

SUSTAINABILITY REPORT

2021

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INTRODUCTION

The Sustainability Report of KPS is addressed to our clients* and business partners, team of employees, shareholders and to all the other stakeholders who are interested in the values and principles of the company. This year, KPS once again reports on KPS AG and its subsidiary companies. Any deviations from this are highlighted as appropriate. The Sustainability Report 2020/2021 also constitutes the Non-financial Report of the KPS Group for the business year 2020/2021 in terms of Articles 315b, 315c in conjunction with 289c to 289e of the German Commercial Code (HGB). KPS does not utilize any nationally or internationally recognized framework for this Non-financial Report but applies the criteria and standards of the German Sustainability Code (DNK).

** "Clients" and "business partners" refer to companies and are therefore gender-neutral forms*

THE BUSINESS MODEL AND STRATEGY OF KPS

2.1 Digital challenges and technological change

Today, companies are confronted with innovative and technological evolutionary changes in many areas of internal business processes along with changes in the behaviour of end customers. They have to respond to these changes at ever-increasing rates in order to remain successful over the long term.

This evolution includes matters such as the transfer of complete business processes from on-site systems to Cloud-based solutions. The data volumes available are increasing exponentially. These need to be structured, analysed and evaluated. Moreover, software systems are becoming increasingly complex.

At the same time, new, technological services are changing the behaviour and needs of end customers at breakneck speed. They are continuing to use bricks-and-mortar stores but purchases are increasingly also being made online and with smartphones. Customers expect goods and services to be available in shops both on the high street and virtually. They expect a smooth-running supply chain without disruption across all channels.

Companies need to be in a position to respond quickly with a tailor-made digitalization strategy to technological change and to changing customer behaviour. This involves developing a bespoke digitalization strategy. The strategy must enable the company to digitalize, transform and enhance the key company and business processes holistically. Such a proactive digital strategy means that companies can actively shape processes of change and use them to enhance their own entire corporate strategy while also deploying them in the competitive arena.

The core of the KPS business model is developing individual digital transformation strategies for companies, rolling out turnkey technologies and providing companies with advisory services in implementation.

KPS pursues a holistic end-to-end approach for digital transformation projects encompassing all key elements of digital transformation: development of the digitalization strategy, technological roll-out and implementation of the digitalization strategy.

KPS views its role as providing a partner for its customers in the successful implementation of the digital transformation and provides them with an optimum IT, system and software landscape tailored to their requirements.

2.2 Company overview

KPS was founded in 2000 and generated sales of 158.0 million euros in the business year 2020/2021 with a workforce of more than 1,200 internal and external consultants. This means that KPS ranks among the leading consultancies for digital transformation processes in retail. The company is established at nine locations in Europe and generated 57.2% of Group sales outside Germany in the business year 2020/2021.

The main focus of operations at KPS is on retail companies – including retailers from the fashion, food, furniture, industrial and consumer-goods sectors. Over the past few years, KPS has expanded its target client group and successfully carried out an array of projects beyond its core sector in the insurance industry, logistics, energy, services, engineering and plant construction.

2.3 Business model

End-to-end approach

KPS provides customers with holistic advisory services in an end-to-end approach on the issues and challenges they face in relation to the digital transformation of strategies, processes, IT landscapes, applications and technologies. Clients are supported throughout the digital transformation process, extending from strategic consulting and conceptualization through to applications, processes and implementation.

Open deployment of technology

KPS is not committed to a single technology in the conceptualization of digital solutions. In fact, KPS works together with a range of different partners such as SAP, Spryker, Adobe, Intershop and Open Text. SAP solutions are widespread in the core KPS sector of retail and we therefore use SAP solutions in many cases for digital transformation processes.

Turnkey platforms ready to use from the get-go

KPS has developed its proven project management method “KPS Rapid Transformation” over many years. This has evolved into the “Instant Transformation” platform approach and KPS has built up its own product world of “Instant Platforms”. KPS markets standard platforms for digital transformation tailored to specific sectors based on existing technologies and software solutions. These platforms can be deployed instantly while simultaneously permitting a high level of individualization in line with customer requirements.

Remote approach

The Instant Platforms product family empowers KPS to significantly reduce the number of consultants on the ground and carry out many operations remotely or centrally from the KPS Design Centres.

Strategy

The goals of KPS are to drive the operating business forward and achieve continuous improvements for clients of KPS with the Instant Platforms product family. The strategy is simultaneously directed towards minimizing negative impacts on the environment and continuously improving the sustainability of KPS.

The strategy of KPS is based on three mainstays

- Internationalization
- Innovation
- Industrialization

Over recent years, KPS has successfully expanded its international activities. In the business year 2020/2021, KPS generated 57.2% of Group revenues through its international operations. The expansion of international business went hand in hand with expansion of our customer base across different sectors.

KPS highlights its focus on innovations with the evolution of the KPS Rapid Transformation Method to create the Instant Platforms product families. KPS believes that industrialization means offering standardized solutions for immediate use while simultaneously providing a high level of individualization.

SUSTAINABILITY STRATEGY OF KPS

3.1 Impact of the COVID-19 pandemic

Once again, the business year 2020/2021 was a challenging year for the KPS Group, its workforce, clients, suppliers and business partners owing to the ongoing impacts of the global COVID-19 pandemic. The uncertainties experienced by some customers from the retail sector continued to be at a high level with associated individual negative effects on demand behaviour and on commissioning projects in relation to large digital transformation projects, particularly in the German market. Conversely, the demand for e-commerce and omnichannel projects continued to be robust.

KPS pursues a long-term sustainability strategy. This means that the COVID-19 crisis does not exert any major negative impacts on the long-term sustainability objectives of KPS. Over the short term, the COVID-19 pandemic is having a positive impact on the environmental footprint of KPS because the CO₂ emissions of KPS in particular have come down significantly as a result of a marked reduction in business trips and a rise in home working. Independently of the current coronavirus pandemic, the Instant Platforms product families are geared to increasingly remote delivery of services and activities from central locations and reducing the number of consultants on the ground. As a result of the pandemic, the trend of moving away from having large teams on site in the direction of remote delivery has strengthened and this process is likely to undergo acceleration. This would clearly be positive for the business model and specifically for the sustainability strategy of KPS.

3.2 Sustainability management and sustainability strategy

A sustainable corporate policy and appropriate sustainability management are a top priority for the KPS management with central importance for the trajectory and governance of the company. The KPS Executive Board is therefore dedicated at all times to making operational and strategic decisions designed to ensure that the positive effects on the environment, society and our stakeholders are boosted and any negative impacts are kept to an absolute minimum.

The Executive Board is responsible for the KPS sustainability strategy. Alongside financial goals, the strategy primarily includes responsible corporate governance at KPS, relevant compliance regulations, the relationships with our stakeholders, the interests of employees and the concern to take account of the impacts on the environment.

3.3 Risk management in the context of sustainability

The evaluation of risks for the business operations of KPS is the function of the Executive Board. The Board therefore analyses all the risks that arise in the context of the business activity of KPS in as much depth as possible and takes account of all the components in the value chain. Sustainable business activity can contribute to positive development of the company over the long term. That's why all the associated relevant aspects are taken into account during the assessment of opportunities and risks. The opportunities and risks report (page 41) provides a detailed presentation of potential risks and their assessment.

The Executive Board includes the following sustainability indicators in the risk assessment:

- Economic performance and business developments that form the basis for the further expansion of sustainable company structures.
- Electricity consumption at the individual company locations.
- CO₂ emissions, particularly those caused by KPS employees on business trips.

The individual aspects relating to the topic of sustainable business activity are described in detail below.

3.4 Responsible corporate governance

KPS is committed to pursuing a sustainable business policy. The Executive Board and the Supervisory Board of KPS AG regard their function as ensuring the ongoing existence of the company and its sustainable wealth creation through responsible corporate governance geared to the long term. They adopt a long-term approach and only engage in business transactions that are compatible with the sustainable development of political, business, social and environmental systems.

The stated objective of KPS is to achieve sustainable earnings growth in line with the sustainability strategy of KPS. KPS believes that responsible and sustainable corporate governance therefore particularly addresses the interests of the employees, customers and business partners. Furthermore, this responsibility also includes reviewing the business activities of KPS to assess the social, community and environmental impacts so that we can fulfil the responsibility to enable future generations to lead worthwhile lives.

The corporate values and the Code of Conduct form the foundation for responsible corporate governance at KPS.

3.4.1 Corporate values

The corporate values of KPS form the foundation for dealings with our customers, business partners, colleagues and employees.

The guidelines of KPS in this context are as follows:

- **Entrepreneurial spirit**
 - Independent initiative within the framework of personal competence
 - Innovative conceptual approaches, and the application of new technologies and methods in order to improve the competitiveness of KPS customers
 - Dedication towards excellent quality of work for the benefit of our customers
- **Professionalism and passion**
 - Enthusiasm as a driver of our work every day and as motivation to think outside the box
 - Passion as a source of creativity and inspiration in the development of innovative solutions for our customers
 - Readiness to tackle highly complex challenges
 - Ambition and joy in creating tailor-made solutions
 - Use of proven, uniform, structured and intermeshing procedures in order to deliver the expected high level of quality, comprehensiveness and attention to detail within the scheduled completion timeframe
- **Respect and individuality**
 - Respect for human rights
 - The utmost respect for colleagues and customers
 - A high degree of empathy as a prerequisite for respectful collaboration
 - Dependability on the basis of integrity, trust and honesty at all times
 - Open communication and freedom of opinion within the company and in the customer context
 - Constructive and loyal collaboration

- An environment of mutual support and mutual responsibility
- Equal opportunities
- Protection against harassment and discrimination
- Zero tolerance for insulting conduct, harassment or offensive behaviour from employees or customer representatives towards colleagues
- Zero tolerance towards discriminatory remarks relating to racism, ethnicity or other protected characteristics and towards sexual harassment
- Atmosphere of trust in the workplace
- Promotion of performance and individual abilities and experiences

- **Creation of personal scope**

- Support for every individual in achieving their goals and realizing their professional career aspirations

3.4.2 Code of Conduct

The Code of Conduct commits all employees of KPS to act with integrity and lawfully in accordance with statutory legislation at all times. In addition, the KPS management team is dedicated to ensuring that everyone continually scrutinizes their decisions and actions with common sense and intuition. Everybody's conduct should also be in harmony with the sustainability strategy and sustainable corporate development of KPS, and human rights should be respected at all times.

The Code of Conduct formulated by KPS defines the Group's guidelines relating to conflicts of interest, loyalty and corruption, donations and gifts, trust, communication, data protection and intellectual property. The most important elements are outlined below:

- **Conflicts of interest:** Conflicts of interest arise when individual, private interests impact on obligations at work or the interests of KPS, or this appears to be the case. Employees of KPS are always loyal to the Group and do everything in their power to avoid becoming involved in situations where there is a conflict between their own personal or financial interests and the interests of KPS. KPS provides its employees with a high degree of freedom and allows them to make their own assessments to identify actual or potential conflicts of interest, avoid such situations and to report them as necessary.
- **Loyalty and corruption:** KPS prohibits any form of bribery and corruption. Benefits or items of value must not be offered, promised or handed over to an individual decision-maker with the intention of influencing the person such that they make decisions in favour of KPS. KPS runs its business operations free from any active or passive influence arising from bribery or corruption.
- **Gifts from third parties:** KPS only permits gifts to be accepted from current and potential customers, suppliers, competitors or partners of KPS including invitations to business meals and entertainment events if participation in the event serves to initiate or improve the business relationship and therefore furthers the interests of KPS. Gifts of this nature must not inappropriately influence the business decisions of KPS. Furthermore, these gifts should not involve a commitment to provide any service in return and must not be unlawful or breach any ethical principles. They must also be in accordance with standard business customs and practices in the individual country concerned. KPS has defined a limit in terms of monetary value for the invitations to business meals or events that can be attended that is commensurate with the business context so as to ensure enhanced transparency and clarity.

- **Gifts to third parties:** The same principles apply to benefits provided to third parties as to benefits received from third parties. KPS only allows potential customers, suppliers, competitors and partners of KPS to be issued with invitations to business meals and entertainment events if participation in the event serves to initiate or improve the business relationship and therefore furthers the interests of KPS. Furthermore, benefits of this nature must not inappropriately influence the business decisions made by the customers, suppliers, competitors or partners and they must not involve a commitment to provide any service in return. Furthermore, the benefits provided to third parties must not be unlawful or breach any ethical principles and they must naturally be in accordance with standard business customs and practices in the individual country concerned.

3.5 Stakeholder dialogue and stakeholder management

The business operations of KPS are based on successful collaboration and interaction with all stakeholders including our clients, investors, employees, consultants and partners. The Executive Board of KPS believes that the financial goals can only be optimally reached if there is an equitable balance between the interests of KPS and the key stakeholders and that correspondingly, a balance of interests can be established between the individual stakeholders themselves. The Executive Board is convinced that the financial aims of KPS can be achieved if they are in a balanced relationship with the interests of the stakeholders. This conviction underpins key aspects for the sustainability strategy of the KPS Group and they are defined in a continuous dialogue with the stakeholders.

3.5.1 The relationship between KPS and its stakeholders

- **Customers:** KPS develops a digital transformation strategy for its customers and rolls this out for them. KPS therefore bears major responsibility for the IT and software landscape of its customers. KPS wants to live up to the trust its customers place in the Group. KPS therefore gears its approach consistently to the needs of its customers and offers them a superlative standard of service and consulting. The employees of KPS are in continuous contact with our customers. Since many projects extend over a period of several years, KPS does everything possible to build up a relationship of trust with its customers. The intensive contact and interaction with customers allows the people at KPS to contribute to the development of the sustainability strategy at several levels. This is exemplified by KPS working together with its customers in the design centres to develop solutions, procedures and process chains that are designed to cut down project times and the number of consultants on the ground. This in turn reduces the amount of travel time and leads to a reduction in the harmful generation of emissions.
- **Investors and shareholders:** The investors and shareholders of KPS constitute an important stakeholder group. KPS is in regular dialogue with them and seeks a personal exchange of views and ideas whenever possible. KPS takes part in investor conferences, communicates with investors during roadshows, conducts teleconferences and has in-person, one-to-one meetings with them. KPS also publishes its business figures on a quarterly basis and holds a telephone conference to provide information about the performance of our business and offer an opportunity for investors to ask questions. Investors and shareholders are able to obtain additional information on the KPS website and in the Annual Report.

- **Employees:** Our highly qualified and motivated employees are the key to the successful and consistent roll-out of the sustainable business strategy and achievement of the financial and non-financial goals. The knowledge, skillsets and commitment of our employees empowers KPS to drive the business forward. This is why our people and their interests are a top priority for the Executive Board. The partners and managers of KPS therefore hold regular discussions in order to respond flexibly to specific situations of individual employees in a tailor-made approach. The opportunities for training and career development play a major role here.
- **External consultants:** Owing to the ongoing shortage of skilled professionals in the fields of IT and digitalization, KPS once again drew on the services of external consultants in the business year 2020/2021 in order to be able to deliver projects at pace and to clients' satisfaction. Furthermore, external consultants are incorporated into our teams so that we can cover phases of work with high project volumes.
- **Suppliers and business partners:** Technology and software companies provide the necessary solutions and systems for the digitalization of company processes and company management. This makes them important business partners and suppliers for KPS. KPS has signed numerous cooperation contracts and is in regular and intensive communication with its suppliers. Customer feedback is also channelled into these conversations.

4

EMPLOYEE CONCERNS

Its workforce forms the foundation for the high level of consulting, transformation and technology expertise of KPS. The people are the essential ingredient that allows KPS to deliver its targeted quality and reach its financial goals.

At the end of the business year 2020/2021, KPS employed a workforce of 647. This means that the number of employees increased by 28 (2019/2020: 619 employees) year on year. The increase in the number of employees highlights the vital role played by our people within the KPS Group. We continued to invest in our pool of employees throughout the business year defined by the impact of the COVID-19 crisis.

459 (70.94%) of our employees were based at German locations and 188 (29.06%) at the sites outside Germany.

A total of 529 consultants (81.76%) forms the biggest proportion of our employees.

	30.09.2021	30.09.2020	30.09.2019
Employees by region			
Germany	459	447	448
Spain	75	81	89
United Kingdom	75	54	48
Denmark	18	18	20
Switzerland	5	4	7
Austria	5	5	4
Netherlands	3	3	2
Sweden	4	3	
Norway	3	4	
Total	647	619	618
Employees by function			
Executive Board	1	1	1
Managing Directors	12	14	15
Consultants	529	516	519
Administration	101	85	82
Apprentices	4	3	1
Total	647	619	618

The Executive Board supports the employees of KPS in their endeavours to achieve personal and professional goals with a range of measures. These include measures like career development training, opportunities to work from home, and offices and IT equipment that meet the most advanced standards. KPS has established flat hierarchies, ensures equal opportunities and is committed to encouraging the principle of diversity. KPS also aspires to offer its employees flexible working hours to the extent that is compatible with internal processes and the business framework conditions relating to our projects. KPS also targets the reduction of business travel days to support our sustainability strategy.

As was the case in the 2019/2020 financial year, the continued challenging Corona situation meant that work processes remained geared towards home office and remote working in the 2020/2021 reporting period. In 2020/2021, employees continued to have the opportunity to work from home so that they were provided with the best possible protection against contracting the virus. Furthermore, even greater flexibility was created with respect to working hours so that employees were able to get the balance right between working hours and family commitments.

The pandemic facilitated a changeover to “remote” processes and KPS benefited from its strategic trajectory dedicated to delivering more services to customers remotely. Even before the crisis struck, a large number of employees had already been equipped with appropriate hardware, software and a mobile communications setup.

This approach gives KPS a profile as an attractive employer. As a consultancy that is continually growing in the international arena, KPS is constantly seeking to recruit new employees and talented high-flyers.

4.1 Career development

A top priority for the Executive Board of KPS is to support employees in their personal, social and professional development as their careers move forward. Our aim is to promote employee satisfaction and to foster loyalty and identification with the company in order to avoid fluctuation within our workforce. Annual employee turnover that is slightly over 10% demonstrates our success in this area.

In the business year 2020/2021, our employees took part in 329 external training sessions on some 1,821 training days.

Alongside the external career development offers, many employees take part in language courses or participate in specialist courses provided by the KPS Academy. Language courses are structured as one-to-one training or as group courses. The KPS Academy offers courses in transferable skills such as presentation and communication techniques, as well as specialist courses focusing on SAP C/4HANA.

4.2 Modern work spaces and flexibility

KPS operates at 12 national and international locations. This entails a highly complex landscape for coordination of all the employees and communication between them. At the same time, our employees are in continuous communication with our customers.

KPS has facilitated successful coordination and communication by equipping the locations with the most advanced IT and communications infrastructure. All locations at KPS are equipped with the latest technology including

videoconferencing and telephone systems, and comprehensive computer and software installations. This advanced infrastructure also allows significant reductions in travel time.

IT and software have also been structured so that our consultants can carry out their projects in home offices provided that this is compatible with the projects. Employees at many of our locations are able to have a least one home-office day each week and a large number of consultants have agreed individually tailored solutions that exceed this. In this way, KPS promotes and creates personal scope for its employees.

4.3 Diversity and equal opportunities

Alongside sustainability aspects, social issues such as diversity and equal opportunities play an important role today in a company that wishes to be both modern and successful. KPS has firmly established both concepts in its “Code of Conduct”. This states the following: “Our whole company as well as our responsible corporate governance are based on a culture of mutual respect and trust for our colleagues. Our work environment is free of any form of discrimination and harassment of colleagues. Insulting, harassing or damaging behaviour is not tolerated from employees or customer representatives towards our colleagues. We will deal strictly with any racist remarks, or comments relating to ethnic or other protected characteristics, as well as any form of sexual harassment.”

Our total workforce of 647 colleagues was made up of 182 women and 465 men in the last business year. KPS targets an increase in the proportion of women with particular emphasis on management positions.

Diversity enriches the business culture at KPS. This is an important issue in light of the Group’s international expansion. At the end of the current business year at KPS, the Group employed people from 27 countries. This diversity contributes to cultural exchange while promoting intercultural communication and facilitating cross-cultural exchange within projects.

A key new aspect is the creation of inclusive, barrier-free places of work at the location in Dortmund. KPS is therefore now in a position to employ people with disabilities. KPS also supports a sheltered workshop which delivers soups and snacks that employees can purchase. Unfortunately, this project had to be put on hold owing to the coronavirus pandemic.

4.4 Measures to promote occupational health and safety

KPS promotes the health of its employees with various measures:

- Variable-height desks at almost all locations
- Collaboration with Interfit, a network of 1,500 independent fitness studios, swimming pools, wellness spas and golf courses. KPS employees have affordable access to the amenities provided by the partners in the network.
- Business bikes are optionally provided for employees at the locations in Dortmund and Munich.
- Healthy food: Fresh fruit is provided for employees daily free of charge at several locations. Employees in Dortmund also have an opportunity to purchase subsidized food from an organic farm there on the basis of a cooperative agreement. KPS plans to expand this kind of joint venture in future.

KPS has taken steps to improve workplace safety in the following areas:

- Occupational safety at individual office locations, at the computer centre and with respect to the risk of accidents and danger on the daily commute to work
- Minimizing the risks of accidents and enhancing safety on business trips
- Safety and appropriate behaviour at project locations and at customer sites

All KPS employees receive regular training on occupational safety standards in order to minimize the risk of accidents in the workplace, on their commute to work and on business trips. The managers at the individual locations can also initiate additional, specific and individual measures.

There were no occupational accidents over the course of the past business year. We are therefore delighted to report that the accident rate at KPS was 0 %.

KPS offers all its staff the opportunity for training in first aid or as a fire safety officer so that they are in a position to assist colleagues in an emergency.

4.5 Support for engagement in social projects

KPS supports the social commitment of its employees. This includes the annual company footsteps, donations in kind during the Christmas season and donation of IT equipment for schools.

- Annual company footsteps: Mobile devices are used to count the daily footsteps of participating colleagues during a period of time defined at the outset. The number of kilometres covered is then converted into a sum of money which the Executive Board donates from its own resources to social not-for-profit organizations.
- Donations in kind at Christmas: KPS employees collect donations in kind. KPS contributes to the donations and donates them to social not-for-profit organizations that primarily support socially vulnerable people.
- IT Donations for schools: KPS regularly donates IT equipment to schools.

ENVIRONMENTAL CONCERNS

The operations of KPS as a consulting company exert impacts on the environment and climate. With respect to energy consumption and the associated CO₂ emissions, the major factors for KPS are primarily electricity consumption at individual locations and in the computer centre, and travel by employees.

Our business as a consulting company has traditionally involved a comparatively high level of travel by consultants because many of our customers expect work and consulting services to be carried out on site. The type of work we actually carry out for some projects does indeed require the presence of consultants on the ground. As a result of this paradigm, the Executive Board is often unable to influence the number of business trips directly as this is significantly dependent on the type of projects being rolled out.

The stated objective of KPS is however to reduce electricity consumption and business travel so as to bring down the associated CO₂ emissions. KPS is continually working to reduce electricity consumption while also generating ideas for making travel more environmentally friendly. Overall, KPS is seeking to rein in the scope of business travel further to the extent that we can influence this directly.

During the business year 2020/2021, business travel was significantly influenced in the period March to September owing to the global COVID-19 pandemic and the associated social-distancing and lockdown measures. The CO₂ emissions generated by employee travel were correspondingly massively reduced.

5.1 Energy and electricity consumption

The table below presents approximate energy consumption at the most important locations of KPS in the business year 2020/2021. The energy usage in the businesses was approximately 664,444 kilowatt hours during this period.

KPS leases premises at a computer centre and operates its own server structures there. The landlord has concluded electricity contracts directly with the energy utilities and KPS is not therefore in a position to influence the electricity mix.

At its other locations, KPS aims to ensure that electricity is generated from renewable energy sources. Renewable energy at the locations in the table accounts for more than 50% of the energy used.

Electricity use in kwh

Location	2020/2021	2019/2020	2018/2019	Comment 2019/2020
Server Centre Frankfurt	124,001	124,000	135,000	
Dortmund	346,566	335,043	340,237	
Unterföhring/München	27,952	30,408	20,711	the ground floor was leased here in addition
Heilbronn	27,184	33,740	31,645	
Hamburg	25,139	27,996	18,263	the office space was expanded here
London	94,198	154,364		
Barcelona	13,629	51,463		
Virum	5,775	5,900		
Total	664,444	762,914	585,426	2018/2019 not comparable

5.2 Staff mobility

KPS has operations at many national and international companies, offices and project locations, and employees frequently travel between different locations. The need for consultants to provide project services on location also requires a high level of staff mobility and a high volume of business travel.

However, KPS is dedicated to reducing the negative impacts that business travel exerts on the environment and employees as much as possible. The aim is to develop innovative solutions and alternatives to reduce the need for business trips. Consultants use their own cars for business travel along with public transport, rail and air. KPS seeks to establish a balance between travel time and the impact of the mode of transport selected on the climate.

KPS intends to reduce the impacts of travel by employees on the environment and emissions with the following measures:

- **Location in Dortmund:** The ultra-modern and future-oriented setting and facilities at the Dortmund Design Centre enables environmentally benign operation to be reconciled with a pleasant workplace atmosphere, professional working, and customer expectations. The technological infrastructure also has the big advantage of enabling a reduction in business travel.
- **Company car fleet:** KPS has its own fleet of company cars, and consultants are able to use these cars for some business trips. KPS is however also committed to a responsible approach here. For example, the car models used and the annual mileage are restricted. In future, KPS is also planning to make increasing use of environmentally friendly drivetrains and intends to install the necessary charging stations at our locations.
- **Meeting room facilities:** Meetings rooms are equipped with the latest technology for telephone and video conferencing. KPS also deploys appropriate communication software solutions so that virtual meetings can be held in virtual spaces and on digital channels. This means that lots of journeys between individual locations and customers can be avoided.
- **Job Bike initiative:** Alongside access to the company car fleet, staff working at the sites in Munich and Dortmund are able to use a company e-bike or conventional business bicycle. The initiative at KPS supports employees in making their commute between home and work environmentally benign while simultaneously promoting a healthy lifestyle. KPS is currently reviewing options for gradually extending the initiative to other sites.
- **Promotion of climate-neutral travel:** KPS intends to support carbon-neutral travel with environmentally compatible solutions. Over the past business year, 9.59% of the kilometres travelled were on climate-friendly trains.

5.3 Fuel consumption and CO₂ emissions in connection with business trips

KPS works together with external service providers to organise travel by employees in an optimum way. This facilitates the collection of detailed data on fuel consumption and CO₂ emissions.

Every year, Deutsche Bahn provides a certificate documenting the number of kilometres travelled by our employees. Car-hire companies also furnish information about the number of kilometres travelled and the associated generation of CO₂.

In the business year 2020/2021, the figures for kilometres travelled and the corresponding CO₂ emissions underwent a huge shift by comparison with the business year 2019/2020 as a result of the effects and disruptions caused by the COVID-19 pandemic. It is important to remember here that the business year of KPS runs from 1 October to 30 September each year. The business year 2019/2020 was only affected by coronavirus measures for around 7 months while the business year 2020/2021 was impacted for the full twelve months.

- **Rail travel:** The sites in Germany, the United Kingdom and Spain are included in the analysis of rail trips. The proportion of German locations recorded for rail kilometres travelled was just over 98% in each of the business years 2019/2020 and 2020/2021. Deutsche Bahn uses 100% green electricity. This means that the value for CO₂ emissions generated by kilometres travelled by rail at KPS was virtually zero. Between 01.10.2020 and 31.09.2021 the employees at KPS and its subsidiary companies travelled around 273,593 kilometres by rail. In the business year 2019/2020, the comparable value was 1.02 million kilometres travelled and was therefore significantly above the figure for the business year 2020/2021. The kilometres travelled by rail therefore came down by 73.4% during the period under review.
- **Air travel:** All the locations of KPS inside and outside Germany are included for journeys by air. In the business year 2020/2021, approximately 240,000 kilometres were flown by employees of KPS and its subsidiaries and this figure is significantly below the year-earlier value at 2.0 million kilometres flown. The flight kilometres travelled came down by 88.1%. The associated person-related CO₂ emissions were reduced by 84.5% from 305 metric tons to 47 tons.
- **Road travel:** In the business year 2020/2021, employees at KPS travelled a total of some 2.67 million kilometres by car. This corresponds to a year-on-year reduction of 45.3% (year-earlier value: 4.88 million kilometres). A total of approximately 356 (previous year: 365) thousand kilometres were travelled in hire cars, approximately 2.31 million (previous year: approx. 4.48 million) kilometres in company cars. The CO₂ emissions generated by kilometres travelled by car fell back by 53.4% from 764 metric tons in the business year 2019/2020 to 408 metric tons.

Overall, the CO₂ emissions generated by employee travel were significantly reduced in the business year 2020/2021 compared with the year-earlier period. Air travel for business came down significantly by 84.5% and travel by car fell by 53.4%. This is primarily due to the change in processes and the huge restrictions on travel activity as a result of the coronavirus pandemic. However, KPS is assuming that the strategic trajectory of KPS to ramp up the provision of services remotely and deliver them centrally has contributed to the reduction in CO₂ emissions.



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