

# SUSTAINABILITY REPORT



# CONTENT

1	INTRODUCTION BY THE BOARD	3
2	INTRODUCTION	6
3	BUSINESS MODEL AND STRATEGY OF KPS	8
4	KPS' SUSTAINABILITY STRATEGY	12
5	EMPLOYEES	18
6	ENVIRONMENTAL INTERESTS	24

# 1

## INTRODUCTION BY THE BOARD



Dear Readers,

The COVID-19 crisis continues to keep the world in suspense.

The focus of the previous business year 2019/2020 lay in tackling the extraordinary challenges that accompanied the Corona pandemic. At the end of February 2020, we quickly transformed our business processes into a remote mode. Almost all of our employees began working from home and were able to continue working on our clients' projects without any frictional losses.

At this moment, I would like to thank all of our employees, without whose support and tremendous dedication we would not have been able to address the challenges at hand.

As a result of the switch to a "remote mode", we benefited from the strategic orientation of the KPS Group. This entails increasingly delivering services digitally and remotely to our clients from central design centers.

With the end of the financial year 2019/2020, we are publishing our sustainability report for the second time and in doing so presenting our sustainable corporate management. Even in these challenging times, we are still conscious of our responsibility towards the environment, corporate management and social issues. Digital transformation, digital strategies as well as their conception and implementation are a major pillar for safeguarding companies' futures. This is especially true in the currently difficult circumstances created by COVID-19 which is forcing businesses to boost the digitization of their business processes.

Our sustainability strategy aims to take into account all the interests of our major stakeholders. This involves striking a balance between our financial targets and the demands of our stakeholders.

The Europe-wide social distancing and lockdown measures as well as the reconfiguration of our work processes to a remote and digital mode has led to a clear reduction in the business trips of our consultants and thereby heavily decreased our CO2 footprint.

In the previous business year, we incorporated our subsidiaries into our evaluation and consequently broadened the data pool of this sustainability report.

In the coming years, we will deepen our sustainability strategy and aim to further streamline the sustainability of our business.

Munich, January 2021  
Your board

Leonardo Musso



**Leonardo Musso**  
Founder and CEO of KPS AG

## INTRODUCTION

The sustainability report of KPS is addressed to our customers, business partners, shareholders, employees and all other stakeholders who are interested in the values of our company. It concerns KPS and the companies in which it has a controlling interest. Any deviations from this will be highlighted when they arise. The sustainability report for the FY 2019/20 covers the non-financial company report in reference to 315b, 315c in connection with 289c to 289c of the German commercial code (HGB). KPS does not utilise any nationally or internationally recognised framework for its sustainability reporting but however does orientate itself towards the criteria and standards of the of the German sustainability code (DNK). We hope this report provides the reader with an in-depth impression of our work.

## BUSINESS MODEL AND STRATEGY OF KPS

### 3.1 Our Vision

On many levels, KPS itself and its client companies are facing accelerating evolutionary technological challenges, where they have to react ever more quickly in order to remain successful in the long term. Also included here is the relocation of complete business processes from on-site systems to cloud based solutions, the exponential increase in the availability of data that has to be organised, analysed and evaluated, not to mention the increasing complexity of software systems.

In addition, the needs and behaviour of the end customer are rapidly changing as a result of the availability of new technological services. Purchases are made via different mediums namely bricks and mortar stores, online or with the smartphone. The availability of goods and services on the high street as well as virtually is expected at all times. Customers want a complete supply chain in all channels without disruption.

In both spheres of technological change and customer behaviour, companies have to react with a tailor-made strategy. This means developing a strategy that digitizes the complete company and business processes while transforming the company's system landscape in-line with its digital strategy. A proactive digital strategy means companies can actively influence change and use it for good in their own strategy and in competition.

The challenges of digitally transforming a company's processes are at the core of KPS' business model. KPS specializes in the complete consultation on digital strategy and digital transformation of companies including their business processes. Complete means that we accompany the customer on every step of the journey. Our vision is to provide consultation to companies regarding the complete development of a specific digital strategy, to support them in this transformation and to implement the complete strategy. We view ourselves as partners for our customers in the successful implementation of their digital strategy providing them with optimal IT, system and software landscapes suited to their requirements.

### 3.2 Company Overview

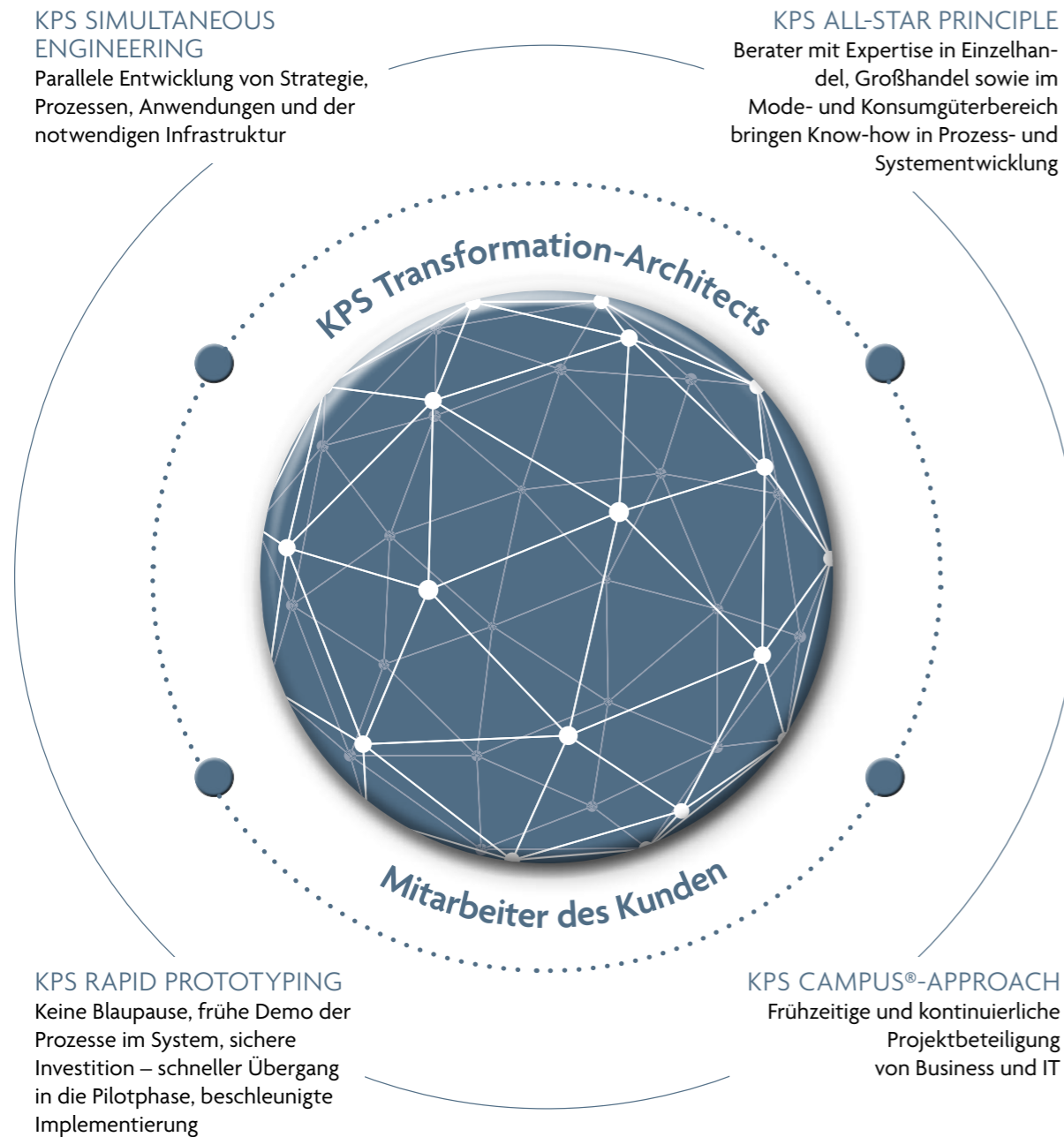
KPS was founded in 2000 and today has more than 1,300 internal and external consultants as well as generating a revenue in FY 2019/20 of 166,4 Mio Euro. This means that KPS belongs to the leading consultancies for digital transformation of trade processes in Europe consulting a variety of businesses from a wide range of sectors. We are situated in nine countries and made 49,76% of our company revenue outside our home market of Germany.

The main focus of KPS' activities concern commercial enterprises, including among others, companies from the fashion, food, furniture, industrial and consumer goods sectors. In the last few years, we have capitalised on our competence and broadened our target client groups. As a result, we have successfully carried out projects outside of our core client base for example in the sectors of logistics, energy, services as well as in engineering and equipment construction.

### 3.3 Our Business Model

KPS' business model is geared towards the complete consultation of companies concerning the questions and the challenges they face regarding the digital transformation of strategies, processes, applications and technology. By "complete" we mean that we consult companies with a so called "end to end" or complete solutions approach. In doing so we offer our clients strategic consulting and project conceptualisation, and accompany them along the journey of process change and implementation. We thereby differentiate ourselves from our competitors who only supply a part of our complete offering.

## DIE KPS RAPID-TRANSFORMATION® METHODE



KPS is not committed to any one form of technology in its consultations. We have a variety of technology partners, e.g., SAP, Adobe, Intershop and Open Text whose technology and software we use in our customer's projects. This variety allows us to provide the best tailor-made solution for each of our clients. Owing to the fact that SAP is widespread in trading companies, we develop digital transformation strategies for our customers on the basis of SAP's solutions.

In order to enable the quick and end efficient realisation of customer projects we have developed our own project management method "KPS Rapid-Transformation". This method is based on our core convictions, that first of all digital transformation projects are best implemented when they are begun with many smaller tasks and projects in parallel. In addition, with this method, transformation projects can be carried out during the client's ongoing operations. Secondly, we use the standard software stacks of our software partners to create tailor-made and individualised process chains.

This method differentiates itself from the classic approach, whereby individual projects steps are completed one after the other in a so-called "waterfall method." A big advantage our customers have is that media disruptions between strategy, process and implementation in the software solutions can be avoided. As a result complexity and risks are reduced and project run times are accelerated.

The KPS Rapid-Transformation® Method follows four clearly defined principles.:

1. KPS Simultaneous Engineering: parallel development of strategies, processes, applications and the necessary infrastructure.
2. KPS All-Star-Principle: experienced experts in their branch with the required know-how and relevant project experience.
3. KPS Campus®: Timely and continual project accompaniment by specialist departments and IT in a new team.
4. KPS Rapid Prototyping: fast illustration and validation of the core processes in a system. Further development of prototypes into pilot systems.

The KPS All-Star Principle is a further cornerstone of our business model. We value a balanced and healthy relationship between experienced consultants and young employees. We are convinced the professional relationship between experienced and young consultants as well as career starters at KPS is clearly better than at many of our competitors.

This has positive effects on our project efficiency. Young consultants are better prepared and incorporated into their projects. This in turn increases employee and customer satisfaction.

### 3.4 Our Strategy

Our strategy is directed towards further developing our business sustainably and to consistently provide improvements for our customers.

In particular we want to expand our business activities by increasing our international presence. As previously explained, we transport our core competencies from the trade sector to other fields. We want to improve our services by focussing on innovation. Our technology teams dedicate themselves to researching the latest technological developments and work on how these can be used with our customers with the upmost efficiency. In addition, we develop standard processes and process chains as well as applications in our design centres that we regularly use with our clients. As a consequence, we can clearly reduce project run times and carry out transformation projects in a running businesses.



## KPS' SUSTAINABILITY STRATEGY

### 4.1 Excursus. Effects of the COVID-19 Pandemic

The business year 2019/20 was a challenging year for the KPS group, its employees, clients, suppliers and business partners as result of the global COVID-19 pandemic. The board and management placed a strong focus on the adaptation of internal and external processes on the one hand, to protect our employees, clients, suppliers and business partners in the best possible way and on the other hand to seamlessly continue our consulting and services for our clients.

In this extraordinarily challenging situation, KPS has benefitted from the strategic orientation and business model of its Group by increasingly delivering digitalization solutions "remotely" and thereby reducing the number of consultants required on site. KPS was quickly able to setup reliable remote working processes and continue working on existing projects together with its clients uninterruptedly.

KPS follows a long-term sustainability strategy. As a result, the COVID-19 crisis did not have a negative impact on KPS' sustainability strategy. The development and implementation of the package of COVID-19 measures as well as the European wide social distancing, limitations on physical contact and lockdown measures introduced by governments and authorities aimed at containing the Corona pandemic had a positive influence on the energy and environmental balance of the KPS group. Business trips were reduced and working from home had a positive effect especially on the group's CO2 emissions. We expect these however not to continue as the pandemic dies down unless a corresponding certificate is obtained. In the following chapters the positive effects will be explained.

### 4.2 Sustainability management and Sustainability Strategy

It is of great importance to KPS management to employ a sustainable environmental policy and the sustainability management that this entails. KPS' management is dedicated to making strategic decisions so that the positive effects on the environment, society and our stakeholders are amplified and that any negative effects are kept to the minimum.

KPS' sustainability strategy is the responsibility of the board. Alongside the financial goals, it includes the responsible leadership of KPS, the relationship we have to our stakeholders, the needs of our employees, energy management and the interests of the environment. More than ever today, the responsible activities of any company must take into account energy management and environmental considerations.

KPS' management has created a team that communicates with the company's individual departments, for example the board, finance department or controlling to aid them in the implementation of the company's sustainability strategy.

### 4.3 Risk management in the context of sustainability.

The evaluation of risks for KPS' business is the task of the board. This includes all the risks in KPS' business activities and is as comprehensive as is possible as well as taking into account all the components of the value chain. As sustainability factors can contribute to a long-term positive development in any business, they are therefore included in any evaluation of risk. An overview of possible risks and their respective evaluation is presented in detail in our risk report. (Page 42.)

Performance indicators related to sustainability that the board includes in its evaluation of risk are:

- Economic performance and business developments that form the basis for the sustainable expansion of the company
- Electricity usage of the individual company locations
- CO<sub>2</sub>-emissions, especially those caused by KPS employees business trips.

These and further sustainability aspects are explained in the following chapters.

#### 4.4 Responsible Business Leadership

KPS sees its duty to follow a sustainability strategy. Especially the board and the supervisory board of KPS know the responsibility they have via a sustainably conscious and long-term oriented business leadership to ensure the existence of the company and its value creation. We have a long-term view and partake in businesses that are compatible with the sustainable development of political, economic, social and ecological systems.

We are dedicated to achieving earnings growth in line with our sustainability strategy. The key pillar of our business model "Business Consulting" is formed by interactions between people. Therefore, our responsible and sustainable business leadership, caters in particular to the demands of our employees, customers and business partners. Alongside the huge responsibility we live towards our employees, customers and business partners we also test our activities for any possible social and ecological side effects. We aim to maintain these at a level so that future generations also have sufficient resources for their lives.

The foundation of our responsible business leadership is formed by our corporate values and code of conduct.

##### 4.4.1 Corporate Values

Our corporate values form the basis of how we interact with our customers, business partners, colleagues and employees.

The corporate values of KPS are made up of the following principles.

- **Entrepreneurial Spirit**
  - Independence in the framework of personal competence
  - Innovative approaches, utilisation of new technology and methods in order to improve the competitiveness of KPS's customers.
  - Dedication towards excellent work quality standards for our customers.
- **Professionalism and Passion**
  - Our daily work is our motivation combined with a drive to think outside the box
  - Passion as a source of creativity and inspiration in the development of innovative solutions for our customers.
  - The readiness to tackle the biggest challenges.
  - An ambition for and a joy in creating tailor-made solutions.
  - Use of proven, uniform, structured and interlocking procedures in order to provide the expected quality and thoroughness when fulfilling the promised deadline.

- **Respect and Individuality**

- Act in accordance with human rights
- The upmost respect for colleagues and customers
- A high degree of empathy is a prerequisite for collaboration
- Integrity, trust and honesty at all times
- Open communication channels and freedom of opinion both internally and with customers
- Constructive and loyal collaboration
- An environment of mutual support and responsibility for one another
- Equal opportunities
- Protection from harassment and discrimination
- Zero tolerance towards insults, harassment or offensive behaviour from colleagues or customer representatives towards colleagues
- Zero tolerance towards discriminatory remarks concerning racism, ethnicity or sexual harassment
- Trusting work atmosphere
- The promotion of performance and individual abilities and experience
- The creation of freedoms
- The support of everyone in achieving their aims and reaching their professional ambitions

##### 4.4.2 Code of Conduct

For KPS, the code of conduct prescribes that all employees act with integrity and in accordance with the law. In addition, the management of KPS acts according to the maxim that its decisions and behavior are driven by common sense and our ability as people to scrutinize. KPS management expects the same standards from all its KPS employees. In addition, employee behavior must be in line with KPS's sustainability strategy, sustainable enterprise development and respect human rights.

KPS's code of conduct contains rules concerning the topics of conflict of interests, loyalty and corruption, trust, data protection, gifts and intellectual property. In the following we have outlined the most important elements of our code of conduct.

- **Conflicts of interest:** Conflicts of interest come into being when private interests collide with the interests of KPS or appear to do so. KPS's employees are to be loyal to the group and do all they can to avoid becoming involved in situations in which their own financial or personal interests conflict with those of KPS. KPS provides its employees with a high degree of freedom and judgement to recognise possible conflicts of interest, avoid them and declare them.
- **Loyalty and Corruption:** KPS forbids any form of bribery and corruption. Those responsible for decision making are not allowed to accept any offers of value, either those that are promised or actually exchanged that in turn provides the person making the offer favourable treatment from KPS. KPS runs its business free from any influence of bribery or corruption.
- **Third Party Gifts:** KPS permits gifts from current and potential customers, suppliers, competitors or partners including invitations to dinners and entertainment events only in the case that participation in the business dinner or entertainment event leads to an improvement in the business relationship and serves the interests of KPS. These events are not permitted to influence any business decisions disproportionately. Furthermore, they are not permitted to



oblige any service in return or break any ethical principles. In addition, they have to be suitable in the context of the business habits of the country in question. To create more transparency and clarity, KPS has set a limit both on the number of invitations to business dinners and or events that can be attended as well as on the actual cost of these dinners and events.

- **Gifts to third Parties:** Providing gifts to third parties follows the same principles as receiving gifts from third parties. KPS permits gift giving to current and potential customers, suppliers, competitors or partners including invitations to dinners and entertainment events only in the case that participation in the business dinner or entertainment event leads to an improvement in the business relationship and serves the interests of KPS, these events are not permitted to influence any business decisions disproportionately. Furthermore, they are not permitted to oblige any service in return. In addition, they have to be suitable in the context of the business habits of the country in question.

#### 4.5 Stakeholder-Dialogue and Stakeholder Management

Our business activities are based on the successful collaboration and interactions with a variety of stakeholders including our clients, investors, employees, consultants and partners. The KPS board is convinced that our financial goals can only be optimally reached if there is a sustainable balance between the interests of KPS and its stakeholders as well as ensuring a balance of interest between the various stakeholders themselves. As a result, the KPS board believes that the financial aims of KPS can only be achieved if they are in balance with those of the stakeholder. KPS draws important aspects of its sustainability strategy from this belief. These are driven by the continuous dialogue we stage with our stakeholders.

##### 4.5.1 Our relationship with Stakeholders

- **Customers:** We draft a digital transformation strategy for our customers and implement this for them. As a result, we have a big responsibility for the IT and software landscapes of our customers. We want to return in kind the trust we receive from them by being disciplined regarding our customer needs and by offering a high standard of service and consulting. We are permanently in contact with our customers. In many cases, our consultants work in teams on location with the customer for the duration of the project. In our design centres, customers can inform themselves about our high quality and our service. Our projects often have running times of many years so we attempt to build a relationship of trust with our customers. As we have intensive contact with our customers, we can derive from them important aspects of our sustainability strategy. For example, KPS works together with its customers to reduce project run times and the number of consultants required on-site. The number of consultant journeys is therefore reduced and in turn the CO<sub>2</sub> emissions we cause also decrease.
- **Investors:** An important stakeholder group includes our investors and shareholders. We communicate via various channels and attempt to build a personal relationship with them whenever possible. We take part in many investor conferences every year, communicate with investors in our various roadshows as well as conducting personal calls on the telephone or meeting face to face. In addition, every time we publish quarterly figures, we hold a telephone conference where we inform our listeners about our performance and investors are invited to ask questions. We explain our business model and financial development in our end of year report and quarterly reports. All documents are available in German and English on the KPS website for investors and stakeholders to read at their leisure.

- **Employees:** Our employees are the key to our success both for our sustainable business strategy as well as for reaching our financial and non- financial aims. Only with their knowledge, abilities and engagement can KPS continue to develop. The employee interests are of high value for the KPS board. Our partners and management carry out regular conversations with our employees so that we are able to take any new measure necessary. For example KPS places a high emphasis on training and continuing education.
- **External Consultants:** The limited number of qualified experts in the fields of IT and digitalisation in Europe continued to be a factor in 2019/2020. As a result KPS utilises the services of external consultants in order to be able to quickly and satisfactorily carry out the projects of our customers. We incorporate external consultants into our teams to cover phases of work with high project volumes.
- **Suppliers and Business Partners:** Technology and software companies are important KPS suppliers as they provide the necessary solutions and systems for the digitalisation of company processes and company management. KPS involves itself intensively with its suppliers, has signed many cooperation agreements with them in an atmosphere of constant exchange. Customer feedback regarding our suppliers is also a key factor.

## 5

## EMPLOYEES

Our employees are the cornerstone of our consulting, transformation and, our quality demands as well as for the goal of achieving our financial aims.

At the end of FY 2019/20 KPS employed 619 people a figure that rose in comparison to the previous FY by 1. (2018/19:618 employees). The increase in the number of employees underscores the vital role that employees play within the KPS group. We continued to invest in the number of our employees despite the enormous impact caused by the COVID-19 pandemic.

Thereof 447 (72.2%) are employed at our German locations and 172 (27.8%) in our foreign offices.

In terms of function, our 548 consultants (85.75%) make up the biggest employee group.

	30.09.2020	30.09.2019	30.09.2018
<b>Employees by region</b>			
Germany	447	448	457
Spain	81	89	65
United Kingdom	54	48	35
Denmark	18	20	20
Switzerland	4	7	8
Austria	5	4	5
Netherlands	3	2	1
Sweden	3		
Norway	4		
<b>Total</b>	<b>619</b>	<b>618</b>	<b>591</b>
<b>Employees by function</b>			
Executive Board	1	1	1
Managing Directors	14	15	14
Consultants	516	519	508
Administration	85	82	67
Apprentices	3	1	1
<b>Total</b>	<b>619</b>	<b>618</b>	<b>591</b>

The board is dedicated to supporting its employees to reach their personal and professional goals and provides them with a range of measures to do so. These include vocational training, working from home and in modern offices equipped with modern IT equipment. We have set up flat hierarchies, ensure equal opportunities and are dedicated to encouraging diversity. We also aim to offer flexitime in as far as this is possible within the workings of our projects. In harmony with our sustainability strategy, KPS also aims to reduce the number of business travel days for its consultants.

As a result of the Corona pandemic KPS has changed its working procedures since March 2020 and allowed the majority of its employees to work from home in order to offer them the best protection against contracting the virus. In addition, the working hours were given further flexibility in order to allow work and family commitments to be balanced.

With the pandemic related changeover to the so called "Remote" processes, KPS benefitted from its strategic orientation to provide enhanced services to "Remote" customers. As a result, our employees were already equipped with the necessary hardware, software and mobile communications equipment.

With these measures KPS presents itself as an attractive employer. As we are an international company and continually growing, we are constantly on the lookout for new employees.

#### **5.1 New, highly-modern office complex in Dortmund**

KPS opened its highly modern office complex on the Phoenix Lake in Dortmund in October 2019. The office space has been doubled and stands at 8000 square metres, offering space for 400 employees.

KPS is convinced that its modern offices in Dortmund have helped the company to reach its sustainable goals namely a reduction in business trips, decreasing our emissions and bringing the interests of our employees and society in harmony with our financial goals.

"New Work" influenced the conceptualisation of the building. Lucent and bright offices, quiet zones, lounge areas and communication areas promote an open work culture and create a pleasant atmosphere.

In addition, KPS has taken the health of its employees into consideration. The offices are equipped with height adjustable tables. Also, the interests of society were included in the building's concept. KPS is planning to create more barrier-free jobs in Dortmund and become an attractive employer for those with disabilities. The employees in Dortmund have the possibility to rent e-bicycles as an environmentally friendly alternative to using a car. We are also planning to provide our employees job tickets for public transport. This has already been introduced in Dortmund and Unterföhring.

The building is equipped with the most modern IT and telecommunications technology allowing many internal and external meeting to take place via video conference and thereby sinking our CO2 emissions.

Furthermore, KPS is continuing to implement its transformation in Dortmund with the help of modern technology. KPS can centralise its project work for its customers in Dortmund instead of carrying it out on-site. This improves the work-life balance of our colleagues, reduces travel and in turn the CO2 emissions produced.

#### **5.2 Continuing Education**

As already explained in the introduction KPS supports its employees in their professional development. This helps us to reach many aims. The satisfaction of the employees and their identification with the company increases and employee turnover is limited. This is emphasised by an annual employee turnover of just above 10%.

In FY 2019/20 our employees took part in 371 external training sessions and in approximately 540 training days.

In addition to the external vocational training offers available, KPS employees took part in language courses or visited specialised courses at the KPS academy. Language course participants can take part in group or one-to-one courses. The KPS academy offers presentation and communication technology courses as well as courses focussing on SAP C/4 HANA.

As a result of the social distancing and lockdown measures made necessary by the COVID-19 pandemic, the number of continuing and further education possibilities in 2019/2020 was below that of the previous FY.

#### **5.3 Modern Work Spaces and Flexibility.**

As we have 13 national and international locations, we require a high degree of coordination and communication between our employees. At the same time all employees are involved in communicating with our customers.

In order to optimise travelling, our new location in Dortmund is equipped with the most modern IT and communication technology.

At all of our locations we have installed the most modern technology for video conferencing, telephoning as well as the computer and software possibilities available to support our employees in their work and also aid them in reducing their travel time, as far as is possible.

We promote the creation of space for our employees. Our IT and software are so structured that our consultants can carry out their projects as far as this is possible in their home office. At many of our locations our employees are guaranteed one home office day a week but with many consultants have agreements that far exceed that. In doing so we achieve more flexibility for our employees.

#### **5.4 Diversity and Equal Opportunities**

The board of KPS has organised its sustainability strategy so that equal opportunities and diversity play an important role in the company. Both concepts are anchors of our "code of conduct". Our whole company as well as our responsible business leadership is based on a culture of mutual respect and trust. Our work environment is free of any form of discrimination or harassment. Insulting, harassing or damaging behaviour from employees or customer representatives towards our colleagues is not tolerated at all. We react strongly to any racist or ethnic discriminatory remarks as well as sexual harassment.

Our 619 colleagues are made up of 177 women and 442 men. KPS is dedicated to increasing the number of women in leading positions.

Diversity helps to better our business culture. This diversity has been increased via our international expansion. At the end of the current financial year, we employed people from 27 different countries. This diversity improves our intercultural exchanges and communication inside our projects. As already explained KPS has created barrier-free jobs in Dortmund. We are now in a position to employ people with disabilities and to offer them recognition of their skills and to help them reach their potential. However until now we have not received any applications from people with disabilities. KPS also supports a sheltered workshop which delivers soup and snacks that our employees can buy. Unfortunately, this project had to be put on hold as a result of the Corona pandemic

### 5.5 Measures to Promote Work and Health safety

KPS promotes the health of its employees with:

- Height adjustable desks in almost all of its locations
- A cooperation with Interfit.: Interfit is a network of 1500 independent fitness studios, swimming pools, health spas and golf courses. KPS has a cooperation with Interfit and provided affordable access to the network.
- Business Bikes (Job-Rad): In Dortmund and Munich employees are provided with the opportunity to use a business bicycle should they wish.
- Healthy Food: A large variety of fruit is provided at many of KPS' locations free of charge. In addition, the employees in Dortmund have the opportunity to buy subsidised bio food. KPS plans to expand these programmes in the future.

KPS has taken the following measures towards ensuring work safety:

- Work safety at the individual office locations, at the server centre as well as accident and dangers on the journey to work.
- Minimising the risk of accidents on business trips.
- Safety and appropriate behaviour at project locations, i.e., at the customer's location

KPS employees regularly receive training on work safety standards to minimise the risk of accidents at work, on their journey to work and on business trips. Annexed to that, the individual locations can add specific and individualised measures to those already mentioned.

In the previous financial year, there were no work-related accidents. Fortunately, the accident rate at KPS was 0%.

KPS offers the possibility to be trained in first aid or as a fire safety officer in order to help colleagues should the need arise.

### 5.6 Support of Social Projects

KPS supports its colleagues who are engaged socially. They are involved in the annual company run, donations in kind at Christmas as well as the provision of IT equipment for schools.

- Annual Company Run: The daily footsteps of a participating colleague are counted in a predefined time span. This number is translated into a monetary amount that the KPS board donates to a charity organisation.
- Donations in Kind at Christmas: At Christmas, KPS employees collect donations in kind. They are collected at KPS and donated to charities that help socially disadvantaged people.
- IT donations for Schools: KPS regularly donates IT equipment to schools e.g., tablets.



## ENVIRONMENTAL INTERESTS

There are two key areas that KPS has identified concerning the reduction of its CO2 emissions. The first is its electricity usage at its office locations including its servers. The second concerns staff mobility.

Our business of consulting involves a relatively high level of travel as our customers expect our consultants to work on-site. The type of work we do necessitates this. The board is as a result unable to influence the number of business trips as it highly depends on the work involved in each individual project.

We have the aim to reduce our impact on the environment in both areas. We are continually reducing our electricity usage as well as focussing on making our journeys more environmentally friendly. In all, we want to further optimise the scope of our business travel operations as far as is possible for KPS.

In the FY 2019/20 our business travel activities were severely reduced owing to the COVID-19 pandemic and the additional social distancing and lockdown measures.

### 6.1 Energy and Electricity Consumption.

The table below summarises the energy use of the most important German locations for the period 2019/20. The electricity usage of the businesses in FY2019/20 was approximately 762.914 kilowatt hours.

KPS rents rooms in server centres and runs its own server structures there. The electricity contracts in this case are made between the energy provider and the landlord of the server facilities. As a result, KPS has no influence on this contract i.e., whether the energy is generated sustainably.

At its remaining locations, KPS pays close attention to making sure renewable energy is used. In the locations stated in the table renewable energy accounts for over 50% of the energy used.

### 6.2 Staff Mobility

Our domestic and international offices as well as our project locations cause a high

Location	Electricity use in kwh 2019/2020	Electricity use in kwh 2018/2019	Note
Server Centre Frankfurt	124.000	135.000	
Dortmund	335.043	340.237	
Unterföhring/Munich	30.408	20.711	here the ground floor was rented in addition
Heilbronn	33.740	31.645	
Hamburg	27.996	18.263	here the office space was expanded
London	154.364		
Barcelona	51.463		
Virum	5.900		
<b>Total</b>	<b>762.914</b>	<b>585.426</b>	

level of complexity for staff mobility. In addition, the level of staff mobility is influenced by KPS's business model.

KPS is dedicated to reducing the negative effects it has on the environment by keeping the number of business trips its customers expect as low as possible and focussing instead on innovative solutions that reduce the need for business trips. Furthermore, the board attempts to strike a balance between journey times and the environmental impact of the selected means of transport. KPS consultants use all means of transport available: trains, public transport, cars as well as aeroplanes. KPS has taken measures to positively influence the impact the emissions generated by its employees.

- **Our new, highly-modern Dortmund office building:** The board is convinced that our new design centre in Dortmund strikes a balance between the interests of the environment, our employees, society and our customers as well as promoting a reduction in staff mobility.
- **Company Car Fleet:** KPS has its own fleet of company cars and offers its consultants the possibility to use a company car on their business trips. Regulations in our company attempt to limit any environmental impact this fleet has. Besides this, KPS pays close attention to keeping the fleet modern so that it includes the latest technology. In this context we will make sure that in the future cars with environmentally friendly engines are used and that the necessary recharging stations are installed.
- **Meeting Room Facilities:** We furnish our meeting rooms with the most modern telephone, and video conference technology. What is more we utilise the required software solutions so that virtual meetings can be held via digital channels. This has the effect that many journeys to the customer are avoided.
- **Job Bike (Job-Rad) Initiative:** Alongside the company car fleet, employees in Munich and Dortmund have the possibility to take advantage of company e-bikes. KPS thereby aids its employees to make the journey to work in an environmentally friendly fashion and emission free. KPS is currently examining whether it can expand its e-bike strategy at its other locations.
- **Promotion of Carbon Neutral Travel:** KPS is driven towards supporting carbon neutral travel. As a result, 12,95 % of the kilometres travelled in the previous business year could be covered with carbon neutral train journeys.

### 6.3 Fuel Consumption and CO2 Emissions in Connection with Business Trips

We work together with service providers to organise our employee mobility. This allows us to collect detailed data regarding our fuel consumption and our CO2 emissions.

Deutsche Bahn provides us with a certificate displaying the number of kilometres our employees have travelled with them every year. Car Rental companies inform us about the distances our employees have travelled with their cars as well as the CO2 levels emitted.

- **Train Travel:** In the time period 01.10.2019 to 30.09.2020 KPS employees and its subsidiaries travelled approximately 1,023,805 million kilometres with train. Trains source 100% of their electricity renewably.
- **Air Travel:** In the same time period KPS and its subsidiaries flew approximately 2.036.281,94 million Kilometres and the CO2 relevant emissions were approximately 305,21 Tonnes.
- **Car Travel:** Alongside train and air travel KPS employees use cars on their business trips. KPS provides its employees with company cars or they have the possibility to use a rental car. Approximately 365,999 thousand kilometres were covered by rental cars and around 4,479,865 million kilometres with our company cars. 22,399 thousand Kilometres were travelled on average per vehicle. The average CO2 emissions per kilometre travelled is at approximately 149 g/km. The number of kilometres travelled by car is at roughly 4,845,865 million and the total CO2 emissions at around. 764 tonnes.



#### IMPRINT

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