



SUSTAINABILITY REPORT 2024/2025



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FOREWORD



Agnieszka Jaworska

Chief Commercial Officer (CCO)

Dear readers,

As Chief Commercial Officer, I believe that sustainability is far more than just another strategic focus area among many – it is an expression of our values, closely linked to our sense of responsibility towards our company, the people in our supply chains and our customers. Especially in turbulent times, it is important to us to provide guidance and highlight long-term prospects.

Further developing our product ranges is a key focus for us. Increasing the proportion of organic cotton that we use and introducing the renowned GOTS and OCS certifications are important steps towards achieving greater transparency, credibility and comparability. In doing so, we are demonstrating more clearly than before that certified quality and affordable prices go hand in hand.

Our aim is to provide products for everyday life that are worth buying thanks to their high quality, functionality and fair value for money. We want sustainability to become more than just an abstract promise – we want it to be truly tangible for our customers.

At the same time, we recognise that we can have the greatest impact by firmly embedding sustainability into our processes. This is why we are working hard to simplify processes and reduce the complexity of our supply

chains. Clear structures help us to manage responsibility effectively, make transparent decisions and measure progress – and they are essential for the implementation and improvement of sustainable standards in our day-to-day operations.

We are looking towards the future with clarity and confidence. For us, sustainability means setting the right course today to ensure long-term success tomorrow. People are always at the heart of this, from customers to employees to partners. Together, we want to continue on this path, with dependability, a will to shape the future and a firm commitment to creating products that people can trust.

Wishing you an enjoyable read,



Agnieszka Jaworska

FOREWORD



Ansgar Lohmann

Managing Director of ESG
and Quality Management

Dear readers,

When we published our previous report, sustainability was a more prominent topic of discussion in public and media debates than it is today. Crises, geopolitical tensions and economic uncertainties have shifted the focus, at least in the short term, towards other issues. Nevertheless, the global challenges that we are addressing in our sustainability work remain highly relevant: climate change is advancing, social inequalities are persisting and companies are facing increasingly complex demands to operate responsibly. At KiK, we are therefore committed to continuing our efforts to make environmental and social improvements. We firmly believe that a commitment to sustainability must be for the long run and extend well beyond a single legislative term.

Guided by this belief, our sustainability strategy sets out specific targets in environmental, social and governance (ESG) areas. Regulatory developments underscore this necessity. Since our last report, significant developments have occurred, particularly at the EU level, with new legislative initiatives being discussed and existing requirements being clarified or adjusted. We welcome the fact that negotiations on regulatory matters aim to reduce bureaucratic hurdles. Clear, binding rules contribute to a level playing field and can strengthen due diligence obligations within supply chains.

However, we and many other companies are currently experiencing a phase in which various initiatives are being repeatedly changed or delayed. For us, reliability is crucial. Predictability is essential for making long-term decisions and achieving sustainable improvements. This benefits those who matter most: the people employed in our supply chains.

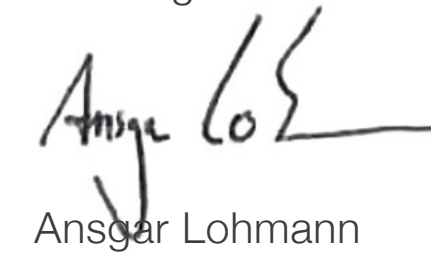
KiK is continuing along this path by carrying out strategically planned sustainability activities that are not guided by short-term trends, but instead,

consistently aim to make structural improvements. We are constantly working to identify risks in our supply chains, raise standards and increase transparency. At the same time, we invest in partnerships and initiatives that empower local stakeholders and promote sustainable development. This approach requires persistence and consistency. KiK possesses both, as we have repeatedly demonstrated in recent years.

Despite the regulatory complexities, we are optimistic about the future. Every day, our team, our partners and our diverse projects demonstrate that sustained effort leads to progress. We are convinced that sustainability cannot be achieved through isolated measures, but rather through reliable, consistent action.

I would like to take this opportunity to thank everyone who is walking this path along with us, from our customers and shareholders to our management, staff and business partners. It is your trust and support that enable us to take our commitment further. Let us continue on this journey together, working towards responsible supply chains, social standards and environmental protection.

Best regards and wishing you an enjoyable read,



Ansgar Lohmann

INTRODUCTION

About this report

This is our eighth sustainability report, also known as an ESG report. It provides an overview of our activities, goals, key achievements and challenges for the 2024 and 2025 financial years (the editorial deadline was 31 December 2025). As the report covers two financial years and specific data is subject to external auditing processes, the reference dates for individual key figures may differ from the editorial deadline. However, we always use the most recent verified data. The relevant data are presented in the topic-specific Environment (E), Social (S) and Governance (G) chapters. These chapters demonstrate how we integrate the three aspects within our company and throughout our supply chains, and they illustrate how we collaborate with our suppliers. They also show the relevant industry initiatives in which we participate. Our aim is to provide a transparent account of our sustainability journey.

This voluntary ESG report reflects our sustainability work. At the same time, we are preparing for the upcoming EU reporting requirements by internally developing a report compliant with the Corporate Sustainability Reporting Directive (CSRD) and establishing the respective assurance process.

Scope and review of the report

This report covers the upstream and downstream value chains of our textile and non-food segments. The upstream supply chain includes raw material extraction and production, while the downstream supply chain takes into account our customers, the use of products sold and waste generated within our own operations. Information on our business operations covers our head office in Bönen, our European stores and our logistics.

All statements are from KiK Textilien und Non-Food GmbH Germany employees, unless otherwise stated. Our specialist departments contributed to preparing the report, providing data and approving the content. We would like to express our sincere thanks to all the departments involved for their support and constructive collaboration.





“KUNDE IST KÖNIG”: THE SUCCESS STORY OF KIK

KiK – THE COMPANY

Introduction to KiK

Founded in 1994 together with the Tengelmann Group, KiK Textilien und Non-Food GmbH started out as a provider of everyday textile and non-food essentials, offering good quality at affordable prices. Since then, KiK has grown significantly and has become one of the largest retailers in the European textile and non-food sectors.

With over 4,200 stores across Europe, we see ourselves as a local supplier offering a diverse range of everyday products at affordable prices. In the textiles sector, this includes essentials, year-round items and fashion highlights. We are not a fast-fashion retailer, instead we are focusing on durability and quality. Our range also includes household goods, home textiles, decorative items, gifts, party supplies, toys and much more. Our main target groups are young women, young families, savvy savers and smart shoppers.

Thanks to our extensive network of stores, we are easily accessible to our customers and a part of the everyday lives of many people. Our name, "KiK", stands for "Kunde ist König" ("customer is king") and shapes our self-image: we want to give everyone access to reliable, high-quality products, regardless of income. That is why we are constantly working to make quality products available to our customers at fair prices.

Affordable essentials also contribute to social inclusion. In times of rising living costs, for example, our range enables many people to access everyday items. These can express identity and belonging, thereby strengthening social fairness and inclusion for all.

KiK in figures:

> **4 200** stores in Europe 

2 400 stores in Germany 

~ **32 000** employees 

in **14** countries 


800 direct suppliers


2.4 billion turnover in 2025



15 000 products in our range

66 trained sustainability ambassadors















Our values in action

At KiK, we focus on long-lasting favourites rather than short-lived disposable products. Our customers often wear their KiK garments for longer than average – proof of the high quality and durability of our products.¹ At the same time, our sales strategy keeps our excess stock to less than one percent, which is significantly lower than that of many other retailers.

By consistently focusing on essentials, we can keep our prices low. We avoid unnecessary costs and complexity. This is also how we create a collection that is both economically and environmentally sound. We continuously optimise and streamline our business processes, practising the “art of omission”. Our business model primarily relies on long-term product range planning, counter-cyclical production and efficient, cost-effective shipping methods.

10 reasons why KiK is so affordable:

- 1**  **Few changes to the product range:** Our year-round range features just two main seasonal collections, which reduces transport costs.
- 2**  **Counter-cyclical production:** By producing outside the usual season, we have longer lead times, enabling early planning and price advantages.
- 3**  **Timely quality control:** Quality checks are carried out in the country of origin. Any defects are rectified there, avoiding costly and time-consuming remanufacturing.
- 4**  **Pre-picking of goods at the store level in the country of origin:** Targeted pre-sorting and packaging on site according to store requirements reduces the number of work steps in the country of sale.
- 5**  **Cost-effective sea transport:** Delivering goods by sea is more cost-effective than using other modes of transport, such as air freight.
- 6**  **Fast stock turnover:** Goods only remain in the warehouse for a short time, thereby avoiding storage costs.
- 7**  **Favourable store locations:** Easily accessible city centre locations, a functional layout and proximity to discount stores ensure walk-in customers and deliver cost benefits.
- 8**  **Elimination of intermediaries:** Orders are placed directly with suppliers, thereby eliminating additional agency fees.
- 9**  **Smart freight forwarding:** Optimal utilisation of lorries and high load density in last-mile logistics avoid costly and environmentally harmful empty runs.
- 10**  **Moderate marketing:** Clear, price-focused communication which concentrates on traditional marketing channels.

¹ YouGov Deutschland (2021): KiK verbessert sein Image. *BrandIndex-Analyse*, June 2021. Available at: <https://yougov.de/artikel/37460-kik-verbessert-sein-image>

What we do: our business activities and our value chains

Our value chains encompass all key process steps, from the extraction of raw materials and production to internal business processes, customer usage and waste disposal.

KiK’s European head office is located in Bönen, Germany, between the Ruhr region and the Soester Börde. The company’s administration has been based there since 2001, comprising departments such as IT, Logistics, Product Development, HR, ESG and other specialist areas. Around 1,000 people currently work at our European head office.

KiK’s direct and indirect upstream supply chains primarily involve people working in the fields of raw material extraction, manufacturing and logistics. We do not operate our own factories, but source our approximately 15,000 items per year from independent suppliers who produce in accordance with KiK’s guidelines and standards. The most important sourcing markets for KiK are Bangladesh, Pakistan, Türkiye, India and China.

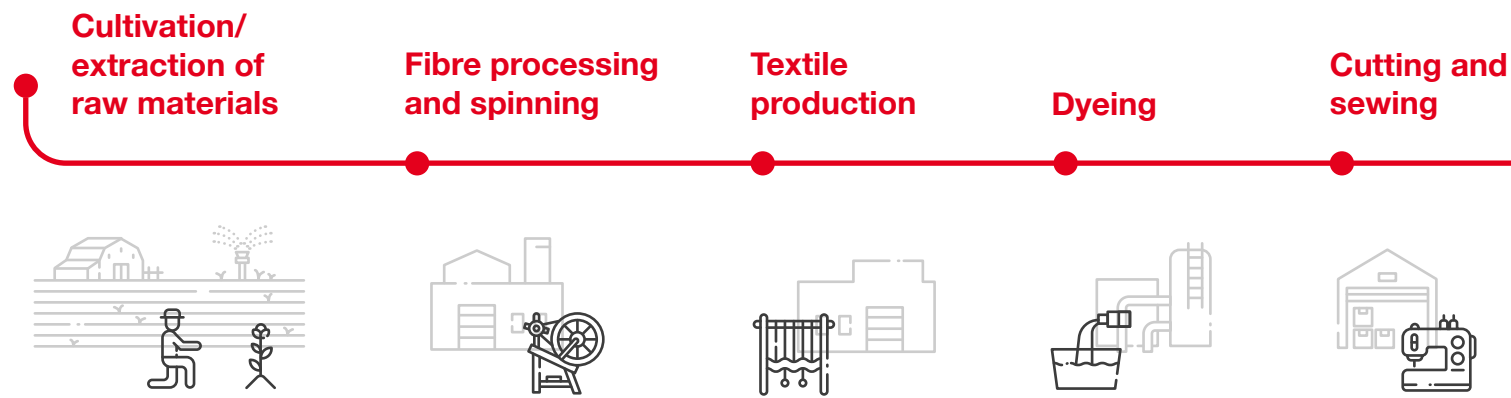
In the downstream supply chain, goods are distributed quickly and efficiently to our stores. Our extensive network of conveniently located stores makes it easy for customers to reach us. We also consider product recycling to be part of our value chain.

An overview of the product life cycle



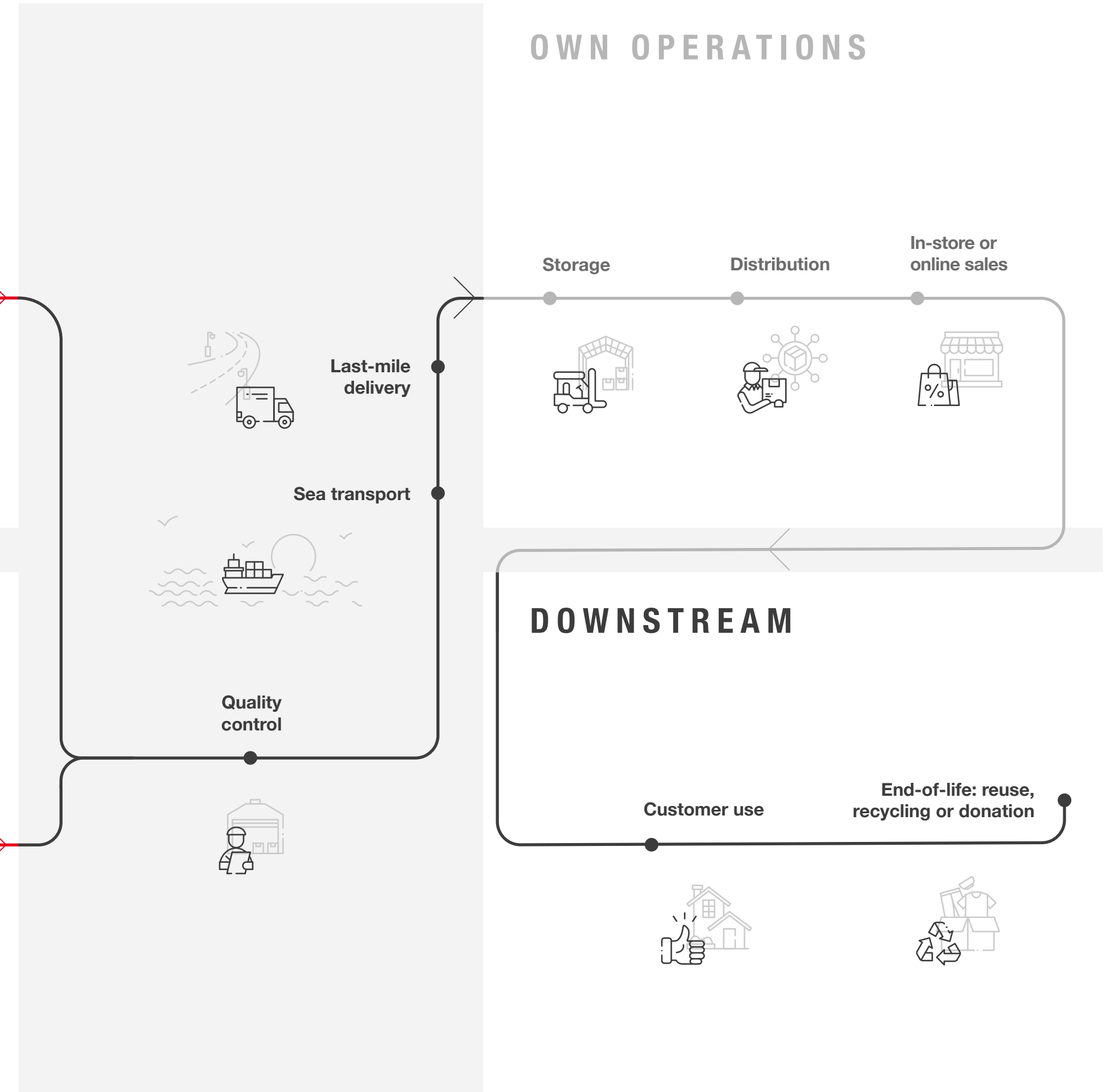
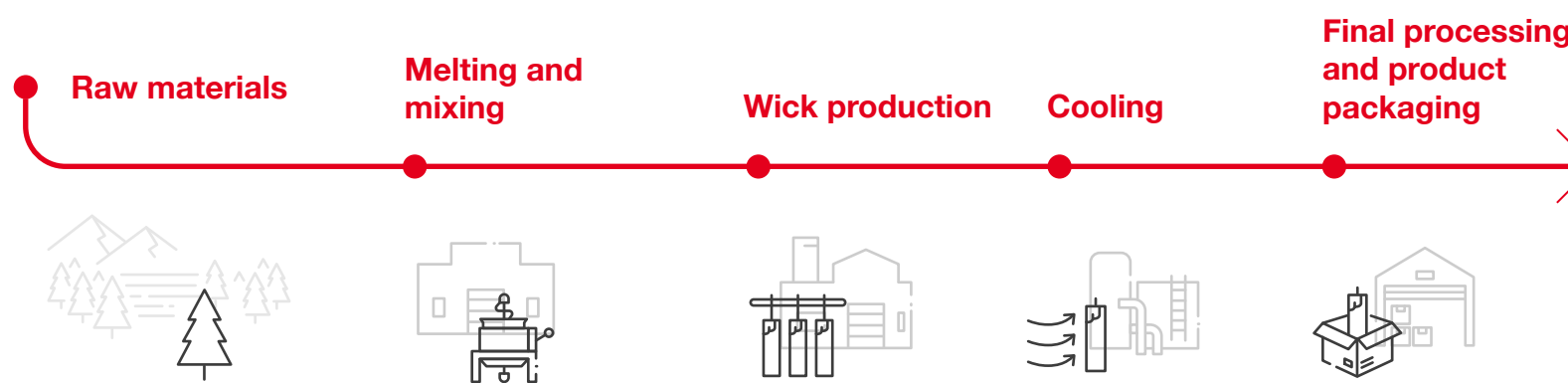
UPSTREAM—TEXTILES

The diagram illustrates the typical stages in the value chain of a T-shirt.



UPSTREAM—NON-FOOD

The diagram shows the typical steps in the value chain of a decorative candle.



OUR PATH TO SUSTAINABILITY

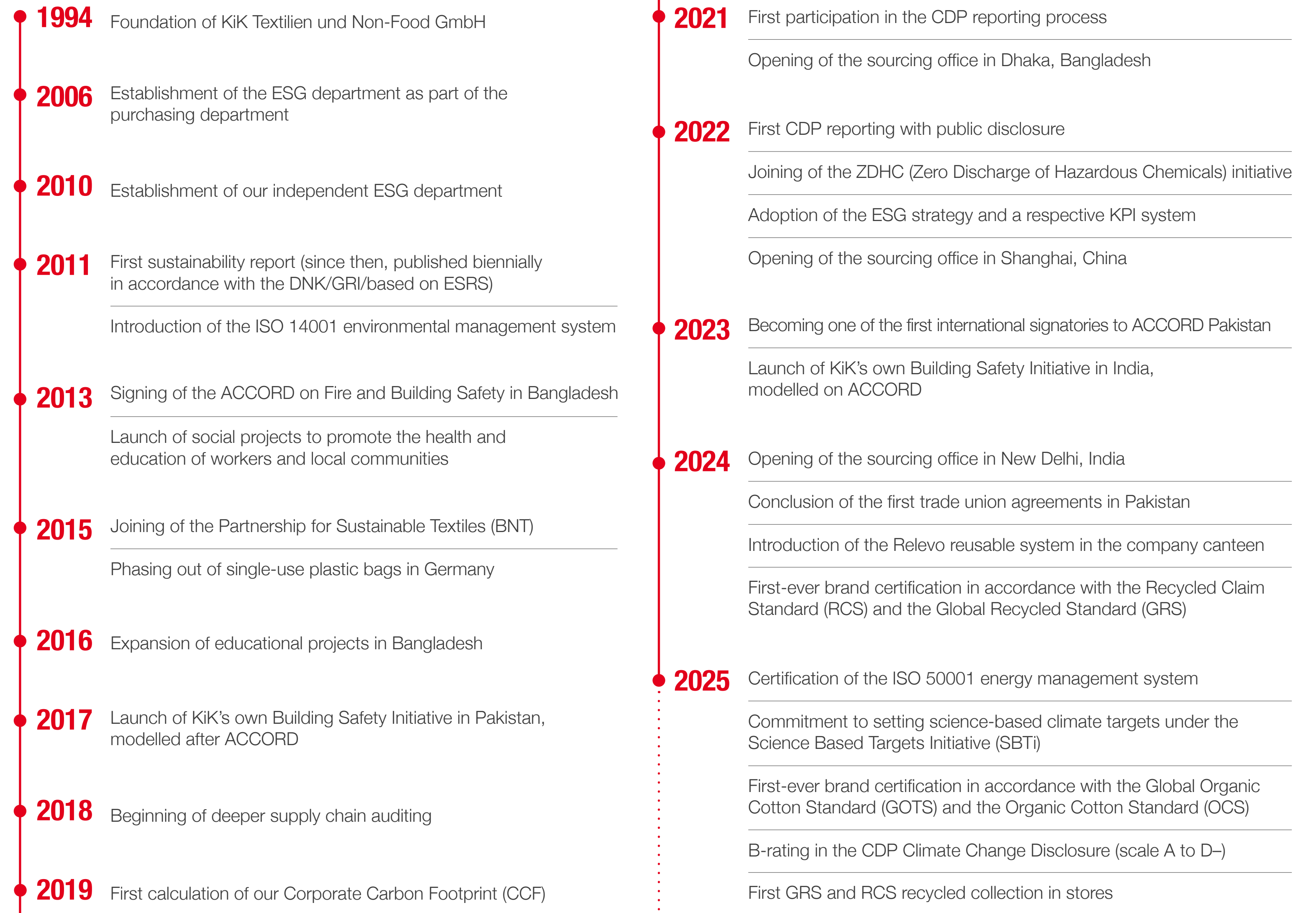
KiK's approach to sustainability

We define sustainability as a long-term approach to decision-making and action within social, environmental and economic contexts. We recognise that our business activities depend on functioning ecosystems, fair working conditions and stable social structures. This is why we continually strive to deepen our understanding of the impact we have on people and the environment – and to minimise it wherever possible.

Sustainability has been firmly embedded in our corporate management for many years. As a discounter of textiles and non-food items, we offer good quality at affordable prices, a practice which is often seen as conflicting with fair and sustainable production conditions. However, our approach to sustainability demonstrates that responsible production and socially and environmentally sound products can indeed be compatible.

We are strengthening environmental and social responsibility across all our business processes and making targeted investments in higher labour and environmental standards throughout our supply chains. Long-term, trust-based partnerships with suppliers, regular on-site visits and independent audits help us to continuously develop these standards and improve conditions for people and the environment, sustainably.

At KiK, the topic of sustainability has evolved over the course of many years. Since setting up our ESG department within the Purchasing department in 2006, we have continuously strengthened our commitment. The following timeline showcases the key steps, decisions and initiatives that have shaped our sustainability journey since then.



Environment, Social and Governance – our ESG strategy

In 2022, we developed a comprehensive strategy to embed, define and implement our sustainability approach. We have set specific targets across the three dimensions of sustainability: environmental, social and governance (ESG).

To make our ESG targets tangible and measurable, we have also defined specific objectives and key performance indicators for each goal as well as a clear two-stage timeline extending to 2025 and 2030, respectively. Progress is reported to the Executive Management for review on a quarterly basis.

Targeted measures in global supply chains, sustainable innovation processes and transparent reporting will help us to achieve these goals while strengthening the long-term resilience of the KiK business model.

Environmental targets

Reduction of greenhouse gas emissions, for example through lower energy consumption

Responsible management of wastewater and the reduction of the use of chemicals in the textile sector

Introduction of the first products made from recycled fibres

Social targets

Safe working conditions in the supply chain

Fair working conditions in the supply chain

Promotion of development opportunities

Governance targets

Adherence to regulations, compliance principles and business ethics

Sustainable corporate development and process design



KiK and the UN Sustainable Development Goals (SDGs)

The United Nations’ 17 Sustainable Development Goals (SDGs) aim to end global poverty by 2030, protect our planet and ensure a dignified life for all. These goals form a central reference point for our holistic approach to sustainability. The SDGs complement our ESG strategy and are also aligned with the results of the double materiality assessment (DMA) we have conducted under the Corporate Sustainability Reporting Directive (CSR).

We view the SDGs as a shared responsibility, and together with our stakeholders, we are committed to actively supporting their progress. The SDGs serve us as overarching guidelines for establishing our long-term commitment and inform the material topics that we have prioritised for our sustainability efforts.

For a breakdown of how we have matched individual SDGs to our material topics, please refer to the “Results of our double materiality assessment” section.

WE SUPPORT



KiK and the UN Global Compact

As a participant in the UN Global Compact, we support its ten principles on human rights, labour standards, environmental protection and anti-corruption. The SDGs provide an additional framework to guide our long-term commitment to sustainability.



Collaboration and stakeholder engagement as the key to success

We can achieve much greater things together than alone. This is why collaboration plays a central role for us, both within and beyond our company.

In 2024, we launched an interdisciplinary Sustainability Ambassador Programme to embed sustainability principles across all areas of the company. Designed specifically for us by the European Business School, the programme brings together employees from different departments to promote internal dialogue and support the integration of sustainable principles into daily decision-making processes. As part of the programme, we are training up so-called sustainability ambassadors from various departments. Their task is to systematically embed sustainability principles within the company.

We are also actively involved in a number of international multi-stakeholder initiatives to drive structural improvements in working and environmental conditions worldwide. We believe that genuine, far-reaching change towards a sustainable and responsible economy can only be achieved through collective action.

We prioritise listening to the needs, requirements and opinions of our stakeholders, and consistently incorporate them into our strategic decisions. This creates opportunities: for example, collaborating with our stakeholders allows us to benefit from their expertise and continuously improve our strategies. At the same time, we share our knowledge, ideas and resources with them so that we can tackle societal challenges together.

Stakeholder group	Collaboration with stakeholders	Significance for KiK
Internal stakeholders and the Employee Committee (MIK)	Regular meetings are held with business and departmental managers. They also hold discussions on employees' concerns, for example via the suggestion box, and hold regular meetings of the Environmental Working Group and the Employee Committee (MIK).	Integrating employees' views on the working environment as well as their experiences and needs across all departments.
Group/holding	Quarterly exchanges take place with the parent company and sister companies on sustainability topics, including regulatory matters and strategy.	Gaining a better understanding of group-wide approaches and communication of the challenges in implementing these requirements.
Suppliers/importers	Visits are made by the ESG, Procurement, Quality Management, Product Range Management departments and senior management; conducting regular audits.	Gaining a better understanding of the challenges in the production process, including joint improvement of supplier performance and compliance with set sustainability targets.
Politics/legislations	Corporate Communications, Legal and Compliance, Management, ESG.	Facilitating an exchange on the challenges of implementing legal requirements and provides practical insights.
Academia/research	Sustainability Ambassador Programme in collaboration with the European Business School (EBS).	The programme serves as a central element for embedding scientific sustainability principles across all business areas and for training sustainability ambassadors in specialist departments and overseas subsidiaries.
NGOs/social/environment	Regular exchange on topics relating to social standards, fire safety, the circular economy etc. takes place.	Collaborating on addressing sustainability issues in local contexts is encouraged.
Customers	MyKiK customer loyalty card serves as a medium for direct customer feedback, iterative integration of feedback into business processes.	Gaining a better understanding of product needs and requirements.
Trade associations/multi-stakeholder initiatives	KiK is an active member and participates in various working groups and multi-stakeholder initiatives.*	Exchanging experiences with other companies regarding challenges and best practices in relation to sustainability issues is used to strengthen joint measures and promote sustainable development.

* Further information on the initiatives in which we are involved can be found in the following chapters on environmental, social and governance topics.



SUSTAINABILITY REPORTING AT KIK

To meet the requirements of the CSRD at an early stage, we are currently preparing for the reporting obligations that will come into effect in 2028.

A key element of this preparation is conducting a double materiality assessment (DMA). This assessment enables us to identify the sustainability topics that are most relevant to our company and our stakeholders as well as where our greatest impacts, risks and opportunities (IROs) lie. It also allows us to develop our commitment further in a targeted manner. In short, the DMA helps us to understand what matters most with regard to our sustainability efforts.

We conducted our first DMA in 2023 and have updated it continuously since then. In doing so, we have involved additional external stakeholders, structured internal consultations more effectively and further refined the assessment of individual topics. The results have been validated internally and incorporated into the development of our strategic ESG priorities as one of multiple building blocks.

Results of our double materiality assessment

The DMA results can be divided into two categories: direct impacts arising from our own operations and corporate practices, such as those relating to our employees or the environment, and sectoral impacts typical of the textile and retail industries.

Compared to 2023, some priorities have shifted. These adjustments primarily reflect the methodological refinement of our DMA. This does not mean that the individual topics have lost relevance at KiK. Even topics that are no longer classified as material due to this refinement remain significant and are incorporated into our overall strategy.

The following chapters demonstrate how we are addressing these topics in practice and how we are integrating sustainability more deeply into our company, step by step.

Stakeholder types included in the double materiality assessment:

	Type of stakeholder engagement	Purpose of stakeholder engagement
External actors	NGOs	To gain insight into the perspectives of rights holders and organisations in key sourcing countries or with expertise in the textile and non-food sectors on social and environmental topics.
	Management consultancies	To gain concrete insight into the textile sector.
	Multi-stakeholder initiative	To gain insight into working conditions in the textile sector, particularly in textile production.
Internal actors	Corporate management	To gain insight, particularly into governance topics.
	Group/holding	To gain insight, particularly into governance and financial materiality.
	Heads of various business departments	To gain insight into environmental, social and governance topics both within our own operations and across the value chains.
	Employee focus group	To gather the perspectives of KiK employees, particularly regarding social and governance topics.



Results of the double materiality assessment

E1
Climate change

Topic	Material topic	Link to SDGs
Climate change	Climate change mitigation	7 Affordable and clean energy
	Climate change adaptation	9 Industry, innovation and infrastructure 12 Responsible consumption and production
	Energy	13 Climate action

E2
Environmental pollution

Environmental pollution	Water pollution	3 Good health and well-being 6 Clean water and sanitation
	Soil pollution	11 Sustainable cities and communities 12 Responsible consumption and production 14 Life below water

E4
Biodiversity and ecosystems

Biodiversity and ecosystems	Direct drivers of biodiversity loss	14 Life below water 15 Life on land
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E5
Resource use and circular economy

Resource use and circular economy	Resource inflows, including resource use	8 Decent work and economic growth
	Resource outflows related to products and services	9 Industry, innovation and infrastructure 12 Responsible consumption and production
	Waste	

G1
Governance

Topic	Material topic	Link to SDGs
Corporate culture	Corporate culture	8 Decent work and economic growth
Protection of whistleblowers	Protection of whistleblowers	12 Sustainable consumption and production 16 Peace, justice and strong institutions
Management of supplier relationships, including payment practices	Management of supplier relationships	17 Partnerships for the goals



	Topic	Material topic	Link to SDGs
S1 Own workforce	Working conditions	Work-life balance	
		Freedom of association, the existence of works councils, and employees' rights to information, consultation and participation	3 Good health and well-being
		Occupational health and safety	5 Gender equality
		Secure employment	8 Decent work and economic growth
		Working hours	10 Reduced inequalities
	Equal treatment and equal opportunities for all	Gender equality and equal pay for equal work	
	Measures against violence and harassment in the workplace		
	Training and skills development		
S2 Workers in the value chain	Working conditions	Secure employment	
		Fair remuneration	
		Social dialogue	1 No poverty
		Freedom of association, including the existence of works councils and collective bargaining	5 Gender equality
		Working hours	8 Decent work and economic growth
	Health and safety at work	10 Reduced inequalities	
	Equal treatment and equal opportunities for all	Gender equality and equal pay for equal work	16 Peace, justice and strong institutions
Other work-related rights	Child labour		
	Forced labour		
S3 Affected Communities	Economic, social and cultural rights of communities	Land-related impacts	1 No poverty
		Adequate food	3 Good health and well-being
		Water and sanitation	5 Gender equality
	Rights of indigenous peoples		6 Clean water and sanitation
		Free, prior and informed consent	10 Reduced inequalities
		11 Sustainable cities and communities	
		16 Peace, justice and strong institutions	
S4 Customers	Customers	Health and safety	3 Good health and well-being
		Non-discrimination	9 Industry, innovation and infrastructure
		Access to goods and services	10 Reduced inequalities
			12 Responsible consumption and production
		16 Peace, justice and strong institutions	

ENVIRONMENT: OUR PATH TOWARDS IMPROVING OUR ENVIRONMENTAL FOOTPRINT



OUR RESPONSIBILITY TO THE ENVIRONMENT

The production of textiles and non-food goods can affect the environment in many different ways. In the early stages of textile production, high resource consumption and land use change can significantly impact people and the natural environment. Energy-intensive processing poses key environmental challenges in the form of greenhouse gas emissions and chemical use.

Together with our partners, we are addressing these issues step by step – to continuously shrink our environmental footprint.

In light of the unique challenges faced by the manufacturing industry and the priorities identified in our ESG strategy and materiality assessment, we have chosen to focus on four material environmental topics: reducing carbon emissions, safeguarding biodiversity, managing chemicals in textile production and embracing the principles of the circular economy.

This chapter on the environment is structured around these four topics. First, we will present the overarching guidelines that govern our environmental management. Subsequently, we will explain the specific targets and measures we use to manage and develop these topics within our business operations.



OUR ENVIRONMENTAL GUIDELINES AND STANDARDS

Our environmental commitment is based on clear guidelines, our environmental and energy management system as well as our ESG strategy. These form the framework within which we manage and develop the topics described in this chapter.

Our ESG strategy

With our ESG strategy, we aim to reduce carbon emissions across the entire value chain and integrate circular economy principles more firmly into our processes and products. This includes increasing the use of recycled materials, optimising the use of resources in products and packaging and reducing waste.

Our Environmental and Energy Policy

Our Environmental and Energy Policy sets out our overarching goals to reduce greenhouse gas emissions and energy consumption. These goals are in line with the Paris Agreement and the latest scientific findings. We are committed to ensuring the highest possible energy efficiency in the planning, procurement and operation of our sites and facilities, and to complying with all applicable legal requirements regarding energy use and energy efficiency.

The policy also aims to prevent environmental pollution. In particular, we have designed effective systems for chemical and wastewater management to prevent water and soil contamination. The policy also guides us in optimising the use of resources and materials in our products and packaging, increasing their recyclability and reducing waste in our operational processes. At the same time, we are gradually integrating biodiversity into the policy to consider the impact of our business activities on ecosystems more systematically and address it more effectively.

Our environmental management system (ISO 14001)

As part of our DIN EN ISO 14001-certified environmental management system, we systematically assess the environmental risks at our head office and central warehouse in Bönen. Our aim is to make energy consumption, waste generation and potential environmental impacts transparent. This enables us to introduce appropriate measures to minimise these impacts. Additionally, we contribute to climate protection in a significant way by reducing greenhouse gas emissions through increased green electricity usage. Furthermore, we regularly provide training to our staff on various environmental topics, including the importance of energy-saving measures and the management of chemicals and wastewater, to further strengthen awareness of our environmental goals.

Our energy management system (ISO 50001)

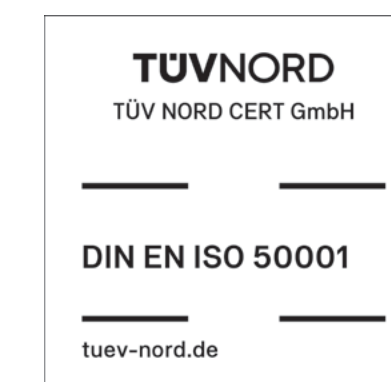
In addition to our environmental management system, we have introduced an energy management system in accordance with DIN EN ISO 50001. Implementation began at our head office and German stores in 2024, with initial certification taking place in the first quarter of 2025. The system provides clarity regarding our energy consumption and supports the continuous improvement of our energy performance by clearly structuring responsibilities and processes as well as by defining relevant key performance indicators.

Our Packaging Policy





We have also developed our own guidelines for product and transport packaging. The aim is to continuously reduce the consumption of packaging material, increase the recyclability of our packaging and significantly reduce plastic packaging use. The guidelines establish a framework relating to the gradual expansion of recycled materials and the more sustainable use of resources, among other things.

Our environmental working group

The working group plays a key role in supporting the objectives set out in our Environmental and Energy Policy as well as the measures for managing our material environmental topics: climate change, pollution, biodiversity and circular economy. Through regular dialogue, we ensure that our environmental goals are kept in mind across all departments and that environmental considerations are firmly integrated into our day-to-day decisions.



E1: CLIMATE CHANGE

Topic	Material topic	Value chain	Type of value chain	Link to SDGs
Climate change	Climate change mitigation	Upstream supply chain	Textile and non-food	 
	Climate change adaptation	Entire value chain	Textile and non-food	 
	Energy	Entire value chain	Textile and non-food	

Global warming reached a new level in 2024. According to the World Meteorological Organization’s (WMO) 2024 Climate Report, the global average temperature exceeded 1.5°C over the course of a full calendar year for the first time since records began.¹ This raises the prospect of permanently exceeding the critical threshold set out in the Paris Agreement and results in more frequent and intense extreme weather events. Climate change also impacts the production of textiles and non-food items in general, a situation which is often exacerbated by factors such as changing production conditions, rising costs and disrupted supply chains.

Climate protection has been a high priority for us for many years. A core objective of our ESG strategy is to reduce climate-damaging greenhouse gases throughout the entire value chain. Reducing greenhouse gas emissions to contribute to climate protection is one of our four key environmental goals. We take a long-term approach to our actions and adopt a forward-looking perspective. To this end, we work closely with our suppliers and industry partners, using science-based targets to guide our efforts. We are also developing forward-looking climate adaptation solutions to minimise the impact of climate change on our employees and the availability of natural resources

within our supply chains. This strategic approach supports the environmental transition and strengthens the future viability of our business model. Consequently, climate change mitigation, climate change adaptation and energy are material topics within this focus area.

¹ World Meteorological Organization (WMO), *State of the Global Climate 2024*: <https://wmo.int/publication-series/state-of-global-climate/state-of-global-climate-2024>



Our contribution to climate protection

Climate change mitigation

In 2024, we conducted a climate risk screening for the first time to systematically identify climate-related risks. This assessment considers potential physical and transitional risks associated with climate change, using a scenario analysis with various pathways and time horizons.

Physical risks arise from direct impacts of climate change, such as more frequent extreme weather events like droughts and floods. For the analysis, we use internationally recognised climate scenarios from the Intergovernmental Panel on Climate Change (IPCC). Two scenarios are particularly relevant:

The RCP2.6 scenario describes a world in which successful climate protection measures have been implemented. It assumes that emissions will be halved by 2050 and reduced to net zero from 2070 onwards, to limit global warming to below 2°C. This scenario serves as a reference point for evaluating the effectiveness of climate change mitigation strategies.

The RCP8.5 scenario assumes a “business-as-usual” trajectory, with no additional climate change mitigation measures being implemented. The result would be a temperature rise of over 4°C by 2100. This scenario helps us understand and prepare for the most serious risks and possible extreme conditions.

In addition to the physical impacts of climate change, we also consider transitional risks that arise temporarily from the shift towards a low-carbon economy. These include new regulatory requirements, such as carbon taxes and technological changes, including the transition to renewable energy and shifting customer preferences. We use the scenarios developed by the Network for Greening the Financial System (NGFS) to assess these risks.

Of particular relevance is the Net Zero Emissions by 2050 Scenario (NZE), which describes a world in which global warming is limited to well below 2°C, with the ultimate goal of reaching 1.5°C in line with the Paris Agreement. In this scenario, global emissions peak just before 2025 and fall to net zero by 2050. This scenario provides a blueprint for a successful transition, illustrating the anticipated changes in energy consumption, CO₂ prices and technologies.

Analysing these scenarios enables us to identify risks to sites and supply chains at an early stage, develop climate change mitigation and adaptation strategies and to benefit from the opportunities that come with transitioning to a more sustainable economy.

In addition to this initial climate risk screening, we have been recording all greenhouse gas emissions generated by our business activities as part of our climate change management since 2019, in what is known as the Corporate Carbon Footprint (CCF).¹ In doing so, we consider not only direct emissions at our own sites, but also indirect emissions along our value chain. This is based on the internationally recognised Greenhouse Gas Protocol (GHG), the world’s leading standard for measuring and reporting greenhouse gas emissions. It covers three areas (scopes):

Scope 1 covers direct emissions from owned or controlled sources. These represent the most direct form of emissions that we can influence as a company. For us, this includes emissions from coolants, the combustion of fossil fuels in our own facilities and the fuel consumption of our lorry and car fleet.

Scope 2 covers indirect emissions from the external procurement of energy in the form of electricity or district heating, for example.

Scope 3 covers all other indirect emissions in the upstream and downstream value chains. These include emissions generated during product manufacturing, transport of our products, business travel and the use and disposal of our products.

¹ The first-time calculation of the CCF (including all relevant emission categories) was carried out in 2019. The CCF has been calculated regularly every year since 2022.



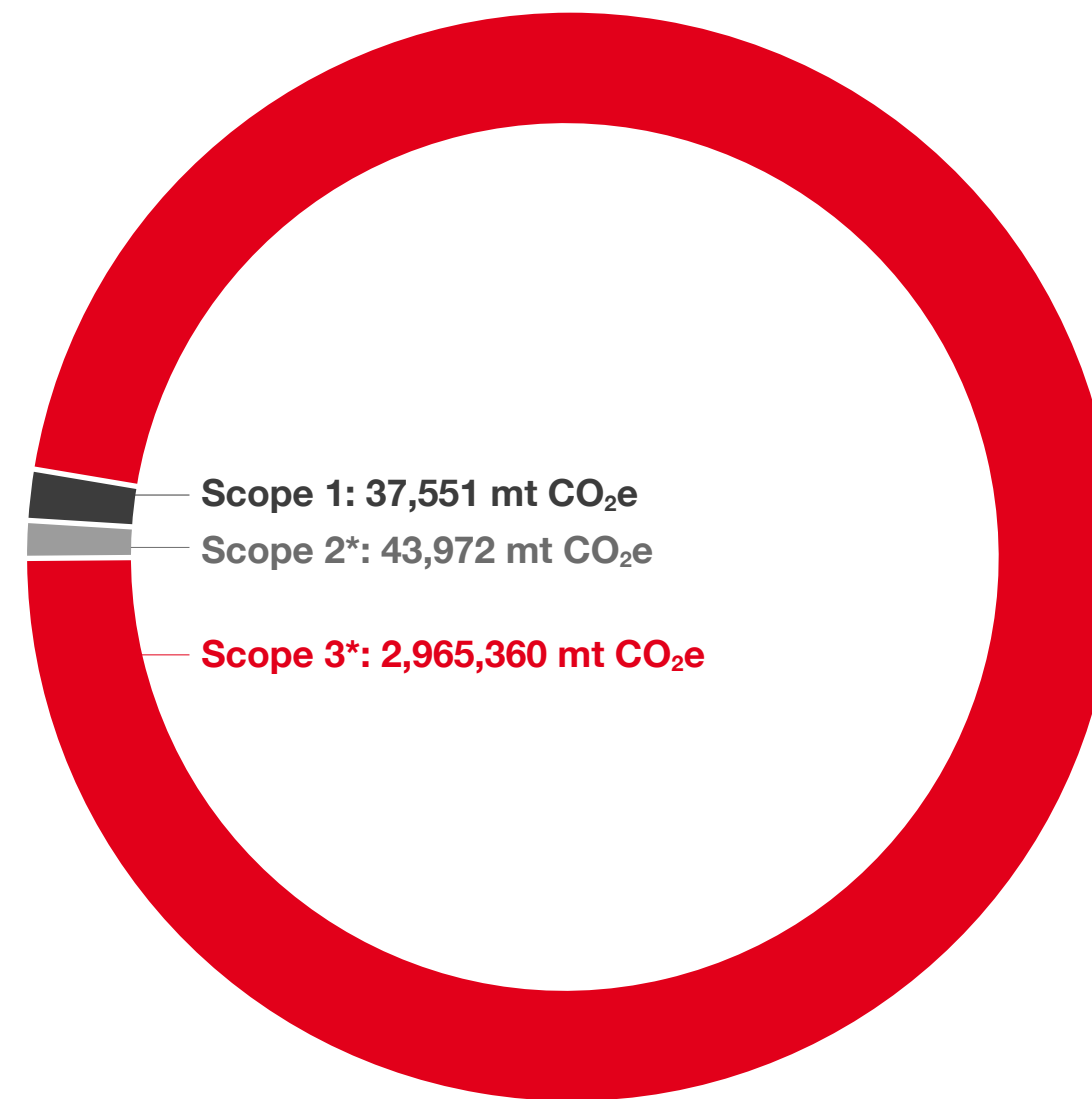
In 2024, our CCF was verified for the first time by TÜV Nord, an independent verification body. The methodology used, as well as the traceability and transparency of our emissions data, was also verified.

Between 2019 and 2024, we reduced our Scope 1 and 2 emissions substantially. However, due to expansion activities, our Scope 3 emissions have increased slightly. Scope 3 emissions account for around 65 percent of our total CCF, with purchased goods accounting for around 65 percent of this figure. We also take into account other emission sources, including capital goods, energy- and fuel-related activities (unless included in Scopes 1 or 2), upstream and downstream transport and distribution, waste from operational activities, business travel, our employees' commute and the use and disposal of sold products at the end of their lifecycle.

Based on this data, we are working towards long-term reductions in our emissions across all three emission scopes, and we are developing a company-wide carbon emissions reduction roadmap as part of our overarching climate transition plan.

To further develop our climate targets, we use the recommendations and methodology of the **Science Based Targets initiative (SBTi)** as a guide. The SBTi assists companies worldwide in developing and implementing climate targets that align with the 1.5°C goal of the Paris Agreement. We have already reached the first milestone by committing to set science-based targets in the context of the SBTi. We signed this commitment in May 2025. Over the next two years, we will define our science-based reduction targets, which will then be validated by the SBTi.

Scope 1, 2 and 3 emissions



Unit: mt CO ₂ e	2019	2022	2023	2024	Trend since 2019
Scope 1	45,417	45,364	35,740	37,551	- 17%
Scope 2	71,222	60,663	41,760	43,972	- 38%
Scope 3	2,885,983*	2,945,651*	2,659,319*	2,965,360*	+ 2.75%
Total	3,002,622*	3,051,679*	2,736,819*	3,046,884*	+ 1.5%

* Including textile use phase

As a member of the Partnership for Sustainable Textiles (BNT), we have worked as a project partner of the **Supplier Decarbonization Partnership Initiative** for the past two years, alongside other members of the partnership, to systematically reduce Scope 3 emissions in our supply chains. As part of this initiative, we conducted Climate-Action-Training sessions in Bangladesh and Pakistan in collaboration with the other project partners, involving around 100 employees from 50 production sites. These sessions were complemented by workshops on greenhouse gas accounting and the development of science-based climate targets.

Our commitment to reducing greenhouse gas emissions in textile supply chains, including our own and those of our project partners, is yielding clear results. A total of 177 potential reduction measures have been identified, offering annual savings of around 61,000 metric tonnes (mt) of CO₂ equivalents. These range from straightforward efficiency improvements to investments in photovoltaic systems and waste heat recovery. Of these measures, 87 have already been implemented, achieving annual savings of 28,300 mt of CO₂ equivalents. This process has also strengthened our partnerships with suppliers.

The **Supplier Decarbonization Partnership Initiative** supports companies and their suppliers in developing climate management expertise and reducing emissions along the value chain. It provides training in emissions calculation, energy and climate management and the development of reduction strategies. It also assists suppliers in collecting data and devising initial climate protection measures.



STAKEHOLDER PERSPECTIVES

A conversation with Valeska Grünhage and Gina Burgard from the Partnership for Sustainable Textiles (BNT)

Valeska Grünhage is a project manager at the BNT and Gina Burgard is head of the partnership's secretariat. KiK is an active member of the BNT.

What exactly is the Partnership for Sustainable Textiles?

G. B.: The Partnership for Sustainable Textiles, also known as the "Textile Partnership", was launched by the German government in 2014. It was prompted by the Rana Plaza disaster in Bangladesh, in which a factory building collapsed. The aim of the partnership is to improve working conditions in the textile industry, making them safer, fairer, more environmentally friendly and more transparent. The BNT has around 120 members. These include companies, NGOs, trade unions, standards organisations and the German government.

What role does the BNT play with regard to sustainability efforts made within the textile industry, particularly in terms of environmental protection?

G. B.: It aims to bring together the various stakeholders with the goal of jointly improving conditions in the global textile production sector. Members commit to actively working towards bettering social, environmental and economic conditions in the textile industry. The focus is on exchange, mutual support and shared commitment as well as on mutual learning. There are also specific requirements, such as disclosing one's supply chain to the partnership's secretariat and participating in an implementation project. Depending on their own risk analysis, members engage in projects related to the four focus areas, with the aim of achieving sustainable impact in producing countries.

V. G.: Within the environmental protection focus area, we've launched projects on the circular economy and on climate protection. The Supplier Decarbonization Partnership Initiative focuses on helping suppliers record their energy data and reduce energy-related emissions. Reducing the

use of raw materials and chemicals as well as preserving biodiversity, are also central to this area of focus. In addition, the BNT supports the UN's Fashion Industry Charter for Climate Action, which aims to gradually reduce greenhouse gas emissions. The BNT has adopted the Charter's targets as a reference framework for its own work and the objectives of the environmental protection focus area. By doing so, the BNT and its members are supporting the Paris Agreement's goals of limiting global warming to 1.5°C by 2030 and achieving climate neutrality by 2050.

In what way is KiK involved in the BNT and its initiatives, such as the Partnership Initiative Supplier Decarbonization?

G. B.: At the BNT's 10-year anniversary celebration, we signed a joint declaration of intent to strengthen local trade unions and NGOs as representatives of rights holders in producing countries. This will ensure that their voices are heard and the social change necessary for sustainable development can be achieved. This memorandum of understanding was signed by KiK, among others. By signing it, the company is committing to supporting joint activities and measures to

implement the memorandum. In addition, KiK has participated in selected partnership initiatives.

V. G.: The partnership initiatives have specific focal points and are implemented through various activities in the partner countries. These include training and further education, consultancy services and exchange programmes. For example, in the Partnership Initiative Supplier Decarbonization, training sessions were organised for supplier companies on topics such as greenhouse gases, energy data collection, preparing an energy balance and setting science-based targets. KiK contributed to this project by involving six suppliers from Bangladesh and Pakistan in the activities. Overall, a long-term, trust-based collaboration between companies and suppliers is crucial for implementing and embedding changes sustainably.

Companies generally participate in the BNT's initiatives to build their expertise in innovative topics within their own companies and among suppliers. An added benefit is that the costs of project implementation can be shared. Meaningful participation in projects requires a genuine interest in the respective topic. This is reflected in climate

and environmental goals being incorporated into corporate strategy and actively implemented. Only by integrating environmental goals into their own strategy can companies incorporate them into their core business.

Why is environmental protection a key focus of the BNT? And what are the biggest challenges for textile companies and retailers – including KiK and its textile department – in introducing climate-friendly solutions into the supply chain?

G. B.: Overall, the textile industry continues to have a significant negative environmental impact, for example due to high resource consumption and substantial greenhouse gas emissions. Added to this is the contamination of soil and water by harmful chemicals, which has negative health consequences for employees and local communities.

V. G.: Building trusting and long-term relationships with suppliers is crucial for effectively implementing climate protection measures. Suppliers and manufacturers must invest financially to implement climate-related adjustments in their factories. The risks associated with such investments can be mitigated if suppliers can rely on a

steady and predictable flow of orders. Another important option is financial support for suppliers from purchasing companies when investing in climate-friendly solutions. For companies in Europe, collecting valid data within the supply chain to better and more realistically track their own Scope 3 emissions remains a challenge. Capacity building in this field is needed among all stakeholders.

Furthermore, supply chains in the textile sector are very complex. Currently, companies have limited knowledge of, and access to, the actors further down the supply chain. It is therefore important to establish collaborative approaches and long-term supplier relationships.

To improve their carbon footprint from textile production, companies must set specific target indicators and integrate them into their sustainability strategies, ensuring they are considered in their core business activities. This includes setting specific reduction targets for carbon emissions as well as targets for using sustainable raw materials, such as organic cotton or recycled fibres. Other targets relate to using renewable energy, climate-neutral transport and expanding the circular economy.



Gina Burgard, BNT

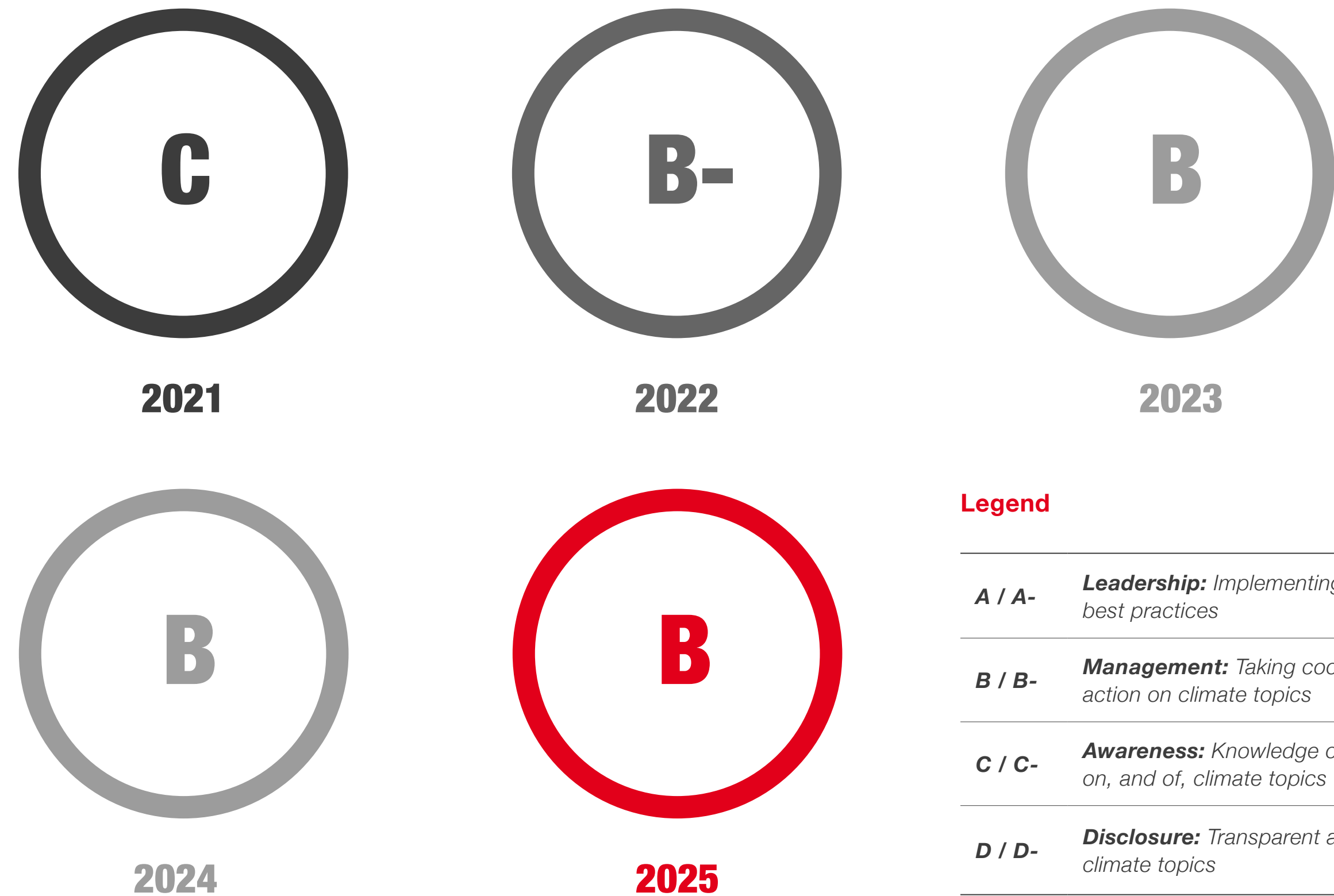
Climate change adaptation

The topic of climate change adaptation refers to the various strategies and measures that companies implement in response to current and anticipated consequences of climate change. This includes dealing with extreme weather events and heat and water scarcity as well as taking measures to mitigate the impact of climate change on employees, operational processes and supply chains.

As part of our annual reporting, we disclose a wide range of climate-related information through the **Carbon Disclosure Project (CDP)**. This includes information on climate risks identified in our business operations and supply chains, our climate targets and measures, our corporate carbon footprint, energy data, governance structures, supply chain engagement and stakeholder involvement.

The CDP is an independent non-profit organisation that assesses companies' holistic approach to climate change and supports them in managing risks and opportunities more effectively. By continuously disclosing information and developing our climate management approach, we are also gaining a clearer understanding of the impact of climate change on our employees and our operations, the availability of natural resources, and how we can address these issues. Since our first CDP report in 2021, we have improved our score from a C to a B, thereby demonstrating tangible progress in the structured management of climate-related topics.

CDP rating results



Legend

- A / A-** ***Leadership:** Implementing current best practices*
- B / B-** ***Management:** Taking coordinated action on climate topics*
- C / C-** ***Awareness:** Knowledge of impacts on, and of, climate topics*
- D / D-** ***Disclosure:** Transparent about climate topics*



Energy

To contribute to the energy transition and achieve our climate targets, we are committed to continuously improving energy efficiency within our company and among our main suppliers. We are also gradually increasing our use of renewable energy sources, starting with our head office.

Our energy management system complies with DIN EN ISO 50001 and supports the systematic management and improvement of our energy-related performance. Additionally, we have implemented or planned the following further measures to reduce greenhouse gas emissions:

Photovoltaic systems: We have installed a 100 kWp photovoltaic system on the roof of our head office in Bönen. This allows us to meet some of our energy requirements directly on site. Further PV systems are in the planning stage. Generating green electricity enables us to reduce costs and increase our independence from external energy suppliers and achieve a sustainable reduction in greenhouse gas emissions for the benefit of climate protection.

E-mobility: Our company fleet currently comprises 346 vehicles, including electric and hybrid models, the share of which we will further increase in the future. At our European head office, the number of charging stations has grown to 27.

LED lighting: We operate 4,200 stores across Europe. In Germany, 91 percent of our stores now have LED lighting or have been retrofitted accordingly. Similarly, almost all of our stores abroad have now switched to LED technology. Since 2023, all new stores across Europe have also been fitted with highly efficient LED lighting as a standard option.

Energy efficiency training: As part of the DIN EN ISO 50001 energy management system certification, all staff at our head office and in stores across Germany have received training.

Green electricity: We have already switched to green electricity in Austria and the Netherlands. Since 2025, we have also been sourcing green electricity for all our operations in Germany. This is set to be extended to more countries in the coming years.



E2: OUR COMMITMENT TO COMBATING ENVIRONMENTAL POLLUTION

Topic	Material topic	Value chain	Type of value chain	Link to SDGs
Environmental pollution	Water pollution	Upstream and downstream supply chains	Textile	
	Soil pollution	Upstream supply chain	Textile	

Textile production processes such as bleaching, dyeing and printing are highly water- and chemical-intensive. Furthermore, microfibres and microplastics frequently enter the environment during the manufacture and washing of synthetic textiles. The production of non-textile products, such as paper goods and household items, also involves many chemical processes. If the resulting wastewater and chemicals are not disposed of properly, they can pollute local water and soil ecosystems as well as harming the livelihoods of surrounding communities.

Environmental pollution covers emissions to air, water and soil as well as the handling of hazardous substances. We have identified water and soil pollution caused by chemicals and microplastics as material topics.

Improving our environmental performance



Water pollution and soil pollution

To prevent potential environmental pollution associated with our business activities, we have implemented a series of measures. These focus on building knowledge within our own operations, phasing out hazardous chemicals and reducing chemical use in the supply chains of our key sourcing countries.

Signing up to the **Zero Discharge of Hazardous Chemicals (ZDHC)** initiative has significantly strengthened our commitment to responsibly managing chemical use and wastewater. We report on our progress and utilise the industry standards and resources provided to help us achieve the ZDHC's objectives of eliminating hazardous chemicals from the textile industry, preventing environmental pollution caused by contaminated wastewater and promoting the safe handling of chemicals in production. We are also following the **Brands to Zero Roadmap** to strengthen compliance with the initiative's guidelines further within our own textile supply chain.


We expect our suppliers to comply with these guidelines. The ZDHC **Manufacturing Restricted Substances List (MRSL)** provides brands and suppliers with a standardised list of chemical substances whose intentional use is prohibited in manufacturing and associated processes within the supply chains of the textile, clothing, footwear, leather, rubber and foam industries. Additionally, the **ZDHC Wastewater Guidelines** stipulates that production facilities utilising wet processes must regularly test and treat their wastewater in accordance with specified standard parameters, thereby preventing the discharge of pollutants into waterways. As part of our quality management, we also work with a supplementary **Restricted Substances List (RSL)**. This sets binding limit values for chemical residues, which must be detectable only to a limited extent, or not at all, in the finished product.

We have also introduced a sample-based **auditing process** focussing specifically on chemical and wastewater management at production sites using wet processes, such as dyeing and finishing of textiles. Several audits have already been carried out at selected Tier 1 and Tier 2 facilities within this framework to verify compliance with standards for handling chemicals and wastewater treatment. Particular focus was placed on the pollution risks specific to water- and chemical-intensive production steps.

In our own operations, our DIN EN ISO 14001-certified environmental management system enables us to monitor key environmental indicators such as energy consumption, greenhouse gas emissions, waste generation and water consumption.



E4: BIODIVERSITY AND ECOSYSTEMS

Topic	Material topic	Value chain	Type of value chain	Link to SDGs
Biodiversity and ecosystems	Direct drivers of biodiversity loss	Upstream supply chain	Textile	 

Globally, biodiversity is declining at an alarming rate. Key causes include environmental pollution, climate change and changes in land and marine use.

Our textile and non-food supply chains can also contribute to biodiversity loss through land use change in upstream production stages, chemical emissions in manufacturing processes and transport-related emissions. At the same time, we rely on natural resources and intact ecosystems to manufacture our products.

In our double materiality assessment (DMA), the direct drivers of biodiversity loss was categorised as material. The identified impacts primarily occur in the early stages of the supply chain, particularly in cotton cultivation, where land-use change can affect local communities. As a first step towards targeted measures, we are therefore developing a deeper understanding of our material drivers and dependencies.

Our measures for the protection of biodiversity

Direct drivers of biodiversity loss

To develop effective and targeted measures, we initially focused on systematically identifying our specific biodiversity risks and influencing factors in 2024 and 2025. We plan to develop and implement specific measures in the coming years. A key part of this process was carrying out a **Biodiversity Check** in collaboration with the international environmental foundation Global Nature Fund (GNF). This has improved our understanding of our material impacts and dependencies, forming the basis for our future biodiversity strategy.

As part of the assessment, we examined eight business departments with regard to direct and indirect drivers of biodiversity loss, including Textile Sourcing, Real Estate and Logistics. The focus was on the impact of textile fibres and potential pressures such as resource overuse, pollution and impacts on biodiversity were assessed along the supply chain. Additionally, we conducted a **pilot site analysis** to identify store, warehouse and office locations in close proximity to biodiversity-sensitive areas. In a first step, we included our head office and the warehouse in Bönen as well as stores in North Rhine-Westphalia.

Alongside this, we have implemented or planned various measures, particularly on our company premises in Bönen and in our staff canteen. These include:

an expanded vegetarian and vegan offering as well as an increased use of regional products (such as eggs from regional farms and cow's milk alternatives);

the creation of a biodiversity garden on the company premises;

considerations for further steps, such as making the outdoor area more insect-friendly through additional plant diversity or insect habitats.

The Biodiversity Check, developed by the GNF and other organisations, provides companies with an initial guide to identifying the impacts and dependencies of various business areas on biodiversity. It is based on the three objectives of the UN Convention on Biological Diversity (CBD): the conservation of biodiversity and ecosystems, the sustainable use of natural resources and the fair and equitable sharing of the benefits arising from the use of genetic resources.



Based on our ongoing analyses, we will develop a comprehensive biodiversity strategy in the coming year. A key component of this strategy will be raising awareness and providing training to our staff so that biodiversity becomes more firmly embedded in our day-to-day operations. We also plan to systematically increase our use of certified and recycled materials to further reduce negative impacts along the value chain.

E5: CIRCULAR ECONOMY

Topic	Material topic	Value chain	Type of value chain	Link to SDGs
Resource use and circular economy	Resource inflows, including resource use	Upstream and downstream supply chains	Textile	
	Resource outflows related to products and services	Upstream and downstream supply chains	Textile	
	Waste	Downstream supply chain	Textile and non-food	

According to the Circularity Gap Report, only around 6.9 percent of the materials used worldwide are currently reused or recycled, and this figure is falling.¹ At the same time, the use of primary raw materials is increasing, exacerbating environmental and climate impacts in the form of emissions, pollution and interference with natural ecosystems. It is therefore particularly crucial to integrate circular economy principles into the manufacture of non-food products and textiles, which are among the most resource-intensive sectors.

In our textile value chain in particular, aspects such as recyclability, durability and circular product design play a key role. We regard reducing natural resource extraction as a key objective for KiK. This is why we are working to reduce our use of non-biodegradable materials, such as plastic, and minimise all associated waste. However, similar issues arise beyond textile production. In the non-food sector, reducing plastic and waste remains a key focus. Resource use, material flows and waste generation are therefore central topics in our environmental management.

¹ Circle Economy & Deloitte, *The Circularity Gap Report 2025*: <https://www.circle-economy.com/resources/the-circularity-gap-report-2025>

Our measures to promote a circular economy

Our **ESG strategy** clearly focuses on promoting a circular economy. We are working to systematically integrate circular principles into our business model, thereby significantly reducing our use of primary materials.

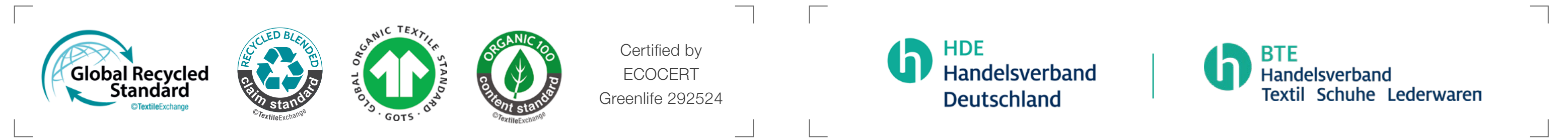
In the area of resource management and circular economy, we have set ourselves the following specific goals:

- _____
- offering customers more sustainable product alternatives;
- _____
- disclosing the use of organic fibres and recycled materials clearly and verifiably;
- _____
- preparing for statutory eco-design requirements at an early stage;
- _____
- actively involving our suppliers in the sustainability transformation; and
- _____
- making our commitment visible and verifiable through external certifications.

Resource inflows and outflows

A key lever for achieving our goals is gradually increasing the proportion of recycled and regenerated fibres in our textiles as well as recycled materials in product and transport packaging.

Since 2024, we have been certified to both the **Global Recycled Standard (GRS)** and the **Recycled Claim Standard (RCS)**. Both standards ensure that the recycled content of a product is verifiable and traceable, requiring transparent documentation throughout the entire supply chain. Thanks to this certification, we can clearly label our products as GRS- or RCS-certified. This enables us to show customers what a product is made of, helping them to make more informed and sustainable purchasing decisions.



Another initiative in this area was our participation in the **Circular Design Workshop** in 2024, which was organised by the Partnership for Sustainable Textiles (BNT), of which we are a member. During the two-day workshop, the principles and strategies of “circular design” were discussed, including durability and design strategies as well as the use of recycled materials and chemicals. The workshop also involved designing ideal circular transformation pathways for two products. Nine KiK employees from various departments, including Textile Quality Assurance, Product Range Management and ESG, took part in the workshop. Their participation aimed to further expand our internal capacity for implementing this initiative at KiK.

As part of the **Circular Portfolio Analysis**, carried out in collaboration with Circular Fashion, we examined the potential for greater circularity in our product range, initially focusing on textiles. We analysed the recyclability of the products in the textile range and identified product groups that could adopt more circular design approaches in future. The analysis results provided a basis for identifying specific measures to further improve the recyclability of our textile products.

In 2025, for the first time, we obtained certification under the **Global Organic Textile Standard (GOTS)** and the **Organic Content Standard (OCS)**. The GOTS is a particularly comprehensive set of requirements incorporating environmental criteria and social standards throughout the entire value chain. By applying these standards, we can ensure transparency regarding the origin and proportion of organic fibres in our products. From 2026 onwards, we plan to offer our first GOTS-certified items in our stores, starting with baby clothing.

Waste

In 2024, we introduced a reusable system in our company canteen in collaboration with **Relevo**, reducing the use of disposable tableware. This has already made a significant contribution to reducing our consumption of resources: over 23,000 items of disposable packaging have been saved.

Furthermore, as members of the **Textiles, Footwear and Leather Goods Working Group of the German Retail Association (HDE)** and the **Federal Trade Association for Textiles, Footwear and Leather Goods (BTE)**, we are collaborating with other retailers and industry associations to develop concepts for collecting, returning and recycling used textiles. We are also working to strengthen practical structures for extended producer responsibility in the textile sector.



Highlights from our GRS and RCS-certified collection

Women's jeggings



Contains min. 20% RCS-certified recycled polyester (main material)
Certified by ECOCERT Greenlife 292524

Children's collection for toddlers and young children

Children's sweatshirts



Children's jogging bottoms



Contains 60% GRS-certified recycled cotton and 40% GRS-certified recycled polyester (main material)
Certified by ECOCERT Greenlife 292524

A selection of highlights from our GOTS-certified collection – available from summer 2026

Baby and Children's Collection



Sweatshirt



Long-sleeved tops



Sweatshirt and trousers



Minibaby Set

100% Organic cotton



Organic
Certified by ECOCERT
Greenlife 292524

SOCIAL: PEOPLE AT THE CORE



- 1 NO POVERTY
- 3 GOOD HEALTH AND WELL-BEING
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

OUR SOCIAL RESPONSIBILITY

The global manufacture and marketing of textiles and non-food products is characterised by complex international supply chains that can have various implications for human rights. There are increased risks of precarious working conditions and inadequate social security systems, particularly in labour-intensive stages of production. At the same time, however, ensuring safe, fair and inclusive working conditions is also central to our business, including in logistics, stores and administration. Furthermore, social impacts can arise throughout the life cycle of a product, for instance due to inadequate consumer information or problematic disposal practices.

Against this backdrop, responsible supply chain management is essential to promoting decent working conditions and strengthening sustainable structures in the long term. At KiK, we are therefore committed to conducting our business relationships as responsibly as possible and to respecting and protecting human rights. This commitment is firmly embedded in our management approach and shapes our day-to-day actions, from our efforts under the Corporate Sustainability Reporting Directive (CSRD) to the implementation of our human rights due diligence obligations. To this end, we have further developed our risk management system in recent years, with a particular focus on implementing the German Supply Chain Due Diligence Act (LkSG).

In terms of the social dimension, we recognise four groups of stakeholders: our own employees, workers in the value chain, affected communities as well as customers and end users. The following sub-sections outline the material topics we have identified for these groups and highlight the guidelines, standards and initiatives we use to address them.



Human rights due diligence at KiK

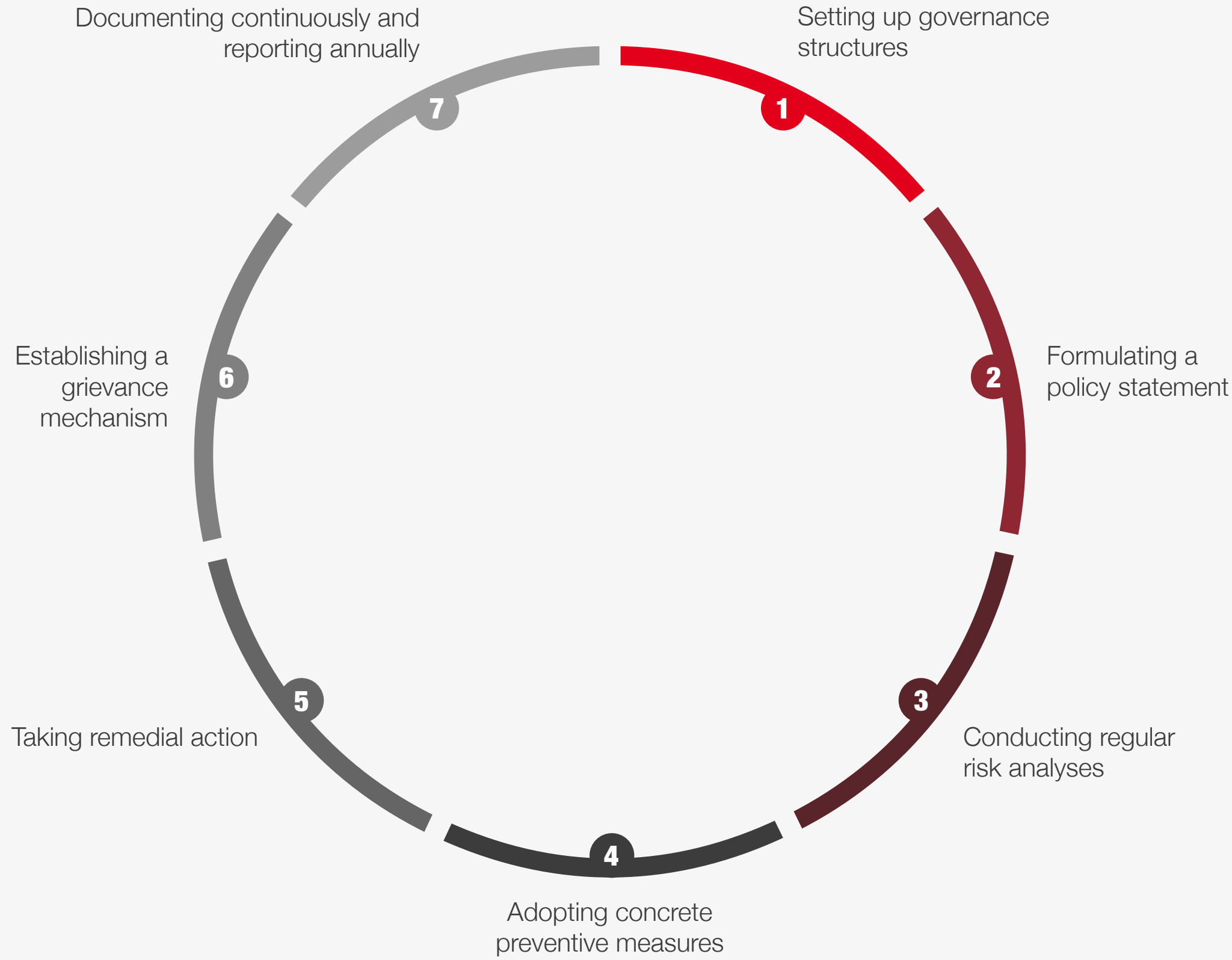
The German Supply Chain Due Diligence Act (LkSG), which came into force at the start of 2023, establishes a binding legal framework for human rights and environmental due diligence obligations. Applicable to companies with over 1,000 employees in Germany, it sets out in concrete terms the requirements of the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises.

The law requires companies to implement a risk-based due diligence system comprising seven key steps.

Our latest [LkSG report](#) contains details on the specific implementation of the legal requirements at KiK.

Due to its similarities with the EU's Corporate Sustainability Due Diligence Directive (CSDDD), the LkSG also provides a solid foundation for the development of our human rights and environmental due diligence obligations at the EU level. The structures and processes established under the LkSG will help us prepare for the future CSDDD requirements at an early stage.

The seven steps of a due diligence system:





GUIDELINES AND STANDARDS AS OUR SOCIAL FOUNDATION

Our social guidelines form a binding framework within which we aim to fulfil our responsibility for fair working conditions and the protection of human rights in all our business relationships. They set out how we respect human rights, prevent risks and strengthen high social standards both within our own business and throughout our value chains. In doing so, we are guided by international frameworks such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Our Code of Conduct

Our internal Code of Conduct sets out the principles that all employees must follow. It emphasises mutual respect, equal treatment and responsible conduct in day-to-day working life. It also sets out our requirements regarding occupational safety, health protection and data protection, thereby creating a binding framework for a fair and safe workplace for all.

Our Human Rights Policy

Our Human Rights Policy outlines our dedication to respecting and promoting human rights in all our operations. It incorporates the requirements of the LkSG and supplements them with our own priorities. The policy therefore includes the prohibition of child and forced labour, the right to equal treatment and fair working conditions and a commitment to health and safety at work. It applies to our own business operations as well as to our business partners and suppliers, forming the basis of our social responsibility.

Our Supplier Code of Conduct

Through our Supplier Code of Conduct, we set out our expectations of partners in the value chain. It obliges all direct suppliers to respect the human rights of their employees. It also addresses issues such as working hours, fair pay, the prohibition of discrimination as well as safe working conditions. The policy also contains requirements regarding land rights, the protection of indigenous peoples and environmental protection. It further obliges suppliers, when using land and natural resources, to ensure that the affected communities have freely consented to such use in advance.

Our topic-specific social standards in our supply chain

In addition to the general guidelines, we have developed various topic-specific standards for our supply chain. These include, among other things, guidelines on employing workers with a migrant background, a procedure for monitoring the working conditions of home-based workers and a policy for the protection of children and young people in the supply chain. These guidelines define specific expectations of our suppliers, establish responsibilities and describe measures that must be implemented in the event of breaches.

Our guidelines on occupational safety, health and data protection

In addition to our general requirements, we have developed subsidiary internal guidelines that regulate specific topics such as occupational safety, health and data protection. The Occupational Safety Manual and training courses via our internal online platform also serve as practical tools for informing and raising awareness among employees on topics such as occupational safety and fire protection. Further information on our data protection guidelines can be found in the [“Our guidelines and standards for responsible corporate governance”](#) section.

Our quality and product safety management

To ensure that all products meet high safety and health standards, we comply with the EU Product Safety Regulation, amongst other measures and ensure thorough risk assessment, traceability and clear processes for labelling and recall procedures.

S1: OUR OWN WORKFORCE

Topic	Material topic	Value chain	Type of value chain	Link to SDGs
Working conditions	Work-life balance	Own workforce	Entire workforce	
	Freedom of association, the existence of works councils and employees' rights to information, consultation and participation	Own workforce	Entire workforce	
	Occupational health and safety	Own workforce	Logistics and remaining workforce	
	Secure employment	Own workforce	Logistics	
	Working hours	Own workforce	Entire workforce	
Equal treatment and equal opportunities for all	Gender equality and equal pay for equal work	Own workforce	Entire workforce	
	Measures against violence and harassment in the workplace	Own workforce	Logistics	
	Training and skills development	Own workforce	Entire workforce	

Our workforce is divided into three main groups: administrative, store and logistics staff. In addition, we have sourcing offices in the countries where we source our products, which support our activities on site. The double materiality assessment takes all these groups into account. We recognise that employees engaged in physically demanding work, particularly in retail and logistics, may be exposed to increased work-related risks. This is considered in our approach to promoting safe, fair and healthy working conditions.

Our workforce is international.

21	nationalities at KiK's head office
111	nationalities at KiK in Germany
120	nationalities at KiK in Europe

KiK locations throughout Europe:



How we support our workforce

We are highly aware of the various risks to which our workforce is exposed. This awareness informs our actions. It is the basis for the targeted measures we implement to address the material topics identified in the double materiality assessment. These measures stem from our due diligence obligations under the LkSG as well as the outcomes of our risk analysis and the complaints mechanism.

Health and safety at work

KiK has an **Occupational Safety Committee (ASA)**, which ensures the consultation and coordination of occupational safety and health topics on a quarterly basis. The committee works primarily in a preventive capacity, implementing measures and programmes designed to reduce the risk of workplace accidents and occupational illnesses. These include risk assessments, briefings and training courses.

Our health and prevention programme includes regular **health weeks, health checks, a health day and courses on topics such as nutrition and stress prevention**. We also contribute to the costs of exercise classes at adult education centres and offer in-house sports offerings and massages. Several times a year, our head office employees can book appointments for flu vaccinations.

Health weeks take place over the course of four days, covering topics such as health in the workplace, nutrition, back health and stress prevention. In 2024 and 2025, the programme included posture assessments, cardio stress tests, ergometer endurance tests and vital signs screenings. We have also provided our employees with various resources, such as a resilience guide and a nutrition guide.

Gender equality, equal pay for equal work and measures against violence and harassment in the workplace

Respectful and appreciative interaction among all employees is particularly important to us and forms a cornerstone of our internal corporate values.

We take a firm stand against discrimination and promote equality within our own workforce. We place particular emphasis on the fair and equal treatment of everyone, especially when it comes to working and employment conditions. A particular focus is placed on equal pay and promotion opportunities.

We have therefore developed regular training sessions on the **General Equal Treatment Act (AGG)**. These sessions are to be firmly established as compulsory training courses, particularly at the head office. We also offer employee **training on psychological safety in the workplace**. During this training, participants learn how to recognise and address potential bullying, discrimination or harassment in the workplace. To ensure a lasting impact, our managers are also trained on this topic as part of the development programme.

Our **contact person for discrimination and equal opportunities** plays a key role in safeguarding these core values, acting as a trusted advisor to our employees.

During the reporting period, the ratio of women to men in the workforce across the entire company stood at 92 per cent to 8 per cent. Women are also increasingly represented in management positions. In fact, with women



*Our contact person for discrimination and equal opportunities:
Pia Ossenberg, Head of Executive Support*

accounting for 61 percent of management roles, we have surpassed gender parity.¹ We have also had a woman on the Executive Management since 2025. Our aim is to maintain the proportion of women in management positions at over 50 percent.

¹ These figures cover the entire company (across Europe), including our sales department, all sales countries, our procurement offices, logistics and the online shop (as of 31 December 2025). Management positions are defined as all management levels up to and including department and district management.

Flexible working hours and a good work-life balance

We want to help our employees achieve an optimal work-life balance. Studies have shown that a healthy work-life balance leads to greater well-being and lower stress levels.¹ To this end, we are introducing additional flexible working models to complement existing statutory rights to part-time work, offering greater flexibility in working hours. At the KiK head office, remote working is available and was widely embraced in 2024 and 2025.

In 2025, around 72 percent of the total workforce at KiK in Germany were employed part-time, representing approximately 13,500 people. Around 22 percent, or just over 4,000 employees, were employed full-time. Currently, around 6 percent are apprentices or interns.²

We promote a healthy work-life balance by offering **flexible part-time working models**, among other initiatives. In 2023, we conducted a survey on this topic and the results showed that flexibility regarding working hours and place of work was particularly important to our employees. To better meet this need, we introduced more flexible start and finish times in 2024. Employment law ensures that our employees receive regulated breaks, rest and recovery periods as well as paid leave. These rights are set out in their employment contracts.

We have introduced a **time-tracking system** at our head office and in our stores. This ensures that employees accurately record their working hours and allows them to take time off flexibly in lieu of overtime.

Additionally, we have updated our **management guidelines on working hours** and provided managers with training on new content within the guidelines. These measures aim to better structure the workload, particularly in the stores and raise managers' awareness of this issue.



¹ Federal Institute for Occupational Safety and Health (2016): *Mental Health in the Workplace – Work-Life Balance*.

² These figures cover the entire company (across Europe), including our sales department, all sales countries, our procurement offices, logistics and the online shop (as of 31 December 2025).



Freedom of association

Respect for freedom of association is crucial for strengthening other labour rights and improving working conditions for employees in the long term. Through unions and representative structures, employees can voice their interests and actively participate in shaping their working environment.

KiK Logistik GmbH has had a **works council** since 2014 to represent the interests of employees in administration and logistics operations. In 2025, the **Employee Committee (MIK)** was introduced at our head office.

The MIK consists of eight members: seven full members and one advisory member selected from our trainees. The members come from various business units, including HR and Sales, ESG/Quality Management, IT and Finance/Controlling and can contribute the perspectives of different roles within the company.

The committee acts as a point of contact for staff and as a grievance channel, forwarding concerns directly to the executive management, with whom it holds monthly meetings. The committee also organises an annual staff meeting to promote transparency and foster dialogue within the company.

Training and skills development

We are committed to the long-term development of our employees. To this end, we entrust them with responsibility and support them in their personal development.

Through the **KiK Campus**, our online training and internal knowledge management platform, we provide our employees with various training courses and talent development opportunities, including digital qualifications via e-learning formats. These courses include language training, training on all KiK software solutions and intercultural exchange workshops. Our **development programmes for junior staff, specialists and executives** have created new qualification opportunities for our head office staff. These programmes offer courses in three different formats: specialised external training and further education, internal seminars and e-learning as part of the KiK Campus.

The perspectives of our own workforce shape our actions

Our initiatives aim to ensure safe, fair and healthy working conditions and support employees in their day-to-day work. We actively incorporate their perspectives into our decision-making processes through formats such as an “ideas letter” and continuous feedback on topics that are particularly important to our employees. Our risk analysis in accordance with the LkSG also incorporates employees’ experiences, helping us to better assess and prioritise human rights risks in various areas of activity. This ensures that their views are not only heard, but specifically incorporated into our measures and steps for further development.

Our social engagement

Together with our employees, we support social causes through our sites that go beyond our immediate business activities.

For instance, our stores in Germany, Austria and Poland collect donations which are then given to the help and hope Foundation. In 2025, around half a million euros were collected for charitable purposes in this way.

For 16 years now, we have supported first-year pupils at two primary schools in Bönen by donating filled school bags. This initiative aims to ease their transition to school whilst demonstrating our commitment to the local community. In 2025, we donated a total of 236 school bags.

In addition, we launched our first “Wish Tree” campaign at our Bönen site in collaboration with the Unna food bank in 2025. Our employees had the opportunity to donate Christmas presents for children, bringing special Christmas joy to a total of 140 children.

We also support affected regions in times of crisis. Following the flooding in Poland in September 2024, for example, we provided donations of goods at short notice, including jogging bottoms and fleece blankets.

S2: WORKERS IN OUR VALUE CHAIN

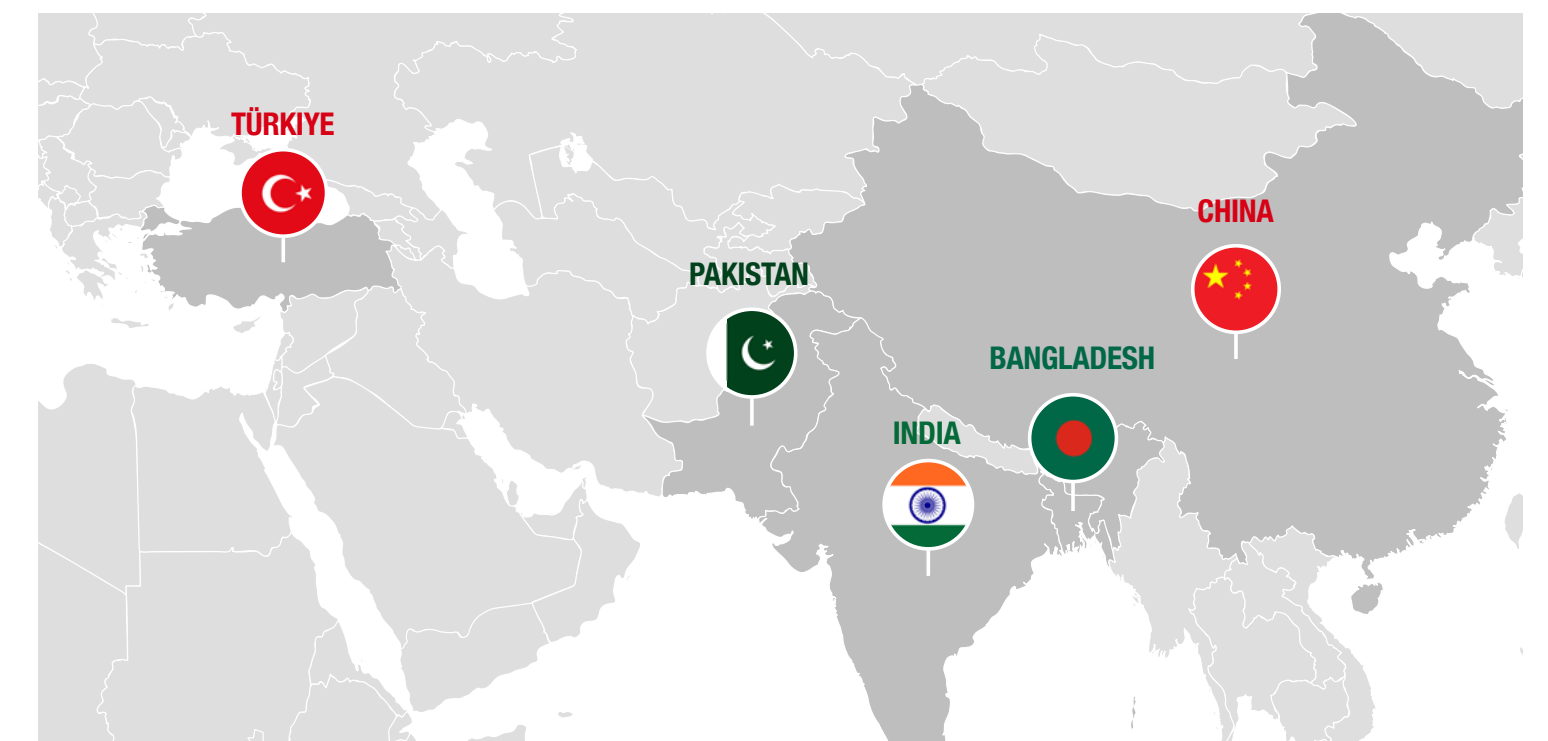
Topic	Material topic	Value chain	Type of value chain	Link to SDGs
Working conditions	Secure employment	Upstream supply chain	Textile and non-food	
	Fair remuneration	Upstream supply chain	Textile	
	Social dialogue	Entire value chain	Textile and non-food	
	Freedom of association, including the existence of works councils and collective bargaining	Entire value chain	Textile and non-food	
	Working hours	Upstream supply chain	Textile and non-food	
	Health and safety at work	Upstream supply chain	Textile and non-food	
	Equal treatment and equal opportunities for all	Gender equality and equal pay for equal work	Upstream supply chain	
Other work-related rights	Child labour	Upstream supply chain	Textile and non-food	
	Forced labour	Upstream supply chain	Textile and non-food	

Our value chains include textiles and non-food products as well as products not intended for resale. The latter do not fall within the scope of our sales activities and have therefore been excluded from the current double materiality assessment. Thereby, our focus is on the workforce involved in the production of our textile and non-food goods at an upstream level, from the extraction of raw materials such as cotton, to further processing in spinning mills and manufacturing plants.

Our upstream supply chains are international in scope, primarily encompassing manufacturing in China, Bangladesh, Pakistan, India and Türkiye. Through our

sourcing offices in these regions, we are in direct contact with suppliers and production sites, gaining valuable insight into local conditions.

We recognise that certain groups of workers in these value chains may be exposed to specific risks due to their gender, age or migrant status. These risks vary depending on the country and stage of production. This makes it all the more important for us to understand these factors and incorporate them into our approach to promoting fair, safe and decent working conditions.



Our responsibility for the workers in our value chains

Based on our understanding of the various risks to which workers in our supply chains may be exposed, we have implemented targeted measures to address the material topics identified. These measures are based on the findings of our risk analysis in accordance with the LkSG. We also draw on the results of audits, feedback from grievance mechanisms and dialogue with various stakeholders, including NGOs and trade unions. When selecting and implementing our measures, our primary focus is on improving working conditions sustainably at production sites.



Secure employment

Since 2023, we have participated in the **Employment Injury Scheme**, a project run by the German Agency for International Cooperation (GIZ) in collaboration with the International Labour Organization (ILO) and various international fashion brands. The scheme provides occupational accident insurance for workers in the ready-made garment (RMG) sector of the textile industry in Bangladesh. In the event of a workplace accident resulting in permanent disability or death, the pilot project provides compensation payments to those affected. These payments are made monthly and supplement the lump-sum compensation paid by the government. The payments are financed by contributions from participating companies. This ensures that workers in the RMG sector in Bangladesh are not exposed to the negative consequences of a lack of social benefits or inadequate legal protection.

Fair pay

Since 2021, we have been part of the **Living Wage Lab** initiative of the BNT. This project was launched to support the members of the partnership in developing and implementing individual living wage strategies in the textile sector. Developing scalable solutions in collaboration with suppliers also plays an important role. The first phase of the project focused on reviewing purchasing practices, collecting wage data, calculating existing wage gaps and engaging in dialogue with selected suppliers.

In February 2024, the **Living Wage Lab 2.0** project was launched, building on the results of the previous project. This second phase focuses on collaborating with suppliers and promoting social dialogue. Participating companies are developing their own living wage strategies and share ideas on how to integrate living wages into procurement processes. The objective is to narrow the disparity between the wages currently paid to textile workers and the calculated living wage. Given the relevance that Bangladesh has as a major producer of textile goods and resulting leverage over the textile industry, we were involved in this project from the outset. However, local suppliers could not participate in 2024 due to the unstable political situation in Bangladesh. Consequently, we could only participate in the strategic exchange with other partnership members. Nevertheless, our participation in the Living Wage Lab has deepened our understanding of living wages in the textile sector and the links between wages and purchasing practices.

Social dialogue

To strengthen social dialogue in textile and non-food factories, we have introduced various **grievance mechanisms**. Detailed information on these can be found in the section on the [protection of whistleblowers](#). In Bangladesh, we have also provided training to various suppliers on worker participation and representation, with the aim of promoting employee involvement in decision-making and the design of relevant processes. These training sessions were held as part of the **International Accord for Health and Safety in the Textile and Garment Industry** and aim to encourage greater dialogue between workers and their employers.

Freedom of association and collective bargaining

In 2024, we launched an initiative in which our suppliers based in Pakistan committed to **collaborating with trade unions** and **concluding formal agreements**. Subsequently, these agreements were finalised with all of our suppliers in Pakistan. The initiative aims to strengthen dialogue between workers and employer representatives and promote sustainable structures for constructive dialogue. It enables us to work together to counteract possible violations and negative impacts.

Health and safety at work

We were one of the first companies to sign the Bangladesh Accord on Fire and Building Safety when it was launched in 2013. In 2021, the Bangladesh Accord evolved into the **International Accord for Health and Safety in the Textile and Garment Industry** (“International Accord”), to which we also adhere. In 2023, the **Pakistan Accord for Health and Safety in the Textile and Garment Industry** was established. We were one of the first international signatories of this accord. These Accords are legally binding agreements between clothing brands and trade unions, designed to protect workers’ health and safety in the textile and garment industry. They provide frameworks to facilitate the implementation of country-specific safety programmes, which are currently being implemented in Bangladesh and Pakistan. The Accords also lay the foundations for future programmes in other clothing industry production countries.

The initiative focuses on several key aspects:

Specialist, independent technical staff conduct factory inspections to identify safety risks, including fire and electrical safety risks.

Corrective actions are monitored following the completion of factory inspections.

Training safety committees promote a safe working environment and raise workers’ awareness of safety issues.

Worker complaints are handled through an independent whistleblowing system (see the [Whistleblower protection](#) section for further information).

Various measures are in place to promote transparency and accountability, such as the full disclosure of all factories with which the signatories collaborate.

Furthermore, KiK launched its own **Fire and Building Safety Initiative** in India in 2024. Modelled on the International Accord, this initiative pursues the same objectives. The initiative is intended to support factories in implementing preventive measures regarding fire and building safety, as well as health and safety measures, and to improve working conditions on site.



As part of our on-site commitment at our production facilities, we also supported the distribution of **hygiene products** to women working in our factories in Bangladesh and to pupils at the UCEP schools. Around 10,000 sanitary pads were distributed each month.

Empowering women

In addition to the aforementioned initiatives, we have contributed to strengthening women's rights through our **women's cafés**, which aim to contribute to gender equality. As part of our **school project** in Bangladesh, we have funded various educational institutions and committed to preventing child labour. These initiatives are relevant to both workers in the value chains and the affected communities.

STAKEHOLDER PERSPECTIVES

A conversation with Véronique Camerer and Kirstine Drew from the International Accord

We spoke to Véronique Camerer, the Accord's Deputy Director, and Kirstine Drew, Head of the Accord's Grievance Office, about the Accord's grievance mechanisms in Bangladesh and Pakistan.

KiK is a signatory of the International Accord for Health and Safety in the Textile and Garment Sector. The agreement was established in Bangladesh in 2013 following the collapse of the Rana Plaza factory. It aims to ensure occupational safety and health in factories from which brands and retailers in the clothing industry source their goods. In 2023, the Accord was extended to Pakistan. To date, over 270 brands, 9 trade unions – 1 global and 8 Bangladeshi – have signed the Accord, which covers around 1,600 factories in Bangladesh and 700 in Pakistan.

What is the complaint mechanism?

V. C.: Together, the various Accord programmes provide a complete safety and health ecosystem, from inspections and remediation to training and the complaints mechanism. If hazards are not addressed through inspection, remediation and training, workers can contact us and make a complaint.

K. D.: The scope of the complaint mechanism covers occupational safety and health. While most people associate the Accord with electrical, fire, structural and boiler safety, our complaints mechanism defines occupational safety and health more broadly. To determine whether a topic falls under occupational safety and health, we use the 2022 ILO Code of Practice on safety and health in the textiles, clothing, leather and footwear industries. The Accord's complaints mechanism covers a range of topics, including excessive noise, dust and heat as well as inadequate drinking water. It also covers forced overtime, denial of maternity leave and violence in the workplace. These latter topics are not always recognised as falling under occupational safety and health.



How has the complaints mechanism developed in recent years?

K. D.: We have two completely different scenarios for Bangladesh and Pakistan. In Pakistan, we only began raising awareness of the complaints mechanism about a year ago. Since then, we've had around 140 complaints. So far, the majority of the complaints received relate to forced overtime, inadequate drinking water and occupational accidents.

In Bangladesh, on the other hand, the complaints mechanism has been in place since 2014, and around 11,000 complaints have been received during this period. Initially, most of the complaints we received were classic occupational safety and health cases – this reflected the strong link between the complaints received and the Accord's awareness-raising sessions in the factories, during which workers find out about the mechanism. Today, statistics show that workers are increasingly filing complaints that are unrelated to traditional occupational safety and health – most now relate to wages, benefits or job losses.

We don't yet know whether we'll see the same trend in Pakistan. In both Bangladesh and Pakistan, the complaints mechanism is firmly

focused on remedying the situation. Just how we determine the remedy depends on the type of complaint. If we receive a complaint related to electrical, fire, structural or boiler safety, we send Accord Safety Engineers to the factory to determine the required remediation. For all other kinds of complaints, we first ask the complainant what their preferred remedy is. For example, if a woman has been forced to resign because she's pregnant, we ask her whether she would prefer to have her job back or not return to the factory and be paid her due benefits. In most cases, workers do not know their rights. Therefore, a key role of the Accord complaints mechanism is to ensure that the remedy provided is complete.

What role do brands in general, and KiK in particular, play in relation to the complaints mechanism?

K. D.: The Accord has two pillars. One consists of the brands and the other of international trade unions with their local representatives, as worker participation is core to the Accord and guaranteed at the governance level. The strength of the Accord complaint mechanism lies in the collective, commercial power of the signatory brands and their leverage. When we inform brands about a complaint, many directly contact their supplier.

The strength of the Accord complaint mechanism lies in the collective, commercial power of the signatory brands and their leverage.

Kirstine Drew

The Accord always aims to find a resolution with the factory. Should the factory not cooperate, however, an escalation procedure can be implemented. Then the collective leverage of the brands comes into play. KiK has been involved in Accord meetings on complaints and has supported the mechanism by using its leverage to resolve complaints in its supplier factories.

V. C.: It's essential for signatories such as KiK to make it crystal clear to their suppliers – even including it in their contracts – that they are required to cooperate with the Accord complaints mechanism, and that we at the Accord have a mandate to carry out unannounced factory investigations in response to complaints. This is part of the conditions of the Accord.



How the perspectives of workers in our supply chains guide our actions

The effectiveness of our measures depends on our understanding of the workforce in our supply chains. During our factory visits, we therefore speak with management and workers, both within and outside the production facilities. These conversations provide insights that go beyond formal audit results, revealing which topics are particularly relevant to employees. We also discuss the audit results in detail during the visits and incorporate the insights from the conversations into our suppliers' corrective action plans. These plans set out the specific steps, responsibilities and timelines for addressing the risks or violations identified, and for achieving sustainable improvements to production facilities.

Some of our visits are supported by the Chief Human Rights Officer, the Human Rights Officer and the country-specific ESG managers, who gain a comprehensive understanding of local conditions, including the perspectives of particularly vulnerable groups. These include people with disabilities employed in our factories in Bangladesh and India, for example. Currently, a total of 175 employees with recognised disabilities work there.

Our supply chain risk analyses also inform our decision-making processes, enabling us to systematically consider different impacts and perspectives.

S3: COMMUNITIES AFFECTED BY OUR VALUE CHAINS

Topic	Material topic	Value chain	Type of value chain	Links to SDGs
Economic, social and cultural rights of communities	Land-related impacts	Upstream supply chain	Textile and non-food	
	Adequate food	Upstream supply chain	Textile	
	Water and sanitation	Upstream supply chain	Textile	
Rights of indigenous peoples	Free, prior and informed consent	Upstream supply chain	Textile and non-food	

Communities in countries where our products are produced can be affected by activities along our value chains in various ways. For example, they can be impacted by the extraction of raw materials or production processes in our suppliers' factories. Impacts can also arise in the downstream supply chain, for instance through the improper disposal of textile waste, which can adversely affect local environmental conditions.

Vulnerable groups include those whose land rights or usage rights are not clearly documented as well as those who depend heavily on natural resources that could be affected by industrial activities. People living in close proximity to production or disposal sites may also be more exposed to potential environmental impacts, placing them at increased risk.

This makes it all the more important for us to understand these factors, so we can promote initiatives that support local communities in their specific contexts.

Our contribution to strengthening local communities

Between 2024 and 2025, we continued to engage in various projects and partnerships to support local communities. These activities are already contributing to positive developments onsite, forming a basis to further develop our commitment in a targeted manner while taking into account the results of the double materiality assessment. Our risk analyses under the LkSG and our ongoing dialogue with stakeholders in our production countries provide additional insights into local conditions and the potential impacts of our value chains.

The positive impacts of our social projects

Since 2015, we have supported a comprehensive education project in Bangladesh under the name “KiK makes a difference”, aimed at marginalised and low-income children and young people. Working alongside local and international partners, including the Awaj Foundation, UCEP Bangladesh and the German Agency for International Cooperation (GIZ), we have promoted education across all levels of education.

Between 2017 and 2025, we provided over 20,500 children and young people with access to education, from nursery school through to secondary school. By 2025, around 3,600 pupils were enrolled across seven schools.

In terms of career guidance and higher education, 38 students are currently active in various educational pathways, including 30 national scholarship holders, six students on international Bachelor’s and Master’s programmes and two PhD students, in collaboration with Technical University of Dresden.

The project has the potential to impact several areas: not only can it help improve children’s educational opportunities, it can also strengthen the surrounding communities. By lowering barriers to access, new prospects open up for families and local development opportunities can be promoted.

This highlights potential alternative educational pathways for low-income families. To monitor long-term developments, we continuously record the number of pupils and students enrolled as well as their qualifications and subsequent career paths.

Since 2022, we have run a total of five **women’s cafés** in Bangladesh, open to women working in the production facilities and those from the surrounding communities. The cafés offer a safe space where women can exchange ideas, find support and gain a better understanding of their rights. In this way, the women’s cafés can empower women working in our value chains and promote social participation in neighbouring communities.

We have provided practical training in the cafés on labour rights, gender equality topics and how to deal with unequal treatment. The aim is to empower women to recognise and exercise their rights and to seek support when needed. At the same time, the cafés can promote networking among women, both within the factories and in the local communities. Around 6,700 women took part in such training sessions in 2025.

Between 2024 and 2025, KiK also funded seven **medical clinics** in Bangladesh which were open not only to factory workers, but also to the surrounding communities. Local residents were able to receive regular free medical examinations there from doctors commissioned by KiK. Around 1,500 people were treated at the clinics in 2025. On average, around 17 surgical procedures were performed each year.



S4: OUR RESPONSIBILITY TOWARDS OUR CUSTOMERS

Topic	Material topic	Value chain	Type of value chain	Link to SDGs
Customers	Health and safety	Upstream and downstream supply chains	Textile and non-food	
	Non-discrimination	Downstream supply chain	Textile and non-food	
	Access to goods and services	Downstream supply chain	Textile and non-food	

Our customers play a vital part in helping us decide which textiles and non-food items to stock. As a provider of everyday essentials, our goal is to make affordable products accessible to a wide customer base. At the same time, we recognise that customers' expectations of our products can vary according to age, life situation and personal needs. This diversity informs our approach to taking responsibility in our downstream supply chain, and it is a key factor in how we develop measures to address our customers' varied needs.

Our contribution to safe and affordable products

To reliably ensure the safety of our textile products, we have developed a **product handbook** that clearly defines all relevant processes, testing requirements and labelling specifications. It creates a consistent understanding of quality and safety, while providing a clear overview of the legal and internal requirements applicable to the manufacture and testing of our textile products. This handbook is supplemented by internal documents, such as procedural and work instructions, to support practical implementation.

As part of our commitment to customer-friendliness and affordability, we offer our customers a benefits and discount programme through the myKiK Loyalty Card. Besides regular price benefits, cardholders enjoy additional services that make shopping easier, such as more flexible exchange options and the ability to use the card digitally via an app.

The myKiK loyalty card thus supports our goal of promoting social inclusion and strengthening fair consumer conditions. At the same time, we are using it as a starting point to collect feedback more systematically. We are currently developing software for regular customer surveys, initially involving loyalty card holders, to better understand their needs and user experiences and to develop our product range accordingly.

Finally, to support our customers, we hold an annual prize draw at the start of the new school year on our social media channels and in the MyKiK app, offering **back-to-school packs** to help families get the school year off to a good start.

The European Commission is working to standardise sustainability and product information and to make this information digitally available directly on products in the future. A central element of this is the **Digital Product Passport (DPP)**, which will provide details such as material composition, carbon footprint, reparability and energy efficiency as well as information on reuse and recycling options throughout the product's entire life cycle. The aim of the DPP is to increase transparency and enable consumers to make more informed, sustainable decisions. From an early stage, we have engaged intensively with these requirements to ensure that our processes and systems are optimally aligned and to benefit from the opportunities provided by greater sustainability and circularity.



myKiK Loyalty Card

CORPORATE GOVERNANCE: RESPONSIBILITY AS OUR FOUNDATION



HOW WE MANAGE OUR COMPANY RESPONSIBLY

As a retail company operating within global value chains, sound corporate governance is essential for KiK. This is the only way we can meet the demands of a complex regulatory environment, align our business conduct with human rights and environmental obligations and fulfil the expectations of our stakeholders. Corporate governance, corporate culture and supplier management are therefore key areas of influence and risk management for us.

Thanks to our robust governance structures and transparent guidelines, we promote integrity, prevent corruption and respect human rights. In high-risk sectors such as textiles and non-food, responsible supplier management is particularly important for identifying risks early, managing them effectively and strengthening sustainable partnerships.

Our double materiality assessment has identified three material topics in the area of corporate governance: promoting a responsible corporate culture, protecting whistleblowers and managing supplier relationships. These topics represent the key areas of action in which our business practices have an impact and in which targeted measures can contribute to positive change. Accordingly, this chapter is structured around these three topics. In addition to these, it provides an overview of our governance framework, highlighting the roles and responsibilities of different departments in promoting a strong corporate culture and developing sustainable practices.

An overview of our governance structure

Our corporate governance comprises processes, practices and guidelines that ensure transparency, accountability and fairness in all our business operations. Three key elements contribute significantly to responsible corporate governance: our organisational structure and management oversight, our approach to management sustainability and the Sustainability Ambassador Programme for our employees, which promotes sustainable behaviour throughout the company.



Since November 2025, our Executive Management has consisted of our Chief Financial Officer (CFO) and our Chief Commercial Officer (CCO). The following business units and departments currently report to our CFO: Finance & Controlling, IT, Property, Human Resources, Legal, Governance & Compliance, Strategy & Transformation, Supply Chain, Energy, Facility Management/Occupational Safety, Domestic and International Property, Indirect Procurement, Treasury/Store Coordination and Corporate Communications. The following business units currently report to our CCO: ESG & Quality Management, Design/Product Promotion, Merchandise Planning, Controlling & Development, Non-Food Assortment Management, Textile Assortment Management, Sales and the Marketing & CRM department.

The Executive Management is also the highest authority for signing guidelines and policies. Both our Code of Conduct and our Human Rights Policy have been signed by the Executive Management and the Head of the ESG department.



Our approach to effective sustainability management

We drive sustainable growth through structured processes, interdisciplinary collaboration and regular Executive Management involvement. Our ESG department was established as part of the Procurement department in 2006, before expanding to become an independent department in 2010. It produces quarterly and ad hoc reports for the Executive Management, acting as the central coordination point for sustainability-related information across the entire company.

The ESG department collaborates closely with various internal departments, including Procurement, Quality Management as well as Legal and Governance & Compliance. Together, they develop and refine procedures to manage key sustainability issues and set measurable targets for the company and its supply chain.

Our ESG department: responsibilities and structure

The ESG department, which also includes the Quality Management department since 2023, reports to the Managing Director of ESG & Quality Management. It comprises 22 staff members in Germany and at the sourcing offices in Bangladesh, China, India and Türkiye.¹ In supply chain management, we collaborate closely with the country directors of the sourcing offices, who play a pivotal role in coordinating and monitoring factories on site. Their feedback and analyses feed directly into the work of the ESG team, helping us set sustainability targets for our suppliers and monitor their implementation.

¹ Staff from the Quality Management department is not included.

Our Sustainability Ambassador Programme

To integrate the topic of sustainability more deeply into our business activities and to ensure cross-departmental coordination and collaboration, we entered into a partnership with the European Business School (EBS) in 2024. Together, we have established a Sustainability Ambassador Programme for KiK. As part of this programme, we are training up so-called sustainability ambassadors from various business units. These ambassadors are driving our mission to systematically embed sustainability principles within the company. The goal of the programme is to spread the relevant skills and expertise across the entire company.

The ambassadors undergo a six-stage training programme. First, they receive an overview of regulatory developments and global frameworks, such as the Paris Agreement and the SDGs as well as key topics such as climate change, biodiversity and planetary boundaries.

Building on this foundation, the programme then delves deeper into the integration of ESG principles, governance structures and effective communication strategies. In sector-specific modules, participants develop strategies for reducing emissions, learn how to calculate the CCF and discover how to comply with relevant standards. Other key areas include sustainable procurement, supply chain responsibility and human rights due diligence. The training also covers sustainable financing, ESG ratings and the EU taxonomy, demonstrating how financial decisions can support the implementation of a sustainability strategy.

In 2025, the programme was extended to our international subsidiaries. Today, we have 66 sustainability ambassadors spanning 9 business departments, 20

departments and all 14 sales countries. After successfully completing a trial period, each sustainability ambassador receives a certificate. They then act as key points of contact and experts for sustainability projects and data.



STAKEHOLDER PERSPECTIVES

A conversation with Dr Thomas Schulz from the European Business School (EBS) about the Sustainability Ambassador Programme



KiK employees become sustainability ambassadors.

Dr Thomas Schulz, together with Ansgar Lohmann, are the initiators of the EBS-certified Sustainability Management Programme at KiK. Dr Schulz has been in charge of the growing field of sustainability qualifications at the EBS Executive School in Oestrich-Winkel/Rheingau since 2016 and is a member of the Sustainability Committee of the Frankfurt am Main Chamber of Industry and Commerce.

Dr Schulz, could you tell us what the EBS-certified Sustainability Ambassador Programme involves and what makes it special?

In addition to certificate programmes in Sustainability Management and Sustainable Finance, the EBS Executive School offers companies tailor-made training that can be offered in-house. One of these is the Sustainability Ambassador Programme developed for KiK. I had been following KiK's sustainability activities for ten years and eventually made a proposal for this programme. The initiative was met with great interest and the decision was made quickly. We then created the curriculum together. As part of the programme, KiK employees are trained to become sustainability ambassadors for their respective business units. The goal is to raise awareness of the important topic of sustainability, develop relevant skills and promote sustainability-oriented thinking at strategic and operational levels.

The programme comprises core modules on subjects including compliance, sustainable finance, supply chain management, ESG regulation and sustainability strategy. It starts with a science-based awareness module that emphasises the urgency of climate, environmental and biodiversity issues. The programme aims to establish

sustainability ambassadors in all departments who can contribute to sustainability in strategic and operational ways.

In what ways does the programme contribute to KiK's sustainable development, and how does it foster collaboration within the company?

Beyond raising employee awareness, the core objective is to demonstrate the impact of sustainability on all relevant functional areas. Ultimately, every area of the business intersects with sustainability. The sustainability ambassadors are trained to promote, support and develop the topic across the company, strengthening collaboration, fostering a shared understanding and enhancing KiK's appeal as an employer.

The most important aspect of the training programme is the transfer of skills. We empower

participants to implement the insights gained by adapting business processes and developing new corporate activities. Companies must always take the reactions of interested parties and new regulatory transparency requirements into account. To this end, relevant internal developments must be made easy to understand and implemented in cross-departmental projects.

Companies must continuously make decisions regarding their approach to sustainability. Training plays a central role in this, as companies can't develop effectively without the necessary skills. All employees need a shared understanding of sustainability, regardless of whether they work in controlling, environmental management or finance. Our training programme encourages KiK employees to learn from one another across departments and collaborate on developing sustainability solutions.

Ultimately, no area of business is unaffected by sustainability aspects.

Dr Thomas Schulz

What are the biggest challenges you see in implementing regulatory requirements in the area of sustainability?

Not everyone within the company will immediately approve of new regulations. This is where the programme plays a key role, as it empowers the ambassadors to address any concerns in their departments and convince their colleagues using their newly acquired skills. It is crucial that ambassadors understand the value of the regulatory requirements and the opportunities they present, so that they can convey this in a convincing way. It's also important that management at all levels recognise the significance of this potential for development. If this can be achieved, sustainability initiatives will positively impact the company's economic success.

Companies must constantly decide how to position themselves on sustainability topics. Continuing professional development plays a central role in this, as without the relevant skills, efficient company development is impossible.

Dr Thomas Schulz

A conversation with KiK sustainability ambassadors

We talked to KiK's sustainability ambassadors Toma Marjanovic (Head of Energy & Facility Management), Thomas Hilbig (Head of Legal & Insurance and Compliance Officer), Julia Stein (Head of HR & Talent Development Management) and Carola Leyendecker (Head of Social Compliance) about the European Business School's (EBS) interdisciplinary training programme for sustainability ambassadors.

What were your key takeaways from the EBS Sustainability Ambassador Programme on the topic of sustainability?

T. M.: The programme has shifted sustainability from a peripheral to a core issue for me, demonstrating how it fits into our holistic ESG approach. Three points were particularly significant: greater customer involvement in sustainable solutions, the central role of employees in the transformation process and the realisation that modern energy management primarily means carbon emissions and climate change management. This goes well beyond mere efficiency.

C. L.: I found it particularly fascinating to see how sustainability can be applied across different departments and to identify the specific points of overlap, particularly when it comes to regulatory matters. This outside perspective provides a genuine shift in outlook and helps us to better understand and resolve potential conflicts between ESG and other areas.

Have you already been able to translate insights from the programme into concrete measures and bring about changes in your departments?

T. H.: In the legal department, for instance, the ESG aspect is becoming increasingly important when vetting contractual partners or conducting risk analysis, for example. It is also about preventing reputational damage in the event of breaches of the significantly increased regulatory requirements. We are also seeing that they are increasingly motivated to participate in the implementation of relevant measures. Their suggestions help us to identify areas for further improvement.

J. S.: We have also been able to standardise and simplify many aspects of sustainability within HR. We



are currently developing sustainable benefits for HR staff. This benefits the entire company, as it strengthens staff loyalty to KiK and fosters a positive external perception.

C. L.: Through our collaboration with the ambassadors, we can now see that they demonstrate a different sense of responsibility and commitment. They have become really enthusiastic about sustainability!

What role does the programme play in KiK's long-term sustainable development? And how does it fit in with the new corporate values?

C. L.: The programme is certainly driving sustainability within the company. We are faced with a multitude of legal requirements that, under certain circumstances, may limit a company's ambitions. The programme helps us to navigate these requirements strategically. At the same time, the joint training strengthens team spirit and creates a shared understanding of how we want to embrace sustainability.

T. M.: Sustainability communication also plays a major role in long-term development, as customers increasingly expect environmentally friendly products and transparency. Furthermore, it is becoming more and more important because banks require the relevant evidence. This programme has made us more aware of this, highlighting how closely sustainability and performance orientation are linked, including in terms of avoiding greenwashing.

J. S.: To maintain the dialogue after the programme, we are planning an internal ESG roundtable. There, ambassadors and interested staff can learn about current topics and network. This strengthens our shared understanding and supports values such as cohesion and sustainability.

T. H.: The training makes it clear that sustainable action and economic success are not mutually exclusive. Stability in supply chains, avoiding reputational risks and making responsible decisions all contribute directly to our corporate values. Sustainability, cohesion and a focus on results are intertwined.

How can you, as sustainability ambassadors, promote sustainability within the company, and what support would be helpful in this regard?

J. S.: A concise programme for team leaders would help them to understand the scope of the issue better. It's not just about saving energy and reducing paper use. After all, what sets us apart as a company is that we actively train staff and share knowledge.

C. L.: We actually have a comprehensive sustainability training programme. It begins with the Welcome Day for new employees, where the topic is first introduced. Our goal is to spark enthusiasm for this field, bring it to life and highlight the various facets of sustainability so that people will be motivated to take action themselves. The programme has already played a major role in helping us to understand what's required of KiK

and the risks involved. With more context, we can now make more informed decisions, and that makes things easier.

T. M.: We're in the midst of a transformation process, and with all the projects we have underway or have already successfully completed, we are in a very good position. We have gained good momentum, and a sense of normality has developed in our day-to-day work.



OUR GUIDELINES AND STANDARDS FOR RESPONSIBLE CORPORATE GOVERNANCE

Our approach to responsible and ethical conduct is based on clear guidelines for business behaviour. These guidelines form the backbone of our corporate culture, embedding the values of integrity, transparency and responsibility in our daily work. Our approach is grounded in a series of internal guidelines and governance structures.

At the core are three fundamental sets of rules: our [internal Code of Conduct](#), our [Supplier Code of Conduct](#) and our [Human Rights Policy](#). Together, these form the basis for sound and responsible corporate governance. In addition, we have topic-specific guidelines in place to ensure that our actions in all areas adhere to clearly defined standards and meet high ethical expectations.

Our Data Protection Policy

Our Data Protection Policy is central to our operations as we work with sensitive customer, employee and business partner information on a daily basis. It establishes global data protection standards and appoints dedicated data protection officers, who monitor compliance and provide support regarding these standards, thereby defining a framework for a secure and legally compliant working environment.

Our Whistleblower Policy

Our Whistleblower Policy outlines how complaints are identified, reported confidentially and handled independently. It also forms the basis for the protection of employees, business partners and external stakeholders. Further information on this can be found in the section below on the [protection of whistleblowers](#).

Our Anti-Corruption Policy

Our Anti-Corruption Policy establishes clear standards for dealing with corruption risks and sets out preventive measures, training and sanctions. Appropriate procedural measures ensure that cases of corruption and bribery are dealt with promptly, independently and objectively.

Our Partner Handbook

Our Partner Handbook provides all business partners, including suppliers, with guidelines for responsible collaboration. It outlines the requirements for recruitment, supplier selection and evaluation, our procurement models as well as product-specific quality and compliance requirements. The handbook also contains key ESG requirements relating to environmental performance, reporting and the implementation of the LkSG, including relevant training materials. It guides our ESG and procurement teams in selecting new suppliers.

Our Antitrust Policy

At KiK, protecting free and undistorted competition in Europe is a key priority. To this end, we have adopted an Antitrust Policy to ensure compliance with antitrust law at all times and in all places. It also highlights typical scenarios and raises employees' awareness of relevant antitrust issues.

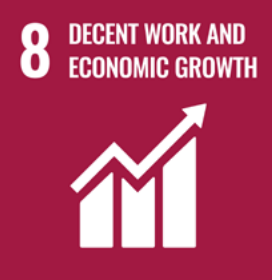



Our Anti-Money Laundering Policy

Our Anti-Money Laundering Policy includes a risk-based management system featuring regular risk analyses, training, clearly documented processes and the timely submission of suspicious activity reports and relevant information to the transparency register. The policy raises awareness of money laundering risks, protects against sanctions and reputational damage arising from breaches of anti-money laundering obligations and prevents the financing of terrorism.

Our Sanctions and Export Control Policy

Our Sanctions and Export Control Policy prevents breaches of government import and export restrictions as well as international sanctions measures. They protect companies from legal, financial and reputational risks in global trade. Key elements include a clearly defined accountability model, unambiguous reporting channels, risk-based training and comprehensive documentation.

CORPORATE VALUES AND CORPORATE CULTURE AT KIK

Topic	Material topic	Value chain	Type of value chain	Link to SDGs
Corporate culture	Corporate culture	Own workforce	Entire workforce	 
Protection of whistleblowers	Protection of whistleblowers	Own workforce	Entire workforce	 
Management of supplier relationships, including payment practices	Management of supplier relationships	Entire value chain	Textile and non-food	

Our vision is for everyone to be able to afford everyday essentials. To bring this vision closer to reality, we combine clear strategic direction with a set of values that shape our daily actions. These values guide how we work together, ensuring that we shape our path towards this goal in a responsible manner.

We prioritise ensuring that our employees feel challenged, supported and fulfilled by their work. Three core values guide our daily actions, helping us create an appreciative and supportive working atmosphere: a focus on results, team spirit and light-heartedness. These values influence how we collaborate, make decisions and take responsibility. They allow for independent action, foster teamwork and encourage an open culture of learning from mistakes.

Our values



1 Focus on results

A results orientation is deeply rooted in our corporate culture. We act ambitiously, reliably and pragmatically on behalf of our customers. We achieve measurable results by listening to, understanding and responding to our customers' needs. By setting clear goals and collaborating across departments, we ensure that we achieve our objectives and bring our vision closer to reality each and every day.



2 Team spirit

At KiK, we see ourselves as a team that sticks together. We celebrate successes together, support one another and foster a culture of open communication. We do not view mistakes as setbacks, but rather as valuable learning opportunities, both individually and collectively. This enables us to grow together and strengthens our bonds over the long term.



3 Light-heartedness

We create room for independent action. We trust one another and provide clear explanations so that everyone can contribute to the company's success. This respectful environment ensures that working at KiK is effective, fulfilling and enjoyable.

This is how we link our values directly to our core corporate guidelines. To embed this approach, we conduct regular training sessions and assess the effectiveness of our measures through compliance audits. Initiatives such as diversity and inclusion as well as transparent communication, further strengthen a corporate culture that embodies our values.



G1: WHISTLEBLOWER PROTECTION

The protection of whistleblowers is one of our three material topics in the area of business conduct. We encourage open dialogue to build trust and create a supportive working environment.

Our most important whistleblower systems

We ensure that our employees, supply chain workers, customers, and other stakeholders can report breaches or potential breaches of their rights, either by name or anonymously. Our systems comply with legal requirements, including the provisions of the German LkSG, and offer whistleblowers a secure and confidential framework. There are three different reporting options available, each covering a specific area of focus.

Our overarching whistleblower system, based on the **KiK Integrity Line**, provides a confidential reporting channel for KiK employees and stakeholders worldwide to report breaches of our Code of Conduct or applicable laws, including corruption, bribery, fraud, white-collar crime, competition law infringements, harassment, discrimination, data protection breaches, serious environmental damage, product and quality issues and conflicts of interest. The system thus covers reports arising from our own business processes as well as information from the supply chain and local communities.

To meet the legal requirements of the LkSG, we have also introduced a specific **Speak Up** complaints system based on the KiK Integrity Line. This system enables targeted submission of supply chain reports and processes complaints regarding human rights and environmental risks in accordance with the LkSG independently, confidentially and in a structured manner. Complaints may be submitted either by name or anonymously. To ensure the best possible accessibility in all our sourcing and sales countries, our whistleblower system is available in 23 different languages.

Reports of data protection breaches, such as a violation of the protection of personal data (see Article 33 of the General Data Protection Regulation GDPR), can be submitted via the KiK Group's dedicated reporting channel. This can be accessed by email at: datenschutz@kik.de

Customers can also submit product complaints by email to: productcompliance@kik.de

Incoming concerns are reviewed exclusively by our dedicated Investigation Committee. This committee comprises the following roles: Chief Human Rights Officer, Human Rights Officer, Chief Data Protection Officer, Data Protection Officer, Chief Compliance Officer and Compliance Officer. The committee is responsible for the steps defined in the process and, where necessary, may involve internal specialist departments whilst maintaining confidentiality and data protection or engage external experts. All members act independently and impartially. They are bound by a duty of confidentiality and possess the necessary technical expertise to carefully assess reports and initiate appropriate measures.

Speak Up Policy

Our Human Rights Policy and internal Code of Conduct state that we must respect the rights of our employees and the local communities in which we operate. However, risks or potential restrictions on these rights may still arise. This is why we have established a complaints procedure for our employees and suppliers. Our aim is to protect everyone's rights. As soon as a complaint is received, we analyse the case, investigate the matter and take remedial action where potential breaches have occurred.

This voluntary, confidential and secure reporting system guarantees a high level of protection for anyone who, in good faith and without malicious intent, submits a report of a risk or breach.



Child labour, problems of young workers



Forced labour (bonded labour and other forms of modern slavery)



Occupational health and safety violations



Disregard for freedom of association and disrespect for trade unions



Discrimination, e.g. due to union membership, religion, ethnicity, sex, migration background, etc.



Exploitation (withholding of fair wages)



Working time, e.g. excessive or involuntary overtime, disrespect for sick leave, holidays, free days



Environmental damage, e.g. soil contamination or water pollution



Violence of security forces that protect the company



Other corporate activities that harm employees, workers or communities



Submitting a complaint

Online reporting channel: kik.integrityline.com

Whistleblowers can submit their reports via one of four channels. Concerns can be submitted in writing along with images, audio material and videos. The KiK Integrity Line is available in 23 languages, covering all production countries. Three of the four channels have been designed to fulfil the specific requirements of different laws.

Channel 1 – Reporting of misconduct at KiK in accordance with the Whistleblower Protection Act (HinSchG)

Channel 2 – Reporting of supply chain misconduct in accordance with the Supply Chain Act (LkSG)

Channel 3 – Reporting of data protection-related incidents in accordance with the GDPR

Channel 4 – Submitting a product complaint

Communication takes place securely via a protected digital mailbox.

For product complaints, customers can contact: productcompliance@kik.de.



Reporting via an intermediary

Employees can report a complaint to the local employee representative. The intermediary will then enter the report into the online reporting channel in accordance with the anonymity requirements and will then be responsible for informing the person who lodged the complaint of all developments and questions that may arise.

The complainant will receive an automatically generated report number and password, which will allow them to access the system and communicate with the company.



Confirmation

The whistleblower or intermediary will receive confirmation of receipt within seven days of submission, setting out the follow-up actions.



Verification of entitlement to the claim

Our Investigation Committee will review the complaint and decide on the next steps. The complainant will be informed as to whether or not the investigation will continue. If the case has been closed, the reasons will be provided to the complainant.



Clarification of the facts

KiK will investigate all complaints. If necessary, further information may be requested from the complainant, after which an on-site investigation may be initiated. This stage is expected to take a maximum of three months, although this may vary depending on the scope of the case.



Remedial measures

If a breach is confirmed, an action plan is drawn up in consultation with those affected and with all parties involved to remedy the situation. KiK oversees the implementation of this plan.



Follow-up

Six months after confirming receipt of a concern, the Investigation Committee will publish a report on the process. The whistleblower and the mediator will be kept informed of all steps taken throughout the process.

Additional complaints and communication channels

Communication and grievance management within our own workforce

In addition to our central whistleblower systems, employees can contact management confidentially via a **complaints letter**, either by name or anonymously, digitally or by post. This channel is available to employees at the head office, in the logistics department and in all stores across Europe. In 2025, KiK received a total of 172 complaint letters.

Employees can also approach [our contact person for discrimination and equal opportunities](#) for specific concerns relating to discriminatory or unfair treatment. She is available to provide confidential support.

Complaints channels for employees in the supply chain and local communities

Depending on the country, employees in the supply chain have access to supplementary local complaints mechanisms provided by independent third parties. These serve as additional options to KiK’s internal channels and allow for greater consideration of local circumstances. They provide easily accessible points of contact that are adapted culturally and linguistically. By offering greater independence, they strengthen employees’ trust and reduce the fear of reprisals. This increases the actual use of grievance channels and supports the effective handling of context-specific concerns.

Bangladesh: The International Accord on Health and Safety in the Textile and Garment Industry, also known as “the International Accord”, is a legally binding agreement that protects workers through inspections, training and grievance mechanisms. Workers in participating factories can report concerns via a hotline in their local language, which makes the complaints system more accessible to everyone across our supply chain. Incoming reports are reviewed quickly and transparently by independent complaints managers.

Pakistan: Following our signing of the Pakistan Accord in 2023, we began using the independent **Hamary Awaz hotline**, which is provided by our global risk management partner LRQA. This provided workers in Karachi, Faisalabad, and Lahore with protected access to support and redress. In 2025, this channel was replaced by the Accord’s associated grievance mechanism.

Türkiye: We are partners of the **NGO MUDEM – Refugee Support Centre (MUDEM – RSC)**, which is supported by the Partnership for Sustainable Textiles. Turkish and Syrian textile workers can use this contact point to raise social and environmental concerns, including potential workplace misconduct.

India: We participated in the **Ungal Kural hotline** pilot project in Tamil Nadu, in partnership with LRQA, who are managing the programme. The Ungal Kural hotline also meets the requirements of the UN Guiding Principles on Business and Human Rights regarding grievance mechanisms.

Most complaints are handled by external bodies. However, in potentially serious cases, such as harassment, we intervene directly. We work with suppliers to implement corrective measures and verify these through audits, dialogue processes and factory visits. Affected communities can also submit reports via the above channels. These are processed using the same procedure as reports from employees.

Complaints mechanisms for customers and end-users

Customers and end-users can use our [whistleblower system](#) to report product complaints and instances of misconduct at KiK confidentially. The reporting system provides a separate option for such cases. All reports are investigated confidentially. In the event of safety concerns, we immediately initiate the necessary product tests or recalls.



G1: MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

We ensure that our supply chain is managed responsibly by integrating clear social and environmental criteria into our supplier selection process.

Our supplier management system

We have established a comprehensive **supplier management system** to ensure the implementation of our principles. We collaborate with our approximately 800 direct suppliers based on our Supplier Code of Conduct and Human Rights Policy, both of which must be signed by all direct suppliers. The system covers the initial onboarding of new partners, regular audits, performance evaluations and training programmes as well as clearly defined corrective actions where necessary.

To ensure social, environmental and quality standards, we carry out around 1,000 supplier visits annually, including visits to indirect suppliers (see the [diagram of the audit process](#) for more information). Social audits examine aspects such as wages, social benefits, working hours, discrimination and subcontracting management. In addition, we consider selected environmental aspects where they are relevant to production processes. We were the first company in the textile industry to conclude an auditor liability agreement with two auditing firms, which guarantees the accuracy of audit information for three months.

We use the OSCA sustainability software from Setlog for efficient management. This speeds up audit reporting and increases the transparency of our processes.

Our supplier selection and evaluation process

Our supplier evaluation system is the foundation on which we select and manage our suppliers. It generates a scorecard for each supplier that clearly summarises their performance.

Our supplier scorecards consist of three elements that are almost equally weighted: “on-time delivery”, assessed by the procurement team; “quality controls”, assessed by the quality department; and “sustainability performance”, assessed by the ESG department. This combination reflects our commitment to balancing economic factors, quality and social responsibility. Overall performance influences the selection process, with higher-rated suppliers being prioritised when awarding new production contracts.

To incorporate our suppliers’ perspective more closely into our procurement practices, we have participated in the Cascale “Better Buying, Better Purchasing Practices Index (BBPPI)” since 2022. This comprehensive survey assesses the impact of companies’ procurement practices on Tier 1 suppliers. Developed in close collaboration with suppliers, the BBPPI highlights practices that support sustainable, profitable and fair partnerships within the supply chain.

Since 2023, we have used our **internal Responsible Sourcing Policy**. It guides our human rights-compliant procurement processes, obliges all employees to adhere to the internal Code of Conduct and defines requirements for the responsible and long-term supplier relationship management.



The policy addresses topics such as capacity forecasting and review, pricing, product development, order changes, payment terms, supplier consultation rights, supplier withdrawal and monitoring.

As part of our holistic approach, we combine responsible procurement practices with fair and reliable payment processes. Our focus is on building fair, transparent and long-term relationships with our suppliers to ensure quality, availability and responsible collaboration throughout our value chain.





Our audit process

1 Initial assessment and listing

Before the start of the business relationship:

The initial assessment has been conducted.

An on-site visit and review based on the principles set out in our internal Code of Conduct and Human Rights Policy has been made.

The audits are carried out by our own ESG team and specialist service providers.

The Code of Conduct and Human Rights Policy have been signed.

The ESG department has a right of veto:

A factory will be excluded from the supplier pool if there are any issues relating to the minimum wage, child labour, forced labour, or fire and building safety.

A second review can be conducted to determine whether the issues have been resolved.

If the issues remain unresolved, the supplier will not be included in the supplier pool.

2 Social audit

Once a factory has been included in the supplier pool:

Social audits are carried out at regular intervals by our own ESG team members or an external specialist service provider at the production sites.

This audit is based on a specific set of criteria.

The relevant core labour standards of the International Labour Organization (ILO) and the United Nations are reviewed.

Acceptance in the supplier pool

Supplier assessment

Suppliers are assigned to different colour-coded categories.

The supplier evaluation is taken into account when selecting suppliers and may result in a supplier being removed from the supplier pool.

Corrective actions

Based on the social audit, a corrective action plan is drawn up in collaboration with the supplier.

An agreement is reached on the timeframe for implementation.

For zero-tolerance issues with serious findings, corrective action plans (CAPs) are pursued without exception and consistently.

The results are incorporated into the supplier assessment

Re-audit

A second audit is carried out to verify whether the issues have been resolved.

Unresolved issues: This is followed by dialogue with the supplier and an analysis of the reasons.

If the supplier refuses to rectify the issues, the business relationship will be terminated at the end of the current contract, after which the supplier will be removed from the supplier pool.

Throughout the entire process, there is close collaboration between the Purchasing and ESG departments.

Special audits

Ad hoc audits focus on electrical safety, building safety, fire safety, compliance with the minimum wage increase and potential unauthorised subcontracting.

Further audits are occasionally carried out by our own staff or external specialist service providers.

Capacity building

Factory tours and training sessions are conducted onsite by our ESG team.

Training activities cover topics such as fire drills and capacity planning to avoid excessive overtime.

OUTLOOK: WE REMAIN COMMITTED!

Driving environmental protection, strengthening fair and safe supply chains and promoting transparency and accountability in our actions – that is what we are constantly working towards.

The initiatives, guidelines and standards set out in this report provide the framework for these efforts. They help us fulfil our responsibilities along the value chain and ensure transparency. Wherever possible, we also consider the perspectives of rights holders and incorporate their insights into our continuous engagement with these issues. For us, sustainability is an ongoing process. We regularly review existing measures, further develop our approaches and gradually adapt our procedures. This is how we continually pursue our commitment, aiming to always keep environmental, human rights and responsible corporate governance issues at the forefront of our minds.



GLOSSARY

Corporate Sustainability Due Diligence Directive (CSDDD): This EU directive requires certain companies to fulfil human rights and environmental due diligence obligations across their entire value chain.

Corporate Sustainability Reporting Directive (CSRD): This EU directive requires certain companies to provide comprehensive reporting on sustainability issues based on the European Sustainability Reporting Standards (ESRS).

Double materiality assessment (DMA): The DMA is a structured process for identifying and assessing a company's material topics from two perspectives. First, the impacts of the company's activities on people and the environment (impact-related materiality) are considered. Second, the effects of sustainability-related factors on the company's financial position (financial materiality) are considered. A topic is considered material if it is deemed relevant from one or both of these perspectives.

European Sustainability Reporting Standards (ESRS): The ESRS are binding reporting standards developed by the European Financial Reporting Advisory Group (EFRAG) that specify how companies subject to the Corporate Sustainability Reporting Directive (CSRD) must report on sustainability issues. The ESRS cover a broad spectrum of environmental, social and governance issues and define the required disclosures and data points.

Impacts, risks and opportunities (IROs): These are a central concept of both the CSRD and the ESRS. Impacts refer to the actual or potential effects of a company's activities on people and the environment. Risks and opportunities relate to sustainability-related factors that could negatively or positively impact the company's financial position. Identifying and assessing IROs is the first step in the double materiality assessment (DMA).

Material topics: These are sustainability topics that are classified as particularly relevant for the company or for their impact on people and the environment. They are usually identified as part of a materiality assessment.

Multi-stakeholder initiatives: Platforms or programmes in which stakeholders from various sectors, including companies, non-governmental organisations, trade unions and government bodies, collaborate to address industry-wide challenges and develop common standards.

Own business activities: These comprise all business activities that are directly controlled and managed by the company. This includes all of a company's own production facilities, offices and logistics operations.

Supply Chain Due Diligence Act (LkSG): German federal law that obliges companies with more than a certain number of employees to identify and minimise human right risks as well as environmental risks in their supply chains.

Supply chain: The supply chain includes all the production and procurement steps necessary for creating a product. Two categories are distinguished:

- *Downstream supply chain:* This refers to steps that take place after the company's own activities, such as trade, product usage by customers and product disposal at the end of the product's life cycle.
- *Upstream supply chain:* This includes all stages of procurement and production that precede the company's own activities, such as the extraction of raw materials as well as the processing and manufacturing of these materials by suppliers (Tier 1, Tier 2 and others).

Tier 1: A term used to describe a company's direct suppliers, i.e. those businesses with which there is a direct business relationship.

Tier 2: A term used to describe the suppliers of the Tier 1 suppliers, i.e. the upstream stage of the supply chain with which the company generally has no direct business relationship.

Value chain: The value chain covers all activities that contribute to the creation of a product or service, from the extraction of raw materials to production and distribution and to the use as well as the disposal of the final product. The term is broader than that of the supply chain as it includes the company's own activities and the added value created at each stage.

KPI TABLE

	Unit	Base year: 2009	2019	2020	2021	2022	2023	2024	2025	Compared to 2019*	Compared to the base year 2009
Company											
Turnover (net)	billion €	1.56	2.10	1.90	1.80	2.20	2.40	2.41	2.44	16.20%	56.41%
Stores	number	2,437	3,881	3,971	4,046	4,130	4,187	4,258	4,285	10.40%	75.80%
Sales area	m ²	1,474,923	2,189,457	2,246,682	2,299,274	2,356,168	2,394,962	2,433,657	2,442,654	11.60%	65.60%
Textiles as share of range	%	78	64	60	62	62	60	64	66	-	-
Non-food as share of range	%	22	36	40	38	38	40	36	34	-	-
Environment: Resources											
Transport packaging	kt	24.25	29.95	26.57	14.63	18.3	17.77	19	19.09	-36.30%	-21.28%
Transport packaging	g/piece	39.00	36.43	33.58	20.61	23.52	22.75	24.48	23.34	-35.90%	-40.15%
Product packaging	kt	6.13	6.96	5.89	5.56	4.53	5.13	4.99	5.83	-16.20%	-4.80%
Product packaging	g/piece	9.75	8.46	8.70	7.83	5.82	6.57	6.43	7.12	-18.8%	-29.90%
Electricity consumption. KiK Germany	million kWh	104.38	91.57	82.80	73.85	83.12	70.83	67.97	***	-25.80%	-34.88%
Electricity consumption at KiK Germany per m ² sales area	kWh/m ²	85	61	54	32	35	30	28	***	-54.10%	-67.10%
Total KiK electricity consumption	million kWh	123.95	137.60	125.3	130.91	145.98	129.27	133.14	***	-3.20%	7.40%
Electricity consumption at KiK's European head office and the Bönen warehouse	million kWh	3.30	3.65	3.44	3.28	3.42	3.35	3.34	***	-8.50%	1.20%
Heating energy at KiK's European head office and Bönen warehouse	million kWh	-	6.35	6.27	7.49	6.88	5.78	5.55	***	-12.60%	-
Paper consumption. KiK Europe	million sheets	24.48	26.89	26.54	29.01	32.8	23.67	26.35	***	-2%	7.60%
Water consumption at KiK's European head office and Bönen warehouse	m ³	-	9,936	7,870	7,140	7,609	7,032	9,362	***	-5.80%	-
Water consumption at KiK's European head office and Bönen warehouse	m ³ /capita	12.0	8.1	6.7	6.1	6.3	5.5	6.7	***	-17.30%	-44.17%
Waste at the Bönen warehouse	t	-	7,153	6,048	5,200	5,934	5,822	6,555	***	-8.40%	-
Environment: Product range											
Oeko-Tex cotton textile content	%	2.19	41.22	44.56	41.16	52.16	56.22	55.26	58.03 ****	40.78%	2,550%
Authority complaints rate	%	4.4	2.1	2.5	2.2	1.8	3.2	2.9	2.3	9.52%	-47.73%

*Comparison with pre-Covid-19 figures

**Basis for all years: Categories 1, 2, 3, 4, 5, 6, 7, 9, 11 and 12. In 2022, this refers to Categories 1, 3, 4, 5, 6, 7 and 12.

***Figure not yet available

****As of November 2025

KPI table (continued)

	Unit	Base year: 2009	2019	2020	2021	2022	2023	2024	2025	Compared to 2019*	Compared to the base year 2009	
Environment: Fleet	KiK lorry fleet (base year: 2010)	number	19	14	13	13	12	14	14	0%	-26.30%	
	KiK lorry fleet fuel consumption (base year: 2010)	l/100 km	25.00	24.27	28.11	23.17	23.50	22.92	22.65	4.20%	1.12%	
Environment: Emissions	KiK Scopes 1 and 2	kt CO ₂ e	-	117	123	125	107	78	82	***	-29.90%	-
	Scope 3 (base year 2019)	kt CO ₂ e	-	2,886	-	1,538 **	2,946	2,659	2,965	***	2.70%	2.70%
	Percentage of air freight in procurement	%	-	0.1	0.2	< 1	< 1	< 1	< 1	< 1	-	-
Social: Employees ⁴	KiK employees in Europe ¹	number	18,129	28,187	29,218	30,103	30,652	31,649	32,076	31,528	11.9%	73.90%
	KiK employees in Germany ²	number	14,951	19,579	19,825	19,721	19,505	19,194	19,258	18,581	-6.30%	24.30%
	Percentage of management positions held by women (base year: 2010) ³	%	58	58	58	62	58	58	60	61	5.17%	5.17%
	Trainee take-up rate (base year: 2010)	%	74	66	69	75	65	68	69	69	4.50%	-6.80%
	Percentage of trainees in the overall workforce (base year: 2010)	%	10	8.5	8.1	8.5	8.2	7.2	6.6	6.1	-28.20%	-39%
	Employment contracts subject to social security contributions (base year: 2010)	%	75	87	87	86	84	84	77	78	-10.30%	4%

*Comparison with pre-Covid-19 figures

**Basis for all years: Categories 1, 2, 3, 4, 5, 6, 7, 9, 11 and 12.

In 2022, this refers to Categories 1, 3, 4, 5, 6, 7 and 12.

***Figure not yet available

****As of November 2025

1: KiK Europe: Entire group, including all sales countries, the head office, stores, logistics, the online shop (EMX) and the sourcing offices

2: KiK DE: Head office, the sales/stores in Germany, logistics, the online shop (EMX) and the sourcing offices

3: Proportion of women: Management levels up to and including department heads and district managers

4: Figures as of 31 December of the financial year.

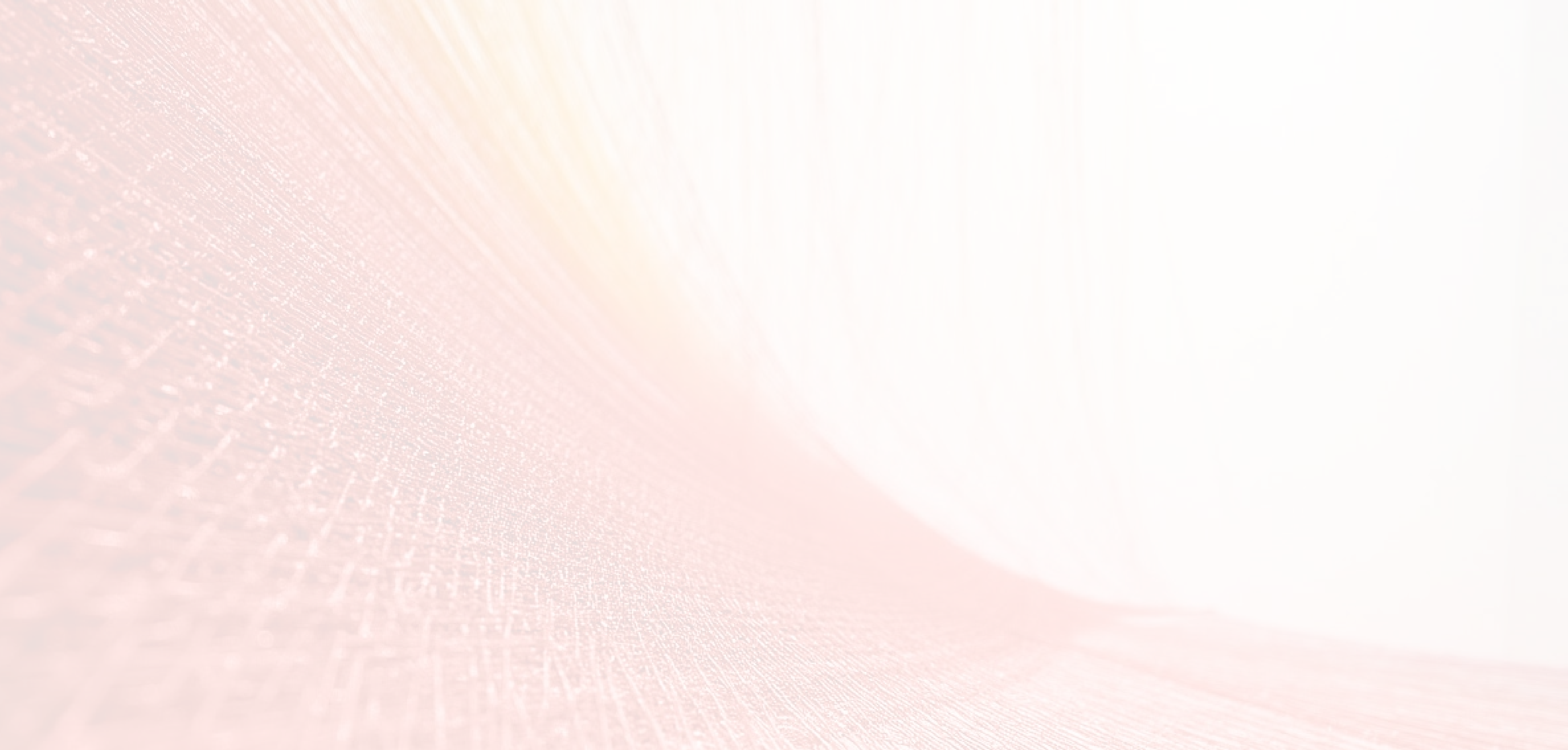
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SUSTAINABILITY REPORT 2024/2025