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## United Nations Global Compact - Communication on Progress Period 2020 - 2021

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## Introduction to the COP 2020 - 2021 of Avallain AG

With our first Communication on Progress, we express our intent to work consistently to promote the and implement the UNGC principles.

We are committed to make the Global Compact and its principles part of our strategy, corporate culture and day-to-day operations and undertake the required steps to make a clear statement of its commitment, both to our employees, partners, clients, and to the public.

This report details the systems and activities at Avallain AG that support the 10 guiding principles and outline the outcome of each.

## A word from our founders

Enabling access to education for everybody has always been one of our main motivations. The COVID pandemic has offered ample challenges to fulfil this promise through ICT, the core field of Avallain.

We have directed our resources and funding to immediately help students and teachers continue their learning experience during lockdown, through

- Rebates and direct funding in partnership with our publishing customers.
- Food and material distribution to families affected by school lockdowns in Kenya.
- Accelerated and refocused R&D of features relevant to the new challenges such as integrated video conferencing and remote proctoring.

We have seen our staff react wonderfully to these challenges, even while experiencing considerable pressure in their own pandemic affected lives.

We attribute this success to our long-standing commitment to a healthy positive work environment in a fully remote setting, with individuals from many cultures and geographies working together in a high-trust environment with a low hierarchy.

Our flexible approach and inherent team support enabled many parents with young children to continue their roles and remain in senior positions or responsibility during the childcare and home



learning challenges. Our staff was able to move closer to relations and parents in need while not losing touch and employment.

To combine well being efforts for our own staff and take care of unluckier industries, we arranged virtual concerts on two occasions, affording income to artists and a moment of joy to everybody.

Ursula Suter, Executive Chairwoman  
Ignatz Heinz, President

## Statement of continued support of the 10 Principles of the UN Global Compact

We are pleased to confirm that Avallain reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Ursula Suter, Executive Chairwoman

Ignatz Heinz, President



## About Avallain

Avallain AG has been developing award-winning educational technology and e-learning solutions for 19 years. As an international premium supplier, we pride ourselves on working with some of the world's most ambitious brands.

With a presence on five continents, Avallain agile teams are multicultural and represent more than 16 different nations. Our experts in all disciplines are available all around the world to help make each project a success. Together, our sole aim is to achieve a positive impact on human potential with technology-enhanced education.

## Our commitments to improve access to education

Avallain AG has been a pioneer in the market since 2002 providing education solutions to leading international companies. In its experience Avallain AG came across areas of need around the world where quality education was unavailable and the commercial value was not appealing enough to attract investment.

To bridge that gap Avallain AG decided to establish a permanent presence in East Africa opening a daughter company in Nairobi as part of its corporate social responsibility. As the projects in Kenya developed successfully creating job opportunities and working closely with local authorities, NGOs and other stakeholders, Avallain AG's co-founders took their commitment further by creating the Avallain Foundation. For this vision, they counted on the support and enthusiasm of the whole team at Avallain AG. The time and expertise they contribute to the foundation and its various projects is crucial in our investment to unlock education for those who need it most.

To secure the Foundation's continued stability and success, Avallain AG is committed to covering the administration costs, making sure that each donated dollar goes directly to those who need it most. Avallain Foundation is a fully established 501(c)(3) non profit organisation based in the United States.

## Avallain Foundation

With Avallain Foundation we use Avallain AG's cutting-edge technology to take education to those who have not yet been reached and closing the digital divide.

We know that the right technology paired with relevant educational content can succeed in creating opportunity, contribute to human development and end poverty. We aim at helping individuals and communities around the world thrive by creating choice.



## Description of Actions

### Human Rights

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

**Principle 2:** make sure that they are not complicit in human rights abuses

#### Principle

Avallain believes that a coherent and responsible position on human rights is a non-negotiable basis for any business. Respecting human rights in our markets, our operations and in our value chain belongs to Avallain's corporate responsibility.

#### Actions taken

Based on our commitment, Avallain has set up a Code of Conduct and a Policy on Human Rights to make our position clear to employees, customers, suppliers and further interested stakeholders.

Due to the nature of Avallains activities, there are two areas of concern:

- Offshoring activities to geographies with weak labor protection
- Use of infrastructure providers with bad track record or principles in the treatment of their staff and supply chains

#### We address these by:

- Staffing almost entirely "onshore" and with a small number of select companies that we have full visibility on.
- Only working with certified and credible infrastructure providers, with preference to geographies that offer strong legal protection.

#### Measurement of outcome

- Based on our principles encoded in the Code of Conduct and strong selection processes, we are certain that we are not contributing to any human rights violation in our supply chain and are effectively encouraging good practices through the choice of our suppliers.



## Labour

**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.

### Principle

Avallain believes in a trust-based, low-hierarchy network of empowered individuals, fairly paid based on outcomes rather than credentials, gender identification or provenience.

### Actions taken

Based on these principles, Avallain is offering the best possible flexible work arrangement in each individual legislation and taking special care of the challenges of child care.

Due to the nature of Avallains activities, there are three areas of concern:

- Low availability of female profiles in the tech sector
- Difficulty to maintain status/position during parenting absences in a fast knowledge turnover, 'high-availability-requiring' working environment.
- Salary fairness.

### We address these by:

- Whenever possible, encouraging female profiles in the recruiting process.
- Enabling parenting absences with no impact on the position and outlook on return.
- Actively reviewing salaries and offering raises independent of active demands, ensuring fairness to less forthcoming characters.
- Representing the balanced diverse workforce in all publications and marketing material.

### Measurement of outcome

- With 16 nationalities among a team of 75 and 30% female – whereof 20% in a leading position, we still strive to further establish diversity, inclusion and gender equality within the company. With the executive Chairwoman of the board or directors, the ultimate leadership of the company is female.



## Environment

**Principle 7:** Businesses 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.

### Principle

Since its foundation in 2002, Avallain has been making a priority of environmental concerns.

### Actions taken

Based on this principle, Avallain has strived for a CO2-neutral operation for many years.

Due to the nature of Avallains activities, there are two areas of concern:

- CO2 produced by infrastructure for hosting
- CO2 produced through business travel

### We address these by:

- Locating hosting in data centers that are CO2 neutral certified and preferably run on renewable energy in the first place.
- Already pre-pandemic, reducing business travel to the necessary minimum, educating our customers where possible to adopt virtual options.
- Choosing CO2-friendly modes of transport.
- Paying compensation and funding forestation projects.
- Planning for a CO2-negative balance by 2025.

### Measurement of outcome

- According to in-house calculations, we have operated CO2 neutral and possibly reach a CO2-negative balance in 2021.
- Helped by the pandemic, most of our customers are now routinely open to avoid business travel.



## Anti-Corruption

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

### **Principle**

Avallain has instructions and guidelines with an absolute zero tolerance for corruption, extortion and bribery.

### **Actions taken**

Based on this principle, Avallain has actively countered corruption since 2002.

Due to the nature of Avallains activities, there are two areas of concern:

- Bribes requested by intermediaries during tendering.
- Small-scale corruption prevalence in some geographies we are active in.

### **We address these by:**

- Tight control over tendering processes.
- Standing policy to expose any sign of corruption, even at risk of losing the business at hand.
- Zero tolerance on small scale corruption in the day to day business, even at risk of prolonged bureaucracy or higher cost.

### **Measurement of outcome**

- All employees are aware of our zero tolerance for corruption and bribery.
- All contracts contain explicit clauses.
- 1 known case of a solicited bribe since 2002, exposed and addressed by Avallain in collaboration with the customers compliance officer.