

Sustainability Report 2020

DNK Declaration
Reporting year 2020
Performance indicator set GRI SRS



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Good to know

Facts about Horváth

1 Purpose

"Here to make an impact on the sustainable success of our economies!" Our Purpose is our compass to contribute both economically, ecologically, and socially.

2 Net Zero

Since 2020, we have been implementing the net zero target and are climate neutral by offsetting all Scope 1 - 3 emissions and pursuing the continuous goal of decarbonization with various measures around the topics of green building, green mobility, and green consumption.

3 UN Global Compact

Horváth is a supporter of the UN Global Compact, the world's largest corporate sustainability initiative.

4 Green Transformation

Our experienced teams support our clients in achieving economic success in line with environmentally and socially responsible actions and in finding innovative solutions for future-relevant challenges. In this way, we help our customers to successfully master the path to CO₂ neutrality.



“Sustainability has a very important significance for Horváth.”

/ **Helmut Ahr**
Speaker of the Executive Board
CEO Horváth AG



Dear Ladies and Gentlemen,

We look back onto a special year. The Covid 19 pandemic and its effects have also challenged our company to an unprecedented degree. It has shown us how quickly apparent habits can vanish and hence must be adapted in an agile manner in order to remain sustainable and economically viable in the long term.

The health and well-being of our employees is always a top priority for Horváth as an employer. Our comprehensive protection and hygiene concept enables us to prevent internal chains of infection and we support our employees by providing individual advice on all aspects of the currently applicable corona regulations and ordinances.

We are proud that we have succeeded in providing our consulting services to our clients in the usual high quality and reliability despite the pandemic. Thanks to the commitment of every employee, we were able to integrate our New Normal Consulting concept very quickly, flexibly, and pragmatically into the new daily work routine. This has enabled us to advise and support our clients in virtual meetings, workshops, and project work as part of complex consulting projects.

Focus topics such as digitalization, sustainability or green transformation are even more relevant among the drivers of the working world. As a management consultancy and strategic part-

ner, we see it as our task to support our clients in the realignment and design of their business models, processes, and value chains with regard to corporate, green and digital transformation. The growing interest of our clients in these topics encourages us to continue to act in the direction of sustainability.

Our internal training and education offering was comprehensively expanded and adapted to virtual formats in a very short time, enabling us to further educate our workforce with new knowledge and impulses.

In addition to ensuring an optimal and safe working environment for our employees, we have also taken or continued to take numerous measures that have enabled us to significantly reduce our CO₂ emissions. Since 2020, Horváth has therefore been climate

neutral according to the standards of the Greenhouse Gas Protocol.

We have already implemented numerous measures, from the introduction of a Green Car Policy to joining the UN Global Compact and drawing up a Supplier Code of Conduct. We are also continuing to drive forward our social commitment in the spirit of corporate citizenship. For example, through pro bono projects, but also numerous financial donations to organizations that are particularly active in the field of education.

We would like to express our sincere thanks to all our colleagues who, through their commitment and dedication, lived out our social and environmental responsibility on a daily basis in the past fiscal year and acted in line with our values and strategy

We would like to thank you for your interest in our Sustainability Report.

Your Executive Board of Horváth AG



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General information

Describe your business model (including the purpose of the enterprise, products/services)

For 40 years, we have been one of the top international consultancies for performance management and transformation. With over 1,000 employees in nine countries in Europe, the USA and the Middle East, we put corporate groups, medium-sized companies and public organizations on the road to success. We possess a high level of technical expertise and strong implementation skills that lead to sustainable results.

Our consultants support companies and managers with comprehensive expertise in the context of industry-specific business models, organizational structures, processes, and systems – thus empowering them to optimally prepare their organizations for future challenges.

We combine passion and effective implementation to turn change into success across whole companies, in individual business areas or in functions such as sales, operations, procurement, controlling & finance, HR and IT.

Horváth stands for project results, which create sustainable benefits and value. Which is why our consultants accompany your enterprise at every step, from creating the business management concept and anchoring it in processes and systems through to change management and training for managers and employees.

This DNK Declaration of Conformity encompasses all significant divisions of Horváth AG: Horváth & Partner GmbH (Germany) with subsidiaries in Italy, Austria, the USA, Saudi Arabia, UAE and Switzerland. In addition, it encompasses Horváth & Partner Management Consulting SRL (Romania) and IFUA Horváth & Partners Kft. (Hungary).

In the following report, all entities are referred to collectively as "Horváth". The information in this report relates in particular to the 2020/21 fiscal year and includes developments up to the submission of the report.



Sustainability concept



Criteria 1-10

Sustainability concept

Criteria 1-4 on Strategy

/ DNK criterion 1: Strategic analysis and measures

The company must disclose whether it pursues a sustainability strategy. It must explain what specific measures it is taking to ensure that it operates in accordance with essential and recognized industry, national and international standards.

Sustainability is a core component of our Corporate Strategy 2030 and is defined as a separate field of action within it.

Horváth has a holistic understanding of sustainability based on the triple bottom line.

Economic success and sustainability are not mutually exclusive, but rather go hand in hand. In our business activities, we continuously seek contributions in the areas of economy, ecology, and social responsibility.

As a consulting company, we focus on the satisfaction, health and qualifications of our employees, on making positive contributions to society (corporate citizenship) and on ensuring the decarbonization of our business. In doing so, we are guided by the United Nations Sustainable Development Goals (SDGs), the 1.5-degree target of the Paris Climate and Emissions Agreement, and the ILO Core Labor Standards. Horváth is also a member of the UN Global Compact and actively promotes the 10 Guiding Principles in all its business processes.

The company must disclose which aspects of its own business activities have a material impact on aspects of sustainability and the material impact of these sustainability aspects on its business activities. It must evaluate the positive and negative effects and indicate how these findings are incorporated into the company's internal processes.

Last year, we conducted our first structured materiality analysis in accordance with the GRI standards. This shows the central fields of action relating to Horváth's commitment to sustainability. In particular, we take account of the identified ecological, social and economic fields of action in the context of our strategic sustainability management:

- Compliance and data protection
- New Work and employee satisfaction
- Staff qualification
- Occupational health and safety
- The quality of our consulting services and customer satisfaction
- Reduction of harmful emissions as far as possible

By actively managing these and other issues, we aim to reduce the negative impacts of our business activities and make positive contributions in terms of sustainable development.

INSIDE-OUT-PERSPECTIVE

Our internationally active consultants help companies of all sizes and in all industries to successfully transform their business and ensure sustainable success. Sustainable economic success means empowering companies to safeguard their existence for the long term and provide prosperity and security for their employees and their families.

Good governance and compliance measures ensure that all applicable laws and regulations as well as our company's

social impact are taken into account. We help our customers to become more sustainable through our consulting services – and thus positively shape their impact on the environment.

Within our projects we remain in close contact with our customers and are privy to confidential information. Data and IT security are therefore of central importance to our business (see section 20 "Compliance"). In response to increasing external requirements with regard to data protection and IT security – and also in accordance with our own internal quality standards – we continuously review and optimize our handling of data, devices, and access controls.

Even though, as a consulting company, we do not consume a large quantity of resources, our processes – especially our employees' mobility requirements – nevertheless give rise to emissions that are harmful to the environment. The mobility revolution and stricter regulations around CO₂ emissions thus also affect our company, and strengthen us in our goal of decarbonization (see section 13 "Climate-relevant emissions").

Regarding our use of IT and electronic products, we also make a significant contribution to environmental protection through our procurement choices and by ensuring proper disposal of our equipment. Due to our activities in various regions of the world and the sourcing of products with complex value chains, human rights are also a relevant issue for our business activities.

OUTSIDE-IN-PERSPECTIVE

The shortage of skilled workers is also noticeable in our industry. Qualified, creative, and committed employees are the key to our company's success. In order to attract and retain highly qualified specialists, we want to be an attractive employer and offer all employees the same opportunities. We make an important contribution to this through our diversity concept, which we developed in 2021, and our employee qualification measures.

As a service provider for leading global companies, we are increasingly called upon to report transparently on our own commitment to sustainability. We see these social and political developments both as an opportunity and an obligation to drive forward the issue of sustainability in our business. By taking on a pioneering role in this area, we can also position ourselves as a responsible, reliable and credible, company.

/ DNK criterion 3: Targets

The company must disclose which qualitative and/or quantitative as well as scheduled sustainability targets have been set and operationalized, and how the extent to which they are achieved is monitored.

A key component of our corporate strategy is the improvement of sustainability, both at our customers and within the companies of the Horváth Group. To this end, we have set ourselves specific goals that positively impact selected UN Sustainable Development Goals.

The achievement of the respective targets is monitored by our CSR team and reported directly to the managing board. The prioritization of targets is based on the results of our materiality analysis:

- The satisfaction, qualification and health of our employees is our key success factor. Until 2030, we will endeavor to continuously increase employee satisfaction or maintain it at the current high level. We aim to achieve at least a score of 9 (scale of 1 – 10) in our annual

employee survey. Among other things, high-quality training and continuing education will contribute to this. Our new diversity concept aims to increase the proportion of women in consulting to at least 33% by 2030. Our qualification measures and the assurance of equal opportunities in our company contribute to Goal 4 and Goal 5 of the Sustainable Development Goals, "Quality Education" and "Gender Equality".

- For us, satisfied customers come first. We will therefore ensure that the level of satisfaction among our customers remains at a high level. We measure this continuously by means of the Net Promoter Score. We have set ourselves the goal of achieving a score of at least 9 out of 10 in each project. Satisfied customers ensure the economic

stability of our company. In this way and by securing the future of our customers' companies, we contribute to Goal 9 of the Sustainable Development Goals "Industry, Innovation and Infrastructure".

- Compliance and data protection: The protection of sensitive data is a high priority for us. We will continue to provide annual data-protection training for our employees. In addition, we also intend to review the processors and service providers with whom we work on an annual basis. This will ensure that we contribute to Goal 16 of the Sustainable Development Goals, "Peace, Justice and Strong Institutions."
- In the area of environmental protection, our goal is to remain a net-zero consulting firm. To this end, in 2020 we initiated a package of measures to tackle the main drivers of emissions. For example, through our Green Car Policy we aim to reduce the carbon footprint of our vehicle fleet by 50% by 2025 compared to 2020. We monitor and control the efficiency of our environmental protection measures by calculating our annual carbon footprint. In this way, we aim to make a particular contribution to Goal 13 of the Sustainable Development Goals, "Action on Climate Change".
- Over the coming years, we plan to gradually establish an international system of key performance indicators across all areas by 2030, which will enable us to monitor and manage the most relevant environmental and social KPIs.
- Our pro bono activities and donations will also remain an important part of our social commitment in the future. In particular, they represent our support for Goal 10 of the Sustainable Development Goals, "Reduce inequalities".

/ DNK criterion 4: Depth of the value chain

The company must indicate the importance of sustainability aspects in terms of value creation and describe the extent to which sustainability criteria are reviewed within its value chain.

As a service company, we provide our customers with our technical expertise and knowledge within the scope of the respective projects.

We ensure the quality of our consulting services through highly qualified professional staff and state-of-the-art project management techniques.

"When procuring, we always choose the more ecologically sound alternative in each case."

When managing projects, we pay particular attention to compliance with the applicable standards and laws, as well as the protection of confidential data and information.

Sustainability criteria play a role here insofar as we help our customers to

operate more sustainably, e.g., within their value chain. Furthermore, when staffing our projects or selecting locations for meetings, we strive to minimize travel requirements and thus ensure a corresponding reduction in CO₂ emissions. When procuring office materials, purchasing electricity, or organizing events, we always choose the more ecologically sound alternative in each case.

For example, when selecting our company cars we promote hybrid and electric vehicles by means of a corresponding bonus/penalty system. And when hosting events, we make a point of choosing regional, sustainably produced food in accordance with our "Green Catering Guideline".

To ensure that our suppliers also comply with our values, we are currently developing a Supplier Code of Conduct that will come into force in 2022. This Supplier Code of Conduct will apply internationally and will be binding for all our existing and new suppliers.

/ DNK criterion 5: Responsibility

Please describe the company's corporate governance responsibilities with regard to sustainability.

At Horváth, the topic of sustainability is represented on the managing board by the Chief People Officer (HR Director). At the operational level, our CSR team is responsible for managing the individual sustainability dimensions (ecology, economy, social). As required, the team

involves relevant colleagues from other departments to implement measures and advance the strategic development of our sustainability commitment in a targeted manner.

/ DNK criterion 6: Rules and processes

The company must disclose how its sustainability strategy is implemented in its operations through rules and processes.

Our CSR team manages the thematic implementation of the adopted sustainability measures and the operational implementation of our sustainability strategy. Through its direct link to the managing board, progress and challenges are continuously discussed and corrective actions initiated.

To ensure that our sustainability principles are implemented equally at all our companies and locations and by all our employees, our guidelines are also binding for our national companies.

- Our Code of Conduct sets out our values and serves as a compass for our employees in their daily work.

- Our Compliance Policy ensures adherence to all relevant statutory, legal, and internal regulations.

- Our Privacy Policy ensures that all legal regulations are complied with and that the data and information entrusted to us are optimally protected.

- Our IT Security Policy governs the secure use of our mobile devices.

- Guidelines for the qualification and development of our employees regulate the implementation of training activities per hierarchy level.

- Our "Green Car Policy" ensures that hybrid or electric vehicles are preferred within our company.
- Our "New Normal" concept offers our employees guidance on the extent to which virtual meetings can be used and physical business trips dispensed with.
- Our "Green Catering Guideline" outlines the importance of sustainability criteria when selecting suppliers and products.

/ DNK criterion 7: Monitoring

The company must disclose how and which performance indicators on sustainability are used in its regular internal planning and control processes. It must explain how appropriate processes ensure the reliability, comparability, and consistency of data for internal management and external communication purposes.

We already record the most important social and environmental performance indicators. In the future, our key performance indicator system will be standardized and expanded across all locations.

In the social sustainability dimension, our central HR department collects monthly key figures on the proportion of female employees at Horváth. In addition, we use training investment metrics to monitor our progress with regard to skills and diversity. In addition, our annual employee satisfaction survey is an important metric with regard to validating our actions. These key figures are recorded via a clearly defined process in order to ensure a high level of quality and comparability of the data.

To monitor our progress in reducing CO₂ emissions, we calculate an annual carbon footprint for Horváth & Partner GmbH and its international locations

in accordance with the requirements of the Greenhouse Gas Protocol. To this end, we are supported by an external consulting company that ensures the quality of this data and the correct calculation of our CO₂ emissions. To motivate our companies around the world to make improvements in terms of environmental protection, we map the status quo at all our locations on the intranet, thus enabling them to compare their performance in categories such as waste separation, regional procurement, clean energy and environmentally friendly mobility.

In terms of economic sustainability, customer satisfaction is our top priority. With this in mind, we continuously collect and monitor KPIs that reveal our customers' level of satisfaction with our services. This data is collected in a uniform manner via our survey tool to ensure high quality results with good comparability.

PERFORMANCE INDICATOR GRI SRS-102-16: VALUES

The reporting organization must disclose the following information:

A *A description of the organization's values, principles, standards, and norms of conduct.*

We live a culture based on trust and innovation in which we strive for competence, advocate openness and promote individual entrepreneurial action. We have laid down these basic principles in our internationally applicable corporate values, which are communicated to and exemplified by all employees:

- Trust: Our reliability in the eyes of our customers, colleagues, and all business partners is what sets us apart. We make comprehensible decisions and seek dialog with others. We understand that dealing with each other in a spirit of trust is the only way to also earn the respect of our customers and colleagues.
- Innovation: Staying one step ahead means embracing cross-cutting actions and developing dialog-based thinking. We seek out new paths with fresh ideas, embrace ideas based on scientific research, and utilize them for the benefit of our business and our customers. We are driven by a passion for creating something new.
- Openness: We give other people's opinions due consideration, whether colleagues or customers. We maintain open lines of communication and are open to criticism. For us, sound arguments matter more than hierarchies.
- Competence: We achieve better results by sharing knowledge with all our colleagues and raising our level together. We continuously evolve by persistently developing our skills and applying them with the necessary pragmatism. We learn every day, measure ourselves against the best theories and practices, and ensure that our customers benefit from the resulting knowledge.
- Entrepreneurial spirit: Everyone should have the freedom to use their skills for the benefit of our customers. We take responsibility from day one and set ourselves challenging goals that we pursue until we achieve the best possible outcome – to ensure the success of our customers and our company.

DNK criterion 8: Incentive systems

The company must disclose how target agreements and compensation for managers and employees are also based on the achievement of sustainability goals and long-term value creation. To what extent does the governance body (supervisory board/advisory board) include the achievement of these goals when evaluating the performance of executives (managing board/senior management)?

All our managers and employees are called upon to represent our sustainability principles and implement them within their areas of responsibility.

The managing board of the Horváth Group will be evaluated in terms of the achievement of sustainability goals

from 2022 onwards. These goals will be included in their performance targets and will have a corresponding impact on the respective managers' compensation. The possibility of extending this to other management levels is currently under discussion.

Performance indicators for Criterion 8

PERFORMANCE INDICATOR GRI SRS-102-35: COMPENSATION POLICY

The reporting organization must disclose the following information:

- A** *Its compensation policy for the senior governance body and executives, broken down by the following types of compensation:*
- I. Base salary and variable compensation, including performance-based compensation, share-based compensation, bonuses, and deferred or conditionally awarded shares*
 - II. Employment bonuses or payments rendered as a recruitment incentive*
 - III. Severance payments*
 - IV. Recoveries*
 - V. Retirement benefits, including the distinction between pension plans and contribution rates for the highest governance body, executives, and all other salaried employees.*
- B** *How the performance criteria for the remuneration policy relate to the economic, environmental, and social targets agreed by the highest governance body and executives.*

Our executives' salaries consist of a fixed and a variable component, which depends on the company's performance and the achievement of individual goals (management by objectives).

The amount of the variable component is based on the hierarchical level and the associated responsibilities.

Sustainability targets will become an integral part of the managing board's performance goals from 2022.

In principle, executives have the option of owning shares in Horváth & Partner

GmbH as dormant partners.

All executives and employees of the German companies also have the option of taking out a company pension.

PERFORMANCE INDICATOR GRI SRS-102-38: RATIO OF TOTAL ANNUAL COMPENSATION

The reporting organization must disclose the following information:

- A** *Ratio of the annual total compensation of the organization's highest paid individual in each individual country (in charge of a major operating facility) to the median annual total compensation of all salaried employees (other than the highest paid individual) in the same country.*

At this stage, we do not wish to report on this performance indicator for 2020/21. According to the results of our materiality analysis, this is not

a material indicator for us. In addition, such calculations would not be meaningful due to our organizational structure.

DNK criterion 9: Stakeholder participation

The company must disclose how socially and economically relevant stakeholders are identified and integrated into its sustainability process. Please disclose whether and, if so, how a continuous dialog is maintained and its results are integrated into the sustainability process.

The relevant stakeholders for Horváth are our customers, employees, suppliers, and local networks with other companies at our locations.

Integration into the sustainability process takes place on the basis of specific stakeholder groups:

Customers: A mutual exchange of ideas and measures takes place within the framework of projects dealing with

sustainability topics. We also organize round tables and conferences to discuss current developments, trends and expectations.

Employees: Thanks to our open feedback and communication culture, our employees share ideas for improving Horváth's sustainability with our CSR team. These ideas are then discussed, prioritized, and implemented accordingly.

Dialog with employees is promoted and institutionalized through a variety of formats: employee surveys, department meetings, site meetings, target agreement meetings, 100-day feedback meetings, suggestion scheme on the intranet on CSR topics, etc.

Suppliers: Here, too, a transfer of knowledge takes place through mutual discussion. We integrate suppliers into

our processes and enforce our supplier policy.

Networks and local communities: Through our corporate citizenship activities, we are in regular contact with charitable institutions at some of our locations. A central management contact defines the content of the projects and verifies the desired impact of our pro bono activities.

/ Performance indicators for Criterion 9

PERFORMANCE INDICATOR GRI SRS-102-44: KEY ISSUES AND CONCERNS

The reporting organization must disclose the following information:

- A** *Key issues and concerns expressed during the stakeholder integration process, including:*
- I.** *How the organization has responded to these key issues and concerns, including through its reporting*
 - II.** *The stakeholder groups that have expressed the key issues and concerns in detail.*

Our annual employee survey is a key tool in terms of involving employees in the company's processes. This is carried out throughout the company and is an important source of fresh ideas for the ongoing development of the business. Approximately 90% of employees participate on a regular basis. The last surveys took place in 2019 and 2021. Due to the coronavirus pandemic, an alternative approach was chosen for 2020 using a mood barometer, via which we entered into dialog with our employees much more frequently.

We ask for input on the following topics related to sustainability:

- Fair treatment of all employees in terms of their nationality, origin, sexual orientation, and age

- Responsiveness and openness of superiors to staff members' professional and personal concerns
- Opportunities for systematic competence building
- Knowledge sharing within the organization
- Framework conditions for a healthy work-life balance

The results of the employee survey are initially reviewed by a committee and the respective topics are then prioritized for further work with management. The results of the survey are communicated to our employees, as is the status of the derived measures during the following months.

DNK criterion 10: Innovation and product management

The company must disclose how it uses appropriate processes to ensure that innovations in products and services improve the sustainability of both its and the users' use of resources. Likewise, for the main products and services, please outline whether and how their current and future impact in the value chain and product life cycle are assessed.

"Making our customers' organizations more sustainable" is an essential part of our corporate mission statement (Purpose).

As part of our established innovation process, one area of focus is the development of services that will lead to more efficient use of resources by our customers. Examples include the decarbonization of business models, use of hydrogen technologies, sustainable supply chains, ESG reporting, and implementation of the EU taxonomy.

In this context, we work closely with a wide range of stakeholders, e.g., universities and research institutes, in order to develop pioneering, interdisciplinary solutions.

With a view to our own value added, a working group has been established which regularly reviews the processes linked to our provision of services. In addition to quality criteria, which are highly relevant for our customers, we also check the extent to which the respective services should actually be performed in situ at the customers' premises. We raise awareness and motivate employees and customers to travel by train whenever possible, and reduce the CO₂ emissions of our vehicle fleet through our Green Car Policy.

The impact of these measures is monitored via our annual carbon footprint.

Performance indicators for Criterion 10

PERFORMANCE INDICATOR G4-FS11

Percentage of financial investments that undergo positive or negative screening based on environmental or social factors.

(Note: The indicator must also be reported when reporting in accordance with GRI SRS).

The financial assets held by Horváth are predominantly shareholdings in affiliated companies within the Horváth Group. These comply with the sustainability standards described in this report.

The company also holds a stake in the consulting firm Evety, which develops

intelligent, long-term solutions based on the use of hydrogen as an energy source for the industrial, infrastructure, and mobility sectors.

Thus, 100% of our financial investments can be positively evaluated in accordance with environmental and social factors



Criteria 11 - 20

Sustainability aspects



Criteria 11-20

Sustainability aspects

Criteria 11-13 to Environmental Issues

/ DNK criterion 11: Use of natural resources

The company must disclose the extent to which natural resources are used for its business activities. This includes materials, the input and output of water, as well as aspects such as soil, waste, energy, land, biodiversity, and emissions in relation to the life cycle of products and services.

As a service provider, Horváth only uses natural resources to a limited extent compared to manufacturing companies.

Our sites, which are all located in existing buildings, consume little land and thus have a low impact on local biodiversity. Wherever possible, we pay attention to sustainability when choosing our locations. We purposely relocated our Austrian national subsidiary to a LEED®-certified Green Building.

The consumption of natural resources in our offices includes, in particular, electricity, IT hardware, paper, office supplies, and water. Currently, six of our nine locations already use ecologically certified printer paper. We thus only generate domestic, non-hazardous waste via our office-based operations.

The most significant environmental impact of Horváth's business activities is the generation of CO₂ emissions.

According to our carbon footprint, our business trips and the Horváth fleet are our biggest emitters of CO₂.

Business trips to our customers are necessary in order to work on our projects effectively and in a targeted manner. However, the coronavirus pandemic

has shown us that some of our physical meetings can be replaced with virtual ones. We intend to make greater use of this potential in the future as part of our "New Normal" concept, thereby helping to reduce our impact on the environment.

Energy consumption by Horváth & Partner GmbH

	2019	2020
Fuel consumption from non-renewable sources: Diesel and gasoline [MJ]	20.180.811	22.128.484
Electricity consumption [kWh]	311.560	270.777
Heating energy consumption [kWh]	814.549	654.756
Cooling energy consumption	-	-
Steam consumption	-	-
Total energy consumption [kWh]	6.731.890	7.072.334

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GHG emissions by Horváth & Partner GmbH in accordance with the GHG Protocol

	2019	2020	DEVIATION
Direct GHG emissions (Scope 1) [t CO ₂ e]	1.579	1.717	+ 138
Indirect energy-related GHG emissions (Scope 2) [t CO ₂ e]	294	188	- 106
Other indirect GHG emissions (Scope 3) [t CO ₂ e]	4.119	1.186	- 2.933
Gases included in the calculation; either CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	all	all	-
Total [t CO ₂ e]	5.991	3.081	- 2.910

Starting in 2022, we plan to establish an overarching environmental performance indicator system that will be

used to monitor our KPIs (in particular paper consumption, water consumption, waste).

DNK criterion 12: Resource management

The company must disclose which qualitative and quantitative targets it has set in the area of resource efficiency; in particular, with regard to using renewable energy, increasing raw material productivity, and reducing its use of ecosystem services, as well as which measures and strategies it is pursuing to this end, how these have been met or will be met in the future, and any identified risks.

We take our ecological responsibilities seriously. Since 2020, Horváth & Partner GmbH has been a net-zero business in accordance with the Greenhouse Gas Protocol standard.

To compensate for all emissions that we cannot avoid, we support certified climate protection projects. However, we are not merely working towards decarbonization, but also a continuous reduction of our CO₂ emissions. In recent years, we have already made great progress in this area.

As a net-zero company, ensuring responsible use of resources is a matter of course for us. We know that our business processes can have a negative impact on resources and ecosystems. Business trips and the mobility requirements of our employees represent a particularly significant risk. To conserve resources and ensure that we remain carbon-neutral, we have set ourselves ambitious targets and implemented measures under the headings Green Mobility, Green Building and Green Consumption. Based on these principles, we want to continuously develop our actions and continuously reduce our CO₂ emissions.

GREEN MOBILITY

We know that the majority of our CO₂ emissions are linked with mobility. Via our Green Mobility measures, we aim to reduce our mobility-related emissions as far as possible. In this context, our Green Car Policy promotes the use of hybrid and fully electric company cars (see 8. "Incentive systems"). By 2025, we thus

aim to reduce the carbon footprint of our fleet by 50% compared to 2020. In addition, we subsidize the cost of a rail card ("BahnCard") for our employees in the DACH region. Our staff in Germany can also purchase a bicycle ("JobRad") and benefit from tax advantages, thus ensuring that they have an eco-friendly means of transport that they can also use outside of work.

GREEN BUILDING

As part of our Green Building initiative, we are working to reduce the ecological footprint of our offices and raise our employees' awareness of environmental protection issues. Our offices are not only modern in terms of their design, but are also sustainably operated: We already use 100% green electricity in our offices in Germany, Austria and Switzerland. We also strive to further reduce our carbon footprint by avoiding waste and disposing of it properly. We have therefore installed signs for the waste systems (organic waste, paper, residual waste, plastic) at all our sites and made our staff aware of the importance of correctly separating waste. As part of our Strategy 2030, we are also planning to create bicycle parking spaces and install charging infrastructure at all our sites. For all future relocations, we intend to pay greater attention to sustainability aspects of our buildings.

GREEN CONSUMPTION

"Reduce, Reuse, Recycle" – under the heading "Green Consumption", we implement our understanding of environmental protection at the product level. We hand over our used IT and mobile

devices to the non-profit IT company AfB, which extends the service life of our electronic products through professional refurbishment, thereby helping to conserve scarce resources. Our printer cartridges are refilled and recycled by Cartridge Space 24.

Our **"GREEN CATERING GUIDELINE"** is designed to reduce resource consumption and waste, increase climate protection and animal welfare, and minimize food waste. Horváth intends to make events and catering more sustainable

by placing regional, seasonal, and vegetarian/vegan food at the heart of our catering concept. An internal catalog of criteria has been developed for individual products and suppliers, taking into account a wide range of sustainability criteria and labels. For event catering and internal meetings, care is also taken to ensure that glass bottles are used instead of plastic ones. As part of our Strategy 2030, we also intend to identify potential for more sustainable office materials and develop an office ecology concept.



PERFORMANCE INDICATOR GRI SRS-301-1: USE OF MATERIALS

The reporting organization must disclose the following information:

- A** *The total weight or volume of materials used to manufacture and package the organization's main products and services during the reporting period, broken down by:*
- I. non-renewable materials used*
 - II. renewable materials used*

As a service company, our consumption of resources and the waste we generate are kept within limits, which is why these figures are not currently collected across the board. Starting in 2022, we plan to establish an overarching environmental performance indicator system that will be used to monitor our KPIs (in particular paper consumption, water consumption, waste).

PERFORMANCE INDICATOR GRI SRS-302-1: ENERGY CONSUMPTION

The reporting organization must disclose the following information:

- A** *The total fuel consumption within the organization from non-renewable sources in joules or multiples thereof, including the types of fuel used*
- B** *The total fuel consumption within the organization from renewable sources in joules or multiples thereof, including the types of fuel used.*
- C** *In joules, watt-hours, or multiples thereof, the total:*
- I. Electricity consumption*
 - II. Heating energy consumption*
 - III. Cooling energy consumption*
 - IV. Steam consumption*
- D** *In joules, watt-hours, or multiples thereof, the total:*
- I. Electricity sold*
 - II. Heating energy sold*
 - III. Cooling energy sold*
 - IV. Steam sold*
- E** *Total energy consumption within the organization in joules or multiples thereof.*
- F** *The applied standards, methodologies, assumptions, and/or calculation tool.*
- G** *Source for the applied conversion factors.*

	2019	2020
Fuel consumption from non-renewable sources: Diesel and gasoline [MJ]	20.180.811	22.128.484
Total electricity consumption [kWh]	311.560	270.777
■ From renewable energy sources at the locations in AT and CH	-	35.902
■ From renewable and non-renewable sources (electricity mix)	311.560	234.875
Heating energy consumption [kWh]	814.549	654.756
Cooling energy consumption	-	-
Steam consumption	-	-
Total energy consumption [kWh]	6.731.890	7.072.334

Contracts, bills and receipts were used to calculate the energy consumption ratios. In some cases, the previous year's figures were used for the calculation if data was not available. Conversions were carried out in accordance with the

German Federal Office of Economics and Export Control's information sheet on determining total energy consumption [ea_ermittlung_gesamtenergieverbrauch.pdf (bafa.de)].

PERFORMANCE INDICATOR GRI SRS-302-4: REDUCING ENERGY CONSUMPTION

The reporting organization must disclose the following information:

- A** *The reduction in energy consumption achieved as a direct result of energy conservation and energy efficiency initiatives, in joules or multiples thereof.*
- B** *The types of energy included in the reduction: fuel, electric power, heating, cooling, steam or all.*
- C** *The basis for calculating the reduction in energy consumption such as base year or basis/reference, and the reasons for this choice.*
- D** *The applied standards, methodologies, assumptions, and/or calculation tool.*

Energy consumption trends at Horváth & Partner GmbH

	2019	2020	DEVIATION COMPARED TO BASE YEAR 2019
Fuel consumption from non-renewable sources: Diesel and gasoline [MJ]	20.180.811	22.128.484	+ 1.947.673
Electricity consumption [kWh]	311.560	270.777	- 40.783
Heating energy consumption [kWh]	814.549	654.756	- 159.793
Cooling energy consumption	-	-	-
Steam consumption	-	-	-
Total energy consumption [kWh]	6.731.890	7.072.334	+ 340.444

Contracts, bills and receipts were used to calculate the energy consumption ratios. In some cases, the previous year's figures were used for the calculation if data was not available. Conversions were carried out in accordance with the

German Federal Office of Economics and Export Control's information sheet on determining total energy consumption [ea_ermittlung_gesamtenergieverbrauch.pdf (bafa.de)].

PERFORMANCE INDICATOR GRI SRS-303-3: WATER WITHDRAWALS

The reporting organization must disclose the following information:

- A** *Total water withdrawals in all areas in megaliters and a breakdown of the total by the following sources (if applicable):*
 - I.** *Surface water*
 - II.** *Groundwater*
 - III.** *Seawater*
 - IV.** *Produced water*
 - V.** *Water from third parties*
- B** *Total water withdrawals in megaliters from all areas with water stress and a breakdown of the total by the following sources (if applicable):*
 - I.** *Surface water*
 - II.** *Groundwater*
 - III.** *Seawater*
 - IV.** *Produced water*
 - V.** *Water from third parties, as well as a breakdown of the total volume by the withdrawal sources listed in I-IV.*
- C** *A breakdown of the total water withdrawal from each of the sources listed in the 303-3-a and 303-3-b data in megaliters, broken down into the following categories:*
 - I.** *Fresh water (≤ 1000 mg/l Total Dissolved Solids (TDS))*
 - II.** *Other water (> 1000 mg/l Total Dissolved Solids (TDS))*

- D** *Required context, if any, in which the data was compiled, e.g., standards, methods, and assumptions.*

As a service company, our consumption of resources and the waste we generate are kept within limits, which is why these figures are not currently collected across the board. Starting in 2022, we plan to establish an overarching environmental performance indicator system that will be used to monitor our KPIs (in particular paper consumption, water consumption, waste).

PERFORMANCE INDICATOR GRI SRS-306-3 (2020): WASTE PRODUCED

The reporting organization must disclose the following information:

- A** *Total weight of the generated waste in metric tons and a breakdown of this total by waste composition.*
- B** *Contextual information that is necessary to understand the data and how it was compiled.*

As a service company, our consumption of resources and the waste we generate are kept within limits, which is why these figures are not currently collected across the board. Starting in 2022, we plan to establish an overarching environmental performance indicator system that will be used to monitor our KPIs (in particular paper consumption, water consumption, waste).

Through our partnership with AfB, we are already helping to eliminate hazardous electronic waste and prevent its incorrect disposal.

Reuse and recycling of IT and mobile devices with AfB

	2019	2020
Reused IT and mobile equipment (units)	85	46
Recycled IT and mobile devices with raw material recovery	12	9
Total for IT and mobile equipment (units)	97	55
Total volume (kg)	360	91

/ DNK criterion 13: Climate-relevant emissions

The company must disclose its greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas (GHG) Protocol or derived standards and must state its self-imposed emission-reduction targets.

Our key goals for 2020 in the area of climate protection were the annual calculation of our carbon footprint and the achievement of carbon-neutrality. Both goals were achieved. Since 2020, Horváth & Partner GmbH has been a net-zero business in accordance with the Greenhouse Gas Protocol standard. We calculate our carbon footprint annually, taking into account all direct and indirect emissions generated as a result of our corporate activities. In 2020, our main sources of emissions were the Horváth fleet, which accounted for 56% of our total carbon footprint (composed of 39% gasoline, 14% diesel, 3% hybrid), followed by short-haul (17%), medium-haul (6%) and long-haul (5%) flights.

To ensure our net-zero status, we have set ourselves ambitious targets and measures that span the areas of Green Mobility, Green Building and Green Consump-

tion (see 12. Resource management). The aim of these measures is to reduce our CO₂ emissions even further. Despite our efforts to reduce emissions, they cannot always be completely avoided due to our business model. All unavoidable emissions from 2020 were therefore offset by Horváth through a drinking-water project in Cambodia. In addition to environmental and social aspects, we also take the Sustainable Development Goals into account when selecting carbon offset projects.

The year 2019 is used as the base year for the corresponding calculations. Our carbon footprint currently includes our companies in Germany, Austria, Switzerland, the USA and the Middle East. This means that a large part of the Horváth Group is represented for 2019. In the future, our climate accounting will be expanded to include our other locations.



PERFORMANCE INDICATOR GRI SRS-305-1 (SEE GH-EN15):
 DIRECT GHG EMISSIONS (SCOPE 1)

The reporting organization must disclose the following information:

- A *Gross volume of direct GHG emissions (Scope 1) in metric tons (CO₂ equivalent).*
- B *Gases included in the calculation; either CO₂, CH₄, N₂O, FKW, PFKW, SF₆, NF₃ or all*
- C *Biogenic CO₂ emissions in metric tons (CO₂ equivalent).*
- D *The base year, if any, selected for the calculation, including:*
 I. The rationale behind this choice
 II. The emissions in the base year
 III. The context for any significant changes in emissions that led to the recalculation of the base-year emissions.
- E *Source of the emission factors and values used to calculate the Global Warming Potential (GWP) or a reference to the GWP source.*
- F *Consolidation approach for emissions; whether an equity share approach or financial/operational control.*
- G *The applied standards, methodologies, assumptions, and/or calculation tool.*

GHG emissions in accordance with the GHG Protocol (Scope 1)

	2019	2020
Direct GHG emissions (Scope 1) [t CO ₂ e]	1.579	1.717
Proportion of total emissions	26,3%	55,6%
Gases included in the calculation; either CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	all	all
Total [t CO ₂ e]	5.991	3.081

2019 was selected as the base year. For this year, comprehensive environmental key figures were collected and environ-

mental indicators were calculated for the first time.

PERFORMANCE INDICATOR GRI SRS-305-2: INDIRECT ENERGY-RELATED GHG EMISSIONS (SCOPE 2)

The reporting organization must disclose the following information:

- A** *Gross volume of indirect energy-related GHG emissions (Scope 2) in metric tons (CO₂ equivalent).*
- B** *If applicable, the gross volume of market-based indirect energy-related GHG emissions (Scope 2) in metric tons (CO₂ equivalent).*
- C** *If applicable, the gases included in the calculation; either CO₂, CH₄, N₂O, FKW, PFKW, SF₆, NF₃ or all.*
- D** *The base year, if any, selected for the calculation, including:*
 - I.** *The rationale behind this choice*
 - II.** *The emissions in the base year*
 - III.** *The context for any significant changes in emissions that led to the recalculation of the base-year emissions*
- E** *Source of the emission factors and values used to calculate the Global Warming Potential (GWP) or a reference to the GWP source.*
- F** *Consolidation approach for emissions; whether an equity share approach or financial/operational control.*
- G** *The applied standards, methodologies, assumptions, and/or calculation tool.*

GHG emissions in accordance with the GHG Protocol (Scope 2)

	2019	2020
Indirect energy-related GHG emissions (Scope 2) [t CO ₂ e]	294	188
Proportion of total emissions	4,9%	6,1%
Gases included in the calculation; either CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	all	all
Total [t CO ₂ e]	5.991	3.081

2019 was selected as the base year. For this year, comprehensive environmental key figures were collected and environmental indicators were calculated for the first time.

PERFORMANCE INDICATOR GRI SRS-305-3: OTHER INDIRECT GHG EMISSIONS (SCOPE 3)

The reporting organization must disclose the following information:

- A** *Gross volume of other indirect GHG emissions (Scope 3) in metric tons (CO₂ equivalents).*
- B** *If applicable, the gases included in the calculation; either CO₂, CH₄, N₂O, FKW, PFKW, SF₆, NF₃ or all.*
- C** *Biogenic CO₂ emissions in tons (CO₂ equivalent).*
- D** *Categories and activities related to other indirect GHG emissions (Scope 3) included in the calculation.*
- E** *The base year selected for the calculation, if any, including:*
 - I.** *The rationale behind this choice*
 - II.** *The emissions in the base year*
 - III.** *The context for any significant changes in emissions that led to the recalculation of the base-year emissions.*
- F** *Source of the emission factors and values used to calculate the Global Warming Potential (GWP) or a reference to the GWP source.*
- G** *The applied standards, methodologies, assumptions, and/or calculation tool.*

GHG emissions in accordance with the GHG Protocol (Scope 3)

	2019	2020
Other indirect GHG emissions (Scope 3) [t CO ₂ e]	4.119	1.186
Proportion of total emissions	68,7%	38,4%
Gases included in the calculation; either CO ₂ , CH ₄ , N ₂ O, FKW, PFKW, SF ₆ , NF ₃ or all	all	all
Total [t CO ₂ e]	5.991	3.081

2019 was selected as the base year. environmental indicators were calculated for the first time. For this year, comprehensive environmental key figures were collected and

PERFORMANCE INDICATOR GRI SRS-305-5: REDUCTION OF GHG EMISSIONS

The reporting organization must disclose the following information:

- A** *Scope of the reduction in GHG emissions as a direct result of emissions reduction initiatives, in metric tons (CO₂ equivalents).*
- B** *Gases included in the calculation; either CO₂, CH₄, N₂O, FKW, PFKW, SF₆, NF₃ or all.*
- C** *Base year or basis/reference, including the rationale behind this choice*
- D** *Categories (scopes) in which the reduction occurred; whether in direct (Scope 1), indirect energy-related (Scope 2), and/or other indirect (Scope 3) GHG emissions.*
- E** *The applied standards, methodologies, assumptions, and/or calculation tool.*

GHG emissions by Horváth & Partner GmbH in accordance with the GHG Protocol

	2019	2020	DEVIATION
Direct GHG emissions (Scope 1) [t CO ₂ e]	1.579	1.717	+ 138
Indirect energy-related GHG emissions (Scope 2) [t CO ₂ e]	294	188	- 106
Other indirect GHG emissions (Scope 3) [t CO ₂ e]	4.119	1.186	- 2.933
Gases included in the calculation; either CO ₂ , CH ₄ , N ₂ O, FKW, PFKW, SF ₆ , NF ₃ or all	all	all	-
Total [t CO ₂ e]	5.991	3.081	- 2.910

2019 was selected as the base year. For this year, comprehensive environmental key figures were collected and environmental indicators were calculated for the first time. Compared to 2019, we were able to reduce our carbon footprint by 48% in 2020. The reductions were achieved to a lesser extent

in Scope 2 (-36%) and a greater extent in Scope 3 (-71%). In addition to our targeted steps in the areas of Green Mobility, Green Building, and Green Consumption, this can also be explained by the restrictions due to the coronavirus pandemic as well as adjustments to the data quality.



Criteria 14–20 on the Company

Criteria 14–16 on Employee Concerns

/ DNK criterion 14: Workers' rights

The company must explain how it complies with nationally and internationally recognized standards for workers' rights and promotes the participation of employees in the company and in the company's sustainability management process. It must also explain what goals it has set itself in this regard, what results have been achieved so far and any identified risks.

As an employer, it is important to us to secure sustainable economic success and jobs at Horváth. Our employees play a key role in shaping our corporate success. Therefore, we pay particular attention to the protection and welfare of our workforce in the context of responsible corporate governance.

Horváth complies with all labor laws. As a result of our centralized management of human resources in Germany, fundamental German labor standards are also applied to our international locations. We comply with the legislation regarding bogus self-employment, employee leasing, minimum wage, social security obligations, the General Equal Treatment Act (AGG) and the ILO core labor standards. In many areas, Horváth goes far beyond the legal requirements.

Horváth maintains a very intensive and open dialog between its workforce and management. Our employees have the opportunity to voice their concerns and wishes via regular meetings and dialog formats (see 9. Stakeholder participation), and also on account of our open feedback culture based on flat hierarchies. Specifically on the topic of sustainability, an internationally acces-

sible suggestion system is available on the intranet through which our employees can contribute ideas for sustainable changes at Horváth.

To ensure the health and well-being of our employees, we are committed to a wide range of occupational safety measures. These are based on the analysis and identification of workplace risks. Through annual, mandatory occupational safety training we inform our employees about healthy behavior in the office, at our customers' sites, and during mobile working. In addition to our safety officer, specialist external service providers support us in the continuous further development of our occupational health and safety concept. This applies, for example, to measures relating to ergonomically designed workplaces, a healthy indoor climate, optimal lighting, fire protection, accident prevention and first aid. Specific measures and targets for the coming years are derived from annual analyses and results reports. In the coming year, for example, we plan to compare and optimize different sites in terms of their working conditions. The regular risk assessments will also be rolled out on a wider basis.

The fact that our measures are working is also shown by the fact that we have repeatedly been named as a top employer in recent years and our employees actively recommend us as a particularly good employer. We are regularly rated as a top employer by students and graduates in the Universum rankings, making us one of the most popular employers in Germany. The Trendence Institute conducts surveys of students and (young) profession-

als to determine their preferred employers – and regularly commends us as one of the most attractive employers in the field of economics and the consulting sector. We have been awarded the "TOP COMPANY" seal by kununu due to our especially positive ratings by current and former employees. We have also received the "OPEN COMPANY" seal for our willingness to engage in dialog when dealing with evaluations.

/ DNK criterion 15: Equal opportunities

The company must disclose how it implements processes nationally and internationally, as well as its goals to promote equal opportunities and diversity, occupational health and safety, co-determination, integration of migrants and people with disabilities, appropriate pay, and a healthy work-life balance, as well as how it implements these aspects

At Horváth, diversity, fairness, and respect for one's fellow human beings are fundamental components of our corporate DNA, which are promoted internally and explicitly demanded of our employees in our Code of Conduct. These values are also reflected in our awareness-raising measures for gender-equitable language. We understand diversity and different perspectives as a strategic success factor that help us better meet the needs of our customers. Our employees also have individual backgrounds and life situations that, as an employer, we want to take into account.

Becoming parents or suddenly having to care for relatives – a wide variety of personal situations can bring about major personnel changes. Sometimes

these also require a quick and unbureaucratic solution. Which is why we are committed to creating sufficient freedom for our employees in a variety of ways.

Whether via tailored work and part-time models, projects close to home, a temporary assignment of tasks or a transfer to our internal functional areas, we support our employees in successfully balancing their private and professional lives. In addition, Horváth supports its employees with the help of a professional service provider that helps them find (emergency) childcare, domestic help as well as nursing and senior care services.

The effectiveness of our diversity measures has not been systematically monitored to date, and no specific targets

have yet been defined to increase equal opportunities. In the future, we intend to increase the proportion of women in the workforce and in management positions in a structured way. Under the motto "Attract, develop and retain female talent," we have therefore set ourselves the goal of increasing the proportion of female talent among our workforce as part of our Strategy 2030. Our new diversity concept aims to increase the proportion of women in consulting to 33% by 2030. Horváth has launched various initiatives to ensure that we are also an attractive employer for women.

With Parents@Work, we offer our employees a forum with a specific focus on their needs on the topic of parental leave and parenthood. In addition to receiving assistance and tips for parental leave, all participants regularly exchange information with each other. Our colleagues remain in close contact with Horváth during their parental leave and jointly organize their own return to work.

Our Women@Horváth network accompanies and supports our female colleagues in shaping their individual career paths and increasing their visibility in the market. Within the network, they exchange ideas, learn from each other, provide important ideas for our organization and actively help shape Horváth's future.

Our salary and promotion processes are objective, structured, and based solely on the performance and competence of our employees. In addition, Horváth is attempting to identify and close any pay gaps between women and men as part of the German Transparency in Wage Structures Act ("Entgelttransparenzgesetz"). In recent years, we have responded to a total of 17 inquiries from colleagues on the topic of equal pay, and the results have shown that there are no differences in pay between men and women at Horváth. Furthermore, an analysis of the promotion rate has also shown that men and women at Horváth also have equal opportunities when it comes to career planning.

Equal pay inquiries

	2019/20	2020/21
Inquiries relating to the Transparency in Wage Structures Act	6	11
Identified salary differences (gender pay gaps)	0	0

The company must disclose which goals it has set and measures it has taken to promote employability, i.e., the ability of all employees to participate in the working and professional world, and to adapt to it in view of demographic developments, as well as any identified risks.

The shortage of skilled workers is a key risk for us. Highly qualified and extremely well-trained employees are the key to offering our customers added value and building long-term customer relationships. Through our diverse training and development programs, we support the long-term employability of our employees and negate potential risks in the area of skills development. Particularly in the dynamic day-to-day business of consulting, there is a risk of training and further qualification being put on the back burner in favor of customer projects. For this reason, our People Partners take care of our employees and support them in terms of their professional and personal development in accordance with our internal guidelines.

The Horváth training concept offers our employees an attractive and future-oriented curriculum that we are continuously developing. It serves as a guideline and recommendation for multi-year and systematic competence development for our employees. Based on the individual competence profile and hierarchy level of our employees, development areas are identified and expanded through our Corporate Curriculum training measures and self-learning resources. The Corporate Curriculum modules are

supplemented with learning on the job and self-learning resources to achieve optimum learning outcomes and promote a professional approach to work.

Our training measures focus on the competence areas of Sales Excellence Skills, Delivery Excellence Skills, Leadership Skills, Consulting Skills, Professional Skills and Corporate Skills. Our training program includes language courses and training in digitalization, as well as methodological and project management skills. Learning pathways are available for all hierarchy levels, including customized blends of webinars, on-site training, and e-learning.

However, we also invest in the development of our employees beyond our internal programs. Through the Horváth Scholarship Program we support master's degrees, MBA degrees and doctorates.

We have set ourselves the goal of offering every Horváth employee the optimal professional development and qualification opportunities. More specific goals in the area of education and training will be defined in 2022.

PERFORMANCE INDICATOR GRI SRS-403-9: WORK-RELATED INJURIES

The reporting organization must disclose the following information:

- A** *For all employees:*
 - I. Number and rate of fatalities due to work-related injuries*
 - II. Number and rate of work-related injuries with serious consequences (excluding fatalities)*
 - III. Number and rate of documentable work-related injuries*
 - IV. The main types of work-related injuries*
 - V. The number of hours worked*
- B** *For all staff members who are not salaried employees but whose work and/or workplace is controlled by the organization:*
 - I. Number and rate of fatalities due to work-related injuries*
 - II. Number and rate of work-related injuries with serious consequences (excluding fatalities)*
 - III. Number and rate of documentable work-related injuries*
 - IV. The main types of work-related injuries*
 - V. The number of hours worked*

Items C - G of Indicator SRS 403-9 can be taken from GRI accordingly and reported here voluntarily.

PERFORMANCE INDICATOR GRI SRS-403-10: WORK-RELATED ILLNESSES

The reporting organization must disclose the following information

- A** *For all employees:*
 - I. Number and rate of fatalities due to work-related illnesses*
 - II. Number of documentable work-related illnesses*
 - III. The main types of work-related illness*
- B** *For all staff members who are not salaried employees but whose work and/or workplace is controlled by the organization:*
 - I. Number of fatalities due to work-related illnesses*
 - II. Number of documentable work-related illnesses*
 - III. The main types of work-related*

Items C - E of Indicator SRS 403-10 can be taken from GRI accordingly and reported here voluntarily.

During the reporting period, there were no fatalities due to work-related injuries, nor were there any work-related injuries with serious consequences. In 2020, there was only one occupational accident. In this case, the accident was

the result of tripping. In the DACH region and Middle East, each employee took an average of 3.5 sick days in 2020. Beyond this, we have no further information regarding work-related illnesses.

PERFORMANCE INDICATOR GRI SRS-403-4: EMPLOYEE PARTICIPATION ON OCCUPATIONAL HEALTH AND SAFETY

The reporting organization must disclose the following information pertaining to staff members who are not salaried employees but whose work and/or workplace is controlled by the organization:

- A** *A description of the procedures for employee participation and consultation in the development, implementation, and performance evaluation of the occupational health and safety management system and for providing access to and communicating relevant occupational health and safety information to employees*
- B** *If there are formal employer-employee committees dealing with occupational health and safety, please add the following information: a description of their responsibilities, the frequency of their meetings, their decision-making authority, and if applicable, whether employees are represented on these committees (and if not, the reasons for this).*

- | | |
|--|---|
| <p>1. Across all locations, our employees are involved in our occupational health and safety management system as first aiders, fire protection assistants and safety officers. All employees also receive annual training on occupational health and safety.</p> <p>2. Regular occupational safety committee meetings ("ASA" meetings) are held at all sites. These take place up to four times per year.</p> | <p>During these meetings, injuries and accidents are recorded and measures discussed to ensure the health and safety of all employees in the workplace. In the ASA meetings at the company's headquarters in Stuttgart, all central topics such as risk assessments, fire protection regulations, safety training and electrical equipment testing are discussed and planned for all locations.</p> |
|--|---|

PERFORMANCE INDICATOR GRI SRS-404-1 (SEE G4-LA9): NUMBER OF HOURS OF EDUCATION AND TRAINING

The reporting organization must disclose the following information:

- A** *Average number of hours spent on training and development by an organization's employees during the reporting period, broken down by:*
 - I.** *Gender*
 - II.** *Employee category*

At the present time, it is not possible for us to report this key figure at the system level.

PERFORMANCE INDICATOR GRI SRS-405-1: DIVERSITY

The reporting organization must disclose the following information:

- A** *Percentage of individuals within the organization's governing bodies in each of the following diversity categories:*
- I. Gender*
 - II. Age group: under 30 years old, 30–50 years old, over 50 years old*
 - III. Other diversity indicators as appropriate (such as minorities or vulnerable groups)*
- B** *Percentage of employees per employee category in each of the following diversity categories:*
- I. Gender*
 - II. Age group: under 30 years old, 30–50 years old, over 50 years old*
 - III. Other diversity indicators as appropriate (such as minorities or vulnerable groups)*

Gender diversity category (2020)

	MEN	WOMEN
Managing board	100%	0%
Managers	72,2%	27,8%
Total workforce	59,3%	40,7%

Age diversity category (2020)

	< 30 YEARS OLD	30 - 50 YEARS OLD	> 50 YEARS OLD
Managing board	0%	0%	100%
Managers	1,1%	77,9%	21%
Total workforce	28,8%	61,3%	9,9%

PERFORMANCE INDICATOR GRI SRS-406-1: INCIDENTS OF DISCRIMINATION

The reporting organization must disclose the following information:

- A** *Total number of incidents of discrimination during the reporting period.*
- B** *Status of the incidents and actions taken with respect to the following:*
 - I.** *Incidents reviewed by the organization*
 - II.** *Implemented remediation action plans*
 - III.** *Implemented remediation action plans whose results have been evaluated via a routine internal management review process*
 - IV.** *Incidents no longer subject to remedial measures or lawsuits.*

There were no reported incidents of discrimination during the reporting period.



Criterion 17 on Human rights

/ DNK criterion 17: Human rights

The company must disclose which measures, strategies, and objectives are in place for the company and its supply chain in order to ensure that human rights are respected worldwide and that forced and child labor as well as any form of exploitation are prevented. The results of the respective measures and any risks must also be addressed in this context.

As a signatory of the UN Global Compact, Horváth is committed to respecting human rights: On the one hand, we want to support and respect the protection of international human rights. At the same time, we aim to ensure that we are not complicit in any human rights abuses.

our products are sourced from Europe, where human rights risks tend to be lower. For the disposal of our IT and mobile devices, we work with AfB, which ensures that our electronic products are recycled properly and do not exacerbate social problems in the Global South as electronic waste.

"We support and respect the protection of international human rights."

Risks with regard to human rights arise mainly from global supply chains. Many of our sites are located in Western Europe, where our procurement process has a strong regional focus. Most of

In order to ensure that human rights are upheld as a top priority beyond our European locations, we are currently working on an internationally valid Supplier Code of Conduct for all our existing and future suppliers. This is planned to come into force in 2022 and, in addition to ethical standards, environmental protection and compliance, it will also address working conditions and human rights as central topics.

PERFORMANCE INDICATOR GRI SRS-412-3: HUMAN RIGHTS SCREENING OF INVESTMENT AGREEMENTS

The reporting organization must disclose the following information:

- A** *Total number and percentage of significant investment agreements and contracts that include human rights clauses or that have been screened for human rights aspects.*
- B** *The definition used for "significant investment agreements"*

With the exception of investments in its subsidiaries, Horváth does not make any investments in financial assets or other capital assets.

PERFORMANCE INDICATOR GRI SRS-412-1: HUMAN RIGHTS SCREENING OF OPERATING SITES

The reporting organization must disclose the following information:

- A** *Total number and percentage of operations that have undergone human rights screening or human rights impact assessments, by country.*

All our sites are governed by our internationally valid Code of Values, which contains no loopholes that permit human rights violations. We therefore do not currently audit our sites for compliance with human rights.

PERFORMANCE INDICATOR GRI SRS-414-1: SCREENING OF NEW SUPPLIERS ON THE BASIS OF SOCIAL CRITERIA

The reporting organization must disclose the following information:

- A** *Percentage of new suppliers evaluated on the basis of social criteria.*

To date, our new suppliers have not been evaluated on the basis of social criteria. This is planned as part of the implementation of a supplier management and evaluation process.

PERFORMANCE INDICATOR GRI SRS-414-2: SOCIAL IMPACT WITHIN THE SUPPLY CHAIN

The reporting organization must disclose the following information:

- A** *Number of suppliers screened in terms of their social impact.*
- B** *Number of suppliers identified as having a significant actual and potentially negative social impact.*
- C** *Significant actual and potential negative social impacts identified in the supply chain.*
- D** *Percentage of suppliers for which a significant actual and/or potentially negative social impact has been identified and with which improvements have been agreed as a result of the assessment.*
- E** *Percentage of suppliers identified as having a significant actual and/or potentially negative social impact and with whom, as a result, the business relationship was terminated, as well as the reasons for this decision.*

Our suppliers were not assessed in terms of their social impact during the reporting period. In accordance with GRI SRS-414-1, this is planned in the medium to long term.

Criterion 18 on Social Issues/Community

/ DNK criterion 18: Community

The company must disclose how it contributes to the local community in the regions where it conducts significant business activities.

Horváth fulfills its social responsibilities through financial support and through active participation in the form of pro bono projects.

We devote some of our time to supporting organizations that have set themselves the goal of improving the opportunities for our fellow human beings to be independent in the future and lead a self-determined life in the long term.

We have had permanent partner organizations in the area of donations and pro bono activities for several years: For example, through donations and pro bono consulting we support the Joblinge project in Stuttgart, which helps young people with a difficult start in life to secure an apprenticeship and integrate into the labor market in the long term.

We also regularly donate to the organization "Friends of Bobbi Bear e.V.", which was founded by a former colleague and supports "Operation Bobbi Bear," an initiative that cares for abused children in South Africa; for example, by providing them with accommodation in a safe house as well as medical and psychological care.

Via our Austrian location, we have entered a partnership with "Light of Love", a non-profit association that finances educational projects in Northern India, where Horváth currently supports a private school for disabled children in Varanasi.

Through our collaboration with AfB, we are supporting an inclusive company that promotes the inclusion of people with physical and mental disabilities in the workplace.

Furthermore, Horváth maintains long-term partnerships with 20 selected colleges and universities. On the one hand, we support universities and

colleges financially, e.g., by sponsoring the graduation party organized by the graduates' association Adkus e.V. at the University of Stuttgart, via a donation to JCNetwork, the umbrella organization of student management consultancies, and by sponsoring Enactus at KIT and two Germany scholarships for the ProTalent program at WWU Münster.

On the other hand, we enable students to experience the world of work in a consulting company and gain some initial practical experience through case studies.

In addition to our ongoing partnerships, Horváth regularly supports other social organizations and institutions that fit our values. In 2020, for example, our Christmas donation supported Visions for Children e.V., Angelmann e.V. and the Musikhochschule Stuttgart. As an international company with regional roots, we support globally active organizations as well as local institutions.

Performance indicators for Criterion 18

PERFORMANCE INDICATOR GRI SRS-201-1: DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The reporting organization must disclose the following information:

- A** *The pro rata direct economic value generated and distributed, including the basic components of the organization's global operations, as set forth below. If data is presented as an income-expense statement, the rationale for this decision must be disclosed in addition to the following basic components:*
 - I.** *Direct economic value generated: Revenues*
 - II.** *Distributed economic value: Operating costs, employee wages and benefits, payments to capital providers, payments to the state broken down by country, and investments at the municipal level*
 - III.** *Retained economic value: "Direct economic value generated" less "Economic value distributed"*
- B** *The economic value generated and distributed must be stated separately at the national, regional, and market level (where significant), and the criteria used to determine its significance must be stated.*

In fiscal year 2019/2020, Horváth & Partner GmbH's sales revenues amounted to EUR 156 million, and to EUR 141 million in fiscal year 2020/2021.

Criteria 19–20 on Compliance

/ DNK criterion 19: Political influence

All material submissions aimed at influencing legislative procedures, all entries in lobby lists, all material payments of membership dues, all contributions to governments, and all donations to political parties and politicians must be disclosed on a country-specific basis.

As a neutral consulting firm, Horváth is not involved in legislative processes and does not make any submissions aimed at influencing them. In addition, we do not make any party donations

and do not exercise any political influence through membership in politically active organizations.

/ Performance indicators for Criterion 19

PERFORMANCE INDICATOR GRI SRS-415-1: DONATIONS TO POLITICAL PARTIES

The reporting organization must disclose the following information:

- A** *The total monetary value of its party donations in the form of financial contributions and in-kind contributions made directly or indirectly by the organization, broken down by country and recipient/beneficiary.*
- B** *If applicable, how the monetary value of in-kind contributions was estimated.*

No donations to political parties are made in the form of financial contributions or in-kind contributions.

DNK criterion 20: Compliance with laws and regulations

The company must disclose which measures, standards, systems, and processes are in place to prevent illegal conduct and, in particular, corruption, as well as how they are reviewed, what the results are, and where the risks lie. It must explain how corruption and other violations of the law are prevented, detected, and sanctioned within the company.

Our Compliance Guidelines, Code of Conduct, and adherence to all statutory regulations are at the core of our understanding of good corporate governance. They are controlled and monitored at the highest level by our CFO. All employees are made aware of the contents of these guidelines.

For Horváth, the protection of the personal data of our customers, suppliers, business partners, applicants, and employees is an important issue. It forms the basis for trust-based business relationships and safeguards the company's reputation. Our data protection coordinators and data protection officers ensure the best possible protection of the data provided to us. All members of our data protection team are listed on a central intranet page so that our employees can reach out to them directly and easily if they have any questions. All employees are required to participate in annual data protection training. Participation is mandatory and is monitored at the end of each year.

Data privacy breaches and unauthorized access to data represent significant risks to our business activities. Therefore, Horváth has developed structured processes to ensure that the data provided to us is optimally protected. In principle, these processes are governed by our Privacy Policy and the associated sub-policies. In addition to a standard process for handling personal data, both our privacy statements and our suppliers' compliance with data protection requirements are audited. We believe that mobile working and the security of sensitive data must not be mutually exclusive. A special guideline

therefore regulates the protection of data in the world of mobile working. An annual data protection report that includes an assessment by our external data protection officer identifies any gaps and potential for improvement. In general, Horváth's approach to data security and our implemented data protection concept is closely aligned with our customers' wishes and meets the requirements of our most demanding customers.

Due to the rapidly changing requirements and opportunities, we set ourselves new goals in the area of data protection every year. Our data protection officers monitor the achievement of these goals and help to define new goals and measures.

Our Compliance Guidelines explain how corruption is avoided at Horváth. Horváth employees must refrain from any form of corruption. As a matter of principle, they must ensure that no customers, potential customers or other third parties receive items of value or offers/promises aimed at conferring an economic advantage. Similarly, Horváth employees do not accept any benefits from our suppliers, cooperation partners, or existing/prospective customers. Clear rules also exist regarding hospitality and gifts. Our goal is to consistently comply with all applicable laws and standards and to prevent conflicts of interest and cases of corruption.

Horváth regularly reviews its adherence to our Compliance Guidelines and the functionality of our reporting system. Regular evaluations serve to identify potential compliance risks and initiate measures to avoid or reduce them.

PERFORMANCE INDICATOR GRI SRS-205-1: AUDITING OF PRODUCTION SITES WITH REGARD TO CORRUPTION RISKS

The reporting organization must disclose the following information:

- A** *Total number and percentage of operating sites audited for risks related to corruption.*
- B** *Significant corruption risks identified in the risk assessment.*

All our sites are governed by our Code of Values and our Compliance Policy, which clearly prohibit corruption. For this reason, we currently do not audit our operating sites for risks related to corruption.

PERFORMANCE INDICATOR GRI SRS-205-3: INCIDENTS OF CORRUPTION

The reporting organization must disclose the following information:

- A** *Total number and type of confirmed incidents of corruption.*
- B** *Total number of confirmed incidents in which employees were dismissed or admonished for corruption.*
- C** *Total number of confirmed incidents of termination or non-renewal of contracts with business partners due to corruption-related violations.*
- D** *Public legal proceedings related to corruption initiated against the organization or its employees during the reporting period, and the results of such proceedings.*

A There were no reported incidents of corruption during the reporting period.

B In the reporting period, there were no confirmed incidents in which employees were dismissed or given warnings due to corruption.

C In the reporting period, there were no confirmed incidents in which contracts with business partners were terminated or not renewed due to corruption-related violations.

D There were no public law proceedings relating to corruption in the reporting period.

PERFORMANCE INDICATOR GRI SRS-419-1: NON-COMPLIANCE WITH LAWS AND REGULATIONS

The reporting organization must disclose the following information:

- A** *Substantial fines and non-monetary sanctions due to non-compliance with laws and/or regulations in the social and economic spheres, namely:*
 - I.** *The total monetary value of significant fines*
 - II.** *The total number of non-monetary sanctions*
 - III.** *Cases brought forward in the context of dispute resolution proceedings.*

- B** *If the organization has not identified a case of non-compliance with the law and/or regulations, a brief statement of this fact is sufficient.*

- C** *The context in which significant fines and non-monetary sanctions were imposed.*

No fines were imposed by regulatory authorities in the reporting period.

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