

A woman with long blonde hair in a braid, wearing a white t-shirt, a denim jacket, and dark pants, is riding a bicycle on a paved path. She has her arms outstretched to the sides. The bicycle has a basket on the front containing flowers and a water bottle. The background is a field of pink blossoms under a soft, warm light.

# Sustainability Report

Baker Tilly's commitment  
in Germany





# Content

---

	<b>Foreword by the Baker Tilly Management Board</b>	<b>4</b>
<b>A</b>	<b>General Information</b>	<b>6</b>
	1. Baker Tilly in Germany	
	2. About this Sustainability Report	7
<b>B</b>	<b>Sustainability overview at Baker Tilly</b>	<b>9</b>
<b>C</b>	<b>Focus: environment and nature</b>	<b>12</b>
	1. Mobility	13
	2. Energy	16
	3. Further resources	18
<b>D</b>	<b>Focus: People and society</b>	<b>20</b>
	1. Attracting and developing talent	21
	2. Targeted continuing education: Connect – Belong – Succeed	22
	3. Attractive working conditions	24
	4. Diversity and equal treatment	25
	5. Remuneration	26
	6. Work-Family-Life balance	26
	7. Measures against violence and harassment in the workplace	26
	8. Workforce structure	27
<b>E</b>	<b>Social commitment at Baker Tilly</b>	<b>29</b>
<b>F</b>	<b>Focus: Compliance, integrity and trust</b>	<b>34</b>
	1. Organizational structure	34
	2. Hierarchical structure and administration	35
	3. Tax & Legal quality assurance manual	36
	4. Audit & Advisory quality management system (QMS)	36
	5. Corporate values and Quality Promise	37
	6. Compliance-related measures	37
	7. Professional liability insurance	39
	8. Tasks of the legal department	39
	9. Tasks of the National Office	40
	10. Enforcement of the Audit & Advisory quality management system	41
	<b>Afterword</b>	<b>42</b>

# Foreword

## by the Baker Tilly Management Board



Dear readers,

Following the guiding principle of the “honorable businessman”, responsibility and commitment to our environment and the common good have always been deeply rooted core values of our enterprise. For the second time, we are publishing our Sustainability Report in this comprehensive form, thus underlining our continuous striving for transparent and sustainable action.

To us, sustainability is more than a mere obligation: It is a guideline in order to actively and positively shape our future. Therefore, we continuously review our sustainability strategies and steer our commitment specifically along the three key areas of environment, social and governance (ESG). These three pillars are the foundation of our efforts to achieve and maintain particularly high ethical, social and ecological standards and take center stage in this Sustainability Report.

Our ESG strategy forms the basis for Baker Tilly's responsible and sustainable business practices. We attach particular importance to ensuring that our management takes equal account of the needs of our employees, the environment, society and, naturally, our clients. We practice such approach on a daily basis and are committed to ensuring that our actions not only comply with the laws but also with our fundamental values. In doing so, we never lose sight of our decisions' long-term effects.

This report is an expression of our intention to create transparency and openly communicate our progress and potential. For us, sustainable action is not just a goal, but an obligation we take seriously.

We invite you to use this Sustainability Report to gain an impression of our efforts and look forward to exchanging ideas with you if you have any questions or comments on our statements.

Enjoy reading!

Prof. Dr. Thomas Edenhofer

Dr. Thomas Gemmeke

Ralf Gröning

Oliver Hubertus

## Now, for tomorrow





# A. General Information

---



**Our overarching corporate goal is to protect and enhance our clients' values and assets.**

**This report is an expression of our intention to create transparency and openly communicate our progress and potential. For us, sustainable action is not just a goal, but an obligation we take seriously.**

## **1. Baker Tilly in Germany**

With its ten offices – Berlin, Dortmund, Dusseldorf, Frankfurt am Main, Hamburg, Leipzig, Munich, Nuremberg, Schwerin and Stuttgart – Baker Tilly is one of the largest partner-managed consulting firms in Germany. As of December 31, 2023, Baker Tilly employed a total of 1,432 people in Germany, including 126 partners. More than 44 nations come together at Baker Tilly, and the overall proportion of women is 52 percent.

As member of our Baker Tilly International network, which is represented in 141 countries with 43,000 employees, our firm provides a broad range of consulting services in the areas of Audit & Advisory, Tax, Legal and Consulting.

Our overarching corporate goal is to protect and increase the values and assets of our clients. By creating the right framework conditions for our clients, we can proactively identify and manage the internal and external risks to which they are exposed and open up opportunities for economic growth.

It is our declared goal both to make our own business processes increasingly sustainable and to support our clients on their path to greater sustainability.



## 2. About this Sustainability Report

» *The reporting period for this sustainability report is 2023. With this report, we provide comprehensive information on Baker Tilly's activities in Germany with the greatest possible transparency – with a particular focus on the areas of “Environment and Nature”, “People and Society” as well as “Compliance, Integrity and Trust”.*

At the same time, this report also reflects the key aspects of our sustainability strategy to date.

Information on our global network and our individual member firms' sustainable value contribution is available here:

<https://www.bakertilly.global/>

The Baker Tilly Sustainability Report was produced in this comprehensive form for the second time. Therefore, we have incorporated our experience from preparing our first Sustainability Report and the various comments and feedback we received. In future, the Baker Tilly Sustainability Report will continue to be published in purely electronic form on an annual basis.









## **B. Sustainability overview at Baker Tilly**

---



**For us, sustainability is a key concern in two respects:**

**On the one hand, we strive to act as a company with the highest sense of responsibility towards our employees, society and the environment at all times.**



**On the other hand, we integrate our comprehensive sustainability expertise from our Sustainability Competence Center into all our advisory and auditing services.**

Our aim is to develop solutions for our clients that fully meet all relevant sustainability requirements.



With various initiatives, we pursue the overarching goal of keeping our ecological footprint as an auditing and consulting firm as small as possible. To this end, we actively involve all employees, encourage them to think and act sustainably and create a suitable framework in order to enable them to perform their tasks in the most resource-efficient and responsible way possible.



» *Our sustainable human resources management is the linchpin for ensuring our company's long-term success together with our employees. This is what we consider as a central factor for Baker Tilly's success in Germany. From recruitment to a successful career, which may even extend to partnership, right through to resigning, our goal is a reliable, employee-centered corporate culture.*

For us and our clients, sustainability and the corresponding non-financial reporting are not only a compliance-related requirement, but also an opportunity for a strategically anchored sustainable transformation that balances and harmonizes economic, ecological and social goals.

Outside of our company, we are committed to the common good with our Baker Tilly Foundation, which was established in 2018. True to the motto: "We take responsibility today for a better tomorrow!", the foundation primarily supports committed people, initiatives and projects in the area of child and youth welfare and promotes education and training. We have therefore dedicated a separate chapter in this Sustainability Report to our foundation's activities.









## C.

# Focus: environment and nature

---



**In contrast to many other industries, first and foremost, for example, manufacturing companies or logistics companies, our core business processes – namely the provision of consulting and auditing services – cause comparatively low carbon emissions and consume few natural resources.**

Correspondingly, the optimization lever we can apply in the sustainability category “Impact on the environment and nature” is rather limited. Nonetheless, we have taken a number of measures ensuring optimization in those areas we can influence. These include, in particular, travel on behalf of our clients or trips to the office as well as energy consumption at our offices.

When looking at the figures presented in this report, it should be noted in particular that the number of our employees in 2023 has increased by around ten percent compared to the previous year – which inevitably goes hand in hand with increased resource consumption. Furthermore, the fact that our employees are working to an increased extent in the mobile office has shifted large parts of resource consumption to private households, which has made it more difficult to record this Co<sub>2</sub> component.



## 1. Mobility

» *As in many other companies, the need for business trips has been massively reduced for Baker Tilly thanks to the widespread acceptance and frequent use of video conferencing. Video conferencing has long been regarded as an appropriate form of communication and an almost fully-fledged substitute for face-to-face meetings, particularly in terms of sustainability and the conservative use of natural resources.*

At the same time, we consider face-to-face communication to still be an extremely important component of our business when it comes to client support and as essential for trust-based collaboration on often sensitive issues.

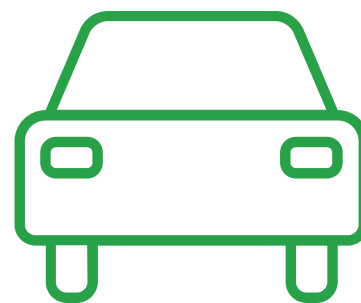
In addition, on some occasions our presence is legally required or seems to be more expedient. These include, for example, court hearings, negotiations or certain committee meetings. We have designed our travel guidelines accordingly in order to enable and encourage all employees to travel as sustainably as possible, i.e., in particular to minimize CO<sub>2</sub> emissions. Nevertheless, due to the increase in the number of our employees (+10 percent) and increased travel activity, the CO<sub>2</sub> consumption caused by travel has increased noticeably (see table CO<sub>2</sub> consumption for flights and rail travel).

In 2023, more than 95 percent of our business trips took place within Germany. Since 2021, first class tickets have been generally booked for all employees when traveling by train as an incentive to use CO<sub>2</sub>-neutral rail travel.

### CO<sub>2</sub> consumption flights and rail travel

	Number of flights	Flight kilometers	KG CO <sub>2</sub> (GHGP)	Rail kilometers	Net CO <sub>2</sub>
2021	645	320.617	37.580	448.534	0
2022	1.262	909.070	123.342	1.420.182	0
2023	2.155	1.911.010	277.207	2.093.762	0





Some business-related journeys are made by car – as the most sensible and effective mobility option in some situations. Some employees are provided with company cars for this purpose, while others use their private cars or resort to rental cars and cabs. For company cars, we record the kilometers driven without differentiating between business and private use. For journeys to clients in private cars, we evaluate the business kilometers reimbursed as travel expenses. Kilometers travelled by cab and rental car are derived from the invoiced euro amounts.

In total, the number of kilometers driven in 2023 increased by around seven percent compared to the previous year (see table “CO<sub>2</sub> consumption business trips”). On the other hand, the number of our employees increased by ten percent, which is why the number of kilometers driven per employee has decreased accordingly.

## CO<sub>2</sub> consumption on business trips

	Kilometers driven (in thousands)					CO <sub>2</sub> in g/km mix	CO <sub>2</sub> in kg
	Company Car	Private car	Rental car	Cab	Total		
2021	2.831	417	33	17	3.297	161	529.208
2022	3.404	510	29	32	3.975	160	634.021
2023	3.512	640	35	51	4.237	156	660.957



Colleagues who do not wish to do without a company car are encouraged by our vehicle policy to purchase purely electric vehicles. At office locations where this is technically possible, we have recently set up e-charging stations to enable charging during office hours.

» *Thus, we are creating an overall attractive offer for an increased use of e-mobility, which has ultimately also noticeably reduced average CO<sub>2</sub> emissions per kilometer.*

In terms of car use overall – i.e., including business use of private cars, rental cars and cab journeys – CO<sub>2</sub> emissions increased by 4.3 percent from 2022 to 2023, while the number of our employees grew by ten percent.

In order to further promote the use of public transport, our employees receive a subsidy of 40 euros per month for their “Job Ticket”

(monthly or annual tickets companies can purchase from public transport companies at special conditions for the benefit of their employees). This option has been very well received: By the end of 2023, we had subsidized more than 600 Job Tickets (previous year approximately 400). About 40 percent of Baker Tilly employees has therefore opted for a Job Ticket.

An increasing number of employees are using bicycles in order to come to work. We have incentivized this alternative means of transport by offering a “Job Bike” model and subsidizing it with 240 euros per year per employee. By the end of 2023, more than 80 employees (previous year 50) had already taken up our Job Bike offer. At some locations, we also offer bicycle garages or allow bicycles to be parked in the underground garage.

## Resource-conserving use of energy, water and electricity

	District heating in kWh	CO <sub>2</sub> in kg (254 gr./kWh)	Natural gas-based heating in kWh	CO <sub>2</sub> in kg (286 gr./kWh)	CO <sub>2</sub> in kg heating	(Waste) water in cbm
2023	1.568.269	398.340	259.202	74.132	472.472	5.676

### 2. Energy

At the end of 2023, Baker Tilly has rented a total of 32,900 sqm of office space at its ten German locations, plus 1,700 sqm of storage and ancillary space. At the office locations, the primary consumption of resources relates, depending on the season, to the areas of heating and air conditioning.

Every four years – most recently in 2021 – we undergo an energy audit with the aim of making further savings. A TÜV Nord company regularly analyzes our energy consumption and advises us on how to optimize it.

As in other companies, the proportion of people working from home has increased enormously at Baker Tilly: Two to three days of mobile work per week on average are now the norm in many areas. Accordingly, the size of our office space is no longer directly related to the number of employees, as these increasingly share one workstation. This provides Baker Tilly not only with economic benefits but also saves resources: We use our existing office space much more effectively and, despite the expected further growth, need to expand our rented office space only at a disproportionately low rate. The more intensive use of exist-

ing space is reasonable also in ecological terms, as it reduces the costs for heating and cooling the areas.

» *We ensure that all buildings are operated with as little energy as possible and are certified according to current standards.*

We use district heating at seven locations and three locations are supplied with gas heating. At all office locations, we encourage the resource-efficient use of water and electricity. As we have changed the calculation methodology from 2023, the previous year's figures can no longer be presented in the following table (see table "Resource-efficient use of energy, water and electricity").





## Electricity consumption per capita reduced as number of employees increased at the same time

	Own electricity consumption in kWh	Landlord's electricity consumption in kWh	Total electricity consumption in kWh	CO <sub>2</sub> in kg (434 gr./kWh)
2021	1.445.920	1.021.044	2.466.964	1.070.662
2022	1.416.559	985.015	2.401.575	1.042.284
2023	1.193.430	1.412.375	2.605.805	1.130.919

Besides operating the air conditioning systems, our IT components are primarily the biggest consumers of electricity. When selecting IT devices, we therefore make sure that their operating and idle power consumption is as low as possible.



In 2018, we already began to gradually move our Düsseldorf data center to the cloud. Even if the main motivation is IT security, we also expect this to result in a more efficient use of resources, as the selected suppliers have far-reaching economies of scale in the operation of the data centers.

In 2023, CO<sub>2</sub> emissions at the office locations from our and our landlords' electricity consumption increased by 8.5 percent. However, as the number of employees increased by around ten percent in the same period, per capita electricity consumption was reduced (see table "Per capita electricity consumption reduced as number of employees increased at the same time").

## Reduced paper consumption

	Printed Pages	Paper consumption in kg	CO <sub>2</sub> in kg (1,2 kg per kg paper)
2021	6.146.141	30.125	37.456
2022	4.424.426	21.448	27.249
2023	3.169.088	15.603	19.229

### 3. Further resources

For us, reducing paper consumption is also an important aspect for more sustainability. Increasing digitalization in our work processes enabled us to move away from a primarily paper-based way of working.

Our clients, too, have long since changed their stance in this context: Today, most clients and their banks request our audit reports in digital form, which are signed by us with digital certificates. In 2023, a total of 14,225 documents were digitally signed, which would have been printed as standard a few years ago. Since 2016, we have no longer printed salary statements on paper but have made them available online. The special electronic tax advisor mailbox (beSt) went live in Germany in 2023 and Baker Tilly has been involved from the start. We hope that communication with the various authorities can finally be switched from paper and fax to purely electronic and therefore more resource-efficient communication.

In 2023, we re-tendered our printing services and were able to reduce the number of printers by almost a third.

» *Across all locations, we now only have around 110 printers in use in Germany. This measure has enabled us to almost halve our overall paper consumption in the last two years (see table "Reduced paper consumption").*

Printing up and discarding documents for one single review is now a thing of the past. Reduced printing also saves toners at Baker Tilly and thus reduces critical materials. While we still consumed around 160 printer cartridges in 2022, we only consumed around 110 cartridges in 2023, which corresponds to a decrease of 31 percent.

Our efforts to avoid waste and recycle it wherever possible apply across all Baker Tilly areas and offices. We have introduced drinking water dispensers at many offices, which enabled us to sustainably reduce the purchase of beverage bottles. Where this does not make sense, we use deposit bottles. It goes without saying that we separate recyclable materials in all offices.







## D. Focus: People and society

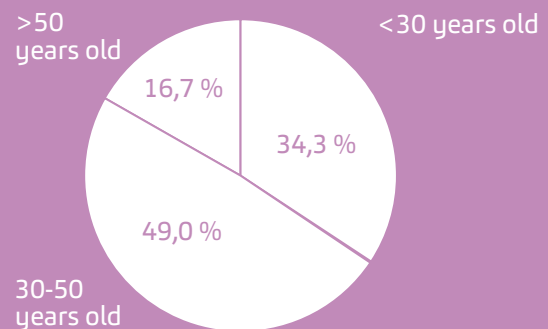


**It is always the people who make the difference.**

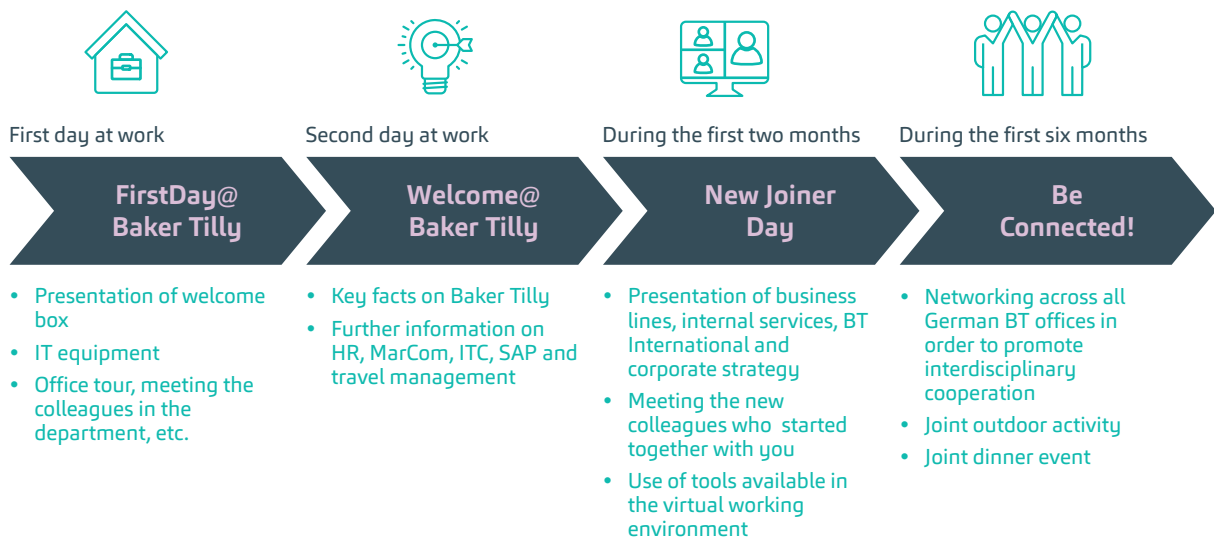
**With their commitment, their enthusiasm and their professionalism, our employees are the vital factor for our clients' and thus our own corporate success.**

With that in mind, we strive to offering our employees a positive and constructive environment allowing them to grow and be successful as a team. Our focus is on modern and attractive work conditions, comprehensive continuing education programs as well as the promotion of diversity and work-life balance.

### Age structure



## Baker Tilly-Onboarding process



### 1. Attracting and developing talent

When it comes to talent recruitment, our aim is to attract talented and high-potential employees and show them interesting and challenging development opportunities. We achieve this not only through our employer branding campaigns on social media, but first and foremost through personal interaction at various university and career fairs. For us, trusting and constructive relationships are a central core element of a long and successful partnership: for many years, we have maintained various collaborations with universities, which have developed very positively for both students and Baker Tilly, and we also offer numerous international trainee programs. We also successfully get in contact with our potential new colleagues during in-house events and enable them to gain their first impressions of our working environment.

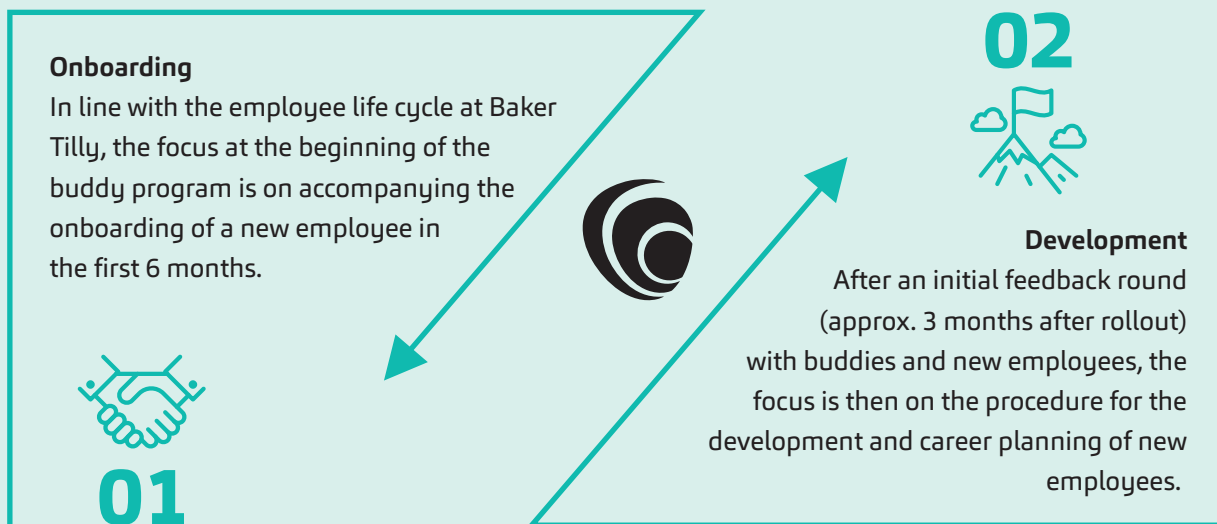
When selecting our future Baker Tilly talents, we focus on both professional skills and, first and foremost, individual potential in order to provide targeted support and be successful as a team.

» In 2023, we successfully recruited a total of 400 new talents as permanent employees and started our journey together. In addition, there are over 350 new young talents per year who take their first steps into professional life as interns or working students.

Instead of written applications, we use the entire range of digital media in the application and onboarding process.

With our comprehensive four-stage onboarding process and an individual familiarization and training plan, we ensure targeted familiarization and that new colleagues have a good start and feel welcome in their team. We have invested over 2,200 hours for these initial steps alone. Furthermore, every new employee is accompanied by a buddy from day one, making it easier for them to settle in and integrate.





### 2. Targeted continuing education: Connect – Belong – Succeed

» *We consider professional and personal development to be a fundamental basis for the sustainable development of our employees. With our comprehensive offers for the development of all employees, we are implementing our new claim: Connect - Belong - Succeed.*

We offer numerous specialist curricula and mandatory training courses in accordance with professional regulations as part of our professional training and development program. Furthermore, we support the professional development of our young professionals and employees during the first years of their career with a wide range of training courses: This training program comprised 31 training courses with 1,203 participants in the Audit & Advisory division and 29 trainings with 542 participants in the Legal & Tax division.

We recorded a total of 10,893 training hours for professional qualifications. Furthermore, we also support our employees in their personal development: We were able to successfully implement our wide range of interdisciplinary and soft skills training courses with a total of 7,892 training hours.

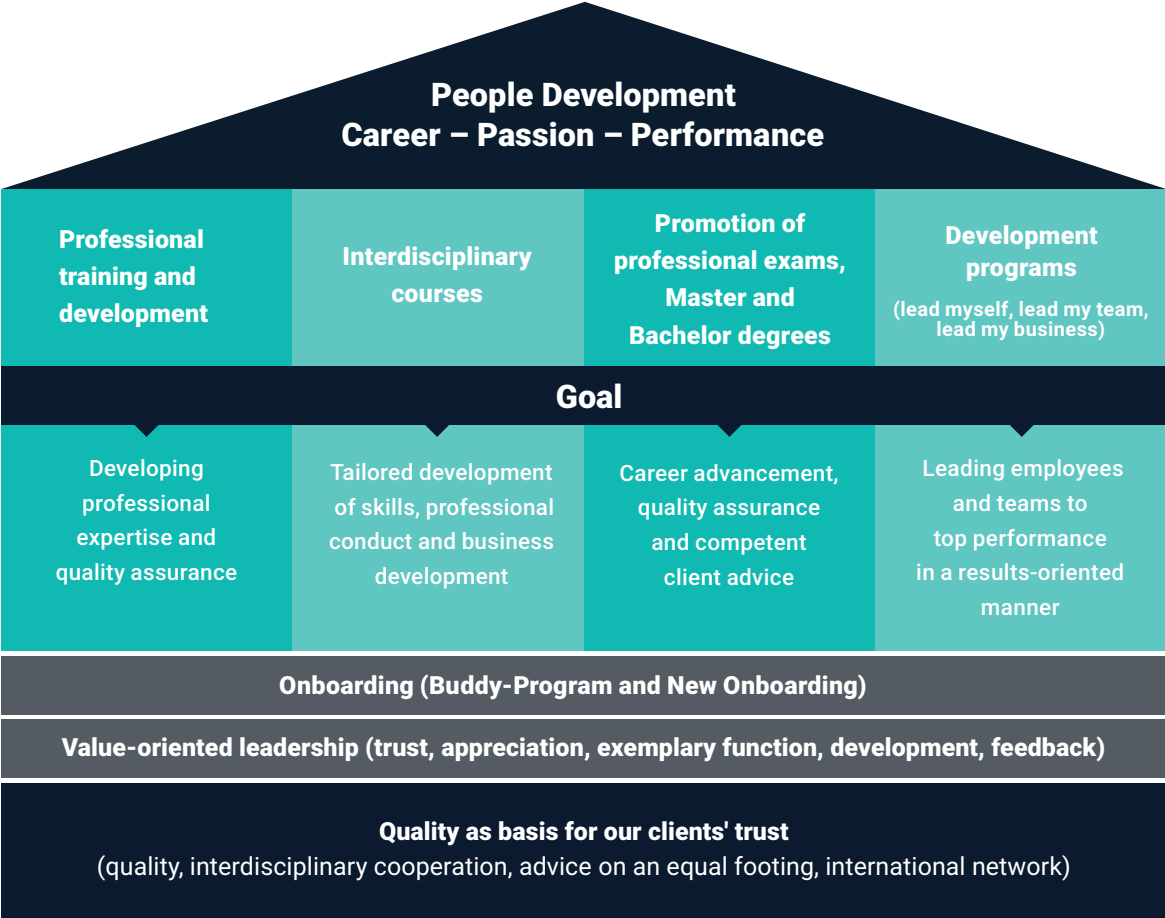
Our talents spent 18,785 hours on training measures – that's an average of just under 13 hours per employee.

Qualification as a tax advisor or certified public accountant is also important to us: our "Examen 2.0" program is based on a model that gives our employees a high degree of flexibility when preparing for their exams. In addition to their professional duties, we give our employees sufficient freedom for further training and learning, which supports a successful exam. Our learning communities also contribute to this as a platform for exchange between candidates, graduates and learning mentors. With the learning mentors, every exam candidate has a personal coach in their exam preparation. In 2023, this support resulted in 25 professionals successfully passing their exam as tax advisor or certified public accountant as well as nine Sustainability Auditors.

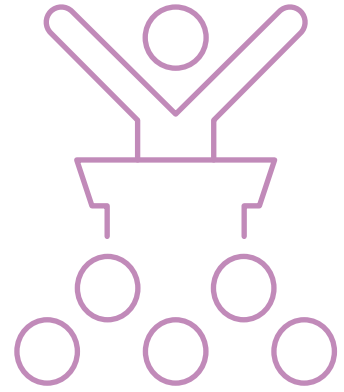
Another key element is appreciative leadership. Our Leadership Excellence Program strengthens the leadership skills of our senior managers and directors and prepares them specifically for future tasks. The Lead myself, Lead my team and Lead my business modules teach value-oriented leadership when preparing for a partner role, thereby promoting a positive leadership effect.

Special formats such as the annual Audit & Advisory Day, the Tax Consultants' Day, the Lawyers' Day and the biennial events for our back-office staff provide an opportunity to discuss current specialist topics and provide a lot of space for personal networking.

In addition to the extensive training catalog at Baker Tilly in Germany, you can also take advantage of a wide range of international training opportunities as part of our global network. This enables us and our network partners to provide a worldwide platform for further training as well as cross-border and cross-cultural exchange.







### 3. Attractive working conditions

» *Modern and attractive working conditions are the prerequisite for “well-being” and productivity – and therefore the basis for entrepreneurial and personal success.*

That is why we always and consistently ensure compliance with occupational health and safety regulations and provide good, modern work equipment. With a healthy mix of office - client - mobile office, we have consolidated our positive experiences from the past pandemic and established an efficient “work mix”.

The health of our employees is particularly important to us. To this end, we work closely with our company medical service and offer advice and services such as ergonomics in the workplace and vaccinations for preventive healthcare. We also support membership of the Urban Sports Club and offer a job bike leasing program. Both are well received with over 200 participants and strengthen individual health awareness.

All of our offices are located in Germany. We can therefore rule out child, forced and compulsory labor. Due to the specific nature of our

business activities, there is no significant risk of work-related injuries, as the main activity of our employees is office work. At worst, commuting accidents can occur during the customary travel activities or on the way to work. In the past financial year, there were no illnesses or injuries among our employees that were attributable to working conditions and only five reported accidents at work or on the way to the office.



#### 4. Diversity and equal treatment

As an internationally operating company in a global network, we particularly value the positive power of diversity. The different experiences and perspectives of people from different cultures promote innovation and thus sustainable growth – both for our clients and for Baker Tilly. This is also reflected in our staff structure with over 44 nationalities.

» *A thoroughly inclusive and tolerant environment is important to us, as this is the only way we can develop the full potential of every individual.*

With our mandatory training courses on the German General Equal Treatment Act (AGG), we sensitize all managers and employees to fair and tolerant treatment and ensure that discrimination in any form is prevented. We see diversity and equal opportunities as a management task.

The proportion of women at higher levels is comparatively low – we have taken this fact as an opportunity to develop more women in management positions, for which we offer a special Female Empowerment Program. Thus, we promote and encourage our female employees with particularly high potential to take on more responsibility and follow their own, self-determined path.







## 5. Remuneration

Fair pay is also an expression of equal treatment. Our salaries are in line with the market and competitive. We see no gender-specific difference in pay between men and women when it comes to starting salaries and for our long-term employees. Differences generally only arise on the basis of (previous) experience and individual performance. In order to ensure this also in the future, we take part in the annual benchmark study of our industry and implement any findings in a targeted manner.

## 6. Work-Family-Life balance

Our Family Services offerings support a better work-family-life balance by providing a wide range of services from support for childcare facilities to advice and support on mental health up to emergency childcare. Our modern and established “work mix”, which gives employees good flexibility, also contributes to this. In 2023, 52 employees, 46 women and six men, took parental leave.

## 7. Measures against violence and harassment in the workplace

Our cooperation and our joint success are based on a culture of mutual appreciation and respect. It is therefore very important to us to prevent all forms of disadvantage or discrimination. To this end, we have set up both an internal and an external contact point where our employees or external parties can report any unethical or illegal behavior they observe. We examine these reports carefully and take the necessary measures. We pursue a zero-tolerance policy in order to protect our diverse and trusting corporate culture also in the future. Therefore, we comprehensively investigated the five reports received in 2023 and initiated appropriate measures to stop the reported misconduct. In two cases, we had to take disciplinary actions.





## 8. Workforce structure

52 percent of our almost 1,500 employees are female; the part-time ratio is over 20 percent.

Age structure	Number and percentage of total
<30 Years	491 (34,3 %)
30-50 Years	702 (49,0 %)
>50 Years	240 (16,7 %)

Baker Tilly considers information on employee turnover to be confidential, as it may be relevant to competition.

Our 126 partners account for a share of around nine percent of the total workforce. With 16 female partners, we believe that our proportion of women is significantly too low at just under 13% of the total partnership. We also intend to counteract this through our successful Female Empowerment Program.









## **E.**

# **Social commitment at Baker Tilly**

---



**For us, responsibility means that the well-being of our fellow human beings also has top priority outside our company. Therefore, the Baker Tilly Foundation has set itself the task of supporting committed people and initiatives that work for the common good.**

The Baker Tilly Foundation focuses on supporting projects in the areas of child and youth welfare, training (including higher education and further education) and education. Project applications can be submitted via the Baker Tilly Foundation website. Many potential funding projects are proposed by our own employees.



# Baker Tilly Foundation



Especially children and young people suffer from social inequality, which has been exacerbated by the problems of recent years. The impact of events such as the war in Ukraine or the escalating climate crisis affect them in particular. This is the very reason why the Baker Tilly Foundation supports social projects and institutions that are active in these areas.



Thomas Mattheis – Managing Director Baker Tilly Foundation

## Board members Baker Tilly Foundation

### External Advisory Board members

**Oliver Luksic MdB**

Advisory Board member

**Katrin Jäger**

Advisory Board member

**Prof. Dr. Robert Ullmann**

Advisory Board member

**Dr. Wolfgang Stefinger**

Advisory Board member

**Hubert Seitz**

Advisory Board member

### Internal Advisory Board members

**Alexandra Dittus**

Advisory Board member

**Daniel Laws**

Advisory Board member

### Management

**Thomas Mattheis**

Managing Director

### Further members

**Prof. Dr. Martin Pätzold**

Corporate Sustainability Officer

# Funding priorities in 2023: Child and youth welfare projects, hospice work and educational support

The year 2023 was once again characterized by the promotion of numerous (educational) projects for the benefit of socially disadvantaged children and young people. Funding was provided for projects that support seriously ill children and young people and their relatives, as well as institutions providing social and educational services. In addition to supporting children and young people in Germany, the Baker Tilly Foundation is also involved in development cooperation in other countries.

Supporting refugees from Ukraine remained a focus in 2023. In particular, the Baker Tilly Foundation funded language support projects.



## Foundation's funding priorities by topics





# Selected projects that were funded with 2,500 euros each in 2023

## **Geschwister Feriencamp**

The “Geschwister-Feriencamp” (Siblings' Summer Camp) gives around 25 siblings of children with serious illnesses or disabilities a break. The vacation camps work on strengthening the young people's resilience and promote networking with children in similar circumstances. In addition to sport, exercise and fun, the vacation camps work with the children to find their own solutions to challenging everyday situations.

## **Hospiz-Team Nürnberg**

The children's and youth hospice service in Nuremberg receives special funding and will be supported with 2,500 euros per year for three years. The team supports terminally ill children and their relatives and gives the children the opportunity to spend their last days in their own homes. The three-year funding from the Baker Tilly Foundation will enable this project to provide full support for the children and families.

## **ElternHotline**

The ElternHotline (parents' hotline) offers parents support in 14 languages with specialist knowledge in everyday (school) life and helps children and parents to find their way around the German education system. The project, which is funded by the Baker Tilly Foundation, is aimed at the more than 240,000 people who have fled to Germany as a result of the war in Ukraine. The aim is to integrate these people into the ElternHotline education and support system.

## **Freunde der Berufsschule Nazareth**

The funding from the Baker Tilly Foundation supports the construction of a hall in Afagnan in Togo. Around 70 bricklaying trainees at the local vocational school will be able to complete the practical part of their training there. The training at the vocational school fulfills both parts of the dual training (theory and practice) and makes a major contribution to the professional development of the trainees.



## **Baker Tilly Christmas campaign**

During the 2023 Baker Tilly Christmas campaign, our employees suggested 18 different projects – six of them were selected for funding by the Advisory Board and were happy to receive EUR 3,000 each:

Kinderhaus AtemReich gGmbH, kids to life - Anton Schrobenhauser Stiftung, Fruchtalarm gGmbH, Stiftung Ahrtal, Deutscher Kinderhospizverein e.V. and Kinderpalliativzentrum Datteln.





## F.

# Focus: Compliance, integrity and trust



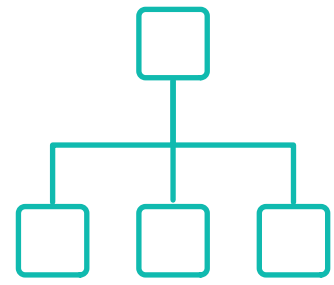
**All Baker Tilly companies are committed to particularly high compliance and sustainability standards.**

We attach utmost importance to our organizational structure in the area of compliance and have taken a number of measures in the relevant observation period 2023 in order to ensure compliance with all legal and ethical standards relevant to us.

### 1. Organizational structure

- Our commitment to compliance is reflected in the clear allocation of responsibilities. Baker Tilly is a German auditing and consulting group owned and managed by the partnership. The Group complies with professional and other high legal standards. The Group's operating companies are subject to supervision by the following professional bodies:
- Chamber of Public Accountants (Wirtschaftsprüferkammer), Berlin,
- Düsseldorf Chamber of Tax Consultants (Steuerberaterkammer),
- Hamburg Chamber of Tax Consultants (Steuerberaterkammer),
- Nuremberg Chamber of Tax Consultants (Steuerberaterkammer), and
- Munich Bar Association (Rechtsanwaltskammer).





## 2. Hierarchical structure and administration

The partnership of Baker Tilly – i.e., all partners involved in the Baker Tilly companies – has established the following **bodies**:

- Partner Meeting,
- Partner Council, and
- Management Board.

The partnership has established a legal framework with a corresponding partnership agreement that precisely describes the tasks, rights and duties of the executive bodies.

In addition, the partnership has combined various administrative and business-related functions in the following **internal service** units:

- HR
- ITC
- Finance and Controlling (FiCo)
- Market Services
- Legal

Within the two **business lines Legal & Tax and Audit & Advisory**, the **quality assurance** function is allocated to the following two departments:

- Quality Legal & Tax National Office

In addition, we have special officers for further **compliance areas**:

- **Money Laundering Officer:** This Officer's role is to monitor money laundering and terrorist financing regulations and ensure that our internal processes to combat these risks are appropriate. Such function is performed by:
  - Attorney-at-Law Dr. Thomas Gemmeke as responsible member of the management of Baker Tilly Holding GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft and Baker

Tilly Rechtsanwalts-gesellschaft mbH

- Attorney-at-Law Johannes Herbold as Money Laundering Officer of Baker Tilly Holding GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft and its group companies as well as Baker Tilly Rechtsanwalts-gesellschaft mbH
- Attorney-at-Law Bernhard Rehbein as Deputy Money Laundering Officer of Baker Tilly Rechtsanwalts-gesellschaft mbH
- German CPA Dr. Marc Lüdders as Deputy Money Laundering Officer of Baker Tilly Holding GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft and its group companies
- **Data Protection Officer:** The Data Protection Officer is responsible for compliance with data protection regulations and the protection of the personal data of our clients, their employees and our own employees. In 2023, such function was performed, for all Baker Tilly companies, by:
  - Dr. Burkhard Petin, privacy/design GmbH, Bonn
- **Human Rights Officer (planned):** We are aware of the importance of human rights in our business environment. The creation of this position is part of our commitment to assume social responsibility and ensure that human rights issues are given appropriate consideration.

### 3. Tax & Legal quality assurance manual

In order to guarantee the high standards required in our legal and tax services, we have created a quality assurance manual in the Legal & Tax business line. This manual serves as a guide for our employees and contains clear procedures and measures in order to ensure the quality of our advisory services. The focus here is on procedures such as the dual control principle and follow-ups, as well as a commitment to providing comprehensive information and advice to clients and taking the "safe route". In addition, the Head of Quality Legal & Tax, Attorney-at-Law Klaus-Jörg Dehne, is the permanent contact person for technical issues and trains Baker Tilly employees in all matters relating to technical quality assurance.

### 4. Audit & Advisory quality management system (QMS)

We have established a quality management system (QMS) for the Audit & Advisory business line in accordance with statutory, professional and other legal provisions. Such QMS's objective is to ensure with reasonable certainty that we and our professionals comply with the regulations and professional rules applicable to the exercise of the profession and perform engagements in accordance with these professional obligations. The QMS is based on a risk-based approach and comprises the following components:

#### The quality management system (QMS) comprises the following components:

##### Risk assessment process



We set quality targets. In addition, we also identify and assess risks which might prevent us from reaching such quality targets. Based on these findings, we implement regulations and measures in response to these quality risks.

##### Information and communication



We ensure that all employees are informed, in a regular and transparent manner, about the applicable quality standards.

##### Review and improvement process



We perform regular internal reviews as well as other monitoring and coaching measures in order to assess the appropriateness and effectiveness of our QMS's regulations and measures, to check the quality of our engagements' performance and identify potential for improvement. These findings are incorporated into the continuous improvement process.

## 5. Corporate values and quality promise

» *Our corporate values – entrepreneurship, quality, internationality and interdisciplinarity – are the foundation of our business philosophy. We are committed to upholding these values in all our activities and live by them in our daily work.*

In addition, we make a quality promise to our clients. We ensure that our advisory services meet the highest quality standards by using model contracts and proven methods.

## 6. Compliance-related measures

In addition to our QMS in both business lines Legal & Tax and Audit & Advisory, we have implemented various compliance measures in order to ensure ethical conduct and compliance with legal regulations:



### Compliance-related measures

#### Code of Conduct

Code of Conduct: Our Code of Conduct is a central component of our self-image. It forms the basis for our ethical conduct and provides clear guidelines for our employees and executive managers' behavior. The Code of Conduct is binding for all employees and executive managers and is available to our employees on our intranet. The Code of Conduct aims to eliminate uncertainties in behavior and prevent situations which might call the integrity of our conduct into question. It also serves our business partners by allowing them to ascertain which standards of integrity apply to the Baker Tilly companies. The Code of Conduct covers the following topics: anti-corruption, i.e., benefits, gratuities, invitations and gifts (so-called hospitality), donations and sponsoring, and conflicts of interest.

#### Training on legal professional law

Our professionals receive regular training on legal professional law in order to keep up to date with the latest legal provisions.

#### Conflict Check Tool

We have a conflict check tool in order to identify and avoid conflicts of interest at an early stage. This tool enables us to identify potential conflicts and take appropriate measures to ensure the integrity of our advisory services.



### Engagement and receivables management:

Our engagement and receivables management is set out in a business directive. It ensures transparency and efficiency in the processing of client engagements and the management of receivables. This enables us to ensure fair and responsible cooperation with our clients and business partners.

### Whistleblower office

The mindset and actions of all Baker Tilly employees are always based on clear values and all of them strive to act in accordance with the law at all times. Compliance with laws, standards, guidelines and ethical principles is of the utmost importance to us in order to maintain the trust of our clients, contractual partners and employees. Consequently, we have implemented a whistleblower office in accordance with the German Whistleblower Protection Act (HinSchG) and the German Supply Chain Due Diligence Act (LkSG), as well as the Professional Code of Conduct for Auditors/Sworn Auditors. Our whistleblower office enables whistleblowers to report violations of applicable laws or our company's internal guidelines anonymously.

Maintaining confidentiality has the highest priority and is fully guaranteed by us.

For this purpose, we have engaged a renowned electronic platform provider, and therefore an independent third party, to protect the identity of whistleblowers. This allows them to address potential violations discreetly and at an early stage without the whistleblowers having to fear any disadvantages or disclosure of their identity. This solution enables us to follow up on the whistleblowers' reports promptly and take the necessary action.



## 7. Professional liability insurance

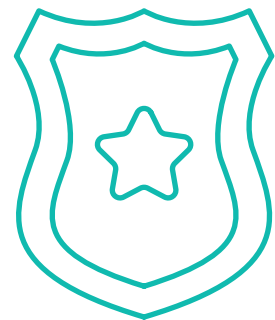
We are aware of the importance of appropriate coverage and are covered by professional indemnity insurance that exceeds the statutory requirements. This provides our clients and employees with additional security and confidence in our services. Any liability cases are coordinated and handled by the internal legal department in cooperation with the specialist departments.

## 8. Tasks of the legal department

Our legal department supports the Legal & Tax Business Line and all employees in complying with professional legal obligations and in implementing our quality standards. The legal department's tasks include:

- Corporate law matters of Baker Tilly Group, i.e., all companies of the partnership and its participations, including
  - Shareholders' meetings and partners' meetings
  - Resolutions
  - Appointments to executive bodies
  - Structural measures and merger projects
  - Chamber notifications and commercial register filings (shareholder lists)
- Committee support
  - Management Board and partner meeting
  - Minutes and partner information

- Partner recruitment and exit (together with HR)
  - Drafting, conclusion and implementation of purchase and current account agreements
  - If necessary, informing new partners about legal matters and the organization of the Group in advance and as part of the onboarding process
- Support in legal disputes relating to the Group or partnership
  - Labor court proceedings
  - Other proceedings accompanied by external lawyers (in particular liability cases, revocatory actions)
  - Dunning proceedings, debt collection/fee claims
- Engagement letters/liability/insurance
  - Model engagement letters and liability-relevant documentation (hold harmless letter, comfort letter)
  - Professional liability insurance including the handling of liability cases
  - D&O insurance
  - Criminal defense insurance







### 9. Tasks of the National Office

The National Office supports the Audit & Advisory business line and all employees in complying with professional obligations and implementing the QMS. The National Office's tasks include:

- Subject-specific inquiries in connection with audit and audit software as well as the areas of "Accounting" and "Sustainability Reporting"
- Monitoring current national and international developments as well as legal and professional requirements in the area of auditing and independence
- Creation of work equipment and IT applications
- Participation in training courses and subject-specific information events

» *The National Office also performs risk assessments on an ad hoc or at least annual basis and is operationally responsible for the design and implementation of regulations and measures, in particular for monitoring independence requirements, as well as for the review and improvement process. It maintains and develops the quality management manual.*

## 10. Enforcement of the Audit & Advisory quality management system

The National Office is authorized to conduct checks in our branch offices and in connection with individual engagements, partners or employees. The National Office is also entitled and obliged to investigate any known violations of relevant professional conduct requirements or the quality management manual's provisions. In the event of repeated violations or if they are of particular significance, appropriate measures will be taken, such as certain obligations, withdrawal of functions or interventions affecting remuneration.



### » Close cooperation between the Legal and Quality Legal & Tax departments and the National Office

*With great commitment to compliance and quality management, we are dedicated to transparent and ethical conduct and work continuously to improve our processes and meet the high standards required.*

*Our professional quality management system enables us to proactively manage the quality of our services and promote a responsible corporate culture. The cooperation between our Legal and Quality Legal & Tax departments and the National Office ensures comprehensive support and control of the corporate culture.*



# Afterword

---



**With our first sustainability report in this comprehensive form last year, we laid the foundation for regular publication of our sustainability efforts – at the middle of each year, looking back on the previous year. Our objective is to communicate openly about what we have achieved, what we have accomplished and the goals we have set, as well as any potential for improvement.**

With this in mind, we kindly thank all colleagues who have contributed to the successful production of this report.

## **Gender Notice**

Baker Tilly lives and promotes diversity and equal opportunities regardless of nationality, age, cultural background, disability, sexual orientation, gender and gender identity. If we use the masculine form in our texts and articles, this is merely for the sake of readability. This form always includes all human beings.



Now, for tomorrow

Follow us:      

AUDIT & ADVISORY • TAX • LEGAL • CONSULTING

With 43,000 employees in 141 countries, Baker Tilly provides a broad range of innovative and individual consulting services in the areas of Audit & Advisory, Tax, Legal and Consulting worldwide. Globally, our accountants, lawyers, tax advisors and management consultants develop solutions which are precisely tailored to the individual needs of our clients and implement them with the highest standards of quality and efficiency.



Baker Tilly  
T: +49 800 8481111  
kontakt@bakertilly.de

© Baker Tilly | 2024

bakertilly.de

Bildquelle: pixabay.de, stock.adobe.com, unsplash.com