



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

2022 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 2022, which represents a significant advance in our ESG accountability and transparency. This report includes the results of our first materiality analysis conducted by a third party to identify the most important ESG topics for our stakeholders and our Company. In this report, we are also including for the first time data and metrics based on the Global Reporting Initiative (GRI) framework. This represents another important step in our ESG journey as we work to refine measurable objectives for our ESG performance. We are using these results to further refine our ESG strategy as we continue to focus on proactively mitigating ESG risks and building long-term value for all stakeholders.

We continued to make significant progress in fiscal 2022 to enhance our performance in environmental,

health and safety (EHS), diversity and inclusion (D&I), workforce development, community engagement and other focus areas.

Our accomplishments include:

- We achieved reductions in our greenhouse gas emissions, energy consumption intensity, landfilled waste intensity, and water withdrawal and its intensity through our ongoing factory modernization and process improvement programs.
- As part of our commitment to developing a world-class health and safety culture and targeting zero injuries and illnesses, we launched an enhanced electronic EHS Management System to enable streamlined collection and tracking of key data and metrics. This system will ensure ongoing performance towards reaching our measurable goals.
- Our total recordable incident rate continues to perform at a world-

class level, showing a steady decreasing trend over the past five years. We ended fiscal 2022 with one Fatal and Serious Injury (FSI) actual incident and an approximate 14 percent reduction in our total recordable rate year over year. Our FSI prevention initiatives mitigated more than 800 serious risks while our Find and Fix work helped employees to identify and fix more than 7,400 issues.

- We continued our efforts to protect employees from COVID-19 while providing uninterrupted service to our customers, with only two work-related cases among our employees in fiscal 2022.
- We advanced our D&I strategy focused on four strategic pillars — awareness, acquisition, development and community — through various initiatives, including the expansion of Employee Resource Groups, enhanced D&I training programs and creating partnerships to build a diverse talent pipeline.
- We supported our communities through workforce development programs, philanthropic donations and employee volunteer efforts, which was particularly important

as the world continues to confront challenges from the pandemic.

- We focused on keeping employees engaged and building our culture of accountability by investing in learning and development programs. This included our Leadership Excellence Advancement Program (LEAP) for plant managers and other operational leaders and advanced technical training for our operational employees through the Kennametal Knowledge Center.

I am proud of the progress we have made on our ESG strategy and initiatives in fiscal 2022, especially in the steps we have taken to improve accountability and transparency. We appreciate the support of our employees, suppliers, customers, investors and community partners as we continue to move forward together to align with our ESG strategy.

Best regards,



Christopher Rossi
President and Chief Executive Officer

ESG Strategy

We are committed to achieving outstanding ESG performance to build long-term value for all of our stakeholders. Our ESG strategy is incorporated into all aspects of our business and operations to enable us to live our values at work and in our global communities. We focus on proactively identifying and mitigating ESG risks and capturing opportunities that benefit our stakeholders.



In fiscal 2022, we continued to mature our ESG strategy and framework through a collaborative and cross-functional process that engaged internal stakeholders across our organization. We also incorporated input from external stakeholders through engagement with our investors, communities, customers and suppliers. Our strategy is also based on benchmarking of our peers and research into industry ESG best practices. We continued to incorporate our ESG strategy into our corporate strategy review process with our Board of Directors and with business segment leaders who identify where

and how their respective strategies support our ESG strategy and associated internal goals. Our Board of Directors and Executive Leadership Team are committed to continuous improvement of this process to ensure our ESG strategy is fully integrated into our corporate and operational strategy development process.

At the Board level, 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.

Our management's ESG Steering Committee, 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, which regularly reports on its progress to the ESG Steering Committee who reports it to the Nominating/Corporate Governance Committee.

Kennametal's Materiality-based Approach to ESG

We periodically review our material topics to align with the issues and challenges most relevant to our business and stakeholders. To inform this ESG Report, in fiscal 2022 Kennametal completed its first ESG materiality assessment. As part of this work, Kennametal retained Governance & Accountability Institute, Inc. (G&A) to perform an independent third-party assessment. This information was used to guide our ESG strategy, taking into consideration expectations from all stakeholders.

The assessment began by examining a range of key stakeholders, including investors, customers, employees and ESG rating organizations, as well as studying industry peers, to conduct a materiality analysis for ESG topics. 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.

G&A first mapped sector-specific material ESG topics identified by these stakeholders to the GRI Standards Topics. For material ESG topics identified that did not map

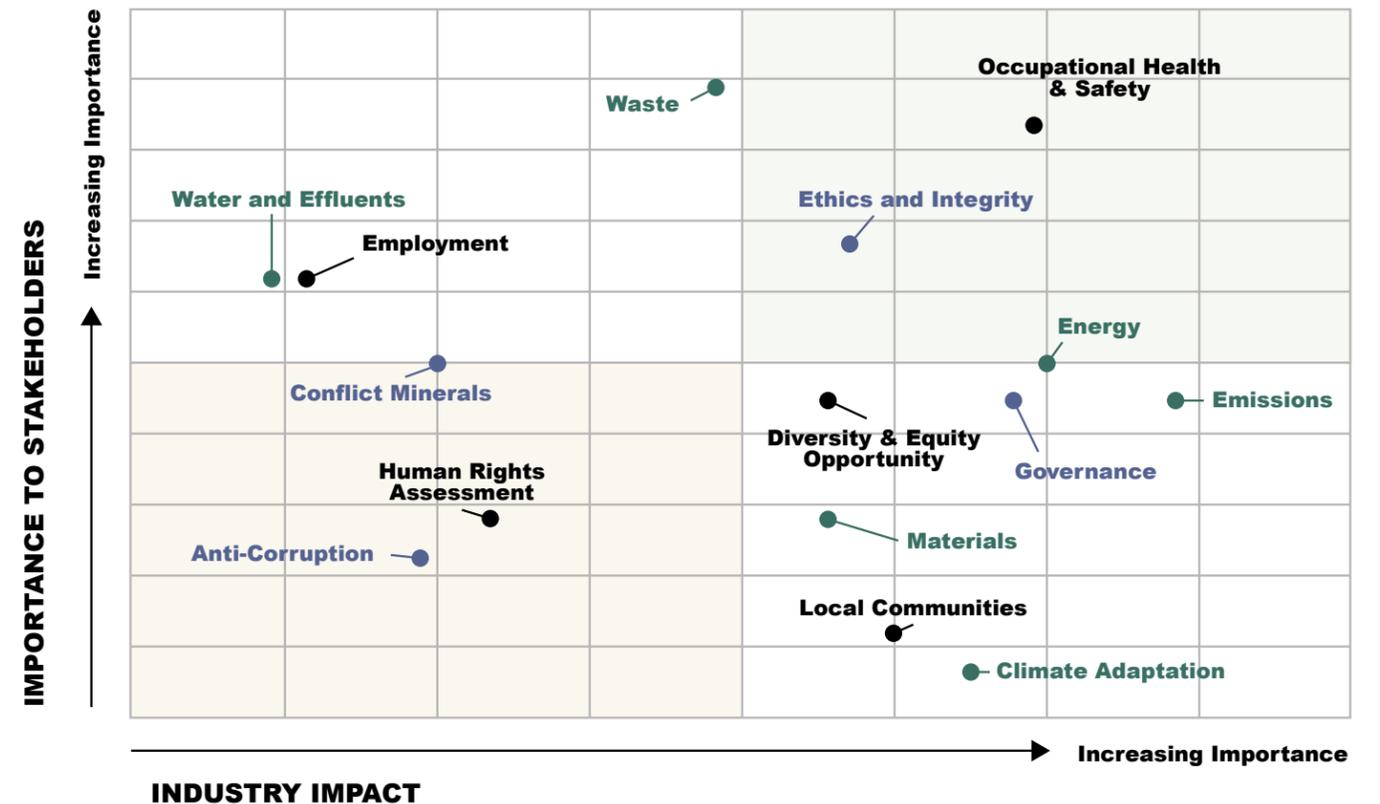
directly to a GRI Standards Topic, an additional "Non-GRI Material Topic" was added to the materiality analysis and included in the GRI content index. This initial step produced a list of 39 topics of interest to different groups of stakeholders.

G&A then conducted a deeper analysis to prioritize these issues, starting with an assessment of a selection of industry peers and customers that are highly rated for ESG performance. G&A also examined the methodologies of leading ESG investor raters and institutional investors, including their strategic selection of material ESG topics in their sustainability disclosure, rating methodologies, investment decision-making, goal setting and strategy.

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

KENNAMETAL'S MATERIAL ESG TOPICS

● Environmental ● Social ● Governance



The materiality matrix shows the relative weight of different topics from two perspectives. The X axis shows how important an issue is considered by the industry and internal stakeholders, while the Y axis shows the topic's importance to external stakeholders.

United Nations Sustainable Development Goals

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

Kennametal recognizes the importance of the SDGs. Throughout this report, we have identified how the SDGs are aligned with our priority topics. More detailed linkage can also be found in our GRI Content Index starting on page 69.

Responsible Environmental Practices

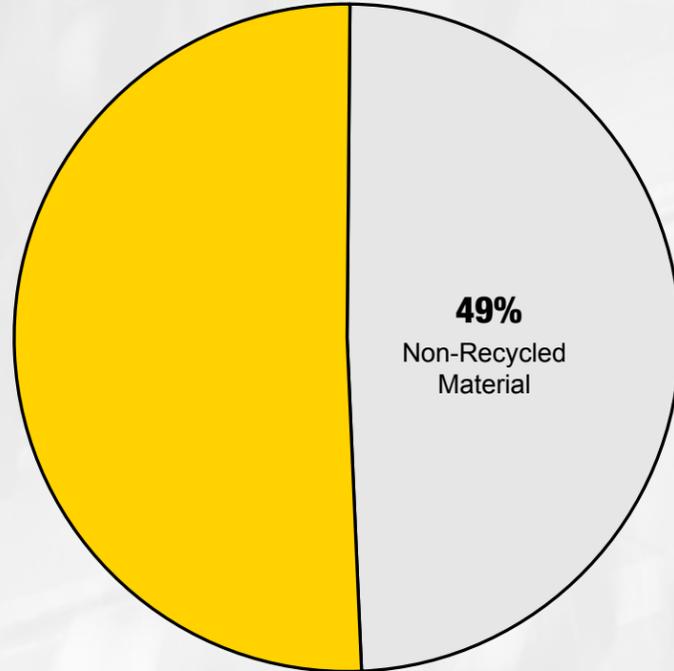
Kennametal is committed to responsible environmental practices based on our comprehensive environmental strategy formalized in fiscal 2021. In fiscal 2022, we began to implement this strategy at our manufacturing locations world-wide with a focus on three pillars:

- **Reduce** greenhouse gas (GHG) emissions, energy and water use and waste sent to landfill
- **Eliminate** higher environmental risk chemicals and practices through continuous process/system improvement
- **Develop** environmental management systems to ensure consistency of environmental practices and data gathering

Responsible **Environmental** Practices

RECYCLED MATERIALS USED
IN FEED PLANT PRODUCTION

51%



DECREASE IN ENERGY INTENSITY 2022

4.1%

DECREASE IN WATER INTENSITY 2022

10.4%

DECREASE IN WASTE
LANDFILLED INTENSITY 2022

7.1%

DECREASE SCOPE 1 & 2
EMISSIONS INTENSITY 2022

12.9%

HIGHLIGHTS

See each specific section for more information on this data.

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.

Our commitment to environmental responsibility starts at the corporate level with setting goals and implementing strategies and programs to continuously improve our environmental practices. We utilize advanced technology including an electronic EHS management system and other software to enable increased tracking and regular reporting of environmental data and metrics at our location, regional and business segment level. In fiscal 2022, we completed the deployment of these systems globally, which will enable us to standardize our

programs companywide 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. For example, thirty-seven percent of our manufacturing facilities are certified by the International Organization for Standardization (ISO), which certifies through third-party assessors that a management system or process has all the requirements for

standardization and quality assurance. In total, we have 20 of our facilities certified to ISO 14001, with a total of 14 from our active manufacturing facilities.

Our management systems that track and report environmental data and metrics are managed at the site and corporate level. Key performance indicators are reported to the Executive Leadership Team each month and to the Board each quarter. This data is used to evaluate

environmental compliance and identify locations with the highest compliance risk with respect to internal standards and regulatory requirements. We conduct audits of these locations on a regular basis, which includes environmental compliance, to determine actions necessary to improve compliance and overall performance. We also provide training of our environmental management systems to ensure accurate collection of data.



We are committed to providing our employees with the knowledge, skills and abilities to help mitigate climate change risk. 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 website.

Employee involvement is a major component of our environmental responsibility efforts, including our employee-driven Protecting Our Planet (POP) initiative. Suggested improvement projects are submitted by our sites' employees and are reviewed and selected for approval by a committee of engineering and finance personnel.

Each manufacturing location is expected 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 then added to our library of best practices and are shared with our network of EHS professionals and the designated energy champion at each site.



Kennametal staff and family members celebrate “The World Earth Day” at our plant in Tianjin, China.

PROTECTING OUR PLANET PROJECTS
Fiscal 2008-2022

	Number of Projects
Energy Conservation	202
Recycling and Paper Conservation	28
Waste Reduction	43
Air Emissions Reduction	11
Water Conservation	27
Community Engagement	45
Process/System Improvement	46

Chapter SDGs:



Climate Protection

We are working towards initiatives and innovative solutions to help reduce energy use and the resulting GHG emissions. We are continuing to evaluate our manufacturing operations to further understand our carbon footprint and risks and opportunities, with the aim of developing credible and realistic energy and GHG emission reduction targets, and the strategies and pathways to achieve them in the future.

We continue to invest in and develop our EHS management system to collect and track more comprehensive energy and GHG emissions data, which will enable us to set appropriate goals.



Energy and Greenhouse Gas Emissions

Our energy management strategy at Kennametal is focused on reducing energy use and increasing energy efficiency, and in turn reducing our GHG emissions. This is the reason why projects focused on energy conservation make up most of our POP initiative. Also, our investments towards modernizing and simplifying our manufacturing process are helping to drive energy efficiency. In fiscal 2022, we launched an energy-metering initiative across our manufacturing locations globally to optimize existing air compressor systems, with a focus on leak detection and monitoring of equipment to drive efficient energy use. One of our success stories from our Henderson, North Carolina location is highlighted in a case study in this report.

Additionally, where feasible, we will continue to evaluate energy providers to explore procuring carbon-free energy sources for our manufacturing locations in priority regions. An example of this is our Metal Cutting location in Bangalore, India which is sourcing a majority of their required electricity by purchasing renewable

energy credits (RECs) from an in-country solar farm since 2018, and as a result significantly lowering their GHG emissions. Furthermore, our operations in Whitehouse and Orwell, Ohio are procuring 100 percent carbon-free nuclear energy sources for all electricity use.

Overall energy (all commodities) consumption companywide was 1.89 million gigajoules in fiscal 2022, which was a 3.8 percent increase from the prior fiscal year. This increase was primarily due to increased production as we continue to rebound from reduced production caused by the pandemic. In line with the energy and production increase, our revenue also increased by 9.3 percent from the prior fiscal year.

Our energy intensity as a result decreased 4.1 percent compared to the prior fiscal year. This reduction was due to improved energy efficiency as well as ongoing investments in modernization of equipment and process simplifications, which kept our overall energy consumption increase smaller than our revenue growth.

Purchased grid electricity accounted for 70 percent of the energy we consumed in fiscal 2022. The remaining balance of 30 percent was comprised of natural gas, propane, heating oil and, to a lesser extent, diesel fuel. All of the electricity that we consumed came from the grid. Our facility in Bangalore, India discussed above, sourced 67.3 percent of its required energy from an in-country solar farm as credits. In fiscal 2022, 12.5 percent of our purchased grid electricity for our manufacturing operations in the U.S., our largest consumers of electricity, 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 Energy Management Standard, with eight of the certifications from our active manufacturing operations. These 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.

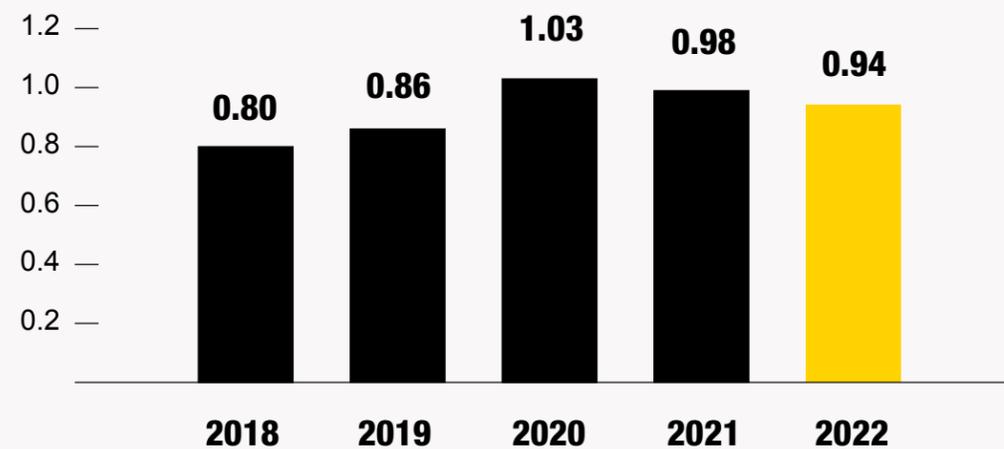
ENERGY CONSUMPTION
Millions of gigajoules

	2018	2019	2020	2021	2022
Direct	0.51	0.60	0.61	0.52	0.56
Indirect	1.38	1.43	1.33	1.30	1.33
Total	1.89	2.03	1.94	1.82	1.89

Direct is energy from the combustion of natural gas and includes propane heating oil and diesel fuel. Indirect is purchased grid electricity. Other energy sources not mentioned here are immaterial. Heating water and 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. Data changes from prior reporting were due to refinement of our data and inclusion of other locations to the scope of reporting. Data includes Latrobe campus (corporate center, administrative buildings and technology center), which was not included in prior reports.

ENERGY INTENSITY

Gigajoules / Million USD of revenue



Data represents consumption of natural gas, electricity, propane, heating oil and diesel fuel compared to FY revenue. Other energy sources not mentioned here are immaterial. Heating water and 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. Data includes Latrobe campus (corporate center, administrative buildings and technology center), which was not included in prior reports.





ENERGY CONSUMPTION BY BUSINESS SEGMENT
Millions of gigajoules

	2018	2019	2020	2021	2022
Infrastructure	1.14	1.22	1.17	1.07	1.13
Metal Cutting	0.75	0.81	0.77	0.75	0.76
Total	1.89	2.03	1.94	1.82	1.89

Data represents consumption of natural gas, electricity, propane, heating oil and diesel fuel. Other energy sources not mentioned here are immaterial. Heating water and energy from our fleet services are not included. Our Latrobe campus, which includes corporate center, administrative buildings and technology center is included within the Metal Cutting business segment. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded.

ENERGY CONSUMPTION BY UTILITY
Percent of total consumption

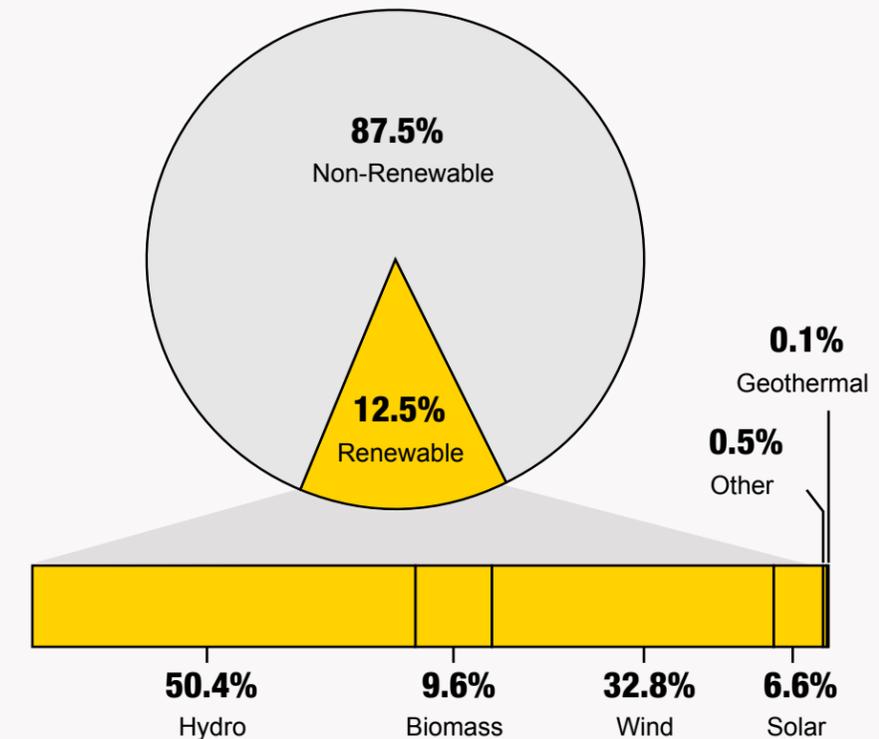
	2018	2019	2020	2021	2022
Natural Gas	24%	27%	25%	26%	27%
Grid Electricity	73%	70%	69%	72%	70%
Other Energy Sources	3%	3%	6%	2%	3%

“Other Energy Sources” includes propane, heating oil, and diesel fuel. Heating water is not included.

Additional data can be found in the [Appendix](#) of this report.

FY22 SOURCES OF RENEWABLE ENERGY FROM U.S. SUPPLIED ELECTRICAL GRID

Based on 2020 USEPA eGrid



All 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).

FY22 U.S. LOCATIONS ELECTRICAL GRID ENERGY CONSUMPTION BY SOURCE

	Mils of GJ	Percentage
Renewable	0.09	12.5%
Non-Renewable	0.63	87.5%
Total	0.72	100%

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

Greenhouse Gas Emissions

Our Scope 1 (direct) and Scope 2 (indirect) GHG emissions in fiscal 2022 totaled 162 thousand metric tons, which was a 5.3 percent reduction from the prior fiscal year. Primary factors that contributed to this decrease are improved energy efficiency, the ongoing investments in modernization of equipment and process simplifications, usage of carbon-free energy sources and the greening of the electrical grid.

Our Scope 2 energy consumption, associated with the purchased electricity used in our manufacturing operations, continues to be the most significant source of GHG emissions for Kennametal. For fiscal 2022 Scope 2 GHG emissions comprised 82 percent of our total emissions and Scope 1 represents 18 percent.

Our Scope 1 and Scope 2 GHG emissions intensity declined 12.9 percent from the prior fiscal year due to the reasons mentioned above for our absolute emissions when coupled with increased revenue.

SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

Thousand metric tons of carbon dioxide equivalents

	2018	2019	2020	2021	2022
Scope 1 (Direct)	27	31	34	27	29
Scope 2 (Indirect)	185	179	155	144	133
Total	212	210	189	171	162

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 and UK DEFRA emission factors. Gases included in all GHG calculations are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Excluded emissions include hydrofluorocarbons primarily used in refrigeration systems and SF₆ used in high voltage dielectrics because they are immaterial. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded. Data changes from prior reporting were due to refinement of our data and inclusion of other locations to the scope of reporting. Data includes Latrobe campus (consisting of corporate center, administrative buildings and technology center), which was not included in prior reports.

GREENHOUSE GAS EMISSIONS INTENSITY

Mt CO₂e / Million USD of revenue

	2018	2019	2020	2021	2022
Scope 1 (Direct)	0.11	0.13	0.18	0.15	0.15
Scope 2 (Indirect)	0.78	0.75	0.82	0.78	0.66
Total	0.89	0.88	1.00	0.93	0.81

Data shows GHG emissions compared to FY revenue.

GREENHOUSE GAS EMISSIONS BY BUSINESS SEGMENT

Thousand metric tons of carbon dioxide equivalents

	2018	2019	2020	2021	2022
Infrastructure	115	118	106	94	95
Metal Cutting	97	92	83	77	67
Total	212	210	189	171	162

Our Latrobe campus is included within the Metal Cutting business segment. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded.

Additional data can be found in the [Appendix](#) of this report.

Air Emissions

Non-GHG emissions that could be relevant to specific operations or regions include nitrogen oxide (NO_x), sulfur oxides (SO_x), persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAPs) and particulate matter (PM).

The type and quantity of non-GHG emissions at our manufacturing locations 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 non-GHG emissions. Overall, our specific non-GHG emissions are deemed as a minimal risk to the business given the low levels. PM and its precursors from our raw and intermediate material handling operations are not a concern since we capture most, if not all, in baghouses using high efficiency filters and other filtering devices in an effort to use as high a percentage of these materials as possible; as a result,

most of the PM emissions come from the on-site combustion of fuels and other sources which we consider immaterial and therefore we do not track. Additional information on our control of PM is included in [Chapter 4](#) on Waste Management. VOCs are measurable but very little is emitted and can be deemed immaterial. While we do have HAPs, they are PM emissions which we capture and reuse, as stated above. However, we will continue to monitor our company-wide air emissions footprint to ascertain what emissions would be appropriate and material to track on a global basis and disclose.

We control and minimize these emissions via regulatory requirements and permits where applicable. In areas where there are few applicable regulations, we still implement some controls or best management practices to minimize emissions that could have impact on human health and the environment.

LEAK DETECTION PROGRAM

\$113K

in cost avoidance by identifying nitrogen and air leaks

94 TONS

in reduced CO₂ by identifying the nitrogen and air leaks

LEAK DETECTION PROGRAM RESULTED IN COST AVOIDANCE, ENERGY SAVINGS AND GHG EMISSIONS REDUCTION.

By implementing a leak detection program, our Infrastructure location in Henderson, North Carolina has achieved energy and CO₂ emissions savings, and significant cost avoidance.

Driven by Kennametal's environmental and sustainability strategies, Henderson incorporated a compressed gas leak detection, repair, tracking and reporting process into their preventive maintenance program. Using ultrasound leak detection tools, the maintenance team routinely inspects all compressed gas systems, including air, nitrogen, hydrogen and argon gases. An energy monitoring system was installed to continuously monitor the compressed air energy use.

Through planned detection and repair of these systems, we are realizing operational cost reductions in energy and reduced consumption of purchased gases. In addition to the energy savings, the performance life of our compressors will be extended due to reduced load demand.

In fiscal 2022, our leak detection program has identified approximately 35 cubic feet per minute of nitrogen leaks, resulting in approximately \$101,000 in cost avoidance, and air leaks totaling approximately 84 cubic feet per minute, with a cost avoidance of approximately \$12,000. These repairs not only reduced our operational costs but also resulted in a reduction of 94 tons of CO₂ emissions.

TIANJIN, CHINA REDUCES WASTE AND ENERGY USAGE BY REPLACING GRINDING MACHINES

As part of our modernization efforts, our Metal Cutting operation in Tianjin, China replaced the majority of their water-cooling grinding machines with oil-cooled grinding machines. In addition to improving machining performance and reducing consumption of cutting fluid, environmental benefits such as reduced waste generation and energy savings potential were also realized.

After the change, cutting fluid consumption was reduced to 6 m³ from 40 m³. Accordingly, we will be able to reduce cutting fluid waste by 17 tons each year. In addition to the environmental benefits, cost savings will be yielded from the treatment of this hazardous waste.

Regarding energy savings, we were able to reduce usage by 79 percent with the change to the oil-cooled system. Prior to the change, approximately, 706,000 kWh of energy was consumed annually and after the replacement, energy consumption was reduced to approximately 149,000 kWh, an annual savings of approximately 557,000 kWh.

FLUID CONSUMPTION REDUCTION

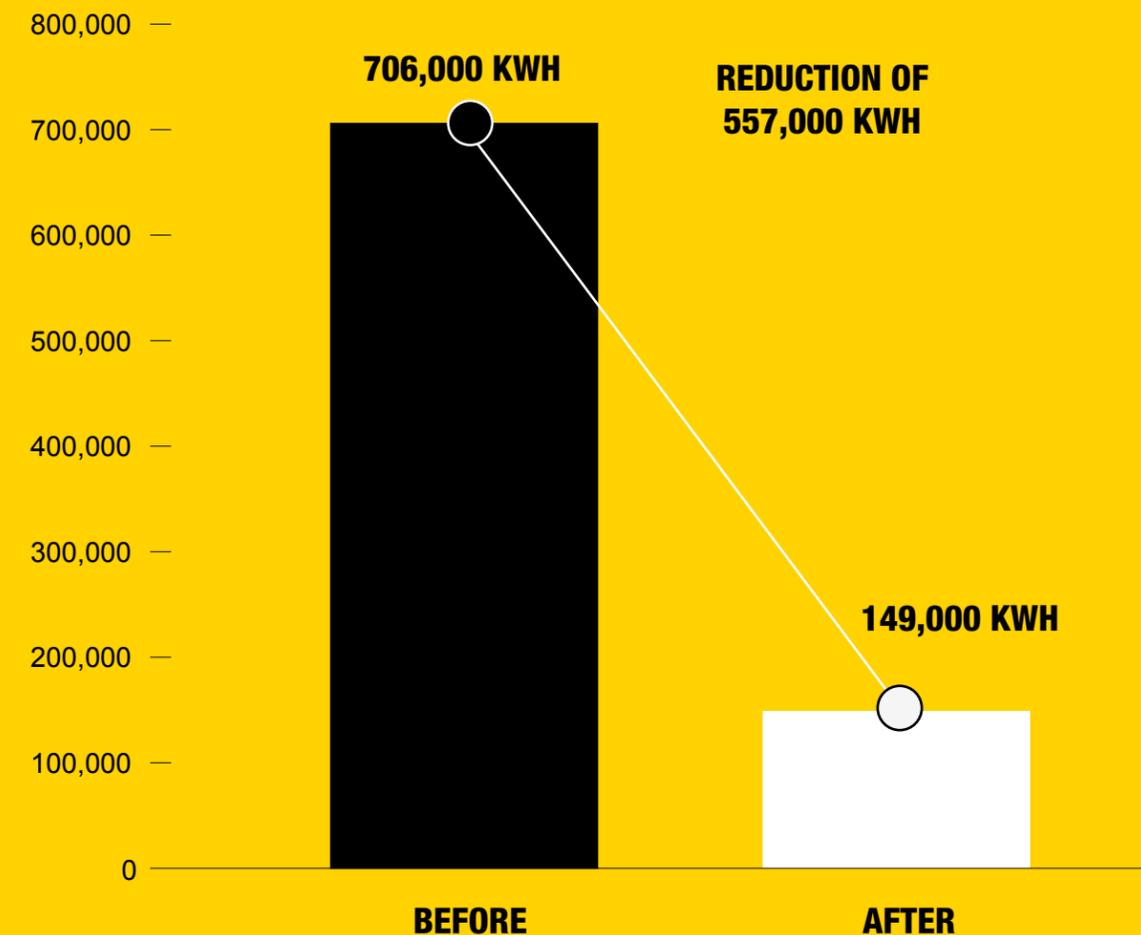
17 TONS

reduction in cutting fluids each year

85%

reduction in consumption from 40m³ to 6m³ in fluid consumption

REDUCTION IN ENERGY CONSUMPTION



557,000 KWH SAVED

Prior to replacing grinding machines, approximately, 706,000 kWh of energy was consumed annually and after the replacement, energy consumption was reduced to approximately 149,000 kWh annually.

Chapter SDGs:



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.



BANGALORE, INDIA

Our site donated \$57,000 to support the 'One Billion Drops' project at the Jayaprakash Narayan (J.P. Park) Biodiversity Park to improve the groundwater table of the park and its surrounding residential area. This project will help to conserve over 11,520,000 liters of rainwater per year, resulting in a substantial reduction in dependence on other water sources for watering the park and helping to ensure water security for the people living in the area.



Our water management programs focus on reducing water usage through recycling and reuse of water used in our manufacturing processes. Most of our manufacturing operations use closed-loop systems to recycle and reuse process water, which helps reduce water use by only withdrawing water to make up for evaporation losses.

Our operations use water primarily for manufacturing processes, cooling purposes, potable uses and sanitary uses. Our Infrastructure business segment is the largest consumer of water because of the type of activities they conduct. Each of our

manufacturing locations track water withdrawn and we use this data 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.

The quality of incoming water for our operations is not an issue because most of the water withdrawn comes from municipal water sources. We continue to withdraw a material amount of groundwater at select locations world-wide. Furthermore, majority of all water withdrawals are considered freshwater. We are establishing expectations in fiscal

2023 for our manufacturing locations to develop and maintain a water-flow balance that considers incoming water, uses of that incoming water and discharge. The water-flow balance can be used to identify opportunities to optimize water management for planned process changes or major upgrades.

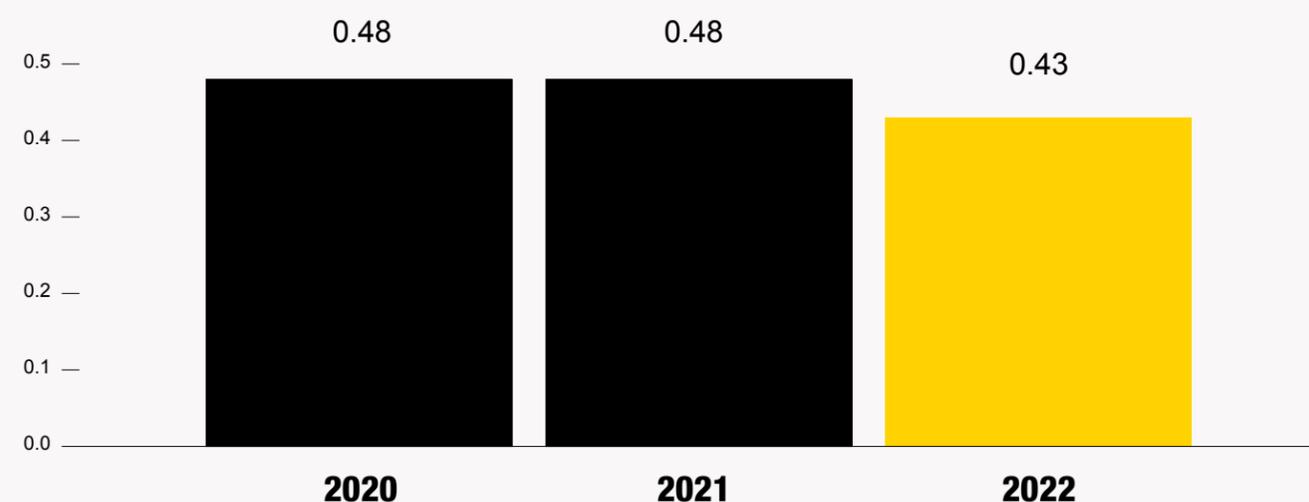
Where applicable, we sustain compliance with stringent wastewater permit and regulatory discharge requirements, in particular with our large manufacturing locations. All of our manufacturing operations are either indirect dischargers (discharge wastewater to local

wastewater treatment plants) or do not discharge any process-related wastewaters; none of our locations directly discharge any process-related wastewaters world-wide. Many conduct onsite pre-treatment before they discharge. Lastly, our manufacturing locations use best management practices, engineered controls and administrative controls, including proper housekeeping, to minimize impact from our materials and activities on stormwater runoff.

In fiscal 2022, we withdrew approximately 865.8 megaliters (228.8 million gallons) of water from municipal and groundwater sources, compared to 877.0 megaliters (231.7 million gallons) in fiscal 2021. The 1.3 percent reduction in water usage was primarily due to water conservation efforts and improved water efficiency of processes due to our ongoing investments in modernization of equipment and process simplifications which offset increases due to increased production in fiscal 2022. To affirm improved efficiency, our water intensity decreased by 10.4 percent, while our revenue increased by 9.3 percent from the prior fiscal year.

WATER WITHDRAWAL BY SOURCE Megaliters	2020	2021	2022
Municipal/Third-party	813.1	803.0	778.9
Groundwater	83.2	74.0	86.9
Total	896.3	877.0	865.8

WATER INTENSITY
Megaliters / Million USD of Revenue



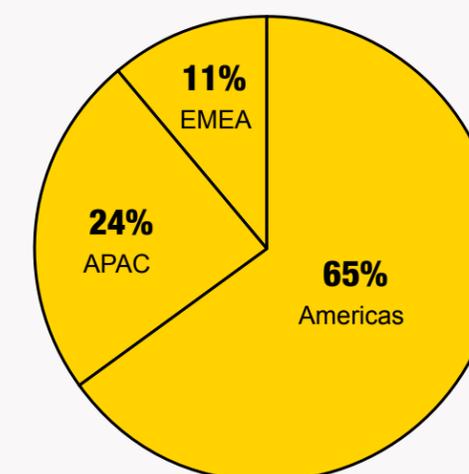
Data shows water withdrawn compared to FY revenue. Sources of water withdrawal are municipal/third-party, and groundwater. Waters used for sanitary purposes are included in this data. Waters used for irrigation purposes are excluded from this data.

WATER WITHDRAWAL BY BUSINESS SEGMENT Megaliters	2020	2021	2022
Infrastructure	487.6	439.4	501.4
Metal Cutting	408.7	437.6	364.4
Total	896.3	877.0	865.8

Additional data can be found in the [Appendix](#) of this report.

Water withdrawal is the sum of all water drawn from surface water, groundwater, seawater, or a third party for any use. Outside of the sources listed, none of our manufacturing operations withdraw surface water or seawater. Waters used for sanitary purposes are included in this data. Waters used for irrigation purposes are excluded from this data. Data changes from prior reporting were due to refinement of our data and inclusion of other locations to the scope of reporting. Data include Latrobe campus (consisting of corporate center, administrative buildings, and technology center), which was not included in prior reports. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded.

FY22 WATER WITHDRAWAL BY REGION



Chapter SDGs:



Waste Management

Kennametal is working on minimizing the environmental impact of the waste generated in our operations. Our strategy is to reduce waste sent to the landfill, therefore minimizing any potential contamination risk.

WASTE BY TYPE Thousand metric tons	2018	2019	2020	2021	2022
Hazardous	2.5	2.1	2.0	1.9	2.0
Non-Hazardous	10.3	11.5	10.5	9.3	9.2
Total	12.8	13.6	12.5	11.2	11.2

Data does not include waste generated from our Latrobe campus. Also, warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded. Data changes from prior reporting were due to refinement of our data.



We expect each of our manufacturing locations to identify waste minimization opportunities through our POP initiative, such as the Shlomi, Israel case study highlighted on page 21. We are also working on a partnership with a qualified waste vendor to review our waste streams to identify alternative options to landfilling. We reduce waste sent to landfills through recycling and reuse of production scrap, fluids, sludges and through other disposal options including waste-to-energy programs. We are also focused on protecting the environment by minimizing our manufacturing waste at the source,

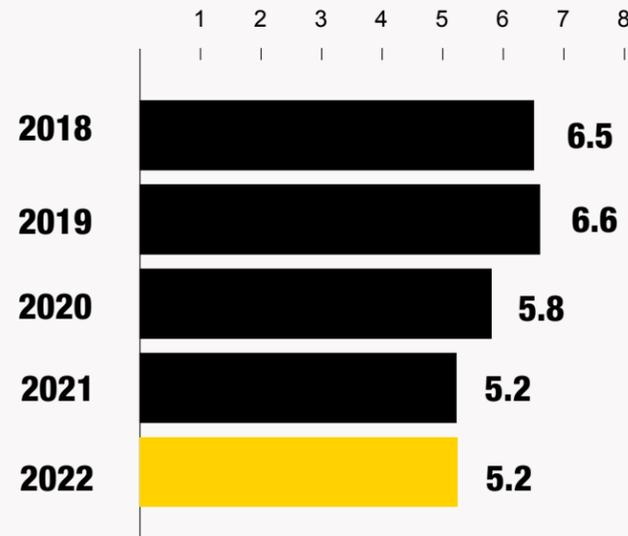
such as hazardous waste produced in our manufacturing processes. Further, we ensure compliance with all applicable laws and regulations regarding hazardous and non-hazardous waste storage and disposal. When waste is generated from our manufacturing processes, we classify this waste to determine safe management and disposal. Each of our facilities tracks and reports data on generation, diversion and disposal of hazardous and non-hazardous waste so we can continuously improve our manufacturing processes and enhance recycling and reuse programs.

We also work to reduce waste and promote a circular economy by 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 reduce the product's emissions, energy and water footprint compared to products manufactured from virgin materials. See the Reconditioning and Recycling section for further details on this initiative.

In fiscal 2022, we generated approximately 11.2 thousand metric tons of waste, consistent with the previous fiscal year. Of the total waste generated, 17.9 percent was hazardous waste and 82.1 percent was non-hazardous waste. We landfilled 5.2 thousand metric tons of waste, which is 46.4 percent of the total waste we generated. Our landfilled waste remained similar to the prior fiscal year. Our landfilled waste intensity decreased by 7.1 percent compared to the prior fiscal year due to increased production and staying flat on landfilled waste volume.

TOTAL WASTE LANDFILLED

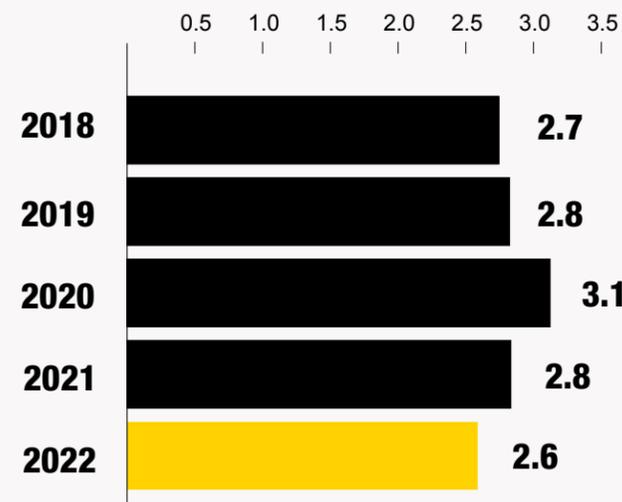
Thousand metric tons



Landfill is the final deposition of a waste at, below or above ground level at engineered disposal sites. Data does not include waste generated from our Latrobe campus. Also, warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded. Data changes from prior reporting were due to refinement of our data.

LANDFILLED WASTE INTENSITY

Metric ton / million US of revenue



Data shows waste landfilled compared to FY revenue.

Additional data can be found in the [Appendix](#) of this report.

WASTE GENERATED BY BUSINESS SEGMENT

Thousand metric tons

	2018	2019	2020	2021	2022
Infrastructure	6.4	7.1	6.4	5.4	6.8
Metal Cutting	6.4	6.5	6.1	5.8	4.4
Total	12.8	13.6	12.5	11.2	11.2

Data does not include waste generated from our Latrobe campus. Also, warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded.

FY22 WASTE BY TYPE AND DISPOSAL METHOD

Thousand metric tons and percent

	Recycle/Reuse	Landfill	Total
Hazardous	1.4	0.6	2.0
Percentage	70%	30%	100%
Non-Hazardous	4.6	4.6	9.2
Percentage	50%	50%	100%
Total	6.0	5.2	11.2

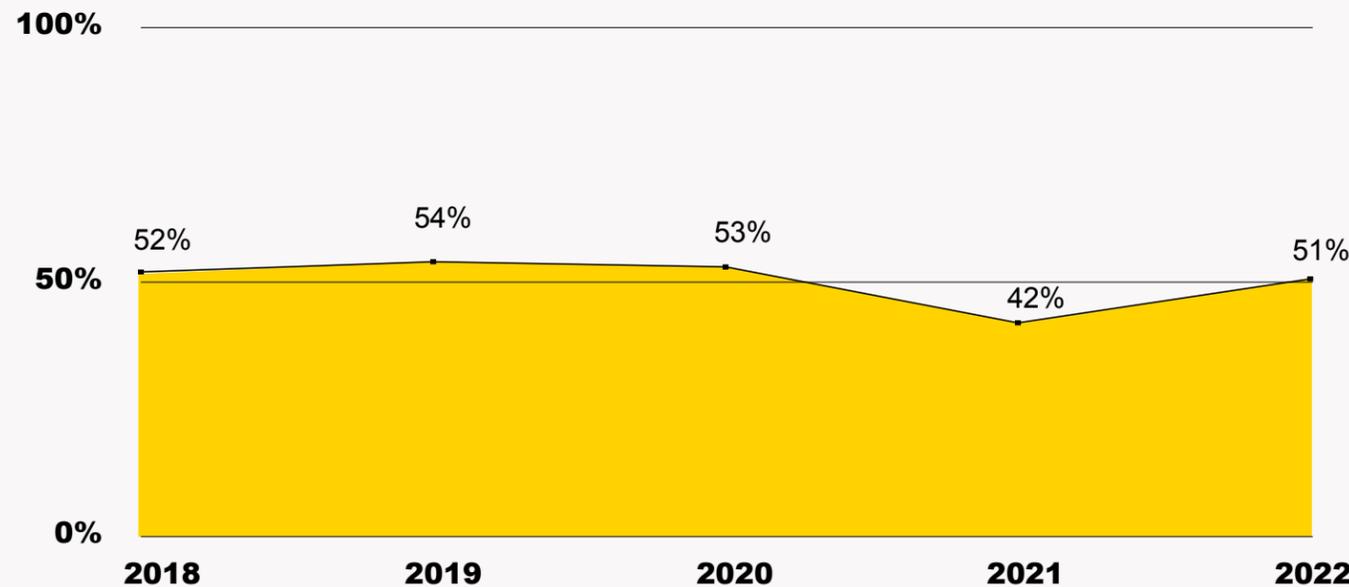
Reuse is when you put a waste stream to use for the same purpose for which they were conceived. It is used without any form of treatment. Recycling is when you reprocess or treat the waste/material to make new materials. We define landfilled to include landfilling, incineration, solidification and other means of disposition outside of recycle/reuse. Data does not include waste generated from our Latrobe campus. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded.



90%

of our End-of-life sintered carbide products and hard scrap carbide on average consist of tungsten carbide, which is infinitely recyclable.

RECYCLED MATERIALS USED IN FEED PLANT PRODUCTION (%) (2018-2022)



Data includes Bangalore, Fallon, Huntsville, Mistelgau and Tianjin plants.

RECYCLING SERVICES

Kennametal recycles scrap, fluids and sludges produced from cutting, machining and grinding metal and reusing 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 a recyclable container that we provide. We also have a web-based buyback program to purchase solid and sludge carbide scrap from third parties, and purchase sludge carbide scrap from customers.

In addition to our program aimed at customers, we are also partnering with our suppliers to recycle tungsten scrap generated in our supply chain. One initiative is focused on 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.

[Learn more.](#)



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 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 return reconditioned products to the customer using the same container whenever feasible, further reducing waste.

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

[Learn more.](#)

OIL FILTRATION SYSTEM UPGRADE RESULTS IN COST SAVINGS AND LANDFILLED WASTE REDUCTION

We are always looking for ways to eliminate or reduce our manufacturing waste or find alternative solutions (other uses, recycling options, etc.) for the waste streams we generate.

As part of our modernization efforts, our Metal Cutting location in Shlomi, Israel wanted to replace their old oil filtration system with a new one that is more efficient, provides closed loop oil recycling and is more environmentally friendly. The old system was inefficient, caused production disturbances, and generated large volumes of sludge, a waste which went to the landfill. Annually, we generated approximately 36 metric tons of this waste stream.

In fiscal 2022, we replaced the old system with a new oil filtration system that is more efficient, stable and environmentally friendly. By making this change, we were able to obtain some cost savings, including reduced preventive maintenance activities, as well as environmental benefits.

We have eliminated 100 percent of the sludge we dispose of in landfills, as a result of generating less sludge from the new system and being able to recycle what is generated. We have also avoided consumption of filtering media (cellulose powder), which is one of the major components in the sludge. Approximately 50 tons of cellulose powder was purchased annually, which is now avoided. We are also expecting a 50 – 54% reduction of annual grinding oil consumption.

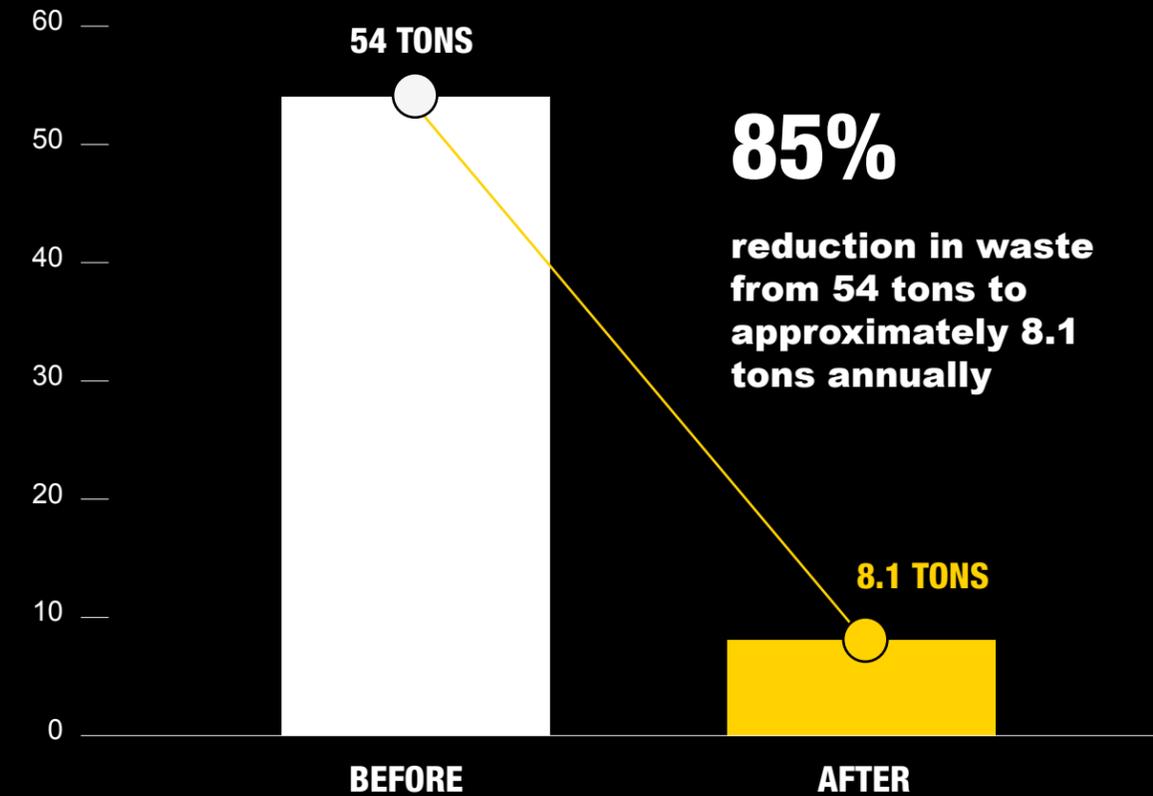
Additionally, we achieved significant energy savings. This is because the new system is more efficient and less equipment is needed, resulting in less electricity consumption and consequently a reduction in GHG emissions.

ELIMINATED

100%

of sludge we dispose of in landfills in Shlomi, Israel

HAZARDOUS WASTE REDUCTION IN XUZHOU, CHINA



XUZHOU, CHINA EVAPORATION SYSTEM REDUCES GENERATION OF HAZARDOUS WASTE LIQUID

Our Infrastructure operations in Xuzhou, China, operates quench and washer processes for brazing welding of highway and mining conicals and washing of these conicals. Annually, we generate 54 tons of waste liquid from these processes, containing sodium nitrate and sodium hydroxide.

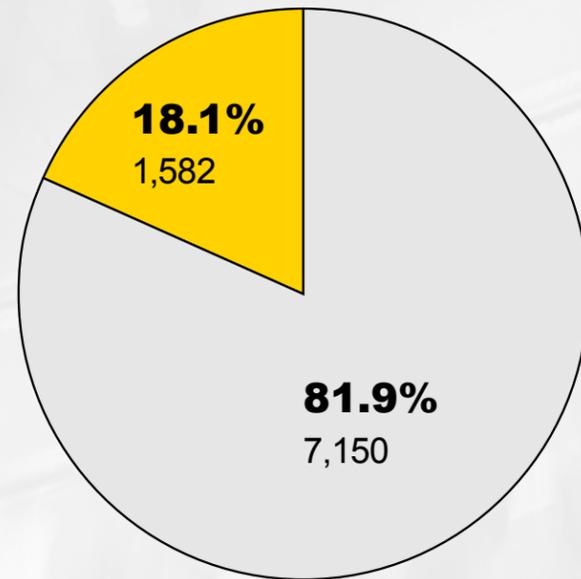
As part of our POP initiative, the Xuzhou location invested in an evaporation system to reduce the generation of this waste liquid. Although our energy consumption increased slightly with the addition, we were able to reduce the waste by 85 percent from 54 tons to approximately 8.1 tons annually.

Making a Social Impact

Our ESG and sustainability strategy includes ensuring the health and safety of our employees and helping them reach their full potential by providing a supportive and inclusive environment. Kennametal is committed to having a positive impact on the development and enrichment of the communities where we live and work through workforce development programs, philanthropic support and strategic partnerships with nonprofit organizations and encouraging employee volunteerism.

KENNAMETAL GLOBAL EMPLOYEES
AS OF JUNE 30, 2022

8,732



Female
Male

CONTRIBUTIONS IN FY22

\$690K

in contributions and
2,500 volunteer hours
through United Way

INCREASE IN WOMEN IN
SENIOR LEADERSHIP FY22

+14%

year over year

KENNAMETAL YOUNG ENGINEERS
PROGRAM STUDENT GRADUATES

470

since launch in 2011

PERCENTAGE OF WOMEN PARTICIPANTS IN
TRAINING AND APPRENTICESHIP PROGRAMS

44%

HIGHLIGHTS

Chapter SDGs:



Human Capital Management

Kennametal is committed to observing 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 we consider our labor relations to be good.

Human capital management (HCM) is a top priority at Kennametal and is overseen by our Vice President and Chief Administrative Officer, who reports regularly to the Board’s Compensation and Human Capital Committee. We utilize an HCM system to gather and use employee data to improve business processes and focus on recruiting and retaining talented employees. The HCM system provides an operating framework to better manage hiring and managing people, including goal setting, performance appraisals, mentoring, succession planning and learning and development.

All professional employees participate in an annual performance cycle consisting of recommended quarterly check-ins and required mid-year and year-end reviews. The performance cycle is designed to help with setting goals, aligning employee goals with Company goals, fostering meaningful career and development conversations and assisting managers in making compensation recommendations aligned with our pay-for-performance philosophy.

WORK LIFE BALANCE

In an effort to recruit and retain the best talent, we instituted flexible work arrangements and work-from-home protocols for employees who could perform their work remotely. In fiscal 2022, our flexibility program, That Works! was partially responsible for driving significant year-over-year improvement in the Work Life Balance category of Kennametal’s employee engagement scores.



Culture and Engagement

Our employee engagement strategy is based on building a culture of accountability in which all employees recognize their individual importance and their power to move the Company in a positive direction to achieve our long-term business results. We call this culture The Kennametal Way, encompassing five cultural beliefs and underlying behaviors.

The Kennametal Way was introduced in fiscal 2020 with online and in-person training required for all professional employees globally. This training was completed for professional employees in fiscal 2021 and will roll out to production employees in fiscal 2023. As the program matures, we will continue to track its movement on our cultural journey.

We conduct annual “Be Heard” employee engagement surveys to gather information and feedback on a wide range of issues including teamwork, decision-making, health and safety, diversity and inclusion and

ethical behavior. The results of the surveys are shared with employees and we use the data to develop and refine employee engagement programs and initiatives.

In our most recent survey conducted in May 2022, we had a response rate of 75 percent and showed improvement in engagement scores across our global production and professional workforce. Our average engagement score was 68 (benchmark of 76), up from 66 in 2021. 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 across all 21 categories measured and met our benchmark of 70 for work life balance. The average engagement score takes all scores into account, not just responses in the favorable categories of the scale.

THE KENNAMETAL WAY



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.



BE BOLD

I make courageous and informed decisions with speed while managing risks.



FOCUS NOW

I prioritize time, talent and resources to maximize our key results.

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

VOLUNTARY TURNOVER RATE	2018	2019	2020	2021	2022
Involuntary	2.6	3.1	6.0	4.2	2.6
Voluntary	6.1	5.9	6.0	7.5	9.1
Overall	8.7	9.0	12.0	11.7	11.7



Engagement

68 ▲ 2 points

▲ 4 points in two years

Work Life Balance

70 ▲ 3 points

Increase due in part to launch of That Works!

Learning and Development

Kennametal works to develop a qualified and motivated workforce to enable our Company to grow and achieve long-term success. We provide opportunities for employees to gain the skills and knowledge they need to advance in the Company and fulfill personal career goals. Supporting our learning and development efforts is our OneTeam learning management system. Available in multiple languages, OneTeam offers more than 10,000 online courses in an easy-to-use interface. Our employees completed over 4,000 hours of training using the system in fiscal 2022.

Our learning and development programs include leadership development training for senior, mid-level and emerging leaders as well as skills development for specific roles, such as project management, process improvement and sales training. We also offer training focused on building awareness and fostering a culture of diversity and inclusion.

Our operational employees receive technical training on metalworking and machining practices through the Kennametal Knowledge Center (KKC). In addition, we develop a pipeline of operational leaders through our Leadership Excellence Advancement Program (LEAP), a 12-month program focused on building leaders for plant manager and other operational leader positions who understand and connect our strategies to execution through operational excellence.

In addition to Company-sponsored learning programs, Kennametal offers tuition reimbursement to employees who enroll in undergraduate or graduate programs to help further their skills and advance their development.

In 2022, our employees used our training tool OneTeam for a total of

>4,000HRS



KENNAMETAL KNOWLEDGE CENTER

At Kennametal, metalworking is a science, and we believe in providing world-class training on the latest machining practices to our employees, channel partners (distributors and sales agents) and customers around the world. The KKC was established in 1998 to advance our industry by developing and training qualified machinists. We offer instructor-led and online training that includes machining fundamentals, tool design and selection and metalcutting applications. All our training is brand independent and combines theory and best practices with the latest tooling and manufacturing strategies.

The KKC offers customized on-site training programs and self-paced online programs to achieve Certified Metalcutting Professional (CMP) status. We conduct instructor-led training delivered in the local language at our corporate training centers in Latrobe, Pennsylvania; Fuerth, Germany; Bangalore, India; and Shanghai, China. During the COVID-19 pandemic, we also developed and offered online remote training, including virtual lab machining demonstrations.

During fiscal 2022, our global team conducted 31 instructor-led training sessions for 1,766 participants following all COVID-19 safety protocols. Our online training reached 17,243 people during the fiscal year, and 88 people completed the CMP program. A list of upcoming courses can be found on the [KKC webpage](#).

Compensation and Benefits

We offer competitive compensation and benefits packages that reflect the needs of our workforce. Our health and wellness benefits are aligned with our core Total Rewards philosophy emphasizing choice, cost-competitiveness, accountability, simplicity and compliance with applicable laws and regulations. Our insurance benefits include medical, dental and vision coverage, disability coverage and basic life and accidental death coverage. We offer a variety of paid and unpaid parental leave to employees based on their particular country.

Our Employee Assistance Program (EAP) offers confidential services such as counseling, work-life services, legal and financial services. To assist employees in planning for retirement, we sponsor several defined contribution retirement plans. Most U.S. employees are eligible to participate in a 401(k) plan that includes a 100 percent Company match of eligible employee contributions up to 6 percent. We also sponsor defined benefit pension plans for certain employees, primarily in locations outside the U.S.



100%

Company match of eligible employee contributions up to 6% in the U.S. via 401(k)

TYING COMPENSATION TO ESG METRICS

At its June and July 2022 meetings, the Compensation and Human Capital Committee of the Board of Directors added a design element to the Annual Incentive Plan (AIP), where all Executive Leadership Team members and other key senior leaders will be measured on achieving goals related to Diversity and Inclusion and safety. Ten percent of the personal component of AIP will be tied to these metrics, a critical step in moving important Social initiatives forward.

Kennametal's overall executive compensation philosophy is designed to attract, incentivize and retain high-performing talent, recognize individual contributions to the Company and ensure alignment between management's interests and the interests of our stakeholders. The Board's Compensation and Human Capital Committee has adopted a strong pay-for-performance philosophy with compensation paid in a mix of base salary, annual cash-based incentives under our Annual Incentive Plan and our equity-based Long-Term Incentive Plan (LTIP).

The AIP is designed to motivate participants to help the Company achieve pre-established short-term financial and strategic goals and to reward participants to the extent the

Company achieves those goals. We do not offer significant short-term incentives that might drive high-risk investments at the expense of creating long-term shareowner value. All of our executives, senior management team members and certain team members in other key positions participate in the AIP. Beginning in fiscal 2023, the strategic goals for key leadership team members in the AIP include achievement of targets for Diversity and Inclusion and safety metrics.

At the senior management and executive levels, the LTIP is designed to offer long-term stock-based awards that reward sustainable long-term performance, especially when considering our share ownership guidelines and vesting requirements.



Diversity and Inclusion

Kennametal values diversity in all forms and we are focused on building a culture of inclusion based on our core value of respect and our cultural belief, as expressed in the Kennametal Way, where “Everyone Matters” and employees collaborate across the enterprise with trust and respect. We believe a strong culture of inclusion helps foster a workplace where everyone can succeed and enables our organization to reflect the diversity of our customers, suppliers and communities.

Our commitment to diversity and inclusion (D&I) starts at the top with the Company’s Board of Directors, which has delegated to the Compensation and Human Capital Committee oversight responsibility for the Company’s D&I policies and programs. Kennametal is committed to providing equal employment opportunities and we have strong employment and non-discrimination policies, as outlined in our [Code of Conduct](#) and discussed in [Chapter 5](#) on Human Capital Management.

Our Global Inclusion Council, made up of cross-functional global

leaders, was formed in fiscal 2021 to champion strategic D&I initiatives and provide guidance and support. Four regional inclusion councils covering the Americas, Asia Pacific (APAC), Europe, Middle East and Africa (EMEA) and India help execute our D&I strategies and provide a global perspective.

In our most recent employee engagement survey, our “Belonging” score was our biggest improvement, increasing seven points year over year.

STRATEGIC PILLARS

In fiscal 2022, we focused on implementing the strategy developed in the prior year to elevate and advance D&I across our global organization. Our strategy is based on four pillars:



The strategic initiatives for each pillar are led by a senior Kennametal executive who is known as an accountability partner. These accountability partners work with our People & Culture team to implement programs designed to drive action and achieve our near-term and long-term goals. We monitor the progress of our diversity initiatives 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 part of our annual employee survey, we include questions to monitor attitudes towards diversity and inclusion.

As part of our awareness initiatives in fiscal 2022, we continued to enhance the D&I sections of the Company’s intranet and our external website. We expanded our Employee Resource Groups (ERGs) to facilitate communication and mentorship among diverse groups within the Company, such as the APAC Women’s Club, U.S. Women’s Mentoring and U.S. Young Professionals groups. Our facilities around the world held events in March 2022 to celebrate International Women’s Day and recognized the achievements of female colleagues and participated in activities and discussions.



EXPANSION OF EMPLOYEE RESOURCE GROUPS

- 1

APAC Women’s Club
- 2

U.S. Women’s Mentoring
- 3

U.S. Young Professionals

The percentage of women in leadership roles has increased significantly over the past five years:

PERCENT CHANGE FROM FY18 TO FY22	%
Board of Directors	122%
Executive	93%
Senior Leadership	31%
Senior Management	75%
Management	37%

Additional data can be found in the [Appendix](#) of this report.

Honors and Awards

Our talent acquisition initiatives in fiscal 2022 included partnering with a leading recruiting firm to build a diverse talent pipeline. In the U.S., we partnered with Historically Black Colleges and Universities (HBCUs) and minority organizations at universities to increase talent development and recruiting efforts, including University of Pittsburgh, Purdue University and the Center for Enhancement of Engineering Diversity at Virginia Tech.

In India, as discussed in [Chapter 9](#) on Community Engagement, we partnered with non-profit organization Katalyst India to sponsor educational expenses and provide mentorship and internship programs for young women from lower-income communities. We also increased our participation in industry organizations focused on promoting diversity in the manufacturing industry, including the National Society of Black Engineers, Women in Manufacturing and Vibrant Pittsburgh.

Development initiatives in fiscal 2022 included the launch of our D&I Development Program for organizational leaders throughout the Company and Global and Regional Inclusion Council members, including unconscious bias training for hiring managers. We also promoted the D&I courses offered in our OneTeam online learning management system.

Our community initiatives include philanthropic support for organizations providing scholarship programs and STEM education programs directed toward increasing diversity, including The Pittsburgh Foundation and the Prayoga Institute of Education Research, a non-profit organization in India. We also promote the use of PTO Volunteer Time for our U.S. employees in conjunction with launch of regional philanthropic events.

Several of our women employees were honored in fiscal 2022 for achievements in the manufacturing industry and for promoting the advancement of women in the industry.

Dianmei Xu, Senior Engineer Manufacturing Applications, was the winner of a 2022 STEP Ahead Award, sponsored by The Manufacturing Institute, which recognizes women in science, technology, engineering and production careers who have accomplished success within their companies and exemplify leadership in the manufacturing industry. Three other women leaders from Kennametal were recognized as award nominees this year, including Danielle Allred, Materials Manager – Americas; Joy Liu, Manager Manufacturing – APAC; and Molly Horrell, EMERGE Program Associate Commercial – Americas.



Carlonda Reilly, Vice President and Chief Technology Officer, was selected for the 2021 class of the Women in Manufacturing (WiM) Hall of Fame inductees. The honor is given to women who exemplify WiM's mission to support, promote and inspire women across the manufacturing industry and beyond.



Judy Bacchus, Vice President and Chief Administrative Officer, was a winner of a 2021 Women of Influence award from the Pittsburgh Business Times, honoring leading women who are changing their industries and impacting their communities.



Chapter SDGs:



Health and Safety

Ensuring the health and safety of our employees, supervised contractors and non-supervised contractors, is one of our core values across our global operations. We are developing a world-class health and safety culture, with standards that target zero injuries and illnesses, and we expect all employees and contractors globally to participate in these initiatives.

Kennametal's Environmental, Health and Safety (EHS) Policy Statement states our commitment to meeting and exceeding all applicable health and safety legal requirements and our dedication to continually improving our performance. Our health and safety strategy is designed to focus on proactively identifying, mitigating and eliminating high-risk conditions that could result in a serious injury or fatality. Additionally, we empower all employees and contractors to stop any job until it can be performed safely at our sites.



Health and Safety Strategy



FATALITY 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

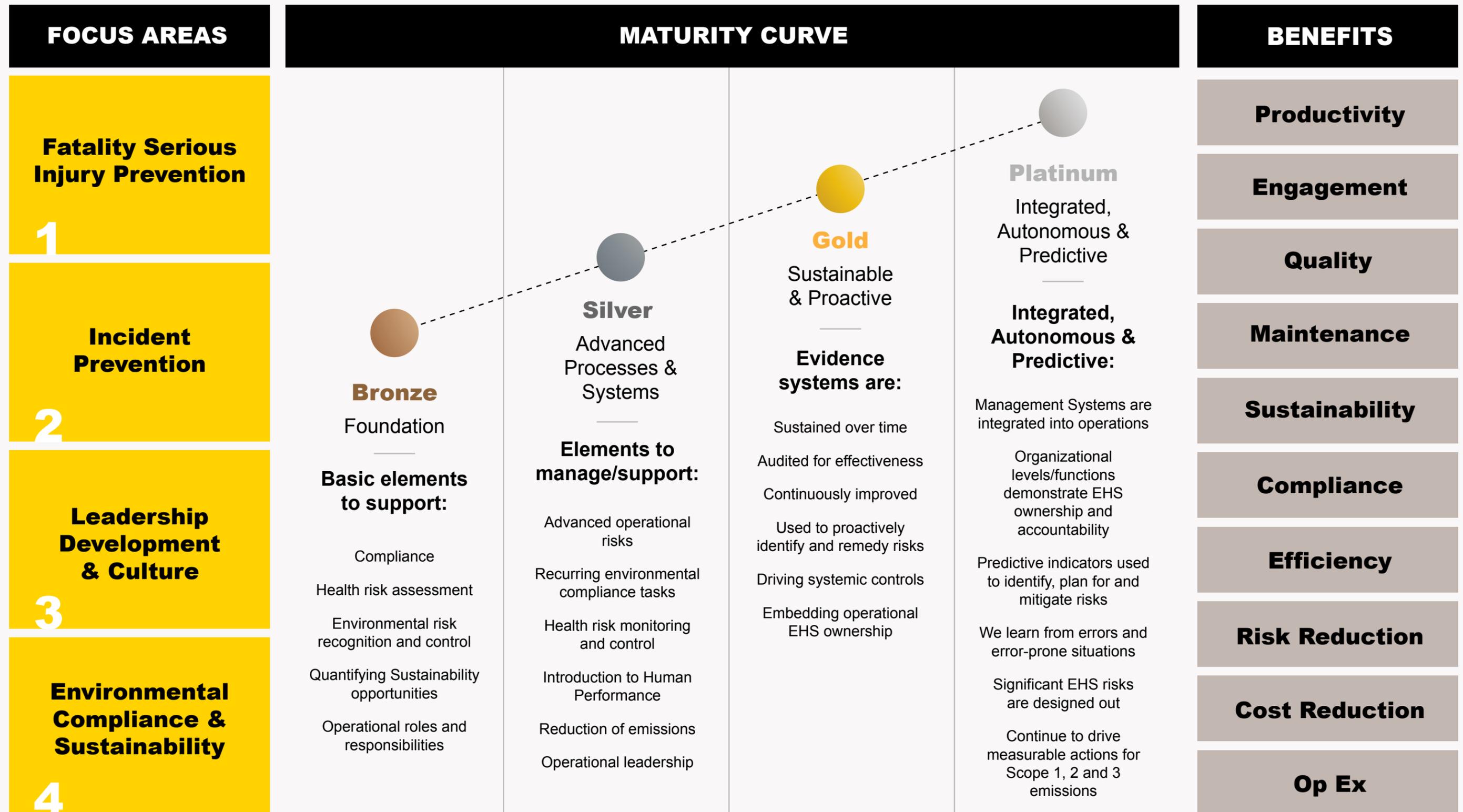
Engaging leaders at every level of the organization to own and lead environment, health and safety.

Our EHS Roadmap formalizes and communicates our shared long-term vision and the path to achieve it. The roadmap's focus areas represent our three health and safety strategic pillars with the addition of environmental compliance and sustainability. All aspects of our business benefit when we execute effectively against the roadmap.

The roadmap's maturity curve covers the four stages that each location, and ultimately the Company, will

move through on our journey toward creating an integrated, autonomous and predictive EHS culture. The roadmap is the backbone of our annual planning process as we assess current conditions, define mid-term targets and establish actions and metrics to drive performance. Through this process, the roadmap guides our overall strategy and influences the standards and programs we implemented and how they evolve over time.

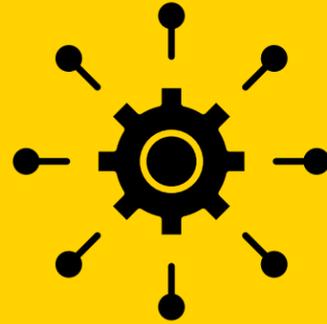
EHS ROADMAP DEFINES OUR LONG-TERM VISION & PATH



EHS Management System

We continuously improve our corporate EHS Management System to support our compliance and risk reduction efforts. Our EHS management system encompasses all employees and supervised contractors across our organization to enable their participation and ownership of Kennametal's EHS processes. All employees and supervised contractors are required to actively participate in the EHS processes at all of our global locations.

In fiscal 2022, we launched an enhanced electronic EHS Management System, including an extensive list of apps to enable streamlined collection, tracking and dissemination of key data. The apps include 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. Additional apps planned for fiscal 2023 include management of change and document control.



Our EHS processes are overseen by Safety Lead Team professionals at all levels of the Company and supported through our EHS management system, and includes these key framework elements:

1



Commitment

2



Objectives, Targets and Actions

3



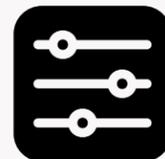
Organizational Structure, Responsibility and Accountability

4



Training

5



Operational Control

6



Incidents and Non-Compliance

7



Records

8



Fatality Prevention

EHS Standards, Verification Audits and Self-Assessments

Along with each standard, we have developed a self-assessment used to evaluate performance and develop action plans needed to meet tier levels aligning with the EHS roadmap. As discussed above, in fiscal 2022 we launched a new app as part of our EHS Management System to process electronic self-assessments, which capture each location's level of compliance and create action plans. We have built a calendar of when each plant is expected to complete the self-assessments of specific standards and have set milestones for

gap closure based on tier levels which align with our roadmap.

Additionally, in fiscal 2022 we launched the internal EHS Verification/Internal Audit Process. The process includes the corporate EHS Staff and at times a trained special auditor, who is an EHS Professional from one of our manufacturing locations. The onsite EHS Verification team reviews four determined protocols for compliance and risk, which results in a score; if gaps are noted, action plans are created. The verification covers all employees, supervised contractors

and non-supervised contractors at the location through a random sampling process including testing of program implementation, field observations and interviews. The EHS Verification team also identifies potential FSI risks and works to assist the plant in correcting gaps while onsite. The last day of the EHS Verification Process includes a preplanned Focus Improvement Event, which is a collaborative event aimed at making significant impacts to a high-risk item the site has identified.



As part of our commitment to continuous improvement of our EHS programs, Kennametal has focused on the creation of new companywide Global EHS Standards to strengthen our compliance management across the organization. These standards include:

- Fatality and Serious Injury (FSI) Prevention
- Contractor Safety
- Powered Industrial Vehicles
- Molten Metal Personal Protective Equipment (PPE)
- Lock/Tag/Verify
- Fall Control
- Machine Guarding and Robotics Safety
- Electrical Safety



Safety Metrics

SAFETY PERFORMANCE	2018	2019	2020	2021	2022
Fatalities	0	0	0	0	0
Fatality Rate	0	0	0	0	0
Total Recordable Incidents	55	42	40	32	28
Total Recordable Incident Rate	0.51	0.40	0.43	0.37	0.32
Near-Miss Events	0	713	578	802	648
Near-Miss Frequency Rate	0	6.85	6.19	9.29	7.30
Lost Time Incidents	17	17	16	8	12
Lost Time Rate	0.16	0.16	0.17	0.09	0.14

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. Previous year adjustments reflect data reconciliation from internal incident and hours worked review process.

FY22 FSI PERFORMANCE	Numbers
FSI Actuals	1
FSI Risk Identification Target	455
FSI Risks Identified	802
FSI Risks Mitigated	802
Past-Due FSI Corrective Actions	0



Incident Prevention

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

- 1 Locations report near-miss events, which are incidents that do not result in an injury but have the potential to do so. In fiscal 2022, we encouraged each location to recognize and report one near-miss event per month or a minimum of three per quarter.
- 2 We 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.
- 3 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.

- 4 We implement our Rapid Safety Assessment Process focused on addressing plants with high incident reports. Safety Lead Team professionals from corporate and regional levels meet with local plant employees to promote our safety culture and examine safety processes.
- 5 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 2022, we included a stop work recognition to our monthly global FSI meeting to highlight an individual who had stopped for safety.
- 6 In fiscal 2022, all locations created new and updated existing personal protective equipment assessments.
- 7 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.

- 8 Plant managers led select employees on monthly EHS safety walks to focus on safety risks in different departments. We required each plant to conduct at least two safety walks per month. In fiscal 2022, we launched a series of fatality serious injury hazard recognition checklists to bolster this process.
- 9 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.
- 10 In fiscal 2022, we also continued developing our occupational health program focused on industrial chemical exposure. We initiated industrial hygiene qualitative exposure assessments for all North American locations in fiscal 2022. We also prepared existing global industrial hygiene data for upload to an electronic industrial hygiene management system.

- 11 We remained focused on reducing hand and finger injuries – which continued to be a primary cause of injury – through risk identification, hand and finger risk campaign, ongoing communication and additional machine guarding and personal protective equipment. These efforts helped reduce recordable hand and finger injuries by 45 percent since fiscal 2018. In fiscal 2022, we drafted a Hand and Finger Program, set to launch in fiscal 2023. The program focuses 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 and no-touch rules.
- Through these efforts and others, we continue to drive proactive risk-reduction. In fiscal 2022, we achieved a 14 percent reduction in our total recordable incident rate compared to the prior fiscal year.

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 2022, our top three FSI risks were different-level falls, falling object hazards and machine guarding.

Our FSI prevention standard requires each location to have a cross-functional FSI team, which is tasked with proactively identifying FSI risks and creating an action plan to mitigate or eliminate each identified FSI risk. Our corporate-wide goal is zero past-due corrective actions, and we require all unacceptable FSI risks to be eliminated or mitigated within 24 hours of identification.

The teams use a standardized risk evaluation process to first rank a risk based on probability and severity and then evaluate the layers of control using the hierarchy of controls.

In fiscal 2022, we required the teams to identify at least one FSI risk per month for their location. Collectively, they proactively identified an average of 67 risks per month during the fiscal

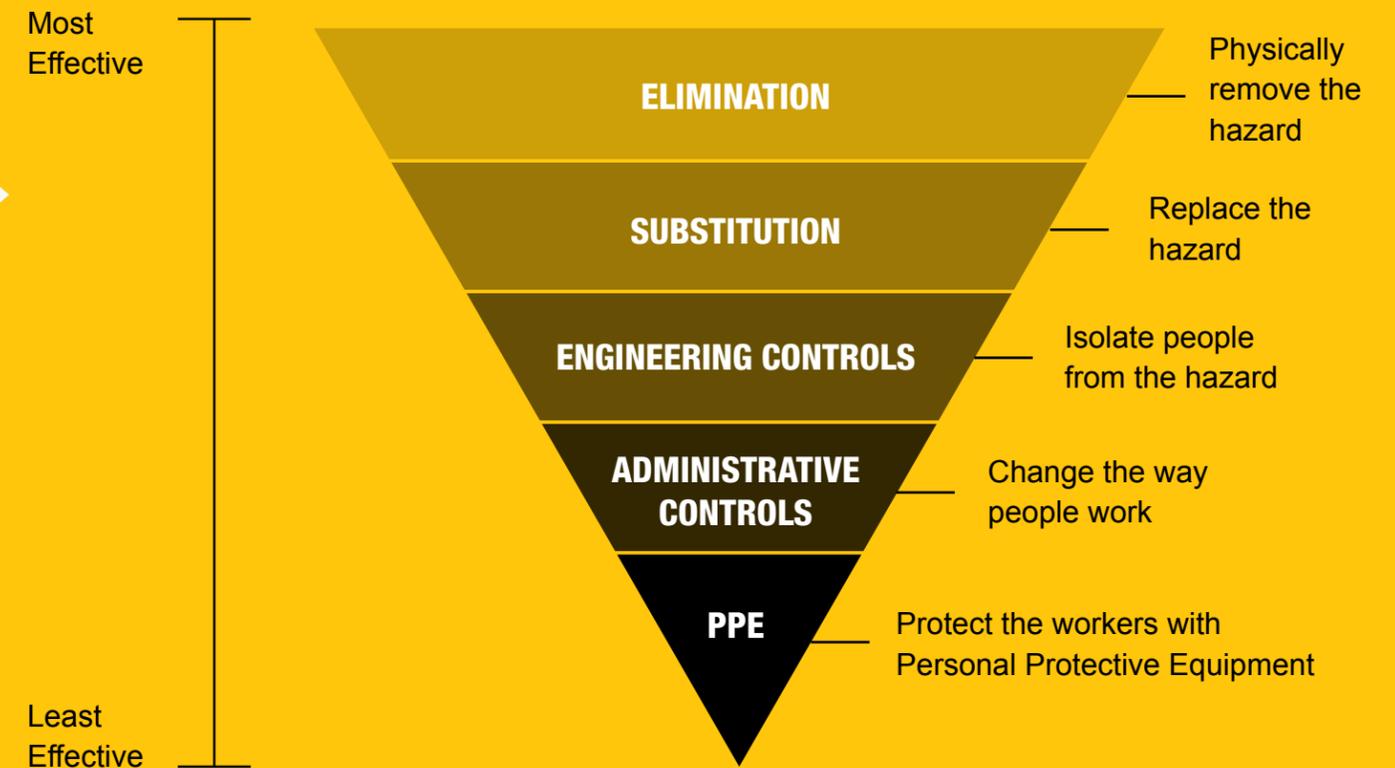
year and eliminated or mitigated all unacceptable risks within 24 hours.

To help our operations teams better identify and control site-specific risks that have a higher potential for fatality or serious injury in our operating locations, members of our corporate EHS staff join employees at selected locations for an on-site or virtual live video tour that is led by the plant manager.

The tour focuses on active production 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 tour to increase hazard recognition skills, provide coaching and assist in the identification of effective controls.

In fiscal 2022, we implemented a semi-monthly EHS-focused walkthrough for leadership as part of leader standard work. We provided 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



Our corporate health and safety experts conduct a monthly FSI meeting for plant leadership and EHS staff at all locations to share key learnings about an FSI potential incident or risk across our business segments. We also include FSI identification in our key EHS metrics to further elevate awareness and accountability. During fiscal 2022, 10 percent of all reported events and risks were FSI-related. In addition, 99.6 percent of our FSIs occurred during injury-free events or were identified through our Find and Fix initiatives. This highlights the importance of all-incident reporting, giving us the opportunity to solve to root cause and prevent recurrence.



RAPID SAFETY ASSESSMENT PROCESS REDUCES INCIDENTS

Through our EHS Management System we closely track all reported incidents including near miss incidents. For plants identified as having high levels of incident reports, we implement our Rapid Safety Assessment Process to quickly investigate the causes and examine safety processes.

As part of the process, Safety Lead Team professionals from both corporate and regional levels meet with local plant employees to review the incident reports and identify ways to improve processes and promote our safety culture. This process is intended to understand opportunities to improve the cultural gaps in how EHS is driven at the location. As a result, actions (33 total findings/opportunities in fiscal 2022) are put into place, which ultimately impact safety metrics (stop work, FSI identification, incident rates, etc.) from a preventative standpoint.



STOP WORK AUTHORITY MITIGATES FSI RISK

One of the most important ways we mitigate the risk of Fatality and Serious Injury incidents is by promoting and educating our workforce about our stop work authority. Through this process, 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.

The stop work authority was utilized at our Shlomi, Israel site during a routine inspection when a supervisor noticed that a coatings tank was almost empty. The supervisor performed a test which found a slow leak and the system was immediately shut down, preventing the risk of an explosion.

Upon further investigation, the slow leak was found to be caused by contractor error. In addition to removing this contractor, the Shlomi site instituted new procedures for detecting leaks including increasing inspections from monthly to weekly and changing sensor limits to detect smaller leaks.



IDENTIFYING HAZARDS AND ENSURING CONTRACTOR SAFETY AT SOLON

Our Solon facility holds a daily tier board process, led by the plant manager, to discuss critical business topics. EHS items are part of these discussions, including identifying high-risk or critical tasks at the location to ensure a risk mitigation plan is in place. A dynamic Job Safety Analysis (JSA) form is used to identify specific hazards and to outline steps to mitigate risks associated with them.

These daily meetings are also used as a mechanism to ensure management and safety of contractors. Onsite contractors are identified on a physical board every day. This board includes information on who is responsible for the contractors, approval of the contractor EHS plan and when contractor observations will take place. This system enables clear communication of where contractors are working within the facility, who is responsible at the Kennametal location and specifically what work will be performed.

Contractor Safety

Contractor safety has been a primary focus for our teams since early 2020 when we launched the Contractor Safety Standard. Since that time, we have implemented a contractor risk prequalification process and use of contractor EHS Plans, daily Dynamic Job Safety Analyses and field observations focused on helping to ensure our non-supervised contractors share in our health and safety value and can demonstrate their ability to identify and control health and safety risks and operate in compliance with requirements and their EHS plan.

In fiscal 2022, contractor safety was a key protocol audited in our EHS Verification/Internal Audit program. 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, the contractor must ensure that each employee has the required training to safely perform



the work within the specific scope. All contractors are required to complete the prequalification process that includes specific information related to environmental, health and safety risk and insurance. Based on this assessment, a contractor prequalification score is auto-generated that is 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 track non-supervisor contractor FSI risks as they are identified.

Leadership Development and EHS Culture

Key to our success in reducing injuries and illnesses is developing a strong safety culture that includes a commitment to compliance across the Company – where leaders are engaged at all levels and every employee takes ownership of health and safety. We continued to drive this activity in fiscal 2022 through leadership walkthroughs, led by location leaders and occurring on a prescribed, ongoing basis.

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

Our expectations on specific health and safety roles and responsibilities for employees at every level cover the following six groups:

1. Senior leaders
2. Plant managers
3. Line leaders
4. EHS staff
5. Office and operations personnel
6. Support function employees

EHS Training

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

Corporate EHS partners with other functional teams to deliver focused EHS training topics to high potential leadership candidates as a part of Kennametal's Operations Leadership Excellence Advancement Program curriculum. This program is aimed at providing a multi-faceted development experience for Kennametal leaders to advance their leadership skills and expand their operations expertise. It 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 will receive four hours of EHS training. This is followed by field exercises and an evaluation by the corporate EHS team, which will be used to coach participants as they demonstrate their ability to effectively apply skills learned in the field.

To bolster location training efforts, 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.

In fiscal 2022, we launched an electronic learning management system for use in our Infrastructure, Metal Cutting, Technology and Logistics operations. The system expands access to EHS training content, as well as training development and learning management tools. The system allows locations to build a training curriculum and easily assign and track individual training plans. In the fourth quarter of fiscal 2022, a cross functional team, including EHS members from both business segments, quality and operations, piloted the curriculum building features to establish best practices for all affected locations.

HEALTH HAZARD CONTROLS

Kennametal's health focus aims to prevent occupational illness for all employees and supervised contractors across our global locations, ensure our operations do not negatively impact the health of our communities and support personal wellness of our employees.

We perform qualitative exposure assessments at our locations to better understand and gain a baseline for our chemical risk areas to ensure proper protection of our employees. 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.

In fiscal 2022, we took an active role in developing longer-term health strategies for how we will manage health risks inherent in our operations. Our vision includes plans to implement further controls for chemical hazards.

We utilized a third party to perform detailed qualitative exposure assessments in our operations in North America to ensure we accurately captured all possible chemical and noise risks which our employees have the potential to encounter and verified proper protection was in place. This is more stringent than what is required by regulatory standards. Additionally, we assembled a team focused on cobalt health risk management. In the coming fiscal year, we will focus on development of a cobalt standard, self-assessment and controls.

TRAINING NEW EMPLOYEES AT NEW ALBANY

Our New Albany location has developed JSAs for all routine jobs at the location. As new employees are hired into the location, the JSA is reviewed in advance and discussed during the daily management Tier Board. This process allows both management and new employees to be prepared for where the employee will be working and what training they will need.

The location also has an internal website that aids supervisors with training requirements and shows the employee's progression, including tour, emergency processes, on the job training, EHS-specific training and classroom EHS training. Each new employee has an assigned qualified trainer who provides the routine JSAs for the work tasks assigned to them. Once trained and able to showcase proficiency in a task, as deemed by the trainer, new employees are allowed to perform tasks. The complexity of the job position dictates the amount of time required to complete the training.

During fiscal 2022, the Corporate EHS Team developed and launched 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:

The following safety topics were added to our suite of modules in fiscal 2022: Contractor Safety, Hazardous Energy Control and Powered Industrial Vehicle Operations. All topics are available globally for location translation and classroom use. English versions of these topics are also available as e-learnings or recorded instructor-led trainings in our electronic learning management system.

Additional modules slated for development and release in fiscal 2023 include Fatality Serious Injury Risk Reduction, Confined Space, Crane & Hoist, Industrial Hygiene and an environmental series.

- Combustible Dust Fundamentals
- Combustible Dust Testing Methods
- Dynamic Job Safety Analysis
- EHS General Fundamentals
- Electrical Safety
- Fall Control Awareness
- Fall Control User
- Hazard Recognition
- Health & Safety Leadership
- Machine Guarding Awareness
- Robot Safety Awareness
- Stop Work Authority
- Active Shooter Response Training for Leadership
- Situational Awareness and Active Shooter Response

COVID-19 Response and Business Continuity

Kennametal was deemed an essential business by governments around the world and our facilities continued to operate throughout the pandemic unless there was a government mandated shutdown or proactive measures, including cleaning or contact tracing, to ensure the safety of our employees.

In January 2020, we launched an internal COVID-19 Steering Committee which has continued to meet throughout the pandemic. This cross-functional team has worked closely with our senior management team to recognize and adjust to ever-changing conditions to ensure we operate our global operations in a safe manner. We also evolved our protocols as COVID-19 guidelines from the U.S. Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO) and other health authorities progressed.

In fiscal 2022, we worked to further decentralize some COVID-19 related decision-making, giving our regional and plant managers authority to determine response actions based

on local conditions while following identified protocols. We continue to utilize our electronic COVID-19 case management and contact tracing system and worked closely with our suppliers to ensure that we had proper PPE for our employees and contractors.

We instituted flexible work arrangements and work-from-home protocols for employees who could perform their work remotely. To continue executing our EHS strategy during the pandemic, we conducted virtual internal 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.

Since the start of the pandemic, we have experienced only 2 OSHA-defined work-related COVID-19 cases globally.

Employee Health and Wellness

In addition to providing comprehensive health insurance benefits, which are discussed in [Chapter 5](#) on Human Capital Management, we work to promote employee health and wellness through additional programs such as our 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.



Chapter SDGs:



Community Engagement

Kennametal is making a positive impact in the communities where we live and work by engaging with community partners through the Kennametal Foundation and at the local level in each site. Our financial and in-kind donations and the volunteer hours donated by our employees are focused on workforce development, including technical education and training, and supporting various charitable needs in our local communities.

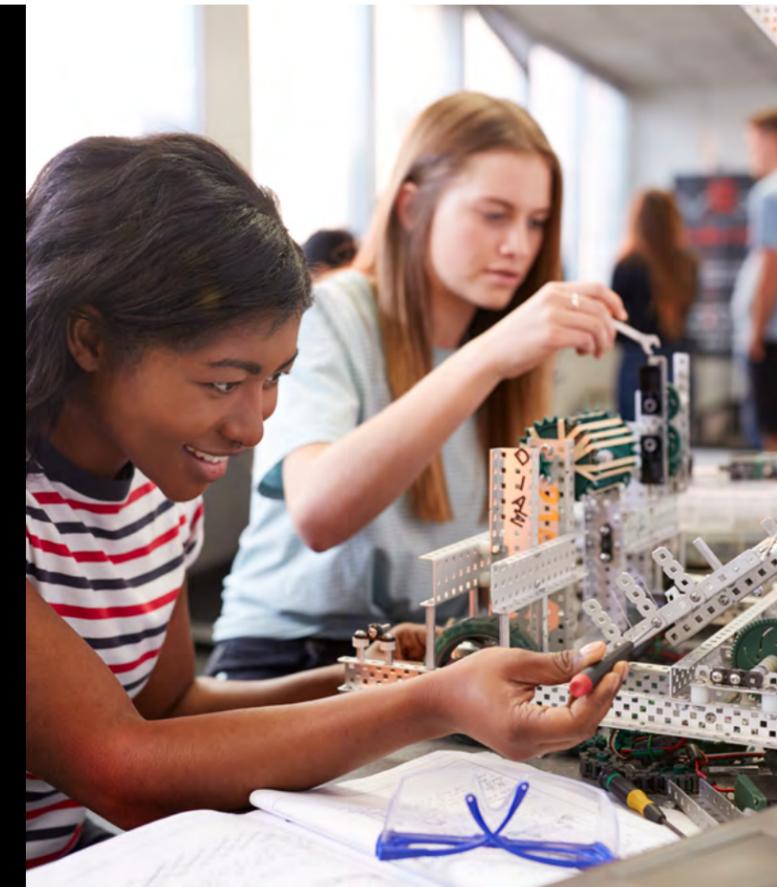
Workforce Development

We support workforce development in our communities by establishing relationships with colleges, universities, technical schools and other organizations that are focused on preparing the workforce of the future through machine skills training and promoting careers in engineering and material science.



CARNEGIE SCIENCE AWARD 2021 WINNER

Kennametal's Young Engineers Program and program leader Binky Sargent were awarded a 2021 Carnegie Science Award for Exemplary Educational/Corporate Collaboration.



NEWSWEEK'S AMERICA'S MOST RESPONSIBLE COMPANIES 2022 WINNER

Kennametal was named to Newsweek's 2022 List of America's Most Responsible Companies, which recognizes corporations that care about being good citizens and give back to the communities they operate in.

KENNAMETAL YOUNG ENGINEERS PROGRAM

We established the Kennametal Young Engineers Program in 2011 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. Nearly 470 students have graduated from the program since its launch.

STEM INITIATIVES

We support various science, technology, engineering and mathematics (STEM) initiatives, including girls' days, visits to schools, technical awards and open houses at our facilities. We also provide philanthropic support for various scholarship programs, including The Kennametal Scholarship Fund through The Pittsburgh Foundation and the National Merit Scholarship Corporation.

Some examples of supported STEM activities this year include:

1 Kennametal India partnered with India Literacy Project, a non-government organization, to distribute science experiment kits to 426 government schools in Tumkur district, Bangalore. As part of the initiative, teachers were trained to use the kits which enabled more than 100,000 students in classes 8-10 to perform over 150 science experiments and gain hands-on learning experience.



2 Apprentices from the Ebermannstadt, Germany facility recently spent their evening at a local secondary school sharing MINT (math, information technology, nature science and technology) and Kennametal training opportunities with approximately 150 students of the graduating classes.

3 Four of our German facilities opened their doors to students learning more about careers in math, information technology, natural science and technology as part of the country's National Girls' Day.

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 2022, we had more than 300 people participating in our various programs around the world.

300+

people participating in our various programs around the world

UNIVERSITY AND TECHNICAL COLLEGE PARTNERSHIPS

We have ongoing partnerships with universities, colleges and technical schools in support of workforce development efforts that include scholarships, engineering programs and research projects. As part of our partnership with Purdue University, Kennametal supplies tooling, machining and training for Purdue's Bechtel Innovation Design Center, a student maker space located in the heart of Purdue's campus. The Purdue Space Program student organization successfully test launched a liquid methane fueled rocket for entry in the FAR-MARS Launch Competition twice in the Mojave Desert on March 19th and 20th, 2022. The rocket was nearly 100 percent machined using the Center's Digital Manufacturing Twin created by staff and students with Kennametal expertise and tooling. After the first launch only reached 10,000 feet, the team recovered it, refurbished it and launched again on the 20th - the fastest

turnaround time for a liquid-fueled rocket in the world.

Kennametal also partners 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 a countrywide cooperation with 16 regional universities, our Fuerth, Germany Kennametal Technology & Innovation Center hosted students for a firsthand look at a career in manufacturing technology.

Our China operations sponsor 65 scholarships for students studying material science and engineering at Shanghai University and University of Science and Technology Beijing.



In calendar year 2021, U.S. United Way contributions totaled over

\$690K

Kennametal in the Community

We strive to be a good neighbor by supporting our communities through strategic partnerships with nonprofit organizations as well as philanthropic support and employee volunteer support of local community organizations.

CORE STRATEGIC PARTNERSHIPS

We have established strategic partnerships with community nonprofits that support our values, provide us with national or cross-country opportunities to give back to our communities and offer volunteer 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 2021, these combined contributions totaled over \$690,000.

Additional long-term partnerships include Sparsha Trust in India, a non-government organization focused on programs for underprivileged children, including early child care, child education, youth skill development and school support. Kennametal India donated \$20,000 to Sparsha Trust for constructing accommodation for underprivileged young girls.

EMPLOYEE VOLUNTEERISM

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 their time to initiatives and organizations in the communities where we operate. In the U.S., we support their efforts with a paid day off each year for volunteer activities. In calendar year 2021, employees across our North American office and manufacturing facilities donated more than 2,500 volunteer hours to a variety of United Way charitable efforts.

Employees volunteer for opportunities offered by our core strategic partners or activities organized by employees or their locations to meet a local need. Some highlights from these efforts include:

GREENFIELD, MASSACHUSETTS

Team members supported the local Franklin County United Way at Thanksgiving with a donation of over 500 non-perishable items including 65 turkeys to be distributed to local families, food banks and shelters in the community.

LATROBE AND PITTSBURGH, PENNSYLVANIA

More than 35 Metal Cutting leaders and team members built ten youth bicycles as part of a teambuilding exercise, which were donated to the United Way of Southwestern Pennsylvania and given to a local children's daycare center.

A team of colleagues in Latrobe spent a Saturday volunteering to create social emotional learning kits to be distributed to preschoolers at local learning centers. The volunteers decorated the outside of the boxes with colorful designs and inspirational sayings.

VICTORIA, BC, CANADA

In an annual tradition for our facility, 25 team members spent their lunch hour cleaning up local roadways and trails in recognition of Earth Day.

NEW ALBANY, INDIANA

A team from the facility participated in a Build-a-Bed event with the Metro United Way to build 125 beds for local children at a local shelter. Team members also volunteered time in the community to serve food to the homeless, perform HVAC repair and complete other home repairs.

EBERMANNSTADT AND VOHENSTRAUSS, GERMANY

The plants made a monetary donation to support kindergartens destroyed in summer 2021 by severe flooding in the Ahrtal region. The Ebermannstadt plant also supported the local fire department with a donation to purchase tactical backpacks to be used by trainees for drills, training sessions and longer outdoor operations.

BANGALORE, INDIA

Our site donated \$57,000 to support the 'One Billion Drops' project at the Jayaprakash Narayan (J.P. Park) Biodiversity Park to improve the groundwater table of the park and its surrounding residential area. This project will help to conserve over 11,520,000 liters of rainwater per year, resulting in a substantial reduction in dependence on other water sources for watering the park and helping to ensure water security for the people living in the area.



HUNTSVILLE, ALABAMA

A team from the facility volunteered their time to help set up and serve meals at the Huntsville Downtown Rescue Mission, which provides meals and shelter to homeless veterans and the public.

ORWELL, OHIO

The plant held a food drive that donated 1,500 items to benefit the local community through the County Neighbor Program, and donated holiday gifts for members of three local families through the Angel Tree program.

Ethical and Responsible Governance

Kennametal is committed to conducting our business in a manner that is ethical and responsible to earn the trust of our stakeholders, including customers, employees, investors, suppliers and our communities. We implement strong governance practices to ensure accountability and establish 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.

Chapter SDGs:



Board Governance and Oversight

Kennametal's Corporate Governance Guidelines establish comprehensive policies and structures to foster accountability and transparency for our Board of Directors and management team. Our Board of Directors, consisting of eight independent directors and one management director, is responsible for oversight of our management and business strategy for the long-term benefit of our stakeholders.



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 include annual election and majority voting for directors; separation of the roles of Chief Executive Officer and Chair of the Board; regular meetings of independent directors; annual evaluations of the Board and its committees; and stock ownership guidelines for directors and executive officers.

Our directors must adhere to all applicable Kennametal policies, including our Code of Conduct, Global Anti-Corruption and Anti-Bribery Policy and Insider Trading Policy. Board members receive regular 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. The annual review of the skills matrix

identifies any deficiencies in Board capabilities, including competencies in governance of environmental, social and governance topics. Competency and skill deficits identified in the annual review are addressed and considered during Board succession planning.

In fiscal 2022, the Board identified no deficiencies in the current mix of directors' skills. The Board will continuously monitor and evaluate their skill set.

Board Committees

Our Board of Directors includes three standing committees: Audit, Compensation and Human Capital and Nominating/Corporate Governance, with the membership and chairpersons of these committees 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 fulfilling its responsibility to oversee 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 is also 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 an overall executive and senior management compensation policy to the Board and has direct responsibility for matters relating to compensation of executive officers, including incentive compensation and equity-based plans. The committee also reviews and oversees the Company's policies and programs 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 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 diversity in identifying direct candidates, the committee recognizes that diversity in its broadest sense can bring distinctive skills, perspectives and experiences to the Board.

The committee takes a leadership role in developing and recommending to the Board the corporate governance guidelines of the Company and oversees the annual evaluation of our Board and committees. The evaluation process 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 goals and objectives.

The committee has oversight of the Company's ESG strategies, initiatives, policies and disclosures, including reviewing the annual ESG report. The full Board annually reviews ESG strategy as part of the overall corporate strategy. 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 effectively managing enterprise risks is critically important to the long-term success of our business. Our Board of Directors oversees 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. Our ERM process is focused on timely identification of our material risks; communication of material risks to senior management and as appropriate, the Board or relevant Board committees; implementation of responsive risk management strategies; and integration of risk management into all Company decision-making.

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.

As part of the ERM Program, the top risks to the Company are 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 and reported out at least quarterly to the Executive Leadership Team. The report includes progress on risk mitigation plans and adjustments to identified risks, as needed with the evolving environment. At each Board meeting, management provides reports to the Board of Directors on one or more of the top identified risks and reports on the ERM Program at least twice per year. Additionally, the Audit Committee makes periodic reports to the Board regarding briefings provided by management and advisors regarding the Company's risk mitigation plans.



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 2022, there were no critical concerns that required the Board's attention as no critical concerns were reported to the Board.

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 also 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.



Ethics and Compliance

The Kennametal Code of Conduct defines our values and underlying principles for operating our business with the highest standards of ethics, competing in the marketplace by winning with integrity and serving our customers around the world while maintaining strict compliance with all applicable laws and regulations.

Board Oversight

Our commitment to ethics and compliance starts at the top, with the Board's Audit Committee providing oversight and receiving 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 to regularly report to the Audit Committee and the Board on the Company's global ethics and compliance programs, including training programs, whistleblower reporting activity and significant investigation activity. These reports enable the Board to remain informed and enable regular discussions between the Board and 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 defines the principles under which we operate our business, win with integrity in the marketplace and put our customers first. The Code is available in 23 languages and we are committed to ensuring that all of our team members, executives and directors know and understand their obligations under the Code. All salaried employees, executives and independent directors must complete an annual Code of Conduct refresher

training course and all newly hired salaried employees must complete a comprehensive ethics and compliance training course within 30 days of their hire date. In fiscal 2022, 99.8 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, which includes training on anti-corruption topics, which are discussed below.

Ethics and compliance training is delivered through online tools and in

live, interactive sessions. The training emphasizes 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.

Our sales agents and distributor partners are required to uphold our ethics and compliance values

in conducting their business and to adhere to the Code, as well as our Export and Trade Compliance Procedure and Global Anti-Corruption and Anti-Bribery Policy. We conduct risk-based due diligence on these partners as part of the selection process and implement appropriate risk-mitigation measures when necessary. All partners must complete an ethics and compliance training course as part of their onboarding process. Our Office of Ethics and Compliance develops and deploys all of our ethics and compliance training, which aligns with the risk profile of our global business.

Anti-Corruption, Anti-Bribery and Antitrust Compliance

We are committed to complying with all laws and regulations governing anti-bribery and anti-corruption, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and other similar laws in the countries in which we operate. We are committed to doing business the right way and have zero tolerance for any form of bribery or corruption since we believe we win in the marketplace solely based on the quality of our products and services. Our policies detailing our principles and procedures, which are available in multiple languages, include our [Global Anti-Corruption and Anti-Bribery Policy](#) and [Global Non-Retaliation and Reporting Obligation Policy](#).

Our commitment to operating our business with integrity extends to our global supply chain partners, who are expected to conduct their business in a manner consistent with Kennametal's [Principles of Supplier Conduct](#). These principles include expectations regarding anti-corruption

and anti-bribery issues such as prohibiting conflicts of interest and improper payments.

Kennametal is 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 or allocate customers or territories, boycotting specified suppliers or customers, limiting production or sale of products or product lines for anticompetitive purposes or engaging in other anticompetitive behavior. We comply with Kennametal's Competition Law Compliance Policy & Procedure and all global competition laws and avoid even the appearance of wrongdoing.



Trade Compliance

We are 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

We maintain a robust whistleblower reporting system, the HelpLine, 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 available 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.

Kennametal has 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 partners when necessary. Cases are tracked using a global case management system, with the outcome reported

Additional data can be found in the [Appendix](#) of this report.

back to the person who submitted the original report.

If substantiated, anyone found to have violated the Code of Conduct is subject to disciplinary action, which may include termination of employment.



Kennametal Office of Ethics and Compliance

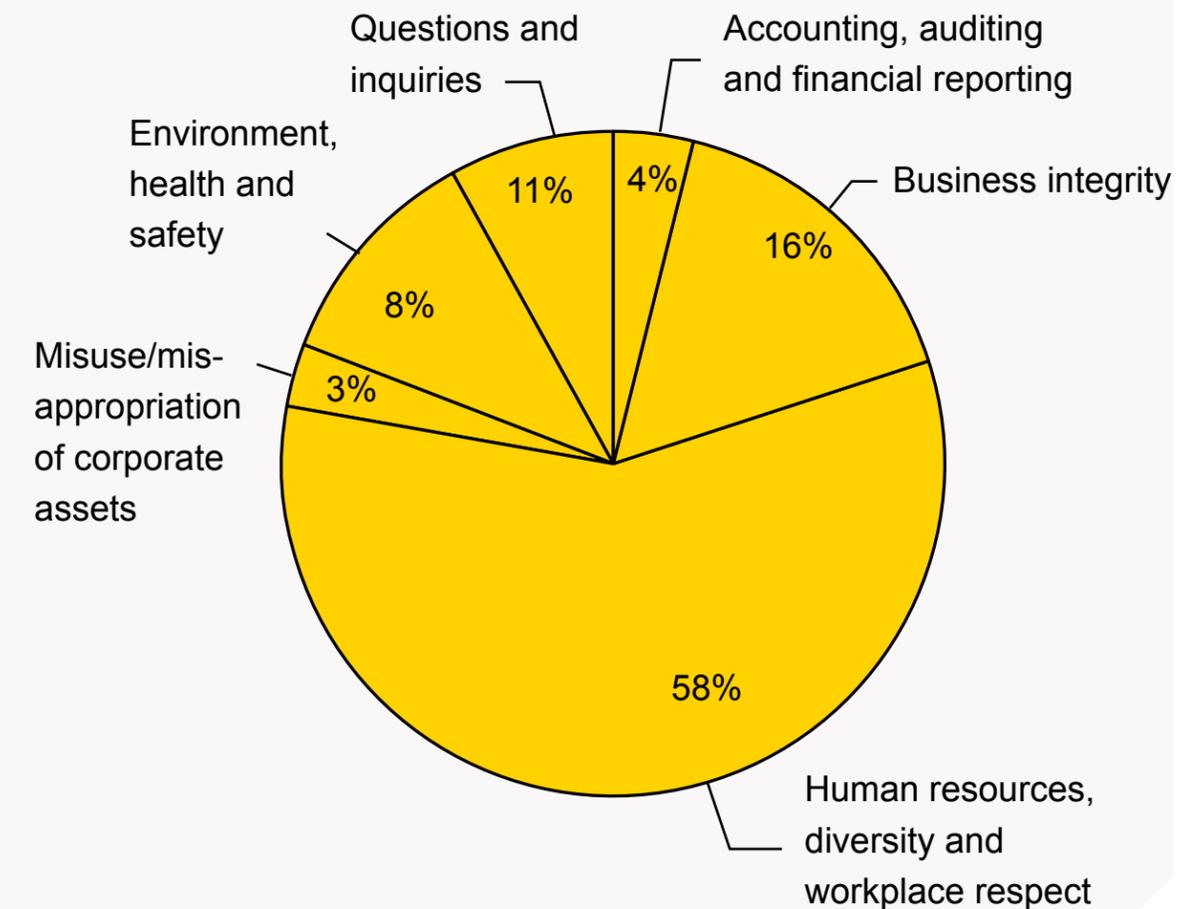
Phone: +1 412-248-8210

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 FY22	2022
Number of Reports	85
Reports per 100 Employees	1.0
Anonymous Reports (% of total reports)	38%
Substantiated Reports (% of total reports)	27%
Case Closure Time (average days)	30

REPORT CATEGORIES FY22



Chapter SDGs:



Supply Chain

Kennametal is committed to working with suppliers who support our sustainability and human rights initiatives. We believe that managing a responsible supply chain includes a proactive approach to risk assessment, due diligence and supplier onboarding. Our risk assessment and due diligence process to evaluate potential supply chain partners reviews suppliers on a range of ESG issues including human rights and environmental commitments. For certain suppliers that we deem higher risk due to their products, services, geographic location or other factors, we conduct a more in-depth assessment that may include an on-site visit. These assessments are particularly important for our suppliers of tungsten, tantalum, tin and gold, known as 3TG minerals, which are classified as conflict minerals under U.S. law.

For minerals that we deem higher risk due to their products, services, geographic location or other factors, we conduct a more in-depth assessment.



Supplier Conduct

In the supplier onboarding process, all new supply chain partners must confirm that they have reviewed and are in compliance with our Principles of Supplier Conduct and Global Anti-Corruption and Anti-Bribery Policy. Our Principles of Supplier Conduct include our expectations for ESG performance such as protecting the environment and 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 is not knowingly engaging in human trafficking.

Kennametal monitors the compliance of our suppliers with our policies through a variety of initiatives, including questionnaires and on-site visits. We proactively engage with suppliers who are identified as not meeting our expectations and will exit relationships if performance is not improved to meet our requirements. If an alternative supply is not feasible, we work with the existing supplier to implement improvements and then reassess to ensure those improvements are sustained. For more on our management of human rights in the supply chain, see the Human Rights chapter.



Conflict Minerals

Kennametal's [Conflict Minerals Supply Chain Policy](#) states our commitment to responsible sourcing of the 3TG minerals classified as conflict minerals, including tungsten, which is our most critical raw material and the largest mineral by volume of the 3TG minerals that we source. We comply with Section 1502 of the U.S. Dodd-Frank Act and the Regulation (EU) 2017/821 of the European Parliament. Our latest Conflict Minerals Report was filed with the U.S. Securities and Exchange Commission (SEC), on May 31, 2022, covering calendar year 2021. Kennametal supports the goal of ending violence, human rights violations and preserving the environment globally, including the Democratic Republic of Congo ("DRC") and Covered Countries and all conflict-affected and high-risk areas ("CAHRAs") Kennametal operates two smelters that have been recognized by the Responsible Minerals

Initiative ("RMI") as conformant to the Responsible Minerals Assurance Process ("RMAP-conformant"), which is assessed every three years. As the Company is a member of RMI, we undertake 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 fully supports the activities of the Organisation for Economic Co-operation and Development (OECD) addressing these conflict mineral risks. In turn, Kennametal has implemented a compliance program designed to meet the OECD's Due Diligence Guidance. Our due diligence program includes supplier engagement and education and we end relationships with suppliers found to be non-conformant to our standards.



Critical Materials Security

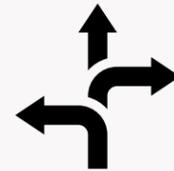
For tungsten, cobalt and other key raw materials, we work to ensure supply security by implementing strategic sourcing strategies to mitigate risks and create a mature and flexible supply chain. The risks in securing an ongoing supply of these materials vary widely due to supply chain complexity and the location and availability of the materials.

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



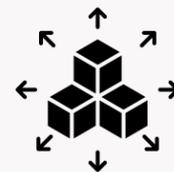
EVALUATE

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



INDEPENDENCE

Keeping our U.S. supply chain independent of China, which accounts for 80 to 85 percent of the world's tungsten resources and controls the global pricing index (APT Index)



DIVERSIFY

Diversifying our supply globally including our robust tungsten concentrate supply and upgrading our operations in Bolivia



EXPAND SUPPLY CHAIN

Helping to expand the supply base in markets where the number of suppliers is limited to increase supply security and enable competitive pricing

Chapter SDGs:



Human Rights

Kennametal is committed to respecting fundamental human rights, including treating all persons with dignity and respect, as we conduct business around the world. Our [Global Human Rights Policy Statement](#) expresses our commitment to operating our business in a safe and responsible manner, including our supply chain. We are committed to ensuring a fair and equitable workplace and respecting worker rights to freedom of association.

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. We are an equal opportunity employer and 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. Kennametal's Global Sourcing and Global Ethics and Compliance teams have oversight of this policy, which is approved by the Company's Vice President, Secretary and General Counsel. We have also 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. Our suppliers are expected to comply

with our policies on human rights and modern slavery. We periodically review our modern slavery risk profile and make appropriate modifications to our program based on our risk assessment.

Kennametal has partnered 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 identified suppliers encompassing the basics of modern slavery, as well as free resources

including, but not limited to, the National Human Trafficking Hotline.

Following receipt of the supplier-provided data we start the next phase in our human rights risk assessment process, in which the data is internally audited and verified. If information submitted by a supplier triggers a red flag, such as minerals that may have originated from conflict areas and have no smelter certification, then further due diligence is conducted, leading to further risk mitigation, as needed.



If additional due diligence leads to risk mitigation, the supplier is then considered higher risk and the second phase of Kennametal's modern slavery compliance program is triggered, requiring further steps by Kennametal to engage and collaborate with the supplier to mitigate identified risk factors. Suppliers who violate our modern slavery policy are subject to termination of the relationship.

Kennametal is committed to sourcing materials responsibly, especially as it pertains to conflict minerals, which are discussed in [Chapter 11](#) on Supply Chain. As stated in our Conflict Minerals Supply Chain Policy, we support the goal of ending violence and human rights violations in the Democratic Republic of Congo and all conflict-affected and high-risk areas. We require our suppliers to comply with our policies regarding sourcing of conflict free minerals.

RUSSIA/UKRAINE CONFLICT

After the start of the conflict in Ukraine, Kennametal conducted a survey with our supply base, inquiring about sourcing of materials provided to Kennametal from Russia and/or Ukraine. We received responses from 70 percent of our top tier suppliers. Based on information received from these responses, we did not see a material risk in our production or sourcing operations at the time. Kennametal created a multi-functional and cross-disciplinary leadership group that will continue to monitor this risk and update our assessment as the situation develops.



Appendix

- ESG Data Tables**
- GRI Content Index**
- SASB Table**
- TCFD Table**
- About this Report**

ENVIRONMENTAL DATA TABLES

DISCLOSURE	2018	2019	2020	2021	2022
Climate Protection					
Energy Consumption (Millions of Gigajoules) ^{1, 4}					
Direct	0.51	0.60	0.61	0.52	0.56
Indirect	1.38	1.43	1.33	1.30	1.33
Total	1.89	2.03	1.94	1.82	1.89
Energy Intensity (Gigajoules / Million USD of revenue) ¹					
	0.80	0.86	1.03	0.98	0.94
Energy Consumption by Business Segment (Millions of Gigajoules) ¹					
Infrastructure	1.14	1.22	1.17	1.07	1.13
Metal Cutting	0.75	0.81	0.77	0.75	0.76
Total	1.89	2.03	1.94	1.82	1.89
Energy Consumption by Utility (Percent of total consumption) ¹					
Natural Gas	24%	27%	25%	26%	27%
Grid Electricity	73%	70%	69%	72%	70%
Other Energy Sources	3%	3%	6%	2%	3%
Energy Consumption by Region (Millions of Gigajoules) ¹					
Americas	1.29	1.44	1.34	1.25	1.30
APAC	0.21	0.21	0.26	0.24	0.25
EMEA	0.39	0.38	0.34	0.33	0.34
Total	1.89	2.03	1.94	1.82	1.89
Grid Electricity Usage by Business Segment (Millions of Gigajoules) ²					
Infrastructure	0.68	0.70	0.63	0.61	0.63
Metal Cutting	0.70	0.73	0.70	0.69	0.70
Total	1.38	1.43	1.33	1.30	1.33
U.S. Locations Electrical Grid Energy Consumption by Source (Millions of Gigajoules) ³					
Renewable	-	-	-	-	0.09
Non-Renewable	-	-	-	-	0.63
Total	-	-	-	-	0.72

1: Data changes from prior reporting were due to refinement of our data and inclusion of other locations to the scope of reporting. Data includes Latrobe campus (corporate center, administrative buildings and technology center), which was not included in prior reports. Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded. Data represents consumption of natural gas, electricity, propane, heating oil and diesel fuel. Other energy sources not mentioned here are immaterial. Our Latrobe campus is included within the Metal Cutting business segment; 2: Data represents purchased grid electricity usage; 3: All renewables that we consume are from grid-supplied electricity and are based on data available from those grids that supply to our locations (2020 USEPA eGrid); 4: Direct is energy from the combustion of natural gas and includes propane heating oil and diesel fuel. Indirect is purchased grid electricity. Other energy sources not mentioned here are immaterial.

ENVIRONMENTAL DATA TABLES

DISCLOSURE	2018	2019	2020	2021	2022
U.S. Locations Electrical Grid Energy Consumption by Source (%) ¹					
Renewable	-	-	-	-	12.5%
Non-Renewable	-	-	-	-	87.5%
Total	-	-	-	-	100%
Sources of Renewable Energy from U.S. Supplied Electrical Grid (%) ¹					
Hydro	-	-	-	-	50.4%
Biomass	-	-	-	-	9.6%
Wind	-	-	-	-	32.8%
Solar	-	-	-	-	6.6%
Geothermal	-	-	-	-	0.1%
Other	-	-	-	-	0.5%
Scope 1 and 2 Greenhouse Gas Emissions (Thousand metric tons of carbon dioxide equivalents) ^{1, 2, 3, 4}					
Scope 1 (Direct)	27	31	34	27	29
Scope 2 (Indirect)	185	179	155	144	133
Total	212	210	189	171	162
Greenhouse Gas Emissions Intensity (Mt CO₂e / Million USD of revenue) ^{2, 3, 4}					
Scope 1 (Direct)	0.11	0.13	0.18	0.15	0.14
Scope 2 (Indirect)	0.78	0.75	0.82	0.78	0.66
Total	0.89	0.88	1.00	0.93	0.80
Greenhouse Gas Emissions Intensity by Business Segment (Thousand metric tons of carbon dioxide equivalents) ^{1, 3, 5}					
Infrastructure	115	118	106	94	95
Metal Cutting	97	92	83	77	67
Total	212	210	189	171	162
Greenhouse Gas Emissions by Region (Thousand metric tons of carbon dioxide equivalents) ^{1, 4}					
Americas	129	143	122	106	94
APAC	34	28	34	33	35
EMEA	49	39	33	32	33
Total	212	210	189	171	162

1: Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded; 2: Data changes from prior reporting were due to refinement of our data and inclusion of other locations to the scope of reporting; 3: 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 and UK DEFRA emission factors. Gases included in all GHG calculations are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Excluded emissions include hydrofluorocarbons primarily used in refrigeration systems and SF₆ used in high voltage dielectrics because they are immaterial; 4: Data includes Latrobe campus (corporate center, administrative buildings and technology center), which was not included in prior reports; 5: Heating water and energy from our fleet services are not included. Our Latrobe campus is included within the Metal Cutting business segment.

ENVIRONMENTAL DATA TABLES

DISCLOSURE	2018	2019	2020	2021	2022
Water Conservation					
Water Withdrawal (Megaliters) ^{1, 2}					
Municipal/Third Party	-	-	813.1	803.0	778.9
Groundwater	-	-	83.2	74.0	86.9
Total	-	-	896.3	877.0	865.8
Water Withdrawal by Business Segment (Megaliters) ¹					
Infrastructure	-	-	487.6	439.4	501.4
Metal Cutting	-	-	408.7	437.6	364.4
Total	-	-	896.3	877.0	865.8
Water Intensity (Megaliters / Million USD of revenue) ¹					
	-	-	0.48	0.48	0.43
Water Withdrawal by Region (Megaliters) ¹					
Americas	-	-	619.7	596.9	565.2
APAC	-	-	184.8	198.3	210.3
EMEA	-	-	91.8	81.8	90.3
Total	-	-	896.3	877.0	865.8
Water Withdrawal Quality (Megaliters) ¹					
Freshwater	-	-	813.1	803.0	778.9
Other Water	-	-	83.2	74.0	86.9
Total	-	-	896.3	877.0	865.8
Wastewater Discharge by Level of Treatment (%) ³					
Primary/Secondary/Tertiary Treatment	-	-	-	-	80%-90%
Discharge to the natural environment without treatment	-	-	-	-	0
Discharge to a third party without treatment	-	-	-	-	0-5%
No process water Discharge	-	-	-	-	0-5%

1: Warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded; Water withdrawal is the sum of all water drawn from surface water, groundwater, seawater or a third party for any use. Outside of the sources listed, none of our manufacturing operations withdraw surface water or seawater. Waters used for sanitary purposes are included in this data. Waters used for irrigation purposes are excluded from this data. Latrobe campus is included within the Metal Cutting business segment because of the highest yield in revenue; Data includes Latrobe campus (corporate center, administrative buildings and technology center), which was not included in prior reports; 2: All municipality-supplied water is considered freshwater, which is defined as having less than or equal to 1,000 milligram per liter of dissolved solids. All groundwater withdrawal is considered "Other water", which is defined as having greater than 1,000 milligram per liter of dissolved solids; 3: Primary treatment aims to remove solid substances that settle or float on the water surface. Secondary treatment aims to remove substances and materials that have remained in the water or are dissolved or suspended in it. Tertiary treatment aims to upgrade water to a higher level of quality before it is discharged. It includes processes that remove, for example, heavy metals, nitrogen and phosphorus. Almost all of our operations receive some sort of primary treatment (neutralization, sedimentation) before indirectly discharging. Our Fallon facility has on-site wastewater treatment where the wastewater is treated to the levels of tertiary and discharged to an on-site regulated and lined retention pond to evaporate.

ENVIRONMENTAL DATA TABLES

DISCLOSURE	2018	2019	2020	2021	2022
Waste Management ¹					
Total Waste Landfilled (Thousand metric tons) ^{2, 3}	6.5	6.6	5.8	5.2	5.2
Landfilled Waste Intensity (Metric tons / Million USD of revenue)	2.7	2.8	3.1	2.8	2.6
Total Waste Generated by Region (Thousand metric tons) ²					
Americas	7.7	7.9	6.8	6.1	6.4
APAC	0.8	1.8	2.0	1.7	1.8
EMEA	4.3	3.9	3.7	3.4	3.0
Waste by Type (Thousand metric tons) ²					
Hazardous	2.5	2.1	2.0	1.9	2.0
Non- Hazardous	10.3	11.5	10.5	9.3	9.2
Total	12.8	13.6	12.5	11.2	11.2
Waste by Disposal Method - Hazardous (Thousand Metric tons) ^{2, 4}					
Recycled/Reused	1.8	1.9	1.5	1.4	1.4
Landfilled	0.7	0.2	0.5	0.5	0.6
Total	2.5	2.1	2.0	1.9	2.0
Waste by Disposal Method - Non-Hazardous (Thousand Metric tons) ²					
Recycled/Reused	4.5	5.1	5.2	4.6	4.6
Landfilled	5.8	6.4	5.3	4.7	4.6
Total	10.3	11.5	10.5	9.3	9.2
Waste Generated by Business Segment (Thousand Metric tons)					
Infrastructure	6.4	7.1	6.4	5.4	6.8
Metal Cutting	6.4	6.5	6.1	5.8	4.4
Total	12.8	13.6	12.5	11.2	11.2
Recycled Materials Used in Feed Plant Production (%) ⁵	52%	54%	53%	42%	51%

1: Data does not include waste generated from our Latrobe campus. Also, warehouses, Rapid Response Centers (RRCs), corporate offices / other offices and sales offices are deemed immaterial and have been excluded; 2: Data changes from prior reporting were due to refinement of our data and inclusion of other locations to the scope of reporting; 3: Landfill is the final deposition of a waste at, below or above ground level at engineered disposal sites; 4: Reuse is when you put a waste stream to use for the same purpose for which they were conceived. It 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; 5: Data includes Bangalore, Fallon, Huntsville, Mistelgau and Tianjin plants.

SOCIAL DATA TABLES

DISCLOSURE	2018	2019	2020	2021	2022
Human Capital Management					
Turnover Rate					
Involuntary	2.6	3.1	6.0	4.2	2.6
Voluntary	6.1	5.9	6.0	7.5	9.1
Overall	8.7	9.0	12.0	11.7	11.7
Diversity and Inclusion					
Women in Leadership Roles (%)					
Board of Directors	10.0%	20.0%	22.2%	22.2%	22.2%
Executives	22.2%	33.3%	30.0%	42.9%	42.9%
Senior Leadership	20.8%	23.1%	26.1%	24.0%	27.3%
Senior Management	7.1%	8.3%	10.6%	11.5%	12.4%
Management	14.9%	17.7%	19%	19.5%	20.4%
Number of Employees					
Female	1,685	1,668	1,537	1,485	1,582
Male	8,351	8,269	7,452	7,150	7,150
Employees by Gender (%)					
Female	16.8%	16.8%	17.1%	17.2%	18.1%
Male	83.2%	83.2%	82.9%	82.8%	81.9%
US Employee Diversity					
Gender Diversity (US Employees)					
Female	731	741	698	644	683
Male	2,637	2,583	2,327	2,236	2,245

SOCIAL DATA TABLES

DISCLOSURE	2018	2019	2020	2021	2022
US Employee Diversity (continued)					
Gender Diversity (US Professional Employees)					
Female	313	335	321	290	327
Male	1,047	1,070	937	903	925
Gender Diversity (US Production Employees)					
Female	418	406	377	354	356
Male	1,590	1,513	1,390	1,333	1,320
US Ethnic Diversity (US Employees)					
African American	242	251	239	243	225
American Indian/Alaskan Native	16	19	17	18	16
Asian	84	84	78	81	81
Caucasian	2,787	2,727	2,448	2,286	2,274
Latino	114	108	94	91	106
Native Hawaiian or other Pacific Island	5	6	5	5	3
Two or more races	14	19	20	23	21
Decline to answer	106	110	124	133	202
US Ethnic Diversity (US Professional Employees)					
African American	31	30	25	27	30
American Indian/Alaskan Native	3	4	4	4	5
Asian	48	51	47	48	50
Caucasian	1,203	1,231	1,099	1,035	1,063
Latino	27	35	27	25	29
Native Hawaiian or other Pacific Island	3	3	2	1	0
Two or more races	4	7	7	7	8
Decline to answer	41	44	47	46	67

SOCIAL DATA TABLES

DISCLOSURE	2018	2019	2020	2021	2022
US Employee Diversity (continued)					
US Ethnic Diversity (US Production Employees)					
African American	211	221	214	216	195
American Indian/Alaskan Native	13	15	13	14	11
Asian	36	33	31	33	31
Caucasian	1,584	1,496	1,349	1,251	1,211
Latino	87	73	67	66	77
Native Hawaiian or other Pacific Island	2	3	3	4	3
Two or more races	10	12	13	16	13
Decline to answer	65	66	77	87	135
Health and Safety					
FSI Performance					
FSI Actuals	-	-	0	0	1
FSI Risk Identification Target	-	-	312	456	455
FSI Risks Identified	-	-	693	1,057	802
FSI Risks Mitigated	-	-	693	1,057	802
Open Past Due FSI Corrective Actions	-	-	0	0	0
Safety Performance (Statistics include both employees and supervised contractors)¹					
Fatalities	0	0	0	0	0
Fatality Rate	0	0	0	0	0
Total Recordable Incidents	55	42	40	32	28
Total Recordable Incident Rate	0.51	0.40	0.43	0.37	0.32
Near Miss Events	0	713	578	802	648
Near Miss Frequency Rate	0	6.85	6.19	9.29	7.30
Lost Time Incident	17	17	16	8	12
Lost Time Rate	0.16	0.16	0.17	0.09	0.14

1: Previous year adjustments reflect data reconciliation from internal incident and hours worked review process.

GOVERNANCE DATA TABLES

DISCLOSURE	2018	2019	2020	2021	2022
Board Independence					
Percent of Independent Directors	90%	90%	89%	89%	89%
Ethics and Compliance					
Reports per 100 Employees by Region					
America	3.0	3.3	2.6	2.5	1.6
Asia Pacific	0.3	1.4	1.2	0.8	0.9
Europe, Middle East and Africa	0.3	0.3	0.5	0.6	0.3
Ethics and Compliance Reports					
Number of Reports	159	169	160	118	85
Reports per 100 Employees	1.3	1.7	1.6	1.4	1
Anonymous Reports (% of total reports)	50%	50%	47%	36%	38%
Substantiated Reports (% of total reports)	31%	53%	45%	34%	27%
Case Closure Time (average days)	17	16	16	16	30

GRI CONTENT INDEX

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
General Disclosures		
GRI 102: General Disclosures 2016		
Organizational Profile		
102-1 Name of the organization	KENNAMETAL INC.	
102-2 Activities, brands, products and services	Annual Report	
102-3 Location of headquarters	Pittsburgh, Pennsylvania	
102-4 Location of operations	Annual Report	
102-5 Ownership and legal form	Annual Report Proxy Statement	
102-6 Markets served	Annual Report	
102-7 Scale of the organization	Annual Report	
102-8 Information on employees and other workers	Chapter 5: Human Capital Management, page 24 Annual Report	#8 Decent Work and Economic Growth #10 Reduced Inequalities
102-9 Description of the organization's supply chain	Annual Report Chapter 11: Supply Chain, page 55	#17 Partnerships for the Goals #3 Good Health & Well-Being #8 Decent Work and Economic Growth
102-10 Significant changes to the organization and its supply chain	There were no significant changes to the organization nor its supply chain in the reporting year.	
102-12 External initiatives	UN SDGs: Materiality Assessment, page 5 OECD Due Diligence Guidance: Chapter 11: Supply Chain, page 56	
102-13 Membership of associations	Chapter 11: Supply Chain, page 56	
Strategy		
102-14 Statement from senior decision-maker	From the President and the CEO, page 3	
102-15 Key impacts, risks and opportunities	Annual Report	

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DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
Ethics and Integrity		
102-16 Values, principles, standards and norms of behavior	Chapter 10: Ethics and Compliance, page 51 Code of Conduct	#16 Peace, Justice & Strong Institutions
102-17 Mechanisms for advice and concerns about ethics	Chapter 10: Ethics and Compliance, page 51 Code of Conduct Helpline	
Governance		
102-18 Governance structure	Chapter 9: Board Governance & Oversight, page 48-49 Proxy Statement	
102-20 Executive-level responsibility for economic, environmental and social topics	Chapter 9: Board Governance & Oversight, page 48-50 Proxy Statement	
102-21 Consulting stakeholders on economic, environmental and social topics	Chapter 9: Board Governance & Oversight, page 48 Proxy Statement	
102-22 Composition of the highest governance body and its committees	Chapter 9: Board Governance & Oversight, page 48 Board of Directors Webpage Proxy Statement	#5 Gender Equality #16 Peace, Justice & Strong Institutions
102-23 Chair of the highest governance body	Proxy Statement	#16 Peace, Justice & Strong Institutions
102-24 Nominating and selecting the highest governance body	Nominating/Corporate Governance Committee, page 49 Proxy Statement	#5 Gender Equality #16 Peace, Justice & Strong Institutions
102-25 Conflicts of interest	Proxy Statement	#16 Peace, Justice & Strong Institutions
102-26 Role of highest governance body in setting purpose, values and strategy	Chapter 9: Board Governance & Oversight, page 48 Proxy Statement	
102-27 Collective knowledge of highest governance body	Proxy Statement	
102-28 Evaluating the highest governance body's performance	Chapter 9: Board Governance & Oversight, page 48	
102-29 Identifying and managing economic, environmental and social impacts	Chapter 9: Board Governance & Oversight, page 48 Nominating/Corporate Governance Committee, page 49	#16 Peace, Justice & Strong Institutions

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DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
102-30 Effectiveness of risk management processes	Chapter 9: Board Governance & Oversight, page 48-50 Proxy Statement	
102-31 Review of economic, environmental and social topics	Chapter 9: Board Governance & Oversight, page 48 Proxy Statement	
102-32 Highest governance body's role in sustainability reporting	Chapter 9: Board Governance & Oversight, page 48 Proxy Statement	
102-33 Communicating critical concerns	Proxy Statement	
102-35 Remuneration policies	Proxy Statement	#8 Decent Work and Economic Growth
102-36 Process for determining remuneration	Proxy Statement Compensation Committee Charter	
102-37 Stakeholders' involvement in remuneration	Chapter 9: Board Governance & Oversight, page 48 Proxy Statement	
102-38 Annual total compensation ratio	Proxy Statement	
102-39 Percentage increase in annual total compensation ratio	Proxy Statement	
Stakeholder Engagement		
102-40 List of stakeholder groups	Materiality Assessment, page 5	
102-42 Identifying and selecting stakeholders	Materiality Assessment, page 5	
102-43 Approach to stakeholder engagement	Materiality Assessment, page 5	
102-44 Key topics and concerns raised	Materiality Assessment, page 5	

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DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
Reporting Practice		
102-45 Entities included in the consolidated financial statements	Annual Report	
102-46 Defining report content and topic boundaries	About This Report, page 80	
102-47 List of material topics	Materiality Assessment, page 5	
102-48 Restatements of information	N/A	
102-49 Changes in reporting	N/A	
102-50 Reporting period	About This Report, page 80	
102-51 Date of most recent report	9/7/21	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	k-corp.ethics@kennametal.com	
102-54 Claims of reporting in accordance with the GRI Standards	About This Report, page 80	
102-55 GRI content index	Content Indexes, page 69	
102-56 External assurance	No external assurance provided at this time	
Economic Topics		
Anti-corruption		
GRI 103: Management Approach 2016		
103-1-103-3 Aspects of the Management Approach	Chapter 9: Board Governance & Oversight, page 48-50	
GRI 205: Anti-corruption 2016		
205-1 Operations assessed for risks related to corruption	Chapter 9: Board Governance & Oversight, page 48 Chapter 10: Ethics and Compliance, page 51	#16 Peace, Justice & Strong Institutions
205-2 Communication and training about anti-corruption policies and procedures	Chapter 10: Ethics and Compliance, page 51	

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DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
Environmental Topics		
Materials		
GRI 103: Management Approach 2016		
103-1-103-3 Aspects of the Management Approach	Chapter 1: Environment Management, page 8	
GRI 301: Materials 2016		
301-2 Recycled input materials used	Chapter 4: Waste Management, page 18 ESG Data Tables, page 64	#3 Good Health & Well-Being #8 Decent Work and Economic Growth #9 Industry, Innovation & Infrastructure #11 Sustainable Cities & Communities #12 Responsible Consumption & Production
301-3 Reclaimed products and their packaging materials	Chapter 4: Waste Management, page 18 ESG Data Tables, page 64	
Energy		
GRI 103: Management Approach 2016		
103-1-103-3 Aspects of the Management Approach	Chapter 1: Environment Management, page 8	
GRI 302: Energy 2016		
302-1 Energy consumption within the organization	Chapter 2: Climate Protection, page 10 ESG Data Tables, page 61	#7 Affordable Clean Energy #8 Decent Work and Economic Growth #9 Industry, Innovation & Infrastructure #12 Responsible Consumption & Production #13 Climate Action
302-3 Energy intensity	Chapter 2: Climate Protection, page 10 ESG Data Tables, page 61	
302-5 Reductions in energy requirements of products and services	Chapter 2: Climate Protection, page 10 ESG Data Tables, page 61	
Water and Effluents		
GRI 103: Management Approach 2016		
103-1-103-3 Aspects of the Management Approach	Chapter 1: Environment Management, page 8	#6 Clean Water & Sanitation #12 Responsible Consumption & Production

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE	
GRI 303: Water and Effluents 2018			
303-1 Interactions with water as a shared resource	Chapter 3: Water Conservation, page 16	#6 Clean Water & Sanitation #12 Responsible Consumption & Production #14 Life Below Water	
303-2 Management of water discharge-related impacts	Chapter 3: Water Conservation, page 16		
303-3 Water withdrawal	Chapter 3: Water Conservation, page 16 ESG Data Tables, page 63		
Emissions			
GRI 103: Management Approach 2016			
103-1-103-3 Aspects of the Management Approach	Chapter 1: Environment Management, page 8	#3 Good Health & Well-Being #9 Industry, Innovation & Infrastructure #12 Responsible Consumption & Production #13 Climate Action #14 Life Below Water #15 Life on Land	
GRI 305: Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	Chapter 2: Climate Protection, page 10 ESG Data Tables, page 61		
305-2 Energy indirect (Scope 2) GHG emissions	Chapter 2: Climate Protection, page 10 ESG Data Tables, page 61		
305-4 GHG emissions intensity	Chapter 2: Climate Protection, page 10 ESG Data Tables, page 61		
Waste			
GRI 103: Management Approach 2016			
103-1-103-3 Aspects of the Management Approach	Chapter 1: Environment Management, page 8	#3 Good Health & Well-Being #6 Clean Water & Sanitation #8 Decent Work and Economic Growth #9 Industry, Innovation & Infrastructure #11 Sustainable Cities & Communities #12 Responsible Consumption & Production	
306-2 Management of significant waste-related impacts	Chapter 1: Environment Management, page 8 Chapter 4: Waste Management, page 18		

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
306-3 Waste generated	Chapter 4: Waste Management, page 18 ESG Data Tables, page 64	#3 Good Health & Well-Being #6 Clean Water & Sanitation #11 Sustainable Cities & Communities #12 Responsible Consumption & Production #15 Life on Land
306-4 Waste diverted from disposal	Chapter 4: Waste Management, page 18 ESG Data Tables, page 64	
306-5 Waste directed to disposal	Chapter 4: Waste Management, page 18 ESG Data Tables, page 64	
Social Topics		
Employment		
GRI 103: Management Approach 2016		
103-1-103-3 Aspects of the Management Approach	Chapter 5: Human Capital Management, page 24 ESG Data Tables, page 65	
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover	Chapter 5: Human Capital Management, page 24 ESG Data Tables, page 65	#5 Gender Equality #8 - Decent Work and Economic Growth #10 Reduced Inequalities
401-3 Parental leave	Chapter 5: Human Capital Management, page 24	
Occupational Health and Safety		
GRI 103: Management Approach 2016		
103-1-103-3 Aspects of the Management Approach	Chapter 5: Human Capital Management, page 24 Chapter 7: Health & Safety, page 31	#3 Good Health & Well-Being #8 Decent Work and Economic Growth #16 Peace, Justice & Strong Institutions

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	Chapter 7: Health and Safety, page 31	
403-2 Hazard identification, risk assessment and incident investigation	Chapter 7: Health and Safety, page 31	
403-3 Occupational health services	Chapter 7: Health and Safety, page 31	
403-4 Worker participation, consultation and communication on occupational health and safety	Chapter 7: Health and Safety, page 31	
403-5 Worker training on occupational health and safety	Chapter 7: Health and Safety, page 31	#3 Good Health & Well-Being
403-6 Promotion of worker health	Chapter 7: Health and Safety, page 31	#8 Decent Work and Economic Growth
403-8 Workers covered by an occupational health and safety management system	Chapter 7: Health and Safety, page 31	#16 Peace, Justice & Strong Institutions
403-9 Work-related injuries	Chapter 7: Health and Safety, page 31 ESG Data Tables, page 67	
403-10 Work-related ill health	Chapter 7: Health and Safety, page 31 ESG Data Tables, page 67	
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016		
103-1-103-3 Aspects of the Management Approach	Chapter 6: Diversity and Inclusion, page 28	
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	Chapter 6: Diversity and Inclusion, page 28	#5 Gender Equality #8 Decent Work and Economic Growth

DISCLOSURE	REPORT LOCATION OR EXTERNAL KMT REFERENCE	SDG LINKAGE
Human Rights Assessment		
GRI 103: Management Approach 2016		
103-1-103-3 Aspects of the Management Approach	Chapter 12: Human Rights, page 58	
GRI 412: Human Rights Assessment 2016		
412-1 Operations that have been subject to human rights reviews or impact assessments	Chapter 12: Human Rights, page 58	#8 Decent Work and Economic Growth #16 Peace, Justice & Strong Institutions
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Chapter 12: Human Rights, page 58	
Local Communities		
GRI 103: Management Approach 2016		
103-1-103-3 Aspects of the Management Approach	Chapter 8: Community Engagement, page 43	#1 No Poverty #2 Zero Hunger #4 Quality Education #11 Sustainable Cities and Communities
GRI 413: Local Communities 2016		
413-1 Operations with local community engagement, impact assessments and development programs	Chapter 8: Community Engagement, page 43	

SASB TABLE

SASB TOPIC	ACCOUNTING METRIC	CODE	SECTION REFERENCE
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-IG-130a.1	Chapter 2: Climate Protection, page 10 ESG Data Table, page 61
Employee Health & Safety	(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 31 ESG Data Table, page 67
Fuel Economy & Emissions in Use-phase	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	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	Chapter 11: Supply Chain, page 55
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	Kennametal is unable to disclose this information because it is considered confidential information.
Activity Metrics	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	ESG Data Table, page 65

TCFD TABLE

TCFD ELEMENT	DISCLOSURE	REFERENCE
Governance	a) Describe the Board’s oversight of climate-related risks and opportunities.	ESG Strategy, page 4
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	Chapter 1: Environmental Management, page 8 Chapter 9: Board Governance & Oversight, page 48
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.	Chapter 2: Climate Protection, page 10
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Chapter 1: Environmental Management, 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.	
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks.	
	b) Describe the organization’s processes for managing climate-related risks.	Chapter 2: Climate Protection, page 10
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	ESG Data Tables, page 61
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

About this Report

Our fiscal 2022 ESG Report covers all global operations where we have financial and/or operational control related to the 2022 fiscal year from July 1, 2021 to June 30, 2022, unless otherwise noted.

This report was prepared in reference to the Global Reporting Initiative (GRI) Core option 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 pages 69 - 79.

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

During fiscal 2022, we permanently closed our Johnson City, TN, U.S. operations. Operations are ceased and equipment has been relocated to other manufacturing operations. What remains is the building and property, which we are planning to sell. Johnson City data will stay in baseline and scope until we dispose of the facility.





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