

OUR
COMMITMENT
TO
CORPORATE
SOCIAL
RESPONSIBILITY

2023 REPORT

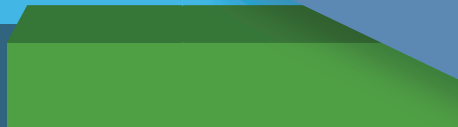


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HELLO...

FROM THE CEO



We are always seeking new ways to impact our clients, communities, environment, employees and alumni.

This past year, we focused on nurturing a culture that encourages the integration of critical elements — creativity, autonomy, responsibility and connection — that build upon each other for success. We applied these to the areas of governance, training and development, new technology and inclusion initiatives. And, we found new ways to engage and support our employees — from giving them a voice in decisions through our Advisory Council, to taking action based on our annual survey, to successfully integrating more than 65 employees from two acquisitions.

We remain focused on progress and improvement. In our most recent employee engagement survey, 91% of employees said they feel they can be their authentic selves at work. This is a 12% point improvement from when this question was first introduced in 2020. Our employees firmwide earned more than 22,000 CPE training credits, up 25% from last year. We also launched geographic town hall meetings to strengthen local connectivity in each office, including our remote office.

These measures of progress, among others, will fuel us as we strive for more in 2024. As a Premium Provider of accounting and advisory services and Employer of Choice for the best in our industry, we hold ourselves responsible for leading a sustainable and forward thinking firm. We'll continue to strategically build upon our foundational principles to benefit all of our stakeholders.

ALL THE BEST,

A handwritten signature in black ink that reads "Chris". The signature is fluid and cursive.

Chris Bellamy, CEO

CONNECTED BY CULTURE

Nos. 2 KNOW

98% of employees felt their coworkers cared about them*

94% of employees felt the firm's leadership tried to model its values every day*

93% felt the firm supported innovation and creativity*

**Based on 2023 Employee Engagement Survey*

THE FOUNDATIONAL PRINCIPLES WE LIVE BY



In a hybrid work environment, we want to create meaningful ways for employees to connect.

In 2023, our initiatives encouraged creativity, autonomy and connection in and across offices.

MEETING EMPLOYEES WHERE THEY ARE

Our Geographic Leaders for each office, including our remote office, continue to help create a consistent experience and celebrate the unique culture of each geography. These individuals serve as a critical liaison between leadership and our offices, assisting with recruiting, onboarding, and social and community events. Some geographic social events our offices hosted included a boat cruise down the Chicago River, Major League Baseball games, crab feast at the Maryland Zoo and numerous other events.

WELCOMING GESTURES

Based on employee feedback, we created office-specific Welcome Committees to help overcome the “unknowns” of a new workplace. This team approach to welcoming new hires provides additional opportunities for them to integrate into our culture, navigate their office and feel comfortable knowing where to go for questions as they settle in.

OFFERING EXTRA SUPPORT

We continued to promote our Mentorship Program to support our staff, seniors and managers. Employees can view and select a mentor from a list of more than 55 professionals on our intranet, a source from which they can also find FAQs, mentoring tips and courses to maximize their relationships.

MAKING NEW FRIENDS, BUT KEEPING THE OLD

Our firm wouldn't be the same without our alumni. Below are a few ways we connected throughout the year:

- ◆ Office celebrations, including Youngstown's 40th anniversary and Baltimore's Arthur Bell event
- ◆ Flagship events, such as CPE day and our Northeast Ohio holiday party
- ◆ Communications via our quarterly alumni newsletter
- ◆ Continued eligibility for the firm's Referral Bonus Program

GOVERNANCE & GUIDANCE

2 **KNOW**

11 partners served on our Board of Managers

12 individuals served on our Risk Management Council

28 individuals comprised our Advisory Council

Committed to doing what's right by our employees, our communities and the world around us, we devote a significant amount of time and energy to helping our firm make sound decisions. Those decisions lead to better performance and accountability, minimizing risk while we pursue the achievement of our strategic goals.

MANAGING TOGETHER

Our CEO is a member of and works closely with our Board of Managers, a group that maintains an important fiduciary role overseeing many matters for the firm. In 2023, we expanded the Board from 10 to 11 members with the addition of Partner Jim Kaiser. Jim began his three-year term in March when he joined Cohen & Company from our acquisition of BBD's Investment Management Group in Philadelphia.

To assist with the Board's oversight directive, there are five standing subcommittees, each focused on a specific area:

1. Governance
2. Owner Advancement & Transition
3. Finance & Capital
4. CEO Goal Setting & Compensation
5. M&A Opportunities

ENSURING OPERATIONAL EXCELLENCE

From an operational perspective, our CEO works closely with the firm's executive leaders, including partners in charge of:

- ◆ Tax Services
- ◆ Assurance Services
- ◆ Advisory Services
- ◆ Risk & Quality Management
- ◆ Markets & Industries
- ◆ People & Culture

In addition, our Corporate Shared Services leaders — representing legal, finance, information technology, people and culture, and marketing and business development — work closely with the CEO and executive leaders to help ensure we effectively govern these critical operations of the firm.

PROACTIVELY MANAGING RISK

Our 12-person Risk Management Council helps ensure we appropriately monitor risk. The team is led by our partner in charge of risk and quality management, assisted by our in-house general counsel, risk and compliance manager, and risk and compliance specialist.

ADVISING FROM ALL ANGLES

Our Advisory Council was formed in 2022 to represent and share diverse perspectives with firm leadership on topics and initiatives that impact our key stakeholders. This group has been integral in helping to guide the firm's strategic vision and plan. Below is a look at a few of the Council's important contributions in 2023.



Increased transparency via dedicated intranet pages in areas such as community involvement, charitable contributions, Cohen & Company Community Foundation, not-for-profit clients, and legal & risk compliance.



Provided feedback on our acquisitions, including internal messaging, cultural integration, transparency and future M&A activity.



Enhanced employee participation by soliciting input on office and firmwide donations.



Used feedback to institute "office hour" process of communicating changes and questions for annual benefit enrollment.

MEET OUR BOARD

Voted on by the firm's ownership group, our Board of Managers oversees a variety of leadership decisions impactful to the firm.



Chris Bellamy
Chief Executive Officer



Adam Hill
Partner in Charge, Advisory



Marcy Kempf
Partner in Charge, Markets & Industries



Corey McLaughlin
Partner in Charge, People & Culture



Tina Dzik
Partner, Assurance



Jim Kaiser
Partner, Assurance



Josh Lefcowitz
Partner, Valuation & Litigation Support Services



Kim Palmer
Partner, Tax



Ravi Singh
Partner, Tax



Dave Sobochan
Partner, Tax



Justin Thomas
Partner, Transaction Services

RESPECTING OUR ENVIRONMENT



98% of invoices were sent out electronically

5,000+ electronic statements were sent as follow-ups to invoices

We are always searching for new ways to protect and respect the environment throughout the course of running our business. Each year we focus on taking tangible, incremental steps toward reducing our footprint on the world around us.

MAKING IMPACTFUL CHOICES

In a heavily paper-focused industry, in 2023 we made advancements to reduce more of our firm's use of paper, mailing, postage and delivery, as well as other areas of waste. Specifically, we:

- ◆ Implemented a new online payment processing service that provides an intuitive payment portal for clients, further reducing the number of paper invoices and statements.
- ◆ Focused on moving clients gained through our M&A activity to electronically sending invoices, statements, engagement letters and other documents.
- ◆ Continued to transition more of our accounts payable functions to electronic means, including encouraging electronic invoices, exclusively storing invoices electronically and making payments via credit card or ACH.
- ◆ Converted our Legal Department to a paper-free system.

WE ALSO REDUCED ADDITIONAL WASTE IN OUR OFFICES BY:

-   Using filtered water machines in our offices instead of purchasing bottled water.
-   Switching to bean-grinding coffee machines from ones that require single-use plastic pods.
-   Providing reusable and wooden kitchen items, reducing the amount of plastic in our offices.
-   Modifying desks from sit to stand, instead of discarding desks and buying new.
-   Installing motion detector light switches in all of our renovated spaces, including private offices, cubicle areas, cafés and conference rooms, using LED lights where possible.

INCLUSION & EQUITY GROWTH & GOALS

Nos. 2 KNOW

40+ individuals served on our Inclusion, Diversity and Equity in Action (IDEA) team

91% of employees felt they could be their authentic self at work* (up from 87% in 2022)

89% of employees felt they could express their opinions, concerns, ideas and beliefs openly* (up from 82% in 2022)

**Based on 2023 Employee Engagement Survey*

WOMEN'S LEADERSHIP INITIATIVE

In 2023, the working committees of our Women's Leadership Initiative focused on mentoring/networking, professional development, podcasts and a book club.

Externally, the firm also attended and sponsored two key conferences dedicated to the advancement of women: the AICPA and CIMA 2023 Women's Global Leadership Summit, and the OSCPA Women's Wealth & Wellness Conference. Each provided opportunities for numerous women across the firm to gain valuable insights into leadership and to grow as professionals.

We are excited about the progress we made on our diversity, equity and inclusion (DEI) journey throughout this past year. In conjunction with our IDEA (Inclusion, Diversity and Equity in Action) team and firm leadership, we began executing on our strategic DEI plan, driving engagement via action and enhanced communications.

TAKING STRATEGIC STEPS FOR SUCCESS

Each area of our DEI plan below has a specific goal, measurements, associated tactics, timing and ownership:

<p>CORPORATE CULTURE</p> <ul style="list-style-type: none"> - Leadership support - Leadership involvement - DEI ownership 	<p>PERSONAL EXPERIENCES</p> <ul style="list-style-type: none"> - Employee diversity spotlights - Cultural competence training
<p>INCLUSION</p> <ul style="list-style-type: none"> - Safe environments - Authentic conversation skills 	<p>HIRING & CAREER DEVELOPMENT</p> <ul style="list-style-type: none"> - Diversity recruiting - Student programs - Firm inclusivity review

As a part of our plan, a few of our actions to date include:

- ◆ Tracking gender, ethnicity and generation in the firm by level of ownership, management team, new hires and pipeline to better monitor our progress in diversity of hiring and retention.
- ◆ Providing required annual self-study courses focusing on how an inclusive workplace benefits all employees and how that workplace can be achieved through positive attitudes and behaviors.
- ◆ Honoring various cultural month-long celebrations, such as National Hispanic Heritage Month and Women's History Month, in the firm's internal communications and on its social media channels.

COMMUNITY COLLABORATION

Nos. 2 KNOW

11,000+ volunteer hours donated throughout the firm

\$300,000 donated in support of 150+ organizations across the country

100+ active not-for-profit clients, including nearly 20,000 hours of professional time

We are committed to giving back, and to encouraging our employees to do the same in ways that are meaningful to them. In 2023, we wanted to be more inclusive in our decision making, giving employees a say in where we served and to whom we donated in their own communities.

DONATING WITH PURPOSE

In addition to hosting quarterly and annual Cohen Cares volunteer events across all geographies and offering eight additional hours of volunteer time to each employee, we donated to each office's charity of choice, including:

- ◆ Chester County Food Bank (Philadelphia)
- ◆ Cleveland Roots (Cleveland)
- ◆ FarmWorks (Chicago)
- ◆ Global Links (Pittsburgh)
- ◆ Rich Center for Autism (Youngstown)
- ◆ Ronald McDonald House (New York)
- ◆ Sand Run Metro Park (Akron)
- ◆ The Children's Center (Detroit & St. Clair Shores)
- ◆ Urban Ecology Center (Milwaukee)

As a firm, we also surveyed our employees to determine the organization to which we would make our annual holiday firm donation — this year choosing St. Jude Children's Research Hospital. As our firm continues to grow, giving all of our employees a voice when it comes to helping our communities will help keep us connected and grounded in causes greater than ourselves.

MAKING AN IMPACT

This past year we continued our mission to help not-for-profits from the inside out. With over 80 management team members serving on 120 boards throughout the country, we not only gained a unique perspective on these organizations, but were able to help local food banks, community agencies, social service organizations and higher education institutions succeed in lasting ways.

SUPPORTING OUR PEOPLE

Nos. 2 KNOW

90% of employees felt they had opportunities for career advancement*

94% of employees felt their supervisor was supportive and considerate of their needs*

86% of employees felt the firm supported their health and wellness*

**Based on 2023 Employee Engagement Survey*

In our mission to be the Employer of Choice in the accounting industry, we sought to recognize and support our people in new ways in 2023.

FORGING NEW PATHS FORWARD

Understanding all individuals have unique goals, the firm established the managing director position as an alternative option to becoming partner. The role is a significant leadership position where individuals lead client relationships, build firm infrastructure, provide technical expertise and develop their practice areas. Managing directors focus on building deeper relationships within the firm and marketplace, and each must meet unique metrics and accountability goals. Throughout the past year, the firm promoted and/or hired 11 individuals to this role.

BENEFITTING FROM A NEW PERSPECTIVE

We took a deeper look at how we “package” benefits to our employees, creating a “Benefits by Life Event” breakdown to better help them quickly gauge what they need when a life event happens:



CONNECTING AS PEOPLE

We put our culture and foundational principles into action at the completion of two acquisitions — BBD’s Investment Group of Philadelphia, and Szymkowiak & Associates and PEAR Consultants of Buffalo. During formal training for each group, we conducted a welcome to the firm session where participants shared their “Why” story — discussing why they came and stayed at their legacy firm or Cohen & Company. These stories connected team members beyond service lines and technical backgrounds, highlighting synergies and similar experiences.

SUPPORTING OUR RETIRING PARTNERS

To express our gratitude and acknowledge the positive influence our retiring partners have had on the firm and the community, the Cohen & Company Community Foundation donated to a charity of each partner's choosing upon their retirement in 2023:



Tony Bakale
Cleveland State University Foundation —
Kathy & Anthony Bakale Endowment



Chris Madison
Lake Health Foundation's Development of the
University Hospitals/Lake Health Mental Health Crisis Center



Tom Beard
Detroit Rescue Mission Ministries



Sue McGovern
Baltimore Area Council, Boy Scouts of America



Maura Corrigan
The Piarist School



Randy Myeroff
Cleveland Zoological Society



Neil Kaback
United Way of Youngstown and the Mahoning
Valley; Youngstown/Warren Regional Chamber



Mark Schikowski
Grace House Akron



Cathy Lorenz
Grosse Pointe United Methodist Church



Kathy Walsh
Pope Francis Center; St. Jude Children's Research Hospital;
The Children's Center

LISTENING & TAKING ACTION

In addition to carefully nurturing our culture, community outreach and DE&I efforts to help support and retain team members, we annually ask employees about their needs via a firmwide survey. Below are action items stemming from employee communications over the past year.

What Employees Want	How We Responded
Compensation is always top of mind. Our employees asked for more consistency and transparency around the process.	We engaged a compensation consultant to help us clearly define our firm strategy surrounding compensation. This ongoing process will help us better understand the market, our employees and how to share with them our strategy moving forward.
Employees value performance feedback and wanted an easier system for providing and receiving it.	We implemented a new, better performance feedback process and platform.
As our firm continues to grow, some employees were feeling the long hours and didn't feel truly able to unplug.	<p>From a capacity standpoint, we initiated our offshore resource expansion strategy to strategically build partnerships with firms with which we have existing relationships and successful track records. Our focus is on developing these employees as we do our internal team, standardizing processes and output while leveraging this model for both our employees' and clients' success.</p> <p>In addition to traditional paid time off, firm holidays, pencil down days and floating holidays to help our employees re-energize, we provided an extra week off over the July 4th holiday.</p>
Consistent communication is key, and our employees asked for more.	<p>Our employee engagement team created a firm calendar that highlights all upcoming trainings, events, communication meetings, etc. to help employees and our executive team stay in touch.</p> <p>We launched geographic town hall meetings, in addition to existing firmwide town halls, to add another local touchpoint through which people within the same office can connect.</p>

QUALITY & TRAINING



230 training programs were offered to employees

22,000+ hours were spent on internal training and conferences

90,000+ CPE credits were awarded firmwide (up 25% from 2022)

CORE TRAINING COMPONENTS AT COHEN & COMPANY

- ◆ Onboarding training plan tailored to new employees' needs and experience, including live training, self-study and on-the-job training, and customized onboarding for employees of newly acquired firms.
- ◆ A variety of NASBA-certified technical and professional development trainings to employees at all levels throughout the year, delivered in-person and virtually.
- ◆ Firmwide, three-day annual training program covering technical, business and personal development topics.
- ◆ Learning technology, including access to best-in-class, on-demand training from LinkedIn Learning and Becker Professional CPA, and an alliance with Amplifire, which provides adaptive learning that boosts long-term retention.
- ◆ Professional development programs focused on self-awareness, communication, inclusion, time management, business acumen, client service and leadership.

The essence of our firm relies on continuous education and training for our entire team. Ongoing technical internal and external trainings, onboarding and professional development are non-negotiables for us. It's from this foundation we helped our professionals continue to excel in 2023.

TRANSFORMING WITH TECHNOLOGY

Cohen & Company joined the Amplifire accounting alliance, offering another resource in our educational training toolkit. Marking our entrance into e-learning instruction, the Amplifire platform combines advanced brain science with adaptive learning algorithms, resulting in training designed to meet professional regulatory requirements more efficiently. First successful in the medical industry, this platform determines what an individual learner knows and doesn't know. Beyond that, Amplifire can also detect how confident learners are about their answers, identifying where additional reinforcement may be needed.

As a member of the alliance, along with the AICPA and seven other CPA firms across the country, we spent much of 2023 contributing course topics/materials to the platform, helping shape the accounting industry offerings.

FINDING BEST-IN-CLASS EMPLOYEES

As the number of accounting graduates continues to decline across colleges in the U.S., the path to recruiting top caliber employees has remained challenging. In addition to our own internal efforts, in 2023 we were excited to officially join a new effort in conjunction with the Ohio Society of CPAs (OSCPA).

As part of the Ohio Accounting Talent Coalition, we are providing feedback and executing a specific talent action plan to promote and create awareness for the industry nationwide. The Coalition's mission is to create a thriving Ohio accounting talent pipeline through meaningful storytelling, relevant curriculum, engaging work experience and accessible pathways.