



Radial

Finance | Data | People

Radial Sustainability Report 2023

3 January 2024

Radial Consulting GmbH | Radial GmbH Wirtschaftsprüfungsgesellschaft
Fuerstenstr. 11, 80333 Munich
Managing Directors: Dr. Sascha Haggenmüller, Wolf-Heinrich Werling
Mail: hello@radial.team
Web: radial.consulting





Strategic Considerations

Radial Sustainability Report 2023

Time for Profound Change



Wolf-Heinrich Werling & Dr. Sascha Haggemüller
Co-Founders & Managing Directors of Radial



A New Era

In a transformative era, businesses confront challenges like environmental degradation, social disparities, and resource scarcity, prompting a strategic pivot towards sustainability. This shift moves focus from short-term profits to a broader commitment to environmental and societal well-being through sustainable practices.



Sustainability Boosts Business Resilience

Research shows that sustainability-focused organizations are more resilient to future uncertainties, including economic, environmental, and social disruptions. Success depends on fully integrating sustainability principles, from strong risk management to compliance with environmental and social standards.



Our Ambition

Radial pledges to set a new standard in the consulting sector by championing environmental, social, and governance (ESG) monitoring and disclosure.

Sustainable Finance Consulting



Strategic Foundation

Launched in April 2022, we are committed to integrating climate, societal, and enduring values into our strategic decisions. Despite the challenge of measuring ESG KPIs, our early adoption positions us to navigate these complexities effectively.



ESG Focus

Our ESG materiality analysis identifies key issues, guiding our actions for both business and community impact. Leveraging financial skills and Power BI, we've developed an automated ESG Controlling & Reporting system, enhancing collective data efforts within our ERP and Office 365 setup.



Sustainability Goals

Aiming for net-zero emissions, we focus on reducing emissions per employee. We support our team's growth and well-being, ensuring customer satisfaction, and adhere to governance standards like anti-bribery, cyber security, and fair pay.



Our Sustainability Goals



3 GOOD HEALTH AND WELL-BEING
We promote healthy lifestyles and well-being for employees and through client engagements.



5 GENDER EQUALITY
We foster workplace diversity and support gender equality in business practices.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
We advise on sustainable innovation and efficient infrastructure in client projects.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION
We guide businesses in sustainable production and consumption practices.



4 QUALITY EDUCATION
We support educational initiatives and offer skill development and training services.



8 DECENT WORK AND ECONOMIC GROWTH
We enhance sustainable economic growth and decent work conditions in consulting and client businesses.



10 REDUCED INEQUALITIES
We work towards reducing inequalities within the firm and in advisory practices for clients.



13 CLIMATE ACTION
We promote climate resilience and low-carbon strategies in all sectors.

Materiality Assessment



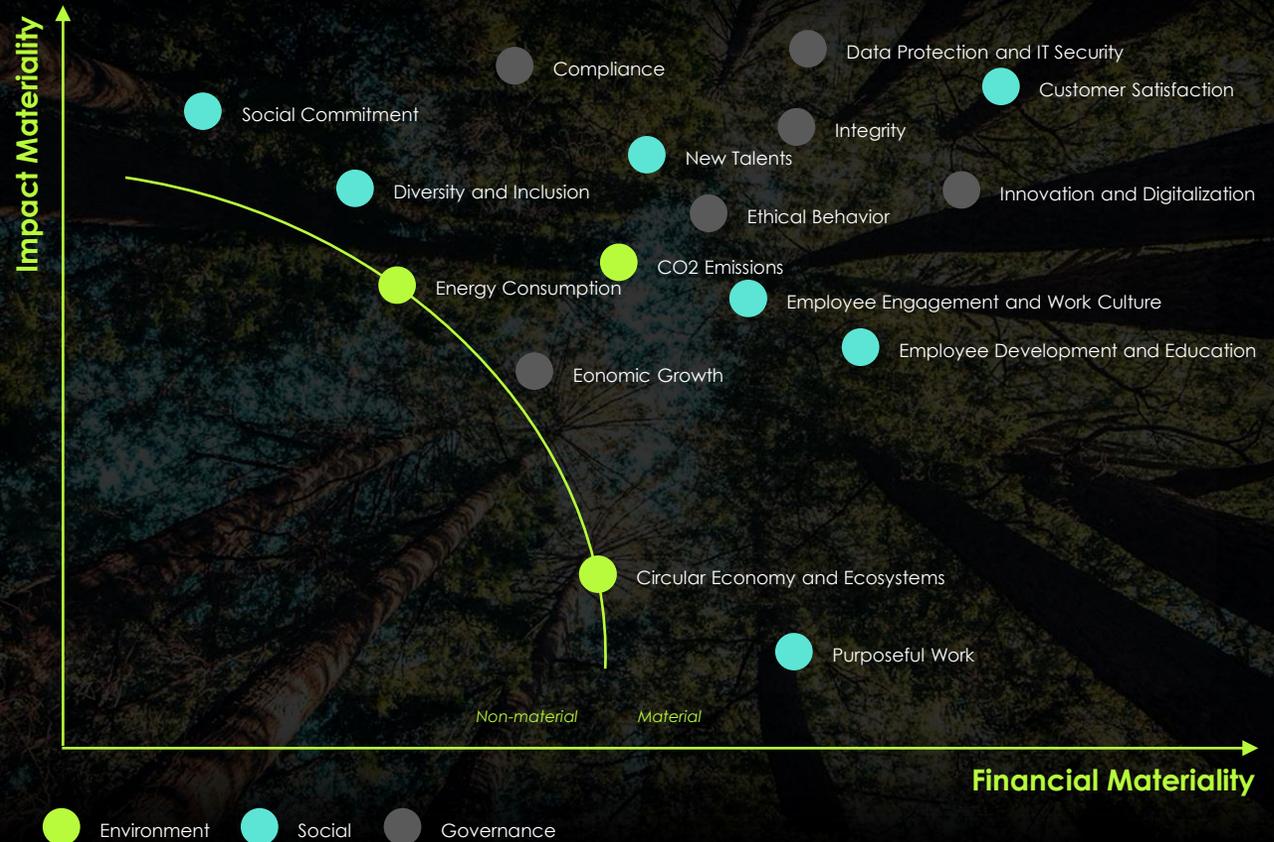
ESG Evaluation

We conducted a profound materiality assessment in our 2022 ESG evaluation to identify key sustainability challenges for Radial.



Double Materiality

Utilizing the double materiality framework, we examined issues from both impact and financial perspectives. Our approach assessed how Radial's operations affect society and the environment, and how external risks and opportunities could impact the company financially. This dual analysis ensures comprehensive stakeholder consideration.



Our Key ESG KPIs



3 GOOD HEALTH AND WELL-BEING

- Individual Coaching
- Employee Satisfaction



5 GENDER EQUALITY

- Gender Distribution
- Gender Pay Gap



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Code of Conduct
- Donations



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Total Scope I – III Emissions
- Emissions per FTE



4 QUALITY EDUCATION

- Training and Education Hours



8 DECENT WORK AND ECONOMIC GROWTH

- Employee Satisfaction
- Management Pay Ratio
- Client Satisfaction



10 REDUCED INEQUALITIES

- Gender Distribution
- Management Pay Ratio



13 CLIMATE ACTION

- Total Scope I – III Emissions
- Emissions per FTE

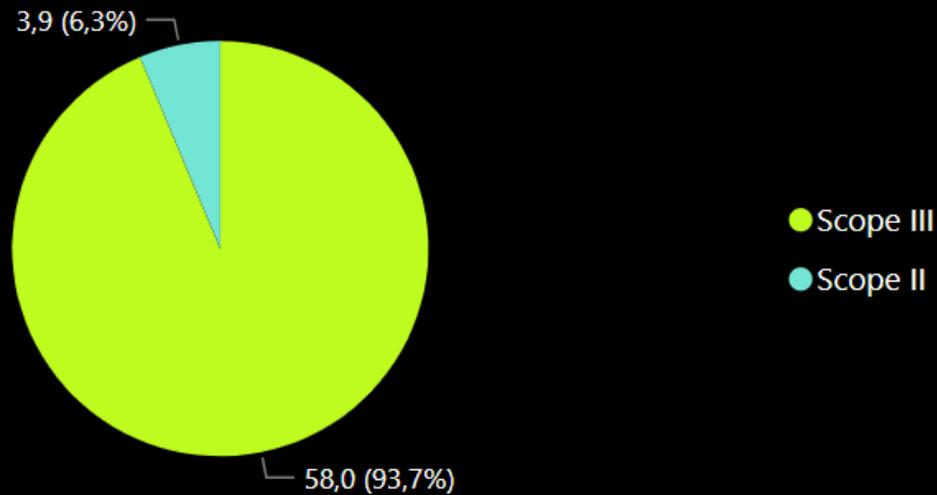


KPI Reporting

Radial Sustainability Report 2023

Environmental (1/3)

Emissions by Scope (in mtCO₂e)



Emissions Overview

Our total emissions of **61.9 mtCO₂e**, which equals **7.0 mtCO₂e** per FTE (PY: 16.4 mtCO₂e, which equaled 5.3 mtCO₂e per FTE), are **entirely Scope II or Scope III** as we do not own assets such as buildings or vehicles. The majority of emissions (**58.0 mtCO₂e**) result from **Scope III** upstream activities, mostly business travel, purchased goods and services. **Scope II** emissions (**3.9 mtCO₂e**) result from purchasing electricity for laptops and other electronic devices.



Emissions Context

The increase compared to the prior year from an absolute perspective is mostly related to the growth of the business and the team as well as the first full year of business. Excluding one-off effects, emissions per FTE could have been reduced to **4.8 mtCO₂e per FTE** compared to **5.3 mtCO₂e** in FY22. Through donations, Radial offset an equivalent of **64.0 mtCO₂e** and therefore overcompensates net zero.

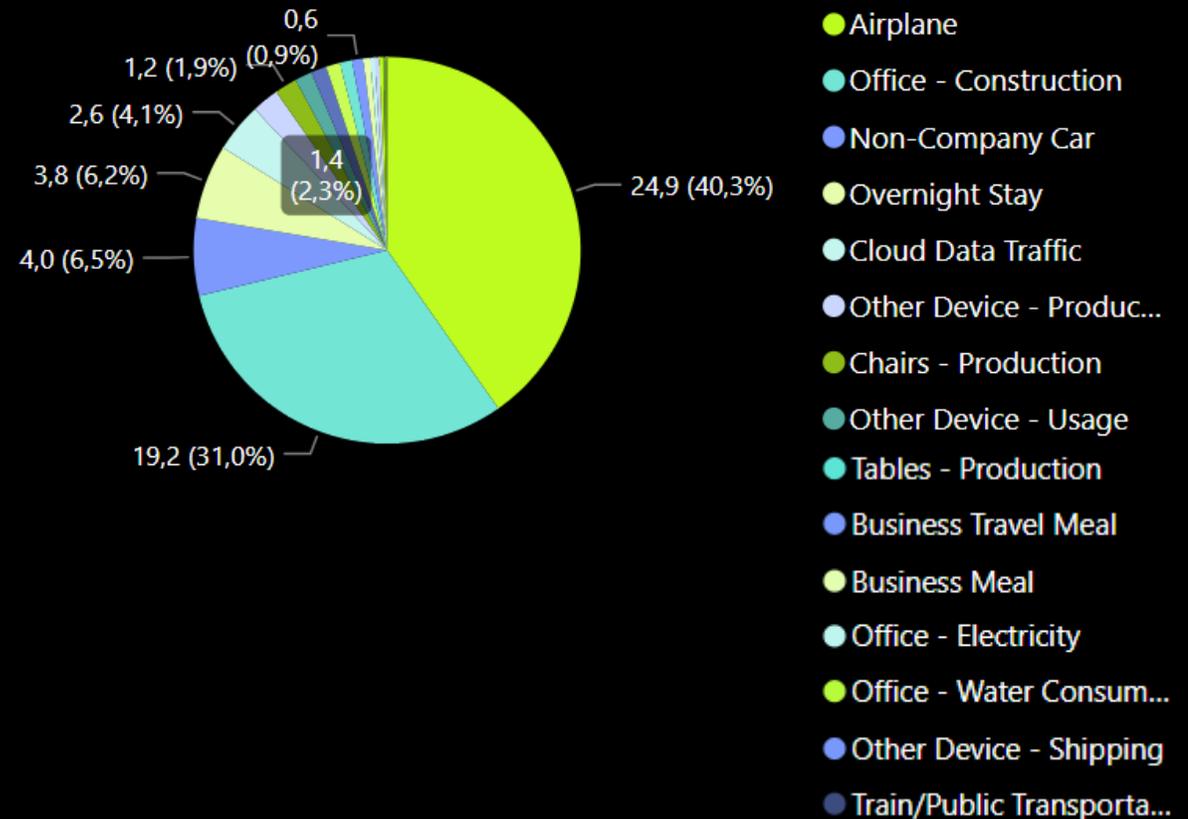
Environmental (2/3)



Emissions by Category

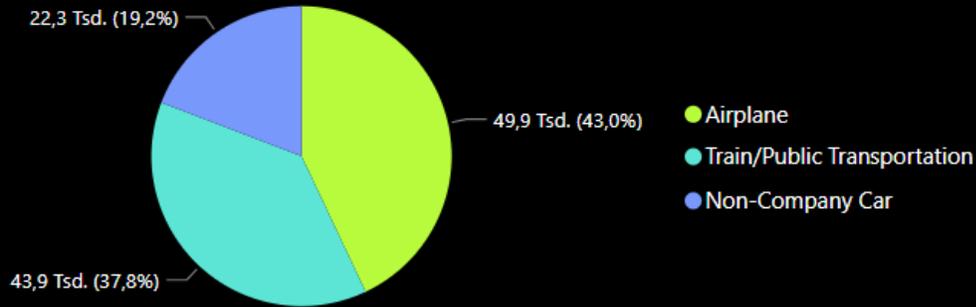
Despite our ambition to limit business travels, as well as our achieved reduction of emissions per FTE, travelling accounts for more than **53.0%** of our total emissions (thereof, **40.3%** airplane travelling, **6.5%** non-company car travelling, and **6.2%** overnight stays; for further details, please refer to page 11). A one-off effect in FY23 relates to the construction of **new office** premises in Munich accounting for **31.0%** of our total emissions. Furthermore, **cloud data traffic** amounts to **4.1%** of total emissions. The remaining approx. **11.9%** of our total emissions relate to the **production** and the **transport** of **goods**, as well as the **consumption** of **electricity** and **water** due to our office premises.

Emissions by Category (in mtCO₂e)



Environmental (3/3)

Emissions by Way of Transportation (km)



Business Travels

As business travel accounts for more than **53%** of our emissions, we are committed to further reduce travel whenever possible and choose trains or public transportation over other modes of transportation. Of **116,000 kilometers** (PY: 34,500 kilometers) travelled, **37.8%** (PY: 41.5%) were covered by **train** or **public transportation**. The increased airplane use, and the usage of rental cars were due to projects where alternatives would have led to disproportionate efforts.



Accommodations and Meals

108 hotel overnight stays (PY: 44) incurred and **465 individual business meals** (PY: 236) have been consumed, mostly driven by business and team growth and the first full year of business.

Business Meals

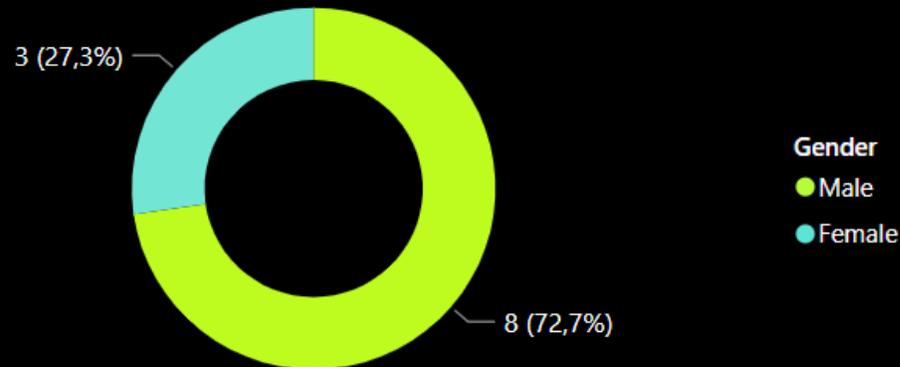
465

Overnight Stays

108

Social (1/3)

Gender Quota



Gender Distribution

In terms of gender distribution, the gender quota improved to **73% men** (8) (PY: 80% (4)) and **27% women** (3) (PY: 20% (1)). This shift not only reflects our commitment to creating a balanced workforce but also highlights our efforts in fostering an inclusive environment where talent thrives regardless of gender.



Gender Pay Gap

There is **no gender pay gap** due to our internally fully transparent and rank-dependent salaries for all team members. This policy ensures that pay is commensurate with role and performance, not gender, contributing to a culture of fairness and equality.



Diversity

As a member of **Charta der Vielfalt**, we promote the recognition, appreciation and integration of diversity in our business culture.

Social (2/3)



Customer Satisfaction

Customer satisfaction is one of our central KPIs, also in the context of our team incentive system. In customer satisfaction, we achieved an average rating of **5 out of 5 stars** based on a total of **14 projects** rated by clients in FY23.



Team Member Satisfaction

We achieved **5 of 5 stars in employee satisfaction**. Around **45 hours per FTE** were invested in Learning & Development. Every team member has access to **individual coaching**, promoting mental health and personal development. Through our benefits with Belonio ("49€ ticket" and lunch subsidies), as well as Wellpass allowing access to various gyms and wellness centers, we foster a sustainable way of travelling and physical health for our team members.

Customer Satisfaction



Ratings in total

14

Team Member Satisfaction



Ratings in total

8

Learning & Development (hours/FTE)

45

Social (3/3)



Charity

In FY23, Radial did **not invest time** from the team into charitable projects, mainly due to high team utilization and not available capacities. In FY 22, Radial team members invested **114 hours on charitable projects**, mostly the Learning Lions initiative initiated by Prince Ludwig von Bayern.



Donations

Radial donated a total of **EUR 4,525** (PY: EUR 2,427) to charitable organizations as per the Radial Pledge.



104 successful graduates of the financial literacy training course in six months

Young students working with our financial literacy course as part of the Mobile LEAP curriculum at the ICT Training Campus in Lodwar (Kenya)



Governance



Corporate Sustainability & Risk Management

Sustainability issues are firmly anchored in our corporate strategy and decisions. We have implemented **risk management** practices to identify, assess, and manage corporate risks continuously. Legal regulations and internal guidelines are strictly adhered to. This is supported by a **money laundering check** for every new client and following the highest **data protection** and **cyber security** standards.



Salary Transparency

The **salaries** of employees and the remuneration of management can be viewed **transparently** on our intranet. A disclosure agreement is signed as part of the employment contracts. The **management pay ratio** amounts to **2.2** as per 31 December 2023.



Outlook

Radial Sustainability Report 2023

Outlook



At A Glance

We at Radial understand the profound impact that businesses can have on shaping a sustainable future. Our commitment to the SDGs is integral to our consulting practices, guiding us in fostering innovation, promoting equality, and driving sustainable economic growth. Despite being a small firm, we are dedicated to making a big difference, proving that size does not limit impact.



Internal Green Policies

We are committed to integrating sustainable practices across all business operations, emphasizing renewable energy use, waste reduction, and eco-friendly materials procurement.



ESG Consulting

We provide expert ESG consulting, enabling companies to deeply integrate sustainability within their strategic and operational processes, through detailed assessments, strategic guidance, and hands-on support for implementing responsible and sustainable business practices.



Radial

Finance | Data | People

Radial refers to Radial Consulting GmbH und Radial GmbH Wirtschaftsprüfungsgesellschaft. Radial is a leading professional services provider in the area of Transaction Services and Value Creation Services. Learn how Radial pursues its mission to empower investors and businesses to make fact-based decisions to reach their goals in a more and more complex world on a daily basis: www.radial.consulting

This communication contains general information only. Radial is, by means of this communication, not rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and Radial shall not be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.