

Sustainability Report 2024

DNK Declaration
Reporting year 2023
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.

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“Sustainability has a very important significance for Horváth.”

/ **Helmut Ahr**
CEO



/ **Stefan Hiendlmeier**
Member of the Management Board
with responsibility for sustainability



Dear Sir / Madam,

2023 has been characterized by particular challenges and opportunities. Social trends and associated requirements, such as the German Supply Chain Due Diligence Act (LkSG) and the EU Corporate Sustainability Reporting Directive (CSRD), have prompted us to make our sustainability strategy even more focused.

People, Planet, Projects: Under these three guiding principles, we are setting ourselves ambitious goals and pursuing a structured approach to sustainability. More than ever before, green transformation, digitalization and artificial

intelligence are among the key drivers in both society and the economy. As a management consultancy and strategic partner, we offer our clients comprehensive expertise to help them shape their business models, organizational structures and processes for the future. Our projects are designed to meet the increasing demands of different stakeholders – from clients, suppliers and employees to society in general and regulatory authorities.

This year, we carried out another materiality analysis to optimize our sustainability management and identify the

most important areas for action. As a result, when it comes to climate neutrality, we are increasingly focusing on reducing rather than offsetting emissions. We want to extend this approach with an enhanced Green Car policy and more sustainable mobility behavior. Our ambition is clear: As a consultancy, we want to make a significant contribution to making our client companies more sustainable and to becoming more sustainable ourselves. That is why an optimal working environment for our employees is so important to us. Diversity, inclusion and social commitment in

the sense of corporate citizenship are firmly embedded in our corporate culture. In particular, the “Purpose Days” that we hold to support social institutions have generated a very positive response both internally and externally. We would like to thank all our colleagues for their commitment and for their rigorous attention to our environmental and social responsibilities.

Thank you for your interest in our sustainability report.

On behalf of the Horváth AG
Management Board



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General information

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

For over 40 years, we have been one of the top international consultancies for performance management and transformation. With over 1,300 employees in seven 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 relating to industry-specific business models, organizational structures, processes, and systems – thus empowering them to optimally prepare their organi-

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

zations for future challenges. We combine passion and effective implementation to turn change into success across entire companies, in individual business areas, or in functions such as sales, operations, procurement, controlling & finance, human resources, and IT.

Horváth stands for project results that create sustainable benefits and value. That is why our consultants accompany businesses from the business management concept and its anchoring in processes and systems through to change management and training for managers and employees.

In the following report, all entities are referred to collectively as "Horváth." The information in this report relates in particular to the year 2023 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 to contribute to the areas of economy, ecology, and social responsibility.

As a consultancy firm, 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.

In 2023, we sharpened our holistic understanding of sustainability and the strategic goals that go with it. ESG plays a crucial role in our business model, as the awareness and expectations of the various stakeholders, including our clients, our employees, and society, continue to grow. We want to support our clients with their own ESG goals and create sustainable value. We want our employees to feel connected to our business activities and play an active role. We also want to ensure that we meet the growing demand for reporting and transparency and act as a role model in shaping a better future.

To achieve this, we have focused on three main areas: **PEOPLE**, **PROJECTS**, and **PLANET**:

- We empower our employees, the people in our ecosystem and beyond. We do this through ESG training and courses, both internally and externally.
- Our projects support our clients' sustainable transformation. We ensure that we promote the ESG efforts of our clients and that the projects we carry out do not conflict with our own ESG goals.
- We take responsibility for our planet. We do our part to make our business activities as sustainable as possible, remain net-zero and try to give something back where we can.

/ DNK criterion 2: Materiality

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.

In 2022, we carried out a second, more in-depth materiality analysis based on the standards of the Global Reporting Initiative (GRI), which took into account the sector-specific criteria of the Corporate Sustainability Reporting Directive (CSRD) and the Sustainability Accounting Standards Board (SASB). As part of this analysis, we analyzed the strengths and weaknesses of our sustainability management and developed appropriate measures. The results of the materiality analysis revealed the key 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 as part of our strategic sustainability management:

- Sustainability projects with clients
- Climate change and the reduction of emissions
- Equal opportunities, diversity, equality, and inclusion
- Ethical business practices
- Data security
- Working conditions

By actively managing these and other issues, we aim to reduce the potential 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 applicable laws and regulations, as well as our company's social impact, are taken into account. We help our clients 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 clients and are privy to confidential information. Potential data loss and security breaches can not only cause financial damage, but also undermine the trust of our clients and partners. Furthermore, non-compliance with legal and regulatory requirements can lead to significant penalties. 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 develop our handling of data, devices, and access controls.

Even though, as a consultancy firm, we do not consume many resources, our processes – especially our employees' mobility requirements – cause emissions that are harmful to the environment. The mobility revolution and stricter regulations around CO₂ emissions thus also affect our company and reinforce 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. The risks in this regard include potential environmental damage and negative social impacts that may arise as a result of unsustainable procurement practices or a disregard for labor standards and human rights in the supply chain. Such practices could not only have legal consequences, but also damage the reputation of our company and diminish the trust of our stakeholders.

OUTSIDE-IN-PERSPECTIVE

In our industry, we are seeing increased demand for highly qualified, creative, and committed employees. The shortage of skilled workers is also a risk for us. As our employees are crucial to the success of our business, we strive to attract and retain talented professionals in our company by presenting ourselves as an attractive employer and offering all our employees equal opportunities. Our diversity concept, which was developed in 2021 (see section 15 "Equal opportunities") and our training measures make an important contribution to this.

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 playing 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 improving sustainability, both for our clients and within the companies that make up the Horváth Group. In 2023, we further sharpened our understanding of sustainability, defining clear targets and linking them closely to the United Nations Sustainable Development Goals. Our focus is on three key areas: PEOPLE, PROJECTS, and PLANET. For each area, we have defined time-based sub-targets with corresponding key performance indicators (KPIs) to make our sustainability progress measurable and transparent. 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 reworked materiality analysis:

PEOPLE

1. Employer attractiveness & training: The satisfaction, skills, and health of our employees are key to our success. Until 2030, we will endeavor to continuously increase employee satisfaction or maintain it at its current high level. Our goal is to achieve an Employee NPS score of at least 35 (5-point scale) by the end of the 2026/27 financial year. Among other things, organizational and human resources development measures should help us achieve this.

We attach great importance to the professional development of our employees. We offer a comprehensive training curriculum that includes topics such as diversity and ESG. Our aim is for 100% of our employees to have successfully completed ESG training.

1. Supporting an inclusive and diverse community: Our diversity concept aims to increase the proportion of women in management positions across the company to more than 30% by 2026/27. Our training 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."
2. Corporate citizenship and community building: We plan to continuously increase the number of our Purpose Days (pro bono project support and volunteering days).

Our Purpose Days activities and donations will also be an important part of our social commitment in the future. We would also like to gradually increase our donations. In particular, they help us achieve Goal 10 of the Sustainable Development Goals, "Reduce inequalities."

PROJECTS:

1. Ensuring our clients remain competitive: For us, satisfied clients come first. We will therefore ensure that their level of satisfaction remains at a high level. We measure this continuously with 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 clients ensure the economic stability of our company. In this way and by securing the future of our clients' companies, we contribute to Goal 9 of the Sustainable Development Goals, "Industry, Innovation and Infrastructure."
2. Sustainable projects: Our aim is to increase the proportion of projects with an ESG impact to at least 25% by 2026/27. We contribute to the green transformation of our clients, the further development of equal opportunities and diversity, the education and training of employees, and a stronger governance of public investments.
3. 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. This will ensure that we contribute to Goal 16 of the Sustainable Development Goals, "Peace, Justice and Strong Institutions."

PLANET:

1. Climate neutrality and net-zero emissions: We have been a net-zero company since 2020 and strive to maintain this status. Our main focus is on continuing to reduce our per capita emissions. As a consultancy firm, the majority of our emissions come from mobility, including our vehicle fleet and business trips to clients. To actively reduce our emissions, we calculate our carbon footprint and derive appropriate reduction measures from it each year. We have set ourselves the goal of reducing our per capita emissions by 30% compared to 2022 by 2026/27. Our measures focus in particular on continuously developing our mobility concept and on hybrid collaboration with our clients.
2. Promoting sustainable offices: We promote sustainable offices by using green electricity, providing environmentally responsible catering, recycling IT equipment, and reducing waste to minimize our environmental impact. We monitor and control the efficiency of our climate protection measures by calculating our carbon footprint each year. This way, we aim to make a significant contribution to Goal 13 of the Sustainable Development Goals, "Climate Action." In 2024, we are implementing an international system of key performance indicators across all areas, which will enable us to monitor and manage the most relevant environmental and social KPIs.

/ 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 clients with our technical expertise and knowledge through our projects. We ensure the quality of our consulting services through highly qualified

Due to our business model, a certain amount of travel is nevertheless unavoidable to provide high-quality consulting services, which inevitably has an environmental impact. We are therefore looking for innovative consulting approaches to minimize this impact without compromising on service quality.

"We are looking for innovative consulting approaches to minimize impact."

professional staff and state-of-the-art project management techniques. 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 clients 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 most environmentally friendly option. For example, when selecting our company cars, we promote hybrid and electric vehicles through 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 align with our values, we revised our Supplier Code of Conduct in 2023. This Supplier Code of Conduct applies internationally and is compulsory 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 each aspect of sustainability (environmental, economic, and social). In 2023, we also created the position of ESG Manager, which focuses on the strategic integration and monitoring of environmental, social, and governance aspects, including the development of guidelines, risk assessments, and the promotion of company-wide sustainability awareness. 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.

The ESG Ambassadors, who we introduced in the company in 2023, are in regular contact with the ESG Manager to strengthen sustainability across the company. Their main tasks include raising awareness of each employee's individual contribution to sustainability and regularly reporting on current ESG issues in their business units.

/ 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.

/ DNK criterion 7: Monitoring

The company must disclose how and which performance indicators for 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.

- 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.
- In 2023, we revised our travel policy by introducing the "Rail over Flight" approach, which involves increasing our use of rail travel to make our business trips more environmentally friendly.

We already record the main social and environmental performance indicators and are currently developing a comprehensive ESG dashboard. This will provide detailed information on all relevant environmental, social, and governance aspects and will be completed in 2024. In terms of social sustainability, our central HR department collects monthly key figures on the proportion of female employees at Horváth. We also use training investment metrics to monitor our progress with regard to skills and diversity. Furthermore, our annual employee satisfaction survey is an important metric to validate our actions. These key figures are recorded via a clearly defined process in order to ensure a high level of quality and comparable data. To monitor our progress in reducing CO₂ emissions, we calculate our carbon footprint for Horváth & Partner GmbH and its international locations each year in accordance with the requirements of the Greenhouse Gas

Protocol. To this end, we are supported by an external consultancy firm that ensures the quality of this data and the correct calculation of our CO₂ emissions. In terms of economic sustainability, the satisfaction of our clients is our top priority. With this in mind, we continuously collect and monitor KPIs that reveal our clients' 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 indicators for criteria 5 to 7

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 foster 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 clients, 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 earn the respect of our clients and colleagues too.

- **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 clients. We are driven by a passion for creating something new.

- **OPENNESS** We give other people's opinions due consideration, whether colleagues or clients. 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 clients benefit from the resulting knowledge.

- **ENTREPRENEURIAL SPIRIT** Everyone should have the freedom to use their skills for the benefit of our clients. 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 clients 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) consider 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 has been evaluated in terms of the further development of sustainability goals since 2022. These goals are part of the target agreement, have a corresponding influence on compensation, and

are part of the regular strategic dialog between the supervisory board and the managing board. The supervisory board carries out a qualitative assessment of the further development and successful implementation of the ESG strategy, as well as the initiation and successful implementation of ESG measures and the achievement of ESG targets.

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 compensation policy relate to the economic, environmental, and social targets agreed by the senior governance body and executives.

Our executives' salaries consist of a fixed component and a variable component that depends on the company's performance and the achievement of individual targets (management by objectives). The amount of the variable component is based on their hierarchical level and the associated responsibilities. Sustainability targets have been an integral

part of the managing board's performance targets since 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 total annual compensation of the organization's highest paid individual (in charge of a major operating facility) in each individual country to the median total annual 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. According to the results of our materiality analysis, this is not a key 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.

As part of our structured materiality analysis, we identified the stakeholder groups relevant to Horváth: clients, employees, suppliers, and local networks with other companies at our locations. Integration into the sustainability process is specific to each stakeholder group:

CLIENTS We foster the mutual exchange of ideas and measures as part of projects relating to sustainability. We also organize roundtables 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 and our ESG manager. These ideas are then discussed, prioritized, and im-

plemented accordingly. Our ESG Ambassadors also serve as a link, raising awareness of sustainability issues, promoting exchange within the company, and helping to ensure that sustainability initiatives are implemented effectively. 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, and a CSR suggestion scheme on the intranet, etc.

SUPPLIERS We share knowledge with our suppliers too. We also enforce our supplier policy as part of our Supplier Code of Conduct. To assume our social responsibility, we encourage our employees to take part in volunteering days and pro bono projects. The aim is to actively support non-governmental

and charitable organizations through volunteer work. These can be private or religious initiatives, foundations, charities, associations, or aid organizations.

We focus on issues such as social justice, security and peace, human rights, and the environment.

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.*

An employee survey is regularly carried out throughout the company and is a key component in the further development of our company. The survey revolves around a science-based, strategic concept, which allows results to be discussed in greater depth and measures to be derived and evaluated in line with requirements. More than three quarters of our employees regularly take part in the survey. We gather ideas on the following topics related to sustainability:

- Equal opportunities for all employees from all areas of society and from diverse backgrounds
- Clear standards for ethical and legally compliant behavior

- Frameworks for work and private life
- Responsiveness and openness of managers to the professional and personal concerns of employees
- Understanding of sustainability measures and projects
- Opportunities for further development

The results of the employee survey are initially analyzed by human resource development and a committee, and the respective topics are then prioritized for further work with management. The results of the survey are shared with employees, as well as the status of the derived measures in 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 clients' 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 lead to a more efficient use of resources by our clients. Examples include the decarbonization of business models, the use of hydrogen technologies, sustainable supply chains, ESG reporting, and the implementation of the EU taxonomy. In this context, we work closely with a wide range of stakeholders, such as universities and research institutes, to develop pioneering, interdisciplinary solutions. With regard to our own added value, a working group has been established that regularly reviews our service provision processes. In addition to quality criteria, which are highly relevant for our clients, we also check the extent to which the respective services should actually be performed in situ at their premises. We raise awareness and encourage employees and clients 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 by calculating our annual carbon footprint.

As consulting services are part of our business model and travel is unavoidable to a certain extent, both our vehicle fleet and business trips create emissions. In particular, emissions from business trips to our clients account for 61.6% of our total emissions, while our vehicle fleet accounts for a further 33.7%. Comprehensive data on the respective business areas and main sources of emissions can be found in section 11 under the heading "Use of natural resources." To quantify the achievement of our targets even better, we will introduce an ESG dashboard in 2024 that will provide an overview of all relevant environmental and social key figures.

/ Performance indicators for Criterion 10

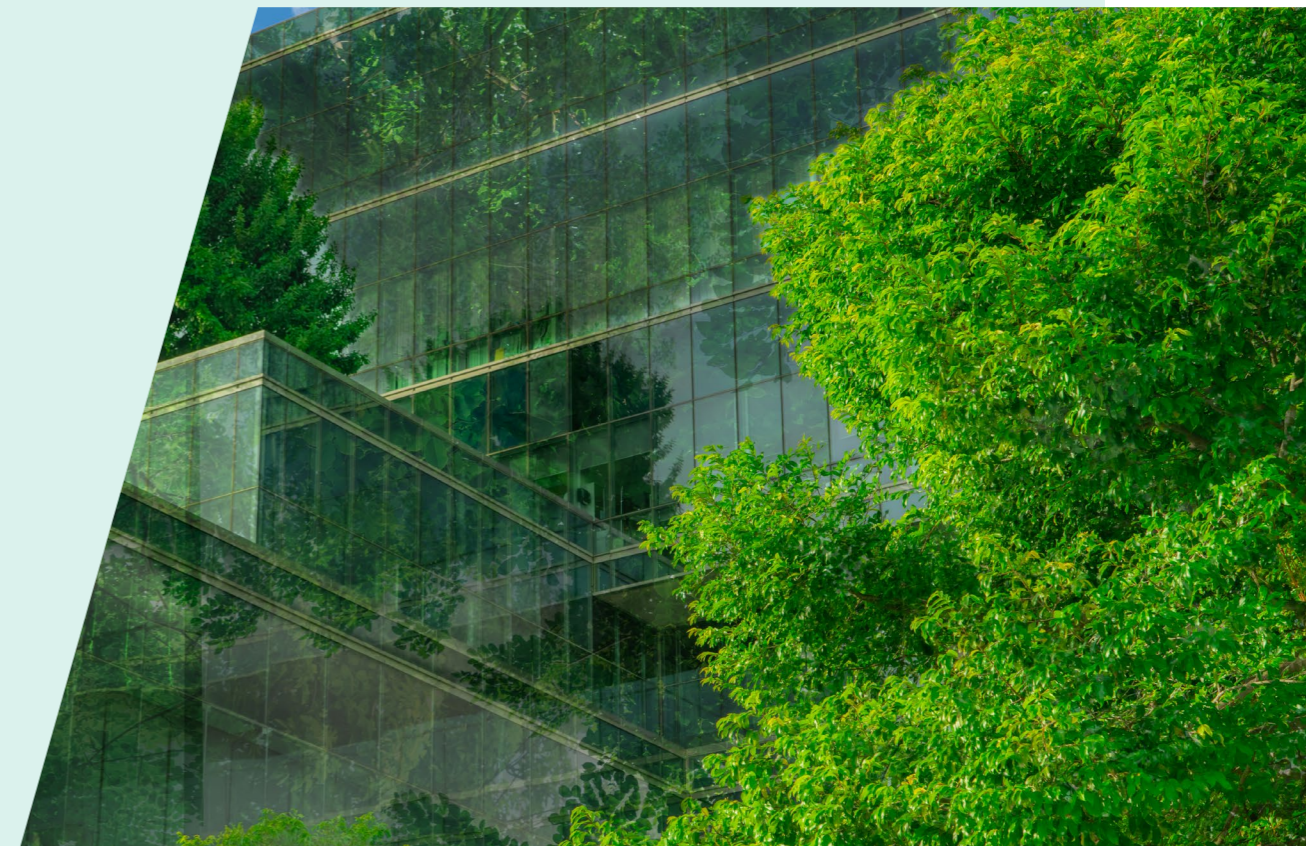
PERFORMANCE INDICATOR G4-FS11

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 consultancy 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 locations, which are all based in existing buildings, use little land and thus have a low impact on local biodiversity. Wherever possible, we pay attention to sustainability when choosing our locations. In 2020, we purposely relocated our Austrian national subsidiary to a LEED®-certified Green Building. In 2021, our Swiss subsidiary moved to a new building, which is not only the largest Minergie building, but also the highest-rated LEED®-certified building in Switzerland.

The consumption of natural resources in our offices includes, in particular, electricity, IT hardware, paper, office supplies, and water. All of our locations in the DACH region use environmentally certified printer paper, and the majority of our international locations have adopted this practice.

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 clients 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 further 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 AG

	2019	2020	2021	2022
Electricity consumption [kWh]	311560	270777	305572	329024
Heating energy consumption [kWh]	814549	654756	779879	638863
Cooling energy consumption	-	-	-	-
Steam consumption	-	-	-	-
Total energy consumption [kWh]	1126109	925533	1085451	967887

Our fuel consumption from non-renewable sources (diesel and gasoline) is shown in the table below. The year 2019 was defined as the base year, as this was the first year comprehensive environmental data was collected. Due to the limited availability of data, the reporting period is limited to the period up to and including 2022.

Since 2019, when we collected comprehensive environmental data for the first

time, our total energy consumption fell by 14% in 2022. The lower energy consumption figures from 2020 and 2021 are mainly due to the reduced use of our office locations during the coronavirus pandemic. Despite the lifting of the pandemic measures and the growth of our workforce, we were able to successfully reduce our overall energy consumption compared to 2019.

Fuel consumption by Horváth AG

	2021	2022	DEVIATION
Total fuel consumption [L]	676060	607721	-68339
Diesel	106807	76196	-30611
Gasoline	399818	260295	-139523
Hybrid	169435	271230	+101795

Since 2021, we have been collecting data on the evolution of our fuel consumption in liters to improve the quality of our data. Our Green Car Policy has already had a positive impact, as

we have managed to reduce our fuel consumption by 68,339 liters. We aim to boost this impact by continuously developing this policy.

GHG emissions by Horváth AG in accordance with the GHG Protocol

	2019	2020	2021	2022	Deviation from previous year	Deviation from base year 2019
Direct GHG emissions (Scope 1) [t CO ₂ e]	1579	1717	1783	1943	+160	+364
Indirect energy-related GHG emissions (Scope 2) [t CO ₂ e]	294	188	272	274	+2	-20
Other indirect GHG emissions (Scope 3) [t CO ₂ e]	4119	1186	1451	3550	+2099	-569
Gases included in the calculation; either CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	all	all	all	all	all	all
Total [t CO ₂ e]	5991	3081	3506	5767	+2261	-224
Per capita [t CO ₂ e]	8.35	4.57	3.84	4.74	+0.9	-3.61

The year 2019 was chosen as the base year, as this was the first year comprehensive environmental key figures were collected and environmental indicators were calculated. Compared to this reference year, we were able to reduce our carbon footprint by around 4% in 2022. This progress is particularly evidenced by the significant 43% reduction in per capita emissions.

There were different trends in the various emission categories. While a reduction of 7% was achieved in Scope 2 compared to the base year, the reduction in Scope 3 was even more significant at 14%. In contrast, we saw a 23% increase in Scope 1 emissions compared to 2019. This increase is mainly due to the growth of our workforce.

The drop in emissions in 2020 and 2021 was mainly due to travel restrictions during the coronavirus pandemic. Despite an increase in emissions after the end of the pandemic in 2022, they remained below the 2019 level. It should also be emphasized that an in-depth analysis of Scope 3 emissions, in particular commuter traffic, was carried out in 2022.

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 to mobility. Through our Green Mobility measures, we aim to reduce our mobility-related emissions as far as possible. With this in mind, our Green Car Policy promotes the use of hybrid and fully electric company cars (see section 8 "Incentive systems"). In addition, our employees in the DACH region can get a rail card ("BahnCard"), and our staff in Germany can get 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. We revised our travel policy in 2023 and introduced a "Rail over Flight" approach that encourages employees to use rail travel more. In 2024, we will further expand our mobility concept to promote sustainable modes of transport even more.

Green Building As part of our Green Building initiative, we are working to reduce the carbon 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 also sustainably operated: we already use 100% green electricity at our office locations in Germany, Austria, and Switzerland. We are planning to increase our use of green electricity at other locations too. 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 locations and made our staff aware of the importance of correctly separating waste. As part of our improved understanding of sustainability, we are also aiming to create bicycle parking spaces and install charging stations at all our locations. For all future relocations, we intend to pay greater attention to the sustainability of our buildings.

GREEN CONSUMPTION "Reduce, Reuse, Recycle" – when it comes to "Green Consumption," we implement

our understanding of environmental protection at the product level. We send our used IT and mobile devices to AfB, Europe's largest non-profit IT company, which specializes in the professional refurbishment of these devices. This measure not only extends the service life of our electronic products, but also helps to save scarce resources and reduce CO₂ emissions. AfB is also committed to social inclusion, as around 49% of its employees are people with disabilities. Our printer cartridges are refilled and recycled by Cartridge Space 24.

Our "Green Catering Guidelines" are designed to reduce resource consumption and waste, increase climate protection

and animal welfare, and minimize food waste. Horváth has made 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 is available 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 improved understanding of sustainability, we would also like to identify potential for more sustainable office materials and develop an office ecology concept.



Performance indicators for criteria 11 to 12

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 2024, we plan to

create an overarching environmental performance indicator system that will be used to monitor our KPIs (in particular emissions, energy, and 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.*

Energy consumption by Horváth AG

	2019	2020	2021	2022
Total electricity consumption [kWh]	311560	270777	305572	329024
From renewable energy sources at the locations in AT and CH		35902	185220	201825
Total electricity consumption [kWh] less renewable energies	311560	234875	120352	127199
Heating energy consumption [kWh]	814549	654756	779879	638863
Cooling energy consumption	-	-	-	-
Steam consumption	-	-	-	-
Total energy consumption [kWh]	1126109	889631	900231	766062

Our fuel consumption from non-renewable sources (diesel and gasoline) is shown in the table below. The year 2019 was defined as the base year, as this was the first year comprehensive environmental data was collected. Due to the limited availability of data, the reporting period is limited to the period up to and including 2022.

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.

Fuel consumption by Horváth AG

	2021	2022	DEVIATION
Total fuel consumption [L]	676060	607721	-68339
Diesel	106807	76196	-30611
Gasoline	399818	260295	-139523
Hybrid	169435	271230	+101795

Contracts, bills and receipts were used to calculate the key energy consumption figures. 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)].

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)].

Evolution of energy consumption at Horváth AG

	2019	2020	2021	2022	Deviation from previous year	Deviation from base year 2019
Electricity consumption [kWh]	311560	270777	305572	329024	+23452	+17464
Heating energy consumption [kWh]	814549	654756	779879	638863	-141016	-175686
Cooling energy consumption	-	-	-	-	-	-
Steam consumption	-	-	-	-	-	-
Total energy consumption [kWh]	1126109	889631	1085451	967887	-117564	-158222

* Our fuel consumption from non-renewable sources (diesel and gasoline) is shown in the table below.

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 2024, we plan to create an overarching environmental performance indicator system that will be used to monitor our KPIs (in particular emissions, energy, and 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 2024, we plan to create an overarching environmental performance indicator system that will be used to monitor our KPIs (in particular emissions, energy, and 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

	2021	2022	2023
Reused IT and mobile equipment (units)	55	18	129
Recycled IT and mobile devices with raw material recovery (units)	22	192	30
Total for IT and mobile devices (units)	77	210	159
Total volume (kg)	119	448	452

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 2022 in the area of climate protection were to calculate our carbon footprint annually and remain carbon neutral. 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 2022, the most significant source of emissions in our company was business trips (Scope 3), which were responsible for the largest part of our carbon footprint at 61.6%. Emissions from our vehicle fleet (Scope 1) followed in second place at 33.7%. Energy-related emissions at our locations (Scope 2) made a comparatively smaller contribution, as they accounted for 4.7% of our total CO₂ emissions.

To keep our net-zero status, we have set ourselves ambitious targets and measures that span the areas of Green Mobility, Green Building, and Green Consumption (see section 12 "Resource management"). The aim of these measures is to reduce our CO₂ emissions even further. We have set ourselves the goal of reducing our per capita emissions by 30% compared to 2022 by 2026/27. Despite our efforts to reduce emissions, they cannot always be completely avoided due to our business model. All unavoidable emissions from 2022 were therefore offset by Horváth through a climate protection project. In addition to environmental and social aspects, we also take the Sustainable Development Goals into account when selecting carbon offset projects.

The year 2022 is used to calculate our carbon footprint. Our carbon footprint now takes into account all our locations.



Performance indicators for Criterion 13

**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, HFCs, PFCs, 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	2021	2022
Direct GHG emissions (Scope 1) [t CO ₂ e]	1579	1717	1783	1943
Proportion of total emissions	26.3%	55.6%	50.90%	33.7%
Gases included in the calculation; either CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	all	all	all	all
Total [t CO ₂ e]	5991	3081	3506	5767

The year 2019 was defined as the base year, as this was the first year comprehensive environmental data was collected. Due to the limited availability of data, the reporting period is limited to the period up to and including 2022. A significant proportion of our total emissions come from Scope 1, mainly due to our vehicle fleet. To reduce these emissions, we have implemented measures such as the Green Car Policy. The increase in Scope 1 emissions in 2022 was due in particular to the growth of our workforce.

**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, HFCs, PFCs, 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	2021	2022
Indirect energy-related GHG emissions (Scope 2) [t CO ₂ e]	294	188	272	274
Proportion of total emissions	4.9%	6.1%	7.80%	4.7%
Gases included in the calculation; either CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	all	all	all	all
Total [t CO ₂ e]	5991	3081	3506	5767

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. Scope 2 emissions account for a smaller proportion of our total emissions and decreased from 2019 to 2022, mainly because we switched to green electricity. There was a decrease in emissions in 2020 and 2021 in particular, mainly due to the reduced use of office buildings during the coronavirus pandemic.

**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, HFCs, PFCs, 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	2021	2022
Other indirect GHG emissions (Scope 3) [t CO ₂ e]	4119	1186	1451	3550
Proportion of total emissions	68.7%	38.4%	41.40%	61.6%
Gases included in the calculation; either CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	all	all	all	all
Total [t CO ₂ e]	5991	3081	3506	5767

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. From 2019 to 2022, we saw a decrease in our Scope 3 emis-

sions (business trips to clients) despite an increase in the number of employees. Our reduced emissions in 2020 and 2021 were mainly due to the restricted travel during the coronavirus pandemic.

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, HFCs, PFCs, 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 AG in accordance with the GHG Protocol

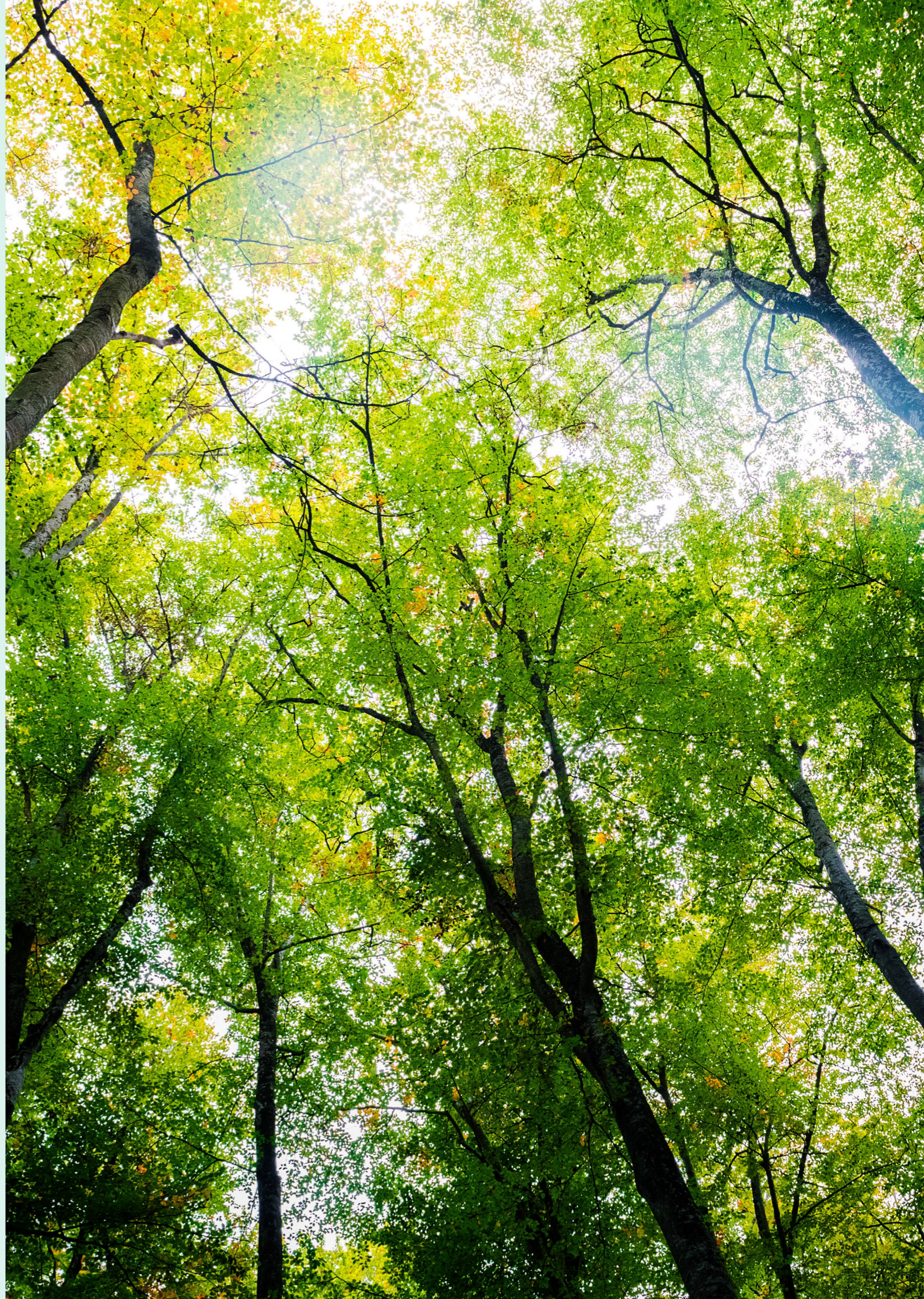
	2019	2020	2021	2022	Deviation from previous year	Deviation from base year 2019
Direct GHG emissions (Scope 1) [t CO ₂ e]	1579	1717	1783.00	1943	+160	+364
Indirect energy-related GHG emissions (Scope 2) [t CO ₂ e]	294	188	272	274	+2	-20
Other indirect GHG emissions (Scope 3) [t CO ₂ e]	4119	1186	1451	3550	+2099	-569
Gases included in the calculation; either CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	all	all	all	all	all	all
Total [t CO ₂ e]	5991	3081	3506	5767	+2261	-224
Per capita [t CO ₂ e]	8.35	4.57	3.84	4.74	+0.9	-3.61

The year 2019 was chosen as the base year, as this was the first year comprehensive environmental key figures were collected and environmental indicators were calculated. Compared to this reference year, we were able to reduce our carbon footprint by around 4% in 2022.

This progress is particularly evidenced by the significant 43% reduction in per capita emissions.

There were different trends in the various emission categories. While a reduction of 7% was achieved in Scope 2 compared to the base year, the reduction in Scope 3 was more significant at 14%. In contrast, we saw a 23% increase in Scope 1 emissions compared to 2019, mainly due to the growth of our workforce.

The drop in emissions in 2020 and 2021 was mainly due to the change in travel habits during the coronavirus pandemic. Despite an increase in emissions after the end of the pandemic in 2022, they remained below the 2019 level. It should also be emphasized that an in-depth analysis of Scope 3 emissions, in particular commuter traffic, was carried out in 2022.



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.

As a result of our centralized management of human resources in Germany, German labor standards are also applied to our international locations. We comply with 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 in regular meetings and dialog formats (see section 9 "Stakeholder participation"), and also on account of our open feedback culture based on flat hierarchies. Specifically on the topic of sustainability, an internationally accessible suggestion system is available on the intranet through which

our employees can contribute ideas for sustainable changes at Horváth.

To protect 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, such as ergonomic risks due to suboptimal workstations or workloads. Travel creates additional risks that can affect the health and well-being of our employees.

Through annual, mandatory occupational safety training, we inform our employees about healthy behavior in the office, at our clients' sites, and when working remotely. With our health management, we ensure that the working conditions in our offices and at our clients' sites are optimal. We also conduct regular safety briefings for users of company vehicles and periodic driver's license checks to further increase safety when traveling.

By taking proactive measures and continuously monitoring our working environment, we help to reduce the risk of accidents at work and work-related illnesses, thereby protecting the health and safety of our employees. We offer benefits that help employees

stay physically and mentally well. In addition to our safety officers, specialist external service providers support us in the continuous further development of our occupational health and safety concept. Horváth has also expanded its location-specific emergency management. In addition, we are centralizing our occupational safety measures across all German locations to ensure consistent occupational safety for employees working remotely. 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.

It is clear that our measures are working, as in addition to our many consulting

awards, we have repeatedly been named as a top employer in recent years and our employees actively recommend us.

Trendence Institute has praised us for many years based on surveys of students and (young) professionals in the consulting sector. Our score on the Kununu employer review platform is not only much higher than the overall average, but we have also been named the 2024 Top Company thanks to the many positive reviews from current and former employees. This award places us in the top 5% of the highest rated companies. By being part of the Handelsblatt Fair Company Initiative and the Institute for Employment and Employability, we send a clear message that we offer new and young professionals a fair and attractive working environment with a respectful and open corporate culture.

/ 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 our 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 that diversity and different perspectives are a strategic success factor that help us better meet the needs of our clients. 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 changes in employees' personal lives. Sometimes these also require a quick and unbureaucratic solution. This is why we are committed to giving our employees sufficient freedom 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 through a professional service provider that helps them find (emergency) childcare, domestic help, as well as nursing and senior care services.

As part of our Strategy 2030, we have set ourselves the goal of expanding the aspects of diversity within our company to create an inclusive working environment that welcomes and promotes all talent. Horváth stands for equal opportunities; openness is one of our corporate values. Our diversity concept addresses six aspects of diversity, which we implement through various training courses and awareness campaigns.

We want to increase the proportion of women in our workforce and in management positions in a structured way and promote the aspects of gender and sexual orientation. Under the motto "Attract, develop and retain female talent," we have therefore set ourselves the goal of increasing the proportion of women in management positions to at least 30% by 2026/27.

Our aim is to support diversity not only internally, but also in society. We support individual needs, self-organized networks, and an inclusive corporate culture in our company and are also committed to inclusion outside our company. By signing the Diversity Charter, we showed the outside world what is important to us and what we stand for: a respectful working environment for all employees – regardless of age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion and ideology, sexual orientation or social background.

With Parents@Work, we offer our employees a forum with a specific focus on their needs relating to parental leave and parenthood. In addition to

support and tips for parental leave, the forum offers all participants a platform to regularly exchange information with each other. This means 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.

As part of our commitment to diversity, we founded the Proud@Horváth initiative in 2022. This initiative further develops existing standards for LGBTQI+ issues in our company, works with external LGBTQI+ networks and organizations, offers internal advice, and acts as a point of contact for LGBTQI+ issues.

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 39 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 shown that men and women at Horváth also have equal opportunities when it comes to career development.

Equal pay inquiries

	2019/20	2020/21	2021/22	2022/23
Inquiries relating to the Transparency in Wage Structures Act	6	11	10	5
Identified salary differences (gender pay gaps)	0	0	0	0

DNK criterion 16: Qualifications

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 key to offering our clients added value and building long-term relationships with them. 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 client projects. For this reason, our People Partners take care of our employees and support them with 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 skills development for our employees. Based on the individual competence profile and hierarchy level of our employees, development areas are identified, while our Corporate Curriculum training measures and self-learning resources help us achieve optimal learning outcomes and promote a professional approach to work.

Our training measures focus on the competence areas of Sales Excellence, Delivery Excellence, Leadership, Consulting, and Professional 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.

In addition, we offer two compact and virtual formats available to all employees: at "Lunch & Learn" sessions, we cover current topics such as the presentation of new innovations, processes, and tools. As part of the Sustainability and Green Transformation (SGT) Knowledge Nuggets, our consultants present current ESG projects to our clients and share their experiences.

However, we also invest in the development of our employees beyond our internal programs. Through the Horváth Scholarship Program we support master's degrees, MBAs, and doctorates. We meet specific, individual qualification needs by booking external training courses, workshops, and coaching sessions. Our human resources development helps employees to choose suitable measures.

We have set ourselves the goal of offering every employee optimum development and training opportunities. In light of this ambitious goal, we attach great importance not only to achieving 100% participation in our mandatory training courses, but also to precisely tailoring all future training courses to the needs and requirements of our employees. This way, we ensure that everyone's basic needs are met, while offering the opportunity to promote individual skills.

The completion rates of our mandatory training courses are reviewed annually, and the data on needs-based training hours is also systematically recorded. These measures enable us to continuously evaluate and adapt the effectiveness of our training program to provide the best possible support for each employee's professional and personal development (more details can be found in section 16 "Qualifications").

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 illness

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 2023, there was only one occupational accident. In this case, the accident was the result of tripping. In 2023, each employee took an average of 5.8 sick days.

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).

A 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.

B Regular occupational safety committee meetings ("ASA" meetings) are held at all locations. These take place

up to four times per year. During these meetings, injuries and accidents are recorded and measures discussed to protect the health and safety of all employees in the workplace. In the ASA meetings at our company headquarters in Stuttgart, all important topics such as risk assessments, fire protection regulations, safety training, and electrical equipment testing are discussed and planned for all locations.

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

Despite the general importance of further training throughout the company, our offerings focus on consulting due to our consulting business model. In 2023, the average number of hours spent on training and further education

was 30 hours for male consultants and 29 hours for female consultants. In our Service Units and Corporate Functions division, the average number of hours spent on training was 21 for male employees and 19 for female employees.

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 (2023)

	MEN	WOMAN
Managing board and supervisory board	87.5%	12.5%
Managers	75.7%	24.3%
Total workforce	58.9%	41.1%

Age diversity category (2023)

	< 30 YEARS OLD	30-50 YEARS OLD	> 50 YEARS OLD
Managing board and supervisory board	0%	12.5%	87.5%
Managers	2.0%	79.4%	18.6%
Total workforce	33.2%	56.5%	10.3%

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.



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. On the other, we aim to ensure that we are not complicit in any human rights violations.

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

By 2024, we have set ourselves the goal of increasing transparency within our supply chain and improving our

risk management to consistently ensure compliance with human rights. In accordance with the German Supply Chain Due Diligence Act, we have established a comprehensive risk management system that includes regular assessments and audits of our suppliers to identify human rights risks early on and take action. This way, we ensure compliance with human rights standards and promote sustainable business practices throughout our supply chain. Despite these measures, we are aware of the existing risks and are continuously improving to make a positive social and environmental impact.

Further information on the implementation of the Supply Chain Due Diligence Act can be found in the "German National Action Plan for Business and Human Rights (NAP)" section.

Statement regarding the German National Action Plan for Business and Human Rights (NAP)

- 1 **Policy statement on the respect for human rights**
 - a.) State whether your company has its own corporate policy on the respect for human rights and whether this policy covers the ILO Core Labor Standards.
 - b.) Has the company management adopted the policy statement?
 - c.) Describe your company's internal and external communication on the policy statement.

- d.) At what level is the responsibility for human rights issues anchored in the company? (CSR-RUG Checklist 1b)
- e.) What is the scope of the policy (which locations, including subsidiaries, etc.)?

As part of our commitment to sustainability and social responsibility, we will comply with the German Supply Chain Due Diligence Act from the 2024/25 financial year. In our human rights policy statement, which we have adopted for this purpose and which applies to the entire company, we expressly commit to respecting the principles of human rights. This statement forms

the basis of our practice when dealing with employees, clients, suppliers, and society. Our human rights and environmental protection initiatives are based on international standards, including the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines, and the ILO Core Labor Standards.

2 **Procedure for identifying actual and potential adverse effects on human rights**

- a.) State whether and how your company analyzes human rights risks (through your business activities, business relationships, products and services, at your locations, and through political framework conditions) (criterion 17, checklist aspect 4)
- b.) Are particularly vulnerable groups included in the risk assessment?
- c.) How significant do you consider the human rights risks and your own influence to be?
- d.) How are human rights risks integrated into your company's risk management?

To identify potential human rights risks in our supply chain and business activities, we carry out annual risk analyses both in our own business and at our supplier companies. These analyses help us to identify areas with an increased risk and develop appropriate risk mitigation strategies. The risk analyses we have carried out have mainly resulted in a classification in low risk categories.

This system ensures that we can react promptly to changes in our business environment and address risks effectively.

Based on the results of our risk analyses, we implement targeted preventive and corrective measures. These measures include training, internal guidelines, reviewing and adapting business processes, and working with our suppliers to ensure that our standards are met.

Our risk management system is designed to monitor and manage identified environmental and human rights

- 3 Measures for monitoring effectiveness/Element: complaints mechanism**
- a.) Are employees trained in human rights?
 - b.) State whether and how human rights compliance is checked.
 - c.) Describe internal complaint mechanisms and clear responsibilities within the company, or explain how access to external complaint procedures is provided.
 - d.) Do whistle-blowing mechanisms also apply to suppliers?

We have set ourselves the goal of implementing effective measures to ensure compliance with human rights standards throughout our company. To this end, we have set up a transparent and accessible complaints procedure that enables our employees, suppliers, and other stakeholders to raise concerns and complaints about human rights violations. This procedure ensures that all complaints are addressed quickly

and fairly. We have also introduced mandatory ESG training to educate our employees about compliance and human rights issues. When implementing the Supply Chain Due Diligence Act, establishing separate executive and governance roles ensures that responsibilities are clearly defined. This results in a comprehensive review of compliance with human rights standards within the company.

- 4 Human rights due diligence in the value chain**
- a.) Is there a code of conduct for supplier companies that covers the four ILO Core Labor Standards?
 - b.) State whether and how a human rights risk assessment is carried out before entering into a business partnership.
 - c.) Are supplier companies trained in human rights?
 - d.) What processes does your company have in place to ensure compliance with human rights at supplier companies?
 - e.) Do you take measures (together with supplier companies) in the event of a conflict, or do you cooperate with other stakeholders? If so, what measures?
 - f.) What concepts are there for rectifying conflicts? State any cases during the reporting period.

Human rights risks mainly arise from global supply chains. Many of our locations are in Western Europe where our procurement process has a strong regional focus. Most of our products are sourced in Europe where human rights risks tend to be lower.

To identify potential human rights risks in our supply chain and business activities, we carry out annual risk analyses both in our own business and at our supplier companies. As our risk analysis reveals predominantly low risks at our supplier companies, we do not currently provide any specific training on human rights for them. However, they must sign our Supplier Code of Conduct.

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.

To ensure that human rights are upheld as a top priority beyond our European locations, we updated our Supplier Code of Conduct in 2023. In addition to ethical standards, environmental protection, and compliance, it also addresses working conditions and human rights as key topics.

As part of our commitment to sustainability and social responsibility, we will comply with the German Supply Chain Due Diligence Act from the 2024/25 financial year. This act requires us to

fulfill due diligence obligations in our supply chain to prevent human rights violations and environmental damage. We have therefore established the following measures:

In our annual report, we provide a detailed account of our human rights practices and performance. The report contains information on risk analyses we have carried out, preventive and corrective measures, and our complaints procedure.

We are committed to continuously improving our processes in accordance with the Supply Chain Due Diligence Act. Our progress and measures are regularly presented in our DNK reports and other company publications.

Performance indicators for Criterion 17

PERFORMANCE INDICATOR GRI SRS-412-3: HUMAN RIGHTS AUDITING 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 AUDITING OF OPERATING SITES

The reporting organization must disclose the following information:

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

All our locations are governed by our internationally valid Code of Values, which contains no loopholes that permit human rights violations. A risk analysis was carried out for all divisions to comply with the Supply Chain Due Diligence Act. This analysis did not reveal any significant risks of human rights violations. Based on these results, we do not currently carry out any specific on-site human rights compliance audits at our locations.

**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.*

As part of the Supply Chain Due Diligence Act, a risk analysis was carried out in 2023 among all suppliers to identify social and environmental risks. These steps are part of our ongoing efforts to improve our sustainability practices and handle our supply chains responsibly.

**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 assessed in terms of their social impact during the reporting period. This analysis did not reveal any significant risks of human rights violations.

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 active participation in Purpose Days. We devote some of our time to supporting organizations that aim to improve opportunities for our fellow human beings to be independent in the future and lead a self-determined life.

As part of our donations and Purpose Days, we have had strong partnerships with organizations for several years, but we are open to cooperating with new organizations.

We regularly donate to the organization Friends of Uthingo e.V., which was founded by a former Horváth employee and supports abused children in South Africa.

At 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 children with disabilities in Varanasi.

We also support the non-profit management consultancy IFUA Nonprofit Partner, which was founded by our Hungarian partners, in the form of donations, working time, and expertise. IFUA Nonprofit Partner helps non-profit organizations carry out management consulting projects and offers them professional training activities. Here, we draw on our management consultancy's tried and tested practices and methods.

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

Through our Purpose Days, we support projects with pro bono consulting and various institutions with volunteer work. One example of our commitment to pro bono consulting is the JOBLINGE project, which helps disadvantaged young people find apprenticeships and integrate into the job market over the long term.

This year, we have two new collaborations: The Back on Track project promotes educational activities among children and young people who have experienced displacement. The Kultur-Raum München project is a non-profit organization that promotes cultural participation for people on low incomes.

Through volunteer work, we support local projects at our locations, which are often initiated by our employees. These include activities such as World Cleanup Day, support for food banks, and reforestation campaigns.

Horváth also has long-term partnerships with 24 selected colleges and universities. On the one hand, we support universities and student initiatives financially by sponsoring the alumni association Adkus e.V. at the University of Stuttgart, participating in events organized by the umbrella association

of student management consultancies, and awarding two German scholarships for the ProTalent program at Münster University. On the other hand, we offer students the opportunity to carry out work experience in a consultancy firm and gain some initial practical experience through case studies.

In addition to our long-term partnerships, Horváth works regularly with other so-

cial organizations and institutions that share our values. In 2023, our Christmas donations supported organizations such as STELP-supporter on site e.V., the Stay foundation for multiplicative development, and the Rainforest Alliance. As an internationally active company with regional roots, we support both global and local organizations.

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.*

Horváth AG's sales revenues amounted to EUR 198 million in the fiscal year 2020/21 and EUR 270 million in the fiscal year 2022/23.

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 consultancy 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, protecting the personal data of our clients, suppliers, business partners, applicants, and employees is an important issue. It forms the basis of trust-based business relationships and safeguards the company's reputation. We have set ourselves the goal of promoting data confidentiality among all our employees to ensure data remains as secure as possible. We have implemented the following measures to achieve this goal:

Our data protection coordinators and data protection officers ensure the best possible protection of data shared with 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. Annual data protection training courses are mandatory for all employees, and attendance is checked at the end of each year.

Data privacy breaches and unauthorized data access entail significant risks to our business activities. Therefore, Horváth has developed structured processes to ensure that the data shared

with 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 remote working and the security of sensitive data must not be mutually exclusive. A special guideline therefore regulates the protection of data for remote 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 clients' wishes and meets the requirements of our most demanding clients.

Due to rapidly changing requirements and opportunities, we set ourselves new data protection goals every year. For example, both the revision of our Code of Conduct for suppliers and the introduction of mandatory compliance training for all employees have brought us significantly closer to achieving our goals.

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

Performance indicators for Criterion 20

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 locations are governed by our internationally valid Code of Values, which contains no loopholes that permit human rights violations. A risk analysis was carried out for all divisions to comply with the Supply Chain Due

Diligence Act. This analysis did not reveal any significant risks of human rights violations. Based on these results, we do not currently carry out any specific on-site human rights compliance audits at our locations.

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 giving warnings 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 confirmed 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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