
For the period 2020-2022

Communication on Progress

As part of 4flow's participation
in the United Nations Global Compact

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Foreword from the CEO

In January 1999, the then secretary general of the United Nations, Kofi Annan, asked international companies to commit to a social and ecological world economy. From this plea the Global Compact initiative was developed, a framework and exchange platform for businesses that are committed to their responsibility for a social and ecological world economy, peace, and prosperity. The UN Global Compact is based on ten principles, derived from the Universal Declaration of Human Rights, which are to be followed and promoted.

4flow AG, along with its subsidiaries and office locations on four continents, is a leading provider of consulting, software and services for logistics and supply chain management and shares Kofi Annan’s vision. The principles the UN Global Compact is based upon are an integral part of our company culture and policy. 4flow joined the UN Global Compact in 2006. Our focus lies on the ecological design of supply networks, the respectful and equal treatment of our team members, and a commitment to anti-corruption practices.

I am sincerely happy to present the details and results of our endeavors in the past years.

Kai Althoff
Chief Executive Officer, December 2022, Berlin, Germany

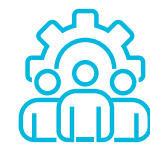


About 4flow

Successful businesses constantly adjust their supply chains to fit new circumstances. 4flow is the ideal partner for overcoming challenges associated with change. The unique business model at 4flow allows us to provide custom solutions for our clients.



Supply chain
consulting



Supply chain
services



Supply chain
software

4flow's success is based on our extensive supply chain expertise, IT know-how and innovation. With this cross-functional competency, we are able to meet and exceed the highest standards of quality and innovation.



1000+

team members
globally

300+

projects annually
around the world

400+

customers
globally

20+

offices in Europe,
Asia, North America
and South America

100%

management-
owned

2000

year of foundation



"4flow consulting supports businesses in the field of logistics and supply chain management - all the way from developing a strategy to its implementation."

Andreas Kick, COO, 4flow

4flow consulting

4flow consulting offers one-stop management consulting, concept development and implementation support for logistics and supply chain management. To conduct more than 150 projects for large and medium-sized enterprises each year, our consultants are available on 5 continents in more than 40 different countries. Typical 4flow consulting project results include cost reduction, more efficient processes, and improved service.

Optimal consulting - from strategy to implementation

4flow consulting is characterized by strength in strategy making and execution, and a process- and implementation-based way of doing things. Processes, structures, and systems are examined and optimized across functions with 4flow consulting, the result of which is measurable success for our customers.

Providing the best solution for every customer is 4flow consulting's utmost priority. As every customer and project is unique, custom-made solutions are part of what we do. In our work, we rely on tried and tested methods and on innovative approaches.

We consider processes from an end-to-end perspective

Successful solutions require a holistic approach to consulting. 4flow consulting relies on its professional competence, industry expertise and extensive experience. Our consultants are supply chain experts with management qualifications, solid communication skills and extensive training. A close partnership with the customer's team right from the start is important to us in order to ensure a sustainable solution.



"With state-of-the-art technology and sophisticated optimization algorithms, 4flow software solutions deliver sustainable, optimized results that increase the efficiency, robustness and transparency of our customers' supply chains globally."

Christian Nieters, Executive Vice President, 4flow

4flow software

4flow software supports global businesses of all sizes to solve diverse challenges in supply chain network and transportation optimization. With end-to-end optimization from strategy to operations, our approach is suitable for the most complex supply chain and transportation environments.

We put our expertise to work to solve your challenges in network design, transportation management and transportation planning throughout the entire supply chain.

4flow focuses on the sustainable optimization of our customers' supply chains in terms of costs, delivery capability and environmental impact.



"As a neutral 4PL, 4flow management reduces supply chain costs and increases network performance."

Julian Schulcz, COO, 4flow

4flow management

4flow management is an optimization specialist for logistics networks and global supply chains. With our value- and process-oriented managed services, we enable a significant reduction in transportation and management costs while increasing service level and performance.

Cost- and process optimized transportation management

As a neutral non-asset based provider, we find the best solution for each customer in any given situation at optimal cost. Businesses quickly benefit from working with 4flow management, which allows them space to concentrate on their own core competencies. In addition to reduced costs, our customers achieve the greatest possible transparency in their networks and more flexibility in their supply chains.

Seasoned 4PL experts in supply chain consulting, supply chain services, and IT optimize networks and transportation on a continuous basis - thereby helping customers flexibly adapt to changing conditions. In this way, 4flow management achieves improvements sustainably - as well as through the continuous development of processes and systems. 4flow management supports internationally operating customers with its regional and global market knowledge from its global 4flow locations.

The 4flow vision

Our products set new standards worldwide for the design of corporate networks. We achieve our goals by encouraging excellence, offering a wide range of personal development opportunities, and promoting a corporate culture of mutual respect and transparency.



The 4flow values



Strong customer-driven focus

We judge our performance based on our customers' feedback. Products and services from 4flow provide real benefits. We aim to exceed customer expectations. 100% customer satisfaction - that is our priority.



Excellence

Everything we do is of exceptionally high quality. Everyone at 4flow demonstrates proven expertise combined with exceptional communication skills, commitment, and professionalism. We measure excellence by looking at the results. Learning new things and exchanging ideas lead to the excellence of the individual, the team, and the company as a whole.



Respect

Our conduct and attitude towards our colleagues are characterized by respect, tolerance, courtesy, and recognition. A culture of trust and individuality are key factors contributing to our success as a company.



Sustainability

We think, make decisions, and take action with the present and the future in mind. Everyone at 4flow looks at the big picture. We believe in organic growth and having fun while we grow.

Principles of the Global Compact

The Communication on Progress, which was introduced in 2004, is a yearly publication in which businesses provide information about their efforts to implement the 10 principles of the UN Global Compact.

As a member of the UN Global Compact, 4flow is committed to reporting its progress towards the implementation of these principles, as well as its activities to support sustainable development. We address this report to stakeholders, business partners, customers and suppliers, public organizations and government officials.

Human rights, labor standards, environment and anti-corruption

The Global Compact asks member companies to recognize, support and implement a number of principles within their sphere of influence. These principles are related to human rights, labor standards, the environment and anti-corruption.



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.



Labor standards

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 labor;

Principle 5

the effective abolition of child labor; 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.

With its headquarters in Germany, 4flow is continuing its internationalization with locations in Europe, Asia, and North and South America. 4flow respects and upholds the principles related to the abatement of human rights violations (principles 1 and 2), forced labor (principle 4) and child labor (principle 5). Additionally, our focus lies on the ecological design of logistics networks (principles 7 and 8) and the respectful treatment of our team members (principle 6). Due to 4flow's business model, the development and dissemination of environmentally friendly technologies (principle 9) is limited to supply chain software. Moreover, 4flow deals with partners and customers decidedly against corruption (principle 10).

Respect as a key to success

Principle 6: Eliminate discrimination in respect of employment and occupation

One of our fields of action is the respectful treatment of our team members. In order to attain this aim we have introduced and continued with several measures in the reporting period.

Committed to our values

The 4flow leadership guide, titled “Leadership at 4flow”, was first presented to all supervisors and team members of 4flow in 2009. It describes and explains the corporate vision, values, culture, leadership goals and principles as well as basics of personnel management at 4flow. In times of company growth and a turbulent economic environment, these values convey stability by explicitly expressing 4flow’s commitment to these cornerstone principles. All of 4flow’s managers jointly authored the 4flow leadership guide.

In addition, 4flow’s corporate values and corporate vision are presented on the office walls at all locations and openly visible to all team members and guests. In addition to customer orientation, excellence, and sustainability, respect is also firmly established as a 4flow corporate value. The following statement conveys how we treat clients, partners, and service providers: “Our conduct and attitude toward our colleagues are characterized by respect, tolerance, courtesy and recognition. A culture of trust and individuality are key factors contributing to our success as a company.” Thanks to 4flow’s fast growth in recent years, revisions to the Leadership at 4flow guide were necessary, and it is currently being updated. Even if the principles of 4flow’s company culture have not changed, this new edition serves to integrate all of our international locations, as well.

Anti-discrimination clause in the employment contract

Each 4flow employment contract contains an anti-discrimination clause obliging the employees to renounce any form of discrimination of clients or team members based on ethnic origin, gender, religion or creed, disability, age or sexual orientation. If an employee becomes aware of a case of discrimination at 4flow, they can inform the 4flow leadership team immediately, which would then take proper and immediate action.

Multi-dimensional evaluation system

The evaluation and promotion process at 4flow is based on multiple evaluations, made by different project leaders and executives, which are then discussed and reflected upon by all managers on an annual basis. An initial performance review takes place four months after a new employee is hired, and evaluations are carried out twice a year thereafter. Both the employee’s and the manager’s performance are considered; the bottom-up feedback system at 4flow provides an additional structure for constructive expression of opinion. The salary model at 4flow comprises a clearly defined pay scale for different expertise and hierarchy levels. This assures that team members are paid fairly, based on competence, and without any differences due to gender, ethnic origin, and so forth.



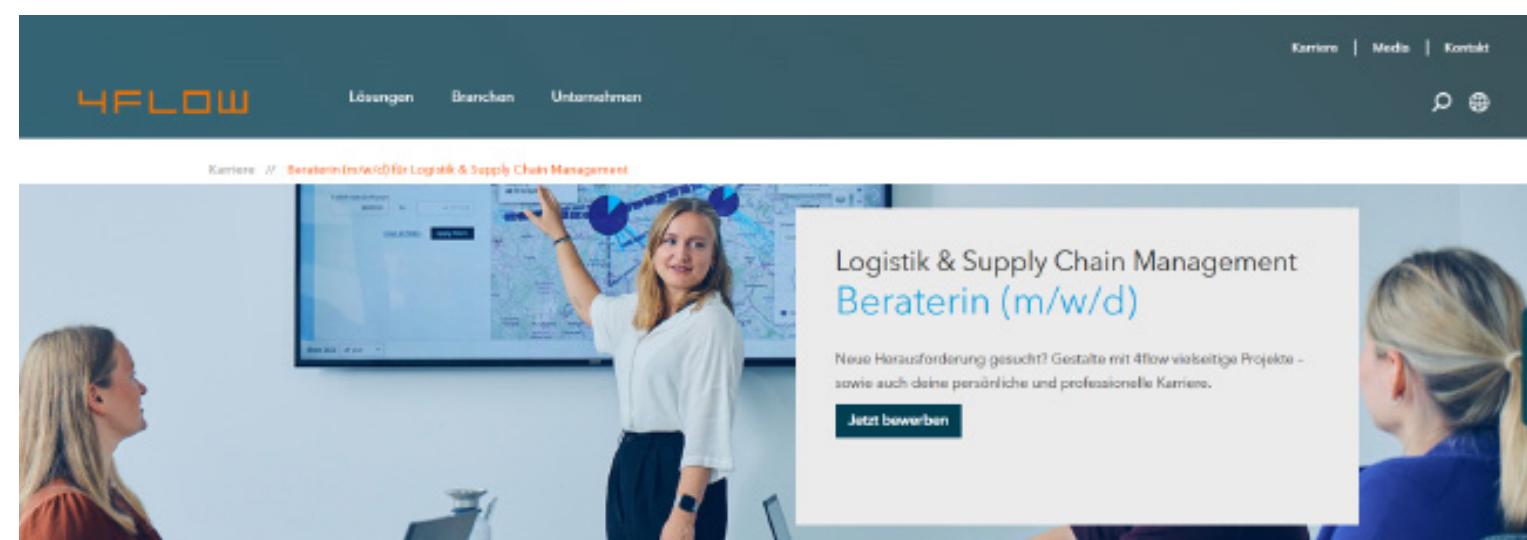
Gender does (not) matter

Principle 6: Eliminate discrimination in respect of employment and occupation

Traditionally, supply chain consulting, software development and supply chain services are fields with a rather low percentage of women. We therefore strive for a higher number of women at our company and in leadership positions.

A multi-stage recruiting process...

The recruiting process at 4flow has two aims: one is to check the candidate's professional expertise and how well they fit to the company, and the other is to demonstrate the 4flow vision in action as of the candidate's very first contact with 4flow. Employee retention at 4flow begins with recruiting - we work to select the right candidates through a multi-stage recruiting process led by the Human Resources department. At least four team members are involved in this process. An in-depth exchange with managers from the corresponding business unit assures that the candidate's expertise and his or her cultural fit to the company are thoroughly evaluated. Only after a unanimous decision does the candidate receive a job offer.



...involving women in the recruitment process

In order to increase the number of women at the company, 4flow employs targeted measures in the recruiting process. The textual and visual design of our job advertisements is designed to appeal to women in particular. During the multi-stage recruiting process, we make sure that at least one female employee from the business unit that is hiring is involved. This helps show that supply chain consulting, software development and supply chain services are vocational fields equally suited to all genders.

Combining a career, family, and personal development

4flow is particularly mindful of its employees' needs - we support individually tailored work schedules in order to promote a healthy balance of career, family, and personal development.

Remote work, individually configurable working models (e.g., sabbatical or part-time work) and a free choice of offices within Germany are offered to the great majority of team members.

New parents are welcome to introduce their new family member to colleagues, and they enjoy a seamless reintegration to working life after their leave. To facilitate this transition, 4flow created a specially designed, child-friendly office at its Berlin headquarters.





Supporting the next generation

Because it's never too early to help young people become qualified professionals, 4flow is involved in various youth programs.

4flow offers paid internships to support future professionals in choosing their careers. As part of the company's participation in the Fair Company initiative, 4flow ensures the implementation of rigorous quality standards when it comes to employing interns. In accordance with the Fair Company rules, 4flow offers interns clearly defined and appropriate tasks, a dedicated point of contact, and fair compensation, among other benefits. Voluntary internships at 4flow last no longer than six months and do not serve to replace full-time positions. University graduates who have applied for permanent employment are not offered internships as a substitute.

University students also have the opportunity to be a significant part of our internal processes; they actively participate in projects while they write their master's research papers, and some work with us while attending college. Many of our student team members begin working at 4flow as regular team members after they finish their university education.

As a certified workplace training institution, 4flow also employs trainees and supports their development.

Quality management

4flow would not be able to succeed without its team members - they are the most valuable aspect of the company, which is why 4flow strives for a high level of staff retention. The cultivation of an open and respectful culture of communication and the continuous improvement of hard and soft skills of all team members are important components of the ISO 9001:2015 quality management system that 4flow introduced in 2016. In doing so, 4flow hopes to further optimize its overall corporate performance by continually measuring its organizational, professional and technical processes against certified standards of quality.



The success of our human resources policy

Principle 6: Eliminate discrimination in respect of employment and occupation

High percentage of women

The overall percentage of women at 4flow is 40.79 percent. 28.8 percent of supervisors at 4flow are female.



Satisfied team members

In 2022, 4flow and Mercer, an internationally active consultancy, surveyed a digital focus group made up of 379 4flow team members. 95 percent of participants would recommend 4flow to friends or family as an employer – 15 percentage points above Mercer's industry benchmark.

The focus group evaluated the support of 4flow's management as very good, with an average rating of 83.5 percent. Additionally, 88 percent feel they are treated respectfully – regardless of their job profile or title. The majority (84 percent) feel they belong at 4flow.

4flow receives consistently positive feedback on kununu, a platform where employees and former employees can submit anonymous reviews of their employers. Here's what 4flow team members had to say about the company*:

"The working environment in individual teams and between teams is very positive, respectful and trusting."

"A very good environment with great colleagues and exciting tasks. The company is distinguished by a very positive feeling, as a lot is done to ensure employee satisfaction. Absolutely recommended for anyone who wants to get things done!"

"There's one important thing in particular that sets 4flow apart from a lot of other companies: coming back to work after parental leave! The company works with you to set up a flexible working schedule that makes enough room for your professional and family life alike. An extremely rare and much-appreciated aspect of working here."

Developing team members

All employees are contractually entitled to a yearly training budget. 4flow offers its team members a comprehensive professional development program with roughly 40 training sessions per year, in which team members receive additional training for their area of work; of course, there are also education programs to develop employees' individual needs. Employees participate in regular feedback sessions with managers and project leaders to identify potential areas for growth, as well as to outline the next steps in their professional and personal development.

The company also offers a special training program for all supervisors at every 4flow location; the program is aimed at supporting those employees in the context of their staff responsibilities and providing them with an opportunity to develop further. In addition to local trainers, there are always experienced leaders present to help guide program participants. In this way, 4flow is able to ensure the continuity of both its company culture and its management culture. The program also highlights cultural differences in leadership practices in order to optimize each international location's efforts in managerial development.

Sabbatical

Should an employee need to leave the working world for an extended period of time, 4flow is open to granting leaves of absence. Team members and their supervisors work together to develop and implement individualized plans to address when the sabbatical will begin, how long it will last, and how the employee will rejoin the company afterward.

Enthusiastic applicants

Our relationship with our team members begins with the application process, which is why we focus on treating applicants with openness, honesty, and respect. On kununu, 4flow's application process received the following reviews*:

"Extremely professional, challenging from start to finish, but always fair and friendly."

"Fast application process very indicative of how 4flow works, with lots of individual support."

"All in all, I found the process very transparent, as I was always informed about all next steps. The total application process was very quick. I felt the exchange between colleagues was very comfortable: everyone was friendly and took plenty of time to answer my questions. Special highlights are the relaxed atmosphere, the flexible working hours and transparency."

"LinkedIn recruitment followed by a super application process with friendly people and good conversations; fast process."

Healthy team members

Principle 6: Eliminate discrimination in respect of employment and occupation

Meet the doctor –workplace health office hour

As part of company-wide health management at 4flow, an office hour with a trained doctor was offered in Berlin at the end of 2022 to answer all work-relevant health questions. The doctor is available for employees based at all German locations. To make this benefit as appealing as possible, the doctor is available for telephone consultations.

Employee Assistance Program

This comprehensive mental health coaching (Employee Assistance Program, EAP), which 4flow offers together with the Fürstenberg Institute since the end of 2022, is open to all team members. The focus of this program is on individual counseling sessions with qualified counselors who help find solutions to professional, health or personal issues – confidentially and anonymously, of course. Specially trained management consultants are also available for leadership topics.

4flow health

4flow health is our campaign to foster healthy practices in the workplace: active health management has its own budget and is a further part of employee development. It consists of providing information on relevant health topics, free organic fruit and vegetables, water and juice, and ergonomic workspace equipment. 4flow also arranges massage appointments for its employees to help mitigate the physical tension that can result from office work.

Information on relevant health topics

The company physician comes to 4flow's headquarters in Berlin twice a year to share information and guidelines on ergonomic workspace design. Moreover, the HR department informs the team members about different health-related topics several times a year, including presentations on topics like relaxation techniques and healthy running practices. To strengthen their backs and shoulders, employees can also participate in short, free training sessions that cover exercises which can easily be integrated into the workday.

Meet & Eat

Since September 2022, 4flow offers a "Meet & Eat" event in the Berlin office. Team members can register and on the designated day join a group lunch, which is prepared by local caterers (food trucks, buffet-style, etc.) and provided by 4flow. Meet & Eat has a social component, as it provides an opportunity to exchange with other team members and meet new people.

Fruit and tea in the office and to go

In the Berlin office, team members are provided daily breakfast with bread rolls and fruit baskets with organic regional fruit and vegetables. At other locations, teams organize weekly breakfasts, for which 4flow covers the costs.

At customer locations, a representative from each project team provides fruit to their team members. In order to give team members working onsite with customers a healthy alternative to coffee, 4flow provides portable tea sets containing various tea flavors, a kettle and mugs. Fruit and tea are financed using the 4flow health budget.







Feeling comfortable at work

For ergonomic reasons, 4flow health provides all team members working with a laptop with an external keyboard, an additional stand-alone monitor, and - if needed - a laptop stand. These arrangements prevent eyestrain, encourage healthier posture, and consequently facilitate a more comfortable working environment. Improvements to the acoustics of Berlin office spaces have created a peaceful work environment. A relaxation room with a daybed is available in Berlin, giving team members the opportunity to take a break. Rooms for sports and leisure are also available. For team events and breaks, a barbeque has been placed on the terrace and is available to all team members. Additionally, the green space on the terrace is redesigned on an annual basis by a project team initiated by employees.

New Work

As part of a New Work approach established in 2022, 4flow is addressing questions such as: How will we work at 4flow in the future? Where and how do we want to work? What is important for our team members today and in the future? In a survey of all team members, 4flow determined, among other things:

-  Most team members prefer to come to the office 2 or 3 days a week and work elsewhere the rest of the week.
-  More than half of our most important collaborative activities are creative activities.
-  Hybrid work needs to be supported in all forms of work.
-  The office of the future must become a place of community, sharing and collaboration.

The New Work approach will be implemented at all 4flow locations - with different scopes in different offices. First projects included a working café at our location in Budapest and a completely new office in line with New Work principles in Campinas, Brazil.

For 4flow, the New Work concept means building a New Work culture so the 4flow values continue to be lived out. This is ensured by a dedicated team, who develop a vision and share it with all team members.

Remote work

Since 2022, a Remote Work Policy has been in place in Germany, Hungary and the Czech Republic. A vast majority of team members at these 4flow locations can work remotely. This also includes part-time employees, working students, trainees and apprentices. For remote work, each team member is provided with an additional 24" monitor, a wireless mouse and keyboard, and a wireless headset.

Sports activities

At 4flow's Berlin headquarters, employees can engage in sports in the exercise room, which was established for this purpose in 2015. It has mats and fitness equipment for team members. Table tennis and foosball tables are also available. Similar opportunities are available at many other locations.

The 4flow team is encouraged to take part in different sports events. The most popular one is 4flow running. Team members meet not only for competitions such as company fun runs at various locations, but also engage in regular training that contributes to a healthier lifestyle. In addition to t-shirts for the fun runs, 4flow also sponsors employees' entry fees and provides onsite catering.



Somewhat more casual are company beach volleyball and soccer games, where 4flow team members meet on a regular basis. City bike tours and sailing trips provide opportunities for active communication as well as plenty of outdoor fun.

At company parties and team events, 4flow also provides opportunities for group sports such as high ropes courses or soccer.

The shower rooms in the Berlin office give team members the chance to exercise during their lunch break or on their way to work if they so choose. The company also offers outdoor and indoor bicycle parking for the benefit of employees who want to ride to work.

Through various agreements, employees can also register and work out in selected fitness studios at reduced prices.

ISO 45001 certification

4flow invests significantly in the occupational health and safety of its employees.

Following a successful audit, 4flow received the ISO 45001 certification, an internationally recognized standard of occupational health and safety management. 4flow thus offers its employees occupational health and safety (OHS) protection in accordance with the latest and most modern occupational health and safety management system with a uniform approach that has been fully integrated into the existing management system.

With the implementation of the OHS management system, 4flow is able to continuously improve occupational health and safety and its OHS processes, and reduce the risk of work-related injuries and illnesses.

Awarded for excellence

Principle 6: Eliminate discrimination in respect of employment and occupation

4flow has won multiple national and international awards.

Most family-friendly employer in Germany 2020, 2021 and 2022 by kununu

The ranking by kununu and freudin magazine is based on family-friendly benefits, career development opportunities and treatment of employees.

Forbes lists 4flow among World's Best Management Consulting Firms 2022

Forbes and Statista included 4flow on their list of the World's Best Management Consulting Firms. The list is based on lists of top management consulting firms for multiple countries, as well as surveys with consulting peers and clients.

Top consultancy 2022 by brand eins (fifth mention)

The German business publication brand eins listed 4flow as one of the best consulting firms in Germany.

Best consultancies 2022 by Handelsblatt Research Institute

The Handelsblatt Research Institute recognized 4flow as a top consulting firm in five areas in its first-ever analysis.

Top mid-sized employer 2022 by FOCUS BUSINESS

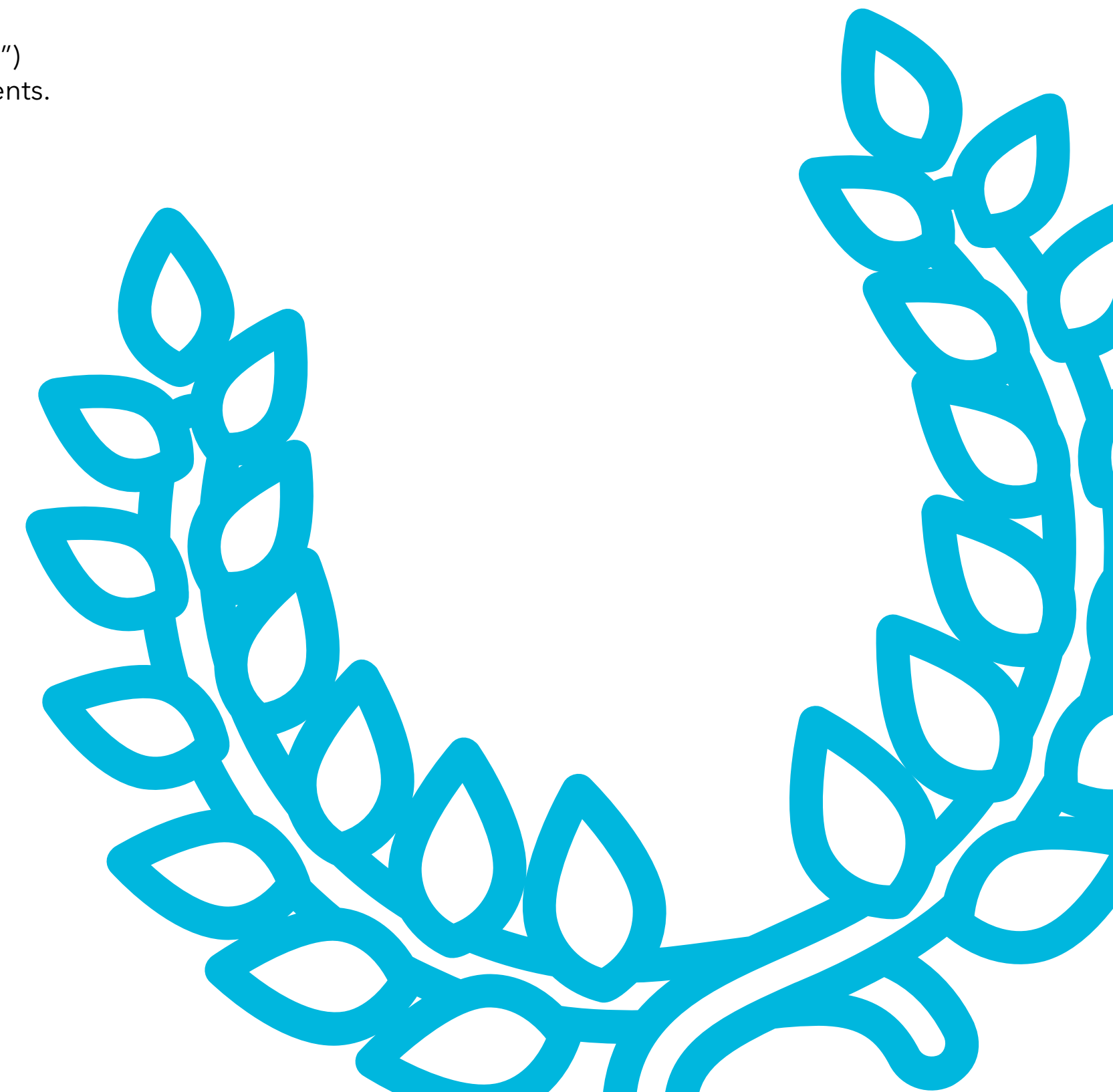
FOCUS BUSINESS named 4flow a top mid-sized employer in 2022. 4flow earned third place in the transportation and logistics category.

Leading Employer 2021

Following a meta-analysis of over 100,000 businesses based on more than 200 global data sources, 4flow belonged to the top 1 percent of German employers.

MINT minded company 2020

4flow received the distinction of MINT Minded Company for the first time. The award by the initiative "MINT Zukunft schaffen" ("Create a Future for STEM") together with audimax MEDIEN is given to employers who promote STEM talents.



Growth and internationalization

Principle 6: Eliminate discrimination in respect of employment and occupation

Our rapid growth in recent years and our increasing internationalization pose challenges to internal processes and structures that must continue to yield the same excellent performance as in the past.

Digital workplace

With this goal in mind, in 2022 we established a new digital workplace that unites our main channels for communication and collaboration in one digital setting. Two apps - the hive and Yammer - enable all team members to:



Expand and more effectively use our shared knowledge base by means of collective learning and improved findability of content



Strengthen our connection and unique culture in a virtual environment of collaboration



Create company-wide networks to improve the exchange of industry expertise and experience

Both platforms replace the previously used app, 4flow spark, in its function as intranet and knowledge databank.

The platform highlights 4flow's commitment to providing uniform information to all team members on an easily accessible communication and application platform. Walls with pictures of all 4flow team members in every global office and profiles created by each team member on the digital collaboration platforms support this policy.

Global teams

With the opening of additional international offices, cultural diversity at 4flow has flourished. 4flow is active in 20 offices across 10 countries. The importance of a multinational culture is emphasized at 4flow. Whenever possible, project teams are composed of people from multiple nationalities to facilitate cultural and professional exchange among employees. The company holds special training sessions to inform employees about cultural differences and to improve intercultural communication. In order to facilitate the integration of employees from other locations, 4flow has instituted a host program that enables employees from other locations to work at other offices on a temporary basis. A "host" from 4flow volunteers to assist the visiting team member and show him or her around the city. 4flow recognizes the value of a multicultural workplace and actively promotes diversity in all aspects of the company's operations.

Stays abroad

Employees at German offices have the option to work remotely from abroad within the European Union for up to 90 days per calendar year. In this way, 4flow encourages international understanding and cultural community.






Committed to the environment

Principle 7: Support a precautionary approach to environmental challenges

Centralized waste collection

Since 2022, we have a centralized waste collection system in place in our Berlin office. In this way, we can

-  Recycle a large percentage of waste
-  Minimize time needed to collect and store waste
-  Reduce the number of plastic bags used

Less paper usage thanks to digitization

Digitization and the establishment of a digital workplace have a large impact on the way we work at 4flow. An internal sustainability survey found that the majority of our team no longer has business cards in paper form. Most team members use digital calendars, and a large majority prints an average of zero to five pages per month.

Shared desk policy

To do our part for sustainability and environmental protection, we have established a shared desk policy in our Berlin office since November 2022. This policy has already been implemented or is in preparation at other office locations. Per this policy, work stations are condensed and parts of the building are not in use for portions of the year – and therefore not heated. Another positive effect of this policy is the opportunity for team members to meet in offices and have closer collaboration.

Software 4flow vista® for reduced carbon emissions

We make a positive impact on the environment by optimizing logistics and transportation networks while increasing utilization in shipments, reducing transportation and shifting to more environmentally friendly modes of transportation with our supply chain software 4flow vista®. In this way, 4flow assists its customers in reducing carbon emissions.

Other 4flow software solutions support the reduction of carbon emissions, as well, and enable reductions of up to 15 percent. Green Logistics continues to increase in importance due to rising public concerns and the demand for sustainable, low-emissions solutions. 4flow and its clients are committed to pursuing that goal.

Sustainable water consumption

Active protection of the environment is not only practiced in large-scale projects at 4flow. In order to save transportation miles, 4flow purchases its beverage supply for each office from local vendors. In 2018, in order to save even more resources, 4flow's Berlin headquarters also introduced water dispensers and reusable glass bottles made using sustainable manufacturing processes.

Energy-saving technology and IT

In addition to using low-energy light bulbs, special importance is given to purchasing and using energy-efficient laptops and monitors. 4flow also realizes significant energy savings through the use of virtual servers. In all 4flow offices in Germany and in other countries where it is possible, 4flow uses energy from renewable sources.

Supply chain consulting and environmental protection

Principle 8: Support a precautionary approach to environmental challenges

4flow's primary field of activity is supply chain consulting and management, with a focus on planning and optimizing logistics networks. But what does a commitment to environmental protection look like in this line of work?

As a matter of fact, supply chain design can increase logistics efficiency as well as eco-efficiency. For example, transportation efficiency goes hand-in-hand with reductions in pollution.

If such relationships are unclear to customers, we include other value-creating factors in the analysis. Customer-perceived commitment to credible sustainability programs or environmentally oriented supply chain research offer opportunities to turn ecological engagement into profit.

Sample Vendor in Gartner® Hype Cycle™

For the third year in a row, 4flow was included as a Sample Vendor in category of transportation forecasting in the Gartner® Hype Cycle™ for Supply Chain Execution Technologies, 2022**. The report helps supply chain leaders "to grasp the maturity, viability and riskiness of evolving supply chain execution technologies."

The report states, "Specialized transportation forecasting solutions offer robust, transportation-specific allocation methodologies that can translate customer, location and product demand into lane- and mode-specific shipping-demand projections." 4flow was included for the software product Kinaxis® Transportation Load Optimizer by 4flow. The software integrates transportation planning and optimization into S&OP processes. Results are end-to-end transparency, savings in transportation spend and a reduction of carbon emissions.

Raising awareness through visualization

In addition to network and transportation planning, the software 4flow vista® can compute and visualize the pollution emissions of a given logistics network. This gives decision makers in manufacturing and retail the ability to include environmental effects in their evaluations of different strategic options. In our view, visualization is a basic requirement for sustainable behavior and environmental protection due to the fact that one can only assess alternatives if their effects are known.

Developing concepts for sustainability in transportation management

4flow has collaborated as part of the "Sustainable production logistics" task force of BVL International - The Global Supply Chain Network. The task force develops approaches for resource-conserving, energy-efficient, and sustainable intralogistics and inbound logistics. In October 2010, the task force published a book for the 27th International Supply Chain Conference in Germany.

4flow supply chain studies

4flow published a supply chain study on the topic of Green Logistics which analyzed 11 different measures based on their effectiveness in reducing greenhouse gas emissions. The study focuses on whether supply chain management can contribute to a sustainable economy and how cost efficiency and sustainability actually perform in practice.

Protecting the environment was also the focus of 4flow's previous supply chain study, which examined the influence of oil prices on the structure of supply networks. In order to quantify this effect, practical models were developed and

the potential to cut CO2 emissions through network optimization was investigated. The study's findings - that the optimal distribution structure is only marginally affected by oil prices - can prevent premature and purely economic decisions about restructuring a network.

Digitization also helps to conserve resources. The challenges that must be overcome in the field of intralogistics in that regard are detailed in 4flow's 2018 study entitled "Wearables, Sensors & Co. - Making digital intralogistics a reality". The study offers insights on the topic through interviews with 20 leading supply chain experts from the automotive and retail industries.

Green Supply Chain Award for 4flow

In 2021, 4flow was once again named winner of the Green Supply Chain Award. The award from the US business publication Supply & Demand Chain Executive is presented to companies that emphasize sustainable supply chain strategies and successfully implement measurable sustainability goals. 4flow received the award for the fifth time. The award took special notice of the role of 4flow software products and services to support sustainability goals.

**Gartner, Hype Cycle for Supply Chain Execution Technologies, Dwight Klappich, June 27, 2022

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No gifts

Principle 10: Businesses should work against corruption in all its forms

4flow aims to establish a long-term relationship with its clients. Of course, this goal cannot be achieved through corrupt practices, but rather only through excellence. While many other companies traditionally send gifts to their major clients at the end of each year, 4flow donates a significant sum to UNICEF instead of spending money on gifts.

Further steps

Even in light of 4flow's history of success, the company strives to go even further. Many more measures can be undertaken to improve the company's positive impact on employees and the environment. Two issues stand at the center of our efforts: the application of Green Logistics in projects with our clients and the further development of the company's human resources policy during the company's growth and internationalization. Recent renovations at 4flow's Berlin headquarters focused on creating an optimal work environment and comfortable areas for our growing number of team members.

The New Work project (see above) is also relevant in this context. Initial steps have already been made, but we are planning relocation and redesign processes for additional locations. Relocations are planned for the Düsseldorf and Hamburg offices in 2023, and in Shanghai, China, and Troy, USA, we plan to redesign the existing spaces.

The principles of Green Logistics will continue to be emphasized through our work with clients and in our research. The underlying intention is to contribute to awareness of the topic in society and to increase the industry's commitment to assuming responsibility for the environment. In our next supply chain survey, we intend to focus on analyzing current, innovative, and established sustainable supply chain concepts.

In recent years, 4flow has taken many significant steps in the right direction. Nevertheless, especially in light of our increasing number of new international locations, the critical evaluation of our existing communication structures and an enduring commitment to social and environmental responsibility will remain at the top of our agenda.



Contact

4flow AG

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4flow AG
Hallerstrasse 1
10587 Berlin

T +49 (0)30 39740-0
F +49 (0)30 39740-100

contact@4flow.com
www.4flow.com

