

**KIABI GROUP
EXTRA-FINANCIAL
REPORT
2021**

KIABI





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EDITORIAL

2021 was a difficult year for us, with the health of our teams, our customers and our partners being affected.

However, this year has seen some very good progress towards more sustainable fashion.

We know that not everything is perfect, but we continue our work year after year with honesty and sincerity to accelerate and embed our programme, working towards an increasingly responsible, sustainable, positive fashion world, with respect for resources, biodiversity and people.

Our vision is fully in line with our commitments:

“ MAKING LIFE EASIER FOR FAMILIES
BY WEAVING TOGETHER
RESPONSIBLE FASHION
AND SUSTAINABLE SOLUTIONS ”

OUR COMMITMENT TO THE PLANET

with 66% more sustainable products, the growth of our second-hand offering and the collection of end-of-life textiles.

OUR COMMITMENT TO SOCIETY

by continuing to work closely with our suppliers, the development of our «Petits Magasins» (our social business), the creation of 18 social inclusion jobs and the development of our Foundation into an Endowment Fund to broaden our scope of action internationally.

OUR SOCIAL COMMITMENT

by putting our employees at the heart of our activities, by supporting them in their professional development, by developing our social dialogue and well-being at work. In 2021, 73% of our employees found job satisfaction at KIABI (through Great Place To Work 2021 survey).

Our vision for 2030 is ambitious and engaging. We believe that the role of business is to create value, and to do it better, taking care of the planet, our people, our customers and our ecosystem.



Elisabeth Cunin
KIABI Chair



Patrick Stassi
CEO KIABI

GOVERNANCE & STRATEGY

CONTEXT AND BUSINESS MODEL

- 2021 in figures
- KIABI in the World
- 40 years of fashion at low prices
- Business model

GROUP GOVERNANCE AND STRATEGY

- Governance of KIABI group
- KIABI Group's strategy
- Our commitments for 2025
- KIABI's CSR governance

CSR RISK MAPPING

STAKEHOLDERS AND PARTNERSHIPS



CONTEXT AND BUSINESS MODEL

2021 IN FIGURES



73%

**EMPLOYEES SATISFIED
TO BE WORKING AT KIABI**
(no figures for comparison from
2020)



66%

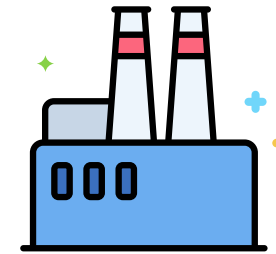
**OF PRODUCTS
PURCHASED WERE
ECO-DESIGNED**
(per item)(34% in 2020)



98%

COMPLIANT FACTORIES
(compliant / minor non compliant
audited factories of tier
1 and 2 suppliers)
(96.5% in 2020)

KIABI



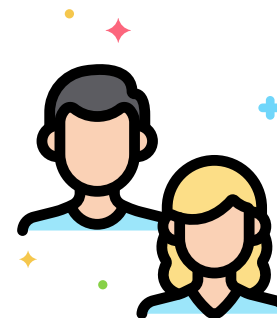
74%

**OF TIER 2 WET PROCESS
FACTORIES AUDITED**
(on environmental aspects)
(46% in 2020)



180

**TONNES OF TEXTILES
AND SHOES COLLECTED
FROM OUR CUSTOMERS
AND REUSED**
(119 in 2020)



18

**INCLUSIVE JOBS CREATED
BY KIABI'S ACTIVITIES**
(direct/indirect job creation)
(9 in 2020)

KIABI IN THE WORLD

516

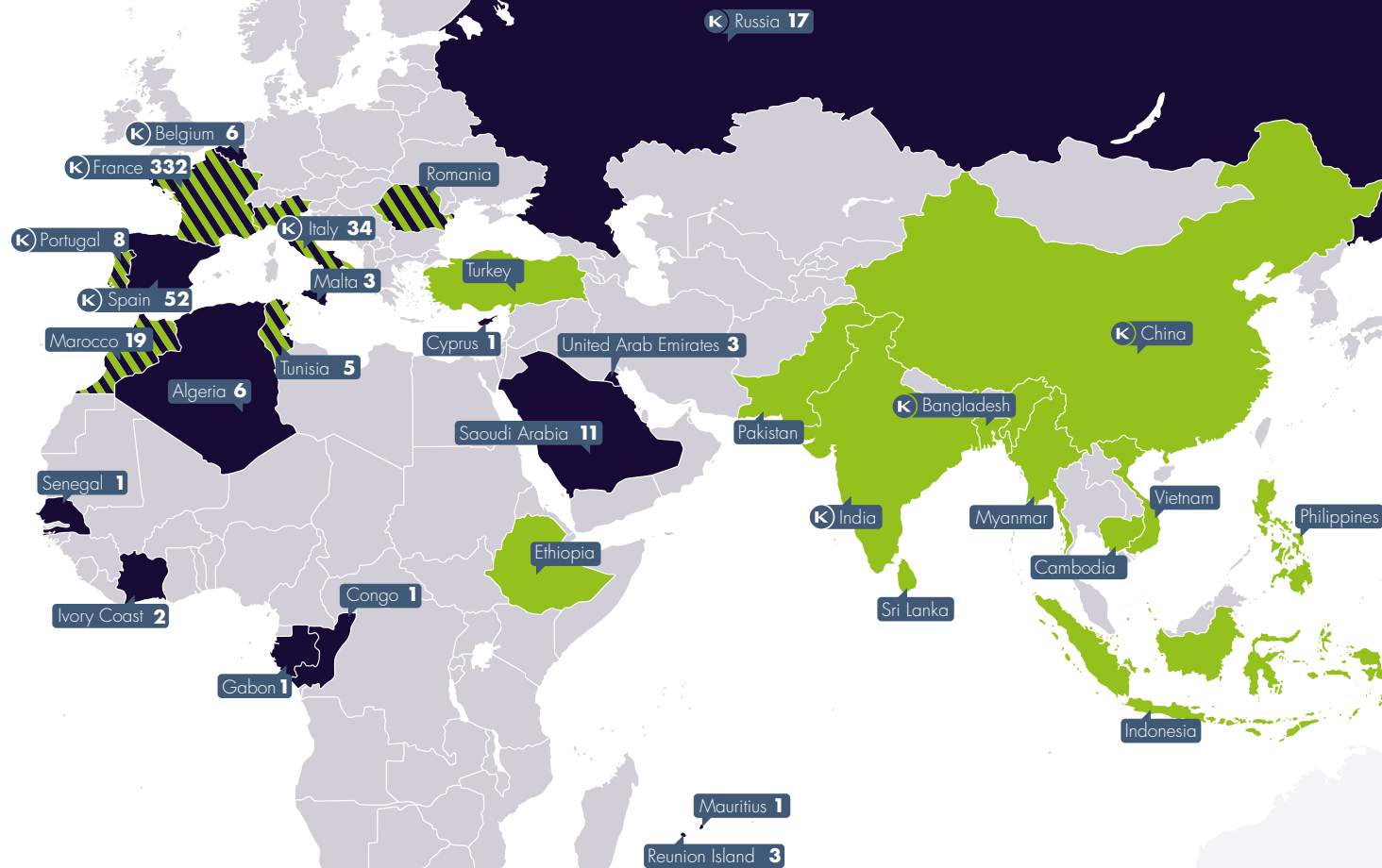
STORES
IN 21 TERRITORIES

87

PARTNERS
(FRANCHISEES, AFFILIATES)

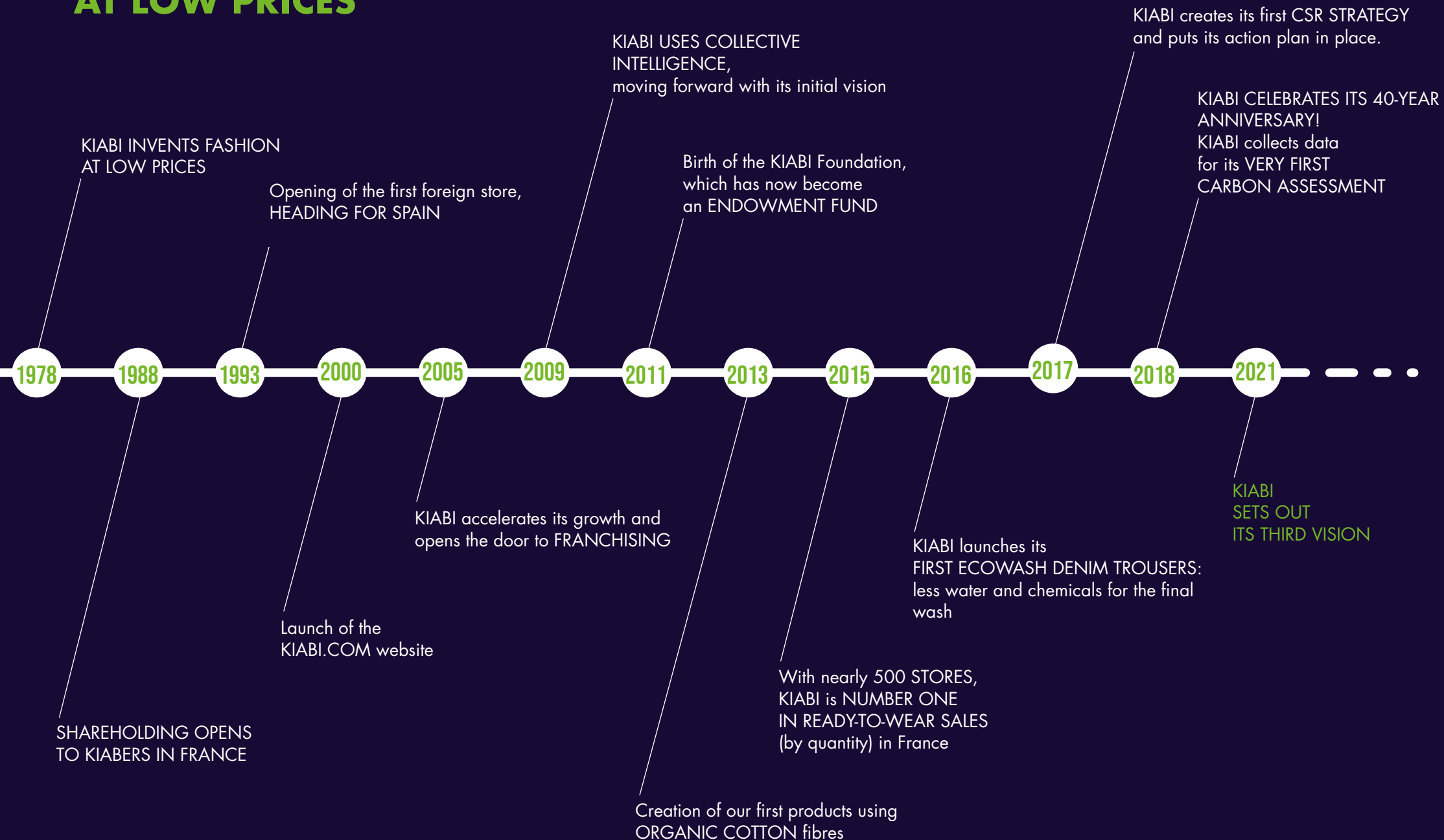
9

WEB COUNTRY SALES



- RETAIL COUNTRIES
- PRODUCTION COUNTRIES
- RETAIL AND PRODUCTION COUNTRIES
- K COUNTRIES WITH KIABERS

40 YEARS OF FASHION AT LOW PRICES



BUSINESS MODEL

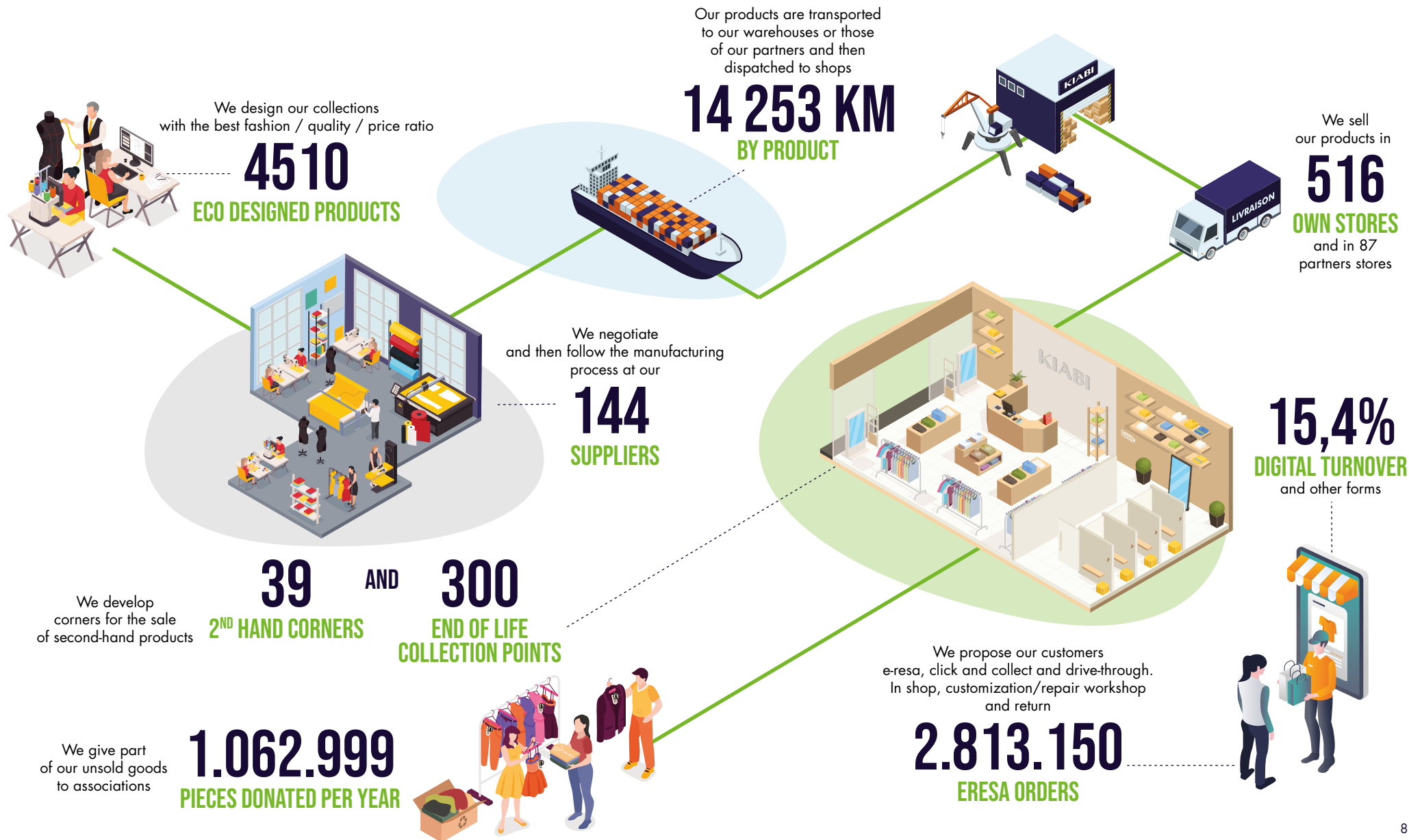
LET'S MAKE LIFE EASIER FOR FAMILIES
LET'S WORK TOGETHER TO WEAVE RESPONSIBLE FASHION
AND SUSTAINABLE SOLUTIONS

KIABI
Family business

Created in
1978

We are
9 107
KIABERS

Worldwide of which
61%
EMPLOYEE SHAREHOLDERS



GOVERNANCE AND STRATEGY OF KIABI GROUP

GOVERNANCE OF KIABI GROUP

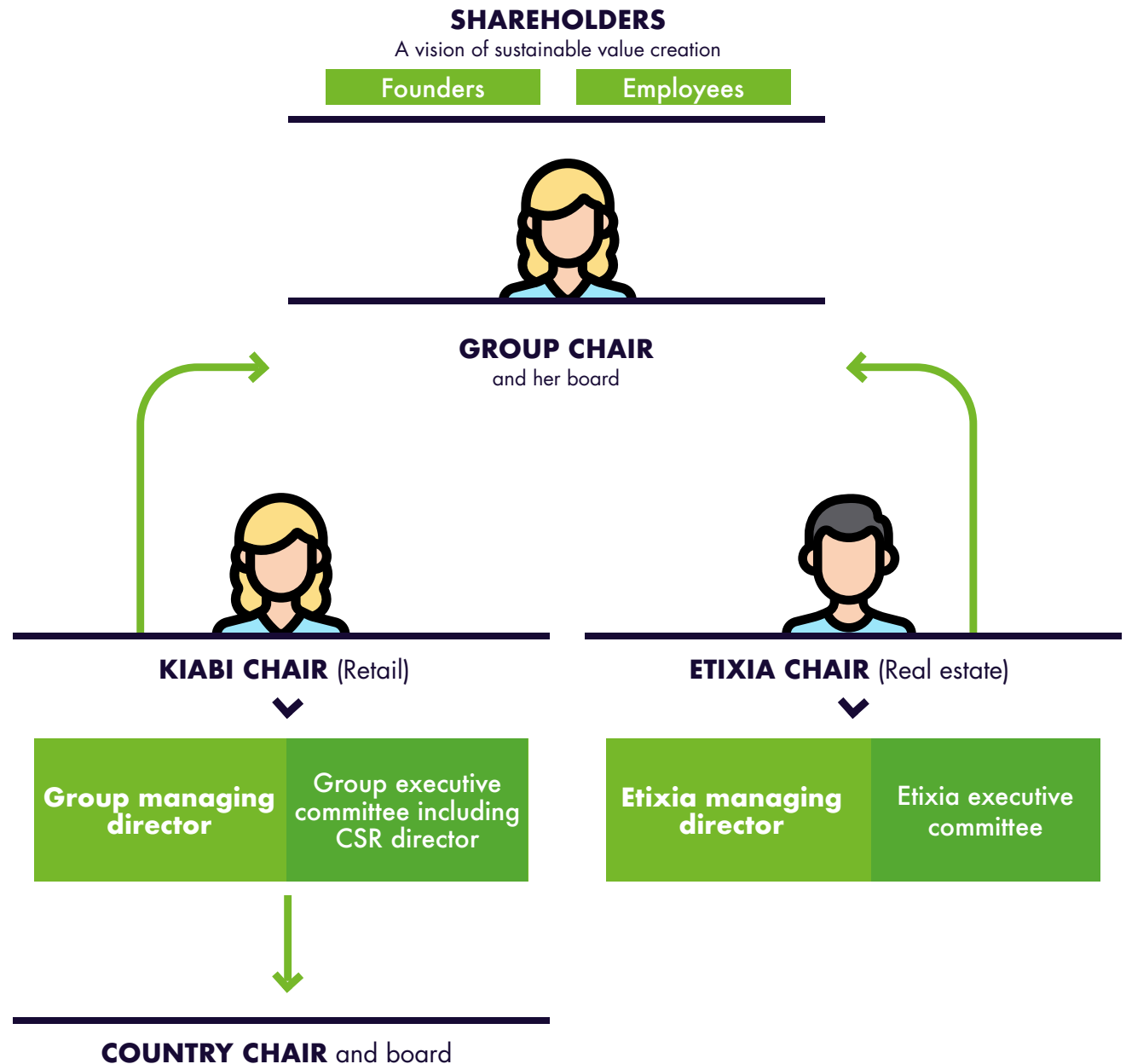
By building the company's Vision together with its employees, by giving them the freedom to be bold and take the initiative, KIABI is striving to develop talent in a fulfilling environment and share the fruits of the group's performance with its people. As shareholders of the company, Kiabers are not simply stakeholders but a constituent part of our model.

KIABI GROUP STRATEGY

In 2021, we shared our new 2030 Vision, which was initiated in 2020 using a cooperative creation process including Kiabers, our affiliated and franchisee partners and our shareholders. Over 100 people, both internal and external, contributed to creating this vision. We were accompanied in this Vision process by Kea, the first strategy consulting firm to adopt the status of social enterprise ("entreprise à mission" in France). We used the process to rewrite our mission statement, our ambition and our main areas for action.

THIS VISION PUTS CSR AT THE CENTRE OF THE COMPANY'S STRATEGY AND PERMEATES ALL OUR DEPARTMENTS AND SUBSIDIARIES.

The annual roadmap, which is more operational, is then implemented in each subsidiary and department. It identifies each business unit's priorities and action plans for the year.



Vision

2030



Become the favourite brand for families

#Signature relationship
#Inclusiveness #Customer knowledge



Let's be a local trader

#Autonomy #Entrepreneur
#Diversification of business models

LET'S MAKE LIFE EASIER
FOR FAMILIES
LET'S WORK TOGETHER
TO WEAVE RESPONSIBLE
FASHION AND SUSTAINABLE
SOLUTIONS



Démocratize products and services with positive impact

#Co creation #Sustainable
#Right affordable price



**Let's become entrepreneurial
Kiabers open to our ecosystem**

#Local animation #Partnership #Community





OUR COMMITMENTS FOR 2025

“ BECOME THE FAVORITE BRAND FOR FAMILIES ”

- ZERO HAZARDOUS CHEMICALS IN MANUFACTURING PROCESSES AND FINISHED PRODUCTS
- TRACEABILITY OF PRODUCTS FROM FIELD TO FINISHED PRODUCT
- 95% OF OUR WEB SITES ARE ACCESSIBLE TO PEOPLE WITH DISABILITIES (RGAA)
- 85% SATISFACTION RATE FOR KIABERS
- BETWEEN 250,000 AND 300,000 BENEFICIARIES OF OUR “PETITS MAGASINS”

“ DEMOCRATISE PRODUCTS AND SERVICES WITH POSITIVE IMPACTS ”

- 100% OF SUSTAINABLE FIBRES IN OUR CLOTHING
- -25% CARBON INTENSITY (BASE 2018 SCOPE 1/2/3)
- 50% RENEWABLE ENERGY IN OUR OWN OPERATIONS
- 80% OF THE WASTE FROM OUR SITES SORTED
- AIR FREIGHT DOES NOT EXCEED 2% OF OUR TRANSPORT USAGE
- ELIMINATE 100% OF SINGLE-USE PLASTICS IN OUR BTOC PACKAGINGS

“ LET’S BE A LOCAL BUSINESS ”

- 100% OF STORES COLLECT END-OF-LIFE TEXTILES FROM OUR CUSTOMERS (2023)
- 2000 TONNES OF USED TEXTILES AND SHOES COLLECTED FROM OUR CUSTOMERS
- 1 ECO-AMBASSADOR IDENTIFIED IN 100% OF OUR STORES AND OFFICES
- 100 SOCIAL INCLUSION JOBS CREATED BY KIABI’S ACTIVITIES

“ LET’S BECOME KIABER ENTREPRENEURS AWARE OF OUR ECOSYSTEM ”

- MORE THAN 95% OF THE FACTORIES’ SOCIAL AUDITS WERE COMPLIANT OR HAD MINOR NON-CONFORMITIES (TIER 1 AND 2)
- 100% OF TIER 2 FACTORIES AUDITED ON ENVIRONMENTAL ASPECTS (2023)
- 100% OF NON MERCHANT SUPPLIERS ASSESSED ACCORDING TO CSR CRITERIA (EXTERNAL ASSESSMENT)
- JOIN A NON-GOVERNMENTAL ORGANISATION SPECIALISING IN FAIR WAGES
- 100% OF EMPLOYEES / SUPPLIERS / PARTNERS SIGN OUR CODE OF CONDUCT OR CODE OF ETHICS



KIABI'S CSR GOVERNANCE

Our CSR policy cannot be decreed, it must be shared.

To ensure that it is implemented effectively throughout the company, business project managers, advisers and

CSR ambassadors are involved in its deployment within our Business Units and support services.

The project managers provide expertise on business area subjects created in cooperation with the CSR team. An example of this is the eco-developer working on eco-design issues.

The advisers' role is to co-manage the implementation of KIABI's strategy in the various departments or subsidiaries with the CSR team. During their normal working hours – one day per month for example – they dedicate time to sharing information on CSR with the Kiabers in their areas and report back on requests. They also contribute to creating the CSR roadmap for their area of responsibility as well as following up its deployment through key indicators adapted to each business unit.

The ambassadors have the task of sharing CSR-related information with stores in France. For example, reporting on local issues and organising a CSR action per store.

By the end of 2021 we had assigned at least one adviser to most of our large entities and organised at least one video-conference kick-off meeting with them.

A MEASURED ADVANCE

We are making progress every day to help build a world that is more united and more respectful of the planet.

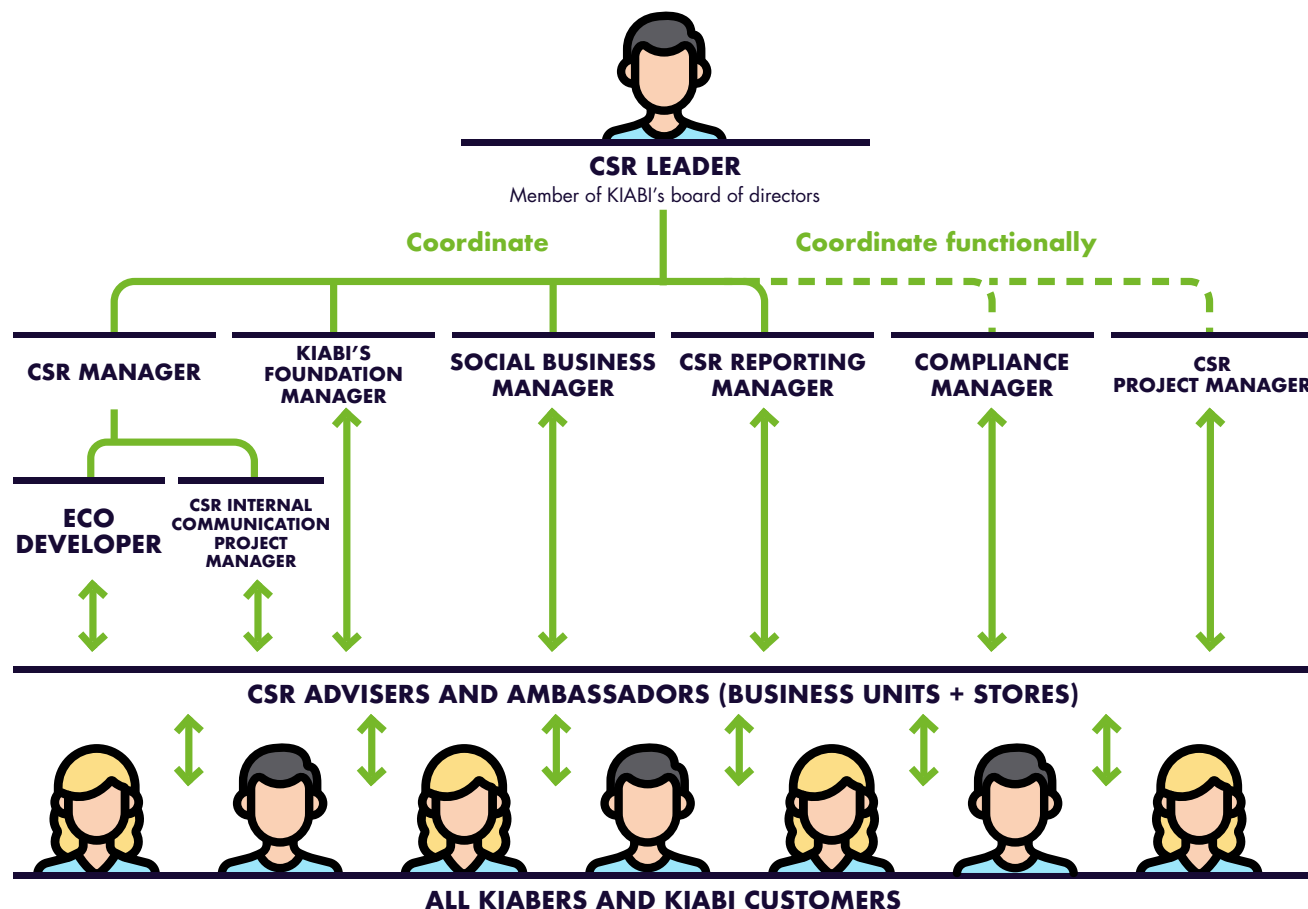
Each of our subsidiaries and each of our major operational departments are now aware of their major social and environmental challenges, incorporating them into operations and management charts.

To increase efficiency, we measure the impact of our actions based on clear indicators. In 2021, our annual extra-financial performance declaration implemented the new indicators defined in 2020 with Deloitte Environment

an independent consulting firm. These indicators are used by the various bodies that steer our CSR strategy.

Every quarter, our CSR Strategy Committee, which includes representatives from the company's main business lines – Collections, Purchasing, Social and Environmental Compliance, Human Resources and Operations – and challenges the subsidiaries' roadmaps based on these indicators.

This is also the case in the operational committees set up by certain subsidiaries, such as the French store network, which monitors the scope of projects carried out by expert employees.



CSR RISK MAPPING (including risks covered by the risk management plan)

ISSUE	Risks	Main extra-financial risks	KIABI Vision	Commitments 2025	Key indicators performance and outcome indicators	Part of the report concerned
Environmental	Environmental impact of KIABI products production	<ul style="list-style-type: none"> Degradation of biodiversity, Potential depletion of non-renewable resources Global warming (increased greenhouse gas emissions) 	Axis 2: democratise products and services with positive impact through our eco-designed product offering: choosing lower impact materials and influencing our suppliers to invest in less environmentally damaging processes	Commit to a 25% reduction in our carbon emissions through: <ul style="list-style-type: none"> Use air freight not exceeding 2% of our total transport usage 100% of KIABI's offering integrating an eco-design feature Elimination of all single-use plastics from BTOC packaging Achieving 50% renewable energy in our own operations 	<ul style="list-style-type: none"> % of purchases by material (by weight) % of sustainable fibres in our clothing (per item) % of eco-designed products purchased (per item) 	P19: <ul style="list-style-type: none"> Sustainable fashion Carbon footprint and biodiversity
	Environmental impacts of end-of-life products	<ul style="list-style-type: none"> Waste and pollution due to lack of product recovery and recycling Risk of strong regulatory changes on recycling 	Axis 2: democratise products and services with positive impact through "all-season" ranges and an eco-designed offering: offering more sustainable products and products made from recycled materials	<ul style="list-style-type: none"> 2000 tonnes of used textiles and shoes collected from our customers 100% of stores with collection facilities 	<ul style="list-style-type: none"> % of garments designed using lower impact processing Number of factory environmental audits per country for tier 1 and 2 suppliers % of Tier 2 factories using wet process audited 	P23 to 26: <ul style="list-style-type: none"> Sustainable fashion The product life cycle Product design
Environmental/ Social	Risk to consumer safety	<ul style="list-style-type: none"> Regulatory non-compliance (REACH, etc) Consumer health & safety issues (medical conditions, disability, injuries) 	Axis 1: become the favourite brand for families by being helpful to all families: make product information available to our customers through product traceability and ensure the safety of our products	<ul style="list-style-type: none"> No hazardous chemicals used in the manufacturing process and in our products Traceability of factories from field to customer 	<ul style="list-style-type: none"> Number of customer alerts related to product health and safety issues Number of product lines withdrawn from sale 	P30: <ul style="list-style-type: none"> Sustainable fashion The product life cycle Management of unsold goods P31: <ul style="list-style-type: none"> Sustainable fashion The product life cycle End-of-life products and recycling
Societal	Societal impacts related to the production of KIABI products	<ul style="list-style-type: none"> Failure to ensure physical safety of employees in their workplace Failure to protect workers' health 	Axis 4: Let's become Kiabi entrepreneurs, aware of our ecosystem: taking care of the indirect employees in our value chain	<ul style="list-style-type: none"> Traceability of factories from field to customer 95% of social audits in factories are said to be compliant or to have minor non-conformities for Tier 1 and Tier 2 factories 	<ul style="list-style-type: none"> % of Tier 1 suppliers trained in the KIABI Code of Conduct Number of social audits of factories by country for tier 1 and 2 suppliers % social compliance (compliant / minor non-conformities) in tier 1 and 2 supplier factories audited 	P53-55: <ul style="list-style-type: none"> Kiabers at the heart of fashion Our partners: active in our social approach

CSR RISK MAPPING (risks not covered by the risk management plan)

ISSUE	Risks	Main extra-financial risks	KIABI Vision	Commitments 2025	Key indicators performance and outcome indicators	Part of the report concerned
Social	Internal social climate	<ul style="list-style-type: none"> Degradation of social dialogue and working conditions related to social policy Reputational risk for KIABI 	Axis 4: Let's become Kiaber entrepreneurs, aware of our ecosystem, by creating a unique link with our eco-system: taking care of our employees	85% of Kiabers are satisfied working at KIABI	<ul style="list-style-type: none"> Turnover Kiabers' satisfaction rate (Great Place to Work) 	P51: - Kiabers at the heart of fashion - Fluent social dialogue: the key to a peaceful social climate
	Impact on employee health and safety	Deterioration of employees health/safety which may lead to: <ul style="list-style-type: none"> - musculoskeletal disorders related to logistics and store activities, resulting in work stoppages, partial disability (and ultimately a reduction in resources) - psychological disorders following attacks, particularly in stores - Work-related accidents - psychological fragility of populations affected by organisational changes - illness or anxiety in the event of epidemics 	Axis 4: Let's become Kiaber entrepreneurs, aware of our ecosystem, by creating a unique link with our eco-system: taking care of our employees		<ul style="list-style-type: none"> Frequency rate of accidents at work % of workforce suffering from occupational conditions Absenteeism rate 	P52: - Kiabers at the heart of fashion - Preserving the health and the safety of Kiabers: a priority
	Impact of skills management on the employability of employees	<ul style="list-style-type: none"> Obsolescence of skills due to a lack of support from KIABI Inability to attract, retain and motivate the talents needed for the functioning and development of the company's activities Loss of attraction to potential candidates 	Axis 4: Let's become Kiaber entrepreneurs, aware of our ecosystem by creating a unique link with our eco-system / by being open-minded towards our eco-system / by supporting our Kiabers to adopt the mindset of a local entrepreneur: taking care of employees, offering training and jobs adapted to the company's changing needs		<ul style="list-style-type: none"> Number of hours of training Average number of hours of training per employee trained % of Kiabers trained % of Kiabers with different capabilities 	P49-50: - Kiabers at the heart of fashion - Managing talent to prepare for the future

STAKEHOLDERS AND PARTNERSHIPS

“Stakeholders” are persons, private or public, natural or legal, who have a relationship with the KIABI Group. We will develop our interactions with them in each section describing our action plans.

CUSTOMERS
SUPPLIERS
KIABERS
FRANCHISEES
ASSOCIATIONS
SERVICE PROVIDERS
AFFILIATES

PARTNERSHIPS

FASHION PACT

<https://www.thefashionpact.org/?lang=en>



Fashion Pact is a global coalition of fashion and textile companies (ready-to-wear, sports, lifestyle and luxury) as well as suppliers and distributors, committed to a common set of major environmental objectives centred on three themes: stopping global warming, restoring biodiversity and protecting the oceans. This was prompted by a mission entrusted by French President Emmanuel Macron to François-Henri Pinault, CEO of Kering. It was presented on 26 August 2019 to the heads of state gathered at the G7 Summit in Biarritz. KIABI has been a member of this coalition since 2019. We share our progress on these issues annually through a quantitative questionnaire. The association, supported by the non-governmental organisations Reset (Oceans), Conservatory International (Biodiversity) and 2050 (Climate), provides its members with working groups on good practices or common actions.

PARIS GOOD FASHION

<https://parisgoodfashion.fr/en/>



Is an association that aims to make Paris the capital of more responsible fashion by 2024, the year of the Olympic Games. Created in 2019 as an initiative of the Paris city authorities, Paris Good Fashion brings together more than a hundred players (major groups, retailers, NGOs, federations, start-ups, etc.), with a common objective: to accelerate environmental and social transition in the sector. Since the end of 2021, KIABI has been working daily to improve and transform industry practices through its participation in working groups.

ACTS AND FACTS

<https://actsandfacts.org>



Is a movement of individuals and companies working together to lead concrete actions to accelerate environmental transition. KIABI has been a member since 2019 and participates in working groups on the eco-design of products, employee awareness of environmental issues and the recycling of end-of-life textiles.

REFASHION

<https://refashion.fr/en>



Refashion is the eco-organisation for the recycling of clothing, house linen and footwear in France. It manages the prevention of waste and management of the end-of-service life of products on behalf of the 5000 companies placing goods onto the market. At the heart of the textile, clothing, linen and footwear industry's ecosystem, Refashion provides tools, services and information that facilitate and accelerate transformation towards a circular economy. KIABI has been a member of Refashion for over 10 years and a shareholder for 3 years. We participate in the board of directors and also in multi-company working groups such as the nomenclature, eco-modulation and communication committees.

LIVE FOR GOOD

<https://live-for-good.org/fr>



Supporting young people and mobilising companies to accelerate environmental and social transition. Since 2020, KIABI has been participating by supporting 5 start-ups each year through the sponsorship of employees' skills.

AMFORI

<https://www.amfori.org/>



KIABI joined Amfori in 2018. We share the values and mission of Amfori, which believes that today it is important to take into account people and the planet in our actions in addition to the economic aspect. We are jointly committed to improving our use of natural resources and to open trade relations.

ICS (INITIATIVE FOR COMPLIANCE AND SUSTAINABILITY)

<https://ics-asso.org/>



ICS is an international initiative that aims to improve working conditions throughout the chain of its retailers and brand members. We joined them in December 2021 to cooperate on common tools and share our factory audits. In this way, we contribute to reducing supplier audit fatigue, sharing our knowledge and best practices and working together to build traceability in our supplies.

ILO (INTERNATIONAL LABOUR ORGANIZATION)

<https://www.ilo.org/global/lang-en/index.htm>



The COVID-19 crisis has caused severe economic disruption throughout the clothing industry. The Call to Action of the ILO, a body linked to the United Nations, aims to protect the income, health and employment of workers in the sector during this period. This global action also calls for progress towards a sustainable social protection system for a fairer and more resilient fashion industry which is aligned with our Vision at KIABI.

TEXTILE EXCHANGE

<https://textileexchange.org/>



Is a non-profit organisation generating positive climate change impact for the textile and clothing industry. It supports a growing community of brands, manufacturers and farmers towards rethinking production from the beginning of the supply chain. By 2030, its goal is for the industry to reduce its greenhouse gas emissions by 45% in fibre production. Its approach is comprehensive and coordinated, with the aim of accelerating the adoption of agricultural practices that improve water, soil and biodiversity. For real change, everyone needs a clear direction towards positive impact. That's why Textile Exchange believes that an accessible, continuous improvement approach combined with collective action can shift the paradigm to make more sustainable materials and fibres a mainstream option, by mobilising industry leaders through achievable strategies, concrete solutions and a motivated community.

BETTER COTTON INITIATIVE

<https://bettercotton.org//>



Is a global non-profit organisation that aims to train cotton farmers in more sustainable agricultural practices to improve their quality of life and reduce the impact of cotton on the environment. This support aims to inform growers of the conditions required to comply with workers' rights, how to use water efficiently, take care of the soil and habitats and reduce the use of the most harmful chemicals in cotton cultivation. KIABI has been supporting the Better Cotton Initiative since 2019.

ORGANIC COTTON ACCELERATOR

<https://www.organiccottonaccelerator.org/>



OCA unites the textile sector to unlock the potential of organic cotton and generate positive change for people and the planet. OCA believes that by working together, it is possible to create the conditions for organic cotton to thrive. Every dollar invested in their programme improves farmers' prosperity, contributes to sustainability and ultimately strengthens the integrity of the cotton sector. OCA supports farmers because they are the catalysts for change, the guardians of the earth. Supporting the farmer strengthens the cotton sector and saves the planet. KIABI joined OCA in 2021.

ASSOCIATIONS / NGOS



KIABI is a member of the Fair Trade Association, signatory of an agreement with Business Social Compliance Initiative/ Business Environmental Performance Initiative since 2018. We support numerous associations mostly through our Endowment Fund, including the "Ligue contre le Cancer", the "Agence du Don en Nature", "Humana Italy", the Red Cross, the "Croix Rouge insertion", etc.



We joined the French "Entreprise Engagée pour la Nature" initiative in 2020.

MEDIA

We are happy to communicate with the media. We have been providing an annual press conference in France and responding to their occasional requests since 2019.

ETHICS AND CORRUPTION

Business ethics is a common approach, based on values we share with all Kiabers and stakeholders of the KIABI Group. It is expressed by behaviours and actions that demand common sense, discernment and responsibility while setting an example to others.

It is up to us both individually and collectively to respect and promote it. Our ethics, which are set out in our codes of conduct such as the anti-corruption code of conduct, the supplier code of conduct, our internal regulations and our commitments in terms of social and environmental responsibilities, are based on the following key areas:

- Ensuring ethics and compliance with laws and regulations
- Developing sustainable fashion
- Commitment to people

An ethics and compliance committee ensures the effectiveness and efficiency of compliance measures in areas such as:

- Prevention of corruption and good business practice
- Protection of personal data
- Respect for human rights and the environment

Employees and stakeholders can also raise an alert anywhere in the world via this channel:

<https://report.whistleb.com/en/start>

FOR MORE RESPONSIBLE FASHION

CARBON AND BIODIVERSITY ASSESSMENTS

PRODUCT LIFE CYCLE

- Product design
- Product transport
- Management of unsold goods
- End-of-life products and recycling

FACTORIES AND PRODUCT COMPLIANCE

- Factories environmental compliance
- Product conformity

TOWARDS MORE RESPONSIBLE CONSUMPTION

- Optimised care instructions
- Dedicated areas instores and on our website for second hand goods
- Maternity clothes hire
- One tree planted for each baby booklet opened



“ With our awareness of the environmental impact of the textile industry and its distribution channels, we are implementing a number of actions to try to limit its scope as far as possible. We have measured the product life cycle from design to end of life, including manufacture, transport and customer use, and found that it causes pollution and consumes a lot of energy. With this in mind, we are developing the use of more sustainable raw materials, choosing alternative modes of transport and solutions for reusing our clothes at the end of their life, as well as raising customer awareness of more responsible consumption. ”

Julie Silvert

Director of Collection

2021 ESSENTIALS

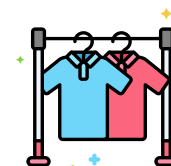
- **ACCELERATE ECO-DESIGN** of our products by using more sustainable materials, and more specifically organic cotton
- **DEVELOPING OUR SECOND-HAND OFFERING** with dedicated areas in our stores in France, Spain, Italy and Belgium and via a dedicated website
- **INCREASE THE AMOUNT OF CLOTHING DONATIONS** of unsold stock
- **COMMITMENT TO ADEME** via the FRET 21 initiative, which aims to reduce the carbon emissions of our product transport



2021 INDICATORS



63% OF MATERIALS IN OUR SUMMER 21 AND WINTER 21 COLLECTIONS WERE MORE SUSTAINABLE



34% OF OUR UNSOLD GOODS WERE DONATED TO ASSOCIATIONS



39 IN-STORE SECOND-HAND AREAS



180 TONNES OF TEXTILES AND SHOES COLLECTED AND REUSED



RELEVANT STAKEHOLDERS

- Suppliers: with whom we work on the eco-design of our products
- Customers: whom we support towards more responsible consumption
- Partners: I Care, advising on biodiversity and carbon footprints, Le Relais for the re-use of our collected clothes and shoes
- Organisations: Ademe (via the FRET 21 project), which supports us in monitoring our greenhouse gas emissions from product transport
- Associations: beneficiaries of our clothing donations

CARBON AND BIODIVERSITY ASSESSMENT

CARBON FOOTPRINT: OUR PRODUCTS ARE A MAJOR CONTRIBUTOR TO OUR CARBON FOOTPRINT

In 2019, we conducted a scope 3 carbon assessment, covering all our activities worldwide. This assessment, carried out with the consulting firm I Care and Consult, enabled us to gain full awareness of our of our CO₂ emissions and understand their distribution across our activity.

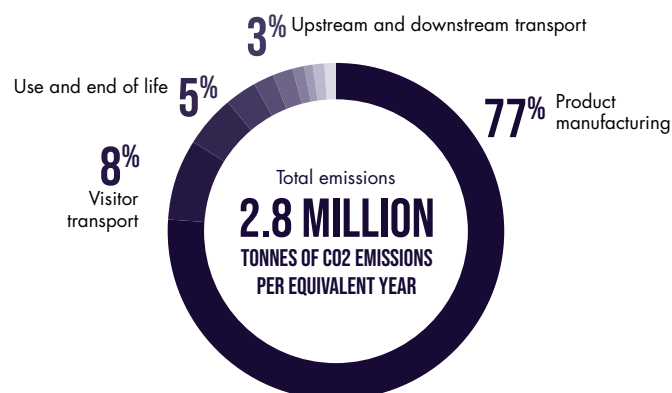
This allowed us to assess the total volume of our emissions at 2.8 million tonnes for the year 2018, and more precisely, to measure the very significant impact that our products on these emissions, throughout their entire life cycle:

- Raw material production and manufacturing at our suppliers: 2.1 million tonnes of CO₂ equivalent, i.e. 77% of our total emissions.
- Product use by the consumer and its end of life: 5% of our estimated emissions.

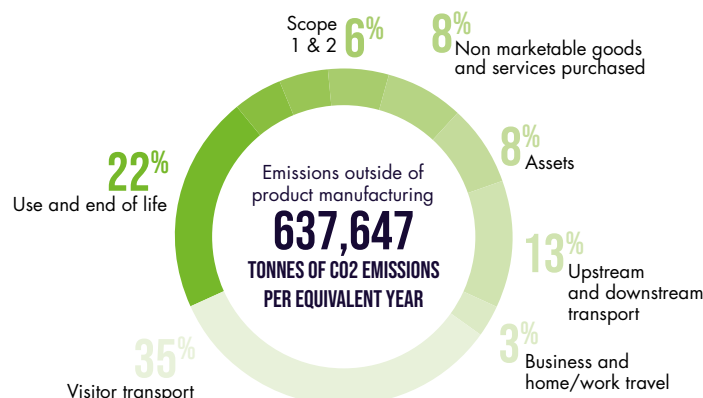
This assessment also highlights that transporting our products only accounts for 3% of our greenhouse emissions. We are still working to improve in this area, as there are major differences between the various modes of transport available to us. Finally, we have measured the impact of customers using transport to visit our stores on our carbon footprint.

Source "Bilan carbone scope 3 exercice 2018", I Care and consult (Ademe method)

77% OF IMPACTS RELATED TO RAW MATERIALS
AND PRODUCT MANUFACTURING



FOCUS ON EMISSIONS OUTSIDE OF
PRODUCT MANUFACTURING



FOCUS REMINDER OF OUR CSR STRATEGY:

Our CSR strategy takes these elements into account and sets the following major objectives:

	OBJECTIVES
The use of more sustainable textile fibres in our products	100% IN 2025
The implementation of more steam and energy efficient processes	100% ECO WASH FOR OUR DENIMS IN 2023
Reducing the use of air transport	2% MAXIMUM IN 2025
Reducing energy consumption at our European sites	-3% PER YEAR BY 2025

Extracts from KIABI CSR Strategy, YEAR 2020

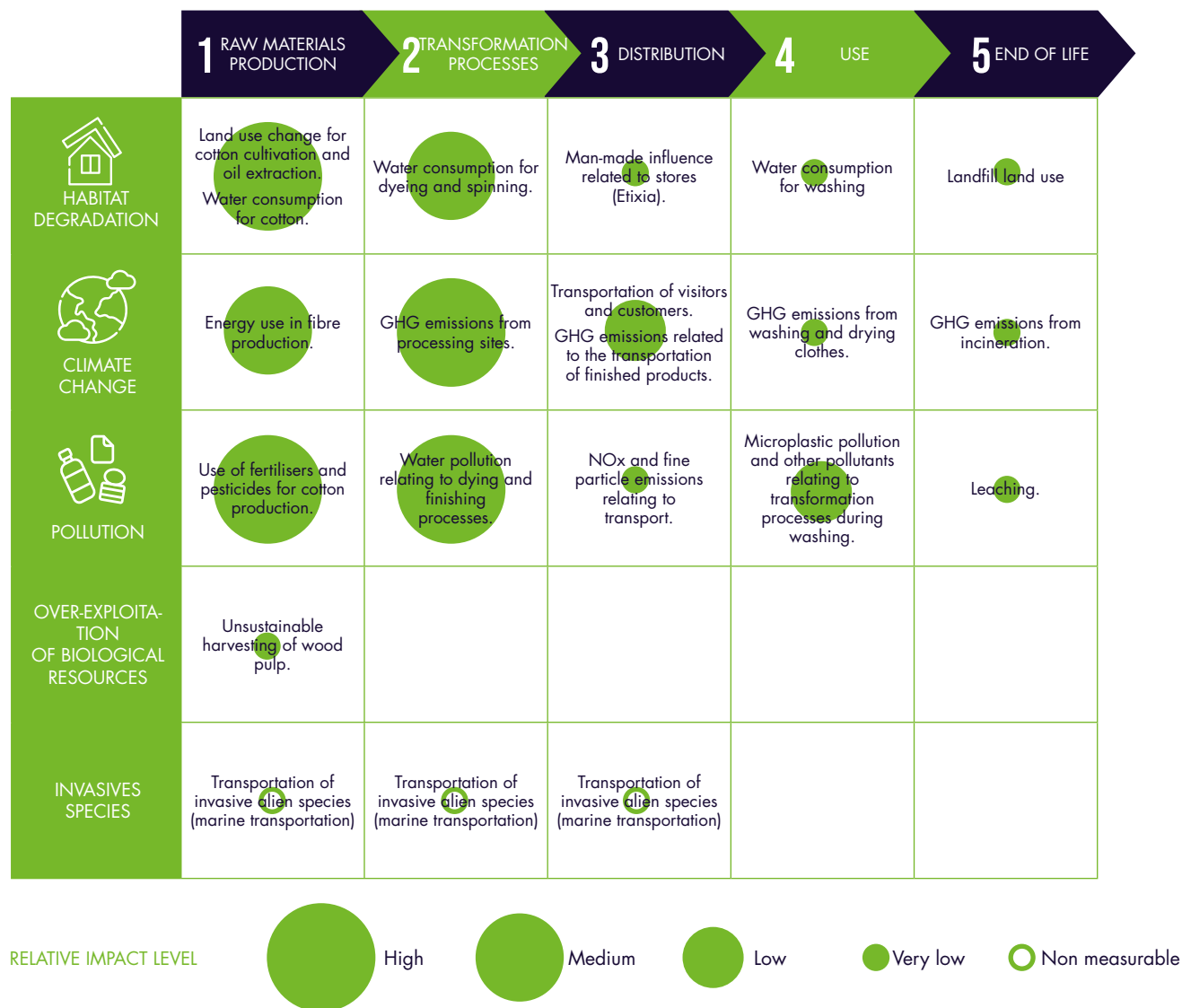


GOING FURTHER, A GLOBAL BIODIVERSITY ASSESSMENT

In 2020 – 2021, we wanted to go further and complete our carbon footprint with a global biodiversity footprint, based on our 2019 activities, also carried out with I Care and Consult.

This allowed us to identify the main risks to biodiversity in our business and update some of our CSR action plans accordingly.

Some actions are still being defined.



From the production of raw materials to their transformation into finished products, our products negatively impact habitats, accelerate climate change and generate pollution.



IMPACT 1: HABITAT DEGRADATION

The production of raw materials, in particular cotton, occupies large areas of agricultural land and therefore impacts local biodiversity.

Our biodiversity assessment allowed us to determine that the carbon footprint of our stores represents only a very small part of our impact on the habitat, unlike that of the upstream production chain.



IMPACT 2: ACCELERATING CLIMATE CHANGE

The conventional production of natural fibres such as cotton, artificial fibres such as viscose and synthetic fibres such as polyester and polyamide consumes a lot of fossil fuels, which are the cause of greenhouse gas emissions. It is mainly the dyeing and washing processes that cause this impact.



IMPACT 3: INCREASED POLLUTION (WATER, SOIL, AIR)

Cotton production in the field also pollutes soil and water through the intensive use of fertilisers and pesticides. The successive transformations into yarn, then fabric and finally the dyeing process consume water and chemicals. These manufacturing steps generate a decrease in biodiversity, CO2 emissions and freshwater pollution.

CONCRETE ACTIONS TO REDUCE OUR IMPACT ON BIODIVERSITY

Based on these findings, we have written action plans that we update according to the level of impact that our industrial activity puts on biodiversity.

ACTION PLANS AND OBJECTIVES

IMPACT	ACTION PLAN	DEADLINE
Habitat degradation	Replace our textile raw materials with more sustainable fibres (organic, recycled, more innovative) Offer all our standard fabrics in a sustainable version and quantify their impact to help in the decision-making process	2025
	Develop textile recycling loops (open or closed) and use yarns from our end-of-life products	2025
	Reduce the number of accessories on our products, substituting them with more sustainable alternatives	2023
	Reduce cutting and production losses by reviewing cutting, tailoring and alternative methods	2023 to 2030
	Extend the life of our products through our raw materials, our manufacturing	2025 to 2030
Climate change and Pollution	Promote manufacturing processes (dyeing, printing, washing) that save energy, water and chemicals	2025 to 2030
	Identify water recycling channels for water-consuming factories (dyeing, printing, washing)	2023
	Encourage our suppliers to obtain an ISO 14001 environmental management certification for their factories	2023
	Develop awareness-raising materials for our customers: smart maintenance advice sheets	2022
	Review our online delivery packaging	2025

GOING FURTHER: TRAINING AND WORKING GROUPS

Raising awareness and training our teams on the subject of responsible manufacturing is a key element of our CSR strategy and has been integrated in our e-learning on CSR strategy (e-learning 2021) and more sustainable materials (e-learning available in 2022).

We have also offered a webinar to French and Portuguese employees in March 2021 to explain our main environmental impacts and our reforestation approach.

With the aim of advancing the entire textile industry, we participate in multi-company working groups to:

- Reduce, reuse, repair, recycle textiles with Refashion*, since 2019
- Measure our carbon trajectory (via the ACT method) with ADEME*, since 2020
- Implement environmental labelling on our textile products with ADEME* and the EU, from 2020
- Improve the traceability of our products with the French "Comité Filière Mode et Luxe" (Fashion and Luxury committee)* / Ministry of Industry, since 2021
- Improve the collection and recycling of the textile sector in France with the Estia engineering school and Cetia, since 2021

Our assessment shows that our scope 3 carbon impact (raw materials, product processing, transport, energy consumption of our sites) has decreased, but also that we need to focus on continuous improvement actions.

Our results are still not compliant with the objectives of the Paris agreements (limiting global warming to a maximum of +2°C by 2050).

So, we continue to challenge our material, manufacturing and packaging strategies so that we can go even further in reducing our CO2 impact.



PRODUCT LIFE CYCLE

PRODUCT DESIGN

WHAT'S THAT?

ECO-DESIGN, WHAT DOES IT MEAN?

At KIABI, our job is to imagine, prototype and develop trendy and accessible clothes for all. The design of our products must be as sustainable as possible by limiting our impact on our planet.



A product is considered eco-designed if at least one major action is taken to limit its environmental footprint at any stage of its life cycle. These actions can be related to the use of more sustainable materials, as well as more responsible transformation processes.

MORE SUSTAINABLE RAW MATERIALS

A better selection of raw materials is the main lever we have used since 2018 to limit our environmental impact. For example, in 2021 we integrated more sustainably produced raw materials into our collections.

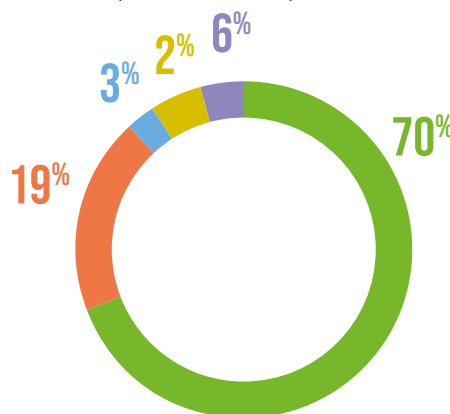
Cotton and polyester represent the vast majority of the raw materials used in our collections, followed by viscose and polyamide. Our ambition is to continue to keep this balance of materials – known for their softness, strength and practicality – in our collections, but gradually opt for more sustainable alternatives (organic cotton, recycled cotton, recycled polyester, Ecovero(TM) viscose, etc.), until we reach our objective of 100% more sustainable textile materials by 2025.

The alternatives considered more sustainable by KIABI are those that save energy, water, chemicals and limit water pollution and the degradation of wildlife habitats and ecosystems.

TEXTILE MATERIAL	PRODUCT QUALITIES	ENVIRONMENTAL ISSUES	MORE SUSTAINABLE SHORT-TERM SOLUTIONS	MORE SUSTAINABLE SOLUTIONS IN THE LONG TERM
Cotton	<ul style="list-style-type: none"> Soft Absorbent Tough durable Breathable 	<ul style="list-style-type: none"> Very high water consumption Use of chemicals, pesticides, GMOs 	<ul style="list-style-type: none"> BCI cotton: cotton that limits the use of water and pesticides Organic cotton: grown without pesticides, with natural fertilisers and a more measured use of water Transitional cotton: same techniques as organic cotton, but not yet certified organic Recycled cotton: use of production scraps or end-of-life cotton products to recreate yarn incorporating 20% recycled cotton 80% virgin cotton, available for new garments Other natural materials: linen and hemp, materials that are more economical with water and chemicals 	<ul style="list-style-type: none"> Other cotton partnerships: OCA cotton, Fair Trade cotton, Max Havelaar cotton Increase the proportion of recycled cotton in our products Soil-free cotton: study on the possibility of growing cotton in the laboratory with low water consumption, without pesticides, without chemicals, without impacting the soil
Polyester Polyamide	<ul style="list-style-type: none"> Strong Lightweight, easy to maintain 	<ul style="list-style-type: none"> Consumption of non-renewable fossil energy Use of toxic chemicals Release of plastic microparticles during household washing 	<ul style="list-style-type: none"> Recycled plastics up to 100% of the product composition: use of production off-cuts, end-of-life plastics or waste plastic bottles 	<ul style="list-style-type: none"> Innovative cellulose materials such as Pinatex, milk casein, recycled cotton viscose
Viscose	<ul style="list-style-type: none"> Breathable Absorbent Soft 	<ul style="list-style-type: none"> Use of many chemicals 	<ul style="list-style-type: none"> More sustainable viscose materials: Lyocell / Tencel™ / Eco Vero™ : non-toxic solvents in the processing phase and 97% recycled 	<ul style="list-style-type: none"> Sustainable recycled and recyclable viscose

PERCENTAGE OF MAIN MATERIALS IN OUR TEXTILE PRODUCTS

PURCHASED FOR SUMMER AND WINTER 2021 COLLECTIONS (IN % BY WEIGHT)



■ Cotton ■ Polyester ■ Viscose ■ Polyamide ■ Others

In 2020 : Cotton (67%), Polyester (19%), Polyamide (2%), Others (12%)

SITUATION IN 2021

63.5%

MORE SUSTAINABLE FIBRES IN OUR TEXTILE PRODUCTS

OBJECTIVE 2025

100%

MORE SUSTAINABLE FIBRES IN OUR TEXTILE PRODUCTS

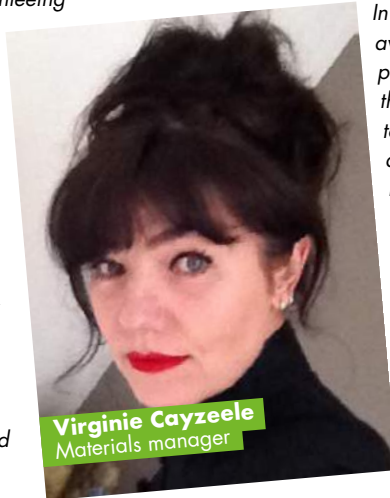
*All our eco-design indicators exclude non-KIABI branded products, accessories and footwear.

WHAT IS THE ROLE OF THE MATERIALS TEAM?

“My team’s role has three elements: guaranteeing the quality of the materials used in our products, keeping a constant watch on innovations and, finally, securing the supply of raw materials, particularly organic cotton.

We are key players in eco-design at KIABI. Due to our awareness of the environmental impact of our products, and particularly of raw materials, we have been working in close collaboration with internal teams and suppliers on the choice of more sustainable raw materials since 2018. This has resulted in more responsible materials at attractive prices for our customers.

Our materials team offers product managers and stylists a library of “recommended materials” to use in our collections. For each conventional material from this library, we develop, test and negotiate at least one more sustainable material solution. The weaving and knitting mills, who supply our manufacturers, are audited rigorously and monitored by our field teams around the world, both environmentally and socially, and produce these recommended materials, now present in 30% of our textile offering.



Virginie Cayzele
Materials manager

In 2021, we intensified our efforts to raise awareness of the teams involved in the product design through our daily actions and the creation of a training course dedicated to sustainable materials. This training will be available to all KIABI employees in 2022, including in-store staff.

We will continue to build on this momentum in 2022 with two new objectives: securing our supplies and limiting the impact of the global organic cotton crisis.

The increase in the price of raw materials and the international context requires us to adapt.



FOCUS ON TRACEABILITY: WHERE DO THE FIBRES IN OUR CLOTHES COME FROM?

Up to now, European regulations do not require the origin of textile fibres to be indicated on clothing labels. We are only obliged to indicate the fibre composition of each product, as well as the ‘made in’, which only refers to the final stage of the product’s manufacture. However, these two elements do not provide any information on the origin of the materials or the different stages of production of the garment.

If we take the example of cotton, which will account for 70% of KIABI’s supply in 2021, we only partially know where it comes from: depending on harvest volumes and, more generally, market volatility, material suppliers obtain their supplies from different sources around the world and mix the fibres together in production.

ORGANIC COTTON ACCELERATOR

For KIABI this represents :

- Over 3000 dedicated farms in India and therefore full traceability of the cotton from these farmers
- 500 tonnes of cotton in conversion for our 2023 collections
- A salary guaranteed to be 10% higher than the market rate for the farmers



WHAT'S THAT?

DID YOU KNOW?

TRACEABILITY

Traceability of a product refers to all information that allows us to understand its composition at each stage of the production life cycle: production, transformation and distribution to the final consumer or even the end-of-life process. Traceability represents one of the challenges of the textile industry, as supply chains are often globalised with multiple stakeholders.





MATERIAL FOCUS: SUSTAINABLE COTTON IN OUR COLLECTIONS

The use of organic cotton in our collections, especially in baby, children's and underwear products, has reached 51% of the weight of the textile materials used. However, in the last two years, the demand for organic cotton has exploded, leading to an increase of around 85% in the price of the fibre between 2020 and 2021. The percentage of organic cotton in the 2021 collections is, therefore, not representative of the seasons to follow. From 2022 onwards, cotton in conversion will be introduced into our products, enabling a diversification strategy and encouraging the cultivation of organic cotton.

DID YOU KNOW?

COTTON IN CONVERSION

Cotton fibres in conversion are cultivated according to processes leading progressively to organic farming.

The farmers in conversion are working towards naturally healthy soils, without



MORE RECYCLED MATERIALS

Integrating recycled materials into our collections is an interesting option to reduce our impact on the environment. Using existing materials limits the waste of natural resources and the use of chemical products, while reducing our dependence on oil. This is why we include recycled materials such as polyester, polyamide and other synthetic materials in our collections. These fibres recovered from textile production off-cuts, used clothing or plastic bottles can be used in up to 20% of a garment's composition for cotton and up to 100% for certain synthetic products.

SITUATION IN 2021

5%

OF OUR RANGE IS MADE WITH RECYCLED MATERIALS COMPARED TO 1% IN 2020
(compared to 1% in 2020)

PROJECT FOCUS: KIABI DENIM MADE FROM RECYCLED COTTON: MORE RESPONSIBLE DENIM

In 2021, we greatly increased our production of denim made from recycled cotton. This is because the properties of denim make it easier to use recycled cotton than in other product categories such as T-shirts. By 2022, a proportion of our denim offering will be circular, i.e. using recycled material from our customers' denim, and will be recyclable.

SITUATION IN 2021

15%

OF DENIM FABRICS USE RECYCLED COTTON
(20% RECYCLED COTTON, 80% BCI COTTON)
(compared to 1% in 2020)



RECYCLED COTTON

To guarantee the quality of the yarn, the spinner uses only 20% recycled cotton in the fibre mix.

Suppliers are working on increasing the percentage of recycled fibres.

DID YOU KNOW?

CIRCULAR FOCUS: HOW CAN WE ENCOURAGE RECYCLING OF MIXED-COMPOSITION TEXTILES?

Mixing materials by adding accessories, embroidery and fancy designs makes products difficult to recycle. To date, 80% of textiles used in the European Union are not recycled (according to Fashion at the crossroads – Greenpeace International).

Even if recycling cannot compensate for the environmental damage caused by our industry, it is part of the answer. Recycling channels are starting to be created and many big players in textiles are taking action in this direction. We are also playing our part.

SITUATION IN 2021

50.6%

OF OUR PRODUCTS ARE MONO-MATERIAL AND THEREFORE MORE EASILY RECYCLABLE

ECO-FRIENDLY MANUFACTURING PROCESSES

In addition to using more sustainable raw materials in our collections, we are also working on the manufacturing processes of our garments to make our design more environmentally friendly and economical in the use of energy, water and chemicals

In 2021, the focus is on developing three projects to limit the impact of our textile production on the planet:

- 2 projects to reduce and reuse textile waste
- 1 project to limit the consumption of water in our washing processes.

DID YOU KNOW?

TEXTILE SCRAPS

On average in the textile market, 15% of the fabric needed to make a product is thrown away before the garment is sewn, transported and sold. When producing 100,000 garments, this is the equivalent of discarding 98,000 m2 of fabric, or the surface area of 78 Olympic-sized swimming pools. The good news is that we can reduce this waste to zero by reinventing the way we design our garments.



FOCUS PROJECT: ZERO WASTE: CLOTHES DESIGNED WITHOUT TEXTILE WASTE

In 2021, KIABI created and marketed its first Zero Waste garment: a windbreaker designed by our team of stylists and pattern makers alongside Mylène L'Orguilloux, a Zero Waste expert and founder of the ZWDO collective (Zero waste design online). Based on this initial experiment, our teams continued to develop our "zero waste" offering with the launch of an iconic little black dress designed for the whole family, from babies to adults up to 3XL. This new design, using a pattern that does not generate any fabric waste, is made from recycled polyester crepe. The dress has been available in a limited edition since the beginning of 2022. Following

these initial experiments, other "low waste" products will be developed during 2022 with the aim of reducing fabric waste by half on our core products.



PROJECT FOCUS: THE USE OF PRODUCTION WASTE

This project mobilises textile retailers, garment makers and recyclers in Bangladesh to work together to create:

- A circular economic model for fashion waste, capturing and re-injecting textile waste into the production of new fashion products.
- A circular fashion stock market aiming to find solutions to the accumulation of excessive stocks.

PROJECT FOCUS: THE ECO WASH PROCESS, LESS RESOURCE-INTENSIVE WASHING

SITUATION

IN 2021

80%

OF DENIM FABRICS WERE WASHED USING AN ECO-WASH OR LESS ENVIRONMENTALLY INTENSIVE WASHING PROCESS

(compared to 42% in 2020)

2025 OBJECTIVE

100%

OF THE PRODUCTS REQUIRING A WASHOUT USED ECO-WASH PROCESS.

7.2%

OF PRODUCTS PURCHASED HAD LOWER IMPACT PROCESSES (PER ITEM)

(2.88% in 2020)

The eco-wash project started on denim products in 2021.

The guiding principle? To define a strict list of criteria that our washes must meet and apply it to all our denim fabrics:

- Conducting an environmental audit of the washing plant
- Using chemicals that comply with REACH and AFIRM standards
- Using one of the technologies recommended by the KIABI wash team (laser, Eflow, G2 Ozone etc.)
- Calculating a score to measure the impact of washing using EIM (Environmental Impact Measurement) software

These criteria for washing standards will be progressively applied to other product categories, and by 2025 will apply to all our products including T-shirts, jumpers etc.

PRODUCT TRANSPORT

OPTIMISE PRODUCT TRANSPORT

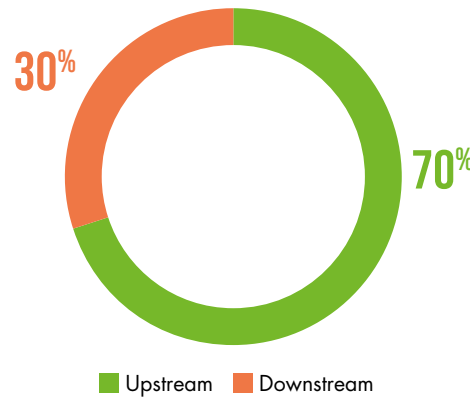
Most of our supplies are imported from Asia. In addition, the volumes supplied are increasing each year (297 million parts delivered to our warehouses in 2021 vs. 280 million in 2020). We are therefore aware of the impact of the transport of our products, both upstream and downstream, on our CO₂ emissions.

In 2021, we joined ADEME's FRET21 with the aim of:

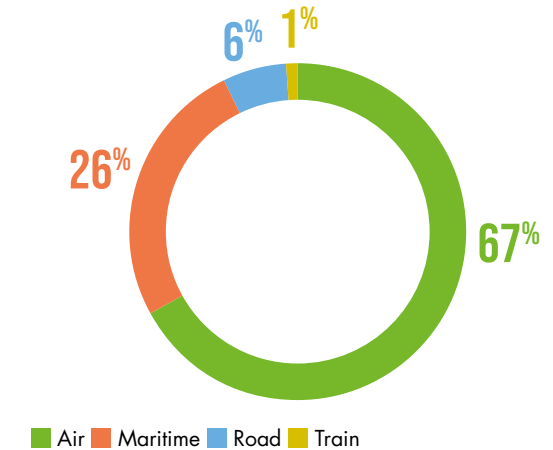
- Reducing our carbon emissions relating to transporting our products by at least 5% over 3 years, i.e. 3,353 tonnes of CO₂.
- Enabling the establishment of an ecosystem
 - with transport partners, whether or not they are involved and onboarding those who are not
 - with other committed stakeholders and companies (sharing of good practices...)

Our greenhouse gas emissions relating to the transport of goods are estimated on the basis of ADEME data at 67,090 T (excluding international duty free and online shopping deliveries for the downstream transport element) with the breakdown shown opposite:

BREAKDOWN OF ESTIMATED UPSTREAM/ DOWNSTREAM GHG EMISSIONS

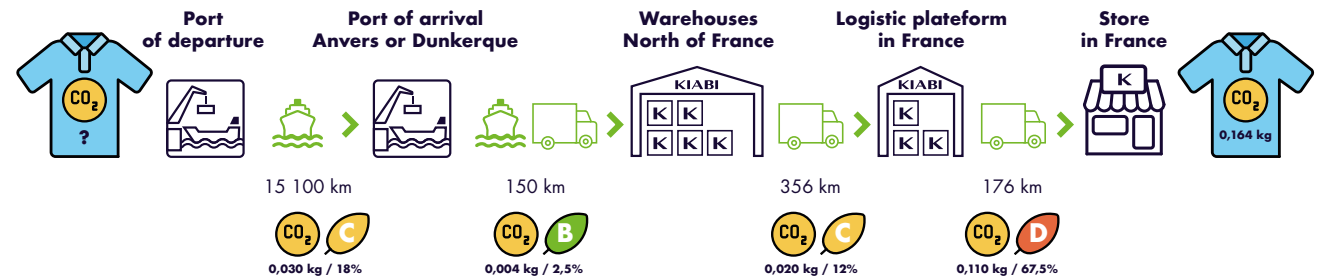


SHARE OF EMISSION ESTIMATES GES BY TYPE OF UPSTREAM TRANSPORT

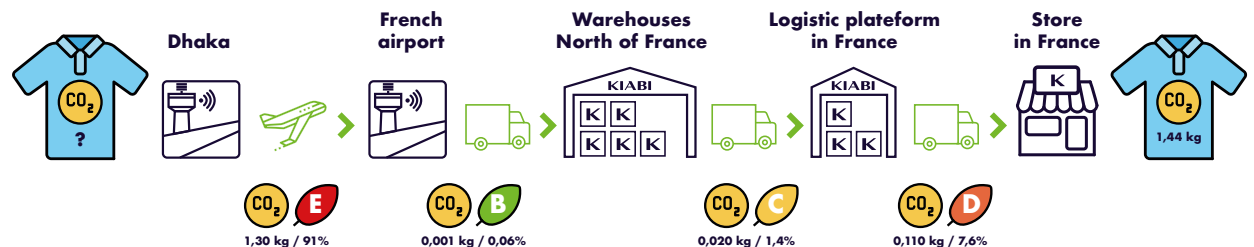


CO₂ EMISSIONS GENERATED FOR TRANSPORTING A T-SHIRT, DEPENDING ON THE TYPE OF TRANSPORT USED

Upstream maritime transport case study



Upstream air transport case study



DID YOU KNOW?

GREENHOUSE GAS EMISSIONS BY TYPE OF TRANSPORT

Here are some facts about the impact on greenhouse gas emissions by type of transport:

- Sea, river and rail freight have the lowest impact on CO₂ per tonne/km
- Air freight has 5 times more impact on CO₂ than road freight and is also much more expensive.



UPSTREAM TRANSPORT

Our main mode of inbound transport is sea freight. But we also use other modes of transport, such as air and rail from China to Europe.

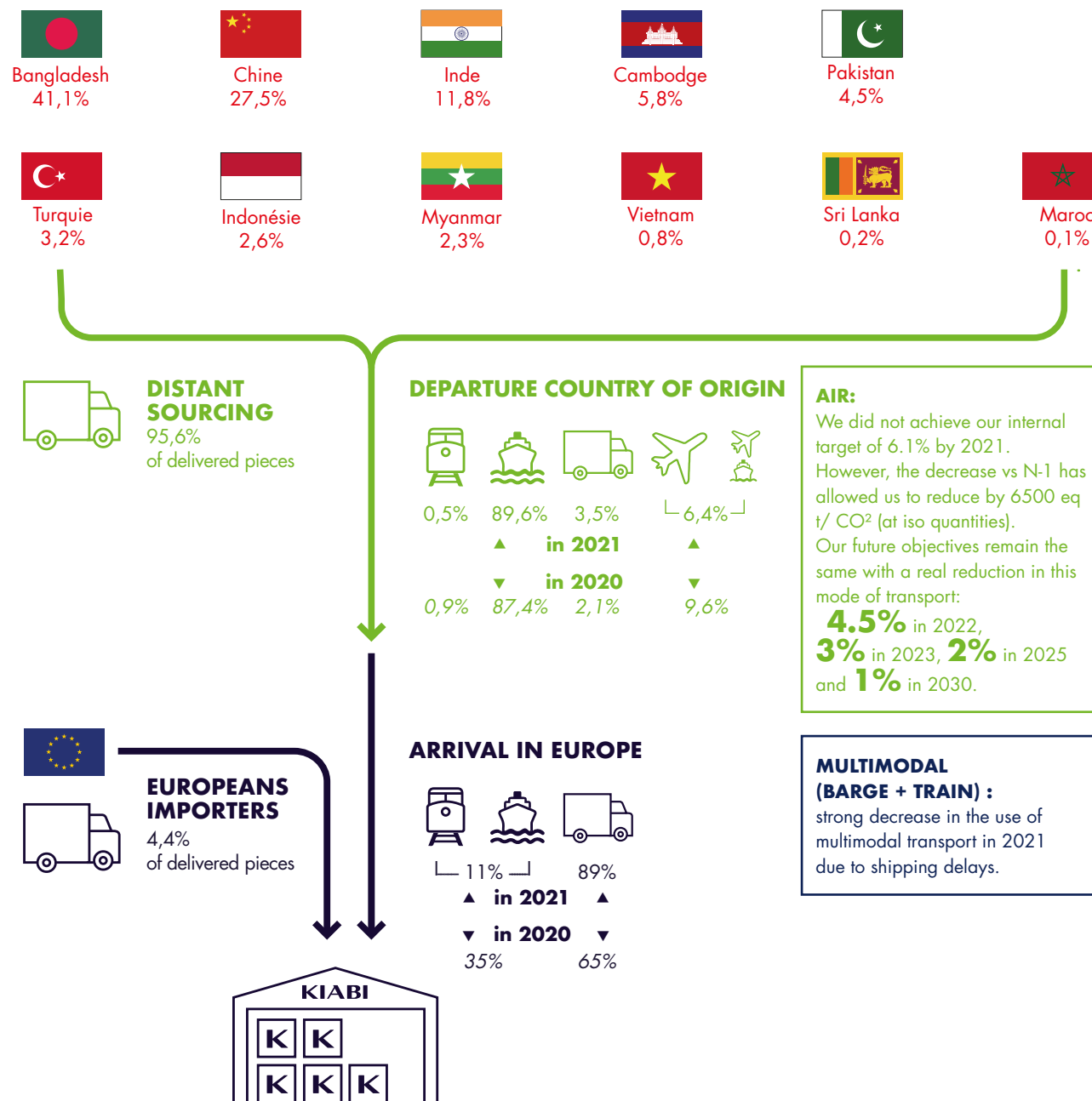
For transport between European ports and our warehouses we opt for road transport and multimodal transport when possible (barge + train). Products from Europe, Turkey or North Africa are transported by truck.

We aim to reduce the most energy-intensive and least clean modes of transport in favour of more responsible methods. However, in 2021 the COVID crisis (causing supplier delays) and the global shipping crisis prevented us from achieving our internal targets.

At the supplier level, the situation was more favourable in 2021 than in 2020. Nevertheless, production delays affected 38% of orders due to lockdowns in our sourcing countries.

Following the global economic downturn in the first half of 2020, international transport was completely disrupted.

This situation worsened in 2021 with the economic recovery: containers were not available where they were most needed. The volumes to be transported increased, but the infrastructure did not increase significantly (number of containers, port equipment, etc.). This generated port congestion in Asia (origin) and Europe (destination). This resulted in an increase in overall transit time. We have therefore had to resort to air transport for certain orders to ensure that they are delivered on time.

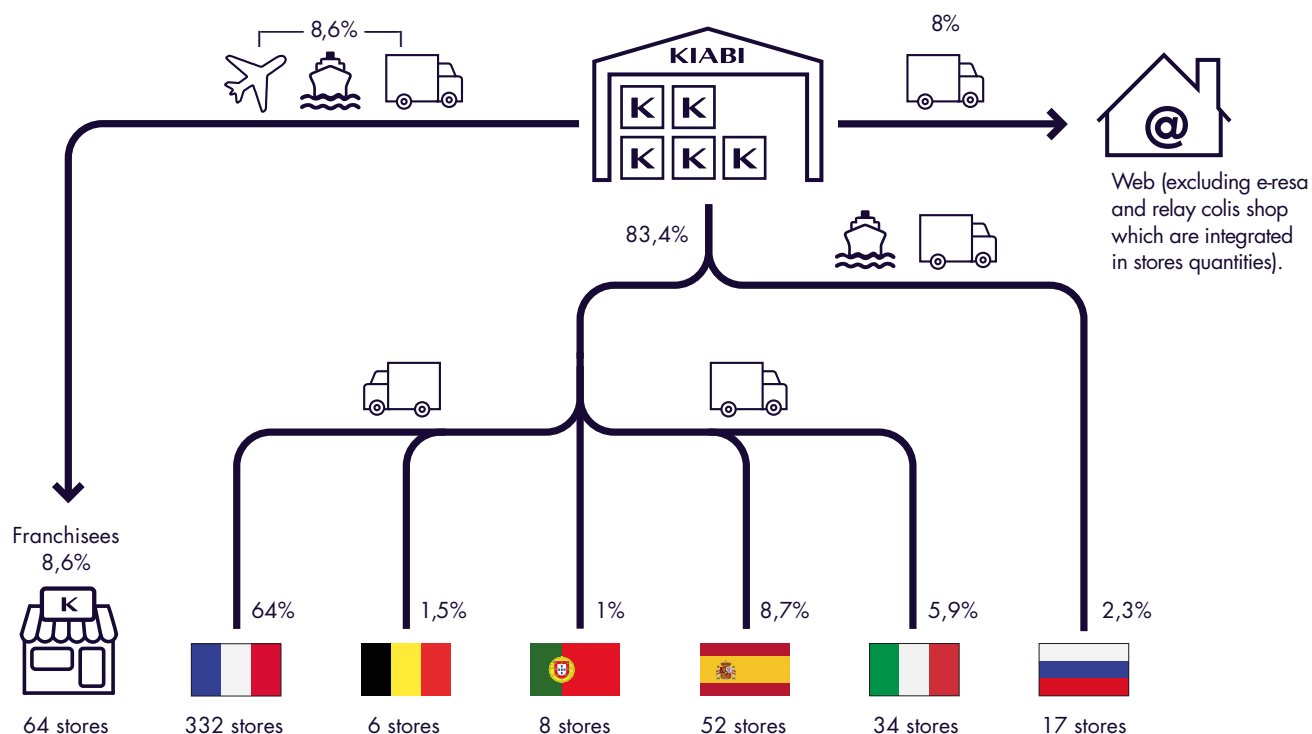


DOWNSTREAM TRANSPORT

Once the majority of our products arrive in our logistics warehouses, they are shipped to our branch, affiliate and franchise stores. Other products are shipped directly to our online customers.

Downstream transport is mainly by road, or by a mix of road or train + ship for the more far-flung destinations.

MODE OF TRANSPORT USED TO SUPPLY KIABI STORES AND OUR WEB CUSTOMERS WORLDWIDE, IN % OF QUANTITIES OF PRODUCTS DELIVERED



FOCUS: SOME CONCRETE ACTIONS
DEPLOYED ON DOWNSTREAM TRANSPORT
AS PART OF OF FRET 21

- New multimodal platform:

The new platform created in Perpignan has made it possible to reduce the number of approach and distribution kilometres for 11 stores located in the Midi-Pyrénées and Roussillon. This new set-up, with no impact on the store, will save more than 121 tonnes of CO₂ per year (a gain of 25 tonnes of CO₂ in 2021).

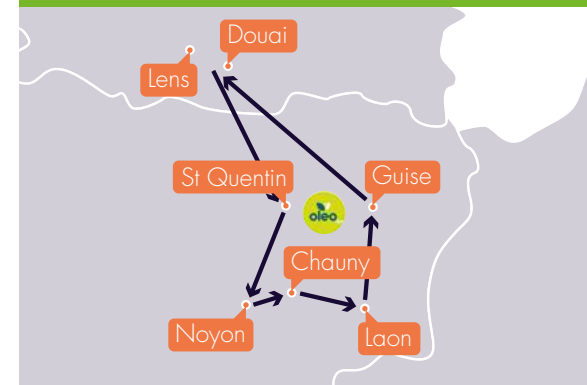
OCTOBER 2021



- Deployment of the first OLEO100 tour

OLEO100 is a sustainable alternative fuel, made from COLZA oil "100% Made in France". It reduces CO₂ emissions by 60% and particles by up to 80% while remaining 100% biodegradable (27 tonnes of CO₂ saved in 2021).

JULY 2021



MANAGEMENT OF UNSOLD GOODS

FORECASTING AND MANAGING OUR UNSOLD GOODS

The end of life of our products, including unsold goods, is a major social and environmental issue for us.

To reduce the volume of unsold goods as much as possible, our first action involves refining our sales forecasts and product allocation by channel (stores, online). We are therefore investing in tools to assess the potential for store/online sales based on our purchasing rates and the specifics of our distribution areas. These calculations allow us to estimate the number of parts to be produced to each site as precisely as possible.

However, at the end of the season, we still have unsold items, despite the fact that they are renewed from one season to the next. For the Winter 20 and Summer 21 collections, unsold goods represented 1.3% of goods purchased.

We are developing donation partnerships with local associations in France to enable everyone to be clothed with dignity.

- Since 2018, we have been donating unsold goods to the "Agence du don en Nature" for redistribution to general French associations identified using their online platform.
- We also participate in the development of solidarity shops called "Petit Magasin" in France. Our stores give them unsold goods, which are then offered to the most needy at very low prices.

SITUATION IN 2021

MORE THAN 1

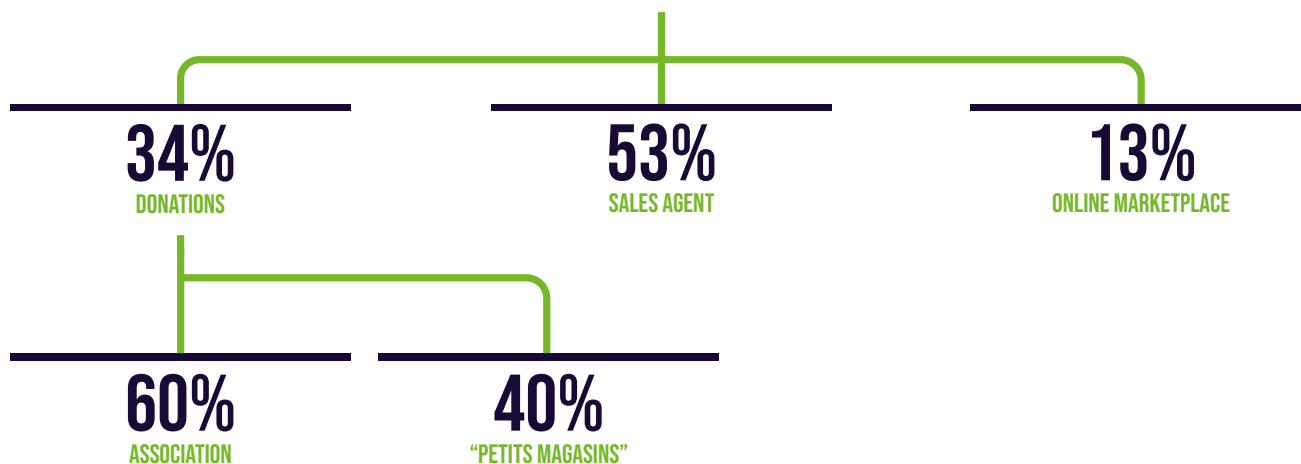
MILLION PIECES DONATED TO ASSOCIATIONS IN FRANCE

OF WHICH 34%

OF OUR UNSOLD GOODS WORLDWIDE (EXCLUDING AFFILIATION AND FRANCHISEE)

THE UNSOLD ITEMS FOR THE YEAR 2021 WERE DISTRIBUTED AS FOLLOWS:

UNSOLD 2021





END-OF-LIFE PRODUCTS AND RECYCLING

A key issue in product end of life is avoiding illegal dumping or mis-sorting by our customers.

To this end, since 2017, we have been organising one to three collections of clothing, shoes, textile accessories or household linen per year in our French stores in partnership with Le Relais. These actions are planned at key times of the year, when our customers tend to sort out their wardrobes (change of season, back-to-school in particular). Our point-of-sale teams took part in these actions on a voluntary basis.

In the second quarter of 2020, we intensified our approach and experimented by collecting end-of-life products through donation terminals in 10 pilot stores. At the same time, we have been raising customers' awareness about this as a responsible action.

By monitoring this experiment weekly, we were able to refine the messages we shared with our customers and adapt the size of our kiosks to all the stores in France.

This permanent collection service has been active in all our branches since 1 March 2021 and some of our affiliates have joined us since September 2021.

The collected products are then recycled by our partner Le Relais or local partners.

Once collected, these products begin their second life.

According to our partner Le Relais, this includes:

- 26% recycled into material
- 61% resold as second hand
- 10% reused in industrial rags
- The remaining 3% is used as energy

These donations have created an average of 3 jobs (Source: Le Relais).

In 2021, despite the COVID crisis, we managed to collect 180 tonnes of textiles, household linen and shoes through in-store collections and via the collection bins set up in our car parks (for 119 tonnes collected in 2020).

SITUATION	
IN 2021	OBJECTIVE 2025
180	2000
TONNES OF TEXTILES AND SHOES COLLECTED (EQUIVALENT TO 0.6% OF TEXTILES AND SHOES COLLECTED OVER TONNES PLACED ON THE MARKET IN 2019)	TONNES
(119 tonnes in 2020)	

FACTORY AND PRODUCT COMPLIANCE

FACTORIES ENVIRONMENTAL COMPLIANCE: MONITORING WATER CONSUMPTION

Since 2018, we have been developing our environmental audits to make them more comprehensive and accurate, and training our teams accordingly. They are mainly geared towards suppliers whose industrial process is classified as a "wet process", i.e.

This means that we consume a lot of water. During the environmental audits we assess

- Water management: supply, consumption and wastewater management
- Energy consumption and sources (including renewable)
- Waste management (raw materials, type of chemicals, end of life)
- Air emissions (solvents, etc.)
- Local nuisances (air, noise)
- Land use and biodiversity

SITUATION IN 2021

138 OF **111** **74%**

ENVIRONMENTAL AUDITS CARRIED OUT COMPARED TO 90 IN 2020

ON FACTORIES USING WET PROCESSES

OF TIER 2 PLANTS WITH HIGH WATER CONSUMPTION PROCESSES AUDITED (46% in 2020)

WATER CONSUMPTION IN THE TEXTILE INDUSTRY

The processes that consume a lot of water in our industry:

- Pre-treatment, dyeing, printing, washing, and final washing, steps that allow textile products to obtain a specific look, feel and function.

The various environmental impacts caused by these treatments:

- High water consumption, the use of chemical substances polluting the local environment.



ENVIRONMENTAL ISSUES IN THE PRODUCT DESIGN PHASES



(Source: Solidaridad Wet Processing Guidebook)

PRODUCT CONFORMITY: CONSTANT MONITORING

All customer feedback that is sent to us, whether in store or via our customer service department, is examined in detail: any report of a product failure that could affect the health or safety of our customers is directly relayed to our quality assurance department. Feedback is handled within 24 hours. Depending on the situation, the faulty product may be sent to an independent laboratory to check that it conforms to physical and chemical standards for all our distribution markets.

In the rare cases where a non-conformity that could cause a health and safety risk for the customer is proven, a product recall procedure is launched directly to our customers and via a European platform. The product is immediately withdrawn from sale. This withdrawal is also monitored to ensure that it is properly implemented. Allergies remain the leading cause of injury risk identified at KIABI. We have set up specific action plans as well as continuous improvement plans to limit these risks. They involve everyone in the production chain, from procurement, through design and development, to production in the factories.

SITUATION IN 2021

48 AND **15** **1**

PRODUCTS WHICH HAVE BEEN THE SUBJECT OF A CUSTOMER ALERT (39 in 2020)

PRODUCTS WITHDRAWN FROM SALE (12 in 2020)

RECALL PRODUCT

REPORT TYPES AT KIABI



We have identified 4 types of reports: injury, ingestion of small detachable part, risk linked to drawstrings (children's products), allergy.

WHAT'S THAT?

HIGHLIGHTS 2021:

In 2021, we had three major projects in place for the safety of our customers:

- **Obtaining certification:** KIABI has been offering STANDARD 100 by OEKO-TEX® confidence in textile products for underwear and lingerie since 2021, night products, baby products and t-shirts. This label is issued by an independent body and guarantees that the level of harmful chemicals in our certified products is below limits that are dangerous for the health of users. With the desire to go further in the area of customer safety, KIABI has obtained its own certification (launching in 2023) and is committed to increasing the proportion of certified products in our collections each year.
- **Training and development:**
 - Training of collections teams on health and safety risks
 - Implementation of e-learning explaining the basics of health and safety issues, accessible to all Kiabers
 - Training on chemical management for our technical teams at the French and Asian headquarters
- **Implementation of the Restricted Substance List (RSL) with our suppliers:** This list contains the chemical products and substances that are restricted or prohibited for the manufacture of finished home textile, clothing and footwear products.

TOWARDS MORE RESPONSIBLE CONSUMPTION

The use of our products by the consumer requires energy. This is why we strive to make our customers aware of how to use, care and dispose of our clothes so that we can lead them towards more responsible consumption.

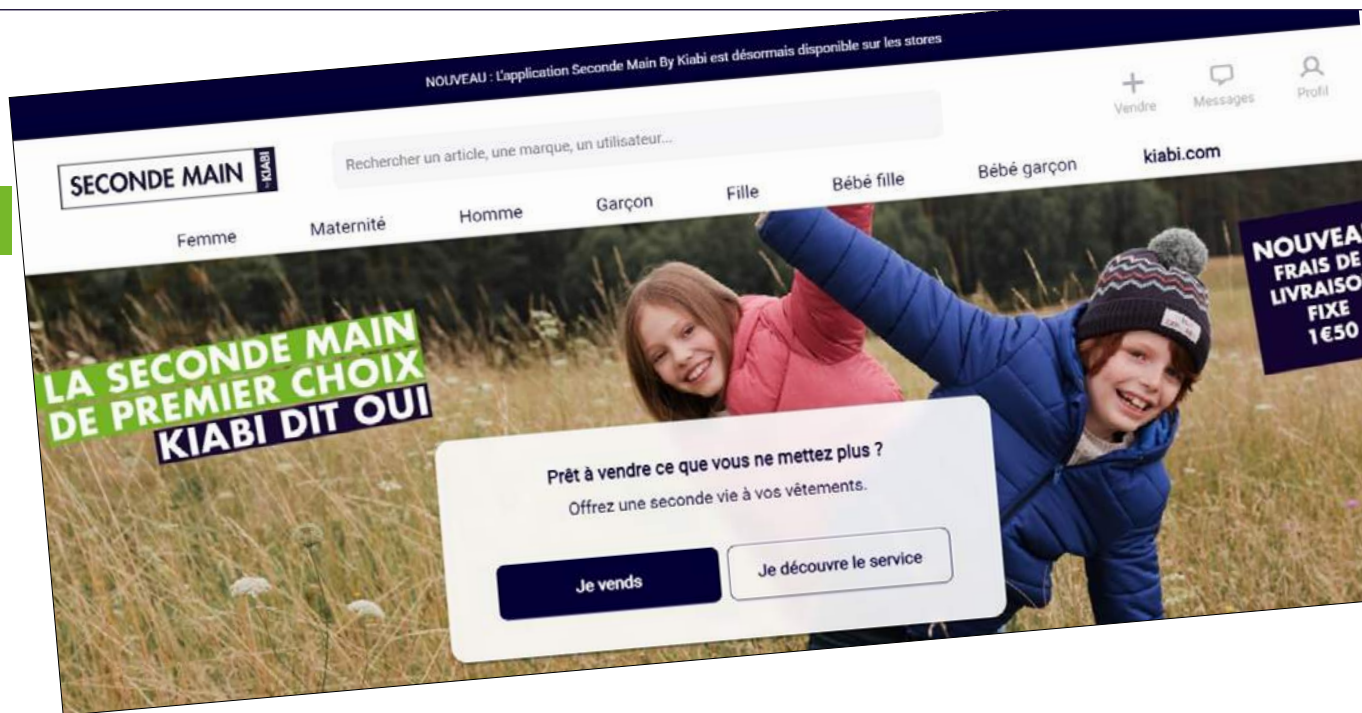
OPTIMISED CARE INSTRUCTIONS

The life cycle analysis of our products shows that, in addition to their design, the care processes at the consumers' homes – washing and ironing and/or tumble drying – also have an impact on the environment.

Washing, drying and ironing consume energy, water and detergents. To measure the environmental footprint, we modelled this usage on the basis of 30 washing, 15 drying and 15 ironing cycles.

We have been trying to make our customers aware of this issue since 2017. In our stores, a sign recommends washing in cooler water and drying flat to avoid ironing and tumble drying. Washing instructions are shown on the majority of our products, with a recommendation of 30°C. This applies to the vast majority of products sold in 2021.

In addition to limiting the consumption of water, detergents and energy, this change in the way clothes are cared for extends their life span.



DEDICATED AREAS IN STORE AND ON OUR WEBSITE FOR SECOND-HAND GOODS

The second life of products is one of the avenues we are exploring. To enable our customers to consume second-hand products, branded by KIABI or other brands, we launched our first dedicated second-hand spaces in August 2020 in our French stores, in partnership with the company Patatam. By the end of 2020, 6 "pilot" spaces had been set up.

SITUATION IN 2021

39

SECOND-HAND AREAS

[31 IN FRANCE, 5 IN SPAIN, 2 IN ITALY, 1 IN BELGIUM]

Since December 2020, our "Seconde Main by KIABI" website gives people the opportunity to buy and sell second-hand items from any brands between themselves. The site operates on a peer-to-peer basis and offers an additional advantage to the customer. The seller can choose to either receive the sale amount by bank transfer or obtain a voucher for the sales amount + 20%, to be spent at KIABI.

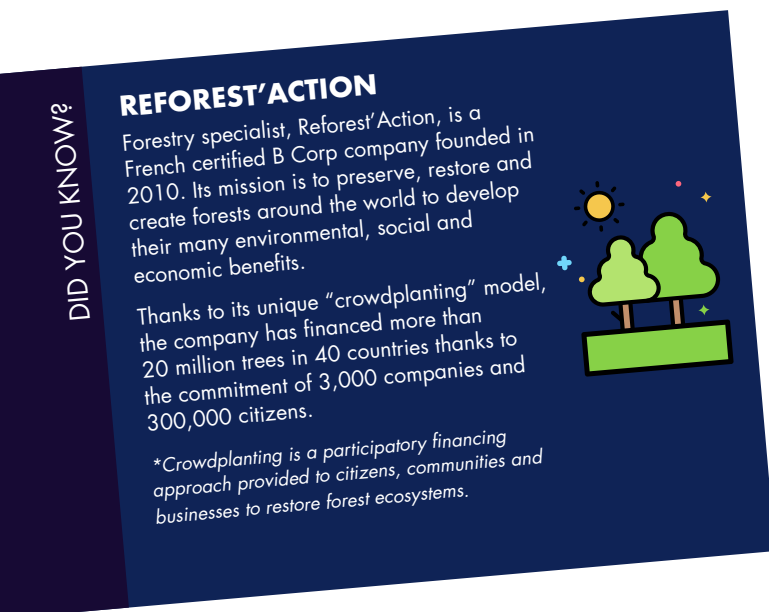
MATERNITY CLOTHES HIRE

In June 2021 in France, we provided our customers with an online hire service for maternity clothes. These garments are usually worn for a relatively short period of time and remain in very good condition. It is therefore highly appropriate to reuse rather than recycle them.

After 9 months of operation this service was stopped in February 2022 so that it could be redesigned with better customer service and, as far as possible, less environmental impact. Transporting the parcels was economically and environmentally too costly. A new service will be launched in 2022.

ONE TREE PLANTED FOR EACH BABY BOOKLET OPENED

KIABI has been a partner of Reforest'Action since 2020. The aim of this partnership is to restore local habitats (forest, mangrove, etc.) through tree planting.

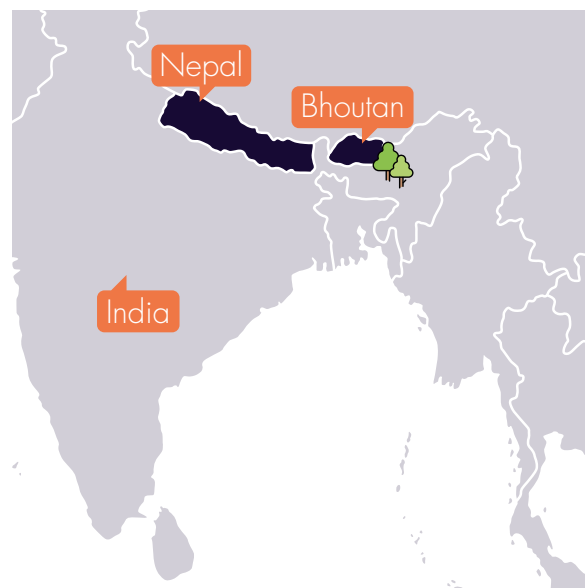


Our partnership involves financing the planting of a tree for each new baby book* opened during the year in each of our branch countries.

**The KIABI Baby Book is a loyalty booklet offered to future parents. Its objective is to give parents the chance to earn 10% on purchases made in the maternity and baby departments to increase their purchasing power.*

PROJECT FOCUS: 2 FLAGSHIP PROJECTS SUPPORTED ALONGSIDE REFOREST'ACTION:

- Restoring forests in the Eastern Himalayas and developing agroforestry (India)



- Restoring mangroves (Sumatra, Indonesia)



**SINCE SEPTEMBER 2020
WE HAVE PLANTED:**

980,064 TREES

THIS IS THE EQUIVALENT OF **292,864** CARBON STORED IN 30 YEARS (TCO_{2eq})

2,940,192 SHELTERS CREATED FOR BIODIVERSITY

3,920,256 MONTHS OF OXYGEN

980,064 HOURS OF WORK CARRIED OUT (jobs created locally).

FOR MORE INCLUSIVE FASHION

"LE PETIT MAGASIN": KIABI'S SOCIAL BUSINESS

MENTORING: KIABERS OFFER THEIR TIME

- Mentoring leaders of impactful projects
- Introducing future Kiabers to the professional world and provide training

SOLIDARITY ENDOWMENT FUND: KIABI LIFE

- KIABI and its customers taking action together

COLLECTIONS & STORES: FASHION FOR EVERYONE

- Creation of inclusive collections
- Introduction of specific opening hours for sensitive customer groups

DIVERSITY: THE KEY TO WELL-BEING AND PERFORMANCE AT WORK

- An HR policy in favour of equality
- An inclusive policy for people with disabilities



“ As a company that is fundamentally humanitarian and respectful of humanity and the planet, KIABI is committed to a proactive human and social strategy. Wherever we are present in the world, we and our partners want to be engaged. To do this, we take daily actions on three major themes that are close to our hearts and on which we can take concrete actions:

- Inclusion, by promoting access to employment for people in vulnerable situations, in particular through our social business “Le Petit Magasin”
- Education and/or training, through specific partnerships promoting reintegration through employment
- Diversity, through actions related to the inclusion of people with disabilities, for example

Franck de Saintignon

Global Human Resources Director

2021 ESSENTIALS

- **“GOOD ECONOMIE” AWARD** for sustainable initiatives from companies committed to a social, societal and environmental approach
- **DEVELOPING ACTIONS** for inclusion and diversity
- **IMPLEMENTING THE PARTNERSHIP WITH LIVE FOR GOOD ASSOCIATION** to promote the creation of impact businesses
- **LAUNCHING PARTNERSHIPS WITH SCHOOLS** like l'IESEG
- **CREATION OF THE ENDOWMENT FUND**



2021 INDICATORS



10 “PETITS MAGASINS”
OPEN BY THE END
OF 2021



2M€ DONATED
TO ASSOCIATIONS



5 IMPACT PROJECTS
COACHED BY KIABERS



86.9% OF STUDENTS
TAKEN ON RECOMMEND
KIABI AS AN EMPLOYER

RELEVANT STAKEHOLDERS

- Customers: users of the “Petits Magasins”, solidarity customers via their donations or customers who benefit from our “disability” actions
- Integration partners: organisations with whom we work to develop the “Petit Magasin” model
- Association: Reforest’action, our carbon offsetting partner
- Kiabers: employees who give their time to train people in integration or acts of solidarity
- Entrepreneurs / students supported by KIABI during internships or work-study contracts
- Schools and universities: with which we form partnerships to train their students on tomorrow’s jobs

"LE PETIT MAGASIN": KIABI'S SOCIAL BUSINESS

WHAT'S THAT?

"LE PETIT MAGASIN", WHAT IS IT ?

The "Petits Magasins" are true social and community shops, offering unsold KIABI products donated by the brand (and other items such as food), to underprivileged families to enable them to find clothes at a lower cost. Our involvement goes beyond selling. KIABI is also committed to training the people who work in these shops, which are managed by social integration organisations.



Resulting from partnership between local KIABI teams and our integration partners (Croix Rouge Insertion, Sauvy, Pacte 59 and Pacte 62, Sauvegarde du Nord, Vetis, Ulysse and La Remise), the "Petits Magasins" give a professional perspective to long-term unemployed people, who come here to learn reception and sales skills, which give them a springboard to employment.

3 CSR components are covered by the "Petits Magasins":

- CIRCULAR ECONOMY through the donation of unsold clothing stocks.
- INCLUSION through the establishment of a professional integration pathway for job seekers.
- SOLIDARITY because it enables people in economic difficulty, who are vulnerable or excluded, (referred by the local CCAS services and/or associations) to maintain their dignity.



Pierre Alcalá
Head of Development
Petits Magasins

In addition to offering food products, household and personal goods, and even services, the "Petits Magasins" allow the development of socio-educational actions leveraging and cooperating with local associations. The idea is that each person can be reintegrated into society by becoming aware of their value and skills.

A "GRAND PRIX" FOR A "PETIT MAGASIN"

Each year, a panel of committed entrepreneurs, CSR managers and representatives of the associative world awards the Grand Prix de la Good Economie. It rewards sustainable initiatives from companies committed to a social, societal and environmental approach. On 20 October 2021, the "Petit Magasin", supported by KIABI, won the Grand Prix in the "Promoting inclusion and diversity" category, which rewards actions encouraging equal professional opportunities (inclusion, gender equality, diversity, etc.).

TESTIMONIAL: THE ROLE OF THE STORE LEADER – SPONSOR OF A "PETIT MAGASIN"

The role of Store Leader – "Petit Magasin" Sponsor is more than a job for me, it's about the values that have always driven me. Now I know for sure that I will be able to create human value in my own small way. KIABI gives me the opportunity to manage my team towards a social mission, and I think that's great.

Aurélien Carle,
KIABI Store Leader Béziers

SITUATION IN 2021

6

OPENINGS, BRINGING THE
TOTAL NUMBER OF "PETITS
MAGASINS" TO 10

427 TO 740

ITEMS OF DONATED CLOTHING
AT A VALUE OF €1.9M

33

SPONSORS AND TUTORS

1541

HOURS OF TRAINING GIVEN
BY KIABERS TO PEOPLE
IN INTEGRATION

36

PEOPLE ON A PATHWAY
TO INTEGRATION

27,632

BENEFICIARY FAMILIES

94,748

ITEMS SOLD

18

JOBS CREATED: 4 PERMANENT,
14 FIXED-TERM

MENTORING: KIABERS OFFER THEIR TIME

MENTORING LEADERS OF IMPACTFUL PROJECTS

During 2021, KIABI set up a partnership with Live for Good with the aim of accompanying and supporting young business creators in the textile sector and in areas of positive impact for families.

WHAT'S THAT?

LIVE FOR GOOD, WHAT DOES IT MEAN?

Live for Good is an association whose mission is to reveal the potential of young people (under 30 years old and / or from deprived areas, with disabilities or low social status) through social and digital entrepreneurship and digital technology. Through its programmes, it enables them to create their own business plan with a social or



5 KIABI Mentors, who embody our values and have more than 10 years of experience in team management, have been selected to support 5 young entrepreneurs for one year. The 5 entrepreneurs mentored by our Kiabers were selected by Live for Good based on the start-up's sector where there was a direct link with the business or values of KIABI.

SITUATION IN 2021

€80K

PAID
AT LIVE FOR GOOD

5

KIABER MENTORS

5

ENTREPRENEURS
SUPPORTED

This partnership is an opportunity for KIABI to:

- to involved in start-ups that have a positive impact on the planet or on people
- to be put in contact at an early stage with entrepreneurs whose activity could be relevant to KIABI
- to learn more about the codes and culture of the start-up world with a view to gaining agility.
- to help our Kiaber Mentors to grow, as they will have to manage differently in an unknown field.

We want to give them a sense of perspective for their profession and in their managerial practices.

COMMENTS FROM A MENTOR/MENTEE PAIR

"I'm really enjoying this experience, which complements my training as an internal coach at KIABI."

Sébastien,
New Business Lead

"We have a call once a week for about an hour, but sometimes we go a bit overboard, the time passes very quickly during these coaching sessions! Sébastien asks lots of questions about my decisions and the direction of the project. One of his great qualities is listening. Active listening, the kind that makes you move forward and gives you the confidence to turn your ambitious ideas into reality. Sébastien also has a lot of expertise and interests that link him to the Mijuin project. I consider him to be an important part of this launch, I couldn't have asked for a better coach. Thank you KIABI for setting up this partnership!"

Pauline Beuzelin,
Creator of Mijuin, coached by Sébastien Garin, supply design leader, since September 2021

Mijuin in 2 sentences: Mijuin is a workshop dedicated to the production and innovation of linen in a short circuit. Its mission is to make textiles from spun and woven/knitted linen in France, making full use the waste and by-products of the flax industry into finished products.



INTRODUCING FUTURE KIABERS TO THE PROFESSIONAL WORLD AND PROVIDE TRAINING

KIABI makes integrating young people into the professional world a priority, especially in the current health and economic climate. To this end, we have launched KIABI CAMPUS, our recruitment policy for the emerging talent in France and abroad. The aim? To give young talent a chance, to encourage team mix and ensure skill renewal within the company.

SITUATION IN 2021

AWARDED

THE HAPPYINDEX / TRAINEES LABEL

OVER 200

WORK-STUDY STUDENTS TAKEN ON

OVER 700

INTERNS

50%

OF WORK-STUDY STUDENTS WORKING IN STORES SIGN THEIR FIRST PERMANENT CONTRACT

DID YOU KNOW?

KIABI IS A FAVOURITE FOR INTERNS AND WORK-STUDY STUDENTS!

In 2021, KIABI was awarded the Happy Trainees 2021 France label for the second consecutive year. This accreditation rewards excellence and support for interns and work-study students. 86.9% of them recommend KIABI as an employer. Interns and work-study students particularly appreciate management quality, personal development and working environment.



In addition to our proactive policy of welcoming students and interns, we are strengthening our presence in schools. We have forged several close partnerships with leading schools, the latest of which was in 2021 with IESEG, for its "Retail Management and Business Development" work-study Master's programme. This programme's aim is to train students in commercial development and management in retail companies. The development of relationships with schools is a powerful way of sourcing and recruiting talents.

PROJECT FOCUS: PARTNERSHIP WITH "TOI DEMAIN": MAKE OUR PROFESSIONS VISIBLE TO YOUNG PEOPLE DURING DISCOVERY COURSES

Since 2020, KIABI has been partnering the "Toi Demain" association. We offer discovery courses to secondary school students, some of whom are from priority areas. They shadow Kiabers for a week and find out about their roles.

"Toi demain" is an association committed to helping young people in the Hauts-de-France region in their career choices. The aim of the association is to uncover their talents to enable them to be confident, responsible and happy. "Toi demain" is committed to the integration of young people and acts against inequalities in career options.

For more information (video in French)

<https://vimeo.com/cliple/review/518218877/d14ab24b30>

FOCUS ON INCLUSION IN OUR LOGISTICS TEAMS

Logistics is a sector that needs people, but remains unattractive. To help people discover these jobs and encourage professionals to work in this field, KIABI is committed to supporting people who are following the "Collective Operational Preparation for Employment" programme (POEC).

We launched 6 groups of 12 people in the POEC programme. Among the 72 people involved:

- 47 joined KIABI at the end of their training for a period of 6 months.
- 1 person was hired on a permanent basis in shipping.
- 1 person was hired on a permanent basis by Adecco at our site.
- And 17 of them had their contracts extended for an average of 6 months in temporary employment.

In parallel, we have set up partnerships with JANUS and Alliance emploi, temporary employment agencies specialising in the inclusion of people who are long-term unemployed.

SOLIDARITY ENDOWMENT FUND: KIABI LIFE

To continue the actions completed by KIABI Foundation (created in 2011), KIABI created the KIABI Life endowment fund in April 2021. We hope that the Fund will enable Kiabers, and potentially our partners, to be ecosystem entrepreneurs in every country in which KIABI operates. Our main objective is to respond to local issues by dedicating a specific budget to them, enabling us to adopt a comprehensive approach to inclusion through employment, education and social actions.

FOCUS KIABI LIFE: ACTIONS FOR A MORE INCLUSIVE WORLD

See manifesto and <https://www.kiabilife.com/en/>

KIABI Life Endowment Fund enables KIABI employees to be entrepreneurs for a more inclusive world.

Wherever KIABI is present, in each store, office or logistics site, we want to help and support all those who, at some point in their lives, encounter suffering or deprivation. To do this, we have developed a complete ecosystem (Kiabers, customers, associations, partners) whose common objective is to create a more positive world together, where we are able to achieve our KIABI 2030 vision.

All KIABI subsidiaries are founders of this endowment fund and they contribute financially to its operation and to the local actions taken by Kiabers. The fund is managed by a board of directors (made up of Global CEO, CFO and HR Director) with a global steering committee country-level committees.

SITUATION IN 2021

€106K

DONATIONS TO ASSOCIATIONS

10,000

BENEFICIARIES

6,850

KIABERS INVOLVED

13

FLAGSHIP ACTIONS
INVOLVING KIABERS
IN ALL COUNTRIES

14

LOCAL ACTIONS ON
KIABER INITIATIVES
(FRANCE ONLY)



LET'S ACT FOR A
MORE INCLUSIVE
WORLD



KIABI AND ITS CUSTOMERS TAKING ACTION TOGETHER

Since 2011, KIABI has been working on its solidarity action and eco-system regeneration strategy. Using a number of activities (Baby booklet – Dreams School – Pink October – Good Friday) we encourage our customers to join us in taking action, through the sale of shared products or calls for donations.

SITUATION IN 2021

€984K

DONATED BY KIABI GROUP
ENTITIES
TO ASSOCIATIONS

€1,063K

DONATED BY KIABI GROUP ENTITIES
TO ASSOCIATIONS

OVER 500,000

TREES PLANTED WITH REFOREST'ACTION



WHAT DO WE MEAN BY SHARED PRODUCTS?

Shared products are products sold to our customers where KIABI commits to donating a certain amount of money to associations. For example, €0.50 donated to an association for the purchase of a particular T-shirt.

WHAT'S THAT?

COLLECTIONS & STORES: FASHION FOR EVERYONE

As an entrepreneur of a more inclusive world, KIABI is implementing various actions in favour of inclusion.

CREATION OF INCLUSIVE COLLECTIONS

To meet its objective to make fashion accessible to all, KIABI offers inclusive collections. Our teams adapt our products to different body shapes, medical conditions and disabilities. To best respond to each situation, each collection is co-designed in close collaboration with affected customers.

In 2021, three specific collections were revived:

- Larger size collections (adult and child)
- Post-operative collections for women affected by breast cancer
- Easy to put on collections (adult and child)



INTRODUCTION OF SPECIFIC OPENING HOURS FOR SENSITIVE CUSTOMER GROUPS

To give everyone access to fashionable clothes, KIABI has set up a "quiet hours" scheme in its stores, aimed in particular at people with autism and their families.

This project was an initiative of the Sarcelles store team (FR - 95) and includes:

- Once a month, lights are dimmed and sound is muted in store
- Store teams are trained and made aware of the particular needs of people with autism

QUIET HOURS SCHEME



Quiet hours are time slots during which lights are dimmed and radio volume is muted in stores to allow sensitive people, particularly people with autism, to do their shopping.

DID YOU KNOW?

SITUATION IN 2021

13

STORES HAVE INTRODUCED
A "QUIET HOURS" SCHEME
(12 IN FRANCE AND 1 IN ITALY)

DIVERSITY: THE KEY TO WELL-BEING AND PERFORMANCE AT WORK

At KIABI, we know that diversity affects well-being and performance at work. Our aim is to celebrate every Kiaber as they are, so that everyone is accepted and integrated in the same way, whatever their gender, whether they are disabled or able-bodied, junior or senior, on a fixed-term or permanent contract, part time or full time.

The Great Place To Work® survey, a social audit conducted annually among all our employees by an external organisation, also highlights this:

- An inclusive company, with 94% of employees acknowledging that they are treated fairly (origin, gender, sexual orientation).
- Fair treatment in relation to age remains at a good level (81%), although it lags behind the other indicators.
- 82% of employees say they are treated as full members of the company, regardless of their position in the company.

2021 has been a year of diagnosis and observation, enabling us to build our 2022 HR strategy and further embed diversity into our organisation.

SITUATION IN 2021

98/100

GENDER EQUALITY INDEX IN FRANCE,
(92/100 in 2020,
higher than the regulatory 75/100)

AN HR POLICY IN FAVOUR OF EQUALITY

Our data tells us that 82% of Kiabers worldwide are women. Based on this observation, we are trying to implement HR policies adapted to the specific needs of women's careers based on countries and cultural norms.

A concrete example of this is in Italy where we have implemented the "Mama" policy. This project aims to put the "mother" at the heart of the company, by setting up a specific training plan for returning from maternity leave. This is an opportunity for women to participate in cooperative development groups.

	PART TIME	FULL TIME	
Store (retail)	53%	47%	We know that part-time work, especially in stores, can lead to a certain degree of insecurity, especially when this part-time work is not the chosen option. In France, for the past six years we have been giving employees the opportunity to increase their working hours when business allows.
Central services	12%	88%	
Logistics	19%	81%	
Purchasing offices	0%	100%	
Property	3%	97%	



INDEX ÉGALITÉ PROFESSIONNELLE 2022

L'index Égalité Femme/Homme mesure le principe
« à travail égal, salaire égal » inscrit dans la loi depuis 46 ans.



ÉCART DE
RÉMUNÉRATION

38/40



ÉCART TAUX
D'AUGMENTATION

20/20



ÉCART TAUX
DE PROMOTION

15/15



INDICATEUR
RETOUR
DE CONGÉ
MATERNITÉ

15/15



INDICATEUR NOMBRE
DE SALARIÉS DU SEXE
SOUS REPRÉSENTÉ
PARMI LES 10
PLUS HAUTES
RÉMUNÉRATIONS

10/10

AN INCLUSIVE POLICY FOR PEOPLE WITH DISABILITIES

As an example of our proactive inclusion policy, we have a policy for people with disabilities. Based on the principle of equal opportunities, it offers the same opportunities in terms of recruitment, training, remuneration and career path to all our employees, whether able-bodied or not.

All appropriate roles are open to people with disabilities. They have:

- a training plan adapted to their needs that promotes their employability
- training support for people with sensory or intellectual disability (sign language translator – adapted learning materials – translation software)
- an adapted workstation and role (adapted equipment – adapted role – adapted time)
- managerial support to guide each Kiaber in their career path, through internal and external continuous training schemes or skills assessment

SITUATION IN 2021

2.8%

KIABERS

WITH DISABILITIES WORLDWIDE,
I.E. 256 KIABERS

FOCUS: EMPLOYMENT OF PEOPLE WITH DISABILITIES IN FRANCE AND SPAIN

FRANCE

3.6% of employees with disabilities in 2021, down from 2020 due to the fact that this was more difficult to manage during the pandemic.

The figure presented here is not representative of the legal rate in France. The calculation issued by URSSAF (French social security) in April is not the same and also takes into account the temporary workers and service providers we work with, which are not included here. In 2020, it was 6.11% for KIABI Europe and 8.12% for our logistics company.

SPAIN

3.2% of employees with disabilities by 2021.

In Spain, Kiabers are guided by partner associations to accompany people with autism or Down's and William's syndrome to promote their integration and professional training in store on a daily basis. The aim of this approach is to enable us to hire a person with different abilities in each KIABI store.



KIABERS AT THE HEART OF FASHION

KIABI CULTURE: PROXIMITY MANAGEMENT

- Listening, the key to our human capital
- Managerial processes, dedicated time for listening and sharing in complete transparency
- Firmly rooted managerial positions and roles

MANAGING TALENT TO PREPARE FOR THE FUTURE

- Promoting the alignment of Kiabers' projects and the company's needs
- Fostering the development of personal skills
- Making digital training accessible to all Kiabers

FLUENT SOCIAL DIALOGUE: THE KEY TO A PEACEFUL SOCIAL CLIMATE

PRESERVING THE HEALTH AND SAFETY OF KIABERS: A PRIORITY

OUR PARTNERS: STAKEHOLDERS IN OUR SOCIAL APPROACH

- Who are our suppliers?
- A strict evaluation process



“ KIABI is a humanitarian company, fundamentally committed to the respect of human beings and the environment. Cooperation, personal development and respect are an integral part of our DNA and are the real drivers of our human and economic performance. The development of our people is at the heart of our HR strategy and means giving each Kiaber the opportunity to fulfil their potential in their working life, acquiring new skills throughout their career through training courses and individualised support. We define respect for people by building peaceful and honest relationships with our partners and customers, and internally by looking after the well-being of Kiabers. Our local listening and exchange mechanisms are proof of the close attention we pay to all our stakeholders. It is by working together with all of our ecosystem that we cooperate to weave positive fashion with sustainability and make life easier for all families.

Franck de Saintignon

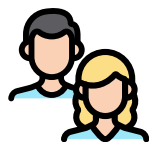
Global Human Resources Director

2021 ESSENTIALS

- **KIABI AWARDED GREAT PLACE TO WORK® CERTIFICATION** for 2021/2022
- **2 BUSINESS AGREEMENTS SIGNED** with 100% of Trade Unions in France in 2021: gender equality and disability
- **THE “AKADEMY BY KIABI” PLATFORM** available for all our business units to share digital training content with all of our employees
- **CLOSE RELATIONSHIPS FORMED** with all our suppliers to move together towards more responsible fashion



2021 INDICATORS



9107 KIABERS



98.4% OF THE AUDITS SHOW COMPLIANCE OR MINOR NON-COMPLIANCE ON SOCIAL ISSUES



73% OF KIABERS SATISFIED TO BE WORKING AT KIABI (GREAT PLACE TO WORK® SURVEY)



91% OF TIER 1 SUPPLIERS (EXCLUDING NON-KIABI BRANDS) HAVE BEEN TRAINED IN OUR CODE OF CONDUCT



RELEVANT STAKEHOLDERS

- Kiabers: we listen to their views and they benefit from career development schemes
- Candidates / students: they are welcomed each year to find out about the jobs we offer and be trained by us
- Suppliers: they are supported towards more responsible processes
- Partners: all the companies and organisations who help us to audit our subcontracting factories around the world
- Organisation: Great Place to Work® is used to conduct the internal Kiaber survey in all our operational countries
- Trade unions: present in our companies through staff representatives who work with us to develop all company agreements

KIABI CULTURE: PROXIMITY MANAGEMENT

Our HR strategy is structured around three strategic axes through which all our actions are based:

1- A family of committed citizens:

of course, KIABI is a global company, but we are committed to instilling a real family spirit in our Kiabers, creating links between them and the rest of the world. This cooperation exists between Kiabers on the one hand, but also with our partners, our customers, our suppliers

2- An agile company made up of entrepreneurs:

we are convinced that our development will be achieved through entrepreneurship. Testing new services and developing alternative products is a matter of course for us. We also work with start-ups and support entrepreneurs in this area. Our goal: to make our Kiabers independent and responsible entrepreneurs and shareholders.

3- Talents that create performance:

we prepare for our future every day by developing training courses, cross-curricular opportunities, and by forming partnerships with schools to prepare us for the professions of tomorrow. Our deep conviction is that our performance is born from our differences and our complementary attributes.

LISTENING, THE KEY TO OUR HUMAN CAPITAL

KIABI's strength has always been its human capital. This comes from a constant desire to listen to our teams.

We know that listening is the key to our continuous improvement and performance. We allow employees to express themselves regularly on their level of satisfaction, their feelings and their needs. Our employee focus groups enable them to reflect together and take action towards a better working life and this helps us to increase our strength in this area.

To foster a close relationship with our employees, we have put in place two mechanisms at the international and local levels:

- An international perspective from the Great Place To Work® survey: this study provides a complete and comparable view of all the company's subsidiaries and major departments once a year.

- Local pulse surveys, carried out autonomously by each country/business unit but within a defined framework: these studies make it possible to measure and monitor the progress of the action plans defined in the Great Place To Work® study, according to the timetables and content specific to the location.



GREAT PLACE TO WORK®: WHAT IS IT?

Great Place To Work® is the global benchmark for employee experience. Since 1992 worldwide and 2002 in France, the organisation has surveyed more than 100 million employees in 60 countries. Their answers have made it possible to determine what constitutes a quality employee experience.

Great Place To Work® uses 2 diagnostic tools for its assessment:

- The trust index: an anonymous questionnaire addressed to employees, based on 5 areas (credibility, respect, fairness, pride and enjoyment).
- The Audit culture: a file to be completed by the company to identify programmes and practices. This file is assessed by Great Place To Work® using an international rating grid.

WHAT'S THAT?

THREE KEY POINTS OF THE GREAT PLACE TO WORK® 2021 STUDY:

- A participation rate of 82%: more than 6,800 employees, in 9 countries
- 73% of employees say that KIABI is a good place to work
- KIABI is certified as a Great Place To Work® 2021/2022 in 8 countries (France, Spain, Italy, Portugal, Belgium, India, Bangladesh, China including Hong Kong).

IN MORE DETAIL: IN THE 2021 STUDY, KIABERS MENTIONED:

- **Trusted leadership:** Kiabers highlight the credibility of management, the clarity of a shared strategy and expectations, the regularity of information and a caring management team that takes a sincere interest in people (76%).
- **A vision, a strategy and country and business unit roadmaps** shared with 100% of Kiabers, with fluid communication to bring them to life and show the progress made and the road ahead.
- **Management processes that invite exchange, sharing and expectations** while remaining focused on the individual.
- **A human-focused and inclusive work environment:** 94% of Kiabers agree that they work in an inclusive company, with fair treatment regardless of origin, gender, sexual orientation or age.
- **Multiculturalism every day:** the company is established in 20 countries, with employees in 9 of them with 76 nationalities represented among the Kiabers.
- **Simple communication**, without hierarchical barriers (being on first-name terms, ease of exchange with a leader, etc.).
- **And 85% of employees are committed.** 86% say they are proud of the collective achievements and the new and innovative solutions provided.
 - Alternative solutions devised during the COVID crisis, such as Click & Drive, or the zero waste parka.
 - The commitment of Kiabers to the actions in the KIABI Life Endowment Fund.

MANAGEMENT PROCESSES FOR LISTENING AND SHARING IN COMPLETE TRANSPARENCY

We have set up individual/team listening and sharing sessions and management processes to ensure that every Kiaber feels purposeful and so that everyone is informed and feels confident in sharing their pride, concerns or needs in complete transparency.

COLLECTIVE SHARING SESSIONS:

- the annual convention. This is held in each country and presents the results of the previous year, the plans for the coming year and the strategic framework to all employees. This year, the meeting was held by videoconference and was an energising and enjoyable event.
- the “We Kiabers, the live”. These monthly information-sharing meetings for central services and store staff (figures for the past month, collection trends, HR highlights, etc.) are now also carried out by video conference.

INDIVIDUAL LISTENING SESSIONS:

- The annual personal development meeting between the Kiaber and their manager allows everyone to make a contribution to a review of their skills, training needs and career plans
- the ED ON GOING (or Periodic Development Interview). Implemented in 2019 using an online system common to all countries, this interview represents a dedicated session for discussion between each employee and his or her manager. It is held at least once a quarter and allows each Kiaber to express their feelings, news and to monitor individual objectives.
- each year, managers share with each of their team members details of where their salary is positioned based on market averages for their role (minimum/median/maximum), the level of responsibility and skills required. This applies in France, Spain and Italy.
- An HR and payroll service is offered to central services in France once a month.



FINDINGS OF THE GREAT PLACE TO WORK® SURVEY :

Employees recognise that they benefit from a management team that is accessible, open to dialogue (81% – 2017) and shows a sincere interest in each person as an individual and not just as an employee (76% – 2017).

SITUATION IN 2021

9.7%
TURNOVER RATE
WORLDWIDE

17.2%
TURNOVER IN OUR
RETAIL COUNTRIES

0.9%
TURNOVER IN OUR
PURCHASING OFFICES
IN ASIA

Turnover is an indicator of the well-being of employees in a company. In the retail sector, the average rate in the European market varies from 10 to 15% depending on the country.

FIRMLY ESTABLISHED MANAGEMENT POSITIONS AND ROLES

One of the impacts on well-being at work and employee loyalty is the alignment between personal values and those of the company. To ensure that the company's values are shared and that everyone adheres to them, we communicate and encourage behaviours to help Kiabers adopt our values. The "Kiaber profile" helps us to recruit the right people, inspire our employees and develop their managerial skills. Our leadership roles and behaviours reflect our management values. These roles and behaviours are assessed at each Peer Development Interview by the line reports and line manager of each Kiaber.

KIABER PROFILE



TO ACT AS AN ENTREPRENEUR

- I am curious, I take initiatives and I dare to take risks in my area of responsibility.
- I act with pragmatism and simplicity.
- I am result-oriented and I think about "solutions".
- I am persistent and adaptable when facing with obstacles.

TO BE CUSTOMER-FOCUSED

- I put the customer at the heart of my preoccupations.
- I make myself available to bring a solution to our customers' needs.
- I act in the service of the vision and the strategy.

TO BE PASSIONATE

- I share my energy and I make Kiabi glow in my ecosystem.
- I am an actor in my development and my learning.
- I enjoy what I do.

TO BE GENEROUS

- I am a team player and I take care of our relationships.
- I share my talents and skills.
- I help others and I ask for help.
- I am committed to diversity, inclusion and sustainable development.

TO BE KIND/BENEVOLENT

- I treat everyone equally.
- I act with integrity and respect.
- I practice active listening.
- I communicate simply and constructively.

TO BE DEMANDING

- I look for performance, efficiency and continuous improvement when carrying out my work.
- I accept challenge; I give transparent and constructive feedback.
- I do what I say.

LEADER MISSION



PERFORMANCE

- I co-build, define and lead a clear, ambitious and realistic Roadmap in my area of responsibility.
- I surround myself with a high-performance team to support Kiabi in accomplishing its challenges.
- I prioritize actions that create economic and human value to ensure the ROI* of projects.
- I encourage initiative in a continuous improvement process.

LEADERSHIP

- I create an environment of trust, autonomy, accountability and decision-making.
- I value and recognize the individual contribution to collective performance.
- I encourage boldness and embrace mistakes as a learning experience.
- I lead and guarantee the human strategy of Kiabi and leadership rituals.
- I encourage each member of my team to be an actor in their own development.

VISION & STRATEGY

- I drive an ambitious and long-term vision in my perimeter.
- I am the one to convey the Kiabi's vision and strategy to my ecosystem and I translate it into concrete actions in my area of responsibility.
- I embody Kiabi's values in my ecosystem.
- I take a step back, I evaluate risks, I anticipate and plan actions.

LEADER'S BEHAVIOUR

- I promote cooperation and mutual aid through an inspiring behaviour.
- I actively listen and I give meanings.
- I make decision and manage them with leadership courage.
- I am a role model in terms of values and rules, and I ensure they are respected everyday.

*ROI (Return On Investment, qualitative and quantitative)

MANAGING TALENT TO PREPARE THE FUTURE

Attracting, developing, motivating and retaining talent is a priority of KIABI's HR strategy.

The objectives of our talent management policy are clear:

- Developing a community of talent
- Promoting career paths and development

To achieve these goals, the Talent Management teams develop specific action plans with the HR teams in the various areas and countries.

WHAT'S THAT?

TALENT MANAGEMENT, WHAT DOES IT MEAN?

Talent management is the set of HR processes aimed at attracting, developing, motivating and retaining the best performing employees.

It is an integrated approach to achieving key talent management and business organisation goals.

The core programmes of our organisation include, but are not limited to:

- Competency development
- Performance management and assessment
- High potential management (hi-po)
- Career management & mobility
- Prospecting, Trends and Trade Observatory



PROMOTE THE ALIGNMENT OF KIABER'S PROJECTS AND COMPANY'S NEEDS

The Talent process gives each Kiaber the chance to become aware of their talents, develop them, share them and used them develop their career.

To encourage career development, we run a year-round process called the "ED Campaign". It begins with the annual personal development interview, continues with the salary review process and ends with the "Talent Review", which aims to identify opportunities offered by the company that align with Kiabers' career plans.

In addition, and to further facilitate internal mobility, KIABI has a web portal listing the group's job opportunities available throughout the world. This portal, called Kimoov, allows Kiabers to apply or nominate a friend or colleague directly.

Additionally, once suitable career opportunities have been identified, we run several in-house certification schools in France to support Kiabers in their professional development:

- School for Leaders/Store Managers, School for Logistics Coordinators, Management Path, School for Leaders (outside stores), the aim of which is to get to know each other better so that we can manage better. It is open to all employees who are keen to develop their career, in all countries.
- Retail Schools: Visual Merchandisers, Flow Manager
- Data analyst training: the first Kiabers graduated in 2020.

Some courses are run in partnership with specialist schools (e.g. the visual merchandiser school in partnership with the MJM school).



SITUATION IN 2021

591
PEOPLE TRAINED
IN INTERNAL SCHOOLS
(403 in 2020)

142
INTERNAL
MOVEMENTS



FOSTERING PERSONAL SKILLS DEVELOPMENT

In addition to “professional” skills, KIABI offers its employees the opportunity to develop their “personal” skills.

FOR EXAMPLE:

- **“PROJECT VOLTAIRE”**: 100% digital access for all Kiabers in France to a spelling course. It's a personalised and fun way to learn, relearn and reclaim the French written language.
- **CO-DEVELOPMENT WORKSHOPS**: based on collective intelligence. During a course of 4 sessions, Kiabers who wish to do so meet in small groups of 6 to 8 people. Members of the group help each other, discuss best practices, and boost their skills. Everyone can make progress on their project, problems and concerns by identifying concrete solutions developed cooperatively with the group. They are guided in their approach by an internal facilitator trained in professional co-development.
- **“E-LIBRARY PROJECT”**: this virtual bookshop offers a wide selection of personal development content (+3000 e-books, audiobooks and podcasts) made available in the Akademy by KIABI, such as time management, teleworking, motivation, etc.
- **PERSONAL DEVELOPMENT TRAINING**: non-violent communication, getting to know yourself better to improve communication

MAKING DIGITAL TRAINING AVAILABLE TO ALL KIABERS

Since the beginning of 2020, KIABI has been developing a “Digital Learning” strategy. This training strategy is based on digitalising our tools and processes, as well as increasing the production of rich digital educational content. This content has been centralised and made available to all Kiabers throughout the world since 2021, via an online platform: the Akademy by KIABI.

There are three main objectives of this academy:

- operational excellence (developing the professions of tomorrow + digitalization),
- supporting transformation (management behaviours),
- compliance (the “Sapin” law in France, European directive GDPR, etc.)

SITUATION IN 2021

97,040

HOURS OF TRAINING
GIVEN (EXCLUDING
BELGIUM)

(vs 59,757 hours
in 2020)

98.1%

OF EMPLOYEES
RECEIVED TRAINING
(FRANCE,

9

OF TRAINING
PER TRAINED
EMPLOYEE (FRANCE,
ITALY, PORTUGAL)

Explanations: many of the digital training courses developed under time pressure in the spring of 2020 could not be traced.

FLUENT SOCIAL DIALOGUE: THE KEY TO A PEACEFUL SOCIAL CLIMATE

French legislation requires companies to negotiate with trade unions on quality of life at work and diversity. Diversity has even become one of our guiding principles in all negotiations.

At KIABI, we make a point of maintaining a permanent social dialogue and, during negotiations, to reach genuine shared agreements. We set ourselves the objective of obtaining 100% of the votes of the trade union organisations, instead of the 50% required by the regulations, to validate an agreement. This means that we build the agreements alongside staff representatives.

In Spain, Italy and Belgium, KIABI negotiates and signs collective agreements.

In 2021, the themes of disability and gender equality were the subject of agreements in France. In Belgium, a "maternity" and "Sunday working" agreement were signed.

In Spain, all agreements are renewed and signed every year. The agreement on digital disconnection was signed for the first time in 2021.

For Italy, all ICA (Integrative Business Agreement) negotiations were extended to 2021.

A table summarising the agreements in place in each country is attached.

FOCUS: GENDER EQUALITY AGREEMENT IN FRANCE

A new agreement on professional equality between women and men 2021 – 2024 was signed in 2021 in France.

The following key measures were agreed:

- Access to employment: development of training on non-discrimination in recruitment,
- Remuneration: promote parity by measuring the pay gap within teams for comparable jobs, reduce the pay gap related to family leave and continue to raise awareness and support Leaders on equal pay in pay policy, with the development of Remuneration Workshops.

Many new measures were also agreed on working conditions, work-life balance and parental responsibility (creation of 2 types of additional leave, option of fully remote working from the 6th month of pregnancy, option for Kiabers who wish to do so to work part-time until the child is 6 years old, etc.)

FOCUS: DISABILITY AGREEMENT IN FRANCE

In 2021, we signed our 7th disability agreement in France. The main challenges of this agreement in France are recruitment, training and integration, awareness and communication in:

- maintaining or exceeding the level of people with disabilities at 6%
- promoting job sustainability and fulfilment by developing the employability of people with disabilities
- raising awareness and informing Kiabers through enhanced communication
- allowing for end-of-career adjustments



PRESERVING THE HEALTH AND SAFETY OF KIABERS: A PRIORITY

The physical safety of our employees is paramount. Regardless of the role (logistics, warehouse, central services) and the country in which Kiabers work, we are working to continuously improve the working environment.

FINDINGS OF THE GREAT PLACE TO WORK® SURVEY:

Employees recognise that they work in a safe environment (84% +4pts vs. 2017) and that they have the resources and equipment they need to do their job (78% +6pts vs. 2017).

The quality of onboarding for new employees is also highlighted by the employees (86%).

To reduce the frequency of work-related accidents and the length of absence for employees, we train Kiabers in health and safety and in the risks associated with physical activity. In order to monitor this topic to the best of our ability, we track indicators such as absenteeism, the frequency rate of accidents at work and illnesses to understand and address the causes.

SITUATION IN 2021

0.6%
OF DISEASES
57 CASES WORLDWIDE

15.4%
RATE OF FREQUENCY
OF ACCIDENTS AT WORK
(EXCLUDING ASIA AND
PORTUGAL)

5.3%
RATE
ABSENTEEISM
(EXCLUDING ITALY
AND BELGIUM)

Except for Spain and Portugal, absenteeism rates are tending to increase compared to 2020, as a direct consequence of the COVID-19 crisis (sick leave for children, sick leave for contact cases, etc.)

Work-related accidents mainly relate to logistics and warehouse activities. Based on this observation, we are deploying training and a quality/safety approach to reduce the number and severity of accidents.

For example, in logistics (France), the subject of health and safety at work is increasingly supported:

77 people are employed as "safety relays".

Their role is of course the prevention of COVID, but also the overall health and safety of employees at their workstations (posture, ergonomics, injury prevention) via site audits.

FOCUS: IN-STORE PREVENTION TOOLS

Since 2014, we have been using an internal checking tool in our stores to measure and limit risks relating to the safety of people and products, non-compliance with labour law, and financial and product flows.

This system enables the French, Spanish and Belgian stores to carry out annual self-assessments (for example, checking that armed fire valves are operating correctly, emergency exits, etc.). In France and Spain, these self-assessments are combined with checks carried out by the internal control team. The physical safety of our employees is paramount. Regardless of the role (logistics, warehouse, central services) and the country in which Kiabers work, we are working to continuously improve the working environment.

OUR PARTNERS: STAKEHOLDERS IN OUR SOCIAL APPROACH

KIABI works with many partners. Whether they are affiliates, franchisees, suppliers of goods, suppliers of non-market goods or service providers, building long-term partnerships based on trust with these partners is an integral part of the company's culture. Whilst it's true that they are not an integral part of our Kiabers' teams, we attach great importance to getting to know each other in order to work better together.

To ensure that our partners are as committed as we are to social and environmental issues, we have set up dedicated exchange and support sessions.

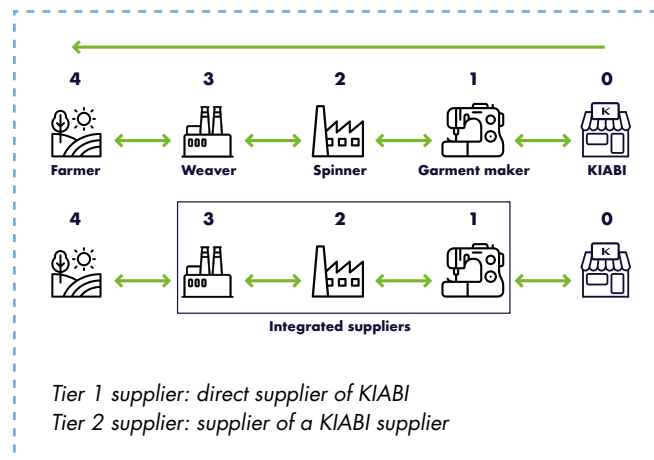
- Our suppliers are invited every year to our "Annual Supplier Compliance conference" during which we present to them our challenges for the coming years. The same is true for our franchise partners and affiliates.
- We support our suppliers on issues of occupational health, safety and compliance with the environment. We offer them training and a self-assessment guide on these subjects. In addition to the audits we carry out, we also monitor their continuous improvement policy.

OUR SUPPLIERS: WHO ARE THEY?

Our collections are mainly manufactured in Asia and North Africa, where we seek precise skills and recognised expertise. We work with 144 "tier 1" clothing suppliers, representing 405 manufacturing plants.

**The map showing where our manufacturing takes place is available on page 6.*

Each of our suppliers is carefully selected and monitored throughout our partnership. Our hope is to maintain long-lasting relationships with our partners, in a cooperative approach of continuous improvement.



Today, we want to be able to clearly identify who our direct suppliers are (known as the tier 1 suppliers) and understand which suppliers they work with (known as the tier 2 suppliers). We collect this information on a declarative basis by asking our direct suppliers to provide us with the details of their tier 2 suppliers/factories.

For greater transparency, we would like to implement a solution/tool that allows us to better monitor our entire supply chain. This is why we are part of a working group on traceability under the Ministry of Industry. With the multiplicity of initiatives and the lack of maturity of existing solutions on the market, an experiment was launched with volunteer companies in the sector to test collaborative supplier traceability solutions in 2022.

SITUATION IN 2021

144

TIER 1 SUPPLIERS OR 405 FACTORIES

219

TIER 2 SUPPLIERS OR 422
FACTORIES

To continue to support our suppliers through the critical period of the COVID crisis, we have chosen to maintain our order volumes in 2020 and 2021. As a result, we have been recognised by WRC "Worker Right Consortium", an NGO, as one of the responsible companies that have committed to paying in full for orders completed in production.

We also joined the "Call to Action" movement, launched by the International Labour Organisation, to enable manufacturers to continue trading, pay their employees and put in place measures to help preserve the health and job security of their employees.

A STRICT ASSESSMENT PROCESS

Our purchasing, quality and compliance teams assess our suppliers using strict criteria: quality, factory compliance in social and environmental aspects, respect for deadlines, financial stability, etc. This assessment allows us to measure their progress on an objective basis that we share with them. It all starts with the selection of a new supplier: before being referenced, all Tier 1 suppliers outside the European Union are audited and go through a rigorous integration process. For suppliers of KIABI branded products in the European Union, we check the BSCI-type audit reports that they send us and, if necessary, perform unannounced audits of their factories, carried out by our teams or by an accredited service provider.

To ensure that our suppliers comply with the code of conduct signed with KIABI, we train and audit them regularly, either by our internal audit teams, by specialised companies or via other companies in the textile sector sharing their audits.

**FINANCIAL
STABILITY
ASSESSMENT**

**AUDIT
WORKING
CONDITIONS**

**FACTORY/SUPPLIER
VALIDATION COMMITTEE
BASED ON ASSESSMENTS**

**REPUTATIONAL
AND ETHICAL
ASSESSMENT**

**AUDIT
EXPERTISE /
QUALITY**

WHAT'S THE CODE OF CONDUCT?

The KIABI code of conduct reflects our values and aims to promote safe and fair working conditions, make responsible procurement decisions and protect the business interests of the parties. It is based on internationally recognised standards, in particular the United Nations Charter, the International Labour Organization standards (ILO Conventions), the Universal Declaration of Human Rights, and applicable local labour laws. It is systematically enshrined into all our contracts.



SITUATION IN 2021

91%

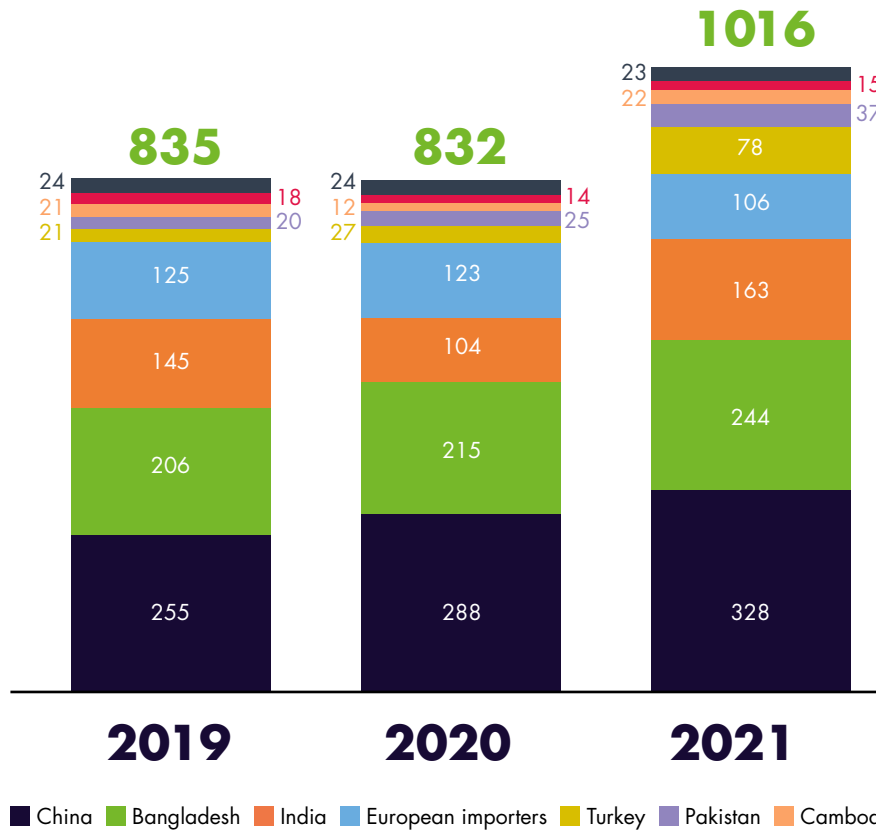
**TIER 1 SUPPLIERS (EXCLUDING NON-KIABI
BRAND SUPPLIERS) TRAINED IN OUR CODE
OF CONDUCT**

1016

**SOCIAL AUDIT
CARRIED OUT**



NUMBER OF SOCIAL AUDITS CARRIED OUT PER COUNTRY



- 20% of audits carried out by our internal audit team of 9 people (1 in Hong Kong, 4 in Shanghai, 2 in Bangladesh, 2 in India)
- 45% by specialised companies
- 35% by other companies who make their audits available on the AMFORI platform (BSCI*** for the social aspect and BEPI*** for the environmental aspect) so that we can share our audit procedures with other textile brands in the world

In 2020 and 2021, despite the COVID crisis, we carried out as many (or more) audits than we did in 2019. With the awareness that we needed to continue our communication with suppliers/plants during this pandemic period, we devised a new way of analysing plant compliance without having to physically visit the site. We have increased the proportion of audits assigned to external companies and developed digital audits carried out by our teams.

By auditing our suppliers' factories, we can assess their compliance. Depending on the result of the assessment, a control audit is scheduled on an appropriate date.

- "Compliant": a follow-up audit is carried out every year.
- "Minor non-conformity": a follow-up audit is carried out within 6-9 months.
- "Major non-conformity": a follow-up audit is carried out within 3 months.

We adopt a continuous improvement process with the suppliers concerned to correct the non-conformities detected and adjust the frequency of our checks. In rare cases, if the improvement process does not result in compliance with our criteria, the contractual relationship is terminated. All of our "nominated" Tier 1 and Tier 2 suppliers are audited annually on their social aspects.

WHAT IS A DIGITAL AUDIT?



To maintain our audits despite travel restrictions due to the

pandemic, we have continued with digital audits by video and remote audits introduced in 2020.

- Preliminary interview with the factory management
- Virtual tour of the plant. The process is not perfect, but in this case it helps us to understand the current situation at the factory. The tour focuses on fire, electricity and building safety
- Analysis of the documentation (work contracts, building certificates, etc.)

This digital audit is designed to cover all parts of the so-called "classic" social audit except for the interviews with the workers, as the tools do not guarantee the confidentiality of staff testimonies.

WHAT'S THAT?

SITUATION IN 2021

98.4%


OF AUDITS SHOW COMPLIANCE
OR MINOR NON-CONFORMITIES
(96.5% in 2020).

METHODOLOGY AND DEFINITIONS

CONTEXT

In accordance with French Order No. 2017-1180 of 19 July 2017 on the publication of non-financial information by certain large businesses and groups of companies meeting the criteria, as well as French Law No. 2017-399 of 27 March 2017 on the monitoring duty of parent companies and instructing businesses, the KIABI Group has drawn up this extra-financial performance declaration which includes:

- Measures to identify and prevent social, corporate and environmental damage related to its activity, within the framework of an obligation of means, for the year 2021 ;
- Reasonable due diligence measures to identify and prevent serious human rights abuses, fundamental freedoms, the health and safety of individuals and the environment, within the framework of an obligation of means, for the year 2021.

The KIABI Group has chosen to produce only one document, meeting the obligations set out above. The elements concerning the monitoring plan are identified by the following acronym: 

This document, even though it includes the elements of the Compliance Plan, will be called an "extra-financial performance declaration".

This declaration covers all the companies belonging to the KIABI Group, i.e. all the French and foreign companies controlled directly and indirectly, within the meaning of Article L.233-3 of the French Commercial Code, by BUNSHA INTERNATIONAL (the parent company), as well as all its suppliers and subcontractors (referred to as "Suppliers" from now on) with whom it has an established commercial relationship.

There is an established commercial relationship, in accordance

with French case law, provided that there is a stable and regular business relationship.

In this declaration, the term "stakeholders" is to be understood as suppliers, subcontractors, service providers, customers, franchisees, affiliates, agents, associations and employees of KIABI Group. By "employees", we mean all the employees of the KIABI Group, whether they are on permanent or fixed-term contracts, part-time or full-time, or corporate officers (referred to as "Kiabers" from now on).

The risks of serious harm are defined in terms of severity and frequency (taking into account the extent and reversibility of harm).

Article L. 225-102-1 of the French Commercial Code requires that certain information be systematically included in the Extra-Financial Performance Declaration, in addition to the extra-financial risks specific to our business.

Mandatory elements to be covered in the EFPD

- Circular economy covered in the paragraph "End of life products and recycling"
- Climate change discussed in paragraph "Carbon footprint and biodiversity"
- Collective agreements concluded in the company and their impact on the economic performance of the company and on the working conditions of employees dealt with in the paragraphs "Fluent social dialogue: the key to a peaceful social climate", "Preserving the health and safety of Kiabers: a priority."

It should be noted that we have 1 Central Social and Economic Committee - 4 Social and Economic Committee, 3 of which have a Health, Safety and Working Conditions Committee as well as in-store Staff Representatives. The 4 CSEs concern the French companies KIABI Europe, KIABI Logistique, KIABI Logistique Hem and Bunsha. The signed agreements apply to these French companies, which have specific legislation and obligations. The other countries do the same based on their legislation. For 2021, no agreement was reached concerning the health situation, but extraordinary CSEs and more regular CSSCTs were organised.

In 2021, for SEU agreements :

- o Agreement on professional equality between women and men 2021 - 2024 signed on 01/09/2021
- o Disability agreement 2021/2023 signed on 23/06/2021
- Diversity is covered in the paragraph Diversity: the key to well-being and performance at work
- Disability is covered in the paragraph "Diversity: the key to well-being and performance at work"
- Respect for animal welfare is considered irrelevant because in our designs:
 - o 0.04% of accessories and footwear contain leather on purchases in 2021
 - o 0.65% (of all our purchased quantities excluding shoes) of the SUMMER and WINTER 2021 collections contain majority non-wool materials (from material table 2021)
 - o no clothing contains fur.
- The fight against food waste is not considered relevant to our business
- The fight against food waste is not considered relevant to our business
- Responsible, fair and sustainable food is not considered relevant to our business
- Actions to promote physical activities and sportswear deemed irrelevant as only 3% of our designs are sportswear

The KIABI Group wishes to become a socially and environmentally aware company to embody values of respect for people, society and the environment. We want to be involved in these issues to move towards a fairer, more equitable and more respectful world.

NOTES ON METHODOLOGY AND DEFINITIONS

PERIOD AND SCOPE OF THE REPORT

- The social, societal and environmental data covers the period from 1 January to 31 December 2021.
- The collection data is based on the purchasing period for the summer and winter 2021 collections.

CONTEXT AND BUSINESS MODELS

Tier 1 suppliers:

Clothing suppliers, i.e. those with whom we work directly to manufacture our KIABI* branded products.

Tier 2 suppliers:

Spinners, weavers, knitters, dyers, washers, suppliers of accessories such as buttons, fasteners, etc. They fall into two categories: the "nominees" where we source our standard raw materials and the "non-nominees" where we do not.

Second-hand areas:

This is a semi-open area within a store where second-hand products are available: we can find second owners for second-hand clothes, giving clothes a second life and prolonging their useful life.

Employee shareholders: 60.67% of employees are shareholders (4473 out of 7372 salaried eligible employees from French, Italian and Spanish entities).

Details:

- France: 3801 employees out of 6024 eligible employees,
- Italy: 67 employees out of 400 eligible employees,
- Spain: 605 employees out of 948 eligible employees.

KIABI Group Governance and strategy:

Business unit (or "BU") means "organisational unit" or "business area" and defines an entity of the company and/or a department of the company that acts as a distinct part and has some form of autonomy in its operations. Examples of business units are: marketing, collections, finance, distribution countries France, Spain, Italy or international franchise operators.

Vision:

Forecast of the group's ambition and plans for the next 10 years. These elements then structure the multi-year plans and annual roadmaps of the group and the various subsidiaries and departments.

Risk mapping

Our extra-financial risk mapping was reviewed in 2020. It is exhaustive and representative of today's challenges, taking into account recent events (pandemic, etc.), It will only be reviewed during 2022.

The mapping was built by the CSR team in partnership with the internal audit team and was developed in several stages:

- Creation of social and environmental risk registers related to the textile sector (name of the risk, impacts, description of the risk, response measures, impacted stakeholders, interested stakeholders)
- Gross risk rating based on specific criteria established by internal audit (frequency and severity), taking into account the impact on people and the planet.
- Survey provided to stakeholders to take into account their perception of social and environmental risks for the KIABI ecosystem: 130 stakeholders surveyed, 77 external and 53 internal (service providers, NGOs, suppliers, Kiabers, banks/insurance/brokers, affiliates/franchisees) whose responses (62% of respondents, i.e. 87 respondents) enabled us to rate the risks previously identified on the basis of their perspective.
- Calculation of the total score from KIABI's point of view and from the stakeholders' point of view. Comparison of the two sets of data. Inclusion of risks with a score of 7 or more to take into account only major risks

This risk map was presented and validated by the sustainable development director. The risks outlined in the Strategy and Governance section are monitored through the indicators mentioned in the report.

FOR MORE RESPONSIBLE FASHION

CARBON FOOTPRINT AND BIODIVERSITY

Biodiversity (source I Care, KIABI 2020 biodiversity report)

Biodiversity, or biological diversity, refers to the variability among living organisms from all sources, including terrestrial, marine and other aquatic ecosystems, and the ecological habitats to which they belong. It includes diversity within species and between species, the diversity of ecosystems and the interactions between living organisms.

Biodiversity assessment, main pressures (source Millennium Ecosystem assessment, 2005):

- Habitat degradation: destruction, fragmentation or disturbance of the natural environment that disrupts wildlife (fauna and flora).
- Climate change: influences natural environments through the increase in sea level and extreme events, increased rainfall, ocean acidification.
- Pollution: toxic substances emitted and dispersed into the air, into water, spilled into the soil
- Overexploitation of biological resources: harvesting beyond the renewal capacity of the stock (e.g. fishing, forestry, large mammals)
- Invasive species: their introduction, whether intentional or not, into an ecosystem, outside their native environment, disrupts the local balance

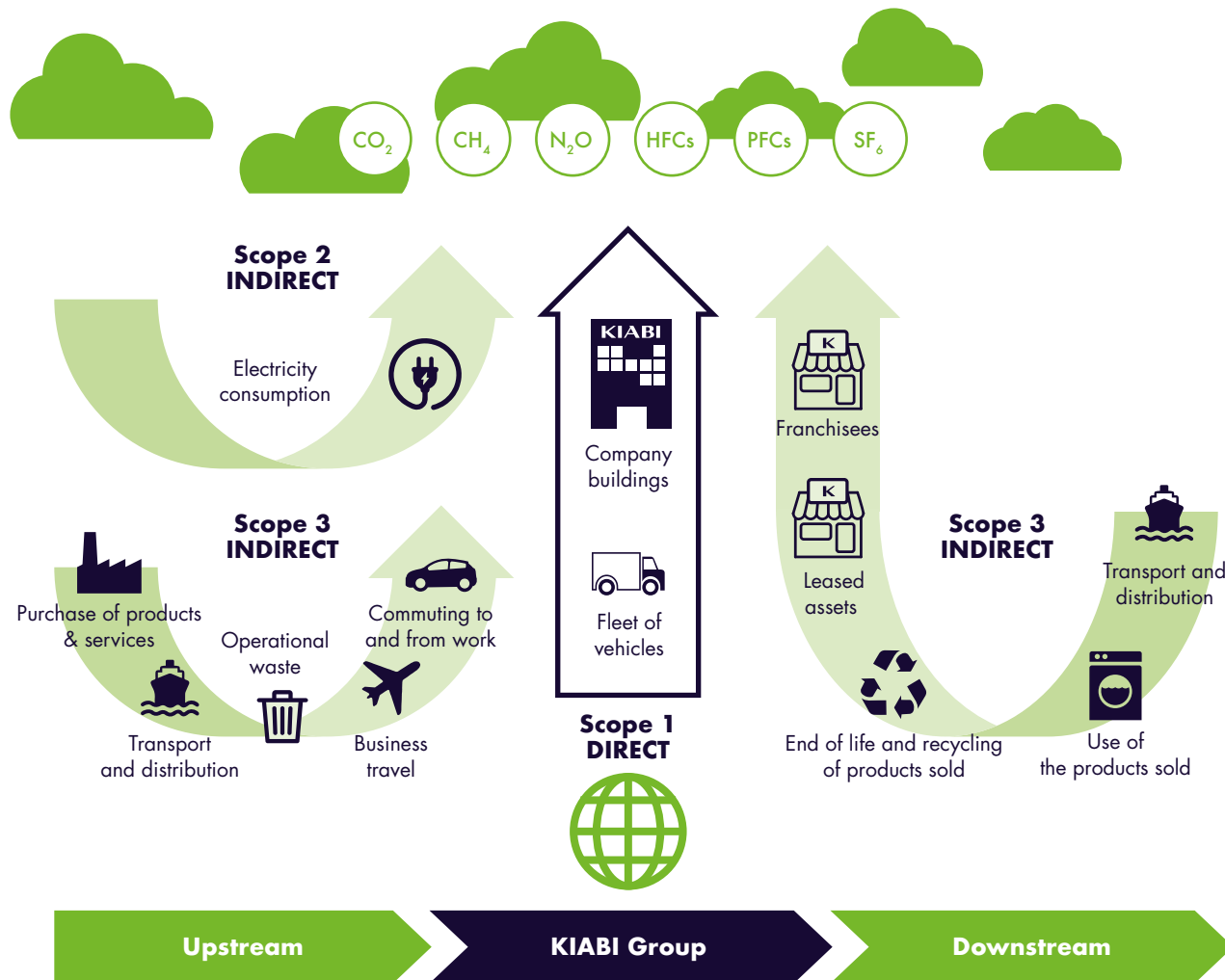
Carbon footprint, scope 1 / 2 / 3:

covers direct emissions (scope 1), indirect energy-related emissions (scope 2) and other indirect emissions (scope 3)

See pdf I Care page 5

Greenhouse gases:

Gaseous substances that absorb the infrared radiation emitted by the Earth's surface and thus contribute to the greenhouse effect. (source: Wikipedia.fr)



(source I Care and Consult, adapted from GHG Protocol)

THE PRODUCT LIFE CYCLE**Product design:**

- Fibre: raw material derived from agriculture (vegetable, animal), from the processing of petroleum products (synthetic) or from the chemical processing of natural materials (artificial).
- Fibre: raw material derived from agriculture (vegetable, animal), from the processing of petroleum products (synthetic) or from the chemical processing of natural materials (artificial).
- Spinning: the process of transforming a fibre into yarn by twisting, for natural fibres (vegetable, animal). For artificial or synthetic fibres, the process allows a continuous filament to be obtained directly, used alone or combined.
- Weaving: making a fabric (also called cloth) by interweaving threads (warp in one direction, weft in the other) at right angles, using a loom.
- Knitting: The construction of a knitted fabric by forming interlocking loops (stitches) on a continuous thread using a knitting machine.
- Washing: a process that gives a finished (made) product an aged, faded appearance. Often used for denim trousers. Stone washing is usually carried out in a drum machine with water and limestone to give smoothness and visually irregular wear.
- Making up: all the operations involved in assembling a garment or accessory. The main stages are the cutting of the fabric and its assembly on a sewing machine.
- Denim: cotton or cotton blend fabric which is very strong because of its weaving. It is traditionally two-coloured: blue warp and white weft.

TEXTILE FIBRES are categorised as follows:

Natural fibres

- Naturally occurring plant fibres are listed below:

- Cotton: used at KIABI.
- Linen: used at KIABI.
- Jute, hemp: not used at KIABI.
- Latex from the latex tissue of the rubber tree: not used at KIABI.
- Sisal from the leaf of the sisal plant: not used at KIABI.

- Animal fibres are not included here because they are not used at KIABI (except for wool, which accounts for 0.65% of our purchases, excluding shoes and specific web products).

Chemical fibres:

- Synthetic fibres obtained by chemical reactions of hydrocarbons or starch are the following:

- Polyester: used at KIABI.
- Polyamide: used at KIABI.
- Acrylic: used at KIABI.
- Elastane (marketed as Spandex or Lycra): used at KIABI.

- Man-made fibres made from natural raw materials include the following:

- Viscose and more sustainable viscose (including Tencel, Lyocell, Ecovero): used at KIABI.
- Jute, hemp: not used at KIABI.

Different types of cotton:

- Cotton in conversion: we have already reported on cotton in conversion in the body of the report.

- Organic cotton: grown with natural compost that replaces chemical fertilisers and pesticides, it is GMO-free and the water consumption for its cultivation is reduced by half compared to conventional cotton. Crop rotation in organic farming oxygenates the soil and preserves its richness. Organic cotton cultivation allows producers to improve their working conditions, their health and the health of the environment.

- BCI Cotton: Better Cotton Initiative is a non-profit organisation that promotes better cotton growing standards and practices in 24 countries. Cotton from farmers trained in the initiative now accounts for about 19% of global cotton production.

- Recycled cotton: cotton from recycled cotton clothing or cotton textile scraps. After cutting the fabrics and converting them back into fibre, the fibres obtained are re-spun.

- Conventional cotton: cotton produced by conventional farming methods with high water input and the use of pesticides and artificial fertilisers.

Source of information: Knitwear and fabrics by Pierre Hirsch, published by Olifant (1988) Better Cotton Initiative, Global standard Gmbh. Change of methodology for the % eco-designed products indicator: in 2019, KIABI plotted the percentage of eco-designed items sold vs. purchased in 2020 for better management.

Life Cycle Assessment (LCA) of a product:

Definition: life cycle assessment is a standardised assessment method (ISO 14040 and ISO 14044) which allows the environmental assessment of a product from the extraction of the raw materials necessary for its manufacture to its end of life (landfill, recycling, etc.), also considering its use, maintenance and transport phases.

At each stage, the environmental impacts are defined and can be compared.

- Databases: Veritas EIME software CODDE®, ECOINVENT and IMPACT® databases

- Methodology used for the DRE32 denim LCA in 2020 :

- We have listed the materials, industrial processes, accessories and packaging of the product DRE32 colour black and asked our supplier to evaluate the consumption for a given order during production.
- To assess the impact of raw material consumption, we used the information on the product composition label.
- Our internal import/transport department also analysed the impact of transport (km, weight, mode of transport)
- Finally, we used standard software data to calculate end-of-life impacts.

PRODUCT TRANSPORT

FRET 21:

A joint initiative of the AUTF (Association des Utilisateurs de Transport de Fret) and the Ademe (Agence De l'Environnement et de la Maitrise de l'Energie), which aims to encourage companies acting as principal transport operators to better integrate the impact of transport into their sustainable development strategy.

The calculation of our transport-related greenhouse gas emissions was carried out using the tool made available as part of the FRET 21 approach.

- Logistics warehouses. Our warehouses are located in Lauwin Planque in Northern France and in La Bisbal del Penedes (near Barcelona, Spain)
- Logistics/transport platform. To consolidate the flows between our warehouses and the regional distribution areas, we work with Logistics/Transport platforms operated by partner carriers.

These platforms are the starting point for distribution transport to each store and can carry out some logistics tasks. There are 11 of them in France/Belgium and 1 in Italy.

Management of unsold goods:

- Discount stores: thrift shops, buying unsold stock to resell them on markets. As part of our partnership, retailers resell in countries where we are not distributors.
- Market place: an alternative to discount stores, managed by a partner with the aim of selling KIABI products on an online platform.

PLANT AND PRODUCT COMPLIANCE

European REACH regulation:

REACH is a European Union regulation adopted to better protect human health and the environment from the risks associated with chemical substances, while promoting competitiveness within the EU chemical industry. It also promotes alternative methods for assessing hazardous substances to reduce the number of animal tests.

AFIRM Group

AFIRM Group provides a forum for advancing the global management of restricted substances in apparel and footwear, communicating information on RSL to the supply chain, discussing concerns and exchanging ideas to improve RSL management.

STANDARD 100 by OEKO-TEX®:

The Standard 100 by OEKO-TEX® – confidence in textile label is issued by an independent body and guarantees that the level of harmful chemicals in our certified products is below the limits that are dangerous to the health of users.

TOWARDS MORE RESPONSIBLE CONSUMPTION

Reforest' action:

- **Stored carbon:** A tree stores approximately 150 kg of CO₂ over 30 years. This figure comes from the calculation method defined in the book "Forêt et Carbone" published in 2015, taking as a reference an example of a plantation project in a French forest using the most widespread sustainable management method. The result gives a quantity of CO₂ stored per hectare. To make this easier to understand, we have reduced this figure to the average tree density of our projects. However, it is interesting to note that in tropical areas, one tree stores about 300 kg of CO₂ over 30 years ("Atlas des forêts dans le monde", Boulier and Simon, 2010). However, we retain the figure of 150 kg of CO₂ stored per tree in order not to overestimate our impact on the climate.
- **Number of shelters created for biodiversity:** An IRSTEA study published in Biological Conservation establishes correlations between the species of a tree and the number of micro-habitats it accommodates within its bark, branches or cavities. A deciduous tree provides an average of 3 animal shelters, and a coniferous tree provides an average of 2.5 animal shelters.
- **Months of oxygen created:** According to Thomas Similowski, a lung expert at the APHP, an adult person consumes about 700 g of O₂ per day. However, according to our forestry experts, a tree produces between 20 and 150 kg of O₂ per year. In order to cover the oxygen needs of one person for one year, an average of 3 trees are therefore necessary. This gives the equivalent of one tree planted for 4 months of oxygen.
- **Jobs created :** According to a 2009 FAO article in the journal Unasylva - 233 - "Creating forestry jobs to boost the economy and build a green future", afforestation and reforestation activities are the best opportunities for job creation. In the case of activities. The 5 million hectares planted annually create 4 to 5 million full-time equivalent jobs (i.e. 35 hours per week). On average, one person will work one hour on one tree for one year, in the case of a plot with 1000 trees/ha density.

FOR MORE INCLUSIVE FASHION

"LE PETIT MAGASIN" KIABI'S SOCIAL ENTERPRISE

Grand Prix de la Good économie :

The Grand Prix de la Good Economie rewards the best initiatives from companies committed to environmental, social and solidarity-based business transformation, in the service of the common good.

Event organised by "The Good", the leading BtoB media for environmental, social and solidarity-based transformation for brands and companies. Launched in September 2020, The Good works with businesses who are committed to the sustainable transformation of business models, devises best practices, and highlights new ideas and the best initiatives to inspire the transformations that the planet and its inhabitants need. The Good is part of a positive approach, media with impact, to sustainably support company management teams towards a more responsible and committed future, towards the Good Economy.



Label HappyIndex® / Interns:

The ChooseMyCompany label focuses on facilitating, improving and highlighting the value of internship and apprenticeship programmes. The label is awarded on the basis of a questionnaire sent to each student at the end of the internship or apprenticeship assignment. A final grade is awarded on the basis of the grades given by the students. ChooseMyCompany is a company with a mission to improve relationships at work.



POEC (Préparation Opérationnelle à l'Emploi Collective) :

The POEC aims to provide rapid access to long-term employment (permanent contract, fixed-term contract or professional training contract of at least 12 months, apprenticeship contract). With a relatively long duration, maximum 400 hours, and including a period of immersion within a company, the POEC is recognised for its effectiveness in integrating job seekers into the professional world.

DIVERSITY, THE KEY TO WELL-BEING AND PERFORMANCE AT WORK

Gender equality index:

This index was set up by the French government during 2018. It aims to enable companies to measure their progress in terms of professional equality. The maximum number of points is 100. Below 75 points, companies must take corrective action or face financial penalties.

5 indicators are used to calculate the score:

- The elimination of the pay gap between women and men of comparable age and position counts for 40 points.
- Equal opportunities between men and women for obtaining a pay rise count for 20 points.
- Equality of opportunity between genders for obtaining a promotion counts for 15 points.
- Pay rises applied after returning from maternity leave where pay rises were given in their absence, count as 15 points.
- At least 4 women in the 10 highest earners counts as 10 points.

(Data for France only)

KIABERS AT THE HEART OF FASHION

The social data includes only persons with an employment contract in a KIABI Group entity.

It does not include data on temporary workers, self-employed workers, service providers or interns. However, work-study students (professional training contracts and apprenticeship contracts) are included in the scope.

The scope includes all Kiabers from the entities of the Bunsha International consolidated group. However, some of the indicators described below have been calculated for only some of the legal entities. The scope is mentioned for each of the indicators below. The basis for calculating the majority of the quantitative indicators in France is taken from our SMART HR payroll software (formerly HR Access). For other countries, we use different software or have opted for payroll service providers.

Definitions of the indicators included:

Headcount at 31/12/2021 :

This is the total number of Kiabers (fixed-term / permanent contracts and work-study students) present on 31/12/2021. Kiabers are classified according to their gender, age, working hours (full-time/part-time), type of contract (fixed-term, permanent) and SPC (Management = Executives - Employees = Employees + Supervisors).

Ok all countries KIABI.

• Turnover

The formula used to calculate turnover is as follows:

- $(\text{No. of permanent leavers in year N} + \text{No. of permanent hires in year N}) / 2$ / number of permanent employees on 1 January of year N.
- By leavers we mean the number of people who left one of our entities during the year. Leavers on 31/12 are not taken into account as departures in year N but in year N+1.
- By hires we mean: the number of people hired during the year on permanent contracts. Each contract counts as one unit whether it is full-time or part-time.
- Leavers/hires do not include changes in contract type and intra-company transfers of the country.

Ok all countries KIABI.

Full-time/part-time contract:

Part-time is understood to mean that the Kiaber works less than the legal working time of the country concerned. For example, France uses a 35 hour basis, whereas Portugal uses 40 hours. *Ok all countries KIABI.*

Absenteeism rate: This represents the number of calendar days of absence in relation to the number of calendar days theoretically worked.

- The number of theoretical calendar working days is the number of contractual working days if there had been no absence during the year. The number of calendar days is equivalent to 365. A notional number of working days would be 365 – holidays – public holidays.
- For managerial employees, the calculation is as follows

$$\frac{\text{Number of calendar days of absence (number of days of absence due to maternity, work accident, etc.)}}{\text{Number of calendar days (one person present all year)}} = 365$$
 All types of absences are taken into account.

Note:

- In Belgium, the number of calendar days is understood as the number of theoretical contractual days worked in the month, i.e. 20 days on average, whereas for the other countries, the number of calendar days is 28.
- In Italy, the calculation is based on hours and not days of absence.

These two BUs are not included in the calculation of the world rate.

Ok all countries KIABI.

Frequency rate of accidents at work:

This indicator includes the number of accidents at work with time off during the year N and is calculated as follows:

$$\frac{\text{number of accidents at work with time off} \times 1,000,000}{\text{Number of hours of paid work}}$$

- They are classified by type of activity: store, head office, warehouse, land.
- Commuting accidents are not included in this calculation. *Ok all countries KIABI.*

Occupational disease rates:

This indicator is calculated as follows: Number of occupational diseases declared by the CPAM (for France) or to other state bodies (for other countries) during year N / Number of employees on 31/12 of year N. *Ok all countries KIABI.*

Rate of employees with different abilities:

This indicator is calculated according to the following formula

$$\frac{\text{Number of Kiabers recognised as disabled on 31/12 of year N}}{\text{the total number of Kiabers on 31/12 of the same year}}$$
Ok all countries KIABI.

Training courses:

- The number of hours of training attended must be validated by an attendance sheet signed by the trained employee. The hours of e-learning, training given by Kiabers internally or via external service providers are included in this calculation.

Ok France, Spain, Portugal, Russia and Asia.

- The % of Kiabers trained is the number of employees trained as mentioned above divided by the number of employees present on 31/12 of year N.

France, Spain, Italy, Portugal.

- The average number of training hours per trained employee is calculated as follows

$$\frac{\text{Total hours of training}}{\text{Number of employees trained}}$$

France, Spain, Italy, Portugal.

OUR PARTNERS: STAKEHOLDERS IN OUR SOCIAL APPROACH**Worker Rights Consortium :**

The Worker Rights Consortium conducts independent and thorough investigations, publishes public reports on factories producing for major brands, and assists workers in these factories in their efforts to end labour abuses and defend their rights in the workplace.

Social audit:

This is an assessment of the social compliance of factories, the result of which, in the form of an audit report including a score, provides information on the social performance of suppliers. It includes a factory visit (unannounced), document checks referring to supporting evidence on a sample basis, interviews with workers, etc. The themes of social audits are building safety, fair payment for hours worked, non forced labour, etc.

AMFORI:

The world's leading trade association for open and sustainable trade. Its members are able to share their social (via BSCI) and environmental (via BEPI) audit results.

The Business Social Compliance Initiative (BSCI) :

Or "Corporate Social Compliance Initiative" is a business-focused service provided by the Foreign Trade Association (FTA) to retailers, importers and brands that commit to improve working conditions in their international supply chains. It provides companies with a common code of conduct and action plan that applies to all sectors and all countries of production.

The Business Environmental Performance Initiative (BEPI):

The Corporate Environmental Performance Initiative is a business-focused service provided by the Foreign Trade Association (FTA) to retailers, importers and brands who commit to improving the environmental performance of their business, factories and farms around the world. BEPI provides a practical framework that can help all product sectors in all countries to reduce their environmental impact, business risks and costs through improved environmental practices.

Excluded from the scope of social and environmental compliance audits over 2021:

- Tier 1 suppliers for non-KIABI branded items sold only on our website which are sourced from specific suppliers. These exclusive arrangements represent 1.1% of our quantities sold in store and on the web.
- Tier 2 suppliers who have not been declared to us by our Tier 1 suppliers.
- All our Tier 3 suppliers.

In general, suppliers are listed according to the location of the purchasing office that manages them. Factories, on the other hand, are listed according to the country of production. This is why some countries such as Cambodia, Vietnam, Burma and Ethiopia have factories but no supplier listed.

APPENDIX 1: OUR PERFORMANCE

ENVIRONMENT

CLIMATE CHANGE	2018	2019	2020	2021
CO2 emissions (eq. in T)	2.8			

PRODUCT DESIGN	2018	2019	2020	2021
% eco-designed products (per item)		19%	34%	66%
% more sustainable materials (per item)			32%	64%
- Organic cotton			26%	51%
- BCI cotton			4%	6%
- Cotton in conversion			0%	0%
- Recycled cotton			0%	1%
- Linen, hemp etc.			0%	1%
- Wool			0%	0%
- Recycled synthetic materials (polyester, polyamide, acrylic)			1%	3%
- More sustainable cellulose fibres (Ecovero, Lyocell, Tencel...)			1%	1%
Percentage of fabrics (by weight)				
- Cotton			67%	70%
- Polyester			19%	19%
- Viscose				6%
- Polyamide			3%	3%
- Others			11%	2%
% recycled fabrics (by weight)			1%	5%
% mono-material products	45%	46%	47.7%	50.6%
% denim made from recycled cotton			1%	15%
% eco-wash denim		29%	42%	80%

PRODUCT COMPLIANCE	2018	2019	2020	2021
Products involved in customer alerts		52	39	48
Number of products withdrawn from sale		20	12	15
Number of products recalled		2	2	1

TRANSPORT	2018	2019	2020	2021
% shipped by country of manufacture				
- Bangladesh	34%	37%	39%	41%
- China	29%	26%	26%	28%
- India	18%	16%	13%	12%
- Cambodia	8%	7%	6%	6%
- Pakistan	2%	3%	4%	5%
- Myanmar	3%	6%	6%	2%
- Indonesia	3%	2%	2%	3%
- Vietnam	2%	1%	1%	1%
- Turkey	1%	1%	2%	3%
- Ethiopia	0%	0%	0%	0%
- Sri Lanka	0%	0%	0%	0%
- Morocco	0%	0%	0%	0%
% Major import	95%	95%	96%	96%
% Importers	5%	5%	4%	4%
Upstream transport				
- Departure from source country				
- Maritime	93%	92%	87%	90%
- Air (including maritime + air)	5%	5%	10%	6%
- Rail	1%	1%	1%	1%
- Road	1%	2%	2%	4%
Arrival in Europe				
- Road	82%	72%	65%	89%
- Multimodal (train + barge)	18%	28%	35%	11%

END OF LIFE	2018	2019	2020	2021
Tonnes of textiles collected	38	112	119	180
% tonnes collected from tonnes on the market in N-2				0.6%

 Not available  Not validated

SOCIETAL

PETITS MAGASINS: SOCIAL ENTERPRISE	2018	2019	2020	2021
Number of stores opened	0	0	3	6
Total number of Petits Magasins	1	1	4	10
Garments donated			100,000	427,740
Number of mentors and tutors				33
Hours of training given to social inclusion recruits by Kiabers				1,541
Number of social inclusion programme recruits				36
Number of benefiting families				27
Number of items sold				94,748
Number of jobs created				18

ENDOWMENT FUND: KIABI LIFE				
Donations to partner associations				106,430
Beneficiaries				10,000
No. of Kiabers involved				6,850

SOCIAL ACTIVITIES				
Donations to associations by group entities				984,216
Donations to associations via our customers				1,063,000
Trees planted in partnership with Reforest' Action				500,000

DIVERSITY				
% employees with different abilities				2.8%
- France		5.4%	5%	3.6%
- Spain		3.5%	2.9%	3.2%
- Italy		2.8%	0.9%	1.3%
- Portugal		0%	0%	0%
- Belgium		0%	0%	0%
- Russia		0.9%	0.9%	0.8%
- Asia		0.3%	0.3%	0.3%
Gender equality index (France)	93	97	92	98

SOCIAL

	2018	2019	2020	2021
Headcount	10,315	10,052	9,155	9,107
- % management				18%
- % employees				82%
- % male				18%
- % female				82%
- % full time				54%
- % part time				46%
- % aged < 30 years				41%
- % aged 30-50 years				47%
- % aged > 50 years				12%
- % Fixed-term				19%
- % Permanent				81%

Detailed headcount by country	10,315	10,052	9,155	9,107
- France	6,426	6,508	6,204	6,026
- Spain	1,532	1,513	1,262	1,255
- Italy	609	579	533	616
- Portugal	53	99	67	98
- Belgium	208	303	246	294
- Russia	816	653	545	517
- Asia	572	306	298	301
- Brazil	99	91		

Kiaber satisfaction (GPTW)	81%			73%
- France	81%			71%
- Spain	85%			79%
- Italy	84%			77%
- Portugal				89%
- Belgium				82%
- Russia	78%			76%
- Asia	74%			Non-consolidated Asia data

	2018	2019	2020	2021
Turnover				9.7%
- France	16%	18%	10.6%	14.4%
- Spain		10.0%	3.1%	15.4%
- Italy		9.0%	6.8%	5.9%
- Portugal		97.8%	42.6%	56.1%
- Belgium			8.0%	18.5%
- Russia			26.7%	45.2%
- Asia		0.7%	0.9%	0.9%
TRAINING				
Number of hours of training given			59,757	97,040
- France	78,023	78,623	48,933	56,803
- Spain			5,900	21,129
- Italy			1,107	2,690
- Portugal		1,548	4,435	2,137
- Belgium			278	
- Russia			1,210	11,038
- Asia		8,695	1,364	3,243
% of employees trained				98%
- France	70%	79%	80%	99%
- Spain			27%	
- Italy			41%	100%
- Portugal			35%	63%
- Belgium		72%	100%	
- Russia			40%	
- Asia				
Number of hours of training per employee trained				9
- France		12	10	10
- Spain			18	
- Italy			5	6
- Portugal		22	66	36
- Belgium			3	
- Russia			6	
- Asia		5	3	
Number of people trained in our internal schools			403	591

	2018	2019	2020	2021
Occupational illness				0.6%
- France	0.3%	0.5%	0.4%	0.5%
- Spain		0.3%	0.2%	0.2%
- Italy		0.0%	0.0%	0.0%
- Portugal		0.0%	0.0%	0.0%
- Belgium		0.0%	0.0%	0.0%
- Russia		0.0%	0.0%	0.0%
- Asia		0.0%	0.0%	0.0%

Absenteeism				5.3%
- France	10%	5.0%	5.2%	5.5%
- Spain		5.4%	6.5%	6.0%
- Italy		1.6%	2.0%	2.6%
- Portugal			31.8%	21.9%
- Belgium			3.2%	
- Russia			2.1%	4.1%
- Asia		0.7%	0.6%	0.8%

Rate of accidents at work				15.41
- France	40.65	22.14	16.02	17.21
- Spain			14.07	
- Italy			5.15	3.26
- Portugal			541.13	
- Belgium				4.91
- Russia			-	-
- Asia			374.60	-

Not available Not validated

FACTORY COMPLIANCE

SUPPLIERS	2018	2019	2020	2021
Number of Tier 1 suppliers	150	137	138	144
China	63	60	63	54
Bangladesh	21	23	22	23
India	20	15	17	21
Indonesia	3	1	1	1
Pakistan	4	5	6	6
Turkey	4	5	7	17
Morocco	5	5	4	4
European importers	30	22	18	17
Sri Lanka		1		1
Number of Tier 2 suppliers		181	253	219
China		27	25	26
Bangladesh		138	209	169
India		16	19	17
Number of Tier 2 wet process suppliers		64	67	64
China		9	7	8
Bangladesh		41	45	46
India		14	15	10

FACTORIES	2018	2019	2020	2021
Tier 1 factories		414	387	405
China			103	112
Bangladesh			64	61
India			42	49
Indonesia			1	1
Pakistan			7	7
Turkey			16	23
Morocco			4	4
European importers			111	106
Sri Lanka			1	1
Ethiopia			1	1
Vietnam			3	4
Cambodia			18	17
Myanmar			16	19

FACTORIES	2018	2019	2020	2021
Tier 2 factories		434	519	428
China		141	155	166
Bangladesh		138	209	140
India		92	89	74
Indonesia		6	6	1
Pakistan		9	14	17
Turkey		17	17	20
Morocco		13	16	1
European importers		8	7	0
Sri Lanka		0	0	2
Vietnam		0	0	1
Cambodia		4	3	4
Myanmar		6	3	0
Other (Thailand 1, Germany 1)		0	0	2
Number of Tier 2 wet process factories		179	168	151

 Not available

CODE OF CONDUCT TRAINING	2018	2019	2020	2021
% of tier 1 suppliers trained in our code of conduct	71%	79.6%	96.4%	91.0%

ENVIRONMENTAL COMPLIANCE	2018	2019	2020	2021
Number of Tier 1 and 2 factory environmental audits	25	49	90	138
China	6	17	54	56
Bangladesh	19	32	30	43
India	0	0	4	19
Indonesia	0	0	0	1
Pakistan	0	0	1	14
Turkey	0	0	0	3
Cambodia	0	0	1	2
Total number of Tier 1 factory environmental audits	8	6	8	24
Tier 1 factory environmental audits percentage of total	32%	12%	9%	17%
Total number of Tier 2 factory environmental audits	17	43	82	114
Tier 2 factory environmental audits percentage of total	68%	88%	91%	83%
Total number of Tier 2 wet process factory environmental audits		43	78	111
Tier 2 wet process factory environmental audits percentage of total		88%	87%	80%
% of Tier 2 factories with high water consumption audited		24%	46%	74%
% compliance (compliant + minor non-conformities) found in environmental audits (tier 1 and 2 factories)				87%

SOCIAL COMPLIANCE	2018	2019	2020	2021
Number of Tier 1 and 2 factory social audits	607	835	832	1016
China	218	255	288	328
Bangladesh	113	206	215	244
India	167	145	104	163
Indonesia	4	1	2	4
Pakistan	11	20	25	37

SOCIAL COMPLIANCE (CONT.)	2018	2019	2020	2021
Turkey	9	21	27	78
Morocco	19	14	13	4
European importers	5	125	123	106
Sri Lanka	5	2	2	7
Ethiopia	0	1	1	0
Vietnam	6	6	6	5
Cambodia	28	21	12	22
Myanmar	18	18	14	15
Other (Germany, Egypt and Thailand)	4	0	0	3
Total number of Tier 1 factory social audits	493	626	572	623
Tier 1 factory social audits percentage of total	81%	75%	69%	61%
Total number of Tier 2 factory social audits	114	209	260	393
Tier 2 factory social audits percentage of total	19%	25%	31%	39%

% compliance (compliant + minor non-conformities) found in social audits (tier 1 and 2 factories)	89.7%	95.8%	96.5%	98.4%
China		94.1%	97.6%	98.8%
Bangladesh		97.1%	97.7%	98.4%
India		93.8%	84.6%	96.9%
Indonesia		100%	100%	100%
Pakistan		100%	100%	100%
Turkey		100%	100%	98.7%
Morocco		100%	100%	100%
European importers		99.2%	99.2%	98.1%
Sri Lanka		100%	100%	100%
Ethiopia		100%	100%	
Vietnam		83.3%	100%	100%
Cambodia		95.2%	100%	100%
Myanmar		88.9%	100%	100%
Other (Germany, Egypt and Thailand)				100%

 Not available

APPENDIX 2: COLLECTIVE AGREEMENTS

FRANCE

TYPE OF AGREEMENT	SUBJECT	COMPANY AFFECTED	AIMS OF THE AGREEMENT	KPI OF THE AGREEMENT	FOLLOW-UP BY COMMITTEE MEMBERS
Well-being away from work	Well-being at work	UES (Group-wide employee representation body)	Maintain balance between employees' quality of life and company performance	GPTW survey	Once a year
Social dialogue within CSE (Social and Economic Committee)	Well-being at work	UES (Group-wide employee representation body)	Build a new organisation together consisting of UES representatives and staff representatives (CSE, CSEC, committees and local representatives).	None	N/A
Gender equality	Gender equality	UES (Group-wide employee representation body)	To guarantee, promote and act towards equality among staff, whatever their gender. 5 commitment areas: job, professional training, career mobility and internal promotion, pay, working conditions / work-life balance / parental responsibility	Examples: - Creation of an e-learning module to promote diversity: 100 % of staff involved in recruitment must take the course - Number of people who have received training within 12 months of returning from extended absence. - Tracking the gender pay gap for staff in the same role with the same level of expertise in the function. - Number of employees on parental leave deciding to retain their cover	Once a year
Disability	Inclusion	UES (Group-wide employee representation body)	Embedding and reaffirming our social commitment to people with disabilities by - developing our policy aiming to improve onboarding and recruitment of people with disabilities within our teams, - by keeping them in employment - by guaranteeing their professional development	- Number of people recruited and internship contracts - Number of specialist organisations we work with - Rate of accessibility to training for employees with disabilities	Once a year
Age diversity / Accord GPEC (resource planning agreement)	Inclusion	UES (Group-wide employee representation body)	Facilitate sustainable recruitment of young people, prioritise employing and retaining older employees, ensure knowledge and skills transfer.	Examples: - Recruiting at least 500 young people aged under 26 years old into permanent roles - Percentage of employees over 55 years old (goal 2.5% of total headcount)	Once a year
French working hours regulation 1999 + amendment	Well-being at work	UES (Group-wide employee representation body)	Working hours arrangement and reduction as part of the French Law dated 13 June 1998.	No	No
Tailored working hours agreement	Well-being at work	KIA	Develop the in-store resource planning system for employed staff.	No	Once a year
Sunday working agreement	Buying power	KIA + LOG (2 agreements)	Set up Sunday working and compensation for employees who work on Sundays	No	No
In-store working hours agreement	Well-being at work	KIA	Set up standard working arrangements for all in-store employees	No	Once a year

SPAIN

TYPE OF AGREEMENT	SUBJECT	COMPANY AFFECTED	AIMS OF THE AGREEMENT	KPI OF THE AGREEMENT	FOLLOW-UP BY COMMITTEE MEMBERS
"Workload" agreement	Work-life balance	KIABI Spain	Rules and regulations to ensure balance between working life and personal life.	Turnover & Absenteeism	Three times a year
"Benefits" agreement	Well-being at work	KIABI Spain	Benefits such as increased holidays, work anniversaries, maternity/paternity leave, etc.		
Digital disconnection	Work-life balance	KIABI Spain	Limiting the use of digital devices to encourage disconnection	n/a	Three times a year
Pour Être de KIABI (Being KIABI)	Buying power	KIABI Spain	Access to discounts on leisure services such as restaurants, cinemas, gyms, etc.	Rate of participation	Once a year
Equality and Diversity Plan	Gender equality	KIABI Spain	To guarantee, promote and act towards equality among staff, whatever their gender.	Turnover & Absenteeism	Once a year
Improving consistency	Buying power	KIABI Spain	Bonus for teams buying KIABI garments for wearing at work	Rate of participation	Twice a year
Flexible pay	Buying power	KIABI Spain	Access to particular services (training, travel tickets, restaurant vouchers, medical insurance) at discounted prices with tax benefits	Rate of participation	Once a year
Social inclusion plan	Inclusion	KIABI Spain	Agreement with associations to recruit people from disadvantaged groups	eNPS & Engagement	Four times a year
KIABI Live Committee	Inclusion	KIABI Spain	Developing activities aiming to improve quality of life for disadvantaged people involving Kiabers	eNPS & Engagement	Three times a year
Share ownership	Buying power	KIABI Spain	Option to participate in KIABI share ownership scheme	Rate of participation	Three times a year

All agreements are renewed and signed each year. The digital disconnection agreement was signed for the first time in 2021.

ITALY

TYPE OF AGREEMENT	SUBJECT	COMPANY AFFECTED	AIMS OF THE AGREEMENT	KPI OF THE AGREEMENT	FOLLOW-UP BY COMMITTEE MEMBERS
Parental Leave	Work-life balance	SKIABI Italy / CIA	Guaranteeing that all employees can return to work by the creation of the CODEV (collective intelligence team) for people at the end of their maternity or paternity leave	GPTW survey, HR listening day results, turnover %	
Parental Leave	Work-life balance	KIABI Italy / CIA	Support employees during maternity period. If the mandatory leave period is used continuously for six months, the business will add an additional 30% of the salary to the 30% state contribution.	GPTW survey, participation rate, % Turnover	
End of work advance (TFR)	Well-being at work	KIABI Italy / CIA	Option for the employee to request a TFR (end-of-work) advance in certain situations beyond those defined in law.	GPTW survey, % Turnover	
Special leave	Well-being at work	KIABI Italy / CIA	Special one-week leave for serious issues to enable employees to take time off without any problems when needed.	GPTW survey, participation rate, % Turnover	
Sunday and festive days worked	Buying power	KIABI Italy / CIA	Additional increase beyond what is required contractually. Increasing our employees' buying power.	GPTW survey, participation rate, % Turnover	
Assigning three leave weekends that employees can link to the start of a week of holiday.	Work-life balance	KIABI Italy / CIA	Improve work-life balance	GPTW survey, % Turnover	
Allowing additional flexible hours beyond weekly working hours	Buying power	KIABI Italy / CIA	Additional hours for part-time workers to increase our employees' buying power	GPTW survey, participation rate, % Turnover	

CIA: integrated company contract that includes all of these conditions and benefits. Duration 3 years (until 2020), extended to 2021. New CIA in 2022.

BELGIUM

TYPE OF AGREEMENT	SUBJECT	COMPANY AFFECTED	AIMS OF THE AGREEMENT	KPI OF THE AGREEMENT	FOLLOW-UP BY COMMITTEE MEMBERS
Maternity	Well-being at work	KIABI Belgium	Global protection plan as part of the protection of maternity (CDV role)	N/A	No
Sunday working agreement	Work-life balance	KIABI Belgium	Set up compensation agreements for Kiabers who work on Sundays as well as rules guaranteeing family life at weekends.	N/A	Previously negotiated with social partners

APPENDIX 3: SPECIFIC DATA FOR SPAIN

This supplementary appendix of KIABI España KSCE, S.A. to the Bunsha extra-financial performance declaration Internationale SAS. has been prepared in accordance with the requirements of Law 11/ 2018, of 28 December 2018, on Non-Financial Information and Diversity - which amends the Spanish Commercial Code - the text of the Law on Joint Stock Companies, approved by Royal Decree-Law 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Audit of Accounts, with regard to non-financial information and diversity. This appendix deals exclusively with non-financial information regulated by Article 49.1.2 of the Financial Reporting Act. All data provided is for the financial year 2021 (1 January - 31 December 2021) and the financial year 2020. The data has been independently reviewed by Mazars.

QUALITY AND ENVIRONMENT



KIABI holds the ISO 14001 certificate for environmental management, accredited by AENOR, and we have recently obtained ISO 9001 certification for quality management.

o Energy:

- Iberdrola: 100% renewable energy (certificate of origin guarantee in all our stores).
- We set annual consumption reduction targets, achieving reductions and controlling electricity usage in collaboration with our energy manager CREO energía.

o In 2021, the energy consumption of our stores amounted to 14,087,210 kWh, an increase of 14.11% compared to 2020. This increase is mainly due to the fact that in 2020, our stores were closed in March-April-May (lockdown) as well as in October for some shops (Catalonia, Asturias, Castilla y León).

- More efficient replacement air conditioning units, replacement LED lighting, capacitor banks in new stores.
- Work policy, making processes digital (saving ink, energy, paper, etc.), and savings in the cost of travel to the office (fuel savings and pollution reduction).
- Energy audits carried out in each of our stores, in which improvements have been identified in our facilities.

o Consumables:

- Customer bags: we have eliminated plastic from our in-store bags, replacing them with a 100% recycled and FSC-certified paper model (the paper comes from responsibly managed forests).
- Thermal rolls: bpa-free.
- Hangers: recycled plastic material.

o Waste management:

- We have allowed waste managers to dispose of equipment that will no longer be used in store, as it has been fully depreciated and is now considered waste.
- Separation of waste in the warehouse (plastic, cardboard and residual waste).
 - Toners: we work with a company that manages used cartridges and toners.
 - Management of WEEE (waste electrical and electronic equipment) by a certified manager.

o Packaging:

- KIABI is a member of SIG for the recycling of packaging in order to comply with the legislation, also known as the Green Dot.

Membership of the Packaging Waste Prevention Plans (PEP), a programme developed by Ecoembes, aiming to implement good practices related to reducing environmental impact, using less packaging, using materials from recycling processes, etc.

OUR TEAMS



EMPLOYMENT

Since the brand was founded in France in the 1970s, our trademark has been a clear commitment to making people's lives easier. In our case, by democratising fashion, at low prices, for the whole family.

And that word, FAMILY, is at the heart of our DNA. We care for our employees as if they were family, which means we care for their families too. And in the same way, we Kiabers take care of our customers and our ecosystem, forming a large community of people who share the same purpose, values and beliefs.

“ Making life easier for families by creating responsible fashion and sustainable solutions together. ”

This is the phrase that embodies our new Vision 2030, and is the basis for everything we do in the company, for employees, customers, partners, etc. It is the goal, the beacon, of Kiabers around the world, no matter where we are.

The following tables show the breakdown of the Spanish teams on a consolidated basis. The breakdowns are based on the number of employees as at 31 December 2020 and 2021 respectively.

TOTAL NUMBER AND DISTRIBUTION OF EMPLOYEES BY GENDER, AGE AND PROFESSIONAL CLASSIFICATION.

KIABI Spain ended 2021 with a workforce of 1,257 people spread across the country. At the end of 2021, it had 52 stores, including one franchise, and central services.

TOTAL NUMBER OF EMPLOYEES

Fiscal year 2021

Total headcount	Male	Female	Male	Female
1255	182	1073	15%	85%

Fiscal year 2020

Total	Male	Female	%Male	%Female
1224	178	1046	15%	85%

BY PROFESSIONAL CATEGORY

Fiscal year 2021

Professional category	Male	Female	Total	%Male	%Female
Directors	4	3	7	43%	57%
Intermediate managers	43	110	153	72%	28%
Employees	135	960	1095	88%	12%
Total	182	1073	1255	85%	15%

Fiscal year 2020

Professional category	Male	Female	Total	%Male	%Female
Directors	4	3	7	43%	57%
Intermediate managers	48	113	161	70%	30%
Employees	126	930	1056	88%	12%
Total	178	1046	1224	85%	15%

BY AGE

Fiscal year 2021

Age	Male	Female	Total
<25	32	156	188
25-35	83	512	595
36-55	62	398	460
>55	5	7	12
Total	182	1073	1255

Financial year 2020

Age	Men	Female	Total
<25	19	101	120
25-35	85	433	518
36-55	68	500	568
>55	6	12	18
Total	178	1046	1224

TOTAL NUMBER AND DISTRIBUTION OF TYPES OF EMPLOYMENT CONTRACTS

At KIABI Spain, we are committed to the people who are part of our great project, which is why we do everything we can to promote the professional career of each and every Kiaber. At KIABI, everyone takes an active role in their own development, working on individual action plans that allow them to take on new responsibilities. Working at KIABI means being part of a company that is in a process of continuous development, with an extraordinary working environment in which communication and teamwork are fundamental pillars.

What does it mean to be a Kiaber? Being a Kiaber is an attitude encompassing the following representative behaviours and qualities:

- 1 Being an entrepreneur: taking charge of your development within the company, having your own voice, contributing and making suggestions, whatever your role within KIABI. Making mistakes, learning, trying again and succeeding (mistake/learning/right culture). A clear example of the implementation of this quality is assigning project managers using resources within the company such as salespeople, store managers, central services, or our internal mobility policy.
- 2 Being generous: SHARE, with capital letters; knowledge, time, resources, with KIABI Foundation activities, etc. Ask for and give help when it is needed, with humility, aiming for a common goal.
The company's internal shareholding program was launched with this in mind, in order to share success with the most important people in the family of KIABI employees.
- 3 Customer service: our raison d'être, the centre of all our decisions and the common goal we all work towards. It is the beginning and end of everything we do in the company.
- 4 Passion: for what you do, for the customer, for fashion, for family, for friends, for the things we love to do, for the planet, ... Living each day as if it were unique. Our selection processes, involving people from all over the company, represent this passion perfectly.
- 5 Being close: no matter what your role is in the company, everyone relates to each other in a simple and individual way, regardless of hierarchy or organisational structure. We encourage a culture of continuous constructive feedback, based on honesty and the ambition to improve individually and as a team.
- 6 Challenging: yourself and others. Because the collective objective goes beyond the individual, and each person gives their best and is given the responsibility, to achieve it.

DISTRIBUTION OF EMPLOYEES BY TYPE OF PERMANENT OR FIXED-TERM CONTRACT, TYPE OF FULL-TIME AND/OR PART-TIME CONTRACT.

Fiscal year 2021

Contract type	Male	Female	Total
Full-time employ.	57	178	235
Part-time employ.	125	895	1020
Total	182	1073	1255

Fiscal year 2020

Contract type	Male	Female	Total
Full-time employ.	62	191	253
Part-time employ.	116	855	971
Total	178	1046	1224

Fiscal year 2021

Contract type	Permanent	Fixed-Term	Total
Full-time employ.	234	1	235
Part-time employ.	684	336	1020
Total	918	337	1255

Fiscal year 2020

Contract type	Permanent	Fixed-Term	Total
Full-time employ.	250	3	253
Part-time employ.	766	205	971
Total	1016	208	1224

Fiscal year 2021

Contract type	Male	Female	Total
Full-time employ.	140	778	918
Part-time employ.	42	295	337
Total	182	1073	1255

Fiscal year 2020

Contract type	Male	Female	Total
Full-time employ.	154	861	1015
Part-time employ.	24	185	209
Total	178	1046	1224

BY TYPE OF CONTRACT AND AGE

Fiscal year 2021

Age	Full time	Part Time	Total
<25	2	186	188
25-35	91	504	595
36-55	137	323	460
>55	5	7	12
Total	235	1020	1255

Fiscal year 2020

Age	Full time	Part Time	Total
<25	0	119	119
25-35	86	495	581
36-55	157	349	506
>55	10	8	18
Total	253	971	1224

Fiscal year 2021

Age	Permanent	Fixed-Term	Total	% undefined
<25	59	129	188	31%
25-35	414	181	595	70%
36-55	433	27	460	94%
>55	12	0	12	100%
Total	918	337	1255	73%

Fiscal year 2020

Age	Permanent	Fixed-Term	Total	% undefined
<25	56	63	119	47%
25-35	463	112	575	81%
36-55	478	34	512	93%
>55	18	0	18	100%
Total	1015	209	1224	83%

BY TYPE OF CONTRACT AND OCCUPATIONAL CATEGORY

Fiscal year 2021

Professional category	Perma-nent	Fixed-Term	Total	% undefined
Directors	7	0	7	100%
Intermediate managers	152	1	153	99%
Employees	759	336	1095	69%
Total	918	337	1255	73%

Fiscal year 2020

Professional category	Perma-nent	Fixed-Term	Total	% undefined
Directors	7	0	7	100%
Intermediate managers	160	1	161	99%
Employees	849	207	1056	80%
Total	1016	208	1224	83%

NUMBER OF REDUNDANCIES BY GENDER, AGE AND OCCUPATIONAL CLASSIFICATION

BY AGE GROUP AND GENDER

Fiscal year 2021

Age	Male	Female	Total
<25	0	0	0
25-35	6	14	20
36-55	3	23	26
>55	0	1	1
Total	9	38	47

Fiscal year 2020

Age	Male	Female	Total
<25	0	0	0
25-35	1	1	2
36-55	3	8	11
>55	0	0	0
Total	4	9	13

BY OCCUPATIONAL CATEGORY AND GENDER

Fiscal year 2021

Professional category	Total
Directors	0
Intermediate managers	16
Employees	31
Total	47

Fiscal year 2020

Professional category	Total
Directors	7
Intermediate managers	-
Employees	6
Total	13

KIABI Spain's strategy is to position salaries and benefits around the market median. Our reference will be both the general market, which provides a valid approximation due to the stability of its development, to be taken into account especially in the case of Central Services, and the distribution market, useful for measuring the competitiveness of remuneration in relation to direct competition for in-store teams. In terms of working conditions, the intention is to be above the average for companies in the sector.

KIABI Spain has a remuneration package that includes fixed and variable pay and benefits. In addition to our corporate culture and values, we offer training and development opportunities and a friendly working environment. All this is part of a holistic approach to remuneration. Work experience, a less tangible but highly valued aspect for employees, determines to a large extent the sense of tenure, and involves issues as varied as:

- Culture and values
- Recognition
- Equality-Diversity-Inclusion
- Work-life balance
- Open communication, publication of vacancies
- Employee climate and experience surveys
- Working tools
- Corporate Social Responsibility
- Comfortable workplaces
- International working environment

HEALTH AND SAFETY

The safety of our colleagues is a priority. This is why KIABI España's safety policies focus on creating a working environment of well-being in all its dimensions: safety, physical, emotional and financial, offering training adapted to the different positions occupied by our teams from the moment they join the company.

Regarding the accident rate, in 2021 there were 25 lost-time accidents (in 2020 there were 21 lost-time accidents), all of them minor. The incidence rate (understood as the number of lost-time accidents per 100,000 affiliated workers) represents 1.32%, the incidence rate in the retail trade activity being 1.6%.

The data corresponding to the number of accidents at work with time off, broken down by gender, are presented below:

Gender	2021	2020
Male	2	3
Female	23	18
Total	25	21

COVID-19 Emergency plan

During 2021, KIABI Spain's risk prevention department maintained and updated the Covid19 prevention measures protocol, with the aim of ensuring that the company's activity is carried out in the safest and most satisfactory way for our teams and customers.

This protocol includes various measures and initiatives that are continuously aligned with the recommendations of the World Health Organisation (WHO) and the Ministry of Health. The plan includes preventive measures for our staff and customers. Among the measures adopted, we highlight the training and provision of personal protective equipment for the teams. Similarly, the compulsory use of masks by customers and the provision of hydroalcoholic gel at the entrance to the store, as well as in the fitting rooms and at the checkout. In addition, the capacity of the store was adapted at each phase according to the restrictions and recommendations established by the competent authorities. Signs and signage were installed inside stores to ensure compliance and, additionally, a specific protocol was established for the return of items and the use of fitting rooms to ensure optimum hygiene.

SOCIAL RELATIONS

KIABI España is covered by its own company collective agreement, which applies to 100% of its employees, so that by the end of 2021 the percentage of employees covered by the agreement was 100%. This agreement has been extended until 31 December 2022 with the aim of carrying out a harmonisation and cohesion plan for convergence with the agreement of the National Association of Large-Scale Retailers distribution as of that date, with the work tables scheduled for the 2022 financial year.

KIABI España has an inter-centre works council made up of members of the social partners and the company. Through regular meetings and collective bargaining mechanisms, dialogue is maintained with employee representatives, an example of this information channel being the safeguarding employment agreement, the working hours agreement and the digital disconnection agreement.

Likewise, KIABI España has a Health and Safety Committee, a joint and collegiate participation body for regular and periodic consultation on the necessary risk prevention actions. Health and safety committees are responsible for protecting the interests of workers in the prevention of risks at the workplace.

Lastly, KIABI España ensures compliance with the equality objectives set out in its Equality Plan, maintaining a regular channel of communication, with which it maintains the establishment of a protocol against sexual harassment and harassment on the grounds of gender, as provided for in our collective agreement, Chapter XI of which contains the agreement for the prevention and treatment of situations of moral and sexual harassment. The agreement establishes the types of harassment (articles 57 and 58) and the procedure for action (article 59) in accordance with the legislative recommendations. During the year 2021, no complaints related to harassment were registered according to the report indicated by the Investigation Committee. In this context, the negotiation of the 2nd Equality Plan started in December 2021 and a negotiation committee was established for this purpose.

TRAINING

The company's training policy responds to the needs identified by the company and those that can be mentioned by individuals as part of their performance evaluation processes. The training catalogue is visible to all employees. All training takes place during working hours. Staff who have to take examinations can register for them through an internal application for allocation. The company's training strategy is based on the 70/20/10 learning model. 70% is acquired through on-the-job training, 20% is learned from others (e.g. mentoring experiences) and 10% through formal training

The total number of training hours by gender is presented below:

Gender	Hours 2021	Hours 2020
Female	18,383	9,300
Male	2,746	2,225
Total	21,129	11,525

QUALITY

We care about discovering talent, pride ourselves on offering equal opportunities and are committed to recruiting the best talent regardless of race, gender, age or different abilities.

KIABI España maintains its monitoring and action plans in accordance with Organic Law 3/2007, of 22 March, and is governed, both in the interpretation and application of its current and valid KIABI España collective agreement, by the principle of equality and non-discrimination

for personal reasons enshrined in Article 14 of the Constitution and Article 17.1 of the Workers' Statute, and above all by the principle of effective gender equality which was developed from Law 3/2007, of 22 March, whose

The provisions are considered a primary interpretative reference for the aforementioned collective agreement. Likewise, KIABI España has a gender equality plan that includes the company's commitment to the following points:

- 1 Selection.
- 2 Recruitment.
- 3 Promotion.
- 4 Training.
- 5 Remuneration.
- 6 Reconciliation.
- 7 Health at work.
- 8 Prevention of sexual and/or gender-based harassment and gender-based violence.
- 9 Communication and awareness raising.

KIABI España KSCE, S.A.'s equality plan is structured into the following sections:

- a) Diagnosis of the initial gender context within the company. This diagnosis is based on the analysis of qualitative and quantitative information on the company in the areas of personnel structure, recruitment, hiring and working conditions, training, promotion, remuneration, and the reconciliation of work and family life,

health and safety at work, and the social and economic context of the company. Work-life balance, health and safety at work, and communication.

- b) A plan of measures designed on the basis of the conclusions obtained from the diagnosis, and which aims essentially to cover the gaps detected in gender equality in the company (positive action measures), and to strengthen the strategic areas for achieving effective equality, ensuring that all internal processes are gender mainstreamed. In addition to the measures themselves, it includes the general objectives for achieving gender equality in the company, the timetable for implementation, the people responsible for their achievement and the monitoring indicators.
- c) Monitoring and evaluation of the implementation of the plan by the competent authorities designated by each party with regard to the collection of information on the degree of compliance, the results and the activities of the company, its results and, in short, its impact on the company.

In this respect, in 2021, negotiations began for the development of the action programme into a second equality plan, pursuing the firm commitment to guarantee a safe and respectful working environment for all employees. The aim is to promote equal opportunities, laying the foundations for a new culture in the organisation of work that promotes effective equality between genders and also allows for the reconciliation of personal, family and professional life.

KIABI'S CSR contact

RSEKIABI@KIABI.com

Press contacts

MCD_Mot Compte Double Agency

Alexandra Breyné
abreyné@motcomptedouble.fr
+33.6.30.81.90.17

France Thebault
fthebault@motcomptedouble.fr
+33.6.78.65.93.34



KIABI.com