. Our online training, which includes virtual lab machining demonstrations, reached 2,642 people during the fiscal year.

## **Compensation and Benefits**

Kennametal offers competitive compensation and benefits packages to build a qualified and motivated workforce and to meet their health and wellness needs. Our overall executive compensation philosophy is designed to attract, incentivize and retain high-performing talent. The Board's Compensation and Human Capital Committee has adopted a strong pay-for-performance philosophy that aims to recognize individual contributions to the Company and ensure alignment between management's interests and the interests of our stakeholders. Executive compensation includes a mix of base salary, annual cash-based incentives under our Annual Incentive Plan (AIP) and our equity-based Long-Term Incentive Plan (LTIP).

All of our executives, senior management team members and certain team members in other key positions participate in the AIP, which is designed to motivate participants to help the Company achieve pre-established short-term financial and strategic goals. The AIP rewards participants to the extent the Company achieves those goals, while not offering significant short-term incentives that might drive risky behaviors that detract from our goal of creating long-term shareowner value.

The LTIP is offered to senior management and executive levels to provide long-term stock-based awards that reward sustainable long-term performance in line with our share ownership guidelines and vesting requirements.

## MENTAL HEALTH AWARENESS MONTH

Kennametal organized activities for and shared information with employees in May to promote Mental Health Awareness Month, and drive attention to the importance of mental health and its impact on our employees both professionally and personally. The month kicked off with a Mental Health Awareness video with vignettes of leaders sharing what mental health means to them. Throughout the month, employee stories from multiple levels of leadership were shared, addressing how each approaches mental health in their daily lives. This initiative was launched in direct response to feedback received through our employee engagement survey, which emphasized the importance of well-being for our employees.

### Activities included:

- **Mental Health Tool Kit** – employees received information about company resources for support of mental health
- **Leadership Videos and Vignettes**– stories from multiple levels of leadership regarding what mental health means to them
- **Employee Posters** – stories from our colleagues on how each approaches mental health in their daily lives

## TYING ANNUAL INCENTIVE PLAN TO ESG GOALS

In fiscal 2023, Kennametal’s AIP, which is based on the Company’s achievement of short-term financial and strategic goals, began to include important ESG goals as part of the AIP’s strategic goals. In the new plan design, 10 percent of the personal component of AIP for all Executive Leadership Team members and other key senior leaders was tied to the Company achieving goals related to worker safety and Diversity and Inclusion. We believe this represents an important step in advancing our accountability on ESG strategies to address key material topics.

Our health and wellness benefits are aligned with our core Total Rewards philosophy, which emphasizes choice, cost-competitiveness, accountability and simplicity, while complying with all applicable laws and regulations. Benefit offerings are tailored to the needs and requirements of the countries we operate in. In the U.S., we provide our full-time employees with insurance benefits including medical, dental and vision coverage, disability coverage and basic life and accidental death coverage. Employees are also offered a variety of paid and unpaid parental leave based on their particular country.

We offer an Employee Assistance Program (EAP) to all of our full-time and part-time employees across our global operations that provides confidential services such as counseling, work-life services, legal and financial services. We sponsor several defined contribution retirement plans to assist employees in planning for retirement, with most U.S. employees eligible to participate in a 401(k) plan that includes a 100 percent Company match of eligible employee contributions up to 6 percent. Defined benefit pension plans are sponsored for certain employees, primarily in locations outside the U.S.







## Diversity and Inclusion

Kennametal is committed to fostering an environment that values diversity in all forms and promotes a culture of inclusion. This commitment is based on our cultural belief that “Everyone Matters” and employees should collaborate across the enterprise with trust and respect.

We recognize the risk to our business of having a workplace that does not enable all individuals to reach their full potential and contribute to our long-term growth. By building an inclusive culture, we are focused on creating opportunities for every employee to succeed and help the Company reflect the diversity of our customers, suppliers and communities.



<b>GLOBAL DIVERSITY - WOMEN IN LEADERSHIP (%)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Board of Directors</b>	20%	22.2%	22.2%	22.2%	20%
<b>Executives</b>	33.3%	30%	42.9%	42.9%	42.9%
<b>Senior Leadership</b>	23.1%	26.1%	24%	27.3%	23.1%
<b>Senior Management</b>	8.3%	10.6%	11.5%	12.4%	18.8%
<b>Management</b>	17.7%	19%	19.5%	20.4%	21.5%

### Diversity and Inclusion Oversight and Strategy

Oversight of our diversity and inclusion (D&I) strategy and goals starts at the top with the Company’s Board of Directors, which has empowered the Compensation and Human Capital Committee with the responsibility for the Company’s D&I policies and programs. We are committed to providing equal employment opportunities and our strong employment and non-discrimination policies are outlined in our Code of Conduct and discussed in [Chapter 5](#) on Human Capital Management.



## D&I STRATEGIC PILLARS

**Our D&I strategy is based on four pillars: Awareness, Acquisition, Development and Community. The strategic initiatives for each pillar are led by senior Kennametal executives who are members of our D&I Steering Team. They work with our Talent and Organizational Effectiveness team to implement programs designed to drive action and achieve our near-term and long-term goals.**

At the management level, our D&I initiatives are guided by our D&I Steering Team, which was formed in fiscal 2023. The Steering Team is led by four senior executives who are each responsible for one of our D&I Strategic Pillars, discussed below, and includes regional sponsors who help create our D&I strategy and goals. Members of the Steering Team report quarterly to the Board's Compensation and Human Capital Committee on our goals and initiatives and to Kennametal's full Board annually.

Our D&I strategy is also championed by the Global Inclusion Council, made up of cross-functional global leaders with at least two members from each of our regions (Americas, EMEA and APAC). Each of these regions also have a Regional Inclusion Council that is actively involved and helps execute our D&I initiatives.

Our D&I Steering Team incorporates a number of internal and external inputs to develop our D&I strategy and goals, including industry benchmarks and the results of our annual employee survey and D&I Belonging Survey, which was conducted twice in fiscal 2023. We monitor the progress of our D&I strategy and goals by tracking key metrics including diversity in our global and U.S. employees, and at the level of the senior leadership team and Board level, as seen in our [Social Data Tables](#).



## Awareness Initiatives

Across our global organization, we continued to raise awareness by enhancing the D&I sections of the Company's intranet and website including the launch of a monthly newsletter highlighting activities and D&I learning opportunities. We maintain a global commemoration calendar to raise awareness of holidays and celebrations that embrace the uniqueness of all individuals along dimensions such as race, ethnicity, age, gender and physical abilities. In fiscal 2023 we added an additional global commemoration of Mental Health Awareness Month, which is discussed further in [Chapter 5](#).

We also provided resources to support the formation and development of formal Employee Resource Groups (ERGs) to facilitate communication and mentorship among diverse groups within the Company. We currently have two official ERGs focused on supporting women: Women at Work (W@W) in the Americas and the Women's Excellence Forum in India. We expect to launch additional ERGs in the future and have developed a toolkit to help ERGs set goals aligned with our business.

In fiscal 2023, Kennametal India introduced an Allyship Program to drive awareness about the importance of D&I in the workplace and encourage conscious actions to support underrepresented groups in being seen, heard, valued and celebrated for who they are. An Allyship Self-Assessment was offered to all Kennametal India employees in September 2022, giving them an opportunity to gain a better understanding of where they currently stood on the allyship continuum. In December 2022, we conducted an interactive webinar to gain more insight from employees and foster an understanding around how employees can continue to focus on Becoming Allies at the workplace. An Allyship Pledge was then shared, which will be supported by a series of videos featuring various people managers highlighting how these pledges should be put in action at the workplace.





## WOMEN'S HISTORY MONTH INITIATIVES

To highlight the importance of women in our workforce, in March 2023 Kennametal expanded our annual global observance of International Women's Day (IWD) to include a full month of activities for Women's History Month. We held our annual global panel discussion streamed live to all worldwide operations, with Christopher Rossi, President and CEO, joined by women leaders, allies and board members to discuss various topics women face in the workplace today. In addition, 27 plants around the world hosted events, an increase from 14 plants in the prior year.

Celebrations to recognize the important contributions of women in our workforce were held at plants around the world, including the U.S., China, India, Vietnam, Germany, Spain and Canada. **Some of these events are included here:**



Our Shanghai location hosted sharing sessions featuring three women guest speakers who shared their experiences and advice on career development, work-life balance and stress management.

At our Orwell, Ohio plant, where the workforce is made up of 47 percent women, we had several activities including a focus on health and well-being, a food truck for the entire plant, and for everyone that wore a purple shirt, we donated to a local Women's Shelter.



Kennametal India's team celebrated IWD around the theme of 'Embrace Equity.' Activities included interactive sessions on gender diversity from acclaimed industry leaders, a thought-provoking panel discussion on equality versus equity in the workplace, and time for our women colleagues to engage in fun games and team-building exercises.



**Prachi Rawat**

Project Manager,  
Information Technology  
Bengaluru, India

**“ I work to ensure a positive and inclusive work environment because I know we can build better when team members feel included and respected. ”**



## Acquisition Initiatives

Our D&I acquisition initiatives are designed to expand our talent pipelines, build diverse slates of candidates and to increase diversity in the U.S. and female employees globally. These initiatives include promoting Kennametal as an employer of choice for diverse candidates by actively participating in industry organizations focused on promoting diversity in the manufacturing industry. These organizations include Vibrant Pittsburgh and Women in Manufacturing (WiM).

In celebration of Manufacturing Day in October 2022 (#MFGDay22), members of the Western Pennsylvania chapter of WiM toured our Latrobe, Pennsylvania facility. WiM members had the opportunity to learn how carbide is made as well as how we manufacture and test our tools. The tour was followed by an engaging roundtable where guests heard from Kennametal leaders on important topics facing manufacturing, including diversity and inclusion.

Our acquisition initiatives in the U.S. also included increasing our talent development and recruiting efforts at Historically Black Colleges and Universities (HBCUs) and at universities with minority organizations, including University of Pittsburgh and the Center for Enhancement of Engineering Diversity at Virginia Tech.

Kennametal supports the award-winning non-governmental organization Katalyst India by sponsoring the professional degree educational expenses of young women from lower-income communities. We also provide mentorship and internship programs to enhance their skills and provide industry experience. This initiative is intended to prepare women for leadership roles to create a wider talent pool and help narrow the gender divide.

Manufacturing Day at Solon, OH facility.





## Development Initiatives

As part of our development initiatives to educate and cultivate a workplace where diverse perspectives and experiences are welcomed and valued, in fiscal 2023 we launched a Mentor-Mentee Program in our APAC region. The six-month program provides current managers with the opportunity to develop mentoring and leadership skills, and for mentees to receive guidance and coaching related to career advancement, people management skills and business insights. We identified 25 mentors and 52 mentees across all levels of the

organization who underwent separate training programs, to ensure they were equipped to approach the sessions in a structured, fruitful manner and leverage the program to the maximum.

Development initiatives in fiscal 2023 included the launch of an inclusion training module in our regular quarterly ethics training for all professional employees. We also expanded the D&I courses offered in our internal online learning management system and actively promoted them to our employees through our newsletter and intranet.



## Community Initiatives

Our community initiatives are designed to raise awareness of D&I and have a positive impact on our local communities through diverse philanthropic and educational events. In fiscal 2023, we continued to support organizations providing scholarship programs and STEM education programs directed toward increasing diversity.

In partnership with The Pittsburgh Foundation, the Kennametal Scholarship Fund was established to provide college scholarships to minority students in Southwestern Pennsylvania who are pursuing STEM-related degrees. The scholarship fund exemplifies our value of accountability to our local community and broadens the awareness of STEM opportunities by supporting students within racial and ethnic minority groups.

We also promote the use of PTO Volunteer Time for our U.S. employees in conjunction with regional philanthropic events supporting D&I initiatives in our local communities.

## MITIGATING UNCONSCIOUS BIAS WORKSHOPS

In fiscal 2023, we held workshops on Mitigating Unconscious Bias for an expanded group of senior leaders, with over 50 senior global leaders taking part. All leaders reporting directly to the Executive Leadership Team and all senior human resources leaders attended workshops, which included an assessment to learn more about their unconscious bias and coming together to develop a team action plan.





## MANUFACTURING INSTITUTE'S WOMEN MAKE AWARDS

In March 2023, Ariel Shasko was named a Women MAKE Awards Emerging Leader, which is awarded by the Manufacturing Institute to rising women in the manufacturing industry who have made significant contributions and excelled early in their careers. Ariel is a Smart Factory Deployment Manager leading an engineering team in deploying Industry 4.0 capabilities across Kennametal's North American manufacturing facilities. In 2022, she and her team significantly exceeded the number of planned connected machines for factories to support strategic performance improvements in efficiency, scrap reduction and reduced downtime.

Ariel is a graduate of the Kennametal EMERGE leadership program and continues to support the program through recruiting efforts at universities. Additionally, she has directly and indirectly mentored female EMERGE participants throughout their time in the program and beyond. Ariel also leads the coordination of senior projects with multiple universities to further support development efforts and strengthen Kennametal's talent pipeline.



# 9

**other women leaders from Kennametal were also recognized as nominees for Women MAKE Awards:**

### **CLAUDIA RINALDI**

HR Field Services Senior Manager – Americas

### **REBECCA GARRIGUS**

Marketing Portfolio Manager – Americas

### **MAHIMA KULKARNI**

Program Manager – Asia Pacific

### **FALLON DAWN MILLIGAN**

Quality Engineer – Americas

### **JOY LIU**

Plant Manager – Asia Pacific

### **TAYLOR EMEIGH**

Quality Engineer – Americas

### **DAKESHA JORDAN**

Operational Excellence Manager – Americas

### **CASSANDRA SGOBBO**

Supply Chain Optimization Director – Americas

### **ROBIN PODOJIL**

Automated Machine Operator Lead – Americas



## Health and Safety

One of our core values across our global operations is ensuring the health and safety of our employees, supervised contractors and non-supervised contractors. We are committed to fostering a world-class health and safety culture based on standards aimed at achieving zero injuries and illnesses. We expect all employees and contractors globally to comply with our health and safety policies and participate in initiatives to build our safety culture.

### HEALTH AND SAFETY STRATEGY



#### FATAL AND SERIOUS INJURY PREVENTION

Driving proactive actions to reduce and eliminate high risks and hazards across our business.



#### INCIDENT PREVENTION AND COMPLIANCE

Implementing systems and tools to assess and drive compliance, incident reduction and Industrial Hygiene risk mitigation.



#### LEADERSHIP DEVELOPMENT AND EHS CULTURE

Engaging leaders at every level of the organization to own and lead environment, health and safety.

Kennametal’s health and safety strategy is designed to proactively identify and eliminate high-risk conditions that could result in a serious injury or fatality. We recognize that unsafe working conditions could result in material risks to our manufacturing operations, business performance and the people who support them. We are focused on mitigating these risks and ensuring the continued long-term success of our business through effective health and safety policies, procedures and training.

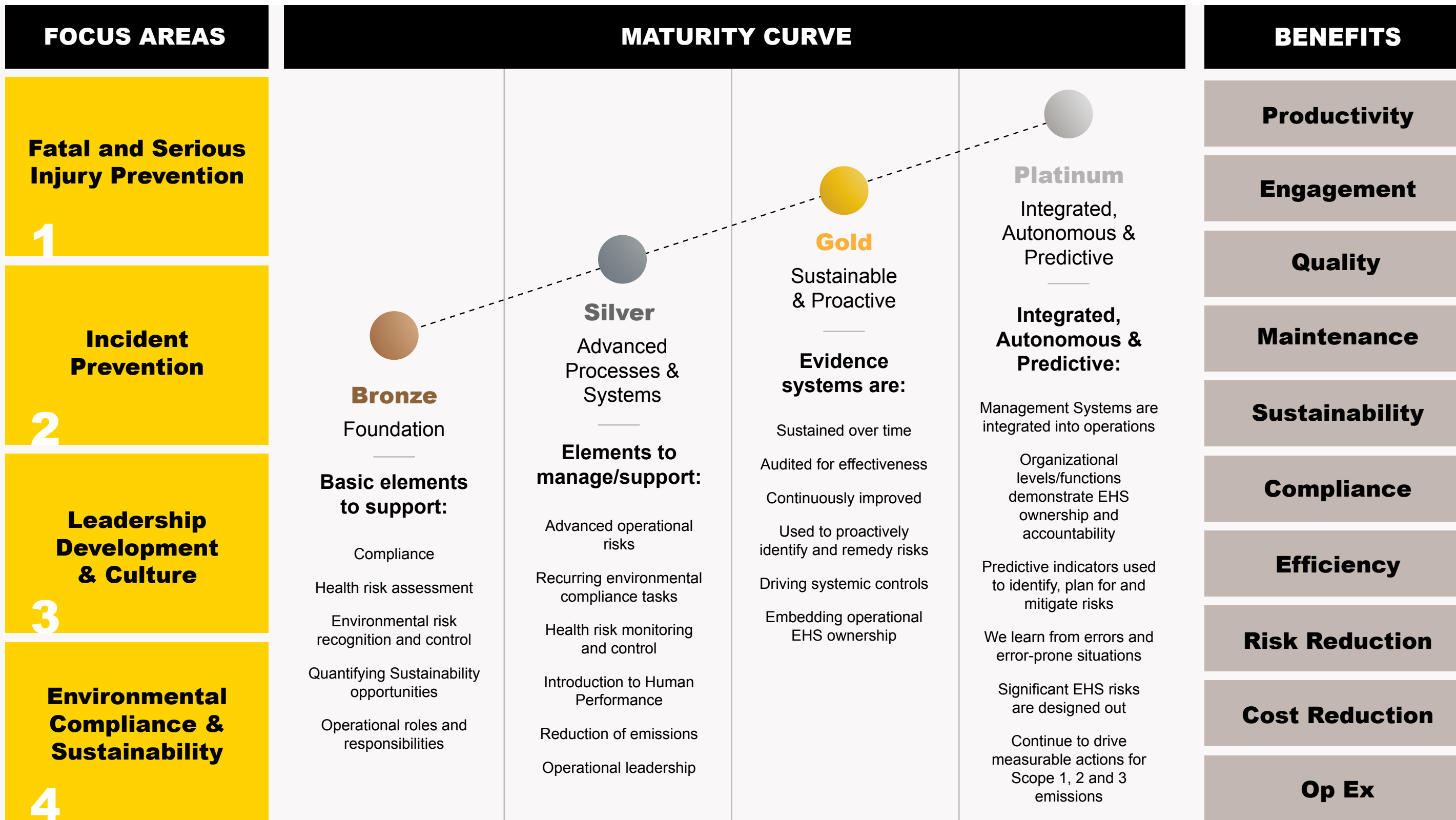
Our Environmental, Health and Safety (EHS) strategies and processes are overseen by Safety Lead Teams comprised of EHS and operations leaders, starting at the plant level and rolling up through the Business Unit, Segment and Executive Leadership Team on a monthly basis to review pressing issues, accomplishments and progress toward EHS key performance indicators. In addition, EHS metrics and important topics are shared with the Board of Directors on a quarterly basis.

Our EHS Policy Statement states our commitment to meeting or exceeding all applicable workplace health and safety legal requirements and our dedication to continually improving our performance. Additionally, we empower all employees and contractors to stop any job until it can be performed safely at all of our sites.

The long-term vision to achieving our world-class health and safety culture is formalized and communicated in our EHS Roadmap. The maturity curve of the roadmap covers four stages that each location will advance through on the Company’s path to creating an integrated, autonomous and predictive EHS culture. The roadmap is an important tool in our annual planning process as we set goals and establish key metrics to measure our performance over time.



**EHS ROADMAP DEFINES OUR LONG-TERM VISION & PATH**



## EHS Management System

Kennametal utilizes our EHS Management System to support our compliance and risk reduction efforts across the organization. Our system encompasses all employees and supervised contractors, who are required to actively participate in the EHS processes at all of our global locations.

Our electronic EHS Management System is based on industry standards and best practices that we have adopted and modified to monitor risks in our organization. The system includes an extensive list of apps to enable streamlined collection, tracking and dissemination of key data, including incident management, internal corporate EHS Verification/Audit and self-assessment, action tracking, compliance calendar, inspection tool, Job Safety Analysis, Fatal and Serious Injury (FSI) risk assessment, industrial hygiene and sustainability data collection. In fiscal 2023, we began the implementation of document controls in selected pilot locations. Additional apps planned for fiscal 2024 include the Management of Change (MOC) Manager.

**Our EHS processes are overseen by Safety Lead Teams comprised of EHS and operations leaders at all levels of the Company and supported through our EHS management system, and includes these key framework elements:**



## EHS Standards, Verification Audits and Self-Assessments

For each of the EHS standards established in our EHS Roadmap, we have developed a self-assessment used to evaluate performance and develop action plans for advancing on the maturity curve of the roadmap. Our EHS Management System has apps to process electronic self-assessments which capture each location's level of compliance and create appropriate action plans. The system enables us to automatically build a timeline of when each plant is expected to complete self-assessments of specific standards and electronically measure improvement for each location.

In fiscal 2023, we continued to enhance the internal EHS Verification/Internal Audit Process launched in fiscal 2022, through which approximately ten locations are verified annually. The process includes the corporate EHS Staff and in certain audits a trained special auditor, who is an EHS Professional from one of our manufacturing locations. All employees, supervised contractors and non-supervised contractors at the location are included in the EHS Verification through a random sampling process including testing of program implementation, field observations and interviews. The onsite EHS Verification team reviews a select set of predetermined compliance and risk protocols and creates action plans if gaps are noted. The team also identifies potential FSI risks and works to assist the plant in correcting gaps while onsite. At the majority of the sites, the process includes a Focus Improvement Event on the last day of the EHS Verification aimed at collaboratively making significant impacts to a high-risk item the site has identified.



## Safety Metrics \*

SAFETY PERFORMANCE	2019	2020	2021	2022	2023
Fatalities	0	0	0	0	0
Fatality Rate	0	0	0	0	0
Total Recordable Incidents	42	40	32	29	37
Total Recordable Incident Rate	0.40	0.43	0.37	0.33	0.42
Near-Miss Events	713	578	802	648	378
Near-Miss Frequency Rate	6.85	6.19	9.29	7.30	4.26
Lost Time Incidents	17	16	8	12	11
Lost Time Rate	0.16	0.17	0.09	0.14	0.11

\* The fatality, total recordable incident and near-miss frequency rates are calculated as the number of incidents multiplied by 200,000 and divided by hours worked. Statistics include both employees and supervised contractors globally. Previous year adjustments reflect data reconciliation from internal incident and hours worked review process.

FY22-23 FSI PERFORMANCE	2022	2023
FSI Actuals	1	0
FSI Risk Identification Target	455	456
FSI Risks Identified	802	1,403
FSI Risks Mitigated	802	1,403
Open Past-Due FSI Corrective Actions	0	0



## Incident Prevention

In addition to our focus on eliminating FSI risks, which are described below, we continue to strengthen our efforts to prevent overall injuries and illnesses in our operations. Our actions and initiatives include:

<p><b>1</b></p> <p>Locations report near-miss events, which are incidents that do not result in an injury but have the potential to do so. In fiscal 2023, we encouraged each location to identify and track actions to closure.</p>	<p><b>4</b></p> <p>We survey all global employees using a third-party survey firm to get a better representation of our health and safety culture across the company.</p>	<p><b>9</b></p> <p>We use a robust management of change process, including site acceptance testing, to ensure health and safety controls are integrated into the design and commissioning phases for new equipment and processes.</p>
<p><b>2</b></p> <p>Plant managers held monthly EHS safety walks with select employees to focus on safety risks in different departments. Each plant is required to conduct at least two safety walks per month. A series of fatal and serious injury hazard recognition checklists was launched to bolster this process.</p>	<p><b>5</b></p> <p>Our Find and Fix initiative encourages and empowers employees and supervised contractors to identify and fix issues related to health and safety within their operations.</p>	<p><b>10</b></p> <p>We remained focused on reducing hand and finger injuries – which continued to be a primary cause of injury – through risk identification, establishing hand and finger injury standards, ongoing communication and additional machine guarding and personal protective equipment (PPE). Specifically in fiscal 2023, we launched a Hand and Finger Standard as well as a PPE and apparel guideline to aid in consistency and protection against common risks at our manufacturing locations. These standards and guidelines focus on hand and finger placement, completion of hand and finger risk assessments including new or modified equipment and implementation of requirements for cut resistant gloves, personal cutting tools, hands-free tools, and controls beyond PPE, along with no-touch rules.</p>
<p><b>3</b></p> <p>We promote a stop work process, where all employees and contractors have the authority to stop work when they feel that something is unsafe or they are unsure about how to proceed safely. In fiscal 2023, we targeted and achieved a year over year increase in reported stops across the global business.</p>	<p><b>6</b></p> <p>We have continued to enhance visibility into our key EHS metrics at the plant, business and global levels by developing real-time dashboards within our electronic EHS Management System.</p> <p><b>7</b></p> <p>To further enhance our ability to recognize and eliminate hazards, we launched FSI hazard recognition training. Additionally, we educated plant supervisors through business unit leadership on understanding what causes drift or deviation from expectations and how to prevent, or respond when recognized, to address behavioral risks.</p> <p><b>8</b></p> <p>In fiscal 2023, we continued developing our occupational health program focused on industrial chemical and noise exposures. We completed industrial hygiene qualitative exposure assessments for all North American locations. We also started the upload of existing global industrial hygiene data to our electronic EHS Management System.</p>	<p>Through these initiatives and others, we continue to drive proactive risk-reduction in our operations. In fiscal 2023, we saw a 27 percent increase in our total recordable incident rate compared to the prior fiscal year, however we are still performing at 148 percent better than the U.S. industry average.</p>



## FSI Prevention

An FSI is any work-related incident, risk or unsafe condition that results in – or has the potential to result in – a fatal, life-threatening, or life-altering injury or illness. In fiscal 2023, our top three FSI risks were powered industrial vehicle interface, different-level falls and electrical.

Kennametal’s FSI prevention standard requires each location to have a cross-functional FSI team, which proactively identifies FSI risks. The FSI teams use a standardized risk evaluation process to first rank risks based on probability and severity and then evaluate the effectiveness of layered controls using the EHS hierarchy of controls.

The FSI teams implement corrective actions to mitigate or eliminate each identified FSI risk. We require all unacceptable FSI risks to be eliminated or mitigated within 24 hours of identification; all marginal risks to be eliminated or mitigated within 6 months; and our corporate-wide goal is to have zero open past-due corrective actions.

In fiscal 2023, we required the FSI teams to identify at least one FSI risk per month for their location. Collectively, they proactively identified an average

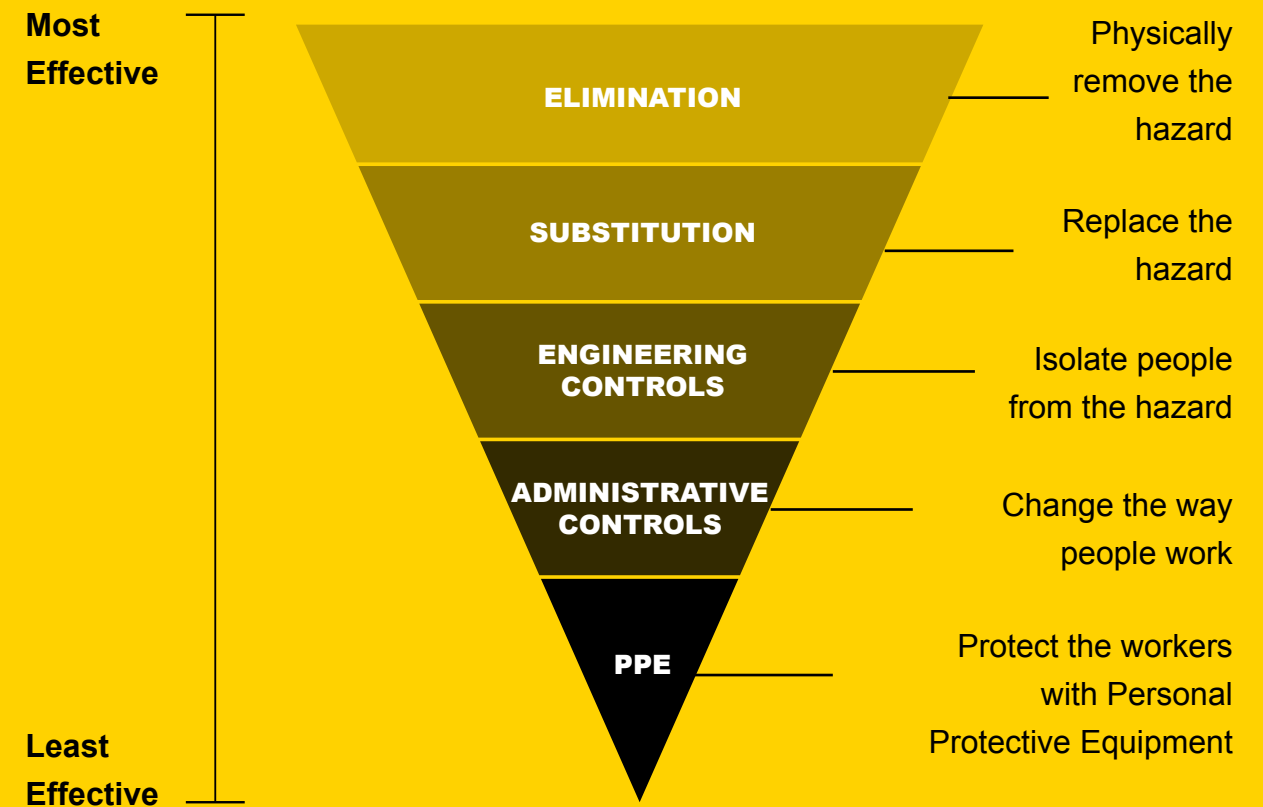
of 117 risks per month during the fiscal year and eliminated or mitigated all unacceptable risks within 24 hours. Overall, our efforts led to the mitigation of more than 1,400 serious risks.

To help our operations team better identify and control site-specific risks at our operating locations that have a higher potential for fatal or serious injury, members of our corporate EHS staff join employees at selected locations for on-site or virtual live video tours that are led by the plant manager. In fiscal 2023 over 100 tours were completed.

These tours focus on active production and maintenance areas where we can observe people and equipment interacting in daily operations; this helps identify common risks that may be overlooked by those working in the area. We use the tours to increase hazard recognition skills, provide coaching and assist in the identification of effective controls.

As part of on-site Leadership’s standard work, they also complete semi-monthly EHS-focused walkthroughs. We provide FSI-focused hazard identification checklists for use in the tours to supplement leader coaching, hazard recognition and control, and shop floor engagement around FSI.

## HIERARCHY OF CONTROLS



Kennametal’s corporate health and safety experts conduct monthly FSI meetings for plant leadership and EHS staff at all locations to share key learnings about FSI potential incidents or risks across our business segments. We also include FSI identification in our key EHS metrics to further elevate awareness and accountability. During fiscal 2023, 16 percent of all reported events and risks were FSI-related. In addition, 92 percent of our FSIs occurred during near miss events or were identified through our Find and Fix initiatives. This highlights the importance of all-incident reporting, giving us the opportunity to solve the root cause of the FSI and prevent recurrence prior to injury.

## Contractor Safety

Contractor safety continues to be a focus for our teams and is a key protocol audited in our EHS Verification/Internal Audit program. We launched the Contractor Safety Standard in 2020, and since that time we have implemented a contractor risk prequalification process, use of contractor EHS Plans, daily Dynamic Job Safety Analyses and field observations. The Contractor Safety Standard is focused on helping ensure that our non-supervised contractors share in our health and safety values and can demonstrate their ability to identify and control health and safety risks and operate in compliance with requirements and their EHS plans.

All non-supervised contractors that enter Kennametal global operations are expected to comply with our Contractor Safety Standard. At a minimum, we require all contractors to complete training to understand our on-site safety rules for that particular location's requirements.

Additionally, all contractors must ensure that each of their employees has the required training to safely perform the work within the specific scope. All contractors are required to complete a prequalification process that includes specific information related to EHS risk and insurance coverage. Based on this assessment, a contractor prequalification score is autogenerated and maintained in an electronic database that all locations can access to ensure a contractor is qualified to begin the EHS Planning process.

Work performed at our locations requires a Dynamic Job Safety Analysis that is reviewed by the location EHS and Contractor Responsible person daily or as the contractor switches to a new major job task. While performing on-site work, contractors are also subject to observation by Kennametal employees as well as the foreman overseeing the work. We continuously track and resolve non-supervised contractor FSI risks as they are identified.





## **Leadership Development and EHS Culture**

Kennametal recognizes that our success in reducing injuries and illnesses is based on developing a strong safety culture that includes a commitment to compliance across the Company. We are focused on building a culture where leaders are engaged at all levels and every employee takes ownership of health and safety. We continued to drive this activity in fiscal 2023 through leadership walkthroughs, led by location leaders and occurring on a prescribed, ongoing basis.

As part of setting expectations for health and safety roles and responsibilities, we clearly articulate key actions for each employee to take on FSI and incident prevention, leadership development and compliance. To further drive ownership, we require all leadership across the organization to include a health and safety objective within his or her annual performance plan. An engineer, for example, may have an objective to improve guarding on a specific piece of equipment.

In fiscal 2023, we launched the EHS Cardinal Safety Standard to further

emphasize the importance of adhering to specific FSI controls related to Lock Tag Verification, Fall Prevention and Protection, Confined Space, Electrical Safety, Molten Metal, Powered Industrial Vehicles, Cranes and Hoists, and Machine Guarding. The standard applies to employees, supervised and non-supervised contractors and sets clear expectations for the critical rules to be followed.

### **EHS Training**

Health and safety training for employees is handled at the location level, with the exception of plant managers, EHS personnel and high potential leadership candidates. These groups undergo health and safety training as part of an onboarding process led by our corporate health and safety staff.

For health and safety training of high potential leadership candidates, corporate EHS partners with other functional teams to deliver focused EHS training topics as a part of Kennametal's Operations Leadership Excellence Advancement Program (LEAP) curriculum. The Operations LEAP program focuses on operational

excellence, cultural transformation, EHS culture and management, and leading teams through change to achieve business results. As part of this year-long program, participants receive four hours of EHS training.

To enhance our locations' training programs, we leverage a standard EHS training matrix that includes minimum expectations for topics, target audience and refresher frequency. This matrix is used by the plants as a starting point to define location EHS training needs and requirements. The training matrix is then used to help determine who at the location needs what specific training and becomes a part of the location's training plan for each year.

We utilize an electronic learning management system in our Infrastructure, Metal Cutting, Technology and Logistics operations that allows locations to build a training curriculum and easily assign and track individual training plans. This system expands access to EHS training content, as well as training development and learning management tools. Throughout fiscal 2023, we developed eight additional Kennametal-specific training modules, which were provided to the plants and loaded into the learning management systems to enable e-learning where desired.

## EHS TRAINING MODULES

During fiscal 2023, the Corporate EHS Team continued to develop and launch a series of Kennametal-specific modules to drive consistency of content and sustainability of training aligned with location training plans, newly launched health and safety standards, and leadership and EHS cultural topics, including:

- Contractor & Sub-Contractor EHS Orientation
- FSI Hazard Recognition and Risk Reduction Tools for EHS Professionals
- Electrically Safe Work Practices for Qualified Personnel
- Injury and Illness Recordkeeping and Notification Procedures
- FSI Hazard Recognition and Prevention for Non-EHS Professionals
- Understanding Why People Deviate
- EHS Management of Change Process
- General Stormwater Pollution Prevention
- Dynamic Job Safety Analysis

All topics are available globally for location translation and classroom use. English versions of these topics are also available as e-learning or recorded instructor-led trainings in our electronic learning management system.

Additional modules aligned with our annual strategic focus are slated for development and release in fiscal 2024.



## HEALTH HAZARD CONTROLS

A critically important focus of our health and safety commitment is to prevent occupational illness for all employees and supervised contractors across our global locations. We are committed to ensuring that our operations do not negatively impact the health of our communities and we support the personal wellness of our employees.

In fiscal 2023, we utilized an independent third party to perform detailed qualitative exposure assessments (QEA) in our operations in North America. These assessments establish a baseline and ensure we have accurately captured all possible chemical and noise risks which our employees have the potential to encounter and to verify that proper protection is in place. Each location sets site-specific exposure control plans for implementing engineering controls and eliminating exposures, including operations which have historically relied on respiratory protection to mitigate exposure.

We are planning to complete the QEA process in our EMEA sites in fiscal 2024 and begin this process in the APAC region. Our QEA process is more stringent than what is required by regulatory standards. Additionally, we launched the Cobalt Standard and self-assessment, which was developed by a cross-functional team focused on cobalt health risk management.

In fiscal 2023, we continued to focus on developing longer-term health strategies for managing health risks inherent in our operations. Our vision includes plans to implement further controls for chemical hazards. We have focused on the top five areas of exposure and are building the plans for engineering controls at those locations throughout fiscal 2024.



## Employee Health and Wellness

In addition to providing comprehensive health insurance benefits, which are discussed in [Chapter 5](#) on Human Capital Management, Kennametal promotes employee health and wellness through additional programs such as our Employee Assistance Program (EAP). The EAP is a confidential counseling and referral service that can help employees, family and household members deal with everyday personal or work-related challenges through counseling services, educational materials, website resources and interactive tools.

To continue executing our EHS strategy during and after the COVID-19 pandemic, we conducted virtual EHS

reviews at locations where travel was not possible. We also transitioned much of our talent acquisition and employee learning and development efforts to virtual means to continue enhancing the skills and diversity of our workforce safely and effectively. We instituted flexible work arrangements and work-from-home protocols for employees who could perform their work remotely. Kennametal continues to utilize flexible work arrangements and virtual technology to optimize our operations and maintain employee health and wellness. In honor of Mental Health Awareness Month, we also highlighted select employees and shared the work they do in support of their mental health.



## INDAIATUBA SAFETY WEEK AND OPEN HOUSE

Our Indaiatuba, Brazil plant hosted a Safety Week in November 2022 for its employees with various games and presentations focusing on incident prevention, slip trips and falls, hand and finger and accident prevention. Since prevention starts at home, the exciting week concluded with a day where the facility opened the doors for employees and their families to focus on home safety and the environment. The Safety Open House was a fun way to place emphasis on safety while engaging the families in activities which also included games and a safety-focused drawing contest for the employees' children. This event showcased the value Kennametal places on employee engagement and also on the environment where we operate, as well as employee safety and well-being at home and in the workplace.





## FALL CONTROL MEASURES

At the Kennametal Bengaluru Facility in India, around 30 tons of steel has been utilized for various fall prevention measures. A dedicated cross-functional team was deployed to perform a site-wide fall risk survey and went through hazard recognition training which included an emphasis on risk ranking of fall hazards. The team worked together and identified the areas of potential FSI fall risk and contracted two companies to install various systems throughout the interior and exterior of the location. The site had an opportunity to showcase the tremendous effort during India's National Safety Day in March and celebrated with a month-long safety-focused event at the facility.

## USING AI TO ENHANCE SAFETY CONTROLS FOR VEHICLES

Our Bengaluru, India facility enhanced the safety control mechanism for its entire fleet of Power Industrial Vehicles (PIVs) by leveraging artificial intelligence (AI) and automation technologies. The 360° Safety System incorporates sensors that track the location of equipment and provides detailed reports on events, vehicle and driver movement. AI can identify pedestrian movement, driver fatigue and detect distraction, thereby significantly minimizing the risk of injuries due to unsafe vehicle movement. The PIVs also incorporate advanced biometrics and sense the presence of the driver in the vehicle with the introduction of the automatic shut-down switch and interlocking protected access system. Forklifts were equipped with red warning zone lights enabling them to self-cordon their area of movement by setting No Go or Halo zone notifications that are adjustable from two to five feet. The notifications warn pedestrians even at considerable distances away and prevent unauthorized driving.

## BLAST NINJA™ PROPRIETARY TECHNOLOGY PROVIDES ENHANCED HEARING PROTECTION

In addition to our employees and contractors, Kennametal is committed to protecting the health and safety of our customers. In early 2023, we introduced the Blast Ninja™ as an important addition to our leading portfolio of abrasive blast nozzles for advanced surface preparation. The Blast Ninja™ delivers a new level of performance and hearing protection that provides customers with a solution that increases operator safety while allowing them to work longer periods uninterrupted under OSHA guidelines and noise standards. The patented design is based on proprietary technology leveraging years of research conducted on jet engine noise reduction and was developed along with the U.S. Air Force Research Laboratory and the U.S. Navy's Office of Naval Research.







## Community Engagement

Kennametal is committed to making a positive impact in the communities where we live and work by engaging with community partners through the Kennametal Foundation and with local organizations at each site. Our financial and in-kind donations and the employee volunteer hours are targeted on workforce development, including technical education and training, and supporting organizations focused on improving lives and the environment in our local communities.



### Local Community Outreach

At many of our locations, Kennametal is one of the largest employers in our local communities and we strive to be a good neighbor. We work closely with government agencies in the various countries where we operate to ensure we comply with all applicable rules and regulations. This includes partnering with agencies in our local communities when we have a structural expansion or change to a facility that would require permitting or other compliance requirements.

We share company news on various social media channels and monitor the channels daily for any comments or direct messages from our community stakeholders. We also have an extensive Contact Us section on the Kennametal website that provides support by country. Any complaints that we need to address are directed to the appropriate person within Kennametal, including plant managers or local representatives.

### Workforce Development

Kennametal supports workforce development in our communities by establishing relationships with colleges, universities, technical schools, high schools and other organizations that are focused on preparing the workforce of the future through machine skills training and promoting careers in science, technology, engineering and mathematics (STEM).





## STEM Initiatives

We support various STEM educational initiatives, including on-site student programming, visits to schools, technical awards and open houses at our facilities. In addition, we provide philanthropic support for various scholarship programs focused on STEM education. This support includes The Kennametal Scholarship Fund in partnership with The Pittsburgh Foundation, discussed in [Chapter 6](#) on Diversity and Inclusion, and the National Merit Scholarship Corporation.



## MANUFACTURING OPERATIONAL EXCELLENCE AWARD

Our Orwell, Ohio facility was awarded the 2022 Best of the County Manufacturing Operational Excellence Award by the Growth Partnership for Ashtabula County. The economic and workforce development organization presented the award to Kennametal in recognition of the facility's modernization and expansion project, and its positive impact on local workforce opportunities and advancement. Orwell was selected from among approximately 40 manufacturing companies in the county.

### STEM initiatives supported in fiscal 2023 included:

**1** In 2011, we established the Kennametal Young Engineers Program to educate high school students in Western Pennsylvania about engineering and manufacturing careers. The program, which is now offered in four school districts, combines classroom discussions, hands-on projects and mentoring led by our employees. Students also have the opportunity to tour our Technology Center in Latrobe, Pennsylvania as well as one of our facilities, which this year was our Orwell, Ohio manufacturing plant. Over 500 students have graduated from the program since its launch.

**2** Throughout October 2022, Kennametal honored #MFGDay22, an annual initiative by the National Association of Manufacturers celebrating people working in manufacturing while inspiring the next generation to pursue a career in the industry. Our facilities in LaVergne, Tennessee, Rogers, Arkansas as well as Orwell and Solon, Ohio collectively hosted over 80 students on-site. From touring the facilities to engaging panel discussions, the next generation saw firsthand what modern manufacturing looks like today.

**3** New Market, Virginia employees attended Worlds of Work!, an immersive career exploration event that introduces eighth grade students to various career opportunities in the region. Kennametal employees introduced the next generation to modern manufacturing through hands-on instruction for using precision measuring tools, as well as the opportunity to read 2D drawings and see a CNC machine at work.



## Internship, Cooperative and Apprenticeship Programs

At our locations globally, we offer internship, cooperative and apprenticeship programs to help develop a pipeline of skilled manufacturing talent. In fiscal 2023, we had more than 320 people participating in our various programs around the world.

Our Solon, Ohio facility launched an inaugural apprenticeship program in July 2022 with ten apprentices joining a two-year machinist program. The program is open to internal and external candidates with less than two years of experience (including work experience and/or trade school) and consists of on-the-job training in all departments as well as online courses.

Every September, Kennametal facilities across Germany onboard new cohorts of apprentices and students in our apprentice and dual studies programs, which is an important initiative to grow a strong talent base. In September 2022, a total of 25 pupils joined the Kennametal team at our Ebermannstadt, Fürth, Vohenstrauß and Königsee facilities in various roles including industrial mechanics, information technology and machine operators. Our Ebermannstadt apprentices engaged in a unique best practice sharing activity with a customer's apprentice program. The vocational training class was welcomed on-site to share learnings from their respective programs. Our customer's trainees learned about Kennametal products while sharing best practices and experiences with each other. They were impressed by the caliber of our trainings, which are based on the LQW training certification concept – a high-quality certification for apprentice programs and vocational training in Germany.



**320+** Participants in programs around the world

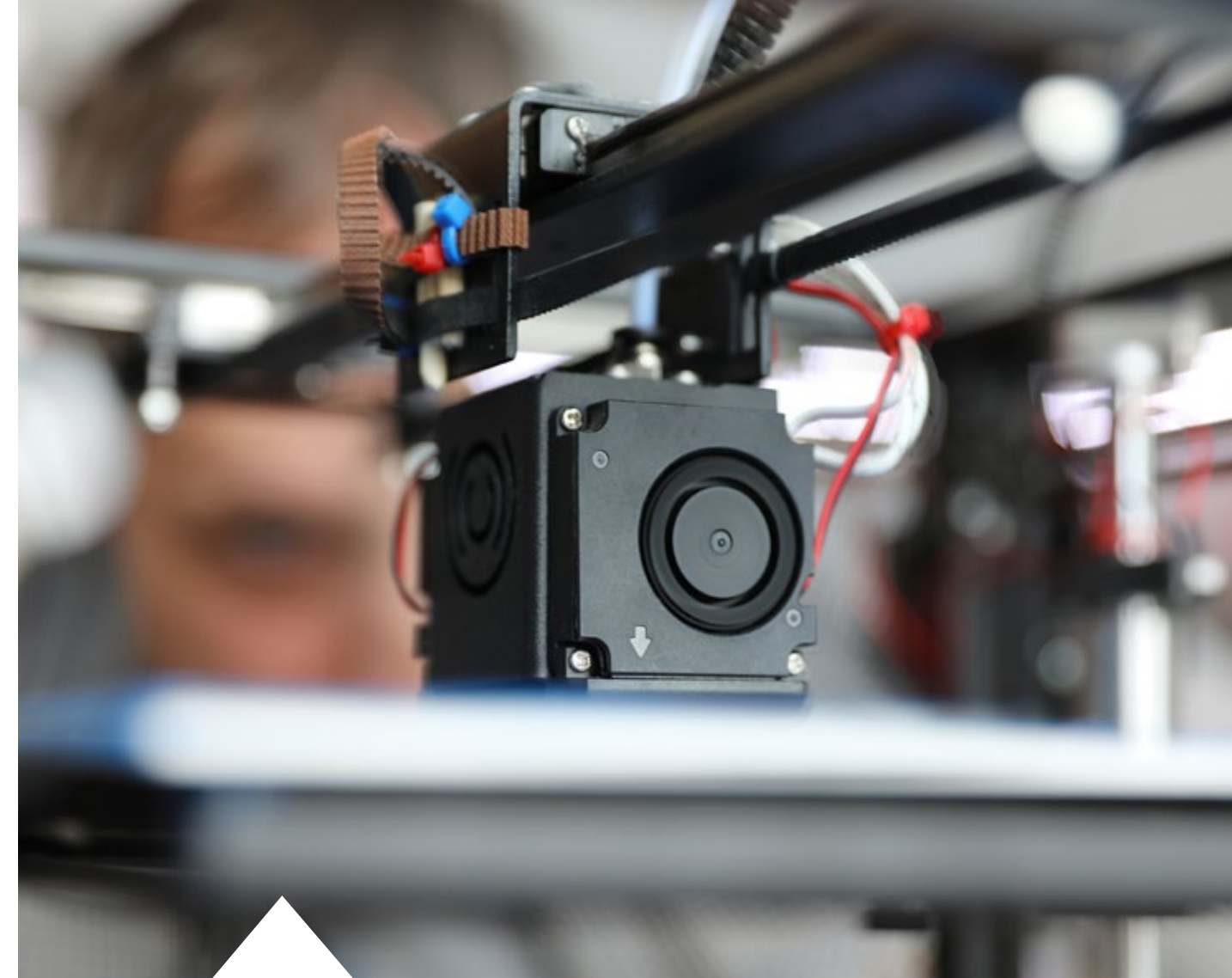
At our locations globally, we offer internship, cooperative and apprenticeship programs to help develop a pipeline of skilled manufacturing talent. In fiscal 2023, we had more than 320 people participating in our various programs around the world.

## University and Technical College Partnerships

Kennametal has ongoing partnerships with universities, colleges and technical schools in support of workforce development efforts that include scholarships, engineering programs and research projects. As discussed in [Chapter 6](#) on Diversity and Inclusion, Kennametal also works with Historically Black Colleges and Universities (HBCUs) and minority organizations at universities, including the Center for Enhancement of Engineering Diversity at Virginia Tech, to increase talent development and recruiting efforts to build a diverse talent pipeline.

As part of our partnership with Purdue University, Kennametal supplies tooling, machining and training for Purdue's Bechtel Innovation Design Center (BIDC), a student makerspace located in the heart of Purdue's campus. Furthering the partnership, our Technology team in Latrobe, Pennsylvania recently hosted six Purdue engineering students on-site to observe Kennametal innovation firsthand. The students toured various operations at the Technology Center and actively engaged with our subject matter experts on Kennametal's tooling, machining and the industrial market.

In fiscal 2023, Kennametal's China operations sponsored 67 scholarships. These annual scholarships are for students studying material science and engineering at Shanghai University and the University of Science and Technology Beijing.



### OHIO STATE UNIVERSITY COLLABORATION

Ohio State University (OSU) engineering students in the university's Center for Design Manufacturing Excellence (CDME) are collaborating with Kennametal to learn advanced manufacturing technologies to build 3D printed parts. The plates on which the parts are built must be refinished after every use, and working with Kennametal tooling, application support and our NOVO system, the students implemented a new, more efficient machining process for these plates.

# 67

**sponsored scholarships in fiscal 2023 for students studying material science and engineering at Shanghai University and the University of Science and Technology Beijing.**





## **Kennametal in the Community**

We are committed to being a good neighbor by supporting our communities through strategic partnerships as well as philanthropic support and employee volunteer support of local community organizations.

### **KENNAMETAL DONATES FIRE EXTINGUISHING ROBOT IN MISTELGAU**

Our Mistelgau plant in Germany invested in a remote-controlled turbine fire extinguishing robot and donated it to the local fire department for the benefit of the Mistelgau community and surrounding areas. Mistelgau is the first registered voluntary fire brigade out of 7,500 in Bavaria to have such a modern device in use. The intended use of the robot is for emergency scenarios that pose major challenges for fire departments and where conventional fire extinguishing technology very quickly reaches its limits. With this robot, lengthy firefighting operations that are dangerous for the firefighters can be avoided as the robot steps in to avoid putting the lives of the firefighters at risk.

With the acquisition of the robot, Kennametal made an important contribution to the high level of safety required by the Major Accidents Ordinance for fire protection at our Mistelgau plant. The robot was presented at an official ceremony with company, community, fire brigade and local officials including the District Administrator of Bayreuth, who thanked Kennametal for the forward-looking acquisition and handover to the Mistelgau fire department.



## CORE STRATEGIC PARTNERSHIPS

We have formed long-term strategic partnerships with nonprofit organizations that support our values and provide us with national and international opportunities to give back to our communities and offer volunteering options for our employees.

In the U.S., we support the United Way through employee pledges and volunteerism, a Kennametal Foundation donation and funds raised through special events, including our annual Strategic Supplier Golf Outing. In calendar year 2022, these combined contributions totaled over \$623,000. Nearly 300 Kennametal employees volunteered more than 1,100 hours through the United Way and supported agencies throughout the year.

Additional long-term partnerships include Sparsha Trust in India, a nongovernmental organization focused on programs for underprivileged children, including early child care, child education, youth skill development and school support. In fiscal 2022, Kennametal India donated \$20,000 to support Sparsha's construction of the Makkala Dhama residential home and training center for 450 underprivileged young girls in Devanahalli, Bengaluru. The construction was completed in May 2023 and the Makkala Dhama home will primarily house girls who are homeless or have lost a parent or parents to COVID-19.



Projects

Volunteers

Hours



## UNITED WAY OF SOUTHWESTERN PENNSYLVANIA

As part of United Way of Southwestern Pennsylvania's #WeekofCaring, our employees made a difference by giving back through volunteering and donations to the Blackburn Center, Big Brothers and Big Sisters of the Laurel Region; and Greater Latrobe Parks & Recreation.



## EMPLOYEE VOLUNTEERISM

Employee volunteers from our sites provide support to their communities in times of need and for projects that improve lives and the environment. We encourage our employees to volunteer time to initiatives and organizations in the communities where we operate. In the U.S., we support employee volunteer efforts with eight hours of paid time off each year for volunteer activities. Employees volunteer for opportunities offered by our core strategic partners, including United Way, or activities organized by employees or their locations to meet a local need.

### Some highlights from our employee volunteer efforts worldwide include:

**ORWELL, OHIO:** Orwell employees celebrated the holiday season by collecting gifts for 20 families in Northeast Ohio. They also supported the County Neighbor Program's Food Bank by collecting nearly 1,000 food and hygiene items.

**GREENFIELD, MASSACHUSETTS:** Team members supported the local Franklin County United Way at Thanksgiving with a donation of over 500 non-perishable items to be distributed to local families, food banks and shelters in the community.

**LATROBE, PENNSYLVANIA:** EMERGE program participants spent a day beautifying the grounds at Adelphoi Village, a treatment and services community for at-risk youth and their families.

### **SOUTHWESTERN PENNSYLVANIA:**

Employees in Latrobe and Pittsburgh raised funds in the holiday season to bring smiles to more than 150 children as more than 40 volunteers took to the stores to find the latest and greatest toys in support of Westmoreland Community Action through the United Way of Southwestern Pennsylvania. Our Pittsburgh employees and their families also attended a Wrapping Party for the Best of the Batch Foundation's annual holiday toy drive, making sure gifts were wrapped and ready for children in the Pittsburgh region.

**NEW ALBANY, INDIANA:** Together with Women in Manufacturing (WiM) Kentucky, our facility in New Albany, Indiana supported Dress for Success Louisville through their Monthly Donation Day. The site collected clothing donations for Dress for Success' efforts to provide professional attire to help women thrive in work and life. WiM took their donations, including those donated by Kennametal employees, and spent the day sorting clothing at the organization's boutique. The group also collected funds to support Dress for Success' career development programs.

### **POZNAN AND ZORY, POLAND:**

Team members in our Poznan and Zory locations in Poland once again supported Szlachetna Paczka - Noble Gift initiative by raising funds to purchase gifts for a mother and her five children.

**MISTELGAU, GERMANY:** Our employees raised funds during the holiday season through basket raffles to support the community, with the money shared between two groups: Helfer vor Ort, an organization that supports local non-profits in need of extra support, and the local kindergarten program.

**NABBURG, GERMANY:** Our Nabburg Steel employees raised and donated funds in support of the German Childhood Cancer Foundation through events including a summer party and their annual New Year's reception.

**BENGALURU, INDIA:** As part of Kennametal's employee-driven Protecting Our Planet (POP) initiative, our Bengaluru team launched the Urban Afforestation project, planting 10,000 saplings to help improve Bengaluru's natural green cover. Over the next two years, Kennametal employees will work with the Say Trees organization to care for the saplings, ensuring they develop into a natural forest cover. Afforestation efforts will also raise the groundwater, adding to soil and moisture conservation.

**VICTORIA, BC, CANADA:** As part of United Way of Southern Vancouver Island's #spiritawards, our Victoria site was recognized with the Innovation Award honoring campaigns that demonstrated creativity in fundraising, with our team increasing their overall giving and participation from previous years.

**BELLEVILLE, ON, CANADA:** Belleville employees participated in United Way Hastings & Prince Edward's Day of Caring, tackling the day's largest project. The team built new walkways for Grace Inn, which houses unhoused adults in a safe, dignified and hospitable environment.

**HANOI, VIETNAM:** Kennametal Vietnam employees joined forces to support a local orphanage and celebrate the Mid-Autumn Festival, Tết Trung Thu, with the children. It is a Vietnamese custom during the festival to treat children with gifts. Employees visited the orphanage with donations of a water filtration system, soccer balls signed by the Vietnam National Team Coach Park Hang-seo, sweets and traditional moon cakes.

**SHLOMI, ISRAEL:** 65 Shlomi team members and their children celebrated Israel's annual Good Deeds Day in April by raising money for local at-risk children through a 5-K race. Good Deeds Day encourages volunteerism and doing good for society, the community and environment.

# Ethical and Responsible Governance

**Kennametal is committed to conducting our business ethically and responsibly to maintain the trust of our stakeholders. We implement strong governance practices to ensure transparency and accountability and build a strong foundation for our long-term success. We also maintain robust risk management programs to ensure compliance with applicable laws and regulations governing ethical business practices in our operations and our supply chain, including the protection of human rights.**

## SECTION CHAPTERS

- Board Governance and Oversight**
- Ethics and Compliance**
- Supply Chain**
- Human Rights**



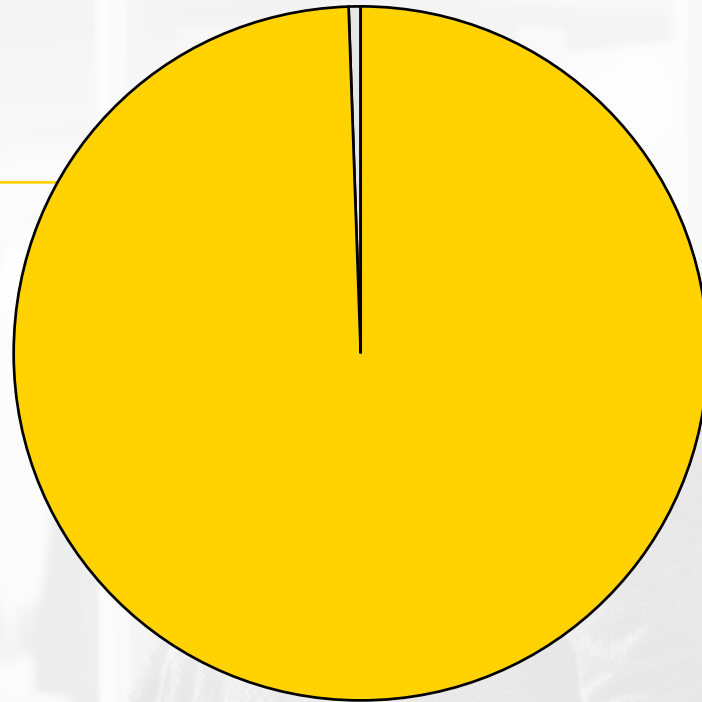
# Ethical and Responsible Governance

## TRAINING

In FY23,

# 99.7%

of employees completed the Code of Conduct Training.



## CONFLICT MINERALS

We are committed to the responsible sourcing of tungsten, which is a Conflict Mineral. We have processes, procedures and people in place to advance our continuous improvement effort to responsibly source tungsten.

## HELPLINE

Our HelpLine is available

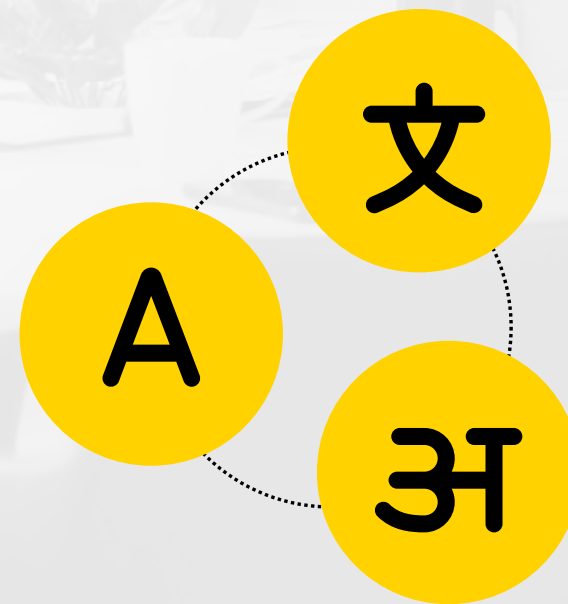
# 24/7

in all local languages



## CODE OF CONDUCT

We have made our Code of Conduct available in



# 23

languages





## Board Governance and Oversight

Kennametal's Corporate Governance Guidelines establish a comprehensive framework to foster accountability and transparency for our Board of Directors and management team. Our guidelines are based on best practices that meet or exceed the existing standards of the New York Stock Exchange and requirements of the U.S. Securities and Exchange Commission.



Our governance policies and practices for our Board of Directors include having a majority of independent directors (with nine out of ten directors being independent); regular meetings of independent directors; annual election and majority voting for directors; separation of the roles of Chief Executive Officer and Chair of the Board; annual evaluations of the Board and its committees; and stock ownership guidelines for directors and executive officers.

All Board members receive and must acknowledge and adhere to all applicable Kennametal policies, including our Code of Conduct, Global Anti-Corruption and Anti-Bribery Policy and Insider Trading Policy. All directors receive annual training on these policies and other compliance topics.

Kennametal's Board conducts an annual review of its directors' skills matrix to ensure alignment of directors' competencies and skills with the Company's strategic direction. This review facilitates identification of any deficiencies in Board capabilities, including competencies in environmental, social and governance (ESG) topics. Competency and skill deficits identified in the annual review are addressed and considered during Board succession planning. In fiscal 2023, the Board identified no deficiencies in the current mix of directors' skills.

Kennametal's Board is responsible for oversight of our management and the Company's business strategy for the long-term benefit of our stakeholders, including risk management strategies and programs implemented by management. The Board also provides oversight of management's strategy and programs related to ESG topics, including an annual review of ESG strategy as part of the overall corporate strategy.



## Board Committees

Our Board of Directors includes three standing committees: Audit, Compensation and Human Capital and Nominating/Corporate Governance. The membership and chairpersons of these committees are comprised entirely of independent directors. Each committee has a written charter, posted on our [website](#), which details its duties and responsibilities.



**THE AUDIT COMMITTEE** is primarily responsible for assisting the Board in oversight of the Company’s financial reporting process, including the integrity of the Company’s financial statements and performance of the internal audit function and the Company’s outside auditors. The committee has oversight of compliance with legal and regulatory requirements and ethical standards and, along with the full Board of Directors, is responsible for overseeing the Company’s enterprise risk management processes and operations, as discussed later in this chapter.

**THE COMPENSATION AND HUMAN CAPITAL COMMITTEE** is responsible for evaluating and recommending to the Board an overall executive and senior management compensation policy. The committee has direct responsibility for matters relating to the compensation of executive officers, including incentive compensation and equity-based plans. In addition, the committee reviews and oversees the Company’s strategies and programs for human capital management, including policies, programs and strategy for diversity and inclusion.

### THE NOMINATING/CORPORATE GOVERNANCE COMMITTEE

is responsible for identifying and recommending to the Board individuals qualified to become Board members and making recommendations to the Board concerning committee appointments. The committee also takes a leadership role in shaping the corporate governance of the Company, including developing and recommending to the Board the Corporate Governance Guidelines of the Company.

The committee evaluates and ultimately selects director nominees based on a number of criteria, including independence, integrity, diversity, business and industry experience, areas of expertise, ability to exercise sound judgment in areas relevant to our businesses and willingness to commit sufficient time to the Board. While the committee does not have a formal policy with respect to consideration of diversity in identifying direct candidates, diversity is one of many important factors considered by the committee. The committee recognizes that diversity in its broadest sense can bring distinctive skills, perspectives and industry exposure and professional experience to the Board.

The committee oversees the annual evaluation of our Board and committees,

which includes an annual Board Performance Evaluation Survey completed by each director along with one-on-one interviews conducted by the Chairman of the Board and the Chairperson of the Nominating/Corporate Governance Committee with each director to assess individual director performance and Board and committee effectiveness. The Board uses the annual evaluation results to identify opportunities for enhancing its overall effectiveness in advancing the Company’s strategic goals and objectives.

The committee has oversight of the Company’s ESG strategies, initiatives, policies and disclosures, including reviewing the annual ESG report. As the governing body that oversees ESG matters within the Company, the committee receives regular updates from management responsible for ESG activities approximately twice per year. In addition, the Audit Committee of the Board is responsible for reviewing and discussing with management the Company’s control framework for public disclosures of non-financial ESG metrics, along with assisting the Board and the Nominating/ Corporate Governance Committee with its oversight of such publicly reported metrics. Please see more about the Board’s role in ESG oversight in our [ESG Strategy section](#).

## Enterprise Risk Management

Kennametal recognizes that the effective management of enterprise risks is critically important to the long-term success of our business. The Board is responsible for oversight of the Company's enterprise risk management (ERM) processes and operations, along with delegation to the Audit Committee on oversight related to risks identified by our Internal Audit team.

The Company's Vice President, Secretary and General Counsel is responsible for the ERM Program for the Company. The Assistant General Counsel – Commercial and Enterprise Risk Management is delegated responsibility for the day-to-day implementation and advisement on the execution of the Company's global ERM Program.



### ERM PROGRAM STEPS:

- timely identification of material risks, with top risks to the Company identified and documented annually, after receiving input from the Board, Executive Leadership Team, Internal Audit and other leaders throughout the organization;
- each top risk is assigned a risk owner and strategic and operational mitigation plans are put into place for each one;
- risk owners report to the Executive Leadership Team at least quarterly on progress of risk mitigation plans and adjustments to identified risks as needed;
- management identifies and reports on risks each quarter in Board presentations and reports on the overall ERM Program at least twice per year;
- the Audit Committee makes periodic reports to the Board regarding briefings provided by management and advisors regarding the Company's risk mitigation plans.

In addition to the formal ERM process, our Board encourages, and management promotes, a corporate culture that incorporates risk management into the Company's corporate strategy and day-to-day business operations. The Board continually works, with the input of our management and executive officers, to assess and analyze the most likely areas of future risk for the Company. For more about the Board's role in climate-related risks, please see our [ESG Strategy section](#).

Kennametal's Board members may be contacted by anyone with critical concerns about the business by written communication addressed to: Kennametal Inc., c/o Michelle R. Keating, Vice President, Secretary and General Counsel, 525 William Penn Place, Suite 3300, Pittsburgh, PA 15219. Written communications received regarding critical concerns about the business will be forwarded to the relevant director(s). Such matters would be addressed during general or special meetings of the Board of Directors. In fiscal 2023, there were no critical concerns that required the Board's attention as no critical concerns were reported to the Board.





## Ethics and Compliance

Kennametal is committed to operating our business with the highest ethical standards, competing in the marketplace by winning with integrity and responsibly serving our customers around the world while maintaining strict compliance with all applicable laws and regulations

### Board Oversight

The Company's approach to building a culture of ethics and compliance starts with a strong commitment to ethics and focus on compliance at the top. The Board's Audit Committee provides oversight and receives quarterly reports on key ethics and compliance initiatives. The Company's Vice President, Secretary and General Counsel has been designated as our chief compliance officer and is responsible for the Company's overall global ethics and compliance program.

Our Assistant General Counsel and Global Director of Compliance has been delegated the responsibility of regularly reporting on the Company's global ethics and compliance programs to the Audit Committee and the Board. These programs include ethics training programs, whistleblower reporting activity and significant investigation activity. These reports enable the Board to remain informed and to maintain regular discussions with executive management regarding the direction and implementation of our global ethics and compliance programs.



## Code of Conduct/Ethics and Compliance Training

The Kennametal Code of Conduct (Code) is based on our core values of integrity and accountability and is designed to proactively promote ethical behavior. The Code defines the principles under which we responsibly operate our business, win with integrity in the marketplace and act as good corporate citizens around the world.

The Code is available in 23 languages and we are committed to ensuring that all team members, executives and directors know and understand their obligations under the Code. All salaried employees, executives and independent directors are required to complete an annual Code of Conduct refresher training course. In addition, all newly hired salaried employees must complete a comprehensive ethics and compliance training course within 30 days of hire date.

In fiscal 2023, 99.7 percent of salaried employees completed the Code of Conduct training. In addition, all salaried employees and executives are required to complete quarterly ethics and compliance training, including training on anti-corruption and other relevant topics, which are discussed below.

We deliver ethics and compliance training through online tools and in live, interactive sessions, with emphasis on the practical application of principles in the Code to situations that may arise in conducting our business. Hourly team members working in our manufacturing and warehouse locations receive annual Code of Conduct training through their site leadership. We also include discussions of integrity principles in shift-change meetings with these team members to continuously foster our culture of integrity.

Kennametal's contracted sales agents, distributor partners and suppliers are required to adhere to our ethics and compliance values in the Code, as well as our Export and Trade Compliance Procedure, global Anti-Corruption and Anti-Bribery Policy, and Supplier Code of Conduct, as applicable. As part of the selection process for these partners we conduct risk-based due diligence and implement appropriate risk-mitigation measures when necessary. The onboarding process for all partners includes a required ethics and compliance training course, which is developed and deployed by our Office of Ethics and Compliance to align with the risk profile of our global business.

## Ethics Oversight

Internal Audit conducts independent audits of all Kennametal locations at least once in a five-year period, with higher-risk locations subject to more frequent and intensive audits. All audits include an assessment of the general management of the location and its adherence to Kennametal's ethical standards when dealing with employees, suppliers, investors, creditors, insurers, competitors and auditors. The audits also review the oversight of processes implemented by the location's management for identifying and responding to compliance risks.





## **Anti-Corruption, Anti-Bribery and Antitrust Compliance**

Given our global operations, Kennametal recognizes our potential exposure to corruption and bribery risks. Kennametal has zero tolerance for any form of bribery or corruption as we believe in doing business the right way and winning in the marketplace based solely on the quality of our products and services. Our commitment to ethics and compliance includes complying with all laws and regulations governing anti-bribery and anti-corruption, such as the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and other similar laws in all countries we operate. Our policies detailing our principles and procedures are available in multiple languages to all our employees, partners and the public on our website. These policies include our Global Anti-Corruption and Anti-Bribery Policy and Global Non-Retaliation and Global Reporting Obligation Policy.

Kennametal's commitment to conducting our business with integrity extends to our global supply chain partners. These partners are expected to conduct their

business in a manner consistent with our Principles of Supplier Conduct, which include expectations regarding anti-corruption and anti-bribery issues such as communicating and resolving potential and real conflicts of interests and prohibiting improper payments.

In fiscal 2023, Kennametal did not record any material instances of corruption.

We are also committed to competing fairly and honestly by complying with all applicable laws governing antitrust activities wherever we do business. Our Code of Conduct prohibits engaging in unfair and unethical activities including entering into agreements with competitors to fix prices, allocate customers or territories, boycott specified suppliers or customers, limit production or sale of products or product lines for anticompetitive purposes, or engage in other anticompetitive behavior. We comply with Kennametal's Competition Law Compliance Policy & Procedure and all global competition laws, avoiding even the appearance of wrongdoing.

## **Anti-Money Laundering and Trade Compliance**

Kennametal is committed to complying with all applicable anti-money laundering and terrorist financing laws and regulations, as outlined in our Global Anti-Corruption and Anti-Bribery Policy. We conduct business with customers and suppliers who are only involved in legitimate business activities, with funds derived from legitimate sources. We have processes and controls to recognize and mitigate risks from third-party and offshore payments and we investigate and report any suspicious activity.

We are also committed to operating our business in compliance with all applicable global export and trade compliance laws and regulations, including the U.S. Department of State and Department of Commerce export control requirements and their global equivalents. Our commercial transactions are continuously screened to detect and prevent transactions involving sanctioned and denied parties or embargoed locations. We routinely train our employees on global trade compliance requirements, and we have a network of trade compliance coordinators throughout our global operations who assist our trade compliance team in ensuring compliance with our Export and Trade Compliance Procedure.

## Whistleblower Reporting

Kennametal’s Helpline is a robust whistleblower reporting system that allows any team member or stakeholder to report concerns or questions directly to our Office of Ethics and Compliance. The HelpLine is operated by an independent third party and is offered in local languages 24 hours a day, seven days a week. Reports to the HelpLine can be made by phone or via the HelpLine internet portal on a confidential and anonymous basis, where allowed by local law. Concerns can also be reported to our Office of Ethics and Compliance via phone, email or mail.

Employee awareness of the Helpline is promoted through postings at all offices and locations, messages in meetings, and all training and communications issued by the Office of Ethics and Compliance. Externally, the Helpline is promoted through our company website and in our contracts with business partners.

We have a zero-tolerance non-retaliation policy to protect whistleblowers who raise a concern in good faith or cooperate in an investigation. All reported concerns are investigated by our Office of Ethics and Compliance,

which consults with human resources, legal, finance or other internal or external partners when necessary. Anyone found to have violated the Code of Conduct is subject to disciplinary action, which may include termination of employment. Cases are tracked using a global case management system, with the outcome reported back to the person who submitted the original report and to senior leadership as feasible and appropriate.

### Kennametal Office of Ethics and Compliance

**Phone:** +1 412-248-8210

**Email:** k-corp.ethics@kennametal.com

**Mail:** Kennametal Inc., Office of Ethics and Compliance, 525 William Penn Place, Suite 3300, Pittsburgh, Pennsylvania, USA 15219

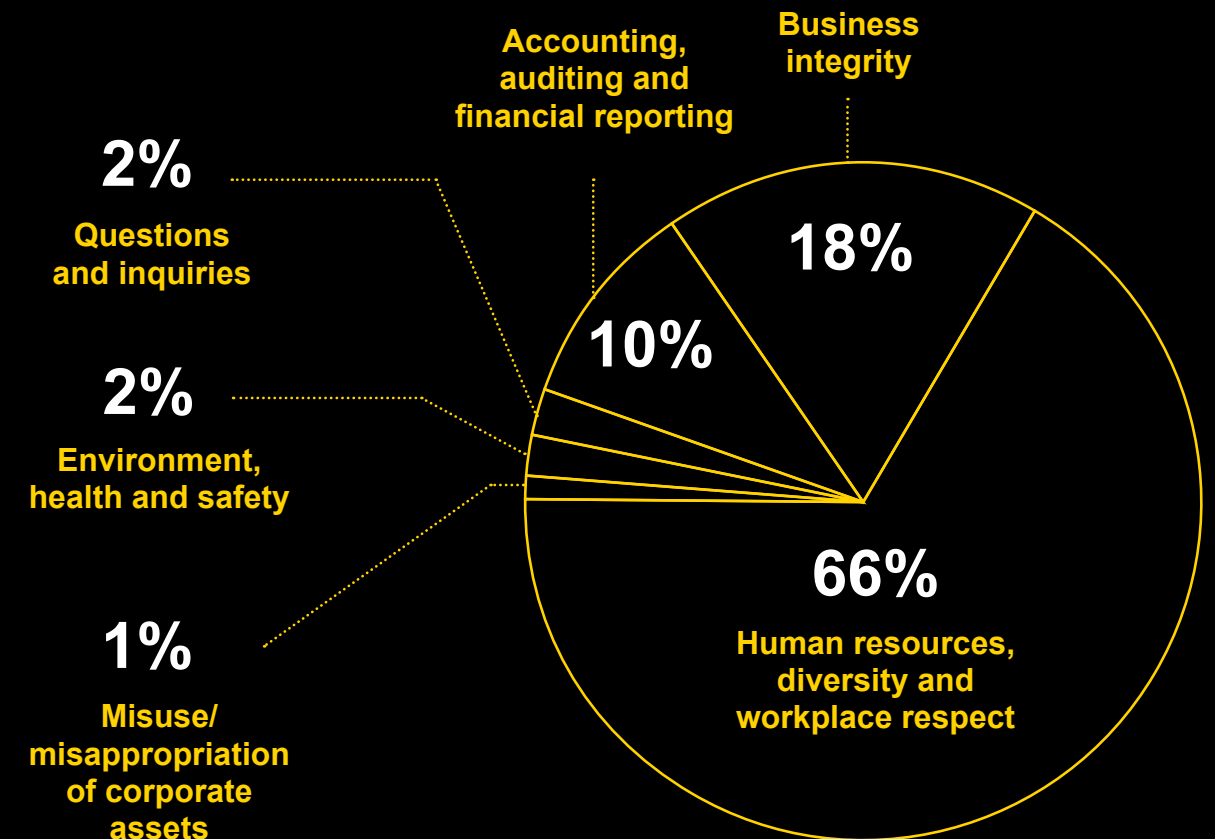


## ETHICS AND COMPLIANCE REPORTS FY23

**2023**

Number of Reports	82
Reports per 100 Employees	0.9
Anonymous Reports (% of total reports)	44
Substantiated Reports (% of total reports)	34
Case Closure Time (average days)	22

## REPORT CATEGORIES FY23







## Supply Chain

Kennametal recognizes the risk of negative social and environmental impacts from working with suppliers who do not operate ethically or with a focus on sustainability. To manage this risk, we strive to work with suppliers who share our commitment to operating with the highest ethical standards and who support our sustainability and human rights initiatives. Where possible, we also seek to work with local suppliers in our communities.

### Supplier Selection and Management

In evaluating potential supply chain partners, we take a proactive approach to risk assessment and due diligence including reviewing suppliers on a range of ESG issues including anti-corruption and anti-bribery programs, safe work practices, human rights and environmental commitments. We conduct more in-depth assessments, which may include on-site visits, for suppliers identified as higher risk due to their products, services, geographic location or other factors. These in-depth assessments are particularly important for our suppliers of tungsten, tantalum, tin and gold, known as 3TG minerals. Our sourcing of these minerals, which

are classified as conflict minerals under U.S. law, is discussed below.

We are also implementing a new procurement analytics solution that will provide greater visibility to increase the diversity of our suppliers and lay the groundwork for making the sustainability performance of our suppliers available to our global sourcing managers. The solution will also integrate supplier quality data into a centralized system, which will then be used to enhance our supplier business reviews. The integration of our diversity data, performance metrics and third-party market intelligence will provide a 360-degree view of our suppliers and centralize the data into dashboards for enhanced supplier management.







## Supplier Conduct

As part of the supplier onboarding process, all new supply chain partners must confirm that they have reviewed and are in compliance with Kennametal's [Principles of Supplier Conduct](#) and Global Anti-Corruption and Anti-Bribery Policy. Our Principles of Supplier Conduct include our expectations for ESG performance in environmental stewardship and human rights, such as protecting employees through safe work practices and adhering to all applicable laws and regulations prohibiting human trafficking and forced, compulsory or child labor. Each new supplier must confirm it does not engage in human trafficking. For more on our management of human rights in the supply chain, see the [Human Rights chapter](#).

We regularly monitor supplier compliance with our policies through a variety of controls and processes, including mechanisms to monitor compliance documents and certifications to ensure they do not lapse, as well as questionnaires and on-site visits. We proactively engage with suppliers who are identified as not meeting our expectations and may terminate relationships if performance is not improved to meet our requirements. In situations where an alternative supply is not feasible, we work with the existing supplier to implement improvements and periodically monitor and reassess to ensure those improvements are sustained.





## Conflict Minerals

Kennametal is committed to responsible sourcing of the 3TG minerals classified as conflict minerals, including tungsten, which is an important raw material to many of our products. Our [Conflict Minerals Supply Chain Policy](#), which is communicated and shared with all employees on an annual basis, states our compliance with Regulation (EU) 2017/821 of the European Parliament and Section 1502 of the U.S. Dodd-Frank Act. Section 1502 requires an annual Form SD (Special Disclosure) filing of Conflict Minerals Report with the U.S. Securities and Exchange Commission (SEC), with our latest report filed on May 31, 2023, covering calendar year 2022.

Oversight of our conflict minerals policies and due diligence is provided at the Executive Leadership level through the Grievance Review process and sign-off on our annual Form SD Conflict Minerals report. Regulation (EU) 2017/821 requires a senior manager to be responsible for the conflict mineral due diligence and review process. The Kennametal Sourcing Director, who reports to the Vice President of Global of Sourcing, has been delegated responsibility for this process.

Kennametal supports the goal of ending violence, human rights violations and preserving the environment globally, including in the Democratic Republic of Congo (DRC), Covered Countries and all conflict-affected and high-risk areas. To that end, Kennametal is a member

of the Responsible Minerals Initiative (RMI), which requires a third-party assessment annually of our suppliers of 3TG minerals to validate they are certified by RMI as conflict free or are working with an RMI-certified smelter. Kennametal's two smelters have been recognized by RMI as conformant to the Responsible Minerals Process and Procedures (RMAP-conformant).

We fully support the initiatives of the Organisation for Economic Co-operation and Development (OECD) aimed at addressing conflict mineral risks, including the OECD's Due Diligence Guidance. Kennametal has implemented a compliance program designed to meet the OECD's guidance including supplier engagement and education. This program includes

procedures to identify, assess, mitigate, and manage supply chain in high-risk areas, including the reporting of risks and recommended risk mitigation measures to senior management and the implementation of these measures upon approval. When suppliers are found to be non-conformant to our standards on conflict mineral sourcing, we work with the suppliers to clearly communicate the nonconformance and to establish appropriate corrective actions. We then follow up with suppliers to confirm corrective actions have been executed. In the event any supplier does not satisfactorily complete the corrective actions, we might take action to terminate the relationship with the supplier.

## Critical Materials Security

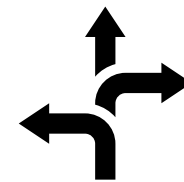
For tungsten, cobalt and other critical raw materials, we work to ensure supply security by implementing strategic sourcing strategies to mitigate risks and create a mature and flexible supply chain. These strategies include securing both global and regional supplier agreements, where appropriate, and partnering only with suppliers who are certified as conflict-free or have sources of supply that are conflict-free certified. Although the risks in securing an ongoing supply of critical materials vary widely due to the complexity, location and availability of the materials, Kennametal prioritizes establishing a conflict-free supply chain.

**Our critical material security strategy includes securing both global and regional supplier agreements, where appropriate, and partnering only with suppliers who are certified as conflict-free or have sources of supply that are conflict-free certified. Other strategy components include:**



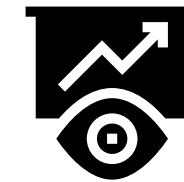
### STAYING INFORMED

Staying connected to the mining and metals industries through our involvement in industry organizations to keep us informed about supply chain developments that may impact our operations.



### FLEXIBILITY

Maintaining flexibility to optimize supply when global conditions are right.



### STRATEGIC PARTNERS

Partnering with long-term strategic suppliers or developing new suppliers who can support our key initiatives.



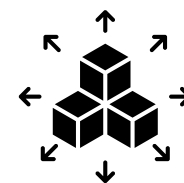
### EVALUATE

Evaluating the global supply against our current and long-term requirements to ensure there are no gaps in supply.



### INDEPENDENCE

Evaluating and monitoring geographical supply chain risks in key areas of the globe. Our Sourcing strategies include assessment of geographical risk to provide alternatives and contingency options for our supply.



### DIVERSIFY

Diversifying our supply globally includes the ability to process various forms tungsten containing material, whether in tungsten concentrate, scrap containing tungsten, or other forms.



### EXPAND SUPPLY CHAIN

Expanding the supply base by reviewing capacity and capabilities with current suppliers and assessing the market for potential new sources of supply to increase supply security and enable competitive pricing.





## Human Rights

Kennametal's Global Human Rights Policy Statement outlines our commitment to respecting fundamental human rights as we conduct business around the world. We recognize the potential risk of human rights violations negatively impacting people in our business operations, and we manage and mitigate that risk by conducting our business in a safe and responsible manner and treating all persons with dignity and respect, including those in our supply chain. Kennametal is an equal opportunity employer and we support freedom of association for our employees, which is discussed in Chapter 5 on Human Capital Management.

Our Global Modern Slavery Statement is based on our commitment to respecting human rights wherever we operate around the world. We comply with all applicable laws and regulations governing the prohibition of child labor, forced or indentured labor, involuntary prison, bonded labor, modern slavery and human trafficking. These laws include the California Transparency in Supply Chains Act, the UK Modern Slavery Act and the Australian Modern Slavery Act.

Kennametal's Global Sourcing and Global Ethics and Compliance teams have oversight of compliance with the

Global Modern Slavery Statement, which is approved by the Company's Vice President, Secretary and General Counsel. Our suppliers and business partners are expected to comply with our policies on human rights and modern slavery. We have implemented a global modern slavery compliance program modeled on the OECD Framework, which calls for the establishment of management systems, risk identification, assessment and mitigation in the supply chain. We periodically review our modern slavery risk profile and make appropriate modifications to our program based on our risk assessment.

**Kennametal is committed to respecting fundamental human rights in conducting business around the world and to treating all persons with dignity and respect, consistent with our core values.**





We are committed to sourcing materials responsibly, especially as it pertains to conflict minerals, which are discussed in [Chapter 11](#) on Supply Chain. We require our suppliers to comply with our Conflict Minerals Supply Chain Policy, which supports the goal of ending violence and human rights violations in all conflict-affected and high-risk areas.

Kennametal partners with a third-party service provider to engage with select supply chain partners and collect additional information regarding their workforce and use of contract labor from high-risk regions. Through this process, training is provided to these suppliers encompassing the basics of modern slavery, as well as providing resources, such as free access to the National Human Trafficking Hotline.

Supplier-provided data is internally audited and if information submitted by a supplier triggers a red flag, such as minerals that may have originated from conflict areas or have no smelter certification, then further due diligence is conducted. If additional due diligence leads to risk mitigation, the supplier is considered higher risk. This triggers the second phase of Kennametal's modern slavery compliance program, which requires Kennametal to engage and collaborate with the supplier to mitigate identified risk factors. Suppliers who violate our modern slavery policy or conflict minerals policy are subject to termination of the relationship.





# Appendix

## SECTION CHAPTERS

**ESG Data Tables**

**GRI Content Index**

**SASB Table**

**TCFD Table**

**About this Report**

# ENVIRONMENTAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
<b>Climate Protection <sup>1, 2, 3</sup></b>					
<b>Energy Consumption (Millions of Gigajoules)</b>					
Direct	0.60	0.61	0.51	0.56	0.54
Indirect	1.43	1.33	1.30	1.33	1.30
Total	2.03	1.94	1.81	1.89	1.84
<b>Energy intensity (Gigajoules/Million USD of revenue)</b>	0.86	1.03	0.98	0.94	0.89
<b>Energy Consumption by Business Segment (Millions of gigajoules)</b>					
Infrastructure	1.22	1.17	1.06	1.14	1.11
Metal Cutting	0.81	0.77	0.75	0.75	0.73
Total	2.03	1.94	1.81	1.89	1.84
<b>Energy Consumption by Utility (Millions of Gigajoules)</b>					
Natural Gas	0.54	0.48	0.47	0.50	0.44
Grid Electricity	1.43	1.33	1.30	1.33	1.30
Other Energy Sources	0.06	0.13	0.04	0.06	0.10
Total	2.03	1.94	1.81	1.89	1.84
<b>Energy Consumption by Utility (Percent of total consumption)</b>					
Natural Gas	27	25	26	27	24
Grid Electricity	70	69	72	70	71
Other Energy Sources	3	6	2	3	5
<b>Energy Consumption by Region (Millions of gigajoules)</b>					
Americas	1.44	1.34	1.24	1.30	1.25
APAC	0.22	0.26	0.24	0.25	0.26
EMEA	0.37	0.34	0.33	0.34	0.33
Total	2.03	1.94	1.81	1.89	1.84



# ENVIRONMENTAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
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## Grid Electricity Usage by Business Segment (Millions of gigajoules)

Infrastructure	0.70	0.63	0.61	0.64	0.62
Metal Cutting	0.73	0.71	0.69	0.69	0.67
Total	1.43	1.34	1.30	1.33	1.29

## U.S. Locations Electrical Grid Energy Consumption by Source (Millions of gigajoules)

Renewable	-	-	-	0.09	0.08
Non-Renewable	-	-	-	0.62	0.61
Total	0.82	0.75	0.70	0.71	0.69

## U.S. Locations Electrical Grid Energy Consumption by Source (%)

Renewable	-	-	-	12.6	12.0
Non-Renewable	-	-	-	87.4	88.0
Total	-	-	-	100	100

## U.S. Locations Purchased Grid Electricity Consumption by Source for Business Segments (Millions of Gigajoules)

<b>Infrastructure</b>					
Renewable	-	-	-	-	0.06
Non-Renewable	-	-	-	-	0.30
<b>Metal Cutting</b>					
Renewable	-	-	-	-	0.02
Non-Renewable	-	-	-	-	0.31

# ENVIRONMENTAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
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## Sources of Renewable Energy from U.S. Supplied Electrical Grid (%)

Hydro	-	-	-	50.4	43.3
Biomass	-	-	-	9.6	8.7
Wind	-	-	-	32.8	38.6
Solar	-	-	-	6.6	9.3
Geothermal	-	-	-	0.1	0.2
Other	-	-	-	0.5	0.0

## Scope 1 and 2 Greenhouse Gas Emissions (Thousand metric tons of carbon dioxide equivalents)

Scope 1 (Direct)	31	34	27	29	28
Scope 2 (Indirect)	179	155	145	134	133
Total	210	189	172	163	161

## Scope 3 Greenhouse Gas Emissions (Thousand metric tons of carbon dioxide equivalents) <sup>4</sup>

Scope 3 (Indirect)	-	-	-	-	470
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## Greenhouse Gas Emissions Intensity (Mt CO<sub>2</sub>e/Million USD of revenue)

Scope 1 (Direct)	0.13	0.18	0.14	0.14	0.13
Scope 2 (Indirect)	0.75	0.82	0.79	0.67	0.65
Total	0.88	1.00	0.93	0.81	0.78

## Greenhouse Gas Emissions by Business Segments by Scope (Thousand metric tons of carbon dioxide equivalents)

<b>Infrastructure</b>					
Scope 1 (Direct)	28	30	24	26	25
Scope 2 (Indirect)	90	76	70	70	71



# ENVIRONMENTAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
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<b>Metal Cutting</b>					
Scope 1 (Direct)	4	3	3	3	2
Scope 2 (Indirect)	88	80	75	64	62

## Greenhouse Gas Emissions by Business Segment (Thousand metric tons of carbon dioxide equivalents)

Infrastructure	118	106	94	96	96
Metal Cutting	92	83	78	67	65
Total	210	189	172	163	161

## Greenhouse Gas Emissions by Region (Thousand metric tons of carbon dioxide equivalents)

Americas	143	123	107	95	94
APAC	29	33	33	35	36
EMEA	39	33	32	32	31
Total	210	189	172	163	161

1 - Data represents consumption of natural gas, electricity, propane, heating oil, diesel fuel and district heating. Data changes from prior reporting are due to refinement of our data and inclusion of other locations to the scope of reporting.

2 - Data represents consumption of natural gas, electricity, propane, heating oil, diesel fuel and district heating. Direct is energy from the combustion of natural gas and includes propane, heating oil and diesel fuel. Indirect is purchased grid electricity and district heating. Other energy sources not mentioned here are immaterial. Energy from our fleet services is not included. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded from this scope. Our Latrobe campus, which includes corporate center, administrative buildings and technology center is included within the Metal Cutting business segment. Data changes from prior reporting are due to refinement of our data with updated information.

3 - All renewables and non-renewables that we consume are from grid-supplied electricity and are based on data available from those grids that supply to our locations (USEPA eGrid). Renewable refers to wind, hydro, biomass, solar and geothermal energy sources. Non-renewable is natural gas, coal, diesel, propane, nuclear, distillates and other oils.

4 - Scope 3 data estimates for fiscal 2023 are based on USEEIO models for categories 1, 2, 4, 6 and 9, with US EPA emissions factors and NAICS codes applied to key suppliers globally. Off-site waste management methods were assumed consistent since fiscal 2021 for category 5. Scope 3 for fiscal 2023 does not include categories 3, 8, 10, 11, 12, 13, 14 and 15 as our current assessment (which is ongoing) indicates the emissions from these categories are either immaterial or not applicable to Kennametal.

## Water Conservation <sup>5</sup>

### Water Withdrawal by Source (Megaliters)

Municipal/Third Party	-	813.1	803.0	774.4	679.4
Groundwater	-	83.2	74.0	86.9	87.2
Total	-	896.3	877.0	861.3	766.6

# ENVIRONMENTAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
<b>Water Withdrawal by Business Segment (Megaliters)</b>					
Infrastructure	-	487.6	439.4	495.0	491.2
Metal Cutting	-	408.7	437.6	366.3	275.4
Total	-	896.3	877.0	861.3	766.6
<b>Water Intensity (Megaliter/ Million USD of revenue)</b>					
	-	0.48	0.48	0.43	0.37
<b>Water Withdrawal by Region (Megaliters)</b>					
Americas	-	619.7	596.9	570.1	476.0
APAC	-	184.8	198.3	210.4	212.3
EMEA	-	91.8	81.8	80.9	78.3
Total	-	896.3	877.0	861.3	766.6
<b>Water Withdrawal Quality (Megaliters)</b>					
Freshwater	-	813.1	803.0	774.4	679.4
Other Water	-	83.2	74.0	86.9	87.2
Total	-	896.3	877.0	861.3	766.6
<b>Wastewater Discharge by Level of Treatment (%)</b>					
Primary/Secondary/Tertiary Treatment	-	-	-	80-90	80-90
Discharge to the natural environment without treatment	-	-	-	0	0
Discharge to a third party without treatment	-	-	-	0-5	0-5
No process water Discharge	-	-	-	0-5	0-5

5 - Outside of municipal/third-party water and groundwater, Kennametal does not directly withdraw from surface water, seawater or produced water. Water used for sanitary purposes are included in this data. Water used for irrigation is excluded from the scope, where possible. Warehouses, Rapid Response Centers (RRCs), corporate offices/ other offices and sales offices are deemed immaterial and have been excluded from scope. Fiscal 2023 data includes data from our Lyndonville facility, which is no longer operational. Our Latrobe campus, which includes corporate center, administrative buildings and technology center is included within the Metal Cutting business segment. Data changes from prior reporting are due to refinement of our data with updated information.



# ENVIRONMENTAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
<b>Waste Management <sup>6</sup></b>					
<b>Total waste landfilled (Thousand metric tons)</b>	6.7	5.7	5.0	5.0	5.4
<b>Landfilled Waste Intensity (Metric tons / Million USD of revenue)</b>	2.8	3.0	2.7	2.5	2.6
<b>Total Waste Generated by Region (Thousand metric tons)</b>					
Americas	8.4	7.3	6.7	6.5	7.9
APAC	1.8	2.0	1.7	1.8	2.2
EMEA	3.6	3.4	3.1	3.0	3.2
<b>Waste by Type (Thousand metric tons)</b>					
Hazardous	2.4	2.3	2.2	2.2	2.5
Non- Hazardous	11.4	10.4	9.3	9.1	10.8
Total	13.8	12.7	11.5	11.3	13.3
<b>Waste by Disposal Method - Hazardous (Thousand Metric tons)</b>					
Recycled/Reused	2.0	1.5	1.4	1.6	2.1
Landfilled	0.4	0.5	0.5	0.6	0.4
Wastewater Treatment	0.0	0.3	0.3	0.0	0.0
Total	2.4	2.3	2.2	2.2	2.5
<b>Waste by Disposal Method - Non-Hazardous (Thousand Metric tons)</b>					
Recycled/Reused	4.8	4.9	4.4	4.1	4.6
Landfilled	6.3	5.2	4.5	4.4	5.0
Wastewater Treatment	0.4	0.4	0.4	0.6	1.2
Total	11.4	10.4	9.3	9.1	10.8

# ENVIRONMENTAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
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## Waste Generated by Business Segment (Thousand Metric tons)

Infrastructure	7.3	6.6	5.7	6.6	7.5
Metal Cutting	6.5	6.1	5.8	4.7	5.8
Total	13.8	12.7	11.5	11.3	13.3

6 - Landfill is the final disposition of waste, from below or above ground level, at a designated engineered disposal site. Landfilled waste includes other methods of waste disposition such as incineration solidification and other means of disposition outside of recycle/reuse. Waste data excludes episodic non-production related waste such as remediation waste, asbestos waste, construction & demolition debris (C&D) and polychlorinated biphenyl (PCB) waste. Warehouses, Rapid Response Centers (RRCs), corporate offices/ other offices and sales offices are deemed immaterial and have been excluded. Fiscal 2023 data includes our Latrobe Campus for the first time. Data changes from prior reporting are due to refinement of our data with updated information.



# SOCIAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
<b>Human Capital Management</b>					
<b>Turnover Rate</b>					
Involuntary	3.1	6.0	4.2	2.6	3.2
Voluntary	5.9	6.0	7.5	9.1	8.1
Overall	9.0	12.0	11.7	11.7	11.3
<b>Diversity and Inclusion</b>					
<b>Women in Leadership Roles (%)</b>					
Board of Directors	20.0	22.2	22.2	22.2	20.0
Executives	33.3	30.0	42.9	42.9	42.9
Senior Leadership	23.1	26.1	24.0	27.3	23.1
Senior Management	8.3	10.6	11.5	12.4	18.8
Management	17.7	19.0	19.5	20.4	21.5
<b>Number of Employees</b>					
Female	1,668	1,537	1,485	1,582	1,623
Male	8,269	7,452	7,150	7,150	7,116
<b>Employees by Gender (%)</b>					
Female	16.8	17.1	17.2	18.1	18.6
Male	83.2	82.9	82.8	81.9	81.4
<b>US Employee Diversity</b>					
<b>Gender Diversity (US Employees)</b>					
Female	741	698	644	683	684
Male	2,583	2,327	2,236	2,245	2,242

# SOCIAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
<b>Gender Diversity (US Professional Employees)</b>					
Female	335	321	290	327	326
Male	1,070	937	903	925	918
<b>Gender Diversity (US Production Employees)</b>					
Female	406	377	354	356	358
Male	1,513	1,390	1,333	1,320	1,324
<b>US Ethnic Diversity (US Employees)</b>					
African American	251	239	243	225	191
American Indian/Alaskan Native	19	17	18	16	16
Asian	84	78	81	81	74
Caucasian	2,727	2,448	2,286	2,274	1,995
Latino	108	94	91	106	93
Native Hawaiian or other Pacific Island	6	5	5	3	2
Two or more races	19	20	23	21	19
Decline to answer	110	124	133	202	536
<b>US Ethnic Diversity (US Professional Employees)</b>					
African American	30	25	27	30	22
American Indian/Alaskan Native	4	4	4	5	5
Asian	51	47	48	50	45
Caucasian	1,231	1,099	1,035	1,063	946
Latino	35	27	25	29	25
Native Hawaiian or other Pacific Island	3	2	1	0	0



# SOCIAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
Two or more races	7	7	7	8	7
Decline to answer	44	47	46	67	194
<b>US Ethnic Diversity (US Production Employees)</b>					
African American	221	214	216	195	169
American Indian/Alaskan Native	15	13	14	11	11
Asian	33	31	33	31	29
Caucasian	1,496	1,349	1,251	1,211	1,049
Latino	73	67	66	77	68
Native Hawaiian or other Pacific Island	3	3	4	3	2
Two or more races	12	13	16	13	12
Decline to answer	66	77	87	135	342

## Employee breakdown by age (%)

<b>Professional Employees</b>					
Under 30 years old	-	-	9.6	9.7	10.5
30-50 years old	-	-	59.2	58.7	57.8
Over 50 years old	-	-	31.1	31.6	31.6
<b>Production Employees</b>					
Under 30 years old	-	-	9.8	10.7	11.6
30-50 years old	-	-	49.3	49.3	49.0
Over 50 years old	-	-	40.9	40.0	39.4

# SOCIAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
<b>Employee breakdown per age and region (%)</b>					
<b>North, Central and South America (AMERICAS)</b>					
<b>Professional Employees</b>					
Under 30 years old	-	-	8.9	9.9	10.9
30-50 years old	-	-	47.2	47.3	46.8
Over 50 years old	-	-	43.9	42.8	42.4
<b>Production Employees</b>					
Under 30 years old	-	-	8.6	11.3	12.9
30-50 years old	-	-	40.7	41.3	41.5
Over 50 years old	-	-	50.8	47.4	45.6
<b>Asia and Pacific (APAC) *</b>					
<b>Professional Employees</b>					
Under 30 years old	-	-	3.8	4.1	4.0
30-50 years old	-	-	82.7	81.5	80.7
Over 50 years old	-	-	13.5	14.4	15.3
<b>Production Employees</b>					
Under 30 years old	-	-	11.8	11.0	9.4
30-50 years old	-	-	75.6	75.1	76.3
Over 50 years old	-	-	12.6	13.9	14.3

\* Excluding India



# SOCIAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
<b>Europe, the Middle East and Africa (EMEA)</b>					
<b>Professional Employees</b>					
Under 30 years old	-	-	5.5	5.1	5.4
30-50 years old	-	-	55.1	53.9	53.0
Over 50 years old	-	-	39.4	41.1	41.7
<b>Production Employees</b>					
Under 30 years old	-	-	11.1	11.1	11.3
30-50 years old	-	-	50.3	50.4	49.6
Over 50 years old	-	-	38.6	38.6	39.2
<b>India</b>					
<b>Professional Employees</b>					
Under 30 years old	-	-	22.4	21.5	23.1
30-50 years old	-	-	70.4	70.1	68.5
Over 50 years old	-	-	7.2	8.4	8.5
<b>Production Employees</b>					
Under 30 years old	-	-	5.7	4.8	10.2
30-50 years old	-	-	44.2	41.1	37.8
Over 50 years old	-	-	50.1	54.1	52.1

# SOCIAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
<b>Parental Leave <sup>7</sup></b>					
<b>Total number of employees that were entitled to parental leave</b>	-	-	-	-	<b>3,308</b>
Female	-	-	-	-	848
Male	-	-	-	-	2,461
<b>Total number of employees that took parental leave</b>	-	-	-	-	<b>59</b>
Female	-	-	-	-	9
Male	-	-	-	-	50
<b>Total number of employees that returned to work in the reporting period after parental leave ended</b>	-	-	-	-	<b>59</b>
Female	-	-	-	-	9
Male	-	-	-	-	50
<b>Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work</b>	-	-	-	-	<b>47</b>
Female	-	-	-	-	7
Male	-	-	-	-	40
<b>Return to work rates of employees that took parental leave (%)</b>	-	-	-	-	<b>100</b>
Female	-	-	-	-	100
Male	-	-	-	-	100
<b>Retention rates of employees that took parental leave (%)</b>	-	-	-	-	<b>79</b>
Female	-	-	-	-	78
Male	-	-	-	-	80

7 - This data represents parental leave in the U.S. only. Due to data limitations, we are unable to report parental leave data prior to fiscal 2023.



# SOCIAL DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
<b>Health and Safety <sup>8</sup></b>					
<b>FSI Performance</b>					
FSI Actuals	-	0	0	1	0
FSI Risk Identification Target	-	312	456	455	456
FSI Risks Identified	-	693	1,057	802	1,403
FSI Risks Mitigated	-	693	1,057	802	1,403
Open Past Due FSI Corrective Actions	-	0	0	0	0
<b>Safety Performance</b>					
<b>Fatalities</b>					0
<b>Fatality Rate</b>					0.0
<b>Total Recordable Incidents</b>					37
<b>Total Recordable Incident Rate</b>	0.40	0.43	0.37	0.33	0.42
<b>Near Miss Events</b>	713	578	802	648	378
<b>Near Miss Frequency Rate</b>	6.85	6.19	9.29	7.30	4.26
<b>Lost Time Incident</b>	17	16	8	12	11
<b>Lost Time Rates</b>	0.16	0.17	0.09	0.14	0.12
<b>Number of High-consequence work-related injuries (excluding fatalities)</b>	-	-	-	-	0
<b>Rate of High-consequence work-related injuries (excluding fatalities)</b>	-	-	-	-	0.0
<b>Number of Hours Worked</b>	-	-	-	17,744,474	17,759,457
<b>Number of fatalities as a result of work-related ill health</b>	0	0	0	0	0
<b>Number of cases of recordable work-related ill health</b>	-	-	-	-	1
<b>Main types of work-related ill health</b>	-	-	-	-	Hearing Loss

<sup>8</sup> - Data includes all Kennametal employees and supervised contractors globally

# GOVERNANCE DATA TABLES

DISCLOSURE	2019	2020	2021	2022	2023
<b>Board Independence</b>					
Percent of Independent Directors	90	90	89	89	90
<b>Ethics and Compliance</b>					
<b>Reports per 100 Employees by Region</b>					
Americas	3.3	2.6	2.5	1.6	1.3
Asia Pacific	1.4	1.2	0.8	0.9	1.0
Europe, Middle East and Africa	0.3	0.5	0.6	0.3	0.5
<b>Ethics and Compliance Reports</b>					
Number of Reports	169	160	118	85	82
Reports per 100 Employees	1.7	1.6	1.4	1.0	0.9
Anonymous Reports (% of total reports)	50	47	36	38	44
Substantiated Reports (% of total reports)	53	45	34	27	34
Case Closure Time (average days)	16	16	16	30	22



# GRI CONTENT INDEX

**Statement of Use:**

Kennametal has reported the information cited in this GRI content index for the period July 1, 2022 through June 30, 2023 with reference to the GRI Standards.

**GRI 1 Used:**

GRI 1: Foundation 2021

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
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**General Disclosures**

**GRI 2: General Disclosures 2021**

**Organizational Profile**

2-1 Organizational details	a: KENNAMETAL INC. b: Public Corporation c: 525 William Penn Place, Suite 3300 Pittsburgh, Pennsylvania d: 2022 Annual Report, Properties, page 13-14 2022 Annual Report, Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters, page 69 2022 Proxy Statement, page 88	
2-2 Entities included in the organization’s sustainability reporting	2022 Annual Report, NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, page 39	
2-3 Reporting period, frequency and contact point	a: Annual b-c: About This Report, page 95 d-k: corp.ethics@kennametal.com	
2-4 Restatements of information	N/A	
2-5 External Assurance	No external assurance provided at this time	
2-6 Activities, value chain and other business relationships	2022 Annual Report, Business, pages 4-13 2022 Annual Report, Segment Data, page 63 Chapter 11: Supply Chain, page 65 There were no significant changes to the organization nor its supply chain in the reporting year.	#17 Partnerships for the Goals
2-7 Employees	Chapter 5: Human Capital Management, page 26 2022 Annual Report, Business, pages 6-8	#8 Decent Work and Economic Growth #10 Reduced Inequalities
2-9 Governance structure and composition	Chapter 9: Board Governance and Oversight, page 58 2022 Proxy Statement, Board of Directors and Board Committees, pages 26-32 Board of Directors Webpage	#5 Gender Equality #16 Peace, Justice, & Strong Institutions
2-10 Nomination and selection of the highest governance body	2022 Proxy Statement, Election of Directors, pages 1-7, 16	

# GRI CONTENT INDEX

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
2-11 Chair of the highest governance body	2022 Proxy Statement, Board of Directors and Board Committees, page 26	
2-12 Role of the highest governance body in overseeing the management of impacts	Chapter 9: Board Governance and Oversight, page 58 2022 Proxy Statement, Nominating/Corporate Governance Committee, page 27 2022 Proxy Statement, The Board's Oversight of Risk Management, page 22	#16 Peace, Justice, & Strong Institutions
2-13 Delegation of responsibility for managing impacts	Chapter 9: Board Governance and Oversight, page 58 2022 Proxy Statement, Environmental, Social and Governance Reporting, page 22	
2-14 Role of the highest governance body in sustainability reporting	Chapter 9: Board Governance and Oversight, page 58 2022 Proxy Statement, Nominating/Corporate Governance Committee, page 22-23	
2-15 Conflicts of interest	2022 Proxy Statement, pages 18	#16 Peace, Justice, & Strong Institutions
2-16 Communication of critical concerns	Chapter 9: Board Governance and Oversight, page 58 2022 Proxy Statement, Executive Sessions of the Board/Communications with Directors, page 18	
2-17 Collective knowledge of the highest governance body	2022 Proxy Statement, Election of Directors, pages 1-6	
2-18 Evaluation of the performance of the highest governance body	Chapter 9: Board Governance and Oversight, page 58	
2-19 Remuneration policies	2022 Proxy Statement, Compensation Committee, page 27	#8 Decent Work and Economic Growth
2-20 Process to determine remuneration	2022 Proxy Statement, Compensation Discussion and Analysis, pages 36-64 Compensation Committee Charter	
2-21 Annual total compensation ratio	2022 Proxy Statement, Executive Compensation, page 44-45	
2-22 Statement on sustainable development strategy	CEO Letter, page 3	
2-23 Policy commitments	Chapter 10: Ethics and Compliance, page 61 Code of Conduct	#16 Peace, Justice, & Strong Institutions
2-24 Embedding Policy Commitments	Chapter 9: Board Governance and Oversight, page 58	
2-26 Mechanisms for seeking advice and raising concerns	Chapter 10: Ethics and Compliance, page 61 Code of Conduct Helpline	#16 Peace, Justice, & Strong Institutions
2-27 Compliance with laws and regulations	Chapter 10: Ethics and Compliance, page 61 Code of Conduct (Winning with Integrity)	



# GRI CONTENT INDEX

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
2-28 Membership associations	Chapter 11: Supply Chain, page 67	
2-29 Approach to stakeholder engagement	Materiality Assessment, page 5	
2-30 Collective bargaining agreements	Chapter 5: Human Capital Management, page 26	#16 Peace, Justice, & Strong Institutions
<b>Material Topics</b>		
<b>GRI 3: Material Topic 2021</b>		
3-1 Process to determine material topics	Introduction, page 3	
3-2 List of material topics	Introduction, page 3	
3-3 Management of material topics	Chapter 1: Environmental Management and Climate Change, page 8 Chapter 5: Human Capital Management, page 26 Chapter 6: Diversity and Inclusion, page 31 Chapter 8: Community Engagement, page 49 Chapter 9: Board Governance and Oversight, page 58	
<b>200 Series (Economic topics)</b>		
<b>GRI 205: Anti-corruption 2016</b>		
205-1 Operations assessed for risks related to corruption	Chapter 9: Board Governance and Oversight, page 58	#16 Peace, Justice, & Strong Institutions
205-2 Communication and training about anti-corruption policies and procedures	Chapter 10: Ethics and Compliance, page 61	
<b>Environmental topics</b>		
<b>GRI 301: Materials 2016</b>		
301-1 Materials used by weight or volume	ESG Data Tables, page 72	
301-2 Recycled input materials used	Chapter 4: Waste Management, page 20 ESG Data Tables, page 72	#3 Good Health & Well-Being #8 Decent Work and Economic Growth
301-3 Reclaimed products and their packaging materials	Chapter 4: Waste Management, page 20 ESG Data Tables, page 72	#11 Sustainable Cities & Communities #12 Responsible Consumption & Production

# GRI CONTENT INDEX

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
<b>GRI 302: Energy 2016</b>		
<b>Energy</b>		
302-1 Energy consumption within the organization	Chapter 2: Climate Protection, page 12 ESG Data Tables, page 72	#7 Affordable Clean Energy #8 Decent Work and Economic Growth
302-3 Energy intensity	Chapter 2: Climate Protection, page 12 ESG Data Tables, page 72	#12 Responsible Consumption & Production #13 Climate Action
302-5 Reductions in energy requirements of products and services	Chapter 2: Climate Protection, page 12 ESG Data Tables, page 72	
<b>GRI 303: Water and Effluents 2018</b>		
<b>Water and Effluents</b>		
303-1 Interactions with water as a shared resource	Chapter 3: Water Conservation, page 18	#6 Clean Water & Sanitation #12 Responsible Consumption & Production
303-2 Management of water discharge-related impacts	Chapter 3: Water Conservation, page 18	
303-3 Water withdrawal	Chapter 3: Water Conservation, page 18 ESG Data Tables, page 72	#6 Clean Water & Sanitation
303-5 Water consumption	Chapter 3: Water Conservation, page 18 ESG Data Tables, page 72	
<b>GRI 303: Water and Effluents 2018</b>		
<b>Emissions</b>		
305-1 Direct (Scope 1) GHG emissions	Chapter 2: Climate Protection, page 12 ESG Data Tables, page 72	#3 Good Health & Well-Being #12 Responsible Consumption & Production
305-2 Energy indirect (Scope 2) GHG emissions	Chapter 2: Climate Protection, page 12 ESG Data Tables, page 72	#13 Climate Action #14 Life Below Water #15 Life on Land
305-4 GHG emissions intensity	Chapter 2: Climate Protection, page 12 ESG Data Tables, page 72	#13 Climate Action #14 Life Below Water #15 Life on Land



# GRI CONTENT INDEX

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
<b>GRI 306: Waste 2016</b>		
<b>Waste</b>		
306-2 Management of significant waste-related impacts	Chapter 1: Environmental Management and Climate Change, page 8	#3 Good Health & Well-Being #6 Clean Water & Sanitation #8 Decent Work and Economic Growth #11 Sustainable Cities & Communities #12 Responsible Consumption & Production
306-3 Waste generated	Chapter 4: Waste Management, page 20 ESG Data Tables, page 72	#3 Good Health & Well-Being #6 Clean Water & Sanitation #11 Sustainable Cities & Communities #12 Responsible Consumption & Production
306-4 Waste diverted from disposal	Chapter 4: Waste Management, page 20 ESG Data Tables, page 72	#11 Sustainable Cities & Communities #12 Responsible Consumption & Production
306-5 Waste directed to disposal	Chapter 4: Waste Management, page 20 ESG Data Tables, page 72	#15 Life on Land
<b>Social topics</b>		
<b>GRI 401: Employment 2016</b>		
<b>Employment</b>		
401-1 New employee hires and employee turnover	Chapter 5: Human Capital Management, page 26 ESG Data Tables, page 72	#5 Gender Equality #10 Reduced Inequalities
401-3 Parental leave	Chapter 5: Human Capital Management, page 26 ESG Data Tables, page 72	#5 Gender Equality #8 - Decent Work and Economic Growth
<b>GRI 403: Occupational Health and Safety 2018</b>		
<b>Occupational Health and Safety</b>		
403-1 Occupational health and safety management system	Chapter 7: Health and Safety, page 38	#8 - Decent Work and Economic Growth
403-2 Hazard identification, risk assessment, and incident investigation	Chapter 7: Health and Safety, page 38	
403-3 Occupational health services	Chapter 7: Health and Safety, page 38	
403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter 7: Health and Safety, page 38	#8 Decent Work and Economic Growth #16 Peace, Justice, & Strong Institutions

# GRI CONTENT INDEX

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
403-5 Worker training on occupational health and safety	Chapter 7: Health and Safety, page 38	#8 Decent Work and Economic Growth
403-6 Promotion of worker health	Chapter 7: Health and Safety, page 38	#3 Good Health & Well-Being
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 7: Health and Safety, page 38	#8 Decent Work and Economic Growth
403-8 Workers covered by an occupational health and safety management system	Chapter 7: Health and Safety, page 38	#8 Decent Work and Economic Growth
403-9 Work-related injuries	Chapter 7: Health and Safety, page 38 ESG Data Tables, page 72	#3 Good Health & Well-Being #8 Decent Work and Economic Growth #16 Peace, Justice, & Strong Institutions
403-10 Work-related ill health	Chapter 7: Health and Safety, page 38 ESG Data Tables, page 72	#8 Decent Work and Economic Growth #16 Peace, Justice, & Strong Institutions
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
<b>Diversity and Equal Opportunity</b>		
405-1 Diversity of governance bodies and employees	Chapter 6: Diversity and Inclusion, page 31	#5 Gender Equality #8 Decent Work and Economic Growth
<b>GRI 413: Local Communities 2016</b>		
<b>Local Communities</b>		
413-1 Operations with local community engagement, impact assessments, and development programs	Chapter 8: Community Engagement, page 49	#4 Quality Education #11 Sustainable Cities and Communities



# SASB TABLE

SASB TOPIC	ACCOUNTING METRIC	CODE	SECTION REFERENCE
<b>Energy Management</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-IG-130a.1	Chapter 2: Climate Protection, page 12 ESG Data Table, page 72
<b>Employee Health &amp; Safety</b>	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	RT-IG-320a.1	Chapter 7: Health and Safety, page 38 ESG Data Table, page 72
<b>Fuel Economy &amp; Emissions in Use-phase</b>	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	RT-IG-410a.1	These metrics are not applicable for our business, as we do not produce vehicles, equipment, generators, or engines.
	Sales-weighted fuel efficiency for non-road equipment	RT-IG-410a.2	
	Sales-weighted fuel efficiency for stationary generators	RT-IG-410a.3	
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	RT-IG-410a.4	
<b>Materials Sourcing</b>	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	Chapter 11: Supply Chain, page 65
<b>Remanufacturing Design &amp; Services</b>	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	Kennametal is unable to disclose this information because it is considered confidential information.
<b>Activity Metrics</b>	Number of units produced by product category	RT-IG-000.A	Kennametal is unable to disclose this information because it is considered confidential information.
	Number of employees	RT-IG-000.B	8,739

# TCFD TABLE

TCFD ELEMENT	DISCLOSURE	REFERENCE
<b>Governance</b>	a) Describe the board’s oversight of climate-related risks and opportunities.	ESG Strategy, page 4 Chapter 1: Environmental Management and Climate Change, page 8 Chapter 9: Board Governance and Oversight, page 58
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	
<b>Strategy</b>	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Chapter 2: Climate Protection, page 12
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Chapter 1: Environmental Management and Climate Change, page 8
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
<b>Risk Management</b>	a) Describe the organization’s processes for identifying and assessing climate-related risks.	Chapter 2: Climate Protection, page 12
	b) Describe the organization’s processes for managing climate-related risks.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	
<b>Metrics and Targets</b>	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	ESG Data Tables, page 72
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	



## About this Report

Our Fiscal 2023 ESG Report covers all global operations where we have financial and/or operational control related to the 2023 fiscal year from July 1, 2022 to June 30, 2023, unless otherwise noted. In fiscal 2023, we sold the Johnson City, TN building and property. The Johnson City facility was permanently closed in fiscal 2022, operations were ceased and equipment were relocated to other manufacturing facilities. Johnson City environmental data will stay in the baseline and scope since we did not sell an ongoing business.

This report was prepared in reference to the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Industrial Machinery & Goods 2018 Sustainability Accounting Standard. The report also aligns with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Content indexes are available from page 87.

Kennametal is committed to transparency, engagement and consistent communication of our ESG strategies and programs to all stakeholders. This is our fourth annual ESG report, which takes a materiality-based approach to disclosure.





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