

Rödl & Partner

# GROWING TOGETHER

Report 2018

Sustainability at Rödl & Partner

Advising with Respect for People and Nature



# About this Report

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Dear Reader,

This Rödl & Partner report for the calendar year 2018 is a follow-up to our first CSR Sustainability Report (calendar year 2017).

Whereas the 2017 report was still based on the UN Global Compact Standards, this report has been prepared according to the Global Reporting Initiative (GRI) guidelines. This is another step forward in our reporting as the GRI guidelines have been recognised as the concretisation of the ten principles of the UN Global Compact Standards already since 2013. The GRI guidelines should help the participating enterprises meet their commitments and enable an international comparison of the reports compiled in this process. This is particularly important for achieving our goal, which is to adjust our CSR reporting to Rödl & Partner's international structure in the long term.

In this respect, the United Nations' 17 Sustainable Development Goals (UN SDGs) are for us as an international firm the model and primary guidance on implementing the guidelines. Any efforts that we make in the area of sustainability are underpinned by these goals in manifold ways and should be guided and reinforced by them.

Further reports will be prepared every two years. Thus, the next report will be issued in 2021 and will cover calendar years 2019 and 2020.

For ecological reasons, the report is available in a digital format only.

Our corporate culture assumes a working environment free from any form of discrimination. We have partly chosen the masculine gender as regards gender-specific designations for convenience purposes only.

# Table of Contents

<b>1. Our firm</b>	<b>4</b>
1.1 Interview with Prof. Dr. Christian Rödl	4
1.2 Management approach	6
1.3 General disclosures	7
1.3.1 Organisational profile	7
1.3.2 Governance	13
1.3.3 Report profile	14
1.4 Economic performance	15
1.5 Anti-corruption and anti-competitive behaviour	16
<b>2. People</b>	<b>17</b>
2.1 Stakeholder engagement	17
2.2 Employment	17
2.3 Training and education	22
2.4 Diversity and equal opportunity	26
2.5 Non-discrimination	28
2.6 Freedom of association and collective bargaining	29
2.7 Customer privacy	29
2.8 Social engagement	31
<b>3. Nature</b>	<b>35</b>
<b>4. Future</b>	<b>39</b>
<b>5. GRI Index</b>	<b>42</b>

# 1. Our firm

## 1.1 Interview with Prof. Dr. Christian Rödl

*Why does Rödl & Partner prepare a sustainability report?*

Although we are not subject to any statutory reporting duties, sustainability is a matter we are wholeheartedly committed to. The global challenges of our time and continuous change require the commitment of every single person and every company – we have to handle our environment and our mutual relations in a responsible way. That is why we have named this commitment “Consultancy with respect for People and Nature”. With this report, we at Rödl & Partner wish to make our sustainability strategy and the ecological and social impact our business activity exerts on the environment transparent to our clients, employees, co-operation partners and the public.

*What significant impetus do you hope to achieve by this both internally and externally?*

Following research and discussions required for preparing the report and carried out at various levels and in various departments we have already learned that our employees are motivated to contribute to the cause and show creativity by bringing new ideas to the table.

Externally, we simply see the need for information among our stakeholders and we want to satisfy that need. Also the requirements of our clients (in particular those from the public sector) have repeatedly shown that a company of our size must ensure transparent communication in this respect and can thus also generate a certain competitive advantage in some cases.

*Rödl & Partner has been continuously growing since its founding in 1977. How is it connected with sustainability?*

From the very beginning, earning short-term profits has never been the main purpose of our activities; we have rather always been focused on organic growth and have oriented our business management towards building a sustainable market presence. But sustainability has been entrenched not only in our strategic orientation but, and first of all, in our daily activities. To us, sustainability means that we orientate our activities at our stakeholders while ensuring an environmentally responsible behaviour, high quality and integrity of our employees.

*Does it also have an impact on HR management?*

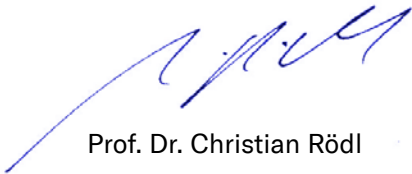
We seek to implement this concept, first and foremost, by placing value on being a fair and attractive employer who supports high-quality education and offers its employees manifold opportunities for life-long learning. Apart from this, we place a special focus on contributing to society, on the one hand as part of our work, such as e.g. by providing audit services which strengthen our client’s reliability and legal compliance, on the other hand by having our Employee Fund and employees contribute to society.

We even dare say that this sustainable and liberal corporate culture can be clearly told from the quality of our services and products. Insofar, we let our clients judge on the quality of the services we provided to them and are always happy to draw valuable conclusions.

*Do aspects of sustainability play thus a vital role in management decisions?*

As regards our employees, sustainability simply pays off – we maintain open communication across the entire firm – from interns to top executives, which ultimately allows us to achieve a low turnover rate and thus to retain the know-how within our firm. At the same time, we allow our employees entrepreneurial freedom and thus enable them to develop in keeping with the entrepreneurial goal, which is essential to achieving sustainable growth.

In terms of ecology, we see ourselves as a firm that has certainly a lesser impact on the natural environment than companies from the manufacturing sector; we, nevertheless, are committed to reducing the ecological footprint of our business and thus to be a role model for our employees.



Prof. Dr. Christian Rödl



## 1.2 Management approach

The report essentially focuses on the impact of Rödl & Partner's business on its employees, other stakeholders and the environment.

This report, first of all, focuses on Rödl & Partner Germany (all companies registered in Germany) and, as the first step towards global reporting, it also covers Rödl & Partner's offices in Poland. In our future reports, we plan to more closely reflect our firm's international structure and to include also other international locations.

Ultimately, with these reports, we discuss two important topics. As a consulting firm (and thus being clearly distinct from manufacturing companies) we attach great importance to human resources because our employees are our greatest asset. Therefore, our HR Department, Training & Development service unit, and Central Administration and Bookkeeping departments were strongly involved in the preparation of this report. Furthermore, the perception of our firm in society is an important yardstick of our business success. Therefore, we pay much attention also to our social engagement, for example to the Rödl Employee Fund. These topics were identified as important to our firm based on a survey conducted as part of an analysis of material topics (materiality analysis) among heads of strategic business units and are discussed herein below. We did not carry out any targeted survey among our clients or employees in the reporting period, but such a survey should be an important part of our next report.

The environmental impact of our business operations should, in turn, be classified as being of lower significance compared to that of manufacturing companies. Nevertheless, this and the following reports should demonstrate that there is a growing awareness of the environmental issue at our firm and various projects are launched to reduce that impact. Through these steps we want to fulfil our task of serving as a role model for our employees and clients.

Furthermore, we act in the awareness that we manage and process our clients' sensitive data and therefore attach great importance to data security in our IT and data centres. Especially in view of progressing digitisation, the trust of our clients in this respect is very important to us and is the foundation of our business operations.

This report is not required by statute and has been prepared on a voluntary basis. This was our own initiative, which we embraced using our own resources without the assistance of any other consulting firms. We want our practices to be as transparent as possible to our clients and employees.



## 1.3 Company information

### 1.3.1 Company profile

The history of Rödl & Partner goes back to its foundation as a solo practice in 1977 in Nuremberg. Our aspiration to be on hand wherever our internationally-active clients are led to the establishment of our first own offices. Since 1989, Rödl & Partner has been consistently expanding internationally as an independent firm. Today, Rödl & Partner has its own offices almost everywhere where German enterprises conduct business.

We identify ourselves particularly strongly with the wishes, goals and needs of German family enterprises operating across borders. Our success has always been based on the success of our German clients: Rödl & Partner is always there where its clients see the potential for their business engagement. Rather than create an artificial network of franchises or affiliates, we have chosen to set up our own offices and rely on close, multidisciplinary and cross-border collaboration among our colleagues. As a result, Rödl & Partner stands for international expertise from a single source.

Our one-stop-shop concept is based on a balance of expertise across the individual service lines, combining them seamlessly in multidisciplinary teams. What sets us apart – Rödl & Partner is not a collection of accountants, auditors, lawyers, management and tax consultants working in parallel. We work together, closely interlinked across all service lines. We think from a market perspective, from a client's perspective, where a project team possesses all the capabilities to be successful and to realise the client's goals. Our interdisciplinary approach is not unique, nor is our global reach or our particularly strong presence among German family businesses. It is the combination that cannot be found anywhere else: a firm that is devoted to comprehensively supporting German businesses, wherever in the world they might be.

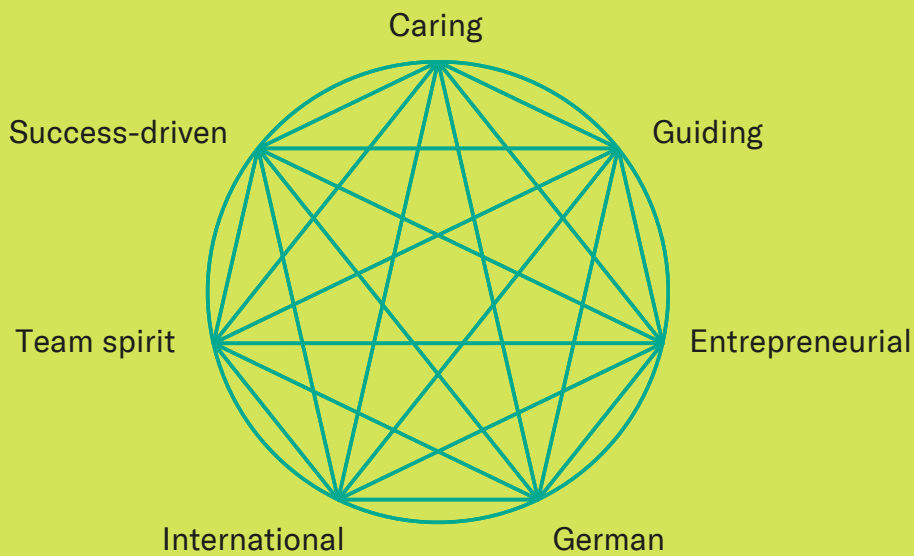


**RÖDL & PARTNER IS THE AGILE CARING PARTNER FOR MITTELSTAND SHAPED WORLD MARKET LEADERS.**

Just as with most of our clients an entrepreneurial heart beats within us. We have the same pulse rate. This leads us to have the same convictions. So we all agree: it's not enough just to decide that one would like to act in an entrepreneurial manner. This alone is not enough to create the pioneering entrepreneur. In addition, relentless drive is necessary, a kind of restlessness similar to that of a watch movement. This enables bustling activity, industriousness, inspiration, enthusiasm and a healthy attitude to risk taking.

The "one firm" concept is at the centre of the brand identity of Rödl & Partner. All services are offered under the brand name "Rödl & Partner". In order to strengthen the brand in a sustainable manner and to ensure recognition in external as well as internal communication, a worldwide uniformity is necessary.

Our brand, however, does not only consist of a logo, but also defines our unique selling propositions and our business model through our brand DNA.



## *CARING*

Each one of us approaches their clients and colleagues with empathy. We treat our counterparts in the same way as we ourselves would like to be treated.

## *GUIDING*

Our clients expect clear orientation. Instead of ducking away we make well-defined recommendations.

## *ENTREPRENEURIAL*

We follow a strict market orientation. In doing so, we identify opportunities and take advantage of them.

## *GERMAN*

We fulfil the expectations our clients and colleagues have of “Made in Germany”.

## *INTERNATIONAL*

We are not a network. We are ONE firm. We operate internationally with our own locations in 50 countries.

## *TEAM SPIRIT*

We rarely achieve our success as soloists, but rather as a team. Each one of us has their own strong personality – but the collective sound of the orchestra is decisive.

## *SUCCESS-DRIVEN*

We do not rest but always strive for improvement and operational expansion. We are successful when our clients are successful.

## *OUR CORPORATE CULTURE*

As a family company, we are committed to the culture of human interactions that are underpinned by interpersonal relationships. Short decision-making paths, direct contact regardless of the responsibility and career levels and leadership continuity are what we live in our day-to-day work. Rödl & Partner is a company with people of different personalities. Our partnership-based corporate culture is marked by an entrepreneurial spirit and the individuality of our advisers. Decentralisation is one of the Rödl & Partner strengths. Our teams, led by Partners, work to a large extent independently but never lose sight of the overall goal: to work together to develop optimum solutions for our clients. We promote close collaboration between teams specialised in various areas. Such interprofessional collaboration is the hallmark of Rödl & Partner.



THE CORE BUSINESS OF RÖDL & PARTNER CONSISTS OF THE FOLLOWING FIELDS:

- Legal
- Tax consulting
- Tax declaration / BPO
- Management and IT consulting
- Audit

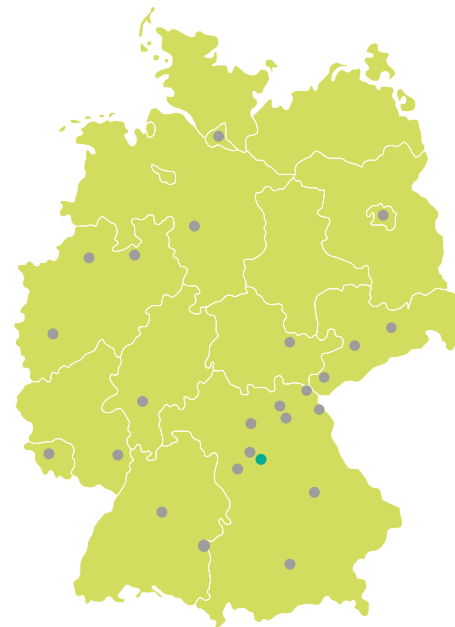
THE MOST IMPORTANT SERVICES:

- Supervisory and advisory board consulting
- Company pensions
- Compliance management
- Corporate Social Responsibility
- Data protection
- Financing
- Going Public
- Inbound – success in Germany
- International HR services
- Internationalisation of companies
- Capital investments and other structured investments
- Capital market-oriented companies
- Employee participation – innovative remuneration systems
- Post Merger Integration (PMI) and transformation services
- Restructuring and insolvency services
- Risk management
- Criminal law prevention
- Transaction consulting | M&A
- Succession advisory
- Venture capital consulting
- Transfer pricing

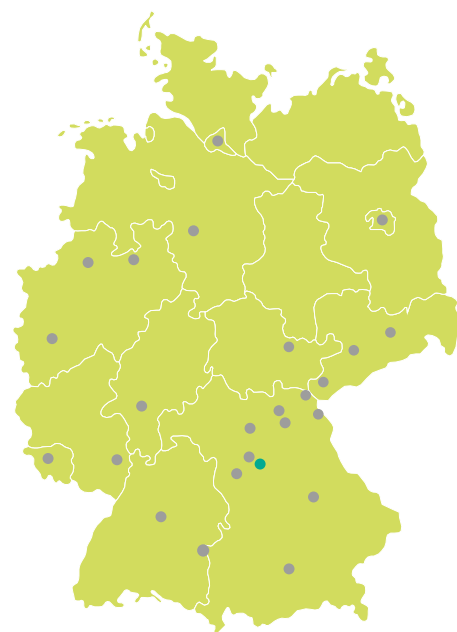
OUR OFFICES:

Our German offices are located at the following addresses:

CITY	STREET	POSTAL CODE
Nuremberg (main office)	Äußere Sulzbacher Str. 100	90491
Ansbach	Heilig-Kreuz-Straße 2 a	91522
Bamberg	Laubanger 23	96052
Bayreuth	Wittelsbacherring 37	95444
Berlin	Straße des 17. Juni 106	10623
Bielefeld	Am Lenkwerk 7	33609
Chemnitz	Aue 23 – 27	09112
Dresden	Freiberger Straße 37	01067
Eschborn	Mergenthalerallee 73 - 75	65760
Fürth	Gustav-Schickedanz-Straße 15	90762
Hamburg	Kehrwieder 9	20457
Hannover	Karl-Wiechert-Allee 1c	30625
Hof	Dr.-Enders-Straße 55	95030

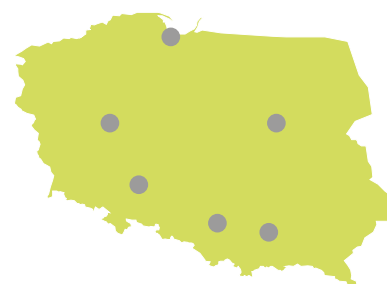


CITY	STREET	POSTAL CODE
Jena	Kochstraße 5	07745
Cologne	Krankenhaus 1, Im Zollhafen 18	50678
Kulmbach	Hardenbergstraße 16	95326
Ludwigshafen	Donnersbergweg 2	67059
Mettlach	Britter Straße 1	66693
Munich	Denninger Straße 84	81925
Münster	Hafenweg 18	48155
Nuremberg	Erlenstegenstraße 10	90491
Nuremberg	Thurn-und-Taxis-Straße 10	90411
Plauen	Neundorfer Straße 68	08523
Regensburg	Am alten Schlachthof 28	93055
Selb	Ludwigsmühle 10	95100
Stuttgart	Friedrichstraße 6	70174
Ulm	Einsteinstraße 55	89077



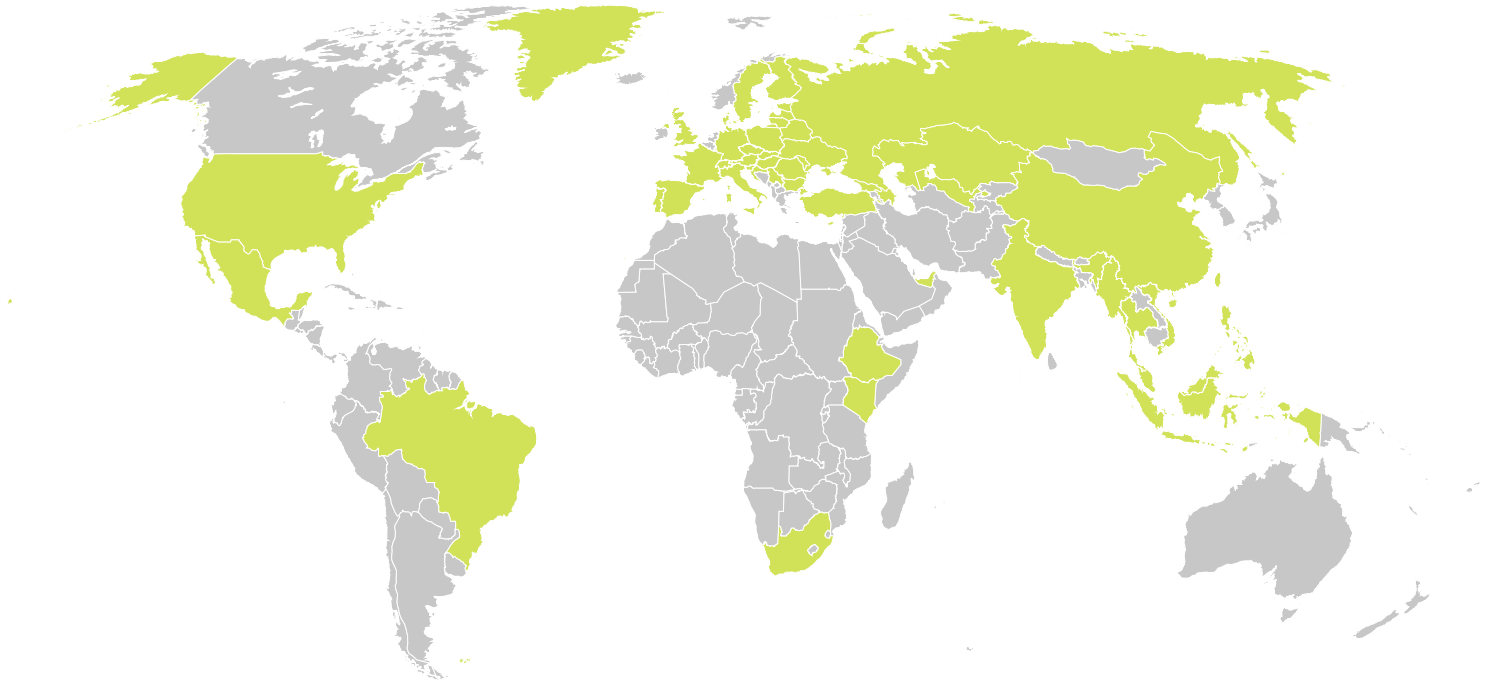
Our Polish offices are located at the following addresses:

CITY	STREET	POSTAL CODE
Cracow	ul. Skaleczna 2	31-065
Gdansk	al. Grunwaldzka 472B	80-309
Gliwice	ul. Zygmunta Starego 26	44-100
Poznan	ul. Górkki 7	60-204
Warsaw	ul. Sienna 73	00-833
Wroclaw	Nicolas Business Center ul. Św. Mikołaja 19	50-128



Rödl & Partner is present in 50 countries – the geographical focal points of our business operations are Germany, Eastern Europe and Asia. Our key markets are the same as our service lines, i.e. audit, legal and tax consulting, as well as management and IT consulting.

Rödl & Partner has been growing dynamically. As attorneys, tax advisers, management and IT consultants and auditors, we are present in 111 own locations in 50 countries. Worldwide, our clients trust our 4,900 colleagues.



Our employees make up our core competency as a professional services firm. We strive for sustainable growth through a constant yet controlled increase in the number of our staff.

#### IN GERMANY

	2015		2016		2017		2018	
EMP	1.667		1.810		1.900		1.930	
M	762	45.7%	837	46.3%	882	46.4%	909	47.1%
F	905	54.3%	973	53.7%	1.018	53.6%	1.021	52.9%

The number of permanent employees (incl. trainees) has increased by almost 16% since 2015. We employ more women than men. Their share has constantly been between 53% and 54% in the last four years.

## IN POLAND

	2015		2016		2017		2018	
EMP	403		440		440		438	
M	100	24.8%	104	23.6%	92	20.9%	102	23.3%
F	303	75.2%	336	76.4%	348	79.1%	336	76.7%

In Poland, we report an increase in the number of employees by nearly 9%. Also our Polish offices employ more women than men – female employees accounted for even more than three quarters of the personnel in the reporting period.

Rödl & Partner is a member of various associations and interest groups both in Germany and in Poland, such as:

### Germany:

- Member of AGFW – Arbeitsgemeinschaft Fernwärme (German District Heating Working Group)
- Member of chambers (chambers of industry and commerce, bar associations, chambers of tax consultants)
- AIESEC (promoting member)
- ELSA-Deutschland e.V. (European Law Students' Association, Germany) (promoting member)
- sdw – Stiftung der Deutschen Wirtschaft (Foundation of German Businesses) (promoting member)
- Deutschland Stipendium - Germany-wide student internship programme (promoting member)
- djt – Deutscher Juristentag e.V. (German Lawyers' Association) (promoting member)
- IDW – Institut der Wirtschaftsprüfer (Institute of Public Auditors)
- GTV – Geothermieverband Deutschland (German Geothermal Association)

### Poland:

- Member of the German-Polish Chamber of Industry and Commerce (AHK Polen)
- Member of the Scandinavian-Polish Chamber of Commerce (SPCC)
- Member of the Polish-Swiss Chamber of Commerce
- Member of the British-Polish Chamber of Commerce (BPCC)
- Member of the French Chamber of Industry and Commerce (CCIFP)
- Member of the Polish-Austrian Initiative for Economic Cooperation (Polnisch-Österreichische Initiative der wirtschaftlichen Zusammenarbeit / Polsko-Austriacka Inicjatywa Współpracy Gospodarczej)
- Member of the Spanish-Polish Chamber of Commerce
- Member of the Lower-Silesian Employers' Association (Dolnośląscy Pracodawcy)
- Member of the Pomeranian Employers' Association (Pracodawcy Pomorza)
- Member of and partner in the Eastern Europe's Association for German Business (Osteuropaverein der deutschen Wirtschaft)
- Active member of the German-Polish Business Club (Deutsch-Polnischer Wirtschaftskreis / Polsko-Niemieckie Koło Gospodarcze)
- Member of the German-Polish Lawyers' Association (Deutsch-Polnischer Juristen-Verband (DPJV) / Niemiecko-Polskie Stowarzyszenie Prawników)

## 1.3.2 Governance

Rödl & Partner is operatively and strategically managed by our 6 Managing Partners. They determine our business policy guidelines. Their responsibilities also include our service lines, local presence, internal service units and all the Rödl & Partner offices worldwide. This additionally includes the responsibility for the monitoring of social, economic and environmental issues.

At a local level the heads of our offices and business areas establish the brand and services of Rödl & Partner. The career paths in our organisation are as individual as the people and the responsibility within our firm varies from area to area. Our career model is intentionally flexible and leaves room for specialised disciplines and different phases of working life. That is why there is no time definition of when a career stage has to be reached. There is, however, a uniform basis for professional development. In 4 stages, the required expertise and responsibility are built up step by step: from the employee, to the Senior Associate, to Associate Partner, and finally to Partner.

As the level of experience increases, with deeper integration in the information flow and decision making processes so does the prospect – with a good track record – of becoming a Partner. The criteria for our Partners are economic success and professionalism, leadership and personality. A Partner has usually performed qualitatively and entrepreneurially well in their area of operations over many years and has set new standards.

They are therefore a role model for the career development of the employees. The criteria for Partners are correspondingly valid to a lesser degree for Associate Partners and Senior Associates. Associate Partners already take on management tasks as project managers. They participate to win new clients and cultivate the market. Associate Partners are predestined for critical career steps such as the founding of a new office or assuming responsibility for a business area in an office or a country. This is where the course is set for the person to become a Partner and so at this stage we take special care to individually promote and assess entrepreneurial expertise. Senior Associates take on expert management tasks as new project leaders and have regular contact with clients. They build up their special area of operations and thereby develop their internal and external reputation. This is because the success of Rödl & Partner is based on the commitment of colleagues with excellent professional qualifications who seek entrepreneurial freedom and welcome entrepreneurial responsibility. This commitment is rewarded with the official invitation to become a Partner.

### DECISION-MAKING BODIES

Decisions on economic issues are made by the Managing Partners. Social issues are handled primarily by the HR department and its Head, Dr. Michael Rödl, with an input from the relevant professional colleagues (Procurement, Training & Development etc.).

At the same time, social issues related to charity projects are dealt with by the Rödl Employee Fund for Children's Aid, which is an independent fund with its own board of directors and board of trustees.

As regards environmental issues, the Managing Partners rely especially on the Central Services Department (as the executive body of Procurement, Vehicle Fleet Management etc.) or the professional colleagues providing advice on Corporate Social Responsibility and colleagues from specialised consulting departments, e.g. Energy and Public Sector. Those colleagues prepare draft decisions for the meetings of the Managing Partners.

In the next step, it is planned to appoint CSR representatives in each office (in Germany and internationally) who will be responsible for the introduction and implementation of CSR measures.



## MANAGING PARTNERS

The Rödl & Partner Group has no supervisory board.

Our corporate management structure follows from the organisation of the Rödl & Partner Group. Below the Management Board are management groups with the professional responsibility for individual service lines.

Those management groups are composed of Management Board members who ensure the management of our firm according to the professional guidelines developed by the management groups.

In addition, according to the structure of the Rödl & Partner Group's Management Board, Prof. Dr. Christian Rödl is the President of Management Board.

The internal and external supervision measures ensure that all employees abide by the quality assurance regulations, and the corporate quality assurance system is being continuously improved and adjusted to the recent developments in the statutory and professional requirements.

## INTERNAL QUALITY ASSURANCE SYSTEM

Quality is the key success factor for our company. Therefore we attach central importance to the establishment, implementation and monitoring of an appropriate and effective quality assurance system. Quality assurance within the firm is a continuous process encompassing the rules on the general organisation of the practice, on engagement related quality assurance measures, and on monitoring the appropriateness and effectiveness of the quality assurance system.

## EXTERNAL QUALITY CONTROL AND INSPECTIONS

Rödl & Partner is entered as a certified public auditor in the profession register of Wirtschaftsprüferkammer (German Chamber of Certified Public Accountants). Insofar Rödl & Partner is subject to regular quality checks and inspections.

### 1.3.3 Report profile

To identify significant issues for our report, we consulted external studies, industry-specific and media analyses, internal guidelines and the heads of strategic business units.

As part of the further development of our analysis of material topics following the prior-year report, we were guided by the idea of putting an even greater focus on Rödl & Partner's business model in the 2018 report. But we also analysed the current topics and examined Rödl & Partner's business in this context. This includes e.g. decarbonisation and digitisation in our industry.

In contrast to industrial manufacturing companies, Rödl & Partner as a service firm places a clear focus on social issues. Nevertheless we want to take all economic, environmental and social aspects of corporate responsibility equally seriously and thus, through the sustainability process, to gradually further develop "the firm as a modern enterprise for the future".

The new reporting structure is based on the GRI reporting guidelines and the relevant criteria. The [GRI Index](#) including pages to locate information on diverse topics is appended to this report.

The report prepared for the period from 1. January 2018 to 31. December 2018 is a follow-up to the report published in May 2018 and including the data for the calendar year 2017. The subsequent reports will be prepared and published every two years. Thus, the next report will be published in 2021 and will cover the years 2019 and 2020.

#### YOUR CONTACT FOR QUESTIONS REGARDING THE REPORT

General questions about sustainability at Rödl & Partner:



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[michael.roedl@roedl.com](mailto:michael.roedl@roedl.com)

Contact point in the Management Board:



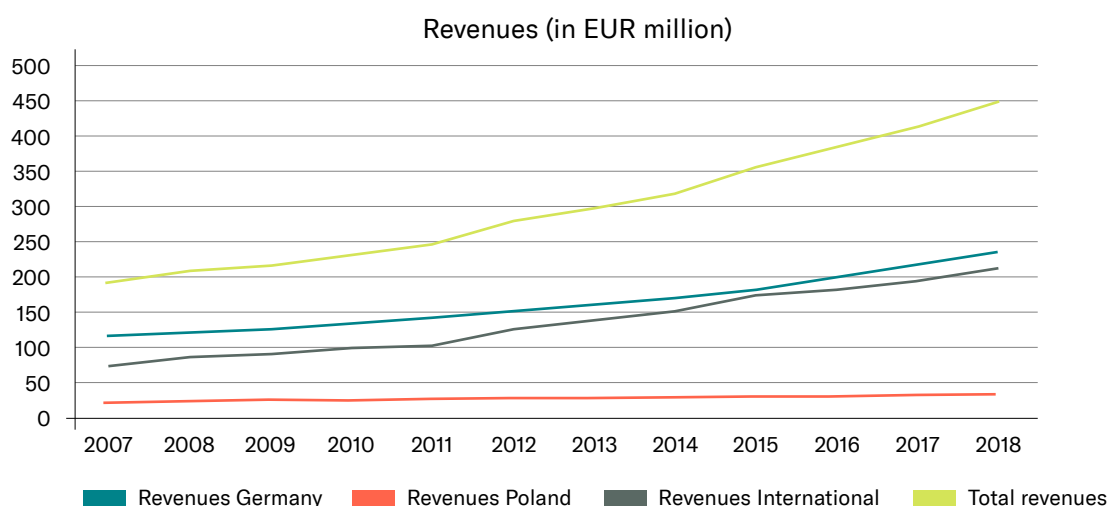
Martin Wambach  
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## 1.4 Economic performance

Below you will find the published figures illustrating Rödl & Partner's business development, broken down into total revenues, domestic revenues (Germany), international revenues (without Germany), and separately revenues in Poland.

Rödl & Partner has demonstrated sustainable growth both nationally and internationally. Our interdisciplinary approach is not unique, nor is our global reach or our particularly strong presence among German family businesses. It is the combination that cannot be found anywhere else: a firm that is devoted to comprehensively supporting German businesses, wherever in the world they might be.<sup>2</sup>

<sup>2</sup> Please note that the international sales revenue includes sales revenue earned in Poland.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues Germany	117.3	122	125.7	135.5	142.3	153.8	160.9	170	183.1	201.9	218.7	236.1
Revenues Poland	13.3	15.3	17	15.4	17.1	18.6	18	19	19.5	20.2	22.1	24
International revenues	75.6	87.4	92.1	99.7	104.2	127.5	137.7	151.1	174.3	184.3	196.3	215.4
Total revenues	192.9	209.4	217.8	235.2	246.5	281.3	298.6	321.1	357.4	386.2	415	451.5

Rödl & Partner indirectly achieves a positive economic effect mainly through the improvement of the skills and knowledge of its employees. The competencies that our employees acquire as part of the training and education measures described in [Chapter 2.3](#) strengthen not only our firm, but also – through natural fluctuation – the regions where we are located.

## 1.5 Anti-corruption and anti-competitive behaviour

As a professional services firm we are bound by professional regulations and thus are especially committed to integrity in business relations. We do not tolerate any form of corruption or anti-competitive behaviour – in particular bribery and extortion – whether in our own business relations or in those of our clients. We are not aware of any incidents of corruption or anti-competitive behaviours in the reporting period.

# 2. People

## 2.1 Stakeholder engagement

We are a service firm so our employees are – apart from our clients – the largest group of our stakeholders. Of course, we could also mention local residents or suppliers in this respect, but compared to our employees and clients or companies that have a significant impact on their immediate environment (e.g. industrial manufacturers), they are rather insignificant.

We undertake the following periodical measures to integrate employees into our firm:

- Structured onboarding of new employees, e.g. quarterly employee induction events
- Employee survey (conducted in the Stuttgart office in 2018) on workplace safety and job satisfaction (surveys are planned to be carried out in other offices in 2019)
- Induction days for our new trainees
- Monthly trainee meetings and regular gatherings of interns
- Structured and mandatory annual employee appraisals
- Exit interviews including feedback questionnaires for permanent employees and interns
- Employee recommendation programme – active involvement of our employees in the recruitment process

These basic activities are carried out in all Rödl & Partner offices.



## 2.2 Employment

No employee will want to work for an employer (or be loyal) only because the employer is committed to the concept of “partnership-based leadership” or “humanity” (this should be called “humaneness”, if at all). These “values” are hollow slogans, at first. They are brought to life only after these sublime claims are credibly practised, and are perceptible, if not to say palpable, within the company. If a company succeeds in doing this and, in addition, enjoys engaging in a respectful dialogue, and ensures that the thirst for knowledge is satisfied by the transfer of know-how, then, and only then, will the additionally motivated employees be the first to benefit from this.

Ever since the firm was established 40 years ago, Rödl & Partner has always made sure that stable growth goes hand in hand with sustainably generated revenues. Through all the years, the net profits ensured the thriving development of Rödl & Partner and the financing of our expansion. Its today’s business volume Rödl & Partner has primarily achieved by organic growth. M&As were an exception. We will adhere to this business policy although we check opportunities opening up to us and will use them, where appropriate. This applies to countries and locations where we are already present and also to regions we are yet to tap into.

Our entrepreneurial success is based on the engagement of all colleagues. They recognise and use the versatile development opportunities our firm offers them, and they do this in an attractive and highly versatile environment. Teamwork and individually responsible behaviour already at early career stages are a “must do” and, at the same time, an obvious thing for us. As one of the most exciting companies in the industry we support new ideas and create room for their implementation.

We are interested in both permanent business and long-term employment relationships. At Rödl & Partner, every person should feel that our firm is their “home from home”. This relates to aspects such as promoting health and sports activities and also friendly interaction with each other. Therefore, our “10 rules for good corporate governance” are an integral part of our employment contracts. To us, individual responsibility and direct communication are of higher priority than excessive regulations, such as official instructions. In our opinion, this supports entrepreneurial and, at the same time, social thinking. At all our locations, our people are aware of their roots in society.

The relationship with our employees is an important part of our success. This includes the relationship based on mutual trust, which builds on maximum transparency across the firm. There are no fixed notice periods regarding significant operational changes at Rödl & Partner. But according to our corporate philosophy our employees should be informed as early and comprehensively as possible about any current changes.

As an international firm we recruit employees mainly locally in the countries where we need them. Therefore, with us, “local” means “national” – also because of the country-specific identity of our offices (permanent establishments). Senior management at Rödl & Partner is referred to using the designations “Partner” and “Associate Partner” customary in our industry. Only local workforce is employed at this management level in Germany and Poland.

In the following, we present the basic figures regarding employment at Rödl & Partner – first for Germany and then for Poland. As we switched to a new HR management system in 2017, we have included only isolated data from the previous years. However, prior-year data should become a fixed component of future reports so as to present trends and developments. The presented figures and data about employees of both our Polish and German offices were retrieved as of 31. December 2018 from the HR information management system rexx HR.

## GERMANY

In Germany, our ratio regarding the employment of our trainees after they complete training is usually 100% for all fields of study, i.e. office management specialists, paralegals and assistant tax consultants.

Rödl & Partner maintains fixed-term employment contracts in exceptional cases only. The number of employees hired for a fixed period fell again in 2018: from 32 (2015) to 13 (2017) to 6 (2018).

The total number of employees is as follows:

2018			
	Full-time	Part-time	Total
M	851	55	906
F	598	349	947

If we take into account employees on parental or maternity leave, the total number of employees will amount to 1930.<sup>3</sup>

<sup>3</sup> Please note: As of 31 December 2018, 77 employees were on parental or maternity leave (74 women and 3 men).



## NEW EMPLOYEE HIRES

The total number and rate of new employee hires has been continuously increasing in recent years. The share of new employee hires per year has almost doubled since 2015 (47.5%).

	2015	2016	2017	2018
Total	240	284	326	354

i. By age group:

2018		
Total	354	
Up to 20 years	18	5.1%
Up to 30 years	165	46.6%
Up to 40 years	114	32.2%
Up to 50 years	37	10.5%
Over 50 years	20	5.6%

In 2018, we hired 354 persons in Germany. This is 28 (9%) persons more than in 2017.

ii. By gender:

2018		
Total	354	
M	171	48.3%
F	183	51.7%

## EMPLOYEE TURNOVER

Employee turnover (Germany) 2018						
	Total employees in Germany	Partner	Associate Partners	Senior Associates	Associates	Other employees
As of 31. December 2017	1900	115	170	207	1103	305
As of 31. December 2018	1930	131	180	191	1111	317
Mean	1914.7	127	178	189	110.3	310.3
Employee departures 2018	307	7	14	23	203	60
BDA formula	Departures / mean number of employees * 100					
Turnover rate	16%	5.5%	7.9%	12.2%	18.3%	19.3%

## POLAND

Currently, 95% of Rödl & Partner employees in Poland work full-time.

2018			
	Full-time	Part-time	Total
M	78	2	80
F	313	26	339

If we consider 19 female and 19 male employees hired full-time based on a B2B contract with Rödl & Partner, we arrive at a total of 429 employees in 2018. Below we present the employee figures sorted by gender:

2018	
Gesamt	104
M	31
F	73

The number of new employees in Poland rose by 5.2% in 2018 compared to 2017. The employee turnover rate was 17% in 2018. Owing to a standardised survey conducted among employees who want to leave the organisation, Rödl & Partner recognised and implemented further improvements in personnel management.

Rödl & Partner has decided not to delegate a substantial amount of the firm's activities to workers who are not permanent employees. In addition, the firm's activities are thus not subject to any seasonal fluctuations so our employees are not exposed to any effects that result on this account. This applies to both Poland and Germany.

## EMPLOYEE BENEFITS

Our employees are the foundation of Rödl & Partner's success. Therefore, it is natural for us to appreciate their performance and create an optimal work environment for them. We, as employer, think it is extremely important that our employees feel good and comfortable and that we reward them for their extraordinary achievements. Thus, we offer our colleagues a wide range of perks and benefits in return for their commitment.

Grants	<ul style="list-style-type: none"> <li>- Commuting allowance</li> <li>- Childcare allowance</li> </ul>
Perquisites	<ul style="list-style-type: none"> <li>- ÖPNV (public transport) loyalty programs</li> <li>- Fit One fitness centre</li> <li>- Fitness First fitness centre</li> <li>- Sixt rental cars (also for private purposes)</li> </ul>
Sports activities	<ul style="list-style-type: none"> <li>- Jogging groups</li> <li>- Nordic walking groups</li> <li>- (Beach) volleyball (in-house beach volleyball court on the firm's premises)</li> <li>- Football clubs</li> <li>- Back and spine relaxation and yoga courses</li> </ul>
Health days	<ul style="list-style-type: none"> <li>- Nutrition &amp; diabetes</li> <li>- Gait analysis and running training</li> </ul>

Medical screening	<ul style="list-style-type: none"> <li>- Workplace eye examinations</li> <li>- Colorectal cancer screening</li> <li>- Diabetes screening</li> </ul>
Events	<ul style="list-style-type: none"> <li>- Skiing event for all employees in Germany</li> <li>- Participation in B2Run</li> <li>- PMC Academy of the Future (every 2 years, not in 2018) as an in-house training event and a team building measure</li> <li>- Various internal events for teams</li> </ul>
Talent management	<ul style="list-style-type: none"> <li>- Promotion of further training (specialist lawyer training, auditors, tax consultants, "C-Titel" – we have developed our own career promotion guideline)</li> <li>- "campus" in-house academy</li> <li>- Structured onboarding process</li> <li>- Employee appraisals</li> </ul>
Company pensions	<ul style="list-style-type: none"> <li>- Group contracts on attractive conditions</li> </ul>
Insurance policies	<ul style="list-style-type: none"> <li>- Pension scheme with BVV</li> <li>- Group direct insurance with Allianz and Nürnberger Versicherung</li> <li>- Occupational disability insurance with deferred compensation with Alte Leipziger</li> </ul>

## POLAND

Private healthcare	<ul style="list-style-type: none"> <li>- Private medical care is offered to employees; the scope of medical services depends on seniority and position</li> <li>- Even the basic package gives employees access to a wide range of medical services</li> <li>- Employees can also obtain medical coverage for their life partner and children on favourable terms</li> </ul>
Group insurance	<ul style="list-style-type: none"> <li>- Life insurance on favourable terms</li> </ul>
The Cafeteria platform	<ul style="list-style-type: none"> <li>- By using the platform, employees may purchase tickets for sports or cultural events or take advantage of a broad selection of shops and restaurants. The unused funds are transferred to the next month.</li> </ul>
"Fresh fruit" days	<ul style="list-style-type: none"> <li>- Delivery of fresh fruit once a week</li> </ul>
Two additional days off per year	<ul style="list-style-type: none"> <li>- Two additional days off (in addition to the annual holiday leave); usually Christmas Eve and Good Friday</li> </ul>
Membership in professional associations	<ul style="list-style-type: none"> <li>- Financing of membership fees of employees in chambers and industry associations</li> </ul>
Sports activities	<ul style="list-style-type: none"> <li>- Offering of non-profit sports events (e.g. running events)</li> <li>- Possibility of joining numerous sports teams (e.g. boxing, running, football) within the firm</li> <li>- Possibility of using an app for tracking your bike mileage; on this basis, Rödl &amp; Partner makes donations to charity per each driven kilometre</li> </ul>

## PARENTAL LEAVE

The following table presents data on the use of parental leave in Germany:

	2015		2016		2017		2018	
EE	113		120		148		151	
M	25	22 %	31	26 %	42	28 %	33	22 %
F	88	78 %	89	74 %	106	72 %	118	78 %

The number of employees in Germany who were on parental leave in the past four years has risen dynamically since 2015; from 2015 to 2018, this number increased by 38 persons.

## POLAND

In 2018, 32 employees used their parental leave entitlement, which is 6.8% of all employees; 100% of them were women.

## 2.3 Training and education

Our internal Training & Development service unit supports further training and development of all colleagues worldwide. In all our activities, we always focus on people. We assist our colleagues in their individual career path and enable them to continuously develop their skills and competencies. In addition, we rely on intensive interdisciplinary networking and sharing ideas and knowledge between colleagues across all organisational levels in order to ensure sustainable success of our employees and the company.

### RÖDL & PARTNER CAMPUS

Under the motto „With you and for you“, our in-house academy campus offers a broad range of specialist and methodological training courses as well as personal development courses available to all Rödl & Partner colleagues. In 2018, 1,728 participants (permanent employees, of whom 975 were female and 753 were male employees) took advantage of the course offering, with an average of 23.1 hours per employee per year spent on studying the course material, whereas 21.4 hours were spent by female colleagues and 25.44 hours by male colleagues. Thus, the campus platform is a central pillar of education and training at Rödl & Partner. In addition to specialist topics, the course offering covers in particular seminars on competence development in such areas as management & leadership, communication & rhetorical skills, language skills or even customer acquisition. It is very important to us that the seminars are geared to the latest business developments, the resulting requirements and the individual needs of participants.

Our extensive offering of face-to-face courses not only offers our colleagues the opportunity for practice-oriented work on case studies, but also promotes interdisciplinary networking and consultations among colleagues.

In addition to our face-to-face courses, we also offer web-based training courses, such as e-learning and webinars, so that our employees can use further training opportunities whenever and wherever they need. With blended learning concepts, we can assist our colleagues in translating the theory learnt during training into practice in their professional life in the long term and thus enhance the sustainability of the seminars.

As part of resource conservation measures, we always use digital documents and digital feedback questionnaires in all our seminars in order to reduce paper consumption to a minimum.

We support our colleagues from the service lines in a targeted way with specialist training courses that are specifically designed for them and perfectly tailored to the needs of the respective business area.

In audit, for example, we offer a series of four consecutive training sessions. The so-called Audit Academies are addressed to all assistant auditors in the first three years of their professional career. Another focus of our internal knowledge development is the area of IT audit. Here, in addition to basic training courses for our young professionals, we have been offering the Summer Academy IT Auditor IDW since 2017. By offering numerous specialist further training courses on topics or IT systems relevant to professional law, we ensure systematic training in audit. We support our candidates in the preparation for the auditor's exam by offering them uniform financial support and granting them a leave of absence.

Our colleagues from the tax consulting and tax declaration / BPO service lines benefit, among other things, from joint learning groups, online seminars and the Tax Campus, an attendance-based training week designed to refresh and deepen the knowledge of tax law. We assist our trainee tax advisers in their preparation for the exam by offering them a series of internal three-level further training sessions and accompanying online courses. With a uniform funding guideline, we create transparency and consistency as regards financial support and the granting of a leave of absence for preparations for the tax adviser exam.



With our Fit4Office programme, we offer our own range of training sessions for office assistants. By organising onboarding events tailored to the needs of the office management team, we transfer area-specific professional and methodological knowledge. In addition to the events, we regularly organise „OfficeNet“ webinars that constitute a central exchange and information platform on latest issues. Our own campus training programme for office management on issues such as IT, business administration, lean office and personality development complements the offering.

To make it easier for our new colleagues to find their way around the company, orientation events for new hires are held every quarter in our Nuremberg head office. During this one-day event, they have the opportunity to personally meet other new colleagues and Managing Partners. With a diversified agenda, we offer an insight into the inner workings of our head office and the Rödl & Partner brand, providing information on our values, our portfolio and our internal service units. Thus, the employee orientation event is an attractive and diversified framework for getting to know the entire „Rödl & Partner“ firm. For colleagues from other countries we offer an online version of the employee orientation event.

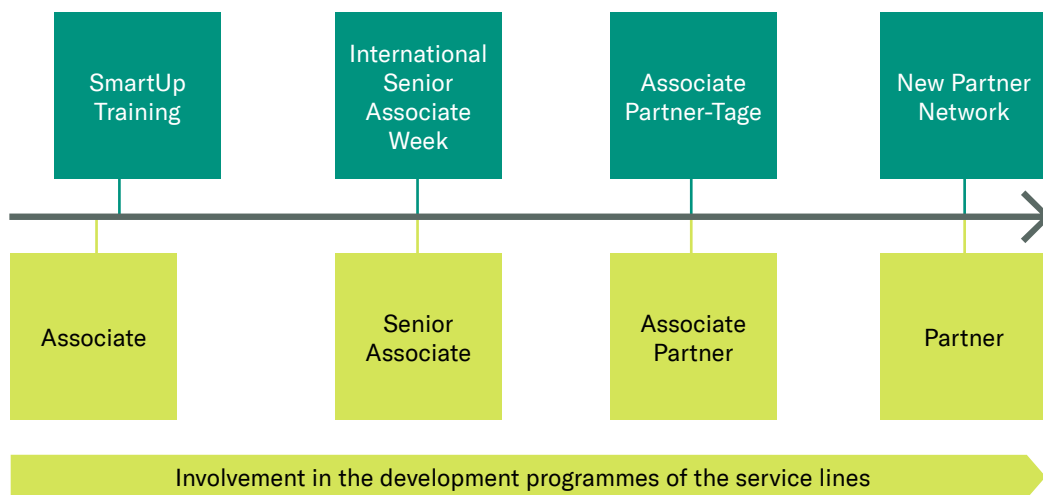
We also provide online training courses on topics such as data privacy, workplace safety or location-specific information. A guide to their first day and the first six months at work offer new colleagues orientation and round off our onboarding programme



## CAREER DEVELOPMENT

Our globally consistent appointment procedure is reflected in a four-level career model. It provides guidance for professional development and, at the same time, leaves room for the individuality of career paths of our employees and the individual disciplines within our firm. The career development of every single employee is very important to us. Our central appointment procedure ensures that all colleagues are offered fair career development opportunities. In addition to a career path to become a Partner, we also offer the opportunity for pursuing professional career paths as a non-partner. Experienced newcomers are offered the opportunity to start on one of our career levels already when joining us.

With our talent programme, we offer practice-oriented training sessions for every career level, tailored to the respective tasks and responsibilities, in which our colleagues strengthen their personality, social skills and their entrepreneurial potential – thus continuously developing their professional and personal consulting and leadership skills. Moreover, the talent events focus on the intensive exchange of experience with colleagues. Thanks to the global approach, intercultural competencies are further developed and international contacts are strengthened.



We systematically assist our professionals and prepare them optimally for the new tasks and responsibilities at every stage of their career.

We specifically support career starters with our SmartUp Programme. Under the motto „Thinking outside the box & networking“, our SmartUp Programme focuses from the outset on professional and methodological further training, early integration into our business model and interdisciplinary networking. The programme is based on a concept tailored to the needs of the service lines and comprises on-the-job and off-the-job training and selected training courses offered by our In-house Academy. The programme focuses on interdisciplinary training courses and practical assignments during which participants gain insight into related disciplines and get to know them in practice. Of central importance here are also cooperative networking and the strengthening of the group identity, our team spirit. With SmartUp, we offer a tailor-made support programme for career starters and prepare them in a targeted way for the first steps in climbing the career ladder.

Upon appointment as Senior Associate (2017: 538 / 2018: 535 Senior Associates worldwide), new appointees assume first leadership functions in projects. On this career level, individual specialist skills or areas of special expertise become apparent. Therefore, the International Senior Associate Week, which is a multi-day talent event for newly appointed Senior Associates, focuses mainly on issues such as project management and interdisciplinary collaboration.

As part of our Secondment Programme, we offer particularly qualified Senior Associates the opportunity to work at one of our international offices for several months. The focus here is not only on professional and personal further development of the participant, but also on his strategic networking with the relevant area of the company. The structuring of secondments is as diverse as the career paths at Rödl & Partner.

The appointment as Associate Partner (2017: 364 / 2018: 375 Associate Partners worldwide) is usually associated with the assumption of full responsibility for the operational personnel, budget and the client. As part of our Associate Partner Days, the new Associate Partners are intensively trained in the issues of management, professional leadership and business development and specifically prepared for their role as managers. In addition to professional discussions, the Associate Partners benefit, above all, from the international exchange of experience between colleagues.

The position of a Partner (2017: 239 / 2018: 266 Partners worldwide) involves greater responsibility for internal and external projects. Moreover, Partners are involved in the strategic development of the service line. The New Partner Network helps newly appointed Partners to improve their leadership skills, to further consolidate their role within the firm and to network with each other.



#### SELECTED PROGRAMMES TO PROMOTE NETWORKING

In the area of Training & Development, we maintain close contact with our colleagues from the service lines and service units in order to identify needs early on and ensure individual advice. In order to be able to offer our colleagues worldwide tailor-made and need-based personnel development opportunities, we pay particular attention to the aspect of international networking of officers responsible for HR matters from all locations. The regularly organised RefNet network of speakers enables us to implement uniform personnel development standards across all locations worldwide. Moreover, the Ref-Net offers a good opportunity to exchange information on latest trends and topics in the area of human resources as well as on best practice examples and 'lessons learned' and, thus, to intensify the integration of personnel development measures worldwide.

Over the years, we have remained in contact with numerous former colleagues as they went on to work for Mittelstand shaped world market leaders, or kept in touch with their former colleagues. We would like to maintain and further strengthen these relations through our alumni network, which is accessible to all former employees.

The newsletter, which is released regularly, allows alumni to stay on top of the latest news and developments from Rödl & Partner. We also invite our alumni to selected professional conferences and regional events organised by Rödl & Partner. The annual networking event also offers the opportunity to meet former colleagues and new faces from Rödl & Partner in an informal atmosphere in the Nuremberg head office.

Since 2006, Rödl & Partner has regularly participated in the cross-company Cross Mentoring Programme of the metropolitan region of Nuremberg, which provides individual support for junior managers in companies from the region. As part of this programme, an experienced

manager from another company is assigned to a junior manager for one year to provide him or her with targeted support in the further professionalisation of his or her tasks and role as a leader. In addition, there is a comprehensive accompanying programme in which essential communication and leadership skills are taught and trained. With 24 mentees and 12 mentors from Rödl & Partner to date, we have been able to sustainably promote cross-company exchange not least also by way of this programme.

## POLAND

In addition to the above-mentioned global employee development programme, Rödl & Partner Poland offers its own country-specific measures.

In Poland, a personnel development programme, which also includes mentoring components, is currently being developed and implemented.

In 2016, we launched a training and development project to introduce uniform management standards within the entire organisation in Poland and strengthen the leadership skills of our entire management team. The goal of the project was to develop strong leadership quality, with the implementation of this programme being supervised by an external company.

Between 2016 and 2018, this programme was carried out annually for all executives (from senior associate level; both newly appointed executives and those who took up their posts before 2016). In 2016, overall 38 executives took part in the programme. The second phase of the programme, implemented in 2017, was oriented at middle management (Senior Associates) and attracted 92 participants. In 2018, 13 senior associates participated in the programme. In the coming years, the programme for newly appointed or newly hired executive staff will be continued.

Various activities derived from this programme are implemented on an individual basis. As regards the “Partner” level, this includes, for example, participation in individual coaching sessions led by external executive coaches, and team coaching sessions. For those who have completed the training cycle, we offer further individual support methods, such as “refreshing” the acquired knowledge in the form of short webinars.

## 2.4 Diversity and equal opportunity

### FAMILY AND SOCIAL ISSUES

We are aware that family life is of key importance for the successful career and that creativity, imagination, flexibility, ability to work efficiently under stress and career motivation are influenced to a large extent directly by private life.



Therefore, we aim to create such conditions in our firm which would allow our colleagues to optimally balance their family life and professional duties. Taking numerous well-coordinated measures, we never cease to do our best to achieve a flexible and family-friendly work environment.

In doing so, we pay no heed to traditional gender-specific roles: our experience shows that family life is becoming more and more important also in career planning of male employees.

#### OUR MEASURES TO CREATE FAMILY-FRIENDLY WORK ENVIRONMENT

Today, we can offer a wide array of innovative solutions to all employees who want to have it all: a family life and a successful career.

This includes, e.g. providing crèche and kindergarten places for our employees at the head office in Nuremberg or established cooperation with various child care facilities at other locations. We also offer child care to employees during special client events. Moreover, we offer holiday care for the youngest children at selected locations.



We offer our employees flexible opportunities for organising the place of work and the working time individually and according to the needs, not only in family emergency situations. It is also important to us to keep employees who are on parental leave actively posted on everyday affairs of the firm and support them in their professional development during such leave and also in their return to work.

#### OPPORTUNITIES FOR EMPLOYEES OPEN UP OPPORTUNITIES FOR THE FIRM

The aim of our measures is to open up career opportunities for motivated employees at all stages of their lives. In the long term, our aspiration is to contribute to changing the way people think also outside the walls of our firm: we hope that what we pioneer today will be an obvious part of the work environment in the future. Especially in the case of our „liberal professions“, where a high level of personal involvement is required, a great deal of effort must be made both by employees and by the firm. If an employee can successfully strike a balance between career and family, the benefits will go not only to the employee, but in the end – also to the firm: we profit from the know-how, long-term experience and social skills of our colleagues even when they are confronted with an increased number of family commitments. Thus, we sustainably foster employee loyalty. This is a key success factor in our service sector that is based on personal advice.

#### RÖDL & PARTNER AS BEST PRACTICE EXAMPLE

Our activities in the area of family-work life balance aroused nationwide interest. On the website [www.familienbewusste-personalpolitik.de](http://www.familienbewusste-personalpolitik.de), Rödl & Partner is listed among the “Best Practice” examples for reconciling family and career.

Constructive internal relations free from any form of discrimination are of central importance to us. This includes, not least, the reconciliation of work and family. Supporting women, further training, offering playrooms for children, flexible working time models, parental leave for fathers etc. are important matters to us. Living a culture of openness and flexibility, we always look for the best individual solution.

Rödl Employee Fund for Children’s Aid as well as programmes and initiatives in employer branding (university marketing, scholarships, talent career fairs etc.) complement our efforts to compete for the best professionals.

## HEALTH

Companies need motivated employees in good health – at all stages of the employee life cycle. A holistic healthcare offering for employees of the firm increases the firm's attractiveness to committed employees. Physical and psychological health of our employees is a truly important matter to us as an attractive employer.



IN NUREMBERG, WE ARE AN ACTIVE MEMBER OF THE PROJECT GROUP “HEALTH 4.0”.

As part of the Chamber of Industry and Commerce's User Club Nuremberg “Medicine and Health“, the Chamber of Industry and Commerce's project group “Health 4.0” has been in operation since 2014. The working group brings together regional enterprises of different sizes and from different branches of industry as well as market players from the health care sector. In the pilot phase, the Chamber of Industry and Commerce's project group “Health 4.0” developed and tested systematic approaches to workplace health management (BGM). The intention was to sustainably foster employee health programs within the company. The focus is on nutrition, mental fitness and physical exercise. Apart from diagnostics based on sports science and sports medical criteria, health days, individual advice and recommendations on how to take care of your health, the project was scientifically assisted and evaluated by sports physicians from Friedrich-Alexander University (FAU) in Erlangen-Nuremberg.

## 2.5 Non-discrimination

### INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKE

At Rödl & Partner, no one may be discriminated against, excluded or treated preferentially on the grounds of ethnic origin, sex, religion or political opinion, disability, age or sexual orientation. Our international presence in 50 countries alone obligates us to honour this commitment.

We make a positive contribution to the improvement of business standards to ensure integrity, transparency and responsibility in all areas of activity and directly approach clients to address any existing grievances.

If any incidents of discrimination in the workplace are noticed, Dr. Michael Rödl is available to our employees as anti-discrimination officer. We are truly happy that we have not received any reports of discrimination in the workplace to date, although we actively encourage our employees to report any such incidents. Instructing new hires about discrimination in the workplace and thus, informing them about the possibility of getting help in such cases is an integral part of our on-boarding programme.



## 2.6 Freedom of association and collective bargaining

Rödl & Partner respects the self-evident right of freedom of association in any possible form. Nevertheless, forming associations of workers to represent their interests against the management is not compatible with our self-image or that of the liberal profession. Also in view of the horizontal hierarchy models traditionally applied at Rödl & Partner, forming associations of workers to represent their interests is not appropriate or even necessary.

Since we are a service firm and we do not engage any major suppliers, their freedom of association and collective bargaining are not relevant to this report.

## 2.7 Customer privacy

Being one of the world's leading interdisciplinary service firms we are bound by the principles of professional ethics. Thus, we see the strictest due diligence requirements – that already start to apply when we accept an engagement – as a highly valuable asset. The quality and integrity of our services are the foundation of our business.

Therefore, Rödl & Partner has in place a uniform on-line organisation and quality management system deployed on a global scale, i.e. across all Rödl & Partner's national and international locations. This offers an effective internal information and communication tool that ensures that the high quality standard of our services is maintained worldwide.



In the past, privacy law was rather of secondary importance. It was GDPR that brought all aspects of this area of law into focus. Customer privacy must now be taken into consideration every step of the way in the same manner as taxes or compliance. This is not only due to the legal requirements but also due to expectations of our clients, Partners and employees, who expect special protection and careful handling of the data entrusted to us. These data are therefore protected against unauthorised access and other threats. The professional ethics requirements and the requirements of privacy law are top priority in this regard.

Also as part of its social engagement, Rödl & Partner acknowledges its responsibility for the careful handling of personal data. Therefore, all aspects of privacy law that may arise as part of data processing are comprehensively and clearly specified for all employees in an organisation manual.

In 2019, we plan to review our internal data protection processes in order to optimise them on an ongoing basis. Substantiated complaints concerning breaches of customer privacy and losses of customer data have not been reported.





Our world is undergoing digital transformation. In order to make the optimum use of it, and, at the same time, ensure the highest degree of data security, we have developed “Rödl Private Cloud”, a modern basis for secure and effective data processing on a global scale. With RDoX (Rödl Document Exchange) we have at our command our first own mobile app which enables easy and secure data exchange with clients. Thus, we can provide the highest level of data security by storing the data in our own data centre in Frankfurt and using state-of-the-art encryption technology. For our Private Cloud we received the Digital Champions Award 2017 in the category of “Digital Customer Experience”. This is the second time that “WirtschaftsWoche” magazine and Deutsche Telekom granted the award to recognise the most significant digital projects implemented by small- and medium-sized enterprises.

## DIGITALE AGENDA

Digitisation revolutionises society and economy from the ground up. If you want to be able to withstand the competition, you must actively pursue the digitisation processes within your own company. Digitisation is indispensable for securing the future of your own company in the long term. Even if digital technologies do not seem to be useful amid the established value creation processes: digitisation offers optimisation potential for every branch of industry and every business model.

The goal of our Digital Agenda is, therefore, to keep the „focus on people“, in line with our corporate culture, and to improve productivity, quality, individual approach and flexibility while preserving the existing business processes. Moreover, we intend to develop new promising products and services for the benefit of our customers. We support our clients in the ongoing digitisation process by offering them comprehensive and innovative services including numerous apps such as RDoX, Caseware, RENEREX GATE and PORT.



Some applications have already won awards: Rödl Private Cloud, RDoX, Caseware and recently also GATE were awarded the IT Innovation Prize by the Initiative Mittelstand in the area of industry software.

## 2.8 Social responsibility

### GERMANY

As an international professional services firm, we feel great responsibility resting upon us as accountants, auditors, lawyers, management and tax consultants, as well as actors within our society. Living up to this responsibility, we actively support specific one-off and long-term aid projects of national and international nature.

Our aim is to assume greater social responsibility and to make our own contribution for a better society. In addition to our established social engagement vehicles, we encourage our employees to become involved as volunteers and, thus, to assume responsibility not only as professionals but also as members of society.

## THE RÖDL EMPLOYEE FUND FOR CHILDREN'S AID



## Employee Fund for **Children's Aid**

At Rödl Employee Fund for Children's Aid, established as long ago as 1994 on the initiative of Rödl & Partner colleagues, we act on the belief that it is our concern to bring help to people, especially children, in need in a quick and non-bureaucratic way. With our one face to the client principle featuring a dedicated caring partner for clients, we want to go a step further and support the cause of children in need. Personal involvement and setting an example of helping others – this has lied at the heart of our mission from the outset.

Whether that be financing medical treatments, developing an interactive CD-ROM for hearing-impaired children, equipping schools in Germany and in developing countries, or purchasing specialist equipment, such as wheelchairs – we don't want to write cheques as anonymous donors and are committed to personally caring for persons in need who turn to us for help and supporting aid projects from the very beginning to the very end. Owing to our own initiative and involvement of our colleagues, we have initiated or supported many projects in recent years, with various partners lending their helping hand.



### “KIANGAN” PROJECT (PHILIPPINES) – ULTIMATE FRISBEE TRAINING AND NEW CLASSROOM EQUIPMENT

In cooperation with the „Angat Buhay“ program of the Vice President of the Philippines, the Rödl Philippines colleagues made a strong contribution to the cause of children in Kiangan. Together with players of the Philippine and Singaporean national team, we organised a Frisbee training session to teach the children team spirit, self-confidence, discipline and fair play through sport. Immediately after the Frisbee training we went to the Duit Elementary School in Kiangan. The school had to vacate its former school building due to the risk of collapse. After many years in makeshift quarters, the school received new premises during a festive ceremony on 30 January 2019. At the end of 2018, the Rödl Employee Fund for Children's Aid donated part of classroom and school equipment for that.

## THE „DETSKI DOM“ PROJECT IN SERGIEV POSAD (RUSSIA) – BATTERIES FOR HEARING AIDS

The children’s home and boarding school “Detski Dom” for children and youth with multiple disabilities in Sergiev Posad has been supported by the Rödl & Partner Fund in cooperation with Rotary Club Moscow International for many years now. In December 2018, we donated 7,200 batteries for hearing aid to the children’s home – a year’s supply for the 208 children and young people who live here.



## PROJECT „ADDIS ABEBA” – SUPPORT FOR MEKDELA PRIMARY SCHOOL

In 2017 and 2018, thanks to the great assistance of local colleagues, we were able to support “Mekdela Primary School” in Addis Ababa, which we provided with extensive kitchen equipment and furniture for the canteen. The joy among the teachers, the kitchen personnel and, of course, the children, was enormous. The furniture made by local carpenters, all other items of equipment purchased from local suppliers, and a certain stock of basic foodstuffs bring some relief to the children who spend their lives in difficult living conditions.

Because the project was about school children, our colleagues spontaneously collected donations that were invested in toys and clothes for a good cause.



## PARTNERSCHAFTSVEREIN KHARKIV-NÜRNBERG

As an international firm, we are committed to tolerance, understanding and getting to know one another – all over the world. The town partnership between Kharkiv and Nuremberg is thus especially close to our hearts.

With language courses, a library packed with German books, continuing education courses for German language teachers, business people and journalists, or art exhibitions and film screenings organised in the „Nuremberg House“ in Kharkiv, we have been bringing a piece of Germany to Ukraine for many years – and thus we want to efficiently contribute to further development of a constructive partnership between the East and the West.

Especially in social responsibility issues, the importance of the partnership is increasing. In 2018, the Partnerschaftsverein funded soup kitchens where meals are served to 130 people four times a week. In 2018, the foundation also organised two two-week fit camps for overall 100 children in the vicinity of Kharkiv. The camp programme included hiking in the nature, doing sport, and practicing skills during music, dance and art activities. Half of the children were internally displaced children, the other half were local Kharkivians in need.



Finally, in the last two years, 160 Donbass refugee children have been given basic immunisations against diphtheria, tetanus, whooping cough and tuberculosis. The Partnerschaftsverein of the Schwanhäußer-Stiftung foundation deserves special thanks for that. Sadly, no such routine immunisations are offered under the Ukrainian national health care system for free although they are mandatory for children to be admitted to kindergarten and school.

For more information on the Kharkiv-Nuremberg town partnership and its many projects please go to [www.charkiw-nuernberg.de](http://www.charkiw-nuernberg.de).

## LOCAL ENGAGEMENT

One of the focal points of our socially responsible activities is the support for our colleagues in implementing social responsibility projects.

## RÖDL & PARTNER AT THE 2018 „YOUNG WINGS“ CHARITY RUN IN MUNICH



“No matter how slowly you run, you are faster than all those who stay at home!” – under this motto, eight of our colleagues raised EUR 2,000 worth of donations as they took part in the Sports Check City Run in Munich for the Nikolaidis Young Wings Foundation last year. The foundation provides bereavement support for young people who lost their partner or parents.



Below we present some selected examples of the social responsibility projects our German locations are engaged in.

- In Selb, we have supported a project for the cause of seriously ill children and young cancer patients for many years
- In Hof, we support the Gealan Triathlon of IfL (Verein für Langstreckenlauf e.V.) Hof every year.
- In Eschborn, we regularly participate in the Youth Education Day organised by the Eschborn municipal department of economic development.
- In Jena, we sponsor the city's integrative pre-school "Kindervilla".
- Moreover, we support e.g. the charitable organisation "Vesperkirche Nürnberg", "Kindernothilfe Erlangen" and the "Feuerkinder Tansania" project by way of donations.

## POLAND

Rödl & Partner Poland mainly supports institutions and organisations that help children. As part of a statutory option where employees can donate 1% of their personal income tax, we have prepared a list of people in need and institutions that can be supported with those funds. The list also includes our employees who are in a difficult situation in life.

Many charitable initiatives are organised especially before Christmas. In 2018, all locations carried out many donation projects. The donations were used to support people from our offices' closest social environment.

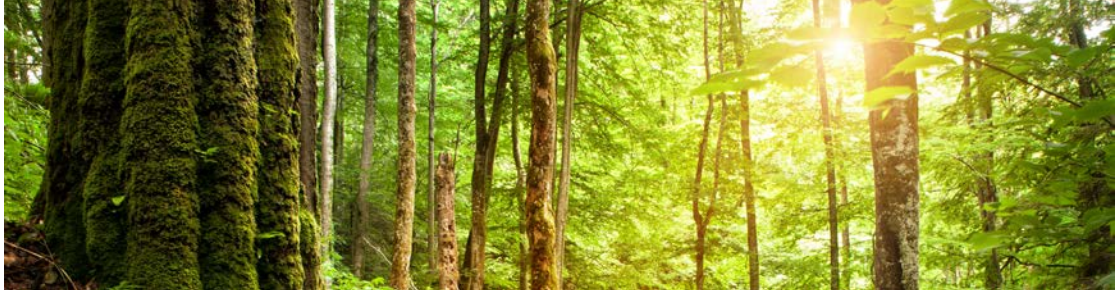
In Warsaw, instead of making Christmas gifts for our clients, we donated the saved funds to help those in need. We also organised an auction of paintings from our previous office in Warsaw. The proceeds were donated to employees who found themselves in a difficult situation in life.



For the ninth time in a row, we organised a competition for the design of our unique, angel-themed Christmas card. The drawings were made by children from orphanages in Gliwice, where we have one of our locations. The winning drawing was turned into a Christmas card and sent to our clients, Partners and colleagues. Those orphanages received financial support from us, which enabled them to organise summer trips for the children.

# 3. Nature

As already indicated in the description of our general management approach, we consider the impact of our firm on the natural environment to be of secondary importance compared to the manufacturing industry. Nonetheless, Rödl & Partner finds it important to establish and maintain a continuous improvement process in this area. To the extent possible, each company should commit to the environmental cause and strive to reduce the ecological footprint. Our stakeholders, in our case our employees and clients, undertake every initiative to support this cause and thus every such initiative contributes to the general improvement process. Therefore, although this issue is not especially relevant to our business, we also include the environmental impact in our report to have a baseline for future improvement. We particularly focus on our requirement for paper supplies, electricity and mobility.



In organisational terms, ideas for improving sustainability are communicated through superiors or directly to contact persons responsible for sustainability in our firm. They receive those ideas, check their feasibility and contact relevant departments, e.g. central procurement or management, in order to implement them. Thanks to these simple and direct ways of coming forward with ideas, several of them have already been implemented and other (see [Chapter Future](#)) are already scheduled to be implemented in the coming years.

In future, we want to integrate even more environmentally-friendly measures into our daily routine. In doing so, we apply two strategies as a firm. On the one hand, we see our colleagues as individually responsible persons and try to give them guidance as to how an environmentally friendly work environment can look. We expect our colleagues to decide in favour of the more sustainable and more environmentally friendly solutions where they have the choice.

On the other hand, we as a company clearly point the way and set an example for a respectful handling of the environment. Here, we provide each location with clear guidelines as to how they can behave in an environmentally responsible way in their own sphere of action. We are proud of what we have already achieved, but we still see room for improvement in diverse areas.

## NEARLY PAPERLESS OFFICE

In Germany, we have reduced per capita paper consumption from 47 kg to 40 kg, or by 15%, in the last years. Our medium-term goal is a paperless office. In order to pave the way for this goal, in our work we intensively use our own cloud service, and Rödl & Partner Document eXchange (“[RDoX](#)”), a platform for confidential and secure exchange of documents and files with our clients and colleagues across locations.

But we still see significant room for further improvement for each colleague, as well as in marketing and in audit reporting.

Furthermore, all of our German locations switched to the sole use of recycled paper. Thus, we can reduce the consumption of natural resources and show our serious commitment to reducing our ecological footprint also to the external audiences.

In Poland, we reduced our paper usage from 25.4 kg (2017) to 22.2 kg (2018). Further analyses of paper usage in individual departments will be conducted to achieve further improvements.

## LESS WASTE

Our colleagues are instructed to use water dispensers which are installed on the office premises and directly connected to the water supply network. This helps not only save packaging and energy in the bottling process but also reduce emissions during the transport of beverages. We also eliminated paper cups for coffee and switched to porcelain cups.

## FAIR TRADE COFFEE

In our Nuremberg office's AirCampus, we are now offering bio fair trade coffee as an alternative – you can so easily contribute to the achievement of the global sustainability goals.



## THE LATEST TECHNOLOGY STANDARDS – ALSO FOR THE BENEFIT OF THE ENVIRONMENT

When purchasing new technical equipment, such as printers and computers or the tools of the trade of a service firm, we make sure that the equipment is highly efficient and meets high environmental standards.



## EMISSIONS AND MOBILITY

As a service firm, we keep our emission levels in check. In the area of mobility, numerous emissions can be, however, further reduced and we, as a company, want to be pioneers and contribute to this change in the way of thinking.

By using state-of-the-art video conference technologies we aim to reduce the number of necessary business trips as such and thus avoid the related emissions. Moreover, we use modern communication platforms and cloud-based storage systems to enable mobile and flexible working. These measures have enabled the German locations to reduce flight mileage by 196,428 km<sup>5</sup> (4.7 %) and thus save 48,940 kg of CO<sub>2</sub> emissions in the last two years.

This is equivalent to a volume of CO<sub>2</sub> that an about 5-hectar forest<sup>6</sup> absorbs. It should also be mentioned that we reduced the domestic flight mileage by over 30% and these flights were substituted or entirely avoided.

Furthermore, the use of more environmentally friendly means of transport such as train has significantly increased in Germany in the last two years. Since 2016, the rail usage, measured by the number of kilometres travelled, has risen by 73 % (1,504,424 km). In 2018, the number



of kilometres travelled by train was 3,569,493, which saved 453,326 kg of CO<sub>2</sub>. We offer most of our colleagues who travel more often by train a train card (Bahncard 50) that can be used also for private purposes.



In line with our stated goals, we would like to make the world of work greener. Thus, we facilitate the use of public transport for more affordable prices in Nuremberg and Hamburg. We conduct mobility surveys among our colleagues in order to know their needs better. Based on the results, we implement e.g. measures that make us a bicycle-friendly company. Thus, we are continuously fine-tuning our mobility concept to find and apply greener solutions.

#### ENERGY - 100% OF ELECTRICITY FROM RENEWABLE SOURCES

We are very much engaged in the markets of the German energy industry and, in particular, in the renewable energy industry, also on an international level. Therefore, to us as a leading law firm, it is obvious and clear that all our German locations are supplied with 100% of green electricity in this specific sector. Thus, we save approx. 1,000 tons of CO<sub>2</sub> per year and, thus, can reduce the impact of our business on the environment and encourage our colleagues to do so in their private life.



<sup>5</sup> The values of the generated savings shown herein are based on the almost complete flight data of our German offices (With the exception of individual special arrangements, all flight data are centrally recorded and evaluated by Röd & Partner Germany).

<sup>6</sup> Source: [www.wissen.de](http://www.wissen.de)

## HIGHLY ENERGY-EFFICIENT BUILDINGS

An enormous share of energy consumption comes from the use of thousands of square meters of office space at our locations worldwide. They are located in all climate zones and in countries at most diverse development stages. In order to create a good work atmosphere in the literal meaning of the word with as low an amount of energy as possible everywhere, we make sure we use shading systems as well as air conditioning, heating and building enclosure systems which meet the highest standards. Using the most ecological option is important to us not only when purchasing electricity, but this aspect is also our priority when it comes to heating systems and we prefer to use district heating whenever possible.

Also the renovation of our head office in Nuremberg is aimed at implementing modern A/C systems, which, above all, should ensure workplace well-being.

Already when selecting office space we take into account the most diverse aspects such as good local public transport connections or accessibility by bike. Newly leased or constructed office space should, as far as possible, meet the standards of a nearly zero-energy building and their energy performance certificate should show one of the highest categories according to the Energy Saving Ordinance or an equivalent regulation in the respective country.



# 4. Future

Diverse projects were already launched at the end of 2018 and will be implemented in the medium term. Therefore, in this chapter, we want to give you an overview of measures that are currently being evaluated and whose implementation should kick-start in the reporting period to be covered by the next CSR report.

## THE POWER OF THE SUN

Currently, for our head office, we are checking the possibilities for integrating photovoltaics and the set-up of a charging infrastructure. Prospectively, we want to give the clients and the employees the possibility to charge their vehicles using PV electricity during the day, thus making a further contribution to the reduction of greenhouse gases. Furthermore, the PV electricity should also naturally contribute to the reduction in purchases of the electricity at the head office and give our stakeholders (employees and clients) a clear signal that we as a firm want to reduce our ecological footprint by using renewable resources.



## CYCLING - BIKE LEASING

Leasing company bicycles – as this approach has already caught on among other companies and has now been further promoted by the current tax legislation, leasing bicycles would also be an option for employees to encourage more frequent cycling. Especially e-bikes are an alternative to cars as a means of commuting to work.



## ELECTRIC MOBILITY

As all companies, we are also faced with the big challenges of gradually introducing infrastructure for the transition to electric mobility and thus enabling our employees and clients to switch from the internal combustion engine to electric batteries. In combination with the above-mentioned PV power system, even more ecological opportunities are opening up and will be evaluated in further surveys and, if evaluated positively, implemented.





## TRAVEL GUIDELINE & PROCUREMENT GUIDELINE

Our employees are individually responsible for planning their business trips but, in the near future, we are planning to introduce further ecological criteria for selecting the means of transport (train, e-auto, flight reduction).

Even though we do not procure much compared to the manufacturing sector, we are evaluating whether ecological criteria should be introduced also in this area. At present, 40% of our office supplies are sustainable, but we hope to considerably increase this rate by implementing a procurement guideline.

## RUNNING FOR A GOOD CAUSE

For many years now, our colleagues from all over the world have shown their sports spirit taking part in corporate races in the cities where Rödl & Partner has offices. Organised under the motto “Accomplishing together”, this initiative focuses on fostering the team spirit, the advancement of health and fun for all colleagues, and creates a unique atmosphere among colleagues. Every year, more and more Rödl & Partner employees participate in the initiative.

To do something good not only for ourselves but also for children, Rödl & Partner has promised to make a donation to the Rödl Employee Fund for Children’s Aid for every employee who takes part in the corporate runs, starting from 2019. Per every kilometre run by the employee, Rödl & Partner will donate EUR 1 to the Rödl Employee Fund for Children’s Aid.



## DIGITAL TRAINING FORMATS

In our “campus” in-house academy, we are increasingly using digital learning formats. To avoid travelling and the related costs, we already offer, above all, more specialist crash courses as webinars or online courses. In audit, first training sessions have already been conducted as webinars. Here, participants are still able to directly interact with the lecturer. In addition, we record webinars to make the training content available online to the participants and other colleagues also after the webinar. In future, we want to use digital learning formats also for other training courses beyond specialist training.



## CONTINUOUS LEARNING

It is very important for us to make our training courses a truly continuous learning experience so we assist training participants in their learning process over longer periods of time. We use up- and downstream webinars and e-learning courses to complement face to face events to ensure that the learning material is imparted in a sustained and practice-oriented manner. In future, we also want to use the potential of blended learning formats in our course offering and thus even more intensively promote the combination of different learning formats in a targeted manner.



## ZERO WASTE IN SEMINARS

In our numerous seminars, we have already switched nearly entirely to digital training materials in recent years. In future, we will even more strongly focus on the exclusive use of sustainable products such as refillable pens and recycled paper for flipcharts and moderation walls. As for snacks and drinks served during training sessions, we additionally focus on using regional products and glass bottles and avoid plastic packaging.



## DATABASE

We are aware that it is not possible to control or maintain processes related to the ecological footprint without a broader and national and international database. Therefore, in the next reporting period, we will implement a broad database to ensure greater transparency and comparability of data.

# 5. GRI Index

Code	Indicator	Page	SDG <sup>1</sup>	Comment
<b>General information</b>				
<b>Organisational profile</b>				
102-1	Name of the organisation	7		
102-2	Activities, brands, products and services	9		
102-3	Location of headquarters	9		
102-4	Location of operations	9, 10		
102-5	Ownership and legal form			Confidential
102-6	Markets served	11		
102-7	Scale of the organisation	11		
102-8	Information on employees and other workers	11, 12, 18-20	5, 8	Breakdown into Germany and Poland
102-9	Supply chain			Irrelevant
102-10	Significant changes to the organisation and its supply chain			Irrelevant
102-11	Precautionary Principle or approach			Irrelevant
102-12	External initiatives	12	17	
102-13	Membership of associations	12	4, 17	
<b>Strategy</b>				
102-14	Statement from senior decision-maker	4, 5		
102-15	Key impacts, risks, and opportunities	6		
<b>Ethics and integrity</b>				
102-16	Values, principles, standards, and norms of behaviour	7, 8, 29	4, 5, 8	
102-17	Mechanisms for advice and concerns about ethics	28, 29	5, 10	
<b>Governance</b>				
102-18	Governance structure	13, 14		
102-19	Delegating authority	13		
102-20	Executive-level responsibility for economic, environmental, and social topics	15		
102-25	Conflicts of interest	16		
<b>Stakeholder engagement</b>				
102-40	List of stakeholder groups	17	17	
102-41	Collective bargaining agreements		8	Irrelevant
102-42	Identifying and selecting stakeholders	17	17	
102-43	Approach to stakeholder engagement	6, 17	17	

<sup>1</sup>Where possible, GRI criteria are allocated to the 17 Sustainable Development Goals

102-44	Key topics and concerns raised	6	
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	6, 14	
102-46	Defining report content and topic boundaries	6	
102-47	List of material topics		Irrelevant
102-48	Restatements of information	2, 14, 15	
102-49	Changes in reporting	6	
102-50	Reporting period	6	
102-51	Date of most recent report	6	
102-52	Reporting cycle	15	
102-53	Contact point for questions regarding the report	15	
102-54	Claims of reporting in accordance with the GRI Standards		No external audit
102-55	GRI content index	42	
102-56	External assurance		Irrelevant
<b>Management approach</b>			
103-1	Explanation of the material topic and its boundary	6	
103-2	The management approach and its components	6	
103-3	Evaluation of the management approach	6	
<b>Economic performance</b>			
201-1	Direct economic value generated and distributed	15	8
<b>Anti-corruption</b>			
205-1	Operations assessed for risks related to corruption	16	16
205-2	Communication and training about anti-corruption policies and procedures	16	16
205-3	Confirmed incidents of corruption and actions taken	16	16
<b>Anti-competitive behaviour</b>			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	16	16
<b>Energy</b>			
302-1	Energy consumption within the organisation	37	7, 13
302-2	Energy consumption outside the organisation	36, 37	7, 13
302-4	Reduction of energy consumption	36, 37	7, 13



Emissions			
305-2	Energy indirect (Scope 2) GHG emissions	36, 37	7, 13
305-5	Reduction of GHG emissions	36, 37	7, 13
Employment			
401-1	New employee hires and employee turnover	19	8
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	20, 21	8
401-3	Parental leave	22	5, 8
Labour/Management relations			
402-1	Minimum notice periods regarding operational changes	18	8
Training and education			
404-1	Average hours of training per year per employee	22	4, 8
404-2	Programs for upgrading employee skills and transition assistance programs	22	4, 8
404-3	Percentage of employees receiving regular performance and career development reviews	17, 21	4, 8
Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	14	5, 8
405-2	Ratio of basic salary and remuneration of women to men		Confidential
Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	2, 28	5, 8
Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	28	

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