2020 Report

United Nations Global Compact

Communication on Progress
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1. Statement of Continued Support

To our stakeholders

I am pleased to confirm that :response 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 our second Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

[Signature]

Arved Lüth
(Managing Owner)
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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.
2. Actions: **HUMAN RIGHTS**

We are in no way complicit with human rights abuses and adopted a zero tolerance approach to human rights abuses, including but not limited to slavery, human trafficking and forced labour. Due to our main business being situated in Germany and given that :response mainly operates on a national level, human rights issues tend to be limited. The only risk factor lies in the area of procurement, for which we plan to systematically integrate the principles of human rights. If necessary, :response will be ready to take appropriate measures. The high standards of German labour law – regulating matters such as minimum wage, pensions, annual leave and insurance – are the basis for all of :response’s working contracts.

:response employs health and safety as well as equality and diversity policies which ensure a safe and diverse work environment. Occupational safety in the offices is regularly inspected by the employers' liability insurance association. We have an internal handbook which encourages our corporate culture of openness, friendliness, appreciation and accountability. This is further enshrined in the open forms of communication among all employees. Employees who do not comply with policies relating to human rights may face disciplinary action including the termination of the employment. Since the company’s foundation in 2007 :response has not encountered any incidents of human rights abuses, of violations of obligations under employment law or incidents of discrimination or harassment.

With regard to human rights compliance within the value chain our greatest influence as a service provider lies in our work with customers. Through our various projects we support them in strategy development as well as in organisational development and reporting. We promote human rights compliance in our internal procurement process (e.g. purchase of fair trade coffee for internal consumption or promotional items).
2. Measures: HUMAN RIGHTS

Infringement of law

:response has never violated any human rights laws or regulations. No fines had to be paid.
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

2. Actions: LABOUR

Given that :response is registered in Germany and mainly operates on a national level, we are subject to German labour law. The national labour law regulates matters such as minimum wage, pensions, annual leave and insurance as well as topics such as forced labour.

Labour rights are incorporated in our corporate culture, especially the pledge to promote equality and diversity within our policies. Furthermore, we treat everyone equally and with the same attention, courtesy and respect. We ensure that any decision on employment related issues is based on objective criteria. This especially applies to our recruitment process: we are committed to finding the most suitable and strongest candidates for the jobs in question, regardless of disability, gender, marital status, race, ethnicity or national origin, nationality, religion or believe or sexual orientation. All our employees are well aware of our anti-discriminatory policies and strictly comply to the standards and principles. Any type of discrimination is regarded as unacceptable.

:response values collective decision making, flat hierarchies and a high level of appreciation for each other. This results in high involvement of all employees in the company's decision making process. We offer fair and competitive remuneration for our employees above or at minimum wage level. All our employees receive a fixed remuneration. We further implement maternity, paternity and shared parental leave policies to grant our employees flexibility in parenthood to the greatest extent possible. If necessary, we enable our employees to work from a home office, for example in case of a need for family care or childcare. Our employees also benefit from flexible working hours and possibilities of working part-time.

Apart from that, we promote a learning intensive work environment for our employees. Additionally, we encourage our employees to live a healthy life style, by providing them with fairly sourced and organic fresh fruits, organising sports team events, such as our annual company run and a weekly yoga class during working hours.
2. Measures: **LABOUR**

**Workforce structure**

In 2020, 58 % of our employees were women.

**Percentage of employees working part-time**

33 % of all employees worked part-time in 2020.

**Age structure**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>47 %</td>
</tr>
<tr>
<td>30-40</td>
<td>36 %</td>
</tr>
<tr>
<td>40-50</td>
<td>14 %</td>
</tr>
<tr>
<td>&gt;50</td>
<td>3 %</td>
</tr>
</tbody>
</table>
2. Measures: **LABOUR**

**Percentage of employees receiving training**

At :response, all employees are offered regular consultant training in order to develop their personal and professional skills. In 2020, a total of 21 training hours were completed.

In addition, we provide systematic mentoring and, if required, direct coaching by the company founder or senior consultants. Internships are offered, which serve as further training opportunities for students.

**Rate of absence due to illness**

In 2020, the rate of absence due to illness was 1%.
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.
2. Actions: ENVIRONMENT

As a professional services company our ecological footprint is relatively small. The direct environmental effects of our activities are mainly caused by business trips, office operations and to a minor extent procurement. However, environmental and climate protection are deeply rooted in all our services and actions.

Therefore, we are committed to minimise our environmental impact by using public transport for business trips. We have set ourselves travel guidelines and established rail as our preferred method of transportation. We only travel the last mile from the railway station by taxi if the client is not located within walking distance. In case we are unable to travel to our clients by train within a reasonable period of time, we travel by rental car or in exceptional cases via plane. Striving for carbon neutrality, :response fully compensated its CO₂ emissions from car journeys and business flights for the reporting year.

To reduce emissions from our electricity consumption, we switched to 100 % green electricity in 2018. Additionally, we continuously focus on applying energy-saving behaviour.

:response promotes environmental and resource-friendly behaviour in its office and purchases office equipment with high energy efficiency. Also, whenever possible we use recycled materials, e.g. for our office supplies. We partly acquire refurbished hardware and ensure to use it for its entire life span. Besides our efforts of keeping our office waste at a low level, we also separate paper, glass and residual waste.
2. Measures: ENVIRONMENT

Percentage of recycled paper used

About 100 % of the paper used is recycled paper.

Electricity from renewable energy sources

Since 2018, :response uses 100 % green electricity.

Resource usage

<table>
<thead>
<tr>
<th>Resource</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>4,176.89 kWh</td>
</tr>
<tr>
<td>Heating oil</td>
<td>1,729.65 l (estimated)</td>
</tr>
<tr>
<td>Water</td>
<td>24,211.73 l (estimated)</td>
</tr>
<tr>
<td>Paper</td>
<td>8.88 kg (office paper and hygiene paper)</td>
</tr>
</tbody>
</table>

CO₂-neutral business activities

In 2020, :response's overall CO₂ emissions were around 6.36 t CO₂e. This includes heating oil and electricity for the building as well as fuel for business travels by car or plane. :response compensated all its CO₂ emissions, including facility management emissions.
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
2. Actions: ANTI-CORRUPTION

Since the issue of corruption is an important part of our consulting practice, our employees are aware of any such risks. Upon joining the company, all our employees sign a non-disclosure agreement, supporting our company's anti-corruption commitment. The agreement relates to all operational procedures, business secrets and customer data. We strictly comply with data protection, compliance and anti-corruption guidelines of our clients. Our employees are continuously sensitised in this respect within their projects. Internally, we also counter potential risks relating to corruption by consistently applying the dual control principle. In this way, risks related to corruption within projects are being mitigated or minimised.

Additionally, we strictly follow German rules and regulations concerning corruption and bribery. The fact that our main point of business is the German market and that the country achieves a high ranking in the internationally recognised Corruption Perception Index (CPI) decreases the risk of bribery and corruption within our day-to-day business. Until today, there have not been any issues related to corruption at :response. In case an incident occurs, :response will be ready to take appropriate measures.
2. Measures: **ANTI-CORRUPTION**

Infringement of law:
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Sustainability and CSR Consulting

Strategy

Organisation

Communication
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Our company in figures

800+ projects
Projects in 15 countries
over 25 years of sustainability experience
200+ clients
3. About :response

:response is an internationally active and scientifically oriented, owner-managed consulting firm with a focus on corporate responsibility and sustainability.

Our research and consulting aims to create added value for society and the companies operating within it. At the core of our solution strategies are ways to make organizations "responsive": Together with our clients and partners, we increase the learning capacity and readiness for change of organizations.

Our mandates cover a wide range of policy areas and sectors. Climate change, social dialogue, intersectoral partnerships, and the energy, circular economy, chemicals, human resources, financial services, and trade sectors are the focus of our work.

The :response team works for national and international clients in the field of sustainability and CSR. Our experienced research and consulting teams are made up of generalists and specialists. More than 50 international specialists, scientists, consultants and young global leaders in research, politics and business form our network.

Sustainability is :response's core business. Our way of working is characterized by our passion for the cause, creativity in the solution and excellence in the implementation. We focus on sophisticated concepts that are scientifically based and, above all, effective in their implementation.
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