

## Unite Modern Slavery Act 2015 Statement

This statement has been made by Mercateo Deutschland AG in accordance with Section 54 of the UK Modern Slavery Act 2015 for the fiscal year ending 31 December 2022. It details the measures undertaken by Mercateo Deutschland AG and its subsidiary Mercateo UK Ltd. during this period to mitigate the risk of modern slavery or human trafficking within our operations and supply chain.

### Corporate structure

Mercateo Deutschland AG, which manages the procurement platform [www.mercateo.com](http://www.mercateo.com), is headquartered in Munich and is a wholly owned subsidiary of Unite Network SE. Instead of having its own employees, Mercateo Deutschland AG's services are delivered by Unite Services GmbH & Co. KG, another wholly owned subsidiary of Unite Network SE.

The London-based Mercateo UK Ltd. operates the procurement platform [www.mercateo.co.uk](http://www.mercateo.co.uk). It is a wholly owned subsidiary of Mercateo Deutschland AG.

Mercateo Deutschland AG and Mercateo UK Ltd. are part of Unite, which has a presence in fourteen European countries.

### Business model

At Unite, we connect the economy for sustainable business. Our e-procurement platform, comprising the integrated Mercateo B2B Marketplace and Procurement Portal, facilitates seamless sourcing and procurement for commercial enterprises and public sector entities. Bringing buyers and suppliers together for mutual benefit, Unite has established a solid foundation of fair competition and dependable partnerships. The platform's scalable infrastructure supports business connections, stable procedures, and a robust supply chain. We're revolutionising e-commerce for the private and public sectors, infusing and dispersing value across regional markets and communities for the collective good under the motto: "For better business and a better world."

### Preventing modern slavery in our company

Mercateo Deutschland AG has no employees of its own. Instead, its services are delivered by Unite Services GmbH & Co. KG, which is also owned by Unite. In the year under review, Unite Services GmbH & Co. KG had over 700 employees on its payroll, while Mercateo UK Ltd. employed thirteen members of staff.

Below, we address the measures taken in 2022 to counteract modern slavery within our business framework.

#### Corporate values and culture

Back in 2019, in collaboration with our staff, we carved out and defined our distinct corporate values encapsulating the ethical ethos of Unite. Our business model is based on these values, which serve as our 'cultural compass', directing our course of action. Our values are:

- **Sustainability:** We champion the wellbeing and personal development of our employees.
- **Diversity:** We believe that everyone has unique characteristics that benefit us all.
- **Trust:** We trust our employees and allow them to work independently. We're well aware that to err is human.
- **Fairness:** Our decisions are rooted in fairness and transparency, and we treat others as we'd like to be treated ourselves.
- **Courage:** Go on, you can do it!
- **Humanity:** We accept people's strengths and weaknesses and never regard them as mere cogs in a machine.

Our intrinsic corporate values elucidate that at Unite, the wellbeing and needs of individuals are paramount, and that we take a genuine interest in each other. While every employee is entrusted with upholding and enacting these values, overarching accountability resides with the company management. Collectively, we strive to ensure that modern slavery finds no foothold within our operations.

We urge our staff to continually reflect on and critically assess both personal actions and broader company operations. This introspection bolsters unity and enhances individual welfare.

### **Unite Principles of Conduct**

From the outset, Unite has anchored its operations in social, ethical and environmental standards. These tenets are embodied in [our Unite Principles of Conduct](#), highlighting the core values we champion. Conscious of our deep-seated responsibility towards people, society and the planet, we view these principles not just as benchmarks, but as minimum requirements for our business activities. They play a pivotal role in guiding our ethical and social interactions in our day-to-day operations. These principles convey our dedication and convictions, providing clarity and direction in challenging times. By fostering a collective spirit and mutual trust, they underscore our shared values and aspirations.

As such, the Unite Principles of Conduct are the defining hallmarks of our actions.

### **Unite Academy**

We're keen to support our employees' professional and personal development. We therefore offer them various opportunities to acquire skills, embrace new challenges, and realise their professional aspirations. We deliver company-specific learning content through our learning platform. Our proprietary learning platform disseminates tailored educational content. We also curate workshops spanning communication, conflict resolution, adaptation to change, and bespoke training modules to nurture personal development.

### **Culture Circle**

In the year under review, Unite's first Culture Circle was elected. This assembly, comprising ten representatives from different European nations, serves a three-year term focusing on cultural and organisational matters. Periodic meetings with the Executive Board facilitate the discussion of insights, projects and innovations. The members of the Culture Circle have developed the following vision for their activities:

- We're the ears and the voice of every Unitee.
- We promote and develop our Unite values.
- We support a culture where everyone can be heard and seen.
- We for ALL.

The Culture Circle is a conduit between employees and the management.

### **Support for voluntary work**

We encourage our employees to make a difference in the world beyond Unite, be it through regional philanthropy or spearheading international aid initiatives. To enable participation in such ventures and to meaningfully contribute to society, Unite offers its employees special leave entitlements over and above their standard holiday allocation.

Immediately after the outbreak of the war in Ukraine, we established Unite with Ukraine, organised relief efforts and provided donations. With our employees' support, we partnered directly with humanitarian organisations such as the Association for Worldwide Emergency Aid and the Hof Schlueter Foundation. Leveraging our expansive infrastructure in countries neighbouring Ukraine, we ensured that aid was channelled to the regions in direst need. Collaborating with our extensive network of suppliers and business affiliates, we orchestrated and funded the delivery of critical medical supplies and essential commodities to distressed zones.

**Diversity Charter**

We're a proud signatory of the Diversity Charter, underscoring our commitment to appreciating, recognising and integrating diverse cultures into our corporate ethos – not just in Germany, but wherever our employees are.

In 2022, Unite was an active participant in the 10th German Diversity Day, advocating diversity in the workplace.

**Smart Work @ Unite**

At Unite, we offer our employees a choice of three distinct Smart Work models, catering to their unique requirements and promoting an optimum work-life balance. These models outline varying options between the ratio of attendance time in the office and working from home. The model chosen in each case is set out in writing in the employment contract of each member of staff.

We offer our employees flexible working hours. Only in operational sectors are fixed core working hours or service hours defined, which are compliant with legal standards. Each staff member is entitled to sufficient break periods, and any overtime is compensated via time off in lieu.

Our office premises offer complimentary non-alcoholic beverages to all employees.

**Fair pay**

We firmly believe that good work must be rewarded commensurately and fairly. That's why we pay our employees more than the statutory minimum wage.

**Holiday and illness**

Unite prioritises the physical and emotional wellbeing of its staff. After all, a healthy company needs healthy employees.

We offer each employee a holiday allowance that exceeds the statutory minimum. An intuitive app facilitates leave applications and allows staff to monitor their leave balance.

Whenever employees are sick, we grant them two days' recuperation leave. During this time, the employee is released from work even without a medical certificate.

Our proactive wellness initiatives encompass various preventive programmes. For our German workforce, we've instituted a health management team dedicated to ensuring their peak physical and emotional wellbeing. This acclaimed programme – recognised by Barmer health insurance's Health Care Award – encompasses physical activities, ergonomic guidance, and complimentary counselling sessions. Moreover, Mercateo UK Ltd. staff can access online occupational health services.

Another initiative is the Counselling Chat. Designed to alleviate work-related stress, this text-based service can be supplemented with appointments for telephone or video calls. With swift assistance from expert external counsellors via Teams or WhatsApp, employees can benefit from essential stress management tools.

**External audits and certificates**

We undergo audits and have the quality of our procedures checked and evaluated by external rating agencies. In January 2022, EcoVadis again appraised our CSR activities. In our industry, we rank among the top 17 per cent of EcoVadis-certified companies in the wholesale, fee-based and contracting sector. Committed to excellence, we unceasingly enhance our performance, particularly in collaboration with our suppliers.

In September 2022, we were awarded the Fair Tax Mark. This endorsement from the Fair Tax Foundation underlines our dedication to transparent, responsible tax practices.

**Whistleblowing system**

To safeguard our ethical standards, we've instituted a [whistleblowing system](#). This mechanism offers our team a confidential channel to voice concerns over potential breaches of our guidelines. Its main aim is to provide

whistleblowers with a safe environment for communication, ensuring they're shielded from any retaliatory actions. Upon receiving a report, we're committed to thoroughly investigating any allegations and promptly addressing them. Each report is rigorously investigated, and any hint of modern slavery within our operations is swiftly escalated to senior management for decisive action.

## Preventing modern slavery among our service providers

Our operations often incorporate the expertise of carefully chosen service providers.

### Outsourcing

In the realm of software development, for many years we've been working closely with a consulting firm specialising in high-end IT. A detailed contract outlines our relationship, emphasising the safeguarding of workers' rights by the consultancy. We use the consultancy's employees on a project basis, extending the same duty of care we offer our in-house team.

### Freelancers

We work with freelancers on a project basis. They're provided with comprehensive access to essential tools and information to fulfil their tasks. Their terms are contractually agreed in advance, and they're paid on the basis of pre-defined hourly rates. When negotiating daily rates, we ensure that they represent fair, appropriate remuneration for the work to be done.

## Preventing modern slavery in our supply chain

Our primary goal is to provide our customers in every country with the greatest possible variety of items for tail spend procurement. The focus is always on competitive terms, a comprehensive product range and efficiency. We currently work with more than 800 vetted suppliers at every level of commerce from the EU, Switzerland, and the UK in 14 European countries.

Our unwavering commitment ensures that both our supply chain and our associated partners maintain rigorous standards to prevent the incidence of modern slavery within their operations and supplier networks.

Below we detail our endeavours in the year under review to prevent modern slavery in our supply chain.

### Managed Supply Programme

Our suppliers aren't just vendors; they're also strategic partners. We champion personal interactions, collaborative efforts, and long-term associations. This enables us to shape our clients' procurement processes efficiently and sustainably. The Managed Supply Programme epitomises our belief that the battle against modern slavery is a collective responsibility. This partnership includes regular engagements and supplier audits during the onboarding phase. To achieve more transparency in our supply chain, we continually improve our processes and procedures.

### Code of Conduct for our business partners

The [Code of Conduct for our business partners](#) describes the essential requirements our business associates are expected to meet. For a supplier to be integrated into our platforms, they must solemnly commit to upholding human rights, ensuring human dignity, safeguarding the environment, and so on. We ask our suppliers to confirm that no one is employed against their will or forced to work under physical or mental duress. We also demand fair remuneration. Our stipulations echo the labour and social standards of the International Labour Organisation, the principles of the International Bill of Human Rights, and the pertinent legal provisions.

We expect our partners and suppliers to fully accept and actively support these principles throughout the supply chain. The Code of Conduct for our business partners is part of every agreement we conclude with our suppliers.

### Human rights risk assessment and analysis of environmental risks

Sustainable business relationships form the cornerstone of our ethos at Unite. We aspire for all stakeholders in our platform to reap the benefits of our expansive network. We're aware of our responsibility to respect human rights and protect the environment within the supply chain. We have a permanent group of employees who deal with legal requirements and develop sustainable implementation strategies.

Specifically, we develop strategies for identifying, assessing, prioritising and managing human rights and environmental risks through comprehensive risk assessments. Moving forward, we plan to undertake this risk analysis annually as well as when necessary. To this end, we've developed a supplier questionnaire set to undergo an initial test phase.

### Promoting diversity with MSDUK

We intend to foster greater diversity within supply chains across Europe. As a member of MSDUK (Minority Supplier Development UK), we're part of a community championing British businesses owned by ethnic minorities and collaborating to build a more inclusive economic landscape.

### Whistleblowing system

We've established a [whistleblowing system](#). As outlined in our Code of Conduct for our business partners, our business partners are obliged to promptly report any breaches. Each report is treated with utmost seriousness, ensuring a comprehensive investigation and swift resolution. Reports can be submitted anonymously, and safeguarding whistleblowers is paramount. All reports are dealt with in confidence. The whistleblowing system provides whistleblowers with a safe environment for open communication, ensuring they're shielded from any backlash.

Moreover, we hold our suppliers to the same standards, necessitating them to implement appropriate grievance mechanisms for their workforce. Should instances of modern slavery emerge within our supply chain, the issue is escalated immediately, prompting rigorous action by our senior management to eliminate them.

### Proactive commitment

To ensure that the above measures effectively prevent modern slavery in our business operations and supply chain, they're subject to regular scrutiny to gauge their effectiveness. We consider all aspects of our business and the supply chain to enable robust due diligence. While we adhere to legal mandates, viewing them as baselines, our ambition is to consistently outperform them. We strive to continuously improve the procedures we implement.

Although Unite's workforce size means it doesn't yet fall under the scope of application of the German Supply Chain Duty of Care Act (*Lieferkettensorgfaltspflichtengesetz*), we're already proactively addressing due diligence in the supply chain. For the next financial year, we're committed to further aligning our procedures in the risk management and risk analysis of our suppliers with the requirements of the German Supply Chain Due Diligence Act.

### Signed



Peter Ledermann

Board Member and Managing Director of Mercateo Deutschland AG  
Director of Mercateo UK Ltd.