

AdEx Partners Communication on Progress (CoP)

Reporting Period: March 2021–April 2022
AdEx Partners

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

AdEx
PARTNERS

Statement of continued support by the founders

To our stakeholders

In 2022 we continue our efforts regarding the Ten Principles of the United National Global Compact and are pleased to declare that AdEx Partners reaffirms its support by the present report.

In this annual Communication on Progress (CoP), we state our efforts and achievements, as well as our planned activities in the following four areas: Human Rights, Labor, Environment, and Anti-Corruption.

We describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, our culture, and our daily operations. Labor and Environment remain a key focus for us as a consulting firm and we pro-actively address and manage them.



Concerning the pandemic situation over the last years, we would like to mention that we have extended our efforts to support our employees and strengthen their resilience. The capacity to recover quickly from such a difficult situation is a challenge, which will remain even after the pandemic succumbs.

Additionally, we are happy that our corporate responsibility efforts are becoming visible. Achieving the Best of Consulting Award 2021 in Sustainability means not only that our efforts have paid off, but that we are making a true change to our Society. We have received this honor for our commitment to the

project for the “Tafel Deutschland”, Germany’s largest foodbank. It is an umbrella organization of over 960 local food banks, with 60.000 volunteers, and 1.65 million beneficiaries.

As a participant in the United Nations Global Compact, we proudly share the goals and our contributions with a broad range of our stakeholders.

Sincerely yours,

A handwritten signature in blue ink, appearing to be 'CK'.

Carsten Kracht

A handwritten signature in blue ink, appearing to be 'FW'.

Ferdinand Weiss





Who We Are

AdEx Partners was founded with the desire to make complex transformation projects successful, while living management consulting differently: deeply understanding the customer and solving their problems on a sustainable basis. Being Independent, honest, and most of all a reliable, neutral, and long-term partner.

AdEx Partners combines seasoned consultants and former line managers with numerous years of experience in IT and Business Transformation. Our focus lies in IT (ERP, architecture, data), as well as Digital and Organizational Transformation (finance, supply chain, customer-centricity, and HR transformation). We also offer support on topics such as Business Model Transformation and Business Portfolio Transformation.

Our team currently consists of over 140 consultants, complemented by a selected network of specialists from partner companies or out of our business network. We combine deep expertise with comprehensive program- and project management skills. Our customers benefit from our way of working, which is characterized by a high degree of experience, a pragmatic approach, and unconditional objectivity towards solution providers. The success of our clients remains our success. Together with our clients, we specify the goal and the prerequisites for a successful transformation.

We develop suitable solutions and provide pragmatic support during implementation, supporting companies strategically and operationally in complex transformation projects. Further, we identify critical success factors at an early stage and proactively make a decision- and action recommendations. We also accompany the resulting projects, from the planning to the implementation phase. If necessary, we guide troubled projects back on the road to success.



The Ten Principles of the United Nations Global Compact

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.

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.

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.

Anti-Corruption

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



Human Rights

AdEx Partners has joined the UNGC in 2020 and publicly commits to

- support and respect the protection of internationally proclaimed human rights and
- make sure that we do not take part in human rights abuses.

This includes that our employees are actively protected from workplace harassment, including physical, verbal, sexual, or psychological harassment, as well as abuse, or threats.

In dealing with both our employees and consulting customers, AdEx Partners makes sure to avoid any harm or threats to human life and health that may arise through its services and solutions provided.

Employee Diversity

Regarding employee diversity, there is still room for improvement at AdEx Partners - however, we naturally try to counteract this circumstance, for example by actively targeting female high potential candidates.

We recently made progress and doubled our percentage of female employees with women being represented at all levels at AdEx Partners - from Partner to working student. We have an active female group with all female employees, across all levels which we use for exchange and networking, but also to discuss specific topics in detail.



Human Rights Measurements

- Number of complaints related to human rights risks/violations
2020: 0 complaints

- Diversity and Inclusion at AdEx Partners:

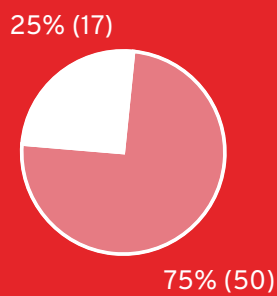
Two colleagues with severe disability status

Colleagues coming from eight different countries: Austria, Germany, Poland, USA, India, Switzerland, Serbia, Mexico

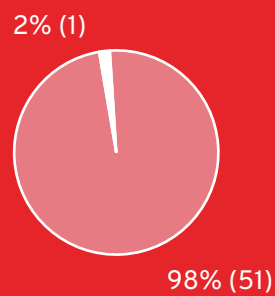
Gender Diversity at AdEx Partners

Percentage of women & men by level (+absolute number)

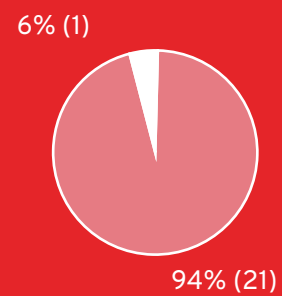
No Management Function



Lower / Middle Management



Upper Management



■ women ■ men



Labour

AdEx Partners guarantees not to participate in any form of forced or bonded labor. We comply with minimum wage standards, and we ensure that employment-related decisions are based on relevant and objective criteria. AdEx Partners has further established an HR counsel board to address all matters related to employees and people.

AdEx Partners encourages employees to form groups with different areas of interest and protects the freedom of association and collective bargaining while preventing discrimination in employment and occupation. Some of the measures and initiatives taken by AdEx Partners to promote the “Labor”-principles of the UNGC will be further described in more detail. At AdEx Partners, trust is the base for our collaboration. Therefore, flexible work arrangements such as working from home are the new normal.

AdEx “Family Spirit”

Even before someone begins their journey at AdEx Partners, new employees are invited to events, regular meetings, and training sessions voluntarily. In addition, we provide new joiners with comprehensive information on benefits, training, staffing, and numerous other valuable topics. This way, new employees are fully aware of the wide range of opportunities regarding mental and physical health offered by AdEx Partners.

Moreover, new employees are assigned with a coach and a "buddy" that accompanies them even before they start. The buddy concept facilitates orientation in the new environment. Especially colleagues with little consulting experience and without an existing network within AdEx Partners benefit from the fact that their buddy introduces them to processes, their daily business, and supports them in building their network. The coach supports the employee in their personal development, with outlining career ambitions, training development, and other aspects.



At AdEx Partners, we are aware that it is essential to constantly develop and improve as an employer, and our greatest support are our employees themselves. Therefore, we introduced the "Honestly" feedback tool in 2019 and conduct monthly surveys with all employees. Areas include well-being, engagement, satisfaction, personal growth, feedback, recognition, and others. We then convey this valuable qualitative feedback directly to the management and corresponding working groups.

Other key components of our corporate culture are joint events, such as the kick-off at the beginning of the year and local social gatherings. We also organize a summer event each year, to which family members are also invited. It is at these gatherings that our shared culture is shaped. Since we work remotely at our customers' sites or our homes, these get-togethers are very valuable and provide time and space for exchange and shared experiences.

Thanks to these initiatives, we have been able to win the "Great Place to Work" award every time we have participated in the competition.

Feel Good Management

We know all too well how stressful consultant life can be, which is why we have established a Feel-Good program at AdEx Partners. Through this, we try to promote a healthy work-life balance among our employees. In 2021, we implemented a variety of feel-good activities in our company with success. For example, weekly virtual exercise sessions, a weekly Walk&Talk round, where we go for a walk together for half an hour and exchanged ideas virtually. We also launched the AdExGo! Challenge to walk, run, or bike a total of 10,000 km together and donate money to an institution of our choice once this goal had been reached. We were even able to exceed this goal, and in the end, we covered a total of 15,000 km together for a good cause. In addition, we offered nutritional coaching and sent out packages of goodies and treats to our employees quarterly. This year we also have a variety of feel-good initiatives lined up. On a particular note is the scheduling of a resilience workshop. With this, we aim to further strengthen our consultants in mindfulness. The life of a consultant in combination with private obligations and the effects of the covid crisis does not make life any easier for all of us. For this reason, we consider the topic of resilience is essential to take care of the health of our employees. We offer group workshops as well as individual coaching sessions on resilience to support our employees in the best possible way.



Our “Hood” Concept

A core value of AdEx Partners is the active participation of all employees in the development of the company. The goal is to involve employees in both AdEx Partners’ external positioning on the market as well as in internal topics. To promote this, we have developed and implemented the "hood concept". Hoods are informal organizational units that can independently be founded by employees to take up and further develop topics together with other colleagues. There can be content-related topics that support the external growth of AdEx Partners as well as topics regarding the continued development of our internal organization. In this way, we utilize the initiative and personal responsibility of all employees and consistently continue our efforts to be a "participatory organization". The hood concept itself is continuously being improved through feedback from employees.

Work-Live-Balance and Health

Enabling employees to balance family and career is very important to us, which is why we support and promote various models of parental leave. Whether it is a temporary leave of absence, e.g., after the birth of a child, or various part-time models.

Since March 2018, we have expressly supported health checkups every two years and rewarded their implementation with a voucher that can be used at sports stores. This promotes preventive health care through appropriate checkups, but also investment in sports equipment and gear.

In the past year, the covid pandemic has tremendously impacted our personal lives as well as our work. To fully acknowledge our employees for their commitment in times affected by Covid-19, every permanent employee at AdEx Partners received an additional financial bonus last year. However, we know that the worries and constraints associated with the pandemic might also create serious psychological challenges for some people. If our employees experience personal crises, we will arrange and finance an external counselor, e.g., for burnout prevention or depression, if desired. Of course, this also applies to problems unrelated to Covid-19 and so far, we have already been able to help employees in this regard on two occasions. Since January 2021 AdEx Partners is working with a family service organization, assisting all employees with anonymous support in case of a life situation crisis (e.g., mental stress, addiction, workplace conflicts, childcare, psychological support).

Training

There is no fixed budget for external training per employee, nor is there a fixed number of training days per year. Instead, professional development measures are approved as needed and provided for, both, in terms of time (paid working hours) and financially.

Office equipment

We ensure that all office equipment meets ergonomic standards. Since our employees travel frequently, we pay particular attention to low-weight technical equipment, high-quality craftsmanship, and a high level of comfort when carrying bags.



Labour Measurements

- Employee and family assistance support services

32 registrations and 12 coaching requests

- Only 8,5 % employee attrition rate
- Great-Place-To-Work Awards, every time we have participated in the competition

Honestly Februar 2022 Survey – Employee Net Promoter & Engagement Score

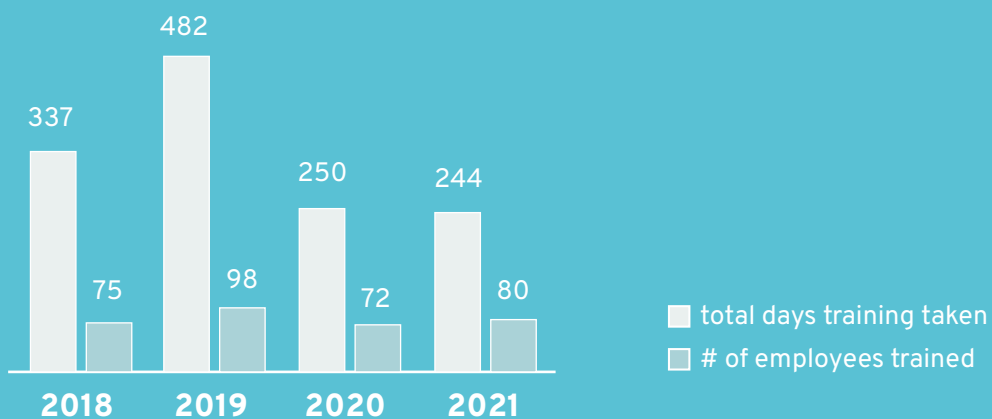
Employee Net Promoter Score



Engagement Score



Employee Training



Environment

The results published by the first two working groups for the IPCC's Sixth Assessment Report are already reinforcing the key message that man-made climate change, extinction of species, and other environmental issues are among the most urgent and threatening challenges that humanity faces today. As AdEx Partners we are aware of this challenge and the part that we can and have to play in facing it.

Especially the high level of travel that usually accompanies a consultancy's business model is a burden on the environment. We therefore take extensive internal efforts to become more climate friendly.

Even though Covid-19 has significantly reduced the volume of travel, for the time being, a dedicated team organized in one of our hoods is developing and implementing a roadmap for environmental sustainability and is continuously working on possible levers to significantly minimize the carbon footprint.

Since 2019, AdEx Partners evaluates its corporate carbon footprint to make the impact measurable and comparable and is exchanging information with other peers within the industry and across sectors. We analyzed all relevant categories of our company (energy, traveling, etc.) and evaluated the share of emissions. We are aiming for a comprehensive database by 2022 and aim to reduce our carbon footprint step by step.

Internal Engagement

In 2020, the "AdEx Green Hood" conducted a company-wide survey to get every employee's opinion and suggestions on how to further reduce AdEx Partners' corporate carbon footprint. A list of various action items has been created and we have started to put them into practice. Tips and best practices are shared with all employees in an internal "Green Wiki".

Every employee must follow "Golden Travel Rules" that include environmental protection aspects, especially in terms of reducing our CO2 footprint by avoiding unnecessary journeys and wisely choosing the appropriate means of travel. We encourage our employees to travel by train when possible and provide a "Bahncard" (the discount subscription program by Deutsche Bahn).

To extend the life cycle of our hardware, old laptops, that are no longer used, are being donated to the charity Labdoo.org. In February 2020, AdEx Partners donated 29 laptops that will be used by children in need in Germany and around the world.

Based on the increasing urgency of the topic we are planning to develop a roadmap to carbon neutrality for AdEx Partners. This includes assessing materiality, evaluating potential reduction, and offsetting initiatives along with their respective impacts as well as setting scientifically-based targets.



External Engagement

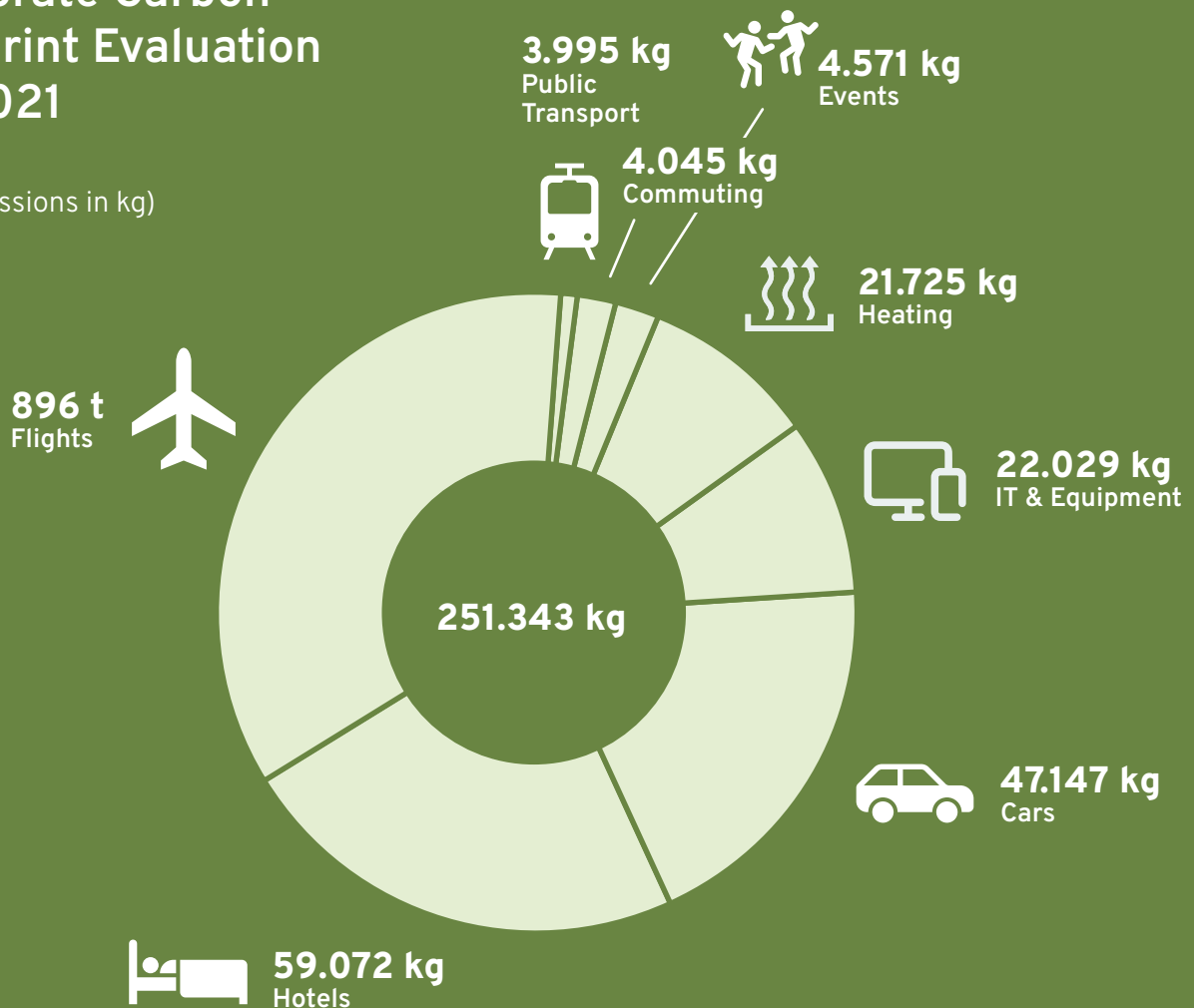
To further reduce and avoid CO2 emissions, we also help our clients to improve their ecological balance sheet. We share our expertise in virtual collaboration and the use of remote tools. In post-corona times we aim to keep the approach of virtual consulting where applicable. In addition, AdEx Partners is looking to use its capabilities as a consulting firm to help other corporations on their journey to become more sustainable, building up a team dedicated to sustainability consulting.

Environment Measurements

- In all our offices (Hamburg, Düsseldorf, Munich), we solely use green electricity
- Dedicated AdEx Green team with bi-weekly meetings
- 29 laptops donated to charity

Corporate Carbon Footprint Evaluation for 2021

(CO₂ emissions in kg)



Anti-Corruption

AdEx Partners has joined the UNGC in 2020 and has made a public commitment to adhere to anti-corruption and to adhere to all applicable laws. We have a zero-tolerance approach towards corruption, extortion, and bribery, and this includes not only our employees but our contractors and suppliers as well.

Thus far it was self-evident that we would not tolerate any kind of corruption and we have no known incidents of corruption in the company. With the company growing not only in size but in revenue, we are aware of the increased risk as well as the importance of the topic. We, therefore, plan to tackle the subject matter further to develop additional anti-corruption prevention efforts, like training for employees.

Salaries and Promotion Process

To reduce the internal risk of corruption, AdEx Partners is applying a very transparent annual bonus and performance process. Each manager provides structured and transparent feedback for each employee to HR, which is then consolidated, shared, and individually discussed across the whole leadership team. Salaries are paid according to a grid, to ensure a fair and transparent salary process.



Anti-Corruption Measurements

- Zero violations of bribery laws
- Zero actual or suspected internal incidents of bribery or corruption

Number of Corruption-related Incidents in Reporting Period

0



Further Engagement

At AdEx Partners, we feel responsible to do our share of making the world a better place and the goal of creating a positive social change is deeply rooted across all levels at AdEx Partners.

We face this responsibility by leveraging our resources and capabilities as a consulting firm to generate a real and lasting impact. Specifically, we strive to use our resources to enable those whose expertise it is to bring about positive change. We have seen that non-profits and social enterprises face challenges of digitalization and organizational transformation just like our corporate customers. Besides giving financially to those in need, we thus live up to our responsibilities by encouraging employees to provide their skills and experience as trusted advisors for business transformations to NGOs and social enterprises in the form of “skilled volunteering”.

To work with a variety of impactful organizations and respond to their individual needs, we strategically mix different project scopes, for example:

- long-term support: > 4 years pro bono partner for the digital transformation of Germany’s foodbank umbrella organization
- medium-term: various 1-year projects e.g., with SOS Children’s Villages International
- and short-term projects of 3 months: digital Bootcamp to anchor change and define clear strategic milestones

We work together closely with our network partners such as Ashoka Germany or the Social Entrepreneurship Academy, to make our help widely available and as effective as possible.

This approach, together with our internal emphasis on CSR allows us to integrate employees across the entire company in the pursuit of a positive social impact. In 2021, over 60% of our 130 employees have been involved in CSR activities in that way.



Digitalization of „Tafel Deutschland“ with the project "Tafel macht Zukunft - gemeinsam digital".

More than 960 local food banks called “Tafel Deutschland” in Germany collect surplus food and distribute it to people in need. Food distribution is the core business of Tafel Deutschland and is organized differently from region to region. The Tafel gives people in need a modest financial leeway by enabling them to save on their purchases. At the same time, they create a space for encounters and thus the framework for building a social network - which provides support for those affected by poverty and can help them to improve their situation.

For more than four years, AdEx Partners has been supporting the Tafel pro bono in its Germany-wide digitalization project with experts, first with preparation, then with a selection of service providers, and finally with the implementation.

We’ve been involved in developing and introducing digital technologies to the nationwide Tafel network, especially an online platform for important stakeholders, called “eco-Platform”, with the following project goals:

- Digitally support and facilitate work processes at the Tafel and food-donating companies during food collection
- Increasing the amount of food donated
- Improving planning and communication between Tafel locations and food-donating companies
- Collection and evaluation of donor-related data
- Time and cost reduction by avoiding empty trips
- Better distribution of bulk donations between Tafel locations with an online marketplace



Celebrating the Best of Consulting Award for the engagement in the Tafel digitalization project

For its commitment and long-term dedication, AdEx Partners has already been recognized with the “Tafel-Teller” award three times in a row.

In 2021, AdEx Partners’ Engagement in the Tafel project was further awarded the 1st price in the category “Sustainability” by the WirtschaftsWoche in the contest “Best of Consulting 2021”.

<https://award.wiwo.de/boc/sieger-2021/>

<https://www.adexpartners.com/en/article/boc2021>



Change Management at SOS Children's Villages International



SOS Children's Villages International is an NGO, dedicated to providing quality care to vulnerable children around the world. Since 2020, AdEx Partners provides pro-bono-based consulting services by working closely together with SOS Children's Villages International. Within the organization there is a network of child and youth care practitioners (CYC) taking care of children. Aiming to enable CYC practitioners to perform their duties at the highest level, SOS Children's Villages started the program “CYC Digital Learning Hub” (DLH), which consolidates and makes available multiple digital solutions, global learning frameworks and experi-

ence-based knowledge content. The DLH guarantees access to knowledge-, learning- and development tools around the globe. It will empower the CYC practitioners to connect throughout the organization to improve knowledge and knowledge sharing as well as enable continuous learning.

The purpose of AdEx Partners' contribution is to make the DLH program a joint success by providing consulting services as follows:

- Introducing and guiding the change management process embedded into the project to promote the acceptance and use of the latest knowledge and learning opportunities
- Implementing a customized AdEx Partners approach for change management based on the ADKAR framework (Awareness, Desire, Knowledge, Ability, Reinforcement) from Prosci
- Conducting workshops with key stakeholders, acting as change agent core team, to drive the change in the organization
- Generating awareness and enablement activities, to raise awareness, drive acceptance and enable utilization of the Digital Learning Hub

AdEx Partners' idea and goal in this project is to support and educate a group of change agents for them to ensure that stakeholders and users of the new Digital Learning Hub are ready, willing, and able to embrace this new form of learning & teaching. Project challenges are the fragmented global organization across countries and cultures as well as a large group of different stakeholders. Yet, with the help of AdEx Partners, the intended change process is in progress, key stakeholder-groups are identified, the purpose, as well as the Future State, are defined, and relevant change management and communication activities are identified and launched. Based on the work in 2021 the entire funding for 2022 is approved and AdEx Partners will continue to support the change management process in the future.

“Change management had not been applied at SOS Children's Villages in the past for such type of projects. Through AdEx Partners, we experienced a profound and structured approach for the first time. Together we started the implementation, which we would like to continue in the future.”

Thomas Rubatscher, International Director for ICT



Virtual Digital Bootcamp with Social Entrepreneurs

Many non-profit organizations and social enterprises do extraordinary things and give their best to address injustices in the world. Often, every penny is invested specifically to keep administrative costs as low as possible. All of this is done to achieve the highest possible social impact. Under the seemingly endless mountain of work distributed to a few employees, internal processes, IT infrastructure or long-term strategy issues can often come up short. Resources and know-how are simply not available to tackle these issues appropriately.

AdEx Partners Digital Bootcamp 2021

This is the issue that we are trying to solve through our Digital Bootcamp. Non-profit organizations and social enterprises can apply directly with their challenges. A jury discusses the applications and selects five projects based on expected impact and fit with the AdEx Partners portfolio. This year, the following winners were selected:

- Female Finance Forum
- Humedica e.V.
- MentalFit
- Micha Deutschland e.V.
- Tearfund Germany e.V.



A hybrid full-day workshop was conducted in Munich, to work intensively per team on the respective case. To avoid a fizzling out of the workshop results, the Bootcamp also includes a 3-month coaching period with regular (bi-)weekly follow-up sessions to support in implementing solutions and with upcoming questions or hurdles.

Donations

2021 continued to be a challenging year, which is why AdEx Partners increased its donations again.

Annual Donation to Childaid Network

Since the start of AdEx Partners in 2012 we have continuously been supporting the non-profit foundation "Childaid Network" through donations and pro-bono consulting. We support the vision to provide children and young people in need with a qualified basic education which is one important prerequisite for a self-determined life, and thus a better future.

Emergency Flood Relief in Germany

When in summer 2021 severe storms and floods destroyed various towns in Germany, AdEx Partners was quick to act: 30.000 EUR were donated to the "Disaster Relief Fund" of the "Tafel Deutschland e.V." and to two domestic helpers (friends of an AdEx employee) who lost everything in the disaster and still took care of an adopted child.

AdExGo! – in motion for a good cause

In the AdExGo! Challenge, our employees had a clear goal: to cover 10.000km in 3 months to donate 5.000 EUR to support non-profits and social businesses. More than half of the company was in motion by cycling, running, hiking, skiing – every kilometer counted. The employees were able to vote for various social organizations which AdEx Partners had already been supporting in the past.



We at AdEx Partners continue to strive towards improving our company and services in the spirit of the 10 principles of the UNGC and to live up to our social responsibility in 2022.



All information in this progress report is as of April 20th, 2022.

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Contact

AdEx-Beratungs GmbH & Co. KG
Flachsland 12
22083 Hamburg

www.adexpartners.com
info@adexpartners.com

Timo Ströbel

Partner, Head of Corporate Responsibility
timo.stroebel@adexpartners.com

Joscha Markowz

Junior Consultant CSR
joscha.markowz@adexpartners.com