

Common Good Report Hiestermann & Frömchen GmbH



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Hiestermann & Frömchen GmbH

GENERAL INFORMATION ABOUT THE COMPANY

Company name:	Hiestermann & Frömchen GmbH
Legal form:	GmbH
Holder:	Dipl. agr. Ing. Hartmut Loeben-Frömchen and Dipl. agr. Ing. Lutz Hiestermann (50 % each)
Tax office:	Gießen
Address:	Zu den Mühlen 19 35390 Gießen
Communication:	Phone: 0641/399296-59 E-mail: info@hiestermann-froemchen.de
Website	www.hiestermann-froemchen.de
Branch:	Market research and consulting
Number of employees:	5 (3 full-time, 2 part-time, 1 intern - status at the end of 2022)

Reporting period

The reporting period covers the years 2021 and 2022, provided that the information for 2022 was already available at the time the report was prepared. This restriction relates primarily to the key performance indicators, which will only be available in the course of 2023.

Market presence

Hiestermann & Frömchen GmbH is a full-service market research institute that was founded at the end of 2012 and has been serving its clients since January 1, 2013. Before founding the company as an initially two-man operation, founders Lutz Hiestermann and Hartmut Loeben-Frömchen had already worked in market research for many years and had been colleagues for 10 years - Lutz Hiestermann primarily in the field of quantitative market research and market research, Hartmut Loeben-Frömchen in the field of qualitative market research. These three different fields are also managed by the two managing directors of Hiestermann & Frömchen GmbH.

The decision to set up their own company was also based on the fact that they had to give up their previous work in a more hierarchically structured company, assume full entrepreneurial responsibility for their own actions and develop their own customers without having to handle third-party projects that had been acquired by their superiors/colleagues.

Our customers in the **QUALITATIVE MARKET RESEARCH** segment include:

- American market research companies
- Car brands
- Internationally active construction suppliers
- Pharmaceutical company

In the **QUANTITATIVE MARKET RESEARCH/ MARKET RESEARCH/ CONSULTING** segment, we serve:

- Municipal/public IT service providers
- Social security funds
- Unions
- Other market research institutes
- Associations

Our company is structured in such a way that the core competencies of Hiestermann & Frömchen GmbH lie primarily in project management - from methodology development, through control and in some cases implementation of the field phase, to reporting and presentation. Services that are only needed temporarily for a specific project are outsourced to suppliers, many of whom have been working with Hiestermann & Frömchen GmbH for more than 15 years and most of whom are indispensable cooperation partners for the quality-of-service provision and thus for the business success of Hiestermann & Frömchen GmbH.

The services provided by our cooperation partners in the **QUALITATIVE AREA** include in particular

- the recruitment of participants,
- the provision of infrastructure for group discussions (which are usually held in the metropolitan areas of Berlin, Frankfurt, Hamburg or Munich)
- as well as providing simultaneous translations for the clients.

In the **QUANTITATIVE AREA**, primarily

- The programming of online surveys,
- the execution of telephone interviews with scopes >100 cases
- as well as the preparation of table volumes for the evaluation / analysis

outsourced.

Table 1 - Distribution of sales among market research areas

Services:	Share of sales in 2021 (%)
Qualitative market research (individual interviews, (online) group discussions, etc.):	63%
Quantitative market research (online surveys, telephone interviews, etc.):	27%
Market Research / Consulting:	10%

THE COMPANY AND THE COMMON GOOD

The common good has always been close to the hearts of the two founders - as evidenced by their diverse and long-standing **private** commitment to the church, civic associations, and local politics, as well as to refugees. The decision to align the entrepreneurial activities even more strongly with the common good aspects and to prepare a common good balance sheet for this purpose was taken together with the employees in the spring of 2022, after there had been various contacts with the topic of common good or a substantive discussion of the topic of common good through the political work of one of the managing directors (including a video conference with regional common good advisors in the fall of 2021).

>>It is another hope associated with the certification as the first market research company in Germany according to GWÖ criteria, to get to know new, likewise GWÖ-oriented customers and to support them in their market success with our services.<<

In view of the global crises (climate, energy, food, but also financial crises), the need to transform our economic system toward a much stronger orientation toward the common good is obvious to the two owners.

However, in the course of dealing with the topic of GWÖ and preparing the various topics in connection with reporting, it has become clear over the past year and a half that the internal scope in our own entrepreneurial activities can and should be exploited much more. In addition to the gain in knowledge that we expect from the preparation of a GWÖ balance sheet, we also expect positive effects or transformation impulses for the cooperation in our small company. Furthermore, another hope associated with certification as the first market research company in Germany according to GWÖ criteria is to get to know new clients who are also oriented towards the common good economy and to support them in their market success with our services.

Behind this hope is the desire to be able to use the competencies and experience of Hiestermann & Frömchen GmbH even more than before for the important topics such as sustainability, health, digitalization and thus to harmonize personal-political and entrepreneurial actions as far as possible.

Accordingly, we would like to work towards the perspective that we only work on projects that support sustainable, public welfare-oriented development or do not counteract it. This also means for us to critically and constructively engage with our customers, but also with our suppliers / subcontractors and their contribution to a development oriented towards the common good.

Last, but not least, the work on the topic of GWÖ should also make a positive contribution to making Hiestermann & Frömchen GmbH fit for the future, among other things by ensuring that we are an attractive employer for our current and future employees by aligning ourselves more strongly with the criteria of the common good economy.

Contact person in the company: Lutz Hiestermann

GWÖ CERTIFICATE HIESTERMANN & FRÖMCHEN GMBH 2023



This certificate confirms the validity of the ECG audit process and entitles the holder to use the label:

ECONOMY FOR THE COMMON GOOD
An economic model for the future
Company with Balance and Audit

Audit certificate:	External Audit	Common Good Balance Sheet	Hiestermann & Frömchen GmbH
	M5.0 Compact Balance	2021	Auditor*in: Jörn Wiedemann

VALUE	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION
STAKEHOLDER				
A: SUPPLIERS	A1 Human dignity in the supply chain: 10 %	A2 Solidarity and social justice in the supply chain: 10 %	A3 Environmental sustainability in the supply chain: 30 %	A4 Transparency and co-determination in the supply chain: 10 %
B: OWNERS, EQUITY AND FINANCIAL SERVICE PROVIDERS	B1 Ethical position in relation to financial resources: 40 %	B2 Social position in relation to financial resources: 60 %	B3 Use of funds in relation to social and environmental impacts: 20 %	B4 Ownership and co-determination: 10 %
C: EMPLOYEES, INCLUDING CO-WORKING EMPLOYERS	C1 Human dignity in the workplace and working environment: 50 %	C2 Self-determined working arrangements: 30 %	C3 Environmentally-friendly behaviour of staff: 40 %	C4 Co-determination and transparency within the organisation: 40 %
D: CUSTOMERS AND OTHER COMPANIES	D1 Ethical customer relations: 10 %	D2 Cooperation and solidarity with other companies: 10 %	D3 Impact on the environment of the use and disposal of products and services: 10 %	D4 Customer participation and product transparency: 10 %
E: SOCIAL ENVIRONMENT	E1 Purpose of products and services and their effects on society: 10 %	E2 Contribution to the community: 60 %	E3 Reduction of environmental impact: 10 %	E4 Social co-determination and transparency: 10 %

certificate valid until:
31.07.2025

BALANCE TOTAL:
246

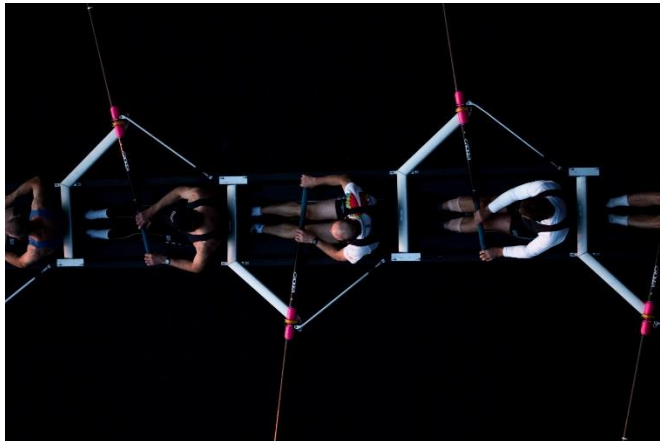
This attestation confirms the audit of the Common Good Report. The attestation refers to the Common Good Balance Sheet 5.0.
TestatID: m7gdd
For more information on the matrix and the audit system, please visit www.ecogood.org.

Hamburg, 14.07.2023

Bridget Knapper and Manfred Jotter / Executive Directors
International Federation for the Economy for the Common Good e.V, VR 24207

INTERNATIONAL FEDERATION
for the Economy for the Common Good e.V.

Chapter A - Supply chain



>>By far the largest portion of purchases are support services for project implementation, which are then sold to our customers as part of the overall project. <<

In a first step, Hiestermann & Frömchen GmbH listed all suppliers of the year 2021 and structured them in a second step. This revealed that the suppliers can be grouped into the following three categories:

- Category 1 - purchased market research services (in both qualitative and quantitative market research).
- Category 2 - purchased business services (e.g., services required to keep the H&F business operational per se such as accounting, leasing, etc.).
- Category 3 - purchased other goods and services

In the remainder of the report, various aspects are related to these three categories formed in order to facilitate differentiation in terms of text or content.

CATEGORY 1 - PURCHASED MARKET RESEARCH SERVICES:

By far the largest part of our company's purchases, with a share of >75%, consists of buying supporting services for the implementation of market research projects, which are then sold to our customers as part of the overall project.

In the area of qualitative market research (e.g. projects with small numbers of cases, in which target persons are usually interviewed in detail about factual circumstances), this involves

- the recruitment of participants,
- the provision of premises for focus groups, including the entire infrastructure,
- the transcription of interviews
- and translations (usually from German into English or vice versa) - some simultaneous, some downstream.

In the field of quantitative market research (e.g. classic online or telephone surveys with standardized questions), we buy services related to

- the programming of the surveys,
- the conduct of telephone interviews
- and the evaluations of data records.

Regarding the **criteria** for selecting service providers, it should be noted that the vast majority of companies are partners with whom we have been working in a trusting relationship for >10 years, in some cases for as long as 20 years. These long-standing partnerships ensure that the communication channels are known and the project processes are clear, so that efficient project implementation is guaranteed.

Only in the case of individual projects, especially in the qualitative area, it may be necessary to search for new partner companies (especially in other EU countries) on an ad hoc basis due to specific requirements of our customers. In these cases, the search is carried out either by recommendations of our established partners or via member lists of associations in which the two managing directors of H&F are members (ESOMAR, BVM etc.).

Table 2: List of major suppliers of market research services

Company	Market research service provider	Share of expenses 2021
Schlesinger Group Germany GmbH	Field services (recruitment, premises)	53%
Usuma GmbH	Interview services	7%
Wolf Wilke	Evaluation and programming of online surveys	6%
IGV Market Research GmbH	Field services (recruitment, premises)	4%
Partners in Marketing Research BV	Market research partner in the Netherlands with whom <u>one</u> project was implemented	3%
Alegria Grit Seidel	Translation services	2%
Mafo Service B. Rippberger	Recruitment of participants	1%
Mutante GbR Sean and Denise Newsham	Translation and transcription	1%
Other costs in the execution of projects	Travel and accommodation costs (Deutsche Bahn, various hotels, technical literature), survey tool LimeSurvey etc.	1%
	Sum:	78%

CATEGORY 2: PURCHASED BUSINESS SERVICES:

Business-related benefits and services represent the second largest category of purchases, e.g. rent, tax advice, accounting, mobility costs, telephony and IT costs, etc.

This category represents around 17% of all purchases in 2021.

In this category, too, there is a long-standing customer relationship with most of the companies. H&F has been located in the same office since its founding in early 2013, has the same regional partners in accounting and data protection, the same consultants in IT and telephony, etc. Only the tax consulting office was changed about 6 years ago for quality reasons. Even then, the recommendation from one's own personal environment played a decisive role - in addition to the fact that the company comes from the region and enjoys a good reputation.

Table 3: List of major suppliers of business services

Business Service Provider		Share of expenses 2021
Rent/ancillary costs	Landlord	7%
ETL-MCP, Dagobert Schmidt	Tax consultancy/accounting	4%
ALD Leasing, Tires Weber, Subaru, Refuelling	Car costs	4%
DH+P, Bieber IT	Data protection officer, IT service provider	1%
Other services	Telephony costs, bank charges, etc.	1%
Sum:		17%

CATEGORY 3: OTHER PURCHASES

This includes other purchases that are not of great relevance when viewed individually. These include purchases of food, newspapers/magazines, other consumer goods, etc., but also expenses for regular donations and memberships.

This category represents about 5% of all purchases in 2021.

The purchase of food (the employees usually eat together at lunchtime, if they are or can be present due to corona) takes place almost exclusively at tegut, a regional retail chain with traditionally high standards of regionality, ecological sustainability (see [tegut... Sustainability Report 2019/2020](#)).

Table 4: List of major suppliers of other services

Company	Other purchases	Share of expenses 2021
Other costs	Newspapers/magazines, memberships (BVM, ESOMAR, Marketing-Club Mittelhessen, IHK), foodstuffs	5%
Sum:		5%

A1 Human dignity in the supply chain

CATEGORY 1: PURCHASED MARKET RESEARCH SERVICES:

Compliance with human dignity has not yet been discussed with the partners because there have not been any reasons to date to see this as a relevant problem area. In the case of the small partner companies, there is no danger of this happening, as many of them are German individual companies. In the case of the large partners, we have noticed as an indicator that prices also rise, for example, when the minimum wage increases, so that we have concluded, and have also received confirmation by telephone, that a corresponding adjustment in wages will be made here. Further indications of the maintenance of job quality at the large partners are that, for example, the interviewees repeatedly include people who have been working for the company for many years and that the interviewees were promptly enabled to conduct interviews from home during the pandemic.

CATEGORY 2: PURCHASED BUSINESS SERVICES:

In category 2, too, no relevant problems in connection with the issue of human dignity can be identified among the companies commissioned.

The landlord is a private owner of the property who lives in the building himself. The tax consulting firm is located 30 km away from Giessen and is a renowned company with about 60 well-trained employees, the accounting is supported by a sole proprietor who could only exploit itself (but has also been active in the market for many decades).

The leased company car (which was eliminated in September 2022) was a Subaru. A reference to the importance of the topic of human rights can be found on the internet for Subaru Austria¹, whereby we assume that the code of conduct documented there, which explicitly also aims at the topic of human rights, does not or cannot contradict the attitude of Subaru International.

It can be assumed that there are problems with the implementation of human rights in the supply chain when providing fuel for the company car, especially in the extraction of raw materials (e.g. in the Middle East or in Nigeria), however, due to the oligopoly of the oil companies, there was no possibility to circumvent these problems here before the abolition of the company cars.

CATEGORY 3: OTHER PURCHASES

This includes other purchases that are not of great relevance when viewed individually. These include the purchase of groceries, other consumer goods, etc. The food is generally purchased from the nearby tegut, a regional retailer that articulates its own above-average standards not only for the ecological quality of the food, but also for compliance with human rights.

Potential for improvement /goals:

In topic area A.1, we see only a few approaches for improvement. If there are any, they are primarily in the area of communication about the topic.

However, the company's own common good accounting will be used as an opportunity to actively inform the suppliers relevant to the sales generated with H&F about the certification, to discuss the topic of human rights or the common good orientation with all of them and to sharpen their understanding of the issue or to achieve further sensitization to the topic.

In addition, an H&F employee will have the task of researching the topic of human dignity (and corresponding labels) at all suppliers in order to be able to develop a decision-making basis for internal procurement on this basis.

Indicator:

We assume that over 90% of the services and products purchased by H&F are produced or provided under fair conditions.

A1 Negative aspect: violation of human dignity in the supply chain

We hereby confirm that human rights are not violated at the material supplier companies.

¹ <https://www.subaru.at/verhaltenskodex>

A2 Solidarity and justice in the supply chain

CATEGORY 1: PURCHASED MARKET RESEARCH SERVICES:

With individual customers, especially from overseas, Hiestermann & Frömchen GmbH accepts that invoices can only be issued after acceptance of the project (e.g. no progress payments are accepted) and that these invoices are then only paid after 60 days (or later). Therefore, it is important to H&F to pay its own service providers for invoiced services as promptly as possible after invoicing. This is especially true for the small (one-person) partner companies.

As an example of how the issue is dealt with in a spirit of partnership, it can be described at this point that discussions were held with the largest supplier Schlesinger about the payment modalities of individual US customers. As a result of this discussion, it was agreed that H&F would initially pay only 50% of Schlesinger's invoice for larger projects, and the remaining amount would be paid only after the customer had transferred the invoice.

In addition, there is no deliberate attempt to "squeeze" market prices for purchased services. The guiding principle of these actions can be described as "live and let live". This means that in both the customer and service provider relationships of Hiestermann & Frömchen GmbH, it is considerably more important and valuable to work together on a long-term basis in a spirit of trust than to focus primarily on maximizing one's own margin in individual projects and reducing supplier costs as much as possible.

If it is clear that the budget available to the customer is not sufficient for a standard calculation, we discuss with the service providers concerned before submitting an offer whether a more tightly calculated offer should or can be submitted at all. Here, too, it is more important for us to maintain a good long-term relationship with our suppliers than to be obliged to respond to every customer inquiry.

In the event that unforeseen incidents occur during project implementation that result in additional expenses for the service providers, H&F proactively addresses the issue of what a mutually acceptable solution might look like.

Mandatory indicators

As far as we know, there are no market research services that take into account a specific solidarity or equity label. Accordingly, the mandatory indicator cannot be provided, at least for this category.

CATEGORY 2: PURCHASED BUSINESS SERVICES:

The rent paid for the premises is absolutely within the bounds of what can be paid at the Gießen location for such a central location near the city center, including bus and train connections at a distance of around 200 meters. Therefore, there are no ambitions to change the location, especially since the property is family-owned and not managed by large real estate groups.

CATEGORY 3: OTHER PURCHASES

Options for action are offered in this category primarily with regard to the purchase of food. Up to now, 85% of this has been purchased from the nearby supermarket tegut, which has already been focusing on organically produced food for several decades, but also on promoting regionality.

Improvement Potentials/Targets:

In 2023, an H&F employee will research which justice or solidarity labels relevant to the company exist at all. Once this overview is available, the next step will be to analyze the extent to which discussions are sought with individual suppliers about the work involved in obtaining these labels.

In addition, research is being conducted to determine which products with an appropriate label could be purchased in Gießen at a reasonable cost.

In this category, it is also discussed to orient the purchase even more strongly to corresponding labels. At the food retailer tegut or other retailers (e.g. the Weltladen), even more emphasis should be placed on Fairtrade labels. This applies all the more as the city of Giessen calls itself a Fairtrade city and offers more opportunities than other municipalities to purchase corresponding products. For this purpose, a concrete purchasing strategy will be discussed together with the employees, which takes into account both the requirements of the common good and the time requirements (tegut is 400 m away from the company headquarters, the fairtrade shop „Weltladen“ 1.5 km).

[A2 Negative aspect: Exploitation of market power vis-à-vis suppliers](#)

Due to the non-existing market power of Hiestermann & Frömchen GmbH, there is no possibility of exploiting this power to the detriment of the supplier

A3 Environmental sustainability in the supply chain



>>Sustainability has traditionally played a role in the purchase and use of consumer goods, which is expressed, among other things, in using purchased products and items for as long as possible (e.g., office furniture, laptops, printers).<<

CATEGORY 1: PURCHASED MARKET RESEARCH SERVICES:

In the case of purchased market research services, there is no option to purchase more ecological variants or to make purchasing decisions based on ecological or sustainability criteria. There are no more ecological or less ecological interviews, recruitments or evaluations.

CATEGORY 2: PURCHASED BUSINESS SERVICES:

The landlord of the office space has been planning to equip the building with a large PV system for some time. As it is a listed building, implementation is dependent on the relevant approval and is currently delayed. In addition, the heating system is being modernized to further reduce energy consumption.

Electricity for the entire house has so far been purchased from Stadtwerke Gießen. A change of supplier for the entire house is not planned.

CATEGORY 3: OTHER PURCHASES

Even though other purchases only account for around 5% of purchases, this is where Hiestermann & Frömchen GmbH has the greatest scope for decision-making. In principle, sustainability has traditionally played a role in the purchase and use of consumables and commodities, which is also expressed, among other things, in using purchased products and items for as long as possible (e.g. office furniture, laptops, printers). A large part of the furniture (desks, shelves, cabinets) has been in use since we moved in at the beginning of 2013, the printers for over five years and many of the laptops for over three years. As a rule, equipment is only replaced when it is technically necessary.

With regard to food (if Corona allows, the employees present eat together at lunchtime), purchases are made from the nearby regional retailer tegut, which attaches great importance to quality,

regionality and ecological criteria when procuring goods. In the clear majority vegetarian / vegan organic products are purchased. Other sources for purchasing are e.g. the tea campaign etc. Paper is purchased almost exclusively as recycled paper. Water for drinking is produced by enriching tap water with CO₂ to avoid transport routes for mineral water bottles and the PET bottle waste.

Mandatory indicators

Since by far the largest share of purchases made relates to services required for the company's own performance for which there are no ecologically superior alternatives, the share in relation to the total purchasing of Hiestermann & Frömchen GmbH is less than 5%.

However, if the calculation of the indicator is limited to the purchased products for which there are corresponding alternatives on the market, the share is more likely to be between 30 and 40%.

Improvement Potentials/Targets:

Basically, every relevant purchase is scrutinized for its requirement and sustainability.

Further potential for improvement / goals in the area of purchasing are:

- The procurement of hardware via Amazon is being critically examined to determine whether it makes more ecological sense to buy from local retailers (e.g., IT supplies from the local wholesaler Alternate) or to use refurbished equipment for telephony and IT procurement.
- The overall very small amount of packaging waste should be reduced as much as possible (e.g., by purchasing cleaning products and food not required for daily consumption at unpackaged stores)
- Wherever possible, consumer goods should only be purchased with an appropriate seal (e.g. „Blauer Engel“).
- Discussions will be held with the subtenants and the landlord in the near future to determine whether the electricity for the owned unit will be purchased from ecological suppliers such as Bürgerwerke, EWS Schönau or Green Planet Energy instead of from Stadtwerke Gießen.
- The only way to raise awareness of this issue among Hiestermann & Frömchen GmbH's major suppliers is for them to pay greater attention to the associated CO₂ footprint or other ecological criteria when purchasing their goods (e.g. IT and telephony equipment). This communication will take place as part of the discussion about the company's own activities in the context of GWÖ certification; corresponding dates have already been announced.

A3 Negative aspect: disproportionately high environmental impact in the supply chain.

We confirm that no products/services are purchased that are associated with particularly high harmful environmental impacts in the supply chain.

A4 Transparency and co-decision in the supply chain

CATEGORY 1: PURCHASED MARKET RESEARCH SERVICES:

In principle, H&F maintains a very cooperative relationship with its suppliers. Projects are discussed and calculated in advance, and after completion of the projects the costs - if necessary - are discussed together and recalculated if necessary. The long-standing cooperation ensures that a compromise that is acceptable for all sides can always be found, even and especially in the case of additional expenses.

The GWÖ assessment will be used as an opportunity to develop a list of questions that can be used to talk to suppliers about the issue of transparency and participation in the companies themselves (e.g. the question of the existence of a works council at the larger suppliers).

Since no risks or abuses have been identified to date, there have been no concrete approaches to reviewing them, let alone sanctioning them.

CATEGORY 2: PURCHASED BUSINESS SERVICES:

The topic of transparency and co-decision-making was not discussed with the suppliers in this category. There are also few approaches to deepening these topics, perhaps most likely with regard to the account relationship/the financial institution (see Improvement potentials/goals).

CATEGORY 3: OTHER PURCHASES

In this category, there are also no approaches for an in-depth analysis of the topic due to the low economic relevance for the own entrepreneurial activities.

Improvement Potentials/Targets:

No potential for improvement was identified in connection with transparency and co-decision-making in the supply chain.

Chapter B - Owners and Financial Partners



>>Classical investments are few - if then in IT infrastructure or office equipment. Incidentally, we also see the preparation of the GWÖ balance sheet as an investment by the company<<

B1 Ethical attitude in dealing with funds

Hiestermann & Frömchen GmbH has been exclusively privately financed (100%) since its foundation at the end of 2012. No loans have been taken out in the company's history and it is not foreseeable that loans will ever have to be taken out.

The company is owned equally by the two managing partners.

The equity ratio of 100% is exemplary in the industry. However, the average share in the industry is not known.

The principal bank is Sparkasse Gießen, a public law institution. SK Gießen is owned by the Sparkassenzweckverband Gießen, to which the local authorities of the district of Gießen belong. A more in-depth discussion of the ethical guidelines of the Sparkasse has not yet taken place.

Table 5: Most important financial partners

Financial partner	Description
Sparkasse Giessen	Exclusive settlement of all financial transactions by fall 2022
ALD Leasing	Provision of a company car until September 2022, since then no longer relevant (annual volume approx. 5 T€)
HDI	Liability insurance (annual volume <500 €)

Improvement Potentials/Targets:

Apart from the switch to a bank that is even more committed to the common good (e.g. GLS Bank), which was already mentioned in chapter A, there are no other approaches in view of the equity ratio of 100 %.

B2 Social attitude in dealing with funds

Table 6: Indicators for handling funds

Indicators 2021	in € thousand
Net cash from operating activities after taxes	50
Total future expenditure required per year	<10
Strategic expense/strategic expenditure incurred	<5
Asset additions	2
Allocation to reserves (profit not withdrawn)	35
Investment income to be distributed	Not relevant

Depending on the respective fiscal year, our company's annual net income is generally several €10 thousand, in 2021 €50 thousand after taxes. This is largely allocated to the reserves, e.g. also a significant five-digit amount each year. In addition, capital is withdrawn by the managing directors at irregular intervals under a bonus arrangement, which provides that a total of up to 50% of the profit can be distributed to the managing directors, for which a corresponding shareholders' agreement is required in each case.

Provided that the company continues to operate successfully in the market - which is assumed - all necessary future expenses can therefore be covered from existing reserves.

The expenditure structure of Hiestermann & Frömchen GmbH is dominated by project-related expenses (e.g. purchased services from suppliers that would not be incurred without corresponding projects) and personnel costs. There are few investments - if any, then in IT infrastructure or office equipment. Incidentally, we also see the preparation of the GWÖ balance sheet as an investment by the company.

It can be assumed that the annual investment requirement will not exceed a 4-digit amount. These annually varying requirements primarily comprise approx. 2,000 - 4,000 € for hardware per year and 1,000 - 2,000 € for office equipment. Since Hiestermann & Frömchen GmbH does not have any customer traffic, there is also no need for particularly representative office equipment.

Additional risk provisioning is therefore not required.

Improvement Potentials/Targets:

One goal for improvement in this area is to discuss together with employees which investments could or should still positively influence the well-being of employees and to provide an appropriate budget for this.

As part of the company's further development (see objectives in chapter B4), there may also be a need for financing for organizational consulting and - subsequently - for a revision of its market presence (new logo, new website, etc.). This need cannot yet be quantified - but it will also be fundable from existing reserves.

One of H&F's goals is to change banks and move from the Sparkasse to, for example, the GLS Bank, the Triodos Bank or the Umweltbank, which is very explicit about goals such as transparency and co-decision-making ([News - GLS Bank](#)), even though the Sparkasse Giessen also claims this for itself ([Sustainable investment | Sparkasse Giessen \(sparkasse-giessen.de\)](#)).

B2 Negative aspect: unfair distribution of funds

The company can confirm that there are no significant examples of unfair distribution.

B3 Social-ecological investments and use of funds

Table 7: Investments and use of funds

Indicators 2021	in € thousand
Investment plan incl. ecological renovation requirements	0
Realization of ecological investments	0
Funded projects	0
Assessments	0
Fund investments	0

As a pure service company, H&F does not require any social-ecological investments in its own facilities. Apart from the IT infrastructure and commodities such as furniture, there are no capital goods in the company - nor will these be needed in the foreseeable future.

Improvement Potentials/Targets:

Over the next few months, we will be examining internally whether participation in financing forms of social-ecological projects (e.g., cooperatives involved in the expansion of photovoltaics) will take place as part of the company's goal of climate neutrality as a company,

In addition, corresponding considerations in connection with a planned change of credit institution (e.g. to GLS Bank) are to be deepened.

B3 Negative aspect: dependence on ecologically questionable resources

Our company's business model is not built on ecologically questionable resources beyond the "normal" use of energy and consumer goods. An exit strategy is therefore not required.

B4 Ownership and co-decision



>>The common good has always been close to the hearts of the two founders - as evidenced by their diverse and long-standing private involvement in the church, in civic associations and in local politics<<

Since the foundation of Hiestermann & Frömchen GmbH at the end of 2012, the equity capital has been owned 50 % by each of the two entrepreneurs. The rights, duties and liabilities correspond fully to those of GmbH managing directors.

Both managing directors can make decisions on their own offers, acceptance and organization of their own projects fully on their own.

In contrast, decisions concerning the company as such are made jointly in meetings of the shareholders held as required. This primarily relates to personnel decisions (which, however, rarely have to be made due to low fluctuation) and decisions on the use of surpluses.

Improvement Potentials/Targets:

Within the next three to five years, the responsibility for the company will be spread over more shoulders, also in order to prepare for the retirement of the managing directors, probably towards the end of the decade. In this context, the distribution of equity will also be reconsidered or decided. So far, the topic has not been dealt with in depth - but the discussion of the GWÖ will be used to integrate interesting organizational approaches that go beyond a mere transfer of company shares to suitable employees into the considerations. It is assumed that there will be a need for support in the form of management consulting in order to ensure a secure and sustainable foundation for the continuation of the company beyond the active involvement of the two founders.

B4 Negative aspect: hostile takeover

The company can confirm that no hostile takeover has taken place.

Chapter C - Employees



>>Hierarchies are not pronounced - for example, all employees present, including interns, eat lunch together - an important "tradition" that has been practiced since the company was founded and is enjoyed by all employees.<<

C.1 Human dignity in the workplace

The corporate culture in our small company can be described as very cooperative, respectful and open - a togetherness in which everyone contributes to the company's success according to their skills and experience. For example, the decision to undergo the procedure of GWÖ certification was made jointly by all employees, including the management. A strategy meeting of all employees in May 2021 should also be mentioned, in the context of which essential aspects relating to the development of the company were discussed.

Hierarchies are not pronounced - for example, all employees present eat lunch together - an important "tradition" that has been practiced since the company was founded, and although it suffered somewhat in Corona times due to the sharp increase in the proportion of home offices, all employees are happy to take it up. H&F bears the costs for the meal as well as for tea and coffee.

Communication among each other is characterized by mutual respect, as is the way we deal with each other. Independently of our common lunches, each employee can use the common kitchen and bring his/her own food and drinks, which are not consumed by other parties out of mutual respect. The agreed working hours are also always adhered to, just as the needs and wishes of the employees are taken into account as far as possible when planning vacations.

There are no loud arguments; criticism is articulated constructively using concrete examples and primarily in private. The new interns and employees are initially described the company and its flat hierarchies and that they can approach the employers and senior employees openly, honestly and quickly with all concerns so that no feeling of disruption develops.

For some years now, there has been a joint "garden party" for all employees in the summer, as well as a joint Christmas dinner / party (although not necessarily before Christmas) since the company was founded.

Health promotion and occupational safety in the workplace have played a subordinate role so far - since three of the five employees are under 35 years old and are active in sports (bouldering, cycling, soccer, weight training), the topic has not yet been very virulent. Inspired by the preparation of the GWÖ report, we equipped our full-time employee with ergonomic office furniture. He was allowed to choose this furniture independently and regardless of financial means.

Diversity has not played a role so far - too few people have been hired for this purpose, e.g. the company is too small and fluctuation is too low. Accordingly, there are no company agreements in this regard.

Each year, about 4 to 5 interns work for H&F, who usually come from the Social Sciences Department of the Justus Liebig University or (in individual cases) from the University of Marburg. So far, the demand for interns has always been in line with the need for interns, e.g. in case of corresponding inquiries, the students could usually be offered an internship without the company having to actively search for students. In the beginning, the interns are closely introduced to the working methods, they are provided with the relevant information about the company and they are supported in writing their internship report. During the first few days, the various tasks are discussed together and active questions are asked by the mentors about the workload and difficulty of the tasks performed. The interns included various nationalities (including Eritrea and Turkey), religious affiliations and also individual interns with relevant pre-existing conditions, which were taken into account in the day-to-day work of the company. One intern, for example, was faced with difficult tasks in his private life after starting the internship. Here he was given the necessary time to clarify matters as well as to mentally relax again. He was able to choose his workload independently and flexibly.

The two shareholders have been managing directors since the company was founded at the end of 2012.

One employee has been part of the company for over four years, one employee for three and a half years, and another employee for two years (as of the end of 2022).

The sickness rate in the company has not yet been evaluated in the years up to 2022 because it was so low that there have not been any associated problems to date. The number of sick days was also well into the single digits per employee per year during the Corona pandemic and thus well below the average in Germany of 10.9 days². In the 10 years since H&F was founded, there have only been three sickness reports by permanent employees that lasted more than three days.

There have been no occupational accidents in the company to date. Prevention measures beyond normal attentiveness are not necessary in our office workplaces. There are no concrete sources of danger in the office beyond normal work at a VDU workstation.

In view of the small workforce, the demographic distribution of employees plays only a minor role. The "high" age of the managing director is compensated by the three other employees and the interns.

There have been two pregnancies to date. The employee was on maternity leave for 1 year in each case (or will be at the end of 2022). As the daughter of one of the managing directors, the employee is in close family contact, continues to be a team member and is, for example, invited to corresponding festivities as a matter of course.

² [Sick leave - Federal Statistical Office \(destatis.de\)](https://www.destatis.de)



>>Each year 4 to 5 interns work for H&F, usually coming from the Department of Social Sciences of the Justus Liebig University or (in some cases) from the University of Marburg.<<

Improvement Potentials/Targets:

H&F's goal is to offer all full-time employees at least 3 days of continuing education per year. In doing so, they should be freed from daily operational tasks so that employees have time to focus on their continuing education seminars. For part-time employees, as long as they are still studying, this will be discussed individually as to which further training courses might be of interest.

In addition, it is to be implemented even more strongly as part of the corporate culture that there is more frequent feedback from the employees in the direction of the managing directors, via their project management, corporate management, etc. This is also to be expanded in order to utilize individual improvement potentials. This is also to be expanded in order to exploit individual potential for improvement.

In addition, it is examined whether the company offers the employees e.g. annually a certain budget for health-promoting services (be it e.g. for sports courses, yoga up to the co-payment of health-promoting and wellness app).

Last but not least, H&F will introduce a file to record days lost due to illness.

C1 Negative aspect: inhumane working conditions

The company can unreservedly confirm that no structures, behaviors or partial aspects are fulfilled that support inhumane working conditions.

C2 Formation of employment contracts

Salaries are discussed and adjusted at least once a year with all employees. In the case of employees at H&F in 2022, it has always been the case that the offer for salary increases, in some cases significant, has come proactively from the managing directors. In addition, employees can and have expressed conditions and articulated alternative methods for improving the work-life balance at any time. These were always and gladly accepted.

We pay more than the minimum wage and, in the case of full-time employees, significantly more than the living wage (the latest figure available is €3,550 from 2017³). In addition, further remuneration is usually paid at the end of the year in the form of a Christmas bonus, the individual

³ <https://tradingeconomics.com/germany/wages-high-skilled>

amount of which depends on qualifications and performance. There are no fixed regulations on the amount.

In terms of working hours, there is a high degree of flexibility in our company, which is also necessary due to the client and project structure, especially in qualitative market research. For example, many interviews or group discussions do not take place until after work, as the respondents are usually only available or reachable then, or American customers expect answers outside the usual office hours in Germany due to the time difference. This means that without the flexibility of the employees to work for the company "after hours", employment in our company is not possible, at least in the qualitative area.

However, this flexibility is not a one-way street; for H&F as an employer, it also means granting employees as much freedom as possible (e.g., to go shopping during lunchtime or to pursue leisure activities such as bouldering). In other words, there are only limited classic core working hours in qualitative market research.

In its cooperation with employed students, the company also aims to support the achievement of their degrees by providing as much time flexibility as possible. This means, for example, that at times when exams are due or a thesis has to be completed, the time commitment to the company is reduced if this is necessary or if the employees request it.

In general, it can be stated that it is part of the corporate culture to coordinate the time commitment and availability of employees according to need - both employees and managers can address needs or bottlenecks at any time in order to develop possible solutions together.

There are no clear rules regarding honorary activities of employees. However, it is the case that the work as Group Chairman also repeatedly makes it necessary to make time available for activities other than company-related work. This is also handled very flexibly in the company, without there being any clear regulations for this. So far, there are no corresponding requirements for other employees. Should these be articulated, a regulation would be found for this as well.

The **internal spread of** gross monthly earnings in 2022 in relation to a monthly salary (extrapolated for part-time employees) was approx. 1:3. This does not take into account the bonuses of the two managing directors, which depend on the annual profit. If these bonuses were included in the calculation of the spread, it would be approx. 1:3.6. The median earnings are not stated because they are not meaningful with five employees and would also document the salary of the only full-time employee.

The full-time working week is 40 hours. Overtime is not recorded - the three full-time employees compensate for peaks in working hours on their own responsibility as promptly as possible in the form of time off. This was worked out in a joint discussion and was of mutual interest.

The two **part-time employees** are paid per hour and work between 15 and 20 hours per week. Since both are students (one in a master's program and one in a bachelor's program), 20 hours per week may not be exceeded - except during lecture-free periods - and will not be exceeded. Within this above-mentioned range of weekly hours, it is possible for these employees to determine their earnings by the number of working hours they make available to the company.

Working hours are recorded by part-time employees as **trust-based working hours** in Excel lists and billed monthly.

Overtime plays a role in certain projects (especially with overseas customers and with group discussions and in-depth interviews) in which, for example, the evening hours are part of the working time. This is compensated flexibly in the form of time off, for which the employees themselves are responsible, e.g. the time commitment is project-dependent and does not follow a fixed (core) working time per day.

Improvement Potentials/Targets:

Since the employee currently on maternity leave has already been provided with a company bicycle, a decision will be made in 2023 as to whether the full-time employee will also be provided with one.

C2 Negative aspect: unfair structuring of employment contracts

It can be fully confirmed by H&F that employees are not unilaterally burdened or exploited by unfair employment contracts.

C3 Ecological behavior of employees



>>Almost all trips to work are made by bicycle or by public transport - the share of car trips is less than 10%.<<

As already described, lunch is taken together by all those present in the office. The majority of the food (bread, butter, cheese, vegetables, vegetarian and vegan sausage substitutes) are organically produced and/or vegan goods, which are purchased from the nearby supermarket tegut. Meat and sausage products as well as fish are now only purchased very rarely.

The proportion of catering from organic sources can be estimated at over 50%.

Almost all trips to the workplace are made by bicycle (currently >80 %) or by public transport. The share of car trips in all trips to the workplace is <10 %. The vast majority of project-related trips or trips to customers are also traditionally made by public transport. The managing directors have not had a company car since the beginning of 2020 or September 2022. Of the three non-executive employees at the end of 2022, none owns a car.

Since the remaining ecological footprint of the company's activities that can be influenced by the employees is very small and, in addition, the ecological awareness of the employees is high, as can be seen, among other things, in the high proportion of environmental transport for journeys to the workplace, there are no specific further training courses.

Improvement Potentials/Targets:

It is important to Hiestermann & Frömchen GmbH that its employees reduce their overall ecological footprint. The following measures are intended to contribute to this:

- The company offers full-time employees the opportunity to purchase a company bicycle if required.
- In addition, the company will not only compensate for its own CO₂ emissions (see Chapter E.3), but will also offer employees to compensate for half of their private CO₂ emissions if the employees take on the other half (the calculation is based on the average per capita emissions in Germany as determined by the Federal Environment Agency).
- It is also agreed with the employees during the annual talks whether the payment of a 49-euro ticket or a BahnCard50 (2nd class) by the company is expedient in order to avoid mobility with one's own car.

C3 Negative aspect: instruction to waste/acceptance of unecological behavior.

We can confirm without reservation that the company neither promotes the waste of resources nor tolerates unecological behavior. Employees are encouraged to use natural resources (paper, energy, water, etc.) sparingly and practice this themselves with great self-interest. The corporate culture is geared to this careful use and is largely lived out in this way.

C4 Internal co-decision and transparency



>>For example, we would not accept a project if the goal of the market research was to better sell certain products to children or if the goal was to conduct pseudo-market research where the results were already determined in advance.<<

Employees are informed about the general situation of the company at irregular intervals at joint meetings of all employees. Up to now, the impetus for this has generally come from the two managing directors, although there would be no reason why employees should not take the initiative.

However, since day-to-day operations consist primarily of project work, joint strategic decisions rarely have to be made. Nevertheless, the employees are involved in questions regarding costs or feasibility analyses of individual potential projects, and to some extent they also help decide whether to accept or reject difficult inquiries. As described above, the decision to implement GWÖ certification was made consensually by all employees.

In principle, all projects for which a bid has been submitted and for which H&F is awarded the contract are accepted. This means that a possible decision against a project (which is still potential at the time) is already made when deciding whether or not to submit a bid. However, since H&F receives new projects/orders primarily from long-standing regular customers who know H&F's range of services very well and also have unproblematic inquiries in most cases, there are only extremely rare cases in which H&F refrains from submitting a bid. If this is the case, then this waiver is primarily due to methodological problems (e.g. target groups that are to be surveyed on behalf of U.S. companies, but which may not be surveyed in Germany in this way because there are different legal requirements than in the U.S.).

In the last 10 years, there have been no requests that were rejected or would have been rejected due to reservations regarding content. Reasons for not accepting a project could be, for example,

- if the aim of market research was to sell certain products to children more effectively
- or if it were a matter of conducting pseudo-market research in which the results were already known in advance.

Such reasons would then be discussed at least with the full-time employee who, based on his or her experience over the past 4 years, has sufficient knowledge to also jointly reflect on such a possible decision.

The question of selecting managers does not arise in this form because no managers are selected or removed. For example, when a new employee (who had previously worked for H&F as an intern) is hired in the fall of 2022, the feedback of all employees who worked with her during the internship is taken into account.

Improvement Potentials/Targets:

The joint meetings, which have taken place less frequently in the last three years due to corona, will again be held regularly, e.g. at least every two weeks if possible, in order to involve the employees even better in the planning and to strengthen the feeling of togetherness.

In the process, employees are also encouraged to make their own suggestions for improvement, ask questions, etc. to an even greater extent. This is encouraged vis-à-vis employees in the annual reviews, but also in bilateral communication.

C4 Negative aspect: prevention of the works council

This aspect is not relevant due to the small size of the company.

Chapter D - Customers and Co-enterprises

D1 Ethical customer relationship



>>Many customers have been working with our company or the managing directors for over 10 years, in some cases for 20 years. These long-term customer relationships were and are always the core of our company's market presence.<<

At H&F, orders are acquired almost exclusively through long-standing customers or their recommendations. An exception is the offer of multi-client studies, with which we offer members of certain customer groups or industries to have identical topics or questions processed jointly by our company and to share the resulting costs. In such projects, we then offer a price scale according to the size of the participating companies. Independently of these multi-client studies, many customers have been working with our company or the managing directors for more than 10 years, in some cases for 20 years. These long-term customer relationships have always been at the core of our company's market presence. The following table illustrates on the basis of the 2021 revenue shares that this strategy has been successfully implemented.

Table 8: Sales shares by duration of customer relationship

Customer since	Sales shares 2021
New customers	2%
2 to 5 years	17%
>5 to 10 years	10%
>10 years	72%

However, this high proportion of regular customers does not mean that new customers are looked after differently or even worse than long-standing customers. Rather, it should be understood to mean that working with our regular clients (and their growing need for market research services) has been largely sufficient to allow the company to grow organically in recent years. Maximum sales growth has never been the strategy of Hiestermann & Frömchen GmbH, especially if it would be at the expense of the quality of support.

It is not possible to set out in writing a clear strategy to the effect that the customer benefits from our own sales efforts. However, we understand the high proportion of long-term customer relationships and recommendations by our customers as an expression of the fact that our customers derive a high benefit from our services. Incidentally, this also means that we advise

customers not to carry out certain projects (with us as a service provider) if the methodological approach does not promise target-oriented findings.

Our customers were recruited from the following groups in 2021 (annual share of sales in %):

Table 9: Structure of Hiestermann & Frömchen GmbH's customers

Customer group	Sales shares 2021
Foreign market research companies (especially USA)	35 - 45 %
Municipal / public IT service providers	20 -35 %
Social security funds, trade unions, employers' liability insurance associations, etc.	10 -15 %
Other customers	25 - 35 %

In principle, there are no customer groups to whom we would make access to our services more difficult for strategic considerations or other reasons. We do not explicitly exclude any potential customers, but would of course not work for companies and organizations that have any proximity to Scientology, conspiracy theorists or anti-constitutional institutions, nor for weapons manufacturers or operators of amusement arcades, etc.

However, we do not explicitly address many customer groups or customer groups may not feel addressed by our Internet presence. For example, there are no references to possible pro bono projects or discounts for NGOs or social institutions on the homepage so far. However, the pricing models and calculation bases of our company are not public, so that possible discounts would also be difficult to communicate credibly.

Improvement Potentials/Targets:

In the future, the competencies of our company are to be made available in an even more targeted manner to other companies and organizations that share the goal of public welfare orientation (be they private or public companies, but also NGOs). Whether our own service concepts can or must be developed for this purpose (e.g., to support innovations geared to the common good) and what these will look like in concrete terms will be clarified in an internal working group in 2023.

D1 Negative aspect: unethical advertising measures

Our company does not carry out any unethical advertising measures. Hiestermann & Frömchen GmbH does not advertise, except for its own Internet presence.

Mandatory Indicators:

- Budgets in marketing, sales, advertising:
Our company successfully works with the existing customers and the new customers acquired due to recommendations. Therefore, there is no budget for marketing, sales and advertising so far.

- Method of payment of sales staff:
There are no pure sales employees. The acquisition of new projects is done by three people, who are then usually also the project managers, if the projects are realized.
- Internal sales targets from the company:
There are no such specifications.
- Share of sales in % of the product portfolio purchased by disadvantaged customer groups:
There are no disadvantaged customer groups, so no share of sales can be named.

D2 Cooperation and solidarity with fellow companies

Very few of our company's projects can be carried out exclusively with our own resources, as illustrated by the high proportion of purchased upstream or downstream market research services (see Chapter A). Therefore, most of our projects are collaborative projects per se, in which we work with our suppliers on an equal footing, with part of the work consisting of jointly developing solutions for customers (see also description here in Chapter A).

However, we do not yet have any partners who are also explicitly committed to the GWÖ value framework, nor do we have any suppliers with whom we would engage in cooperative marketing or explicitly work on solutions to reduce ecological impacts.

However, in the field of qualitative market research there are also projects in which we cooperate with market research companies from other countries, which carry out identical projects in France, Italy or the Netherlands in parallel to the research carried out by us in Germany.

Mandatory Indicators:

To date, none have been spent by the company to help raise environmental, social and/or quality industry standards. Although the two managing directors are members of the professional organizations ESOMAR and BVM and share their values and professional standards, they are not personally involved in these organizations.

The proportion of personnel resources that are passed on to other companies in the same or other industry(ies) to provide short-term support is minimal - these are isolated cases.

No funds are transferred to other companies in the same or other industries.

The time / resources invested in products and services created in cooperation in relation to the total time invested in creating the company's products and services is 0%.

Improvement Potentials/Targets:

No explicit potential for improvement is identified.

D2 Negative aspect: abuse of market power vis-à-vis fellow companies

Our company does not have any market power that could be exploited to the detriment of fellow companies.

Furthermore, in many cases we do not have any direct competitors or do not know whether we have any and - if so - which ones they are. As described above, we receive the vast majority of orders through contacts, some of which have existed for decades, or through recommendations from customers.

D3 Ecological impacts from use and disposal of products and services

There are no direct ecological impacts from the use and disposal of our services. The result of our services is of a non-material nature, e.g. findings, information, analyses - if one disregards documentation in the form of reports (which are now only printed out in rare cases).

In the past, individual projects have also focused on promoting the introduction of ecologically sound concepts or raising awareness of ecological problems. For example, H&F has collaborated on projects that focus on

- the introduction of reusable cups for hot drinks in Berlin (commissioned by the Berlin Senate)
- or the quantification of plastic waste quantities that end up in the environment in Germany (commissioned by the Federal Environment Agency).

went.

In addition, the company contributes, for example in the area of research on plastic waste, to the development of the most valid quantity structures possible, on the basis of which appropriate measures can then be derived to reduce waste quantities or increase reuse and recycling rates.

Improvement Potentials/Targets:

A key approach for improvement is to focus our services on projects that promote the common good and to position ourselves accordingly in the market. In general, the topics of sustainability, climate justice, etc. are important topics for the future, so that H&F with a GWÖ certification and a credible CV of the managing directors should certainly have great potential here.

Accordingly, one of our company's primary goals is to develop a clear acquisition strategy in order to tap into new customer groups and business areas in the field of sustainability and climate protection.

D3 Negative aspect: deliberate acceptance of disproportionate ecological impacts.

Our company does not consciously or unconsciously accept disproportionate ecological impacts.

D4 Customer participation and product transparency



>>Due to the close contact with the customer, it is part of the normal project preparation in the quantitative field to correctly understand the customer's task and to present a methodology adapted to the specific needs.<<

The transparency of our service already begins in the acquisition phase with the fact that the calculation of costs is very differentiated so that customers can understand the individual components. The service is divided into sub-steps (in the quantitative area, for example, classically into project preparation, field phase, evaluation, analysis and reporting). For each of these sub-steps, a description is given of the services provided by H&F and the associated costs. The costs are calculated either in terms of costs per interview or in terms of daily rates, e.g. time required.

In most projects, the market research methods used are either specified directly by our clients (usually in the area of qualitative market research) or developed in close consultation with them. Depending on the type of inquiry or project, different approaches are also discussed with the clients or offered as variants and calculated through.

Due to the generally close customer contact, it is part of the normal project preparation in the quantitative area to correctly understand the customer's task and to present a methodology adapted to the specific needs. In addition, it is part of reporting in the quantitative area to describe the methodological approach and thus generate understanding for procedural steps (e.g., in the weighting of data in individual projects).

In addition, contact with individual customers is so close that discussions also take place time and again about which topic areas might be of interest to the industry beyond the individual projects. In 2020, for example, a multient study on the topic of "home office in corona times" was conducted in which nine members of the Association of Municipal IT Service Providers (Vitako) participated and in which over 2,000 employees were surveyed online.

Table 10: Mandatory indicators - product transparency

Indicators	Shares
Number of product and service innovations with socio-ecological improvements that were created through the participation of customers:	0
Share of products with designated ingredients (in % of sales):	Not relevant
Share of products and services with published price components (in % of sales):*	>90%

* The services of Hiestermann & Frömchen GmbH are subdivided in a very differentiated manner into individual sub-steps for all offers (e.g. project preparation, costs per interview, costs for incentives, costs for translation, costs for data entry, evaluation and reporting, etc.) and calculated separately for each of these sub-steps and presented to the customer.

Improvement Potentials/Targets:

In the case of larger projects, H&F will make an additional "loop" with the customers in that they will be asked specifically what could or should have been done better in the completed projects from the customer's point of view, in order to be able to use this direct feedback as an impetus for further developing its own service quality.

D4 Negative aspect: no identification of hazardous substances

Hiestermann & Frömchen GmbH does not manufacture any products, so that the aspect of hazardous substances does not play any role for the service provision of our company.

Chapter E - Social environment

E1 Meaning and social impact of the products and services



>>Our company, through the "act" of questioning, provides a platform for people to express their opinions and be respected in the process; to suggest something, to be noticed respectfully, and possibly to take responsibility.<<

If the services provided in the context of market research are related to the Max Neef Matrix of Basic Needs, **the component "Understanding"** is of course the central core of the industry. Market research primarily prepares information or generates relevant information, deepens knowledge and understanding, etc. - be it by analyzing data and its structures, by in-depth discussions with test persons and opinion leaders, or by researching facts and figures. Market research is also science-driven and not ideology-driven (or should be).

In second place is **the "fundamentals/life support" component** - a whole series of projects deal with the topic of health (e.g., experiences with new cancer drugs), it is as much about well-being as it is about productivity (in the optimization of municipal or public IT services), but also about the topic of work (e.g., in surveys of employees on the topic of home office in Corona times).

In addition, **the component "designing/creative work"** is also affected, at least in the context of qualitative market research, which - depending on concrete tasks and projects - also uses the individual skills and competencies of the interviewees as well as their creativity and ability to think innovatively. Thus, in individual projects creative techniques (e.g. provocative questions, thought experiments, brainstorming, role plays) are used to give respondents the opportunity to look at problems/situations from a different perspective, to break out of everyday thought structures and thus to develop new approaches to solutions.

In addition, **the component "participation"** can also be mentioned here, since a relevant part of our work as a market and opinion research company is to offer people a platform to make their opinions known and thus feel important and heard as part of society (e.g., on the change in terms and conditions through WhatsApp, on men's needs in the area of skin care). In some of the group discussions conducted online during the pandemic, we heard positive feedback to the effect that participants were happy to exchange views with others on exciting topics and thus did not feel so alone and isolated. In personal conversations, IT decision-makers also repeatedly give us feedback that they find it important and consider it positive to be able to talk to a neutral institute about problems with municipal IT service providers without having to address this directly to the respective companies.

Through the "act" of questioning, people have the opportunity to express their opinion and be respected, to suggest something, to be perceived respectfully, possibly to take responsibility.

Nevertheless, it should be noted that the services provided by our company (as presumably by all market research institutes) primarily contribute indirectly to the fulfilment of basic needs, since (with the exception of the effect on the participants in the studies) they can primarily have an effect via our customers.

Furthermore, whether and how our work contributes to the fulfilment of basic needs is largely dependent on the tasks with which customers approach us and how our customers deal with the findings we then identify -.

- whether internally in the development or adaptation of own products, services or working conditions (e.g. in surveys of employees on the subject of home office in corona times),
- whether externally in communicating with their customers and stakeholders, or in offering (then adapted or newly developed) services or products, or in presenting findings in public discourse (e.g. in analyses of plastic waste ending up in the environment).

In this context, it should be noted that we work predominantly in the b2b sector (e.g. only in a small proportion of projects with or for private consumers of products and services).

Looking at the projects we are tasked with implementing, the following distribution of benefit types is realistic for 2021.

Table 11: Indicators for benefit types

Share of the type of benefit in % of total sales:	
1. needs met	
cover basic needs (e.g. projects in the field of health and communication)	20 - 30 %
Status symbol/luxury	<5 %
2. serving the development	
of the people	15%
the earth/biosphere	5%
Solves societal/ecological problems according to UN development goals (SDG 3, 8, 9, 11, 12)	10 - 15%
3. benefit of the products/services:	
Multiple benefits/simple benefits	
Inhibiting/pseudo-benefit	
Negative benefits	0%

Improvement Potentials/Targets:

The aim of Hiestermann & Frömchen GmbH is to develop its own activities in such a way that the proportion of studies that contribute to achieving the UN development goals or support their achievement is gradually increased. This can be achieved, for example, by also using the activities around the GWÖ certification to address other customer groups with support needs more strongly aligned to the achievement of sustainability goals.

Furthermore, as already described in chapter E2, it is planned that the employees of Hiestermann & Frömchen GmbH make part of their working time available on a pro bono basis. This could be done specifically with or for organizations that are themselves committed to achieving the UN development goals or that work in the non-profit sector.

E1 Negative aspect: inhumane products and services

Our company does not support any of the listed inhumane products or services with its services.

E2 Contribution to the community

Table 12: Overview of indicators Contribution to the community

	2021 (in €k)
Sales	595
Income taxes	12
Corporate income taxes	12
Wage tax	65
SV contributions	22
Subsidies and support received (Corona aid)	15
Net charges	96
Profit before taxes	80
Interest on borrowings	0
Income from rents and leases	0,5
value added reported	80,5
Relative net tax ratio	1,2
Monetary, voluntary services to the community	4

Our social commitment as managing director is as follows:

Hartmut Loeben-Frömchen has been working in the church council for many years and during the whole year 2021 he and his wife had taken in a family of three from Ukraine at their home.

Lutz Hiestermann is a city councillor and parliamentary group leader of the "Gießen gemeinsam gestalten" (Gigg) party in the Giessen city parliament, which grew out of the local climate protection and citizen participation movement and considers these two issues as well as the transparency of political action to be the main focus of its political work. He was one of the main initiators of the citizen application 2035Null (2035Zero), on the basis of which the city of Giessen has committed itself to becoming climate neutral by 2035.

In addition, he has been chairman of the citizens' association *Lebenswertes Gießen e. V.* for 15 years and has also been caring for a seriously ill friend as a guardian for several years.

We bear the direct and indirect costs arising from this ourselves in the first instance (exceptions here are the expense allowance as an honorary city councillor and the reimbursement of costs incurred in taking in refugees).

Table 13: Overview - Volunteer Contribution to the Community

Volunteering 2021	Hours/year (estimate)
Hartmut Frömchen	approx. 100
Work in the church council	80
Refugee Care	20
Lutz Hiestermann	approx. 400
City Councillor and Group Chairman	300
Guardian of a sick friend	100

Since its foundation 10 years ago, our company has refrained from sending Christmas gifts to our customers and instead donates to local or regional organizations - in 2021 to the premature baby ward of the University Hospital Giessen-Marburg, in 2022 to the Tafel in Giessen. In addition, Hiestermann & Frömchen GmbH has been donating for several years to the Band supporter initiative⁴, which supports young bands in the Rhine-Main region "through performances, organization, tips and more to the extent that they become interesting for labels or can organize themselves more professionally and better", donates to Doctors Without Borders and to Braveaurora⁵, a non-profit association that supports children at risk and their families in Ghana and sustainable village development.

Improvement Potentials/Targets:

The company plans to further increase the ratio of donations to company profit after taxes and develop it in the direction of 10%. The decision on which institutions to donate to and the amount is to be made jointly with all employees.

In addition, discussions are being held with employees to determine whether a so-called "social day" should be introduced as early as 2023, on which H&F employees would directly support a charitable organization (e.g., serving food at the food bank) and payment would be made through H&F.

One target for improvement is to give employees a time budget for pro bono work in market research. This will be discussed with employees during the company's further strategy developments.

It is also the company's goal to discuss with employees whether they would like to do volunteer work, for which a corresponding internal regulation would or would have to be developed.

E2 Negative aspects: Illegitimate tax avoidance / lack of corruption prevention.

The company can fully confirm that it does not engage in any practices that serve the purpose of illegitimate tax avoidance or that deliberately deprive the company profit generated of correct taxation and thus the common good. Likewise, it can be fully confirmed that H&F does not engage in any lobbying activities or other practices that promote corruption.

⁴ www.bandsupporter.de

⁵ www.braveaurora.com/

E3 Reduction of ecological impacts

The main environmental impacts in the reporting period consist of the use of energy (electricity and heat) and gasoline.

- The converted electricity consumption in the office is approx. 700 kWh/a, plus 3. to 4,000 kWh heat for heating⁶. Consumption in the home office would have to be added, but this cannot yet be quantified. It can be estimated that an additional 700 - 1,000 kWh is used for electricity and 3,000 to 4,000 kWh for heat.
 - The annual CO₂ emissions for electricity are therefore approx. 1,600 kWh x 420 g CO₂ = 672 kg⁷
 - CO₂ emissions for heat can be calculated as follows: 7,000 kWh x 182 g CO₂ = 1,274 kg
- The company consumption of gasoline was very low in 2021 due to corona, since virtually no company-related trips were made. The assumption is 300 l of gasoline.
 - 300 l x 2.37 kg⁸ = 711 kg
- Cold water consumption is around 7 to 8 m³, plus hot water consumption of around 1.5 m³. Here, too, the water consumption in the home office must be added - estimated here would be around 5 m³ of cold water and around 1 m³ of hot water.

Table 14: Overview CO₂ emissions 2021:

	Consumption	Unit	Spec. CO emissions ₂	Total emissions (kg CO ₂) ₂
Power consumption	1.600	kWh	420	672
Heating	7.000	kWh	182	1.274
Gasoline	300	l	2.370	711
Hot water	500	kWh	420	210
Total				2.867

Per FTE (currently 4.0), direct CO₂ emissions in 2021 were thus well below one metric ton.

With regard to the other indicators, the following can be noted:

- Chemicals are virtually not used; relevant is possibly the consumption of individual (few) printer cartridges per year.
- Paper consumption is <<50 kg/year, and only recycled paper is used.
- The artificial light input in lumens cannot be specified.
- There are no pollutant emissions induced directly by the company.

Improvement Potentials/Targets:

A key corporate goal for the near future is to more accurately measure greenhouse gas emissions associated with the company's operations, develop concrete measures to further reduce them, and

⁶ The heating in the company is operated with natural gas. Emissions can be calculated as 182 g CO₂ x kWh.
https://www.stadtwerke-holzminden.de/stadtwerke_holzminden/aktuelles/aktuelles/206.htm

⁷ <https://www.umweltbundesamt.de/themen/co2-emissionen-pro-kilowattstunde-strom-steigen>

⁸ <https://www.helmholtz.de/newsroom/artikel/wie-viel-co2-steckt-in-einem-liter-benzin/>

offset existing emissions that cannot be avoided. An employee has been assigned to research providers for offsets and prepare a priority list.

In addition, the approaches to reducing ecological impact are largely related to the purchases made by the company. The corresponding targets in connection with procurement are described in Chapter A3.

E3 Negative aspect: Violations of environmental regulations as well as inappropriate environmental pollution.

There are no violations of environmental regulations (especially since there are no such regulations for our company) and the environment is not unduly burdened by our operational activities.

E4 Transparency and social co-decision

As a small service company and with the services we provide, we are not so much in the focus of the public that we would have contact with social contact groups and would have to or should report on our activities. Therefore, there has not been and there is not currently any dialog with such groups that represent legitimate interests vis-à-vis our company and would have to or could be documented.

So far, there has been no equivalent social reporting and no share of co-decision of the touch groups can be named.

Even if this is a private political activity of one of the managing directors, it should be mentioned here that a large part of his voluntary work is about this,

- improve the transparency of political action,
- Reduce or minimize the negative environmental and climate effects of municipal policy decisions.
- and to strengthen the opportunities for citizens to participate in political and social decision-making processes.

Improvement Potentials/Targets:

As soon as the first public welfare report of Hiestermann & Frömchen GmbH has been finalized, it will of course be published.

Furthermore, there is a willingness to inform other companies and institutions, especially from the Gießen area, about the experiences made in the preparation of the GWÖ report and to motivate them to implement it themselves.

E4 Negative aspect: promotion of lack of transparency and deliberate misinformation

Our company does not spread false information about ourselves or about social phenomena.