

# UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2021/2022

WTS Group AG

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## Preface

Dear Readers,

With this second UN Global Compact Progress Report, we are committed to sustainable development and the promotion of the Sustainable Development Goals (SDGs). With our active support of the ten principles, we want to send a message, both internally and externally, that WTS is a value-oriented company. Our core values focus on "creating value". It reflects our aspiration to always contribute added value through our actions - not only for our employees and our clients, but also for the social environment in which we operate. Our set of values serves as a guard rail, giving us orientation and support.

Responsible actions and adherence to social standards must continue to be the basis of our decision-making, especially during these turbulent times. We must actively promote the respect of human rights, labor standards, environmental protection and the prevention of corruption.

Our attitude is also expressed in our new vision: **Innovating advisory for the greater good**. With this, we want to inspire those around for sustainable development and make the vision of WTS come true.

Yours faithfully



Your Fritz Esterer

CEO WTS Group

## HUMAN RIGHTS

### Principle 1

*Businesses should support and respect the protection of internationally proclaimed human rights.*

Respect for human rights is essential for the sustainable business of WTS. We are fully aware of our responsibility for respecting human rights and are committing ourselves to ensuring that our company is managed at all times in a manner whereby the dignity of all human beings is respected and all legal requirements are met. To ensure this fundamental stance, we have imposed a binding Human Rights Policy on our business partners and ourselves. This policy is based on the international principles of human rights as set out in the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the UN Guiding Principles on Business and Human Rights. The Human Rights Policy is flanked by our Health and Safety Policy.

### Principle 2

*Businesses make sure that they are not complicit in human rights abuses.*

WTS strongly condemns all forms of human rights violations and ensures compliance with international human rights in all aspects of its business operations. In January 2021, WTS introduced a comprehensive Corporate Responsibility Policy in addition to its Human Rights Policy and Health and Safety Policy, which also commits our business partners to respect human rights, among other issues.

## LABOR

### Principle 3

*Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*

WTS respects and recognizes freedom of association as a fundamental right. This also means that no one may be forced to belong to an association. This right is also explicitly formulated in our Human Rights Policy. We also attach great importance to the interests and needs of our employees and take these into account in our business activities and decisions. Through regular surveys and feedback meetings, our employees always have the opportunity to get involved. Through regular surveys and feedback meetings, our employees always have the opportunity to contribute.

We also take the wishes and individual needs of our employees into account with our New Work model. The world of work is in the midst of a transformation that has been significantly accelerated by the Corona pandemic. We, too, are constantly developing as an employer and offer our employees an attractive and modern working environment.

In September 2021, we developed a new hybrid working model for the entire WTS Group for the long term. This ties in with our existing home office arrangement and offers even more flexibility in the choice of working location and time within fixed guidelines. It goes without saying that our employees have the opportunity to provide regular direct feedback as well as impulses. This enables us to continuously develop our New Work initiative.

#### **Principle 4**

*Businesses should uphold the elimination of all forms of forced and compulsory labor.*

WTS prohibits all forms of forced and compulsory labor as well as human trafficking. As a consulting company based in Germany, we are obliged to comply with the legal standards in the area of labor standards according to German law and legislation. This categorically excludes forced and compulsory labor as well as human trafficking, something which is also defined in our Human Rights Policy. In addition, WTS aims to be an attractive employer through a variety of programs and offerings that support and continuously improve the job satisfaction of its staff. Our New Work initiative is also a tool to increase the job satisfaction of our employees by finding the right work model for their individual needs.

#### **Principle 5**

*Businesses should work towards the effective abolition of child labor.*

WTS condemns the exploitation of children and expressly rejects any form of child labor, something which we clearly state for all our stakeholders in our Human Rights Policy. As part of our corporate citizenship commitment, we stand up for children and young people and their rights. WTS brings together its social commitment through the WTS Group Foundation and relies on long-term cooperation with smaller and regional initiatives and non-profit organizations. As part of our fundraising campaign to address the war in Ukraine, we have focused on charitable organizations that care for Ukrainian children and young people. As in the previous year, we conducted an employee volunteering campaign in 2022 with our Easter gift campaign. Our employees fulfilled 300 children's Easter wishes in a joint campaign with the German Child Protection Association and "Die Arche".

#### **Principle 6**

*Businesses should work to the elimination of discrimination in respect of employment and occupation.*

We value the diversity of the people who work for or with us and are committed to equal opportunity and fair treatment. WTS is committed to the prevention or elimination of discrimination on the basis of race, ethnic origin, gender, religion or belief, disability, age or sexual orientation. At WTS, hiring, training, compensation and promotion are based exclusively on the skills, qualifications and performance of our employees. The principles mentioned above also apply to WTS's business partner relationships, which

we express in our Human Rights Policy. In addition, a new Equal Treatment Directive came into force in July 2022. With this directive, we are committed to implementing the General Equal Treatment Act (German AGG) and ensuring that any form of discrimination based on "race", ethnic origin, gender, religion or belief, disability, age or sexual identity is prevented or eliminated.

We are not only committed to combating discrimination, we also consider diversity to be an essential part of our corporate culture and vision. As a sign of our stance, we have been a signatory of the Diversity Charter since December 2021 and are actively involved in this network. This year, we participated in the Diversity Day for the first time and put a face to our diversity through a series of videos.

With our NOW@WTS women's network, we specifically promote women and give them even more visibility. In addition, there is another project that is now underway called "WTS NOW in touch". This program offers employees who are currently not actively working at WTS for private reasons, (parental leave, caring for relatives, etc.), a platform for exchange in order to maintain contact with the company during their leave of absence.

## ENVIRONMENT

### Principle 7

*Businesses should support a precautionary approach to environmental challenges.*

WTS is actively committed to preserving and protecting the environment, as it is our livelihood and that of future generations. To reduce the impact of our business activities on the environment, we have taken various initiatives. Since October 2021, all our sites have been powered by 100% renewable electricity. We also work to ensure that our employees always use the most environmentally friendly means of transport. In order to encourage this, we subsidize local public transport tickets and offer the option of leasing a job bike. We are also committed to active environmental protection through our Environmental Policy. In addition to these initiatives, we also build on cooperation with non-profit environmental organizations that we support as part of our foundation activities.

In February 2022, we launched a new project that promotes the precautionary principle in environmental protection. This project addresses the problem of electronic waste, which consists mainly of discarded electronic items and is a major threat to the environment. WTS acknowledges its responsibility to reduce such waste and is committed to the proper recycling of these items. In partnership with the non-profit company AfB, discarded laptops, cell phones and other electronic devices are processed and made available to the market again. In this way, the IT hardware remains in the cycle for a longer period of time, which conserves natural resources and saves energy. Additionally, the project also enables people with disabilities to find gainful employment.

### Principle 8

*Businesses should undertake initiatives to promote greater environmental responsibility.*

We take our ecological responsibility very seriously. We attach particular importance to promoting environmental awareness among the staff. To this end, we rely on communication and opportunities for participation. It is only if we live sustainably together that can we make a difference and create a "thinkable" future. Therefore, we implemented a "Green Week", which took place for the first time in May 2022 and will continue to run each year under a different motto. The focus of "Green Week" this year was on sustainable nutrition. We provided valuable information on how to easily attain sustainable nutrition as well as how each individual can have a conscious approach to food.

### **Principle 9**

*Businesses should encourage the development and diffusion of environmentally friendly technologies.*

We are committed to the efficient use of resources and active environmental protection. In particular, we are building on the digitalization of our processes, which is helping to make work considerably easier and increase efficiency - both for us internally and for our clients. For the tax and finance sector in particular, digitization and automation bring with them far-reaching opportunities. We support our clients with a high level of tax, finance and IT expertise in the complex process of digital transformation, while also keeping environmental protection aspects firmly in mind. Internally, we attach great importance to the implementation of environmentally friendly technologies. Among other things, all WTS locations have been equipped with resource-efficient and energy-saving printers and copiers since 2022 which was done as part of a major replacement campaign.

## **ANTI CORRUPTION**

### **Principle 10**

*Businesses should work against corruption in all its forms, including extortion and bribery.*

As a tax and financial advisory firm, we are particularly committed to integrity in all our business activities. The same applies in personal terms to the numerous professionals employed by WTS who are subject to special ethical obligations (lawyers, tax advisors, auditors). We do not tolerate any form of corruption - especially bribery and extortion - neither in our own business relationships nor with clients. We have also laid this down in our anti-corruption guidelines. WTS, as well as external stakeholders such as clients and business partners, have access to a professional web-based whistleblowing system. Via this particularly secure and certified reporting channel ("whistleblower tool"), specific indications of possible compliance or other breaches of rules relating to the WTS organization can be reported with guaranteed absolute anonymity and immediate measures can be taken by the company. Through the WTS Academy, we also offer all employees online training on the Money Laundering Act.

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