

SUSTAINABILITY REPORT



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# 1 INTRODUCTION BY THE BOARD

Dear Readers,

19 years have passed since the founding of our company. In many areas we have achieved a market leading position with our turnover of 181 million Euros in financial year 2018/2019, 600 employees, more than 1,100 consultants and 13 locations in Europe.

At the end of this financial year, we are publishing our sustainability report for the first time and expressing our understanding of sustainable business management.

We are aware of the trust placed in us regarding the responsibility that we have as a specialist for digital transformation projects. Digital transformation, digital strategies as well as their conception and implementation is a key pillar for safeguarding the future of many companies.

Our sustainability strategy aims to take the interests of our stakeholders into account and strives for a balance between financial goals and the requirements of the stakeholders.

KPS employees are the cornerstone of our company's success. We want to encourage a long lasting relationship between us with a range of measures such as Job Bikes (Job-Rad), home office, flexibility, flat hierarchies and a focus on work and family. Our employee turnover rate of 10 % is the lowest rate in our sector.

We want to actively shape the effects our activities have on the environment. We opened our highly modern building complex in Dortmund in October 2019. We placed a high value on integrating the components of our sustainability strategy into the design and conception of the structure. The 8,000 square metres of office space can accommodate up to 400 employees. Our innovative strength allows us to carry out tasks centrally in Dortmund that previously were done at the customer's location. This means we can reduce our employees' volume of business trips and simultaneously the amount of pollution we produce. At the same time we can bring our customers projects to a close more quickly. In addition, the planning and preparation for barrier free jobs at our offices in Dortmund is in an advanced stage. We want to actively incorporate people with disabilities at KPS.

We perceive sustainability to be a continual and dynamic process. We will continue to expand our sustainability strategy. In the coming years we want to further improve the quality of our data and deepen our engagement in our sustainability topics in terms of content as well as reporting.

Munich, January 2020  
Your Board

Leonardo Musso



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

## 2 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 2018/2019 also covers the non-financial company report in the meaning of 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. This reports orientates itself towards the criteria and standards of the of the German sustainability code (DNK). For readability's sake we have excluded male and female pronouns in this report, nevertheless persons of male and female genders are referred to in equal terms.

## 3 BUSINESS MODEL AND STRATEGY OF KPS

### 3.1 Our Vision

On many levels, 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 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. A proactive digital strategy means companies can actively influence change and use it for good in their own strategy and in competition.

Digital strategy 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.

The challenges of digitally transforming a company's processes is 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. 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

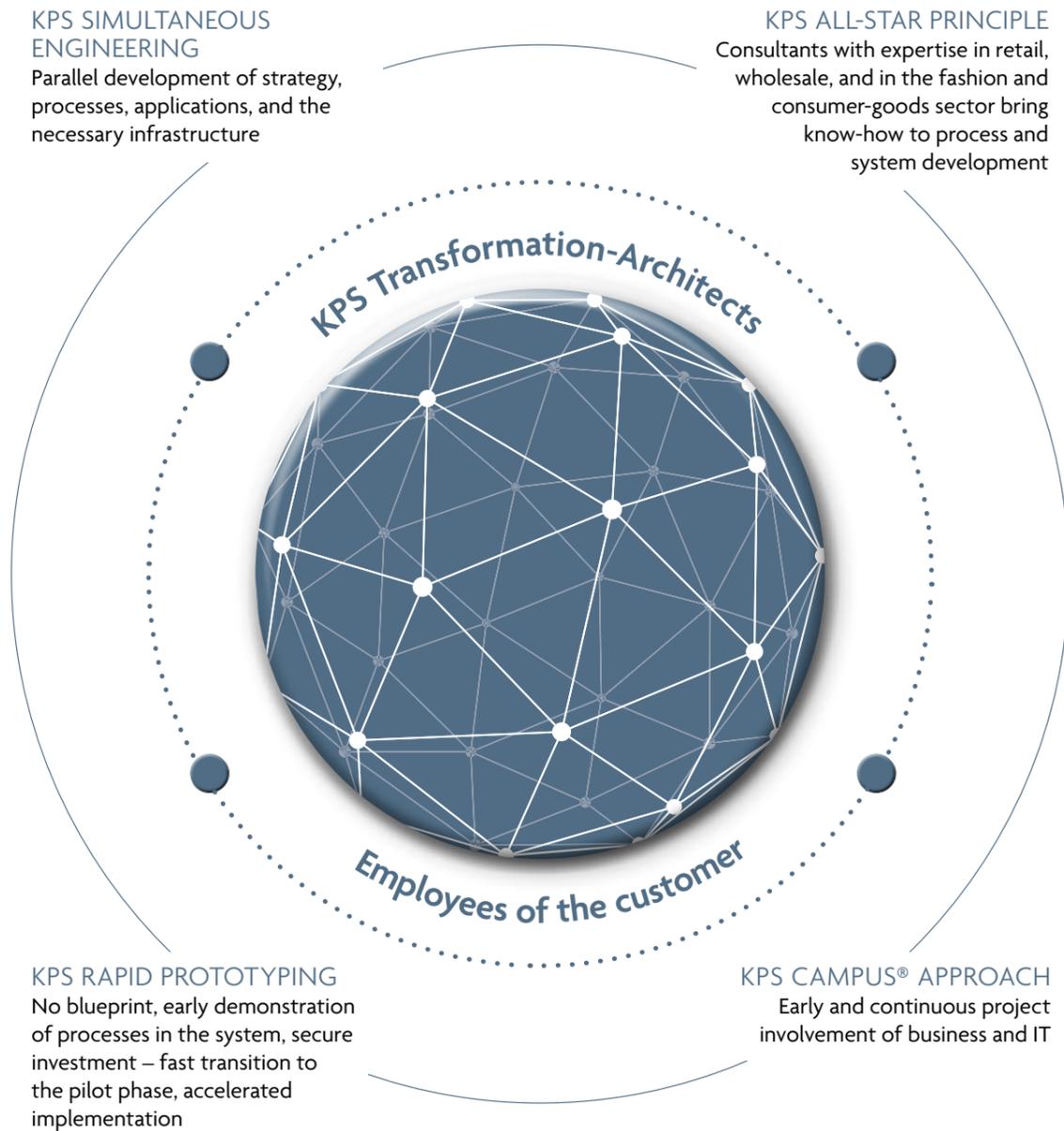
KPS was founded in 2000 and today has more than 1,100 internal and external consultants as well as generating a revenue in FY 2018/2019 of 181 million. This means that KPS belongs to the leading consultancies for digital transformation of trade processes in Europe. We are situated in 9 countries and made 42.6 % of our company revenue outside our home market of Germany.

### 3.3 Our Business Model

KPS' business model is geared towards the complete consultation of companies concerning their 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 bring together strategic consulting, project conceptions, processes and their implementation and thereby differentiate ourselves from our competitors who only supply a part of our complete offering. KPS is technology neutral and technology agnostic. 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. 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.

# THE KPS RAPID-TRANSFORMATION® METHOD



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 in 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.

Point 2 is a further cornerstone of our business model. We value a balanced and healthy relationship between experienced consultants and young employees. We assume that at KPS the relationship between experienced and young consultants as well as career starters is higher than at our competitors.

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

The core branches KPS serves are in trade, i.e. fashion, food, furniture and consumer goods. We have used our abilities to expand the branches we address. As a result we have successfully fulfilled many projects outside our core branches, for example in the sectors energy, services and industry.

### 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 via constant internationalisation. As explained in the previous section 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 technical developments and work out how these can be used with our customers most efficiently. 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 running businesses.

## 4 KPS' SUSTAINABILITY STRATEGY

### 4.1 Sustainability management and Sustainability Strategy

Our business activities can have both positive and negative effects on the environment, society and on our stakeholders. KPS' management is dedicated to making strategic decisions so that the positive effects are amplified and the negative effects are reduced in our sustainability strategy.

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.

KPS' management has created a team that communicates with the company's individual departments to aid them in the implementation of the company's sustainability strategy.

### 4.2 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 therefor included in any evaluation of risk. An overview of possible risks and their respective evaluation is presented in detail in our risk report. (Page 55 ff.)

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 travelling in the field of consulting.

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

### 4.3 Responsible Business Leadership

KPS feels it is its duty to follow a sustainability strategy. Especially the board and the supervisory board of KPS see 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, in particular 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 want to maintain these at a level so that future generations also have sufficient possibilities for their needs.

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

#### 4.3.1 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 powers
  - Innovative approaches, utilisation of new technology and methods in order to improve the competitiveness of KPS customers.
  - Dedication towards excellent work quality standards for our customers.
- **Professionalism and Passion**
  - Enthusiasm for our daily work as a motivation and drive for thinking outside the box
  - Passion as a source of creativity and inspiration in the development of innovative solutions for our customers.
  - Comprehension of the biggest challenges with an ambition to find and the joy of finding tailor-made solutions.
  - Use of proven, uniform, structured and interlocking procedures in order to provide the expected quality and thoroughness when fulfilling the deadline promised.
- **Respect and Individuality**
  - Act in accordance with human rights
  - Respecting colleagues and customers
  - A high degree of empathy is a prerequisite for working together
  - Integrity, trust and honesty at all times
  - Open communication channels and freedom of opinion both internally and with customers
  - Constructive collaboration in the spirit of loyalty
  - 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

#### 4.3.2 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 decisions and behavior are driven by common sense and the intuition we have to scrutinize. KPS management expects the same standards from all its KPS employees. In addition, employee behavior must be in line with KPS ,sustainability strategy, sustainable enterprise development and respect human rights.

In particular KPS' 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. In the following we have outlined the most important elements of our Code of Conduct.

- **Conflict of interests:** Conflicts of interest come into being when private interests collide with the interests of KPS or appear to do so. KPS' employees are to be loyal 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:** HPS forbids every 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. KPS has also 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.

#### 4.4 Stakeholder-Dialogue and Stakeholder Management

Our business activities are based on the successful collaboration and interactions with a variety of stakeholders. 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.

#### 4.4.1 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 stakeholders. We communicate via various channels and attempt to build a personal relationship with them. 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 and is dedicated to being flexible towards the individual circumstances of each employee.
- **Eternal Consultants:** The number of qualified experts in Europe at the moment is limited due to the excellent market conditions for IT and digital experts. 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 EMPLOYEE INTERESTS

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 2018/2019 KPS employed 600 people a figure that is almost unchanged in comparison to the previous financial year of 591. Thereof 460 (77 %) are employed at our German locations and 140 (23 %) in our foreign offices.

In terms of function, our 510 consultants (85 %) make up the biggest employee group.

	30.09.2019	30.09.2018	Change
<b>Employees by region</b>			
Germany	448	457	-9
Spain	89	65	24
United Kingdom	48	35	13
Denmark	20	20	0
Switzerland	7	8	-1
Austria	4	5	-1
Netherlands	2	1	1
<b>Total</b>	<b>618</b>	<b>591</b>	<b>27</b>
<b>Employees by function</b>			
Executive Board	1	1	0
Managing Directors	15	14	1
Consultants	519	508	11
Administration	82	67	15
Apprentices	1	1	0
<b>Total</b>	<b>618</b>	<b>591</b>	<b>27</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. Reductions in travel days, vocational training, home office and flexitime in economically viable and modern offices equipped with modern IT equipment. We have set up flat hierarchies, ensure equal opportunities and are dedicated to encouraging diversity. With these measures we aim to present KPS as an attractive employer. As we are an international company and continually growing, we are on the lookout for new employees.

KPS is convinced that its highly 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.

### 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. "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. The employees in Dortmund have the possibility to rent e-bicycles. We are also planning to provide our employees job tickets for Dortmund's public transport system.

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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions.

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.

### 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 under 10 %.

In FY 2018/2019 our employees took part in 287 external training sessions and in approximately 463 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 C74 HANA.

### 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.

In many 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.

At many of locations we have height adjustable tables that promote the health of our employees.

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.

### 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 anchor 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 600 colleagues were made up of 135 women and 452 men in 2018/2019. 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 25 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, to offer them recognition and to help them reach their potential.

### 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, the number of work-related accidents involving our employees was under 10. KPS has a very small accident rate of 1.5 %.

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.

## 6 ENVIRONMENTAL INTERESTS

There are two key areas that KPS has identified concerning the reduction of its CO<sub>2</sub> 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.

### 6.1 Energy and Electricity Consumption

The table below summarises the energy use of the most important German locations for the period 2018/2019. The electricity usage of the businesses in FY2018/2019 was approximately 585.4 thousand 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.

Location	Electricity use in kwh
Server Centre Frankfurt	135.000
Dortmund	340.237
Unterföhring / München	20.711
Heilbronn 1	31.645
Heilbronn 2	39.570
Hamburg	18.263
<b>Total</b>	<b>585.426</b>

## 6.2 Staff Mobility

Our domestic and international offices as well as our project locations cause a high level of complexity for staff mobility. In addition, the level of staff mobility is influenced by KPS' business model.

KPS is dedicated to reducing the negative effects it has on the environment in 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. For example, we limit the motorisation available and the annually permitted mileage. 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 job bikes. KPS thereby aids its employees to make the journey to work in an environmentally friendly fashion and emission free.
- **Promotion of Carbon Neutral Travel:** KPS is driven towards supporting carbon neutral travel. As a result, 11 % of the kilometres travelled in the previous business year could be covered with carbon low-emission train journeys.

## 6.3 Fuel Consumption and CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> emitted. Our company car fleet is administrated by us internally, however we are considering transferring the administration to external service providers.

- **Train Travel:** In the time period 01.10.2018 to 30.09.2019 KPS employees and its German subsidiaries travelled approximately 776 thousand kilometres with Deutsche Bahn. Deutsche Bahn's trains source 100 % of their electricity renewably.
- **Air Travel:** In the same time period KPS and its German subsidiaries flew approximately 4,9 million Kilometres and the CO<sub>2</sub> relevant emissions were approximately 616 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 238 thousand kilometres were covered with rental cars and around 5,3 million kilometres with our company cars. (Assumption: approximately 28,000 kilometres per car per business year are travelled). The average CO<sub>2</sub> emissions per kilometre travelled is at approximately 135 g/km. The number of kilometres travelled by car is at roughly 5,5 million and the total CO<sub>2</sub> emissions at around 749 tonnes.



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