

Communication on Progress for the UN Global Compact

Reporting Period: March 2020–February 2021
AdEx Partners

COMMUNICATION
ON PROGRESS



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

We welcome feedback on its contents.

AdEx
PARTNERS



Statement of continued support by the founders

To our stakeholders

We are pleased to declare that AdEx Partners reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, our culture and daily operations.

As a consulting firm we are facing specific challenges in the area of Labour and Environment which we pro-actively address and manage against these challenges. We are proud to be participants in the United Nations Global Compact and we share the goals and our contributions with the broad range of our stakeholders.

Sincerely yours,

Two handwritten signatures in blue ink. The first signature is on the left and the second is on the right.

Carsten Kracht & Ferdinand Weiss





Who We Are

AdEx Partners combines consultants and line managers with many years of experience in the transformation of business and IT. Our focus is on IT (ERP, architecture, data) as well as digital and organizational transformation.

The team currently consists of over 120 consultants, supplemented by a selected network of specialists. Customers benefit from our combination of specialized expertise and comprehensive program and project management skills. Our consulting approach is characterized by a team with a high degree of experience, a pragmatic approach, and unconditional neutrality towards solution providers. The success of our clients is our success.

As a professional friend, trainer and sparring partner, it is not only the professional expertise that counts – a fit on the personal level is just as important. The characters of our partners and employees form the relationships with our customers as trustworthy contacts and companions. Each with their individual traits, but all united in the goal of becoming an integral part of the customer team through competent, reliable and friendly support.



The Ten Principles of the United Nations Global Compact

Human Rights

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 make sure that they are not complicit in human rights abuses.

Labour

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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



Human Rights

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

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

This includes that workers are provided safe, suitable, and sanitary work facilities; workers are actively protected from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats.

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

Diversity of employees

With regard to gender distribution, there is still room for improvement at AdEx Partners – however, we naturally try to counteract this circumstance and actively target female high potential candidates. Nevertheless, women are represented at all levels at AdEx Partners – from partner to working student.

Once a year, there is a "Women's Day" to which all female employees across all levels are invited. This day is used for exchange and networking, but also to discuss specific topics in detail.



Human Rights Measurements

- Number of complaints related to human rights risks/violations

2020: 0 complaints

- Diversity of AdEx Partners colleagues

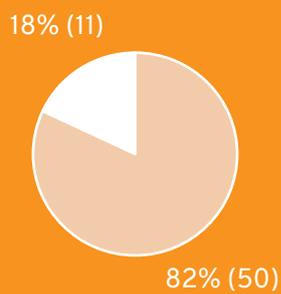
One colleague with severe disability status

Colleagues coming from six different countries: Austria, Germany, Switzerland, Poland, USA, India

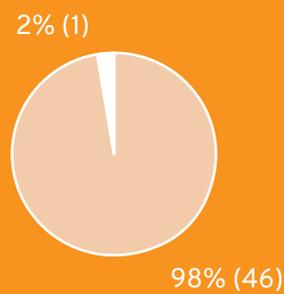
Gender Diversity at AdEx Partners

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

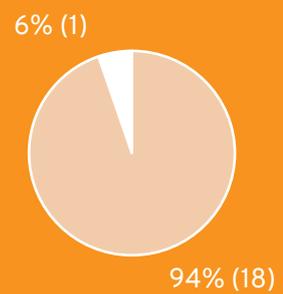
No Management Function



Lower / Middle Management



Upper Management



■ women ■ men



Labour

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

AdEx Partners encourages employees to form groups with different areas of interests and protects the freedom of association and collective bargaining, while preventing discrimination in employment and occupation. Some of the measures and initiatives taken by AdEx Partners to promote the “Labour”-principles of the UNGC will be described more detailed in the following.

AdEx “Family Spirit”

Even before they start at AdEx Partners, new employees are invited to regular meetings and training sessions on a voluntary basis. In addition, we provide new joiners with comprehensive information on benefits, trainings, staffing and numerous other valuable topics. In this way, new employees are also made aware of the wide range of support regarding mental and physical health offered by AdEx Partners.

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





Proud to be a Great Place to Work

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

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

Thanks to these initiatives, we won the "Great Place to Work" award four years in a row.

Our "Hood" Concept

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



Training

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

Work-Life-Balance and Health

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

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

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

Office equipment

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



Labour Measurements

- Employee and family assistance support services
27 registrations and 6 coaching requests
- Only 6,2% employee attrition rate
- 4 Great-Place-To-Work Awards, 4 years in a row

Monthly “Honestly” Survey

Average of results in 12 month reporting period
Average participation rate: 55%

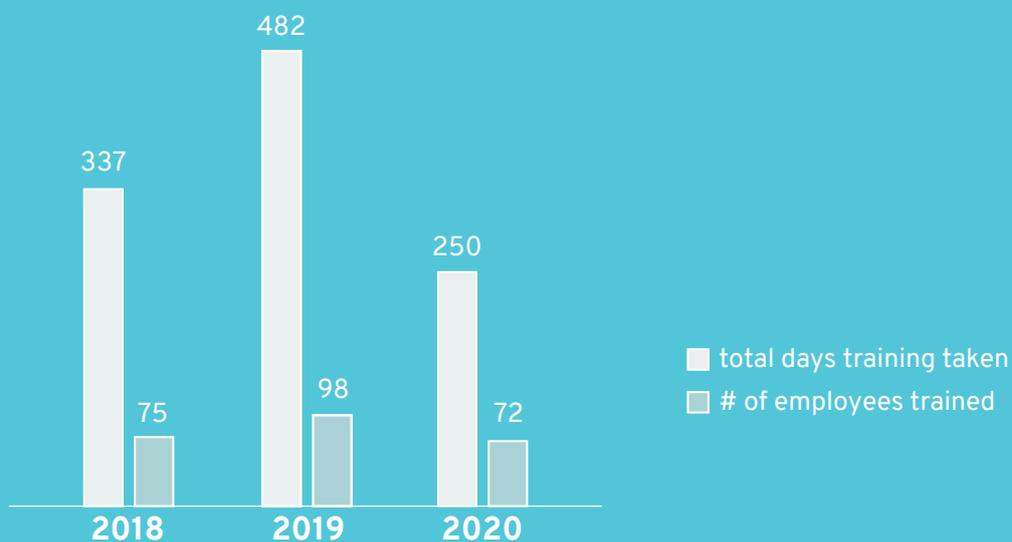
Employee Net Promoter Score



Engagement Score



Employee Training



Environment

Climate Change, extinction of species and other environmental issues are major threats to earth. The high level of travel that usually accompanies a consultancy's business model is a burden on the environment. We therefore make extensive internal efforts to become more climate friendly.

Even though Covid-19 has brought travel to a halt for the time being, a dedicated team organized in one of our virtual hoods is developing and implementing a roadmap for environmental sustainability and is continuously working on possible levers to significantly minimize the carbon footprint. Since 2019, AdEx Partners evaluates its corporate carbon footprint to make the impact measurable and comparable and is exchanging information with other peers within the industry and across sectors. We analyzed all relevant categories of our company (energy, travelling etc.) and evaluated the share of emissions. We are aiming for a comprehensive database by 2021 and aim to reduce our carbon footprint step by step.

Internal Engagement

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

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

To extend the life cycle of our hardware, old laptops that are no longer used are being donated to the charity Labdoo.org. In February 2020, AdEx Partners donated 30 laptops that will be used by children in need in Germany and around the world.



External Engagement

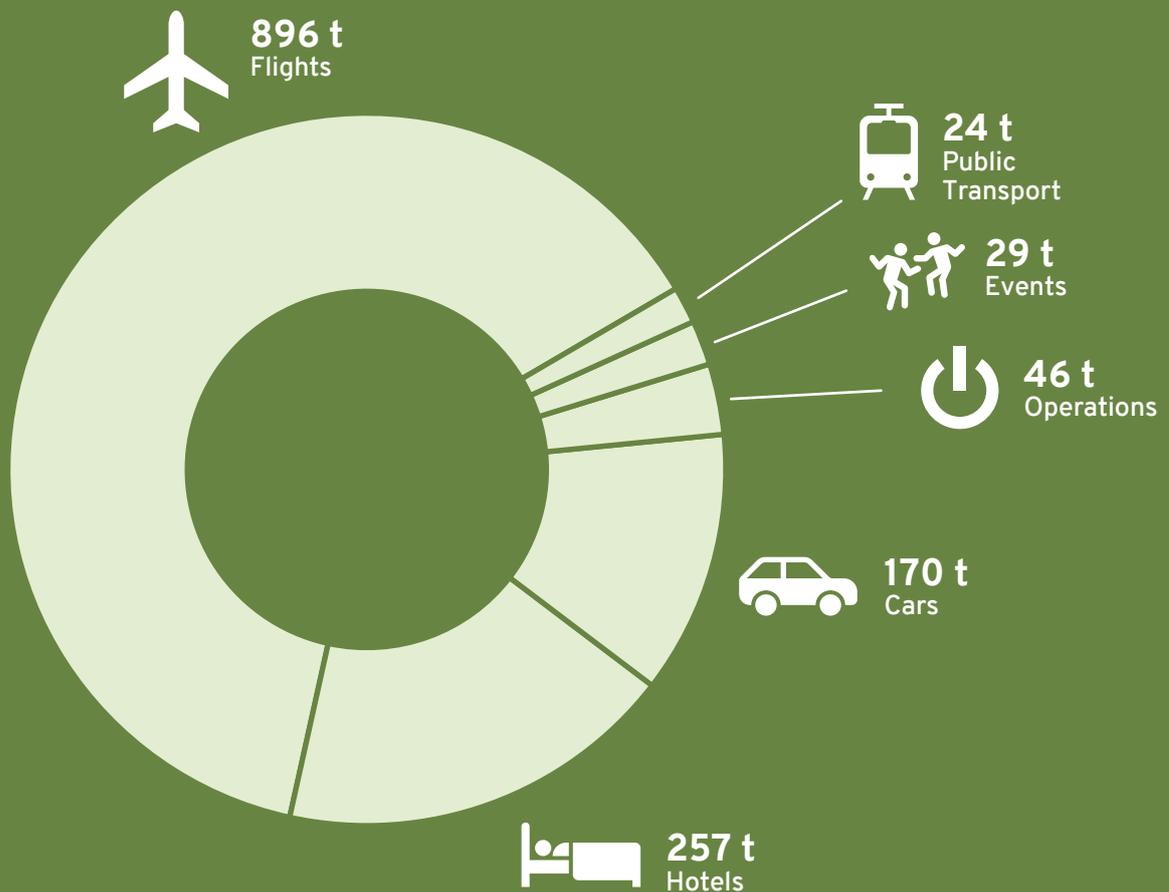
In order to further reduce and avoid CO₂ emissions, we also help our clients to improve their ecological balance sheet. We share our expertise in virtual collaboration and the use of remote tools. In post-corona times we aim to keep the approach of virtual consulting where applicable.

Environment Measurements

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

Corporate Carbon Footprint Evaluation for 2019

(CO₂ emissions in tonnes)



Anti-Corruption

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

This means that we do not work with clients, contractors or suppliers who have not committed to our or equivalent standards of anti-corruption or have systematically failed at ensuring these are followed through.

Many of our clients are large corporations, some of which are financial institutions or pharma companies, with very strict compliance and anti-corruption rules. Not only do we adhere to the high standard of our clients, but we are also formulating our own code of conduct to further guide our employees and raise awareness regarding anti-corruption to the highest standard.

AdEx Partners “Golden Travel Rules” must be followed by every employee, which also includes our gift policy towards clients and the adherence to our clients’ own gift policies.

Salaries and Promotion Process

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

Data Privacy Data Protection and Information Security

Every employee has to sign a nondisclosure agreement to protect confidential information and gets a continuous sensitization on data protection and information security. Every employee needs to complete the following two trainings every twelve months:

1. Basic / refresher training
2. Information security training for employees



Anti-Corruption Measurements

- Two trainings regarding data protection and information security completed by all employees per year
- No notifiable incidents of data flaws
- Zero violations of bribery laws
- Zero violations of AdEx Partners guidelines for data and trade secrets
- Zero internal bribery

Number of Corruption-related Incidents in Reporting Period

0



Further Engagement

Helping others is the result of recognizing that we are privileged and have responsibilities. As Trusted Advisors, we have a big leverage effect when donating our skills and money. By doing “skilled volunteering”, we find purpose, broaden our horizon, deepen our skills and learn ourselves. Everyone can contribute!

2020 was a year that required a lot of willingness to change from all of us. We had to adapt, be it in our professional or private lives. No one will be left without a trace this year. But it has also become clear to us what really matters. Solidarity and paying it forward are more important than ever, as well as courageously dealing with challenges to come.

We have therefore decided to support social organizations with even larger donations and to forego Christmas presents. Besides donations, this year we have again donated our expertise to make these organizations more effective by means of digitalization and IT.

Digitization of Tafel Germany in the project "Tafel macht Zukunft - gemeinsam digital".

More than 940 local food banks called “Tafeln” in Germany collect surplus food and distribute it to people in need. Food distribution is the core business of Tafel Deutschland and is organized differently from region to region. The Tafel gives people in need a modest financial leeway by enabling them to save on their purchases. At the same time, they create a space for encounters and thus the framework for building a social network - which provides support for those affected by poverty and can help them to improve their situation.

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





Celebrating the joint success with the Tafel network (image © Tafel Deutschland)

We are developing and introducing digital technologies to the nationwide Tafel network, especially an online platform for important stakeholders, called “eco-Plattform”, with the following project goals:

- Digitally support and facilitate work processes at the Tafel and food-donating companies during food collection
- Increasing the amount of food donated
- Improving planning and communication between Tafel locations and food-donating companies
- Collection and evaluation of donor-related data
- Time and cost reduction through optimized route planning
- Better distribution of bulk-donations between Tafel locations

For its commitment and long-term dedication, AdEx Partners has already been awarded the “Tafel-Teller” several times.

SOS Children's Villages International Development of an IT infrastructure strategy

Since 2020, AdEx Partners provides consulting for a new client on a pro bono basis: In a joint project with the umbrella organization "SOS Children's Villages International", one of our core competencies comes into play: the conceptual design of an IT operating model for globally operating IT teams. A typical Skilled Volunteering assignment! The project is an important building block to enable young people on their way into the digital world and, regardless of the geographical region, to create equal conditions.





Virtual Digital Bootcamp with Social Entrepreneurs

AdEx Partners also wants to give its colleagues the opportunity to be active in shorter projects, especially in the field of education and social entrepreneurship. Social entrepreneurs drive social innovation by combining social thinking and entrepreneurial action. In this sustainable and impactful approach, AdEx Partners supports committed people aiming at driving social innovation on a pro bono basis. After great success with the first one, a second “Digital Bootcamp” was carried out in 2020, this time purely virtual. Six social enterprises were selected from a pool of applicants. In an initial virtual workshop, the participants had the opportunity to discuss questions and map out solutions together with consultants from AdEx Partners. This was followed by 3 months of continuous coaching by the experts, helping the social enterprises to implement the solutions and gain knowledge and experience along the process.



Donations

As in previous years, AdEx Partners combined its Christmas greetings with a donation campaign. Due to the global pandemic and resulting crisis, AdEx Partners has significantly increased its donation contribution and offered support both internationally and locally in 2020.

Part of the donation went to the non-profit foundation "Childaid Network". Its vision is to provide children and young people in need with a qualified basic education, which is one important prerequisite for a self-determined life, and thus a better future. In 2020, AdEx Partners supported children in the refugee camps in India, on the border to Bhutan, which have been particularly affected by the effects of the pandemic.

Another part of the donations went into the "Corona relief fund for Civil Society", set up by the Phineo gAG. The rescue fund is intended to help maintain the vibrant and diverse civil society involvement in Germany, which was heavily impacted by the crisis. The financial support is intended to maintain voluntary work for target groups that are particularly affected by Corona.

Furthermore, AdEx Partners once again teamed up with the Besi & Friends foundation to raise awareness and funds for those affected by autoimmune disorders. This was done by an organized virtual workout session during which not only participants from AdEx Partners and Besi & Friends, but also family members exercised together under the instruction of a professional fitness coach. AdEx Partners donated for each participant of this event, thus helping to promote the foundation's message that sports can play an essential role in the life of those diagnosed, helping them to keep a positive mindset and stay active for as long as possible.

We at AdEx Partners continue to strive towards improving our company and services in the spirit of the 10 principles of the UNGC and to live up to our social responsibility in 2021.



All information in this progress report is as of March 1st, 2021.

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