

# Environmental, Social and Governance Principles

of the LAG group of companies

Sustainable since 1982



# PREFACE

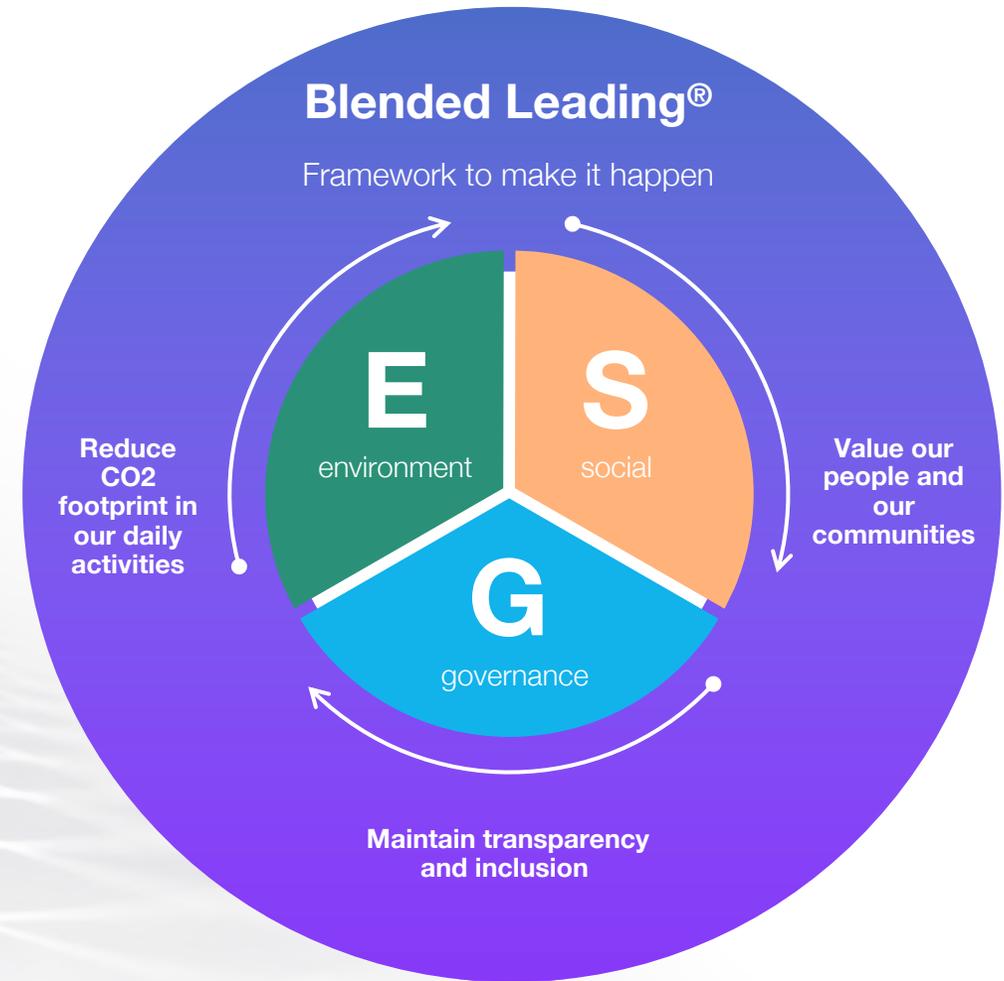
Since the foundation of the company in 1982, our corporate culture has been based on passion, pragmatism, trust, loyalty and integrity. We place great importance on quality and flexibility, and work in all three perspectives: environmental, social and governance.

Being conscious about our planet and its resources always has been important for us – we have created sustainable work practices and habits in our offices across Europe, and upgrade them regularly to the latest standards.

For more than 40 years, our greatest asset was and continues to be our people. We value equality, inclusion and diversity among our teams, and are continuously supporting our colleagues. We grow as a company, when our people grow individually.

We deliver leadership development and change initiatives as well as innovative digital products, by integrating innovative ideas with proven standards - consistently and professionally.

Blended Leading® is our core approach to make it happen – both in our own company and for our clients.



# MANAGEMENT ABSTRACT

## Environmental

### Our Principles

- Enhance our overall environmental performance
- Embrace our green responsibility on 3 levels: our employees as individuals, with our customers, and in our group of companies

### Our Actions

- Empower individuals and inspire them on environmental topics
- Promote environmental-friendly ways of transportation
- Nudge leaders towards sustainable leadership
- Create smart and efficient spaces

### Corporate Practice

- Zero-waste policy in our locations
- Training properties, powered by renewables
- Green office supplies
- Increase use of Electric Vehicles
- Power-efficient performance for our office devices

## Social

### Our Values

- „We practice what we preach“
- Grow our own leaders, support their development journey and always promote from within
- Relationships, based on mutual support, diversity, inclusion and equality

### Our People

- Create a safe working environment, free from violence and harassment
- Pay attention to the mental health and wellness of our people
- Successfully audited every year according to the best international practice model „Investor in People“

### Corporate Citizenship

- Regular participation in initiatives with environmental and social impact
- Encouraging voluntary work among our employees
- Annual support and donation to charity activities

## Governance

### Governance

- Clear structure with empowered local leaders in each location
- Hear every voice and consider every opinion
- 3 all-employees gatherings yearly to foster community and belonging

### Our Philosophy

- Focus on impact and results
- Act with passion and expertise, both digitally and on-site
- Ensure high-quality and service-oriented delivery
- Respect the confidentiality and data protection of our clients

### Work Principles

- Innovative and work with passion
- Show a can-do attitude
- Set quality standards
- Improve our corporate culture via our self-developed web-based tool: Values Indicator®

## Blended Leading®

### A New Solution

- Our own digital innovation for a new generation of work environment
- Enhances corporate performance, by unlocking the capacity of leaders and their teams
- Supports leaders with tailor-made data-driven advisory nudges

### ESG Perspective

**E:** Leads to more effective communication between the team members, saves valuable company resources like time and money, and reduces the corporate CO<sub>2</sub> footprint

**S:** Enables leaders to improve employee productivity, engagement, and mental well-being, sustaining work-life balance

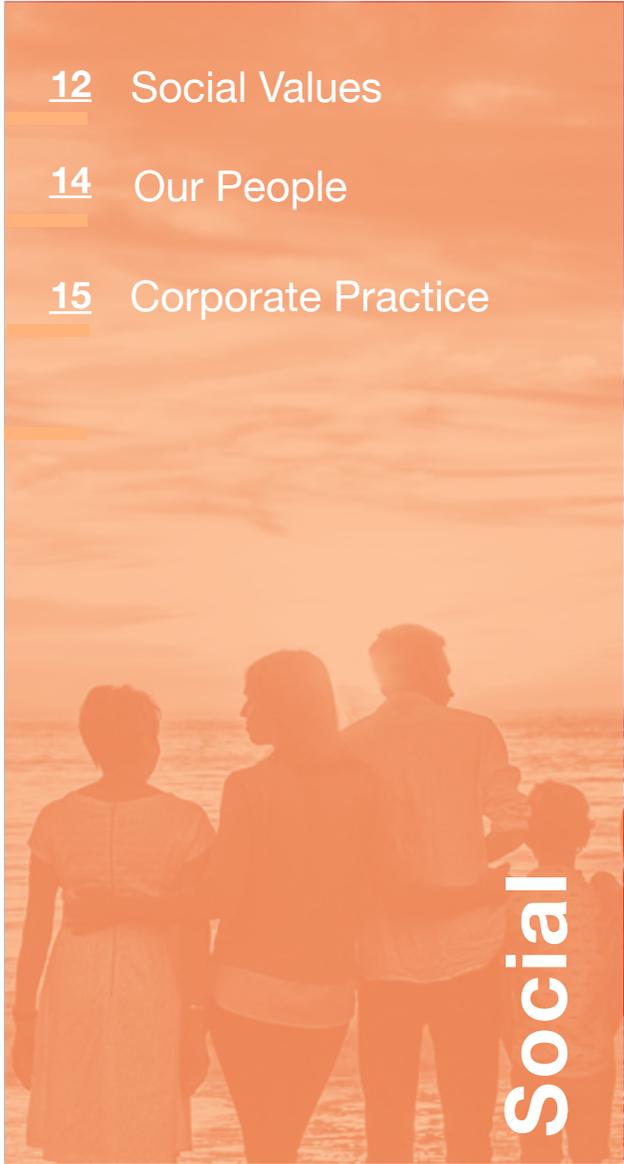
**G:** Guarantees privacy and data protection, as well as compliance with ethical principles with regards to the AI technology

# OUR PRINCIPLES IN DETAIL



**Environmental**

- 06 Environmental Policy
- 07 Actions
- 10 Corporate Practice



**Social**

- 12 Social Values
- 14 Our People
- 15 Corporate Practice



**Governance**

- 17 Governance
- 18 Our Philosophy
- 19 Work Principles
- 20 Data Privacy



**Blended Leading®**

- 22 A New Solution
- 23 Sustainability Perspective
- 24 Social Perspective
- 25 Governance Perspective

An aerial photograph of a wind farm is shown, with a semi-transparent teal overlay. A white circular arc is positioned at the top of the image, framing the word "Environment".

# Environment

# ENVIRONMENTAL POLICY

With the commitment, support, and endorsement of all colleagues, we have created and follow internal sustainability guidelines, which demonstrate our clear commitments and goals to enhance the overall environmental performance of all LAG companies.

## Our Principles

**We recognize** our environmental responsibility as an integral part of our business strategy and operating procedure.

**We are committed** to minimizing our impact on the environment by developing and implementing effective green practices in our professional area.

**We think** green with every decision we make for the benefit of our customers, employees, and community.

## Our Contribution

We improve our impact on nature and biodiversity and contribute our green responsibility on 3 levels:

**1 Our employees as individuals**

**2 With our customers**

**3 In our group of companies**

On each level, we plan and execute specific actions, in line with our green priorities to reduce our carbon footprint.



# ACTIONS

## Empower Individuals

We put great emphasis on continuously **educating and inspiring our team to proactively address climate change** by providing all colleagues with environmental information. We keep our colleagues **up to date with innovative green solutions** for our business and integrate sustainability content in our programs.

# ACTIONS

## Sustainable Leadership

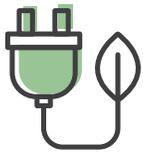
With our offices spread across Europe, and our clients across the globe, **we place great importance on active communication** and staying in touch. Thus, we follow an internal travel policy, focusing on **environmental-friendly ways of transportation**. We use public transport, embrace e-mobility, ride bicycles and walk when possible. For business travels, we always offer our clients the option for **eco travel surcharges**.

Through our programs and products, we **nudge leaders towards sustainable leadership**.



# ACTIONS

## Smart and Efficient Spaces & Travel



**Reduce energy consumption**



**Cut greenhouse gas emissions**



**Increase the share of renewable energy**

We have raised the energy efficiency in each of our offices, and monitor their total consumption of energy, water, and gas on a regular basis. We also focus on using office appliances and equipment with the most energy efficient classification.

Most of our travel is for our customer projects, we always offer them the option to travel with eco-friendly surcharges.

# CORPORATE PRACTICE



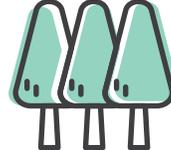
## **Zero-Waste Policy**

We go one step further and upgrade the waste separation process in every office by gradually introducing a zero-waste policy.



## **Powered by Renewables**

Our company-owned training properties are powered by renewable energy: a pellet heating system (Austria) and solar panels (Italy).



## **Green Offices**

For our office supplies, we only opt for ecological ones like recycled paper products, refillable markers and non-toxic cleaning agents.



## **Electric Vehicles**

We already introduced the first electric cars to our fleet and intend to switch entirely to e-mobility when existing leasing contracts expire.



## **Power-Efficient Performance**

We go for power-efficient performance, especially for our office devices, by upgrading to computers with low energy consumption.

A group of diverse people, including men, women, and children, are silhouetted against a warm, orange-toned sunset sky. They are standing on a beach, holding hands in a circle, looking out towards the ocean. The word "Social" is written in a large, white, sans-serif font across the center of the image. A thin white line forms a semi-circle above and below the text, framing it.

# Social

# SOCIAL VALUES

## Our Principles

We grow our own leaders and always promote from within to leadership positions. We support leaders on their development journey and support each other to continuously improve performance.

„We practice what we preach“.

**INVESTORS IN PEOPLE™**  
We invest in people Standard

Since 2002 our own human resources development has been successfully audited every year according to the **international best practice model „Investors in People“**.

We have also been recognized **„Top Employer Medium-Sized Businesses“** by Focus Business.

# SOCIAL VALUES

## Our Values



### Supportiveness

We always lend a hand if needed, without asking too much about the why! As team players, we also help each other to grow by giving regular feedback.



### Diversity

We believe in showing our unique personalities, tied together through shared beliefs and values. For us, it does not matter where you come from, whom you pray to and whom you love etc. We always had a diverse workforce since we started.



### Inclusion

We come from different backgrounds, bring our specific skills and knowledge, to go in the same direction. We show respect and understanding towards each other, supporting everybody to "be all you can be".



### Equality

In our over 40 years of operations, we have balanced the gender representation in our team, including top leadership levels, thus achieving equal opportunity and remuneration across all our companies.

# OUR PEOPLE

Our people are our greatest asset! We are following a **continuous learning culture** and all our employees regularly attend professional trainings, dedicated online courses and conferences around the world, mainly in the USA and UK. We recognize sustainable new trends at an early stage and integrate them into our concepts, such as BlendedLeading®.

## Mental Health and Wellness



For professional and personal life to remain in balance, we put our employees at the centre of the scale.



While remote work is here to stay, we continue to support our team in the transition to the newly established work environment, for example by conducting anonymous pulse surveys on a weekly basis.



# CORPORATE PRACTICE

## Safe Environment

One of our main priorities since the foundation of the company has been creating a safe working environment, which is free from violence and harassment - physical, psychological and sexual. We want our colleagues to feel at ease in our companies and organize continuous staff trainings.

## Corporate Citizenship

Wherever we are located, we are an integrated part of the local community and engage actively with it for positive change. We regularly participate in initiatives with environmental and social impact and encourage voluntary work among our employees. In addition, every year we support and donate to charity activities.



# Governance

# GOVERNANCE

We have established a clear structure with empowered local leaders in each company and branch / location, who are responsible for the decision-making process on every level, because “Infantry is led from the trenches – not from behind”.

## **LAG operates as the “Financial Holding”.**

Becoming a leader is solely based on the skills, potential and performance of each individual. We prefer growing our leaders within the company.



## **Transparency**

It is important for us to hear every voice and consider every opinion. For that reason, **we annually organize three internal gatherings for all LAG employees**, where we present current main challenges in front of the company, search for effective solutions, and set shared goals together. On a smaller scale, each sub-unit performs meetings on a regular basis, focused on current tasks and projects.



## **Anti-Bribery and Corruption**

We clearly state that we **do not tolerate illegal or unethical behaviour within our organization** from our employees, clients, suppliers, and public officials with whom we may work. For us, bribery and corruption are unethical and unacceptable.

# OUR PHILOSOPHY



## Focus on Impact and Results

To make a real difference, we work with our clients on real business challenges. You can see and measure the success of our strategic leadership programmes in numbers.



## Undogmatically Pragmatic

We think entrepreneurial – not theoretical. We identify ourselves with our clients, with their goals and with their culture. For us, this is the basis for a successful, pragmatic concept design that fits the company-specific needs and culture.



## Passion and Expertise

Because we love what we do, we live up to our high standards of professionalism – and have great pleasure in doing so. Developing strategy-oriented learning solutions, putting them into practice, accelerating learning processes and culture change – this is our passion.



## Digital and On-Site

Even in “digital times”, personal exchange is important to us. Thanks to our locations, we are close to our customers worldwide through our international network GloPeDeA with local partners in over 45 countries.



## Proven Quality

Since 1996, our entire internal project management has been designed according to the ISO quality management system 9001. This is how we ensure high-quality and service-oriented execution for our clients.

# WORK PRINCIPLES



## Passion

We have passion for what we do – and express it



## Can Do-Attitude

You only develop when you step out of your comfort zone



## Quality Standards

We know that quality is determined by our clients and not through our own expectations



## Innovative

We are innovation leaders, delivering state-of-the-art products. We focus on Action Learning and lean digital solutions. We always try out new things



## Living the values

We improve our corporate culture by a weekly analysis among our colleagues with our self-developed web-based tool: Values Indicator®



# DATA PRIVACY

We absolutely foster confidentiality and data protection. All our digital tools are hosted in a highly protected environment certified under ISO 27001. What is more, our data is split into several disconnected clusters to protect it from possible intrusions. In addition, every employee has signed additional annexes regarding data protection and undergoes annual training.

## Sub-Contractors

Relying on a trustworthy external party can be crucial for the business and we aim to establish successful partnerships within our supply chain. We always treat our sub-contractors fairly, ethically and in accordance with local standards and regulations and pay great attention to their reliability, quality of service, flexibility, price, and value for money.

## Examples from Our Corporate Practice

For our hosting needs, we work with one of the largest data centre operators in Europe, which uses energy from renewable sources to power the servers in its data centres. The data centre park, located in Germany operates with hydropower.



SUPPORTING ESG THROUGH

**Blended Leading®**





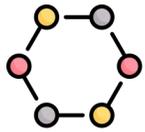
# A NEW APPROACH

Blended Leading® is our own innovation, which creates **a new generation of work environment**. It enables leaders to perform better, upskill and unlock their and their teams' capacity by delivering to them **data-driven advisory nudges**.

The development of this advanced product enhances the protection of resources and nature, helps us and all our stakeholders **maintain good connections** with employees, customers, and communities, and improves **organizational development** and transparency.

As a result, Blended Leading® enables **good management**, enhances **better individual commitment** of the employees to the company and their emotional connection to their colleagues.

# SUSTAINABILITY PERSPECTIVE



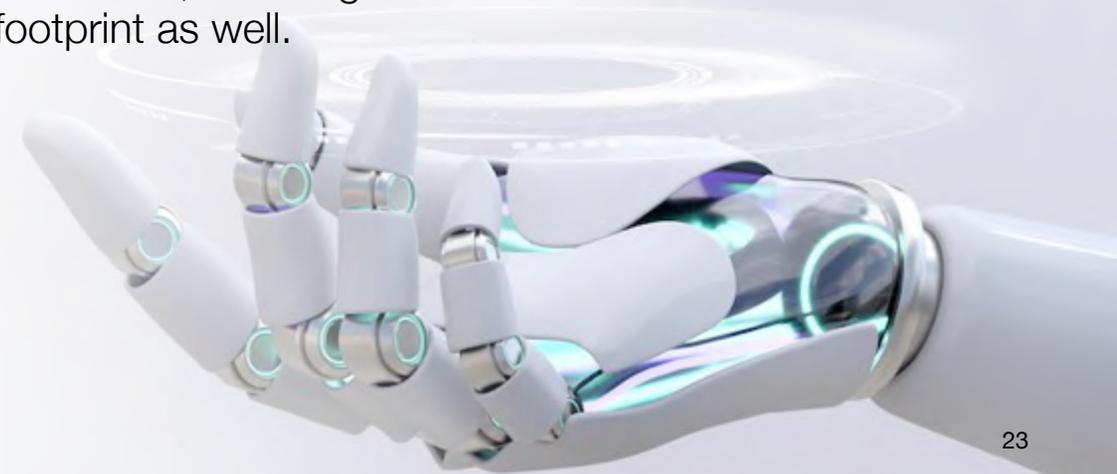
## Value Chain

By reducing the usage of many digital systems in an integrated way, companies deliver greater value to their employees. Other providers/competitors from the sphere of digital leadership tools benefit from an even bigger impact created for the main stakeholders - organizations, leaders, and employees.



## Resources

Considering the tendency for hybrid working environments, the advisory support of Blended Leading® nudges leads to more effective communication between team members in a company. As a result, valuable company resources like time and money are saved, reducing the company's CO<sub>2</sub> footprint as well.



# SOCIAL PERSPECTIVE



## Better Work-Life Balance

Blended Leading<sup>®</sup> boosts leaders' efficiency by reducing IT complexity and keeping the focus on the critical information that can improve their leadership skills and decision-making process. It gives leaders valuable insights, empowers them to make better and faster decisions, resulting in a better balance between the professional and private time for all employees.



## Engagement and Productivity

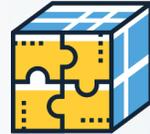
Supported by tailor-made data-driven advisory notifications, leaders are provided with more time, skills, and support to motivate and develop their employees. Thus, both the team and organizational performance are increased. In addition, our solution enables leaders to improve employee productivity, engagement, and mental well-being, positively impacting the organisation's profit.

# GOVERNANCE PERSPECTIVE



## Privacy and Data Protection

Blended Leading® complies with the applicable international, EU, and national laws on ethical principles and data protection, such as GDPR. We sign a Data Processing Addendum with every client regarding the data security and ethical dimensions. In this way, we guarantee that their personal data is processed with fairness, transparency and confidentiality.



## Ethical Principles and Relevant Legislation

We have adopted an ethically focused approach while creating our AI technology, by taking into consideration the principles of privacy by design. The quality, integrity and security of the handled data are strictly checked and appropriately managed. We ensure that our stakeholders are informed about the abilities, limitations, risks, and benefits of our AI system.



# WE POWER SUSTAINABILITY.

**Group Headquarters:**

**Lead1ngAG**

Koelner Strasse 4

56626 Andernach, Germany

[info@leadag.com](mailto:info@leadag.com)

® Lead1ng AG 2022

