



WE CREATE FUTURE

Financial and Sustainability Report 2023 | 24





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Shaping the future together



Franz Mathi
Chief Operating Officer
with KNAPP since 1999

Christian Grabner
Chief Financial Officer
with KNAPP since 2006

Gerald Hofer
Chief Executive Officer
with KNAPP since 1995

DEMANDING THE MOST OF OURSELVES ON EVERY DIMENSION

Creating future requires stability

In these times, where unpredictable dynamics characterize the current market environment, it's become all the more important to design for stability and planning reliability. As a company, we hold ourselves to the highest standards in everything we do. We want to be a true partner for our stakeholders, providing the stability they need and securing their success. How exactly does that work? In this interview, our Management explores the most important factors for building lasting partnerships and illustrates how we work with our customers every day for their success.

“You can feel the passion for logistics throughout the entire organization. Our customers can rely on us to have their backs whenever they need us.”

Gerald Hofer
Chief Executive Officer
with KNAPP since 1995

***Our world is filled with uncertainty and crises.
How do we help our customers overcome current challenges?***

Many companies are facing ever greater changes to their business cases. Success in this environment depends on the ability to act flexibly and quickly, which in turn requires a smooth and resilient supply chain. At KNAPP, we are all about delivering the right system solutions along with comprehensive solutions for service, data analysis, system operation and personnel management to provide our business partners with the stability and flexibility they need in this difficult market environment. We can see clearly that many of the companies we work with want a partner at their side during crises, one who knows their sector and their business model, one who understands change and can use this knowledge to create the right solutions for their supply chain. This is the type of strong value chain tech partner, as we call ourselves, we want to be for our customers. Value chain tech partner is more than a marketing slogan. It expresses the standards we set for our own performance every single day – namely, to deliver a complete solution. For us, this means providing our customers with a system that meets all the needs of their business case and also includes aspects such as validated software, right of use, fire safety and the CO₂ footprint. In short, we see to it that the system is running and operational on all levels so that our customers can deliver their products and continue to sharpen their competitive edge.

How do companies benefit from our partnership approach?

Our understanding of the sector and our foresight regarding changes to business, combined with the promise to take care of it, is the decisive advantage we can offer as a long-term partner. Many companies we work with – from large corporations and brands to small, family-led companies – value us for just that, and I believe it sets us apart from other providers on the market who often deliver only a single technology and see one logistics project like the next. Offering smart technology, understanding a sector in depth, developing the right systems for it, and then operating these systems for years or even decades is a completely different story. Delivering lasting solutions comes with great responsibility in terms of quality. For the healthcare sector, our solutions cover processes from production to distribution, all the way to the patient. When human well-being is at stake, it is important to keep an eye on regional developments, new laws and factors such as demographic change. The questions that arise from these observations include: How is the supply chain changing? How can our customers be better than their competition? How can we best support them with our solutions? That is exactly how we define partnership. We journey alongside our customers as we learn from project to project, driving progress and each sector forward. Another important aspect of the way we live partnership is our focus on long-term reliability and stability. Our customers can rest assured that we will still

be looking after their system 10 years from now. That means we upgrade and retrofit systems together. For example, we are currently rolling out expansive retrofit programs for our first-generation shuttle systems and our software systems. This process requires us to focus on details that are crucial for the continued successful operation of our customers’ systems, such as IT security. For many of our customers, modernizing their current location is becoming more and more important. Due to sustainability commitments as well as the low availability and, quite frankly, high cost of land, opening new locations is often not feasible. This is why we put everything into getting the most out of our customers’ existing systems and design our logistics concepts with these considerations in mind. For example, by designing our systems as space-effective as possible. Our shuttle systems can reach heights of over 30 meters (100 feet), making optimal use of every speck of space in your facility. Our partners also profit from our honest passion for logistics. You can feel it throughout our entire organization: The people who work here are not just experts in their field, they are people, who are passionate about what they do, who love their field and are proud to make an important contribution to the success of our company and our customers. We hope that not only makes us a competent partner, but a personable one as well, who it is a pleasure to work with.



Is there a technological recipe for success when it comes to mastering our customer's challenges?

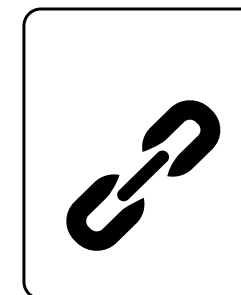
While a go-to recipe would surely be practical, it's not about having a one-size-fits-all approach. It's really all about having a wide range of technological ingredients ready to solve current challenges. And that is also how we step to the table. We take a strategic approach, thinking in processes and overall systems, not individual technologies, because we are convinced this is how we can design better solutions for our customers. If we look at the challenges facing our customers in different sectors, the need for flexibility, digitalizing business processes and planning reliability is the common thread. And this is where we can tie in extremely well with our solutions. I want to emphasize the deep layer of integration we deliver with our systems thanks to our logistics software KiSoft. Anyone looking to digitalize, needs to think in terms of processes and business cases, not equipment. KiSoft makes it possible, not only to manage and control processes, but also to evaluate and connect data across multiple steps of the value chain. Intelligently connected data is absolutely essential in today's world of business and forms the basis for successfully mastering its manifold challenges. Even the best system is worthless if you cannot find the sweet spot for operating it. A key factor for successfully operating logistics systems is the right slotting. It might sound cliché, but having the

right goods at the right place in the warehouse really is the essence of logistics. Optimal slotting can only be achieved by connecting information from the past with the current situation and then using this information to determine the perfect slot for each item. As simple as that may sound, in reality, these slotting processes are not always easy for our customers to implement. And this is where our approach of thinking in highly integrated overall systems brings tremendous advantages: There are no boundaries between equipment and software layer. We can determine the right location for an item based on a wealth of information, as well as with the help of predictive analytics. This clearly shows that today, it's all about the best possible connection using software to maximize the potential of an automated system

Where has the concept of thinking in processes and overall systems proven especially successful recently?

A demand that currently extends across many sectors is optimizing the resources for operation – both with regard to energy and to personnel. With our data-driven approach, we have been able to offer highly effective solutions. We have coined the term energy density – that is achieving higher performance with significantly lower energy requirements. For example, in food retail, when delivering to stores, our performance is 30 percent

higher than conventional systems using the same amount of energy. This is made possible through intelligent software combined with the robust automation of our RUNPICK system. In the healthcare sector, one major challenge is our aging society: We see a shortage of caregivers and an increasing need for long-term medications. Thanks to our approach of thinking in complete processes and solutions, we have successfully developed a system for the European market that allows us to create patient-specific weekly blister cards from standard blister packs – complete with instructions on how to take the medicines. The highly automated system significantly reduces the number of personnel required while meticulously meeting all demands for traceability and zero-error strategies. We are currently in the process of launching a comparable solution for the North American market – our Mail Order Central Fill solution. While the business cases and legal framework are completely different in the US and in Europe, the goal is the same: To ensure maximum service to patients through individually dispensed medicines, with minimum personnel requirements. These are just 2 areas, of many, in which we create real added value for companies and society with our approach of thinking in complete solutions and processes.



**“Applied effectively,
digitalization and automation
drive success for companies
and society.”**

Franz Mathi
Chief Operating Officer
with KNAPP since 1999

“We want to be a partner who holds the highest promise of quality for our stakeholders in everything we do.”

Christian Grabner
Chief Financial Officer
with KNAPP since 2006

How do we position ourselves as a stable partner in order to remain successful in a difficult global market environment?

Thanks to the trust our customers have placed in our products and services over the past years, we have experienced tremendous growth. This trust has propelled our turnover and our business growth to new dimensions. Along with the prevailing challenges on the market, our recent growth has also resulted in additional tasks for us. How can a company continue to grow in such a difficult environment? For me, growth is based on a stable foundation. And we provide stability – stable proprietors, stable upper management and generally a very stable global management team. The long-term strategy we have been following for years has also been decisive for us as a company. Of course, it has been necessary to continually adapt this strategy to changing conditions, but its essence always remains the same – as a value chain tech partner, we want to provide real added value for our customers in our target sectors. This stable setup also allows us to react to changes better than other companies in our sector and has allowed us to manage our growth of the past few years well. Another key factor for our success has been and still is the fact that we want the best people in all areas of our company. Here is a number that truly impresses me: We have brought over 3,000 new colleagues on board over the past 3 years. We have developed several initiatives to attract the best and brightest minds to our company – and of course to have them stay. We also invest in ongoing training and continuing education. This helps us stand out from

the crowd and allows us to hold our standard of outstanding performance – demanding more from ourselves, while benefitting our customers. When we talk about the best people, we mean more than just qualifications and experience, we also mean common values such as reliability, motivation and enthusiasm – an important dimension we actively promote because it’s critical for our success. Besides having the best employees, we also invest in all strategic areas to manage our growth and be a reliable partner. This starts with investing in the development and production infrastructure of our technologies. Last year, for example, we invested around 87 million euros in research and development. We work with companies all around the world, so being close to our customers is a top priority for us. To be closer than ever, we have significantly expanded our international network over the past few years. From the Americas to Australia – and of course, here in Europe – we have focused on increasing our capacities and our skills, especially when it comes to service and lifetime support. We know that success is more than just building an automated system; continuing to optimize and adapt it throughout its entire life cycle is crucial.

What is the mindset as a company and of each individual employee when tackling current challenges?

Reliability, motivation and enthusiasm, as I already mentioned, are decisive for us. The mindset of our company as a whole, and of each one of us, is that we don’t just fulfill tasks – we exceed

expectations and create real added value. I think we are known for zeroing in on our customers’ needs, listening intently, trying to understand what moves them, advising and finally providing custom solutions so they can achieve their goals. One of our major company goals is 100 percent customer satisfaction and 100 percent repeat sales rate. Reliability is in our corporate DNA and our customers know we have their backs. Anyone who invests with KNAPP has the guarantee that at the end of the day, they will gain added value for their company. This includes meeting all relevant regulations as we provide our customers worldwide with optimal support – both in the technical and administrative realization of projects. In terms of sustainability, we have focused on the energy consumption of our systems along with warehouse ergonomics and work station design, for many years now. And as for governance, we asked ourselves: How do we protect our customers? This question includes topics from IT security to machine safety. How can we meet legal requirements while also creating added value? In this context, sustainability reporting is the burning issue. Here, too, we plan to go above and beyond the legal requirements as we focus on creating added value for our customers and clearly present the sustainability of an investment with KNAPP. That is what sets us apart as a partner.





“A partnership where you challenge each other and encourage mutual growth is the pinnacle in business relationships.”

Heimo Robosch
Executive Vice President
with KNAPP since 2001

What factors build successful and long-term customer relationships?

Heimo Robosch: We are proud to have many of the most successful companies in the world – the cream of the crop in their respective branches – as our customers. To reach this position on the market and to build on it, many factors have to fall into place. One of them is using the right technology all along the value chain. This is exactly where we at KNAPP come into play. With our comprehensive portfolio of technologies and our outstanding solution concepts, we have established ourselves as a recommended partner for many top businesses over the years. Such a partnership is about more than just implementing projects. An important element is understanding each business model and striving to develop our own company and our partner's. We do this by constantly challenging ourselves, refusing to be satisfied with the status quo. Our attitude creates a positive cycle where our technologies and services open new opportunities for our customers and continue to develop with our customer's requirements. We have many examples of these

successful partnerships: In the fashion sector, we support PVH with fulfillment for their Calvin Klein and Tommy Hilfiger brands by providing additional capacity in the existing environment, allowing them to be closer to their end customers. In the USA, we've accompanied Walmart in rolling out their next-gen program, an important step in developing Walmart's e-commerce structure. This involved rolling out 4 enormous projects together over the past 4 years. What all of these lasting success stories have in common is that, over time, a homogenous team forms where the boundaries between 2 companies disappear. All of these projects were only possible thanks to the most valuable resource there is: people. People working for our partner, who trust us, and people at KNAPP, who provide the right solutions thanks to their knowledge of the sector. This open and fair partnership creates long-term success. Safeguarding this cooperative culture for the future is our biggest goal at KNAPP.

“We want to be the sparring partner for our customers, who actively supports them in promoting their business success.”

Bernhard Rottenbücher
Executive Vice President
with KNAPP since 1997

Bernhard Rottenbücher: There is more to building long-term customer relationships than providing first-class technologies. Experience has shown us that many companies are looking for a reliable partner who actively supports them in developing their business to ensure economic success in the long run. At KNAPP, we actively live this approach every day. We want to be a stable, long-term partner for our customers no matter the circumstances, which is why we accompany our customers in their projects, regularly coordinating our strategies so we can develop and implement future-oriented solutions and concepts together.

Our long-standing relationships with renowned customers such as the Würth Group and the Swiss association of cooperatives Migros confirm this strategy's success. Though these companies appear very different at first glance, they have one thing in common: They were both looking for a sparring partner who understood their business to help them meet future challenges and offer their customers the best service possible. We have implemented numerous projects with both companies, which shows that close partnership

leads to success for all partners. We have supported these companies as their business has developed and we are proud to be their first point of contact when the market changes, showing that customers value our understanding of their sectors just as much as they value our innovative technologies.

Our key account teams, who focus exclusively on the customer they serve and enable communication on all hierarchical levels, are also a major factor for success. These teams understand the individual business processes and with their customer-specific knowledge make an important contribution to achieve lasting success together. The key is having a foundation built on trust, shared values and communication as equals. After all, as a company, we grow along with our customers. They help us continuously advance the quality of our technologies and services.



COMPANY

SUPERVISORY BOARD REPORT

**Dear partners of the KNAPP AG,
dear colleagues,**

We are living in challenging times. We are seeing geopolitical tension on the rise, creating new hotspots while global uncertainty remains at a high level. Additionally, more resources are being devoted to meeting more comprehensive legal requirements in fields such as ESG (environmental, social and governance), supply chains, taxes and IT security. This volatile environment and changing market situations make us all the more grateful and proud to have once again been able to make an important contribution to our customers' satisfaction, to achieve an extraordinarily good result, to keep our profit steady and to increase the value of the company.

As for the activities of the past fiscal year, the construction of the new office building is almost completed, and we will soon be able to settle into our new offices. We also continue to focus on infrastructure development and expanding our locations. In Hart bei Graz, the next major projects we will be embarking on, is enlarging the company cafeteria and the company day care center.

Alongside our recently expanded sustainability program now4tomorrow, we have emphasized the important topic of IT security in the area of compliance.

In the past business year, the Supervisory Board performed all its duties as set forth by law and by the articles of association, advised the Managing Board on a regular basis regarding the affairs of company management and monitored its activities. The Managing Board regularly provided up-to-date and comprehensive information to the Supervisory Board on the financial position and development of the company as well as on important business cases.

The Supervisory Board conducted 5 sessions in the business year 2023/24, in which the members of the Managing Board reported on the strategy and developments in their business areas as well as on the other companies in the group, and the Supervisory Board also passed resolutions pertaining to current topics.

The Annual Report and the Group Financial Statements of KNAPP AG for the period ending

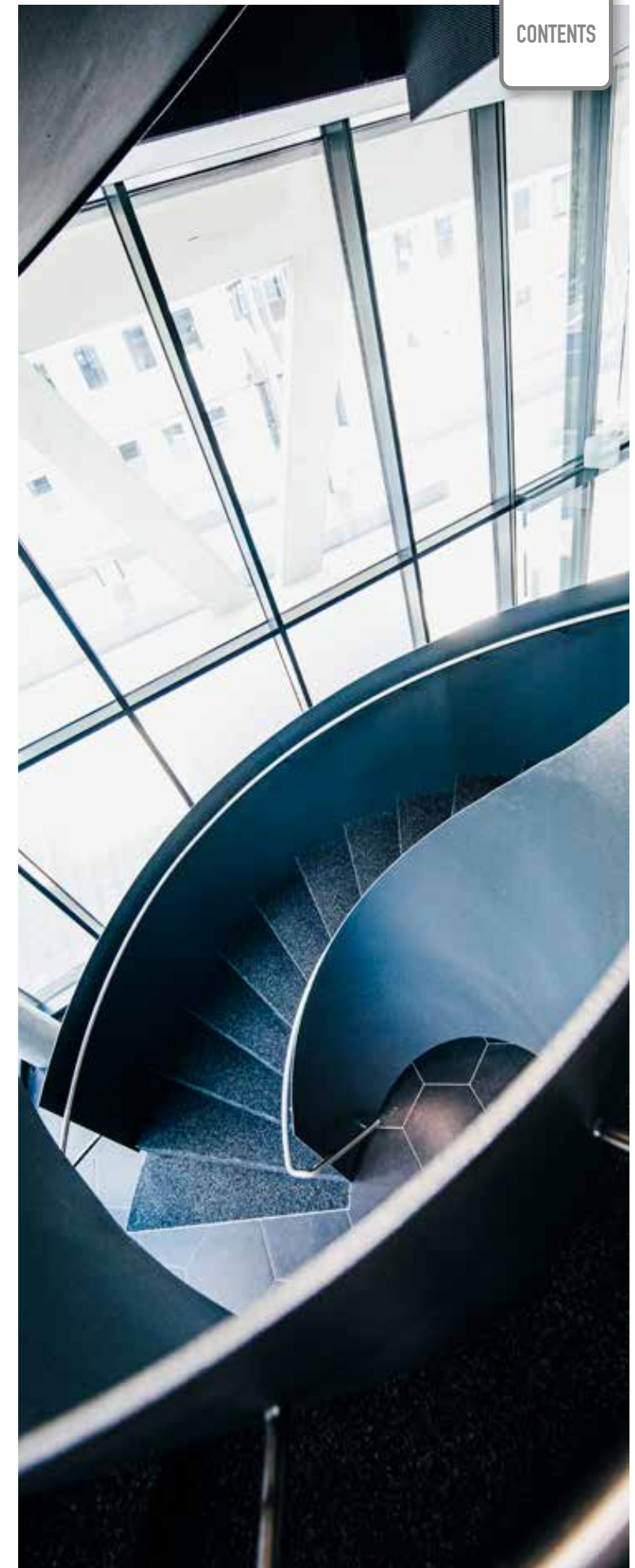
March 31, 2024, were issued with the unqualified audit opinion by PriceWaterhouseCoopers Steiermark Wirtschaftsprüfung und Steuerberatung GmbH. It was furthermore determined that the Management Report of the Managing Board is compatible with the Group Financial Statements.

The Supervisory Board has discussed and checked in detail all the documents for the annual financial statements with the auditor and approved them in their present form. Regarding the use of the profits, the Supervisory Board endorsed the proposal made by the Managing Board.

The Supervisory Board would like to thank all business partners for their trust and all employees for their hard work in overcoming the challenges of the fiscal year 2023/24.

Hart bei Graz, June 2024

Herbert Knapp
Chairman





CONTROLLING BODIES

The Supervisory Board

Hofrat Dr. Herbert Knapp
Chairman

Univ.-Prof. Dipl.-Ing. Dr. Günter Knapp
Deputy Chairman

Dr. Martin Bartenstein
Mag. Helmut Grienschgl
Sigrid Hofmann
Dipl.-Ing. Sonja Knapp
Mag. Tanja Knapp
Mag. Friedrich Möstl
Univ.-Prof. Dr. Gunter Nitsche
Dr. Peter Wenger

Works Council Delegates

Mag. Stefan Bretterklier
Dipl.-Ing. Sandra Hofmann
Franz Maierhofer
Ing. Alexander Muzyczka
Mag. Christine Plisnier

The Managing Board

Gerald Hofer, MBA
Chief Executive Officer

Dipl.-Ing. Franz Mathi
Chief Operating Officer

MMag. Dipl.-Ing. Dr. Christian Grabner
Chief Financial Officer

Executive Vice Presidents

Ing. Bernhard Rottenbücher
Executive Vice President

Heimo Robosch
Executive Vice President



VALUES AND TRANSFORMATION

What's to come and what will stay in a world of unpredictability?

Times are changing. The constant change that has been the driver for progress has turned into a torrential stream of unpredictability. We are intrinsically affected, as are our business partners as well as every other person on this planet. At the end of the day, we are all part of the same large network. And it is essential that we have an all-encompassing understanding of the complex processes involved and to be able to influence these changes.

Our mission as a value chain tech partner is to enable our customers to flourish with the right technological solutions and tools, so they can continue to succeed in these constantly changing times. Our strong values and philosophies, like a compass, guide our activities and make us the strong partner that our customers have come to rely on.

OUR KNAPP VALUES

Strong values as the foundation for a strong partnership

We draw upon our courage to forge new paths and to meet the challenges in our field. We are open for change and ready to leave behind known paths. We meet each person with positivity and treat each other with appreciation. We seek fresh perspectives, and we look beyond the status quo for creative solutions to the challenges of these times. We work together, side by side, for our

common success, provide reliable service and we are ready to go the extra mile. Our company values are timeless classics, which – to us – makes them particularly beautiful. They provide a foundation for strong, successful partnerships, with all our stakeholders. They point us in the right direction for our activities and help us hold course in difficult times.

MAKING COMPLEXITY SIMPLE

Managing change and momentum

At KNAPP, we believe in the power of transformation. As a company driven by innovation, change is part and parcel of our business. We have always done it this way – becoming stuck in old patterns is just not who we are. Nevertheless, the current dynamics in the business world can be quite worrying. We, too, face many challenges, making it all the more important to create stability and structure.

Our philosophy, making complexity simple, clearly reflects our goal: making the complexity and challenges of today manageable using technology and innovation. Because one thing is certain, standing still is not an option. As a strong partner, together with our customers and stakeholders, we forge ahead into the future and onwards to success.

VALUE CHAIN TECH PARTNER

Ensuring success with technology and partnership

Why are we always talking about the value chain and not about supply chain? Our mission is to bring our customers' business to the next level. It just isn't enough to think in terms of rigid supply chains; instead, we keep everything from production to distribution and on to the consumer in perspective. And much more, linking all the steps along the way and all the different factors both physically and digitally. This creates an agile, 3-dimensional network in which raw materials, goods and information flow, and in

which processes, places and people are connected with each other. As a result, the right information is on hand anytime to make the right decisions and to carry out the right task at the right time. This creates stability, agility, full transparency and efficiency – end to end – even when conditions change abruptly. As value chain tech partner alongside our customers, we deliver the right technologies and solutions to navigate along a successful value chain and master any challenges we encounter.

Our 3 pillars as a Value Chain Tech Partner for our customers

1. VALUE CHAIN

Make use of the existing potential

You are the best at what you do. Your value proposition sets you apart from the competition and ensures your success. We put our expertise and technologies to work, so that you can excel in your value chain and make the most of your business.

2. TECH

The future is not in the stars, but in intelligent information

This means connecting information, drawing the right conclusions for operating your system and making the right strategic decisions. We want to place the right tools in your hands – technologies, solutions and services – allowing you to set the course for your value chain.

3. PARTNER

Side by side, we shape the future

Whatever comes your way, you can rely on us as your partner. We are neither fair-weather friends, one-hit wonders nor falling stars in the firmament of logistics automation. We're here to stay – even if we hit some bumps on the road, we keep moving.

KNAPP AT A GLANCE

Reporting date: March 31, 2024



Headquarters

Austria
Hart bei Graz

1952
founded

~3,600
installations of
KNAPP group worldwide

57
subsidiaries*
and sales partners

11
production locations

80 million EUR
investment in
research and
development
4.5 % of turnover

1.8 billion EUR
turnover
in fiscal year
2023/24

Core industries



Fashion



Food Retail



Healthcare



Industry



Retail



Wholesale

Employees

~7,700
worldwide



~1,700
in Software



~4,100
in Austria



2,200
in Customer Service



of which
1,150
Resident Engineers



Responsibility

90
children
in the KNAPP-Kinderwelt
day care center



140
apprentices
in training
KNAPP group

727,984 kWh
electricity generated in house
Hart bei Graz location



Certifications

ISO 9001
Quality
management

ISO 14001
Occupational
health and safety

ISO 45001
Environmental
management

ISO 27001
Information
security

More insights
into our world of
sustainability



WE WRITE THE BEST SUCCESS
STORIES TOGETHER.



Franz Mathi, COO

talks about essential
factors for successful and
long-standing partnerships
with our customers.



VALUE CHAIN STORIES

MISSION: ZERO TOUCH

Rising to logistics challenges
with intelligent automation

Are low planning reliability, long-term personnel shortages and high cost factors pressuring your sector? We'll show how our technologies help you master these challenges with flying colors, focusing on the benefits of our solutions through every step of the value chain. Whether in production, distribution or last mile solutions, intelligent automation provides the help you need for challenges along all levels of the value chain.

See how, in the following examples.

PRODUCTION



DISTRIBUTION



LAST MILE





Intelligent tools support production logistics

It's become increasingly difficult for manufacturers to find qualified personnel. So employees need to be trained and prepared to work independently as quickly as possible.

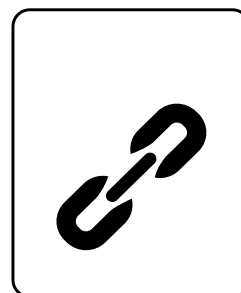
Vision Smartdesk for rapid training

Smart work stations, such as our Vision Smartdesk, help assure quality in production by digitalizing manual processes and providing graphical work instructions. Its precise work tasks, along with camera-supported in-process and final checks, ensure that both experienced specialists and brand-new employees are producing at top quality. New employees are productive immediately because the Vision Smartdesk guides them through the work process step by step, providing assistance as necessary.

Operational Excellence Solution for efficient use of resources

Intelligent resource planning tools help you optimally schedule your employees based on the current order volume at optimized costs. One such solution is our Operational Excellence Solution. It provides proactive operations scheduling together with system support for your daily business, continuously lowering your operating costs per

unit. Here's a specific example: 3 employees didn't show for work. How can you still process your pending orders efficiently? Or: This month, your operating costs were much higher than expected. What happened? The Operational Excellence Solution provides the answers.



CONTENTS

JERICH INTERNATIONAL

AUTOMATION CHECK: 100 PERCENT QUALITY

Jerich International is a supplier of vehicle body parts. Quality is their top priority – it's how they maintain their status as class A supplier for their customers. To meet those requirements, Jerich uses the Vision Smartdesk with an integrated image processing system and an optimal lighting concept. The employees carry out their tasks while receiving support from the system, ensuring they uphold Jerich's high quality standards throughout.



Automation in distribution logistics

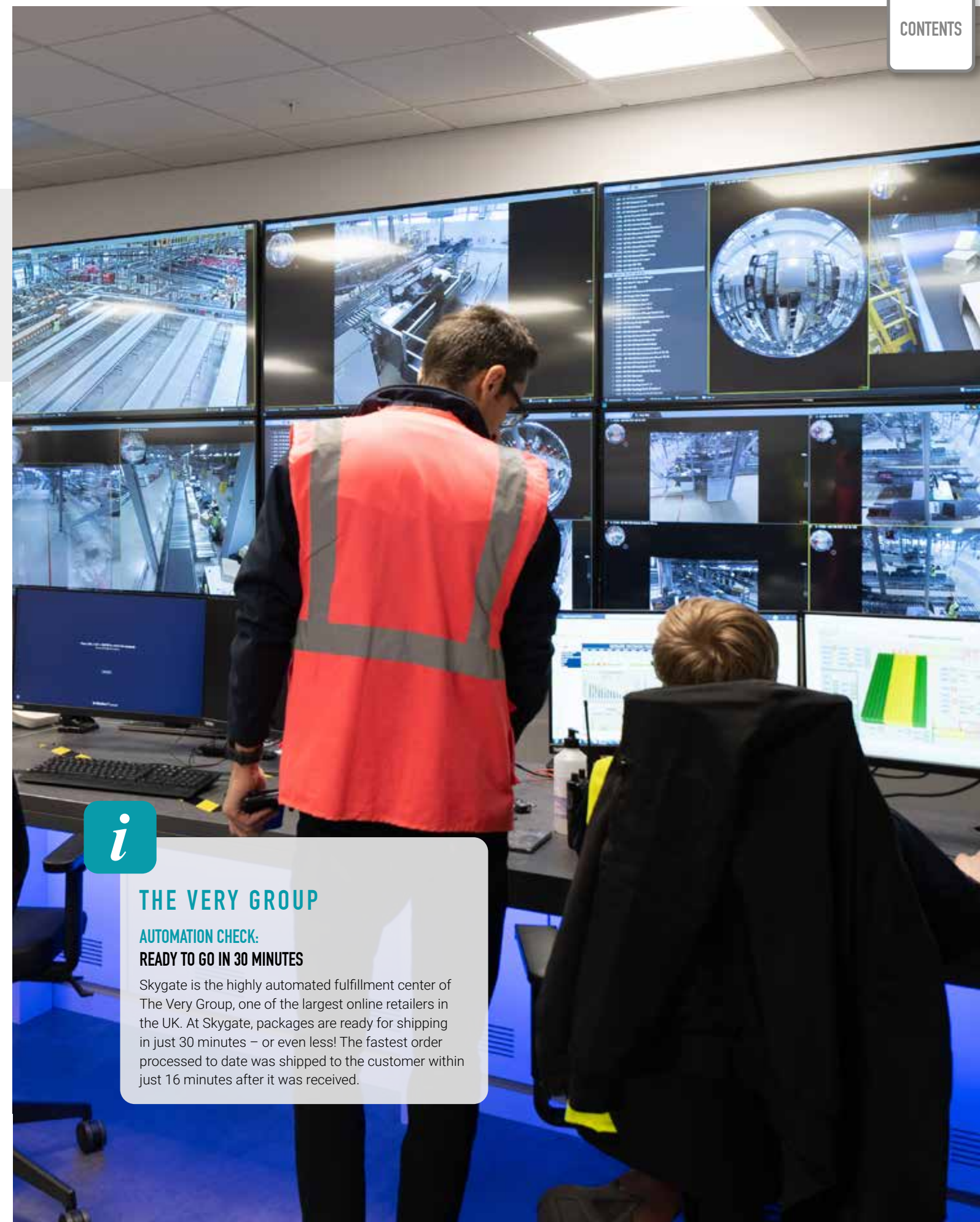
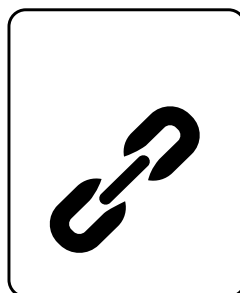
Distribution logistics is characterized by fluctuating peaks and a lack of planning reliability. We present intelligent technologies and software solutions that bring certainty into everyday operations and make order fulfillment more efficient.

Independent order fulfillment with a zero-touch solution

For many, zero-touch fulfillment is still a long way off, but here at KNAPP it's already become reality. Thanks to the perfect combination of 3 different technologies, plus a comprehensive software base to bring it all together, they fulfill orders end to end while flattening the peaks and compensating for personnel shortages. The heart of the solution is the OSR Shuttle Evo small parts warehouse. In the system, shuttles independently store and retrieve containers, cartons and trays while also sorting and sequencing the items needed and supplying them to the Pick-it-Easy Robot. The Pick-it-Easy Robot automatically loads our pocket sorter system, AutoPocket, reliably gripping even highly reflective, foil-wrapped items such as clothing articles. Filled with the right items, our smart AutoPocket heads to the packing or loading station, where it deposits the goods in exactly the right place without losing stride.

Recognize trends early on with KiSoft Analytics

Along with fully automatic robot solutions, software is a key player in every step of the value chain. Our big data solution, KiSoft Analytics, provides an overview and an analysis of data from all warehouse processes and warehouse performance from goods-in to goods-out. The software visualizes all KPIs on dashboards, providing employees with relevant data at a glance – data that can be used to make on-the-spot decisions as well as develop long-term strategies. For example, if you find a bottleneck situation in the warehouse on Black Friday, you can respond quickly. After these peak periods have passed, the software analyzes the data carefully with future sales peaks in mind, making it possible to continually improve planning and preparation from one peak to the next.

*i*

THE VERY GROUP

AUTOMATION CHECK: READY TO GO IN 30 MINUTES

Skygate is the highly automated fulfillment center of The Very Group, one of the largest online retailers in the UK. At Skygate, packages are ready for shipping in just 30 minutes – or even less! The fastest order processed to date was shipped to the customer within just 16 minutes after it was received.



Last mile and point of sale automation

Point of sale and the last mile are especially important to our value chain because this is where you have direct contact with your customers. Here, you have to fulfill your end customer's wishes (along with their order) while still dealing with your value chain challenges.

Take the green route with KiSoft Delivery Solution

Fast, inexpensive, flexible and with low CO₂ emissions – end customers have high expectations for their online orders. Plus, next-day and same-day delivery are now part of the promise many companies make to their customers, which means that it all comes down to the last mile. All eyes are on extralogistics, and for good reason, as this is where up to 75 percent of logistics costs arise.

KiSoft Delivery Solution provides support in dynamically planning your extralogistics processes. The software solution flexibly plans all of your transport. Additionally, an app assists the driver during the delivery itself. The result is optimized transport capacity and fewer CO₂ emissions, since fewer trucks are on the road, driving fewer empty miles.

RetailStore supports seamless commerce

Today, you find out more about a product on your phone, then buy it online and pick it up in the store. This trend toward seamless commerce, interconnectivity between all sales channels, makes brick and mortar retail an important touchpoint on the customer journey. At the same

time retailers have to create attractive customer experiences while highlighting the special features of brick and mortar retail. So picture this: Our RetailStore can do both.

Central to RetailStore is an intelligent picking robot that handles the whole range of products intelligently, storing them securely in a minimal amount of space. Along with secure storage, RetailStore also features engaging interactive screens, self-service checkout and a 24/7 vending compartment. End customers can see information on the product and check availability on the interactive screens. After ordering, they receive their products immediately.

We are ready for your value chain challenges

As a value chain tech partner, we offer many more solutions to help you meet the challenges in today's business world. We connect every step – from production and distribution to the last mile and point of sale – creating a network on the physical and informational level. And we always work together with you, side by side.



WÜRTH

AUTOMATION CHECK: ITEMS AVAILABLE IN UNDER 15 SECONDS

Our partner Würth in Bitburg, Germany, has RetailStore located directly in their store. It delivers products in just 14.26 seconds. Consumers select their screws and other connectors on the touch screen. They receive their order in the vending compartment and then pay at the register.



CELEBRATING SUCCESS TOGETHER

How we live partnerships

Is there a go-to recipe for success in strong partnerships?

Any partnership with stakeholders – customers, suppliers or employees – is unique, but no matter what kind of partnership, we are convinced the main ingredient is trust. In the journey with our partners, we turn to certain principles to guide us. Here, respect and open communication form the foundation, while striving for innovation and exchanging knowledge ensure long-term success. Dynamic changes in the market demand a high degree of flexibility and agility. However, we don't just jump into short-term reactionism. Instead, we focus on reliability and stability, shaping the partnership together for continuous, shared growth.

CUSTOMER PERSPECTIVE



ARVATO

Future-proof thanks to scalable solutions

For Arvato Supply Chain Solutions, a third-party logistics provider (3PL) operating in multiple sectors, maximum flexibility and adaptability of automated systems are key to a successful partnership. Solutions have to meet new demands, flexibly adapting to any changing requirements from the end consumer, conditions, business model or performance. That's why, here at KNAPP, when it comes to warehouse design, we pay close attention to scalability and further applications of our systems.

For over 20 years, renowned companies such as the cosmetics retailer Douglas have relied on Arvato. And Arvato relies on us. Our close partnership has always been about one thing: creating the perfect logistics systems for Arvato's customers and generating added value for their business cases. Over the years, we've built up mutual trust and a habit of open collaboration as equals through our close partnership. Shared values such as openness, creativity and appreciation also played a decisive part.

"With KNAPP, we continue to combine our expertise, developing smart and efficient solutions for our customers."

Jens Braun
Vice President
Arvato Supply Chain Solutions

ZALANDO

Teamwork makes the dream work

Zalando is one of the leading e-commerce ecosystems for the European fashion and lifestyle market. They are active in both B2C and B2B retail. We have been a partner to Zalando since 2014. Together, we've implemented new automation concepts for their fulfillment, integrating new technologies, reviewing processes and optimizing logistics systems to be as fast and efficient as possible. When it comes to partnership, openness and transparency are the name of the game – along with plenty of creativity for finding solutions.

We have now implemented 7 automated warehouses together with Zalando and we all appreciate the constant communication we maintain, even after the warehouses have become fully operational. This allows us to provide the high level of flexibility Zalando needs, while ensuring fast reaction times. For example, with our Resident Engineers, our highly specialized service technicians, who keep the system running at its best. The Resident Engineers work on site every day and deliver preventative maintenance

to keep errors from occurring in the first place – helping our customer uphold the services they've promised their own customers and generate a positive experience.

"We're pleased to have a partner in KNAPP who can implement projects all across Europe in the size and complexity we need."

Marcus Daute
Director for Logistics Network
Zalando



WÜRTH

A world-class innovative partnership

For over 20 years, KNAPP has been a strong partner at Würth's side. Together, we've implemented 19 logistics centers in 11 countries. These accomplishments, along with a shared sense of innovation, form the basis for creating new, excellent and future-oriented solutions together – at the same time strengthening Würth's position on the market. The global leader in fasteners and mounting materials values mutual trust and appreciation.

Both values are fostered by our strategic key account managers, who are in constant contact with Würth, productively combining automation expertise.

As Würth's value chain tech partner, we set new standards for industry hand in hand, whether in wholesale delivery, for small manufacturers or with a high-tech in-store solution directly at the point of

sale. The right mix of technologies and software creates central intelligence that ensures the optimal flow of goods.

“For many years, KNAPP has been our go-to partner when it comes to new, future-oriented logistics solutions.”

Stefan Gugerell
Member of the Managing Board
Würth

EMPLOYEE PERSPECTIVE

A fusion of talent and vision

Gerd Pirsterer has been a fixture of our KNAPP family for a decade. He started out as a highly motivated sales manager and is now Head of Key Account Management for selected strategic customers, such as the Würth Group. Gerd especially appreciates solving interesting new tasks every day and developing concepts in his daily work for us. He describes his relationship to KNAPP as exciting and characterized by fairness. Shared values and an open work environment have strengthened employees' connection to the company over the years and created an atmosphere where innovation and teamwork can flourish. Gerd and his colleagues don't just bring their talents to the table; they also bring years of customer-specific experience, which our customers such as the Würth Group appreciate in every project. Years of personal contact with individual customers promote trust, especially in critical situations.

“Thanks to our open corporate culture, I can pursue my own personal and professional development while contributing to the company's success.”

Gerd Pirsterer
Head of Key Account Management
with KNAPP since 2014

SUPPLIER PERSPECTIVE

Thriving with shared values

Shared values and expectations for successful collaboration are a keystone of our partnership with suppliers. Konvex, our long-term supplier of rack systems and steel constructions and ELRA, who specializes in custom drive solutions, share our belief in reliability, innovation and quality within partnerships. ELRA and Konvex both value our equal partnership approach, which we at KNAPP have made possible thanks to the commitment of our employees.

Open communication is of great importance to ELRA, as it helps us recognize and avoid issues early on. A high level of integrity and staying true to one's word are prerequisites for a successful partnership. These are traits we value, as do our suppliers ELRA and Konvex. We are excited about our future together – and look forward to many more successful projects worldwide.

“We’ve learned about innovation, quality and reliability in our solutions and in project management from KNAPP.”

Juan Meca
CEO
Konvex

“We’re proud to work with a partner like KNAPP whose values and goals are similar to ours.”

Rudolf Wolf
CEO
ELRA



SOFTWARE MEETS SUSTAINABILITY

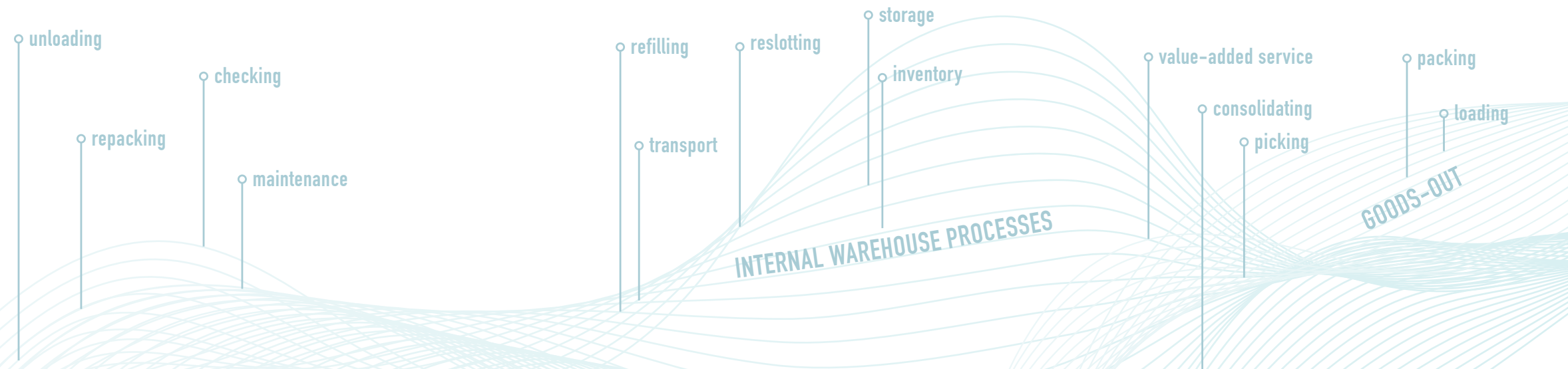
Going from data jungle to green supply chain

„Colorless green ideas sleep furiously“: A phrase coined by linguist Noam Chomsky in the late 1950s to prove that a sentence can be grammatically correct and still have no meaning. What does this have to do with software and sustainability? Although much of the data and key figures determined today are correct, it still proves difficult to derive specific measures or optimization potential and they hardly deliver the desired added value. In this story, we'll look at what is necessary to achieve lasting, data-driven potential for improvement and how our software solutions make your value chain more successful.

Full transparency as key to sustainability

Sustainability and the efficient use of resources have become an increasing priority for many companies. Often, calculating the carbon footprint is the first step toward improving sustainability and part of mandatory reporting for many regions. These calculations are usually based on historical data and provide average values. As striking and impressive as such figures may seem in presentations, they are usually too generic to actually identify measures for optimizing system operation. Furthermore, it is simply not enough to look at isolated data, as true optimization

potential only becomes evident by combining key figures for perspective. And here we face the next challenge: A logistics system along the entire value chain generates data at countless points from different systems, which is often stored in huge data silos. *“Due to a lack of standards and standardized interfaces, it is often difficult to merge data. However, merging data is necessary, as only data transparency at a detailed activity level provides a sound basis for data-driven decisions with an eye to higher sustainability,”* explains Mario Berger, software specialist at KNAPP.



Vertical and horizontal software integration provides perspective

So how do you navigate the data jungle, identify the most useful key figures and make the right decisions? With our all-in-one software solution, KiSoft, we have a powerful, intelligent tool that not only integrates machine control, warehouse control and warehouse management on a vertical level, but also on a horizontal level along the entire value chain from production to distribution to point of sale, or even to the end customer. In addition, intelligent applications for data analysis or resource and skills planning round off the portfolio. This significantly reduces the number of interfaces. As integrated intelligence, KiSoft connects all processes, automation technologies and people in the warehouse, resulting in high performance and transparency throughout the value chain. It becomes easy to make data-driven management decisions but also to conduct service and maintenance tasks more efficiently, all the while improving the operation of your automated systems.

Artificial intelligence in day-to-day logistics

The larger your data collection and the higher the quality, the more likely it is to produce good results. At the same time, the complexity of receiving the adequate answers from this information increases as the data volume grows. AI applications help structure the data,

automatically identify connections and deviations, analyze buyer behavior, process orders more efficiently and streamline processes. Here at KNAPP, we rely on artificial intelligence in many software solutions and automation technologies. From slotting to fully automatic picking robots, calculating complex packing patterns and enhanced quality assurance – artificial intelligence is firmly rooted in everyday logistics.

“Data is the necessary foundation for determining emissions. With the information they gain from KiSoft, customers can optimize their processes, reducing their CO₂ emissions.”

Mario Berger
Software Specialist
with KNAPP since 2007

PATHS TO SUSTAINABILITY

As a strong partner, we not only strive to support our customers in fulfilling legal requirements, but also to deliver the right tools so they can achieve long-term success and sustainability in their business areas with our customized software and automation solutions.





KNAPP INC.

The land of opportunity

Our subsidiary in the US was founded 27 years ago and has since established itself as a powerful player on the American market. What started out as a one-man show has grown to become the largest member of the KNAPP group, with over 850 employees. Along with strong technical solutions and a deep understanding of the US market's special requirements, the pioneering spirit of our American colleagues has been a key factor for the company's success. Let's take a look behind the scenes of KNAPP Inc. and showcase just a few of their many successful partnerships.

From humble beginnings

The dynamic nature and diversity of the United States can be felt from sea to shining sea. As the land of opportunity, the country's immense innovative power attracts many successful companies who want to drop anchor on US soil.

1997



2003



In **1997**, we took the plunge and founded a subsidiary – or rather a small garage office – in Cartersville, Georgia, led by Claus Henkel, the first CEO of KNAPP US.

In **2003**, the current CEO, Josef Mentzer, and his team began working to continually expand their customer service. As the first subsidiary able to repair the ejectors of automatic A-frame picking systems, KNAPP Inc. deployed their own service technicians and maintained their own spare parts warehouse. Closeness to customers and skillful support have always been their top priorities.

In **2005**, KNAPP Inc. moved to their current location in Kennesaw, Georgia, and have grown significantly since.

2019



2024



In **2019**, to keep pace with the growth of KNAPP Inc., the location in Kennesaw was expanded with modern office buildings, including a showroom and a cafeteria for the employees.

Today, KNAPP Inc. is a strong player with a wide base of expertise who has since become the second largest provider of highly automated warehouse solutions on the US market. The team of 850 employees looks back on a successful year, which included the highest order intake in the company's history thus far.

Outlook: With all these milestones in the history books, KNAPP Inc. has paved the way for a successful future

"We want to continue to grow and offer future-proof solutions in all areas and to be a strong partner for our new and current partners."

Josef Mentzer
CEO
KNAPP Inc.

SUCCESS STORIES

We're at our customers' side

Charts, KPIs, sales and profit volumes show how successful a company is and how they are performing. But what's behind the numbers? Why do successful companies and brands choose us? Let us show you by introducing 4 of our North American customers with whom we have formed strong, long-standing and sincere partnerships.

"I meet new and interesting people every day at work. It's always nice when we end up becoming good friends."

Michael Wurm
Principal Sales Consultant Healthcare
Key Account Healthcare Solutions
with KNAPP since 1997





“When will you get the chance again to work in a supply chain that is evolving into something completely new?”

Heather Zenk
President of Supply Chain and
Distribution Services
Cencora

CENCORA

The heart of the supply chain

Cencora is a leading wholesaler of pharmaceutical solutions and a global brand uniting AmerisourceBergen and Alliance Healthcare since 2023, supplying pharmacies, hospitals, cancer centers and many other healthcare facilities. This carries a lot of responsibility, which Cencora fulfills thanks to intelligent logistics strategies and state-of-the-art automation.

Our partnership dates back to 1984, when Cencora was still Alliance Healthcare. The company successfully entered the US market with AmerisourceBergen in 2001 – first with the automated A-frame picking system in Sacramento. Since then, a total of 19 systems have been started up in the US, equipped not only with the A-frame, but also with high-tech conveyor systems and shuttle technology as well as many intelligent software solutions and vision technology.

Cencora played a major role in making the A-frame DSCSA-compatible, investing a lot to be able to achieve this. For Cencora, the law is a vital safety and quality benchmark. Today, our vision

technology already makes it possible to meet FDA requirements – months before coming into force. It also ensures that pharmaceutical products are seamlessly traceable with regard to lot and packaging. The throughput speaks for itself: 4.8 million units were sold in just one night. The entire process is transparent and traceable in both directions – all the way to the patient, all the way to the manufacturer.

What unites Cencora and KNAPP is their abiding passion for innovation, their thirst for developing even better and more efficient methods and their wish to create a healthier future for everyone, whether they are patients, partners or customers. Our transatlantic partnership continues with an exciting project near Birmingham, where goods-in, picking and shipping processes, customer and pharmacy orders and empty container handling will be automated. Besides our OSR Shuttle Evo systems and ergonomically designed Pick-it-Easy work stations, the solution will include 2 Pick-it-Easy Robots and an automatic packaging area.



RUNPICK takes grocery store delivery to a whole new level.

“The technology by KNAPP has doubled our capacity and is scalable to boot, allowing us to grow with demand. It also improved our deliveries to customers.”

Raul Bujalil
Vice President of
Supply Chain Strategy and Enablers
Kroger

i

**KROGER IS A RETAILER IN THE U.S.
AND DELIVERS NATIONWIDE TO:**

2,750
grocery stores

**EACH DAY
THE COMPANY PROVIDES OVER**

11 million
consumers with fresh groceries and
other necessities. The focus is on people
and their needs, and efficient store delivery
and a well-oiled supply chain form the
basis for success.

KROGER

Fully automatic store delivery

Kroger is a U.S. retailer, delivering to more than 2,700 supermarkets across the country. The distribution center features a highly innovative solution by KNAPP, which takes the efficiency, performance and flexibility of the logistics processes there to the next level.

RUNPICK has it all covered

Thanks to a unique combination of RUNPICK, OSR Shuttle Evo and tailored KNAPP software, capacities have doubled, allowing Kroger to respond to changes in the market quickly. The new system benefits Kroger in multiple ways: lower costs, fewer damaged products and significantly improved working conditions for warehouse personnel.

Intelligent, fully automatic processes

The software and interplay of all components are key in this solution. The optimal packing pattern for the pallet is calculated right when the order is received. This allows the system to retrieve the requested orders in the right sequence and process them at one of the 12 RUNPICK stations, where the robots place up to 900 cartons per hour at exactly the right position on the shipping pallet. The result: over 120 pallets per hour packed at the optimum density and stability. Additionally, the pallets are adapted to the individual store layout, allowing employees to fill shelves while saving time and effort.

Multi-picks power performance

RUNPICK's major advantage over existing systems is its substantially increased performance and ability to handle a variety of packaging types and pick multiple pack units at a time. Within a single cycle of movement, the robot moves and deposits several items at the same time, thereby increasing performance.

**“KNAPP’s wide range of innovations
and extensive experience were the
deciding factors in choosing
them as our partner.”**

Brian DeHaan
Senior Director
Engineering & Maintenance
DigiKey

DIGIKEY

Go big. Play big.

This is a real American success story – a story in which state-of-the-art KNAPP technology plays a leading role. We are talking about the success of electronics giant DigiKey, who built a 20.4-hectare (~219,580 ft²) product distribution center (PDC) with KNAPP as their automation partner. *“KNAPP’s wide range of innovations and extensive experience in implementing automated distribution centers for large, global brands were the deciding factors for our decision for KNAPP as our partner,”* explains Brian DeHaan, Senior Director, Engineering and Maintenance at DigiKey.

Before the PDC was implemented, a proof-of-concept system was installed to discuss further expansion solutions at the Thief River Falls location. DigiKey was looking for a competent and experienced partner who could also make complex

solutions happen. Another contributing factor was KNAPP’s offer to evaluate and test different system designs, creating a partnership based on trust.

In 2018, DigiKey and KNAPP signed a contract for the OSR Shuttle Evo, laying the foundation for the installation of the largest system ever. At full capacity, the warehouse system’s over 1,000 shuttles will be able to store a whopping 1.86 million items. When the PDC has reached its final size and all planned expansions are completed, there will be room for even more – for 2.7 million items, to be exact – which will allow DigiKey to not only strengthen their world leadership in fast delivery, but also to fully satisfy the wishes of their customers.





STRONG PARTNER FOR AMRs

How intelligent transport robots generate added value for the industry

Since the beginning of time, new technologies have pushed the limits of what is possible. One of the innovations that have fundamentally changed the industrial landscape are autonomous mobile robots – AMRs for short. The intelligent transport robots are revolutionizing production processes as well as the expectations on efficiency and flexibility. Our AMRs, the Open Shuttles, play a decisive role in this revolution, automatically connecting different areas in production with ease. They can play their part in various environments, whether in the electronics, automotive or manufacturing industries.

Open Shuttles boost flexibility

But what makes AMRs so unique and attractive for companies, regardless of their size? They are revolutionizing the world of industry with their ability to fulfill tasks more efficiently, safely and more flexibly. The great advantage is that, compared to traditional industrial robots and static conveyors, AMRs can be adapted to changing processes quickly. They optimize the workflow, reduce costs and improve work safety thanks to

cutting-edge sensor technology. What's more, they are easily scalable – if your business grows, so does your AMR fleet. And there's more. The Open Shuttles by KNAPP offer benefits that go beyond: They are easy to configure, run well in mixed fleets with other AMR types, start up in next to no time, allow cost-efficient operation, ensure maximum safety for employees and products as well as a broad service network.

Wide range of AMRs optimizes processes

Look forward to a promising future for automating production processes with autonomous mobile robots. KNAPP's Open Shuttle product portfolio holds the perfect solution, regardless of your application. Together with our tailored fleet management software, brain meets brawn.



OPEN SHUTTLE FORK

transports pallets and special load carriers up to 1,300 kg (2,866 lb)



OPEN SHUTTLE BOXGRIP

transports containers of up to 25 kg (55 lb), picking containers up and delivering them to flat surfaces



OPEN SHUTTLE 50 | OPEN SHUTTLE 100

transports containers, cartons and trays of up to 120 kg (265 lb)



OPEN SHUTTLE 50 ASG

transports magazines and trays of up to 50 kg (110 lb)

100+ successfully implemented customer projects

In 2012, we at KNAPP set out to reform automation logistics – with our successful Open Shuttle project. For many of our customers, using our autonomous mobile robots has transformed their supply processes for production and storage, maximizing their ability to face the future and enhancing their competitive edge. Over the past years, our AMRs have automated and optimized internal transport for over 100 customers. As a reliable partner, we also offer global customer support after the project and implementation phase.

And now, we'll look into successful Open Shuttle AMR solutions based on some customer examples.

“It's always exciting to see how we push forward the technological development of intralogistics with our automation solutions.”

Franz Fasch
Head of Automation KNAPP Industry Solutions
with KNAPP since 2015



“The new automation solution gives us the flexibility to adapt to situations independently as needed – making us faster and more cost-efficient.”

Peter Hubl
Team Leader, Logistics Automation Maintenance
Fronius International

FRONIUS INTERNATIONAL

Automated pallet transport

Fronius is a global market leader in battery charging solutions, welding systems and solar energy.

Challenges:

- » Connecting the existing production hall of 41,000 m² (~441,420 ft²) and the new hall of 28,000 m² (~301,389 ft²)
- » Supplying the production cells with pallets
- » Connecting goods-in with production and the central shipping warehouse
- » Managing high traffic volume
- » Handling adaptations for the location independently and expansion of production cells

Automation solution:

- » 11 Open Shuttles transport containers to check stations
- » 16 Open Shuttle Fork robots transport pallets to production



Advantages

- ★ Optimized transport processes
- ★ Use in mixed traffic, with automated and manual vehicles
- ★ Easy adaptation of routes and processes
- ★ Space-effective transport solution, efficient use of corridors
- ★ Scalability and flexibility in converting production areas

“It was important for us to simplify empty container transport, drive more ergonomic work processes and free up resources.”

Tobias Aichinger
Head of PLC Programming and Robotics
PC Electric

PC ELECTRIC

Optimized transport processes

PC Electric is one of the world's leading companies in the development and manufacturing of industrial plugs and sockets.

Challenges:

- » Manually transporting 1,200 empty containers per day
- » Distance of 103 m (~338 ft) from packaging to production
- » Narrow corridors
- » Transporting stacks of empty containers

Automation solution:

- » 2 Open Shuttles for internal transport of empty containers
- » Special load-handling device for picking up container stacks



Advantages

- ★ Optimized transport processes and use of space in tight areas with forklift trucks and pedestrians
- ★ Rapid implementation
- ★ Solution scalability within only a few hours
- ★ Flexible software solution for precision docking of Open Shuttles

“Thanks to this solution, we managed to increase the degree of value creation, improve flexibility, offering added value for our customers.”

Andreas Buhl
Managing Director
Magna Mirrors

MAGNA MIRRORS

Flexible automation solution

Magna, one of the world’s largest automotive suppliers, makes side mirrors at their location Assamstadt in Germany.

Challenges:

- » Sequenced supply to the assembly work stations
- » Supplying empty container to production lines and transporting finished components
- » Automating in-house transport
- » Using several existing buildings without modifications
- » Rapid parts availability for implementing the just-in-time/just-in-sequence strategy
- » Sufficient storage density and expandable system for future growth

Automation solution:

- » Automatic OSR Shuttle Evo small parts warehouse to supply the multi-functional Pick-it-Easy work stations for assembly
- » 6 Open Shuttles for container transport connected directly to the small parts warehouse, optimizing production line supply



Advantages

- ★ Simple and flexible process changes and shorter response times for customer orders
- ★ Expandable small parts warehouse and Open Shuttle fleet
- ★ Economic efficiency; autonomous just-in-time and just-in-sequence delivery to customers
- ★ Enhanced value creation at location

“KNAPP is a highly dynamic and experienced partner – working with us to quickly let our ideas become reality.”

Stefan Schneider
CEO
Digmesa

DIGMESA

Just-in-time transport processes

Digmesa is a company developing, manufacturing and distributing flow meters for fluids.

Challenges:

- » Moving to a new hall
- » Automating transport processes for supplying the assembly machines
- » Introducing an additional 3rd shift
- » Simple scalability of solution and optimum use of existing space
- » Tight implementation schedule

Automation solution:

- » 2 Open Shuttles for transporting empty containers from flow racks to 8 injection molding machines and onward transport of finished molds



Advantages

- ★ Project implementation within less than 4 months
- ★ High scalability for business growth
- ★ Optimized processes, article quantities and use of space
- ★ Flexible system featuring free travel paths
- ★ Quality assurance introduced to the process; Open Shuttles supply finished parts to flow racks equipped as check stations



READY FOR THE FUTURE?

System Adaptations & Retrofit
as key to sustained success

The go-live of a system may date back a while and companies are facing the following challenges: Their business models are evolving, necessitating changes for the future and they want to align their logistics center with these developments. They need more throughput or may have detected certain bottlenecks throughout the warehouse. As strong partner, we help our customers meet these challenges head on. Using comprehensive analysis and interpreting logistics and production data, we work together to create an implementation plan tailored to each individual objective: software update, system expansion or retrofit.

Our approach

All of our KNAPP products and services are innovative high-tech tools that provide optimal support in implementing our customers' business cases, maximizing output and productivity. To this end, we take the following approach to our System Adaptations & Retrofit service:

01

Project initialization

What are our customers' current challenges and processes? What are their goals for the future? In the first meeting, we aim to understand each situation precisely. From there, we determine the next steps together.

INSIGHTS

With one of our customers, for example, containers kept building up in the shipping preparation area, which suggested the need for an additional line in shipping preparation. After talking to the customer, our experts checked the system layout and found that the customer's growth over the past years had led to general throughput issues. The buildup of containers was only one symptom.

02

Project classification

Once we know the background and scope, we can provide a rough cost estimate. Once we have our customer's approval, we start analyzing their data.

INSIGHTS

Throughout this phase, our goal is to determine the project scope and expenses. This forms the basis for a decision.

03

Data analysis and interpretation

Based on the specific project request, we know which of the following data analysis packages is suited best:

- Analyses for system adaptations: identifying bottlenecks, optimizing throughput and more.
- Analyses for the introduction of a new business case: new processes, new item management design and more.

Based on the WMS data, we analyze and interpret the situation together over the course of several workshops. This creates a common understanding of the data and the expected growth scenario. We also define the KPIs as well as the data set for the future system concept.

INSIGHTS

While there are various tools out there to analyze data, for interpretation not so much: You need experts. It requires in-depth knowledge and years of experience. To keep an eye on the defined KPIs in the future we use our big data solution KiSoft Analytics. Digital Services provide support for our customers' daily business using real data in real time.

04

Block layout

Based on the data analysis, we create a block layout. This layout provides a compact overview of the necessary changes in your warehouse. The block layout together with the analytical results and detailed cost estimate provide the big picture – the steps you need to attain your future goals.

INSIGHTS

It might be helpful to rearrange certain warehouse areas or to add more stations or components while factoring in the available space for such changes, amongst other things. For example, at a customer site, we moved the goods-in area closer to the returns area, reducing the number of forklift trucks needed to handle the workload from 5 to 3.

05

Design engineering

The next step in the adaptation process includes planning out the detailed layout and individual implementation steps through workshops focusing on the software, mechanical and electrical aspects. We also take a look at the product roadmap: Are there any components that need to be replaced as part of the system adaptations?

INSIGHTS

Depending on the scope of the project, the steps are implemented in several stages. For each stage, we work with you to precisely define which tasks are needed for the material handling equipment and for the logistics software. To ensure maximum transparency, we also sit down together to list the individual customer to-dos in this phase.

06

Final engineering and implementation

Once the individual implementation steps have been coordinated and approved and the offer confirmed, we can get started with realization. We discuss all the separate stages together and the only standstills that occur are those we planned.

**THE RESULT**

You have an up-to-date system that delivers maximum performance, allowing you to overcome the challenges of today and tomorrow.

COFARTE**Ready for the future**

Our long-standing pharmaceutical customer COFARTE, Cooperativa Farmacéutica de Tenerife, now boasts a retrofitted OSR Shuttle. Between November 2023 and February 2024, we modernized and re-started 3 consecutive aisles. *“These projects are challenging as the goal is to keep the impact of retrofit work on our customer’s daily business to a minimum,”* explains Hans-Jörg Ressler, Technical Project Manager. *“We were successful and managed project handover to the customer without any interruptions whatsoever.”* The OSR Shuttle at COFARTE is now again state of the art with full support status for the next 10 years. For this project, the existing steel construction of the OSR Shuttle was reused, meaning no new steel was required – a very positive contribution to reducing CO₂ emissions.

No matter what challenges our customers face today or tomorrow, we are at their side as strategic partner. Our mission is to support our customers, so they can serve their customers with the right quantities at the right time, in the right quality. Service intelligence for success is more than just a slogan, it’s our service philosophy at KNAPP International Customer Service.

“Ideally, a retrofit-project takes 6 months from planning to implementation. At COFARTE, we hit the mark perfectly thanks to our excellent team work.”

Hans-Jörg Ressler
Technical Project Manager, Customer Service
with KNAPP since 2004

DEMANDING THE MOST OF OURSELVES
ON EVERY DIMENSION



Gerald Hofer, CEO
provides insight in how we
embrace responsibility with our
business partners, the environment
and society as a whole.

TAKING RESPONSIBILITY



Left to right: Katrin Pucher, Christoph Szasz and Tobias Waltenstorfer of the now4tomorrow team

FOCUS ON SUSTAINABILITY

At KNAPP, we have been focusing on the topic of sustainability for several years. We want to continue on this path in the future and make our development visible through detailed reporting. Our goal is to quantify our progress in the form of key figures and to publish this information in an easy-to-understand format. To achieve this goal, we have developed a 3-year step-by-step plan that will enable us to deliver a comprehensive Sustainability Report by fiscal year 2025/26. This report will be published every year with our Annual Report. Every action we take towards this goal falls under our sustainability program, now4tomorrow.

NOW4TOMORROW

Our sustainability program

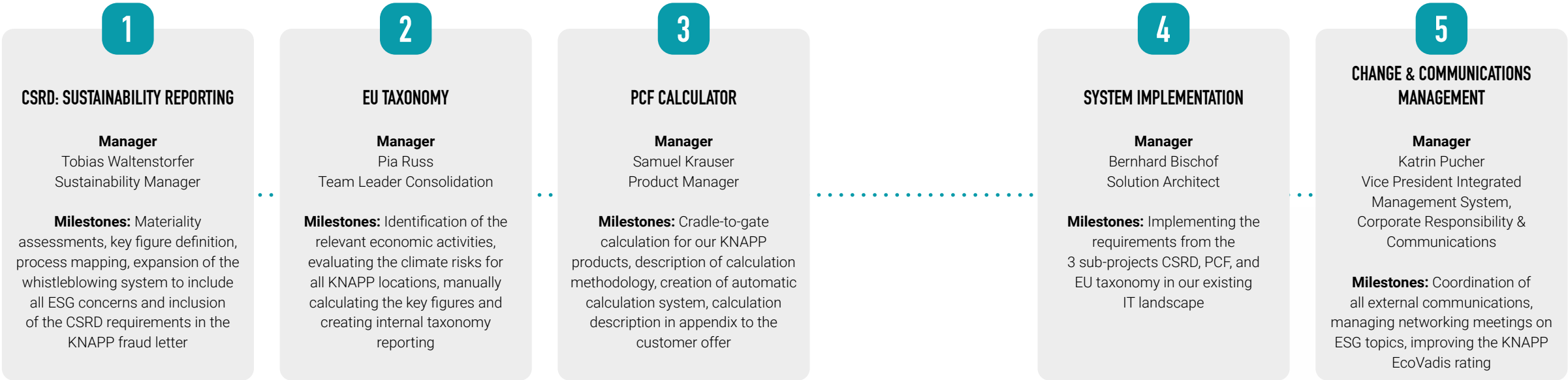
Across the entire KNAPP group, the now4tomorrow program is gathering data and implementing organizational measures so we can fulfill a set of requirements for sustainability reporting in the areas environmental, social and governance, which includes environmental impacts, social impacts and corporate governance, ESG for short. The goal is to compile a comprehensive Sustainability Report by fiscal year 2025/26, with includes our success stories along with numbers, facts and figures. To guide us, we have adopted the United Nations Sustainable Development Goals (SDGs) in order to contribute to tackling the biggest challenges facing society. After a thorough evaluation, we identified 6 of the 17 SDGs as being relevant to our company. *"We've used the SDGs to formulate our goals for the future with respect to sustainability. We also want to take our future reporting a step further: For the sake of transparency and comparability, our future Sustainability Report will be produced according to the new European Sustainability Reporting Standards (ESRS), created to ensure consistent reporting standards across Europe. We will be using these standards not only for our European locations, but also for the entire KNAPP*

group," says Tobias Waltenstorfer, Sustainability Manager. Tobias and 5 of his colleagues form the Project Management Team, headed by Strategic Principal Project Manager Christoph Szasz and are responsible for implementation of the program.

The next steps to Sustainability Report 2025/26

Our plan to introduce a new reporting standard globally for our organization requires a certain amount of preparation time. Therefore, our sustainability program, now4tomorrow, will accompany us for the next 2 years and conclude with the KNAPP group's first certified sustainability report in FY 2025/26. *"One of the key aspects of our sustainability strategy is raising the profile for the upstream and downstream impacts of our activities and taking the entire value chain into account. Going forward, our aim is to make our progress quantifiable using KPIs and to publish this information in an easy-to-understand Sustainability Report,"* explains Katrin Pucher, Vice President Integrated Management System, Corporate Responsibility & Communications.

ONGOING PROJECTS



Fiscal year 2023/24 in retrospect

We're already seeing the first results from last year's activities. Among other measures, 5 internal projects were introduced to support different areas in evaluating the required key figures globally and making them available for reporting. *"Though virtually all departments within the company are involved in the program, 5 areas have a special responsibility: They play a leading role with regard to the program content. The program also includes all subsidiaries throughout the KNAPP group, so this initiative is incredibly complex. In addition to the existing projects, another one is currently being launched. Global Supply Chain Management is heading up the program and addresses the European supply chain law (CSDDD),"* explains Christoph Szasz, Strategic Principal Project Manager and project manager of the now4tomorrow program at KNAPP.

Forecast for fiscal year 2024/25

In order to best prepare our organization for the sustainability reporting, further improvements in data acquisition and quality will be implemented in fiscal year 2024/25 across the entire KNAPP group. Ongoing projects will be completed and additional projects started for the evaluation of key figures. These steps are necessary to ensure that we can provide all data relevant for the ESRS standards for our officially audited Sustainability Report in fiscal year 2025/26.



SUSTAINABILITY REPORT

Key figures for environmental, social and governance

Our company objective is to do our very best to improve the future, both for ourselves and for others. One of the key aspects of our sustainability strategy is raising awareness of the impacts of our activities, especially in relation to the entire value chain. This is just one of the reasons we are actively promoting our sustainability activities and social initiatives.

Here are a few key figures for our Hart bei Graz headquarters.

93 % of turnover fulfills EU taxonomy criteria

This share of total turnover has the potential of being generated sustainably. The underlying activities are described in the EU taxonomy regulations and considered environmentally sustainable if they fulfill certain criteria. Discover more on page 80.

4,753,000 green kilometers (2,953,400 miles)

Last year, KNAPP employees traveled this distance with electric cars from the company fleet. We are also encouraging the use of alternative means of transportation for commuting to work. For example, at KNAPP around 680 employees opt out of their individual parking space every day, in return they receive the Styrian KlimaTicket, a ticket for public transport.

727,984 kWh of self-generated electricity

KNAPP has relied on green energy for years, which is why we have been expanding our own photovoltaic system in Hart bei Graz regularly. This year, we have already generated around 10 percent of the required electricity ourselves.


7,689,568 kWh energy consumption

Energy is the largest contributor to the ecological footprint at our Hart bei Graz headquarters. Energy consumption includes the electricity consumed by all office buildings, production and storage areas, the company cafeteria and the KNAPP Kinderwelt, our daycare center, as well as the district heating and gas consumption for the entire premises with usable space totaling 62,858 m² (676,600 ft²).



On the following pages look into **4 highlights** from the now4tomorrow sustainability program. Our colleagues share what has already been implemented in the projects and what they themselves are contributing to prepare for our first Sustainability Report in fiscal year 2025/26.





**“Together with my project team,
my contribution is optimally
preparing our organization for
the sustainability reporting
of tomorrow.”**

Pia Russ
Team Leader Consolidation
with KNAPP since 2018

NUMBERS, FACTS, FIGURES

Perfectly prepared for tomorrow with the EU taxonomy

A climate-neutral economy by 2050 is the goal of the European Union. What the EU defines as sustainable is set out in the EU Taxonomy Regulation, which provides a transparent classification system for ecologically sustainable economic activities.


Pia Russ has been working in Corporate Finance at KNAPP for 5 years and is usually responsible for regular financial reporting and the consolidated annual statement of accounts. Now, she has also been entrusted with leading the EU taxonomy project. Since the EU taxonomy plays a role in almost every aspect of the company, many processes and stakeholders with different requirements are involved. Together with her team she has been actively preparing for the upcoming reporting obligations for a year, working together across all subsidiaries. Pia sees advantages the EU taxonomy gives the company: *“Reporting and the measures derived from it offer real opportunities in all possible areas. For one, it gives us a good position on the financial market, allowing us to obtain better conditions for financing from banks, for example. For another, we can also present the KNAPP sustainability balance sheet to our customers, backed up with numbers, facts and figures. This sets us apart from our competitors and we benefit from a positive image.”*

IT SYSTEMS

New requirements call for new solutions


Starting in 2025/26, various key figures such as CO₂ data or global personnel statistics must be presented in a corporate sustainability report. But how do we as KNAPP obtain the data for the report? How can we adapt the existing system to fulfill the new requirements and what additional new IT structures are necessary?

Bernhard Bischof has dedicated an entire year to just this case. As a solution architect, he was now entrusted with leading the sub-project System implementation. Bernhard’s task: to consolidate and structure the tremendous quantity of existing data points, ensuring their integration into the IT system landscape. In his hybrid IT and controlling function, all data points come under his watchful eye. Together with his team, he is creating a reliable infrastructure that will make the legally required reporting of over 200 key figures possible. *“The project creates a lot of added value and not just for our company. Our customers have also increasingly been asking for these key figures with regard to a sustainable supply chain. By publishing this data in a sustainability report, our customers are aware of how much, for example, CO₂ they are purchasing through us,”* explains Bernhard.



**“Together with my project team,
we are designing KNAPP’s
IT system landscape for higher
efficiency in the reporting
of tomorrow.”**

Bernhard Bischof
Solution Architect
with KNAPP since 2013

A portrait of Sandra Stradner, a woman with long brown hair, wearing a blue blazer over a white top and blue jeans. She is standing in front of a modern building with large glass windows and a metal frame, with her arms crossed and a slight smile.

“The real trick is not just preparing KPIs, but actively using this data to make better decisions for the future.”

Sandra Stradner
Head of Headquarters Controlling
with KNAPP since 2017

MAKING KPIs SIMPLE

Management accounting expertise in the KNAPP data universe

A major goal of our sustainability program now4tomorrow is to prepare our organization for the new EU reporting requirements starting in fiscal year 2025/26 and to lay the groundwork for interpreting our data accordingly. Achieving this goal requires data from different divisions and from all locations of the KNAPP group, while recording and reporting these figures demands new processes and system landscapes – not to mention new approaches and ways of thinking. This gave rise to a separate project stream, spearheaded by Sandra Stradner, Head of Headquarters Controlling and her department.


Through their experience in financial reporting and the insight gained from working with the departments, the Controlling Division has developed valuable knowledge of the processes required for evaluating reporting requirements and developing new systems. *“As controllers, calculating KPIs and creating reports based on external guidelines on tight deadlines is our bread and butter. We see our role in the now4tomorrow program as advisors, supporting other departments with our experience. We have a good overview of the available data, the level of detail, as well as the existing links for generating new data. There’s no need to reinvent the wheel. We already have a lot of expertise in-house and we can easily use our existing knowledge for these new requirements,”* explains Sandra.

A SAFE PLACE TO WORK

Raising awareness of health and safety

The EU standards require companies to assume responsibility for the occupational health and safety of their employees. At KNAPP, we meet these requirements by placing great value on both preventative measures and transparent documentation of accidents as well as work-related illnesses and injuries.

Wolfgang Silly is part of the Health & Safety Management team as Health & Safety Officer: *“My focus is on providing internal training to employees to raise awareness of occupational health and safety. However, I’m also responsible for documenting and evaluating various key figures, including work accident statistics. Through the now4tomorrow program and sustainability reporting, these key also responsible for documenting and evaluating various key figures, including work accident statistics. Through the now4tomorrow program and sustainability reporting, these key figures have taken on an even greater significance. We’re also constantly adding new figures as part of our first sustainability report in 2025/26,”* says Wolfgang Silly. Thanks to the solid foundation they’ve built up over the past years, the project is off to a good start. Wolfgang says it best: *“Thanks to our ISO certification, we’ve been able to anticipate many new areas of action in occupational health and safety over the past years. This has made it easier for us to collect and provide the required data on health and safety from the entire KNAPP group.”*

A portrait of Wolfgang Silly, a man with short grey hair and glasses, wearing a white shirt and a dark blue vest. He is standing in front of a wooden wall and a glass partition, with his hands resting on a wooden ledge.

“Through my project stream, I help raise awareness of occupational health and safety.”

Wolfgang Silly
Health & Safety Officer
with KNAPP since 1993

TEAM BUILDING AND CORPORATE VOLUNTEERING



RESPONSIBILITY IN ACTION

Shaping the future together

Whether at team events, actively participating in social projects or promoting young talent: We value team spirit, commitment and diversity. Getting young people excited about technology is particularly important to us. And – just as important – keeping them excited about technology and encouraging young people to enter an apprenticeship or pursue studies in this field with a successful career on the horizon in mathematics, informatics, natural sciences or technology – MINT for short.

With our powers combined

KNAPP has been a member of the charitable initiative Verantwortung zeigen! (EN: Show responsibility!) since 2016. As per the initiative, we support different charities by giving our employees the opportunity to donate their time during working hours. This year, we've supported several projects. Here are just a few highlights. Residents of the assisted living facility in Hitzendorf, Austria, were happy to spend time with us. We helped them make Advent wreaths and had a blast playing the game Sorry! together. Motivated colleagues teamed up with a professional painting company to give the Ronald McDonald House Charities in Graz a fresh coat of paint. We built a new bowling alley for the Gusti Bauer childcare center in Graz, an organization that promotes children's well-being.

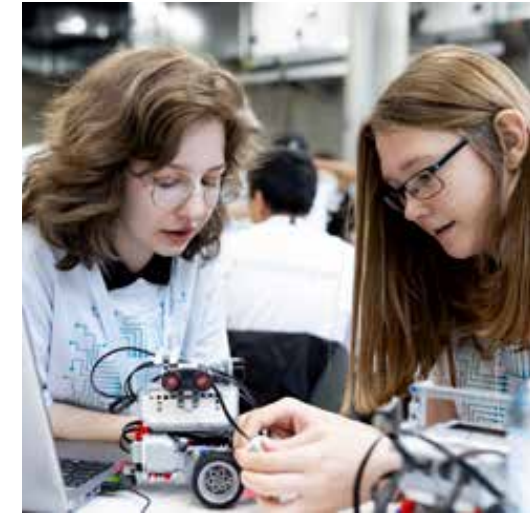
Active inclusion

As part of our strong team, participants of an alpha nova work group have supported our workforce at KNAPP in Hart bei Graz since 2015. In this cooperation, we help people with disabilities make the most of their skills in the workplace.

Stronger (and faster) together

Each year, our employees showcase both their sports talents and their team spirit at various sporting events. Last year, a total of 788 colleagues represented Team KNAPP at the starting blocks.

APPRENTICESHIP TRAINING: SPECIALISTS OF TOMORROW



An apprenticeship with many benefits

Our approximately 140 apprentices have the option of choosing between 6 different apprenticeships at our locations in Hart bei Graz and Leoben, in Austria, profiting from numerous additional offers such as Higher Education Entrance Qualification, internships abroad or project work. One exciting opportunity to gain experience abroad is working directly in our customer projects as part of an experienced commissioning team. It's impressive for our apprentices to see the dimensions of KNAPP systems and how ingeniously everything plays together. We also offer Erasmus opportunities abroad. Last year, apprentice Leo Mtetwa traveled to Italy. He put the skills from his apprenticeship to good use in Vicenza, near Venice, as application developer.

Our apprentices at EuroSkills

In September, the 2023 EuroSkills competition – Europe's largest event for vocational education and skills excellence – was held in Poland. 600 young professionals from 32 countries met in Gdańsk to compete. 2 of our mechatronics specialists represented Team Austria: Patrick Kügerl and Thomas Stoiser. As robotics specialists, the 2 competed for the coveted gold medal in Robot Systems Integration in front of 100,000 fans.

Apprentice Open Day

In October, around 150 visitors attended our Apprentice Open Day to find out more about our apprenticeships in Hart bei Graz and Leoben. At the event, our apprentices gave a tour of our company premises, the training workshop introducing the different apprenticeship opportunities.

INSPIRING TOMORROW'S TECH PROFESSIONALS

Founding member of the MINTality Foundation

KNAPP co-founded the MINTality Foundation with the goal of supporting women in pursuing rewarding careers in tech. The MINTality Foundation was created on the initiative of Austrian industry and commerce. A total of 9 companies and 2 interest groups established the foundation. The founders share the goal of having successful teams in their own companies, fighting skilled labor shortage as well as empowering and promoting women in technology.

School project: the shopping experience of tomorrow

As part of our MINTality partnership, we teamed up with a class of 6th graders at Mittelschule Gleisdorf to work on a project together. We were interested in the following questions: How do

children envision the future of shopping for shoes? What new technologies could come into play? The students came up with ideas for different sustainable shoe designs, a production and logistics system with robots they programmed, an online shop and the store of the future. They presented their finished project at the MINTality fair, competing with other schools' projects. In the course of the project, female role models from our company gave students a look behind the scenes of an average day in their MINT career, representing different educational paths.