	<p>Communication on Progress</p>	
<p>Year 2010</p>		

Statement of continued support

Our statement of continued support

Particip GmbH – Your Partner in change was founded in 1989 and is now an independent, internationally-recognised company, offering the expertise and the know-how gained in over a thousand assignments worldwide. As a multi-cultural company, our services focus on international development and cover a broad variety of sectors and themes. For more information about Particip please visit our website at (<http://www.particip.de>).



We at Particip follow the perception of the UN Global Compact “New York Declaration by Business” that sustainable development is only achievable through increased corporate responsibility. In order to assume more corporate responsibility and with regard to the great coherence of the ten UN Global Compact principles with our corporate values, Particip became a signatory to the UN Global Compact on 7 September 2007.

We embedded the ten universal principles regarding the four areas human rights, labour, environment and anti-corruption into our day to day business. Particip fully agrees with the ten principles of the UN Global Compact and continues to support them. The UN Global Compact principles are not only reflected in Particip's corporate practices, but are also embedded in our overall approach to sustainable development in accordance with the UN Millennium Development Goals.

In order to demonstrate our continuing support to the UN Global Compact, we have undertaken several actions during the last year and reached several targets we set ourselves in our last COP in 2009. In order to ensure our high standards and to continue contributing to the UN Global Compact, we have set new targets for the upcoming performance period. We will deepen our efforts to advance the ten universal principles throughout Particip.

Handwritten signature of Johannes G. Walter in blue ink.

Johannes G. Walter
Managing Director

<p>Human Rights</p> <p>p. 3 - 4</p>	<p>Labour</p> <p>p. 5 - 6</p>
<p>Environment</p> <p>p. 7 - 8</p>	<p>Anti-corruption</p> <p>p. 9</p>

Human Rights

Principle 1

Business should support and respect the protection of internationally proclaimed human rights

Principle 2

Business should ensure that they are not complicit in human rights abuses

staff at our headquarters in Freiburg and our branch in Brussels, Particip's official Code of Conduct was implemented in August 2010.

The Particip Code of Code was introduced and discussed with all staff members in Freiburg in the course of a monthly staff meeting. All employees signed the Particip Code of Conduct in order to ensure their assent. The Particip Code of Conduct lays down our ethical principles, provides our internal staff with a practical guideline to work to the highest professional standards in development consulting and sets a framework for action. With regard to its binding character, it ensures that our staff works in accordance with Particip's ethical principles, which are based on internationally accepted guidelines and models, such as the UN Global Compact Principles.

Actions taken during last year

We openly commit ourselves to complying with internationally proclaimed human rights in accordance with the UN Declaration of Human Rights and to observe the national laws in all countries we work in. We fully abide by the principles of non-discrimination against anyone regardless of gender, religion, colour, disability or origin.

We are aware that human rights are less protected in some of the countries we work in than in Germany, where our headquarters are located.



We therefore attach importance to the fact that our commitment is not only binding for all freelance experts contracted by us

for short- or long-term assignments at home or abroad, but also for our permanent staff in our headquarters in Freiburg and our branch in Brussels.

In all service contracts signed by freelance experts, a section with a "Code of Conduct" is included and obligatory. In order to ensure the same high ethical principles to the permanent

The Particip Code of Conduct is issued along with all Particip's staff contracts and is published on the company's website. The signatory commits himself / herself to accept and adhere to Particip's ethical principles. Particip's Code of Conduct covers the following points regarding the issue of human rights:

1. We obey the laws and regulations in the countries we operate in, and accept responsibility for our actions worldwide. We openly commit ourselves to comply with internationally proclaimed human rights in accordance with the UN Declaration of Human Rights and to observe the national laws in all countries where services are provided. Equally, we fully respect the political, cultural and religious practices prevailing in the country of operation.
2. We fully abide by the principles of equality and nondiscrimination against anyone regardless of gender, skin, colour, religion, culture, age, disability or origin. All business partnerships are fair, transparent and based upon mutual respect.

In order to guarantee adherence to Particip's ethical principles, Particip's internal person of trust can be addressed in confidence whenever a staff

member considers that one of Particip's ethical principles is not being complied with. It is guaranteed in Particip's Code of Conduct that no employee or expert will suffer adverse consequences for reporting any disregard of Particip's ethical principles.

In 2010, we increased the percentage of female employees in senior management, while sustaining a nearly balanced gender ratio in our company.



Performance

GRI Indicator LA 13: Percentage of employees in following categories
(based on full-time equivalent)

		2008	2009	2010 ¹
Gender	Female %	46%	49%	54%
	Male %	54%	51%	46%
Age groups	under 30 years old	33%	40%	37%
	30 – 50 years old	63%	57%	56%
	Over 50 years old	4%	3%	7%

Targets

- Increase the percentage of female employees in senior management positions.
- Ensure the current balanced staff gender ratio.

¹ Estimates

GRI Indicator LA 13: Composition of senior management in following categories
(based on full-time equivalent)

		2008	2009	2010 ¹
Gender	Female %	0%	0%	17%
	Male %	100%	100%	83%
Age groups	under 30 years old	0%	0%	0%
	30 – 50 years old	78%	84%	82%
	Over 50 years old	22%	16%	18%

GRI Indicator LA 14: Ratio of basic salary of men to women

Our remuneration system applies irrespective of gender, hence this ratio is 1:1.

Labour

Principle 3

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Business should support the elimination of all forms of forced and compulsory labour

Principle 5

Business should support the effective abolition of child labour

Principle 6

Business should support the elimination of discrimination in respect of employment and occupation

Actions taken during last year

We offer our staff members long-term professional and personal development perspectives. We therefore favour permanent work contracts and try to avoid fixed-term arrangements. In the past year, the percentage of permanent work contracts declined due to the time-limited substitution for an employee's maternal leave and in order to provide a six-month contract to one of our former student assistants, filling in the time before absolving her probationary teaching period.

If suitable and possible, we offer our student assistants and interns a permanent position in our company after they have finished their studies / internships. In the past year we increased the

percentage of staff formerly employed as student assistants or interns.

Our company's most valuable asset is our people. We seek to provide our staff with flexible working structures, allowing all staff members to find their individual work-life balance. Therefore we maintained our offer of flexible working time, part-time and home office possibilities to all employees.

In a poll in June 2008, the majority of Particip staff voted for introducing a system of open feedback to all staff members, including executives. It was first implemented in 2009 and takes place in an annual cycle. In a feedback round, each staff member submits feedback to all members of his / her team including the team leader and rates himself / herself as well. This enables one to recognize if there is a gap between colleagues' expectations and the employee's own impression regarding the rated areas. After finalizing the feedback, a team meeting is organized that enables further dialogue between the team members on the feedback process and its outcomes. In spring 2010 an elaborated feedback took place and ensured the continuity of the feedback process and dialogue within the different teams.

In October 2009, Particip offered a workshop to all employees regarding the topic of goal-oriented communication inside the company. During the training, dialogue and discussion about the newly implemented feedback system in 2009 was arranged. The workshop was held in Schönowald in the Black Forest and 26 staff members participated in the training.



We provide our staff with fresh fruits on a weekly basis and free coffee. In May 2010, we changed our coffee brand and opted for fair trade and organic coffee, which is now available to all staff members in our headquarters in Freiburg.

Performance

GRI Indicator LA 2: Employee turnover in following categories
(based on total no. of employees)

		2008	2009	2010 ¹
Gender	Female %	6%	7%	4%
	Male %	3%	4%	6%
Age groups	under 30 years old	6%	9%	6%
	30 – 50 years old	3%	2%	2%
	Over 50 years old	0%	0%	2%

Percentage of part-time employees
(based on total no. of employees)

2008	2009	2010 ¹
11.11%	11.11%	11.76%

GRI Indicator LA 3: Benefits provided to full-time employees that are not provided to temporary or to part-time employees

Benefit	Provided to	Full-time employees	Temporary employees	Part-time employees
Accident insurance		yes	yes	yes
Company pension scheme		yes	yes	yes
Allowance for childcare		yes	yes	yes
Allowance for homework		yes	yes	yes

Percentage of overtime worked
(based on regular working hours)

2008	2009	2010
3.72%	8.65%	n.a.

Percentage of permanent staff members formerly employed as student assistants or interns
(based on total no. of employees)

2008	2009	2010 ¹
11.11%	11.11%	11.76%

Percentage of permanent work contracts
(based on total no. of employees)

2008	2009	2010 ¹
97.22%	97.78%	94.12%

Targets

- Reduce the percentage of overtime worked.
- Ensure the good practice standards are maintained.

¹ Estimates

Environment

Principle 7

Business should support a precautionary approach to environmental challenges

Principle 8

Business should undertake initiatives to promote greater environmental responsibility

Principle 9

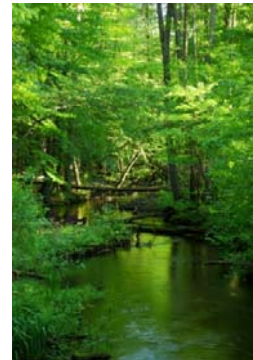
Business should encourage the development and diffusion of environmentally friendly technologies

undertaken by train. This has led to an enormous reduction of company car use in the first period of 2010. Moreover, we encourage our staff to come by bike to work or to use public transport.

We have installed multiple sockets with switches for all computers in our headquarters in Freiburg, in order to reduce energy consumption in standby modus. Furthermore, we have installed clock timers at both printers in our office in Freiburg, which reduce energy consumption over night.

We support the DHL GoGreen climate protection project by combining our shipments with DHL GoGreen service whenever possible. DHL calculates our CO₂ emissions generated by transport using a method based on the ISO 14064 standard. In accordance with the specifications of the Kyoto Protocol, these emissions are offset by climate protection projects.

Particip is part of Astrale GEIE, which is a consortium of ten companies spread across Europe. Astrale calculates our CO₂ emissions considering means of transport and distance. We pay the calculated amount on a voluntary basis. Particip's contribution is allocated to an Armenian tree project.



Actions taken during last year

We actively contribute to environmental awareness and are committed to minimizing the negative environmental impacts of our day-to-day work. Amongst others the location of our head-



quarters in Freiburg in a "plus-energy

building" shows our environmental commitment. Plus-energy buildings are characterized by on average generating more energy than its inhabitants spend.

We kept on our policy, that no employee is provided with an own company car. The company owns one car that is at everyone's disposal for business purposes. In exchange, PTC provides *Bahncard50* – a German Rail loyalty card that offers a 50% discount - to all travelling employees. Travels within Europe are therefore mainly

Performance

GRI Indicator EN 4: Indirect energy consumption

	2008	2009	2010 ¹
kWh	22,268	25,411	36,545
Turnover [€ per mille]	6,892,02	9,983,872	13,000,000
kWh / turnover per mille	3.23	2.55	3.67

CO₂ emission per kWh

(based on data from electricity supplier)

	2008	2009	2010
CO₂/kWh	178.9g	n.a.	n.a.

GRI Indicator EN 1: Materials used

	2008	2009	2010 ¹
Copies	133,187	165,640	131,840
Turnover [€ per mille]	6,892,02	9,983,872	13,000,000
Copies / turnover per mille	19.27	16.59	10.69

Company car use

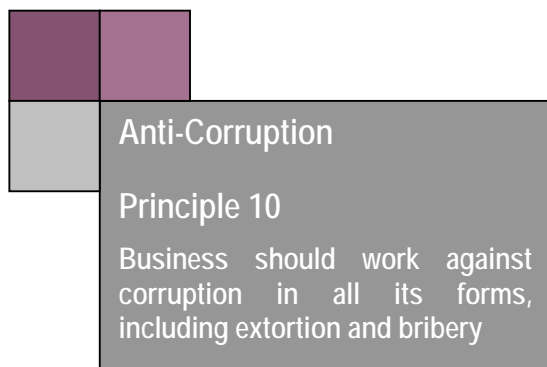
	2008	2009	2010 ¹
km	8,203	14,344	4070,00
Turnover [€ per mille]	6,892,02	9,983,872	13,000,000
km / turnover per mille	1.19	1.44	0.31

Targets

- Installation of multiple sockets with switch for all computers in order to reduce energy consumption in standby modus in our branch in Brussels.

¹ Estimates





2. We understand transparency as an essential principle of our work. We therefore see it as our duty to act visibly, predictably and comprehensibly.



Actions taken during last year

As an actor in international co-operation, we are convinced that our company's long-term success is not feasible at the expense of a few individuals or the general public, but solely in a sound, trustful and fair societal environment.

We therefore attach great importance to the fact that our staff members know and adhere to Particip's no-tolerance policy regarding corruption. We accordingly ensure that our commitment is not only binding for all freelance experts but also for our permanent staff in our headquarters in Freiburg and our branch in Brussels. In all freelance contracts, a section restricting favours, gifts and additional remuneration is included and binding.

The Particip Code of Conduct for our internal staff members covers the following points regarding the issue of anti-corruption and transparency, which are highly interrelated in our point of view:

1. We understand corruption as one of the biggest obstacles to development. We therefore do not give or accept any favours, gifts or remuneration from or to any source external to Particip. Equally, Particip will neither tolerate nor accept any abuse of entrusted power for private gain. We are fully aware of our corporate responsibility to ensure that development funds are used responsibly and taking into account high ethical considerations.

In order to guarantee the adherence to Particip's ethical principles, Particip's internal person of trust can be addressed in confidence whenever a staff member considers that one of Particip's ethical principles is not being complied with. It is guaranteed in Particip's Code of Conduct that no employee or expert will suffer adverse consequences for reporting any disregard of Particip's ethical principles.