

United Nations Global Compact



IFOK GmbH

Communication of Progress 2014

Berlin, 12.12.2014

Period covered by our COP: December 2013 – November 2014

Statement of Continued Support by our CEO

We hereby declare that IFOK located in Germany and Belgium – and with offices of its American subsidiary, Meister Consultants Group (MCG) in Boston and the newly founded Meister Europe – in the 11th year continues to embrace the United Nations Global Compact and its ten principles, as well as to integrate the principles into our daily business activities. We continue to strongly believe in the value of this global network and its emphasis on the enlightened self-interest of all relevant social actors, including companies.

Our Business

IFOK Group is a strategy and change management consultancy offering expert analysis, strategy development, project implementation and communications services. IFOK has undergone strategic changes to launch on a fruitful path. In 2014 a new company was founded under the IFOK umbrella called Meister Europe. With its headquarter in Berlin it focuses on advancing new governance and professional consulting services in Eastern Europe. In total, around 80 staff members work from our IFOK offices in Berlin, Bensheim, Düsseldorf, Munich, Brussels, and with MCG offices in Boston. We stay true to our mission: in order to strengthen sustainable development, we develop, facilitate and moderate dialogues between the public, private and third sector. We build on a stakeholder approach, recognizing the essential role of stakeholders in strengthening the quality of advice we are able to provide our clients and in shaping change processes. The approach adopted towards our clients is also that which IFOK adopts towards its own stakeholders. We:

- help clients from all three sectors of society to implement measures and improve social and environmental processes, with the very clear aim of turning responsibility into opportunity.
- provide internal resources to educate employees on direct actions as well as on long-term goals of sustainability.
- support suppliers and partners with defined guidelines on sourcing and delivery.
- build relationships with the media so as to further sustainability goals.

Our Commitment

We perceive environmental and social challenges as opportunities for private enterprise to provide innovative and entrepreneurial solutions towards sustainable development. Thus, in our consulting activities, we help our clients and other stakeholders to work toward more sustainable development in a network society. Following our 2013 COP Report, we are happy to now be reporting on our continued and new activities in all four areas Human Rights, Labour, Environment and Anti-Corruption including information on measurement of outcomes.



December 2014, Dr. Hans-Peter Meister, CEO



PART I: HUMAN RIGHTS PRINCIPLES

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Business should make sure that they are not complicit in human rights abuses.

Assessment, Policies and Goals:

At IFOK, we adhere to the Universal Declaration of Human Rights and to national laws. Again in 2014, IFOK has not identified any internal human rights issues. For 2015 we will continue to monitor this field of actions and develop advanced measures of implementation as seen appropriate. Our goal is to maintain our zero abuse record and to continue to be an attractive and responsible employer.

Implementation:

IFOK GmbH enforced a set of policies regarding Human Rights policies. IFOK has published all relevant details on employees' rights, duties and resources within the organization on its own IFOK-Wiki which has been transferred into our new knowledge management and IT system. This includes policies regarding stress and overtime regulations, pregnancy, illness, health as well as guidelines related to professional ethics, best management practices and standard processes and procedures. Parental-leave as one example: IFOK GmbH fully supports its employees to take advantage of parental-leave schemes. In 2014, 10 employees have taken that opportunity, of them 9 women and 1 man.

Measurement of Outcomes:

IFOK GmbH is a strong believer in participatory governance and participation. On a regular and structured basis, IFOK employees are asked to give feedback, raise complaints and issues and share ideas for improvement. In 2014 we launched a weekly all-company-call to address general updates, responsible planning and resource allocation and to give space for questions and concerns. All IFOK partners offer an open door policy that encourages all employees to directly express ideas and questions. We actively support a culture of trust and organizational learning.

IFOK GmbH has received no complaints from employees, business partners or clients in relation to (potential) human rights violations, nor was the organization involved in any human rights incidences before or during the reporting period.

Because of the scope of our activities and the limited number of employees, an external audit on human rights performance is not seen as required.

Part II: LABOR PRINCIPLES

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Assessment, Policies and Goals:

IFOK GmbH adheres strictly to all required labor rights, including non-discrimination and equal opportunities, the freedom of association and right to collective bargaining, workplace health and safety, as well as conditions of employment and work (wages, working hours, leave, benefits etc). IFOK is an equal opportunities employer who evaluates its employees by merits only and not on grounds of gender, sexual orientation, race or religion. In addition, IFOK has developed further policies and measures to underline our strong belief that our employees are the most valuable asset of the company and should be able to unfold their full potential as individuals and members of the team.

Implementation:

Promoting workplace health and safety

IFOK continues to adhere to all national laws and regulation concerning workplace health and safety. For example: Annual check of all electric devices (UV BGV A3), annual meeting with experts on health and safety, annual on-sight review with experts, regular First- Aid training and offer to employees for eyesight check-ups. In addition, IFOK provides the best possible office equipment to its employees to cater to special health and illness prevention needs. In 2014 we e.g. bought new desk lamps that offer more natural light to decrease eyesight stress. Furthermore we offer free fresh fruit and beverages in our offices to promote healthy nutrition.

Creating a modern working environment

IFOK promotes family friendly working-conditions and career opportunities for women well beyond the average numbers or quotas in management consultancy – 72% (up from 64% in 2013) of our workforce and 59% (down from 65% in 2013) of our senior management are female. In 2014, 42% of our employees worked part-time. IFOK has developed family-friendly work schemes to facilitate a healthy work-life balance, including teleworking, part-time work opportunities and extended return programmes for stay-at-home parents. In 2014, 4 employees took advantage of our sabbatical scheme.

Professional Development Activities

IFOK believes in high-quality training for the future generation: In 2014, IFOK trained again four young professionals in two- to three- year formal, paid apprenticeship programmes. One of them learn and study in cooperation with our partner BASF SE. In addition, IFOK has trained 17 interns in 2014, offering insights and skills development in various fields. Moreover, IFOK continued its cooperation with the Hertie School of Governance in Berlin, our employees engage in various external training and mentorship programs.

Continuing the high standards and extensive variety of professional development opportunities offered to our employees has been a core goal of our company. Thus, we have taken a number of important measures to further enhance this important process of professional improvement and development. We continually improve the offerings of the IFOK Academy, our internal training and development programme. In 2014, IFOK has put a focus on training its consultants in conflict mediation. 10 staff members completed the multi-day training, 8 of them are currently going through a professional certification process.

Improving the quality of work through an open culture and promotion of diversity

We lay emphasis on an open corporate culture, which allows for mistakes to be made and that promotes the strengths of each member of the IFOK team. Participation is a core principle that guides us both in our work with clients and internally, as are open communication, regular and structures feedback and appraisal mechanisms, all of which are actively practiced at IFOK. We are signatory of the initiative “Diversity as an Opportunity” which was launched by Maria Böhmer, Minister of State in the Federal Chancellery and Federal Government Commissioner for Migration, Refugees, and Integration. The aim of implementing the ‘Charter for Diversity’ within our company is to create a working environment that is free of prejudice. All our employees should experience appreciation – regardless of gender, race, nationality, ethnicity, religion or philosophy of life, disability, age, sexual orientation or identity. Recognizing and promoting this diverse potential creates economic advantages for our company.

We actively work to create a climate of acceptance and mutual trust. This has positive consequences for the recognition we receive from our partners and customers, both here in Germany and in other countries throughout the world.

Promoting a network structure within the company

Since 2011 IFOK has been advancing significantly in furthering and strengthening its network structure and processes. IFOK is putting in place processes to work more flexibly and closely with external partners and to offer spaces for joint learning and innovation. This includes the IFOK

Campus – the annual company-wide retreat and training event that took place in January 2014 and the increasing network of affiliated partners and consultants.

Measurement of Outcomes:

IFOK GmbH has received no grievances or complaints from employees, the external advisory board or others in relation to (potential) labor rights violations, nor was the organization involved in any labor rights incidences before or during the reporting period.

IFOK GmbH is a strong believer in participatory governance and participation. On a regular and structured basis, IFOK employees are asked to give feedback, raise complaints and issues and share ideas for improvement. We actively support a culture of trust and organizational learning.

Based on the objective to eliminate discrimination and promoting organizational learning and feedback, IFOK is constantly reviewing its project feedback schemes and other feedback mechanisms within its network-based structure. Every year, each employee engages in structured interviews and discussion with their direct reports to set and discuss professional goals and assess personal strengths and opportunities for improvement. Those discussions are guided by the IFOK “wheel of competences”, a tool to assess talents and personal performance. Furthermore, on the project level, a project feedback scheme consists of an institutionalised exchange between project management.

Part III: ENVIRONMENT

Principle 7: Business should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility, and;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policies and Goals:

Our contribution to environmental solutions is guided by strict internal policies and continued innovation and improvement. We adhere to national and international standards to advance responsibility in environmental matters. We also promote energy efficiency, waste avoidance and recycling as core elements of our daily business practice among our employees.

In 2012, an internal working group was launched to develop a coherent and ambitious IFOK Sustainability Strategy and initiate projects and activities to make IFOK a leading innovator and implementer of sustainability solutions. In 2014 all of the following activities were continued and optimized:

Implementation:

Activities to reduce greenhouse gas emissions and waste

With carbon dioxide being the primary cause of human-induced global warming, we work to analyze, identify and substitute our impact as much as possible.

- In fall 2014, we reduced our total office space significantly. Effects on energy consumption will be assessed in 2015.
- We have a travel and car policy that aims to reducing greenhouse gas emissions. Our employees are required to use the most environment-friendly means of transportation whenever possible - primarily public transport. Again in 2014, IFOK supports the use of green energy powered public transport by financing reduced pricing schemes (BahnCard 50) to replace or reduce airtravel. Those schemes are available to employees also for private use.
- IFOK demands that all company cars be used in accordance with the European Union standards for fuel consumption and CO2 emissions. Some company cars are pooled and available on a per needs basis. Company cars are leased, and we make sure that they are equipped with the best available filter technology to reduce emissions of fine particulate dust.
- IFOK continues to improve a system for telephone and video conferences for internal meeting across offices as well as with clients. This initiative has allowed us to reduce the number of travelled kilometres, including domestic and transatlantic flights and thus has contributed significantly to the reduction of IFOK's greenhouse gas emissions.

- The office heating system is centrally steered and adapts, together with the lighting and blinds system, to the outside conditions, helping reduce energy consumption.
- At IFOK, we build awareness to reduce our waste creation and printing activities by promoting double-sided printing. In 2014, this has been the default setting. We only procure high-efficiency and sustainable printers to further reduce our environmental footprint. For office printing, we exclusively use 100% degradable and recyclable paper that is certified totally chlorine free, licensed by the Nordic Swan and certified by ISO 9001 and 14001 as well as licensed by FSC.
- In 2014, IFOK continued our sustainable procurement measures started in 2013 by working only with certified supply providers. Office materials are chosen according to environmentally friendly purchasing guidelines.
- In 2014, IFOK offices in Germany receive their energy supply from a 100% renewable energy provider.
- IFOK lays great importance on the use of organic, wholefoods and regional products in our offices. We believe in the merit of unprocessed and local foods and offer these, especially as fruit that is offered to customers and employees free of charge in our offices. Most of our fruit is from organic sources (coffee, milk, fruits). In addition we also purchase regional products, such as fruit and drinks, via local suppliers.

Actions to disseminate greater environmental responsibility

For the planning and facilitation of our events and those of our clients and partners, we adhere to guidelines for environmentally-friendly events by the German Ministry of the Environment „**Leitfaden für die umweltgerechte Organisation von Veranstaltungen**“. We work to reduce the use of resources, prioritize regional and seasonal products for catering, and prioritize venues that are easily accessible by public transport. Furthermore, we consult our clients on how to compensate for CO₂-emissions caused by events.

Activities to encourage the development and diffusion of environmentally friendly technologies.

For several years, IFOK and MCG have been working in the field of promoting and incentivizing the diffusion of renewable energy technologies.

- In 2014, IFOK and MCG again have been engaged in several projects and activities for our clients to develop their sustainability strategy, design sustainability initiatives, climate adaptation projects and to implement activities, for example: the Climate Protection Act in Nordrhein-Westphalia, the Sustainability Strategy of Brandenburg and the Sustainability Initiative of the German Chemical Industry.
- IFOK continued in 2014 to disseminate learning on green technologies in the implementation of the German Mobility and Fuel Strategy. In the State of Hesse we actively facilitate the implementation of the state wind energy strategy.

- On a voluntary basis, IFOK serves in the Committee on Technology and Society of the Association of German Engineers (Verein Deutscher Ingenieure, VDI) as a member and advisor on participatory processes and in the expert group for sustainability research.

Measurement of Outcomes:

In 2014, IFOK introduce a new IT system to better facilitate exchange between employees and with external partners. This system includes a chatroom and various internal theme-based chatrooms, where employees can exchange suggestions and best-practices, ask question and start collective activities. Our continuous improvement system is well received and an actively used forum for improvements and innovative suggestions to also help reduce our environmental impact and to reward environmental responsibility. The results are communicated and when necessary awareness programs for employees initiated.

- Fuel consumption and CO2 emissions form company cars are recorded.
- IFOK constantly continues to investigate trends and develop strategies to engage in cooperative processes to further public and private sector efforts towards sustainable development

Part IV: ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Assessment, Policies and Goals:

IFOK GmbH and our employees do not accept any form of corruption and work against bribery and extortion. Therefore, neither employees nor members of the management team accept remuneration outside of the agreed quotation unless it is formally agreed upon.

Again in 2014, IFOK has not had any issues with corruption. For 2014 we will continue our internal review of potential field of actions and develop measures of implementation as seen appropriate.

Implementation:

IFOK GmbH only accepts assignments which are within the range of our expertise and experience and are compatible with our vision and mission. Should an assignment move in a direction that is inconsistent with our vision and mission, we discuss this with the client and, if necessary, withdraw from the assignment.

IFOK strongly supports transparency in all its engagements with all clients and enforces open communication to prevent conflicts of interests. In cases where conflicts of interest might occur, IFOK will if necessary, withdraw from the assignment.

Measurement of Outcomes:

There have been no cases of corruption in the line of our work over the course of the organization's existence. If such a situation might arise, IFOK GmbH will take appropriate action and ultimately withdraw from the assignment. The situation will be evaluated afterwards.