



THE KIABI GROUP'S EXTRA-FINANCIAL PERFORMANCE DECLARATION

2022



KIABI

* "KIABI acts for a better world"

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GOVERN- ANCE AND STRATEGY

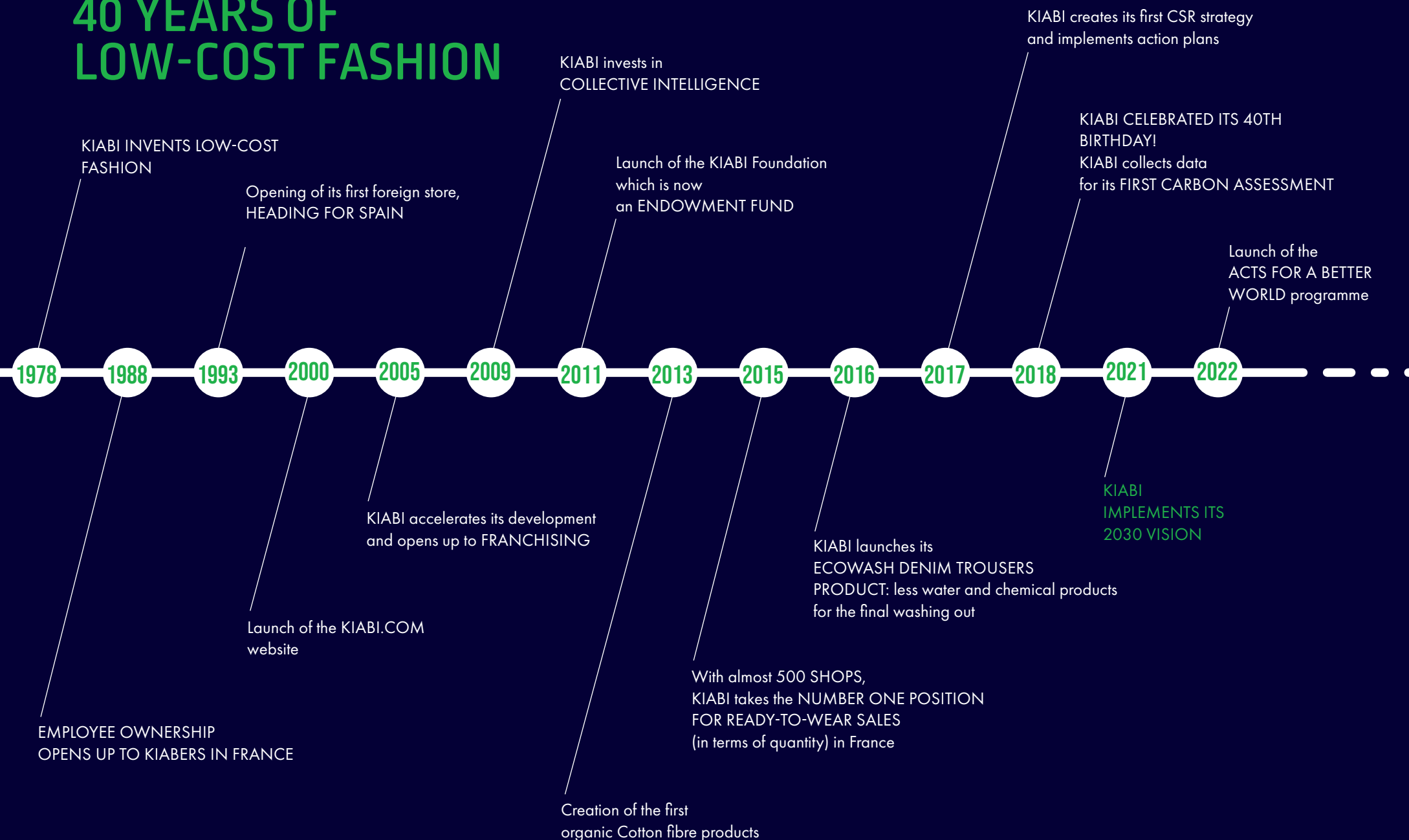
THE KIABI GROUP'S BUSINESS MODEL

THE GROUP'S GOVERNANCE AND STRATEGY

EXTRA-FINANCIAL RISK MAPPING



40 YEARS OF LOW-COST FASHION



2030 VISION



**Become the favourite
brand for families**

#Relationshipapproach
#Inclusiveness #Consumerknowledge



Let's be a local trader

#Independence #Entrepreneur
#Diversificationofbusinessmodels

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



**Democratize products
and services
with positive impact**

#Cocreation #Sustainable #Fair #Affordableprices



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

#Localorganisation #Partnership #Community

A BUSINESS MODEL TO SERVE OUR VISION

Resources

Women and Men

- **9,536** Kiabers, **82%** of which are women
- **3%** of Kiabers with different abilities
- **69** nationalities present in 11 countries

Teams committed to improving the design and production of products

- **249** Kiabers in collections
- **1** team dedicated to eco-design - **4** people
- **1** team dedicated to purchasing raw materials - **12** people
- **34** partnerships whose factories use renewable energies > **5%**

Our mission structured around a value chain

- **204** vendor suppliers
- **1,167** social audits conducted and **201** environmental audits
- **3** warehouses
- **550** points of contact (including **211** as partnerships)
- **82** franchise partners and affiliates
- **122** second hand contact points

Links with civil society

- **23.6 millions** customers
- **11** partnerships with professional integration organisations
- **9** partnerships based on Human rights and sustainable fashion
- **28** partner organisations through our KIABI Life endowment fund

A healthy financial structure

- A stable family shareholding
- A proactive investment policy

Property to transform places of business

- **98 sites** held by Etixia



Value created

Women and Men

- **74%** satisfied Kiabers (GPTW trust index)
- **73%** employee shareholders
- **7 753** trained Kiabers
- **75%** Kiabers with permanent work contracts

Teams committed to improving the design and production of products

- **+ 36,000** coloured references including **38.9%** eco-design
- **86%** of the turnover obtained from eco-design products
- **2.7 million** tonnes of CO₂ equivalent / **8.8 kg** CO₂ equivalent per product

Our mission structured around a value chain

- **90%** of Tier 1 and 2 supplier factories in compliance with human responsibility and **86.5%** with environmental responsibility
- **75%** own turnover (25% in partnership)
- **750 000** second-hand items sold

Links with civil society

- A customer NPS of **68**
- **93,502** families benefiting from solidarity shops
- **€1.4 million** in donations to organisations

A healthy financial structure

- Annual average growth of the FCPE share value at **6.8%** over **5** years
- **+10%** of the turnover excluding taxes i.e. **2.1 billion** Euros

Property to transform places of business

- **38 million** Euros in rental revenues

Our stakeholders

At KIABI, we believe in communication, which is why we endeavour to maintain an ongoing and value-creating dialogue with all of our Stakeholders:

Kiabers committed to fashion that is available to all budgets, styles, moments of life, body shapes and differences. We measure their satisfaction via an anonymous annual survey (Great Place to Work).

Partner suppliers that we support and with whom we work for more social and environmental responsibility.

Customers who guide us by sharing their expectations; we consider their satisfaction/recommendation via the NPS and their comments on social media.

Affiliated and franchise partners all over the world, who we support in terms of shop openings, training teams and managers, and who we include in our strategic approaches.

Service providers (works, training, IT, reception, etc.) with whom we are building partnerships.

Organisations / NGOs that we support via our Endowment Fund, the Petit Magasin project, or through acts of solidarity in all of our countries.

Media, NGO with whom we gladly interact in a pragmatic, transparent and sincere way

Employee and family shareholders who are our resources, they control and ensure investments for a resilient and sustainable company

KIABI IN THE WORLD



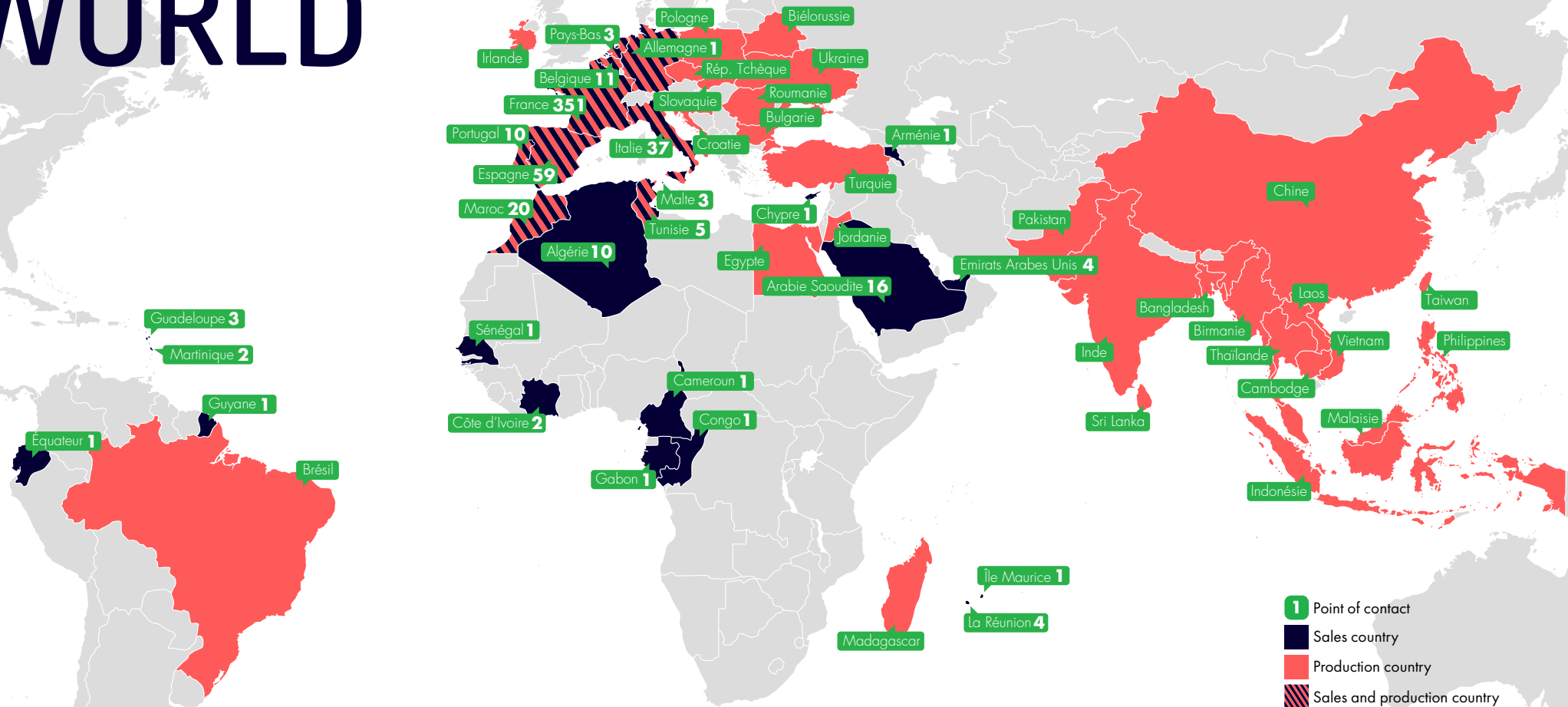
550 POINTS OF CONTACT*



204 VENDOR SUPPLIERS
82 FRANCHISES AND AFFILIATES



38 PRODUCTION COUNTRIES
26 SALES TERRITORIES



THE KIABI GROUP'S GOVERNANCE

The KIABI group's governance

The KIABI group is a family and employee shareholding company. As company stakeholders, Kiabers are not just stakeholders but also an integral part, at the heart of its model.

The Board of Directors' main missions are to adopt the strategic orientations and monitor their implementation. They also ensure the implementation of corruption and influence peddling prevention measures, as well as a non-discrimination and diversity policy within the company.

The Board of Directors' main goals are to increase the company's value and defend its social interest, while taking the social and environmental challenges of its activity into consideration.

An integrated CSR governance

We work to ensure that our policies and societal commitments are integrated into our activities. These sustainability challenges must be integrated in the way in which we operate. So that our decisions and action plans materialise effectively throughout the company, business line project managers, specialists and CSR ambassadors are involved in the deployment within our Business Units and support services.

In 2022, the CSR department was allocated to the Brand and Customers Department. This decision reflects our belief that our societal commitments must be a part of the brand in a timeless manner. We are also convinced that our customers are an essential stakeholder in our sustainable transformation. They must adhere to and participate in our transformation, and love us for it. We also have a responsibility to accompany them in their new, more reasonable consumption patterns. Our CSR centre supports the General Management in decision-making and coordinates all action plans on a global level. In 2022, we also decided to attach the team in charge of eco-design products to the Collections Departments, originally allocated to the CSR centre. We wanted the challenges regarding products (choice of materials, eco-design, recyclability, etc.) to be at the core of product / market managers' questions.

Our aim is that each Department has a clear CSR roadmap linked to their profession.

In 2022, we relied heavily on specialists who co-facilitated, alongside the CSR team, the implementation of KIABI's strategy in the various departments or subsidiaries. For certain people selected during their working hours - a percentage of their weekly hours - they share information



relating to CSR with Kiabers from their entities and pass on their requests. They also help write the CSR roadmap for their area, as well monitoring its deployment through key indicators adapted to certain jobs.

Ambassadors have the task of - in stores in France for example or within a subsidiary or with an affiliate or franchise - sharing information linked to CSR, passing on local questions and organising a CSR action every year per shop.

A measured advancement which must be put into perspective in light of a common goal

We are making progress every day to help build a more united world, that is more respectful of the planet. Each of our subsidiaries, each of our major operational services now knows about its major social and environmental challenges and integrates them in its operations and overviews. We measure the impact of our actions based on shared indicators.

WE HAVE BUILT A BREEDING GROUND FOR WONDERFUL ACTIONS FOR SEVERAL YEARS. THE CHALLENGE FOR 2023 WILL BE TO DEFINE AN AMBITIOUS EXTRA-FINANCIAL GOAL BY 2030, WHICH MUST ALLOW US TO ADHERE TO THE PARIS AGREEMENTS.

The KIABI group's strategy

By co-building the company's vision with our employees, by liberating their initiatives and audacity, KIABI does its utmost to nurture talent in a fulfilling environment, and share the result of the group's performance with them.

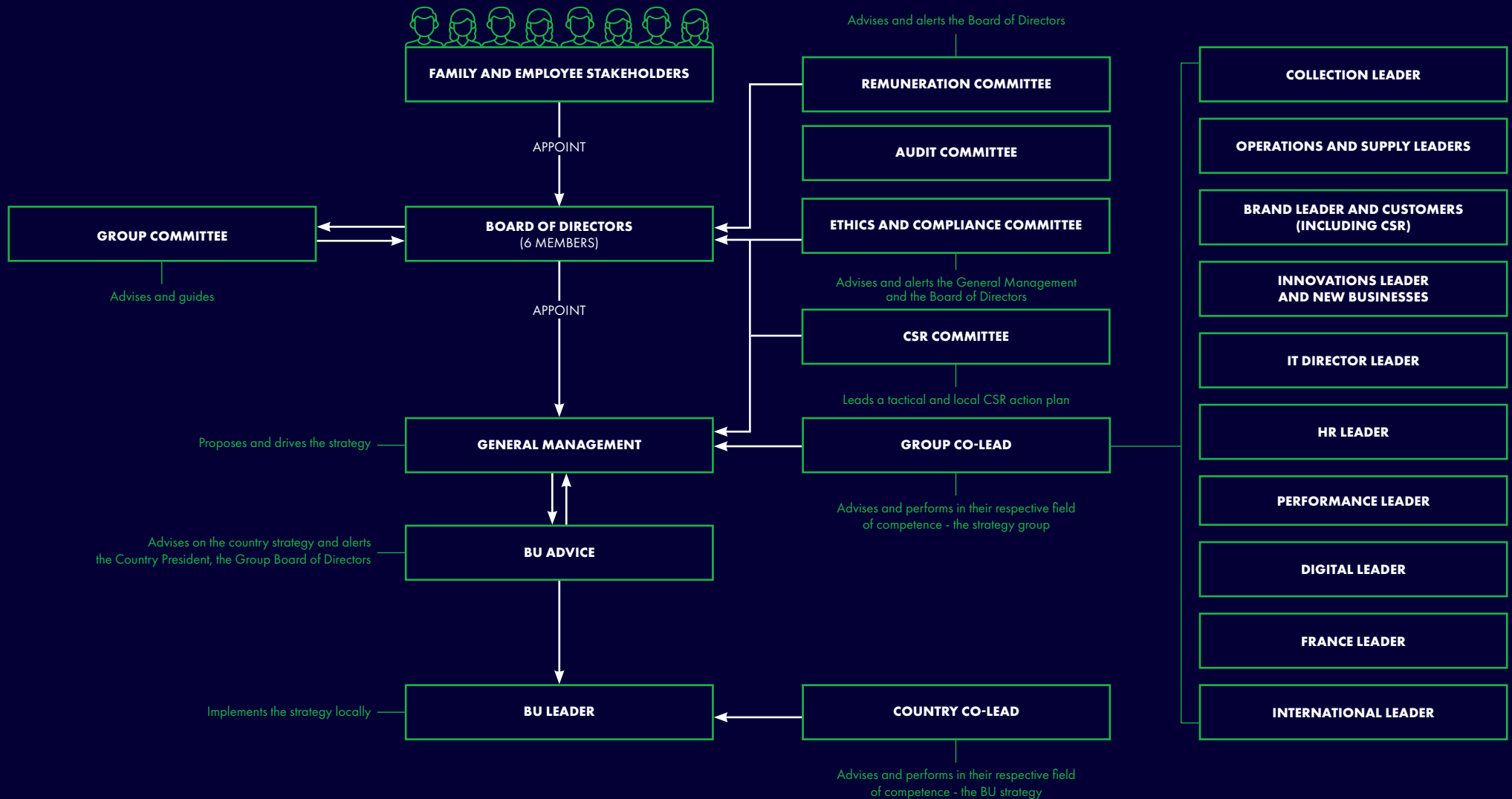
In 2021, we shared our new 2030 Vision, "Make life easier for families by working together to build responsible fashion and sustainable solutions".

This vision places CSR at the centre of the company's strategy and permeates into all departments and subsidiaries.

Based on this, every year, a 3-year plan is written and validated by our Board of Directors. It provides a mid-term view of the development goals and results that the company sets itself, as well as the challenges to be met. 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.



HOW THE GOVERNANCE WORKS



SOCIETAL COMMITMENTS FOR 2025



Environment

0 dangerous chemical products in the manufacturing processes and finished products

100% of very high water consumption factories audited according to the environmental component and were compliant

2,000 tonnes of used fabrics and shoes collected from our customers

100% of textile products bought for our 2025 summer and winter collections have been eco-designed

-25% less carbon intensity per product

50% of renewable energies in our own activities

Proportion of air transport less than **2%** regarding our goods transports

0% single-use virgin plastic in product packaging

Women and Men

80% of Kiabers satisfied (GPTW trust index)

more than **200** insertion jobs created by KIABI's activities

more than **400,000** beneficiaries of the solidarity shops: "Le Petit Magasin"

100% new factories referenced as being in compliance on social aspects

100% of tier-1 suppliers evaluated according to CSR criteria (external or internal evaluation)

Governance and shared values

100% of Kiabers / suppliers / partners have signed our code of conduct

100% of Kiabers with permanent contracts, and who can become company stakeholders

EXTRA-FINANCIAL RISK MAPPING (including the vigilance plan)

Theme	Challenges	Main extra-financial risks	Key indicators for monitoring
Environmental	Environmental impacts linked to the production of KIABI articles	- Deterioration of biodiversity - Depletion of non-renewable resources - Climate change (increase in greenhouse gas emissions)	% purchases per material (in weight) % of sustainable fibres in our clothing (in number of items) % of eco-designed products purchased (in number of items) % of items designed via a low-impact transformation procedure (in number of items) - Number of factory audits in the environment component per country for tier-1 and 2 suppliers % of environmental audits of factories classed as A, B or C % of tier 2 very-high water consumption factories audited
	Environmental impacts linked to the end-of-life of products	Waste and pollution linked to the lack of product recovery and recycling	- Volume of used textiles and shoes collected from our customers and upcycled (recycled, resold, re-used) % of textiles collected in France vs placed on the market (sold) two years previously
	Health - safety of customers	- Regulatory non-compliance (REACH...) - Damage to health / safety of customers (Medical problems, Disability, Injuries)	- Number of customer alerts linked to health / safety problems of products - Number of products withdrawn from sale
Social	Internal social climate	- Deterioration of social dialogue and working conditions linked to the social policy - Reputational risk for KIABI	- Turnover % of satisfaction of Kiabers (GPTW trust index)
	Health – safety of employees	- Deterioration of health / safety of employees which may lead to: - musculoskeletal disorders linked to logistics and in-store activities generating repetitive work stoppages, partial disabilities (and eventually, a decrease in resources) - psychological disorders following assaults, in particular in-store - accidents at work - mental fragility of those impacted by organisational changes - sickness or anxiety in the event of an epidemic	- Frequency rate of accidents at work % of the workforce with an occupational disease - Absenteeism rate
	Management of skills and employability of employees	- Skill obsolescence through a lack of support from KIABI - Inability to attract, keep and motivate the necessary talent required for the smooth functioning and proper development of the company's activities - Loss of attractiveness amongst potential candidates	- Number of training hours - Average number of training hours per trained employee % of trained Kiabers
Social / Societal	Health - safety of workers + human rights	- Lack of guarantees concerning the physical safety of workers within the workplace - Failure to protect the workers' health - Human rights violations (child labour, forced labour, discrimination, harassment, union freedom, non-compliance of ILO rules, etc.) - Non-compliance of rules relating to payment and working time	% of tier-1 suppliers with KIABI code of conduct training - Number of factory audits in the social component per country for tier-1 and 2 suppliers % of social audits for factories classed as A, B or C and therefore evaluated as compliant % of new factories referenced as A, B or C (tier-1) % of level E factories with a better score after 6 months (tier-1)
	Ethics	Risk of corruption, especially in certain subsidiaries concerning relations with Stakeholders, due to our significant purchase volumes	KIABI Ethics and Compliance Committee

According to KIABI, an extra-financial risk is the possibility that our activities involve consequences which may affect the environment, women and men and/or KIABI's reputation. We implement actions to identify, prevent, manage and control these risks and this is thanks to a monitoring of key performance indicators (specified above), the implementation of internal policies and action plans along our entire value chain.

This table presents and describes the main extra-financial risks identified. The risk map is updated every 2 or 3 years by the internal audit team in collaboration with the CSR team. The development method of this mapping is specified in the appendix.

Other considered risks: The protection of personal data regarding customers and employees is important. Our teams are working on this, advised by our Data Protection Officer. The accidental disclosure or loss of data is identified and controlled. They do not show up in the context of duty of care, where we focus on the specific risks linked to our supply chain. Other risks exist but are considered less significant.

ACT FOR THE ENVIRON- MENT

CARBON AND BIODIVERSITY ASSESSMENTS

DESIGN MORE SUSTAINABLE PRODUCTS

OPTIMISE TRANSPORT

OPTIMISE THE END-OF-LIFE MANAGEMENT OF OUR PRODUCTS

GUIDE OUR CUSTOMERS TOWARDS A MORE RESPONSIBLE
CONSUMPTION



REMINDER OF THE CHALLENGES

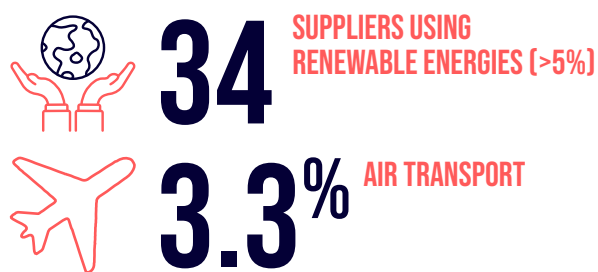
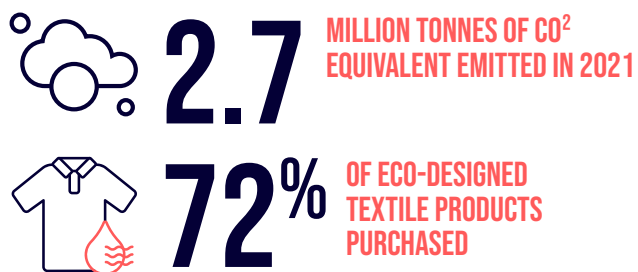
- **Reduce the environmental impacts linked to production and the end-of-life of our products**



The highlights of 2022

- Performance of the **carbon footprint scope 1-2-3** and biodiversity risk analysis on the 2021 database performed by Quantis cabinet;
- Continuation of our **efforts to develop less impactful products** (more sustainable raw materials, eco process, etc.);
- **Implementation of a partnership with Oritain** to create a map of the origin of cotton used by our main suppliers from 2023;
- Participation in French and European work groups on the **environmental score** of products;
- Performance of the 1st survey of our suppliers on the integration of **renewable energies in their processes**;
- **Decrease of air transport** thanks to a more pro-active steering;
- **Development of second-hand clothing collections** in store, via the KIABI Bags and in schools;
- **Deployment of second-hand** with the opening of a Kidkanai concept store, and 81 additional corners in KIABI shops

2022 results



CARBON AND BIODIVERSITY ASSESSMENTS

We conducted our first carbon footprint scope 1-2-3 on a global level in 2019, and our first biodiversity assessment in 2020 based on our 2018 data. These assessments enabled us to acknowledge the volume of our CO₂ emissions, and to understand their breakdown in the life cycle of our products and to understand the impacts that our activity can have on biodiversity in terms of water consumption, pollution of fresh and marine waters, land use and soil pollution...

In 2022, we updated these carbon footprint scope 1-2-3 and biodiversity assessments, with Quantis, based on our 2021 data. We would like to validate the coherence and relevance of the actions already implemented and find new action levers.

We took advantage of these studies to conduct our 2030 carbon trajectory. We compared it to the trajectory that we needed to reach if we were adhering to the Paris Agreements, aiming to limit the global rise in temperatures to 1.5°C. This comparison revealed that our actions planned up until now were not sufficient to reach our objectives of reducing our CO₂ emissions in absolute terms. In 2023, we are going to work on designing complementary actions to meet the aim set in the Paris Agreements.

Simultaneously, the 1.5°C climate target approach

The 1.5°C target is the first replication of the CEC (Convention des Entreprises pour le Climat) in a format adapted to AFM (Association Famille Mulliez) companies led by Acts&Facts*

**Explained in the appendix*

This process, aimed at AFM corporate leaders, aimed to build and challenge the strategies and roadmaps in a new way, to transform business models, aware of the planetary limits and Paris Agreements.

► **The aim of the approach: go from a model based on extraction to a model based on regeneration.**

DID YOU KNOW?

The Fashion Pact

The Fashion Pact is a global initiative of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury) including their suppliers and distributors, all committed to a common set of key environmental goals in three areas: stopping global warming, restoring biodiversity and protecting the oceans. KIABI has been a member of this initiative since its creation in 2019.

Understanding our carbon footprint

The conclusions of the carbon footprint scope 3 performed in 2022 confirm those already drawn in 2019 concerning the breakdown of our CO₂ emissions:

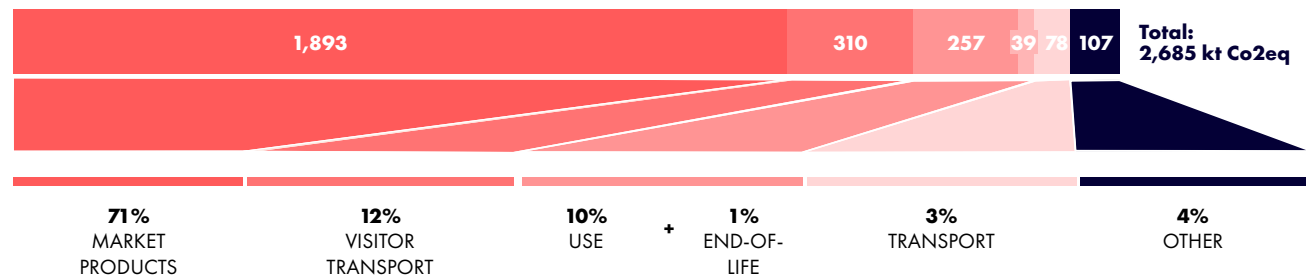
Our carbon footprint of 2.7 million tonnes of CO₂ eq (compared to -4% in 2018) is largely impacted at:

- **71%** through the production of raw materials and manufacturing by our suppliers. The manufacturing procedures and the energy mix used by our suppliers are primarily responsible;
- **12%** through customer visits;
- **10%** through the use of products by consumers (washing, drying, ironing, etc.).

These results indicate a carbon intensity per product of 8.8 kg of CO₂ eq (compared to 9.3 in 2018).

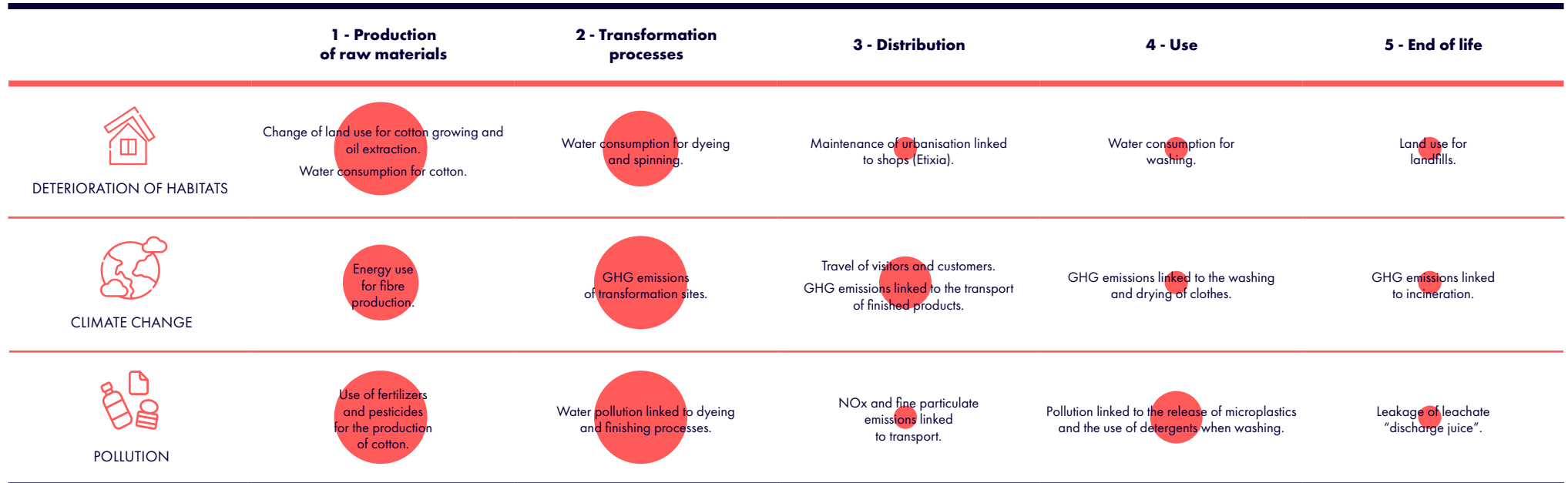
We are taking action to reduce our CO₂ emissions by -30% by 2030 (commitment made during the signing of the Fashion Pact in 2019). To go even further, we would like to commit to a SBT (Science Based Target) trajectory. Science-based targets are targets to reduce greenhouse gas emissions, defined in line with the climate pathway of +1.5 °C defined by the Paris Agreements.

Breakdown of the carbon footprint per activity, KIABI and ETIXIA, financial year 2021.



Understanding our biodiversity assessment

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



► PRESSURE 1: DETERIORATION OF HABITATS

The production of raw materials, in particular cotton, occupies extensive farmlands. This impacts biodiversity locally. Furthermore, the production of these materials consumes a sizeable portion of fresh water. We are thus contributing to its increasing scarcity and exposing ourselves to risks linked to the availability and quality of this water, especially in Bangladesh, Pakistan, China and India. Our biodiversity assessment was an opportunity to gauge that the ground coverage of our shops only represents a very small proportion of our impact on habitat, contrary to the upstream steps of our products.

Our ground coverage represented 189,000 hectares in 2021 and the consumption of fresh water was equivalent to 511 million m³.

► PRESSURE 2: ACCELERATION OF 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 large amount of fossil fuels, causing greenhouse gas emissions. In the transformation of materials, it is primarily dyeing and washing which contribute to the acceleration of climate change.

Our CO₂ emissions represent 2.7 million tonnes of CO₂ equivalent.

► PRESSURE 3: INCREASE IN POLLUTION (WATER, SOIL, AIR)

The production of cotton also pollutes the soil and water of fields through the intense use of fertilizers and pesticides. The successive transformations into yarn, fabric and finally, the dyeing procedure, consume large quantities of water and chemicals. These manufacturing steps generate a decrease in biodiversity, release CO₂ emissions and pollute fresh water.

Define our main strategic trends

In addition to the actions already implemented, we plan to commit to 4 axes:

- **Act on new products:** the production of raw materials significantly impacts biodiversity. The choice of more sustainable solutions (recycled, organically produced), and alternatives to new products (land pressure) are pivotal to reducing our impact.
- **Carbon-free production chain:** the production significantly influences our greenhouse gas emissions, especially the dyeing, spinning and weaving stages. The choice of production country, guided by its energy mix, and the choice of production processes, provide structure in achieving our objectives. In the world, 56% of GHGs linked to the cotton supply chain are linked to electricity consumption.
- **Be more circular and more service-based:** this new assessment, and in particular the work on the trajectory by 2030, highlights that the work on the design of our products alone is not sufficient to improve our impact on the planet. We must intensify our actions, thus enabling the lifespan of our clothing to be extended, by working on the quality of our products and by promoting second-hand purchasing for our customers.
- **Awareness-raising and informing our customers** on the impact of how they care for their clothes, as well as as their end-of-life management.

Optimising traceability

We have begun a process of reliability of our data, especially via the traceability of our supply chain. Traceability is a cross-cutting issue. It enables us to respond to challenges regarding the environmental rating of our products and transparency for customers. It also guarantees a greater accuracy of our data and thus an optimisation of our actions. Aware of the importance of this topic, in 2022, a person was recruited by KIABI to manage the project.

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.



DESIGNING MORE SUSTAINABLE PRODUCTS



Since 2018, we have been working on the selection of raw materials used in the composition of our clothes and the design methods of our products. In 2022, we continued our work in this area and increased the eco-design and materials teams.

WHAT'S THAT?

What is eco-design?

At KIABI, a product is considered to be eco-designed if it contains a minimum amount of more sustainable fibres in its composition. Where possible, we combine these materials with a more resource-efficient manufacturing process, more sustainable accessories and we facilitate recycling at the end of its life cycle.

2022 in figures

72% of products on offer were eco-designed (66% one year previously)

* change in scope 2022: textile range / * 2021: exclusion of non-KIABI branded products, accessories and footwear.

2023 Target

CONTINUE TO INCREASE OUR PROCUREMENT VOLUME OF ECO-DESIGNED TEXTILE PRODUCTS TO REACH 100% IN 2025.

Using more sustainable raw materials

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, and resistance (and practicality for cotton) – in our collections, but gradually opting for more sustainable alternatives.

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

- Organic cotton;
- Better Cotton Initiative* cotton;
- In-conversion cotton;
- Recycled cotton with at least 20% recycled fibres;
- Linen/ hemp;
- Recycled synthetic materials with at least 20% recycled fibres (polyester, polyamide, etc.);
- Sustainable cellulosic materials (Ecovero(TM) viscose, Modal, etc.).

when it contains at least 50% of this fibre

*See definitions in the definitions and methodology section

Recycled fibres reduce the use of virgin resources, energy and chemicals. This is why we are pursuing our strategy to integrate these more sustainable materials in the composition of our clothing. In addition, in keeping with our eco-design approach, we choose accessories (zips, buttons, hooks) with recycled components to create our clothes, as much as possible.

DID YOU KNOW?

Recycled cotton

To guarantee the technical performance of the yarn, the spinner uses only 20% recycled cotton in the fibre mix. Suppliers are working on increasing the percentage of recycled fibres.

► 2022 in figures:

11% of our textile range is made with recycled materials in number of items (compared to 5% in 2021)

Starting with the design phase of our products, we reflect on their recyclability. We promote mono-materials and limit problem areas such as embroidery and rivets, which make recycling more complicated.

DID YOU KNOW?

Mono-material and recycling

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.

► 2022 in figures:

In 2022, 47% of our products are mono-material and therefore more easily recyclable (compared to 50.6% in 2021).

This decrease can be explained by the price increase, in particular of cotton, which forced us to mix cotton with other more affordable fibres to continue to offer accessible prices in this context of inflation.

2022 in figures

71% more sustainable fibres in our textile products (63.5% one year previously*).

Despite a difficult supply context with a sharp increase in purchasing prices, we have continued our efforts.

*change in scope 2022: textile range / *2021: exclusion of non-KIABI branded products, accessories and footwear.

2023 Target

OBTAIN A KIABI CERTIFICATION TO COMMUNICATE THE PRODUCT CERTIFICATES CONTAINING ORGANICALLY-FARMED OR RECYCLED FIBRES.

Highlights 2022

Identify the origin of cotton thanks to a partnership with Oritain

Cotton growing involves over 250 million people in the world. Aware of the often difficult working conditions in developing countries, we wanted to encourage our clothing manufacturers to get more involved in the command of their cotton supply. In 2022, we therefore signed a contract with a New-Zealand firm, Oritain, which has developed a technology using forensic science. The aim: analyse the intrinsic properties of cotton to identify the geographic origin. This is added to the ban formulated in 2021, banning our suppliers from getting supplies from cotton growing regions in which there are non-compliance risks regarding human rights, in particular forced labour.

2023 Target

CONDUCT, WITH ORITAIN'S SUPPORT, A MAP OF THE ORIGIN OF COTTONS USED BY OUR MAIN SUPPLIERS.

A better understanding of traceability

In 2022, KIABI worked to meet the regulations coming into force from January 2023 on the subject of the product traceability. Following the issuing of the decrees for the AGECE (anti-waste for a circular economy) and Climate and Resilience laws, we have been working on making the traceability of the entire production chain of our products reliable and available. During the second half of 2022, we experimented with several tools. To meet several articles of the AGECE or Anti-Waste law, first of all, we covered the production-path of clothing, household linen and shoes, starting with the summer season 23. In early 2023, the indication of the production country for the various manufacturing stages of these products was added to the KIABI.com website.

Nevertheless, up until now, European regulations do not require the origin of textile fibres to be indicated on clothing labels. If we take the example of cotton, which accounted for 62.5% of KIABI's offer in 2022, 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, transitional and recycled fibres are governed by strict certifications that allow us to trace them through the value chain and ensure traceability. This is one of the reasons why we are turning towards these choices of raw materials.

Encourage organic cotton growing with Organic Cotton Accelerator

We joined the OCA (Organic Cotton Accelerator) organisation in 2021. In establishing this partnership, we act to ensure the income of organic cotton farmers (or in-conversion towards organic cotton), to encourage them to pursue organic cotton cultivation, and thus increase the arable lands and therefore, the organic cotton offer. Thanks to OCA, we have secured our supply in organic cotton (contract signed annually) and in-conversion cotton.

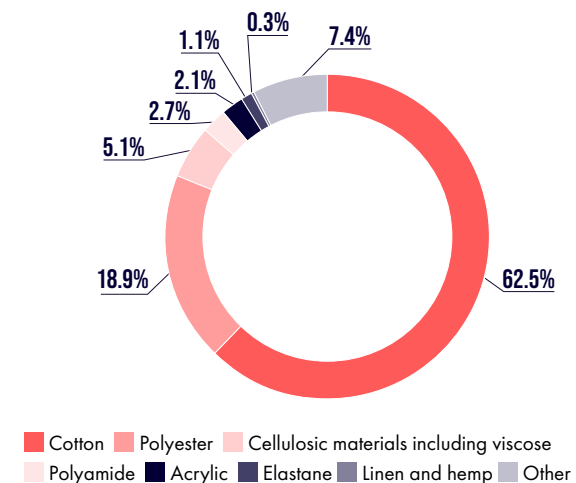
WHAT'S THAT?

ORGANIC COTTON ACCELERATOR

For KIABI this partnership with OCA represents:

- Over 3000 farms dedicated to organic cotton in India;
- 2000 tonnes of organic cotton and in-conversion cotton for our 2024 collections;
- A salary guaranteed to be 7 to 10% higher than the market rate for the farmers involved.

Percentage of main materials in our textile products
purchased for SUMMER and WINTER 2022 collections (in % of weight)



In 2021: Cotton (69.6%), Polyester (18.8%), Cellulosic materials including viscose (5.7%), Polyamide (2.7%), (Acrylic, Elastane, Linen and hemp were included in Other in 2021), Other (3.4%) based on a scope excluding shoes, accessories or non-KIABI branded products.

Display the environmental impact of our products

Since January 2022, we have been working on the environmental score of our textile products. Our aim is to find out the impact of each stage in the life cycle of each item. We can then decrease these impacts thanks to targeted eco-design actions. Having participated in French and European trials in 2022, in 2023, we will be launching various pilots in order to optimise our data collection and tools, and therefore publish the scores of 100% of our textile products on our websites by 2024.

Involve suppliers in our approach

Optimise our manufacturing processes

We are working with our suppliers to optimise the processes with a high water, energy and chemical consumption, such as dyeing and washing out. We are also working, in an experimental manner, on the pattern cutting of certain products to reduce the quantity of off-cuts, reduce the use of material and therefore the quantity of the fabric used. We have also developed "Zero waste" collections - after the windbreaker in 2020, the black dress in 2021, a "Zero waste" shirt was developed in 2022.

WHAT'S THAT?

What is eco-wash?

Eco-wash regroups manufacturing washing procedures which meet a strict list of KIABI criteria:

- Conduct an environmental audit of the washing plant;
- Use chemicals that comply with REACH and AFIRM standards*;
- Use one of the technologies listed by the KIABI wash team (laser, Eflow, G2 Ozone etc.);
- Calculate a score to measure the impact of washing using EIM (Environmental Impact Measurement) software. This score goes from 0 to 100 (0 to 33 = low impact, 34 to 66 = medium impact, 67 to 100 = high impact). It must be below 66 to be considered as eco-wash.

These washing criteria shall be gradually applied to other product categories, and by 2025, to all of our products, including T-shirts, jumpers, etc.

* See definitions in the definitions and methodology section

2022 in figures

7.6% of our products were designed via a lower-impact transformation process
(in number of items) (7.2% in 2021)

* exclusion of non-KIABI branded products, as well as accessories and footwear.

2023 Target

100% ECO-WASH DENIM

Use renewable energies

From our carbon footprint, we have learnt that we have an action lever on the energies used by our suppliers. We have questioned our tier-1 suppliers on their use of renewable energies. 34 responded that they used renewable energies and communicated the type used, as well as the proportion within their total energy consumption. We were therefore able to model the impact that this could have had on our carbon footprint 2021 (-3% of emissions in absolute terms). We were also able to model what the introduction of a higher proportion of renewable energy would enable us to achieve if we were able to work with our suppliers (especially for suppliers involved in several stages of the production chain). This gave us an interesting avenue of work for 2023.



Develop more sustainable packaging

Since signing the Fashion Pact in 2019, we have been working on getting rid of single-use virgin plastic from our packaging. Indeed, we are committed to eliminating our product packaging from 2025, and logistics packaging from 2030.

Thus, in 2022, we raised awareness amongst and trained collections teams in this direction, and we tested alternatives to plastic blisters, especially for our underwear items. Our first action in 2022 visible by customers was the elimination of plastic hooks, replaced by cardboard cut-outs, for light products, products with a short in-store lifespan and with a low rate of manipulation, such as tights.

ONE STEP FURTHER

We are aware of the importance of progressing quickly in this area but, despite our efforts, design takes time and requires numerous tests with our suppliers and then, in-store. We are behind schedule, but we hope to catch up in 2023.

2023 Targets

- 0 SINGLE-USE PLASTIC BLISTERS
- TESTS ON CARDBOARD HANGERS

OPTIMISE THE TRANSPORT OF OUR CLOTHES

In 2022, we defined a supply transport CSR strategy, continued our commitment with Fret 21 and optimised our internal communication with players concerned by this topic, in order to raise awareness regarding the importance of working towards more sustainable transport methods.

Continue our commitment towards FRET 21

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

- Reducing our carbon emissions linked to the transport of our products by at least 5% over 3 ans, i.e. 3,353 tonnes of CO₂;
- Allowing the implementation of an ecosystem involving transport partners - committed or not - and involve those who are not, as well as other committed players and companies to share good practices.

In 2022, we continued our commitment. The calculation of our greenhouse gas emissions is currently being certified by ADEME.

** See the list of partners in the appendix*

Upstream transport: less air transport, more multi-modal transport

Between our suppliers and our warehouses, several types of transport are used: boat, train, plane or lorry. We aim to reduce modes of transport which cause the most pollution (in particular air transport) as much as possible, and develop more responsible alternatives.

In 2022, we therefore reduced the proportion of air transport and increased multi-modal* transport: This was possible thanks to, in particular, better awareness amongst KIABI's teams and a strong willingness to take the teams and our service providers with us.

Downstream transport: make way for alternative energies

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.

In 2022, we committed to, alongside our partners, the deployment of alternative-energy trucks (canola oil, used cooking oil, etc.) and we carried out a few tests with electric lorries. In 2022, the proportion of alternative energies in our distribution of French stores represented 6.9% but increased to 10% in the 1st quarter of 2023, with FRET21 aiming to increase this percentage to 20% by 2024.

In addition, 17% of our French stores were subjected to a compensation of 100% of their (estimated) carbon emissions linked to downstream transport thanks to the LA POSTE Group transporter, which compensates 100% of its CO₂ emissions.

ONE STEP FURTHER

In 2022, we have integrated the CSR challenges in a more significant way in the transport component. However, despite our efforts, certain objectives have not yet been met. This is the case in terms of increasing the filling rate of our trucks and increasing the proportion of alternative-energy transport. Indeed, the significant increase in the cost of vehicles powered by gas, in particular, prevented us from developing this alternative to the extent that we would have liked.

ZOOM

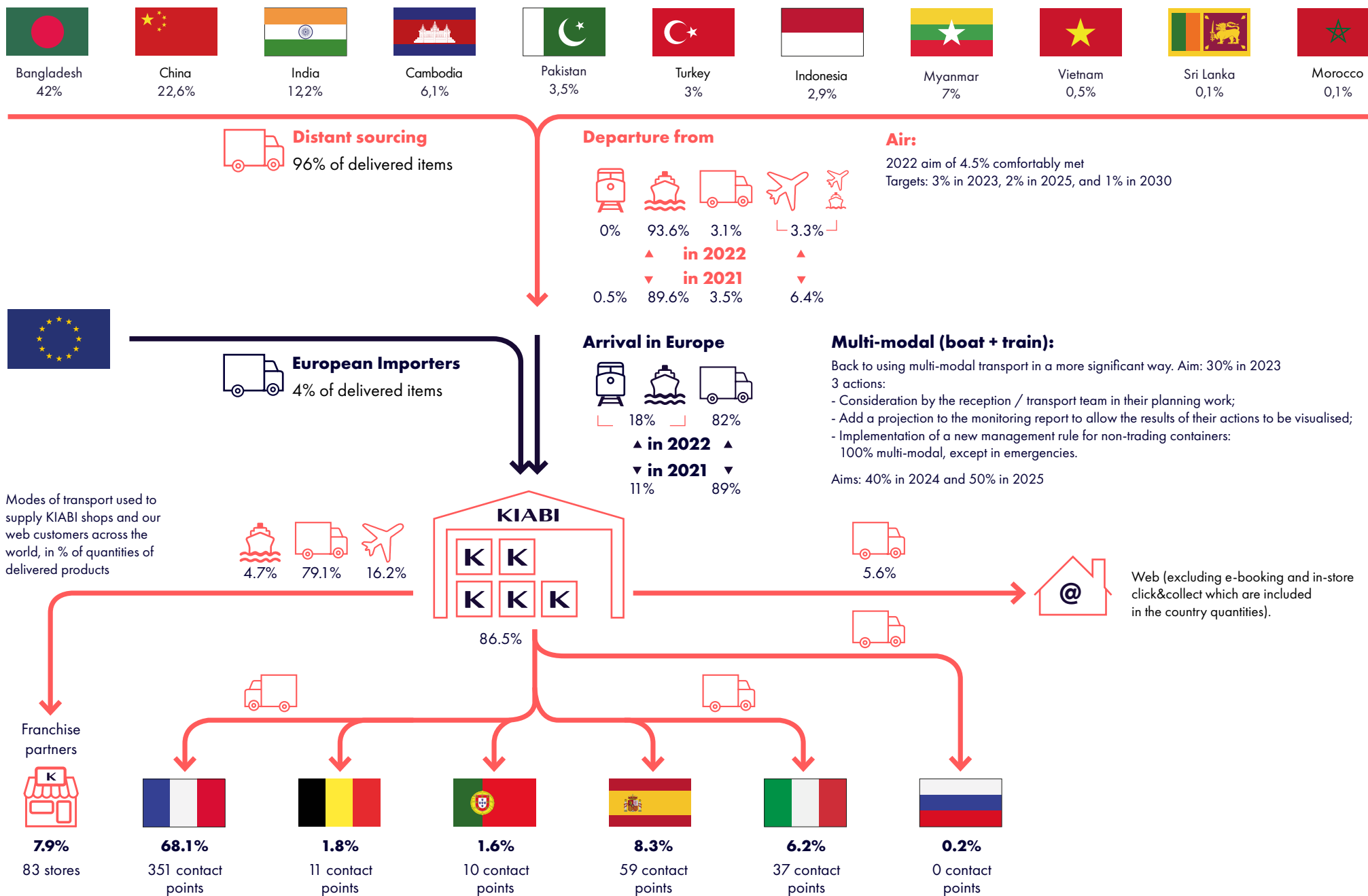
The launch of web offers with a reduced carbon footprint

The analysis of our upstream modes of transport enabled us to acknowledge the importance of our web flow. We have therefore worked on several action levers, allowing us to reduce our carbon footprint at this stage in the life cycle of our products:

- Deployment of delivery at home by bike in 14 Ile-de-France towns, including Paris;
- Development of delivery to pick-up points in Italy and Portugal, consuming less CO₂;
- Participation in the development of 24/7 parcel lockers;
- Implementation of omni-channel transport plans, in order to massify the flows and therefore reduce the number of trucks on the road.

2023 Targets

- CONTINUE THE FRET 21 ENGAGEMENT ACTION AND OBTAIN THE LABEL
- IMPROVE THE COMMUNICATION OF OUR ACHIEVEMENTS AND DEVELOPMENTS AMONGST OUR INTERNAL AND EXTERNAL COMMUNITIES
- INCREASE THE PERCENTAGE OF ALTERNATIVE ENERGIES AND MULTI-MODAL TRANSPORT FOR OUR UPSTREAM AND DOWNSTREAM FLOWS
- DEFINE A GROUP STRATEGY FOR THE CSR TRANSPORT OF TOMORROW



OPTIMISE THE END-OF-LIFE MANAGEMENT OF OUR PRODUCTS

Forecasting the end-of-life and recycling of our products

Although the end-of-life of our products only represents 2% of our carbon footprint, it remains a reduction factor regarding our impact on the planet. To this end, since 2017, we have set up containers to collect clothing, household linen and shoes in some of our store car parks and since 2021, in-store collection points. The collected products are then recycled by our partner Le Relais, or by local partners, and they begin a second life.

► 2022 in figures:

111 shops equipped with in-store collections and 25 shops with car park containers

According to our partner Le Relais, this includes:

- 55% resold as second-hand via export;
- 26% recycled into material;
- 10% reused as industrial rags;
- 6% in Dring Fring shop;
- The remaining 3% is used as energy.

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

In order to meet the challenges relating to the supply of second-hand clothing, we needed to massify our collections. We therefore implemented KIABI Bags and we organised collections in schools:

- The KIABI BAG is offered to our customers: they have the possibility of sending, via Mondial Relay and with a pre-paid postage label, 12 to 20 items to our partner Rediv, who collects and sorts them. Our customers who have a loyalty card then receive a voucher of €5 per bag sent.
- Collections in schools: we work with Parents' Associations seeking funding. For each kilo of clothes collected, they receive €1. These actions enabled an average of 180 kg to be collected by each partner school. The collection of clothing is entrusted to an insertion company and the sorting is carried out by Rediv.

The quality level to be resold as second-hand clothing returned via these two solutions is respectively 69% and 50%. Since January 2023, thanks to a partnership between Rediv and Buitex, 100% of the products collected begin a second life (second-hand or recycled into insulation).

2022 in figures

388 tonnes of textiles, household linen and shoes collected

(for 180 tonnes collected in 2021) i.e. 1.1% of our goods marketed in 2020 (0.6% in 2021):

- 204 tonnes via KIABI Bags;
- 176 tonnes via in-store collections and collection bins set up in our car parks;
- 8.5 tonnes via school collections.



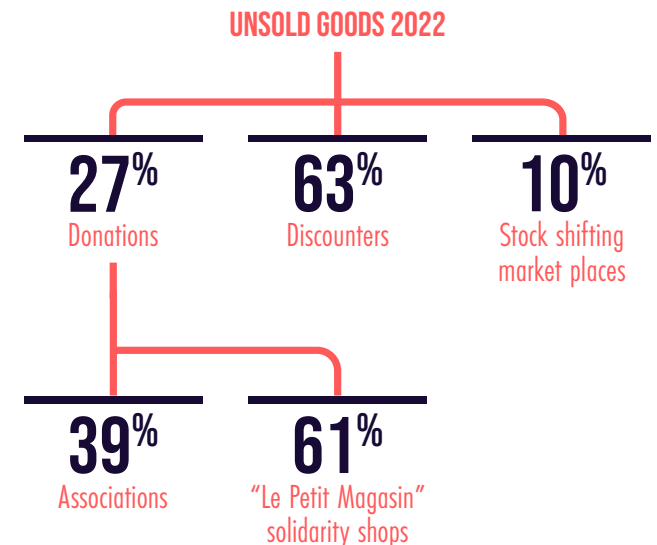
Forecasting and managing our unsold goods

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 per 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 items to be produced and transported 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 21 and Summer 22 collections, unsold goods represented 1.4% of goods purchased.

To get rid of these unsold goods, we have several outlets:

- Donations: we donate some of the unsold goods from our stores to local associations in France (professional integration associations with whom we are developing "les Petits Magasins" (see page 50) and other associations).
- Discounters: for our unsold goods from warehouses and stores in other countries, we go through professionals who purchase the goods to re-sell them in countries where we are not distributors.
- Market place: we also opt for digital solutions to shift stock (e.g. "Showroom privé" market place)

The output of unsold goods in 2022 was broken down as follows:



GUIDE OUR CUSTOMERS TOWARDS A MORE RESPONSIBLE CONSUMPTION

The upkeep of our products by the consumer requires the use of energy and chemical products. This represents 8% of our carbon footprint. Thus, we inform our customers regarding the upkeep and end-of-life of their clothing, so as to guide them towards more responsible consumption.

Optimise our care instructions

Maintenance cycles (washing and ironing and/or tumble drying) in the consumer's home impact the environment (water and energy consumption, use of detergents). To measure the environmental footprint, we have modelled this use on the basis:

- of a number of washes depending on the typology of products (30 washes for textile products except for coats and larger items which are modelled on 3 washes, no washing for accessories);
- of 15 tumble-dries for products which can be tumble-dried (1 tumble-dry for every 3 washes);
- of being ironed 15 times, accounting for 1 minute per washed product.

Since 2017, we have been trying to raise awareness amongst our customers regarding this challenge: in store, a stand with writing suggesting they wash their clothes at a lower temperature and to dry them flat to avoid ironing and tumble drying. Most of our products have a label with our washing instructions, with a recommendation of 30°C.

Beyond limiting the consumption of detergents and energy, this change in method regarding caring for clothing enables their lifespan to be extended, a main issue highlighted by our 2022 carbon assessment.

Dedicate a concept store, corners and a website to second-hand items

Developing circular economy solutions and offering new services to our customers is an essential challenge if we want to meet the climate and planetary challenges. This partly involves the development of a range of second-hand clothing, thus avoiding the production of new clothes, and therefore the consumption of natural resources. To allow our customers to buy second-hand products, branded by KIABI or other brands, we have designed several plans.

A concept store dedicated to children / babies and second-hand goods: Kidkanai

A second-hand product is not a product which has decreased in value. It is a product which has gained experience, a personal background, a personality. In November 2022, we opened our first Kidkanai concept store for children / babies and second-hand clothing. The aim of this project is to extend the product life cycle and locally develop sharing between parents, thus creating a virtuous circle closer to where they live.

Corners in our existing stores

In August 2020, we launched second-hand corners in partnership with Rediv in our French stores, and then overseas.

► **2022 in figures:**
120 second-hand corners in our 5 branch-based countries (92 in France, 13 in Spain, 6 in Italy, 5 in Belgium, and 4 in Portugal)

2023 Target

300 CORNERS

A digital platform dedicated to second-hand items

Since December 2020, our Seconde Main by KIABI website has allowed customers to sell and buy all brands of second-hand items. The website is for private individuals and provides an advantage to customers: the seller can choose either to receive the payment of their sales via bank transfer, or receive a voucher for their sales, with an additional 20%, to be spent at KIABI.

► **2022 in figures:**
Second-hand represents 0.24% of our total sales (in quantity)

2023 Target

TO ACHIEVE 2% OF OUR QUANTITIES SOLD SECOND-HAND

Hire clothing rather than buying them

Since 2021, KIABI has provided its customers with a hire service. After a first test conducted in the maternity and breastfeeding section (stopped in March 2022), we launched a new formula via a subscription allowing customers to hire 5 to 20 items of clothing, across all departments. 4 subscription formulas (from €19/month for 5 items hired, to €49/month for 20 items hired) offered as a test in 3 stores: Noyelles Godault, Le Pontet and Bègles. This new test allowed us to learn more about hiring, as no market data currently exists regarding mass-retail clothing hire via subscription.

The results are very positive with very few people unsubscribing and encouraging us to believe that the offer is pertinent for our customers.

- **312 customers subscribed to the offer out of an initial planned target for the test of 300 customers**

2023 Targets

- TESTING THE HIRE OF SPECIAL EVENT CLOTHES FOR CHILDREN FROM FEBRUARY
- CONTINUE THE TESTS STARTED IN 2022

ACT FOR WOMEN AND MEN

SUPPORT KIABERS

SATISFY OUR CUSTOMERS

WORK WITH ETHICS



REMINDER OF THE CHALLENGES

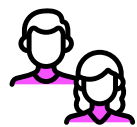
- **Guaranteeing a high level of quality of work life;**
- **Protecting the health and safety of employees;**
- **Managing the skills and employability of employees;**
- **Respecting human rights and acting ethically.**



2022 Highlights for “Kiabers”

- Great place to work Certification obtained in 100% of the countries where we operate;
- Health/safety prevention actions: ergonomic studies, awareness-raising with the QLWC week;
- Continued development of our managerial culture: individual and collective managerial rituals, coaching, management and leadership training courses;
- Promotion of internal talent, constantly being improved: individualised support for Kiabers.

2022 results



74% OF KIBERS SATISFIED
TO BE WORKING AT KIABI
(Great Place to Work Trust index)



18.4% OF TURN-OVER

2022 Highlights for “Customers”

- Training of quality teams in terms of implementing corrective actions, on a global level;
- Increase in the number of STANDARD 100 by OEKO-TEX® confidence in textile references;
- Increase of the customer NPS on a global level by 1 pt.

2022 results



0 PRODUCT RECALLS FOR
QUALITY DEFECTS



68 CUSTOMER NPS

2022 Highlights for “Ethics and compliance”

- Recruitment of a new experienced and certified DPO;
- Relaunch of the corruption awareness programme in our in-store teams;
- Finer analysis of the risks linked to social conformity, adapted to the challenges of each country;
- Integration of a fine-grained analysis of the social performance of factories in order to describe more targeted and demanding action plans.

2022 results



90% COMPLIANT SOCIAL AUDITS



86.5% COMPLIANT
ENVIRONMENTAL
AUDITS

KIABERS, OUR GREATEST ASSET

Aware of this strength, we have always fostered a culture of listening within our group. Listening to understand the needs of our teams, collectively building better working conditions and encouraging a better work-life balance.

Listen to ensure the health and safety of all. Listen, to enable each and every person to blossom within the company and give the best of themselves. Finally, listen to understand the needs in terms of training and thus to help us, as an employer, to maintain the employability of Kiabers and prepare the future of our company.

To be as close as possible to Kiabers, and in certain countries where KIABI operates (France, Italy and Asia), the members of Colead have conducted around 10 or so quality listening exercises amongst employees. In addition, every year we conduct an internal audit amongst all our employees via the global benchmark organisation, GREAT PLACE TO WORK®.

The GREAT PLACE TO WORK® study provides us with an interpretation of our social climate on a global level, which is one of the strengths of this international survey, but also enables a local analysis, per country, per area. It is also an opportunity for the Leaders and Human Resources teams to reinforce and specify both what is working well, and what needs improvement. Action plans are then co-built with the teams in order to involve the Kiabers in the improvement of their own work satisfaction.

WHAT'S THAT?

GREAT PLACE TO WORK®

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.

The key points of the 2022 GREAT PLACE TO WORK® study:

- A participation rate of 79% (- 3% compared to 2021),
- over 94% of Kiabers agree that they receive fair treatment regardless of their gender, sexual orientation or origin;
- 80% of Kiabers are proud to work for KIABI;
- 86% say that they are proud of their achievements;
- 81% say they are proud of KIABI's human culture.

Generally, the results of 2022 study are very good and are improving. We now have the Great Place To Work® certification in every country in which we operate.

The significant element of the 2022 study is the management quality, perceived to be trusting and appreciative towards the teams. Our basic values of non-discrimination, well-being at work, personal commitment and taking pride in accomplishment are ever-growing, proof that our human culture exists throughout the world.

2022 in figures

74% of Kiabers satisfied to be working at KIABI
(GPTW Trust index +1 pt compared to 2021) (+1 pt compared to the average company questioned in the textile sector)

9,536 Kiabers

- **82% women;**
- **43% are less than 30 years old, 45% between 30 and 50 and 12% > 50 years old;**
- **75% of our employees present on 31/12 had a permanent contract;**
- **46% part time, 54% full time;**
- **80% in-store, 6.8% in logistics and 13.2% in our various offices across the world.**

Our results are slightly above average for companies in the textile* sector in terms of credibility, respect and fairness. The results are within the average range for the sector regarding pride and friendliness.

Supported by these results, from 2023, we shall commit to working on three main areas:

- Reinforcing the human culture in the continuity of actions carried out in 2022;
- Reinforcing the transmission of a sense of management to the teams;
- Reaffirming Kiabers' pride to work for Kiabi across the world.

*In comparison to companies in the textile sector who participated in the GREAT PLACE TO WORK® survey

IMPROVING THE QUALITY OF LIFE AND WORKING CONDITIONS

2022 was the year that the Covid-19 pandemic really ended and, with that, it was the year that particular attention was paid to the work-life balance of Kiabers.

The challenge was significant for the group when employees were called to come back on site on a more regular basis, whereby the framework of this return and the aspirations of different Kiabers in terms of well-being and working conditions hadn't been properly set out. The aim in 2022 was therefore the support the teams as much as possible to adapt to increasingly rapid developments imposed by the retail sector, while trying to best reconcile their new personal and professional aspirations.

2022 actions

An agreement to set guidelines for remote working in France

In 2022, we negotiated a French national agreement aiming to set out the framework for remote working. Our desire is to find a balance between working on-site and remote working, making it possible to reconcile performance and professional and personal well-being, and improve reception conditions for employees at the company headquarters. Indeed, it was no longer possible to welcome all team members at the same time within the offices.

Two flexible days of remote working are now possible for all employees in central services, as well as for our store Leaders, to allow them to carry out their administrative and strategic missions. For our other employees in the world, unilateral agreements or decisions concerning remote working have been implemented:

- In Italy: an agreement providing for a maximum of 3 days of remote working for central services;
- In Belgium: a unilateral decision providing for 2 days for central services and 0.5 days per week for in-store Leaders;
- In Asia: a unilateral decision providing for one day of remote working per week between Tuesday and Thursday;
- In Spain: a unilateral decision providing for 2 days of remote working per week.

In addition to remote working, in 2022, agreements* were signed in different countries in which KIABI operates. FOR example:

- **In France:**
 - o Accord GPEC (resource planning agreement) which aims to facilitate the sustainable integration of young people in employment, encourage recruitment and job retention of older employees, and ensure the transmission of knowledge and skills;
- **In Italy:** implementation of a Welfare portal which aims to increase the buying power of our employees and improve the work-life balance;
- **In Spain:** equality and diversity plan to ensure, promote and facilitate professional equality between employees, regardless of their gender;
- **In Belgium:** employment plan for workers aged 45 and over, whose actions aim to increase the employment rate of workers aged 45 and over by promoting job retention.

*The details of the agreements are available in the appendices

A study on the workload of Kiabers

Since the Covid-19 pandemic, the teams have been subjected to changes and have had to adapt to new processes more and more quickly. This flexibility often increases the workload of our employees. Aware and mindful of this, we validated an agreement in October 2022 aiming to conduct an in-depth study on the workload of each work zone over the year 2023. Our aim is, thanks to this study, to write up specific action plans to better support our teams. First step made in 2022: an open question on the workload is now included in all development interviews.

2022

62% of Kiabers feel that the working environment is healthy on a psychological and human level;

69% express that the management team distributes tasks and coordinates the work of employees with efficiency;

73% say that they have the necessary resources and equipment to carry out their job;

71% affirm that they have a framework which enables them to concentrate on the tasks to be carried out.

We are aware that these indicators need to be improved. We are analysing them, in order to better understand the needs of Kiabers and to meet them.

Great Place To Work.

A QLWC week

For the first time in 2022, a Quality of Life and Working Conditions week was organised on all of the group's sites throughout France. Webinars on psychosocial risks, challenges, workshops with ergonomists, osteopaths, dieticians, and addiction specialists were organised over an entire week. Through these events, our aim was to raise awareness, inform Kiabers on the risks and possible solutions to improve their working conditions. In keeping with this week, all of our agreements on these subjects were re-communicated to all teams, in order to inform them of our actions.

2023 Target

76% of Kiabers satisfied
(i.e. +2% compared to 2022)
From the results of the ongoing Great Place To Work® survey

Great
Place
To
Work®

69% of Kiabers say that they are encouraged to maintain a work-life balance.

The actions described above (the QLWC week, workload study, and the remote working framework) are a first response to this result provided by the GREAT PLACE TO WORK® 2022 survey, that we would like to improve.

2022

ZOOM IN ON A COUNTRY



Protect the health of Kiabers in Asia

In 2022, the Hong Kong Government granted subsidies to companies present on site, in order to offer support to employees affected by the Covid 19 pandemic. The aim: ensure that employees stay mentally and physically healthy and encourage them to continue their activity in the best conditions.

We wanted Kiabers to take full advantage by implementing well-being programmes in all Asian offices, such as a complete health check-up and massage workshops. The feedback has been very positive and encourages us to continue these programmes in 2023.

2022 in figures

18.4% in turnover
(compared to 13.4% in 2021)*

The turnover is a telling indicator regarding well-being within the company. Even if it is healthy to have some turnover, it must be relative and controlled. This increasing trend in the global turnover rate is visible in all of our European countries and particularly in France, following the Covid 19 pandemic and the successive lockdowns.

*Excluding Russia (closed in 2022) and Turkey (opened in 2022).



PROTECTING THE HEALTH AND SAFETY OF KIABERS

Protecting the health and safety of our teams has always been at the forefront of our concerns and we are working on preventing and reducing accidents, illnesses and work stoppages for professional reasons as much as possible.

In 2022, the turnover rate significantly increased, requiring specific attention to be paid to the initial training of new arrivals - permanent, fixed-term or temporary contracts - to reduce the risks on their health and safety. The organisational changes linked to the Covid period and the adjustments enforced by the textile market also affected the teams and require further support. We have therefore implemented ergonomic studies and training courses on these topics. To evaluate the efficiency of our actions, we are measuring indicators such as the absenteeism rate, occupational diseases and the number of accidents at work.



2022 actions

Ergonomic studies in-store

Throughout 2022, ergonomists came to audit our shops all over the world, in order to assess the processes and working methods of Kiabers on site. Carrying heavy loads, shelving, unloading lorries and storage in back-stocks... As many situations as possible were observed by the professionals in order to optimise the teams' working conditions in-store. These observations enabled us to write specific action plans to be deployed from 2023. For example, a study will be conducted to redesign the packaging and supply boxes for shops. The aim is to reduce the number of manipulations of clothing, while ensuring optimal transport. This study will also be an opportunity to review our containers to reduce the use of plastic.

Safety relay training in warehouses

To reduce the risk of warehouse accidents, we received support from professional State organisations. Actions were therefore deployed throughout 2022, such as the continued training of safety relay employees within the perimeters of the warehouse, for example. Their mission: to raise awareness amongst their colleagues regarding questions of safety on the field and risk prevention (movements and postures, ergonomics, prevention) via the performance of audits on their site, in particular.

“ I have always been sensitive to safety, I like everything to be in the right place for everyone's safety. I am also well aware of movements and postures, I've done a course on this topic. I am their contact person to answer questions and listen to them when there is a dangerous situation. It is rewarding to watch out for others, I feel empowered and I feel like a guardian angel! ”

Rudolphe

safety relay since 2018, one of the first safety relays at the Lauwin Planque site

2022 in figures

0.3% of occupational diseases
32 cases worldwide
(compared to 0.4% in 2021, i.e. 32 cases)

23.9 frequency rate of accidents
at work (compared to 15.4 one year previously)*
This increase can partly be explained by the fact that in 2021, the partial activity periods, especially in French BUs, reduced the possibility of accidents at work. Another explanation comes from the increase in turnover: new arrivals had to be informed and trained regarding health and safety. We are in keeping with the 2019 rate but this remains an area for improvement for 2023.
(*excluding ASIA and Portugal)

6.3% of absenteeism in 2022
(compared to 5.3% in 2021)*
This increasing rate can be explained by the fact that in 2021, work stoppages due to Covid 19 or due to childcare were more frequent. However, this is a work lead for 2023.

*Scope 2022: excluding Italy, scope 2021: excluding Italy and Belgium

Training courses dedicated to health and safety

To reduce the risk of accidents at work, illnesses and reduce absenteeism, whether it be for physical or psychological reasons, we train the most exposed Kiabers on the risks linked to their activity. Regardless of their job, position or place of work, our teams are regularly made aware of these topics.

Training courses per country

We provide health-safety* training for the employees concerned:

- Robberies and customer incivility (for shops);
- Crisis management (suicide, fire, serious accident in-store, etc.);
- First-Aid (occupational first-aid) ;
- Level 1 customer aggression management;
- Fire drill;
- Psychosocial risk (PSR) awareness;
- In-store fire training;
- Managing physical and verbal aggression, and robberies and theft;
- Reduce the risk of musculoskeletal disorders.

**Non-exhaustive and non-representative list of all countries and all activities.*

Great
Place
To
Work.

80% of Kiabers acknowledge that they are evolving in a safe working environment (a decrease of 4 points compared to 2021).

Declining rate which can partly be explained by the fact that in 2021, the employees responded to the question with regards to the Covid context.

2022 VS 2021

2023 Target

REDUCE ABSENTEEISM AND THE NUMBER OF ACCIDENTS AT WORK BY HALF A POINT

In-store prevention tools

Since 2014, we have integrated an internal control tool in-store. It enables the risks relating to the safety of people and property, the non-compliance of labour rights, and financial and goods flows to be measured and reduced. Thanks to this tool, French, Spanish and Belgian stores can annually self-evaluate themselves (for example, checking that fire-hose stations are working properly, emergency exits, etc.). These self-evaluations are combined with validations conducted by the subsidiary's internal control team. It conducts in-store audits, through sampling, to assess the quality of the self-evaluation and the store's risk level. Italy shall follow in 2023.

► 2022 in figures:

- **42 in-store audits were carried out**

ZOOM IN ON



In-store storage management project - Spain

The project was launched in 2022 based on the need to ensure better safety of Kiabers in store. We set up, and regularly brought together a work group involving the players concerned in store, then we tested our ideas in 6 stores with different characteristics. We also worked on keeping everything clean and orderly, the optimisation of storage areas, the improvement of the working method, as well as the visibility of products for a smoother set-up in store. The results are positive: we are now able to meet the ISO 9001 quality requirements. The next step will be to deploy these new processes from 2023 to the entire range of stores and to monitor and analyse our indicators linked to the health and safety of employees.



PROMOTING WELL-BEING AND PERFORMANCE THANKS TO DIVERSITY

We know that diversity affects well-being and performance at work. We therefore integrate Kiabers into our teams, irrespective of their sex, age, culture, disability, working time, or level of qualification. We believe that diversity is a source of wealth and we act on a daily basis to make this possible.

Our challenge in 2022 was to work to frame the question of diversity on a global level, regarding cultural and regulatory differences between the various countries in which we operate.

A global diversity specialist

In order to establish a framework around what diversity is at KIABI, on a global level, an international diversity specialist was appointed in January 2022. Supported by a committee of experts and Kiabers in different countries, he analysed the state of play of all the actions carried out in the different countries on this topic with the aim of writing, over time, a road map to be shared by the group. This state of play brought an awareness to the multiplicity of definitions regarding the notion of diversity and the very broad cultural differences which exist between countries regarding this issue. For example, Bangladesh is working on integrating more women in its workforce, while Belgium aims to facilitate employment for seniors.

2023 Target

WRITE THE GROUP POLICY ON DIVERSITY, TO BRING IT TO LIFE AND DEPLOY IT FROM 2024.



2022 VS 2021

An inclusive company:

- 97%** of Kiabers say they are treated fairly regardless of their sexual orientation (+3% compared to 2021);
- 81%** say they are treated fairly regardless of their age (Stable compared to 2021);
- 83%** of employees say they are treated as full members of the company, regardless of their position in the company. (1% higher than in 2021).

Great Place To Work®

ZOOM IN ON A COUNTRY

The integration of refugees in Italy

In Italy, KIABI has decided to act in order to integrate refugee women. We have collaborated with UNHCR, the United Nations High Commissioner for Refugees, and Fondazione Adecco per le Pari Opportunità, an organisation which coordinates a support scheme for refugees and asylum seekers. Guidance and professional integration are also proposed to these refugees. In 2022, we helped support 8 of these women in 6 of our stores.

Find out more: <https://www.unhcr.org/it/cosa-facciamo/partner/progetti/fondazione-adecco/>

An assertive disability policy

In 2021, we signed our 7th disability agreement based on equal opportunities. Our aim was to offer the same opportunities in terms of recruitment, training, remuneration, career path and mobility to all Kiabers, whether able-bodied or not. The main challenges of this agreement are recruitment, training and integration, awareness and communication. We therefore make all positions possible accessible to employees with disabilities via a training plan, an adapted workstation, if necessary, and a dedicated managerial support. Disability specialists are trained in each BU, accompanied by intermediaries on the field. Their mission: to support and guide employees with disabilities towards competent external bodies and inform them regarding the rights available in the company. Finally, every year, a budget of €150,000 is dedicated to information, raising awareness, as well as adapting individual workstations.

Great Place To Work.

94% of employees say that they are treated fairly regardless of their potential disability.

2022

“ I learnt a lot more from Hénia than I imagine she did; she amazed me through her resilience and her strength. This initiative was great, I'm sure a lot more people will be involved next year. I will spread the word around me! ”

Keltouma

Kiaber who participated in the Duo Day 2022.

2022 in figures

3% of employees with different abilities worldwide, i.e. 282 KIABERS
(compared to 2.8% in 2021, i.e. 251 Kiabers)

ZOOM IN ON

A campaign on disability within the central services in France

In 2022, an advertising and events campaign on disability was deployed within the central services. Beyond dedicated communication tools, concrete actions were carried out with some very positive results:

- The establishment of a dedicated team of disability intermediaries;
- Actions within teams and in COLEAD;
- A strong network with our surrounding disability environment;
- Greater involvement of recruiters and managers;
- Significant participation of DUO DAY* ;
- Research into complementary actions to go even further with specialised integration structures like ESAT (Etablissements ou Services d'Aide par le Travail (vocational rehabilitation centres)).

**A company, community or an association welcomes, as part of a national day, a person with disabilities, alongside a volunteer professional. On the programme for this day: discover the job, active participation, immersion within the company.*



Professional equality, concrete actions

We are pursuing an active policy to ensure equality between men and women within the group.

For example, an agreement on professional equality was signed in 2021, which was implemented over the year 2022. It offers, for example, full pay during paternity leave, it ensures a pay rise equal to the average of all pay rises following parental leave for all Kiabers, and the possibility of maintaining a part-time contract until the child is 6 years old (regulations require the employer to accept until the child is 3 years old), and adjusting work times and working conditions following maternity or paternity leave.

2022 VS 2021

94% of employees acknowledge that they are treated fairly regardless of their gender (stable compared 2021).

Great Place To Work.

ZOOM IN ON A COUNTRY

The integration of women in Bangladesh

In Bangladesh, women represent only 13% of KIABI's workforce. Convinced that diversity at work promotes collaboration and improves productivity, we are working to encourage the recruitment of women on our sites. In concrete terms, we select more female candidates, who have equivalent skills and abilities. We also offer childcare solutions or hybrid work to ensure a better work-life balance. We also organised a training course on diversity and inclusion, led by Shankar Silmula from India. She was very effective in raising awareness amongst the teams regarding diversity and the importance of a male-female balance within the company. We would like to continue this course of action in 2023 by offering more interventions like this.

LISTENING AND SHARING, THE FOUNDATIONS OF OUR MANAGERIAL CULTURE

Listening to Kiabers via surveys like Great Place to Work®, but also and especially, individually, during a dedicated session with the management team, is an essential element of our human policy. Sharing our needs, concerns, but also our pride and wins is a part of our company DNA. New managerial rituals have been in place for Kiabers and their managers for years, and these rituals evolved in 2022 to respond to the post-crisis context and transformation that we are faced with.

Great Place To Work.

- 81%** of Kiabers recognise that they benefit from a management team that is accessible, open to dialogue;
- 80%** recognise that the management team trusts them to accomplish the work without having to constantly check;
- 81%** say that the management team has a specific idea of the company's objectives and knows how to achieve them;
- 77%** say that the management team invites employees to share their ideas and suggestions and endeavours to take them into consideration.

2022

Regular individual and collective sessions

Individual sharing sessions

The integration process

The integration process involves supporting every new employee in the best possible way. As soon as he or she accepts to join KIABI, our welcome process begins.

Our aim is to offer each new Kiaber a unique experience by immersing them in our culture and by developing a feeling of belonging to the family of Kiabers before their official arrival within the company thanks to:

- Close-knit support;
- Access to useful and practical information before their arrival;
- A clear <WelKome Plan> to support them on the field.

This early integration also shows the future employee that the team is waiting for them.

The annual development meeting

The annual personal development meeting between the Kiaber and their manager is an opportunity to review the past year: achievements, areas for improvement and the professional project. During the annual development meeting, the Leader and the Kiaber are invited to take a step back, and reflect on and envisage the employee's professional future together, as well as their professional project based on four dimensions: desires, skills, talents, working environment.

The "ongoing" development meeting

This interview between each Kiaber and their manager is held at least once a quarter and aims to review their feelings, needs, and monitor individual objectives throughout the year.

The salary debrief

Every year, a discussion is organised with each Kiaber to review their level of remuneration with regards to the market, the level of responsibility and their expertise. An opportunity to talk openly about this topic.

Collective sharing sessions

"We Kiabers, the live"

Every month, a meeting is organised with all Kiabers. Sharing of key messages, the monthly economic performance, collection trends, or ongoing projects; the floor is given to Kiabers and members of the executive committee. The aim: to give visibility to all teams on the situation and the company's projects.

The talent review

Every year, the Kiabers' career development wishes and skills are put into perspective with the internal opportunities for career development. The aim is, on the one hand, to bring together the talents and projects of Kiabers with KIABI's needs, and, on the other hand, to allow Kiabers to change job or even country, depending on the opportunities available within the group. The talent review also allows the company to anticipate developments.

Team meetings

These meetings take place on a regular basis in each department, with the aim of sharing information, discussing ongoing projects and more generally, the department's news. Several formats and paces are proposed in order to best meet the needs and organisational constraints of each department.

The new year

Organised at the end of the year, this meeting is an opportunity to present the performance over the past year, the outlook for the upcoming year and the strategic framework to all employees. An energising and pleasant moment, it took place this year in person with employees from all over the world.

2023 Target

ENSURE THAT ALL RITUALS ARE SHARED ALL OVER THE WORLD

TRAINING KIABERS TO EQUIP THEM FOR TOMORROW'S CHALLENGES

In the context of transformation that we have been experiencing for three years, which was intensified in 2022, supporting Kiabers through training is essential. Training to develop their skills and maintain their employability on the one hand, but also enable them to better apprehend and experience these permanent changes. In 2022, we also intensified the support of our Leaders in particular, the very cornerstone of team support, on an international level.

Great
Place
To
Work.

67% say that KIABI offers training courses or development opportunities that are useful to their professional development.

2022

2022 actions

Individualised coaching sessions

We accompany Kiabers via individual coaching programmes. The objectives are twofold: firstly, to enable the Kiaber to be the driver of their own development by connecting to their own resources and acting consciously within their field of responsibility. Then, these programmes allow KIABI to nurture the singularity of its human policy. As a "classic" or "flash" version (1 to 4 sessions), this support was highly successful amongst a wide audience at KIABI in 2022. This tool, already available in France, has been launched in Italy and it will continue to be deployed in other countries in 2023.

► 2022 in figures:

Over 500 hours of coaching for over 70 Kiabers in France, Italy and Belgium.

Management and Leadership training courses

At KIABI, our Leaders are the pillars of our Human Resources strategy. They are the ones who transmit values, culture, strategy and actions plans to all the teams and who listen to everyone in return. This key role deserves to be supported in the best possible way. Thus, we offer leadership courses to Kiabers, recruited with Fixed-Term, Permanent or work-study contracts. We deliver, for example, a personalised development course to store co-Leaders with work-study contracts, throughout the duration of their contracts.

► 2022 in figures:

- Over 200 Kiabers trained in leadership and management in France.

A trade school dedicated to trade training in store

At KIABI, we have a trade school dedicated to trade training in store. All of the skills required for shopkeeping are covered: sales, merchandising, commercial strategy, security, store management, etc. These training courses are deployed internationally, with a shared knowledge and skill base, and local adaptations are offered depending on the individual needs of each country.

In-house trainer support

The years of pandemic and the constant changes in training procedures including more and more remote classes had a negative impact on the engagement of our in-house trainers. We therefore worked on this topic in 2022 by launching a "trainers" project, whose aim is to create an international community of autonomous trainers able to share the group of Kiabers' know-how.

The dawn of the Akadémy by K

In 2023, KIABI will launch its Akadémy in France, dedicated to training Kiabers, as well as employees from other companies. 2022 was therefore the year of preparations for this project. Indeed, this Akadémy responds to a number of challenges for the group in terms of growth, knowledge transmission, maintaining employability, and, more broadly, attractiveness.

2022 in figures

90,957 hours of training
compared to 86,002 in 2021 (excluding Russia).
This positive development was primarily due to the digitalisation of training courses in Italy and store openings in Spain, requiring training for new employees.

11.7 hours of training on average
per trained employee
(compared to 9h in 2021 in France, Italy and Portugal)

48.1% of employees trained regardless of their length
of service
(new indicator)

2023 - 2024 Target

DEVELOP DIGITAL TRAINING SOLUTIONS AND MAKE THEM INTERNATIONAL

RECRUITING AND MANAGING TALENTS TO PREPARE FOR THE GROUP'S FUTURE

Attracting, winning over and developing talents has become a crucial challenge over the past few years, to prepare for the future of the company in the context of the transformation that we are experiencing. To better address this, from 2021, an aim of mapping out internal talents and the anticipation of key posts was set out in the Human Resources Group strategy. A new organisation of HR redefined the roles between the group's global and local levels, thus leaving more freedom for countries to conduct actions according to their specific needs and requirements.

Great Place To Work®

86% of Kiabers say that new employees are warmly welcomed.

2022

2022 actions

Attract future Kiabers

A new employer brand is being created

In 2022, KIABI intensified its recruitment strategy within the various fields. To do so, our employer brand was reworked in connection with the group's new brand identity "Even more for families". The aim of this new strategy is to attract talents from around the world to take part in KIABI's growth and expansion all over the world. Its deployment is planned in France and Spain for the first half of 2023 and in all other countries throughout 2023. In addition, the co-option system on behalf of Kiabers has been intensified, so that they can share attractive profiles with the company.

“ People were attentive and listened to my remarks / needs / suggestions, which immediately made me feel comfortable. ”

▲ Interviewed applicant

A platform dedicated to pre-onboarding

Since 2022, welcoming a new employee begins before he or she even arrives at KIABI, thanks to a dedicated platform. Disseminated on an international level, it regroups videos, testimonies, and presentations allowing future Kiabers to familiarise themselves with Kiabi's values and culture, and discover the company's strategy before they are even a part of it.

► 2022 in figures:

- 1000 Kiabers took advantage of this platform and 93% gave 4 or 5 stars out of 5 for the programme.

“ I find the platform to be of high-quality and very intuitive! Most topics are present, from the brand's history to the challenges, it's very comprehensive! Well done! The tool is easy to use for new arrivals, enabling them to be guided in their integration. ”

▲ Abdelaziz
Regional leader

Manage talents

The HiPo project to anticipate the succession of key positions

The talent mapping initiated in 2021 identified 15 profiles on an international level, in order to provide specific support and prepare them for the succession to key roles in the upcoming years. 15 promising Kiabers that we are supporting individually, to enable them to ensure a mission central to the group's future.

2023 Targets

CONTINUE THE DEPLOYMENT OF OUR EMPLOYER BRAND TO RECRUIT NEW TALENTS

ACCOMPANY THE INTERNAL DEVELOPMENT OF KIABERS

SECURE OUR ORGANISATION CHARTS



ENSURING THE QUALITY OF OUR PRODUCTS FOR OUR CUSTOMERS

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 product may be sent to an independent laboratory to check that it complies with the physical and chemical standards of 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 amongst 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.

In 2022, we worked in particular on the corrective action training course to be implemented amongst our quality teams worldwide. In addition, the various health and safety risk management actions have been fruitful: we recorded fewer customer returns than in 2021.

ZOOM

Increasing the number of certified references

KIABI has been offering STANDARD 100 by OEKO-TEX® confidence in textile products for underwear, lingerie, nightwear, baby products and t-shirts since 2021. This label is issued by an independent body. It 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). This facilitates our communication aimed at our customers (we no longer have to request certifications from our suppliers as we are certified ourselves) and enables optimal traceability on the subject. We are committed to increasing the proportion of certified products in our collections each year.

► **2022 in figures:**
664 certified products (compared to 30 in 2021).

2024 Target

OBTAIN THE ISO9001 CERTIFICATION FOR OUR VENDOR PURCHASES, PROOF OF QUALITY FOR OUR CUSTOMERS AND PARTNERS

2022 in figures

37 products which have been the subject of a customer alert (48 in 2021)

1 product withdrawn from sale (15 in 2021)

0 product recalls (1 in 2021)

ASSESSING OUR CUSTOMERS' LEVEL OF RECOMMENDATION

We measure our customers' satisfaction level via the NPS (Net Promoter Score). Our customers give a score between 0 and 10:

- between 0 and 6, they are considered to be detractors;
- between 7 and 8, as passives;
- between 9 and 10, as promoters.

The NPS calculates the difference between promoters and detractors, and can therefore vary between -100 and +100.

We have objectives in each of our countries, the aim being to have the highest number of satisfied customers, and who would recommend KIABI to those around them.

For example, in France, our NPS 2022 is 67 (62 in-store and 69 online). It is equal to the average NPS of 6 companies through Critizir, our service provider. Our target for 2023 in France is 70.

► **2022 in figures:**
- global NPS of 68 (compared to 67 in 2021).



ACTING WITH ETHICS

For years, trust and responsibility have been reflected in our values. They ensure our commitment to be exemplary and honest in everything we do. Each and every one of us should act and encourage the concerned players around us to act lawfully and with integrity.

The year 2022 was a pivotal year during which we reviewed our approach and reinforced the governance of our compliance mechanisms with, in particular, the creation of the Business ethics department. The aim is to maintain the sturdiness of our mechanisms over time and register ethical practices in our operational processes.



A clearly defined perimeter

The business ethics department is responsible for:

- The protection of personal data – Compliance with the GDPR;
- The fight against corruption – Compliance with the Sapin II Law.

It supports and helps with the management of the Human rights and environmental protection framework - Compliance with Duty of care.

An action plan with 3 major themes

The dynamics of business ethics can be broken down into 3 themes:

- **Theme 1: People and Cultures:** influence the behaviour of human beings with exemplariness as a lever;
- **Theme 2: Compliance with laws and regulations:** maintain a high level of compliance with mechanisms;
- **Theme 3: Effective processes:** get involved with the company's processes to make ethical practices possible, and encourage and diffuse them.

People and Cultures: develop trust between our stakeholders

Ethics within the company is essential to laying the foundations of trust between Kiabers. In relation with the Human Resources teams and guided by the Ethics and Compliance Committee, we promote awareness amongst our employees so that they:

- Act with integrity and transparency, and in compliance with the applicable laws and regulations;
- Adopt, under all circumstances, a voluntary, safe and responsible approach with regard to others, the environment, the company and all of our stakeholders.

Our priority is to support direct and indirect purchasing leaders; purchases that are carried out in an international context. We also advise development teams in terms of risk control when opening new points of contact.

Compliance with laws and regulations: The Sapin II law and the GDPR

GDPR compliance: ensuring the protection of personal data

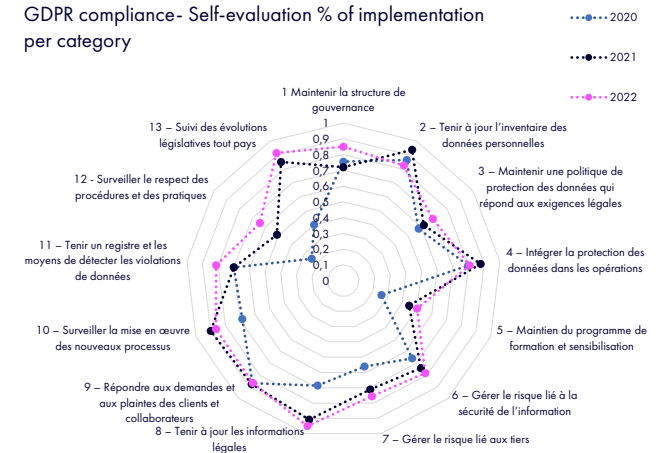
Compliance with the General Data Protection Regulation is facilitated in each European country by our Data Protection Officer, and a network of specialists.

The management of this programme is centred on 13 themes covering 4 axes:

- Mobilising the teams concerned;
- Monitoring the compliance of procedures and practices;
- Ensuring that customer and employee rights are respected;
- Keeping legal information up to date.

Here are the self-evaluations of our measures.

GDPR compliance- Self-evaluation % of implementation per category



2022 was marked by the arrival of a new Data Protection Officer, who is experienced and certified. He provides, by providing an external perspective, a new dynamics to our compliance programme. All treatment records have been reviewed by the operational teams and incorporated in a dedicated multilingual tool. The registers are therefore more accessible, understandable, facilitating the update and control of our treatments.

Compliance with the Sapin II Law: fight against corruption

The AFA (French Anti-corruption Agency) guides us in the implementation of a tool in the fight against corruption: Our programme is therefore structured according to the 8 pillars of the law:

- Pillar no.1: Anti-corruption code of conduct;
- Pillar no.2: Internal warning device;
- Pillar no.3: Corruption risk mapping;
- Pillar no.4: Third party evaluation;
- Pillar no.5: Implementation of accounting controls;
- Pillar no.6: Corruption prevention actions;
- Pillar no.7: Implementation of a disciplinary system;
- Pillar no.8: Performance measurement of the tool.

We have a code of conduct, accessible to all Kiabers. It has been joined to our company rules and regulations in France, in order to be combined with the disciplinary regimes in effect within the company.

We have an internal and external warning device, accessible in 13 languages, including the languages of our production basins, in order to facilitate whistle-blowing. It is active and recognised externally. Our goal is to make it easily visible to each Kiaber in Europe. It is an essential tool, in addition to a set of alert channels, regrouping proximity management and social partners.

In 2022, we relaunched the corruption awareness programme for our in-store teams. We will work on it more specifically in 2023 for those exposed, following a new risk mapping campaign starting in March 2023.

Efficient processes: ethics in practice

This programme is essential to us. It is at the heart of our dynamics and represents the cornerstone of the resilience and efficiency of our tools. We do not wish to create an ethics and compliance administration department, but a company dynamic that everyone is involved in.

The Ethics and Compliance Committee come together to this end, several times a year to present, guide and shed light on initiatives in terms of ethical practices. The members of this committee are the Managing Director, the President, a board member, the Human Resources Manager, the Financial Director, the Data Protection Officer and the Business ethics Leader.

ONE STEP FURTHER

Business ethics supports the duty of care compliance programme. KIABI works with numerous partners. Forging bonds of trust over time with our partners, whether they are affiliates, franchises, suppliers of goods, suppliers of non-market goods or even service providers, is an integral part of the company's culture. To ensure that our partners are committed to social, societal and environmental aspects, we have implemented discussions and dedicated support.

2023 Targets

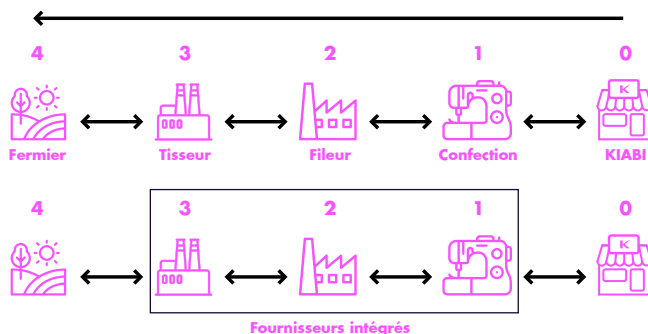
CENTRALISE THE STEERING OF ACTIONS LINKED TO ETHICS AND COMPLIANCE IN THE VARIOUS COUNTRIES TO BETTER MEASURE AND MONITOR OUR COMPLIANCE.

CONTINUE TO DISSEMINATE AND STANDARDISE OUR ETHICS POLICIES AS A GUARANTEE OF THE RESILIENCE OF OUR TOOLS.



RESPECTING HUMAN RIGHTS

Our collections are mostly made in Asia and the Maghreb, where we seek specific skills and a renowned expertise. We work with 200 "tier-1" manufacturing suppliers.



Tier-1 supplier: direct supplier of KIABI

Tier-2 supplier: supplier of a KIABI supplier

We pay particular attention to the selection of each of our suppliers and remain vigilant throughout the duration of our partnership. We would like to maintain enduring relationships with our partners, by building a continuous improvement approach together.

Our Purchasing, Quality and Compliance teams evaluate our suppliers based on strict criteria:

- Quality;
- Conformity of factories regarding social and environmental aspects;
- Timeliness;
- Financial strength, integrity, transparency etc.

The assessment of these criteria enables the progression of our suppliers, as well as their compliance with specifications to be measured. We share the results of our assessments with all of them objectively.

*The map of our manufacturing countries is available on page 6.

Set guidelines regarding our supplier relations thanks to a demanding code of conduct

Our code of conduct reiterates our commercial, ethical, social and environmental requirements. It must be signed by each of our suppliers and aims in particular to promote secure and fair working conditions, to make sustainable procurement decisions and protect the mutual trade interests of the parties. It is based on renowned international standards such as the Charter of the United Nations, the International Labour Organization standards (ILO Conventions), the Universal Declaration of Human Rights, and applicable local labour laws. Our code of conduct is systematically enshrined into all our contracts.

To ensure that our suppliers respect the code of conduct signed with KIABI, we regularly train and audit them.

2022 in figures

98% of tier-1 suppliers with code of conduct training (91% in 2021)

All our suppliers must adhere to the code of conduct. Depending on their nature and severity, certain violations of this code of conduct are called "zero tolerance violations" (ZTV).

These include:

- Access denied to the factory site;
- Child labour;
- Forced work/prison;
- Corporal punishment;
- Sexual harassment;
- Discrimination;
- Violations of the freedom of association;
- Serious violations in terms of health and safety;
- Non-compliance of ethical standards (corruption, lack of transparency, forgery of documents, unauthorised subcontracting) and/or of the current legislation;
- Non-compliance of recommendations in terms of remediation and the supplier's commitment to take corrective action within a reasonable time frame.

This procedure aims to reinforce the social and environment compliance of our suppliers by overseeing commercial relations and any penalties imposed in the event of non-compliance (from reduced orders to shutting down of activities).

Highlights 2022

In 2022, we structured our approach with regards to our surveillance plan. In terms of risk management, we now analyse the risks per theme, depending on the country of distribution, or the supplier, with a more refined rating. This enables us to better target our action plans. Formerly, our risk interpretation was more global. The 10 themes analysed were as follows: child labour, forced labour, discrimination, disciplinary practices, health/safety, freedom of association, hours worked, salaries and remunerations, environment, ethics and sustainable compliance.

We have also implemented complementary indicators enabling us to effectively measure our capacity and our timeliness to reduce, or even eliminate, previously detected risks.



The change in the rating of audits (from 3 to 5 grades)

The scale of the risk levels is a crucial element when determining major risks. It was reworked based on BSCI (Amfori), ICS and SMETA (E.T.I) audit methodologies, which have the advantage of making it comparable and benchmarkable.

The rating format is A / B / C / D / E

Letter	A	B	C	D	E
Compliance Grid	Exceptional	Good	Satisfactory	Inadequate	Unacceptable
Final score	>_ 95%, no ZTV, no critical points	>_ 90%, no ZTV, no critical points	>_ 85%, no ZTV, critical point <=1	>_ 80%, no ZTV, critical point <=2	>_ 80%, ZTV and/or critical point >2

Depending on the evaluation result, a monitoring audit is scheduled over a shorter or longer period.

For tier-1 factories:

A	B	C	D	E
12 months	12 months	9 months	6 months	3 months

This new way of ranking audited factories allows the progress of our suppliers and factories to be measured.

What do our grades mean?

The higher the grade (A or B, for example), the more the audits will be spaced out. We encourage suppliers to take over the management of their compliance. The lower the grade, the more frequent the audits. An E-grade factory is a warning signal indicating that critical problems have been identified and that corrective action must be immediately implemented. We encourage continuous improvements and help our suppliers resolve these non-compliance issues. It is only when the supplier of a grade-E factory will not and/or cannot improve the issues within the agreed time frame that we terminate the business relationship with this factory.

Two new ambitious objectives to help our partners to progress

In 2022, we set ourselves two new objectives in terms of compliance:

- No factory audited at level E should remain at level E after the remedial plan;
- All new referenced factories must be level A / B or C.

These two objectives illustrate our desire to encourage tier-1 suppliers and factories to improve their level of compliance.

The new KPIs to meet these commitments are:

- % of newly referenced tier-1 factories with an A, B or C grade;
- % of existing E-grade tier-1 factories with a better grade within 6 months.

DID YOU KNOW?

BSCI, SMETA and ICS audits

BSCI, ICS and SMETA audits are based on international standards in terms of work organisation.

BSCI:

Based on the International Labour Organization's labour standards, amfori's BSCI (Business Social Compliance Initiative) is a sectoral movement developed in 2003 by amfori, a global business association for open and sustainable trade. It enables companies to control and evaluate their suppliers' social performance improvements compared to amfori's BSCI code of conduct requirements.

SMETA:

SMETA audits use the ETI Base Code, founded on the conventions of the International Labour Organisation, as well as relevant local laws. SMETA audits can be conducted against two or four auditing pillars. The two pillars mandatory for any SMETA audit are Labour Standards and Health & Safety. The two additional pillars of a 4-pillar audit are Business Ethics and Environment. They were introduced to further deepen the social responsibility aspect of SMETA audits.

ICS:

ICS (Initiative for Compliance and Sustainability) is an international sectoral initiative with the aim of enhancing working conditions along global supply chains of its member retailers and brands. ICS is composed of 67 multinational retailers and brands in the sectors of textile, retail, footwear, electronics and furniture. ICS members collaborate with common tools, to mutualise audits, contributing to the reduction of the 'audit fatigue' and share knowledge and best practices.

Regularly audit our suppliers' factories

We conduct 2 types of compliance audits amongst our suppliers:

- Social audit;
- Environmental audit.

These audits can be performed by our internal compliance team, or commissioned to specialised companies. Audits conducted by third parties may also be considered. The compliance team therefore retrieves the audit on an external platform such as BSCI, SMETA, ICS, etc. In this case, we have created conversion grids for the results of these platforms to convert them to our type of rating, so as to obtain results that are comparable to all of our suppliers.

We adopt the "Taking Turns" audit protocol: if the first audit is an audit carried out by the KIABI internal team, the second will be conducted by a third party and the third audit will be carried out by the KIABI team again: this protocol enables inappropriate links and habits between the suppliers and audits to be avoided.

► 2022 in figures:

- **16% of audits were performed by our internal team of auditors, made up of 9 people (1 in Hong Kong, 4 in Shanghai, 2 in Bangladesh, 2 in India);**
- **8% by specialised companies;**
- **77% by other companies which make their audits available via amfori (BSCI), ICS and SMETA platforms.**



Social audits

In 2022, 1167 social audits regarding our suppliers were conducted and analysed (1016 in 2021). We adopt a concerted improvement process with the suppliers concerned to correct the non-conformities detected (via corrective action plans) and adjust the frequency of our checks. All "declared" tier-1 and 2 suppliers are audited every year on social aspects.

2022 in figures

90% of social audits performed in 2022 obtained scores of A, B or C

Corrective action plans in the event of non-compliance

In the event of non-compliance on one of the audited subjects, the supplier must share their intentions regarding corrective action plans within two weeks.

Depending on the case, the remedial calendar differs:

- Non-compliance linked to fire safety: immediate (within one week);
- Non-compliance linked to salaries: immediate (within one week);
- Non-compliance linked to licences, permits, authorisations and legal certificates: Immediate (within one week);
- Critical non-compliance: immediate (within one week);
- Major non-compliance: within 4 weeks (depending on the complexity of the issue, whereby the auditor should use discretion);
- Minor non-compliance: within 8 weeks (depending on the complexity of the issue, whereby the auditor should use discretion);
- Impossible to check: immediate (within one week).

A follow-up audit shall follow, within a certain time frame, depending on the grade that the supplier or factory obtained.

A new monitoring indicator for our suppliers' newly referenced factories

We would like all of our tier-1 factories to receive a score of A, B or C. However, sometimes, certain factories are graded D or E. It is essential that we do not work with an E-class factory. Based on this, we no longer allow a factory to remain as class E more than 6 months after the implementation of the action plan.

2022 in figures

100% of existing tier-1 supplier factories which received an E-grade during the 1st half of 2022 received a better grade within 6 months

4 improved their score, and 1 factory's collaboration with KIABI was terminated.

Environmental audits

Since 2018, we have been carrying out environmental audits and we train our teams to conduct them. In 2022, we decided to use the ICS environmental audit model, along with the corrective action plan monitored via this platform.

These environmental audits are mainly geared towards suppliers whose industrial process is classified as a "wet process", meaning they consume a lot of water. This is especially the case for dyeing and washing factories. These factories must be audited every year.

During the environmental audits, we assess in particular:

- The environmental management system;
- Energy consumption, transport, GHG;
- Water consumption;
- Waste-water management and sewage;
- Air emissions;
- Waste management;
- The prevention of pollution, dangerous and potentially dangerous substances;
- The management of emergency interventions.

2022 in figures

201 environmental audits performed in 2022 including 168 on tier-2 "wet process" factories (138 audits in 2021)

86.5% of environmental audits conducted in 2022 received a score of A, B or C

91% of "wet process" factories audited (74% in 2021)

Selecting and referencing our suppliers and manufacturing factories

It all starts with the selection: before being referenced, all new tier-1 suppliers or factories 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.

Two audit processes for new suppliers and new factories

As soon as we are informed of a referencing request for a new tier-1 partner, the compliance department examines the file and launches the compliance audit process depending on the type of request.

1. Accelerated process:

- If the audit report of a third party is checked, and is not more than 6 months old, and is compliant, approval is directly granted and the factory is indicated as being compliant;
- If no audit report by a third party which is less than 6 months is available, then the compliance team follows the audit process.

2. Regular process: the compliance team follows the complete compliance examination process and the audit. They examine all key documents, audit reports, etc. submitted by the supplier.

Once the analysis of the documents and the audit process have finished, the compliance team decides whether the supplier or factory meets the minimum social and environmental conformity requirements or not.

A strict rating of our new partners

In 2022, we set ourselves the commitment of no longer referencing new factories which had received a score of D or E during the compliance audit.

2022 in figures

91% of newly referenced tier-1 factories which received a score of A, B or C

We haven't achieved 100% this year, as this objective and measurement indicator were recently created and are therefore not yet representative.



ACT FOR INCLUSIVE FASHION

DESIGN COLLECTIONS FOR ALL

INTEGRATE AND TRAIN YOUNG TALENTS

DEVELOP A MORE INCLUSIVE FASHION WITH LE PETIT MAGASIN

PROMOTE INCLUSION WITH THE KIABI LIFE ENDOWMENT FUND

CONDUCT ACTS OF SOLIDARITY FOR AND WITH OUR CUSTOMERS



REMINDER OF THE CHALLENGES

- Ensure that our collections also meet specific and more minority-based needs to enable everyone to find their style
- Show solidarity through our profession

The highlights of 2022

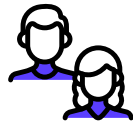
- Development of new "easy to put on" lingerie collections, listening to optimise the collection for premature babies;
- Back to School Operation, highlighting the "easy to put on" collection;
- 4 new inclusive partnerships with Joseph Savvy, l'AFDAS récré, Vitamine T and Emmaüs Vertex;
- Continuation of our historic partnerships during operations such as Good Friday, Pink October, etc.;
- Welcome Day for work-study students which brought together 260 work-study students on a national level in France.

2022 results



19

PEOPLE ACTIVELY
REINTEGRATED THROUGH JOB
INTEGRATION



89

PEOPLE IN JOB INTEGRATION
SUPPORTED



1.4

MILLION EUROS GIVEN
TO CHARITY



5%

RATE OF RECRUITMENT OF
WORK-STUDY STUDENTS IN
2 FRENCH BUS



DESIGN COLLECTIONS FOR ALL

Since 1978, KIABI has set a goal of making fashion accessible to all. Accessible in terms of pricing, by offering clothes at a fairer cost. And we believe that accessible is not limited to a question of price; it also means creating clothes that suit everyone, regardless of their body shape, life context or potential disability. Therefore, we have co-designed with our concerned customers and their loved ones, 3 collections dedicated to specific populations: the “easy to put on”, “post-surgery” and “plus size” collections.

Dressing people with disabilities: the “easy to put on” collection

In 2017, the easy to put on collection was launched at KIABI in connection with the Les Loups bleus association. Our aim is to allow children with disabilities to be more autonomous and comfortable, and dress fashionably. Since then, the collection has continued to grow and our stylists have continued to learn about the distinctive features of these clothes. New partnerships with associations of families affected by disability have begun, such as the Association des Paralysés de France and the Les Enfants de la Balle association to listen to and understand the needs and desires of families.

► 2022 in figures:

- Nearly 48 coloured products (40 for children / baby + 8 for adults) ;
- A specific emphasis was organised during an “Inclusive back-to-school” event”.

2023 Target

TEST THE AVAILABILITY OF THESE OFFERS IN-STORE TO ALLOW CUSTOMERS TO TRY ON THE PRODUCTS



Dressing plus sizes: the “plus size” collection

For several years, we have been developing a plus size collection going up to 4XL, online and in-store. This collection is an adaptation of certain models in the classic collection for plus sizes (wider straps, elasticated waist, etc.). We have started a “I’m not a size 10, so what?” community on social media to allow plus size people to interact with each other and with our stylists.

2023 Targets

- EXPAND THE PLUS SIZE COLLECTION ONLINE
- LAUNCH A PLUS SIZE MATERNITY COLLECTION



Dressing women affected by breast cancer; the “post-surgery” collection

Breast cancer affects one in 10 women in France today. To make the disease less troublesome for the women affected, KIABI has been developing a dedicated collection for several years. For after surgery and treatment, our stylists are developing lingerie and sleepwear, sports bras, and swimwear in suitable shapes (fastening at the front, cups suitable to implants, wide straps, etc.) and using soft and natural fabrics.

2023 Target

CONTINUE TO RENEW OUR COLLECTION IN PARTNERSHIP WITH OUR CUSTOMERS

ONE STEP FURTHER

We are proud of these 3 collections but we are aware of how much there is left to do to further democratise them amongst the families concerned. Indeed, they are currently exclusively available online. People cannot therefore try them on and the technical details of the clothing are sometimes difficult to identify by our customers.

ZOOM

Premature collection

For a few years, our stylists have been working on special collections for premature babies or babies hospitalised in the NICU. In 2022, we listened to concerned caregivers and parents so as to better meet their needs and optimise our products accordingly.

DID YOU KNOW?

Models come muses

Adapted collections (easy to put on and post-surgery) are displayed on our website by people who have undergone surgery or with a disability. Genuine muses, they embody the inclusive dimension of these collections.

“ My dream is that no-one finds it difficult to get dressed and that everyone takes pleasure in it! ”



Mathilde

Product manager, at the initiative of the easy to put on collection

Dressing people with autistic disorders: “quiet hours” in store

Since 2021, some of our stores offer time slots during which the volume is muted and lights are dimmed, to allow people with autism and their families to do their shopping in an adapted environment. In 2022, ten or so of our stores offered this scheme every month.



INTEGRATE AND TRAIN YOUNG TALENTS

In the framework of our KIABI CAMPUS policy, encouraging the emergence of talent in France and internationally, we make integrating young people into the professional world a priority in France. Our aim is to give everyone a chance, to encourage diversity and ensure skill renewal within the company. In 2022, we continued the actions initiated in previous years such as our partnerships with schools on specific training courses linked to retail. We have also developed a work-study programme for in-store sales teams in order to address the increase in turnover and train these future graduates to then integrate them on fixed-term or permanent contracts within the company.



2022 actions

Welcoming work-study students: the Welcome Day for work-study students

In 2022, we organised a welcome session for all of our work-study students on a national level (260 work-study students in total). We wanted to introduce them to the company, its values, but also bring together the teams, create a community of work-study students and finally, demonstrate the possibilities available to them at KIABI.

On the programme: introduction of each department, message from Patrick Mulliez, the founder of KIABI to trace the company's history and commitments.

“Two days full of learning, with plenty of enriching testimonies and feedback for our future.

If we had to remember one phrase from these two days, it would be: “We do a job that we love, with people that we love, for people that we love.”

Patrick Mulliez.

A beautiful quote etched in our minds, inviting us to reflect.

Thank you KIABI for giving us, young people, the opportunity to be able to grow professionally.



Rebecca

Work-study student

Present our professions to secondary school students with the Toi domain association

Since 2020, KIABI has been a partner of the “Toi Domain” association, committed to the integration of young people and acts against inequalities in career options. 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 domain” 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.

To find out more:

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

► 2022 in figures:

The recruitment rate of work-study students has been increasing for several years, as has the transformation into a permanent contract following the work-study contract.

KIABI EUROPE: 5.15% (+ 0.84% compared to 2021)

BUNSHA: 5.47% (+ 0.47% compared to 2021)

KLO: 2.55%

2023 Target

CONTINUE OUR POLICY TO RECRUIT WORK-STUDY STUDENTS AND AIM FOR A 30% HIRING RATE OF THESE WORK-STUDY STUDENTS

DID YOU KNOW?

KIABI was awarded the Happy Trainees France label for the third year running! This accreditation rewards excellence in welcoming and supporting interns and work-study students. 95.4% of them recommend KIABI as an employer, giving their time within the company a score of 4.23/5. Interns and work-study students particularly appreciate the interesting nature of their missions, the management quality, personal development and their working environment.

DEVELOP A MORE INCLUSIVE FASHION WITH LE PETIT MAGASIN

Since 2017, Inclusion through Economic Activity structures have been developing the “Le Petit Magasin” concept in partnership with KIABI. Much more than a shop, le Petit Magasin is a true springboard, allowing people to develop self-confidence, without any pressure in terms of the result. It has a local impact, and brings the associative and economic worlds together.

Thanks to the “Petit Magasin”, we offer people who are in between jobs, training and skill recognition that are key to our core profession, thanks to a support plan in collaboration with the nearest KIABI store. The purpose is to develop their employability for a pathway to integration (sustainable jobs or training).

Wherever there is a KIABI, we would like to create social value amongst the local community. The Petits Magasins, mostly located in priority neighbourhoods, allow families in extremely precarious situations to dress for less and also find a place to meet, listen and exchange with others, as well as a support network.

► 2022 in figures:

- 7 openings, i.e. 17 Petits Magasins at the end of 2022;
- 2,515 hours of training;
- 30 fixed-term contracts of less than 6 months;
- 19 people on a pathway to integration including 5 at KIABI (4 permanent contracts, 1 fixed-term apprenticeship contract);
- 93,502 beneficiary families;
- 89 people in integration supported;
- 11 partner insertion structures*.

* L'AFDAS récré, La Remise, Vetis, Ulysse, La Sauvegarde du Nord, Emmaüs Vertex, Acte 59, Pacte 62, Croix Rouge Insertion, Joseph Sauvy, Vitamine T (API Chantiers)

3 of KIABI's CSR components are covered by the “Petits Magasins”:

- The inclusive approach through the establishment of a professional integration pathway for job seekers;
- The solidarity approach by supporting people in economic difficulty;
- The circular approach through the donation of unsold clothing stocks.

[Link to 2022 AR](#)

WHAT'S THAT?

Le Petit Magasin

This inclusive concept was born from a partnership between KIABI and Inclusion through Economic Activity structures. The aim is threefold:

- Provide sales training to job seekers;
- Revitalise priority areas of the city;
- Offer unsold items at a lower cost to families in need.

2023 Targets

27 Petits Magasins

30 people on a pathway to integration

4,300 hours of training

200,000 beneficiary families



ENCOURAGE INCLUSION WITH THE KIABI LIFE ENDOWMENT FUND

The KIABI Life Endowment Fund was created in 2021 based on a strong desire to allow Kiabers, and our partners, to be involved in inclusion through employment, education and solidarity all over the world. All subsidiaries are founders of this endowment fund and they contribute financially to its operation and to the local actions taken by Kiabers.

The uniqueness of the Endowment fund is focussed on Kiabers' involvement. They are genuine actors in the construction and operational animation of projects. Indeed, the Fund doesn't only give money to associations, it provides human support and encourages the social connection between employees, association volunteers and the people receiving support. Kiabers therefore play a role "of ecosystem entrepreneurs" by working with local associations and thus bringing the company's vision to life "to make life easier for families by weaving together responsible fashion and sustainable solutions".



New long-term partnerships have also emerged in 2022 such as HOPE world wide in Bangladesh. Our desire is to sustainably manage "social business"-type projects, enabling us to improve the standard of living for families in our production countries.

These partnerships enabled us to increase the number of beneficiaries on a global level, going from 10,000 in 2021 to 16,000 in 2022.

ZOOM

Zoom in on the EK PAHEL project

In 2022, the EK PAHEL project enabled two professional training programmes to be developed for the benefit of 80 young women in India. A quarter of them gained access to skilled employment in textile production factories. The others joined an artisanal manufacturing cooperative. These programmes are sponsored by Kiabers who work with teachers to professionalise this cooperative and support participants in their employment search. This action is taking on the shape of a multi-annual programme by continuing in 2023.

► 2022 in figures:

- 9,300 Kiabers involved in the actions;
- 16,200 people benefiting from the actions;
- €163,508 transferred by KIABI Life to associations and organisations (€17,055 for employment - €114,364 for education - €32,089 for solidarity);
- 18 national operations in different countries;
- 20 projects proposed on the initiative of Kiabers.



CARRY OUT ACTIONS OF SOLIDARITY FOR AND WITH OUR CUSTOMERS

In addition to the actions carried out in the context of our Endowment fund, we are involved in charitable causes every year alongside our associative partners through commercial operations.



Reinforce and initiate partnerships

2022 was the year we continued our existing historic partnerships with our partner associations on a global level. We also continued our actions with the Ligue contre le cancer, the Restos du Cœur, the Hospital Foundation, and Médecins sans frontières. Indeed, for several years, KIABI has been involved in national actions of solidarity such as “Opération Pièces Jaunes”, Pink October, and Good Friday. Mechanisms such as shared products, and rounding up the checkout total are therefore proposed to our customers, to get them involved in these major causes.

► 2022 in figures:

Total sum of charity donations: € 1,252,848

Raise awareness around disability via an “inclusive back-to-school” operation

KIABI has initiated an “inclusive back-to-school” operation to support the Enfants de la Balle association, which encourages inclusive sport for children with disabilities. Kiabers got involved to put 70 sports club in contact with the association. The results were very positive as 43 clubs are in the process of receiving an inclusive sports club label.

Offer a loyalty programme to future and new parents

KIABI offers a loyalty programme to future and new parents: the aim of the baby account is to support new parents when their child is born via benefits to reward their loyalty. We have decided to give one Euro to the Reforest'Action association for every baby account opened. The sums collected enable us to carry out ecosystem regeneration actions in countries in which our activity has the biggest environmental impact. (see the Reforest'Action page in the appendices)

ONE STEP FURTHER

The 2022 results have demonstrated once again the extreme generosity of our customers, as over €751,931 have been donated to associations thanks to their donations, and the commitment of our employees to take action for these associations. Nevertheless, we would like to reinforce our employee commitment through acts of solidarity, and create the conditions to give them opportunities to take action. We believe that the company can be a place to express one's generosity and even organise it.

In parallel, for even more impact, at the start of 2023 we are going to redefine the central generosity focus for KIABI, which will guide our support actions.

2023 Targets

CREATE THE CONDITIONS TO MAINTAIN OUR EMPLOYEES' COMMITMENT REGARDING ACTIONS OF SOLIDARITY. REDEFINE THE CENTRAL GENEROSITY FOCUS FOR KIABI, WHICH WILL GUIDE OUR SUPPORT ACTIONS.

APPENDICES

DETAILS OF INDICATORS FROM 2018 TO 2022

DETAILS OF COLLECTIVE AGREEMENTS BY COUNTRY

PARTNERSHIP



ACT FOR THE ENVIRONMENT

Climate change	2018	2019	2020	2021	2022
Carbon emissions in tonnes of CO ² equivalent	2.8			2.7	
% of reduction in carbon emissions in absolute terms				-4%	
Carbon intensity per product in Kg eq CO ²	9.3			8.8	
% of reduction in carbon intensity compared to 2018				-5%	
Eco-design products	2018	2019	2020	2021	2022
% eco-designed offer excluding online exclusives, shoes and accessories (in number of items)		19%	34%	66%	74%
% eco-designed textile offer (in number of items)					72%
% of more sustainable materials (in number of items)			32%	64%	72%
- Organic cotton			26%	51%	10%
- BCI Cotton			4%	6%	47%
- In-conversion cotton			0%	0%	1%
- Recycled cotton			0%	1%	3%
- Linen, hemp...			0%	1%	1%
- Wool			0%	0%	0%
- Recycled synthetic materials (polyester, polyamide, acrylic)			1%	3%	8%
- More sustainable cellulosic materials (Ecovero, Lyocell, Tencel, etc.)			1%	1%	2%
Percentage of materials (by weight)					
- Cotton			67%	70%	62%
- Polyester			19%	19%	19%
- Cellulosic materials				6%	5%
- Polyamide			3%	3%	3%
- Elastane					1%
- Linen and hemp					0%
- Acrylic					2%
- Other			11%	2%	7%
% recycled materials (in number of items)			1%	5%	11%
% mono-fabric textile products	45%	46%	48%	51%	47%
% of products designed via low-impact transformation process			3%	7%	8%
End-of-life	2018	2019	2020	2021	2022
Tonnes of textiles and shoes collected	38	112	119	180	388
% of tonnes of textiles and shoes collected out of the tonnes marketed two years previously				0.6%	1.1%

ACT FOR INCLUSIVE FASHION

Petits Magasins: social business	2018	2019	2020	2021	2022
Number of stores opened	0	0	3	6	7
Total number of Petits Magasins	1	1	4	10	17
Garments donated			100,000	427,740	858,084
Hours of training given to people in job integration by Kiabers				1541	2515
Number of people in job integration				36	76
Number of beneficiary families				27,632	93,502
Number of jobs created or people on a pathway to integration			4	18	19
Endowment funds: Kiabi Life	2018	2019	2020	2021	2022
Donations to partner associations				106,430	163,508
Beneficiaries				10,000	16,000
Number of Kiabers involved				6,850	9,000
Acts of solidarity	2018	2019	2020	2021	2022
Donations to associations by group entities				984,216	500,917
€ donated to associations via our customers				1,063,000	751,931
Trees planted in partnership with Reforest' Action				500,000	683,564

SATISFYING OUR CUSTOMERS

Product conformity	2018	2019	2020	2021	2022
Number of products which have been the subject of a customer alert		52	39	48	37
Number of products withdrawn from sale		20	12	15	1
Number of product recalls regarding our customers		2	2	1	0
Customer Net Promoter Score	2018	2019	2020	2021	2022
Global NPS				67	68
France				65	67
Spain				70	70
Italy				74	73
Belgium				68	68
Portugal				77	77

SUPPORTING KIABERS

Workforces	2018	2019	2020	2021	2022
Consolidated group data	10315	10052	9155	9107	9536
Detailed workforce by country	10315	10052	9155	9107	9536
- French Territory	6,426	6508	6204	6026	6770
- Spain	1532	1513	1262	1255	1372
- Italy	609	579	533	616	690
- Portugal	53	99	67	98	97
- Belgium	208	303	246	294	308
- Asia	572	306	298	301	299
- Russia	816	653	545	517	-
- Brazil	99	91	-	-	-
- % management				18%	16%
- % employees				82%	84%
- % men				18%	18%
- % women				82%	82%
- % full time				54%	54%
- % part time				46%	46%
- % age < 30 years old				41%	43%
- % age 30- 50 years old				47%	45%
- % age > 50 years old				12%	12%
- % temporary contract				19%	25%
- % permanent contract				81%	75%
Kiaber Satisfaction (Great Place to Work Trust index)	2018	2019	2020	2021	2022
Consolidated group data				73%	74%
- French Territory				71%	72%
- Spain				79%	78%
- Italy				77%	79%
- Portugal				89%	87%
- Belgium				82%	82%
- Asia				81%	78%
- Russia				76%	

Turnover	2018	2019	2020	2021	2022
Consolidated group data				9.7%	18.4%
- French Territory	16%	18.0%	10.6%	14.4%	18.9%
- Spain		10.0%	3.1%	15.4%	19.7%
- Italy		9.0%	6.8%	5.9%	6.6%
- Portugal		97.8%	42.6%	56.1%	21.9%
- Belgium			8.0%	18.5%	23.0%
- Russia			26.7%	45.2%	0.0%
- Asia		0.7%	0.9%	0.9%	33.5%
Training courses	2018	2019	2020	2021	2022
Number of training hours given			59757	97040	90957
- French Territory	78023	78623	48933	56803	50004
- Spain			5900	21129	32525
- Italy			1107	2690	3560
- Portugal		1548	4435	2137	1525
- Belgium			278		1844
- Asia			1364	3243	1499
- Russia			1210	11038	-
% of trained Kiabers				98%	48%
- French Territory	70%	79%	80%	99%	42%
- Spain			27%		64%
- Italy			41%	100%	72%
- Portugal		72%	100%	63%	100%
- Belgium			35%		45%
- Asia					85%
- Russia			40%		0%
Number of training hours per trained Kiaber				9	11.7
- French Territory		12	10	10	10
- Spain			18		23
- Italy			5	6	6
- Portugal		22	66	36	23
- Belgium			3		15
- Asia		5	3		6
- Russia			6		-

Health/safety of Kiabers	2018	2019	2020	2021	2022
Occupational diseases				0.3%	0.3%
- French Territory	0.3%	0.5%	0.4%	0.5%	0.4%
- Spain		0.3%	0.2%	0.0%	0.0%
- Italy		0.0%	0.0%	0.0%	0.0%
- Portugal		0.0%	0.0%	0.0%	2.1%
- Belgium		0.0%	0.0%	0.0%	0.0%
- Russia		0.0%	0.0%	0.0%	0.0%
- Asia		0.0%	0.0%	0.0%	0.0%
Absenteeism				5.3%	6.3%
- French Territory	10%	5.0%	5.2%	5.5%	5.9%
- Spain		5.4%	6.5%	6.0%	9.9%
- Italy		1.6%	2.0%	2.6%	3.0%
- Portugal			31.8%	21.9%	2.9%
- Belgium			3.2%		14.4%
- Russia			2.1%	4.1%	0.0%
- Asia		0.7%	0.6%	0.8%	1.0%
Frequency rate of accidents at work				15.4	23.9
- French Territory	40.7	22.1	16.0	17.2	26.1
- Spain			14.1		19.7
- Italy			5.2	3.3	7.6
- Portugal			541.1		15.5
- Belgium				4.9	8.7
- Russia			-	-	-
- Asia			374.6	-	-
Diversity	2018	2019	2020	2021	2022
% of employees with different abilities				3%	3%
- French Territory		5%	5%	4%	4%
- Spain		4%	3%	3%	2%
- Italy		3%	1%	1%	1%
- Portugal		0%	0%	0%	0%
- Belgium		0%	0%	0%	0%
- Russia		1%	1%	1%	
- Asia		0%	0%	0%	0%
Gender equality index (France)	93	97	92	98	94



WORKING WITH ETHICS

Suppliers	2018	2019	2020	2021	2022
Number of contracted direct suppliers (tier 1)	150	137	138	144	204
China	63	60	63	54	54
Bangladesh	21	23	22	23	20
India	20	15	17	21	18
Indonesia	3	1	1	1	1
Pakistan	4	5	6	6	5
Turkey	4	5	7	17	16
Morocco	5	5	4	4	4
Sri Lanka					1
European importers stores	30	22	18	17	19
European importers online					66

Factories	2018	2019	2020	2021	2022
Number of tier-1 factories		414	387	405	388
China			103	112	97
Bangladesh			64	61	60
India			42	49	46
Indonesia			1	1	1
Pakistan			7	7	6
Turkey			16	23	33
Morocco			4	4	4
European importers			111	106	108
Sri Lanka			1	1	1
Ethiopia			1	1	0
Vietnam			3	4	3
Cambodia			18	17	13
Myanmar			16	19	15
Egypt					1
Number of declared tier-2 factories		434	519	428	428
China		141	155	166	131
Bangladesh		138	209	140	131
India		92	89	74	86
Indonesia		6	6	1	1
Pakistan		9	14	17	13
Turkey		17	17	20	57
Morocco		13	16	1	0
European importers		8	7	0	0
Sri Lanka		0	0	2	1
Vietnam		0	0	1	2
Cambodia		4	3	4	3
Myanmar		6	3	0	1
Other		0	0	2	2
Number of tier-2 “wet process” factories		179	168	151	184
Code of conduct training	2018	2019	2020	2021	2022
% of tier-1 suppliers with code of conduct training	71%	80%	96%	91%	98%

Environmental compliance	2018	2019	2020	2021	2022
Number of tier 1 and 2 factory environmental audits	25	49	90	138	201
China	6	17	54	56	55
Bangladesh	19	32	30	43	69
India	0	0	4	19	25
Indonesia	0	0	0	1	0
Pakistan	0	0	1	14	17
Turkey	0	0	0	3	32
Cambodia	0	0	1	2	2
Vietnam					1
Percentage of Tier 1 factory environmental audits	32%	12%	9%	17%	14%
Percentage of Tier 2 factory environmental audits	68%	88%	91%	83%	86%
Percentage of Tier 2 wet process factory environmental audits		88%	87%	80%	84%
% of Tier 2 very-high water consumption factories audited		24%	46%	74%	91%
% of conformity of environmental audits (tier 1 and 2 factories)					87%
Social compliance	2018	2019	2020	2021	2022
Number of tier 1 and 2 factory social audits	607	835	832	1016	1167
China	218	255	288	328	350
Bangladesh	113	206	215	244	279
India	167	145	104	163	182
Indonesia	4	1	2	4	2
Pakistan	11	20	25	37	38
Turkey	9	21	27	78	145
Morocco	19	14	13	4	0
European importers	5	125	123	106	113
Sri Lanka	5	2	2	7	0
Ethiopia	0	1	1	0	0
Vietnam	6	6	6	5	9
Cambodia	28	21	12	22	17
Myanmar	18	18	14	15	25
Others	4	0	0	3	7
Percentage of Tier 1 factory social audits	81%	75%	69%	61%	64%
Percentage of Tier 2 factory social audits	19%	25%	31%	39%	36%
% of conformity of tier 1 and 2 factory social audits	90%	96%	97%	98%	90%
% of existing E-grade tier-1 factories with a better grade within 6 months					91%
% of newly referenced tier-1 factories with an A, B or C grade (compliant)					100%

SUMMARY OF COLLECTIVE AGREEMENTS: FRANCE

Type of agreement	Subject	Company affected	Aims of the agreement	KPI of the agreement	Follow-up by committee members	Validation date	Signature date
QLWC + DISCONNECTION	Well-being at work	UES	Maintain a safe working environment to improve the quality of life at work while encouraging performance	GPTW survey	Once/year	05/07/2022	Ongoing
REMOTE WORKING	Well-being at work	UES	Maintain balance between employees' quality of life and company performance	GPTW survey	Once/year	05/07/2022	Ongoing
Social dialogue within CSE	Well-being at work	UES	Build a new organisation together consisting of UES representatives and staff representatives (CSE, CSEC, committees and local representatives)	None	N/A		24/01/2019
Gender equality	Gender equality	UES	To guarantee, promote and act towards professional equality amongst staff, regardless of their gender. 5 commitment areas: employment, 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/year		01/09/2021
Disability	Inclusion	UES	Embedding and reaffirming this social commitment to people with disabilities by - developing our policy aiming to improve on-boarding 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/year		23/08/2021
Age diversity / Accord GPEC (resource planning agreement)	Inclusion	UES	Facilitate the sustainable integration of young people in employment, encourage recruitment and job retention of older employees, ensure the transmission of knowledge and skills	Examples: - Recruitment of at least 500 young people under 26 years old into permanent roles - Percentage of employees over 55 years old (goal 2.5% of total headcount)	Once/year		28/09/2022
French working hours regulation 1999 + amendment	Well-being at work	UES	Working hours arrangement and reduction as part of the French Law dated 13 June 1998.	No	No		17/06/1999
Tailored working hours agreement	Well-being at work	KIA	Develop the in-store resource planning system for employed staff	No	Once/year		24/02/2004
Sunday working agreement	Buying power	KIA + LOG (2 agreements)	Set up Sunday working and compensation for employees who work on Sundays	No	No		29/01/2010
In-store working hours agreement	Well-being at work	KIA	Set up standard working arrangements for all in-store employees	No	Once/year		11/07/2014
Profit-sharing agreement	Buying power	KIA + LOG +BUN		No	No		18/03/2022
Participation agree-ment	Buying power	UES		No	No		16/05/2007
On-call	Well-being at work	UES (BUNSHA + KLO)	Clarify and sustain the on-call system, by redefining the outlines of this system (definition, time slots, compensation)	On-call monitoring - number of people - recurrences over one year	Once/year		01/09/2021

SUMMARY OF COLLECTIVE AGREEMENTS: SPAIN

Type of agreement	Theme	Company concerned	Aims of the agreement	KPI of the agreement	Follow-up by committee members
"Workload" agreement	Work-life balance	KES	Rules and regulations to encourage work-life balance	Turnover & Absenteeism	3 times/year
"Benefits" agreement	Well-being at work	KES	Benefits such as increased holidays, work anniversaries, maternity/paternity leave, etc.		
Digital disconnection	Work-life balance	KES	Limiting the use of digital devices to encourage and increase disconnection	n/a	3 times/year
Pour Être de KIABI (Being KIABI)	Buying power	KES	Access to discounts on leisure services such as restaurants, cinemas, gyms, etc.	Rate of Participation	Once/year
Equality and Diversity Plan	Gender equality	KES	To guarantee, promote and act towards professional equality amongst staff, regardless of their gender.	Turnover & Absenteeism	Once/year
Improving consistency	Buying power	KES	Bonus for teams for buying KIABI garments to wear at work	Rate of Participation	Twice/year
Flexible pay	Buying power	KES	Access to particular services (training, travel tickets, restaurant vouchers, medical insurance) at discounted prices with tax benefits	Rate of Participation	Once/year
Social inclusion plan	Inclusion	KES	Agreement with associations to recruit people from disadvantaged groups	eNPS & Rate of Engagement	4 times/year
KIABI Live Committee	Inclusion	KES	Developing activities aiming to improve quality of life for disadvantaged people involving Kiabers	eNPS & Rate of Engagement	3 times/year
Share ownership	Buying power	KES	Option to participate in the KIABI share ownership scheme	Rate of Participation	3 times/year

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

SUMMARY OF COLLECTIVE AGREEMENTS: ITALY

Type of agreement	Theme	Company concerned	Aims of the agreement	KPI of the agreement	Follow-up by committee members
Parental Leave	Work-life balance	SEKI / CIA	Guaranteeing that all employees can return to work serenely through the creation of the CODEV (collective intelligence team) at the end of their maternity leave	GPTW survey, HR listening day results, turnover %	
Parental Leave	Work-life balance	SEKI / CIA	Support and help employees during their maternity period. If the mandatory leave period is used continuously for six months, the company 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	SEKI / CIA	Option for the employee to request a TFR (end-of-work) advance in certain situations beyond those defined by the law.	GPTW survey, % Turnover	
Special leave	Well-being at work	SEKI / CIA	A 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	SEKI / 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	SEKI / CIA	Improve work-life balance	GPTW survey, % Turnover	
Allowing additional flexible hours beyond weekly working hours	Buying power	SEKI / CIA	Additional hours for part-time workers to increase our employees' buying power	GPTW survey, participation rate, % Turnover	
Study and launch of a Welfare project for employees with a permanent contract: 250 Euros for all employees with a permanent contract and possibility of converting the Kiabi performance bonus into welfare (with tax saving, without taxes)	Welfare / buying power	SEKI / CIA	Increase the buying power of our employees and improve their work-life balance. Possibility of buying various types of services and products through the Welfare portal	GPTW survey, % Turnover	

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

SUMMARY OF COLLECTIVE AGREEMENTS: BELGIUM

Type of agreement	Theme	Company concerned	Aims of the agreement	KPI of the agreement	Follow-up by committee members
Maternity	Well-being at work	KSCB	Global protection plan as part of the protection of maternity (CDV role)	N/A	No
Sunday working agreement	Work-life balance	kSCB	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
2022 -> Employment plan for workers over 45 years old	Work-life balance	KSCB	Actions aiming to increase the rate of employment for workers over 45 years old and promoting job retention	absenteeism	Previously negotiated with social partners. Assessment and areas for improvement once/year
2022 -> Collective labour agreement on the non-recurrent advantages linked to results (or CCT90)	Buying power	KSCB	Collective labour agreement (annual) with social partners enabling an exemption from social security contributions and taxes for Kiabers	N/A	results regularly monitored in employee representative committee meeting

SUMMARY OF COLLECTIVE AGREEMENTS: PORTUGAL

Type of agreement	Theme	Company concerned	Aims of the agreement	KPI of the agreement	Follow-up by committee members
During the period under review, there were no collective agreements of any kind					

Partnerships

FASHION PACT

<https://thefashionpact.org/?lang=fr>



The Fashion Pact is a global initiative of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury) including their suppliers and distributors, all committed to a common set of key environmental goals in three areas: 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

www.parisgoodfashion.fr



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 the ecological 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/fr>



Is the Textile, clothing, Household linen and Footwear Industry's eco-organisation. 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, household linen and footwear industry's ecosystem, Refashion provides tools, services and information that facilitate and accelerate the 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>



Supports young people and mobilises companies to accelerate ecological 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 people and the planet into account regarding 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 CLAUSE SOCIALE)

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



ICS is an international initiative that aims to improve working conditions throughout the supply chain of its retailers and brand members. We joined them in December 2021 to collaborate 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.

CETIA

<https://cetia.tech/>



CETIA, which we have been a member of since early 2022, builds solutions to transform textile and leather articles into sources of material ready for recycling. Thanks to automation, robotics and artificial intelligence, we are building efficient systems to make recycling operations competitive. We support marketers, collectors/sorters and recyclers in the design and deployment of innovative solutions to bring their textile and leather recovery projects to life.

ILO (INTERNATIONAL LABOUR ORGANIZATION)

<https://www.ilo.org/global/lang-fr/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 a 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/fr/>



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. By supporting farmers, we are strengthening the cotton sector and saving the planet. KIABI joined OCA in 2021.

Media

We happily interact with the media: since 2019, we have been giving an annual press conference in France and we respond to their occasional requests.

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 Italia", the Red Cross, etc.



We work in partnership with professional integration associations in the context of the development of "Le Petit Magasin" solidarity shops



METHOD- OLOGY AND DEFINITIONS



Context

In accordance with the French Order No. 2017-1180 of 19 July 2017 on the publication of non-financial information by certain 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 2022;
- Reasonable due diligence measures to identify and prevent serious harm on human rights, fundamental freedoms, the health and safety of individuals and the environment, within the framework of an obligation of means, for the year 2022.

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 monitoring 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 the 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 EFPD (Extra-Financial Performance Declaration), in addition to the extra-financial risks specific to our business.

Mandatory elements to be covered in the EFPD

- The circular economy: discussed in the “Optimise the management of our waste” AND “Guide our customers towards a more responsible consumption” sections
- Climate change: discussed in the “Carbon and biodiversity assessments” section
- Collective agreements concluded in the company and their impact on the economic performance of the company and on the working conditions of employees discussed in the “Improving the quality of life and working conditions” section The details of the collective agreements can be found in the Appendix.

It should be noted that we have 1 Central Social and Economic Committee (CSEC) - 4 Social and Economic Committees (CSE), 3 of which have a Health, Safety and Working Conditions Committee (CSSCT) 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.

- Diversity: covered in the “Promoting well-being and performance thanks to diversity” section.
- Disability: covered in the “Promoting well-being and performance thanks to diversity” section.
- Respect for animal welfare is considered irrelevant because in our designs:
 - o 0.04% of the SUMMER and WINTER collections 2022 contain leather
 - o 0.3% (of all our purchased quantities excluding footwear) of the SUMMER and WINTER 2022 collections contain wool
 - o no clothing contains fur.
- The fight against food waste is not considered relevant to our business
- The fight against food insecurity is not considered relevant to our business
- Responsible, fair and sustainable food is not considered relevant to our business

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.



Note on methodology and definitions

Period and scope of the report

Reporting period:

- The social, corporate and environmental data cover the period from 1st January to 31 December 2022.
- The collection data is based on the purchasing period for the 2022 summer and winter collections.

Business model

Franchise partner: in an independent company which, through a contract law, benefits from the right to exploit KIABI's knowledge, brand, sign and commercial procedures, in return for payment of royalties.

Affiliate partner: commission-affiliation is a distribution method by which a trader, the Commissioner-Affiliate, sells products belonging to another person (i.e. here, KIABI), on behalf of the latter and under its trademark, with a commission calculated based on the turnover made in return.

Vendor suppliers: natural or legal person co-contracting with the KIABI group, involved in the context of supplying products to companies of the group, who are responsible, directly or through commercial partners, for selling the products to the final consumer.

Collections teams: all teams who work in designing products at KIABI (collection managers, market managers, product managers, assistant product managers, stylists, pattern makers, graphic designers, offer auditors, etc.)

NPS = Net promoter score: indicator used by companies enabling them to measure the satisfaction and loyalty of a consumer towards a brand. The NPS evaluates to what extent the customer recommends a certain company, product or service to their friends, family or colleagues.

Points of contact: point de contact refers to all mechanisms that we have enabling us to sell products or provide a service to our customers, whether they are physical or digital (shops, shop in shop which are KIABI corners in other stores, websites, market places, etc.).

Strategy and governance

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.

Risk mapping

Our extra-financial risk mapping was reviewed in 2020. 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 the 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 in 2020 by the sustainable development director. The risks outlined in the Extra-financial risk mapping section are monitored through the key performance indicators. In 2022, we decided to include risk of corruption to this risk mapping.



Act for the environment

Definitions of terms listed

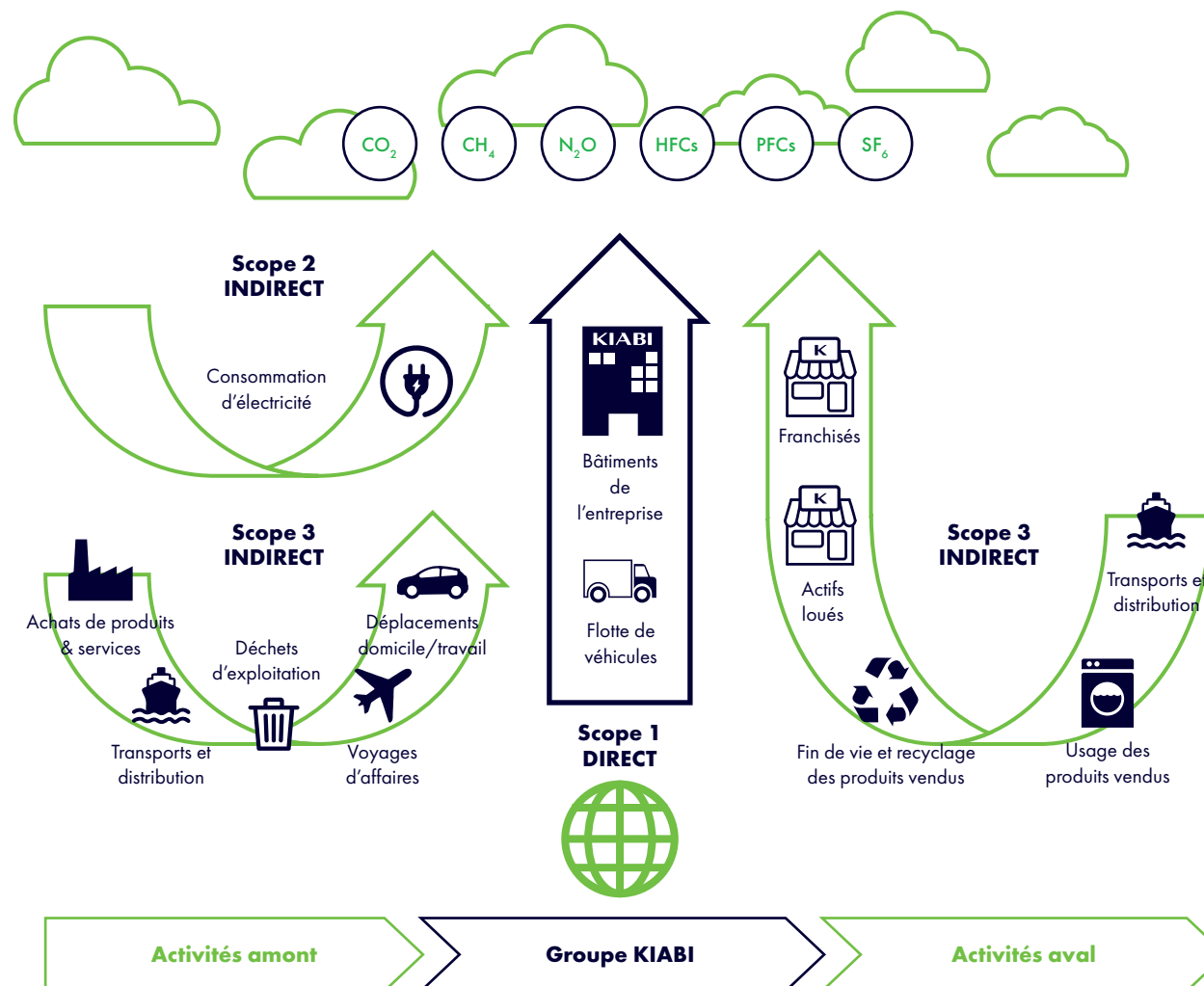
Biodiversity (source I Care, Kiabi 2020 biodiversity report). Biodiversity, or biological diversity, refers to the variability amongst living organisms from all sources, including terrestrial, marine and other aquatic ecosystems, and the ecological habitats to which they belong. It includes diversity within species and between species, the diversity of ecosystems and the interactions between living organisms.

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

- **Deterioration of habitats:** 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 the intensity of extreme events, increased rainfall, ocean acidification.
- **Pollution:** toxic substances emitted and dispersed into the air, into water, spilled into the soil



Carbon footprint: scope 1-2-3 covers: (source I Care and Consult, adapted from GHG Protocol)



Textile fibres

Fibre: raw material derived from agriculture (vegetable, animal), from the processing of petroleum products (synthetic) or from the chemical processing of wood cellulose (artificial).

Natural fibres:

- Naturally occurring plant fibres are listed below:

- Cotton: used at KIABI.
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. Its fibre is bleached using oxygenated water and not chlorine. Dyeing is carried out without heavy metals or other carcinogenic substances. The cultivation of organic cotton allows producers to improve their working conditions, their health and that of those around them. Crop rotation in organic farming oxygenates the soil and preserves its richness.

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.

In-conversion cotton: cotton grown according to organic standards but which has not yet been certified; indeed, it takes soil at least 3 years to be purified of past chemical inputs, before being certified as organic soil.

Recycled cotton: cotton from recycled cotton clothing or cotton textile scraps. After cutting, grinding and shredding the fabrics, they return to their original state of cotton fibres.

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

- Linen: used at KIABI.
- Jute, hemp, latex and sisal: not used at KIABI.

- Animal fibres are not included here because they are not used at Kiabi (except for wool, which accounts for 0.4% of our material usage).

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.

Synthetic materials (polyester, polyamide, acrylic, elastane) can be recycled using textile products, used clothing, as well as plastic bottles. They therefore provide a second life to end-of-life products, while reducing our dependence on petrol as a source of raw materials.

- Man-made fibres obtained from vegetable pulp called cellulose. This organic material is chemically treated to obtain a so-called man-made fibre. These include the following:
 - Viscose: used at Kiabi.
 - Lyocell, TencelTM, Eco VeroTM: used at Kiabi. These come from sustainably managed forests, using non-toxic solvents in the transformation phase, which are 97% recycled.
 - Cupro: not used at Kiabi.

Information source: *Tricots et tissus* by Pierre Hirsch published by Olifant (1988) Better Cotton Initiative, Global standard GmbH.

Manufacturing processes

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.

Dye: action of modifying the colour of a product through the absorption of a dye.

Manufacturing: 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 (de Nîmes): cotton or cotton blend fabric which is very strong because of its weaving. It is traditionally two-coloured: blue warp and white weft.

Act for women and men

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. The scope is mentioned for each of the indicators below.

The basis for calculating the majority of the quantitative indicators is taken from our CEGEDIM (Smart RH) payroll software. This software is present in France. For other countries, we use different software or have opted for payroll service providers.

Definitions of indicators listed (excluding Russia)

Workforce on 31/12/2022

This is the total number of Kiabers (fixed-term / permanent and work-study contracts) present on 31/12/2022. Kiabers are classified according to their gender, age, SPC (Management = Executives / Employees = Employees + Supervisors), type of contract (fixed-term, permanent), and working hours (full-time/part-time).

- OK all Kiabi countries.

Turnover: The formula used to calculate turnover is as follows:

(No. of permanent leavers in year 2022 + No. of permanent recruits in 2022) / 2 / workforce on 01/01/2022

Scope: only permanent contracts

- By leavers, we mean the number of people who left one of our French entities during the year. Leavers on 31/12 are not taken into account as departures in year N but in year N+1.
- By recruits, 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/recruits do not include changes in contract type and intra-company transfers within the country.
- OK all Kiabi countries (excluding Turkey, as opening of offices)

Difference between a full/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.

Absenteeism rate: This represents the number of calendar days of absence in relation to the number of calendar days theoretically worked. This indicator is calculated as follows:

Number of calendar days of absence / number of calendar days of the contract in the year

- 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 theoretical number of working days would be 365.

- For managerial employees, the calculation is as follows: number of calendar days of absence (number of days of absence due to maternity, work accident, etc.) / Number of calendar days (one person present all year = 365). All types of absences are taken into account.

Scope: Permanent contract

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 absenteeism rate is calculated based on hours and not days of absence; this country is not included in the consolidated global indicator.

- OK all Kiabi countries except for the consolidated indicator, for which Italy is not included.

Frequency rate of accidents at work:

This indicator is calculated as follows:

Number of accidents at work x 1,000,000 / Number of hours of paid work
Accidents at work with more than one day off work, leading to several days of leave. Rate expressed in terms of hours worked. Commuting accidents are not included in this calculation. They are classified by type of activity: store, head office, warehouse, land.

Scope: Fixed-term, permanent and work-study contracts.

- OK all Kiabi countries (excluding Asia and Portugal in 2021).

Rate of occupational disease: This indicator is calculated as follows:

Number of occupational diseases declared in 2022 / Number of employees on 31/12/2022.

Scope: Fixed-term, permanent and work-study contracts.

- OK all Kiabi countries.

Rate of employees with different abilities: This indicator is calculated as follows:

Number of employees recognised as disabled in that year* 100 / (total number of employees with fixed-term, permanent and work-study contracts on 31/12/2022). Percentage of employees with disabilities within the workforce. The notion of workers with disabilities may vary between countries, depending on the legislation (especially in Asia).

Scope: Permanent, fixed-term (increased activity, replacement) and work-study contracts

- OK all Kiabi countries.

Number of training hours:

The number of training hours carried out (based on participants) by Kiabi employees in the year 2022. Only the employees who signed an attendance sheet are included. For E-learning courses: monitoring carried out based on real connection time (not exceeding 150% of theoretical hours) + with mention of the training course being "completed" (via an assessment at the end of the course)

Exclusion of hours carried out in the previous year for courses which ended in 2022.

Obligatory and optional training courses, inside and outside of the organisation, whether qualifying or not.

Scope: Fixed-term/permanent and work-study contracts, interns excluded

- OK all Kiabi countries

Average number of training hours per trained Kiaber:

Total hours of training (see indicator above) / Number of employees trained

Scope: Fixed-term/permanent and work-study contracts, interns excluded

- OK all Kiabi countries

Percentage of trained Kiabers:

Number of trained Kiabers who have received at least one training course in 2022 / Number of people enrolled with an employment contract throughout 2022, regardless of the duration

Scope: Fixed-term, permanent and work-study contracts, interns excluded

- OK all Kiabi countries

Change in calculation method compared to previous financial years:

in 2021 and in previous years, the denominator for the indicator was the number of Kiabers on 31/12/N.

Gender equality index:

This index was set up by the French government in 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.
- Equal opportunities between men and women for obtaining a promotion count 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

Definitions of terms listed

GPEC: The resource planning agreement (gestion prévisionnelle des emplois et des compétences (GPEC)) is a method to adapt - in the short and medium terms - the jobs, staffing and skills to meet the requirements stemming from the company strategy and the modifications of the economic, technological, social and legal environments. The GPEC is a forward planning human resources management approach which supports change. It should enable us to collectively apprehend issues regarding employment and skills and to build cross-cutting solutions, simultaneously responding to the issues of all actors involved: companies, territories and workers.

REACH European Union 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: Founded in 2004, the Apparel and Footwear International RSL Management (AFIRM) group is trade association in the apparel and footwear sector, which collaborates to promote the management chemical products in the global supply chain. AFIRM is facilitated by the Phylmar Group, an environmental health & safety and sustainability consulting company based in California. Since its founding, AFIRM's focus has been the continuous advancement of chemicals management including phasing out or limiting restricted substances to established limits in apparel, footwear, and accessories.

ISO 9001 standard: The ISO 9001 standard is the quality management standard. It provides guarantees in terms of organisational quality within any type of structure. ISO 9001 certification consists of proving that a continuous improvement system has been set up within the company. It is based on the principles of quality management: Customer orientation, Leadership, Collaboration (involving the company's employees in the objectives), Process approach, Improvement, Evidence-based decision-making, Management of stakeholder relations.

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.

A social audit 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.

Definitions of indicators

Excluded from the scope of social and

environmental compliance audits over 2022:

- Tier 1 suppliers for items sold only on our website which are sourced from specific suppliers. These exclusive arrangements represent 1.5% of our quantities sold in-store and online.
- 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.

For inclusive fashion



HappyIndex® Label / Trainees

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.



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