

ESG Report 2022



**creating
positive impact.** 

Table of contents

About Simon-Kucher	3	Environmental	20	Governance	48
Message from our CEOs	3	Climate protection at Simon-Kucher	22	Rules and values – Compliance is part of our overall responsibility	50
About this report	4				
Who we are	6	Social	26	Our standards for data protection and cybersecurity	54
		Attracting and developing our talent	31		
ESG Management	8	Fostering health and wellbeing at work	34	Appendix	57
Our strategic ESG approach	9	Creating a diverse, equitable, and inclusive work environment	36	Global Reporting Initiative (GRI) content index	59
Engaging with our stakeholders	19	Contributing through our corporate citizenship activities	40		

A message from our CEOs: Mark Billige and Dr. Andreas von der Gathen

GRI 2-22

The world around us is changing at a rapid pace. Today, companies need to do more than just grow. They must also create value for their employees, customers, stakeholders, and society at large. At Simon-Kucher, we help our clients do this by optimizing every part of their business strategy that they can leverage. But the same is true for us.

So, in 2022 we revised our purpose and our values thoroughly. The next chapter of our story is based on growth. A different kind of growth – one that is not driven by short-term, financially driven cost cutting. Instead, our approach is **to unlock a better kind of growth that creates opportunity for everyone**. This is our new purpose. The four values that surround this purpose will guide the way we do business and communicate our distinctiveness. They summarize what we stand for, influence our culture, and drive how and why we do things. The first value, and the one we particularly emphasize with respect to ESG, is **creating positive impact**.

No title could better summarize our ESG strategy, which is outlined in this report.

Why is **creating positive impact** so important? Our size and scale mean that our results create an impact for not only our clients but also their customers, the wider community, and the environment. That's why we are making ESG a priority. It is the Board's responsibility and ours as CEOs to incorporate transparency, sustainability, social aspects, and credibility into every business decision we make. It is part of our culture and corporate philosophy.



GRI 2-22 This report is built on the following ESG dimensions:

- ▶ **ESG Management:** Our ESG strategy will help us anchor ESG aspects throughout the company. We are committed to disclosing our performance and ambitions transparently.
 - ▶ **Environmental:** With our commitment to the Science Based Targets initiative (SBTi), we underline our goal to achieve science-based targets by 2030 and aim for net zero in the future. Our approach is to reduce and avoid emissions ambitiously and in line with the Paris Agreement.
 - ▶ **Social:** We care about our employees’ wellbeing and are incorporating diversity and inclusion at all levels for all teams.
- We are continuing our ▶ **pro bono projects and donations** worldwide to support local communities and give something back.
- ▶ **Governance:** By focusing on transparency, integrity, and IT/cybersecurity, we aim to protect our business as well as the operations of our clients.

In 2022, we took our ESG strategy to the next level, conducted a materiality assessment, developed a new climate strategy, and built a dedicated ESG team. We are proud of everything we have achieved so far, knowing it is only the beginning. With this report, you can follow our journey of fostering sustainable growth – a better kind of growth.



Andreas and Mark

About this report

We will inform our stakeholders regularly about our ESG activities and progress by publishing an annual Group-wide ESG report. This 2022 ESG Report provides an overview of all our global and local efforts with social, environmental, and workplace impacts.

This report was prepared by the global ESG department under the supervision of our Global Director ESG.

It was created with reference to the Global Reporting Initiative (GRI) and the 17 Sustainable Development Goals (SDGs).

It covers the fiscal year running from January 1, 2022, to December 31, 2022.

GRI 2-2, 2-3

Simon-Kucher in numbers 2022

2,000+ employees **45** offices in **30** countries

GRI 2-7, 201-1



Distribution of **employees**

23%

Americas
481 employees

67%

Europe
1,393 employees

10%

Asia-Pacific
216 employees

190+ partners **37** years of deep industry experience and functional expertise

Annual **growth rate** **21%** Revenue of **534.9** million euros



Forbes, 2022, in cooperation with Statista:
list of the World's Best Management Consulting Firms, 2022

Recognized across 12 sectors and functional areas, Simon-Kucher was one of only five consultancies in the world to be awarded five stars for the Marketing, Brand, and Pricing function.

Financial Times

List of the UK's Leading Management Consultants, silver category, 2022

Brand eins/Statista

Special edition topic Consultancies 2022, together with Statista: Best Consultancies in Germany, No. 1, 2022

Forbes

Survey of the best management consulting firms in the US, 3-star rating, 2022

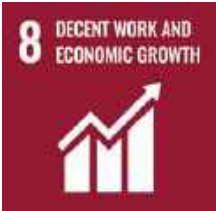
Bilanz

Survey of the best management consultancies for Marketing and Sales in Switzerland, No. 1, 2022

Who we are

Unlocking better growth

GRI 2-1, 2-6



Through our business activities, we contribute to SDG 8 and 9.

Our purpose is to **unlock a better kind of growth that creates opportunities for everyone**. Better growth balances the needs of all stakeholders and creates the wealth to act on the things that matter. Working toward this goal enables us to create a link between growth, profit, value, choice, and opportunity. Our vision is to be the world’s leading growth specialist. In addition, we have **four values** that underpin our purpose and vision. These values guide the way we do business and sum up what we stand for: **creating positive impact**, unlocking the power of opportunity, fostering entrepreneurial spirit, and valuing authentic relationships. We work across all industries and continents with companies of all sizes. Our [core sectors](#) are Consumer, Industrials, TMT, Financial Services, and Healthcare. By combining specific industry expertise with scientific methodologies, we monetize innovation and transform businesses. Ultimately, unlocking a better kind of growth empowers our clients to realize their vision and achieve long-term, sustainable success.

Our heritage

Simon-Kucher was founded in 1985 as a university spinoff by Prof. Dr. Hermann Simon, Dr. Eckhard Kucher, and Dr. Karl-Heinz Sebastian. Their vision was to help companies grow using scientific methods that could address real-life business challenges. They turned clever thinking into real practical solutions that delivered.

Today, we are a global consultancy with over 2,000 people operating in more than 30 countries – a fantastic achievement born from being the world’s leading pricing specialist.

Our leadership

Simon-Kucher is privately owned by more than 190 partners. Their diverse backgrounds and experiences nourish our culture as well as our economic success – and that of our clients. The Group consists of three companies: Simon-Kucher & Partners Strategy & Marketing Consultants LLC (US), Simon-Kucher & Partners Strategy & Marketing Consultants LLP (Singapore), and the German-based Simon-Kucher & Co. Holding GmbH. The latter is parent company to subsidiaries located around the world.

Our CEOs, Mark Billige and Dr. Andreas von der Gathen, are also part of the Board and Executive Committee. Our Board consists of partners from different offices and countries, supported by our global head of DE&I and global director ESG. Our Executive Committee includes our CEOs, the heads of our global industry practices, and the heads of our central functions.

GRI 2-1, 2-6, 2-9

2023 Organizational structure and governance

CEOs							
Dr. Andreas von der Gathen Mark Billige							
Central Functions	EXCOM				Board		
HR Claudia Müller	Dr. Gunnar Clausen	Joerg Kruetten	David Vidal	Brad Soper	Dr. Andreas von der Gathen	Mark Billige	Dr. Allison Dupuy
Finance Dirk Burshille	Onno Oldeman	Lisa Jaeger	Joshua Bloom	Nina Scharwenka	Robert Dumitrescu	Omar Ahmad	Bhavin Manjee
IT & Data Sven Harlfinger	Madhavan Ramanujam	Jens Baumgarten	Christian Schuler		Dirk Kars	Eddie Hartman	Dimitris Hiotis
Marketing Mark Cullen	Mark Maitland	Conrad Heider	Wolfgang Mitschke		DE&I Paulette Gerkovich	ESG Anne Rupp	
Legal/Compliance Dirk Sievert							

Interview with our Global Director ESG, Anne Rupp



"We can only achieve our ESG goals together as one team. This means that our more than 2,000 employees are part of the ESG team."

How is the overall business strategy at Simon-Kucher related to ESG?
ESG is increasingly important for growing our business. In recent years, we have noticed a shift in how clients think and what they want. Our clients, suppliers, and employees are expressing that ESG is important. That's why we're working hard to integrate ESG-related criteria into our overall strategy.

What were the important milestones in 2022?
We reached a key milestone in 2022 when we conducted a materiality assessment. Based on the results, we were able to set measurable targets and KPIs to systematically integrate environmental, social, and governance subjects into our overall business strategy, which will be monitored by the Board. Another crucial step was defining our climate strategy.

To this end, we calculated our first activity-based corporate carbon footprint and joined the Science Based Targets initiative (SBTi). We've built a solid base that our ESG strategy can launch from.

What makes Simon-Kucher's ESG approach special?
For me, it's the focus on people that makes our approach so special. As a people business, we place immense value on our team and the communities we operate in. I think it's crucial for us to understand the impact we have on the environment, society, and the governance of our own business. One example is our climate strategy. We want to actively involve our employees in our initiative. Therefore we set up a dedicated webinar and launched a special video, letting our colleagues from different locations speak about how they integrate sustainability into their daily lives.

What is the focus of your ESG activities in 2023?
Besides our current achievements, we will further develop our ESG strategy and raise internal and external awareness about our actions in the coming year. We will continue to focus on implementing our climate strategy. We will appoint an ESG captain for each office to drive our global sustainability standards and corporate volunteering at the local level even further. To raise internal awareness of all ESG topics, we will step up our communication efforts – including this ESG report.

Our strategic ESG approach

GRI 3-3

Our ESG strategy is rooted in our ESG vision. We envision ourselves generating sustainable growth and having a positive impact on our people, planet, communities, and our clients. We will achieve this by doing what we do best: unlocking better growth. We need to anchor our vision and embed it in every business decision we make. Therefore, we designed our strategy with all ESG dimensions in mind (ESG Management, Environmental, Social, and Governance) and view them as equally important.

We followed a systematic process to develop our strategy, laying the foundation for our future direction and ESG actions. The aim of our ESG strategy is to integrate ESG in our overall business strategy and to track our progress.

The **ESG Management** dimension focuses on enhancing transparency for relevant stakeholders by reporting annually on our ESG performance and maintaining an open dialogue. The **Environmental** dimension outlines our vision to pursue climate action, particularly by tackling and reducing our direct and indirect emissions. The **Social** dimension comprises both our people and the activities we carry out in communities on a global scale. When focusing on our people, we want to create equal opportunities, develop our talents, and create good working conditions. This enables our employees to contribute to social external activities that focus on the development of communities around the world. Finally, in the **Governance** dimension, we stand for ethical and professional business practices and the highest data protection, as well as IT and cybersecurity standards.



Our ESG vision and understanding

Our vision is to generate sustainable growth and have a positive impact on our people, our planet, our communities, and our clients by doing what we do best: unlocking better growth. Therefore, we strive to anchor ESG throughout our entire company by incorporating ESG into every business decision we make.

ESG Management	Environmental	Social	Governance
With our annual ESG report , we aim to increase transparency and maintain a continuous dialogue to assume responsibility toward all relevant stakeholders.	We tackle the challenge of climate protection by reducing our emissions from business travel systematically in order to assume our environmental responsibility.	<p>As a consultancy, our people are our most important asset in making a positive impact. Therefore, equitable opportunities, talent development, and good working conditions are core topics for us.</p> <p>We motivate our employees to create positive impact for communities we work in and engage in our Corporate Citizenship initiatives.</p>	We stand for ethical and professional business conduct . Data protection and IT/cybersecurity are material to us.

Materiality assessment

GRI 3-1 To identify the most relevant ESG topics for Simon-Kucher, the ESG team conducted a materiality assessment in 2022 involving our internal and external stakeholders. The material topics build the basis for the further development and repositioning of our ESG strategy. The basis of the materiality assessment was a longlist of potential material topics, which we identified based on a status quo and benchmark analysis.

We also included the following relevant international reporting standards when creating the longlist:

- Global Reporting Initiative (GRI)
- Sustainable Development Goals (SDGs)
- United Nations Global Compact (UNGC)
- Sustainability Accounting Standards Board (SASB)
- European Sustainability Reporting Standards (ESRS)*



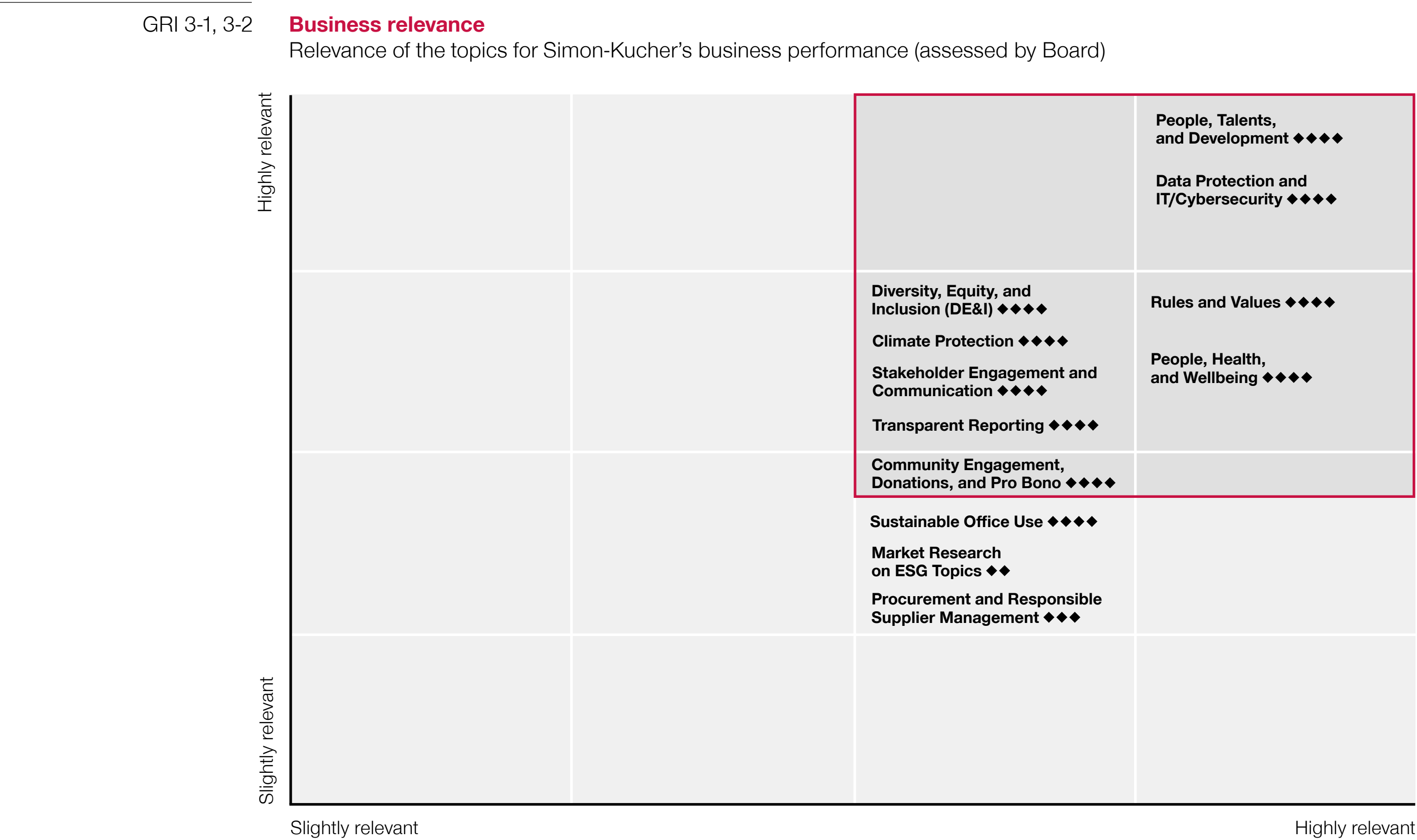
After creating a shortlist of the topics internally, we selected a group of stakeholders, including our Board members, partners, clients, suppliers, and internal and external experts. We asked them to prioritize the potential material topics based on three dimensions: impact, business relevance, and relevance to stakeholders. When performing the online quantitative assessment, we made sure to follow the requirements of double materiality – as required by the GRI and, prospectively, by the CSRD. In addition, we conducted supplementary qualitative interviews with ESG experts to better understand our stakeholders’ expectations.

After setting the materiality threshold, nine topics were identified as material. The results can be seen on the next page in the materiality matrix. As we are a people business with a focus on consulting and with access to confidential information, it is not surprising that the topics **People, Talents, and Development**, as well as **Data Protection and IT/Cybersecurity**, were rated the most relevant in terms of impact and business relevance.

GRI 2-29, 3-1

* For creating the longlist of material topics, we used the ESRS exposure draft of April 2022.

Our materiality matrix



- Stakeholder Responsibility**
Stakeholder Engagement and Communication
Transparent Reporting
- Planet Responsibility**
Climate Protection
- People Responsibility**
People, Talents, and Development
People, Health, and Wellbeing
Diversity, Equity, and Inclusion (DE&I)
- Corporate Citizenship**
Community Engagement, Donations, and Pro Bono
- Business Responsibility**
Rules and Values
Data Protection and IT/Cybersecurity

Material topics pursuant to GRI and the German Commercial Code (HGB)

Stakeholder relevance

Very high ♦♦♦♦ High ♦♦♦ Moderate ♦♦ Low ♦

Impact on the environment, employees, and society
Impact of the topics on the business environment of Simon-Kucher (assessed by Board and other stakeholders)

Our material topics

GRI 3-2	Strategic Areas	Material Topics	Explanation
	Stakeholder Responsibility	Stakeholder Engagement and Communication	Positive, long-term relationships and external communication with all our stakeholders are prerequisites for successful cooperation. We strive to meet their expectations by maintaining a continuous and transparent dialogue about our ESG activities and goals.
		Transparent Reporting	A core priority for us is to maintain an ongoing dialogue with our stakeholders on our ESG-related actions and performance, e.g., ratings, GHG emissions, and ESG risk assessments. We are committed to continually enhancing our transparency and accountability – to our clients, people, and stakeholders. To support this commitment, we provide an annual ESG report and strictly comply with regulatory requirements.
	Planet Responsibility	Climate Protection	In addition to developing strategies for climate change mitigation and adaptation in line with the Paris Agreement, we strive to reduce greenhouse gas emissions in our daily business activities.
		People, Talents, and Development	To support our clients with the best experts and knowledge, we constantly strive to attract, develop, and retain the best talent. In addition, we provide our employees with a safe, respectful, and inspiring workplace to promote their personal growth. We also offer individual career opportunities, training, and learning content.
	People Responsibility	People, Health, and Wellbeing	Our employees' health, wellbeing, and safety are our highest priority, and we are committed to creating a sound work environment that guarantees a healthy work-life balance.
		Diversity, Equity, and Inclusion (DE&I)	We strive to create a workplace in which our people feel valued and safe and believe that their contribution matters. We are committed to the equality of treatment principle for all our employees. We do our utmost to establish a workplace that is both inclusive and performance oriented.
	Corporate Citizenship	Community Engagement, Donations, and Pro Bono	A company with our size and reach has a social, cultural, and environmental responsibility that goes beyond the core of our business. Our commitment to this ideal is reflected in our global donations, local corporate volunteering, pro bono projects, and startup mentoring.
	Business Responsibility	Data Protection and IT/Cybersecurity	We are committed to protecting the data and privacy of our clients, employees, business partners, and suppliers. With this in mind, we process all data in compliance with applicable laws and regulations. Shielding IT infrastructure against misuse, threats, and cyberattacks is one of our top priorities. We guarantee the flawless functionality and the high reliability of our IT systems to all our business partners, in addition to implementing comprehensive protective measures to uphold cybersecurity.
		Rules and Values	Ethical business is anchored in our values and is a prerequisite for our clients' trust. In anti-corruption as well as anti-bribery courses, we emphasize the importance of behaving in an honest and responsible way compliant with applicable laws.

Developing our ESG strategy and tracking our progress

GRI 3-2, 3-3

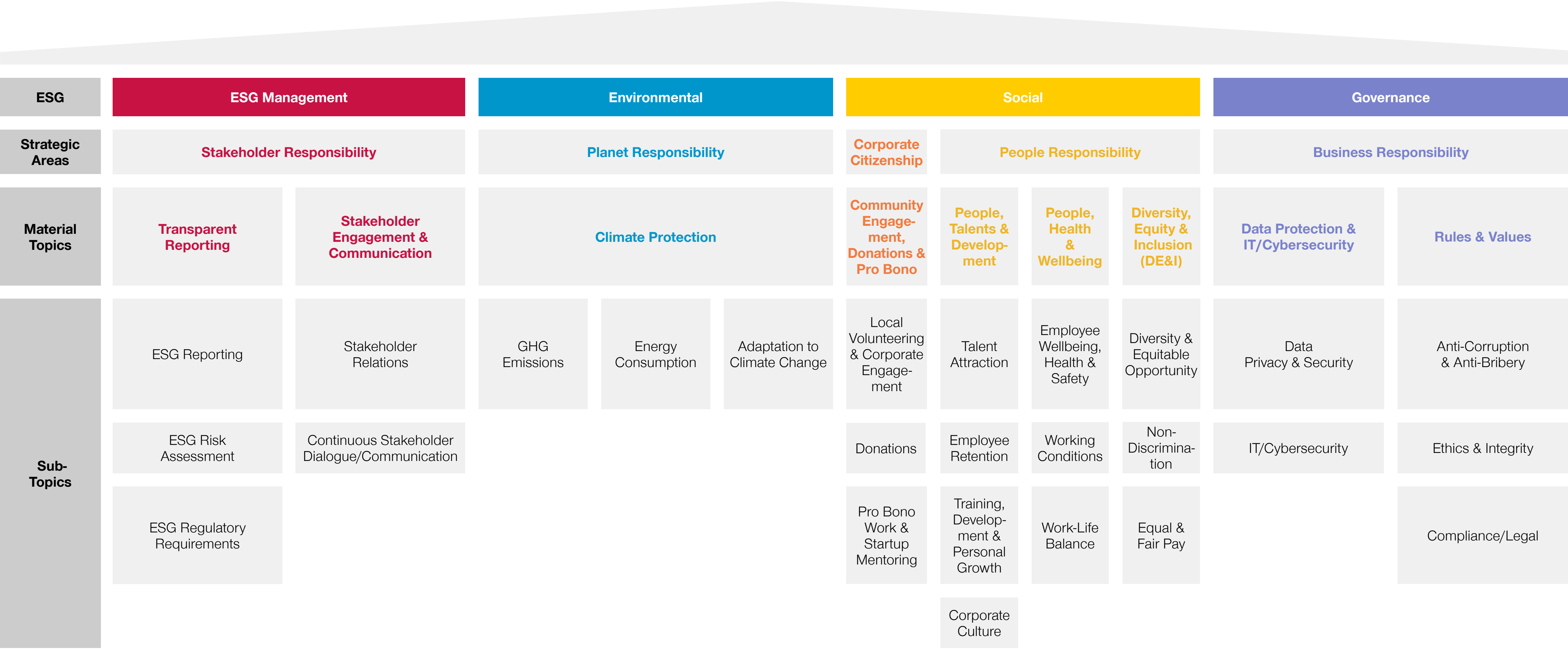
We used the outcome of the materiality assessment (▶ see page 12) to translate the ESG dimensions into actionable measures. The results of our materiality assessment showed the following are the most important ESG topics: **Stakeholder Engagement and Communication; Transparent Reporting; Climate Protection; Community Engagement, Donations, and Pro Bono; People, Talents, and Development; People, Health, and Wellbeing; Diversity, Equity, and Inclusion (DE&I); Data Protection and IT/Cybersecurity; Rules and Values.**

We clustered the material topics into our ESG dimensions: ESG Management, Environmental, Social, Governance, and five strategic areas: Stakeholder Responsibility, Planet Responsibility, Corporate Citizenship, People Responsibility, and Business Responsibility.

The ESG department is responsible for the strategic areas of Stakeholder Responsibility, Planet Responsibility, and Corporate Citizenship, including the material topics of **Stakeholder Engagement and Communication, Transparent Reporting, Climate Protection, and Community Engagement, Donations, and Pro Bono.** The team also works closely with HR, DE&I, Data Protection and Cybersecurity, Finance, Legal/Compliance, and Marketing to address other ESG-related and reporting-relevant topics.

The following structured blueprint was used as a springboard for designing our strategy. Both internal and external factors were considered during its development. Factors include our overarching company goals, benchmarking, requirements from the ESG rating agency EcoVadis, clients, regulations, relevant frameworks, and gap analysis.

Our ESG strategy



► This graphic contains clickable elements. You can jump directly to the respective topic in the report by clicking on any of the ESG dimensions, strategic areas, or material topics.

Our strategic ESG goals

GRI 3-3 After conducting the materiality assessment, we then developed our ESG roadmap. This includes strategic goals and clear targets with respective timelines, as well as defined KPIs to measure our performance and future progress with our internal experts and department heads. Our strategic goals show our ambition for each material topic, set our direction and mission for the future, and form the basis of our current and prospective ESG actions.

Stakeholder Engagement and Communication

Maintain **long-term, responsive relations** with our stakeholders in relation to our core business areas through ongoing dialogues.

Transparent Reporting

- Comprehensively **assess ESG risk** to avoid any negative impact on our business environment.
- Continually **enhance our transparency and accountability** – to our clients, our people, and our stakeholders, as well as provide strict compliance with regulatory requirements.

Data Protection and IT/Cybersecurity

Handle the data of our customers, employees, and business partners responsibly and **enforce superior cybersecurity** measures.

Rules and Values

- All our employees must comply with **our global code of conduct**.
- We keep our work honest and in compliance with applicable laws. To ensure that all types of violations of our global Code of Conduct and our global policies are uncovered, we provide a **whistleblower system** to enable all our stakeholders to raise attention to inappropriate behavior.



Climate Protection

Commit to achieve science-based targets by 2030 and **aim for net zero** in the future and to contribute to the fight against climate change.

People, Talents, and Development

- Create a **responsive talent management process** to evaluate performance transparently and fairly in order to acknowledge our employees’ achievements.
- **Recruit**, develop, and retain talent for our team.

People, Health, and Wellbeing

Promote **mental health** and encourage a healthy work-life balance.

Diversity, Equity, and Inclusion

Foster Diversity, Equity, and Inclusion (DE&I) in all our processes and levels of our consulting business.

Community Engagement, Donations, and Pro Bono

Empower our colleagues to make a positive **impact on local communities** through Simon-Kucher’s know-how, volunteering, and financial support.

Our ESG roadmap – How we track our ESG progress

GRI 3-3

To improve our ESG performance, we developed an effective and focused control tool. Our ESG roadmap helps us to transparently monitor and evaluate our achievements and actions by analyzing our defined KPIs. We will monitor our progress with the Board and topic owners from HR, DE&I, Compliance, and IT Security and Data Protection annually. In addition, we will define countermeasures and adjust our actions if necessary.

Strategic Areas	Material Topics	Targets	KPIs	Status	SDGs
Stakeholder Responsibility	Stakeholder Engagement and Communication	Be visible and proactive in ESG-related cooperations and initiatives.	Total number of relevant initiatives/cooperations participating.	Ongoing	
	Transparent Reporting	Report annually and transparently on our ESG progress.	Publish ESG report.	Ongoing	
		Implement an internal risk assessment by the end of 2023 and conduct an ESG risk assessment annually.	Conduct ESG risk assessment.	Ongoing	
Planet Responsibility	Climate Protection	Achieve science-based targets by 2030 and aim for net zero in the future.	Total GHG emissions in tCO ₂ eq per year.	8,411 GHG emissions in tCO ₂ eq	13
			Reduction of GHG emissions per FTE per year.	Since we have optimized our calculation method, the 2022 GHG emission data cannot be compared with the data from 2019 to 2021. We will report this KPI from next year on.	

Our ESG roadmap – How we track our ESG progress

GRI 3-3	Strategic Areas	Material Topics	Targets	KPIs	Status	SDGs
	People Responsibility					
		Diversity, Equity, and Inclusion (DE&I)	We know that to attract and retain diverse talent, we need to create an inclusive and equitable organization. Given our current efforts to do just that, we seek to increase our total share of women partners.	Increase share of women partners.	Ongoing	5,10
	Corporate Citizenship					
		Community Engagement, Donations, and Pro Bono	Start setting up a corporate citizenship strategy, including a regional pilot rollout of an IT-based corporate volunteering system by the end of 2024.	Implementation of a global corporate volunteering budget (1 day per FTE per year).	Ongoing	8,17
			Invest more than 450 FTE days dedicated to pro bono projects in 2023.	Total number of days dedicated to pro bono projects and startup mentoring.	Ongoing	
	Business Responsibility					
		Rules and Values	All our employees receive training on our compliance guidelines, anti-corruption, anti-bribery, non-discrimination safeguards, ethical business conduct, and our understanding of diversity.	Number of employees that have completed the compliance training, which includes our code of conduct and anti-corruption policies and procedures, annually.	Ongoing	
		Data Protection and IT/Cybersecurity	Implement an information security management system (ISMS) according to ISO 27001, achieve certification by 2024, and annual recertification.	Implementation of ISO 27001 information security management system (ISMS) according to ISO 27001.	Ongoing	
			Every employee completes data protection and information security training once a year.	Number of employees that have completed data protection and information security training.	Ongoing	

Engaging with our stakeholders

ESG reporting and transparency

GRI 3-3

Material topic
Transparent Reporting



We communicate our commitments, goals, and targets transparently through our annual ESG reporting. It is our responsibility to maintain an open dialogue with all our stakeholders.

To increase the transparency of our ESG performance and meet our clients’ expectations, we have participated in the EcoVadis rating since 2014. EcoVadis is an external global provider of sustainability ratings for companies.

Starting in 2023, we will commit to executing a comprehensive annual ESG risk assessment. This will allow us to evaluate all risks exhaustively and draft effective preventive measures against possible ESG risks at an early stage.

Our stakeholder relationships

GRI 2-29, 3-3

Material topic
Stakeholder Engagement
and Communication

Communicating openly and honestly with our stakeholders is key to building successful business relationships and strengthening trust. We maintain open communication channels with our most important stakeholder groups: our clients, people, suppliers, and communities. During our materiality assessment, we asked participants to tell us where we can improve and what they expect from us in the future.

We gathered feedback from our more than 2,000 colleagues located across over 30 countries. Feedback was given through employee satisfaction surveys, global town halls, local events, office meetings, and more. A key voice in our stakeholder dialogue was that of our suppliers.

creating positive impact on

our planet



Environmental – Creating positive impact on our planet

We aim for net zero. And we have already begun our journey to get there.

GRI 305-1, 305-2,
305-3, 305-4

Material topic
Climate Protection

In 2022, we laid the foundations and took important steps toward our goal. We calculated our first activity-based corporate carbon footprint to better understand our emission sources and increase transparency. We developed a new climate strategy, including clear reduction targets that will help us isolate our main emission sources and achieve our reduction goals. We committed to setting ourselves ambitious targets for the coming years, which we are submitting for validation by the Science Based Targets initiative (SBTi). Although we are still at the beginning of our journey, we understand the challenges we face and are well positioned to tackle them.



Through our engagement, we contribute to SDG 13.

Highlights 2022

We address the challenges of climate change by systematically reducing our emissions.

Achieve SBTi

by 2030

8,411

tCO₂ eq
total emissions
in 2022

4.02

tCO₂ eq
per FTE emissions
in 2022

Climate protection at Simon-Kucher

GRI 3-3

Material topic
Climate Protection

We identified **Climate Protection** as a material topic during our materiality assessment. It is an important issue for both our clients and suppliers. Reduction of emissions, use of energy, and sustainable office operations are the particularly relevant dimensions and were our focus areas.

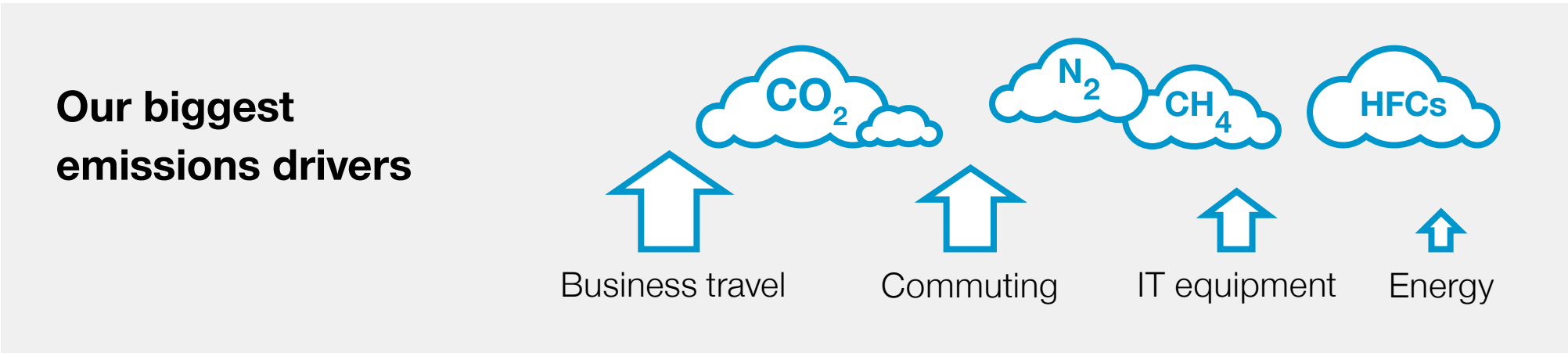
In 2022, we developed our first climate strategy with an ambitious goal: To achieve science-based targets by 2030 and aim for net zero in the future to contribute to the fight against climate change. To accomplish our ambition, we need to act decisively. That is why we are pushing to reduce our energy consumption, switch to renewable electricity in our offices, minimize our emissions from business travel, and roll out internal educational programs to raise awareness of climate and environmental issues.

Our ESG department is responsible for driving the climate strategy. This includes all our environment-related measures, initiatives, and processes. The team also works in close cooperation with other departments when required, such as office management, procurement, and finance. All activities are reported by the Global Director ESG to the CEOs and the Board on a quarterly basis.

Transparency and accountability: Calculating our corporate carbon footprint

To better understand our environmental impacts and how we can minimize them, we calculated our corporate carbon footprint (CCF) from all scopes in accordance with the GHG Protocol for the year 2022 (► see Extended tables, page 57). The in-depth analysis of our CCF has shown that business travel is our largest emission source. This is not surprising: as a global people business, we have to travel to meet our clients, partners, and each other.

The close and trusting relationships we build and maintain with our clients are what make Simon-Kucher unique. We will remain a people-focused business. Therefore, finding more sustainable ways to travel and lowering the number of kilometers traveled while maintaining client satisfaction will be one of our reduction focuses. Our climate strategy will put us on the right path to achieve our goals.



Our climate strategy

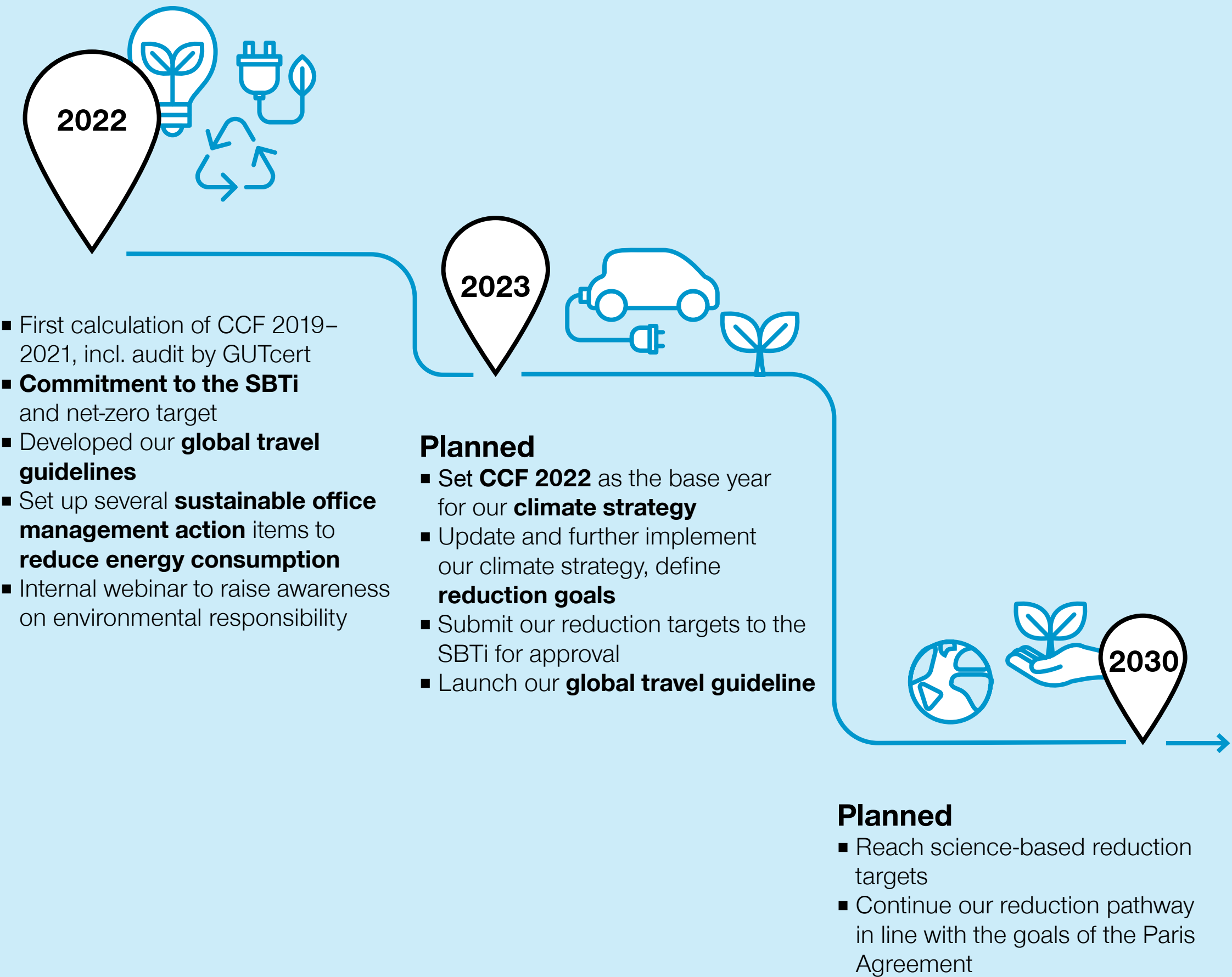
In 2022, we committed to taking active measures in line with the goals of the Paris Agreement to reduce our corporate carbon footprint. Based on the analysis of our CCF, we developed our global climate strategy in 2022 to address our main impacts on the climate.

In line with the Science Based Targets initiative (SBTi), we will submit our reduction targets by 2030, from a 2022 baseline:

- Scopes 1 and 2:
Emission reductions in line with the 1.5° Celsius pathway
- Scope 3:
Emission reductions in line with the well-below 2° Celsius pathway

To achieve those emission cuts, we will aim to reduce our emissions from business travel, use increasing shares of renewable electricity, improve energy and heating efficiency in our offices, engage with our main suppliers, and encourage low-carbon commuting by our employees. At the same time, we will raise awareness among our employees on environmental and climate topics.

Our roadmap to SBTi – To achieve our science-based targets by 2030, we developed a roadmap with specific milestones and activities.



Sustainable business travel

Our business is centered around people and, as such, business travel is an inherent part of our work. In 2022, business travel was our largest emissions driver of our total carbon footprint. This shows we need to be more conscious of how we travel and consider the most sustainable mode of transportation possible.

To address this topic, we developed global travel guidelines in 2022 that reflect our strategic priorities. We also initiated awareness campaigns to share our vision and involve our employees in our efforts to travel more sustainably while ensuring their wellbeing. Our approach will also include engaging with our clients to reduce the number of necessary trips without compromising the working relationship.

Our actions to reduce business travel emissions



Avoiding unnecessary travel: Before booking each trip, we carefully evaluate whether the goal can be achieved without traveling.



Encouraging use of sustainable transportation: We use rail transportation in countries where a well-developed infrastructure makes it possible to travel comfortably by train. We select hybrid cars or e-vehicles whenever possible.



Informing and reporting: We use dedicated internal travel booking systems that provide information on the environmental impact of the various travel alternatives. The travel choices made by our employees are recorded, which enables us to calculate our CCF annually.

GRI 305-5

Our actions for sustainable office operations

GRI 302-4

As part of our environmental strategy, we also aim to reduce emissions from energy consumption as well as the impact that our office operations have on the environment. Over the last years, we have developed office management guidelines for our locations around the world. These guidelines are reviewed and refined on an ongoing basis.

Our most impactful actions include the following:

In 2022, we launched internal educational formats and informed our employees about environmental activities via newsletters, town hall events, and webinars.



Switching to renewable energy whenever possible: We adopted green electricity across 10 offices by the end of 2022.



Reducing office temperature and adopting smart temperature control systems.



Replacing light bulbs with LEDs or similar efficient light sources.



Selecting caterers according to sustainability criteria.



Sourcing sustainable office equipment (e.g., coffee machines, replacing plastic bottles with soda machines and glass bottles).



Improving waste management and recycling.

creating positive impact for

**our
people**



Social – Creating positive impact for our people

Consulting is a people business. It is about knowledge, expertise, network, relationships, and ultimately trust.

- Material topics**
People, Talents, and Development

People, Health, and Wellbeing

Diversity, Equity, and Inclusion (DE&I)

As a consultancy, our employees and teams are our most important asset in making a positive impact. Therefore, equal opportunities, talent development, and good working conditions are core topics for us. We stand for a fair, ethical, equitable, and open work environment where everyone can feel safe and valued. We support our employees to realize their full potential by creating opportunities to thrive within our company.



Through our engagement, we contribute to SDG 3, 5, and 10.

Highlights 2022



Our people experience

GRI 3-3

Our vision is to be the world’s leading growth specialist. But our goal is to create a better kind of growth that creates opportunities for everyone. Delivering long-term, sustainable success and profit for our clients, built on virtuous cycles of loyalty, advocay, and trust. Together, we are creating the Simon-Kucher experience. A workplace where we all share the same values, are credited for our honest opinions, feel safe, and are rewarded for the performance we deliver.

Our global Human Resources (HR) team provides a framework for the Simon-Kucher experience. This spans the entire employee lifecycle, starting with talent acquisition and hiring, and covering performance management, evaluation, continuous skills development, career advice, and work-life measures for each employee. Our Chief HR Officer (CHRO) leads the global HR team and is part of the Executive Committee. In addition, we have local HR units that report to the local Managing Directors.

As part of our commitment to continuously adapt to the needs of our employees, we conduct regular global employee pulse surveys as well as surveys on work culture, employee satisfaction, and central strategic topics such as ESG and DE&I. Our most recent employee engagement survey provided data that helped guide numerous global initiatives, including our new purpose and values, Employee Bonus Opportunity Program, performance management redesign, leadership training, DE&I strategy, and our Fit for Future initiative.

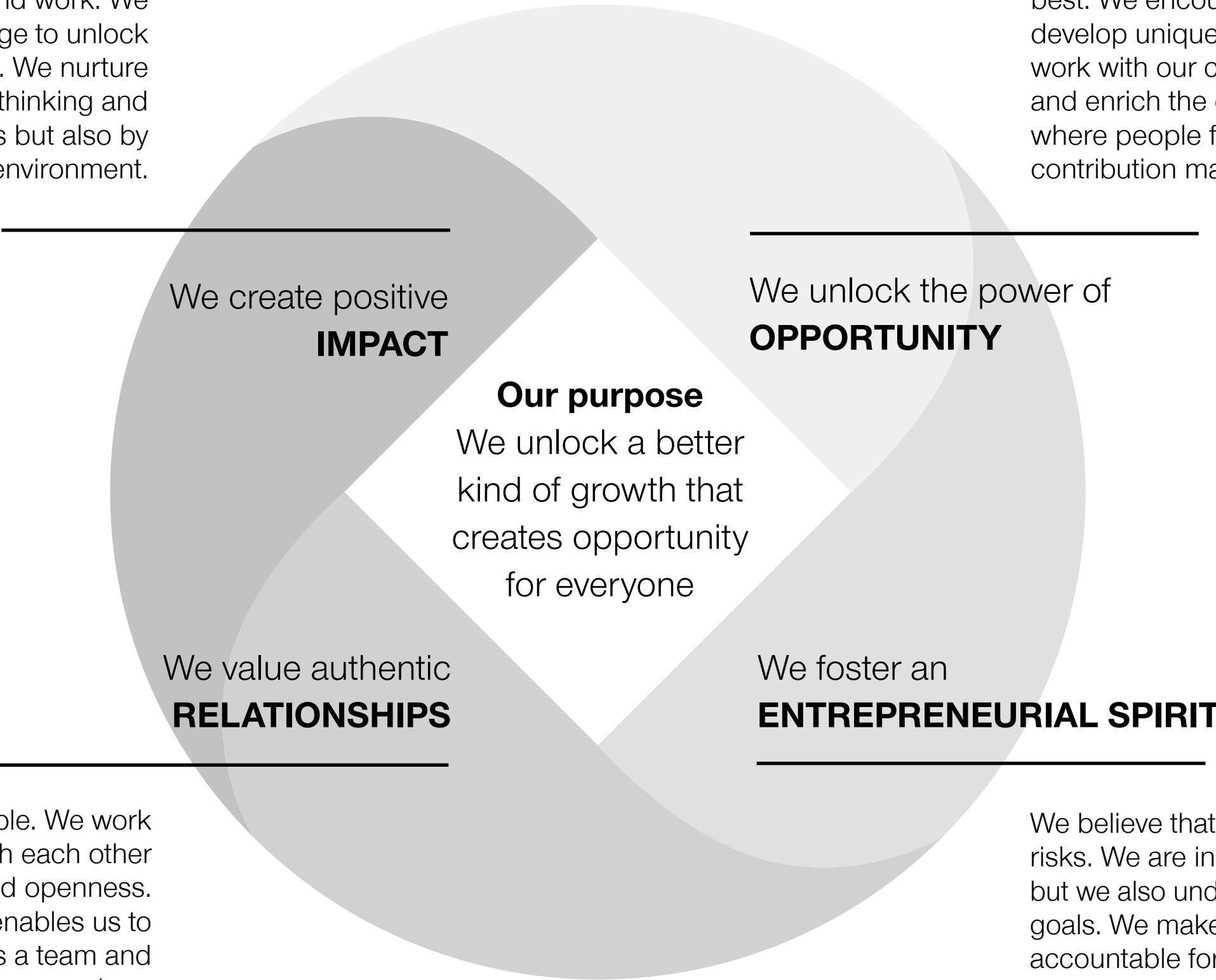


Our core values are
our foundation for success

Our four core values guide the way we do business and communicate our distinctiveness. They sum up what we stand for, influence our culture, and drive how and why we do things.

We play our part in revolutionizing how we all live and work. We combine our deep expertise with our clients' knowledge to unlock and maximize their sustainable growth potential. We nurture inclusive and diverse teams that help deliver richer thinking and better outcomes that are felt not only by our clients but also by their customers, wider society, and the environment.

We think that everyone deserves the opportunity to be their very best. We encourage our people to set their own career paths, develop unique skills, and to be the best at what they do. We work with our clients to transfer everything we know to help grow and enrich the expertise in their teams. This creates a culture where people feel valued, can be themselves, and know their contribution matters and is recognized.



We know that our success and strength lie in our people. We work together to build authentic, long-term relationships with each other and our clients. We do this with respect, integrity, and openness. We create an inclusive and diverse culture that enables us to share knowledge, innovate, and grow faster, both as a team and as individuals. This is the foundation that allows us to exceed our client's expectations.

We believe that to truly push boundaries, we have to take some risks. We are independent thinkers, and we use our own initiative, but we also understand the need to work together toward common goals. We make things happen at speed and are always personally accountable for our actions, even when we fail. Entrepreneurship is a powerful force that drives the growth not only of our firm but of our clients and people.

How we reward, recognize, and interact with our teams

GRI 3-3, 403-6

In 2021, we launched the YouFirst program to guide our employees throughout their entire experience at Simon-Kucher – from recruiting to alumni. We are now enhancing and expanding this initiative through increased investments in time, technology, and other resources. YouFirst strengthens our employees’ personal and professional development through a variety of programs, which include the following:



Hybrid working model: Allows employees to alternate between in-office, remote, and client-facing work to improve work-life balance. More generally, our flexible working models are available whenever needed (e.g., parttime arrangements for parents and caregivers).



Learning and skills development strategy: Enhances the employee experience by ensuring skills-based development and continuous feedback.



Performance Management and Development Process (PMDP): Fosters career ownership, drives transparency, and enables a culture of open and honest feedback.



Employee Bonus Opportunity Program (EBOP): This additional bonus component is tied to our internal share price growth, rewarding employees for their loyalty and contribution to our joint success. Its unique design allows employees to actively manage their bonus opportunities over time.



Employee health and safety: Provides support for our employees through a variety of services – from mental and physical health to burnout prevention or financial counselling.



Global rotation program: Enables employees to go to another country for three to six months or even move abroad for several years. Rotations and country changes contribute to the personal growth of our employees and, in turn, to the growth of Simon-Kucher.

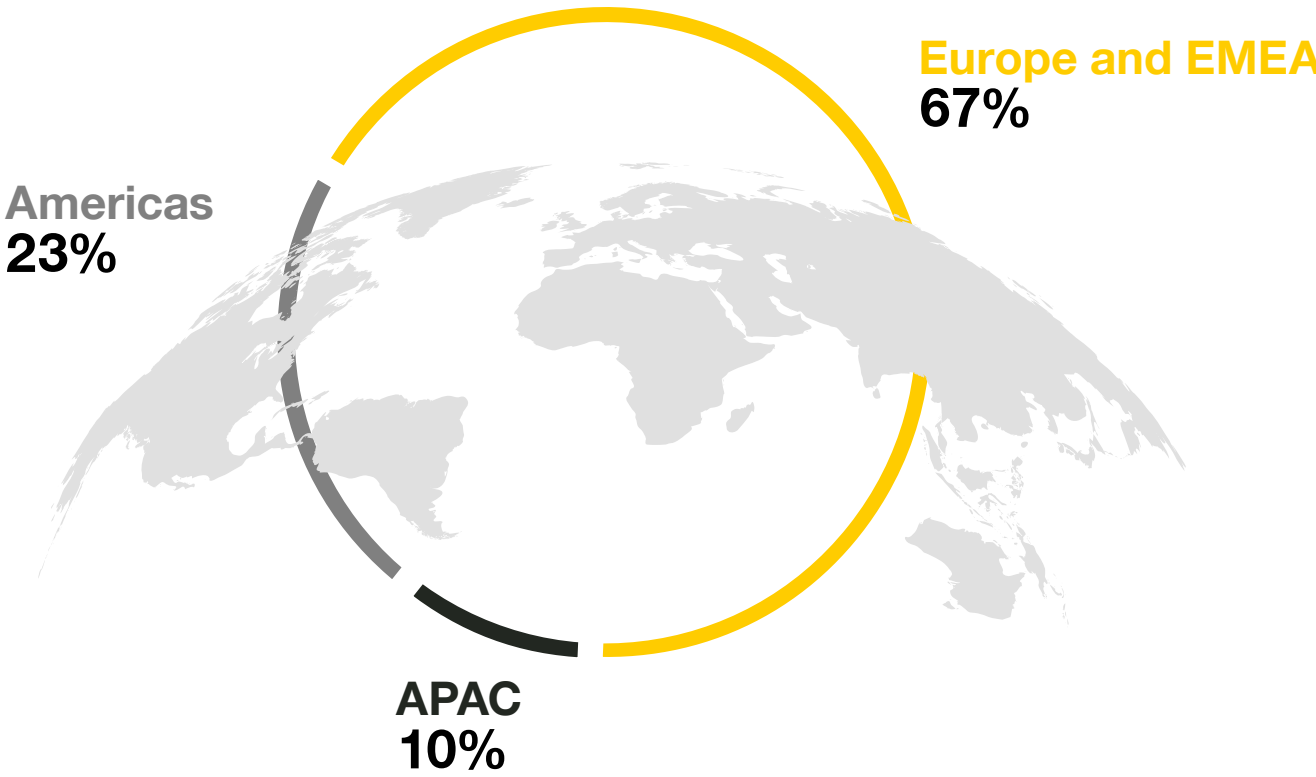
Attracting and developing our talent

GRI 2-7, 3-3, 401-1

Material topic
People, Talents, and
Development

Our aim is to be the employer of choice in our industry. We want to attract top talent with diverse backgrounds from around the world. That is why we continually review our hiring process and the associated candidate experience. We partner with our marketing teams to build a strong employer brand and work closely together with the DE&I department to ensure our talent pipeline is fair, equitable, and transparent.

We are proud to have increased our total employee number by 23 percent within one year to 2,091. While the majority of our people are based in Europe, the Middle East, Africa (EMEA), and the Americas (US and LATAM), we are happy to see the number of colleagues in the Asian-Pacific region grow to 10 percent in 2022.



From talent attraction to hiring

GRI 2-8

One focus we strive for is to make the consulting business more attractive to women. To increase the number of women in consulting roles, we launched the global recruiting event series Women in Consulting. During this event, our female leaders and associates discuss topics like candidate experience, common challenges faced in consulting, work-life balance, career progression, achievements, and network-building. In addition, we conduct campus recruiting activities to attract top talent as early as possible, provide internships to students and graduates, and have implemented a strategic partnership with the Global Alliance of Business Schools (CEMS) to attract the leaders of tomorrow.

To further improve our application process, we developed specific training courses. This training covers the different types of interview questions, illustrative case studies, and interviewer biases to prevent discrimination by unconscious bias. In 2022, a total of 566 interns and 25 working students were working at our company, often with a successful outcome for all parties involved: 23 percent of our recent interns and working students were hired as permanent employees in 2022.

In 2023, we will start our new employer brand rollout, launch our new career website, focus on strategic cooperations with universities, and deepen our collaboration with the DE&I department.

First STEPS at Simon-Kucher –
Our onboarding experience

GRI 3-3, 404-1, 404-2

To help our new employees get familiar with our culture and our values, we have put in place a global onboarding program called STEPS (Strategic Training for Employees’ Professional Success). STEPS is designed to provide new hires with a smooth start and get them familiar with our organization, brand, and values, as well as give them the chance to connect with new colleagues at formal and informal social events.

Continuous learning and personal
development

Our learning and skills development activities at Simon-Kucher are centered around our global skills taxonomy, which is a structured framework of the skills and abilities seen as important for self-development. Therefore, we provide a wide range of training and learning content, accessible via our global learning portal, on relevant cognitive, emotional, interpersonal, technological, methodological, and managerial skills, as well as training on our company purpose, our vision and values, and DE&I.

To inform all our employees and raise awareness on learning and development issues, we update employees on our learning-related highlights (including new training and recommendations) through our monthly Learning and Skills Development newsletter.

To give a clear development structure and provide transparency on career paths, we provide career-specific development plans and training recommendations tailored to the needs of both consultants and central functions.

GRI 404-1, 404-2

- **53,000** hours of globally managed training
- **18,000** interactive live training and self-learning courses
- **1,060** different training courses completed by our employees
- **Ø 25** hours of training per employee
- **20%** of Simon-Kucher specific live training courses newly introduced



We enable our employees to grow

GRI 3-3, 404-3

Our strategic goal is to create a responsive talent management process to evaluate performance transparently and fairly to acknowledge our employees’ achievements. Therefore, we ensure that all our employees receive regular performance and career development reviews. As stated in our corporate values, we provide transparent feedback, encourage development, and reward excellence. Our performance management and feedback mechanisms are based on a sophisticated 360° evaluation process based on a fair and objective top-down, bottom-up, and lateral approach. This approach provides opportunities for personal development and growth, as well as input for career opportunities and the performance bonus. For consultants, the 360° evaluation takes place twice a year; for central functions employees, it takes place once a year. In 2022, a total of **20,000** individual peer-to-peer evaluations were recorded during the two evaluation rounds that took place.

The final assessment of the 360° review is the gateway to a potential bonus and promotion. However, we generally prefer to give our associates time for personal development and growth before promoting them to ensure they are ready for their next career step. In 2022, 489 of our associates were promoted.

GRI 404-2, 404-3

An important part of personal growth is enabling employees to go to another country for three to six months or even move abroad for several years. Rotations and country changes contribute to the personal growth of our employees and, in turn, to the growth of Simon-Kucher. As we are a global company, we need people with an intercultural background and empathy for multinational teams and their communication. In 2022, we organized 52 rotations abroad and around 30 long-term country changes.

In 2023, we plan to launch a new performance management tool as well as Career Development Councils (CDCs) to discuss employee performance and final reviews. Furthermore, we will create a new mentorship role: Career Development Advisor (CDA). The CDA’s aim is to create a fair and safe space for their mentee to talk about their skills, goals, and areas of opportunity, helping them achieve professional success.



Fostering health and wellbeing at work

GRI 3-3, 403-6

Material topic
People, Health,
and Wellbeing

We place the health and wellbeing of our people at the top of our agenda. We are aware of the specific challenges that the consulting business can present to our employees. To ensure a safe work environment and a healthy work-life balance, we ensure that all our employees have access to physical and mental health services. To this end, we have implemented a wide range of local and global wellbeing initiatives.

Our flexible benefits provide immediate support as well as longer-term preventive approaches, such as burnout prevention and stress management training. Enforcement of global measures is ensured by our partners and HR team, while workplace safety and other wellbeing-related policies are implemented and monitored locally by each office. In addition, all employees can reach out to internal and external ombudspersons to report any work-related concerns.

Our mental health initiatives

The social impact of the COVID-19 pandemic put a spotlight on mental health concerns. We responded immediately by launching numerous global initiatives for our employees, including the following:



Our Employee Assistance Program (EAP): Offers 24/7 support for all employees and their household members, including work-life support (e.g., childcare and eldercare), psychological support, as well as legal and financial counseling.



A free Headspace Premium membership: Includes guided meditation programs and exercises to support concentration. In 2022, 884 of our employees had registered.



Our hybrid working model: Allows for more flexibility for those affected by mental health issues.



Health promotion online training formats: Includes 29 live workshops in small groups and over 200 self-learning courses related to topics such as personal resilience, team wellbeing, stress management, and mindfulness.



“Better Working” QuickCards: Offer tips and tricks on how to protect employees’ mental health and productivity.

Interview with our Global Head of Diversity, Equity, and Inclusion (DE&I), Paulette Gerkovich



Paulette, what is your role as Head of DE&I at Simon-Kucher?

At a high level, I'm responsible for developing and implementing a global DE&I strategy that aligns with the organization's values and goals. Essentially, I provide strategic leadership to promote DE&I efforts across the organization. My role involves designing interventions to meet our DE&I objectives, managing stakeholders, determining metrics to measure progress, and increasing visibility around DE&I. A big part of this includes partnering with central functions teams to ensure systems and processes are equitable.

"We launched six global Employee Resource Groups (ERGs) in 2022 — both because we know the importance of creating connections across diverse communities and in response to widespread employee requests."

How does Simon-Kucher approach the topic of DE&I? What is Simon-Kucher's DE&I strategy and its core aspects?

Simon-Kucher takes an evidence-based and systemic approach to DE&I. We draw on research and our experience to identify interventions aligned with strategic goals. There are three strategic goals in 2022:

build a solid DE&I infrastructure; create inclusive teams, leaders, and environments; and ensure equitable systems and processes. All our interventions and activities align with these goals and our broader business objectives.

What were the DE&I milestones in 2022?

In 2022, we launched our first formal company-wide DE&I effort. One of our most important steps was to create the DE&I Council which comprises Partners and central functions heads. This group meets with the DE&I department at least once each month to provide strategic guidance. Individual members also act as ambassadors for the DE&I department effort. Additionally, we developed a three-year DE&I learning pathway (including inclusion and unconscious bias training to be rolled out in 2023 and 2024) and four new employee survey items that measure inclusion. That means we can track not just the numbers but how our people are feeling about their

experiences at Simon-Kucher. We held five DE&I workshops for our HR team and piloted LGBTQ+ ally training, which will be rolled out globally in March 2023. We're proud to be leading the way toward a more inclusive workplace for our employees.

Which measures do you have in place to increase diversity and foster inclusion within Simon-Kucher?

We developed 22 key performance indicators (KPIs) to evaluate the implementation and outcomes of our DE&I efforts. We have set Q4 of 2022 as our baseline and plan to update our metrics quarterly, semiannually, or annually depending on the KPI. Our DE&I Dashboard, which is updated quarterly, provides the Board with a clear overview of our progress. Because DE&I is such a priority for our company, we've committed to regularly assessing and improving our efforts.

Creating a diverse, equitable, and inclusive work environment

GRI 3-3

Material topic
Diversity, Equity, and
Inclusion (DE&I)

Diversity, Equity, and Inclusion (DE&I) are reflected throughout our values and are integral to the way we do business. At Simon-Kucher, we strive to create a workplace in which our people can be innovative and authentic and know that their contributions are valued. Our DE&I strategy, developed by our Global DE&I department, ensures we are always working to create a better, more inclusive workplace. Our DE&I department is led by the Global Head of DE&I, who directly reports to our CEOs and Board. Ongoing, strategic guidance is offered by the DE&I Council, which comprises leaders from across the firm and is chaired by the Global Head of DE&I.

Our DE&I strategy

Our DE&I strategy is based on several pieces of evidence, including a DE&I diagnostic, findings from our employee engagement survey, research about what works, and stakeholder input. From this, we developed three strategic DE&I goals:



- 1. Establish a solid DE&I infrastructure
- 2. Create inclusive leaders, teams, and environments
- 3. Create equitable systems and processes

Inclusive and diverse teams

We know that to attract and retain diverse talent, we need to create an inclusive and equitable organization. Given our current efforts to do just that, we seek to increase our total share of women partners.

In addition to our commitment to increase women’s representation at Simon-Kucher, our efforts also focus on the following: race and ethnicity, nationality, language, sexual orientation, gender identity, ability, neurodiversity, caregiver status, and many others depending on country and culture.



A solid DE&I infrastructure, inclusive environment, and equitable systems

In 2022, we worked hard to create an infrastructure that would sustain and grow the DE&I effort over time. First, we formally established the global office of DE&I, hired a new Global Head of DE&I, formed the DE&I Council, and added four new inclusion-related questions to the employee engagement survey so that we can track progress year over year.

We launched six global Employee Resource Groups (ERGs): Network of Women (NOW), Black @ Simon-Kucher (B@SK), Asian at Simon-Kucher (ASK), SKPride (LGBTQ+), SKCares (caregivers), and SKVets (veterans). ERGs are voluntary, employee-led groups whose members share common interests, backgrounds, and/or goals. In addition to convening individuals with common interests, ERGs host activities related to professional development, education, recruiting, and community service. We’ve also worked toward our commitment to create equitable systems and processes.



Throughout 2022, we launched multiple activities to further build inclusion across the firm, increase education and awareness about DE&I, and drive accountability:

- A three-year DE&I learning pathway that includes training on inclusion, unconscious bias, and LGBTQ+ allyship.
- Quarterly progress reports to Simon-Kucher’s Board.
- A five-part series of DE&I upskilling for all HR colleagues.
- A DE&I scorecard and KPIs to measure progress.

We’ve done this largely by using a DE&I lens to examine and shape work in our talent management space. For example, the DE&I department sat on the values committee, helping to shape our new values and values training. As the awareness and reach of DE&I increase, it will play an increasing role in ensuring that existing and new processes are looked at through a DE&I lens.

In 2023, we will expand the DE&I department to include members located in Europe and focus on continuing to grow our ERG membership there. We will also support the global talent acquisition team at recruiting events and in developing recruiting and onboarding tools and processes around the world to showcase the diversity of Simon-Kucher. At this time, we also will do a complete roll out of our inclusion and LGBTQ+ ally training for all employees.

creating positive impact for

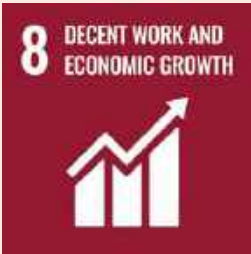
**our
communities**

Social – Creating positive impact for our communities

Social responsibility is deeply rooted in our corporate culture and values.

Material topic
Community
Engagement, Donations,
and Pro Bono

Our aim is to contribute to the communities we work in and create positive impact. To achieve this goal, we encourage our employees to engage in corporate citizenship initiatives and support social, cultural, and environmental projects. Therefore, our people share their knowledge and build strong partnerships to ensure a long-lasting impact.



Through our engagement, we contribute to SDG 8 and 17.

Highlights 2022



Contributing through our corporate citizenship activities

Material topic Community Engagement, Donations, and Pro Bono	<p>Given our size and reach, we want to have a positive impact on society. Corporate Citizenship has always been an important topic at Simon-Kucher. Triggering change and creating a positive impact on society starts within the firm. We actively motivate our employees to engage in social, cultural, and environmental projects and build strong partnerships within our communities. We also place great emphasis on social initiatives and projects that give something back to the communities where we work. In this way, we contribute to SDG 8 and 17.</p>	<p>Corporate Citizenship is managed by the global ESG department, led by our Global Director ESG. Together with other teams, they organize pro bono projects, startup mentoring, global donations, and webinars. In addition, initiatives are organized in local offices where we engage with communities by volunteering, sharing our knowledge, and providing financial support.</p> <p>In 2022, our offices around the world organized and participated in 35 local volunteering and fundraising activities. We spent more than 370 FTE days on pro bono projects and startup mentoring. The increasing engagement of our consultants is mirrored by the growing number of social projects every year.</p>	GRI 3-3, 413-1
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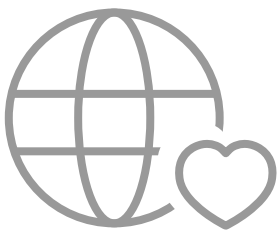
Our Corporate Citizenship initiatives



Pro bono projects



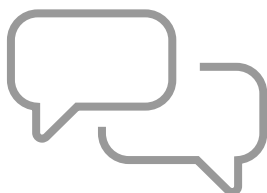
Startup mentoring



Local initiatives



Global donations



Raising internal awareness

We share our knowledge in pro bono projects worldwide



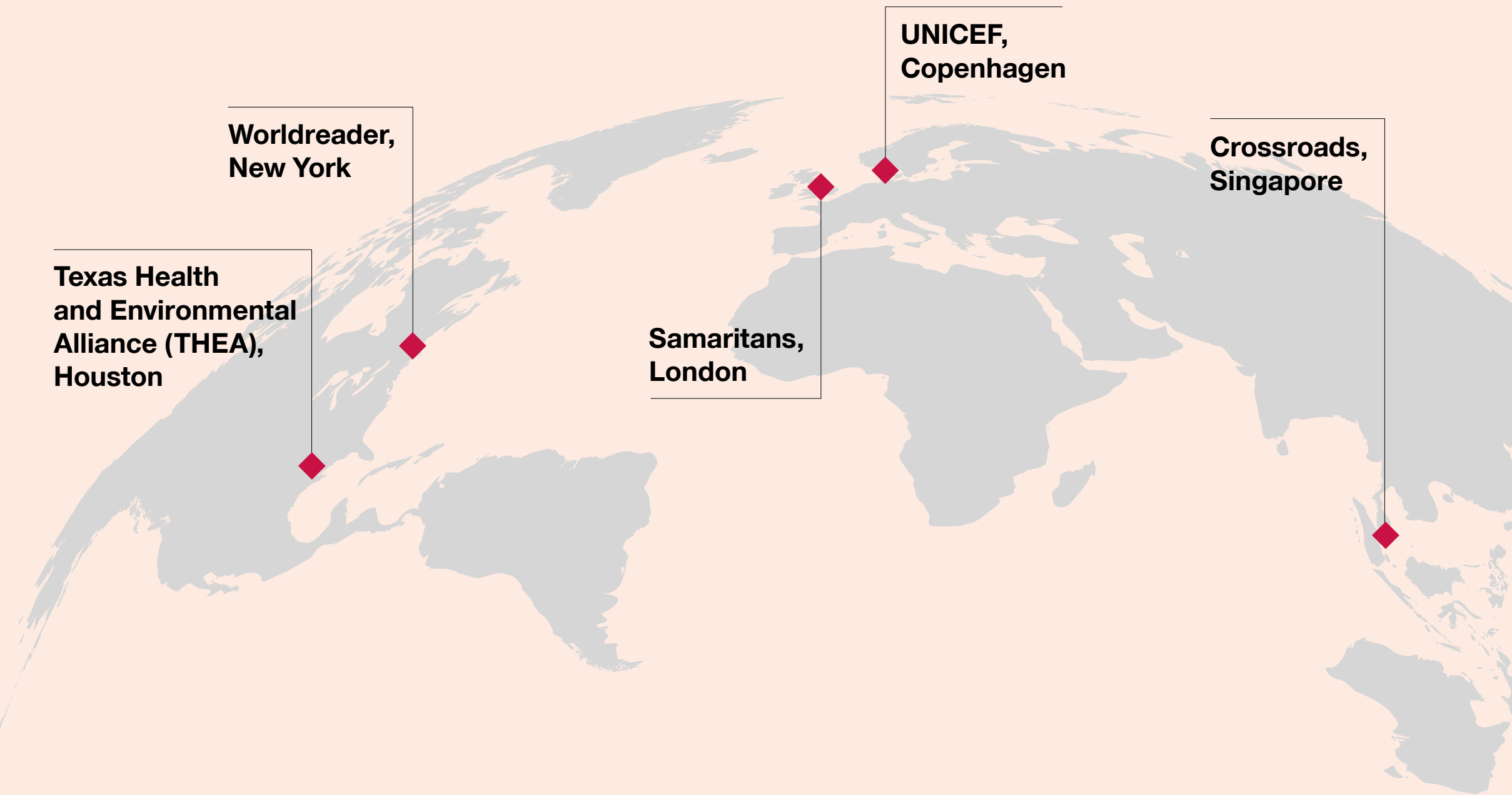
Pro bono projects



We have supported various nonprofit organizations across the world through pro bono projects. As global experts in pricing and growth consulting, we see it as our duty to share our knowledge and expertise, not only with our clients but also with nonprofit organizations. We are committed to giving back to the communities where we work, and we empower our consultants to share their expertise and engage in pro bono projects. Thanks to their engagement, we have supported various social, cultural, and environmental projects for nonprofit organizations and contributed to SDG 8 and SDG 17. This engagement is increasing every year. In 2022, we almost doubled our global budget for working days dedicated to pro bono projects.



In 2022, we almost doubled our global budget for working days dedicated to pro bono projects. Our highlights in 2022:



Deep dive into our pro bono projects

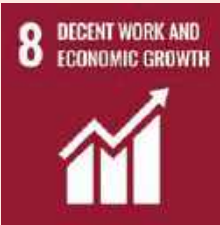


Developing a value proposition for Samaritans

Each and every one of us has mental health, and anyone can find themselves struggling to cope. At Simon-Kucher, the health and wellbeing of our employees continues to be one of our top priorities (► see also page 34). Anyone can face tough times and be in need of emotional support, which is where organizations like Samaritans come in. Samaritans is a registered charity providing emotional support to anyone in distress, struggling to cope, or at risk of suicide. They operate throughout the UK and Ireland, often via their 24/7 telephone helpline. Their 22,000 volunteers respond to a call for help every 10 seconds. We provided pro bono support to Samaritans by developing a value proposition for their cause-related marketing, contributing to an increase in funding.



Through this pro bono project, we contribute to SDG 8 and 17.



Enabling Worldreader to give general access to digital books

Having access to books and literature often influences young people's career choices. Worldreader is a nonprofit organization of global reach, focused on providing digital reading solutions to vulnerable and underserved communities in 44 languages. They aim to improve learning outcomes, workplace readiness, and gender equity. Our US team worked with Worldreader in a pro bono project as they developed their global BookSmart solution. Through our support, Worldreader was able to widely distribute their digital reading solution to schools and educational organizations. This improved access to educational materials for many children around the world.



Through this pro bono project, we contribute to SDG 4, 5, 8, and 10.

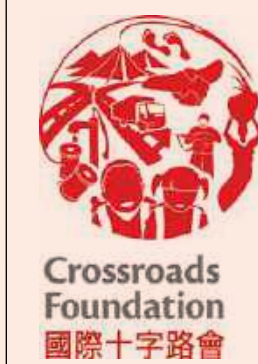


Developing a marketing strategy for Crossroads Foundation

We want to create opportunities for everyone. The Crossroads Foundation pursues the goal of serving people in need. So, working on a pro bono project with them was a perfect fit for Simon-Kucher. Locally, Crossroads collects and distributes aid to families in vulnerable circumstances. Globally, it helps tackle entrenched poverty by providing donated goods and humanitarian assistance in over 90 countries. Through its “Global X-perience” programs, a series of simulations allow visitors to experience what it’s like to live with pressing challenges such as poverty, inequality, and disability. Crossroads has also sought to raise awareness of such issues around the world. Building on the success of these programs, Crossroads launched the Global Village, an interactive experiential space in Tuen Mun, Hong Kong, that allows families to further engage, create awareness and empathy, and help solve global problems. Our team from Singapore was tasked with conducting research and making strategic recommendations in preparation for the launch of Global Village.



Through this pro bono project, we contribute to SDG 1 and 4.



“Before this project, I was unaware of how extensive Superfund sites are within Houston. As a native Houstonian, it was a privilege to work with a local nonprofit that is making Houston safer, healthier, and more environmentally literate through their coalition sites.”

Zach Usry, Consultant, Simon-Kucher

Advocating for a clean planet with Texas Health and Environment Alliance

We should all strive for a clean environment. The Texas Health and Environment Alliance (THEA) is a nonprofit organization focusing on protecting public health and the environment by engaging, educating, and empowering communities to clean up historical toxic waste in the greater Houston area. In this project, the combination of social and environmental responsibility was particularly interesting for us. We provided THEA with value-selling frameworks to align their communication with the key value drivers of national funders.



Through this pro bono project, we contribute to SDG 3, 6, 10, and 15.



Supporting startups to unlock their full potential



Startup mentoring



Unlocking better growth creates opportunities for everyone. Following this purpose, we provide numerous learning experiences for young companies in the form of mentoring. Here, we partner with incubators that aim to advance a social cause through the startups they support. By sharing our knowledge, we can contribute to driving missions of social good.

We built a strong partnership with SINGA

SINGA Switzerland connects people with and without refugee or migrant backgrounds to collaborate in entrepreneurial projects. As part of our initiative with SINGA, we supported the startups Altech and Komiki. In 2022, the aim of the startup mentoring was to guide Altech in the process of providing Swiss aluminum suppliers with premium customer service from inquiry to delivery, high product quality, and competitive prices. We also supported Komiki in designing its launch strategy. This startup aims to preserve children’s creativity in keepsake art books and apparel and provides services to schools and other educational institutions.



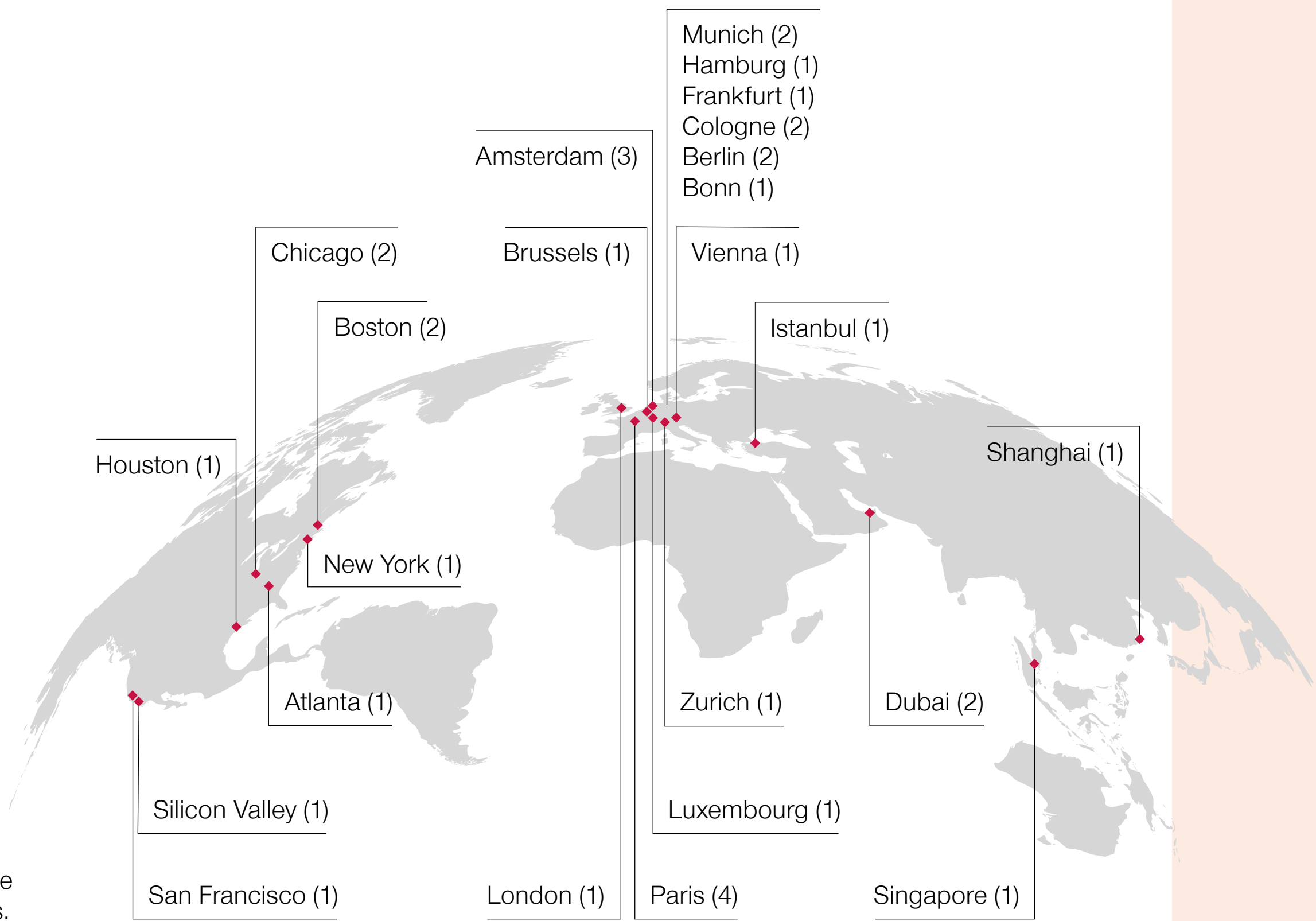
Giving back through local initiatives



Local initiatives



In 2022, our offices worldwide participated in 35 different local volunteering and fundraising activities. Our aim is to see local engagement in all of our offices around the globe.



Number of local initiatives per office shown in brackets.

Local volunteering highlights 2022

SKlean-up 1.0

Colleagues from our Amsterdam office went on a boat with nets to clean up the city's canals. They managed to remove 360 liters of garbage from the water.

Juneteenth

Simon-Kucher honored Juneteenth with a day of service across our US offices. Our colleagues volunteered at multiple organizations, helping to give back to their communities.

WishTree

Our colleagues across Germany participated in the WishTree initiative and collected donations to support the organization, which provides disadvantaged children and young people with a gift at Christmas.

Women's History Month

Colleagues from our Dubai office organized different activities to raise awareness such as gifts, decorations, and a "Know your Female Colleagues" trivia game.

Mental health activities

In our London office, colleagues organized different activities to support mental health, including the chance to play with puppies in the office, massage sessions, and boxing and spin classes.

Istanbul Marathon

Our colleagues in Istanbul organized a charity run to raise money for The Educational Volunteers Foundation of Turkey (TEGV).

Hackathon

In Paris, our colleagues explored ways to meet the specific needs of differently abled people by organizing a hackathon.

Providing global donations to support NGO aid where it is most needed

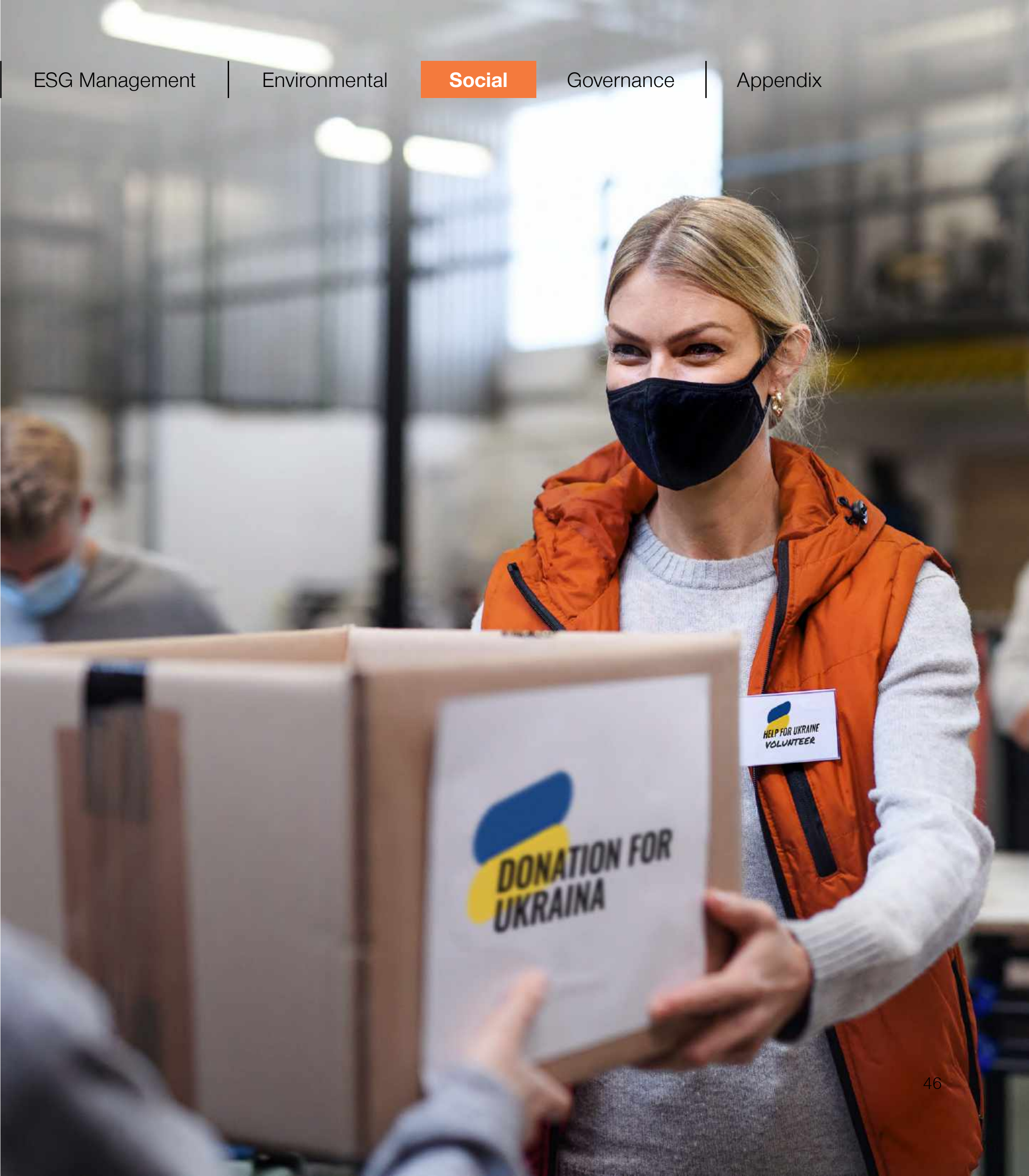


Global donations



In recognition of the challenging year faced by many, we made a global donation to **UNICEF** to assist the Ukrainian humanitarian relief effort. UNICEF has been assisting children in eastern Ukraine for the past eight years and has now escalated efforts to provide lifesaving support during the Russia-Ukraine war. In addition, we made a donation to **NABU** (Nature And Biodiversity Conservation Union) to help children in the Transcarpathian region of Ukraine find empowerment and resilience.

Many of our colleagues shared a desire to support Ukraine in a more personal way. Therefore, we set up a fundraising site with betterplace.org, a charitable, nonprofit company that helps local, reputable agencies who have experience in delivering aid. Within this initiative, we supported the non-governmental organizations **Mission Lifeline** (evacuation), **Hamburger Hilfskonvoi** (refugee aid), and **UNO-Flüchtlingshilfe** (refugee aid). This amount was matched by Simon-Kucher at the end of the campaign.



Raising internal awareness



Raising internal awareness

To support local and global projects around the world, our employees' contribution is key. Therefore, we provide our teams with important information about our Corporate Citizenship activities to raise internal awareness.

In 2022, we organized two internal webinars to directly involve our employees and let them share their experiences:

Beyond Beans is a nonprofit organization that tries to make commodity supply chains more sustainable, from tackling child labor to promoting climate-smart agroforestry and gender equity. The goal for the pro bono project was to challenge the commercial marketing of CO₂ inset produced by farmers and create a new proposition.

Crossroads is a nonprofit organization with the goal of serving people in need. Our consultants from Singapore and the founder of Crossroads shared their experience of the pro bono project. Simon-Kucher supported Crossroads with the Global Village in Hong Kong, a repurposed old army base designed to create an interactive and experiential space for engagement with global issues.

"The friendship with Simon Kucher was powerful and timely, and the fruit of that friendship, we trust, will impact many in need around the world."

David J. Begbie,
Director Global Village

creating positive impact through

transparent business practices

Governance – Creating positive impact through transparent business practices

Ethical, professional, and responsible practices in our entire operations are crucial for us to be perceived for what we are: a top tier consultancy and a reliable partner.

- Material topics
- Rules and Values
- Data Protection and IT/Cybersecurity

We strive to foster ethical and responsible business behavior among our employees and our suppliers by applying our code of conduct. We ensure data protection and cybersecurity to protect our clients’ property through our information security management system in accordance with ISO 27001. To us, responsible governance also means acting transparently toward our stakeholders and having accountable processes.

Highlights 2022



Rules and values – Compliance is part of our overall responsibility

GRI 3-3, 2-23, 2-24, 2-25, 2-26

Material topic
Rules and Values

We operate with fairness, transparency, and integrity in our interactions with our clients, suppliers, and internal stakeholders. Compliance is part of the Board’s overall responsibility. Relevant concerns are addressed by the Head of Compliance, who reports directly to the CEOs. The CEOs and the Board are committed to ensuring that every party involved in our business activities acts in line with all applicable laws. This is carried out through written frameworks such as the codes of conduct for both employees and suppliers, as well as further global and country-specific policies available on our intranet WeShare. All employees are expected to follow our code of conduct. Our focus project in 2022 was to design an effective, anonymous whistleblower process, which will be available in all our offices by the end of 2023.

Overview – Our compliance policies

GRI 2-23, 2-24

Our overarching aim of compliance management is to comply with all relevant legal requirements and internal guidelines to prevent damage, in particular, liability and reputational risks. We have a series of key global policies that provide direction to our teams in their daily work. In this way, we make sure that they can act confidently in accordance with local laws and applicable regulations.



Code of conduct for employees



Anti-bribery/anti-corruption policy



Code of conduct for suppliers



Insider trading policy



Confidentiality policy



Whistleblower policy

Our codes of conduct for responsible business practice

GRI 2-23, 2-24

Both employees and suppliers must follow our codes of conduct. Our **code of conduct for employees** reflects our values, commitments, and internal rules which coincide with key ESG topics. We seek to create a healthy and supportive work environment and commit to supporting diversity, equity, and inclusion. To protect our employees, we strictly prohibit discrimination or harassment, bullying, and drug consumption. Our ethical standards forbid any form of bribery, corruption, insider training, conflicts of interest, and unfair competition. In line with the principles of the UN Global Compact (UNGC), we are committed to respecting human rights and environmental law, and we are especially mindful of our responsibility within the supply chain.

Parallel to our **code of conduct for employees**, we extend our high standards of conduct and performance to our business partners. Therefore, we designed a **code of conduct for suppliers**, which is aligned with the principles of the UNGC and applies to all business partners, suppliers, and service providers who perform services for Simon-Kucher. It covers compliance with the law, ethical values and business integrity, human rights, occupational health and safety, environmental protection, data protection, and the protocol for reporting violations.

Our policies guiding the way

In addition to our **code of conduct**, we provide further guidance to ensure our employees act in line with applicable laws concerning specific topics such as our **confidentiality policy**. This describes how Simon-Kucher expects its employees to protect data from clients, partners, and the company. Our **anti-bribery/anti-corruption policy** prevents corruption within the company, and our **insider trading policy** is in place to prevent illegal dealing with insider information. To protect individuals who report illegal, dishonest, unethical, and unfair behavior and/or related activities, we set up our **whistleblower policy**. We have also designed country-specific employee handbooks covering compliance with local laws (e.g., related to occupational health and safety).

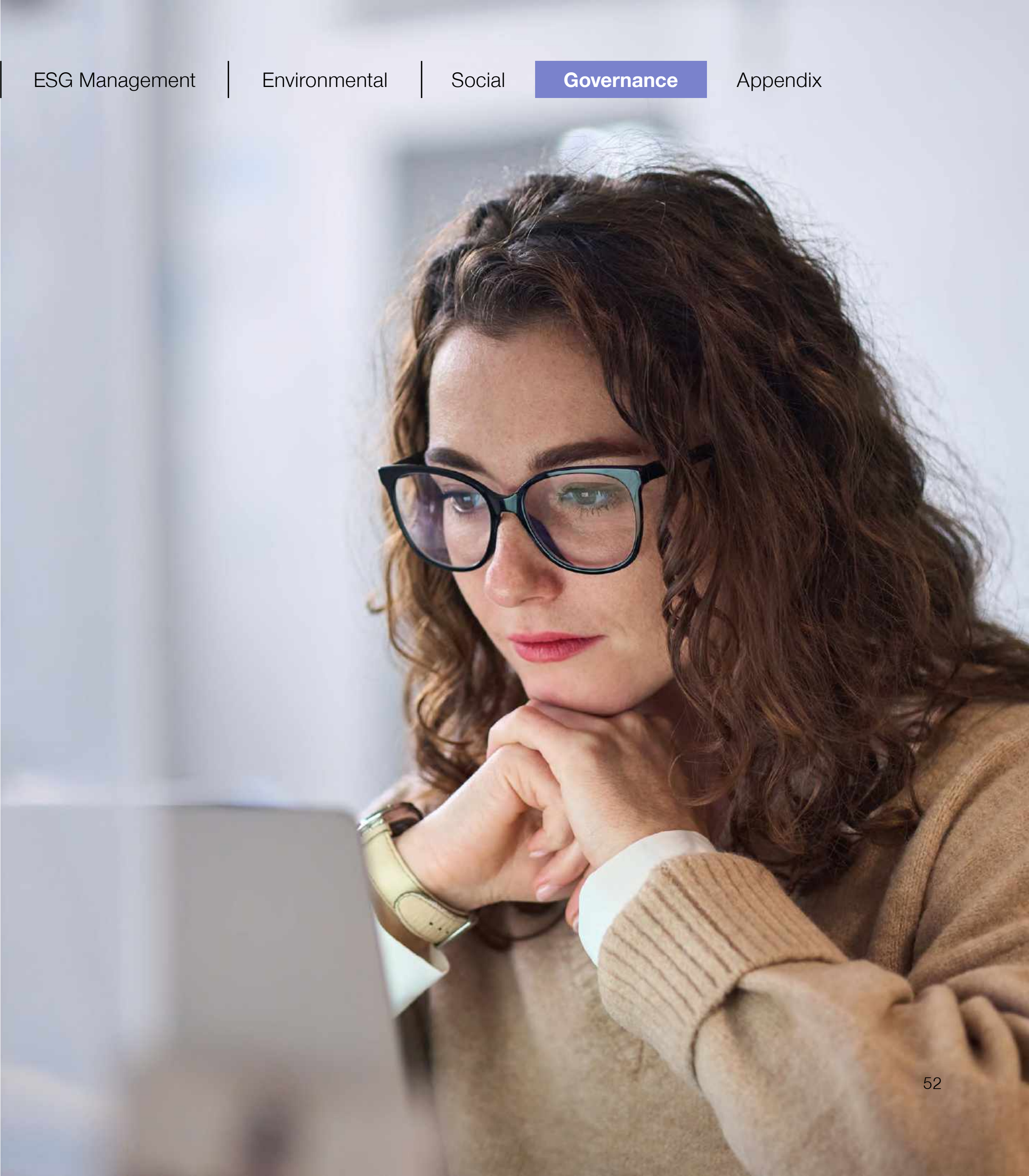
Fostering our compliance culture through continuous learning and communication

GRI 2-25, 2-26, 205-2

An essential component of our compliance culture and communication is ensuring all employees participate in mandatory training on compliance-related topics that are tailored to local laws. Each compliance training is accessible online in our learning management tool Cornerstone and must be completed annually by all employees. The aim of our annual training is to ensure that employees are informed about their duties and to ensure that they know how to behave and act in line with applicable laws and internal policies. To support effective compliance communication and actively prevent liability and reputational risks, we have launched an internal online compliance portal, which contains briefings on all relevant global and country-specific compliance policies to provide all necessary compliance-related information available on our intranet WeShare.

Enhancing transparency: our new whistleblower portal

Compliance at Simon-Kucher aligns not only with labor laws but also with overall human rights, prohibiting any form of exploitative labor and ensuring equal working conditions for everyone. Our managing partners are prepared to take necessary action if non-compliant behavior is suspected. To enhance transparency, we have established a grievance mechanism in the form of an internal whistleblower process to anonymously report potential compliance violations. The platform will be made available to all our stakeholders by the end of 2023.



Interview with our Director (Compliance) – IT Governance, Marco Schröder



"We're really proud of our extensive expertise and resilient as well as safe structures which we're continuously improving."

How have Data Protection and IT/cybersecurity at Simon-Kucher changed in recent years? How do you perceive this evolution?

The landscape has changed significantly in recent years, but data protection and IT/cybersecurity have always been one of our top priorities. In 2014, Simon-Kucher already had an established data protection team and Binding Corporate Rules (BCR) in place. This was four years before the General Data Protection Regulation (GDPR) came into force, meaning Simon-Kucher was really ahead of its time. In addition, we set up an internal IT and cybersecurity team that works intensively to ensure the safety of our IT infrastructure. Currently, we're working on obtaining an ISO 27001 certification. With increasing digitization, the challenges have become greater, but we know how to tackle them.

How do you ensure that Simon-Kucher remains resilient to cyberattacks, and what measures do you take to mitigate potential risks?

At Simon-Kucher, we follow a systematic, risk-based approach that enables us to ensure the safety of our IT infrastructure and data. We regularly analyze, evaluate, and monitor potential risks and take actions to minimize them. Our vulnerability management system continuously checks and reviews our IT landscape for potential risks and software issues. To ensure the system is running optimally, the system manager performs regular updates, our cybersecurity team detects unauthorized access, and the backup team is ready to recover lost data, if necessary.

As the use of AI and other emerging technologies become more widespread, what steps are you taking to ensure digital responsibility and responsible digitization at Simon-Kucher?

The use of artificial intelligence is already part of our lives, but we set clear limits and organizational guidelines for its use. Use of AI is only allowed for general information requests. In addition, we always cover the confidential treatment of data and the use of

AI in our training. We also strive to continually raise awareness of issues surrounding AI, while working hard to ensure both our clients' and employees' data is treated confidentially.

How do you think Data Protection and IT/cybersecurity will develop in the coming years? What are the implications for Simon-Kucher?

Challenges regarding Data Protection and IT/cybersecurity include more requirements and regulations, larger amounts of data causing the need for more storage, and conflicting rules for Data Protection and IT/cybersecurity between countries. An example of this last point is the discussion on international data exchange, transfer, and storage between the US and Europe. We will have to deal with more technical implications and develop solutions or services to meet requirements.

Our standards for data protection and cybersecurity

GRI 3-3, 418-1	
Material topic Data Protection and IT/Cybersecurity	The trust that our clients, employees, and business partners place in us is one of our most important concerns. Therefore, data protection and IT security are top priorities for Simon-Kucher. The duty of the IT security and data protection department is to prevent potential risks and to keep the business up to speed with IT security and data protection requirements. We are committed to conforming to the highest standards of IT and cybersecurity – and to keeping our number of confirmed data breaches subject to mandatory notification at zero. Constant monitoring and regular internal training ensure that we keep our business up to date on the latest requirements. In 2022, we started to align all processes in accordance with ISO 27001. All relevant data management projects are overseen by our Data Protection team (DPT) and our IT Compliance team. Both departments are led by our CTO, who reports directly to the Executive Committee and CEOs.

Cybersecurity – How we keep our IT safe

We provide centralized IT infrastructure and support services to all members of the Simon-Kucher group. The IT Compliance team is responsible for monitoring compliance with applicable laws and client requirements for ensuring the security of our IT infrastructure. Simon-Kucher’s Information Security Management System (ISMS) is based on the standard of ISO 27001. In preparation for the certification process and the external audit, we created policies and developed our IT structures and systems as required by the ISO standard to achieve our certification in 2024. We also are committed to the annual recertification of our ISMS. Currently, our external data protection officer audits our main IT site in Bonn, Germany, once a year. Regular audits in our subsidiaries outside the EU are conducted as specified in our Binding Corporate Rules (BCR).

Our cybersecurity policies and processes

To ensure that our employees comply with our IT and cybersecurity standards, we have implemented a set of binding IT policies according to ISO 27001. In this report, we focus on the key IT policies and their purpose:



- Acceptable use of IT policy
- Risk assessment policy
- Business continuity concept policy
- Backup policy
- Lifecycle policy

Our **acceptable use of IT policy** aims to make employees and third parties aware of the rules for the appropriate use of our IT infrastructure. While our **risk assessment policy** defines the methodology to identify and evaluate IT security risks, our risk

assessment process contains the identified risks and their suggested countermeasures to protect our IT infrastructure and prevent damage of data, loss, or misuse.

The purpose of the **business continuity concept policy** is to manage business and information security continuity and address threats, risks, and incidents that may impact the continuity of operations. To prevent data loss, we have established our **backup policy**, which contains requirements concerning the backup process and security. To consider the entire lifecycle of an employee and their device, we have established our **lifecycle policy** to ensure security and functionality at any time. We work hard to extend the lifecycle of our IT equipment beyond its use at Simon-Kucher. In 2022, we donated IT devices to Ukrainian refugees and a nonprofit organization (NPO) in Bornheim, Germany.

Data protection at Simon-Kucher

GRI 418-1

Trust is the foundation of all relationships with our stakeholders. Therefore, we have a dedicated Data Protection team (DPT) at Simon-Kucher that consists of our in-house data protection experts and an external data protection officer. The DPT takes care of data protection requests and is involved in the development of new systems or processes to ensure the protection of data. The DPT supports all employees with their data protection questions. The team has the faculty to contact the CEOs directly if necessary. By implementing targeted policies and training, we managed to keep the number of confirmed personal data breaches at zero in 2022. Our aim is to keep it at zero in 2023 as well.

Our data protection guidelines and processes

Simon-Kucher has put in place **Binding Corporate Rules (BCR)** to ensure compliance with data protection in our company. The BCR have been approved by the Data Protection Authorities and are in line with the European General Data Protection Regulation (GDPR). These rules are in place to provide adequate protection for the transfer and processing of personal data by all offices. All members of the Simon-Kucher group are required to follow defined procedures for processing personal data. Our goal for 2023 is to update our BCR and get them approved by the Data Protection Authorities. Our **data protection processes** are an equally binding appendix to our BCR and are designed to prevent damage of personal and client data concerning loss, misuse, unauthorized access, disclosure, and destruction and contains clear indications for employees how to handle personal data, including best practices.

Raising internal awareness through mandatory training

GRI 205-2

Our compliance training program, which includes data protection and cybersecurity, is mandatory for new hires and must be repeated every two years by all employees. Our IT Compliance and Security team has designed learning content that is tailored to the special roles and positions of each employee.



Appendix

Extended tables

Environmental data*

Total t CO ₂ equivalent per year		2022
GRI 305-1, 305-2, 305-3, 305-4	Location-based	t CO ₂ eq
		8,730
		t CO ₂ eq per FTE
		4.17
	Market-based	t CO ₂ eq
		8,411
		t CO ₂ eq per FTE
		4.02
	Scope 1 emissions	t CO ₂ eq
GRI 302-1, 302-3		168
	Scope 2 emissions (location-based)	t CO ₂ eq
		1,406
	Scope 2 emissions (market-based)	t CO ₂ eq
		1,086
	Scope 3 emissions	t CO ₂ eq
		7,156
	GHG emissions intensity (market-based)	t CO ₂ eq per FTE
		4.02
Energy consumption within the organization		
GRI 302-1, 302-3	Net energy consumption	kWh
		5,900,926
	Net renewable energy consumption	kWh
		849,801
	Energy intensity	kWh per FTE
		2,818

*This GHG emissions inventory is calculated in line with the GHG Protocol standards. As of December 2022, Simon-Kucher had 42 offices worldwide. The GHG inventory used primary data from 20 out of 42 offices that were identified as material, covering 80 percent of employees. For the remaining office locations, GHG emissions were extrapolated on a per FTE basis.

Social data

All figures are calculated based on headcount. The cut-off date is December 31, 2022. Age data is extrapolated based on 70 percent of available records.

		2022				2022			
Total number of employees (in headcount)		Total	In percent	Other workforce members (in headcount)		Total	In percent		
GRI 2-7	By gender	Male	1,193	57%	Interns		566	83%	GRI 2-8
		Female	860	41%	Working students		25	4%	
		No gender	38	2%	Freelancers		70	10%	
	By age group	< 30	-	44%	Temporary workers		20	3%	
		30–50	-	50%					
		> 50	-	6%					
	By region	Americas	481	23%	New employee hires (in headcount)				GRI 401-1
		Asia	152	7%	By gender	Male	421	56%	
		EMEA	1,458	70%		Female	330	44%	
	By contract type	Part-time	138	7%	By age group	<30	-	58%	
		Full-time	1,953	93%		30-50	-	39%	
		Permanent	2,025	97%		> 50	-	3%	
		Limited contracts	66	3%	By region	Americas	202	27%	
						Asia	76	10%	
						EMEA	473	63%	
Numbers reflect only fixed-term employees in headcount (without interns, freelancers, etc.).									

Global Reporting Initiative (GRI) content index

Statement of use

Simon-Kucher has reported the information cited in this GRI content index for the period January 1 to December 31, 2022, with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Category	GRI		Descriptions or page references
GRI 2: General disclosures	The organization and its reporting practices	2-1	Organizational details	See page 6.
		2-2	Entities included in the organization's sustainability report	See page 4.
		2-3	Reporting period, frequency and contact point	See page 4.
		2-4	Restatements of information	No restatement of information from previous reporting periods.
	Activities and workers	2-6	Activities, value chain and other business relationships	See page 6.
		2-7	Employees	See pages 5, 31 and 58.
		2-8	Workers who are not employees	See pages 31 and 58.
	Governance	2-9	Governance structure and composition	See page 6.
		2-14	Role of the highest governance body in sustainability reporting	Mark Billige and Dr. Alexander von der Gathen, the CEOs of Simon-Kucher have reviewed and approved the information in this report, including Simon-Kucher's material topics.
		2-15	Conflicts of interest	All our employees must complete mandatory training on our compliance guidelines. This training teaches our employees how to avoid conflicts of interest and how to handle and report them properly.
	Strategy, policies and practices	2-22	Statement on sustainable development strategy	See pages 3 and 4.
		2-23	Policy commitments	See pages 50 and 51.
		2-24	Embedding policy commitments	See pages 50 and 51.
		2-25	Processes to remediate negative impacts	See pages 50 and 52.
		2-26	Mechanisms for seeking advice and raising concerns	See pages 50 and 52.

GRI Standard	Category	GRI		Descriptions or page references
GRI 2: General disclosures	Stakeholder engagement	2–29	Approach to stakeholder engagement	See pages 11 and 19.
GRI 3: Material topics	Disclosures on material topics	3–1	Process to determine material topics	See pages 11 and 12.
		3–2	List of material topics	See pages 12, 13, and 14.
		3–3	Management of material topics	See pages 9, 14, 16, 17, 18, 19, 22, 28, 30, 31, 32, 33, 34, 36, 40, 50, and 54.
GRI 200: Economic	Economic performance	201-1	Direct economic performance	See page 5.
	Anti-corruption	205–2	Communication and training about anti-corruption policies and procedures	See pages 52 and 56.
GRI 300: Environment	Energy	302–1	Energy consumption within the organization	See page 57.
		302–3	Energy intensity	See page 57.
		302–4	Reduction of energy consumption	See page 25.
	Emissions	305–1	Direct (Scope 1) GHG emissions	See pages 21 and 57.
		305–2	Energy indirect (Scope 2) GHG emissions	See pages 21 and 57.
		305–3	Other indirect (Scope 3) GHG emissions	See pages 21 and 57.
		305–4	GHG emissions intensity	See pages 21 and 57.
		305–5	Reduction of GHG emissions	See page 24.
	Employment	401–1	New employee hires and employee turnover	See pages 31 and 58.
GRI 400: Social	Occupational health and safety	403–6	Promotion of worker health	See pages 30 and 34.
	Training and education	404–1	Average hours of training per year per employee	See page 32.
		404–2	Programs for upgrading employee skills and transition assistance programs	See pages 32 and 33.
		404–3	Percentage of employees receiving regular performance and career development reviews	See page 33.
	Local communities	413–1	Operations with local community engagement, impact assessments, and development programs	See page 40.
	Customer privacy	418–1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	See pages 54 and 56.

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