

Sustainability Code Declaration

Unite Holding SE

Year under review	2022
KPIs set	GRI SRS
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General Information

Describe your business model (e.g. the purpose of the company, products/services)

At Unite, we connect the economy for sustainable business. The trusted e-procurement platform, with its integrated Mercateo Marketplace and Procurement Portal, enables effortless sourcing and purchasing for B2B and public sector organisations. Bringing buyers and suppliers together for mutual benefit, Unite has established a solid foundation of fair competition and trustworthy partnerships. The platform's scalable infrastructure supports connections, business stability and a robust supply chain. We revolutionise e-commerce for B2B and the public sector by adding and sharing value for markets and communities.

In 2022, we became the first platform business accredited with the Fair Tax Mark, representing the global standard for responsible tax conduct. Our headquarters is located in Leipzig, Germany. Unite operates in 14 European countries. Over 700 employees working both in-office and remotely. In 2022, we achieved revenue of €447.7 million. For more information, go to unite.eu.

CRITERIA 1–10: Sustainability Concept

Criteria 1–4: Strategy

1. Strategic Analysis and Measures

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to comply with key recognised sector-specific, national and international standards.

In 2022, we rebranded ourselves as Unite Holding SE. Our corporate mission embodies the principle of sustainability: 'We connect the economy for sustainable business'. This ethos guides our business strategy and runs through everything that we do. Consequently, our sustainability goals are inherently woven into our corporate strategy. Unite is a B2B platform that brings buyers and suppliers together for mutual benefit. Our goal is to empower businesses to shape a better future for their supply chains – from sustainable sourcing to driving innovation at the manufacturing level.

In 2020, Unite embarked on the path towards a comprehensive sustainability strategy. After starting the development process last year by setting up our 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. In 2022, we started to develop a sustainable product strategy and work on the topics identified in the materiality analysis.

The road to our comprehensive sustainability strategy

For 2023/24, 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). Others, such as the UN Global Compact and ISO certifications, are under review. Moreover, the CO₂ reduction roadmap for a 1.5°C-compliant German business of Unite Holding SE will be determined in 2023. It will follow after the CO₂ assessment for 2021 has been finalised at the end of Q4 2022. The reduction roadmap will 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, a product strategy was developed in 2022. One part of it will focus on market development strategy with Value Adding Parties 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 Value Adding Parties 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:

- Internal, ecological sustainability
- Sustainable product strategy and positioning
- Integration of sustainability criteria on our trading platform
- Dealing with the requirements of the LkSG Act on Corporate Due Diligence Obligations in Supply Chains
- Developing strategies for the topics identified in the materiality analysis, namely 'fostering sustainability competence through education and training' and 'equal opportunities and diversity'.

2. Materiality

The company discloses the aspects of its business operations that significantly impact sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's 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

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

The preparation of a sustainability strategy began in 2022 and will continue to be developed in 2023 and 2024. 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 further development of existing organisational structures is vital for all other steps towards sustainable business operations?
3. What steps are necessary to become a 1.5°C-compliant company?

The answers to these questions resulted in the following objectives, which were further elaborated, specified and expanded on 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 formulated three subgoals:
 1. Subgoal: In 2023, we will develop and implement risk screening for all suppliers to identify human rights and environmental risks in the supply chain.
 2. Subgoal: In 2023, we plan to introduce initial solutions to report the carbon footprint of products procured through our platform for our customers' GHG footprints.
 3. Subgoal: In 2023, we aim to boost the transparency of product-related sustainability data through collaboration with various entities such as our suppliers, NGOs and certification organisations.
- The clear responsibilities established in 2021 for internal sustainability, compliance and sustainability on the platform will be further institutionalised at Executive Board and operational level in 2023. In 2022, we established a new role dedicated to the sustainability of product management to oversee all sustainability-related activities on our platform. Our aim for 2023 is to enhance the synergy between this cross-functional role and product managers across different areas in the company.
- Based on the findings from the carbon footprint assessments for 2019, 2020 and 2021 (the figures for 2023 aren't available yet), a CO₂ reduction roadmap is to be drawn up in 2023. Through genuine CO₂e reductions we aim to become a business operation compliant with the 1.5°C-target set by the Paris Agreement. CO₂e offsets will play a minor role.

The objectives are formulated by those responsible as defined in Criterion 5 in consultation with the Executive Board members. Monitoring is also conducted by the Executive Board, which stays apprised of progress through regular reports.

A review of whether our sustainability goals are to be related to the UN's 17 SDGs will begin in 2023 during the development of the sustainability strategy.

4. Depth of the Value Chain

The company states what significance the aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

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, our marketplace enables buyers to directly procure from over 110 million C-category items (tail-end spend) from a directory of suppliers. Suppliers, in turn, can sell their goods to customers via the marketplace 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 we provide IT service and infrastructure (platform) with commercial services but do 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 human rights and environmental risk analysis with suppliers

By establishing the Product Management Sustainability Team, we've restructured and redefined the questionnaire used to review information from the Code of Conduct, the process was planned in 2021.

In 2023, we're conducting risk assessments independently of suppliers to identify potential human rights and environmental risks. Risk screening is carried out based on various criteria, such as suppliers' location, their industry and media screening.

Transparency on ESG performance

In addition to risk screening, suppliers are asked to complete a questionnaire to shed light on their environmental, social and governance performance. This questionnaire is to be finalised and rolled out in 2023. Moreover, in 2023 we'll start to work on a strategy to finalise the exact presentation of data and the technical implementation of selection mechanisms based on international initiatives and certificates. The visibility of ESG performance will allow our customers to make sustainable procurement choices and promote competition among suppliers to enhance their sustainability performance.

Our filter setting for sustainable items

More than 110 million items are offered on the marketplace. 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 more sustainable products for more and more categories, the filter can help narrow the search. Currently, our platform supports product filtering based on over 30 environmental and social labels for approximately 2,000 search terms. Altogether, the Unite marketplaces (including those outside Germany) offer almost 1.2 million certified items (as of 11 October 2022). The certificates are prominently displayed on the product search results page alongside other key details such as price and availability.

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 drawn up in conjunction with various NGOs and experts. This group also continuously develops the criteria, acting as 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.

Criteria 5–10: Process Management

5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

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 every two weeks to discuss. Certain tasks are jointly executed by these three individuals.

Sustainability managers are clearly assigned to the executive level

The Internal Sustainability Manager reports directly to the Executive Board member for Finance, Legal, HR and Organisational Development 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.

Furthermore, the Internal Sustainability Manager coordinates the Environmental Sustainability Team and the DE&I Working Group. The Environmental Sustainability Team acts independently yet contributes to certain projects, such as devising reduction schemes for our CO₂ reduction roadmap. To address equal opportunities and diversity defined in the materiality analysis, our Internal Sustainability Manager has set up a DE&I Working Group comprising representatives from Human Resources and Organisational Development.

The topic of compliance is incorporated within the Legal Department. The Legal Department is also assigned to the Executive Board member for Finance, Legal, HR and Organisational Development. 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 directly to the Executive Board member 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 Mercateo Marketplace and in the network in the market review held every six weeks.

6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

The preparation of a sustainability strategy is planned for 2023 and 2024. More details are contained in Criterion 1. In 2022, based on the results of the materiality analysis (see Criterion 2), sustainability aspects were further implemented in internal rules and processes. The steps already taken in 2020 and 2022 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. It aimed 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 employees 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. Sustainability aspects are to be considered externally, for example, when selecting suppliers, as well as internally during annual appraisals with employees.

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 2022, an e-learning was developed consisting of 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 tutorials posted on the company's internal Learning Management System are intended to spread this information. All employees are urged to complete these tutorials. 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 tutorials in the Learning Management System.

Consideration of sustainability aspects in home office equipment and the new headquarters in Leipzig

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).

Our Unite headquarters has been certified in accordance with the Gold Standard sustainability criteria of the German Sustainable Building Council. This certification guarantees compliance with various parameters including energy efficiency, resource conservation and the promotion of a healthy working environment. As part of our commitment to sustainability, we have made it mandatory for all bids on building works and other services to incorporate sustainable practices. For example, there will only be five parking spaces for internal company shuttles and customers, while providing a bicycle parking station for 280 bikes.

Consideration of sustainability aspects in the travel expenses policy

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 was 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, which started 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

The company states how and what KPIs (key performance indicators) related to sustainability are integrated into its periodical internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

Ecovadis as a rating and external control mechanism

The Ecovadis rating has been used as a monitoring mechanism since 2020. It assesses four categories: the environment, sustainable procurement, ethics, and labour and human rights. The use of this rating enables comparability with previous years and thus help 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 the reporting year 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 will be subsequently reviewed. 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 the reporting year 2021 and the initial conclusions that can be drawn from the comparison of the assessments from the years 2019, 2020 and 2021 are discussed in more detail in Criteria 11 to 13.

The footprint was presented to the Senior Management and to all employees in a five-minute tutorial. Annual workshops are held with those responsible for the departments that have a particular influence on emissions (e.g. Fleet Management and Office Management) 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 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. In 2022, the indicator measuring workforce penetration regarding sustainability issues was developed further. In future, it will be determined how many employees have watched the five-minute tutorials mentioned in Criterion 6 or how many have participated in the forum discussions. For 2023 the team aims to conduct a survey to find out to what extent employees interacted with the sustainability campaigns conducted in 2022, and whether there are further suggestions and requests from employees. The number of participants in the survey can be used as an additional indicator of workforce penetration.

Development of other social and environmental KPIs in 2022

A comprehensive review of additional socio-economic and environmental KPIs took place in 2022. The key aspect was that KPIs must enable meaningful reflection of Unite's sustainable development.

For our business operations:

Social KPIs:

- Diversity criteria such as age, gender and nationality
- Training and development hours
- Sick days and workplace accidents
- Employee turnover rate
- Average length of service with the company
- Employee retention based on turnover rate
- Proportion of part-time employees

Environmental KPIs:

- CO₂e current year compared to previous year CO₂e pro FTE
- CO₂e per FTE
- CO₂e per euro of turnover
- CO₂e for electricity per FTE
- CO₂e for heating per FTE
- Transport kilometres travelled (train and car) per FTE
- CO₂e per transport kilometre in current year compared to CO₂e per transport kilometre in the previous year

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.

For our business activities:

sustainable products within the volume of items bought and sold. In future this will enable our customers to measure and report their progress towards sustainable procurement in indirect procurement over time and compare it to their targets. In 2022, we recognised the necessity to enhance our technical infrastructure to allow data to be preserved when orders are placed. Moreover, the quality of certification data needs to be improved. Only then can a beta test of the reporting system be carried out. Efforts towards this will continue in 2023 and 2024.

Internal responsibilities have been defined for all KPIs so that the annual provision of the KPIs is ensured.

KPIs: Criteria 5 to 7

KPI GRI SRS-102-16: Values

The reporting organisation must disclose the following information:

a) A description of the organisation's values, principles, standards and norms of behaviour.

Our corporate values are set out in Criterion 6. Standards and norms are described in Criteria 14 and 16.

8. Incentive Schemes

The company discloses how target agreements and remuneration schemes for managers and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the 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.

In 2022 we continued 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.

Several initiatives were already launched 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 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 Microsoft Teams or on WhatsApp. The principle of Counselling Chat is described in more detail in Criterion 16. In 2022, there were further offers from the Counselling Chat team, such as an end-of-year reflection workshop and regular meditation session.

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, a comprehensive review of possible KPIs was conducted in 2022. This will 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

The reporting organisation must disclose 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.

a)

- i.) There are no variable salary components, only bonus elements in Executive Board salaries and share options for selected employees.
- ii.) Sign-on bonuses or recruitment incentive payments are not implemented.
- iii.) Thanks to the low turnover rate across all our departments, instances of employer-initiated terminations are rare. Consequently, severance packages that exceed the legal minimum are seldom required to avert legal action.
- iv.) Our HR/Payroll Team's meticulous operations mean clawbacks are virtually non-existent.
- v.) There is a statutory retirement benefit system in place for salaried CEOs. No pension plans exist for the members of the Executive Board, nor any pension provisions or similar.
- vi.) For managers and other employees, we offer a pension plan with various investment options as mandated by law. Unite contributes 20% above the statutory requirements.

b)

Until now, our performance criteria have been predominantly aligned with economic targets through the attainment of EBITs. The prospect of integrating ecological and social considerations into our target system is yet to be evaluated.

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

The reporting organisation must disclose the following information:

a. Ratio of the annual total compensation for the organisation'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.

Ratio of the annual total compensation for the organisation'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.

Germany: 5.2

Austria: 2.4

France: 2.8

Italy: 1.5

The Netherlands: 2.3

Poland: 3.2

Slovakia 3.4

Spain: 2.3

Switzerland: 2.7

United Kingdom: 2.6

9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the 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 initiative, and with the public through our participation in events, trade shows, and our own formats such as the Unite 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 between 2020 and 2022 during the pandemic. Enquiries about Covid-19 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 were 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 survey on the topic of working from home was conducted with employees in conjunction with Zeppelin University in Friedrichshafen. In 2023, a satisfaction survey will be carried out with all employees.

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 about this can be found 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, now renamed Unite Beteiligungsholding SE) was actively shaped by employees across all subsidiaries. In 2021, an agreement on employee participation in Unite Holding SE was signed by representatives of employees and the Executive Board. According to the agreement, a Culture Circle was elected in 2022 from among the employees, which takes 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 represents the interests of group employees.

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.

At the end of 2020, a **stakeholder dialogue** was conducted in connection with establishing the Sustainable Choice initiative (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) to devise a networking platform for sustainable items such that it does 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. 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 product and platform. They can learn from each other and give us feedback about the features. This enables us to strategically develop our platform and improve its features.

In **other events**, we focused on the topic of sustainability. We attended the 'Zuke Green Health' congress, the 'CIPS Sustainability in Procurement' conference and the 'Sustainable future, responsible supply chains' congress in Hungary.

In the Unite Business Breakfast, experts explored how digital platforms can help in times of crisis.

Specific enquiries from customers on ESG matters were collected on an intranet page the Sales Department to disseminate the information further and get back to customers. This raised our awareness and sharpened our approach to areas of ESG action and reflected what we were already implicitly doing. Customer enquiries 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.

Our communication with experts

In the monthly Unite Podcast, we talk to experts from purchasing, sales, retail, e-commerce and other areas of B2B. Various topics, such as digitalisation, sustainability, networks etc. are addressed. The podcast aims to share insights and knowledge about trends and developments within the B2B industry.

Furthermore, in 2022 we supported the JARO study on sustainable procurement and responsible supply chains, both financially and through content contribution, leveraging our European network.

KPIs: Criterion 9

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

The reporting organisation must disclose the following information:

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

- i.) How the organisation 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.*

Customer concerns

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.

The customer satisfaction survey was also carried out in 2022.

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

Various surveys show that our employees appreciate the flexibility working from home provides. In response to this preference, Unite has implemented a hybrid working model that continues to facilitate remote working.

The results from our mental risk assessment highlighted a high degree of stress during working hours. To mitigate this, we've introduced stress management seminars and counselling chat services (see Criterion 8).

In 2023, we plan to conduct a comprehensive employee survey to pinpoint areas needing further attention.

Investor concerns

The long-standing, regular, close communication with investors proved useful and successful, especially between 2020 and 2022 during the pandemic. Enquiries about Covid-19 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.

10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made regarding if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

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. The consumption of resources is already partially measured. For example, we already measure the carbon footprint of our external servers, purchased IT hardware, and the electricity and heating consumption in our office buildings.

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, for example, 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 on the Mercateo Marketplace

To make sustainable products visible to customers at a click, we have developed product filters on our marketplace. Customers can now filter items for specific sustainability certifications or properties during their shopping on Mercateo.

Sustainable Choice BusinessShops: Sustainable catalogues from sustainable suppliers

Another measure is the establishment of the Sustainable Choice initiative. The aims are to facilitate the transformation to sustainable procurement for customers and to prominently position sustainable suppliers with sustainable products.

Stakeholders including buyers, suppliers, NGOs and the German Environmental Agency were involved in the development of this vertical. In particular, the questionnaire for evaluating the sustainability performance of suppliers was developed in close cooperation with an advisory board consisting of several NGO experts. In this 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.

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 Act on Corporate Due Diligence Obligations in Supply Chains. Even though we aren't subject to the LkSG due to the size of our company, we still want to meet the resulting requirements. The first step was to revise our Code of Conduct. The implementation of a risk screening in 2023 will follow this. See Criterion 17 for more details.

Cooperation for better product-related sustainability data

Unite makes the sustainability of its product range comparable by establishing verifiable sustainability criteria and collaborating with suppliers to meet these standards. We also share knowledge with suppliers and NGOs about enriching catalogue data with sustainability certificates and other objective sustainability criteria, such as recycled content and refillability. Furthermore, we maintain dialogue with certification organisations (e.g. TCO, FSC, Blue Angel) to discuss quality assurance mechanisms. We've partnered with a carbon data service provider to report the carbon footprint of the products traded on our platforms.

KPIs regarding Criterion 10

KPI G4-FS11

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

(Note: 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

The company discloses the extent to which natural resources are used for the company's 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 2021 rather than 2022.

- **Electricity:** In 2021, 623,807 kWh of electricity was consumed.
- **Heat:** In 2021, 837,035 kWh of heat was consumed.
- **Fossil fuels:** In 2021, fossil fuels were consumed for air travel (about 1,017 litres of kerosene) and car travel (about 134,562 litres of diesel) with an energy value of around 1,364,135.5 kWh.
- **Land:** The amount of land utilised for the three branch offices in Munich, Köthen and Leipzig totals 10,346 square metres, and 794 square metres for our subsidiaries outside Germany.
- **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

The company 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 is to be further developed when more detailed supplier self-disclosure on aspects of environmental and social sustainability (Criterion 4) is introduced and through the cooperation with suppliers and service providers (Criterion 10).

Consumption of resources during our business operations

Our internal resource consumption primarily occurs in heat, electricity, transport and purchasing of goods. In 2021, we managed to significantly reduce resource consumption in the areas of transport, heat and electricity.

- **Heat:** The heat consumption recorded here occurs at our three main branch offices in Köthen, Munich and Leipzig, and in employees' home offices. The heat consumption in our offices outside Germany has not yet been recorded. All in all, 837,035 kWh of heat was consumed at our three branch offices in 2021, 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 2022 aren't available yet. The increase is caused by higher consumption at our premises in Köthen. The higher consumption is probably due to the ageing and inefficient heating system. Given its unreliability and frequent breakdowns, we plan to replace it in 2023.
- **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 employees in Germany work from home. The heat consumption in our offices outside Germany has also been recorded. In total, 575,810 kWh of electricity was consumed at our three branch offices and the data centre in 2021. In addition, approximately 47,997 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 increased by 13.12% compared to the previous year. This rise can be attributed to the increase in the number of monitors used by employees working from home and a higher energy consumption of our external servers.
- **Transport:** Transport comprises business trips by company car, private vehicles, taxis and car rentals, as well as rail and air travel. Journey by taxi have not been included since they account for significantly less than 1% of total emissions. 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 134,562 litres of fuel (equivalent to approximately 1,345,627 kWh) was consumed for around 1,929,353 kilometres travelled in 2021. About 1,017 litres of kerosene was consumed for around 44,942 kilometres of air travel (assuming consumption rates of 6.67 litres per 100 kilometres per passenger for short-haul flights, 3.8 litres for medium-haul, and 3.75 for long-haul), corresponding to about 18,508 kWh. Approximately 171,114 kilometres was travelled by train, which equates to an electricity consumption of about 8,881 to 9,878 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 11.16% (136,799 km) compared to the previous year.

- **Purchasing of goods:** This includes the purchasing of office supplies and our vehicle fleet. 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 69 vehicles in Unite's fleet ranging from compact to luxury class. In terms of value, we purchased approximately 17% more office supplies in 2021 than in 2020. This can be attributed to the increased number of FTEs in 2021 compared to 2020, especially in terms of technical equipment.

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. We will further detail these figures in 2023, concurrent with creating our 1.5oC-compatible reduction roadmap. Nevertheless, initial measures for reduction and resource efficiency have been taken since 2020 and are outlined below.

- **Electricity:** In 2020, 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 was revised in 2022 such that air travel is avoided and rail travel is always recommended as the most sustainable mode of transport. A ban on domestic flights was introduced.
- **Furthermore,** our company car regulations were revised in favour of CO₂-reduced transport. A comparison calculator was introduced showing lifecycle carbon 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.
- **Home office:** The hybrid working model options introduced from 2021 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-19 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. At the Köthen branch, in winter 2022, an entire office building and one floor in another building were closed down. This in effect reduced the consumption of both space and heat. In summer 2023, we will relocate to a new, sustainably constructed development in Leipzig, significantly reducing our emissions associated with heating in our CO₂e footprint.
- **Office materials:** The procurement process was laid down in purchasing guidelines. These guidelines include sustainability criteria for office supplies.
- **IT equipment:** Our IT equipment, including laptops and monitors, isn't subject to disposal after a predefined period of use. Once any piece of equipment becomes unsuitable for its intended purpose, it undergoes an assessment to determine whether it could be repurposed for another staff member. If this isn't possible, the obsolete equipment is stored for spare parts, sold to an employee, or donated to charity. We aim to maximise the lifespan of each device. Starting from 2023, we will only purchase TCO-certified monitors, wired keyboards, mice and, if possible, wired headsets.

Since 2020, these measures have been supported by information campaigns initiated and developed by the Environmental 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 in 2020 and 2021 concerning 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 2023 and 2024. Individual approaches to risk reduction were outlined in the previous section.

KPIs: Criteria 11 to 12

KPI GRI SRS-301-1: Materials used

The reporting organisation must disclose the following information:

a) Total weight or volume of materials that are used to produce and package the organisation's primary products and services during the reporting period, by:

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

Materials/resources for workplace equipment in 2021:

We only procure materials in the form of office supplies and IT equipment, in total 18,260 items.

Paper in 2021:

We procured 1,370 sheets of flipchart paper and 11,000 sheets of copy paper.

KPI GRI SRS-302-1: Energy consumption

The reporting organisation must disclose the following information:

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

b) Total fuel consumption within the organisation 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 the organisation, in joules or factors thereof.

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

g) Source of the conversion factors used.

The following are the figures for the reporting year 2021:

a) Fuel consumption from non-renewable sources: 134,562.7 litres of diesel (1,345,627 kWh) and 1,948.2 litres of kerosene (18,508.2 kWh)

b) Fuel consumption from renewable sources: 0 litres (0 kWh)

- c) i.) Electricity consumption: 623,807 kWh
- ii.) Heating consumption: 695,441 kWh (natural gas and district heating)
- iii.) Cooling consumption: 0 kWh
- iv.) Steam consumption: 0 kWh

d) No electricity, heating, cooling or steam is sold.

e) Total energy consumption: 3,613,425.5 kWh (Transport, heat and electricity)

f) Standards, methodology, etc.: No specific standards, methodologies or assumptions were used.

g) Sources: Our data primarily stems from service charge accounting and the mobility reports provided by Deutsche Bahn.

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

The reporting organisation must disclose 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. We will further detail these figures in 2023 in connection with creating our 1.5°C-compatible reduction roadmap. Nevertheless, initial measures for reduction and resource efficiency have been taken since 2020 and are outlined below.

- **Electricity:** In 2020, 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 was revised in 2022 such that air travel is avoided and rail travel is always recommended as the most sustainable mode of transport. A ban on domestic flights was introduced.
- **Furthermore,** our company car regulations were revised in favour of CO₂-reduced transport. A comparison calculator was introduced showing lifecycle carbon 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.
- **Home office:** The hybrid working model options introduced from 2021 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-19 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. At the Köthen branch, an entire office building was closed down in winter 2021 as well as one floor in another building. This reduced the consumption of both space and heat. In summer 2023, we will relocate to a new, sustainably constructed development in Leipzig, significantly reducing our emissions associated with heating in our carbon footprint.
- **Office materials:** The procurement process was laid down in purchasing guidelines. These guidelines include sustainability criteria for office supplies.
- **IT equipment:** Our IT equipment, including laptops and monitors, isn't subject to disposal after a predefined period of use. Once any piece of equipment becomes unsuitable for its intended purpose, it undergoes an assessment to determine whether it could be repurposed for another staff member. If this isn't possible, the obsolete equipment is stored for spare parts, sold to an employee, or donated to charity. We aim to maximise the lifespan of each device. Starting from 2023, we will only purchase TCO-certified monitors, wired keyboards, mice and, if possible, wired headsets.

The measures taken led to the following reduction in energy consumption in 2021:

- **Heat:** In Leipzig, 245,320 kWh of district heating was consumed in 2021. Compared to consumption of 293,715 kWh in 2020, this results in a saving of approximately 16%.
- **Fuel:** In total, 1,355,286 kWh of fuel was consumed for cars and aircraft in 2021. In contrast, fuel consumption in 2020 was 1,332,289 kWh, corresponding to a saving of about 1.7%.

KPI GRI SRS-303-3: Water extraction

The reporting organisation must disclose the following information:

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 the 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 (≤1000 mg/l total dissolved solids);*
- ii.) Other water (>1000 mg/l total dissolved solids).*

d) Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies and assumptions used.

To date, we have tracked the water consumption at our German sites. Until we receive the service charge statement for 2021 for our Leipzig office building, we will utilise consumption data from 2020. The total water usage for our Köthen, Leipzig and Munich offices in 2021 amounted to 562.2 cubic metres. Since we're not a manufacturing company, we don't discharge any pollutants into the water. Consequently, our water pollutant emissions remained at zero cubic metres in 2021 and 2022.

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

The reporting organisation must disclose 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 the data has been compiled.

The weight of our waste production is currently unquantified. However, we aim to address this in 2023 once we move to our new office building where we will be the sole tenant.

13. Climate-Relevant Emissions

The company 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 CO₂e footprint for the first time in 2021 (for the year 2019) and then did the same in 2022 for the years 2020 and 2021. The figures for 2022 can't be calculated due to the lack of data concerning heat, electricity 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, UBA, ProBas and EEA databases
- Time scale: 2019 (the last possible base year before corona-related special effects), 2020 and 2021
- Organisational scope: Our German sites – branch offices in Leipzig, Köthen and Munich, the data centre in Berlin, as well as our branches outside Germany and home offices
- 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 3.1 Procured goods and services; Scope 3.6 Business travel.

The scopes will be expanded successively

The calculation of our CO₂e footprint for 2019, 2020 and 2021 revealed that emissions can be broken down as follows:

- Business transport (fleet, car rentals, etc.): About 281 t CO₂e in 2021, 277 t CO₂e in 2020 and 54 t CO₂e in 2019
- Electricity: About 128 t CO₂e in 2021, 113 t CO₂e in 2020 and 252 t CO₂e in 2019
- Heat: About 230 t CO₂e in 2021, 218 t CO₂e in 2020 and 227 t CO₂e in 2019
- Procured goods and services: 376t CO₂e in 2021, 357 t CO₂e in 2020, 319 t CO₂e in 2019

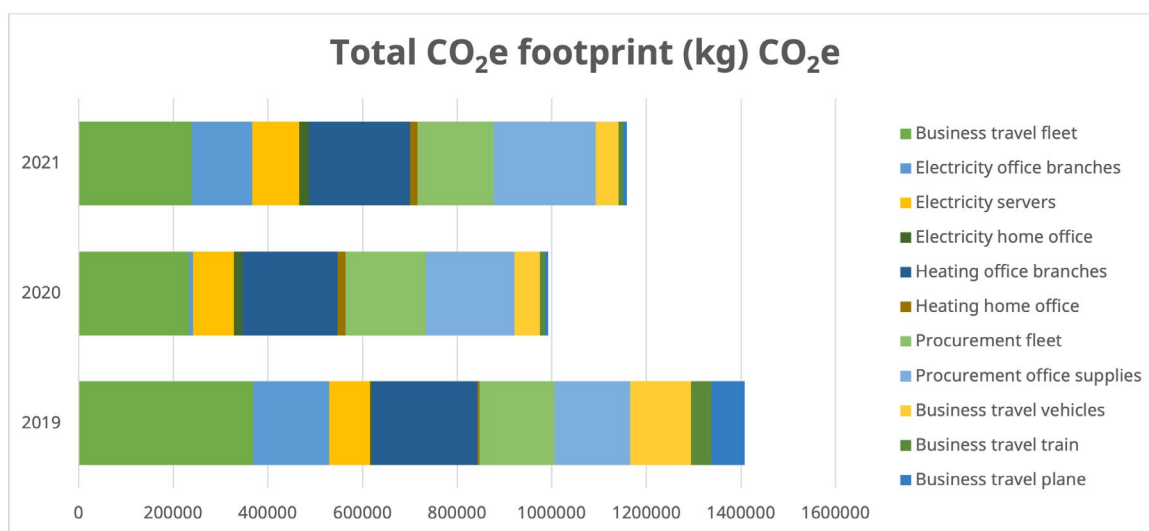


Image 1: Total CO₂e footprint (kg) CO₂e

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 specifics of our approach towards this objective, along with our 1.5°C-compatible reduction roadmap, will be worked out in 2023. In 2022, we offset our 2019 and 2020 emissions through voluntary participation in EU emissions trading. Offsetting for 2021 will be completed in 2023. Offsetting for

2021 will be completed in 2023. Participating in emissions trading allows us to reduce emission rights for mandatory participants, simultaneously driving up the price of emission certificates, which makes investing in renewable energy more attractive. However, our overall goal is primarily focused on reduction, with compensation serving as a secondary measure. We're not trying to greenwash our own impact on the climate.

The development from 2019 to 2021

The 2021 figures show a significant reduction in CO₂e emissions of 23% compared to 2019 (base 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, but not all of these have yet taken effect for 2021. A comparison of the figures from 2021 and 2020 shows an increase in emissions of approximately 8%.

- **Business travel:** A significant reduction of 48% in 2021 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 emissions due to business travel in 2021 and 2020 are almost identical. Only the shift to more e-mobility (in 2021 five out of 69 cars were electric) represents a sustainable reduction measure. The revision of our travel expenses policy (see Criterion 12) and the introduction of hybrid working for flexible working from home (see Criterion 15) are attended 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 carbon footprint for 2022. And this will also mean extending the operational scope to include staff commuting.
- **Heat:** In 2021, we recorded a slight increase of 1.58% compared to the base year and 5.43% compared to 2020. This is mainly attributable to increased consumption in Köthen, where an outdated, natural gas-based heating system is in use. We are currently in discussions with the landlord of the building in Köthen about replacing this system. Increases have also been observed at our sites outside Germany. However, this data needs verification as the calculations are extrapolated based on German consumption per full-time equivalent (FTE) rather than actual consumption. 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 hybrid working 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:** A significant reduction in CO₂ emissions of approximately 45% can be seen in 2021 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. These figures include the estimated electricity consumption of employees working from home. 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. soll dagegen unser neues Gebäude am Standort Leipzig beitragen. Es wird unter Berücksichtigung umfassender Nachhaltigkeitskriterien gebaut und soll ab 2023 unsere bisherigen Räumlichkeiten ablösen. Hinzu kommt, dass durch das hybride Arbeiten (siehe Krit. 15), eine nachhaltige Verminderung unseres Flächenbedarfs pro Mitarbeitenden in Leipzig und München erreicht werden soll. Hierdurch wird eine weitere nachhaltige Reduktion des Wärmeverbrauchs und der damit einhergehenden Emissionen erwartet.

In comparison to 2020, emissions in 2021 increased by approximately 13%. This rise is attributed to the increased usage of servers and the additional monitors required by employees working from home.

- **Procurement:** CO₂e emissions experienced an increase of about 18% in 2021 compared to the base year, primarily due to the increased procurement of IT equipment. In 2023, we will reassess our procurement process to ensure it aligns with sustainability goals.

Measuring our climate-relevant emissions through our networking platform

It isn't yet possible to measure the CO₂e 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) energy-related GHG emissions
The reporting organisation must disclose the following information:

- a) Gross volumes of 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.*

a.)

Scope 1 – Reporting year 2021

Scope 1.1 – Direct emissions from combustion processes of stationary sources

Office heating in Germany (natural gas)	128.735 kg CO ₂ e
Office heating outside Germany (energy mix)	23,188 kg CO ₂ ec

Scope 1.2 – Direct emissions from combustion processes of mobile sources

Company cars (fuel)	234,237 kg CO ₂ e
Company cars (electricity)	2,498 kg CO ₂ e
Shuttle bus	2,446 kg CO ₂ e

Total of Scope 1 430,227 kg CO₂e

b)

The figures cannot be broken down as all relevant GHGs are already amalgamated by the emission factors provided by for example rail operator Deutsche Bahn and the Federal Environment Agency.

c)

No such emissions

d)

The base year for all calculations is the reporting year 2019.

e)

The emission factors were derived from the following sources: Ecoinvent 2.2, Gemis database 5.0, ProBas database, UBA publications, Deutsche Bahn's UmweltMobilCheck, and the European Environment Agency.

f)

Operational monitoring

g)

Application of the Greenhouse Gas Protocol

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

The reporting organisation must disclose the following information:

a) Gross volumes of 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.

a)

Scope 2 – Reporting year 2021

Scope 2.1 – Emissions from purchased electricity

Office branches	8,583 kg CO ₂ e
Server centre	99,007 kg CO ₂ e

Scope 2.2 - Emissions from district heating/cooling

Office branches	62,311 kg CO ₂ e
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Total of Scope 2 169,901 kg CO₂e

b)

not relevant, see a.

c)

The figures cannot be broken down as all relevant GHGs are already amalgamated by the emission factors provided by for example rail operator Deutsche Bahn and the Federal Environment Agency.

d)

The base year for all calculations is the reporting year 2019.

e)

The emission factors were derived from the following sources: Ecoinvent 2.2, Gemis database 5.0, ProBas database, UBA publications, Deutsche Bahn's UmweltMobilCheck, and the European Environment Agency.

f)

Operational monitoring

g)

Application of the Greenhouse Gas Protocol

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

The reporting organisation must disclose the following information:

a) Gross volumes of 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.

a)

Scope 3 – Reporting year 2021

Scope 3.1 – procured goods and services

Fleet	161,000 kg CO ₂ e
Office supplies	215,370 kg CO ₂ e

Scope 3.6 – Business travel

Train	10,082 kg CO ₂ e
Plane	7,607 kg CO ₂ e
Vehicles	24,126 kg CO ₂ e

Scope 3.7 Commuting / Home office

Home offices in Germany: electricity	20,159 kg CO ₂ e
Home offices in Germany: heating	15,977 kg CO ₂ e

Total of Scope 3 434,162 kg CO₂e

b)

The figures cannot be broken down as all relevant GHGs are already amalgamated by the emission factors provided by for example rail operator Deutsche Bahn and the Federal Environment Agency.

c)

No such emissions

d)

Procured goods and services 376,370 kg, business travel 41,815 kg

e)

The base year for all calculations is the reporting year 2019.

f.)

The emission factors were derived from the following sources: Ecoinvent 2.2, Gemis database 5.0, ProBas database, UBA publications, Deutsche Bahn's UmweltMobilCheck, and the European Environment Agency.

g)

Application of the Greenhouse Gas Protocol

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

The reporting organisation must disclose 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, FKW, PFKW, 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	2021	Change 2021 compared to 2020	Change 2021 compared to 2019
Scope 1	493,375	357,470	430,227	+ 20.35%	- 12.8%
Scope 2	344,497	171,742	169,901	- 1.07%	- 50.68%
Scope 3	505,434	435,886	434,162	- 0.4%	- 14.11%

Our carbon footprint was first compiled in 2019 following the GHG Protocol. This approach will be applied in all subsequent years. We've introduced schemes to improve the data basis and measuring accuracy, and taken steps to reduce emissions (see Criterion 13).

Criteria 14–20: Society

Criteria 14–16: Employee-related matters

14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters employee 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 14 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. In 2022, we introduced an internal minimum wage across the group for permanent employees that significantly surpasses the German statutory minimum wage. This applies even to our subsidiaries outside of Germany where no statutory minimum wage exists. At the end of 2022, all employees also received a one-off payment to offset inflation. In addition, as of January 2023, we've increased the annual leave entitlement from 27 to 30 days for all permanent employees across our national subsidiaries.

Upholding employee rights and needs

Coming from an employers' market, we now operate within an employees' market. To remain an attractive employer, we're accommodating the demands of job seekers more fully. This includes an increased focus on employee rights and needs, demonstrated by the adoption of hybrid work models ('Smart Work'), a range of part-time arrangements, and expanded in-service training schemes.

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 by taking stock.

There is a DE&I Working Group, comprising the Internal Sustainability Manager and representatives from Human Resources and Organisational Development. This group deliberates on KPIs and strategies to promote diversity awareness within the company.

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 their 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. In 2022, we were awarded for the fourth time a Healthcare Award from the German health insurer Barmer.

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.

We need to distinguish between **three types of risks**:

1) Risks from our growth and internationalisation for the employment rights of Unite's employees and its corporate culture

➤ Different legal requirements at an international level

We will 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. Our aim is to align national regulations. In cases of diverging national laws, we assess whether general (transnational) regulations are necessary and practical without undermining local rules. Furthermore, we determine when national rules should be followed for specific reasons. 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. This was increased to 30 days in 2022. Moreover, flexitime (as described in Criterion 15) was introduced for all employees. In addition to the legal provisions, it was decided that hybrid working (described in Criterion 15) would be applied equally in all non-German subsidiaries. Furthermore, all employees will also be offered training opportunities and budgets for team events.

➤ Lack of integration of all employees into the corporate culture

An extensive onboarding process undergone by every new employee is intended to counteract this. It includes the introduction to our corporate values and the assignment of a buddy to each new employee. The buddy can answer cross-departmental questions on professional or cultural topics.

As described in Criterion 9, a Culture Circle was elected in 2022, which has 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 are also represented on this Culture Circle 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.

2) 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 goods 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 LkSG Act on Corporate Due Diligence Obligations in Supply Chains, an essential element of which is compliance with workers' rights. Building on this, a risk screening will be implemented in 2023, described in more detail in Criterion 17.

3) Risks associated with the hybrid work model

Introducing the hybrid work model (described in more detail in Criterion 15) presents risks in terms of protecting employee rights, as the German government needs to provide legislation for this type of work. We've added annexes to employees' existing contracts to mitigate this risk. We'll review any forthcoming legislative changes to ensure our Smart Work model remains compliant.

15. Equal Opportunities

The company 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 694 people from 40 different nationalities, 55% of whom are female. The share of management positions held by women is 44%. The age structure ranges from 18 to 64. 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 areas of equal opportunities and diversity. These are to be developed in 2023.

The first step has been to develop a better basis for decision-making by recording the status quo using several diversity KPIs (as described in Criterion 17). For this purpose, the GRI indicators age, gender and nationality have been considered. Other diversity KPIs are to be introduced in 2022 based on the levels of the Diversity Charter we signed. The newly-formed DE&I Working Group has discussed various KPIs, their benefits and the implications of the survey. The following additional KPIs are to be recorded in the future: the proportion of part-time workers, average length of service, employee turnover and retention rates.

In addition to collecting quantitative data, the Working Group also adopts a qualitative view.

In-house campaigns are designed to raise employees' awareness regarding diversity and to heighten awareness of unconscious bias. For example, to mark International Diversity Day, a banner was displayed on the company's intranet homepage. It was linked to an internal page offering information about diversity, both broadly and specifically at Unite.

In 2021, we introduced gender-neutral language in 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. We try because it's important to others. We try because it's important to others.
- **Courageous:** We're open and receptive to changes in language and expression.

➤ **Human:** 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

In 2021, we introduced English as a lingua franca across Unite. This was due to a variety of reasons, such as the expansion of our international business, the integration of employees in our non-German subsidiaries, and the increase in the number of remote workers recruited worldwide.

English as our lingua franca will help us think and act globally. 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 are available to employees. 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.

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 7 am and ending no later than 6 pm.

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' worries 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 employees.

Introduction of hybrid working

With the launch of hybrid working, every employee is now offered the opportunity to work from home even after the pandemic. The goal is to combine flexible working with the opportunity to meet colleagues face-to-face in the office.

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 working models. They're based on the requirements of each position and consider employees' preferences.

Once a 'work model' had been chosen by an employee, their employment contract was amended accordingly. In 2022, we continued developing and introducing a hybrid work model throughout the company, taking into consideration both local and departmental perspectives. Workshops were held for managers to understand the nuances of leading hybrid working teams. In 2023, the insights gathered from these workshops will be integrated into an e-learning system for hybrid work, a guidance canvas, and a code of conduct for hybrid work.

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 2023, the aim is to have Unite reassessed by the DIW.

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

16. Qualifications

The company 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 risks are seen.

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 employees 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. change management)
- Professional skills (e.g. product trainings)
- Team-building workshops
- Individual coaching by internal or external coaches
- Language courses for English and German

All courses are available via our learning platform, allowing knowledge to be acquired regardless of time, location and language. Courses can also be grouped into role and department-specific learning paths and ensures that relevant knowledge and skills are available to employees according to their field of activity.

Vocational training in four professional areas

We conduct training in office management, dialogue marketing, digitalisation management and e-commerce. In addition, we collaborate with the school Freie Schule Anhalt. In 2022, we were pleased to offer employment to all our trainees.

As well as imparting vocational training, we support the independent tackling of social problems. We encourage collaborative projects among trainees, like organising social days and participating in the Diversity Challenge of the Diversity Charter.

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

Also, in 2022, we worked 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 studied the topics 'Fake News and Conspiracy Ideologies' and 'Digital Mindfulness'.

Our trainees experience business operations through a business simulation game, acting as young entrepreneurs to gain an extensive understanding of how businesses function.

Training formats on sustainability aspect

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

Therefore, in 2023, 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 employees were allowed to take monitors and office chairs home with them. Moreover, fitness classes were introduced during lunch breaks.

In 2022, we've continued 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 stress management using the chat function in Microsoft Teams or on WhatsApp regardless of whether this concerns work-related or private matters. This service was well received with colleagues and will be maintained in 2023. In 2022, these external counsellors also offered other training, such as a workshop on the most important tools for overcoming stress and guided meditation sessions.

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 were evaluated in 2022.

While the survey didn't conclusively pinpoint which department employees find most stressful, the following interpretation is plausible: Employees are best equipped to assess their abilities and the stress they are under. Consequently, they can balance their in-office and remote working times to fit their personal needs best and minimise stress. This rationale underpins our adoption of the hybrid working model, allowing employees to select the best model to suit their circumstances.

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. Unite wants to support employees in dealing with these challenges, which is why we developed and offered a training on change management in 2022.

KPIs: Criteria 14 to 16

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

The reporting organisation must disclose 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 the organisation:

- 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

The reporting organisation must disclose the following information:

a) For all employees:

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

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

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

Occupational and commuting accidents are recorded in an injury manual. Seven injuries were documented for 2022. There were no occupational accidents certified by a doctor and recorded by us as absenteeism in 2022. The lost time injury rate in 2022 was 0%. The occupational accident severity rate was also 0% in 2022. This is based on the following calculation: (Lost time injury severity rate, LTI) for direct employees – (Number of days absence due to injuries) x 1,000 / Total hours worked 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 4.45% in 2021 to 5.7% in 2022. This increase can most likely be attributed in part to the highly infectious coronavirus variant Omicron, and the increase in respiratory illnesses in the autumn of 2022. Nevertheless, since Unite shows rates of sickness above the industry average, a more detailed analysis of the reasons for this rise will be conducted in 2023.

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

The reporting organisation must disclose the following information: for employees and for workers who are not employees but whose work and/or workplace is monitored by the organisation:

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.

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. There is a mandatory training course on occupational safety that all employees must complete. This course also encourages participants to contribute their own suggestions and ideas. Employees can train voluntarily to become fire safety officers and first aiders.

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

The reporting organisation must disclose 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 53.5 hours. An breakdown of the data by gender is not yet possible.

KPI GRI SRS-405-1: Diversity

The reporting organisation must disclose the following information:

a) Percentage of individuals within the organisation'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 694 people from 40 different nationalities, 55% of whom are female. The share of management positions held by women is 44%. The age structure ranges from 18 to 64. The majority of employees (63.3%) belong to the 30–50 age group. 17.7% of employees are under 30 years old and 11.35% are over 50 years old. The data relating to age is for Germany only. Employee data outside Germany is not saved in the same system and so an evaluation is not yet possible.

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.

Criterion 17: Human rights

17. Human Rights

The company 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. Information should also be provided 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. In 2021 we set ourselves the goal of revising the Code of Conduct, and we were able to achieve this. The revised 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 LkSG Act on Corporate Due Diligence Obligations in Supply Chains are considered, feedback from various stakeholders, such as the Business & Human Rights Helpdesk, was sought when the Code of Conduct was revised.

We could also achieve the goal of rolling out the Code of Conduct in 2022. It can be viewed under the following link: <https://unite.eu/en-global/unite-coc>. The Code of Conduct was sent digitally to all business partners in 2022. 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. To raise awareness of the commitment to comply with its requirements, the document had to be signed by the business partners.

The Code of Conduct also obliges our business contacts to report actual or potential violations. This also includes violations affecting their supply chain. For this purpose, a whistleblower system was introduced in 2022, which will be described in more detail in Criterion 20.

Setting up risk assessment

In 2023, we plan to implement a risk assessment system. Suppliers will be checked for potential risks based on location, industry and media screening. If a risk is identified, we will engage the supplier further to ensure compliance with the LkSG Act on Corporate Due Diligence Obligations in Supply Chains. It's important for us to find a common solution and 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 LkSG Act on Corporate Due Diligence Obligations in Supply Chains. Termination of a contractual relationship is the last resort.

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

The reporting organisation must disclose 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'.

None.

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

The reporting organisation must disclose 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.

A review has not been carried out yet.

A corresponding review assignment for 2023 is still being formulated.

Leistungsindikator GRI SRS-414-1: Auf soziale Aspekte geprüfte, neue Lieferanten

Die berichtende Organisation muss folgende Informationen offenlegen:

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

As described in Criteria 4 and 17, a risk assessment system will be put into place in 2023 to identify and evaluate risks related to social criteria.

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

The reporting organisation must disclose 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 Criteria 4 and 17, a risk assessment system will be put into place in 2023 to identify and evaluate risks related to social criteria. If a supplier poses a high risk, we aim to work together towards sustainable development. Termination of a contractual relationship is the last resort.

Criterion 18: Corporate Citizenship

18. Corporate Citizenship

The company 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 in 2021 and put into practice 2022.

Networking our employees as another aspect of corporate citizenship

A networking platform for corporate citizenship is to be set up in 2023. A student worker was taken on 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.

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.

Gaining knowledge on sustainability topics via meetups

In a workshop hosted by experts from the Dresden-based prevention project known as 'Social Web Goes to School', in 2022 our trainees were introduced to the topics of 'Digital Mindfulness' and 'Fake News and Conspiracy Ideologies'. 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.

Trainees do volunteer work in local charities

In 2022, our trainees organised a Social Day and volunteered in several local charities. In 2023, we will again organise volunteer groups who will dedicate a day to working with various charities such as the Tafel food bank and Lebenshilfe, an organisation supporting individuals with mental disabilities.

Unite with Ukraine

In 2022, we established a voluntary Ukraine aid group. This team arranges fundraising events, locates accommodation for refugees and makes private donations to aid organisations. On our website, we also appeal to our customers and suppliers to donate relief goods. In addition, Unite is in touch with relief organisations that transport aid to Ukraine on our behalf, like the Association for Worldwide Emergency Relief.

Charity work abroad

We're also involved in various campaigns and initiatives outside Germany. In France, for instance, during the Covid-19 pandemic, when our office was unstaffed, the office's regular fruit basket was donated to hospitals. In a company-wide World Cup betting game, the top three winners were invited to nominate a charity or other non-profit organisation to receive a monetary donation from Unite.

Our colleagues from the UK have a tree planted for each connected supplier. It was important to Unite for the trees to be planted near our UK HQ in Wales. This not only has an environmental aspect, but also offers a symbolic perspective for our employees, as the trees mirror the growth of our evolving business idea.

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 employees 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. Every year, the festival is dedicated to a socially relevant issue, such as inclusion and empowerment. In addition, the panel discussions with invited guests encourage dialogue and networking.

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.

Donations to schools and clubs

We've been working with a school in Köthen (Freie Schule Anhalt) for many years. We provide this integrated school with financial and material donations, train students for future roles, and offer internships and company visits. In 2022, we were pleased to donate 30 desks to the school.

In 2022, we presented computers complete with monitors, mice and keyboards to Angelika Hartmann special needs school in Köthen.

Since 2020, we've sponsored Eintracht Köthen football club, whose aims include fostering young talent in the region. We sponsored jerseys for the women's team of FC Stahl Aken in 2022. Cöthen Hockey Club was also pleased to receive a financial donation for its junior teams. In 2022, we had a set of jerseys made for a junior football team of CFC Germania.

Support for the Futurego schools competition

We've been supporting financially and with the organisation of the Futurego schools competition in Saxony-Anhalt for many years. The aim of the competition is for the students to 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 winner is selected by a jury which includes a representative from Unite. The final event is co-organised by us and includes an address by the head of Human Resources.

In 2022, Unite successfully campaigned to introduce a new category to the competition called 'Sustainability and

Digitisation'. We'll be assigned to this category, meaning the prize money we award will increasingly support projects in this field.

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 regional companies' sustainable, digital networking. It contributes to strengthening the regional economy by supporting the digitalisation of local companies. The importance of reliable trade routes has been 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 the organisation's global operations as listed below. If data are presented on a cash basis, report 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 €448,063,000. The economic value distributed (all expenses) was €442,503,000.

Criteria 19–20: Compliance

19. Political Influence

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 should be disclosed 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 public organisations 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. Unite Network SE was also registered into the lobby register in 2022.

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 2022, we issued statements on the following topics:

- RegE Whistleblower protection – participation in the consultation process via the IHK Chamber of Industry and Commerce
- Cyber Resilience Act – participation in the consultation process via the BDI Federation of German Industries
- Directive on Administrative Cooperation – participation in the consultation process via the bevh German E-Commerce and Distance Selling Trade Association

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

The reporting organisation must disclose the following information:

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

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

We have not made any party donations so the total value is EUR 0.

20. Conduct that Complies with the Law and Policy

The company 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. The company 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.

Our Compliance Manager

As described in more detail in Criterion 5, compliance issues are the purview of our Compliance Manager. She reports to the Executive Board at regular intervals.

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 Criterion 17 (Human Rights) outlines, there is a Code of Conduct for business contacts that all suppliers must sign before they're permitted to use our 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.

In connection with our client the Crown Commercial Service, various policies have been introduced for our national subsidiary Mercateo UK: Environmental Policy, Quality Policy, Modern Slavery Policy, Transparency in the Supply Chain Statement. Mercateo UK is also ISO 27001 certified. ISO 9001, 14001, 22301, and 27031 certifications will follow in 2023. We're also assessing the relevance and feasibility of these certifications at group level.

No secrets: Openness and transparency are part of our culture

The way all Unite employees 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 that donations and sponsorships are posted on the intranet and 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.

Transparency in the payment of taxes: Fair Tax accreditation

Our transparency is also reflected in our Fair Tax accreditation. Unite supports measures to improve tax transparency and confirms its full compliance with this tax policy at the end of 2021. We believe in keeping our stakeholders well

informed about our tax affairs in a manner that's both clear and accessible to ensure they're completely in the picture and reassure them that we pay our fair share of tax. This includes complete disclosure of the types and amounts of taxes we pay, and the jurisdictions where they're paid. We were honoured to be the first German multinational to receive the Fair Tax Mark, establishing a new benchmark for responsible tax behaviour.

The whistleblower system as part of conflict management

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

A conflict management system for all employees was also set up in 2022. 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 consists of two elements. On the one hand, there is internal professional support explaining what steps should be taken and in what order to help resolve conflicts. In addition, there is 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 was also be introduced for external stakeholders. Breaches are 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 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 implementing this right to conduct audits. In 2023, we aim to build a risk assessment system. This process is described in more detail in Criterion 17.

Possible new risks due to increasing internationalisation

As the company continues to grow and become increasingly international (in terms of 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. External and internal risks first began to be documented in 2019. The management and the following departments have compiled reports on external and internal risks as well as for the following departments: Supplier Management, Sales, Operations, IT, Legal, Treasury, Controlling and Human Resources. They cover various risks, such as defaults from customers and partners, foreign exchange and interest rate fluctuations, IT security, infrastructure and the loss of key personnel. Using these reports, we've developed a risk matrix and publish an annual management report detailing risks and opportunities. As we expand our risk management system in 2023, we will further operationalise and document our strategies to mitigate these and other risks, such as measures to prevent bribery and corruption. Our subsidiary Unite Financial Services (UFS) – which is currently in the process of applying for regulatory service accreditation – has already implemented stringent risk management in accordance with the EBA guidelines.

KPIs regarding Criterion 20

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

The reporting organisation must disclose 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 2023:

KPI GRI SRS-205-3: Incidents of corruption

The reporting organisation must disclose 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 incidents of corruption.

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

The reporting organisation must disclose 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) If the organisation has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.*
- c) The context against which significant fines and non-monetary sanctions were incurred.*

There have been no incidents.