

## Sustainability Code Declaration

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Unite Holding SE

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<b>Year under review</b>	2021
<b>KPIs set</b>	GRI SRS
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# Overview of contents

About the DNK Sustainability code .....	3
General Information .....	4
<b>Criteria 1-10: Sustainability Concept .....</b>	<b>5</b>
Criteria 1-4: Strategy.....	5
1. Strategic Analysis and Measures .....	5
2. Materiality.....	6
3. Objectives .....	8
4. Depth of the Value Chain .....	9
Criteria 5-10: Process Management.....	11
5. Responsibility.....	11
6. Rules and Processes .....	12
7. Control.....	14
8. Incentive Schemes .....	16
9. Stakeholder Engagement .....	18
10. Innovation and Product Management .....	22
<b>Criteria 11-20: Sustainability Aspects .....</b>	<b>25</b>
Criteria 11-13: Environmental Concerns .....	25
11. Usage of Natural Resources .....	25
12. Resource Management .....	26
13. Climate-Relevant Emissions .....	33
Criteria 14-20: Society.....	39
14. Employment Rights .....	39
15. Equal Opportunities .....	42
16. Qualifications.....	45
17. Human rights.....	52
18. Corporate Citizenship.....	55
19. Political Influence.....	59
20. Conduct that Complies with the Law and Policy .....	61

## About the DNK Sustainability code

The DNK (German Sustainability Code) is a cross-industry and widespread standard for reporting corporate non-financial performance. The DNK standardisation is recognised throughout Europe and utilised by companies and organisations of any size and legal form. The standardisation also ensures better comparability of the sustainability performance of the reporting organisations.

Regular reporting, in keeping with the Sustainability Code standard, ensures that the development of our company in the area of sustainability is visible in a structured way over time. Therefore, to comply with the DNK, we prepared a statement based on 20 DNK criteria and the supplementary non-financial performance indicators of the Global Reporting Initiatives (GRIs).

The text passages in italics summarise the substantive DNK requirements for the respective criterion and the GRI indicators.

# General Information

*Unite describes its business model (e.g. its purpose, its products and services)*

At Unite, we connect the economy for sustainable business. Our pioneering B2B platform brings buyers and sellers together for mutual benefit. We offer digital solutions that enable effortless sourcing, buying and selling, transacting, and collaborating.

Unite solutions include the Spotmarket, Procurement Portal (Mercateo) and Financial Services (in partnership with an authorised Electronic Money Institute), elevated by a smart network hub.

Our platform's scalable and flexible infrastructure helps facilitate connections, supporting business continuity and supply chain resilience. Our ever-expanding ecosystem covers buyers, suppliers, manufacturers, distributors, technology partners, and networks.

Built on Mercateo's prominent spot-buying expertise and history, which began in 2000, we've got strong foundations: fair competition, trusted partnerships and European data sovereignty.

We transform B2B commerce and strengthen local economies – by adding and sharing value for better business and a better world.

# Criteria 1–10: Sustainability Concept

## Criteria 1–4: Strategy

### 1. Strategic Analysis and Measures

*Unite declares that it pursues a comprehensive sustainability strategy. It explains the concrete measures it takes to comply with key sector-specific, national and international standards.*

In 2020, Unite embarked on the path towards a comprehensive sustainability strategy. After starting the development process last year by setting up its Environmental Sustainability Team in business operations, continuing the Ecovadis sustainability rating and commissioning an external sustainability consultancy, we conducted an extensive materiality analysis in 2021. Parallel to this, the responsibilities for the sustainable development of our group were further institutionalised, and the first sustainable procurement offerings were launched on our platform.

#### **The road to our comprehensive sustainability strategy**

For 2022/23, we intend to merge all the findings of the multi-year development process into a sustainability strategy. In this process, we'll work out which (sustainability) standards are suitable as a framework for our business model and how they can be integrated. Individual standards such as the ILO Core Labour Standards are already applied (see Criterion 14). Moreover, the CO<sub>2</sub> reduction roadmap for a 1.5°C-compliant German business of Unite Holding SE will be determined in 2022 and serve as a basis for an action plan.

Being a networking platform, Unite has the opportunity to support the network of buyers and sellers in sustainable procurement and to propel them towards sustainable procurement and sales as well as to enable these companies to take the strategic decision for sustainable procurement in their operational activities. To achieve this, we'll develop a product strategy in 2022. One part of it will focus on market development strategy with value adding parties (VAP) who can go on to create additional added value for our customers with the help of data from the Unite Platform. An important group among VAP comprises sustainability consultancies helping our clients achieve their sustainable procurement goals.

The first steps in the development of the sustainability strategy resulted in the following areas of action:

- Transparency of our sustainability performance with the help of the Sustainability Code
- Internal, ecological sustainability
- Sustainable product strategy and positioning
- Integration of sustainability criteria on our trading platform
- Materiality analysis of sustainability issues in business operations and activities

## 2. Materiality

*Unite discloses which aspects of its business operations significantly impact sustainability issues and what material impact sustainability issues have on those operations. Unite analyses the positive and negative effects and provides information as to how it integrates these insights into its processes.*

Although we don't manufacture anything and don't offer any logistics services, by means of our actions, we can positively influence our suppliers, our customers and network participants, and motivate them to act sustainably. Our supplier and customer structure is very diverse, consisting of companies of all sizes and operating in various industries. Our business is characterised by growing digitalisation and increasing pressure from other market competitors. In addition to our motivation, the pressure toward sustainable development is amplified by laws, investors, customers and other market players. More information on our value chain is contained in Criterion 4.

### 18 sustainability aspects for the materiality assessment

To identify the key sustainability aspects arising from our business activities and operations in 2021, we conducted an extensive materiality analysis according to the requirements of GRI 101.

In 2020, we took the first step by compiling a longlist of sustainability aspects and then distilling them into a shortlist. The longlist included more than 80 topics from all ESG (environmental, social, governance) areas. The topics were discussed in two workshops attended by internal stakeholders (one adopting an inside-out approach, the other working outside-in) based on industry guidelines, comparable sustainability reports, and with guidance from a sustainability consultancy retained by Unite. The results were clustered and an initial selection carried out. This resulted in a shortlist comprising nine sustainability aspects for business operations and an additional nine for business activities, forming the basis for the materiality analysis in 2021.

### Our analysis according to the principles of dual materiality

The 18 aspects mentioned above were assessed in terms of their materiality from two viewpoints: (a) the impact on stakeholder assessments and decisions and (b) the materiality of economic, environmental and social impacts. The evaluation of the two viewpoints turned out as follows:

#### *(a) Impact on stakeholder assessments and decisions*

The evaluation was based on assessments by three stakeholder groups: internal stakeholders, customers and investors.

The assessment by internal stakeholders was carried out in a survey. In it, more than half of our employees evaluated the risks and opportunities associated with the 18 sustainability aspects and their function as levers for the sustainable development of Unite Holding SE. We derived the customer perspective from enquiries regarding sustainability aspects collected in previous years. The investors' perspective was determined by evaluating the requirements of sustainability standards and regulations specifically for investors. The requirements of the Principles of Responsible Investments (PRI), the Task Force on Climate-Related Financial Disclosures (TCFD) and the EU draft Taxonomy Regulation were considered. Two-thirds of the final evaluation was made up of internal stakeholders' views, while analyses of customers' and investors' views each accounted for a sixth.

#### *(b) Materiality of economic, environmental and social impacts*

The materiality/impact assessment consists of the management assessment, the evaluation by our external sustainability consultancy, interviews with various experts, and the requirements of appropriate standards for

e-commerce and digital companies. The management assessment was based on the same survey responded to by all other internal stakeholders. The results of our carbon footprint assessment and the cross-sector experience of our consultants were included in the assessment by our sustainability consultancy. To assess industry-specific impacts on the basis of standards, relevant statements by industry associations and the SASB standards for e-commerce and digital companies were considered. For an additional qualitative assessment of the impacts, we interviewed six experts (including CSR managers working for competitors) on the 18 sustainability aspects. The final evaluation was produced by combining the views of the management and sustainability consultants (one-third each) with the experts' evaluations and the analyses of the sector-specific impact (one-sixth each).

The materiality analysis will be continuously developed in the coming years through more intensive direct dialogues with customers, investors, suppliers and NGOs, and will be expanded to pay more attention to product strategy.

### **Opportunities and risks associated with our nine key sustainability aspects**

This evaluation led to the identification of nine material sustainability aspects. Four are related to our business activities and five to the sustainable development of our business operations. On the one hand, we want to use them to counter possible risks such as the shortage of skilled workers, future regulatory requirements, and the economic risk due to the potential loss of market share in the sustainability segment. On the other hand, we see many opportunities to focus on these thematic clusters. As a company in the platform economy, we connect thousands of suppliers and customers. With every sustainable item on our platform and the possibility to identify and integrate it into the procurement process, we enable thousands of companies to get one step closer to 100% sustainable procurement. Our business activities thus act as a multiplier for sustainable development.

The four sustainability issues identified as material for our business are:

1. Transparency regarding sustainability features of products and suppliers on our platform
2. The creation of a verification system for the sustainability performance of products and suppliers
3. The integration of a selection mechanism for non-sustainable products and suppliers
4. Supporting customers with sustainable procurement

More details of our initiated and planned measures – and the assessment of risks and opportunities related to these four sustainability aspects of business operations – are contained in almost all the criteria of this report, especially Criteria 4, 9, 10 and 17.

The five sustainability issues identified as material for our business operations are:

1. Preservation and continuous improvement for equal opportunities and diversity
2. Increasing sustainability expertise through education and training
3. Stronger control mechanisms and the signing of codes of conduct
4. Sustainable development of business mobility
5. Continuous development of environmental management elements

Details regarding the opportunities and risks of these five key sustainability topics as well as our business operations (both planned and already underway) are contained in Criteria 13,14,15,16 and 20.

### 3. Objectives

*Unite discloses what qualitative and quantitative, as well as temporally defined, sustainability goals it has set and operationalised and how it monitors their level of achievement.*

The preparation of a sustainability strategy is planned for 2022 and 2023. More details are contained in Criterion 1.

Three medium to long-term, partly still basic goals, were derived during the initial steps of developing the sustainability strategy. This prioritisation was based on three guiding questions:

1. How can we as a platform economy company immediately contribute to sustainable development?
2. What organisational structures are vital for all other steps towards sustainable business operations?
3. What steps are necessary to become a climate-neutral company?

The answers to these guiding questions resulted in the following objectives, which will be further elaborated, specified and expanded in 2021, and especially from 2022 onwards in connection with the sustainability strategy process: ➤ As a platform economy company that doesn't trade in its own products, we regard our main role as providing sustainability information on third-party products. The goal is to enable every customer to procure sustainably without additional effort. As we work towards this overall objective, we have already formulated the following sub-aim: By 2023, 100% of all suppliers on the platform will undergo an ESG risk assessment devised by us, and any shortcomings will be discussed with the suppliers in an effort to reach a solution.

- We will establish clear responsibilities for internal sustainability, compliance and sustainability on the platform created in 2021 at Executive Board and operational level in 2022. This will include creating clear structures for collaboration within the Environmental Sustainability Team, and further systematisation in dialogue with the Executive Board. In addition, individuals will be placed in charge of achieving certain targets, and the method to be used to monitor target achievement will be decided.
- Based on the findings from the carbon footprint assessments for 2019 and 2020 (the figures for 2021 aren't available yet), a CO2 reduction roadmap is to be drawn up in 2022. Through genuine CO2 reductions we aim to become a business operation compliant with the 1.5°C-target set by the Paris Agreement. CO2 offsets will play a minor role.

A review of whether our sustainability goals are to be related to the UN's 17 SDGs will begin in 2022 during the development of the sustainability strategy.



## 4. Depth of the Value Chain

*Unite states what significance aspects of sustainability have for added value and how deep in the value chain it verifies the sustainability criteria.*

### **Our position as a networking platform**

Unite is a networking platform in the procurement value chain for small, medium and large companies for tail-end spend. The platform brings suppliers/manufacturers and customers together; Unite's function is to connect both sides. In addition, its Spotmarket enables buyers to directly procure from over 25 million C-category items (tail-end spend) from a directory of suppliers. Suppliers, in turn, can sell their goods to customers via the Spotmarket without a direct contractual relationship. Unite thus covers the entire range of the procurement of C-category items.

Unite doesn't perform functions of purchasing raw materials, intermediate storage or delivery. Instead it provides IT service and infrastructure (platform) with commercial services but does not manufacture items, carry out production or logistics.

Various aspects of sustainability are relevant in our value creation stage and are presented in detail in the following Sustainability Code criteria.

- Criterion 2 provides an overview of the current materiality analysis.
- In Criteria 11 to 13, we describe all the environmental sustainability aspects (with a focus on resource consumption and climate-relevant emissions) necessary for the provision of our IT and commercial services.
- In Criteria 14 to 16, we describe aspects of social sustainability (internal), while in Criteria 17 to 19 we describe the aspects of social sustainability (external).
- Criterion 20 concludes by explaining governance-related sustainability aspects, which are very important for our business.

### **Our new basic process for due diligence along the supply chains of suppliers and manufacturers**

To contribute to sustainable development in the long term, with the help of our supplier assessment, we began in 2021 to design a questionnaire to review the information from our Code of Conduct. Once a year, all the platform's suppliers must undergo this ESG Risk Assessment. As the Code of Conduct covers all the requirements of the LkSG Supply Chain Sourcing Obligations Act, each supplier's responses to the questionnaire show whether it complies with the LkSG. If a supplier doesn't meet our predefined knockout criteria, we start a proactive dialogue to work together on sustainable development. The ESG Risk Assessment is to be carried out with all suppliers for the first time in 2022. We will then be able to carry out the first detailed evaluations of social and environmental problems in the upstream value chain.

The subsequent development of our new ESG Risk Assessment is already planned. As soon as concrete details of the EU supply chain law (the CSDDD – Corporate Sustainability and Due Diligence Directive) are published, we'll examine what changes are needed in our Code of Conduct and our questionnaire. We expect to start this process by late 2022 or early 2023.

### **Our Sustainable Choice initiative: Soundly underpinned sustainable procurement**

In addition to the general ESG risk assessment, in 2021, we launched the Sustainable Choice vertical. Sustainable

Choice is intended to enable sustainable procurement for customers. Suppliers and their products are assessed with the help of an extensive list of criteria (which is posted here: [Assessment criteria](#)) drawn up in conjunction with various NGOs and experts. This group also continuously develops the criteria through an advisory board. If a supplier passes the assessment, its offering is included in the Sustainable Choice catalogue and the supplier's details are published on our website. This approach enables high-quality, sustainable procurement with maximum transparency regarding the supplier's sustainability performance.

#### **Our filter setting for sustainable items**

More than 25 million items are offered on the Spotmarket. Given this vast amount, reviewing the socio-economic and/or ecological problems along the value chain of each product is currently not feasible. However, to allow our customers to select 'sustainable' products for more and more categories, the filter can help narrow down the search. An internal editorial team compiles minimum criteria (e.g. certificates, energy efficiency classes, manufacturer guarantees) for product categories. Sustainable procurement is possible for customers by clicking on the sustainability filter. We publish and explain the underlying minimum criteria transparently.

# Criteria 5–10: Process Management

## 5. Responsibility

*Unite discloses how its management is accountable for sustainability.*

The global issue of sustainability was cemented in the company's corporate values in 2020, giving it a firm position within the Executive Board's central area of responsibility. To establish an operational responsibility structure, cooperation with a sustainability consultancy began that same year, and the Environmental Sustainability Team in business operations was set up. Various employees with a keen interest in sustainability work together in this team in an open structure to develop measures designed to improve ecological sustainability in Unite's day-to-day business.

### **Three managerial positions for holistic, sustainable development**

In 2021, three managerial positions were introduced at the operational level to oversee sustainability criterion. One position is dedicated to sustainability issues on the trading platform, another is responsible for internal sustainability issues, and the third oversees compliance. In these three roles, a holistic approach is taken to sustainability, i.e. attention is paid to social, environmental and governance aspects.

The three colleagues meet up once a fortnight to discuss. Some matters, such as developing a self-disclosure questionnaire for suppliers – as described in more detail in Criterion 7 – are dealt with jointly by the three roles.

### **Sustainability managers are clearly assigned to the executive level**

The Internal Sustainability Manager reports directly to the Executive Board member for Finance, Administration and Internationalisation every week. The main information is reported to the Senior Management on a monthly basis. In meetings of the Senior Management with a fixed group of participants, those responsible from departments such as Legal, Human Resources and Finance report confidentially on issues and problems to the Executive Board and the second tier of management. High priority is thus granted to internal sustainability, and the Internal Sustainability Manager liaises closely with the highest management level. The Senior Management receives information from the decision-maker and can raise justified objections, which are in turn dealt with by the decision-maker.

The topic of compliance is incorporated within the Legal Department. The Legal Department is also assigned to the Executive Board member for Finance, Administration and Internationalisation. The Sustainability Compliance Manager was appointed by the Executive Board and is responsible for establishing a sustainability compliance management system. Every five weeks, at meetings of the Managing Directors, she reports on current issues, progress in the implementation of legal requirements, the introduction of internal company guidelines, and possible escalations. Based on decision papers, decisions are taken by the management. The implementation of these decisions is then also reported on by the Sustainability Compliance Manager.

The Sustainability Manager Unite Marketplaces is assigned to Product Management. She reports to the Head of Marketplaces Management, who in turn reports to the Executive Board member responsible for IT, Product Management and Operations. The Sustainability Manager Unite Marketplaces reports on current issues as well as progress in the implementation of sustainability aspects on the Spotmarket and the development of the Sustainable Choice initiative in the market review held every six weeks.

## 6. Rules and Processes

*Unite discloses how it will use rules and processes to implement its sustainability strategy in the operational business.*

The sustainability strategy will only be drawn up in 2022. More details are given in Criterion 1. In 2021, based on the results of the materiality analysis (see Criterion 2), sustainability aspects are being additionally implemented in internal rules and processes. The steps already taken in 2020 and 2021 are set out in more detail below.

### **Sustainability embedded in our corporate values**

The global issue of sustainability was embodied in our corporate values back in 2020. The sustainability principles can be summed up as:

- Diverse
- Honest
- Fair
- Courageous
- Human

Our business model is based on these values, representing our 'cultural lodestar' guiding our activities. They were introduced to all departments in workshops and other interactive formats. The aims of this were to gauge where these values are already visible in our daily actions and where considerable changes still need to be made. When identifying our values, rather than finding the correct definition, the main aim was to flesh them out with employees and managers, by taking into account their personal stories and experiences. The values are applied throughout all processes, for example in discussions with staff or when choosing suppliers.

### **Knowledge transfer as the basis for process changes**

The Environmental Sustainability Team carried out various knowledge transfer measures to integrate aspects and circumstances of sustainability. It drew up a 'change canvas' – an initial roadmap for the revision of rules, processes and ways of doing things. On this canvas, the team formulated the objective that environmental sustainability must be reflected in all of the company's decisions. For us, this means that by 2025, all employees will take sustainability into account as an integral part of key decisions. For example, sustainability aspects are to be considered externally regarding the selection of suppliers, and internally with employees in feedback and annual appraisals.

Initially, the team concentrated on raising awareness within the company for the topic of environmental sustainability as well as educational work. Employees can give feedback on existing processes and rules on various pages of the company's intranet and are invited to contribute additional ideas for sustainable development.

In 2021, work began on developing five-minute tutorials on various sustainability topics. The findings of the company survey conducted as part of the materiality analysis concluded that not everybody in the company was aware of the aspects of sustainability already addressed by the company. The videos posted on the company's internal Learning Management System are intended to spread this information. All employees are urged to watch these videos. As well as being a source of knowledge, they motivate employees to rethink processes in terms of sustainability and encourage dialogue on the forum created alongside the training videos in the Learning Management System.

### **Consideration of sustainability aspects in home office equipment and the travel expenses policy**

During the transition to Smart Work (a form of hybrid working described in Criterion 15), employees are entitled to use company IT equipment at home. We have selected products according to the sustainability criteria (see Criterion 17).

In our travel expenses policy, rail travel is described as the preferred sustainable means of transport. Only in certain circumstances may other means of transport be used. In 2022, a ban on domestic flights is to be introduced.

#### **Clear responsibilities for sustainability issues**

As described in Criterion 6, there are clear responsibilities in place regarding aspects of sustainability through the three managerial positions created in 2021. One person is responsible for the implementation of sustainability aspects on the trading platform, another drives internal sustainability matters, and a third is responsible for compliance issues. This enables efficient, structured work at an operational level. Reporting to the Executive Board, the Senior Management and the Managing Directors enables coordination between the operational and strategic levels. Consequently, it was decided that development of the sustainability strategy starting in 2022, under the aegis of the Executive Board, won't follow a top-down approach but will involve members at the operational level.

## 7. Control

*Unite states what sustainability-related key performance indicators (KPIs) it uses and how it integrates these into its periodic internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of data used for internal management and external communication.*

### **Ecovadis as a rating and external control mechanism**

The Ecovadis rating has been used as a control mechanism since 2020. It assesses four categories: the environment, sustainable procurement, ethics, and labour and human rights. The Ecovadis rating helps us to monitor progress in the sustainable development of our company. Furthermore, the rating scorecard highlights opportunities for improvement, reveals weak spots and spurs us on to continuous development. An important result of the rating carried out in 2020 (for 2019) was the need to increase the transparency of sustainability performance and deficits in a publicly accessible sustainability report. Topics that require improvement in the Ecovadis rating in 2021 will be examined in 2022. However, the principle of rationality applies here: concepts should only be developed and changes made if they represent added value and won't just serve to meet an Ecovadis criterion.

### **CO2e footprint as an initial internal, quantitative KPI**

An initial CO2e footprint was drawn up in 2019 to define quantitative targets for limiting global warming to 1.5°C. An important environmental KPI is the observation of greenhouse gas emissions over time. The aim is to establish the partial results of the CO2e balance as indicators of ecological, sustainable development with the annual calculation of a CO2e footprint. The results of the CO2e footprint for 2020 and the initial conclusions that can be drawn from the comparison of the two assessments are discussed in more detail in Criteria 11 to 13.

The assessment was presented to all employees in Senior Management and to all employees in the monthly livestream 'Hello Unite'. Annual workshops are held with those responsible for the departments that have a particular influence on emissions (e.g. Fleet Management and Office Management) in order to improve existing reduction measures and identify new ones. To ensure data comparability, we will calculate the CO2e footprint in accordance with the Greenhouse Gas Protocol.

### **Employee interaction to function as an initial, qualitative KPI**

One KPI the Environmental Sustainability Team set as a result of the dissemination campaign is the growing debate about sustainability issues. To make this qualitative indicator partially measurable, we consider how much digital feedback is received on the company's intranet and the level of participation in related events and surveys. The higher the participation and interaction with the information provided, the greater the apparent reach and penetration among the workforce. This KPI is regularly discussed in the meetings of the Environmental Sustainability Team. However, in its current form, this KPI isn't yet suitable to ensure consistency, comparability and reliability. The goal is to improve and complete the indicator measuring workforce penetration regarding sustainability issues by 2022. Initial considerations indicate that a successful approach would be to rely on various observations. For example, it could be analysed how many employees have watched the five-minute tutorials mentioned in Criterion 6 or how many have participated in the forum discussions.

### **Development of other social and environmental KPIs in 2021**

A comprehensive review of additional socio-economic and environmental KPIs will be completed by the end of 2022. Although the GRI KPIs will be used for this review, other frameworks such as the EFFAS indicators and any new company-specific KPIs developed will also be included. The important thing is that the KPIs must enable meaningful reflection of Unite's sustainable development.

This process was started in 2021. It began with the indicators specified in the 2021 Sustainability Report as requested by Ecovadis. Internal responsibilities for the indicators were defined, ensuring the annual provision of the following KPIs:

- Diversity criteria such as age, gender and nationality
- Training and development hours
- Sick days
- CO2e per FTE

Other diversity KPIs to be introduced in 2022 are based on the Diversity Charter signed by Unite. In the first step, we will ascertain the status quo by implementing indicators. Data will be collected annually and after three years serve as a basis for discussion for the formulation of target states. A change from the purely statistical purpose of the indicators to clear KPIs with target states is only planned for cases where a development contrary to the Diversity Charter emerges.

In 2021, work began to create a reporting system showing the 'green spend' – the share of sustainable products within the volume of items bought and sold. This is intended to enable our customers to measure and report their progress towards sustainable procurement in indirect procurement over time and compare it to their targets. In 2023, customers will be invited to beta-test the reporting system.

As far as our sustainable procurement is concerned, in 2023 we'll start calculating the KPIs (share of sustainable products within the procurement volume) and underpinning them with clear targets.

## KPIs: Criteria 5 to 7

*KPI GRI SRS-102-16: Values*

*Unite discloses the following information:*

*a) A description of its values, principles, standards and norms of behaviour.*

We set out our corporate values in Criterion 6. We describe our standards and norms in Criteria 14 and 16.

## 8. Incentive Schemes

*Unite discloses how it gears target agreements and remuneration schemes for managers and employees towards the achievement of its sustainability goals and how it aligns these with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of its top managerial level (board/managing directors) conducted by its monitoring body (supervisory board/advisory board).*

### Focus on non-monetary benefits

There are no variable salary components in our company, neither for managers nor for employees. Moreover, there are no plans to introduce such variable salary systems to meet economic, social or ecological objectives. However, there are a number of non-monetary benefits related to aspects of social sustainability. They include various sports and health activities (gym discounts, sports groups, online fitness, etc.). These benefits were introduced for the good of all employees. The fact that they help to reduce the number of sick days is only a secondary consideration.

To give financial support to employees caring for preschool children, Unite provides an income-related subsidy for each child in day care. There are currently no specific targets whose attainment could be checked by committees. However, representatives of the responsible departments (Human Resources and Organisational Development) attend a meeting of the Senior Management hosted by the Executive Board every month, where they report on the development of non-monetary measures and their acceptance among employees.

Until the end of 2022, we will continue to work with the results of the mental health risk analysis conducted in 2018. Building on this, we then plan to introduce additional non-monetary benefits and improve existing services. This was started in 2021. Even before the pandemic, many colleagues stated in the 2018 survey that they experienced protracted periods when they felt under stress and pressure. Studies show that this condition was exacerbated during the pandemic. To support to employees, in 2021 Unite launched Counselling Chat – a text-based service designed to relieve stress during the working day. Professional external counsellors provide support at short notice for stress management using the chat function in Teams or on WhatsApp. The principle of Counselling Chat is described in more detail in Criterion 16.

### Possibilities of future evaluation of managers

Currently, neither social nor environmental sustainability goals are part of manager evaluation. Sound evaluation requires an appropriate set of KPIs to assess Unite's sustainable development. As described in Criterion 7, there will be a comprehensive review of possible KPIs by the end of 2022. This can be followed up by assessing the suitability of including these KPIs in an evaluation process for managers.



## KPIs regarding Criterion 8

*KPI GRI SRS-102-35: Remuneration policies*

*Unite discloses the following information:*

*a) Remuneration policies for the highest governance body and senior managers for the following types of remuneration:*

- i) Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares*
- ii) Sign-on bonuses or recruitment incentive payments*
- iii) Termination payments*
- iv) Clawbacks*
- v) Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior managers and all other employees.*

*b) How performance criteria in the remuneration policies relate to the highest governance body's and senior managers' objectives for economic, environmental, and social topics.*

No variable salary components; bonus element in Executive Board salaries; share options for selected employees

*KPI GRI SRS-102-38: Annual total compensation ratio*

*Unite discloses the following information:*

*a) Ratio of the annual total compensation for Unite's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.*

Not available – preparation planned for next report.

## 9. Stakeholder Engagement

*Unite discloses how it identifies socially and economically relevant stakeholders and integrates them into the sustainability process. It states how it has an ongoing dialogue with them and how it integrates the results into its sustainability process.*

Sustainability only works if the needs and requirements of all stakeholders are expressed in open dialogue and consequently considered.

The stakeholders relevant to us result from our corporate form, our business activity and our daily actions. No specific method was used to identify them. Our primary stakeholders are:

- Our employees
- Purchasing customers
- Suppliers: Manufacturers, dealers, distributors
- Investors
- The financial market, e.g. banks, trade credit insurers
- The economy and its representatives
- The labour market
- Educational institutions
- NGOs
- Associations and industry-specific organisations
- Politicians and legislators

We are in dialogue with all these stakeholder groups, for instance with educational institutions in Saxony-Anhalt via the futurego programme (see Criterion 18), with politicians and trade associations in various consultations (see Criterion 19), with NGOs through our stakeholder dialogue on the Sustainable Choice vertical, and with the public through our participation in events, trade shows, and our own formats such as the Digital Business Breakfast. Our approaches to stakeholder engagement – investors, employees, suppliers and customers – are described in more detail below.

### **Our open book policy toward investors**

Investors include not just existing financial investors but also potential investors. We maintain open, transparent dialogue with them in the form of an open-book policy.

Existing financial partners receive a monthly report on Unite's economic development. It includes an outlook and additional information on the company's progress. All shareholders receive a quarterly report outlining Unite's economic development. It also provides additional information and announces upcoming internal and external events.

The long-standing, regular, close communication with investors proved useful and successful, especially in 2020 and 2021 during the pandemic. Enquiries about Covid business risks were answered in monthly reports submitted to our principal bank, factoring provider and trade credit insurer, and also in the form of direct discussions with the Finance Department and the Executive Board.

Investors' demands regarding sustainability management at Unite were first considered in the materiality analysis conducted in 2021. In the first step, this was done by evaluating the requirements resulting from the EU Taxonomy Regulation for financial assets and the TCFD Standard (Task Force on Climate-related Financial Disclosures). From 2022 onwards, the sustainability requirements and the related transparency requirements of our investors will be included in our regular dialogue.

### **Our diverse internal communication**

Our company's flat hierarchy is reflected in a culture of open discussion. For example, new employees are invited to attend a fireside chat with the Executive Board, where their questions are answered. What's more, questions can be added to an intranet page at any time so that they can be addressed by the Executive Board in 'Hello Unite', the company's internal monthly video format. In 'Hello Unite', the Executive Board reports on the company's current situation and provides insights into the main themes and developments of the past four weeks.

Whenever necessary, this information is explained in the internal newsletter, which is published monthly. The newsletter gives each department an opportunity to share information with colleagues from other departments. In addition, new employees are also introduced to colleagues.

It was important for us, especially at the start of the pandemic, to gauge the mood of employees, so we could act quickly if necessary. Therefore, a staff survey was conducted in conjunction with Zeppelin University in Friedrichshafen.

Dialogue between individual employees and managers regarding goals and opportunities for personal development and training takes place in a structured annual meeting.

All employees were asked about various aspects of sustainability in the materiality analysis carried out in 2021. The aims were to identify the most relevant sustainability issues for internal stakeholders and to record their assessment of the progress made. Questions included for example: "Is Unite already doing enough for diversity, equity and inclusion in the company?" More details are contained in Criterion 2.

### **Employee participation resulting from conversion into an SE**

The process of converting the company's legal form from a German stock corporation (Mercateo Beteiligungsholding AG) into a Societas Europaea (Mercateo Beteiligungsholding SE, since renamed Unite Beteiligungsholding SE) was actively shaped by employees. A bVG Special Negotiating Body made up of 16 members and 9 deputies was elected. It took part in negotiations with the Executive Board in order to agree on how employees could be involved in cross-border matters.

The bVG was composed of staff from the subsidiaries of Mercateo Beteiligungsholding AG on a pro-rata basis, including those based outside Germany. The negotiations culminated in an agreement on employee participation in Unite Holding SE signed on 6 July 2021. According to the agreement, a Culture Circle is to be elected from among the employees, which will take part in regular dialogue with the management of Unite Holding SE regarding aspects of cross-border, international and national cooperation in the company. The Culture Circle will represent the interests of group employees. The Culture Circle will be elected in 2022.

### **Our sustainable development is based on dialogue with suppliers and customers**

Both our Supplier Management Team and our Sales Department are in touch with the market, mostly through one-to-one support. **Annual meetings** are held to give each other feedback and discuss measures for sustainable qualitative improvement.

An important part of the annual supplier meeting is supplier analysis carried out using a standardised evaluation form. In 2023, it will be augmented to include sustainability aspects. The results of the supplier self-disclosure (which is explained in more detail in Criteria 4 and 17) are to be reflected in the further development of sustainability management in 2022.

At the end of 2020, a **stakeholder dialogue** was conducted in connection with establishing the Sustainable Choice

vertical (as outlined in Criterion 4). It was very important to us to combine the expertise and interests of all stakeholders (buyers, suppliers, NGOs, German Environment Agency) in order to devise a networking platform for sustainable items such that it does justice to all stakeholders in the best way possible. This development process will feature constant mutual feedback, i.e. the stakeholders are to be involved in all milestones. Only by means of collaboration combined with constant dialogue can it be ensured that the Sustainable Choice initiative fulfils its aim of greater sustainable procurement and is used.

The **Supplier Advisory Board** meets regularly. It was important for us to have companies of various sizes, industries and commercial levels represented on it. Its main function is to enable dialogue among suppliers about our platform. They can learn from each other and give us feedback about the features. This enables us to develop our platform and improve its features strategically.

In **other events**, we focused on sustainable procurement and sales. OKIE – our online conference on indirect procurement – was held under the slogan ‘Emerging from the crisis stronger with data, digitalisation and sustainability’. This aspect of procurement and sales was discussed by experts with the many participants.

We also presented the possibilities of sustainable procurement via our trading platform at the Procurement Summit, a trade show for digitalisation and innovation in procurement. We answered the organiser’s questions on sustainable procurement in a podcast beforehand.

**Specific enquiries from customers on ESG matters** were collected on an intranet page and answered by the Sales Department. The information was then disseminated. This raised our awareness and sharpened our approach to areas of ESG action and reflected what we were already implicitly doing. It also fed into the decisions to produce a sustainability report and create a role for compliance. Furthermore, customers’ questions recorded in this way were considered in the materiality analysis in 2021 as an expression of the expectations of this stakeholder group.

## KPIs: Criterion 9

*KPI GRI SRS-102-44: Key issues and concerns*

*Unite discloses the following information:*

*a) Key issues and concerns raised in the stakeholder engagement process, including:*

- i) How Unite has responded to these important issues and concerns, including through its reporting;*
- ii) The stakeholder groups that have expressed the important issues and concerns in detail.*

### Concerns of our customers

One of our most important stakeholder groups is our customers. In May 2020, our method of customer satisfaction measurement was changed to the Net Promoter Score, a metric to measure customer loyalty or satisfaction. The Net Promoter Score indicates how pleased our customers are. We aim to provide higher service to very dissatisfied customers quickly and to maintain the enthusiasm of satisfied customers.

Customer feedback is divided into four categories: service, process, supplier and product. This enables us to initiate targeted improvement measures. For example, the results showed that the majority of dissatisfied customers complained about delivery time performance. The topic of delivery times was subsequently reanalysed with the Supplier Management Team to achieve higher delivery reliability.

How issues were being dealt with was also criticised by some customers. As a result, employees were specifically trained, and email text blocks were optimised.

Questionnaires returned to us by our customers show that the following sustainability themes are highly relevant:

- Established responsibility for compliance issues
- Compliance with ILO Core Labour Standards
- Transparency regarding environmental and social sustainability

These concerns have helped us to develop further in the above-mentioned thematic areas by means of various measures, which are set out in more detail in Criteria 2, 3, 9 and 20.

### Employee concerns during the pandemic

A satisfaction survey was conducted in the company during the pandemic to identify employees' most serious concerns in the workplace. Based on the findings, the following measures were taken:

- Staff were allowed to collect office chairs and monitors from their offices for use at home.
- Three remote workshops were held on the topic of more efficient remote collaboration.
- To strengthen team spirit, new dialogue formats such as dailies and virtual coffee breaks were created.
- A 'coffee corner' was set up in the company's internal Microsoft Teams, where employees – apart from sending pleasantries to each other – could start joint activities. This coffee corner is also actively used by the Organisational Development Team to launch activities intended to preserve the sense of togetherness and promote a 'we' culture.

The long-standing, regular, close communication with investors proved useful and successful, especially in 2020 and 2021 during the pandemic. Enquiries about Covid business risks were answered in monthly reports submitted to our principal bank, factoring provider and trade credit insurer, and in the form of direct discussions with the Finance Department and the Executive Board.

## 10. Innovation and Product Management

*Unite discloses how it enhances innovations in products and services through suitable processes that improve sustainability with respect to the company's use of resources and with regard to users. Likewise, Unite states how it assesses the current and future impact of key products and services in the value chain and in the product life cycle.*

### **Ecological and social impacts caused by the provision and use of our services**

A distinction must be drawn between the impact caused by the **provision of our services**, the **creation of our IT platform**, and its use by customers and suppliers.

Providing our services requires the following resource-consuming factors: IT hardware, the building infrastructure and office equipment.

The standard assumption of 'zero marginal cost goods' applies to the creation of the platform: although the provision of the platform costs resources, the consumption doesn't increase with each additional customer.

An ecological advantage in the **use of our platform** by suppliers and customers is the digitalisation of processes and the resulting conservation of resources: there are no paper-based orders and invoices. The fact that we only act as an intermediary without our own warehouse also has a positive impact on the consumption of resources and land.

The subject of e-commerce is often associated with the displacement of smaller traders, especially in bricks-and-mortar retail. We are counteracting this socially critical development by keeping the entry barriers for market participants very low. New customers only undergo a credit check at the beginning before they place their first order.

Suppliers who want to list their stock with us pass through a new supplier evaluation, in which various criteria are checked. However, unlike other platform providers, we don't impose specific requirements regarding, say, delivery times and pricing or a minimum stock quota.

Customers' one-time connection to the platform allows them to digitalise any number of supply relationships. This is an advantage for both customers and suppliers, for it wouldn't be economically viable for most suppliers to connect to a variety of different systems used by different customers. As a result, frequently long-standing relationships, especially in the small and medium-sized sector, can be preserved. This model also allows the regional approach to be served in the digital world.

### **Our tool: Sustainability through transparency**

Because goods worth more than €400 million are already purchased through Unite every year, our greatest possible contribution to more sustainability lies in specifically guiding users to sustainable products and sustainably operating suppliers. Our innovation consists in developing the transparency of sustainable products and sustainable suppliers by establishing sustainability criteria on our platform. This transparency should also be created for networked relationships via Unite.

### **Filters and product-specific instructions on the Spotmarket**

To make sustainable products visible to customers at a click, we provide product-specific guidance explaining what makes a product sustainable: it is certified (considering environmental and social aspects) and/or it meets service life extension aspects. A filter allows customers to preselect products according to the criteria described in this guidance.

### **Sustainable Choice BusinessShops: Sustainable catalogues from sustainable suppliers**

Another measure is the establishment of the Sustainable Choice vertical. As already explained in Criterion 9, a stakeholder dialogue for introducing the Sustainable Choice vertical was conducted in late 2020 in order to involve the groups of experts working in sustainability in the innovation process. As a result, sustainable items from sustainable suppliers are listed on Sustainable Choice. The stakeholder dialogue enabled the expertise and interests of all stakeholders (buyers, suppliers, NGOs, German Environment Agency) to be bundled so that a networking platform for sustainable items could be designed to do justice to all stakeholders in the best way possible. This development process was characterised by continuous mutual feedback, i.e. the stakeholders were involved in all milestones. Several meetings were held with the Advisory Board made up of various experts from NGOs, particularly when drawing up the questionnaire used to evaluate the sustainability performance of the suppliers applying for Sustainable Choice. In the questionnaire, certain basic criteria must be met by suppliers before they are permitted to go online with a catalogue on Sustainable Choice. The list of criteria is publicly available, and the supplier's responses are posted on the Sustainable Choice website to strengthen credibility.

Only through cooperation with stakeholders and constant dialogue can we ensure that Sustainable Choice fulfils its objective and will continue to be used in the future. The aims are to facilitate the transformation to sustainable procurement for customers and to prominently position sustainable suppliers with sustainable products.

### **Introduction of risk assessment for all suppliers**

An evaluation process is in place to ensure we only work with suppliers who fully comply with the LkSG Supply Chain Act. Even though we ourselves aren't subject to the LkSG due to the size of our company, we still want to meet the resulting requirements. So, a first step is revising the Code of Conduct, to be followed by a supplier questionnaire developed in 2021. See Criterion 17 for more details.

## KPIs regarding Criterion 10

*KPI G4-FS11*

*Percentage of financial assets subject to positive and negative environmental or social screening.*

*(NB: The indicator should also be reported when reporting to GRI SRS)*

We don't make any financial investments.



# Criteria 11–20: Sustainability Aspects

## Criteria 11–13: Environmental Concerns

### 11. Usage of Natural Resources

*Unite discloses the extent to which it uses natural resources for its business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.*

Being an IT service company that provides a trading platform but doesn't offer its own physical goods or logistics, our direct consumption of natural resources is fairly limited. Even so, we're aware that our business model wouldn't be possible without the processing of natural resources and the consumption of the resulting products. The main risks regarding natural resources and the environment therefore lie primarily with our upstream suppliers. Unfortunately, we aren't yet able to determine this indirect consumption on the basis of the data at our disposal.

The direct consumption of resources for the provision of our platform services in Germany is set out below. Note that due to the lack of various data, all the following figures refer to 2020 rather than 2021.

- Electricity: In 2020, 525,370 kWh of electricity was consumed.
- Heat: In 2020, 690,268 kWh of heat was consumed.
- Fossil fuels: In 2020, fossil fuels were consumed for air travel (about 1,200 litres of kerosene) and car travel (about 67,230 litres of diesel) with an energy value of around 683,741 kWh.
- Land: The amount of land consumed for the three branch offices in Munich, Köthen and Leipzig totals 11,499.18 square metres.
- Waste: No data is available on the amount of waste generated. Only standard office waste arises, which is separated before being disposed of.

Detailed information regarding heat, electricity and fossil fuels is given in Criterion 12.

## 12. Resource Management

*Unite discloses what qualitative and quantitative goals it has set itself regarding its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.*

### Limited influence on the resource management of producers and suppliers

Unite's business model doesn't require the internal consumption of large amounts of raw materials. Unlike dealers, Unite doesn't need a logistics infrastructure for its networking platform. Moreover, unlike various retailers and other platform companies like Amazon, Unite doesn't carry its own products. The issues of resource productivity and the use of ecosystem services lie primarily with the producers and suppliers of the products bought and sold on Unite's networking platform. Unite can therefore only indirectly influence resource issues by prominently displaying product certificates for resource-efficient production and making them selectable. This form of indirect influence through transparency will be taken to the next level when more detailed supplier self-disclosure regarding aspects of environmental and social sustainability is introduced. More information on self-disclosure and the Sustainable Choice vertical is contained in Criteria 10 and 17.

### Consumption of resources during our business operations

Our internal resource consumption primarily occurs in heat, electricity, transport, office supplies and office equipment. In 2020, we managed to significantly reduce resource consumption in the areas of transport, heat and electricity.

- **Heat:** The consumption of heat recorded here takes place at our three main branch offices in Köthen, Munich and Leipzig. Data hasn't been recorded for our subsidiaries outside Germany or for employees working from home. All in all, 690,268 kWh of heat was consumed at our three branch offices in 2020, equating to a reduction of about 6% from the previous year. Whereas in Köthen, heating is powered by natural gas, district heating is used in Munich and Leipzig. (Unfortunately, the consumption figures for 2021 aren't available yet.) We assume that this drop in consumption is mainly attributable to the reduced use of offices with many people working from home during the Covid pandemic. It can't be ruled out that reduced consumption at our branch offices was partly or even completely offset by an increase in heating consumption by people working from home, for which we have no figures. To eliminate this gap in our data, we will design a method starting in 2022 to estimate the heating energy consumed by staff working from home.
- **Electricity:** The electricity consumption recorded here is attributable to our three main branch offices in Köthen, Munich and Leipzig as well as our data centre in Berlin and whenever our staff work from home. We have no data regarding our non-German subsidiaries. In total, 506,447 kWh of electricity was consumed at our three branch offices and the data centre in 2020. In addition, approximately 18,923 kWh of electricity was consumed by employees working from home. (This amount was estimated based on the number of WFH days, the standard IT equipment of our employees, and the German electricity mix.) In total, electricity consumption only fell by 2% compared to the previous year. However, the consumption of natural resources associated with electricity was significantly altered by switching to green electricity tariffs at all our branch offices, the share of green electricity rising from 0% in 2019 to 63.6% in 2020.
- **Transport:** Transport comprises business trips by company car, private vehicles, taxis and car rentals, as well as rail and air travel. Measured in terms of kilometres travelled, the highest consumption of fossil fuels is caused by the use of cars. Assuming an average consumption of 6.97 litres per 100 kilometres, we've noted that approximately 67,232 litres of fuel (equivalent to approximately 672,327 kWh) was consumed for around 960,000 kilometres travelled in 2020. About 1,200 litres of kerosene was consumed for around 19,000 kilometres of air travel (assuming

consumption rates of 4.12 litres per 100 kilometres per passenger for short-haul flights and 7.1 litres for medium-haul), corresponding to about 11,414 kWh. Approximately 260,000 kilometres was travelled by train, which equates to an electricity consumption of about 6,572 to 9,454 kWh. (This uncertainty results from the difference in consumption at different speeds of InterCity trains according to Deutsche Bahn.) There is a Covid-related reduction in transport kilometres of 58% (1,733,394 km) compared to the previous year. In addition to fuel consumption for travel, resources are also consumed due to the wear and tear of vehicles and the purchase of new ones. We can only provide concrete data regarding the number of new vehicles purchased for Unite's own fleet. In 2021, one new vehicle was bought while 13 leasing contracts which had expired were replaced by new ones. In total, there were 56 vehicles in Unite's fleet ranging from compact to luxury class.

### **Resource management, resource efficiency and reduction approaches**

There are no holistic targets or goals for resource efficiency and conservation regarding the internal procurement and consumption of resources used for transport, heating, electricity and other office activities. Nevertheless, initial measures for reduction and resource efficiency were taken in 2020 and 2021 and are outlined below.

- Electricity: The electricity contracts were changed from the German electricity mix to electricity from renewable energies, reducing the consumption of CO2e emissions.
- Transport: The travel policy will be revised in 2022 such that air travel is avoided and rail travel is always recommended as the most sustainable mode of transport. Specifically, a ban on domestic flights will be introduced.
- Furthermore, our company car regulations were revised in favour of CO2-reduced transport. A comparison calculator was introduced showing lifecycle CO2 emissions for individual vehicles, enabling the vehicle with the lowest climate impact to be chosen. In addition, several vehicles in the fleet have already been replaced by electric cars.
- Working from home: The options introduced from 2021 under the Smart Work concept are intended to strengthen WFH after the pandemic restrictions, too. The aim is to preserve at least part of the reduced consumption of natural resources brought about by Covid measures.
- Space and heat: At the Leipzig and Munich branch offices, one floor each was closed down, and measures were taken for the more efficient use of space to accommodate the increase in staff. This reduced the consumption of both space and heat.
- Office materials: The procurement process was laid down in purchasing guidelines. These guidelines include sustainability criteria for office supplies.

Since 2020, these measures have been supported by information campaigns initiated and developed by the Ecological Sustainability Team. Guidance has been provided on proper heating and ventilation as well as on choosing the best means of transport in terms of sustainability.

### **Material risks for the environment and natural resources from our business activities**

A risk assessment carried out in 2020 and 2021 in connection with the materiality analysis revealed the following material risks for the environment and natural resources. Issues relating directly or indirectly to the reduction of biodiversity, the intensification of climate change, environmental pollution, the consumption of non-renewable raw materials and/or the use of non-recyclable products (based on the six environmental objectives of the EU Taxonomy Regulation) were classified as material risks.

- Climate-change risks due to greenhouse gas emissions from energy for electricity, heat and transport (see Criterion 13)
- Environmental risks associated with fossil fuels such as natural gas for heat as well as crude oil as the basis for petrol and diesel, e.g. possible harm to biodiversity as well as environmental pollution in connection with the extraction of raw materials
- Risks associated with the consumption of resources for the platform's IT infrastructure, e.g. the use of resources in non-recyclable IT hardware
- Environmental risks, especially for biodiversity, from the creation of impervious surfaces for our branch offices, e.g. in connection with the construction of our new head office in Leipzig
- The outsourcing of resource consumption to manufacturers and suppliers of products sold on our platform and the associated environmental risks. The growth of our business model is firmly linked to this resource consumption and a form of circular economy is not yet apparent.

Risks have so far only been quantified for greenhouse gas emissions. This is explained in more detail in Criterion 13. The risk assessment will be specified in more detail and expanded, if necessary, when the sustainability strategy is developed in 2022. Individual approaches to risk reduction were outlined in the previous section.

## KPIs: Criteria 11 to 12

### *KPI GRI SRS-301-1: Materials used*

*Unite discloses the following information:*

*a) Total weight or volume of materials that it uses to produce and package its primary products and services during the reporting period, by:*

- i) non-renewable materials used*
- ii) renewable materials used.*

### **Materials/resources for workplace equipment:**

Not yet recorded.

### **Paper:**

Insignificant as our offices are largely paper-free.

### *KPI GRI SRS-302-1: Energy consumption*

*Unite discloses the following information:*

*a) Total fuel consumption within Unite from non-renewable sources, in joules or factors thereof, and including fuel types used.*

*b) Total fuel consumption within Unite from renewable sources, in joules or factors thereof, and including fuel types used.*

*c) In joules, watt-hours or factors thereof, the total:*

- i) Electricity consumption*
- ii) Heating consumption*
- iii) Cooling consumption*
- iv) Steam consumption*

*d) In joules, watt-hours or FACTORS, the total:*

- i) Electricity sold*
- ii) Heating sold*
- iii) Cooling sold*
- iv) Steam sold*

*e) Total energy consumption within Unite, in joules or factors thereof.*

*f) Standards, methodologies, assumptions, and/or calculation tools used.*

*g) Source of the conversion factors used.*

- **Heat:** The consumption of heat recorded here takes place at our three main branch offices in Köthen, Munich and Leipzig. Data hasn't been recorded for our subsidiaries outside Germany or for employees working from home. All in all, 690,268 kWh of heat was consumed at our three branch offices in 2020, equating to a reduction of about 6% from the previous year. Whereas in Köthen, heating is powered by natural gas, district heating is used in Munich and Leipzig. (Unfortunately, the consumption figures for 2021 aren't available yet.) We assume that this drop in consumption is mainly attributable to the reduced use of offices with many people working from home

during the Covid pandemic. It can't be ruled out that reduced consumption at our branch offices was partly or even completely offset by an increase in heating consumption by people working from home, for which we have no figures. To eliminate this gap in our data, we will design a method starting in 2022 to estimate the heating energy consumed by staff working from home.

- **Electricity:** The electricity consumption recorded here is attributable to our three main branch offices in Köthen, Munich and Leipzig as well as our data centre in Berlin and whenever our staff work from home. We have no data regarding our non-German subsidiaries. In total, 506,447 kWh of electricity was consumed at our three branch offices and the data centre in 2020. In addition, approximately 18,923 kWh of electricity was consumed by employees working from home. (This amount was estimated based on the number of WFH days, the standard IT equipment of our employees, and the German electricity mix.) In total, electricity consumption only fell by 2% compared to the previous year. However, the consumption of natural resources associated with electricity was significantly altered by switching to green electricity tariffs at all our branch offices, the share of green electricity rising from 0% in 2019 to 63.6% in 2020.
- **Transport:** Transport comprises business trips by company car, private vehicles, taxis and car rentals, as well as rail and air travel. Measured in terms of kilometres travelled, the highest consumption of fossil fuels is caused by the use of cars. Assuming an average consumption of 6.97 litres per 100 kilometres, we've noted that approximately 67,232 litres of fuel (equivalent to approximately 672,327 kWh) was consumed for around 960,000 kilometres travelled in 2020. About 1,200 litres of kerosene was consumed for around 19,000 kilometres of air travel (assuming consumption rates of 4.12 litres per 100 kilometres per passenger for short-haul flights and 7.1 litres for medium-haul), corresponding to about 11,414 kWh. Approximately 260,000 kilometres was travelled by train, which equates to an electricity consumption of about 6,572 to 9,454 kWh. (This uncertainty results from the difference in consumption at different speeds of InterCity trains according to Deutsche Bahn.) There is a Covid-related reduction in transport kilometres of 58% (1,733,394 km) compared to the previous year. In addition to fuel consumption for travel, resources are also consumed due to the wear and tear of vehicles and the purchase of new ones. We can only provide concrete data regarding the number of new vehicles purchased for Unite's own fleet. In 2021, one new vehicle was bought while 13 leasing contracts which had expired were replaced by new ones. In total, there were 56 vehicles in Unite's fleet ranging from compact to luxury class.

*KPI GRI SRS-302-4: Reduction of energy consumption*

*Unite discloses the following information:*

- a) Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or a factor thereof.*
- b) Types of energy included in the reductions, whether fuel, electricity, heating, cooling, steam, or all.*
- c) Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.*
- d) Standards, methodologies, assumptions, and/or calculation tools used.*

There are no holistic targets or goals for resource efficiency and conservation regarding the internal procurement and consumption of resources used for transport, heating, electricity and other office activities. Nevertheless, initial measures for reduction and resource efficiency were taken in 2020 and 2021 and are outlined below.

- Electricity: The electricity contracts were changed from the German electricity mix to electricity from renewable energies, reducing the consumption of CO<sub>2</sub>e emissions.
- Transport: The travel policy will be revised in 2022 such that air travel is avoided and rail travel is always recommended as the most sustainable mode of transport. Specifically, a ban on domestic flights will be introduced.
- Furthermore, our company car regulations were revised in favour of CO<sub>2</sub>-reduced transport. A comparison calculator was introduced showing lifecycle CO<sub>2</sub> emissions for individual vehicles, enabling the vehicle with the lowest climate impact to be chosen. In addition, several vehicles in the fleet have already been replaced by electric cars.
- Working from home: The options introduced from 2021 under the Smart Work concept are intended to strengthen WFH after the pandemic restrictions, too. The aim is to preserve at least part of the reduced consumption of natural resources brought about by Covid measures.
- Space and heat: At the Leipzig and Munich branch offices, one floor each was closed down, and measures were taken for the more efficient use of space to accommodate the increase in staff. This reduced the consumption of both space and heat.
- Office materials: The procurement process was laid down in purchasing guidelines. These guidelines include sustainability criteria for office supplies.

Since 2020, these measures have been supported by information campaigns initiated and developed by the Ecological Sustainability Team. Guidance has been provided on proper heating and ventilation as well as on choosing the best means of transport in terms of sustainability. The measures taken led to the following reduction in energy consumption in 2020:

- Electricity: In total, 506,447 kWh of electricity was consumed at our three branch offices and the data centre in 2020. Compared to electricity consumption of 536,277 kWh in 2019, this equates to a saving of about 2%.

□

- **Heat:** In total, 690,268 kWh of heat was consumed at our three branch offices in 2020. Compared to consumption of 736,422 kWh in 2019, this results in a saving of approximately 6.27%.
- **Fuel:** In total, 683,741.9 kWh of fuel was consumed for cars and aircraft in 2020. In contrast, fuel consumption in 2019 was 1,244,252 kWh, corresponding to a saving of about 45%.

*KPI GRI SRS-303-3: Water extraction*

*Unite discloses the following information:*

- a) Total water extraction from all areas in million litres, and a breakdown of this total by the following sources, if applicable:*
- i) Surface water*
  - ii) Groundwater*
  - iii) Seawater*
  - iv) Produced water*
  - v) Third-party water.*
- b) Total water withdrawal from all areas with water stress in million litres, and a breakdown of this total by the following sources, if applicable:*
- i) Surface water*
  - ii) Groundwater*
  - iii) Seawater*
  - iv) Produced water*
  - v) Third-party water, and a breakdown of this total by withdrawal sources listed in i–iv.*
- c) A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in million litres by the following categories:*
- i) Freshwater ( $\leq 1,000$  mg/l total dissolved solids);*
  - ii) Other water ( $> 1,000$  mg/l total dissolved solids).*
- d) Any contextual information necessary to understand how Unite has compiled the data, such as any standards, methodologies, and assumptions used.*

The quantity of water extracted in 2020 was 2755.72 l. However, since the figure for one building included here is from 2019, the total value will probably be somewhat lower due to people working from home rather than in the office.

*KPI GRI SRS-306-3 (2020): Waste generated*

*Unite discloses the following information:*

- a) Total weight of waste generated in metric tonnes, and a breakdown of this total by composition of the waste.*
- b) Contextual information necessary to understand the data and how Unite has compiled it.*

The separation of standard office waste has already been implemented. The quantities of different types of waste have not yet been recorded. This will only be introduced after the move to the new office building, where the waste generated can only be attributed to us as the sole tenant, and more waste will be produced due to the in-house canteen.



## 13. Climate-Relevant Emissions

*Unite discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions.*

To determine our climate-relevant emissions, we calculated our CO<sub>2</sub>e footprint for the first time in 2019 and then did the same for 2020 (albeit in 2022). The figures for 2021 can't be calculated due to the lack of data concerning heat and travel. All of the following explanations are based on these calculations, which were carried out within the following limits:

- Calculation regime: Greenhouse Gas Protocol
- Emission factors: From the ecoinvent, GEMIS and UBA databases
- Time scale: 2019 (the last possible base year before corona-related special effects) and 2020
- Organisational scope: Our German sites – branch offices in Leipzig, Köthen and Munich, and the data centre in Berlin
- Operational scope: Scope 1.2 Direct emissions from combustion processes of mobile sources; Scope 2.1 Emissions from purchased electricity; 2.2 Emissions from district heating/cooling; Scope 3.6 Business travel

The scopes were devised such that the main emission sources and the primary share of company locations were covered.

### Our business operations are on their way to reducing emissions

The calculation of our CO<sub>2</sub>e footprint for 2019 and 2020 revealed that emissions can be broken down as follows:

- Business transport (fleet, taxi, car rentals, etc.): About 314 tCO<sub>2</sub>e in 2020 and 575 tCO<sub>2</sub>e in 2019
- Electricity: About 77 tCO<sub>2</sub>e in 2020 and 221 tCO<sub>2</sub>e in 2019
- Heat: About 190 tCO<sub>2</sub>e in 2020 and 202 tCO<sub>2</sub>e in 2019

In the long term, we aim to become climate-neutral in accordance with the Paris Climate Accords by reducing avoidable emissions and offsetting unavoidable emissions. The concrete elaboration of this goal – including a reduction roadmap, more precise definitions, and the planned handling of non-reducible emissions as well as the use of compensation options – will take place in 2022. It's already apparent that this goal will be achieved primarily through reduction and only secondarily through compensation. We're not trying to greenwash our own impact on the climate.

### Temporary and sustainable reduction from 2019 to 2020

The 2020 figures show a significant reduction in CO<sub>2</sub>e emissions of 41% compared to the previous year. However, this can only be partly assumed to be a lasting reduction. Nevertheless, we've already initiated various measures to turn the partly temporary, Covid-related effects into a sustainable contribution to climate protection.

- Business travel: A significant reduction of 45% compared to the previous year is apparent. However, this reduction is largely due to the Covid-related restrictions. It's therefore only a temporary decrease – and so only a limited contribution to climate mitigation. The only permanent measure would be to switch to the greater use of electric vehicles (which only accounted for 1.2% of the kilometres travelled by road in 2020). The revision of our travel expenses policy (see Criterion 12) and the introduction of our Smart Work concept for flexible working from home (see Criterion 15) are intended to make part of the Covid-related reduction in harmful emissions permanent. However, the success of this approach can only be initially evaluated by means of the CO<sub>2</sub> footprint for 2022. And this will also mean extending the operational scope to include staff commuting.

- **Heat:** The 12% reduction compared to the previous year should be viewed with caution. Since the additional consumption of heating energy by those working from home hasn't been measured yet (see Criterion 12), it's unclear whether the reduction was negated due to WFH. Furthermore, we assume that reduced consumption (in 2020) at our branch offices is only a temporary, Covid-related effect. By contrast, our new head office in Leipzig should contribute to the sustainable reduction of our heat consumption. It's being built with far-reaching sustainability criteria in mind and will replace our current premises from 2023. In addition, our Smart Work concept (see Criterion 15) is intended to achieve a sustainable reduction in our office space requirement per employee in Leipzig and Munich. This is expected to lead to further lasting reduction in both heat consumption and the associated emissions.
- **Electricity:** There is a clear reduction in CO<sub>2</sub>e emissions of over 65% compared to the previous year. This reduction isn't due to pandemic-related effects, but results from the conversion of all our branch offices to renewable energy.

Furthermore, the additional electricity consumption caused by WFH was already considered when calculating emissions for 2020 (the amount estimated was based on the number of home office days, the standard IT equipment of our employees and the German electricity mix), and so possible uncertainty due to missing data (as in the case of heat) can be ruled out. It can therefore be assumed that the reduction represents a sustainable contribution to climate protection. A further reduction in emissions would require the conversion of the data centre to electricity from renewable sources. Since our servers are located on the premises of an external provider, this change is beyond our influence. Nevertheless, it's our goal to persuade the owner of the data centre to switch to green energy by the end of 2023.

#### **Measuring our climate-relevant emissions through our networking platform**

It isn't yet possible to measure the CO<sub>2</sub>e footprint of all the products traded on our platform. It largely depends on when the majority of manufacturers and suppliers make their product carbon footprints available. However, we will review whether a KPI on the share of climate-neutral products (usually through offsetting) can be determined on the basis of the available product information. The new supplier self-disclosure will also include climate-relevant emissions related to shipping. More information on the self-disclosure is contained in Criteria 10 and 17.

## KPIs regarding Criterion 13

*KPI GRI SRS-305-1 (see GH-EN15): Direct (Scope 1) GHG emissions*

*Unite discloses the following information:*

- a) Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.*
- b) Gases included in the calculation, whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3 or all.*
- c) Biogenic CO2 emissions in metric tons of CO2 equivalent.*
- d) Base year for the calculation, if applicable, including:
  - i) The rationale for choosing it*
  - ii) Emissions in the base year*
  - iii) The context for any significant changes in emissions that triggered recalculations of base year emissions.**
- e) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.*
- f) Consolidation approach for emissions; whether equity share, financial control, or operational control.*
- g) Standards, methodologies, assumptions, and/or calculation tools used.*

### Scope 1 – Reporting year 2020

#### Scope 1.2 – Direct emissions from combustion processes of mobile sources

Company cars (fuel)	270,548 kgCO2e
Company cars (electricity)	1,440 kgCO2e
Shuttle	2,813 kgCO2e

Total of Scope 1 274,801 kgCO2e

*KPI GRI SRS-305-2: Indirect (Scope 2) energy-related GHG emissions*

*Unite discloses the following information:*

- a) Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.*
- b) If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.*
- c) If applicable, gases included in the calculation, whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3 or all.*
- d) Base year for the calculation, if applicable, including:
  - i) The rationale for choosing it*
  - ii) Emissions in the base year*
  - iii) The context for any significant changes in emissions that triggered recalculations of base year emissions.**
- e) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.*
- f) Consolidation approach for emissions; whether equity share, financial control, or operational control.*
- g) Standards, methodologies, assumptions, and/or calculation tools used.*

**Scope 2 – Reporting year 2020**

**Scope 2.1 – Emissions from purchased electricity**

German branch offices	0 kgCO2e
Working from home	7,588 kgCO2e
Data centre	69,084 kgCO2e

**Scope 2.2 – Emissions from district heating/cooling**

German branch offices	190,463 kgCO2e
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Total of Scope 2 267,136 kgCO2e

*KPI GRI SRS-305-3: Other indirect (Scope 3) energy-related GHG emissions.*

*Unite discloses the following information:*

- a) Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.*
- b) If applicable, gases included in the calculation, whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3 or all.*
- c) Biogenic CO2 emissions in metric tons of CO2 equivalent.*
- d) Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.*
- e) Base year for the calculation, if applicable, including:*
  - i) The rationale for choosing it*
  - ii) Emissions in the base year*
  - iii) The context for any significant changes in emissions that triggered recalculations of base year emissions.*
- f) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.*
- g) Standards, methodologies, assumptions, and/or calculation tools used.*

### **Scope 3 – Reporting year 2020**

#### **Scope 3.6 – Business travel**

Rail	8,667 kgCO2e
Air	4,074 kgCO2e
Road	26,421 kgCO2e

Total of Scope 3 39,161 kgCO2e

*KPI GRI SRS-305-5: Reduction of GHG emissions*

*Unite discloses the following information:*

*a) GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent.*

*b) Gases included in the calculation, whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3 or all.*

*c) Base year or baseline, including the rationale for choosing it.*

*d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).*

*e) Standards, methodologies, assumptions, and/or calculation tools used.*

	2019	2020	Change
<b>Scope 1</b>	429,551 kgCO2e	274,801 kgCO2e	-36%
<b>Scope 2</b>	423,362 kgCO2e	267,136 kgCO2e	-37%
<b>Scope 3</b>	146,136 kgCO2e	39,161 kgCO2e	-73%

# Criteria 14–20: Society

## 14. Employment Rights

*Unite reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.*

### **German social standards as a minimum for all employees**

Unite operates in 15 European countries. It goes without saying that we respect national and international standards (such as the ILO's Core Labour Standards) and laws on the protection of workers' rights. Compliance with workers' rights is additionally guaranteed by the Code of Conduct, which is issued to each employee together with their employment contract.

Whenever employee protection or contractual elements such as holiday entitlement in non-German jurisdictions deviate significantly from the relevant German regulations, German social standards are nevertheless applied to Unite subsidiaries abroad. This makes German social standards our minimum level of employee protection for all members of staff, regardless of their place of residence.

### **Employee involvement in the development of a sustainability management system**

The basis for active participation is the transparency of Unite's corporate strategy and sustainability developments in the company. In addition to the development of the company and the market along with facts and figures, the Executive Board regularly reports on sustainability at Unite in its monthly livestream 'Hello Unite'. Sharing information in this way lays the foundations for the contribution of ideas.

The Environmental Sustainability Team was set up in 2019 out of intrinsic motivation. It aims to help colleagues take ecologically aware decisions to reduce Unite's negative footprint.

The topic of health protection is addressed by a BGM (Occupational Health Management) team. This team is involved in protecting employees' health by organising various preventive measures.

Before completing the Ecovadis questionnaire for re-evaluation, meetings were held with various departments. The joint goal was to gather knowledge within the company to obtain the best possible objective assessment while laying the initial foundations for sustainability management.

Later in 2021, a large-scale participation process will be carried out. It will include the involvement of all employees to identify key sustainability issues (see Criterion 2) and will also the participation of representatives of various departments in workshops to devise sustainability measures.

### **Participation of employees in occupational health and safety**

As far as occupational health and safety are concerned, our measures go far beyond the legal requirements. Among our employees are trained safety officers and fire protection assistants. In addition to being responsible for compliance with legal requirements, they also provide new employees with relevant information during the onboarding. Compulsory

training in occupational safety, which was rolled out in the company in 2021 via a Learning Management System, enhances employees' existing knowledge. The topic of health protection is addressed by a BGM (Occupational Health

Management) team. The BGM team organises skin cancer screenings, eye check-ups, exercise sessions, flu vaccinations, and other preventive health measures. We have received several awards from the Barmer health insurance company for being a model employer.

'Ergonomics guides' provide training on correct posture in the workplace to counteract back pain and other complaints associated with sitting in front of computer screens for extended periods.

### **Risks from our growth and internationalisation for the employment rights of Unite's staff and its corporate culture**

We need to distinguish between two types of risks: on the one hand, negative effects on workers' rights for Unite employees due to the growth of its business, and on the other, risks for workers' rights due to the increasingly diverse business relationships of our contractors.

The growing number of employees at Unite, both in Germany and abroad, means that staff in the various foreign subsidiaries are subject to different legal requirements. We will therefore increasingly face the risk that the rights guaranteed to employees by law fall short of German social standards, which have been internally declared to be the minimum. To address this risk and to be able to assess its severity, an audit will be conducted by the end of 2023. The aim is to identify the countries with foreign subsidiaries that risk falling below Germany's social standards. If the outcome of this audit is negative for individual countries, the necessary changes will be made. Furthermore, we will be able to conclude from the risk assessment where preventive measures are both logical and necessary in response to Unite's continuous international growth to protect workers' rights.

One result of the analysis started in 2021 is the identification of differences in working hours and holiday entitlement. Minimum annual leave of 27 days was stipulated for all employees, regardless of the subsidiary they work for. Moreover, flexitime (as described in Criterion 15) was introduced for all employees. In addition to the legal provisions, it was decided that Smart Work (also described in Criterion 15) would be applied equally in all non-German subsidiaries in 2022. Furthermore, all employees will also be offered training opportunities and budgets for team events.

Increasing internationalisation also brings with it the risk of not being able to integrate all employees into the corporate culture. An extensive onboarding process undergone by every new employee is intended to counteract this. It includes the introduction of our value model and the assignment of a buddy to each new employee. The buddy is an employee of another department who is entrusted with the task of supporting a new employee right from the start. The buddy can, for instance, answer cross-departmental questions on professional or cultural topics, while over lunch together, the buddy might give a new employee an overview of the sports activities as well as other company-wide activities designed to strengthen the 'we' feeling at Unite.

As described in Criterion 9, a Culture Circle will be elected in 2022, which will take up a regular dialogue with the management of Unite Holding SE regarding aspects of cross-border, international and national cooperation within the company. Colleagues from the non-German subsidiaries will also be represented on this Culture Circle according to a certain formula in order to jointly represent the interests of group employees.

Apart from the predominantly positive influence of new employees for the continuous development of Unite's corporate culture, there is also the risk of negative influences. These may arise due to conflicts with Unite's corporate values, for instance owing to a different understanding of the value of cultural diversity. Given the company's expansion, this development must be monitored and, if need be, counteracted with focused measures, particularly by our

specially created Organisational Development Department. Generally speaking, however, we don't consider the internationalisation of Unite a risk, but instead an opportunity, for example in connection with growing cultural diversity.



**Risks from growth and internationalisation for the protection of the rights of our business partners' employees**

In addition to our employees, we also need to consider the rights of the employees of the business partners on our trading platform. The steadily growing number of suppliers listing their stock on our platform increases the risk of non-compliance with workers' rights among our business contacts.

In 2021, we revised our Code of Conduct with the support of the Business & Human Rights Helpdesk. The aim was to reflect the requirements of the Supply Chain Act, an essential element of which is compliance with workers' rights. This process is described in more detail in Criterion 17.

## 15. Equal Opportunities

*Unite discloses in what way it has implemented national and international processes and its goals for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.*

### Diversity, equity and inclusion as part of our values

One of our Unite values is diversity with the following principles:

- We don't use digitalisation primarily for standardisation, but rather to highlight uniqueness.
- We're convinced that each and every one of us has some intrinsic uniqueness that can help us.
- We draw strength from diversity and differences.

Unite employs 677 people from 31 different nationalities, 57% of whom are female. The share of management positions held by women is 41%. The age structure ranges from 16 to 63. The majority of employees are aged between 30 and 50.

Our international recruitment contributes to cultural diversity.

No specific targets have been drawn up for continuous development in the realm of equal opportunities and diversity.

As already described in Criterion 7, we would first like to record the status quo using various diversity KPIs. For this purpose, we will regularly consider the GRI indicators age, gender and nationality. Other diversity KPIs are to be introduced in 2022 based on the levels of the Diversity Charter we signed. Various diversity KPIs, their benefits and the outcomes of the survey are to be discussed at a meeting to be held with several departments in 2022.

In 2021, we introduced **gender-neutral language** in both our internal and external communication. Our corporate values are reflected not only in our activities, but also in how we speak and write. We have described and defined six guiding principles to live up to:

- **Sustainable:** We are committed to the happiness and growth of our people. We want everyone to always feel at home with us. No one should feel excluded linguistically.
- **Diverse:** We're convinced that every one of us has some intrinsic uniqueness that can help us. Because we respect and value everyone, we also want to address everybody individually.
- **Honest:** We give everyone a chance and believe in their good qualities. Language creates trust. By addressing everyone, we give everyone a chance to be successful in the company.
- **Fair:** We take decisions fairly and transparently and treat others as we would wish to be treated ourselves. We respect that not everyone feels addressed by the masculine form, even if this doesn't apply to us personally. We make an effort because it's important to others.
- **Courageous:** Go on, you can do it! We're open and receptive to changes in language and expression. Let's try it out!
- **Human:** We're genuinely interested in each other. We want to know what someone wants to be called and how they'd like to be addressed.

At the same time, we realise that spoken language can't be expected to change overnight. Tips are provided on an intranet page to help people learn how to use neutral language.

### **English as the lingua franca**

Due to our international activities and our international alignment, as well as the growing organisational integration of employees in our non-German subsidiaries into company-wide activities and the planned increase in the number of remote workers recruited worldwide, our goal was to introduce English as the lingua franca in 2021. We have now achieved this. English as our lingua franca will help us think and act globally. Furthermore, this empowers internal networking and preserves the 'we' feeling, despite our international expansion.

This change had to be well prepared because of the possible tension between inclusion and productivity as well as flexibility and clarity in the introduction of a set of rules. It was agreed that whenever anyone doesn't speak German, English will be used to enable dialogue and ensure that no one feels left out. Employees help each other if there is a need for translation. For live events or video messages, either simultaneous interpretation is provided or subtitles are used.

In order to make this change as pleasant as possible for all employees and free of embarrassment in case they're not as proficient at English as they'd like to be, various English courses have been on offer since 2005, and have been stepped up in recent years. In addition, other tools are available, such as language tandems, attending digital comedy evenings in English, and going to an English digital pub.

In addition, non-German-speaking colleagues and remote workers can attend in-house German courses. This in turn strengthens the acceptance and integration of foreign colleagues.

### **Working time means trust at Unite**

Unite has an open, transparent corporate culture based on trust and personal responsibility. As a result, we don't adhere to strict working times, but offer all employees trust-based working time depending on their responsibilities and their personal circumstances. The principle of trust-based working hours applies.

Note that this flexitime model doesn't apply to service positions, where availability must be ensured within a certain time window so that employees can work two different shifts. The fixed shift system means there is no possibility of overtime occurring. Shifts are limited to the weekdays Monday to Friday, usually starting no earlier than 7am and ending no later than 6pm.

### **Work-life balance – even during the pandemic**

Family life is prized at Unite, which was expressed even more clearly in connection with the pandemic. The Executive Board realised that in times of WFH, home-schooling and no external childcare, the level of work could not be the same as before these repercussions of lockdown. This eased many employees' qualms and ensured equality for mothers and fathers since they faced the same challenges and needed to be addressed and treated equally.

Special leave days are granted for certain occasions. Sabbaticals and other time-off programmes are also supported.

The central location of Unite's branch offices in the towns and cities where it operates ensures short commutes, which in turn means more free time for staff.

### **Introduction of hybrid working**

With the launch of Smart Work, every employee is now offered the opportunity to work from home even after the pandemic. Smart Work covers all measures meeting the requirements of hybrid working while simultaneously strengthening a corporate culture that combines the need for autonomy and face-to-face meetings.

We believe that a common togetherness and a strong bond with our corporate culture through personal dialogue and interdisciplinary networking among all colleagues are essential for the success of the company. Therefore, the management wishes that every employee goes to the office at least twice a week (assuming distance allows). The remaining working time can be completed by choosing from various models. They're based on the requirements of each position and take into account employees' preferences. For example, those whose job means they can work mainly from home and do so with the agreement of their line manager will in future receive an allowance for internet and electricity, but won't have their own desk in the office. Instead, hot-desking will be introduced; employees can reserve desks from home using a booking system. Work contracts will be augmented for this purpose in 2022.

### **Appropriate remuneration for all employees**

Participation in the annual benchmark of the Empfehlungsbund ('Recommendation Association') ensures a salary structure that's competitive with the region and industry. In the past, we did very well in calculations by the DIW German Institute for Economic Research in terms of equal pay and the gender gap. In 2022, the aim is to have Unite reassessed by the DIW.

In times of furlough, Unite increased furlough pay to 100%.

The statutory minimum wage is exceeded significantly in all positions at Unite.

## 16. Qualifications

*Unite discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where it sees risks.*

### **Our dynamic market environment requires diverse training opportunities**

Motivated, satisfied, and therefore productive employees are one of our key success factors. Due to the very dynamic environment in which our company operates, the demands on our staff are constantly changing. We aim to maintain systematic training and development opportunities for our employees to meet these demands. Our in-house Academy enables employees to develop their soft and professional skills. Various categories are offered:

- Soft skills (e.g. successful communication, non-violent communication)
- Methods (e.g. project management)
- Company training (e.g. how orders are processed, product training)
- Team-building workshops
- Individual coaching by internal or external coaches
- Language courses in English and German

The impetus for the greater digitalisation of these training courses came about from the Covid pandemic. In 2021, the existing range was supplemented by remote seminars and e-learning. For this purpose, a Learning Management System was introduced, making it possible to ensure that participants have taken and completed mandatory courses. Furthermore, this tool can record the average number of hours spent on training and development and break these figures down by gender and other characteristics.

Another reason for introducing the Learning Management System was to make knowledge scalable. It allows knowledge to be acquired regardless of location, language and number of employees. In 2021, for example, the tool was extensively used for the first time to provide information about the change to the company's name and corporate form from Mercateo Beteiligungsholding AG to Unite Holding SE. The goal for 2022 is to expand the courses available on the platform. Furthermore, curricula are to be established from 2022. These role and department-specific learning paths will empower more individualised training plans (including mandatory training). We will start with curricula for onboarding new employees and department-specific curricula for sales staff.

### **Vocational training in four professional areas**

We conduct training in the areas of office management, dialogue marketing, digitalisation management and e-commerce. In addition, we collaborate with the school Freie Schule Anhalt. As well as imparting vocational training, we support the independent tackling of social problems. With this in mind, we promote collaborative projects among trainees, such as organising networking events. In 2021, the objective was to introduce trainees to aspects of ecological sustainability. However, due to capacity constraints, it was decided to prioritise the development of the five-minute tutorials described in more detail in this criterion. Through these tutorials, knowledge can be shared with the entire workforce, including trainees. A separate training format for trainees is to be developed in 2022.

We want to mould our own junior staff by taking on trainees as permanent employees once they've completed their training. With this in mind, we've set ourselves the goal of developing a more comprehensive mentoring programme in 2022. A substantial number of departments will be included so that trainees can gain a broad overview of the business processes and accumulate knowledge, making it easier for them to start work in any of a number of departments.

To support our trainees, in 2022 we'll set up a revision portal to help them prepare for exams. It will provide support for revision in the form of past exam papers, revision lists, flashcards, etc.

Also in 2022, we'll work with a Dresden-based prevention project called 'Social Web Goes to School' that's dedicated to the safe, responsible use of digital media throughout Saxony. In a workshop held by 'Social Web Goes to School', trainees will study the topics 'Fake News and Conspiracy Ideologies' and 'Digital Mindfulness'.

### **Training formats on sustainability aspects**

One of the findings of the employee survey conducted in connection with the materiality analysis was that some colleagues aren't aware of the current status of development of some aspects of sustainability.

Therefore, in 2022, information will be provided in the form of five-minute tutorials that can be accessed in the Learning Management System. There'll be three different areas, each of which will be offered in several short videos. The first is dedicated to sustainability at Unite, and the Executive Board will provide insight. The second area will focus on aspects of internal sustainability such as the presentation of our carbon footprint. Market-related sustainability topics such as the presentation of Sustainable Choice will be addressed in the third area. There will be a new video for each topic. The aim is to ensure that all employees are extensively informed so they can also provide information to our external partners.

### **Health management courses – face-to-face and online**

The health of our employees is to be continuously supported. This goal is promoted by our Organisational Development Team and the BGM (Occupational Health Management) Team. Due to the pandemic, some courses couldn't take place as planned, at least not face-to-face. Instead, the altered working conditions resulting from working from home were countered by offering various remote events. WFH poses health risks due to a lack of good workplace equipment, so staff were allowed to take monitors and office chairs home with them. Moreover, fitness classes were introduced during lunch breaks.

In 2022, we'll continue the various courses started during the pandemic. In response to the changing world of work with a larger share of remote working, we'll continuously review the need for additional health seminars addressing WFH.

### **Mental health**

The consequences of working from home may include not just physical but also increasing mental stress caused by the double burden of work and childcare as well as the lack of contact with colleagues.

In the mental health risk assessment survey carried out in 2018, many colleagues stated that they felt under stress and pressure for protracted periods. This feedback was repeatedly passed on to Human Resources and Organisational Development. In response, various anti-stress and mindfulness seminars were introduced.

In 2021, the Counselling Chat was introduced – a text-based service designed to relieve stress during the working day. Professional external counsellors provide support at short notice for coping with stress using the chat function in Teams or on WhatsApp, regardless of whether this concerns work-related or private matters. This correspondence is anonymous. This service went down well with colleagues in the pilot phase and will be maintained in 2022 and publicised throughout the company. Furthermore, the most important tools for coping with stress will be explained in a workshop that all employees are invited to attend.

In addition to the mental health risk assessment carried out in 2018, a master's thesis on the impact of WFH on stress levels was started in 2021. For this purpose, a company-wide survey was conducted in 2021. Questions were asked about organisational resources (e.g. time and professional development opportunities), personal resources (e.g. stamina at

work) and social resources (e.g. social support from managers). The results will be evaluated in 2022 and made available to Human Resources and Organisational Development to conclude suitable measures. The findings will also be fed back into the company in a summarised form.

### **Qualification as a response to the risks of digitalisation**

The increasing degree of digitalisation is accompanied by the risk of growing uncertainty about how to deal with data. Furthermore, the legal requirements surrounding data protection are increasing. Emails sent out by IT are intended to provide clarification in this regard. In 2021, mandatory training regarding data protection and information security was introduced in the new Learning Management System. Increasing digitalisation also poses the risk that certain human skills will be replaced by automation. However, the rapidly changing work environment will result in the need for specialisations elsewhere, for which employees will have to be trained and qualified.

### **Risks from the VUCA world**

The VUCA model describes the changing conditions and challenges managers and organisations face due to digitalisation.

VUCA stands for four characteristics of the modern world: volatility, uncertainty, complexity and ambiguity. They require increased flexibility and willingness to change on the part of employees. We want to help our staff deal with these challenges by developing a training programme in 2022. It will include the development of training courses to teach change competencies.

## KPIs: Criteria 14 to 16

### *KPI GRI SRS-403-9: Work-related injuries*

*Unite discloses the following information:*

*a. For all employees:*

- i) The number and rate of fatalities as a result of work-related injury*
- ii) The number and rate of high-consequence work-related injuries (excluding fatalities)*
- iii) The number and rate of recordable work-related injuries*
- iv) The main types of work-related injury*
- v) The number of hours worked.*

*b) For all workers who are not employees but whose work and/or workplace is controlled by Unite:*

- i) The number and rate of fatalities as a result of work-related injury*
- ii) The number and rate of high-consequence work-related injuries (excluding fatalities)*
- iii) The number and rate of recordable work-related injuries*
- iv) The main types of work-related injury*
- v) The number of hours worked.*

**Points c to g of the indicator SRS 403-9 are contained in the GRI standard and may additionally be reported here.**

### *KPI GRI SRS-403-10: Work-related ill health*

*Unite discloses the following information:*

*a) For all employees:*

- i) The number of fatalities as a result of work-related ill health*
- ii) The number of cases of recordable work-related ill health*
- iii) The main types of work-related ill health.*

*b) For all workers who are not employees but whose work and/or workplace is monitored by Unite:*

- i) The number of fatalities as a result of work-related ill health*
- ii) The number of cases of recordable work-related ill health*
- iii) The main types of work-related ill health.*

**Points c to e of the indicator SRS 403-10 are contained in the GRI standard and may additionally be reported here.**

### **GRI SRS-403-9 (a+b): Work-related injury**

Occupational and commuting accidents are recorded in an injury manual. Seven injuries were documented for 2021. There were no occupational accidents certified by a doctor and recorded by us as absenteeism in 2021. The lost time injury rate in 2021 was 0%. There were no fatalities. We don't record working hours due to the adoption of trust-based working time.

### **GRI SRS-403-10 (a+b): Work-related ill health**

According to a study carried out by health insurance companies, the three most common forms of ill health are diseases of the upper respiratory tract, diseases of the skeleton and mental illness. Since we're not a manufacturing company, we assume they also apply to us. However, we don't have a precise evaluation based on our employees' sick notes from their health insurers. Preventive measures are described in Criterion 16 in the section headed 'Health management'. Our sickness rate rose from 3.91% in 2020 to 4.45% in 2021. This increase can most likely be attributed to the highly infectious coronavirus variant Omicron.



*KPI GRI SRS-403-4: Worker participation in occupational health and safety*

*Unite discloses the following information: for employees and for workers who are not employees but whose work and/or workplace is monitored by Unite:*

*a) A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers*

*b) Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees*

The basis for active participation is the transparency of Unite's corporate strategy and sustainability developments in the company. In addition to the development of the company and the market along with facts and figures, the Executive Board regularly reports on sustainability at Unite in its monthly livestream 'Hello Unite'. Sharing information in this way lays the foundations for the contribution of ideas.

The Environmental Sustainability Team was set up in 2019 out of intrinsic motivation. It aims to help colleagues take ecologically aware decisions to reduce Unite's negative footprint.

As mentioned in the first section of Criterion 16, the BGM (Occupational Health Management) team is involved in protecting employees' health by organising various preventive measures.

There is also a high level of employee involvement in the Ecovadis rating. Before completing the Ecovadis questionnaire for re-evaluation, meetings were held with various departments. The joint goal was to gather knowledge within the company to obtain the best possible objective assessment while laying the initial foundations for sustainability management by taking stock.

Employee participation is also to be seen in the election and work of the Culture Circle described in Criterion 9.

*KPI GRI SRS-404-1 (see G4-LA9): Average hours of training and development*

*Unite discloses the following information:*

*a) Average hours of training that the organisation's employees have undertaken during the reporting period, by:*

- i) Gender*
- ii) Employee category.*

In 2021, the average time spent on training and development per employee was 54.9 hours. From 2022 onwards, a detailed evaluation broken down by gender and employee category will be possible thanks to the Learning Management System.

*KPI GRI SRS-405-1: Diversity*

*Unite discloses must disclose the following information:*

*a) Percentage of individuals within Unite's governance bodies in each of the following diversity categories:*

- i) Gender*
- ii) Age group: Under 30 years old, 30–50 years old, over 50 years old*
- iii) Other indicators of diversity where relevant (such as minority or vulnerable groups).*

*b) Percentage of employees per employee category in each of the following diversity categories:*

- i) Gender*
- ii) Age group: under 30 years old, 30–50 years old, over 50 years old*
- iii) Other indicators of diversity where relevant (such as minority or vulnerable groups).*

Unite employs 677 people from 31 different nationalities, 57% of whom are female. The share of management positions held by women is 41%. The age structure ranges from 16 to 63. The majority of employees are aged between 30 and 50.

Our Supervisory Board consists of one woman and three men, so 75% are male and 25% female. They belong to four different nationalities and are all over 50.

*KPI GRI SRS-406-1: Incidents of discrimination*

*The reporting organisation must disclose the following information:*

- a) Total number of incidents of discrimination during the reporting period.*
- b) Status of the incidents and actions taken with reference to the following:*
  - i) Incident reviewed by the organisation*
  - ii) Remediation plans being implemented*
  - iii) Remediation plans that have been implemented, with results reviewed through routine internal management review processes*
  - iv) Incident no longer subject to action.*

No cases of discrimination have been reported in our company.

## 17. Human Rights

*Unite discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. It also provides information on the results of the measures and on any relevant risks.*

We comply with internationally recognised human rights and reject inhumane practices such as forced labour and child labour. Our company principles bar cooperation with companies using or permitting such practices.

### **The Code of Conduct as a condition for access to our platform services**

In order to be allowed to access the trading platform, suppliers must first confirm their compliance with our Code of Conduct.

Revised in 2021, the new Code of Conduct places greater emphasis on the supply chain by making business partners responsible for upholding workers' and human rights not only in their own operations but also in their supply chains by introducing control mechanisms. To ensure that all aspects of the Supply Chain Act are considered, feedback from various stakeholders such as the Business & Human Rights Helpdesk was sought when the Code of Conduct was revised.

The new Code of Conduct will be rolled out in 2022 and is posted at [unite.eu/de-de/unite-coc](https://unite.eu/de-de/unite-coc). The Code of Conduct will be sent digitally to all business partners in 2022. To raise awareness of the commitment to comply with its requirements, the document will have to be signed. (Currently, the Code of Conduct is merely part of the contract.)

The Code of Conduct commits our direct business contacts to maintain and respect human rights. In addition, our direct business contacts undertake to ensure that their supply chains comply with this Code of Conduct – and that human rights are respected.

Furthermore, it obliges our business contacts to report actual or potential violations. This also includes violations affecting their supply chain. For this purpose, we'll introduce a whistleblower system in 2022, which is explained in more detail in Criterion 20.

### **Setting up risk assessment**

In 2022, compliance with the Code of Conduct will be assessed using a questionnaire. Suppliers' responses will enable their sustainability performance to be evaluated. The questionnaire includes 'red alert' questions highlighting non-compliance with the Code of Conduct and thus violations of workers' rights. If a supplier answers any of these questions in the negative, we talk to them in order to reach a joint solution. It's important for us to maintain and develop existing contractual relationships. This is the only way we can keep working towards ensuring that market participants also undertake to comply with the Supply Chain Act. Termination of a contractual relationship is the last resort. The questionnaire and the resulting evaluation possibilities are the first steps toward setting up a risk assessment.

### **The Code of Conduct as part of employment contracts and internal control systems**

The Code of Conduct is also included in the employment contracts of our staff. By signing the employment contract, each staff member confirms that they are familiar with the Code of Conduct and agree to comply with the rules entirely.

More than 90% of our employees are based in Germany. By complying with German labour law, Unite ensures that human rights violations will not be committed on its employees. To ensure this situation is maintained despite continuous expansion and the growing number of employees in non-German jurisdictions, the role of Compliance Adviser was created in 2021. This means there is always someone to verify Unite's compliance with legal regulations and the guidelines in the Code of Conduct.

## KPIs regarding Criterion 17

*KPI GRI SRS-412-3: Investment agreements subject to human rights screenings*

*Unite discloses the following information:*

- a) Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.*
- b) The definition used for 'significant investment 'agreements'.*

Unite does not have applicable investment agreements.

*KPI GRI SRS-412-1: Operations subject to human rights reviews*

*Unite discloses the following information:*

- a) Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.*

Unite has not carried out a review yet.

Unite is formulating a corresponding review assignment for 2022.

*KPI GRI SRS-414-1: New suppliers subject to social screening*

*Unite discloses the following information:*

- a) Percentage of new suppliers that were screened using social criteria.*

As described in Criterion 17, a questionnaire for suppliers will be developed on the basis of the Code of Conduct. The questionnaire and the resulting evaluation options constitute the first step towards setting up a risk assessment system.

*KPI GRI SRS-414-2: Social impacts in the supply chain*

*Unite discloses the following information:*

- a) Number of suppliers assessed for social impacts.*
- b) Number of suppliers identified as having significant actual and potential negative social impacts.*
- c) Significant actual and potential negative social impacts identified in the supply chain.*
- d) Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.*
- e) Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.*

As described in Criterion 17, a questionnaire for suppliers will be developed on the basis of the Code of Conduct. The questionnaire and the resulting evaluation options constitute the first step towards setting up a risk assessment system.

## 18. Corporate Citizenship

*Unite discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.*

During our risk assessments, we did not identify any material risks with negative social impact arising from our business activities as an e-commerce platform operator.

The topic of corporate citizenship received high priority in the company survey conducted in connection with the materiality analysis. At a workshop with colleagues from different departments, ideas were jointly developed that were later put into practice in 2021 and will be continued in 2022.

### **Networking our employees as another aspect of corporate citizenship**

A networking platform for corporate citizenship is to be set up in 2022. A student trainee was taken on in 2021 to take charge of its design. The aims are to highlight the importance of corporate citizenship and to provide information on how people can support it. For example, employees who already contribute to society by carrying out voluntary activities etc. can report on what they do and hopefully inspire their colleagues to join them. In future, this platform will also be opened up to external participants to increase its reach and impact. For instance, Unitees will be able to share the networking platform with their family and friends. We also plan to invite local organisations and associations to introduce themselves on the platform.

### **Our commitment to a sustainable society**

#### **Participation in the Wholesale Research Association**

We are represented on the board of the Wholesale Research Association. The purpose of this national body is to support research in the field of wholesale and intermediary services. The association initiates and develops research projects, networks companies from the B2B sector with research institutions in practical transdisciplinary and interdisciplinary projects, awards research contracts, organises funding for research projects (especially in the area of collaborative pre-competitive industrial research and the involvement of small and medium-sized enterprises), and promotes junior researchers and teaching. Founded in 2021, the Wholesale Research Association is waiting for its non-profit status to be officially confirmed as already promised by the tax authorities.

#### **Sharing our sustainability experience with outsiders**

In 2021, we began planning a webinar via Employees4Future, which was founded in Leipzig. In the webinar, we want to explain to employees from other companies how we embarked on the sustainability journey and the challenges we've faced along the way. In the second part, we intend to show how a company's procurement activities can be made sustainable via Sustainable Choice.

#### **Tips on using public media and information**

In 2021, initial discussions took place with a Dresden-based prevention project known as 'Social Web Goes to School'. In 2022, our trainees will be introduced to the topics of 'Digital Mindfulness' and 'Fake News and Conspiracy Ideologies' in a workshop hosted by experts from the project. We believe it makes sense to raise awareness of these issues, especially among young people, who may not fully question information in the media and elsewhere – especially in light of the fact that they act not only as private individuals, but also as employees of Unite.

#### **Charity appeal**

In 2021, a group of trainees got together and launched an appeal for donations in kind on behalf of two charities: Children Aid Children and the German Children's Foundation.

## **Support for Köthen (and the surrounding region) and students from all over Saxony-Anhalt**

### **Organisation of the Köthen Film Festival**

In 2014, a Unite employee launched a successful bid for Köthen to host the European Film Festival of Generations in central Germany. An association consisting of nine members of staff from Unite was founded. The first festival was held on Saxony-Anhalt Day in Köthen in 2015 and has since become an annual occasion, attracting more and more visitors. The association's members want to send a signal to Köthen that they don't just go there to work but want to give something back via their cultural activities. As well as screening films dealing with socially relevant issues, panel debates are held, and the film Festival also functions as a forum where members of the public can meet each other as well as guests and speakers.

### **Co-organisation of two outdoor cinema projects**

FreiRaum\_Stadtkino is an urban project pursued in cooperation with Köthen cinema and the Academy of Arts. Films by retired filmmakers are shown to revive themes from bygone times. Here, too, emphasis is placed on dialogue with the audience as well as cultural support for the town of Köthen.

Meanwhile, FreiRaum\_Landkino, a collaboration with the Landkulturwerkstatt arts workshop for rural locations, organises open-air film screenings in villages. It's a way of bringing people together from different generations and social backgrounds who live in the same village.

### **Sponsoring for Eintracht Köthen FC**

Since 2020, we've sponsored Eintracht Köthen football club, whose aims include fostering young talent in the region. By providing financial support for local sports groups, we hope to get in touch with the skilled workers of tomorrow.

### **Support for the Futurego schools competition**

Futurego is a competition for schools in Saxony-Anhalt where students develop and present business concepts in various categories. Selected groups are then invited to visit Unite, where they're taught about SWOT analysis so they can apply it to their own business ideas.

The jury includes a representative of Unite. The final event is co-organised by us and includes an address by the head of Human Resources. Unite has been one of the prize sponsors for many years.

In 2021, Unite successfully campaigned for a new category called 'Sustainability and Digitalisation', which will be introduced in summer 2022. Our company will be assigned to this category, meaning the prize money we award will increasingly support projects in this field.

### **Reiner Lemoine Award**

The Reiner Lemoine Innovation Award was presented for the tenth time in 2021 to the five most innovative business ideas in the Anhalt-Bitterfeld district. This was the eighth time that Unite had provided prize money to reward pioneering start-ups in the area and support regional innovation.



## **Our support for society in Leipzig**

### **Infrastructure for 'Leipzig vernetzt'**

'Leipzig vernetzt' is an initiative set up by the City of Leipzig, the District of Greater Leipzig and the District of North Saxony for the sustainable, digital networking of regional companies. It contributes to strengthening the regional economy by supporting the digitalisation of local companies. The importance of reliable trade routes has been clearly felt by many firms recently with supply chains from abroad being interrupted for months due to the pandemic.

'Leipzig vernetzt' digitises local B2B dealers and buyers, equipping the regional economy for online commerce throughout Germany. Unite provides the technical infrastructure for it with its B2B network.

## KPIs regarding Criterion 18

*KPI GRI SRS-201-1: Direct economic value generated and distributed*

*The reporting organisation must disclose the following information:*

*a) Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for Unite's global operations as listed below. Where data is presented on a cash basis, it reports the justification for this decision in addition to reporting the following basic components:*

*i) Direct economic value generated: revenues*

*ii) Economic value distributed: Operating costs, employee wages and benefits, payments to investors, payments to government by country, and local authority investments*

*iii) Economic value retained: 'direct economic value generated' less 'economic value distributed'.*

*b) Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.*

The direct economic value generated in 2021 (income) was €406,781,000. The economic value distributed (all expenses) was €406,891,000.

## 19. Political Influence

*Unite discloses all significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians by country in a differentiated way.*

### **Our new structures for dialogue with politics**

As far as affiliations with political parties are concerned, we consider ourselves politically neutral and therefore don't make any donations to political parties.

Our company is a member of the IHK Chamber of Industry and Commerce and the bevh German E-Commerce and Distance Selling Trade Association as well as the IT Cluster Central Germany and the BVMW German Association of Small and Medium-Sized Businesses. Although the aim of these memberships isn't to exert political influence, we realise that these associations sometimes engage in political lobbying.

Our dialogue with trade associations, public clients, parliament and government has been strengthened by the newly created role of Vice President Government Affairs & Public-Private Partnerships at the end of 2021. This is our response to increased demand on the market for a digital infrastructure for B2B in Germany and Europe. Our objectives are to demonstrate the macroeconomic importance of B2B commerce – which is often underestimated – in dialogue with politicians at federal, regional and local level as well as to develop solution scenarios, including in the form of events, publications, and direct discussions/exchanges. There are many overlaps with politics, especially when it comes to the future topics of sustainability, cross-industry digitalisation and European data sovereignty. We have registered the position and activity of the Vice President Government Affairs & Public-Private Partnerships in the lobby register.

### **Commitment to our values**

It's important for us to point out that although we're politically neutral, at the same time we clearly reject policies that go against our values. The following values are important to us: tolerance, respect, diversity and sustainability. We've also expressed this by signing the Diversity Charter. We implement our commitment by participating in committees of federal and regional ministries (e.g. the German Ministry of Labour and Social Affairs' Working Group for the Digitalisation of Work) and publishing statements expressing our views. In 2021, we issued statements on the following topics:

- Digital Markets Act – participation in the consultation process via the BDI Federation of German Industries
- Data Act und VerticalGVO – participation in the consultation process via the IHK Chamber of Industry and Commerce

All memberships, participation and statements can be viewed by employees on the company's intranet.

## KPIs regarding Criterion 19

*KPI GRI SRS-415-1: Political contributions donations*

*Unite discloses the following information:*

*a) Total monetary value of financial and in-kind political donations made directly and indirectly by Unite by country and recipient/beneficiary.*

*b) If applicable, how the monetary value of in-kind contributions was estimated.*

Unite has made no political contributions or donations.

## 20. Conduct that Complies with the Law and Policy

*Unite discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. Unite depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.*

Our company is clearly committed to ethical principles as well as to law and order. We have cemented this in our corporate values and our codes of conduct for business contacts and employees.

### **Policies and codes for a clear framework**

In 2020, a gift policy was introduced regulating the maximum value of gifts that may be accepted and the situations in which business contacts can receive gifts. Presents may not be given to potential business contacts in order to canvass business. In addition, the Cash Policy regulates the proper documentation of the use of cash by office management. However, since our business model is cashless, all transactions are carried out by bank transfers using the dual control principle.

As outlined in Criterion 17 (Human Rights), there is a Code of Conduct for business contacts that all suppliers have to sign before they can use the platform services. Similarly, there is a Code of Conduct for employees, which they sign and agree to abide by when they sign their employment contract.

### **No secrets: Openness and transparency are part of our culture**

The way all Unite staff and managers work together is characterised by openness and trust. Problems, hindrances and ambiguities are addressed openly with anyone, regardless of their 'hierarchical level'. Another example of this openness and transparency is the fact that donations and sponsorships are posted on the intranet and hence are visible to all.

Furthermore, all departments report to the company on the progress of their work in various review formats. The Executive Board also participates in these public review formats. In addition, there are non-public review formats with a fixed group of participants in which those responsible from departments such as Legal, Human Resources and Finance report transparently and confidentially on issues and problems to the Executive Board. These various reviews take place at fixed intervals and include the topic of sustainability.

In another special review format, the Senior Management receives monthly information on the topics of compliance, IT security and data protection (General Data Protection Regulation) from directly appointed employees who aren't tied to a specific department.

### **The whistleblower system as part of conflict management**

Under the EU Whistleblower Directive, a whistleblower system for both internal and external stakeholders is to be introduced in 2022 as a way of confidentially reporting potential breaches of rules and regulations.

Work on setting up a conflict management system for all employees began in 2021. In the Unite culture, conflicts aren't always considered negative, as they have potential for innovation and can contribute to employee development. Therefore, staff should be encouraged to address issues openly and not to shy away from conflict.

Conflict management will consist of two elements. On the one hand, internal professional support explaining what steps should be taken and in what order will be provided to help resolve conflicts. In addition, there will be the above-mentioned internal whistleblower system for reporting potential breaches of rules. A breach of rules is understood to mean breaking the law or violating a company policy.

In 2022, a whistleblower system will also be introduced for external stakeholders.

Breaches are considered to be any violation of laws or internal policy committed by employees of Unite in connection with their work or by suppliers of Unite.

The introduction of the whistleblower system also includes a procedure for dealing with incoming reports. It requires two case handlers: one from Human Resources, the other from the Compliance Department (both departments being known for their high confidentiality). This also ensures that the principle of dual control is applied.

As soon as a tip-off is reported, it's examined by the Compliance Adviser together with the management, regardless of the severity of the violation, and measures are taken if necessary.

### **Explaining legally compliant behaviour**

The Legal Department releases short videos on current legal developments to explain specific topics and their significance for internal processes at Unite to all employees. These types of short videos are also produced for internal company policies. In addition, the content is posted on the intranet, which is accessible to every employee. In specific cases, the relevant content leading to changes to processes in the departments concerned is explained by a member of the Legal Department.

In 2021, various mandatory modules on compliance matters were introduced using the recently launched Learning Management System. They cover subjects such as data protection, information security, the gift policy, and occupational health and safety. As these training sessions are mandatory, there is also an escalation plan to ensure that all employees complete them.

### **Dealing with compliance risks at our suppliers**

As outlined in Criterion 17 (Human Rights), there is a Code of Conduct for business contacts that all suppliers must sign before they're permitted to use our platform services. It includes a passage on bribery and corruption, and obliges not only our business contacts but also their business partners to behave in a lawful manner.

In accordance with the Code of Conduct, we reserve the right to conduct on-site audits of any business contact. So far, however, our processes do not include the implementation of this right to conduct audits. In 2021, we will develop a self-disclosure questionnaire, which will then undergo various trials in 2021/22. The process of drawing up the questionnaire and the risk assessment derived from it is explained in more detail in Criterion 17. Implementation within supplier evaluation is planned for 2022/23.

### **Possible new risks due to increasing internationalisation**

As the company continues to grow and become increasingly international (in terms of both its business and its employees), the number of potential risks will rise, such as critical deviations from German social standards and the greater risk of corruption, bribery and money laundering. We don't yet have internal systems in place to assess these potential new risks. We will evaluate these risks in 2022 and, if necessary, develop preventive measures and introduce suitable KPIs.

## KPIs regarding Criterion 20

*KPI GRI SRS-205-1: Operations assessed for risks related to corruption*

*Unite discloses the following information:*

- a) Total number and percentage of operations assessed for risks related to corruption.*
- b) Significant risks related to corruption identified through the risk assessment.*

Corresponding review assignment for 2022:

*KPI GRI SRS-205-3: Incidents of corruption*

*Unite discloses the following information:*

- a) Total number and nature of confirmed incidents of corruption.*
- b) Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.*
- c) Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.*
- d) Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases.*

There have been no incidences of corruption.

*KPI GRI SRS-419-1: Non-compliance with laws and regulations*

*Unite discloses the following information:*

- a) Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:*
  - i) total monetary value of significant fines*
  - ii) total number of non-monetary sanctions*
  - iii) cases brought through dispute resolution mechanisms.*
- b) Where Unite has not identified any non-compliance with laws and/or regulations, it has made a brief statement of this fact.*
- c) The context against which significant fines and non-monetary sanctions were incurred.*

There have been no incidences of non-compliance with laws or regulations.