

KPS

SUSTAINABILITY REPORT



21/  
22

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## 1. INTRODUCTION

### 1.1 Preliminary remark

With its Sustainability Report, KPS addresses its customers and business partners, its team of employees, its shareholders and all other stakeholders who are interested in the values and principles of the company.

KPS reports again on KPS AG and its subsidiaries for the reporting period 2021/2022 (1 Oct. 2021 – 30 Sept. 2022). Deviations are commented on accordingly. The 2021/2022 Sustainability Report is at the same time the non-financial Group Report of KPS Group in financial year 2021/2022 in the sense of Sections 315b, 315c in conjunction with 289c to 289e of the German Commercial Code (HGB). KPS does not follow any national or international guidelines for this non-financial Group Report, but is guided by the criteria and standards of the German Sustainability Code (GSC).

#### **Sex form**

For reasons of simplification, we only use one gender form. All other gender forms are explicitly included as well.

## 2. BUSINESS MODEL AND STRATEGY

### 2.1 Digital challenges and technological change

In order to remain successful on the market in the long term, companies are faced with the challenge of having to react ever faster to technological change with digitalisation strategies and by digitally transforming their company.

Nearly all divisions and processes are affected by this: the company strategy, internal processes, logistics, merchandise management, business processes, marketing, innovation, IT, IT security, human resources and especially changing customer behaviour.

For example, companies are moving entire business processes from on-site systems to cloud solutions or to hybrid on-site/cloud structures. The volumes of data available are growing exponentially. These need to be structured, analysed and evaluated. In addition, software systems are becoming increasingly complex.

At the same time, technological opportunities are changing the behaviour and the needs of end consumers. Consumers are shifting their activities to online channels and are increasingly making purchases over the Internet. In addition, consumers expect goods and services to be available both in-store and online, and supply chains to function smoothly across all channels. The corona pandemic has further strengthened these effects.

Companies must therefore be in a position to react promptly to both technological change and changing customer behaviour. To do so, they need a customised digitalisation strategy with which the main company and business processes can be holistically digitalised, transformed and further developed. With such a proactive digitalisation strategy, companies can actively shape change and use it positively for their overall company strategy and in competing.

### 2.2 Business activity

The core of KPS's business activities is to develop individual digital transformation strategies for companies, to implement and provide the respective technologies and to support companies in their implementation. This is based on the innovative Instant Platforms products of KPS, which provide companies in the retail sector with turnkey solutions.

KPS pursues a holistic "end-to-end" approach that encompasses all the important components of digital transformation:

#### **Digital Strategy**

- Development of the digitalisation and transformation strategy for companies

#### **Digital Customer Interaction**

- Strategies, solutions, developments and implementation in the field of e-commerce, e-commerce shops and online trade

#### **Digital Enterprise**

- Digital transformation of ERP systems and business processes

KPS positions itself as a partner for its customers and supports them holistically with the digital transformation of business processes and ensures that its customers are optimally positioned with their IT, system and software landscapes.

### 2.3 Company

Founded in 2000, KPS is one of the leading consulting firms for digital transformation processes in the retail sector with around 1,200 internal and external consultants and sales of EUR 179.5 million in financial year 2021/2022. The company has its own offices in nine European countries and generated 58.3% of its consolidated revenue outside Germany in financial year 2021/2022.

KPS Group focuses on companies in the retail sector. This includes in particular the fashion, food, furniture and consumer goods segments.

KPS has been able to successfully expand its target audience in recent years and has won and successfully implemented many projects outside its core industry in the areas of insurance, logistics, energy, services, machinery and plant engineering.

### 2.4 Business model

The main pillars of the business model are listed below.

#### End-to-end approach

With its solutions, consulting expertise and products, KPS supports companies holistically with an “end-to-end” or “one-stop-shop” approach to the issues and challenges of the digital transformation of strategies, processes, IT landscapes, applications, supply chains/logistics, customer relationships, e-commerce, omni-channel and technologies.

Customers can be accompanied throughout the entire digital transformation – digital strategy, digital customer interaction, digital enterprise. Projects can thus be realised faster, more efficiently and at significantly lower costs.

#### Technology openness

KPS is not tied to a single technology when designing digitalisation solutions. Rather, KPS works with various partners, such as SAP, Spryker, Adobe, Intershop and Open Text. SAP solutions are widely used in the core industry of retail in the area of ERP. Accordingly, SAP solutions are often used for digital transformation projects.

#### Turnkey platforms ready for immediate use

KPS has developed its project management method “KPS RapidTransformation,” which has proven itself many times over the years, into the platform approach “Instant Platforms.” On the basis of current technologies and software solutions, KPS markets standard platforms for digital transformation that are tailored to various industries, can be used immediately and at the same time allow a high degree of customisation according to customer needs. With its “Instant Platforms,” KPS can realise the digital transformation for companies even faster and provide them with real added value.

#### Remote approach

The Instant Platforms products enable KPS to significantly reduce the number of on-site consultants and perform many activities remotely or centrally from the KPS design centres.

#### Flexible structures

KPS’s business activities are mainly to carry out transformation projects. With the use of Instant Platforms products, the number of consultants working at clients’ locations can be reduced.

However, the use of consultants in projects remains at a comparatively high level. This means that expenses for consultants are the dominant cost factor for KPS Group. KPS uses service providers and freelancers in order to be able to quickly and flexibly adjust the number of consultants to the current project volume. This enables the company to react quickly to changing customer needs.

**Implementation of the strategic goals**

KPS's goals are to further develop the operational business and to continuously generate added value for KPS customers with the Instant Platforms product family. At the same time, the strategy is geared towards minimising negative impacts on the environment and continuously improving the sustainability of KPS.

**Key pillars of the strategy**

KPS's strategy is based on the three strategic thrusts

- Internationalisation
- Innovation
- Industrialisation

KPS has successfully expanded its international activities in recent years. The expansion of its international business has been accompanied by a broadening of the client base across various industries.

With the further development of the KPS Rapid Transformation method into the Instant Platforms products, KPS underscores its focus on innovation. KPS has thus significantly improved its competitive position.

For KPS, industrialisation means offering standardised solutions for immediate use with a high degree of customisation. The Instant Platforms products are also aimed at significantly reducing the number of consultants on site with customers and to deliver services remotely. This means that a key strategic pillar of the KPS Group is congruent with the sustainability strategy. Business travel can be reduced and the negative impact of business activities on the environment lowered.

### 3. SUSTAINABILITY STRATEGY

#### 3.1 Excursus: COVID-19 pandemic and the KPS sustainability strategy

Financial year 2020/2021 was heavily influenced by the corona pandemic containment measures, with a focus on working from home, remote solutions and severely restricted business travel activities.

In the past financial year 2021/2022, the pandemic situation in the markets KPS addresses returned to normal. Therefore, customers and potential new customers were visited again more often, as customers continue to demand a physical presence and direct exchange. In addition, a direct exchange at client locations was necessary in some cases due to project requirements. Accordingly, the volume of business trips increased significantly in the reporting period.

Overall, the corona crisis had a strong dampening effect on KPS Group's CO2 emissions in financial year 2020/2021. However, this is primarily due to the effects of the corona pandemic (working from home, significantly reduced travel) and not to a strategically induced reduction in CO2. With the return to normal of the pandemic situation in the reporting period, this corona-related positive CO2 effect was partially made up for, as travel activity in particular increased.

KPS pursues a long-term sustainability strategy. A key pillar of the sustainability strategy is the Instant Platforms products, which are designed to deliver services and activities increasingly remotely and centrally. This allows the number of on-site consultants to be reduced considerably, with corresponding positive effects on KPS Group's CO2 emissions.

In the medium to long term, the consequence of the corona pandemic could be that the trend away from large teams on site towards remote provision of services intensifies and accelerates. This would clearly be positive for KPS's business model and its sustainability strategy.

#### 3.2 Sustainability management and sustainability strategy

For the management of KPS, a sustainable company policy and corresponding sustainability management are of high and central importance in the orientation and management of the company.

The Executive Board of KPS therefore strives at all times to make operational and strategic decisions in such a way that the positive impact on the environment, society and stakeholders is strengthened and the negative impact is reduced as far as possible.

The Executive Board is responsible for KPS's sustainability strategy. Besides the monetary objectives, it mainly includes responsible corporate governance, corresponding compliance regulations, relations with stakeholders, the interests of employees and consideration of the impact on the environment.

#### 3.3 Risk management in the context of sustainability

The assessment of risks to the business activities of KPS is the responsibility of the Executive Board. All risks that arise in the course of KPS's business activities are considered. Risks should be considered as comprehensively as possible, taking all components of the value into account chain.

Sustainable management can contribute to a positive development of the company in the long term.

Therefore, the related, relevant aspects are analysed, elaborated on and evaluated when assessing opportunities and risks, so that sustainable management of KPS Group supports the company's development in a positive and value-creating way.

The opportunities and risks of KPS Group are explained and evaluated in detail in the Group's Management Report. The Management Report is published in the Group's Annual Report for financial year 2021/2022.

### **Key sustainability aspects for risk assessment**

The following are the main sustainability aspects of the KPS Group with which sustainability risks are assessed.

- Economic performance and business development, which form the basis for the further expansion of sustainable company structures
- Electricity consumption of the various business sites and the data centre
- CO2 emissions, especially in connection with the necessary travel of KPS consultants
- Ethical and sustainable behaviour of employees, business partners and service providers
- Sustainability aspects in connection with business partners and service providers
- Satisfaction of the workforce
- Compliance with the Code of Conduct
- IT security

### **3.4 Responsible corporate governance**

KPS is committed to a sustainable business policy. The Executive Board and Supervisory Board of KPS AG see it as their task to ensure the continued existence of the company and sustainable value creation through responsible corporate governance with a long-term focus. In doing so, they take a long-term approach and only engage in business that is compatible with the sustainable development of political, economic, social and ecological systems.

The declared goal of KPS is to achieve sustainable earnings growth and to bring this in line with KPS's sustainability strategy. As KPS understands it, responsible and sustainable corporate governance therefore takes account of the interests of employees, customers and business partners in particular. In addition, KPS's actions are reviewed for social, societal and ecological effects in order to assume responsibility for a future worth living for future generations.

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

### **3.5 Company values and guidelines**

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

#### **Entrepreneurial thinking**

- Independent thinking within the scope of personal authority
- Innovative thinking and the use of new technologies and methods to improve the competitiveness of KPS clients
- Striving for excellent quality of the work we do for our clients

#### **Professionalism and passion**

- Enthusiasm for our daily work as a driving force and motivation to think outside the box
- Passion as a source of creativity and inspiration in developing innovative solutions for our clients
- Willingness to think our way into the most complex challenges



- Ambition and joy to develop tailor-made solutions
- Use of proven, consistent, structured and interlocking procedures to ensure the expected high quality, completeness and promised completion dates for clients

#### **Respect for respect and individuality**

- Human rights
- The highest appreciation towards our fellow employees as well as our clients
- High empathy as a prerequisite for respectful cooperation
- Reliability at all times on integrity, trustworthiness and honesty
- Open communication and freedom of expression in an internal or customer-related context
- Constructive and collegial cooperation
- Environment of mutual support and responsibility for each other

#### **Equal opportunities**

- Protection against harassment and discrimination
- No acceptance of abusive, harassing or hurtful behaviour by staff or client representatives towards colleagues
- No tolerance of derogatory remarks based on racial, ethnic or other characteristics and unwanted sexual advances
- Trusting working atmosphere
- Promotion of performance and individual skills and experience
- Creation of open spaces

Supporting each individual in achieving their goals and professional self-realisation

### **3.6 Code of Conduct**

All KPS employees are called upon to always act with integrity and in accordance with the law. Furthermore, it is a matter of course for the management of KPS that everyone always questions their actions with common sense and intuition. The behaviour of all should also be in line with the sustainability strategy and the sustainable company development of KPS and respect human rights.

In the Code of Conduct, KPS formulates its guidelines for dealing with conflicts of interest, loyalty & corruption, benefits, confidentiality, communication, data protection and intellectual property. The most important are, among others:

#### **Conflicts of interest**

Conflicts of interest arise when one's own private interests interfere or appear to interfere with work duties or the interests of KPS. KPS employees must always behave loyally and try to avoid getting into situations where their personal or financial interests conflict with the interests of the company. KPS gives its employees a high degree of freedom and judgement to identify actual or potential conflicts of interest, to avoid them and to disclose them.

#### **Loyalty and corruption**

KPS prohibits any kind of bribery and corruption. No benefits or objects of value may be offered, promised or handed over to an individual decision-maker in order to convince that person to make decisions in favour of KPS. KPS conducts its business activities free from any active or passive influence through bribery or corruption.

### **Contributions from third parties**

KPS only permits benefits from current and potential clients, suppliers, competitors or partners of KPS as well as invitations to business meals and entertainment events if participation in these serves the initiation or improvement of business relationships and thus the interests of KPS. In doing so, they may not unduly influence the decisions to be made by KPS. Furthermore, they may not obligate KPS to provide a service in return and may not violate laws or ethical principles. They must also be in line with the business practices of the respective country. In order to provide more transparency and clarity, KPS has limited the amount of money by value for accepting invitations to business meals or events to an amount that is reasonable in the context of the business activity.

### **Allowance to third parties**

The same principle applies to benefits to third parties as to benefits from third parties. Current and potential customers, suppliers, competitors or partners of KPS are only offered invitations to business meals and entertainment events if the business meal or entertainment event serves the initiation or improvement of the business relationship and thus the interests of KPS. In addition, these benefits may not unduly influence the decisions to be made by customers, suppliers, competitors or partners and may not oblige them to make a counter-performance. Furthermore, donations to third parties may not violate laws or ethical principles and must of course be in line with the business practices of the respective country.

## **3.7 Stakeholder dialogue and stakeholder management**

Successful cooperation and interaction with all clients, investors, employees, consultants and partners (stakeholders) associated with KPS is the basis for KPS's business activities. The Executive Board is convinced that the financial objectives can only be optimally achieved if there is a balance between the interests of KPS and the key stakeholders and if a balance of interests can be achieved among the respective stakeholders. The Executive Board firmly believes that the financial goals of KPS can be optimally achieved if they are balanced with the interests of the stakeholders. This results in important aspects for the sustainability strategy of KPS Group, which are defined in a continuous dialogue with the stakeholders.

### **3.7.1 KPS's interaction with its stakeholders**

#### **Clients**

KPS develops a digital transformation strategy for its clients and implements it for them. This means that KPS bears a great deal of responsibility for its clients' IT and software landscapes. KPS wants to live up to the trust that its clients place in KPS. Therefore, the company consistently focuses on the needs of its clients and offers them the highest level of service and consulting quality. The employees of KPS continuously exchange information with their clients. Since in many cases projects run for several years, KPS does everything it can to build a relationship of trust with its clients. The intensive contact and interaction enables KPS employees to contribute to the further development of the sustainability strategy at various levels. For example, KPS works together with its clients in the design centres on solutions, procedures and process chains to reduce project times and the number of consultants on site. This allows for a reduction in travel by consultants, which in turn results in a reduction in emissions that are harmful to the environment.

#### **Investors and shareholders**

Investors and shareholders of KPS are an important stakeholder group. KPS is in regular contact with them and seeks personal dialogue whenever possible. KPS participates in investor conferences, communicates with investors during roadshows and holds telephone and personal one-on-one meetings. In addition, KPS organises a conference call on the occasion of the quarterly publications of the business figures, where information on the course of business is provided and investors can ask their questions. The KPS website and the Annual Report are yet other sources of information for investors and shareholders.

**Employees**

Without qualified and motivated employees, a successful and consistent implementation of the sustainable business strategy as well as the financial and non-financial goals would be inconceivable. With their knowledge, skills and commitment, the employees enable the further development of KPS. For this reason, employees and their interests have a high priority for the Executive Board. Partners and managers of KPS therefore hold regular discussions in order to be able to respond flexibly and individually to the individual situations of individual employees. Opportunities for training and further education also play an important role in this.

**External consultants**

Due to a persistent shortage of skilled workers in the IT and digitalisation sector, KPS again resorted to external consultants in financial year 2021/2022 in order to be able to carry out projects quickly and satisfactorily. In addition, external consultants are brought in to cover phases with high project volumes.

**Suppliers and business partners**

Technology and software companies that offer corresponding solutions and systems for the digitalisation of company processes and for managing the company are important business partners and suppliers of KPS. KPS has signed many cooperation agreements and regularly engages in intensive exchange with its suppliers. Client feedback also flows into these discussions.

**3.8 Whistleblowing system**

KPS introduced an anonymous and automated whistleblowing system in August 2022.

A link has been set up for this purpose on the KPS homepage. Through this link, anonymous tips can be given to KPS if misconduct is observed that affects the interests and well-being of KPS Group, its employees and all other stakeholders.

## 4. EMPLOYEE AND SOCIAL CONCERNS

### 4.1 Employees of KPS

Well-trained, satisfied and motivated employees are crucial for KPS' high level of consulting, transformation and technology expertise.

Highly qualified employees are thus the basis for KPS Group to ensure its quality standards towards its clients and to achieve its financial and sustainability goals.

KPS Group employed 725 people at the end of financial year 2021/2022. This represents an increase of 78 employees compared to the previous year (2020/2021: 657 employees).

508 people (70.1% of the workforce) were employed at the German sites and 217 (29.9 %) at foreign locations.

|                       | 30.09.2022 | 30.09.2021 | 30.09.2020 |
|-----------------------|------------|------------|------------|
| Employees by region   |            |            |            |
| Germany               | 508        | 459        | 447        |
| Spain                 | 94         | 75         | 81         |
| United Kingdom        | 78         | 75         | 54         |
| Denmark               | 17         | 18         | 18         |
| Switzerland           | 6          | 5          | 4          |
| Austria               | 8          | 5          | 5          |
| Netherlands           | 6          | 3          | 3          |
| Sweden                | 5          | 4          | 3          |
| Norway                | 3          | 3          | 4          |
| <b>Total</b>          | <b>725</b> | <b>647</b> | <b>619</b> |
| Employees by function | 0          | 0          |            |
| Executive Board       | 1          | 1          | 1          |
| Managing Directors    | 9          | 12         | 14         |
| Consultans            | 632        | 529        | 516        |
| Administration        | 79         | 101        | 85         |
| Apprentices           | 4          | 4          | 3          |
| <b>Total</b>          | <b>725</b> | <b>647</b> | <b>619</b> |

The Executive Board supports employees in achieving their personal and professional goals through various measures. These include further training, offers to work from home, state-of-the-art office and IT equipment, flat hierarchies and the requirement for equal opportunities as well as the striving for diversity. In addition, KPS allows its employees to work flexible hours, insofar as this is compatible with internal processes and the economic framework conditions. In line with its sustainability strategy, KPS also strives to reduce the number of days its employees spend travelling.

In the reporting period leading up to financial year 2021/2022, KPS continued to make its work processes more flexible and offered employees hybrid working models, i.e. a combination of working from home, office hours and presence at client locations, where this was organisationally possible.

The KPS business model is geared towards delivering its services increasingly remotely. Accordingly, the consultants in particular are equipped with state-of-the-art communication devices, software and computers.

KPS strives to align employee matters that call for flexible working models and customer needs. With its strategic alignment of the Instant Transformation Platform products, KPS has succeeded in significantly improving employees' concerns, offering them improved flexibility and at the same time further enhancing the quality of service for clients.

KPS presents itself as an attractive employer because, as a continuously and internationally growing consulting company, KPS is always looking for new employees and talented young people.

#### **4.2 Further education**

The Executive Board of KPS is very interested in supporting employees on their personal, social and professional development. Our goal is to promote employee satisfaction and identification with the company and thus reduce fluctuation. The comparatively low annual fluctuation rate of just over 10% in relation to the Group's workforce shows that we are successful at this.

Our employees participated in a total of 304 external training courses with approximately 2,408 training days in financial year 2021/2022.

In addition to external training opportunities, many employees take part in language courses or specialised courses at the KPS Academy. Language courses are offered as individual training or Group courses. For its part, the KPS Academy offers interdisciplinary courses on topics such as presentation and communication techniques and SAP C/4HANA.

#### **4.3 Modern workplaces and flexibility**

KPS has 12 national and international locations. Due to the international orientation of KPS and the number of locations, coordinating the work of all employees as well as the communication between employees is a complex task. In addition, our employees are in continuous contact and exchange with our clients.

In order to ensure successful coordination and communication and to generally optimise the necessary travel effort, the locations are equipped with state-of-the-art IT and communication infrastructure. All KPS locations have state-of-the-art technology, such as video conferencing and telephone systems, as well as extensive computer and software equipment.

IT and software are also structured in such a way that the consultants and the majority of the staff in administration can carry out their work from an office at home, insofar as this is compatible with the projects or activities.

KPS strives to agree individual solutions with as many employees as possible in order to promote them and give them freedom.

#### **4.4 Diversity and equal opportunities**

In addition to the aspects of sustainability, social issues such as diversity and equal opportunities also play an important role in a modern and successful company today. KPS has anchored both aspects in its "Code of Conduct."

It states: “Our entire company and our responsible corporate governance are based on a culture of mutual respect and trust. Our working environment is free from any form of discrimination and harassment towards colleagues. Offensive, harassing or hurtful behaviour by employees or customer representatives towards colleagues will not be tolerated in any way. We strongly oppose derogatory remarks based on racial, ethnic or other characteristics, as well as unwanted sexual advances.”

Of the 735 employees in the past financial year, 30 % were women. KPS strives to increase the share of women, especially in management positions.

Diversity enriches the company culture of KPS and is an important topic due to its international expansion. At the end of the past financial year, people from 27 countries were employed at KPS. This diversity contributes to cultural exchange and also promotes intercultural communication and encounters within the projects.

#### **4.5 Health promotion measures and occupational safety**

KPS promotes the health of its employees through various measures:

- Height-adjustable desks at almost all locations.
- Cooperation with Urban Sports Club, an association of 8,000 independent fitness studios, swimming pools, wellness facilities and golf courses. KPS employees have discounted access to the partners of the association.
- At the locations in Munich and Dortmund, employees are provided with a company bicycle upon request.
- Healthy food: Fresh fruit is offered to employees daily at several locations. Employees in Dortmund can also buy food at reduced prices through a cooperation with an organic farm there. KPS would like to expand such collaborations in the future.

KPS has improved occupational safety in the following areas:

- Occupational safety at the individual office locations, in the data centre and for accident hazards on the way to work.
- Minimising accident risks and safety on business trips
- Safety and conduct at project sites or client sites

All KPS employees are informed regularly about occupational safety standards in order to minimise the risk of accidents at work, on the way to work and on business trips. The managers of the individual locations can also arrange additional, specific and individual measures, which are supported and promoted by KPS.

There were no accidents at work in the past financial year 2021/2022. The accident rate was therefore fortunately 0% (previous year: 0%).

KPS offers all employees the opportunity to be trained as first aiders or fire safety officers so that they can help colleagues in emergency situations.

#### **4.6 Support for social commitment**

KPS supports the social commitment of its employees. This includes the annual company run, donations in kind at Christmas and the provision of IT systems for schools.

- Annual company run: For a predefined period of time, the daily distance covered on foot by each participant is measured via mobile devices. The kilometres covered are converted into a monetary amount, which the KPS Executive Board donates to social institutions from its own funds.
- Donations in kind at Christmas: KPS employees collect donations in kind, which are supplemented by KPS and donated to social institutions that primarily care for socially disadvantaged people.
- IT donations to schools: KPS regularly donates IT equipment to schools.

## 5. ENVIRONMENTAL CONCERNS

### 5.1 Preliminary remark

KPS's activities as a consulting company have an impact on the environment and the climate.

With regard to energy consumption and the related CO<sub>2</sub> emissions, the electricity consumption of the individual locations and the data centre on the one hand and the mobility of the employees on the other play a significant role for KPS.

Historically, working as a consulting firm required a comparatively high level of travel for consultants. Clients often expected activities and advisory services to be carried out on site. In addition, in many cases the nature of the work and projects to be carried out required the presence of the consultants at the client's locations. The Executive Board was therefore often unable to directly influence the amount of business travel, as it was strongly linked to the nature of the projects to be carried out and the respective client expectations.

The company strategy and sustainability strategy are aimed at reducing both electricity consumption and travel and the related CO<sub>2</sub> emissions. KPS is continuously working on reducing electricity consumption as well as on ideas for environmentally friendly travel. Overall, KPS strives to further optimise the amount of business travel where we can directly influence it. This is supported by KPS's innovative Instant Platforms products, which are designed to deliver services increasingly remotely.

Financial years 2019/2020, 2020/2021 and, in part, financial year 2021/2022 were strongly influenced by the corona pandemic, both in terms of electricity consumption and business travel volume. Therefore, a comparison of the years is only possible to a very limited extent.

### 5.2 Power and energy consumption

The table below roughly reflects the energy consumption of the most important KPS locations in financial year 2021/2022. The electricity consumption of the companies in this period was approximately 764,926 kilowatt hours.

KPS is a tenant of premises in a computer centre and operates its own server structures there. The landlord has concluded the electricity contracts directly with the energy suppliers, therefore KPS cannot influence the electricity mix here.

#### Electricity use in kwh

| Location                | 2021/2022      | 2020/2021      | 2019/2020      | Comment 2019/2020                            |
|-------------------------|----------------|----------------|----------------|--|
| Server Centre Frankfurt | 222,250        | 124,001        | 124,000        |  |
| Dortmund                | 365,958        | 346,566        | 335,043        |  |
| Unterföhring/München    | 24,052         | 27,952         | 30,408         | the ground floor was leased here in addition |
| Heilbronn               | 24,159         | 27,184         | 33,740         |  |
| Hamburg                 | 27,518         | 25,139         | 27,996         | the office space was expanded here           |
| London                  | 62,986         | 94,198         | 154,364        |  |
| Barcelona               | 32,153         | 13,629         | 51,463         |  |
| Virum                   | 5,850          | 5,775          | 5,900          |  |
| <b>Total</b>            | <b>764,926</b> | <b>664,444</b> | <b>762,914</b> |  |



### 5.3 Employee mobility

KPS operates in many domestic and foreign company/office and project locations, between which employees travel for business. The need for consultants to oversee projects at client locations also requires a certain degree of mobility as well as the need for business travel.

The goal is to minimise the impact of business travel on the environment and employees and to develop innovative solutions for this purpose. Consultants use passenger cars, public transport, trains and planes for their trips. KPS tries to strike a balance between travel time and the impact of the chosen mode of transport on the climate.

KPS intends to reduce the environmental impact of its employees' mobility through the following measures:

- **Location in Dortmund:** The modern and future-oriented equipment of the Dortmund Design Centre makes it possible to reconcile environmentally conscious actions, a pleasant working atmosphere and professional work with the expectations of its clients. Many services can be provided on site in Dortmund and be delivered remotely to customers. This allows KPS to reduce the number of business trips.
- **Company car fleet:** KPS maintains its own company car fleet and sometimes provides consultants with company cars for their trips. Here, too, KPS strives to act responsibly. Thus, both the possible car models and the annually permissible mileage are limited. In addition, KPS intends to make greater use of vehicles with environmentally friendly drives in the future and plans to set up the corresponding charging points at its locations.
- **Meeting room equipment:** Meeting rooms are equipped with modern technology for telephone and video conferencing. In addition, KPS uses appropriate communication software solutions to hold meetings in virtual rooms via digital channels. This avoids a lot of travelling between locations and to customers.
- **Job bike initiative:** At the locations in Munich and Dortmund, employees can get an EBike or a conventional company bike in addition to a company car. In this way, KPS supports its employees in making the journey between their workplace and home in an environmentally friendly and health-promoting way. KPS is considering how it can gradually expand this initiative to other locations.
- **Promotion of climate-neutral travel:** KPS wants to support climate-neutral travel with economically viable decisions. For example, KPS supports its employees in using the train as often as possible for business trips.

### 5.4 Fuel consumption and CO2 emissions related to business travel

In order to optimally organise employee mobility, KPS works together with external service providers. This allows us to collect a wide range of data on fuel consumption and CO2 emissions. For example, Deutsche Bahn provides us with a document every year that includes information on the kilometres driven by employees. Rental car companies also provide information on the kilometres driven and the CO2 emissions caused.

As already explained at the beginning of this section, the last three financial years were strongly influenced by the corona pandemic. Overall, the values are distorted to a considerable extent, as business travel was almost non-existent during the peak phases of the pandemic and business travel activity increased significantly in the course of the opening steps and was influenced by catch-up effects.

#### Rail travel

The analysis of rail travel takes into account the locations in Germany, the UK and Spain. The share of German locations of rail kilometres travelled was just over 98% in each of the financial years 2019/2020,

2020/2021 and 2021/2022. Deutsche Bahn uses 100% green electricity. In this respect, the CO2 emissions caused by KPS's rail kilometres were close to 0. Between 1 October 2021 and 31 September 2022, the employees of KPS and its subsidiaries travelled around 956,288 kilometres by rail. In the same period of the previous year, 2020/2021, the number of kilometres travelled by rail was 273,593 due to corona. In financial year 2019/2020, the comparable figure was 1.02 million kilometres travelled.

#### **Air travel**

All KPS locations in Germany and abroad are taken into account for air travel. In financial year 2021/2022, the air kilometres travelled by KPS and its subsidiaries amounted to approximately 2,109 million kilometres and around 300 tonnes of CO2 emissions. In financial year 2020/2021, significantly fewer business travel kilometres were covered by air due to the pandemic. The value in the year, which was heavily influenced by corona, was 240 thousand kilometres flown and corresponded with CO2 emissions of 47 tonnes. In financial year 2019/2020, the number of kilometres flown was approximately the same as in the current reporting period, at around 2.03 million kilometres (CO2 emissions: 305 tonnes).

#### **Travelling by car**

KPS employees travelled a total of around 4.62 million kilometres by car in financial year 2021/2022. This corresponds to an increase of 73.0% compared to the same period of the previous year (previous year: 2.67 million kilometres).

A total of approx. 702 (previous year: 356) thousand kilometres were driven with rented cars, and approx. 3.92 million (previous year: approx. 3.31 million) kilometres with company cars. The CO2 emissions caused by the kilometres driven increased by 66.2% from 408 tonnes in financial year 2020/2021 to 678 tonnes.

#### **CO2 emissions related to business travel**

CO2 emissions caused by business travel amounted to 978 million tonnes in total in the reporting period 2021/2022.



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