

Third-party Assurance Statement to Kappahl in relation to the 2023 Higg Brand and Retail Module Verification

Introduction

Leadership & Sustainability Karin Ekberg GmbH hereby provides an assurance statement for the 2023 Higg Brand and Retail Module (Higg BRM) verification conducted for Kappahl. As an independent assurance provider specializing in sustainability assessments, Leadership & Sustainability has undertaken a comprehensive evaluation of Kappahl 2023 Higg BRM self-assessment. Leadership & Sustainability is an approved verifier body for Higg BRM and has completed the training courses necessary for approval.

Scope, Sustainability Accounting Standards and Assurance Reference Standard

The 2023 Higg BRM of Kappahl was verified against the 2023 Higg BRM verification protocol.

The verification process of Leadership & Sustainability adheres to the highest professional standards and has been carried out impartially and objectively. The assessment was conducted in accordance with the Higg BRM verification guidelines, and Leadership & Sustainability's own established procedures.

Kappahl has chosen the "limited level" of assurance.

Criteria against which assurance was conducted:

- [The online BRM How to Higg Guide.](#)

Reference Standard:

- AA1000 assurance standard v3 from 2020.

Methodology

During the verification process, sustainability data and information submitted by Kappahl in the 2023 Higg BRM online platform - provided by Wordly - were reviewed. These include key performance metrics related to environmental, social and governance aspects. Evidence gathering procedures included but were not limited to:

- Interviews with relevant personnel of Kappahl;
- Review of documentary evidence produced by Kappahl;
- Review of the information submitted in the corresponding sections in the Higg BRM online platform by Kappahl;
- Note the inaccuracies in the responses and provide review of corrected responses;
- Review of Kappahl data and information systems and methodology for collection, aggregation, analysis and review of information used.

Kappahl Responsibilities

Kappahl is responsible for the overall submitted information in the 2023 Higg BRM and the preparation and presentation of the information.

Leadership & Sustainability's Responsibilities

Leadership & Sustainability's responsibility includes the assurance according to the limited level of assurance. This encompasses as to whether Leadership & Sustainability has become aware of any matter causing to believe that the subject matter has not been prepared in accordance with the 2023 Higg BRM criteria.

Quality Assurance

Throughout the verification, rigorous quality assurance process was employed to ensure the accuracy and reliability of Leadership & Sustainability's work. Our approach included regular quality control and data validation. These measures were implemented to maintain the highest standard of quality to guarantee the integrity of the results.

Limitations

While we strive for accuracy and completeness in our verification process, limitations such as data availability, variability in data quality, time limitations and others might influence the verification process. The approach to mitigate these limitations has been to review more sources of data and requesting more explanations during the interviews held.

Conclusion

Based on the work described in this statement, the performed procedures and the evidence obtained, nothing comes to Leadership & Sustainability's attention that could make us believe that the indicators and disclosures reviewed in Kappahl 2023 Higg BRM contain significant errors. It is our professional opinion that Kappahl has successfully fulfilled the 2023 Higg BRM criteria. The assurance refers only to the compilation and presentation of the selected content information within the scope of the Higg BRM under the sole responsibility of Kappahl.

The assurance standard AA1000S, which has been used as the reference standard for this assurance project, defines four principles that shall be adhered to: Inclusivity, Materiality, Responsiveness and Impact. It is our opinion, that Kappahl has followed these principles when making the information available in the BRM self-assessment as well as during the assurance project. Within the limitations of the BRM scope, Kappahl has shown a commitment to stakeholder engagement and inclusivity. Kappahl has conducted a risk assessment for both environmental and social matters and has developed a strategy and programs that address the material topics identified in the risk assessment. Kappahl has shown a substantial degree of responsiveness in addressing the material topics and is using data and other information to monitor its impact in the sustainability area.

The data and specific information provided by Kappahl has generally a high level of quality and reliability. A high degree of diligence has been applied by Kappahl when responding to the BRM questions. However, it is recommended that Kappahl expands the scope of the data that is reported publicly in order to increase the level of evidence materials and increase the scope of BRM questions with positive responses. Furthermore, it is recommended that the responses to some of the BRM questions are reviewed and aligned with the guidance provided to the BRM, in order to ensure a better accuracy in these responses.

To summarize, some responses in the BRM have been revised during the verification. Some examples are related to the following topics:

- Documentation of targets and progress for added elements of the sustainability strategy.
- Implementation of energy efficiency measures and renewable electricity use in Tier 1, 2 and 3 to reduce GHG emissions.
- Further develop the human rights and communities' programs.
- Report publicly on a more comprehensive set of targets and progress related to governance.

Statement of Independence, Impartiality and Competence

Leadership & Sustainability delivers a broad and deep spectrum of Consulting, Empowerment, Sustainable Business Models and Software & Tools in the sustainability area. We have global expertise and networks and operate worldwide. We can serve our clients wherever they are located.

We conducted this verification independently and, to our best understanding, there was no conflict of interest. Leadership & Sustainability has implemented a [Code of Conduct](#) for the entire company to ensure high ethical standards among employees in their everyday business activities. Leadership & Sustainability's verification team has a broad range of knowledge on environmental, chemical and social issues, particularly in the consumer goods sector.



Karin Ekberg, CEO and BRM Verifier,
Leadership & Sustainability Karin Ekberg GmbH
Sommerhausen, Germany
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