



CHG

RETHINK TECHNOLOGY

2022 Corporate and
Sustainability Report



technology2use®

ABOUT THIS GRI 2-2 REPORT

This Corporate & Sustainability Report for 2022 presents our business activities and sustainability performance as well as financial data from CHG-MERIDIAN. We highlight our impact in the social, environmental, and economic spheres and describe the concepts we have developed and the goals we have defined. The aim of the report is to inform our stakeholders about how we are meeting our responsibilities.

Our Corporate & Sustainability Report follows the framework of the Global Reporting Initiative (GRI) and was written in accordance with the 2021 GRI standards. CHG-MERIDIAN is a signatory of the UN Global Compact and a supporter of other initiatives such as the Diversity Charter and the Development and Climate Alliance.

The period under review in this consolidated report is the 2022 fiscal year (January 1, 2022 – December 31, 2022). Unless otherwise stated, all figures and disclosures in this report apply to Germany, Austria, and Switzerland, which includes CHG-MERIDIAN AG, CHG-MERIDIAN Industrial Solutions GmbH, CHG-MERIDIAN Austria GmbH, and CHG-MERIDIAN Schweiz AG. Only information relating to employment status – permanent or fixed-term contract, full time/part time, and training – refers solely to the

German companies. The consolidated financial statements cover all subsidiaries of CHG-MERIDIAN, including abakus Consulting GmbH based in Germany, the joint venture devicenow, and circulee. The sustainability report does not cover these entities due to their fundamentally different business models and low headcount.

A limited assurance engagement was carried out for all GRI-relevant information (see pp. 70–75), with the exception of information and key figures relating to energy (p. 43) and emissions (p. 47) and the chapters ‘Corporate citizenship’ (p. 51), ‘Green IT study’ (p. 49), and ‘Customer stories’ (p. 8). Additional content, such as references to information on our website, was not included in the scope of the engagement.

WE SUPPORT



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EDITORIAL

The background of the entire page is a close-up, high-speed photograph of water. It features a deep blue color palette with numerous concentric ripples and splashes of water droplets, creating a textured and dynamic visual effect.

- 05 Introduction by CEO Mathias Wagner
- 07 Company profile

GRI 2-22

PIONEERING TOMORROW. NEW OPPORTUNITIES FOR A CIRCULAR ECONOMY.

Dear Reader,

Looking back on 2022, we more than held our ground in a challenging market and took advantage of opportunities for growth. We exceeded our expectations for 2022 thanks to record lease originations of €2.23 billion, an increase of 29.3 percent.

This success is reflected in the technology portfolio that we manage. The total value (at historical cost) rose by 15.2 percent (at original equipment value) to €8.95 billion. Many markets are seeing a positive trend and gaining momentum again after the impact of supply bottlenecks and the coronavirus pandemic. Furthermore, many companies consider the leasing and financing of IT, healthcare, and industrial assets an attractive option given the current economic situation.

The Group's net income reached €100.32 million and was therefore 11.3 percent lower than in 2021. This result had

been anticipated and reflects targeted capital expenditure on our business model and on the strategic development of the model.

We also drove forward the implementation of our NEXT 2025 roadmap in 2022 with the aim of delivering further profitable growth over the medium term. Our strategic positioning and the ongoing development of our service portfolio are crucial to this. In spring 2022, our new businesses devicenow and circulee extended our portfolio to include innovative global device-as-a-service solutions and sustainable refurbished IT hardware for small and medium-sized enterprises (SMEs).

We also expanded our international presence by acquiring lifecycle asset manager OPC Asset Solutions in India and opening a new location in Singapore. This means that we are now active in 30 countries.



A SUSTAINABLE OPERATING SYSTEM FOR INNOVATION AND GROWTH

Sustainability has been part of our business model since 1979. Our holistic approach incorporates sustainable financing models based on the circular economy, transparent compliance standards, and values-based collaboration.

After being awarded another silver medal in the EcoVadis rating, we took decisive steps toward the sustainable financing of our business in 2022. Following a successful start of €50 million in 2021, we were able to generate a further €200 million via ESG-linked loans through our partners at Helaba Landesbank Hessen-Thüringen and Landesbank Baden-Württemberg.

We also had the specific environmental impacts of our circular usage models scientifically examined for the first time by the independent VITO Institute in Belgium. The findings show that leasing and device-as-a-service models based on the circular economy have the potential to reduce the carbon emissions of IT infrastructure by more than 50 percent and resource consumption by up to two-thirds.

As part of our commitment to sustainability, we also developed new procurement standards that we have incorporated into a policy to use when working with our suppliers. We have also defined new values for our internal relationships and are integrating them into our day-to-day work through a number of initiatives. These will boost our position in the race for talents and represent another step toward our goal of becoming an employer of choice.

”

We have defined a clear vision: we want to become the leading global technology2use company.

Mathias Wagner



CHG-MERIDIAN in 2022: opportunities taken, expectations exceeded.

ON THE WAY TO BECOMING THE LEADING GLOBAL TECHNOLOGY2USE COMPANY

Profitable growth is of critical importance for our NEXT 2025 roadmap. If we are to reach this goal, we will need to act quickly and flexibly, create scalable offerings, and deliver value-adding innovations.

We have defined a clear vision: we want to become the leading global technology2use company. By creating, financing, and delivering technology usage models on a global scale based on our circular economy business model.

I am very optimistic about the future and look forward to working with colleagues, customers, and partners in 2023.

Kind regards,

Mathias Wagner

CEO of the CHG-MERIDIAN Group

GRI 2-1, 2-2, 2-6, 2-9

CHG-MERIDIAN AT A GLANCE

AN INNOVATIVE TECHNOLOGY MANAGER – SINCE 1979

CHG-MERIDIAN is an international technology management and financing company in the areas of IT, industrial technology, and healthcare technology. We offer comprehensive technology infrastructure management for large corporations, SMEs, public bodies, and hospitals through 41 branch offices employing over 1,300 people in 30 countries.

Our approach is to support our customers with their digital transformation and help them to run their business in an efficient and clearly sustainability-oriented manner. Based on the principles of the circular economy, our service portfolio includes planning, financing, and operational implementation, as well as certified data erasure, refurbishment, and remarketing of used equipment at our two technology centers in Germany and Norway, and via our international network of partners.

Across three technology segments, we offer customized business concepts tailored to our customers' requirements and applications. In the IT segment, we offer six IT solutions, such as Employer Benefit Solutions, to help

customers to efficiently implement their technology projects from start to finish. In the industry segment, we lease industrial infrastructure for fleet management, production, machinery, warehouses, and logistics. And in the healthcare segment, we finance advanced healthcare technology and hospital IT. Our service portfolio also includes the tesma technology and service management system, carbon-neutral leasing through our carbonZERO® product, and certified data erasure with eraSURE®. All products and services have been approved for use in all of our markets.

CHG-MERIDIAN AG is the parent company of the CHG-MERIDIAN Group and an unlisted stock corporation. The Group's Board of Management has four members, who regularly report to the Supervisory Board on business matters. The Board of Management members, all of whom are male, are CEO Mathias Wagner, CSO Frank Kottmann, CFO Ulrich Bergmann, and CIO Oliver Schorer. Daniel Welzer replaced the incumbent CSO, Frank Kottmann, on January 1, 2023, who had held the role in the reporting year up to and

including December 31, 2022. With regard to the rules for the Board of Management concerning conflicts of interest and fit-and-proper assessment, we comply with the rules and laws applicable to us as a regulated financial institution. No potential conflicts of interest were identified in the year under review. The Supervisory Board is made up of five male members and one female member. It comprises two majority shareholders (end of current term of appointment: 2023), two independent external individuals (end of current term of appointment: 2023 and 2027 respectively), and two employees (end of current term of appointment: 2023 and 2027 respectively). No member of the Supervisory Board holds a position on the supervisory board of other regulated companies.

The exact ownership structure can be found in the 'Economy & finance' chapter (p. 17).

30 
Countries

41
Offices

Over 
1,300
Employees

Established in
1979 

CUSTOMER STORIES

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AUSTRIA

INTERNATIONAL WOOD MERCHANT ENTERS THE SMART FACTORY ERA



J. u. A. Frischeis (JAF) is one of Europe's largest suppliers of wood and wood products. The company is embarking on a strategic realignment with the help of CHG-MERIDIAN. Thanks to the new, fully automated production equipment that the company is leasing through us, it can now manufacture furniture parts to individual customer specifications – and in record-breaking times. The main challenge besides the technical integration was to manage the acquisition, from different suppliers, of all the individual parts in one transaction and to minimize the risk of the investment for JAF.

How did our usage-oriented leasing models help to make this investment in the future happen?



[Click here to read the full success story of J. u. A. Frischeis](#)



SUSTAINABILITY – A CORPORATE VALUE

For Storopack, a family business specializing in protective packaging and molded parts made from expanded foams, sustainability is a priority issue both in its production processes and in its IT infrastructure. Thanks to our 'green' financing option, carbonZERO®, Storopack can make IT investments around the world in a sustainability-oriented manner. This climate-neutral leasing solution enables the company to offset the greenhouse gas emissions of its entire IT inventory.

For Storopack, the potential greenhouse gas savings were a key factor in the decision to lease more than 1,200 laptops, tablets, PCs, and smartphones through CHG-MERIDIAN. Do you want to know why?



[Learn more about Storopack's story](#)



GERMANY



STRUCTURAL CHANGE MADE EASY

Healthcare technology manufacturer Boston Scientific works worldwide on innovative medical solutions for around 30 million patients a year. At Boston Scientific in Italy, the IT department manages all mobile devices, telephones, and tablets centrally. With support from CHG-MERIDIAN, the team implemented an efficient system for managing smartphones in just a few steps.

Would you like to find out what Boston Scientific regards as the highlight of its collaboration with CHG-MERIDIAN and what role our **tesma** technology management system played in this context?



[Read the full Boston Scientific story](#)



AROUND 5,000 DEVICES IN A CIRCULAR MODEL

São Martinho is a leading global sugar cane processor that sets agricultural and technological standards in its industry. Across its four plants, the Brazilian company employs around 12,600 people and has the capacity to process up to 24.5 million tonnes of sugar cane. São Martinho is committed to sustainable principles in production, corporate governance, and its relationships with external service providers. The climate-neutral leasing model for laptops and work stations that the company put in place together with CHG-MERIDIAN constitutes a significant milestone in its sustainability agenda.

How did the sugar cane producer optimize its greenhouse gas footprint and achieve its sustainability targets?



[Learn more about São Martinho's story](#)



BRAZIL



CARBON-NEUTRAL WORKPLACES ON THREE CONTINENTS

With around 8,600 employees in 40 countries, UCB is one of the largest pharmaceutical research and development companies. Its experts develop effective long-term medications and treatments for patients with severe and chronic diseases. UCB sets itself high standards in respect of innovation and sustainability, including in its IT management. That is why the biopharma company opted for sustainable leasing and efficient technology management from CHG-MERIDIAN for its laptops.

How have we helped UCB to manage around 11,000 laptops worldwide in a sustainable, transparent, and hassle-free manner?



[Read the full UCB story to find out](#)

An aerial photograph of several white sailboats with white sails on a deep blue sea. The boats are scattered across the frame, with some in the foreground and others further away. The water has a textured, wavy appearance. The overall scene is bright and clear, suggesting a sunny day.

ECONOMY & FINANCE

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INVESTMENT IN A SUCCESSFUL FUTURE



Increasing the volume of lease originations was one of the key targets defined in last year's report, and we are delighted to have exceeded our expectations. In total, the volume of lease originations amounted to €2.23 billion, an increase of 29.3 percent year on year (2021: €1.73 billion).

The majority of our markets have gathered momentum again after the impact of supply chain bottlenecks and the pandemic, and many companies consider the leasing and financing of IT, healthcare, and industrial assets an attractive option given the current global situation. As a result, the total value (at historical cost) of the technology portfolio managed by us grew once again to €8.95 billion (2021: €7.77 billion). The Group's net income reached €100.32 million and was therefore 11.3 percent lower than in the previous year (2021: 113.13 million). This result had been anticipated and reflects targeted capital expenditure on our business model and on the strategic development of the model. In this context, equity investments, the founding of start-ups, and expansion efforts are inevitably leading to capital expenditure and start-up losses that, along with internal digitalization initiatives, are affecting our bottom line.

We took further steps in 2022 to secure sustainable funding for our business, enabling us to generate a €200 million via ESG-linked loans through our partners at Helaba Landesbank Hessen-Thüringen and Landesbank Baden-Württemberg. In the long term, we are aiming for half of our funding to be sustainability-linked.

These very positive developments, combined with the goals set out in our medium-term strategy, the NEXT 2025 roadmap, show that we are on course to become the leading global technology2use company. Because we create, finance and deliver technology usage models on a global scale, built on our circular economy business model.

"2023 will certainly be another year of opportunities and challenges, and we will continue to drive profitable growth as a key strategic target across the Group," says Mathias Wagner, CEO of CHG-MERIDIAN. "That is a tall order, but I am confident that everything is in place for us to achieve it."

€8.95 billion

Total value of the technology portfolio financed and managed as at December 31, 2022

THE CHG-MERIDIAN GROUP IN NUMBERS: 2022

Direct economic value generated and distributed (€ million)

	2022	2021
Economic value generated	1,585.76	1,449.10
Earnings	1,585.76	1,449.10
Economic value distributed	-1,485.44	-1,336.24
Operating expenses	-1,256.58	-1,136.05
Staff expenses	-149.21	-131.67
Expenses for lenders	-44.05	-30.17
Tax expenses	-35.60	-38.35
Economic value retained	100.32	112.85

Net income

€100.32 million

Volume of lease originations broken down by technology sector



81.1%
Information
technology



15.1%
Industrial
technology



3.8%
Healthcare
technology

Selected key financials (€ million)

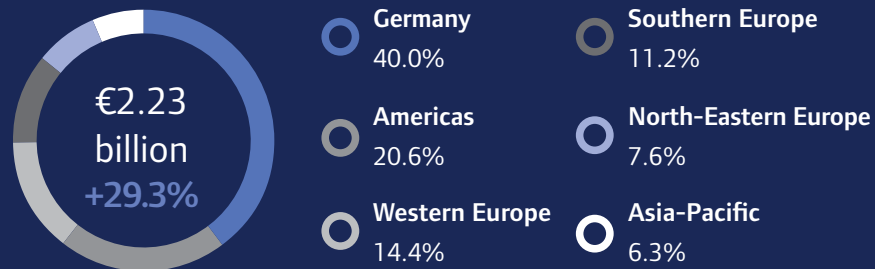
	2022	2021	
Equity (IFRS)	729.42	684.27	+6.6%
Group's total assets (IFRS)	5,097.85	4,006.41	+25.4%
Net income (IFRS)	100.32	113.13	-11.3%
Non-recourse funding	1,413.44	1,228.76	+15.0%
Corporate lending	596.24	387.53	+53.9%

Profit from ordinary activities

€135.92 million

Volume of lease originations

by region



Shareholders

as at December 31, 2022

The majority of the company's shares, around 63 percent, are owned by the family of its founder. Around 25 percent are held by the family of the chairman of the Supervisory Board, while the remaining 12 percent are held by the Board of Management, senior executives, and other shareholders.

STRATEGY & GOVERNANCE

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OUR SUSTAINABILITY STRATEGY

GRI 2-9, 2-17

SUSTAINABILITY ORGANIZATION ESTABLISHED

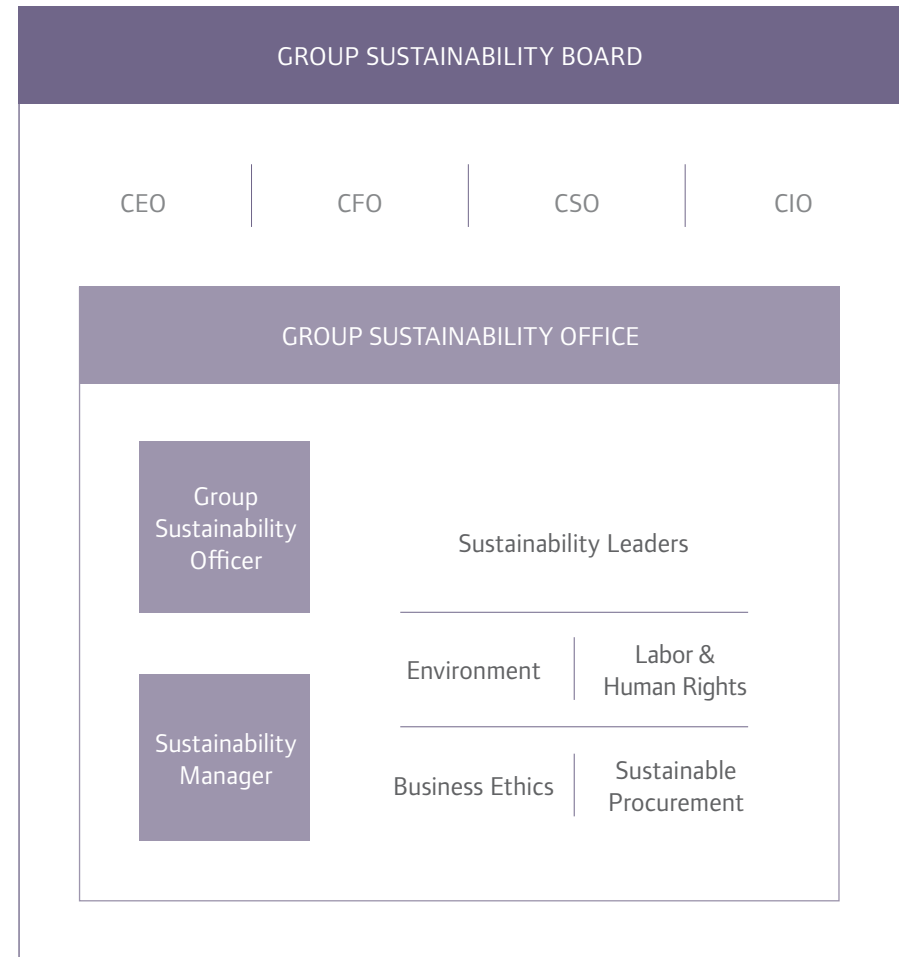
We want to systematically make our business more sustainable. To this end, we have put in place a sustainability governance structure that includes the role of Group Sustainability Officer (GSO), a Group Sustainability Board, and a Group Sustainability Office. The GSO is responsible for all sustainability-related topics at Group level and heads up the Sustainability Office, which manages key sustainability activities at CHG-MERIDIAN in the following four areas:

- Labor rights and human rights
- Business ethics
- Environment
- Sustainable procurement

As well as the GSO, each area has a Sustainability Leader. The Sustainability Office and the Board of Management together form the Group Sustainability Board. The Sustainability Office comprises four male members and three female members, and the position of Group Sustainability Officer is held by a man.

The Group Sustainability Board convenes every six months and acts as a central steering committee to ensure that our sustainability strategy is implemented across all of the Group’s functions. This means that the most senior decision-makers of the CHG-MERIDIAN Group sit on this board, maintaining a continual dialogue and ensuring that expertise on sustainability topics is expanded at management level on an ongoing basis. The responsibilities of the Sustainability Board include monitoring the company’s progress in respect of its sustainability goals and adopting resolutions on sustainability-related matters. Within the Sustainability Board, the power to make final decisions lies with the Board of Management.

We aim to extend sustainability reporting across the CHG-MERIDIAN Group by 2023 and have it externally reviewed. This report, covering the German-speaking countries and externally reviewed, represents a further milestone on the way to this goal.



GROUP-WIDE INTERDISCIPLINARY STRATEGY DEFINED

CHG-MERIDIAN pursues a sustainability strategy that was developed with reference to the UN's sustainable development goals and approved by the Group Sustainability Board. This interdisciplinary strategy is aligned with the goals of the corporate strategy and linked to the strategies of the subordinate Group functions. Each function and employee implements the sustainability strategy through suitable operational measures, ensuring that these are compatible with the existing functional and corporate strategies.

This is how we ensure that sustainability is integrated across the CHG-MERIDIAN Group and that it is the main principle that drives our actions. We have set ourselves specific goals in our four action areas up to 2025 (see table 'Sustainability goals refined') and have already achieved some aspects of them. The topics identified as material for CHG-MERIDIAN guided the selection and definition of targets (see 'Identified material sustainability topics'). In addition, our ongoing dialogue with stakeholders of CHG-MERIDIAN – especially customers, employees, and suppliers – throughout the year helps us to understand the sustainability-related aspects that matter most to them. A detailed description of our measures and targets can be found in the chapters 'Business ethics & compliance', 'Circular economy & climate action', 'Partnership & supply chain', and 'Collaboration & dialogue' in this report.

SUSTAINABILITY GOALS REFINED

Area	Goal	Time frame	Scope	Status	Corresponding SDG target
Labor rights and human rights	Increase the proportion of women in management positions to 30%	2025	Group	Ongoing (26.4%)	SDG 5.5
Business ethics	Development of information security management in accordance with ISO 27001 to the point of readiness for certification of data protection management in accordance with ISO 27701	2023	Germany, Austria, Switzerland	100% Achieved in 2022	SDG 16.4
	Comprehensive training on our shared values (e.g. code of conduct) for all current and new employees	Ongoing	Group	Ongoing	SDG 16.5
	Five ISO-certified management systems that apply across Germany, Austria, and Switzerland, and expansion of the scope of applicability of three of these systems to all of Europe by the end of 2025	2025	Germany, Austria and Switzerland	Ongoing (30%)	SDG 16.4 and SDG 16.5
Environment	Reduction in direct and indirect greenhouse gas emissions (scopes 1, 2, and partly 3) per employee by 25% compared with the base year 2020*	2025	Group	Ongoing (13%)	SDG 13.2
Sustainable procurement	Supplier assessment and procurement standards to cover own requirements and customer requirements resulting from lease obligations	2024	Group	Ongoing	SDG 8.8 and SDG 12.2

* Scope 3 emissions in the categories 3.6 (business travel) and 3.7 (employee commuting) relate to the base year 2019 in order to show pre-pandemic travel patterns.

OUR UPDATED MATERIALITY ASSESSMENT



GRI 3-1, 2-29

IDENTIFIED MATERIAL SUSTAINABILITY TOPICS

In response to the publication of revised GRI standards in 2021, CHG-MERIDIAN updated its materiality assessment in accordance with the requirements of the sustainability framework and redefined the material sustainability topics for the company.

The identification of material sustainability topics provides the foundation for the topic-specific GRI disclosures that form part of our reporting. Based on the relevant sustainability context, we analyzed impacts on the economy, the environment, and society. This analysis examined positive and negative as well as actual and potential impacts in order to establish whether they are of a short-term or long-term nature, intentional or unintentional, and reversible or irreversible.

The next step involved a qualitative assessment of important sustainability topics and an evaluation of topic-specific GRI disclosures using internal and external sources. These sources included CHG-MERIDIAN's

risk management, a peer group analysis, and an analysis of the global challenges of sustainable development. We also rated the sustainability topics on a numerical scale (representing a range from 'not relevant' to 'extremely relevant'). As part of this process, the scope of the topics was defined in greater detail. This helped to clarify which topics relate to our own activities and which relate to our business relationships and CHG-MERIDIAN's value chain. This analytical component was validated by the Sustainability Leaders.

Involving external and internal stakeholder groups is very important to CHG-MERIDIAN. We used interviews structured around key questions as a means of engaging with representatives of our stakeholder groups and producing a rating of positive and negative impacts along our aforementioned scale. The external stakeholder groups include customers, funding partners, business partners, public institutions, and the wider public. We also included evaluations

by internal stakeholder groups such as shareholders and employees. The evaluations by these stakeholder groups were weighted equally.

This multi-layered evaluation approach allowed us to conduct a quantitative assessment of our provisional overall results regarding positive and negative impacts, which conforms with the GRI standards' procedural requirements for the identification of material sustainability topics in consultation with stakeholders. A numerical threshold is used to identify which important sustainability

topics qualify as 'material'. The result was validated collectively by the Sustainability Leaders. CHG-MERIDIAN's Board of Management then approved the updated set of identified and evaluated sustainability topics. Material topics will be monitored on an ongoing basis, including as part of regular consultations with Risk Management. At the time of publication, no sector-specific GRI standards were available for the financial services industry. It was therefore not possible to benchmark the material sustainability topics against sector-specific standards.

GRI 3-2

REPORTING MATERIAL TOPICS

The material topics for reporting purposes in accordance with the GRI standards have been listed in the table on the right. Moreover, we voluntarily report on additional topics as indicated in the table.

The reporting has not been changed in any significant way compared with the preceding materiality assessment. All sustainability topics that were included in the previous

report are also covered by this report. Unlike in previous reports, 'diversity and equal opportunity' and 'anti-corruption' have been included as additional sustainability topics. Furthermore, the 'assessment of suppliers' social/environmental credentials', 'employment', and 'employee development' will be treated as material topics rather than additional topics going forward.



Strategy & governance

Anti-corruption and bribery	additional
Data protection and information security	
Fair competitive practices	additional
Economy & finance	
Economic performance	
Circular economy & climate action	
Circular economy, lifecycle, and waste	
Greenhouse gas emissions	
Energy	additional
Materials	
Collaboration & dialogue	
Occupational health and safety	additional
Employee development	
Employment	
Diversity and equal opportunity	additional
Partnership & supply chain	
Assessment of suppliers' social credentials	
Assessment of suppliers' environmental credentials	

DIALOGUE WITH STAKEHOLDERS

GRI 2-29

ONGOING DIALOGUE

From satisfied customers and employees, to transparency vis-à-vis the general public and auditing bodies, through to reliable supplier and partner relationships, we believe that taking the interests of our various stakeholder groups into account is crucial to our success. As part of our updated materiality assessment, we defined key stakeholder groups. We are continuously refining our approach to addressing the interests of our stakeholders so that we can maintain a reliable dialogue with the most important groups. To this end, we regularly and systematically review with the Sustainability Leaders any matters brought to CHG-MERIDIAN's attention by stakeholders.

The external stakeholder groups include customers, funding partners, business partners, public institutions, and the wider public. Internal stakeholder groups, including our shareholders and our employees, also play an important part. We host annual events, such as the International Funding Partner Conference (IFPC), in order to maintain an ongoing dialogue. In 2022, a number of sustainability-related events were organized, for example in Australia.

As a finance and technology service provider, we also maintain a dialogue with public bodies, such as the German

Federal Financial Supervisory Authority (BaFin) and similar institutions in the countries in which we operate.

Our employees are important internal stakeholders, which is why we keep them informed about sustainability topics at national and international level via our People & Culture departments, our corporate communications, and the works council at the technology center in Gross-Gerau. In addition, we provide a number of platforms on which they can share relevant information. We also consider the general public to be a stakeholder, and enter into dialogue with non-governmental organizations (NGOs) on an ad hoc basis. And we want to be a good neighbor in the communities in which we are established.

We actively include their interests in our actions through our existing dialogue formats and plan to expand these formats in the future. As a matter of principle, we treat any relevant matters raised by stakeholders as confidential. We use the EcoVadis sustainability rating platform to continuously improve our own performance in the area of sustainability. In 2022, CHG-MERIDIAN was awarded a silver medal in the EcoVadis ratings, putting the Group in the top 25 percent of all companies assessed. We continually strive to improve our rating.



STAKEHOLDER GROUPS AND THE FORMATS USED TO MAINTAIN A DIALOGUE WITH THEM

Funding partners

- International Funding Partner Conference (IFPC)
- Annual report

Customers

- Key account management
- Annual report
- Events
- External communications
- Sustainability rankings

Business partners (including suppliers)

- Supplier and service management
- Annual report
- External communications
- Sustainability rankings

Shareholders

- Annual General Meeting
- Closed meetings
- Supervisory Board meetings

Employees & works council

- Ongoing internal communication and dialogue

Public institutions

- Audits and audit reports
- Annual report
- Supervisory consultations and compliance with statutory notification and reporting obligations

General public & NGOs

- Annual report
- External communications & events
- Ad hoc dialogue
- UN Global Compact SDG Ambition Accelerator



GRI 2-28

PARTNERSHIPS FOR SUSTAINABILITY

Together with our partners and other organizations, we are committed to social, environmental, and economic sustainability beyond our day-to-day business. We regularly consider joining more initiatives.

OUR MEMBERSHIPS

GERMANY

- Bundesverband der Personalmanager e. V. (BPM)
(German Association of HR Managers)
- Bundesverband Deutscher Leasing-Unternehmen (BDL)
(Federal Association of German Leasing Companies)
- Bundesverband Nachhaltige Wirtschaft e. V. (BNW)
(Federal Association of Green Business)
- Charta der Vielfalt e. V. (Diversity Charter)
- Initiative D21
- Stiftung Allianz für Entwicklung und Klima
(Development and Climate Alliance)
- Wirtschaftsinitiative Nachhaltigkeit (WIN)
(Sustainability Initiative)
- Verein zur Förderung des Forschungsinstituts für Leasing
an der Universität zu Köln (society for the promotion of the
leasing research institute at the University of Cologne)

INTERNATIONAL

- Febelfin ASBL (Belgium)
- UN Global Compact (worldwide)

These are just some of the organizations to which we belong that have a direct link to sustainability.

CHG-MERIDIAN IN THE DECADE OF ACTION

We regard the United Nations' sustainable development goals (SDGs) as a compass for sustainable economic practices and thus as a key factor for the future success of our business.

Our business model enables us to play a part in achieving some of the UN SDGs.

THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

The sustainable development goals (SDGs) are the centerpiece of the United Nations' 2030 Agenda, the action plan for a better and more sustainable global future adopted in 2015.

The 17 SDGs and 169 targets set uniform standards and formulate concrete goals for global challenges such as climate change, species extinction, poverty, and hunger. They are aimed at governments, businesses, and society. The goals to be achieved by 2030 offer the most comprehensive vision for sustainable development.

OUR CONTRIBUTIONS TO SUSTAINABLE DEVELOPMENT

CHG-MERIDIAN wants to be part of the solution to overcoming the challenges of our time. We want to actively shape the path toward sustainable development.

As part of an analysis, we evaluated the 17 goals of the 2030 Agenda, their 169 targets, and the underlying indicators against our business activities and our sustainability activities. The result of this analysis was that our company can contribute to seven SDGs and relevant targets.

In the reporting year, we also participated in the United Nations' SDG Accelerator program in order to gain a deeper understanding of the SDGs and discuss with other companies how the goals can be incorporated into the strategy and processes of a business.





16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Maintain integrity
This includes respect for democracy and the law, and a zero-tolerance approach to corruption.

16.4, 16.5 Compliance and anti-corruption

13 CLIMATE ACTION



Protect the climate

This includes neutralizing corporate emissions and other contributions to climate change mitigation.

Relevant target 13.2
Climate change measures

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Think circular

This includes retaining and adding value by systematically applying the ideas of the circular economy.

12.4, 12.5 Circular economy
12.6 Reporting

8 DECENT WORK AND ECONOMIC GROWTH



Responsible business practices

Such as decoupling growth and resource consumption, creating a constructive working environment, and boosting diversity.

8.4 Resource efficiency
8.5, 8.8 Decent work and diversity

4 QUALITY EDUCATION



Promote learning

This includes high-quality training and continuing professional development for our employees.

4.3, 4.4 Training, development, and certification

5 GENDER EQUALITY



Promote equality

This includes promoting equal opportunities for women and men.

5.5 Effective participation and equal opportunities

7 AFFORDABLE AND CLEAN ENERGY



Purchase green electricity

Purchase of green electricity and optimization of energy efficiency.

7.2, 7.3 Renewable energies and energy efficiency

BUSINESS ETHICS & COMPLIANCE

- 29 Our values and guidelines
- 30 Code of conduct and reporting
- 32 Anti-corruption and integrity
- 34 Data protection and information security

GRI 2-23

OUR VALUES AND GUIDELINES

At CHG-MERIDIAN, we assess the impact of our business to ensure that we develop sustainably. We pay particular attention to the environment, sustainable procurement, human rights and labor rights, and business ethics, including data protection, information security, and anti-corruption measures. CHG-MERIDIAN addresses and documents sustainability risks, as defined by the internationally recognized ESG risks, in accordance with the recommendations and requirements of BaFin. We consider sustainability risks to be interdisciplinary risks that are covered by existing risk types.

As financial services providers, CHG-MERIDIAN AG and CHG-MERIDIAN Industrial Solutions GmbH are subject to the rules of the German Federal Financial Supervisory Authority (BaFin) and of Deutsche Bundesbank and have to comply with a wide range of laws and regulatory requirements such as the German Banking Act (KWG), the Minimum Requirements for Risk Management (MaRisk), the Supervisory Requirements for IT in Financial Institutions (BAIT), and the Anti-Money Laundering Act (GwG).

In addition to these statutory provisions and in response to ever-higher market requirements, CHG-MERIDIAN is increasingly making use of third-party certification schemes. This is also in keeping with the precautionary principle, which relies on a number of different mechanisms. By using norms such as the ISO standards as guidance and implementing measures that conform with these, we want to reduce the risk of negative impacts. ISO certifications such as information security management in accordance with ISO 27001, data protection management in accordance with ISO 27701, and environmental management in accordance with ISO 14001 independently verify our continuous improvement efforts. Further information on CHG-MERIDIAN's activities in this area are provided under '[Strategy & governance](#)', '[Collaboration & dialogue](#)', and '[Circular economy & climate action](#)'.

Since 2012, we have set out our values and guidelines for our customers, employees, and business partners, including our suppliers, in our [code of conduct](#), which was approved by the Board of Management and shared on various internal and

external channels. In the reporting year, we reviewed these values and guidelines and adapted them to our new Group-wide values. The new values and guidelines, including the changes on the Board of Management, were published in January 2023. Respect for human rights is firmly embedded in the code of conduct of CHG-MERIDIAN, drawing on internationally recognized human rights standards. These include the UN's Universal Declaration of Human Rights, European conventions, and the principles of the International Labour Organization (ILO), as well as the UN Global Compact and the Diversity Charter, to which we are signatories.

In 2022, our Board of Management and our Human Resources department hosted a series of international conferences for our managerial staff as part of the process to update our corporate values. Subsequent digital workshops helped to define the corporate values at a more granular level and provided room to reflect on their implementation.



OWNERSHIP



INTEGRITY



RESPECT



PASSION



CUSTOMER FOCUS



TRUST

These are the core values of CHG-MERIDIAN that guide us in our day-to-day work and that we also expect our business partners to uphold.



GRI 2-24, 2-25, 2-26, 2-27, 205-2, 206-1

CODE OF CONDUCT AND REPORTING



The code of conduct of CHG-MERIDIAN applies to internal and external stakeholders alike, be they employees, customers, or business partners. It sets out our ambition to act responsibly at all times and applies internationally with binding effect. Across all of our business relationships, activities, and processes, we expect not only our employees but also our customers and our business partners to uphold the code's underlying corporate values and meet the standards of conduct defined in it.

Our management systems and the associated continuous improvement processes help us to ensure that we act responsibly and keep moving forward. [Training courses for](#)

[our employees](#) and development programs for our managerial staff further promote and reinforce appropriate conduct. We want to use company-wide internal communication to embed our policies in all of our activities and business relationships. The aim of this approach is to ensure that our employees have a very sound understanding of what it means to act responsibly.

We have set up a multilevel reporting system for suspected corruption or anti-competitive behavior. Our employees and external parties have access to a global whistleblowing system, consisting of a hotline, a function-specific address, a reporting portal, and an impartial ombudsperson to report such violations.

There were no confirmed cases of anti-competitive behavior, nor related proceedings against the company, during the reporting period (2021: none, 2020: none). Equally, there were no proceedings pending against CHG-MERIDIAN for confirmed violations of laws in the labor and human rights spheres (2021: none, 2020: none).

A range of management systems have been implemented that help us to identify and remedy any potential failings. These include management systems that have been certified in accordance with generally accepted standards such as ISO 14001 (environmental management), ISO 27001 (information security), and ISO 27701 (data protection),

as well as a multitude of guidelines/policies and requirements, e.g. concerning gifts, independence, competition, antitrust law, taxation, and prevention of corruption. Prevention of crime, money laundering, and financing of terrorism, as well as export controls and customs checks, dealing with elected representatives and public officials, and outsourcing are also important topics in this context.

Alongside internal and external reporting channels such as our regulation portal, dedicated email addresses, a central hotline, and the option to speak directly to a relevant contact person, all stakeholders also have access to our whistleblower mechanism. All employees, customers, business partners, and other stakeholders can access all of the aforementioned channels (with the exception of the reporting portal, which is only available internally). In addition, we maintain an ongoing dialogue with our stakeholders (see '[Dialogue with stakeholders](#)').

The ombudsperson conducts an initial assessment of the complaints submitted to it. Any complaints categorized as relevant by the ombudsperson and all complaints submitted through other channels are systematically recorded in a dedicated tool as part of our incident management system and are processed by the person responsible for the relevant topic. All steps taken to remedy an issue are systematically documented.



COMPLIANCE TRAINING

Training	Information	Completed tests** in 2022 and average test score/undertaking	Completed tests** in 2021 and average test score/undertaking	Completed tests in 2020
Code of conduct training	Mandatory for all new employees*. Has to be repeated every three years. Assigned to all global employees as a mandatory module in 2020.	209 of 211 (99%) 99% undertaking	162 of 162 (100%) 100% undertaking	1,173 of 1,173 (100%)
Executive compliance	Mandatory for all new management staff worldwide.	152 of 153 (99%) 99% undertaking	6 of 6 (100%) 100% undertaking	9 of 9 (100%)
Avoidance of money laundering in accordance with GwG	Mandatory in Germany.	101 of 101 (100%) Average test score: 92% (101 empl.)	89 of 89 (100%) Average test score: 93% (89 empl.)	101 of 101 (100%)
GwG refresher	Mandatory in Germany. Refresher every three years.	n/a	696 of 696 (100%) Average test score: 95% (696 empl.)	n/a
Information security	Mandatory for all new employees worldwide*.	209 of 211 (99%) Average test score: 91% (209 empl.)	162 of 162 (100%) Average test score: 90% (162 empl.)	170 of 170 (100%)
Information security refresher***	Mandatory worldwide, refresher every three years.	n/a	1,039 of 1,039 (100%) Average test score: 92% (1,039 empl.)	n/a
Data protection	Mandatory for all new employees worldwide*. Has to be repeated every three years.	209 of 211 (99%) Average test score: 91% (209 empl.)	n/a	n/a
Data protection refresher***	Mandatory worldwide, refresher every three years.	1,308 of 1,308 (100%) Average test score: 92% (1,308 empl.)	162 of 162 (100%) Average test score: 90% (162 empl.)	170 of 170 (100%)
Occupational health & safety and crisis management	Mandatory in Germany, Austria, and Switzerland. Designed to be repeated every year and whenever changes or updates are made.	103 of 103 (100%)	601 of 623 (96%)	n/a
Occupational health & safety and crisis management refresher	Mandatory in Germany, Austria, and Switzerland. Designed to be repeated every year and whenever changes or updates are made.	729 of 729 (100%)	n/a	n/a
Environmental management****	Mandatory in Germany, Austria, and Switzerland. Designed to be repeated every year and whenever changes or updates are made.	102 of 103 (99%) Average test score: 93% (102 empl.)	705 of 712 (99%) Average test score: 94% (705 empl.)	n/a

* New employees includes new hires, people returning from parental leave, rehires, and external parties with access to the system.

** Employees joining or leaving the company during the defined processing period, employees on long-term sick leave, and employees released from their duties were not included in the basis figure or in the percentage of tests completed.

*** Courses that were assigned to employees and delivered in the following calendar year, but within the defined escalation period, were recognized in the year in which the course was first assigned.

**** The frequency of environmental management training sessions has been changed from annually to every three years in the Regulatory Awareness Policy.



ANTI-CORRUPTION AND INTEGRITY

Bribery and corruption are categorically unacceptable at CHG-MERIDIAN. And we expect this standard to be upheld not only by our organization but also by our business partners. From the Supervisory Board and the Board of Management to each and every employee, we all work together to manage compliance effectively at every level.



GRI 2-12, 2-15, 2-16, 2-26

COMPLIANCE MANAGEMENT & RISK MINIMIZATION

In 2013, we implemented a compliance management system (CMS) and created the role of Compliance Officer (CO) and an official deputy. Besides training and measures to raise awareness, the Compliance Officer is also responsible for carrying out a compliance risk analysis and the ongoing development of the CMS. The Compliance Officer heads up the semi-annual compliance committee meeting, in which the Chief Executive Officer (CEO), the Chief Risk Officer (CRO), and the Head of Legal take part. Its findings are reported to the Board of Management and the Supervisory Board.

The Board of Management and the Compliance Officer are jointly responsible for implementing measures to minimize bribery and corruption risks. The CMS is regularly checked through internal and external audits. In accordance with the Conflict of Interest Policy, the Supervisory Board is responsible for minimizing risks arising from conflicts of interest. There were no indications or reports of conflicts of interest in the reporting year. CHG-MERIDIAN records critical incidents in an incident management system and collectively discloses these, along with any loss or damage incurred, in the compliance report

on an annual basis. Relevant statistics on this topic are shared with the Board of Management and the Supervisory Board. In addition, the Board of Management is updated by means of quarterly reports and on an ad hoc basis.

Our business partners are selected using a risk-based compliance check via our customer relationship management (CRM) system. CHG-MERIDIAN does not categorize business partners by type or region as all partners have to undergo the compliance check. In some cases, we also expect them to carry out a self-assessment and

to comply with our code of conduct. This procedure has been established for collaborations with our suppliers and specific business partners. We are working toward expanding adherence to our code of conduct as part of the standard process for all of our business partners.

We monitor any legislative changes, incidents, and specific measures, and communicate them to stakeholders on our website or via other appropriate media.



GRI 2-10, 2-11, 2-12, 2-13, 2-14, 2-18

SUPERVISORY BOARD APPROVAL

The activities of the Supervisory Board include involvement in the company's strategic planning. As a governance body, it also scrutinizes the definition of corporate values and principles. Subsets of the overall strategy and guidelines are developed by the persons in charge of the relevant departments and approved by the Supervisory Board. Policies are prepared and approved at department level. This procedural structure applies across all areas, including matters relating to sustainability. Moreover, the

Group Sustainability Board – which includes the members of the Board of Management – is responsible for assessing the impacts that the CHG-MERIDIAN Group has on the environment and society (see '[Strategy & governance](#)'). In addition to the sustainability report, the Supervisory Board also receives reports on other matters at least once per year, for example compliance and data protection, information security, money laundering, and environmental management. An overall risk report that is audited by the independent auditor is submitted to the Supervisory Board on a quarterly basis.

The Supervisory Board is kept abreast of various matters of relevance to the company by means of reports that are provided at least annually, in some cases quarterly or on an ad hoc basis. This ensures that it receives an update on sustainability at least once a year. Moreover, periodic meetings are held that form part of the board's supervisory and due diligence obligations. We report on a range of risk types on a quarterly basis. These are included as interdisciplinary risks under the sustainability risks and communicated to the Board of Management and the Supervisory Board in accordance with MaRisk requirements. The first training sessions with a focus on ESG and related laws and regulations were held in 2022. They mainly covered transparency-related regulatory requirements such as the Corporate Sustainability Reporting Directive (CSRD) as well as the German Supply Chain Due Diligence Act (LkSG) and ESG requirements relating to risk management and lending processes.

The Supervisory Board works closely with the Board of Management and represents the shareholders of the company. In keeping with statutory provisions and the company's memorandum and articles of association, it grants the Board of Management extensive authorizations to act on behalf of the company. The Board of Management is required to obtain approval from the Supervisory Board only for specific activities and transactions for which this requirement has been stipulated by law or in the memorandum and articles of association. The Supervisory Board may consult directly with other stakeholders such as supervisory authorities on matters of material importance. The chairperson of the Supervisory Board does not hold a senior management position in the CHG-MERIDIAN Group.

The Supervisory Board is elected by the Annual General Meeting. The criteria for selection and the fit-and-proper assessment of a member of the Supervisory Board are based on section 25d KWG and relevant laws and statutory provisions (in particular, the German Stock Corporation Act (AktG)). Furthermore, the Supervisory Board as a whole must have the expertise, capabilities, and experience required to fulfill its control function and to assess and supervise the Board of Management of CHG-MERIDIAN. The selection criteria for members of the Supervisory Board mainly cover theoretical and practical expertise, and interpersonal skills.



GRI 418-1

DATA PROTECTION AND INFORMATION SECURITY

Our success as a technology management and financing company depends to a large extent on efficient and secure IT applications and systems for our customers and business partners, and for our own IT infrastructure.

We have taken a range of measures to ensure comprehensive information security:

- Adoption of the EU General Data Protection Regulation (GDPR) as the global data protection standard for the CHG-MERIDIAN Group
- Creation of a global data protection management system aligned with international standards (ISO 27701); all locations in Germany, Austria, and Switzerland have been certified in accordance with this standard
- Management of information security risks and continuous process optimization in accordance with the legal requirements for regulated financial services providers (BAIT and MaRisk)
- Creation of a regulatory affairs strategy defining the principles of data protection and information security for the



- entire CHG-MERIDIAN Group
- Creation of an IT compliance team in addition to the Information Security Officer
- ISO 27001 certification of all of our sites in Germany, Austria, and Switzerland, and of tesma and the eraSURE® data erasure process used in the refurbishment of lease returns, including BSI basic protection certificate of

conformity according to B1.15 (deleting and destroying data)

- Regular internal audits and independent, third-party penetration tests

Our employees and business partners can report data protection and information security violations via the above-mentioned channels.

In 2022, a total of 20 security incidents in the data protection category (2021: seven; 2020: eight) and 212 incidents in the information security category (2021: 359; 2020: 118) were recorded across the Group.

These were analyzed and the appropriate action was taken. One disclosable case was recorded (2021: none; 2020: none).

CIRCULAR ECONOMY & CLIMATE ACTION

- 36 The circular economy as a core business
- 40 Waste disposal and recycling
- 43 Environmental management and energy
- 46 Climate action and reduction targets

THE CIRCULAR ECONOMY AS A CORE BUSINESS

EFFECTIVE USE OF RESOURCES AND MATERIALS

At CHG-MERIDIAN, we take our environmental responsibilities and the conservation of resources seriously. For us, the circular economy is a game-changing model for the responsible use of resources. Not only do our products help to conserve resources, we as a company are committed to the efficient use of raw materials. Our model is based on the reuse of devices and therefore on the potential reduction of electronic waste and greenhouse gases.

GRI 2-4, 301-3, 306-1, 306-2, 306-3

REFURBISHMENT AND REUSE

CHG-MERIDIAN receives equipment back from customers at the end of the lease and refurbishes and remarkets the vast majority of equipment to give it a second life. Extending the usage period conserves valuable resources. We use the latest technologies and management systems to optimize refurbishment and improve our waste management on an ongoing basis.

924,000
Assets were released by us for a second usage cycle

The ISO 14001 certification establishes professional environmental management practices and clearly defined responsibilities at all locations of CHG-MERIDIAN in Germany, Austria, and Switzerland. The environmental officer is responsible for their implementation and ongoing development, and reports to the Board of Management. The environmental officer is supported by an environmental team made up of members from various departments.

Employees can access information on the subject of environmental management on our intranet. The environmental team, managers with environmental responsibilities, and employees also received specific training in the reporting year, with further courses planned at regular intervals. The training and procedures are designed to encourage proactive thinking and behavior with regard to environmental protection and energy efficiency, and we are planning to extend ISO 14001-certified environmental management to all sites in the European Economic Area.

Our environmental guideline defines in greater detail the environmental aspects described in the sustainability strategy and the regulatory strategy of the CHG-MERIDIAN Group. The guideline applies across the Group and aims to reduce and avoid emissions, establish and refine an effective environmental management system, support and promote sustainable projects with a focus on environmental protection, and reduce and avoid waste and packaging. At the same time, it is designed to enable the company to seize opportunities arising from changing environmental

conditions. The Environmental Sustainability Leader and the environmental officer are responsible for implementing the environmental guideline across the Group.

In collaboration with our global network of service partners, 96 percent (2021: 96 percent; 2020: 95 percent) of IT lease returns were professionally refurbished and sold on the secondary market in 2022. This enabled us to remarket 924,000 assets (2021: 840,000; 2020: 855,000) in total in 2022*. The entire remarketing process is managed and monitored centrally from Gross-Gerau for both of our CHG-MERIDIAN technology centers and for our European end-of-lease partners.

In 2022, 100 percent of the equipment refurbished at these centers was remarketed in Europe. Brokers that want to collaborate with CHG-MERIDIAN within the European Customs Union (ECU) first need to undergo a legitimization check. In addition, CHG-MERIDIAN checks brokers against public sanctions lists on a daily basis. For transactions in countries outside the European Customs Union, order-specific export checks are carried out that take account of product type, sanctions lists, embargoes, and intended use. Our European partner companies are subject to the same requirements concerning interactions with brokers from the European Customs Union. These partners also carry out country-specific and order-specific export checks for sales to countries outside the European Customs Union.

* Based on an internal survey.



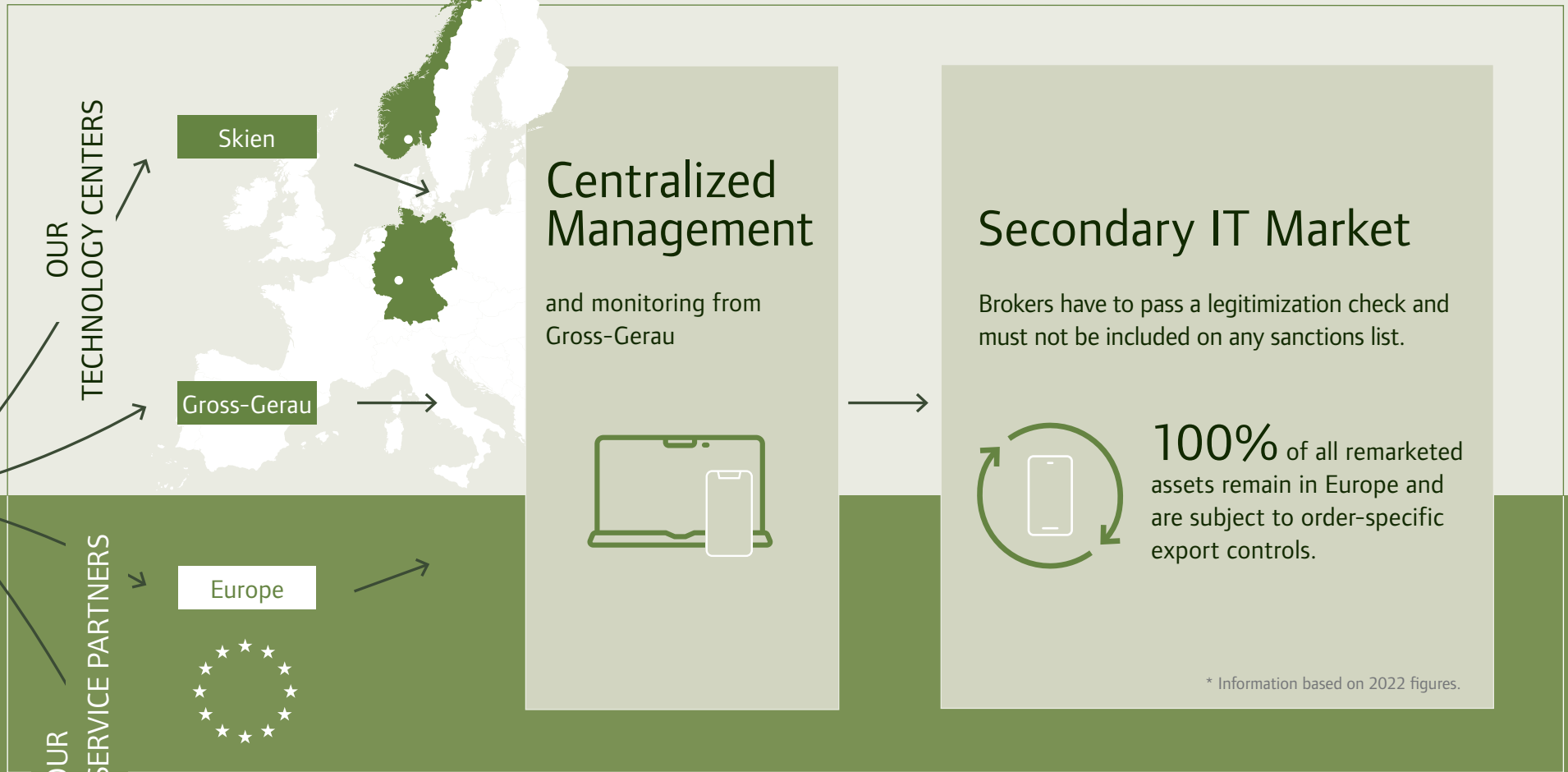
96%

of leased IT devices
that are returned are
refurbished and remarketed.

The chart on the following
page provides details.



4% of lease
returns are recycled.



Our global end-of-lease service partners are brokers who take care of the entire process for us. CHG-MERIDIAN audits these partners at regular intervals.

END-OF-LEASE PROCESS

RECYCLING AND RECOVERY

The remaining 4 percent in 2022 (2021: 4 percent; 2020: 5 percent) of lease returns were assets that could only be sold on for spare parts, were beyond repair and therefore no longer usable, or were devices with highly sensitive data that had to be destroyed. The bulk of these are small and large IT devices as defined under no. 160214 of the European Waste Catalogue, as well as monitors, data storage media, and electric cables.

After careful pre-sorting, the assets are recycled by certified waste disposal partners of our technology center in Gross-Gerau in accordance with various national and international quality, environmental, and energy management standards. These include EN 50625ff (CENELEC) for the collection, logistics, and treatment of old electrical equipment, DIN 66399 for secure data erasure, and section 21 of the German Electrical and Electronic Equipment Act (ElektroG) for receiving decommissioned devices.



of old equipment supplied by us is processed by our disposal partners to recover recyclable materials

Of the 416 tonnes (2021: 422 tonnes; 2020: 477 tonnes) of decommissioned assets that our certified waste disposal partner received from our technology center in Gross-Gerau, 76 percent (2021: 74 percent; 2020: 81 percent) were recycled, 23 percent (2021: 22 percent; 2020: 16 percent) used for energy generation, and 1 percent (2021: 4 percent; 2020: 3 percent) stored or rendered harmless in the most environmentally friendly way possible. As a result, 76 percent (2021: 74 percent; 2020: 81 percent) of the materials

from old equipment is now being used in new products. The aim is for materials such as copper, gold, silver, and aluminum to be separated using the latest technological standards and reused wherever possible.

Our CHG-MERIDIAN technology center in Norway collaborates with local certified recyclers with which it has maintained partnerships for many years. In 2022, CHG-MERIDIAN expanded its network of recycling partners across Europe. In these other European countries, devices are

likewise disposed of with the help of local certified recycling partners. For our European partner companies, we are currently establishing an alliance with the European Advanced Recycling Network (EARN) in order to put similar processes in place. Through the conclusion of a framework agreement with EARN, we want to guarantee secure and verifiable recycling. In addition to the refurbishment and remarketing process, our service partners also look after the recycling processes outside Europe.

WASTE DISPOSAL AND RECYCLING



-20%

reduction in plastic packaging by 2024

REDUCE WASTE, PACKAGE PRODUCTS MORE SUSTAINABLY

Our disposal policy specifies how we handle the waste resulting from our production and administration processes. As far as possible, waste should be separated and collected by type. The policy also defines what to do with decommissioned IT equipment that is incorporated into our professional lifecycle management, and with problematic waste like used batteries. Employees at our technology center in Gross-Gerau receive regular training on this by the waste officer at least once a year. The policy aims to further reduce waste and packaging associated with the production process, and we are currently setting ourselves targets in these areas.

By 2024, for example, we want to use 20 percent less plastic packaging and replace this proportion with paper packaging and biodegradable or recyclable materials. A number of plastic packaging items were either replaced

with solutions made from paper or other biodegradable materials or eliminated entirely in 2022, and we continue to drive this transition forward. We have also set ourselves the goal of sourcing 50 percent of our paper and wood packaging from sustainable sources, for example certified by the FSC or PEFC, by 2024. The proportion of cardboard materials that are FSC-certified was further increased in 2022, and we are working toward reaching the milestone in 2023 of using only materials labelled 'FSC' or 'FSC Mix'. We also want to maintain our high recycling rates for packaging.

In general, we are following the principle of reduce, reuse, recycle. Our waste disposal procedures provide guidance in this respect and define the following waste hierarchy:

1. Avoidance
2. Refurbishment for reuse
3. Recycling
4. Other recovery, especially energy recovery
5. Disposal

SEPARATING WASTE BY TYPE



We aim to achieve the highest recycling quality at all times, so it is important that waste is collected by type where possible. All processes are based on the Commercial Waste Ordinance and other applicable legislation. This applies to the following waste categories:

1. Paper, card, and cardboard, excluding sanitary paper
2. Glass (only where it does not impair or prevent pre-treatment)
3. Plastics
4. Biodegradable waste (only where it does not impair or prevent pre-treatment), in accordance with section 3 (7) of the German Waste Management Act (KrWG)
5. Hazardous waste, including proof of disposal in accordance with the relevant requirements
6. Batteries and rechargeable batteries
7. Electrical and electronic equipment, excluding used batteries and rechargeable batteries
8. Toner and print cartridges
9. Other waste fractions

We have introduced a separation system at our headquarters and at most of our locations to minimize non-recyclable waste and ensure that waste is sorted correctly. The implementation of proper waste separation is supported by a flyer for our employees. This flyer is one of the documents covered by our ISO 14001 certification, and its contents were communicated in training

sessions. The largest proportion of our waste is generated directly in connection with our business model and consists of IT devices returned by customers that are dismantled and recycled because they are not suitable for refurbishment for a second usage cycle. We work hard to maintain our remarketing rate at the current high level of 96 percent. Another significant source of waste is the packaging used for returns of leased assets. We therefore make an effort to use reusable packaging more than

once before disposing of it. TFT monitors and laptops, for example, are packaged in reusable boxes and single-use packing material is sorted and made available for further use. Waste generated in areas other than those associated with lease returns accounts for a very minor proportion but is also reduced as much as possible. This waste is separated into paper and non-recyclables at our headquarters and disposed of from there. Paper and corrugated paper is disposed of in a compaction container.

At the technology center in Gross-Gerau, we separate and record the following types of waste: cardboard/paper, PE film, polystyrene, wood, lithium-ion batteries, and electronic waste. All data relating to our waste is recorded by our waste disposal partners on our behalf. At all other company locations in Germany, Austria, and Switzerland, we rent premises within larger office complexes. Consequently, we have only very limited influence on waste separation at these sites and do not have access to data on actual waste volumes. Waste data for these locations has thus been modeled on the basis of data from our headquarters in Weingarten. All in all, our locations in Germany, Austria, and Switzerland generated a total of 559.20 tonnes of waste for recycling (2021: 578.13 tonnes; 2020: 683.13 tonnes).



DISPOSAL BY WASTE TYPE (TONNES)

Headquarters

Type	2022	2021	2020
Waste similar to household waste	4.38	4.27	5.48
Cardboard/paper	6.06	9.02	9.20

Gross-Gerau technology center

Mixed municipal waste ¹	26.95	15.48	33.46
Cardboard/paper	64.49	66.88	91.42
PE film	8.10	8.78	7.69
Polystyrene	0.18	4.35	2.41
Wood	27.70	39.07	43.52
Lithium-ion batteries	0.21	0.88	5.08
Packaging that contains residues of hazardous substances	0.16	—	—
Electronics recycling	415.71	422.21	477.14

All other locations in Germany, Austria, and Switzerland²

Waste similar to household waste	2.21	2.31	2.89
Cardboard/paper	3.06	4.88	4.85

Total volume of waste

Total for all locations in Germany, Austria, and Switzerland	559.20	578.13	683.13
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¹ Mixed municipal waste was declared as 'waste for recycling' in 2022.

² This data was calculated based on the average volume of waste per employee generated at the company headquarters in Weingarten.

GRI 2-6, 305-4

RETAINING VALUE AND EXTENDING LIFECYCLES

Taking a lifecycle-thinking approach, CHG-MERIDIAN relies on refurbishment and reuse to extend asset lifecycles. As a technology management company, we offer our customers end-to-end support, from the needs-based procurement of assets to green transportation, and throughout the useful life of their equipment. Once an asset comes to the end of its first lifecycle, we refurbish and remarket it for a second lifecycle. Old assets or those containing sensitive data are recycled and the resources they contain returned to the material cycle.

This is how our business model helps to promote the circular economy. In contrast to a linear economic model where the value of an asset is almost entirely lost at the end of its lifecycle, the circular model aims to retain an asset's value for as long as possible. By giving these devices a second lifecycle, we support the efficient use of resources and help to close loops.

GRI 2-27, 302-1, 305-1, 305-2, 305-3, GRI 305-4, 305-5

ENVIRONMENTAL MANAGEMENT AND ENERGY

When it comes to environmental management, CHG-MERIDIAN attaches great importance to compliance with legal requirements. Responsibility for compliance with our environmental and waste disposal policies at our headquarters, our technology center in Gross-Gerau, and our other locations lies with the local management team. We report on processes and events that are relevant to legal compliance and can state that no fines and no sanctions were imposed on us in the reporting period (2021: none; 2020: none) for non-compliance with environmental protection regulations. We want to continue meeting the requirements at all locations and aim to widen our measures to ensure compliance with applicable legislation.

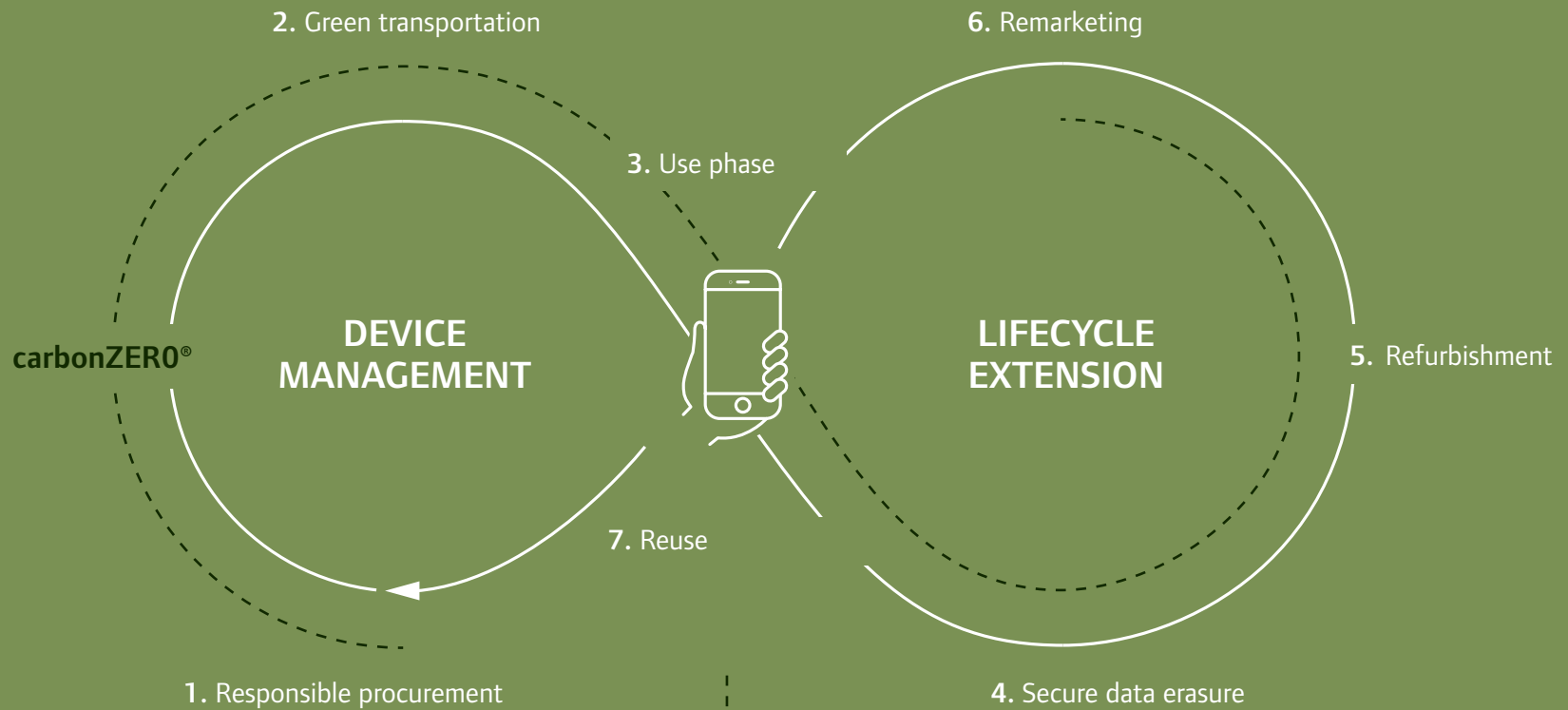
One aim of our ISO 14001-certified environmental management is to reduce our energy consumption and thus also our greenhouse gas emissions. In light of the energy crisis that unfolded in the reporting year and the associated rise in energy prices, we created a task force that developed a dedicated action plan for this area. Any projects that reduce energy consumption or increase energy efficiency help to reduce our corporate emissions. Since 2015, we have been carrying out an energy audit at CHG-MERIDIAN based on EN 16247 every four years. Our overall energy consumption at Group level was 32,215,873 MJ* (2021: 28,603,347 MJ*; 2020:

27,092,734 MJ*), of which 8,800,179 MJ* (27.32 percent) was from renewable sources – as defined by the CDP Climate Change Reporting Guidance – in 2022.

* Not externally reviewed.



LIFECYCLE THINKING



DEVICE MANAGEMENT

1. Responsible procurement

Needs-based asset procurement; CHG-MERIDIAN code of conduct, and a Group-wide procurement guideline for all business partners to ensure compliance with environmental and social standards

2. Green transportation

Delivery of asset to the customer; shipment in reusable packaging

3. Use phase

Period of use by the customer; duration of use varies

LIFECYCLE EXTENSION

4. Secure data erasure

Sensitive company data is completely erased using a certified procedure (eraSURE®) after asset has been collected

5. Refurbishment

Asset is checked and professionally refurbished; asset is only recycled if it cannot be repaired or the customer's level of security requires it

6. Remarketing

Asset is made available on the secondary market via sales partners

7. Reuse

Reuse of asset extends its lifespan

carbonZERO®

CHG-MERIDIAN's climate-neutral leasing product for IT devices, from manufacture and transportation to use and remarketing

CLIMATE ACTION AND REDUCTION TARGETS

CLIMATE NEUTRALITY TARGET

Based on its own calculations, the CHG-MERIDIAN Group has been climate-neutral since 2021 by following the principle of avoiding, reducing, and offsetting emissions. Since 2019, we have been calculating our annual greenhouse gas emissions in accordance with the Greenhouse Gas Protocol in order to obtain data that can help us to develop targeted measures. We have since sought to further professionalize our approach. In 2022, we switched to Ecoinvent – one of the biggest global databases for emissions factors – as our calculation tool for the majority of these factors. The findings show that the bulk of our corporate emissions are generated by travel and transportation, which includes business travel, commuting, and our vehicle fleet. Emissions are listed in detail for comparison of the reference year with 2021 and 2022 in the [‘Corporate emissions overview’](#) table on the next page.

We have introduced a range of measures aimed at avoiding and reducing emissions. After initially switching to green electricity at our sites in Germany and Austria, we have now done the same in Switzerland. In addition, we are looking at switching to biogas at our headquarters in Weingarten. We also support a variety of remote working models to reduce commuter travel and strengthen our employees’ awareness of energy efficiency topics as part of our environmental management concept. In 2022, we carried out a Group-wide employee survey on commuting. The aim was to collect data for the calculation of our corporate

emissions and to encourage our staff to think about this topic. Facilitating e-mobility is another key aim, and employees who use a company car are entitled to request an electric vehicle. We have installed charging points in Weingarten to encourage uptake and are currently looking into doing so at other locations. Employees who do not have a company car are also permitted to use the charging points in Weingarten. We are in the process of establishing a fleet of electric vehicles and will continue to add to it. Seven of the ten electric cars ordered so far are now available in the car pool in Weingarten.



We promote e-mobility through the provision of electric-powered company cars, a pool of electric vehicles, and charging points at our headquarters.

Even before the COVID-19 pandemic, we had developed a travel policy for climate-aware travel planning, which we refined in the reporting year. Eco-friendliness has now been explicitly included as a criterion for travel activities. The travel policy recommends the use of telephone and video conference calls as a means of avoiding travel where possible. In general, the policy recommends using public transportation for unavoidable travel. Intercontinental flights now require approval by the Board of Management, and we are increasingly using first-class rail travel offers in order to incentivize staff to choose trains over planes.

We continue to pursue our target of reducing our corporate emissions per employee by 25 percent by 2025 compared with 2020*. CHG-MERIDIAN considers corporate emissions to include emissions directly resulting from our business activities and from our own energy consumption (scope 1 and scope 2). CHG-MERIDIAN also feels responsible for some of the indirect emissions generated in the value chain (scope 3 emissions), which is why our calculations take all emissions categories from the upstream value chain into account. As we only have limited influence on emissions in the downstream value chain (product lifecycle emissions), we do not currently include them in our calculations. In a final step, all remaining emissions are offset via selected, gold-standard climate change mitigation projects. Based on CHG-MERIDIAN’s own calculations, the company’s offsetting payments mean that it has been climate-neutral since 2021. Moreover, we offer our customers the opportunity to offset all emissions associated with their IT equipment via our carbonZERO® product. To reduce the volume of emissions that will need to be offset in the future, we are forging ahead with measures to reduce the CHG-MERIDIAN Group’s greenhouse gas footprint.

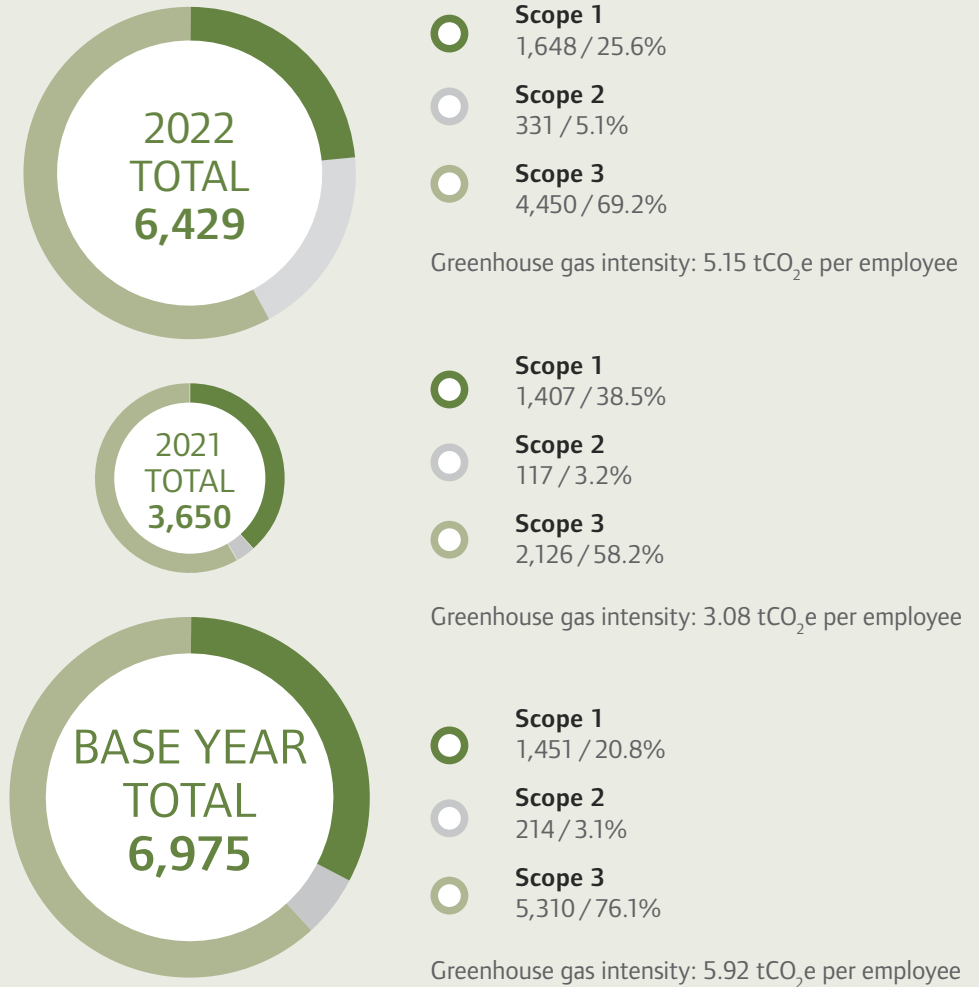
* Scope 3 emissions in the categories 6 (business travel) and 7 (employee commuting) relate to the base year 2019 in order to realistically reflect pre-pandemic behavior.

OVERVIEW OF CORPORATE EMISSIONS ACROSS THE CHG-MERIDIAN GROUP IN 2021 AND 2022 COMPARED WITH THE BASE YEAR (2019/2020¹)

The categories displayed here relate to all emissions (greenhouse gases in CO₂ equivalents) as per scopes 1, 2, and 3 (upstream), and are calculated with reference to the Greenhouse Gas Protocol. CHG-MERIDIAN accounts for all greenhouse gas emissions and/or volumes of greenhouse gases avoided for facilities over which it has operational control. In the reporting year, we got involved with the Carbon Disclosure Project (CDP) for the first time and disclosed transparent information to our customers about the methods we use to calculate our corporate emissions. We were awarded a C rating.

The increase in greenhouse gas emissions compared with 2021 is mainly down to the rise in travel (business travel, vehicle fleet, and commuting) since restrictions to contain the spread of COVID-19 were lifted. In addition, the change in data collection and calculation software, and in the emission factors, resulted in higher greenhouse gas emissions, for example, in energy and fuel-related emissions (scope 3.3) and capital goods (scope 3.2). We therefore plan to review this in detail in 2023 and adapt it if necessary.

GREENHOUSE GASES BY SCOPE (TCO₂E)*



¹ Emissions data excluding abakus, circulee, devicenow, and subsidiaries in India and Singapore.

* Not externally reviewed, excluding abakus, circulee, devicenow, and subsidiaries in India and Singapore.

Scope	Greenhouse gas emissions by category*	2022 ¹		2021 ¹		Base year 2019/2020 ²	
		(tCO ₂ e)	(%)	(tCO ₂ e)	(%)	(tCO ₂ e)	(%)
1.1	Heating	351	5.5	356	9.8	346	5.0
1.2	Vehicle fleet	1,123	17.5	887	24.3	1,094	15.7
1.3	Cooling	175	2.7	164	4.5	11	<1
1.4	Processes/facilities	0	0	0	0	0	0
2.1	Electricity	300	4.7	99	2.7	212	3.0
2.2	District heating/cooling	31	<1	18	<1	2	<1
2.3	Steam	0	0	0	0	0	0
3.1	Procured goods (own use)	553	8.3	624	17.1	638	9.1
3.2	Capital goods	462	7.2	329	9.0	311	4.5
3.3	Energy and fuel-related emissions	392	6.1	68	1.9	51	<1
3.4	Upstream transportation and distribution	52	<1	43	1.2	36	<1
3.5	Waste	8	<1	7	<1	6	<1
3.6	Business travel	2,052	31.9	465	12.7	3,097	44.4
3.7	Employee commuting	879	13.7	577	15.8	1,155	16.6
3.8	Leased capital goods	72	1.1	13	<1	16	<1
3.9–3.15	Not recorded	—	—	—	—	—	—
	Total	6,429	100	3,650	100	6,975	100

* Not externally reviewed, excluding abakus, circulee, devicenow, and subsidiaries in India and Singapore.

** Services are not yet included as there is no adequate calculation method.

¹ Emissions resulting from the procurement of office supplies (included in scope 3.1), upstream transportation and distribution (scope 3.4), and waste (scope 3.5) were calculated as forward projections based on the figures from 2020.

² Scope 3 emissions in the categories 6 (business travel) and 7 (employee commuting) relate to the base year 2019 in order to realistically reflect pre-pandemic behavior.

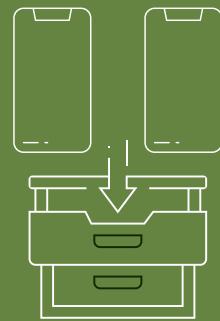


GREEN IT STUDY

Usage over ownership greatly reduces greenhouse gas emissions

Compared with the traditional approach of purchasing equipment, IT usage models such as leasing and device-as-a-service (rental) offer clear benefits regarding an organization's greenhouse gas footprint as they involve using IT assets for longer over their lifetime. That is the key finding of a 2022 study carried out by the VITO Institute in Belgium on behalf of CHG-MERIDIAN. Usage models thus offer companies the opportunity to improve the sustainability of their IT infrastructure procurement, which helps to conserve both financial and natural resources

Did you know?

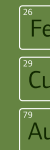


2 out of 3

decommissioned IT devices end up at the bottom of a drawer or the back of a cupboard collecting dust¹



Less than **20%** of decommissioned electronic devices are recycled²



92 billion tonnes

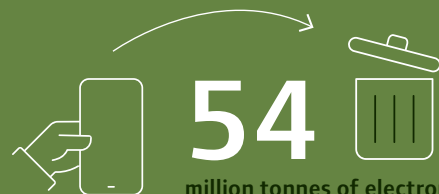
of raw materials were extracted and processed in 2017³

¹ Bitkom Study, 2021.

² World Economic Forum, 2019.

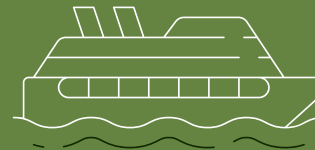
³ UN Environment Programme (UNEP), 2019.

⁴ UN Institute for Training and Research (UNITAR), Global E-waste Monitor, 2020.



54 million tonnes of electronic waste generated in 2019⁴

=

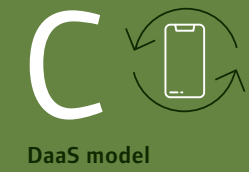


... which is roughly equivalent to the weight of **350** large cruise ships like the Queen Mary

The Green IT study at a glance

METHODOLOGY

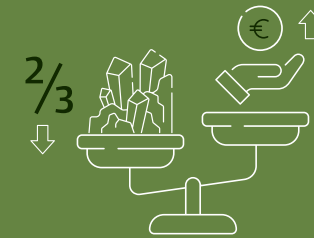
Three use cases with different usage scenarios were defined for this study. They highlight the environmental impact that the provision of a device to the customer has over the estimated six-year lifetime of a smartphone and a desktop, and five years for a laptop.



FINDINGS



Usage models such as DaaS (rental), with successive cycles of use until the equipment reaches the end of its lifespan, have the potential to more than halve the greenhouse gas emissions associated with devices such as smartphones.



The consumption of raw materials can be reduced by as much as two-thirds when using the DaaS model rather than a purchase model if the purchased devices are not remarketed.

What solutions for integrated lifecycle management are available and how does CHG-MERIDIAN help companies to switch from IT purchasing to flexible IT usage?



Find the answers and more information on the Green IT study in the 'Sustainable IT usage models' white paper



The independent VITO Institute is a global leader in sustainability research and is based in Mol, Belgium.

CORPORATE CITIZENSHIP

52 Committed to the common good

53 CARE initiatives around the world



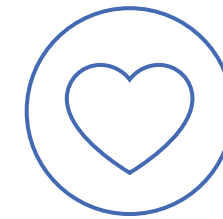
COMMITTED TO THE COMMON GOOD

Our responsibilities as a company do not end with producing a balance sheet. We believe it is important that we are committed to the common good and take an active role in shaping it. This is our approach to corporate citizenship. We have defined our activities in this respect very clearly. They focus on projects and initiatives in the areas of education, culture, welfare, and technology.

CARE is a project that is particularly close to our hearts. It gives employees the opportunity to set up community projects in their region. The employees provide assistance in emergencies, contribute specific suggestions connected with their region, and put

them into practice as a team. For its part, the company contributes additional funds and resources. We have delivered 48 CARE initiatives since 2015, of which eight took place in the reporting year.

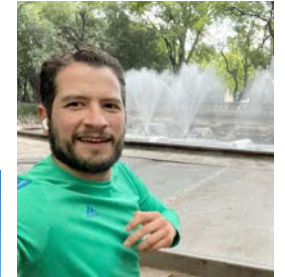
In addition, the CHG-MERIDIAN Group supported other social initiatives with cash contributions worth €75,861.21 and 205 pieces of donated hardware in 2022.



48

CARE initiatives realized since 2015





CARE initiative

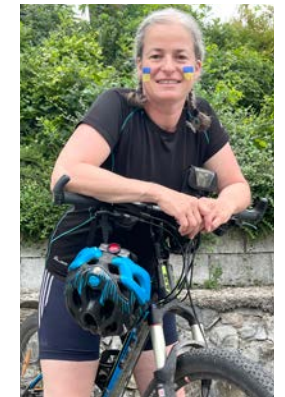
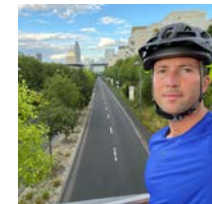
13,059 KILOMETERS FOR A GOOD CAUSE

In July 2022, CHG-MERIDIAN mobilized its workforce for the second time under the banner 'One Step Further'. For one week, staff around the world walked, hiked, cycled, and swam as much as they could for a good cause – and achieved a huge impact.

Every kilometer covered was recognized by the company with a donation of €1 for people in need. The only requirement was that employees had to track their sporting exploits on an app and that the kilometers clocked for this project had to be covered with muscle power only. However, an exception to this rule was made for e-bikes. The 271 participating CHG athletes had completely free rein in their choice of exercise. Most of the distance was covered by walking, running, and cycling, but some employees also put in a shift on the tennis court, on the dance floor, and

even with kite surfing. And in addition to racking up donations for a good cause, these activities also benefited our employees' personal health and well-being.

When we launched this initiative for the first time in 2021, our employees achieved an incredible 9,639 kilometers. In 2022, they beat their previous result and clearly went much more than just one step further. At the end of the project week, they had covered a staggering 13,059 kilometers. Topped off with a round-up from the Board of Management, this translated to a total donation of €14,000 for the UN Refugee Agency's aid program for victims of the war in Ukraine.





CARE initiative

DIVERSITY AT THE ZF COMPANY FUN RUN

On a hot summer's day in July 2022, the 64 CHG-MERIDIAN employees participating in the ZF company fun run in Friedrichshafen, Germany, proved a real eye-catcher. Their bright, multicolored running shirts that were designed to champion diversity, one of our core company values, made our runners stand out and lifted everyone's spirits on the day. The funds raised in connection with this event were donated to local clubs and associations and international aid projects that CHG-MERIDIAN is more than happy to support.



Further information on our CARE initiatives can be found here

CARE initiative

KEEP ON WALKING!

In September 2022, the UK-based CHG-MERIDIAN Healthcare team went on a charity walk from our office in Egham to Windsor. And it turned out to be a day full of surprises. Under rainy skies, the team embarked on what was supposed to be an eight-mile walk but had to be extended by an hour due to an unexpected road closure. At the end of this CARE event, lots of happy faces made up for the tired legs as a donation of almost £1,000 had been collected for the children's charity The Rainbow Trust.



Sustainable engagement

FIGHTING CLIMATE CHANGE

Sustainability is more than a buzzword at CHG-MERIDIAN, and our team in Mexico wanted to prove this. Supporting their regional authority's department for sustainability and nature reserves with its annual reforestation campaign in the Cuajimalpa forest was a project close to their heart.

Soil protection, the conservation of typical regional tree species, and general measures to counteract climate change were the key objectives of the event in August 2022 and our colleagues were keen to roll up their sleeves and pitch in. In an effort to also get the next generation involved in environmental protection, some employees brought their children to the event, who also made a valuable contribution – a successful day all round.



COLLABORATION & DIALOGUE



- 56 Developing employees
- 61 Celebrating diversity
- 63 Managing employment structures

DEVELOPING EMPLOYEES

GRI 2-19, 2-20, 2-30

RESPECT-BASED COLLABORATION



Our skilled, knowledgeable, and committed employees are our most valuable asset, and it is important to us that they are able to develop at, and contribute to, CHG-MERIDIAN. Our mindset and our actions are rooted in our corporate values: passion, trust, respect, customer focus, ownership, and integrity. All six values represent our aspirations in terms of how we want to interact with each other, what is important to us, and how we want to be perceived by our partners and customers.

The Head of People & Culture is responsible for HR in Germany, Austria, and Switzerland and reports directly to the Head of Group People & Culture. We have local People & Culture business partners across the Group and in every country and region, and a works council at our technology center in Gross-Gerau.

In 2021, we adopted several guidelines and policies. The labor rights & human rights guideline applies to the entire

CHG-MERIDIAN Group. It defines standards that cover all employees, irrespective of the country in which they live and work, such as working in a fair and safe environment and being treated with respect. Related to this is our diversity policy, which is explained under '[Diversity and equal opportunities](#)'. We introduced remote working and a system of flexible working time back in 2019 with the aim of promoting a better work-life balance.

CHG-MERIDIAN AG and CHG-MERIDIAN Industrial Solutions GmbH are not bound by collective labor agreements, and no such agreements are in place in Germany and Switzerland. In Austria, the collective labor agreement for employees in the commercial, craft, and service sectors is applicable. This is a written agreement that forms part of the Austrian social partnership system.

We have a remuneration system in place for CHG-MERIDIAN AG and CHG-MERIDIAN GmbH. This system is revised on an annual basis, submitted to the Board of Management of CHG-MERIDIAN AG and the management of

CHG-MERIDIAN GmbH for sign-off, and presented to the Supervisory Board. Salaries are checked against external benchmarks to ensure that they are in line with the market. The remuneration system is also audited annually by our independent auditor. The most recently revised version of the remuneration system was presented to the Board of Management on September 14, 2022 and was signed by all members. The updated remuneration system was presented at a meeting of the Supervisory Board on December 9, 2022. For competition-related reasons, we are unable to publish detailed information on this topic.

Remote and flexible working have been part of the culture at CHG-MERIDIAN since before the COVID-19 pandemic. To protect the health of our workforce during the COVID-19 pandemic, we made this option more readily available across the Group for suitable activities, in accordance with the respective legal requirements.

We endeavor to make flexible working models available beyond the pandemic at all of our locations around the world, provided that the job in question is suited to this way of working.

With this in mind, we will continue to focus on those areas where there is still work to do, such as the implementation of the 'modern workplace' across the Group. To promote collaborative and agile working, we will provide information and tools on the intranet, from general tips and detailed content about the Surface Hub to handouts on using interactive media in meeting rooms and video conferences. As part of this endeavor, we launched a new policy for our northern European locations in 2022 as a

pilot project. The 'business with pleasure' guideline permits our employees in northern Europe to work from anywhere they want for a period of up to 20 consecutive working days per year, provided the chosen location has reliable internet access.

CHG-MERIDIAN's values



OWNERSHIP



INTEGRITY



RESPECT



PASSION



CUSTOMER FOCUS



TRUST



84%

of our employees have been noticing tangible improvements at CHG-MERIDIAN*

The international employee survey we carried out in 2020 had a very high participation rate of just under 82 percent. More than 84 percent* of respondents stated that there had been tangible improvements in the company since the previous survey in 2018.** This survey is conducted every two to three years, with the next iteration planned for the first quarter of 2023.

* Combined figure for 'strongly agree' and 'partially agree' answers in our employee survey in 2020.

** In relation to working conditions and working environment, targets and responsibilities, communication and collaboration, leadership, and strategy.

GRI 404-1, 404-2

TRAINING AND PERSONNEL DEVELOPMENT

We require highly skilled employees and we offer specific training opportunities with this in mind. For our management team, we also offer CPD programs on our leadership culture (accountability, networking, acting as a role model). The CHG-MERIDIAN Group runs its own academy with freelance and internal trainers, and also offers external training courses.

A total of 5,779 training sessions were held around the world in 2022 (2021: 4,833; 2020: 1,969)¹. On average, each employee² completed 14.6 hours of CPD (2021: 17; 2020: ten). In line with the principles of diversity, CHG-MERIDIAN records the total hours for all employees and does not break them down by gender and employment type. We introduced new, situation-specific training modules in 2022 that focus on topics such as assertiveness and authority, sales cycles, approaches for international customer projects, mathematics of finance II, leasing, rental concepts or device-as-a-service, assertiveness for managers, leadership through empowerment, strong voice – strong presence, preparing documentation, and tutorials for myCHG and iKNOW.

Overall, our internal training portfolio covers a range of skills, which we have divided into ‘personal skills’, ‘sales’, ‘leadership’, ‘expert classrooms’, ‘bespoke & external’, and ‘software’. Courses on offer included, for example, ‘Fit for new work – the agile mindset’, ‘Intercultural collaboration’, ‘Be kind to yourself – empathy and self-empathy’, ‘Self-organization’, and ‘Time management in turbulent times’.

We also help employees who have been off sick to reintegrate. In Germany, we offer return-to-work and disability management (BEM), in line with statutory requirements, for employees who have been unable to work repeatedly or for longer than six weeks at a time over a twelve-month period. We work with employees who are entitled to BEM to find a way of preventing incapacity to work and protecting their jobs. As part of a defined BEM process, we support them in their search for suitable measures to reduce stress in their day-to-day work and to boost their ability to work for the long term.



¹ Excluding the subsidiaries in India and Singapore.

² In this case, the total number includes student employees and trainees at CHG-MERIDIAN. In general, our employee data does not include the following groups: student interns, people on job placements, employees on maternity leave or parental leave (2022: 39), employees on university courses, and trainees. The eight staff members of our German subsidiary abakus Consulting GmbH, the 21 employees of circulee, the 46 employees of OPC Asset Solutions, and the five employees of devicenow are also excluded. We use HR management tools and Excel to collect and analyze the personnel data published here. All data presented relates to December 31, 2022.

As at December 31, 2022, CHG-MERIDIAN employed a total of 22 trainees and degree apprentices in Germany (December 31, 2021: 30; December 31, 2020: 28).

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-10

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees is very important to us. At our technology center in Gross-Gerau, which employs around 100 people in asset collection, refurbishment, certified data erasure, and remarketing, we have introduced a management system for health and safety at work (SGAM) in accordance with ISO 45001, the world's first global occupational health and safety standard. By introducing the SGAM system, we hope to meet the challenges of rapidly changing legislation (especially the German Health and Safety at Work Act (ArbSchG) and other occupational health, safety, and fire safety regulations), technical innovation, and market conditions while safeguarding our commercial interests. The standard provides us with a framework within which we can identify and proactively reduce risks in the workplace, thereby improving the health and well-being of our employees. This protection also applies to suppliers, temporary workers, service providers, and subcontractors. Responsibility for compliance with health & safety management rules in Gross-Gerau falls to the SGAM officer and the SGAM team, which comprises members of the existing health and safety committee and covers all employees, project participants, and roles that fulfill tasks within the remit of the SGAM system at CHG-MERIDIAN. The SGAM project team reports to the Head of Service Delivery, who in turn reports to the Board of Management. Where matters of occupational health and safety are concerned, employees can contact the health and safety committee, the employee representatives, safety officers, supervisors, and the SGAM officer.

There are two health and safety committees: one is responsible for the headquarters in Weingarten and all branch offices in Germany, while the other covers the technology center in Gross-Gerau. The health and safety committee in Weingarten and Gross-Gerau meets quarterly and reports annually to the Board of Management. In accordance with the legal requirements, a risk assessment is carried out at all branch offices in Germany every year, the findings of which the health and safety committees currently discuss once a year and report to the Board of Management.

In 2021, we conducted an anonymous employee survey at our site in Gross-Gerau to enable us to more easily identify risks in and around the workplace. The findings matched those of our annual risk assessment and have been taken into account accordingly. In addition to the existing form for reporting risks and incidents, which will also be available via the intranet from now on, we have set up a health and safety mailbox at the Gross-Gerau site for submitting anonymous tip-offs and complaints. The works council is responsible for handling and assessing all tip-offs and complaints submitted in Gross-Gerau, and discusses them



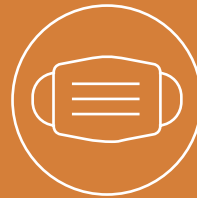
with the Head of Logistics and Production. Employees can also contact the SGAM officer, who raises any tip-offs or complaints in the health and safety committee. Moreover, employees also have the opportunity to get involved with occupational health and safety matters at the annual works meeting. They can provide feedback on the training anonymously and also use this system to submit comments and suggestions.

During the COVID-19 pandemic, a COVID-19 task force was set up. Since the start of the pandemic, employees have been able to report that they are infected, and/or share information about recent contacts, using a COVID-19 notification form on the intranet or using a dedicated email address. There is also an email distribution list for the COVID-19 task force. A voluntary and anonymous staff survey was conducted worldwide in September and October 2021, providing feedback on vaccination status and satisfaction with COVID-19 protection measures. Across the Group, around 78 percent of all employees took part, with a total of 97.6 percent stating that they were 'very satisfied' or 'satisfied' with the measures taken.

To better protect our employees' health, we established a corporate health management system throughout Germany that includes health courses and regular activities, as well as medical check-ups and advice on ergonomics and eyesight provided by external partners. Under the banner 'CHG – we enjoy health', we offer a free, one-year subscription to a fitness app, a portal with videos about yoga, resilience, running, and exercises at the workplace, presentations on healthy eating, and a ten-week online coaching module on nutrition. We also have a dedicated

Microsoft Teams channel to encourage networking and the sharing of information on these topics.

Employees across the Group can access information and policies on workplace health and safety on myCHG, our international intranet, and via iKNOW. In addition, we provide information on topics such as safety in the office, fire safety, emergency management, first aid, and environmental protection through mandatory e-learning on the iQ training platform (see table on training measures



97.6%

of employees were 'satisfied' or 'very satisfied' with the COVID-19 safeguards that have been put in place

in the 'Business ethics & compliance' chapter, p. 31). New employees, tenants and leaseholders of our premises, and employees of external cleaning companies must attend a mandatory safety briefing by the relevant safety officer at our headquarters in Weingarten and our technology center in Gross-Gerau, as well as annual follow-up briefings. We also carry out regular evacuation drills at some locations and plan to extend these to all sites.

There were four accidents at work in Germany in 2022 (2021: one; 2020: three). The illness rate at CHG-MERIDIAN AG rose to 3.3 percent in 2022 (2021: 1.8 percent; 2020: 2.1 percent)³. In line with legal requirements, CHG-MERIDIAN does not document the type of illness and therefore has no record of work-related illnesses.

³ In this case, the total number also includes students and trainees at CHG-MERIDIAN. All data relates to December 31, 2022.

CELEBRATING DIVERSITY

GRI 2-7, 405-1, 405-2

DIVERSITY AND EQUAL OPPORTUNITIES

We believe that diversity is an advantage, which is why we want to actively promote and embed dialogue and equal opportunities in diverse teams at CHG-MERIDIAN, with our customers and partners, and through internal and external initiatives. CHG-MERIDIAN AG signed the Diversity Charter in 2020 to reaffirm our commitment to diversity and equal opportunities. In 2021, the CHG-MERIDIAN Group launched a labor & human rights guideline and a diversity policy. Their objectives are to promote respect and appreciation among employees and colleagues, to protect against discrimination and illegal employment practices, to promote and respect different cultures and ways of thinking, and to increase the proportion of women in management positions to 30 percent by 2025.

We have appointed a gender equality officer who acts as a trusted contact in cases of suspected discrimination. Contact details can be found on the intranet. We take action against all forms of discrimination in accordance with the law.

In Gross-Gerau, CHG-MERIDIAN collaborates with the Rhine-Main Workshops for Disabled People and a subsidiary workshop, Solvere gGmbH. Technology experts work hand-in-hand with skilled and semi-skilled employees, and for a number of years now, the team has also included people with

disabilities who are employed as part of the integration project. Through this project, CHG-MERIDIAN plays an active role in integrating people with disabilities into the world of work. At the end of 2022, CHG-MERIDIAN employed 14 colleagues with disabilities who perform their work not at an external workshop but at workplaces within the company.

We are particularly keen to improve our performance when it comes to the advancement of women, and have been supporting the International Women's Circle since 2021. This network, which was initiated by employees, offers workshops, input, and discussions in areas such as skills development, collaboration and networking, work-life balance, and leadership. To mark International Women's Day on March 8, 2022, we held a digital event entitled 'Let's face the challenge of empowerment', which featured keynote speeches by female managers from within our own organization.

Equal pay for all employees, irrespective of their gender, is important to us, and we regularly check whether there are any gender-based discrepancies. In 2021, we launched a gender pay parity analysis in Germany, Austria, and Switzerland, and we continue to work on extending it to our international locations. The analysis for Germany, Austria, and Switzerland included the wages of all employees



beneath senior management level, excluding sales. All sales employees are paid the same basic wage irrespective of their gender, plus a variable salary based on success and targets that reflects their role and experience. They can therefore be excluded from this analysis. An overall analysis of the average salaries of male and female employees showed a difference of 11.1 percent (2021: 14.3 percent) in Germany, Austria, and Switzerland. This is due, among other things, to the fact that higher-paid positions, in particular, are predominantly occupied by men. The aim is to further reduce this gender pay gap over the coming years through targeted measures.

At the end of 2022, a total of 578 women (December 31, 2021: 532 women) and 738 men (December 31, 2021: 719 men) worked for the CHG-MERIDIAN Group, which equates to a proportion of around 43.9 percent women (December 31, 2021: 42.5 percent women) and 56.1 percent men (December 31, 2021: 57.5 percent men)⁴. We currently do not produce a list of employees based on employee category and diversity indicators, but we are planning to collate this data in the next reporting year as part of the ongoing development of our reporting. At present, most of CHG-MERIDIAN's senior and middle managers are male, while women make up 41.6 percent (December 31, 2021: 36.7 percent; December 31, 2020: 41.3 percent) of its lower management. Overall, the proportion of female managers is 26.4 percent (December 31, 2021: 23.1 percent; December 31, 2020: 24.5 percent).

⁴Excluding the subsidiaries in India and Singapore.

⁵ Excluding abakus, circulee, devicenow, and subsidiaries in India and Singapore.



GENDER AND AGE DISTRIBUTION BY MANAGEMENT LEVEL (2022)⁵

Management level	Gender		Age group		
			Up to 30 years old	31–50 years old	Over 50 years old
Lower: team leaders	Male	58.4%	0.0%	77.8%	22.2%
	Female	41.6%	6.3%	81.3%	12.5%
Middle: directors, international managers, national managers	Male	82.7%	0.0%	52.7%	47.3%
	Female	17.3%	0.0%	84.2%	15.8%
Upper: Board of Management, Supervisory Board	Male	90.0%	0.0%	22.2%	77.8%
	Female	10.0%	0.0%	100.0%	0.0%

MANAGING EMPLOYMENT STRUCTURES

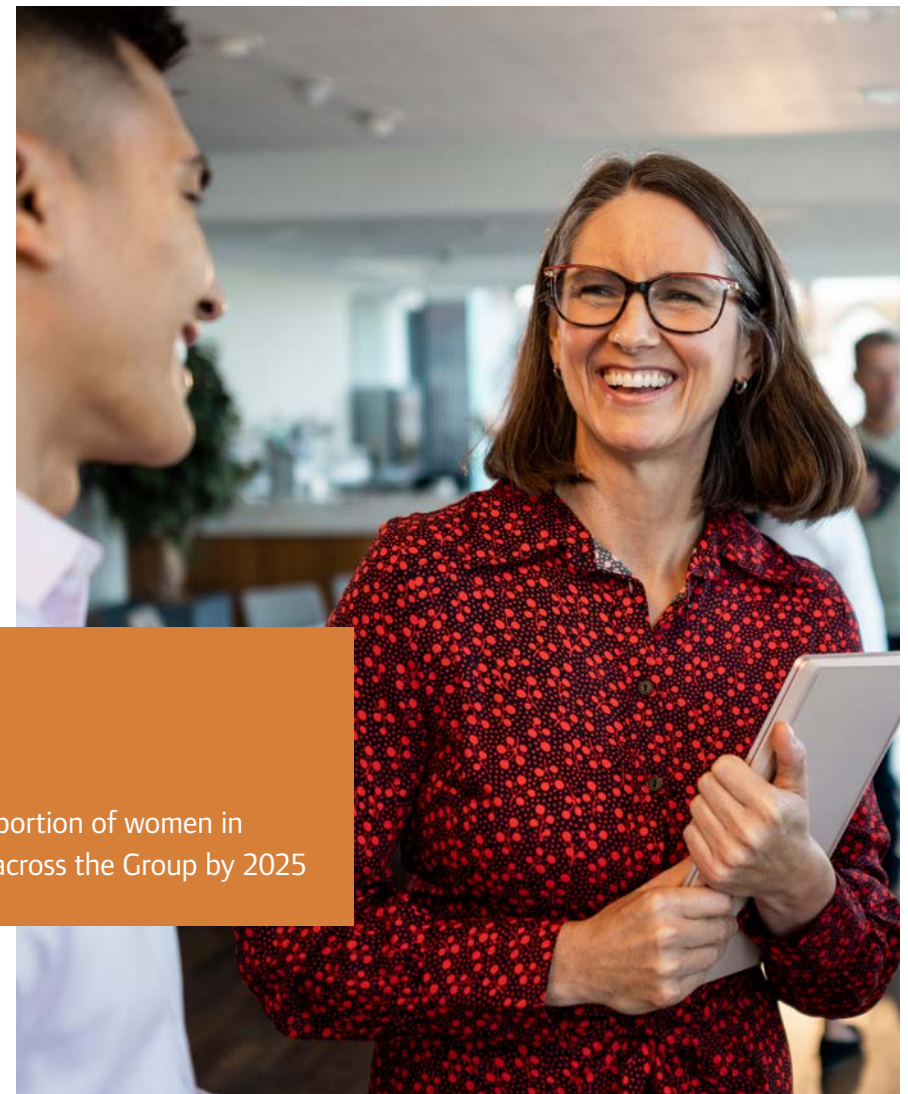
GRI 2-7, 2-8, 401-1

OUR WORKFORCE AT A GLANCE

The number of employees in Germany was 687 at the end of 2022, up from 654 at the end of 2021 and 630 at the end of 2020. This shows that CHG-MERIDIAN is a reliable employer, even during the COVID-19 pandemic. We have continued to hire and not made any crisis-related redundancies or introduced short-time working. The number of employees worldwide was 1,249 (December 31, 2021: 1,180; December 31, 2020: 1,172). In the reporting year, 85 new employees joined CHG-MERIDIAN in Germany (2021: 73; 2020: 93) while 37 employees left the company (2021: 30; 2020: 21). The staff turnover rate was

therefore 5.1 percent (2021: 4.3 percent; 2020: 3.3 percent), another year-on-year increase. The average age of our employees worldwide is around 39 (2021: 40; 2020: 39)⁶. We currently do not measure diversity indicators for different employee categories. We are also unable to record employee category data consistently across the entire company and present it in a comparable manner. Steps to harmonize these categories are being prepared and will be supported by a new IT system.

⁶ Excluding abakus, circulee, devicenow, and OPC Asset Solutions.



30%

is the target for the proportion of women in management positions across the Group by 2025

EMPLOYEES GLOBALLY BY AGE GROUP (2022)⁷

In this case, the total number includes employees on maternity leave or parental leave, students, and trainees at CHG-MERIDIAN. All data relates to December 31, 2022.



- 291 employees aged 30 and under
- 783 employees aged between 31 and 50
- 242 employees aged over 50

	2021	2020*
Total	1,251	630
Employees aged 30 and under	295	178
Employees aged between 31 and 50	726	349
Employees aged over 50	230	103

⁷ Excluding abakus, circulee, devicenow, and OPC Asset Solutions.

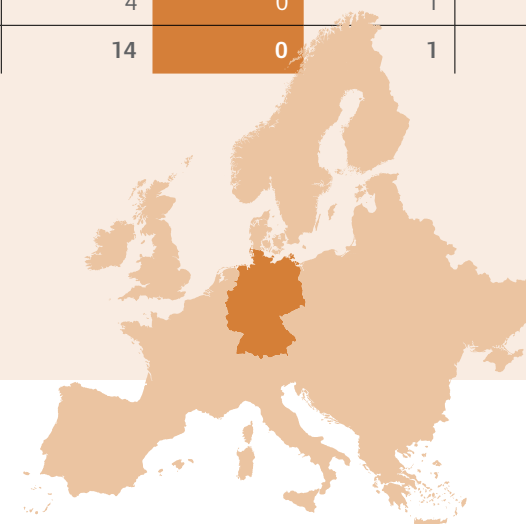
* The age structure of the workforce has only been recorded for the Group since 2021. The 2020 figures relate to Germany.

EMPLOYEES IN GERMANY (2022)⁷

Category	2022	2021	2020
Total number of employees	687	654	630
Trainees/students	22	30	28

		Full-time			Part-time		
		2022	2021	2020	2022	2021	2020
Permanent	Male	388	390	390	19	10	6
	Female	186	158	156	76	76	64
	Total	574	548	546	95	86	70
Fixed-term	Male	13	14	10	0	0	0
	Female	5	5	4	0	1	0
	Total	18	19	14	0	1	0

Only a small proportion of CHG-MERIDIAN AG's business activities is conducted by non-employees. The figures for employees are not subject to significant fluctuations.



PARTNERSHIP & SUPPLY CHAIN

- 66 Using our leverage to influence supplier behavior
- 69 Building networks with customers
- 69 Procurement standards



USING OUR LEVERAGE TO INFLUENCE SUPPLIER BEHAVIOR

GRI 2-6, 308-1, 414-1

ENVIRONMENTAL AND SOCIAL STANDARDS EMBEDDED

At CHG-MERIDIAN, we believe it is important to conduct our business in a responsible way, not least in our dealings with business partners and suppliers. Procurement gives us an opportunity to bring about positive change.

For example, we have set ourselves the goal of making our supply chains more transparent and, in 2022, established procurement standards that take greater account of social and environmental factors.

Our [code of conduct](#) provides the basis for all of our business relationships, including those with our suppliers, and defines the sustainability requirements we expect our suppliers to meet. It addresses topics such as equal opportunities and equal treatment, worker's rights and freedom of association, and procurement and outsourcing. As mentioned in the ['Business ethics and compliance'](#) chapter, these changes were based on the principles of the International Labour Organization (ILO), the UN Global Compact, and the Diversity Charter, to which we are signatories.

GROUP-WIDE SUPPLIER MANAGEMENT STRATEGY

Under our sustainability strategy, we continue to pursue our goal of revising our supplier management and adding further sustainability aspects by 2024. The aim is to create our first Group-wide supplier management strategy.

CHG-MERIDIAN's procurement organization has a decentralized structure. A range of different departments make purchases and have responsibility for managing suppliers. The Supplier Management department, which forms part of the Service

Delivery unit, oversees our customer business and thus also our business supplier relationships. Its primary responsibility is to manage all processes and activities with our suppliers along the entire lifecycle of the business relationship. In this context, an onboarding process has been developed that helps us to ensure that suppliers meet CHG-MERIDIAN's requirements with regard to quality, reliability of supply, data protection, governance, compliance, and sustainability.



GRI 308-1, 414-1

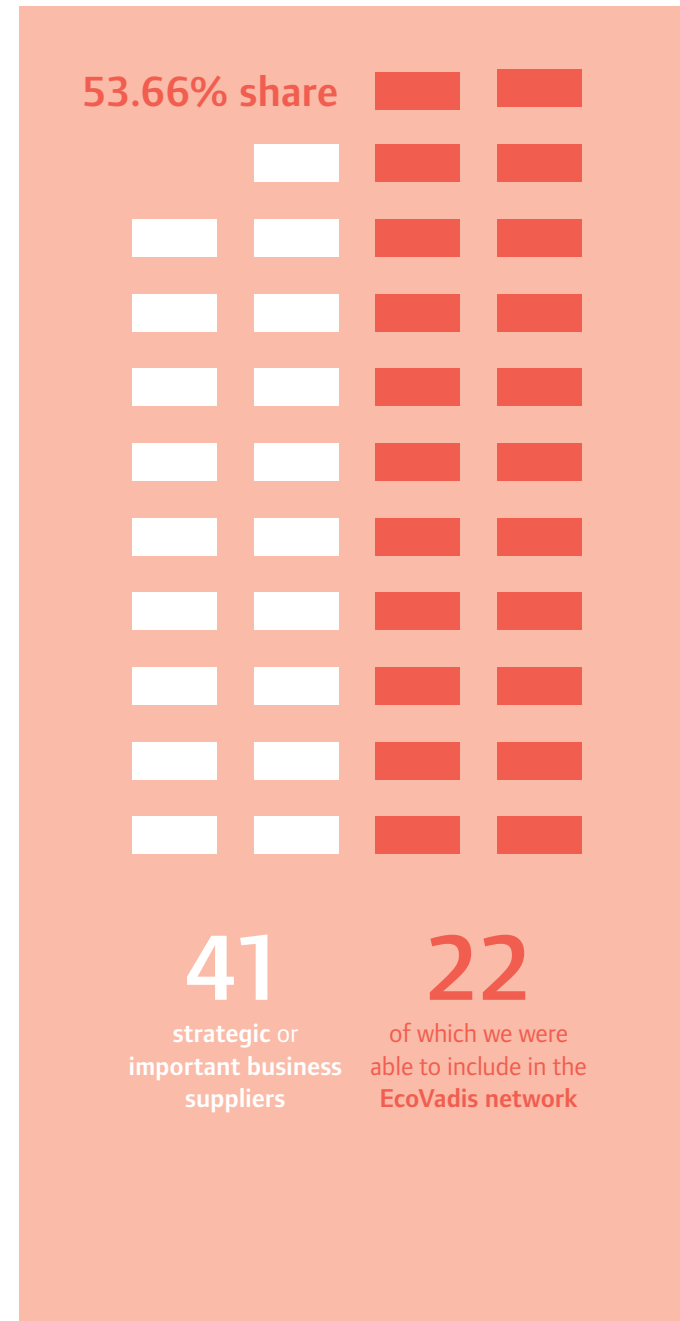
ASSESSMENT OF KEY SUPPLIERS

The assessment of our business activities covers activities that we perform for our own purposes as well as activities on behalf of customers. As a result, we maintain relationships with a broad portfolio of suppliers. CHG-MERIDIAN procures goods and services for its own use and, crucially, also for use by customers. We therefore generally distinguish between two types of supplier: those supplying us for our own purposes (non-business suppliers) and those supplying us on behalf of our customers (business suppliers).

The extent to which we are able to exert influence over our suppliers can vary. Given the nature of our business model, some customers opt to select their own suppliers, for example when it comes to ordering technology assets. The business relationship that CHG-MERIDIAN enters into with these suppliers is shaped by the

nature of the specific transaction and is tied to our customers' choices. In other cases, we take the lead in the selection of suppliers. This enables us to establish business relationships in which we can exert greater influence over our suppliers. Where CHG-MERIDIAN is able to exert influence directly, we identify levers that can help us to enforce responsible procurement standards in the relationships with business partners in our supply chain.

Business and non-business suppliers in Germany, Austria, and Switzerland have been classified, with both new and existing suppliers assessed using a set of sustainability criteria. At present, we are prioritizing strategic and important partners for the purposes of this assessment process. Our aim is to encourage them to also drive forward sustainability-oriented efforts in their business.





ECOVADIS EVALUATION

In order to achieve a transparent assessment, we are using EcoVadis to build a network of strategic and important suppliers. This supplier assessment platform enables us to evaluate and compare the sustainability performance of our suppliers and to support them in improving it.

During the reporting period, we categorized all existing business suppliers in Germany, Austria, and Switzerland. All partners that were identified as strategic or important were assessed and rated regarding their sustainability-related practices. The results have been documented and,

where applicable, evidenced by relevant EcoVadis certification. Suppliers that have not yet been rated by EcoVadis are required to submit a declaration in which they disclose information concerning our minimum standards. Our objective is to eventually have all strategic and important partners rated by EcoVadis.

Step by step, we are working toward applying sustainability criteria to a greater extent along our entire supply chain and implementing measures such as the sustainability performance assessment for suppliers.

This is how we seek to play our part in promoting social and environmental responsibility in our supply chain together with our business partners. In 2023, we want to expand the assessment to our non-business suppliers. We have already made some progress with the categorization of our IT suppliers and their evaluation based on EcoVadis ratings.

Overall, the dialogue with our supplier network has grown stronger as a result of the measures we have taken so far. We aim to refine and expand this process.



2022

CHG-MERIDIAN was once again awarded silver status by EcoVadis, putting the Group in the top 25 percent of all companies assessed



BUILDING NETWORKS WITH CUSTOMERS

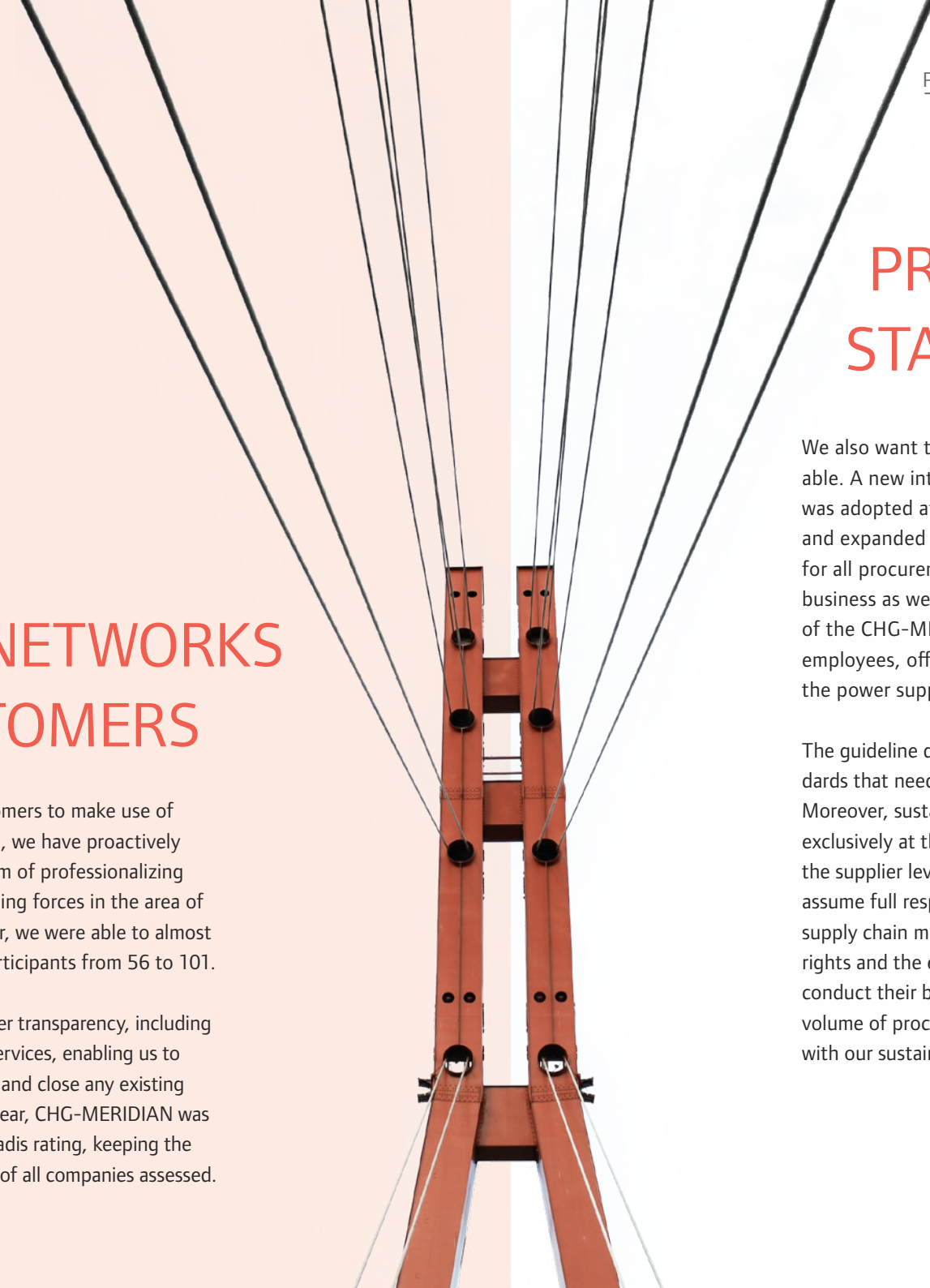
We are also encouraging our customers to make use of the EcoVadis platform. To this end, we have proactively approached customers with the aim of professionalizing the onboarding processes and joining forces in the area of sustainability. In the reporting year, we were able to almost double the number of network participants from 56 to 101.

The EcoVadis ratings provide greater transparency, including with regard to CHG-MERIDIAN's services, enabling us to identify potential for improvement and close any existing gaps. For the second consecutive year, CHG-MERIDIAN was awarded a silver medal in the EcoVadis rating, keeping the Group firmly in the top 25 percent of all companies assessed.

PROCUREMENT STANDARDS

We also want to make our procurement more sustainable. A new internal sustainable procurement guideline was adopted at the end of June 2021 and reviewed and expanded in 2022. It now applies across the Group for all procurement activities relating to our customer business as well as to procurement to cover the needs of the CHG-MERIDIAN Group, such as IT equipment for employees, office consumables, furniture, services, and the power supply.

The guideline defines the social and environmental standards that need to be met in each procurement activity. Moreover, sustainability is no longer a consideration exclusively at the product level, but increasingly also at the supplier level. When procuring goods and services, we assume full responsibility for ensuring that each link in our supply chain meets its duty of care in relation to human rights and the environment, and demand that our suppliers conduct their business accordingly. We plan to measure the volume of procurement from suppliers that already comply with our sustainability criteria.





GRI CONTENT INDEX



Explanation of use	CHG-MERIDIAN is reporting on the 2022 fiscal year in accordance with the GRI standards
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standards	None

GRI standards		Page	Omission/comment
GRI 1	Foundation 2021		
GRI 2	General disclosures 2021		





The organization and its reporting practices			
GRI 2-1	Organizational profile	7, 16–17, 75	Production credits
GRI 2-2	Entities included in the organization's sustainability reporting	2, 7	
GRI 2-3	Reporting period, frequency, and contact point		January 1, 2022 to December 31, 2022, annually, contact point specified in the production credits
GRI 2-4	Restatements of information	36–37	<p>In the 'Circular economy & climate action' chapter on page 43 of the 2021 report, we state that we were able to cut around 2,800 kg of plastic at the site in Gross-Gerau. This key figure does not appear in the 2022 report as the definition and the documentation process are being harmonized with the aim of providing complete, comparable, and reliable figures in the future.</p> <p>The method for calculating the refurbishment rate has been adapted since the 2021 report. Previously, the assumption was that any assets sold for €1 to €5 in Europe were spare parts. We now have access to actual figures for the rate of recycling. The calculation method has been defined and harmonized in a recycling guideline, which ensures more robust figures.</p>



GRI standards		Page	Omission/comment
GRI 2-5	External assurance	76–77	
Activities and workers			
GRI 2-6	Activities, value chain, and other business relationships	7, 16–17, 43, 66	Our locations worldwide correspond to the markets we serve.
GRI 2-7	Employees	61–63	Not applicable to: Austria (7 employees, of which 0 part-time, 1 on maternity or parental leave) Switzerland (10 employees, of which 1 part-time). There are no fixed-term contracts in these countries.
GRI 2-8	Workers who are not employees	63	
Corporate governance			
GRI 2-9	Governance structure and composition	7, 19	
GRI 2-10	Nomination and selection of the highest governance body	33	
GRI 2-11	Chair of the highest governance body	33	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	32–33	
GRI 2-13	Delegation of responsibility for managing impacts	33	
GRI 2-14	Role of the highest governance body in sustainability reporting	33	
GRI 2-15	Conflicts of interest	32	
GRI 2-16	Communication of critical concerns	32	
GRI 2-17	Collective knowledge of the highest governance body	19	
GRI 2-18	Evaluation of the performance of the highest governance body	33	
GRI 2-19	Remuneration policies	56–57	
GRI 2-20	Process to determine remuneration	56–57	
GRI 2-21	Annual total compensation ratio		Restricted due to confidentiality. For competition-related reasons, we are unable to publish detailed information on this topic.
Strategy, policies, and practices			
GRI 2-22	Statement on sustainable development strategy	5–6	
GRI 2-23	Policy commitments	29	
GRI 2-24	Embedding policy commitments	30	
GRI 2-25	Processes to remediate negative impacts	30	

GRI standards		Page	Omission/comment
GRI 2-26	Mechanisms for seeking advice and raising concerns	30, 32	
GRI 2-27	Compliance with laws and regulations	30, 43	
GRI 2-28	Membership associations	25	
Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	21–24	
GRI 2-30	Collective bargaining agreements	56–57	
Material topics			
GRI 3	Material topics 2021		
3-1	Process for determining material topics	21–22	Material topics are not prioritized. All impacts above the threshold are weighted equally.
3-2	List of material topics	22	
GRI 201	Economic performance 2021 		
GRI 3-3	Management approach	15	CHG-MERIDIAN's operations have a positive impact on economic performance through cash flows, through its business activities, and through the emphasis on ESG-linked funding.
GRI 201-1	Direct economic value generated and distributed	16–17	The calculation method for the economic value retained has been adjusted slightly compared with the previous year so that the economic value retained now corresponds to net income. This is because CHG-MERIDIAN has subsidiaries in which it does not hold 100 percent of the shares. Last year, only the share actually attributable to CHG-MERIDIAN was defined as the economic value retained. By contrast, the calculation of net income is based on the assumption that CHG-MERIDIAN holds 100 percent of the shares in all its subsidiaries. This means that net income includes the share of profit (loss) attributable to minority shareholders.
GRI 301	Materials 2016 		
GRI 3-3	Management approach	36–37, 39	CHG-MERIDIAN's business model is based on the principles of the circular economy, which has the potential to reduce resource consumption by extending an asset's usage period. However, new devices, which require a lot of raw materials to manufacture, are leased to customers. Packaging can be reduced by adapting processes and switching packing materials at the technology center in Gross-Gerau.
GRI 301-3	Reclaimed products and their packaging materials	36–37, 39	






GRI standards		Page	Omission/comment
GRI 305	Emissions 2016 		
GRI 3-3	Management approach	43, 46–47	As a service provider, CHG-MERIDIAN's direct greenhouse gas emissions are comparatively low. Nevertheless, the negative impact of its daily operations, including emissions from business travel, commuting, heating, transportation, and logistics, cannot be ignored. The bulk of the emissions connected to its business model are generated during asset manufacture, which is very carbon-intensive. However, CHG-MERIDIAN's business model is based on the principles of the circular economy, which has the potential to reduce greenhouse gas emissions by extending an asset's usage period.
GRI 305-1	Direct (Scope 1) GHG emissions	43, 46–48	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	43, 46–48	
GRI 305-3	Other indirect (Scope 3) GHG emissions	43, 46–48	
GRI 305-4	GHG emissions intensity	43, 46–48	
GRI 305-5	Reduction of GHG emissions	43, 46–48	
GRI 306	Waste 2020 		
GRI 3-3	Management approach	40–42	CHG-MERIDIAN's business model is based on the principles of the circular economy, which in theory can reduce e-waste by extending an asset's usage period. The business generates packaging waste, such as plastics.
GRI 306-1	Waste generation and significant waste-related impacts	40–42	
GRI 306-2	Management of significant waste-related impacts	40–42	
GRI 306-3	Waste generated	40–42	
GRI 308	Supplier environmental assessment 2016 		
GRI 3-3	Management approach	66–67	Manufacturing the assets that CHG-MERIDIAN makes available for leasing generates a lot of emissions and consumes a lot of raw materials and water. Suppliers in the IT industry, especially indirect suppliers, are sometimes located in 'risk countries' with regard to the environment, i.e. where environmental damage can potentially occur in the supply chain.
GRI 308-1	New suppliers that were screened using environmental criteria	66–67	
GRI 401	Employment 2016 		
GRI 3-3	Management approach	63	CHG-MERIDIAN creates jobs around the world through its business. CHG-MERIDIAN has implemented a range of measures, such as flexible hours and remote working, in order to create a pleasant work environment for its employees.



GRI standards		Page	Omission/comment
GRI 401-1	New employee hires and employee turnover	63–64	
GRI 404	Training and education 2016		
GRI 3-3	Management approach	58	By offering a wide range of courses and by training apprentices, students, and interns, CHG-MERIDIAN has a potentially positive impact on its employees by preparing them as much as possible for a continually changing environment, for example, when it comes to digitalization. While there are currently no Group-wide training and CPD guidelines, the People Development department has taken the first steps toward standardization.
GRI 404-1	Average hours of training per year per employee	58	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	58	
GRI 414	Supplier social assessment 2016		
GRI 3-3	Management approach	66–67	As the raw materials used in assets are often extracted in countries of the Global South with relatively low labor standards, there is a particular risk of unfair pay and even forced labor. Suppliers in the IT industry, especially indirect suppliers, are sometimes located in 'risk countries' with regard to human rights.
GRI 414	New suppliers that were screened using social criteria	66–67	
GRI 418	Customer privacy 2016		
GRI 3-3	Management approach	34	CHG-MERIDIAN is entrusted with sensitive stakeholder data in many different places, from the personal data of its employees to the confidential data of its customers, suppliers, and partners in day-to-day business, and the sometimes highly sensitive data contained in IT assets that will be refurbished. While there is a potential risk of data leaks, CHG-MERIDIAN's certified data erasure process offers customers a high level of data protection.
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	34	
Other non-material topics			
GRI 205	Anti-corruption 2016		
GRI 3-3	Management approach	30	
GRI 205-2	Communication and training about anti-corruption policies and procedures	30	
GRI 206	Anti-competitive behavior 2016		



GRI standards		Page	Omission/comment
GRI 3-3	Management approach	30	
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	30	
GRI 302	Energy 2016 		
GRI 3-3	Management approach	43, 46–47	
GRI 302-1	Energy consumption within the organization	43, 46–48	
GRI 403	Occupational health and safety 2018 		
GRI 3-3	Management approach	59–60	
GRI 403-1	Occupational health and safety management system	59–60	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	59–60	
GRI 403-3	Occupational health services	59–60	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	59–60	
GRI 403-5	Worker training on occupational health and safety	59–60	
GRI 403-10	Work-related ill health	59–60	No deaths were reported to CHG-MERIDIAN in the year under review, and no deaths resulting from work-related illnesses were reported to CHG-MERIDIAN during the same period.
GRI 405	Diversity and equal opportunity 2016 		
GRI 3-3	Management approach	61–62	
GRI 405-1	Diversity of governance bodies and employees	61–62	
GRI 405-2	Ratio of basic salary and remuneration of women to men	61–62	



Our values exist not only on paper, they are an integral part of our day-to-day work and are reflected in many ways in our commitment to sustainability.

INDEPENDENT on a Limited Assurance Engagement AUDITOR'S REPORT on Sustainability Information¹

TO THE CHG MERIDIAN AG, WEINGARTEN

We have performed a limited assurance engagement on the Sustainability Report of CHG MERIDIAN AG, Weingarten (further: CHG MERIDIAN) for the period from January 1st, 2022 to December 31st, 2022.

The external sources of documentation or expert opinions mentioned in the Sustainability Report, the disclosures on energy and emissions as well as the contents on social engagement, success stories, and the VITO study are not subject to our assurance engagement and are marked as unaudited.

RESPONSIBILITY OF THE EXECUTIVE DIRECTORS

The executive directors of the company are responsible for the preparation of the Sustainability Report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter: "GRI criteria") and for the selection of the disclosures to be assessed.

This responsibility of the executive directors includes the selection and application of appropriate sustainability reporting methods and the use of assumptions and estimates for individual non-financial disclosures that are reasonable in the circumstances. In addition, the executive directors are responsible for internal controls they have determined necessary to enable the preparation of the sustainability report that is free from material misstatement due to fraudulent behavior (manipulation) or error.

INDEPENDENCE AND QUALITY MANAGEMENT OF THE ASSURANCE PRACTITIONER'S FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the By-laws Regulating the Rights and Duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their Profession and the IDW Quality Management Standards issued by the Institute of Public Auditors in Germany (IDW) and

accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a conclusion on the Sustainability Reporting based on our work performed within our limited assurance engagement.

We conducted our audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Sustainability Report of CHG MERIDIAN for the

¹ We have performed a limited assurance engagement on the German version of the sustainability report and issued an Independent Practitioner's Report in German language, which is authoritative. The following text is a translation of the original German Independent Practitioner's Report.

period from January 1st, 2022 to December 31st, 2022 with the exception of the external sources of documentation or expert opinions, the disclosures on energy and emissions as well as the contents on social engagement, success stories, and the VITO study in the Sustainability Report have not been prepared, in all material respects, in accordance with the relevant GRI criteria. This does not imply that a separate audit opinion is expressed on each of the disclosures. In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a significantly lower level of assurance is obtained. The procedures selected depend on the practitioner's professional judgment.

In the course of our assurance engagement, we have, among other things, performed the following assurance procedures and other activities, particularly:

- Obtainment of an understanding of the structure of the sustainability organization and stakeholder engagement
- Inquiries of employees involved in the preparation of the Sustainability Report about the preparation process, the internal control system related to this process, and disclosures in the Sustainability Report
- Analytical assessments of selected quantitative disclosures in the Sustainability Report
- Inquiries of employees responsible for the materiality assessment at group level to obtain an understanding of the approach used to identify material issues and corresponding reporting boundaries of the company
- Identification of risks of material misstatement within the report

- Evaluation of local data collection, validation, and reporting processes as well as the reliability of reported data based on a sample of the sites in Groß-Gerau and Weingarten
- Inspection of selected internal and external documents
- Assessment of the presentation of selected sustainability performance disclosures

ASSURANCE OPINION

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report of CHG MERIDIAN for the period from January 1st, 2022 to December 31st, 2022 with the exception of the external sources of documentation or expert opinions, the disclosures on energy and emissions as well as the contents on social engagement, success stories, and the VITO study has not been prepared, in all material respects, in accordance with the relevant GRI criteria.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the parent company alone. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

GENERAL ENGAGEMENT TERMS

This engagement is based on the "Special Engagement Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft" of March 1st, 2021, agreed with the Company as well as the "General Engagement Terms and Conditions for Auditors and Auditing Firms" of January 1st, 2017, issued by the IDW (www.bdo.de/auftragsbedingungen).

Munich, April 24th, 2023

BDO AG

Wirtschaftsprüfungsgesellschaft

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Disclaimer:

This report contains forward-looking statements that reflect the views currently held by the Board of Management of CHG-MERIDIAN AG with respect to future events. These forward-looking statements are based on our latest plans, assessments, and projections. Assertions relating to the future merely reflect the situation at the time that they were made. These assertions are dependent on risks and uncertainties as well as other factors over which CHG-MERIDIAN has no

influence and which can lead to significant deviations from the actual results of these assertions. These risks, uncertainties, and other factors are described in detail in the risk report section of the CHG-MERIDIAN AG group management report. CHG-MERIDIAN AG does not intend to update such assertions relating to the future.

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