

DRIVING THE CHANGE

Lifecycle technology management



GRI 2-2, 2-4

ABOUT THIS REPORT

This Corporate & Sustainability Report for 2023 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. This report is also our non-financial statement in accordance with the German Commercial Code (section 315c in conjunction with sections 289c to 289e HGB) and aims 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.

The period under review in this consolidated report is the 2023 fiscal year (January 1st, 2023 – December 31st, 2023). In preparation for the mandatory reporting at EU level (CSRD), the sustainability report has the same scope of consolidation as the consolidated financial statements, which means all subsidiaries and affiliated companies of CHG-MERIDIAN are included. This is the first time that information at group level is being disclosed. The scope of application, in particular with regard to the key figures, is indicated in each chapter.

The disclosures regarding end-of-lease do not apply to the German subsidiary abakus Consulting GmbH, as it operates a different business model. The chapter 'Business ethics' relates to all CHG-MERIDIAN companies with the exception of abakus, devicenow, and circulee. The same applies to the 'Sustainable procurement' chapter, where OPC in India is also excluded. The sustainability strategy and governance, and related measures, do not apply to affiliated companies circulee, abakus, and devicenow, although we do maintain a sustainability-related dialogue with the relevant contacts.

With the exception of information and key figures relating to energy (p. 44) and emissions (p. 47–48) and the chapters 'Corporate citizenship' (p. 49–51) and 'Customer Success Stories' (p. 8–10), a limited assurance engagement was carried out for all GRI-relevant information (see p. 68). Additional content, such as references to information on our website, was not included in the scope of the engagement.

CONTENTS

EDITORIAL

- 05 Introduction by CEO Dr. Mathias Wagner
- 07 Company profile

CUSTOMER SUCCESS STORIES

- 09 Hermes / Ultra-modern equipment fleet increases efficiency
- 09 SAP / IT benefits program boosts staff retention
- 09 NUTEC / One-stop shop for global technology management
- 10 Penny / On course for growth
- 10 imec / Making innovation sustainable

ECONOMY & FINANCE

- 12 Forging a route to success: looking back on a strong 2023
- 13 The CHG-MERIDIAN Group in numbers

STRATEGY & GOVERNANCE

- 16 Our sustainability strategy
- 18 Our materiality assessment
- 20 Dialogue with stakeholders
- 23 CHG-MERIDIAN in the Decade of Action

BUSINESS ETHICS & COMPLIANCE

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

CIRCULAR ECONOMY & CLIMATE ACTION

- 34 The circular economy as a core business
- 41 Waste disposal and recycling
- 44 Environmental management and energy
- 45 Climate action and reduction targets

CORPORATE CITIZENSHIP

- 50 We live and breathe responsibility

COLLABORATION & DIALOGUE

- 53 Helping employees to thrive
- 58 Celebrating diversity
- 60 Our employment structures

PARTNERSHIP & SUPPLY CHAIN

- 63 Using our leverage to influence supplier behavior
- 67 Building networks with customers
- 67 Procurement standards
- 68 GRI content index
- 74 Independent practitioner's report
- 76 Production credits

Click on a heading to navigate to the relevant chapter:



Explore **further information** and use functions:



Contents page

Chapter overview



Additional information

EDITORIAL

A photograph of three men in dark blue suits and light blue shirts standing in a modern office with large windows. The man in the center is smiling and looking towards the man on the right. The man on the left is partially visible in profile, looking towards the center. The background shows office furniture and bright lighting.

- 05 Introduction by CEO Dr. Mathias Wagner
- 07 Company profile

SHAPING THE AGE OF USE WITH TECHNOLOGY2USE

Dear Reader,

Despite a challenging economic climate, geopolitical tensions, high interest rates, and persistent inflation, we reached a remarkable milestone by ending 2023 with a record €2.45 billion in new lease originations. That represents a year-on-year increase of 9.9 percent, exceeding our own forecasts for the year.

This proves yet again that leasing and similar usage models are particularly resilient in times of crisis. Cash is still king for most companies, and flexible usage models can provide them with the liquidity they need. This trend is also reflected in the latest market figures, which show that the leasing sector in Germany enjoyed further year-on-year growth in 2023.

The ongoing global trends of digitalization and sustainability presented further opportunities for growth that boosted our commercial momentum.

Thanks to these trends, we also expanded our portfolio of managed IT, healthcare, and industrial assets to

€10.01 billion. As measured by acquisition cost, the volume is 11.8 percent higher than the previous year. Profit from ordinary activities reached €164.25 million, an increase of 20.8 percent on the previous year (2022: €135.92 million).

STRATEGIC FOCUS AND GLOBAL EXPANSION

It is our ambition to become the leading global technology2use company. To this end, we further refined our corporate strategy in 2023 and implemented key measures as part of our NEXT 2025 medium-term program. This includes automating more of our processes to ensure that we can act more quickly and with greater efficiency and scalability. We aim to achieve our ambition primarily through profitable growth, to which our international expansion makes a significant contribution.

CHG-MERIDIAN has a presence in 30 countries across five continents, and we are continuously working to expand

our global coverage. A particular focus in this respect is the Asia-Pacific region. After entering the markets in India and Singapore in 2022, a partnership agreed in 2023 enables us to offer our technology2use solutions in Japan as well.

Thanks to this broad network of our own sites and regional partnerships, around 60 percent of our business is now generated outside of Germany. Our start-ups device now and circlee made further progress in 2023 and are playing their part in our Group's medium-term growth and helping to diversify our portfolio.

Our global team underlines the importance of diversity and an international outlook at CHG-MERIDIAN. We employ over 1,400 people from 45 countries, who shape our culture and are the bedrock of our expertise. In 2023, we introduced the Diversity Committee as a way to bring us even closer together as a team. This new committee champions diversity, equality of opportunity, and inclusion, and calls on everyone to play an active part in shaping our values.



TAKING RESPONSIBILITY TOGETHER, AND GROWING TOGETHER

Since our company was founded in 1979, sustainability has become much more than the cornerstone of our circular business model; it is now an increasingly important factor for our customers and funding partners too. That is why we are continually stepping up our commitment to sustainability, for example by professionalizing our sustainability management, supporting international initiatives, and relying on sustainable funding.

As a result, our latest silver rating from EcoVadis puts us in the top 15 percent of all companies assessed. This status is reflected in the trust that our funding partners and investors place in us. Working with Helaba Landes-

bank Hessen-Thüringen, LBBW, BayernLB, and DZ Bank, we raised a total of €385 million in sustainable funding in 2023 through a number of ESG-linked loans.

At the end of 2023, we signed up to the Science Based Targets Initiative (SBTi), as did many of our customers. The aim here is to define further specific goals to reduce greenhouse gas emissions, in addition to the measures we have already taken to reduce our carbon footprint.

STRENGTH THROUGH INNOVATION AND EXPERIENCE

We started out 45 years ago as a pioneer of the circular economy, and we aim to shape the future through technology2use. We are pursuing a path of profitable growth to reach this

goal, and we will continue to work on innovative, customer-centric products and solutions in 2024. In doing so, we will rely as much on our decades of experience as we will on the strength and energy of our amazing team.

Join us on this path and let us grow together. I look forward to working with our customers, partners, and colleagues in 2024!

Kind regards,

A handwritten signature in blue ink, appearing to read 'M. Wagner', written in a cursive style.

Dr. Mathias Wagner
CEO of the CHG-MERIDIAN Group

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

CHG-MERIDIAN AT A GLANCE

TECHNOLOGY2USE
SINCE 1979

The CHG-MERIDIAN Group is a leading global technology2use company. Using the skills of our workforce of more than 1,400 employees, we design, finance, and deliver customized technology usage models for the IT, industrial, and healthcare sectors. Our 41 locations in 30 countries manage the technology infrastructures of large corporations, SMEs, public bodies, and hospitals. CHG-MERIDIAN's business activities can have a positive impact on economic performance and provide a macroeconomic boost through cash flows and the emphasis on ESG-linked funding.

Our approach is to support our customers with their digital transformation and help them to run their business in an efficient and 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.

CHG-MERIDIAN also has subsidiaries and affiliated companies with different business

models, for example devicenow and circulee, which were founded in 2022. The company devicenow offers a global rental model for IT equipment, while circulee offers refurbished IT hardware for small and medium-sized enterprises. Our subsidiary abakus advises companies on procurement in IT and other areas of technology.

Across three technology segments, we offer customized business concepts tailored to our customers' requirements and applications. In the IT segment, we assist them with the comprehensive and efficient delivery of their technology projects. A solution that we offer is talentime, a program with tax benefits that is available in Germany. 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, the insurance service Asset Care®, our end-of-lease services, and certified data erasure with eraSURE®. Customers can also make a financial contribution to climate action through our carbonZERO® product.

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 Dr. Mathias Wagner, CFO Ulrich Bergmann, CSO Daniel Welzer, and CPO Oliver Schorer.

We have a Group-wide policy concerning conflicts of interest, and 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. In 2023, we introduced a Group-wide policy concerning fit-and-proper assessments for the Supervisory Board, the Board of Management, and the holders of key positions and other roles. Additional guidance is provided by the code of conduct, the employee manual, the HR manual, and the disclosures and reporting policy. The policy is based on the 'Guidance Notice on management board members pursuant to KWG, ZAG and KAGB', the 'Guidance Notice on Members of Administrative and Supervisory Bodies pursuant to KWG and KAGB', the reliability checks defined in section 6 (2) no. 5 of the

41
offices

30
countries

over
1,400
employees

Money Laundering Act and the German Stock Corporation Act, the German Private Limited Companies Act, and other relevant norms (such as ISO and GRI standards) and legal provisions.

The Supervisory Board is made up of four men and – since 2023 – two women (one woman up to 2022). The chairperson is male, the deputy chairperson is female. It comprises two majority shareholders (end of current term of appointment: 2028), two independent external individuals (end of current term of appointment: 2027 and 2028 respectively), and two employees (end of current term of appointment: 2027). No member of the Supervisory Board holds a position on the supervisory board of other regulated companies. The Supervisory Board represents 100 percent of employees (2022: 100 percent, 2021: 100 percent).

The exact ownership structure can be found in the '[Economy & finance](#)' chapter (p. 11–14).

CUSTOMER SUCCESS STORIES



- 09 Hermes – Ultra-modern equipment fleet increases efficiency
- 09 SAP – IT benefits program boosts staff retention
- 09 NUTEC – One-stop shop for global technology management
- 10 Penny – On course for growth
- 10 imec – Making innovation sustainable

GERMANY tesma / scalable / efficient

ULTRA-MODERN EQUIPMENT FLEET INCREASES EFFICIENCY

Hermes Germany is a leading logistics service provider in Germany with ten state-of-the-art logistics centers, 270 company sites and partner sites, and over 16,500 ParcelShops. Hermes uses more than 30,000 hand scanners to support its core business of delivering parcels across the country. These devices are provided by CHG-MERIDIAN, including software and related services. The benefits for Hermes are 35 percent lower costs, access to the latest technologies, and easy management of the large equipment fleet via tesma.

So, how is Hermes meeting growing demand by expanding its device fleet and managing its assets professionally?

[+](#) Find out more here



Hermes Germany/Marcus Scheidel

Customer Stories not externally verified.



Franziska Kuch and Niklas Coir (CHG-MERIDIAN) on a visit to Lukas Dissinger (SAP Total Rewards Team) at SAP's head office in Walldorf.

GERMANY MobiLife platform / cost-neutral / automated

IT BENEFITS PROGRAM BOOSTS STAFF RETENTION

SAP is one of the leading providers of business process management software and one of the most popular employers. To further increase employee satisfaction, SAP has opted for CHG-MERIDIAN's IT benefit program. Employees can access the MobiLife platform to order the latest smartphones, tablets, and laptops on favorable terms to suit their individual needs. CHG-MERIDIAN provides a complete package that is automated, time-efficient, and cost-neutral.

So, how is CHG-MERIDIAN's solution boosting SAP's employer branding and helping the company to attract and retain employees?

[+](#) Find out more here



MEXICO tesma / scalable / efficient

ONE-STOP SHOP FOR GLOBAL TECHNOLOGY MANAGEMENT

For over 45 years, NUTEC has been manufacturing innovative thermal solutions and highly specialized industrial furnaces for a wide range of industries. The company is active in 50 countries around the world and partnered with CHG-MERIDIAN to reorganize its IT infrastructure. With the help of an end-to-end solution, NUTEC was able to simplify and streamline its IT asset procurement and management processes, thus reducing administrative workload and saving time.

Keen to discover how flexible management and precise financial control allowed NUTEC to revamp its international IT infrastructure, and what plans it has to expand the partnership with CHG-MERIDIAN?

[+](#) Find out more here



ITALY tesma / carbonZERO® / flexible

ON COURSE FOR GROWTH

PENNY, a REWE Group company, has been active in Italy for more than three decades and has over 400 stores. CHG-MERIDIAN helps PENNY Italia to manage around 10,000 IT devices with a comprehensive package of services and products that comprise leasing, Enterprise Mobility Solutions, and the option to make a financial contribution to climate action through our carbonZERO® product.

So, how are flexible, scalable, and sustainable IT financing and related services helping Penny Italia to grow?



[Find out more here](#)



BELGIUM tesma / carbonZERO® / sustainable

MAKING INNOVATION SUSTAINABLE

imec is one of the world's largest and most pre-eminent research institutes in the field of nano electronics and digital innovation. It leases and manages a portfolio of high-performance IT equipment with a value of around €5 million through CHG-MERIDIAN. Sustainability and innovation are deeply-rooted core values at the Belgian organization, and they were decisive factors when choosing CHG-MERIDIAN as a partner.

So, how is sustainable procurement helping imec to boost its innovative strength and reduce its carbon footprint?



[Find out more here](#)

YOU CAN
FIND FURTHER
SUCCESS STORIES
IN THE AREAS OF IT,
HEALTHCARE
TECHNOLOGY,
AND INDUSTRY
HERE.



ECONOMY & FINANCE

- 12 Forging a route to success: looking back on a strong 2023
- 13 The CHG-MERIDIAN Group in numbers



FORGING A ROUTE TO SUCCESS:

LOOKING BACK ON A STRONG 2023

Guided by our corporate strategy, we are always striving for profitable growth, and continually increasing our lease originations is part of this. In 2023, we managed to exceed our own forecasts with lease originations worth €2.45 billion, a further year-on-year rise of 10 percent (2022: €2.23 billion).

Given the current challenging economic climate, many companies are opting for usage models, such as leasing, renting, or as-a-service, to protect their liquidity. We were able to tap into this trend and also unlock the potential of the ongoing digital transformation and the desire for greater sustainability. Our circular usage models allow companies to reduce their running costs while also improving their environmental footprint.

Thanks to this growing demand, the value of our technology portfolio – based on acquisition costs – increased further to €10.01 billion (2022: €8.95 billion). Profit from ordinary activities reached €164.25 million, an increase of 20.8 percent on the previous year (2022: €135.92 million). We have thus comfortably achieved our goal of profitable growth while continuing to invest in international expansion and the diversification of our business model.

€10.01
billion

Total value of the
financed and managed
technology portfolio as at
December 31, 2023

Last year, we also made good progress on the road to sustainable funding. Working with our partners Helaba Landesbank Hessen-Thüringen, LBBW, BayernLB, and DZ Bank, we raised a total of €385 million in sustainable funding through a number of ESG-linked loans. This has taken us a big step closer to our goal of financing our growth entirely through sustainable funding.

"The latest figures clearly show that we are on course to achieve the goals set out in NEXT 2025, and are well on our way to becoming the leading global technology2use company," says Dr. Mathias Wagner, CEO of CHG-MERIDIAN.

Our aim is to develop, finance, and manage usage models – based on the circular economy – for IT, healthcare, and industrial technology for our customers worldwide.

THE CHG-MERIDIAN GROUP IN NUMBERS: 2023

Direct economic value generated and distributed

(€ million)

	2023	2022
Profit generated	1,867.30	1,585.76
Earnings	1,867.30	1,585.76
Economic value distributed	-1,756.28	-1,485.44
Operating expenses	-1,465.98	-1,256.58
Staff expenses	-159.54	-149.21
Expenses for lenders	-77.53	-44.05
Tax expenses	-53.24	-35.60
Economic value retained	111.02	100.32

Consolidated net income

€111.02 million

Volume of lease originations broken down by technology sector



77.0%
Information
technology



18.3%
Industrial
technology



4.7%
Healthcare
technology

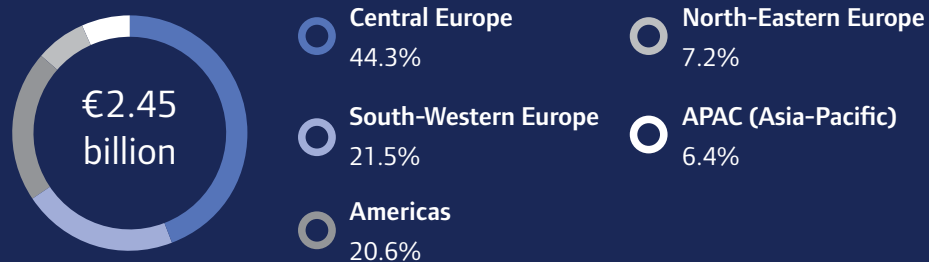
Selected key financials

(€ millions)

	2023	2022	
Equity (IFRS)	800.91	729.42	+9.8%
Group's total assets (IFRS)	5,828.67	5,097.85	+14.3%
Consolidated net income (IFRS)	111.02	100.32	+10.7%
Non-recourse funding	1,734.66	1,413.44	+22.7%
Corporate lending	639.97	596.24	+7.3%

Volume of lease originations

by region*



* The figures cannot be directly compared with 2022 due to the new region structure.

Profit from ordinary activities

€164.25 million

Shareholders

as at December 31, 2023

The majority of the Company's shares, around 61 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 14 percent are held by the Board of Management, senior executives, and other shareholders.



STRATEGY & GOVERNANCE

- 16 Our sustainability strategy
- 18 Our materiality assessment
- 20 Dialogue with stakeholders
- 23 CHG-MERIDIAN in the Decade of Action

OUR SUSTAINABILITY STRATEGY

GRI 2-9, 2-17

SUSTAINABILITY ORGANIZATION ESTABLISHED

We want to systematically increase our contribution to sustainable development. To achieve this, we established a sustainability governance structure that includes the Group Sustainability Board and the Group Sustainability Office. The Group Sustainability Board convenes every six months and is responsible for implementing our sustainability strategy across all of the Group's functions. The most senior decision-makers of the CHG-MERIDIAN Group sit on this board, maintaining a continual dialogue and ensuring that expertise in the area of sustainability is expanded at management level on an ongoing basis. Within the Sustainability Board, the power to make final decisions lies with the Board of Management. The Sustainability Board oversees the Group Sustainability Office.

The Group Sustainability Office is made up of four sustainability leaders and three sustainability managers – four women and three men – who are all based in Germany and regularly hold discussions. They manage key sustainability activities at CHG-MERIDIAN in the following four areas:

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

Each area is the responsibility of a sustainability leader. The role of Group Sustainability Officer was abolished in 2023. The three sustainability managers, the environmental officer, and the anti-money laundering officer now report to the Group Regulatory Officer, who oversees all three functions in accordance with the three-line model of the Institute of Internal Auditors (IIA). We made these changes as they allow us to pool similar tasks and functions

more efficiently and make better use of synergies through topic-specific collaboration.

In 2023, a sustainability manager for sales was appointed, who maintains a regular dialogue with the Group Sustainability Office. He reports directly to the CSO and assists sales employees around the world with sustainability matters.

OUR SUSTAINABILITY GOVERNANCE



SUSTAINABILITY AS AN INTERDISCIPLINARY FUNCTION

CHG-MERIDIAN pursues a sustainability strategy that was developed with reference to the United Nations' [17 sustainable development goals \(SDGs\)](#) and approved by the Group Sustainability Board. It is enshrined in a joint functional strategy alongside the regulatory, compliance, and audit strategy. Rather than considering sustainability in isolation, we view it as an interdisciplinary function that interacts with other sub-strategies. Each department, country, and employee implements the sustainability strategy through operational measures, ensuring that these are compatible with the existing corporate and function-specific strategies.

This is how we ensure that sustainability is integrated across the CHG-MERIDIAN Group and that it is the main principle that guides our actions. We have set ourselves goals in our four action areas up to 2025 (see table) 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'). The dialogue with our stakeholders during the year, in particular with our customers, employees, and suppliers, gives us an insight into the aspects of sustainability that matter 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](#)'.

OUR SUSTAINABILITY GOALS

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*	Milestone for 2023 not achieved (24.1%)	SDG 5.5
Business ethics	Comprehensive training on our shared values (e.g. code of conduct) for all current and new employees	Ongoing	Group excluding OPC, devicenow, abakus, circulee	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	Europe excluding OPC, devicenow, abakus, circulee	Milestone for 2023 achieved	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*	Milestone for 2023 not achieved (5%)	SDG 13.2
Sustainable procurement	Supplier assessment and the introduction of procurement standards to cover own requirements and customer requirements resulting from lease obligations	2024	Group excluding OPC, devicenow, abakus, circulee	Milestone for 2023 achieved	SDG 8.8 and SDG 12.2

* Please note that the target scope has changed: since 2023, the target has included OPC, devicenow, circulee, and abakus; the subsidiaries and affiliated companies were not included in 2022.

** 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 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 2022 in accordance with the requirements of the sustainability framework and redefined the material sustainability topics for the company. The materiality assessment is valid for two years and was validated in 2023.

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 disclo-

tures 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. External stakeholders include customers, funding partners, business partners, public

institutions, and the wider public. The internal stakeholders are our shareholders and employees. The evaluations by the external and internal stakeholders were weighted equally.

This multi-layered evaluation approach allowed us to perform a quantitative calculation 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.

The definition of materiality was expanded in line with the CSR Directive Implementation Act (CSR-RUG) and the non-financial statement pursuant to the German Commercial Code, and in preparation for reporting in accordance with CSRD. As a result, CHG-MERIDIAN's risk management now takes impact materiality (inside out) and financial materiality of sustainability topics (outside in, as well as risks and opportunities) into account. We believe the biggest financial risks for CHG-MERIDIAN are in the areas of HR, compliance, and anti-corruption. The material opportunities may result from our business model with its focus on the circular economy.



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. All sustainability topics that were included in the previous report are also covered by this report.

OUR MATERIAL TOPICS

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 CPD	
Employment	
Diversity and equal opportunity	additional
Partnership & supply chain	
Supplier social assessment	
Supplier environmental assessment	

DIALOGUE WITH STAKEHOLDERS

GRI 2-29

ONGOING DIALOGUE

Satisfied customers and employees, transparency vis-à-vis the general public and auditing bodies, and reliable supplier and partner relationships are crucial to our success. In the course of the materiality analysis, we identified relevant 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.

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. A number of sustainability-related events took place in 2023, including the Sustainable Finance Summit in Paris, where we won an award in the 'Best Circular Economy Model: Equipment' category.

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 shareholders and our employees are important internal stakeholders, which is why we keep them informed about sustainability topics 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

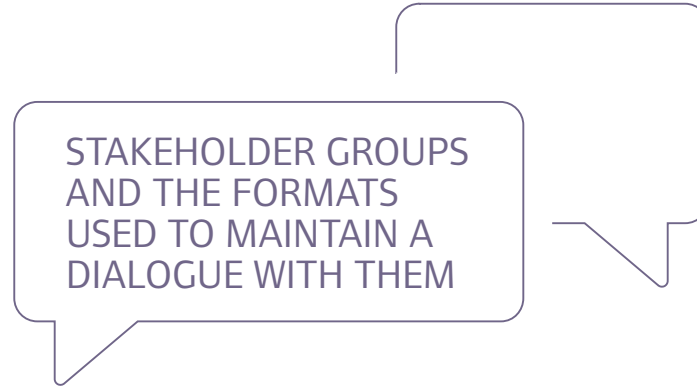
relevant information. We also consider the general public to be a stakeholder, and enter into dialogue with non-governmental organizations (NGOs) on an ad hoc basis. The communities in which our sites are located are also important to us.





We actively include our stakeholders' interests in our actions through our existing dialogue formats and plan to expand these 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. CHG-MERIDIAN was awarded another silver medal in the EcoVadis ratings in 2023, once again putting the Group in the top 15 percent of all companies assessed. We are constantly working to improve our ratings. The other ratings platforms through which we provide transparency to our business partners are IntegrityNext, Supplier Assurance/NQC, and CDP.



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

Funding partner

- European Funding Partner Conference (EFPC)
- Local funding partner conferences
- Annual report

Customers

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

Business partners (including suppliers)

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

Shareholders

- Annual General Meeting
- Closed meeting
- Supervisory Board meetings

Employees and works council

- Ongoing internal communication and dialogue

Public institutions

- Audits and audit reports
- Annual report
- Compliance with statutory notification and reporting obligations, and with supervisory consultations

General public and NGOs

- Annual report
- External communication and 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.

WE ARE MEMBERS OF

INTERNATIONAL

- UN Global Compact
- Science Based Targets initiative (SBTi) signed up in December 2023

CENTRAL EUROPE – GERMANY

- Bundesverband der Personalmanager e.V. (German Association of HR Managers) (BPM)
- Bundesverband Deutscher Leasing-Unternehmen (BDL) (Federal Association of German Leasing Companies)
- Bundesverband Nachhaltige Wirtschaft e. V. (Federal Association of Green Business) (BNW)
- 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)
- UN Global Compact Netzwerk Deutschland e.V. (German UN Global Compact Network)

WESTERN EUROPE – BELGIUM

- Febelfin ASBL
- Belgian Institute for Sustainable IT/SuRE Charter
- World Loop/Close the Gap

NORTH-EASTERN EUROPE – SWEDEN

- Cradlenet
- Nordic Circular Hotspot
- Stockholm Climate Pact

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 and actively help to shape the path toward sustainable development.

As part of an analysis, we evaluated the 17 goals of the 2030 Agenda, their 169 targets, and their 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 Ambition 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

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

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

5 GENDER EQUALITY



Promote equality
 This includes promoting equal opportunities for women and men
5.5 Effective participation and equal opportunities

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

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

CONTRIBUTIONS
 TO THE
 SUSTAINABLE
 DEVELOPMENT
 GOALS

BUSINESS ETHICS & COMPLIANCE

- 26 Our values and guidelines
- 28 Code of conduct and reporting
- 30 Anti-corruption and integrity
- 32 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. We address and document 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 in nature and therefore covered by existing risk types in our risk management.

The following descriptions in this chapter relate to all CHG-MERIDIAN companies except our affiliated companies circulee, devicenow, and abakus.

As financial services providers, some companies in the CHG-MERIDIAN Group are subject to additional requirements of local regulators. CHG-MERIDIAN AG and CHG-MERIDIAN Industrial Solutions GmbH are financial leasing institutions within the meaning of section 1 (1a) sentence 2 no. 10

of the German Banking Act (KWG) and are subject to the rules of the German Federal Financial Supervisory Authority (BaFin) and the Bundesbank. They 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). The Brazilian subsidiary CHG-MERIDIAN Do Brasil Arrendamento Mercantil S/A is supervised by the Brazilian central bank and must comply with the rules of the local banking act.

In addition to these special 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 secu-

ity management in accordance with ISO 27001, data protection management in accordance with ISO 27701, security and resilience management in accordance with 22301, and environmental management in accordance with ISO 14001 provide independent verification of our continuous improvement efforts. Further information on CHG-MERIDIAN's activities in this area are provided in the chapters '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 Manage-

ment and shared on various internal and external channels. We reviewed our [code of conduct](#) in 2022 and adapted it to our new Group-wide values. This revised version was published on our website in January 2023 and shared with our employees on the intranet. 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.



PASSION

INDIVIDUAL
RESPONSIBILITYCUSTOMER
FOCUS

RESPECT



TRUST



INTEGRITY

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.





COMPLIANCE TRAINING

Training	Information	Completed tests** in 2023	Completed tests in 2022	Completed tests in 2021
Code of conduct training	Mandatory for all new employees worldwide*.	256 of 256 (100%) (100% undertaking)	209 of 211 (99%) 99% undertaking	162 of 162 (100%) 100% undertaking
Code of conduct refresher***	Mandatory worldwide, refresher every three years.	1378 of 1378 (100%) Average test score: 96.6%	n/a	n/a
Executive compliance	Mandatory for all new management staff worldwide.	46 of 46 (100%) 100% undertaking	152 of 153 (99%) 99% undertaking	6 of 6 (100%) 100% undertaking
Avoidance of money laundering in accordance with GwG	Mandatory at national level in Germany and some other countries (each country is responsible for compliance).	139 of 139 (100%) Average test score: 91.2% (139 empl.)	101 of 101 (100%) Average test score: 92% (101 empl.)	89 of 89 (100%) Average test score: 93% (89 empl.)
GwG refresher	Mandatory at national level in Germany. Refresher every three years.	n/a	n/a	696 of 696 (100%) Average test score: 95% (696 empl.)
Information security	Mandatory for all new employees worldwide*.	256 of 256 (100%) Average test score: 90.3% (256 empl.)	209 of 211 (99%) Average test score: 91% (209 empl.)	162 of 162 (100%) Average test score: 90% (162 empl.)
Information security refresher****	Mandatory worldwide, refresher every three years.	n/a	n/a	1,039 of 1,039 (100%) Average test score: 92% (1,039 empl.)
Data protection	Mandatory for all new employees worldwide*. Has to be repeated every three years.	256 of 256 (100%) Average test score: 89.9% (256 empl.)	209 of 211 (99%) Average test score: 91% (209 empl.)	n/a
Data protection refresher****	Mandatory worldwide, refresher every three years.	n/a	1,308 of 1,308 (100%) Average test score: 92% (1,308 empl.)	162 of 162 (100%) Average test score: 90% (162 empl.)
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.	123 of 123 (100%)	103 of 103 (100%)	601 of 623 (96%)
Occupational health & safety and crisis management refresher	Mandatory at national level in Germany, Austria, and Switzerland. Designed to be repeated every year and whenever changes or updates are made.	791 of 791 (100%)	729 of 729 (100%)	n/a
Environmental management*****	Mandatory at national level in Germany, Austria, and Switzerland. Designed to be repeated every three years and whenever changes or updates are made.	139 of 139 (100%) Average test score: 92.3% (139 empl.)	102 of 103 (99%) Average test score: 93% (102 empl.)	705 of 712 (99%) Average test score: 94% (705 empl.)

* 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.

*** Includes training on the prevention of discrimination and human rights abuses.

**** 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.

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. Equally, there were no proceedings pending against CHG-MERIDIAN for confirmed violations of laws in the labor and human rights spheres.

A range of management systems have been implemented that help us to identify and remedy any potential failings. These include ISO 14001 (environmental management), ISO 22301 (security and resilience), ISO 27001 (information



INCIDENTS AND REPORTING CHANNELS AT CHG-MERIDIAN

	2023	2022	2021
Anti-competitive behavior	0	0	0
Proceedings against CHG-MERIDIAN for confirmed violations of laws in the labor and human rights spheres	0	0	0
Incidents of conflict of interest	0	0	0
Incidents of corruption	0	0	0
Number of reports via the whistleblowing system*	2	0	0

* First disclosed in 2023, retrospectively calculated for 2021 and 2022.

security), and ISO 27701 (data protection), which are certified in line with international standards. In 2023, we began to establish an integrated management system (IMS) that combines the various management systems into one central, overarching system.

The ISO standards 14001, 22301, 27001, 27701, and 37301* apply in Central Europe. The ISO 14001 standard also applies in the technology center in Skien and at CHG Norway AS. CHG Italy and the technology centers in Gross-Gerau and Skien have been certified in accordance with the ISO 9001 quality management system. The ISO 45001 occupational health and safety management system also applies in the technology center in Gross-Gerau.

The biggest environmental, social, and governance (ESG) risks are present at our production sites and at sites with a large number of employees. These are the technology centers in Gross-Gerau and Skien, and our headquarters in Weingarten. All other sites are rented offices with a small number of employees. As a consequence, we have initially focused the management systems on the technology centers and our headquarters.

CHG-MERIDIAN is planning to extend the ISO 14001, ISO 22301, ISO 27001, and ISO 27701 standards to the rest of Europe in the coming year.

CHG-MERIDIAN also maintains 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

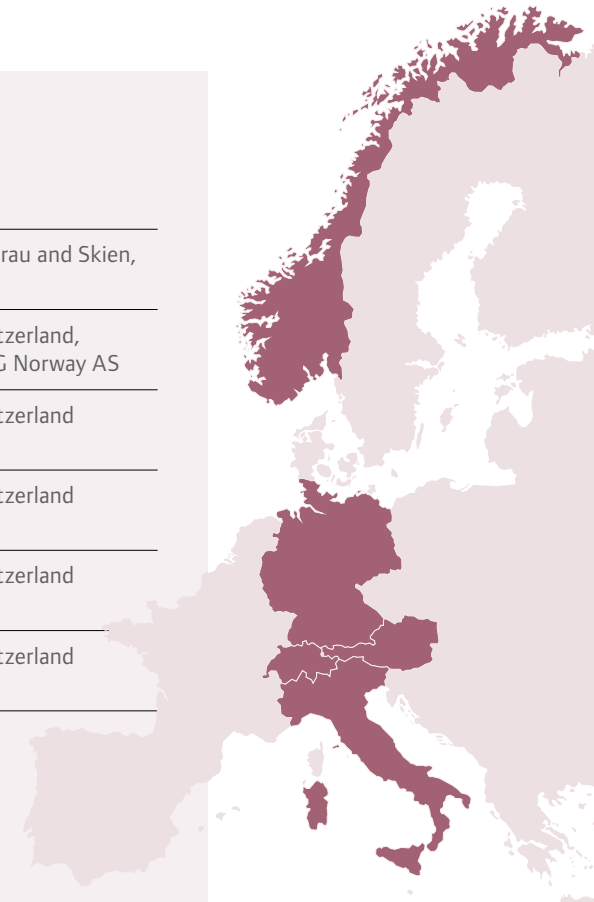
customs checks, dealing with elected representatives and public officials, and outsourcing are also important topics in this context. Alongside internal and external reporting channels such as our regulation portal, dedicated email addresses, a central hotline, and the option to speak directly to a relevant 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.

MANAGEMENT SYSTEMS AT CHG-MERIDIAN

Management system	Scope
ISO 9001 Quality management	Technology centers in Gross-Gerau and Skien, and CHG Italy
ISO 14001 Environmental management	CHG Germany, Austria, and Switzerland, technology center in Skien, CHG Norway AS
ISO 22301 Business continuity	CHG Germany, Austria, and Switzerland
ISO 27001 Information security	CHG Germany, Austria, and Switzerland
ISO 27701 Data protection	CHG Germany, Austria, and Switzerland
ISO 37301* Compliance management	CHG Germany, Austria, and Switzerland
ISO 45001 Occupational health and safety	Gross-Gerau technology center

* We are currently in the process of certification. The stage one audit has been completed, stage two is to follow in early 2024.



ANTI-CORRUPTION AND INTEGRITY

Bribery and corruption are 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 AND RISK MINIMIZATION

In 2013, we implemented a Group-wide compliance management system (CMS) and created the role of Compliance Officer (CO) and an official deputy. The CMS at our European sites is currently undergoing ISO 37301 certification. Stage one has already been completed, with stage two planned for the first half of 2024. Besides training and measures to raise awareness, the Compliance Officer is responsible for carrying out a compliance risk analysis and the ongoing development of the CMS. The Compliance Officer also runs the quarterly compliance monitoring of legislative changes, the results of which 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 at the Central European level 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 (see also '[Code of conduct and reporting](#)'). 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. A risk assessment of our business ethics was carried out for all sites in 2023. It covered 100 percent of sites* that have a compliance management system in place (2022: 100 percent; 2021: 100 percent).

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, and we expect some to submit a self-declaration and to comply with our code of conduct. This is how we are currently approaching our suppliers and customers. 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 measures, and communicate them to stakeholders on our website or via other appropriate media.

* Except our affiliated companies circulee, devicenow, and abakus.

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 is submitted to the Supervisory Board on a quarterly basis. The Supervisory Board also receives reports on various matters of relevance to the company 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 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. These essentially comprise personal skills and theoretical and practical knowledge.



GRI 418-1

DATA PROTECTION AND INFORMATION SECURITY

Our success in technology management and our financing expertise depend 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 company-wide data protection standard for the CHG-MERIDIAN Group.
- Implementation of information security risk management and continuous process optimization in accordance with the legal requirements for regulated financial services providers (BAIT and MaRisk) in Germany, Austria, and Switzerland. The central IT systems across the Group are operated by CHG-MERIDIAN AG; some newly founded subsidiaries have their own IT applications.
- 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 for the entire CHG-MERIDIAN Group in addition to the information security officer.
- Regular internal audits and independent, third-party penetration tests of the IT systems.
- ISO 27001-certified information security management system at our sites in Central Europe, and certification 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). The certification covers all of the Group's centrally operated IT systems as these are managed centrally by CHG-MERIDIAN AG. Starting in 2024, the management system will be expanded to all sites in the European Economic Area (EEA).
- Creation of a global data protection management system aligned with international standards (ISO 27701); all CHG-MERIDIAN locations in Germany, Austria, and Switzerland have been certified in accordance with this standard. This will be expanded to all sites in the EEA from 2024 onward.

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

INFORMATION-RELATED INCIDENTS AT CHG-MERIDIAN

In 2023, a total of 15 security incidents relating to data protection and 400 incidents relating to information security were recorded across the Group. These were analyzed and the appropriate action was taken. There were no disclosable incidents. The following table provides an overview of the year-on-year change:



	2023	2022	2021
Data protection incidents	15	20	7
Information security incidents	400	212	359
Disclosable incidents	0	1	0

CIRCULAR ECONOMY & CLIMATE ACTION

An aerial photograph of a roundabout with a central green island. The island is surrounded by a circular road with several cars driving. The surrounding area is lush with green trees and grass. The text 'CIRCULAR ECONOMY & CLIMATE ACTION' is overlaid in large white letters on the top left.

- 34 The circular economy as a core business
- 41 Waste disposal and recycling
- 44 Environmental management and energy
- 45 Climate action and reduction targets

THE CIRCULAR ECONOMY AS A CORE BUSINESS

GRI 2-6, 301-3, 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

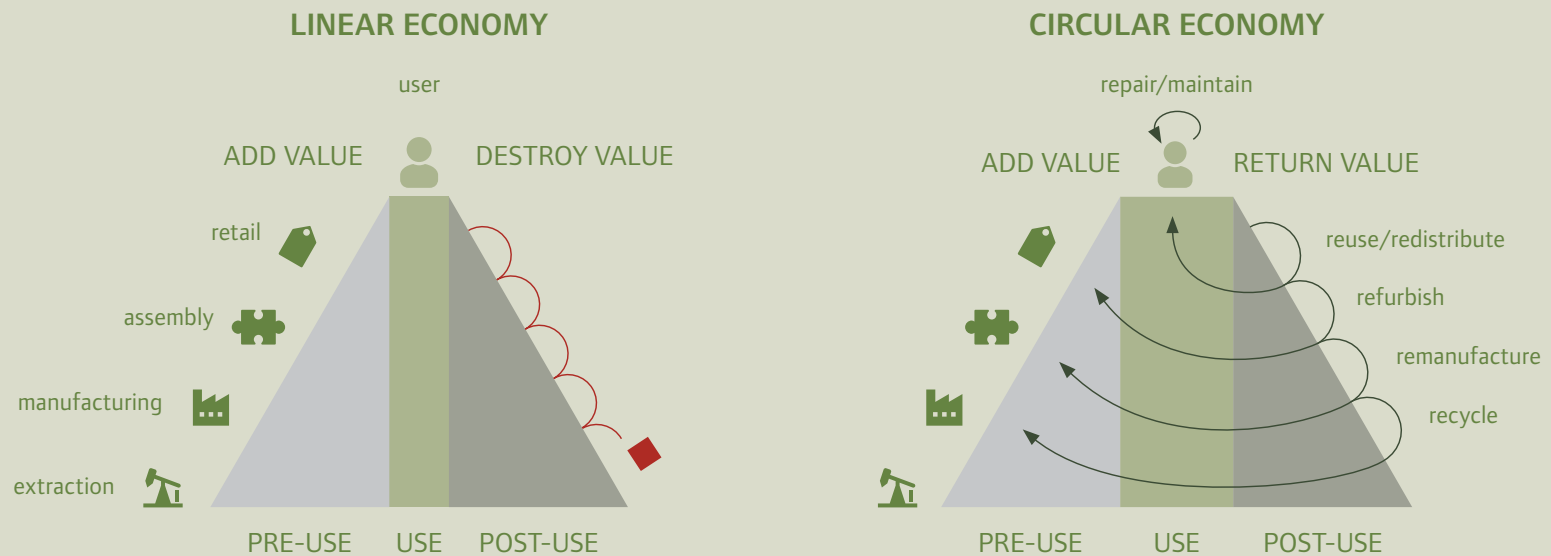
assets to green transportation, and throughout the useful life of their equipment. Once an asset comes to the end of its first lifecycle, we refurbish and remarket it for a second lifecycle. Old, non-reusable assets or those containing sensitive data are

recycled and the resources they contain returned to the material cycle.

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. This is how our business model contributes to the circular economy.

THE VALUE HILL*



* Master Circular Business with the Value Hill | European Circular Economy Stakeholder Platform (europa.eu).

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

REFURBISHMENT AND REUSE

CHG-MERIDIAN receives IT lease returns back from customers at the end of the lease and refurbishes and remarkets 95 percent (2022: 96 percent; 2021: 96 percent) of equipment to give it a second life. By extending the usage period, we can make more effective use of the valuable resources contained in the devices. The term 'devices' always refers to our IT assets, i.e. not industrial assets such as forklift trucks or healthcare assets such as MRI machines. But we also lease new devices to our customers, the production of which consumes resources and generates greenhouse gas emissions. Furthermore, our business activities generate emissions – mainly during the manufacture and use of our assets – and waste from packaging. We use the latest technologies to optimize refurbishment and management systems to hone our processes with the aim of improving our waste management on an ongoing basis.

EFFECTIVE USE OF RESOURCES AND MATERIALS

At CHG-MERIDIAN, we take the conservation of resources seriously and aim to use the available resources efficiently. The circular economy is the game-changing model that guides us. Our business model is based on the reuse of devices and therefore on the potential reduction of electronic waste and greenhouse gases.

The ISO 14001 certification establishes professional environmental management practices and clearly defined responsibilities at all CHG-MERIDIAN locations in Central Europe (Germany, Austria, and Switzerland) and at the technology center in Skien in Norway. CHG-MERIDIAN has the biggest environmental impact at its two production sites in Gross-Gerau and Skien, and at the headquarters in Weingarten. We own the building in Weingarten and many employees work here, resulting in a relatively

high negative environmental impact. The other sites are rented offices. This means that 100 percent of the sites with a high environmental impact are covered by an ISO 14001-compliant management system. We plan to extend the environmental management system and the certification to all sites in the EEA in 2024. This includes all of CHG-MERIDIAN's foreign subsidiaries, but does not yet cover subsidiaries such as devicenow and circulee. The environmental officer is responsible for the implementation and ongoing development, and reports directly to the Board of Management. The environmental officer is supported by an environmental team made up of members from various departments. The ISO 14001 certification also includes an environmental risk assessment, with 31.7 percent (2022: 31.7 percent; 2021: 33.3 percent) of Group locations assessed in 2023.



895,000
IT Lease Returns
have been given a second lifecycle

Employees can access information about 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 written procedures are designed to encourage proactive thinking and behavior across the Group with regard to environmental protection and energy efficiency.

Our environmental guideline defines in greater detail the environmental aspects described in the sustainability strategy and the regulatory affairs strategy of the CHG-MERIDIAN Group. The guideline applies across the Group and aims to reduce and avoid emissions, waste, and packaging, to continuously refine an effective environmental management system, and to support and promote sustainable projects with a focus on environmental protection. At the same time, it is designed to enable the company to seize opportunities, such as competitive advantages, greater use of renewable energies, and staff retention, arising from changing environmental conditions. The environmental officer, the Board of Management, and the managers in each country are responsible for implementing the environmental guideline across the Group.

In 2023, more than 1,000,000 assets (IT, industrial, and healthcare) were processed by our technology centers and our service partners. In collaboration with our global network of certified partners, 95 percent (2022: 96 percent; 2021: 96 percent) of IT lease returns were professionally refurbished and sold on the secondary market in 2023. This enabled us to remarket around 895,000 IT devices (2022: 924,000; 2021: 840,000) in 2023. The entire global

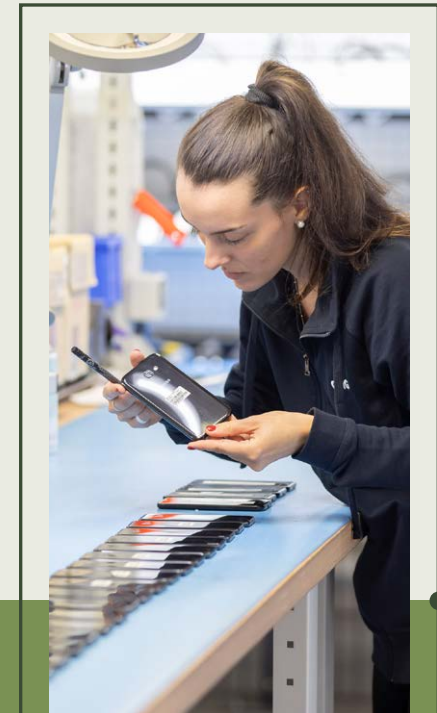


5 percent of lease returns are disposed of, [see p. 38](#).

remarketing process for our two CHG-MERIDIAN technology centers is managed and monitored centrally by Asset Management, as are the end-of-lease service partners.

At CHG-MERIDIAN, we are aware of our responsibility when it comes to remarketing devices, and we are keen to avoid any negative impact. For example, we do not sell the devices in countries or to customers who are on sanctions lists.

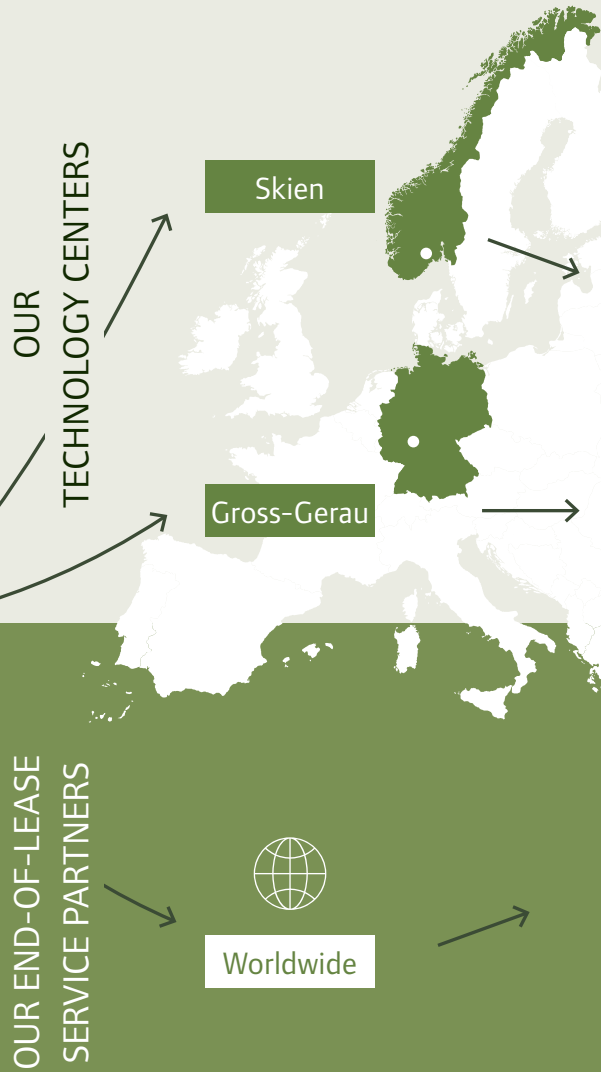
Brokers that want to collaborate with CHG-MERIDIAN within the European Customs Union (ECU) first need to undergo a legitimization check. In addition, CHG-MERIDIAN checks them against publicly available sanctions lists. For transactions in countries outside the European Customs Union, order-specific export checks are carried out that take account of product type, sanctions lists, embargoes, and intended use. No assets were sold in countries on sanctions lists or under embargo in 2023. 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.



95%

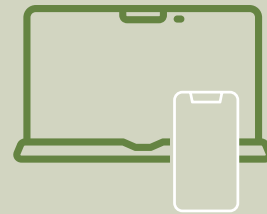
of leased IT devices that are returned are remarketed.

Details in the chart on the next page >



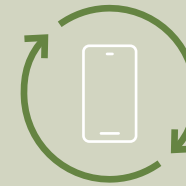
Standard global end-of-lease process

(e.g. testing, inspecting, and evaluating assets)



Remarketing and asset management

Our remarketing customers have to pass a rigorous legitimization check and must not be included on any sanctions list.



Assets given a second life-cycle through remarketing are subject to order-specific export controls in line with local legislation.

Our global end-of-lease service partners handle the entire process for us and must comply with CHG-MERIDIAN standards in line with our ISO certifications. CHG-MERIDIAN audits these partners at regular intervals to ensure the provision of an industry-leading service.

END-OF-LEASE PROCESS



GRI 301-3

RECYCLING AND RECOVERY

The remaining 5 percent of IT lease returns in 2023 (2022: 4 percent; 2021: 4 percent) were disposed of. These were devices that could only be sold on as spare parts, were beyond repair and therefore no longer usable, or were devices with highly sensitive data that had to be destroyed.

We remarketed 95 percent of IT returns from our leasing customers, and 84 percent of assets we purchased from leasing and non-leasing customers. The proportion of lease returns that can be remarketed is significantly higher than is the case for assets previously owned by customers, as the latter tend to be older and thus cannot always be remarketed. The very high number of lease returns that we can remarket

illustrates the circular nature of the lease model, which helps to conserve resources.

We always comply with local regulations when we dispose of assets. After careful pre-sorting, they are recycled by certified waste disposal partners 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. Our recycling partners in Germany separate the materials contained in old devices, such as copper,

RECYCLING OF OLD DEVICES*

	Gross-Geraw	Skien**	Other recycling partners worldwide**	Total ***
Total old equipment	589.6t (2022: 416t, 2021: 422t)	79.11t (2022: 89.12t)	47.30t	716.01t
Of which recycled	78% (2022: 76%; 2021: 74%)	97% (2022: 98%)	83%	80%
Of which used for energy recovery	21% (2022: 23%; 2021: 22%)	3% (2022: 2%)	17%	19%
Of which stored or rendered harmless in the most environmentally friendly way possible	2% (2022: 1%; 2021: 4%)	0% (2022: 0%)	0%	2%

* Data is provided by our recycling partners, not by our own measurements.
 ** Data for Skien only documented from 2022, and by our global recycling partners from 2023.
 *** Values are rounded, resulting in a total of more than 100%.

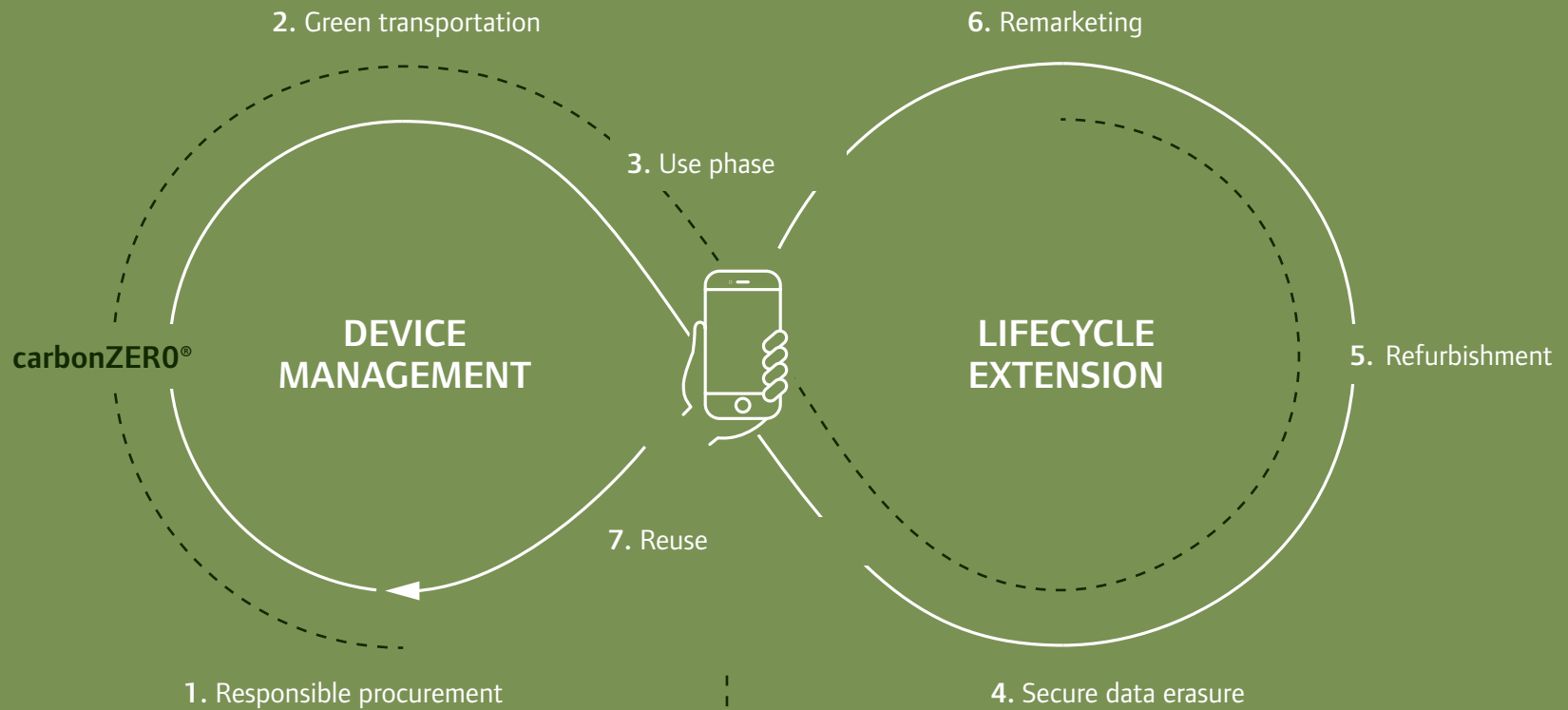
gold, silver, and aluminum, using the latest technological standards and reuse them wherever possible.

Our technology center in Norway has also been working with local certified recycling partners for many years. CHG-MERIDIAN has been expanding its network of recycling partners across Europe since 2022. 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 expanding an alliance with the European Advanced Recycling Network (EARN) in order to put similar processes in place. We aim to provide secure and verifiable recycling through the conclusion of a framework agreement with EARN. In addition to the refurbishment and remarketing process, our service partners also look after the recycling processes outside Europe.



LIFECYCLE THINKING



ASSET 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®

Customers can also make a financial contribution to climate action through CHG-MERIDIAN's carbonZERO® product.

WASTE DISPOSAL AND RECYCLING



GRI 2-4

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 centers in Gross-Gerau and Skien receive regular training on this by managers at least once a year. The policy aims to further reduce waste and production-related packaging material, and we have established targets accordingly:

Our target for plastic packaging at the technology center in Gross-Gerau is to reduce its use by at least 20 percent by the end of 2024 when compared with 2020, for example by using paper, bio-based packaging, and recyclable materials, and by making verifiable savings.

We exceeded our target of sourcing 50 percent of our paper and wood packaging from certified sources – such as FSC- or PEFC-approved – by 2024, with 100 percent of wood packaging and 89 percent of paper packaging certified in 2023. We also want to maintain our high recycling rates for packaging.

We follow the principle of reduce, reuse, recycle. Our waste disposal guidelines 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

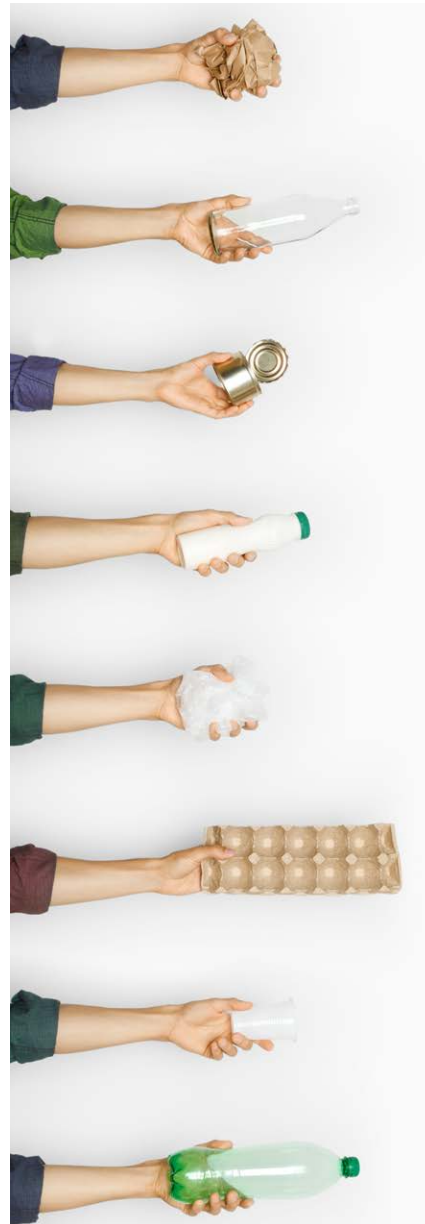
REDUCE, REUSE, RECYCLE

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.



Responsibility for implementing this lies with the local management teams. A flyer is one of the means by which we encourage employees to separate waste properly. 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 unsuitable for remarketing and sent for recycling. Our technology centers, where we refurbish assets in a way that allows us to maintain a high remarketing rate of 95 percent, thus accumulate the greatest volume of waste. Another significant source of waste is the packaging used to return leased assets.

We therefore make an effort to use reusable packaging as often as possible 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.

At our technology centers in Gross-Gerau and Skien, we separate and record the following types of waste for recycling: 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 Group locations, 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. Common office waste is generated at these premises. Waste data for these locations has thus been modeled on the basis of data from our headquarters in Weingarten. All in all, we generated a total of 945.84 tonnes (2022: 685.29 tonnes; 2021: 677.98 tonnes) of waste for recycling at our sites. Based on the list of waste defined in [Directive 2008/98/EC](#), 0.83 tonnes (2022: 0.82 tonnes; 2021: 1.27 tonnes), equivalent to 0.1 percent (2022: 0.1 percent; 2021: 0.2 percent), were categorized as hazardous waste and 945.01 tonnes (2022: 684.47 tonnes; 2021: 678.05 tonnes), equivalent to 99.9 percent (2022: 99.9 percent; 2021: 99.8 percent) were categorized as non-hazardous waste.

GRI 2-4, 306-3
DISPOSAL BY WASTE TYPE (TONNES)


	Type	2023	2022	2021	
Headquarters in Weingarten*	Waste similar to household waste	5.81	4.38	4.27	
	Cardboard/paper	9.58	6.06	9.02	
	PE film/plastic	0.05	—	—	
	Polystyrene	0.004	—	—	
	Wood	0.35	—	—	
	Batteries/rechargeable batteries	0.03	—	—	
	Packaging that contains residues of hazardous substances (= spray cans)	0.01	—	—	
	Electronic waste	0.45	—	—	
	Metal	0.03	—	—	
	Fluorescent tubes	0.01	—	—	
	Skien technology center	Mixed municipal waste	4.14	4.28	4.86
		Cardboard/paper	6.45	6.70	6.76
		PE film/plastic	0.56	0.38	0.36
Polystyrene		—	—	—	
Wood		4.72	4.46	1.54	
Batteries/rechargeable batteries		0.74	0.42	0.38	
Packaging that contains residues of hazardous substances (= spray cans)		0.03	0.03	0.01	
Electronic waste		79.11	89.12	57.37	
Iron		16.01	1.76	3.54	
All other sites**		Waste similar to household waste	10.69	7.95	8.04
	Cardboard/paper	17.63	11.00	16.98	

	Type	2023	2022	2021
Gross-Gerau technology center	Mixed municipal waste	18.05	26.95	15.48
	Cardboard/paper	84.47	64.49	66.88
	PE film/plastic	10.59	8.10	8.78
	Polystyrene	2.17	0.18	4.35
	Wood	35.71	27.70	39.07
	Batteries/rechargeable batteries	0	0.21	0.88
	Packaging that contains residues of hazardous substances (= spray cans)	0	0.16	—
	Electronic waste	589.60	415.71	422.21
	Mixed construction/demolition waste	1.52	—	—
	End-of-lease partners***	Electronic waste	47.30	—
Total for all locations		945.84 ****	680.04	670.78

Non-hazardous	Hazardous
---------------	-----------

Waste types as defined by Directive 2008/98/EC

* Other waste types at the headquarters in Weingarten besides household waste and cardboard were included for the first time in 2023.

** Estimated values: Extrapolation of the amount of waste per employee based on real values from Weingarten (based on number of employees, including apprentices); affiliated companies circulee, abakus, and devicenow included.

*** Electronic waste from our assets that accumulates at our European end-of-lease partners.

**** The sharp rise in the total volume of waste is due to the expansion of the reporting scope to include the CHG-MERIDIAN Group; furthermore, the volume of e-waste from our European end-of-lease partners, for example, could not be determined retrospectively.

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

ENVIRONMENTAL MANAGEMENT AND ENERGY



CHG-MERIDIAN attaches great importance to environmental management. Responsibility for compliance with our environmental and waste disposal policies at our headquarters, our technology centers in Gross-Gerau and Skien, and our other global 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 (2023: none; 2022: none; 2021: none) for non-compliance with

environmental protection regulations. We want to continue meeting the requirements at all locations and subsidiaries, and aim to widen our measures to ensure compliance with applicable legislation.

Our commitment goes well beyond what is required by law. One aim of our ISO 14001-certified environmental management is to reduce our energy consumption and thus our greenhouse gas emissions. Since 2015, we have been

carrying out an energy audit at CHG-MERIDIAN based on EN 16247 every four years, including in 2023. Our overall energy consumption at Group level was 31,866,493.3 MJ* (2022: 29,104,964 MJ*; 2021: 28,603,347 MJ*), of which 8,461,571.65 MJ* (26.6 percent; 2022: 30.2 percent) was from renewable sources – as defined by the CDP Climate Change Reporting Guidance – in 2023.

* Not externally reviewed.

CLIMATE ACTION AND REDUCTION TARGETS

AMBITIOUS CLIMATE TARGETS

CHG-MERIDIAN is committed to setting short-term emissions reduction targets in line with the latest findings of climate science, as we want to make a demonstrable contribution to climate action. In line with the principles of the Science Based Targets initiative (SBTi), we will set ourselves two short-term targets, one for scope 1 and 2, and one for scope 3, by no later than 2025. A net-zero goal will only be defined once we have gained experience with SBTi to ensure a realistic, evidence-based target. We only want to make such a commitment once we know how we can fulfill it. At the same time, we will continue to participate in the CDP, where we scored a C in both 2022 and 2023.



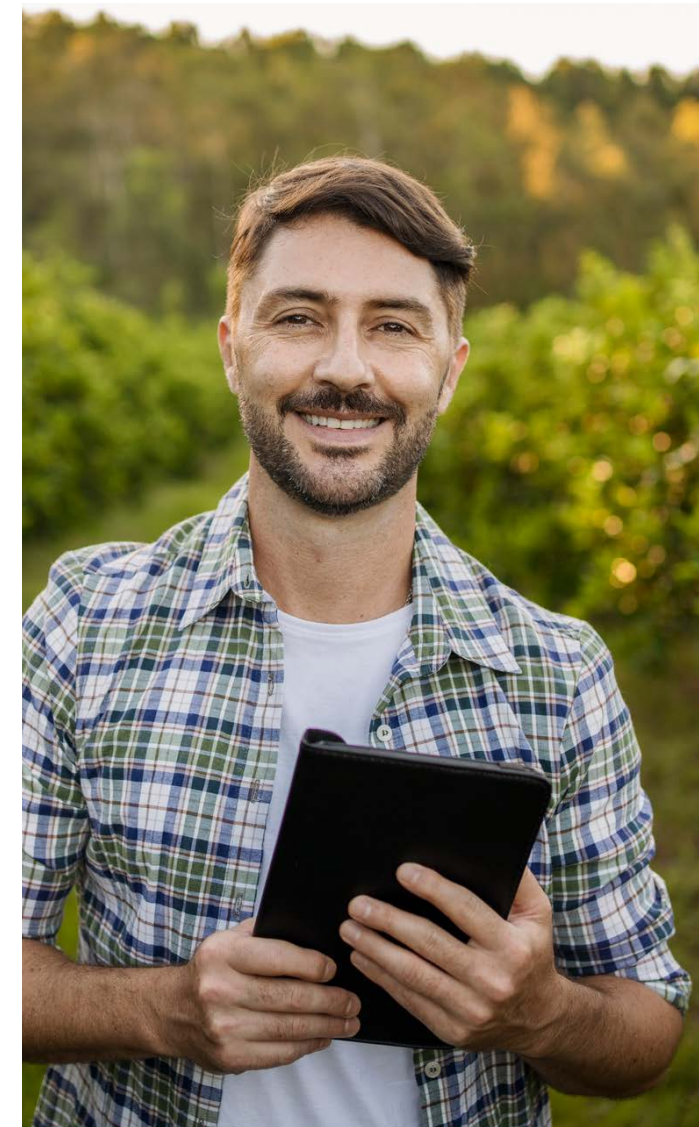
Various measures are in place to help us to avoid and reduce emissions, including using green electricity at all sites in Germany, Austria, Switzerland, Finland, Norway, Sweden, and Poland. We also support a variety of remote working models to reduce commuter travel and strengthen our employees' awareness of energy efficiency topics as part of our environmental management concept. 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 and Gross-Gerau to encourage uptake. 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.

Since 2022, eco-friendliness has been explicitly included as a criterion in our travel policy to encourage greater sustainability. We have also specified that telephone and video conference calls should be given preference over travel where possible. In general, the policy recommends using public transportation for unavoidable travel. Intercontinental flights require approval by the Board of Management, and we are increasingly offering first-class rail travel as an incentive for staff to choose trains over planes.

In addition to avoiding and reducing emissions, we will invest €10 per emitted tonne of CO₂-equivalent into generating our own renewable energy. This investment will help us to reduce our greenhouse gas emissions in the long term.

We also enable customers to make a financial contribution to climate action through our carbonZERO® product. The payments go to selected, gold-standard climate change mitigation projects in the Global South.



CALCULATION METHOD

We have been recording our greenhouse gas emissions with reference to the Greenhouse Gas Protocol since 2019. 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. For 2022 and 2023, scope 2 was calculated as 'market-based' and 'location-based'. Market-based figures relate to the emissions factors of the electricity provider. Location-based figures relate to the average emissions factors of the country in which the electricity is consumed. To obtain a more detailed picture for 2023, we performed our first rough calculation of the emissions related to our leased assets. However, the availability of emissions data for the production and use of industrial and healthcare technology is still rather limited. We will therefore not include this data in our corporate carbon footprint calculation until next year, but will undergo an external readiness assessment in 2024 to review our basic methodology.

The findings show that the bulk of our scope 1 and 2 emissions are generated by our vehicle fleet, while nearly all of the scope 3 emissions are generated by the leased assets. Greenhouse gas emissions from the manufacture and use of leased assets are estimated to amount to several million tonnes.

Emissions for the reference year 2019/20 and for 2021, 2022, and 2023 are listed in detail in the 'Corporate emissions overview' table on the next page. It covers all greenhouse gas emissions generated by the entire Group and its subsidiaries.

We signed up to the

Science Based Targets initiative

(SBTi) in 2023.



As a result of the change in data collection and calculation software – and in the emission factors – in 2022, the greenhouse gas emissions figures are higher, for example in energy and fuel-related emissions (scope 3.3) and capital goods (scope 3.2). We reviewed this again in 2023.

The rise in absolute greenhouse gas emissions compared with 2022 is mainly due to the inclusion – for the first time – of all subsidiaries in the scope of consolidation in preparation for CSRD reporting next year, and to the expansion of the vehicle fleet, the rise in air travel, more recycled e-waste in the technology centers, and the growth of the workforce.

Every year, we review and adapt the way we capture data and calculate our carbon footprint at CHG-MERIDIAN with the aim of improving the underlying methodology. Consequently, we were able to increase the quality of our data in 2023, which in turn resulted in retrospective adjustments for previous years, including the base year. For example, 2023 was the first year that emissions from consultancy and other services, e-waste from end-of-lease partners, updated emissions factors, and local electricity mixes were taken into account. These changes, which also impact on previous years, provide better comparability between the reporting years, but have a negative impact on our target achievement as we did not take the changes into account in previous years.



OVERVIEW OF CORPORATE EMISSIONS ACROSS THE CHG-MERIDIAN GROUP IN 2023, 2022, AND 2021 COMPARED WITH THE BASE YEAR (2019/2020)¹

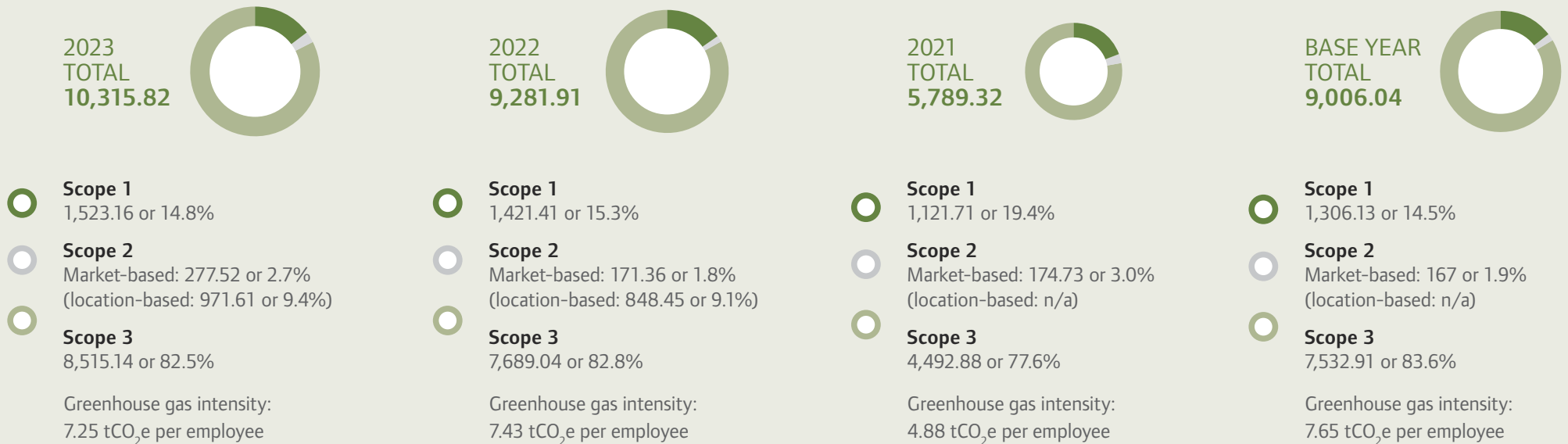
The categories displayed here relate to all emissions (greenhouse gases in CO₂ equivalents) that are not linked to our leased devices as per scopes 1, 2, and 3 (upstream), and are calculated with reference to the Greenhouse Gas

Protocol. CHG-MERIDIAN accounts for all greenhouse gas emissions and/or quantities of greenhouse gases avoided for facilities over which it has operational control (operational approach).

¹ 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.

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

GREENHOUSE GAS EMISSIONS BY SCOPE (IN TCO₂E)*



* Not externally reviewed. Excluding affiliated companies abakus, circulee, devicenow, and subsidiaries in India and Singapore for 2022, 2021, and the base year. The market-based scope 2 emissions are used to calculate greenhouse gas intensity.

GRI 2-4, 305-1, 305-2, 305-3

GREENHOUSE GAS EMISSIONS BY CATEGORY

Scope	Greenhouse gas emissions by category*	2023		2022 ¹		2021 ¹		2019/2020 ²	
		(tCO ₂ e)	(%)	(tCO ₂ e)	(%)	(tCO ₂ e)	(%)	(tCO ₂ e)	(%)
1.1	Heating	336.53	3.30	346.93	3.70	356.00	6.10	346.00	3.80
1.2	Vehicle fleet	1,040.89	10.10	897.20	9.70	599.02	10.30	946.44	10.50
1.3	Cooling	143.13	1.40	174.52	1.90	164.00	2.80	11.00	0.10
1.4	Processes/facilities	2.61	0.00	2.76	0.00	2.69	0.00	2.69	0.00
2.1	Electricity	224.63	2.20	152.67	1.60	156.73	2.70	165.00	1.80
2.2	District heating/cooling	52.89	0.50	18.79	0.20	18.00	0.30	2.00	0.00
2.3	Steam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.1	Procured goods (own use) and services	1,808.83	17.50	2,271.67	24.50	1,161.89	20.10	939.74	10.40
3.2	Capital goods	466.84	4.50	682.67	7.40	709.00	12.20	659.89	7.30
3.3	Energy and fuel-related emissions	374.58	3.60	340.14	3.70	273.04	4.70	310.26	3.40
3.4	Upstream transportation and distribution	62.38	0.60	51.98	0.60	43.00	0.70	36.00	0.40
3.5	Waste	808.80	7.80	612.14	6.60	578.86	10.00	634.90	7.00
3.6	Business travel	3,822.25	37.10	2,779.80	29.90	1,123.65	19.40	3,730.73	41.40
3.7	Employee commuting	1,120.52	10.90	878.81	9.50	577.00	10.00	1,154.60	12.80
3.8	Leased capital goods	50.93	0.50	71.82	0.80	26.43	0.50	26.43	0.70
3.9-3.15	Not recorded	—	—	—	—	—	—	—	—
	Total scope 1, scope 2 (market-based), and scope 3 emissions	10,315.82	100.00	9,281.91	100.00	5,789.32	100.00	9,006.04	100.00
	Total scope 1, scope 2 (location-based), and scope 3 emissions	11,009.90	—	9,958.90	—	n/a	—	n/a	—

* Not externally reviewed. Excluding abakus, circulee, devicenow, and subsidiaries in India and Singapore for 2022, 2021, and the base year.

¹ Emissions resulting from the procurement of office supplies (included in scope 3.1) and upstream transportation and distribution (scope 3.4) 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.



CORPORATE CITIZENSHIP



50 We live and breathe responsibility

WE LIVE AND BREATHE RESPONSIBILITY

Taking responsibility is not a burden to us, it is something we do as a matter of course. This applies to our business activities and beyond.

We believe it is important that we are committed to the common good and take a role in shaping it. This is our approach to corporate citizenship. Our projects and initiatives are primarily dedicated to education, culture, technology, and the community.

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 56 CARE initiatives since 2015, of which eight took place in the reporting year.

In addition, the CHG-MERIDIAN Group supported other social initiatives with donations worth around €132,700.*

* Not externally verified.



56

CARE initiatives realized since 2015

CARE initiative

15,382 KILOMETERS FOR A GOOD CAUSE

For the third successive year, CHG-MERIDIAN employees gave their all to the 'One Step Further initiative'. Over the course of a week, they walked, ran, or swam for a good cause, clocking up a record 15,382 kilometers.

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. A total of 311 CHG athletes from 16 countries clocked up kilometers on the road, on walking trails, on the water, on the golf course, and other locations. Their good deed for others was also beneficial to their own health.

Together they raised €15,382, which this year was split between the World Wide Fund For Nature (WWF) and the SOS Children's Villages.





CARE initiative

STRONG ALONE. UNSTOPPABLE TOGETHER

CHG-MERIDIAN employees around the world gathered on February 4 to mark World Cancer Day and support the fight against cancer. Together, they put in a remarkable performance in a variety of sporting challenges such as squats, press-ups, and crunches, proving once more what you can achieve with passion, integrity, and willpower. A total of €15,700 was raised and donated to the International Agency for Research on Cancer.

CARE initiative

DIVERSITY AT THE ZF COMPANY FUN RUN

Pouring rain and a storm warning did not deter 66 CHG-MERIDIAN employees from participating in the ZF company fun run in Friedrichshafen, Germany, in July 2023. Once again, their multi-colored running shirts designed to champion diversity proved a real eye-catcher in 2023 with a high recognition value. The funds raised by this year's event were donated to the 'Children need education in Uganda' aid project run by Plan International Deutschland e.V.

CARE initiative

CREATIVE FUNDRAISING FOR THE COMMUNITY AND MEDICAL RESEARCH

In November, CHG-MERIDIAN employees from various countries once again gathered at the headquarters in Weingarten to help with the annual CARE Christmas card campaign. Here, they made a range of Christmas cards by hand that were then available to purchase by all employees. The funds raised from the sale of the cards, plus an additional €1,700, were donated to three organizations in Germany and Italy.



COLLABORATION & DIALOGUE

A photograph of two people fist-bumping in a meeting. The person on the left is wearing a white shirt and a black watch. The person on the right is wearing a green shirt. They are sitting at a table with papers and a pen. The background is a blurred office setting.

- 53 Helping employees to thrive
- 58 Celebrating diversity
- 60 Our employment structures

HELPING EMPLOYEES TO THRIVE

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

RESPECT-BASED COLLABORATION

Our skilled, knowledgeable, and committed employees are the foundation of our business, 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, individual responsibility, and integrity. These six values represent our understanding of how we should interact with each other, what is important to us, and how we want to be perceived by our partners and customers.

We have therefore adopted a number of guidelines and policies across the company that define our values and standards. The labor & human rights guideline, for example, 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. Closely related to this is our diversity policy, which is explained under '[Diversity and equal opportunities](#)'.

The Head of Group People & Culture is responsible for the People & Culture department and reports directly to the Chairman of the Board of Management. Across the company, we have local Heads of People & Culture and People & Culture business partners in the various regions and countries.

Our business activities create jobs, and we pay appropriate salaries. We have remuneration systems in place for CHG-MERIDIAN AG and for CHG-MERIDIAN GmbH. The systems are 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 systems are audited annually by our

independent auditor. They were last reviewed on August 11, 2023, and signed off by the Board of Management of CHG-MERIDIAN AG and the managing directors of CHG-MERIDIAN GmbH. The revised versions were presented during the Supervisory Board meeting.

In Austria, the collective labor agreement for employees in skilled trades and services applies. This is a written agreement that forms part of the Austrian social partnership



CHG-MERIDIAN's values



PASSION



TRUST



RESPECT

CUSTOMER
FOCUSINDIVIDUAL
RESPONSIBILITY

INTEGRITY

system. Collective agreements are also in place in Finland, Spain, Belgium, and Italy, covering 19 percent* of employees across the Group.

We introduced remote working and a system of flexible working time back in 2019 – i.e. before the coronavirus pandemic – with the aim of promoting a better work-life balance. To protect the health of our workforce during

the pandemic, we made this option more readily available across the Group for suitable activities and in accordance with the respective legal requirements. The employee survey in 2023 revealed that remote and flexible working are now well-established, with 90 percent of respondents using this option.

The survey also revealed that 83 percent of respondents are satisfied with the balance between work, family, and private life. As a rule, we attach great importance to employee participation, and the employees at our technology center in Gross-Gerau, for example, are represented by a works council.

In addition to flexible working models, we are working on other areas that require further optimization, such as delivering the 'Modern Workplace | we.enjoy.work' initiative across the Group. The initiative's multidisciplinary experts help employees to improve their work-life balance through the use of new technologies and work methods. Another benefit that we introduced for our employees worldwide in 2023 – or are still preparing in some cases – is the workation model. In 2022, we launched a pilot project in the North-East Europe region, the 'business with pleasure' guideline. It permits our employees 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. This workation model will launch in all local offices in 2023, with the exception of our Brazilian, Indian, and other affiliated companies (circulee, abakus, and devicenow). Employees are free to choose the location from which they want to work for a limited period, with some variation in local rules and restrictions. Employees in

Central Europe (Germany, Austria, and Switzerland), for example, are limited to EU and EFTA countries. The details and implementation criteria are handled by the People & Culture managers in each country.

* Based on number of employees including apprentices and employees on parental leave.



72%

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

** Participation in the international employer survey in 2023 reached just under 82 percent. More than 72 percent of respondents reported tangible improvements since the last survey in the following areas: communications, working conditions, tasks, targets, CHG-MERIDIAN as an employer, and leadership and management.

GRI 404-1, 404-2

TRAINING AND PERSONNEL DEVELOPMENT

We require highly skilled employees and we offer specific training opportunities that meet their needs. For our management team, we also offer CPD programs on our leadership culture, covering topics such as accountability, networking, and acting as a role model. The CHG-MERIDIAN Group employs internal trainers in the People Development unit as well as freelancers, and also offers external training courses.

A total of 2,570 training sessions were held around the world in 2023 (2022: 5,779; 2021: 4,833)*. The high figure in the previous year is the result of introducing new software in 2022, which required training sessions worldwide. We also introduced a leadership program in 2023 that includes additional days on the same curriculum. On average, each employee completed 19.2 hours of CPD in 2023 (2022: 14.6; 2021: 17)**. We record the total hours for all employees and do not break them down by gender and employment type.

Our internal training portfolio covers a range of skills, which we have divided into 'personal skills', 'sales', 'expert classrooms', 'bespoke & external', and 'software'. We will be adding additional courses in 2024 on topics such as change management, artificial intelligence, remote working, project management, and emotional intelligence. In 2023, we launched a 20-month program on the topic of leadership entitled 'It's about Leadership – Empower my Organization' aimed at all managers at CHG-MERIDIAN, and 'It's about Leadership – Empower my Team' for the team leader structure. We will again be offering compact events for new managers at CHG-MERIDIAN in 2024.

* We use HR management tools and Excel to collect and analyze the personnel data published here.

** All data presented relates to December 31, 2023. Based on the number of employees including apprentices and employees on parental leave.

As at December 31, 2023, CHG-MERIDIAN employed a total of 64 apprentices, graduate trainees, degree apprentices, and interns in Germany (December 31, 2022: 22; December 31, 2021: 30)***.

We employ 19 apprentices, graduate trainees, students, and interns outside Germany, and 83 apprentices, graduate trainees, students, and interns across the Group.

*** Graduate trainees and interns first included in 2023.



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 the top priority at CHG-MERIDIAN. We have introduced a management system for health and safety at work (SGAM) in accordance with ISO 45001 at sites with the greatest health and safety risks, such as our technology center in Gross-Gerau, which employs around 100 people in asset collection, refurbishment, certified data erasure, and remarketing. Other sites and subsidiaries where such risks are not present comply with local laws and standards, such as Legislative Decree No. 81/2008 in Italy.

By introducing the SGAM system in Germany, 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 wellbeing of our employees. This protection also applies to suppliers, temporary workers, and service providers.

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 functions 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 three health and safety committees, one of which is responsible for the headquarters in Weingarten and all branch offices in Germany. At our technology center in Gross-Gerau, we have set up both a health committee and a safety committee to reflect the greater health and safety risks at our production sites. 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 locations 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. Our technology center in Skien has a certified occupational safety manager and several health and safety officers from the workforce who carry out safety measures and inspections. 54.5 percent of employees are covered by a health and safety committee or officer (2022: 56.5 percent; 2021: 56.3 percent)*.

In late 2022 and early 2023, we carried out a software-based employee survey at our site in Gross-Gerau to enable us to more easily identify and prevent risks in and around the workplace. Topics covered the areas of health and safety, fire safety, first aid, and operating material handling vehicles. In addition to the existing form for reporting risks and incidents, which is also available via the intranet, 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. There are further

* Based on number of employees including apprentices and employees on parental leave.

opportunities for employees to get involved in health and safety. They can raise matters at the annual works meeting, for example, or rate their training anonymously and thus provide feedback and suggestions. Our technology center in Skien, Norway, also conducts a workplace risk analysis at least once a year as part of our environmental and quality management system. All local employees and senior management are involved in it. Occasionally, such risk analyses are also carried out at office locations such as our sites in France.

To maintain the health of our employees, we have implemented a global strategy that is promoted and implemented locally by our colleagues in People & Culture and our network of health angels. The health angels are members of our global workforce who raise awareness of our health and wellbeing initiatives at their sites. Regular initiatives focusing on issues such as healthcare, stress management, healthy eating, exercise, and mental health offer employees the opportunity to find out more about these topics and participate in measures and activities. The offer ranges from lectures on a variety of topics and organized sports events to massages, medical check-ups, subsidized gym memberships, and advice on ergonomics and eyesight via external partners. We communicate these offerings via a number of channels including myCHG and Microsoft Teams, which also encourages networking and dialogue on these topics.

We continue to regard COVID-19 measures as an emergency precaution and are pursuing our emergency management accordingly in Central Europe. Measures include working from home, free tests, and raising awareness.

Employees across the Group can access information and policies on workplace health and safety on myCHG, our international intranet, and via iKNOW. We also provide information on topics such as safety in the office, fire safety, emergency management, first aid, and environmental protection through mandatory e-training on the iQ training platform (see table on training measures in the 'Business ethics & compliance' chapter). 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. Safety aspects at the rented sites are managed by the lessor. We also carry out regular evacuation drills at some locations in Germany, Austria, and Switzerland, and plan to extend these to all sites in these countries in 2024. Training courses and measures to raise awareness of health and safety are also run at our French sites and our technology center in Skien. There were four accidents at work in 2023 (2022: four; 2021: one)*. The illness rate at CHG-MERIDIAN AG fell to 2.7 percent in 2023 (2022: 3.3 percent; 2021: 1.8 percent). The illness rate worldwide is 1.1 percent**. In line with legal requirements, we do not document the type of illness and therefore have no record of work-related illnesses.

* From 2023, the number of accidents at work includes the entire CHG-MERIDIAN Group. Previously, the figure stated applied only to Germany.

** In this case, the total number also includes students and apprentices at CHG-MERIDIAN. All data relates to December 31, 2023. From 2023, the illness rate covers the entire Group.

LET'S TALK
 R
 U
 R
 K?

We consider stress, burnout, and other issues affecting mental health as potentially the biggest risk at CHG-MERIDIAN. This is also reflected in our most recent employee survey, in which 40 percent of respondents stated that they find it hard to separate work and leisure time. In response, we launched the 'R U OK?' initiative across the Group in 2023 with the objective of raising awareness of mental health in the company and creating a platform for honest discussions. We hope to overcome the stigma surrounding mental health and encourage people to seek support through dedicated programs and resources. Our aim is to promote a respectful and trust-based approach to mental stress in the workplace through a variety of measures, including training, coaching, and an internal guideline. We have also introduced a first aider for mental health as a central, trusted first point of contact.

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. The CHG-MERIDIAN Group also 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. On December 31, 2023, the proportion of female managers across the Group was 24.1 percent* (2022: 26.4 percent, 2021: 23.1 percent). According to our 2023 employee survey, 87 percent of employees agree that CHG-MERIDIAN understands and promotes diversity in the team.

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



accordance with local 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. At the end of 2023, we employed 15 colleagues with disabilities who perform their work not at an external workshop but at workplaces within the company. A further twelve people with disabilities work across the CHG-MERIDIAN Group.

We are particularly keen to improve our performance when it comes to the advancement of women, and have been supporting the Group-wide International Women's Circle since 2021. This network, which was initiated by employees, offers talks, workshops, and discussions in areas such as skills development, collaboration and networking, work-life balance, and leadership. To mark International Women's Day in 2023, we invited a female manager and professor of finance to give a talk.

* Applies to the whole Group (incl. OPC, devicenow, abakus, and circulee) since 2023.

We also established the 'women in sales' format in the Central Europe region, where female colleagues from the sales departments can meet, talk, and offer internal and external input. Five events have been held since the format was launched, with the most recent meeting focusing on the topic of working models in sales.

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 examined the salaries 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 9.4 percent (2022: 11.2 percent; 2021: 14.3 percent) in Central Europe**. Among other things, this is due 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 specific measures.

** The gender-pay-parity analysis for Central Europe does not include the affiliated companies devicenow, abakus, and circulee.



DIVERSITY, EQUITY & INCLUSION

Our global diversity, equity & inclusion (DEI) committee has been active since September 2023. Employees can nominate themselves or each other across all sites. The DEI committee is made up of members from Europe, Australia, North America, and South America. They plan and implement initiatives, such as diversity talks and anti-discrimination measures, to boost diversity and raise awareness of the topic in the company globally and locally.

GENDER AND AGE DISTRIBUTION BY MANAGEMENT LEVEL (2023)

Management level	Gender		Age group		
			Up to 30 years old	31–50 years old	Over 50 years old
Lower (team leaders)	Male	66.4%	4.5%	69.7%	25.8%
	Female	33.6%	2.2%	84.4%	13.3%
Middle (directors, international managers, national managers)	Male	86.7%	0.0%	57.1%	42.9%
	Female	13.3%	0.0%	86.7%	13.3%
Upper (Board of Management, Supervisory Board)	Male	80.0%	0.0%	25.0%	75.0%
	Female	20.0%	0.0%	50.0%	50.0%

OUR EMPLOYMENT STRUCTURES

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

OUR WORKFORCE AT A GLANCE

The number of employees was 1,422 at the end of 2023, a further rise from 1,249 at the end of 2022 and 1,180 at the end of 2021*. In the reporting year, 282 new employees joined the CHG-MERIDIAN Group (2022: 85; 2021: 73)** while 93 employees chose to leave the company (2022: 37; 2021: 30)**. The staff turnover rate was therefore 6.6 percent (2022: 5.1 percent; 2021: 3 percent)**. This increased rate is due to the expansion of the scope of application to the Group level.

The average age of our employees worldwide is around 37**** (2022: 39; 2021: 40). 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.

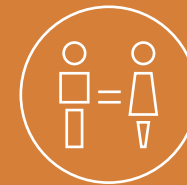
* This figure corresponds to the head count excluding apprentices and employees on parental leave.

** The 2023 figure covers the entire Group for the first time.

The figures for previous years relate only to Germany.

*** The figures for 2022 and 2021 relate only to Central Europe (Germany, Austria, and Switzerland) and do not include our subsidiaries and affiliated companies.

**** Based on number of employees including apprentices and employees on parental leave.



30%

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

EMPLOYEES GLOBALLY BY AGE GROUP (2023)

The total number includes employees on maternity leave or parental leave, students, and apprentices at CHG-MERIDIAN. All data relates to December 31, 2023.



- 328 employees aged 30 and under
- 881 employees aged between 31 and 50
- 280 employees aged over 50

	2022*	2021*
Total	1,316	1,251
Employees aged 30 and under	291	295
Employees aged between 31 and 50	783	726
Employees aged over 50	242	230

* The employee age structures for 2022 and 2021 do not include the subsidiaries and affiliated companies OPC, devicenow, abakus, and circulee.

GRI 2-8

EMPLOYEES GLOBALLY BY EMPLOYMENT TYPE (2023)

Category	2023	2022	2021
Total number of employees	1,489	687	654
Apprentices/students/interns/graduate trainees	83	22	30

		Women	Men	
Fixed-term/permanent contracts	Employment between January 1 and December 31, 2023*	Fixed-term employment contract	24	32
		Permanent employment contract	609	824
Full-time/part-time contracts	Employment between January 1 and December 31, 2023*	Part-time employees	143	18
		Full-time employees	490	838

Only a small proportion of CHG-MERIDIAN's business activities is conducted by non-employees (2023: 5 percent external workers).** The figures for employees are not subject to significant fluctuations.

* The figures have only been determined for the entire Group since 2023. Based on number of employees including apprentices and employees on parental leave. The figures for 2022 and 2021 relate to CHG-MERIDIAN Germany, excluding our affiliated companies.

** The figures have only been recorded since 2023. Based on number of employees including apprentices and employees on parental leave.



PARTNERSHIP & SUPPLY CHAIN



- 63 Using our leverage to influence supplier behavior
- 67 Building networks with customers
- 67 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 essential to conduct our business dealings with business partners and suppliers in a responsible manner. Procurement gives us an opportunity to bring about positive change, and we aim to make our supply chains progressively more transparent. As the raw materials used in our IT devices are often extracted in countries of the Global South with low labor standards, there is a risk of unfair pay and even forced labor. The manufacture of devices also consumes a lot of resources and water, and generates considerable emissions. Indirect suppliers in the IT industry, in particular, are sometimes located in high-risk countries with regard to human rights and environmental protection. The following descriptions in this chapter relate to all CHG-MERIDIAN companies except our subsidiaries and affiliated companies OPC (India), circulee, devicenow, and abakus.

In 2022, we defined standards for social and environmental criteria in our sustainable procurement guideline. A sustainable vendor management policy was introduced across the Group in 2023. Among other things, it outlines the requirements for suppliers' sustainability assessments, such as the obligation for strategic vendors to achieve

at least 25 points in their overall rating by EcoVadis or another comparable ratings provider. An assessment by EcoVadis is desirable for valued vendors, but in certain cases we will accept an equivalent self-declaration from the vendor.

In 2023, we raised awareness of relevant content in the policy among employees with a vendor management function. We will continue to provide relevant target groups with training on processes and innovations relating to our sustainability requirements for suppliers.

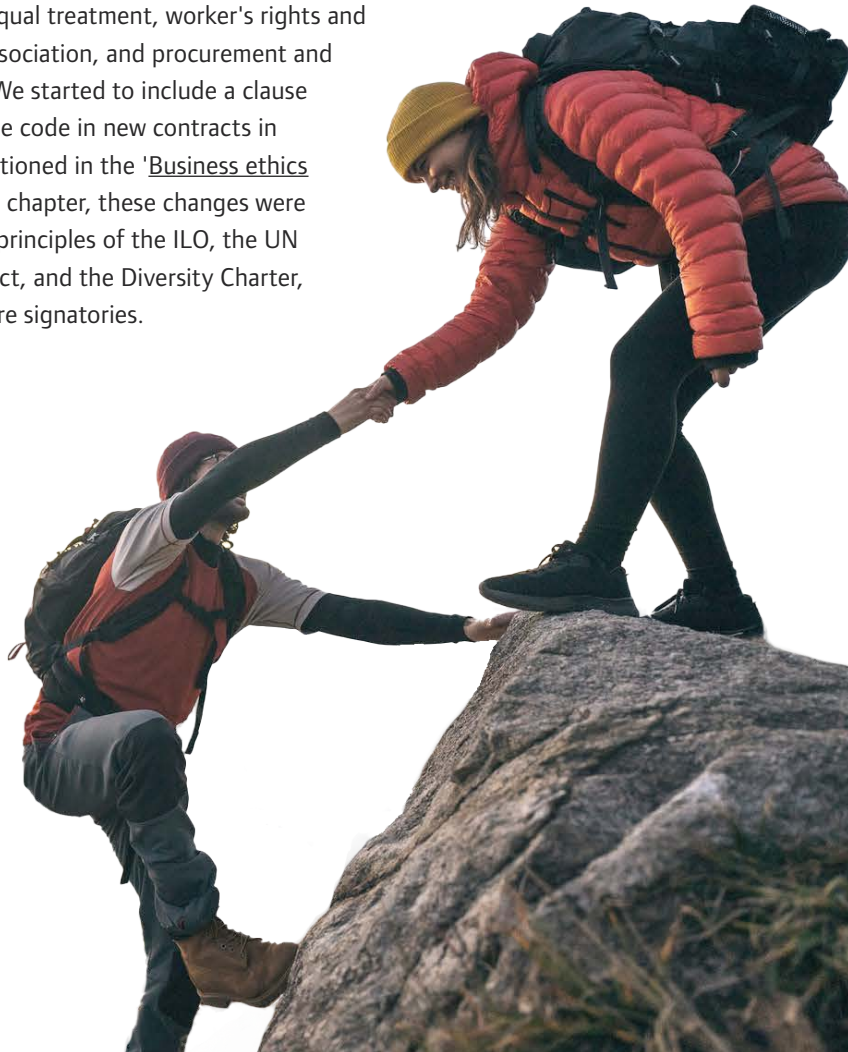
SUSTAINABLE VENDOR MANAGEMENT TRAINING

	2023	2022
Training	Sustainable vendor management policy training	Basic training on sustainable procurement
Course content	Approach to classifying vendors; requirements for sustainability ratings, risk assessments, approval procedures, and next steps	What is the purpose of sustainable procurement? What is our target for sustainable procurement? What are we doing to reach this target?
Completed vendor management training	86%* (target group: 80 vendor managers, of whom 69 received training)	79% (target group: 52 vendor managers, of whom 41 received training)

* We aim to provide training for all CHG-MERIDIAN employees who have contact with vendors. In 2023, we began to define the role of vendor manager as part of the implementation of vendor management processes. The definition of the target group is not yet final and may change over the coming years.



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. We started to include a clause referring to the code in new contracts in 2023. As mentioned in the 'Business ethics & compliance' chapter, these changes were based on the principles of the ILO, the UN Global Compact, and the Diversity Charter, to which we are signatories.



GROUP-WIDE VENDOR MANAGEMENT STRATEGY

Under our sustainability strategy, we continue to pursue our goal of revising our vendor management and adding further sustainability aspects by 2024. The aim is to implement our first Group-wide vendor management strategy. Preparations for integrating it into our operational processes are under way, with the launch scheduled for 2024.

CHG-MERIDIAN's procurement organization has a decentralized structure. A range of different departments make purchases and have responsibility for managing suppliers.

The Vendor Management department, which forms part of the Service Delivery unit, oversees our customer business and thus also our business vendor relationships. Its primary responsibility is to manage all processes and activities with our suppliers along the entire lifecycle of the business relationship.

An appropriate onboarding process aims to ensure that suppliers meet CHG-MERIDIAN's requirements with regard to quality, reliability of supply, data protection, governance, compliance, and sustainability.



GRI 2-4, 308-1, 414-1

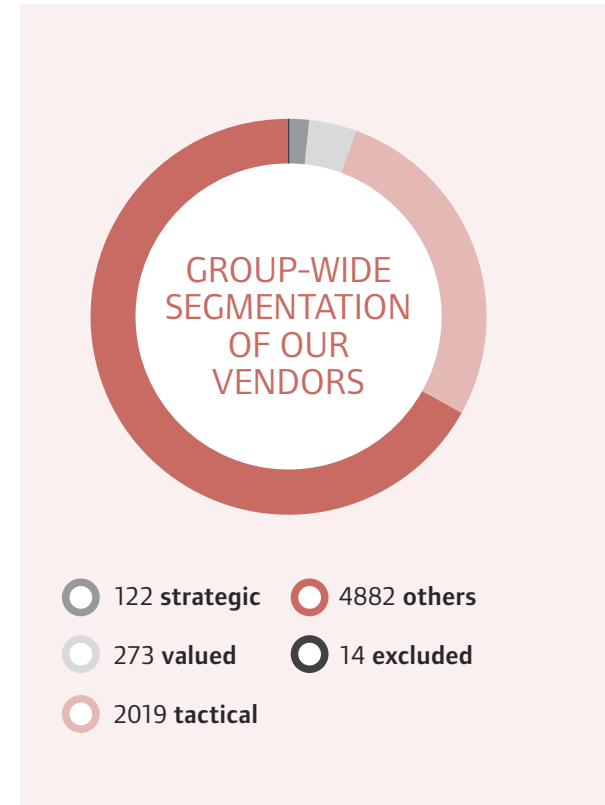
ASSESSMENT OF KEY VENDORS

We always assess our business operations in terms of 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 vendor: those supplying us for our own purposes (expense vendors) and those supplying us on behalf of our customers (business vendors).

We primarily use the order takeover model in our customer business, thus allowing customers to specify which suppliers they would like to use for their orders. While we have less influence over suppliers in this scenario, we still consider it our responsibility to demand proof of sustainability wherever possible. This will ideally be through EcoVadis, in line with our sustainable vendor management policy. Alternatively, suppliers may submit a self-declaration of conformity with our minimum sustainability requirements.


In some cases, for example where we provide technology management, we take the lead in the selection of suppliers. This kind of business relationship allows us to exert greater influence and identify ways of introducing aspects of responsible procurement into the relationship. In 2024, for example, we plan to include additional obligations in our contract templates in relation to the environment, labor rights, and human rights with the aim of expanding the proof of sustainability to be provided.

In order to identify business and expense vendors that require a sustainability assessment, we reviewed and refined our categories, which are now 'strategic', 'valued', 'tactical', and 'others', with a priority on 'strategic' and 'valued' vendors. We extended this categorization to all foreign subsidiaries in 2023, which gives us an overview of strategic and valued vendors – 122 of which were 'strategic' in 2023 – for all countries in which we operate. Strategic vendors are those with whom we do a lot of business, who are particularly flexible, and who provide a highly reliable service. We maintain long-term relationships with them. We also do a lot of business with our



valued vendors, who also provide a reliable service. However, these relationships are medium-term. Currently, 273 of our business vendors worldwide are classed as 'valued'. Some valued and strategic vendors are linked to our systems.

TARGET GROUP EXPANSION FOR BUSINESS VENDORS

	2023	2022*
 Strategic and valued	395	41
Coverage of all business vendors	5.5% globally	50% Central Europe
Of which assessed	171	22
Percentage assessed	43%	54%

* The increase follows the expansion of the scope from Central Europe to the entire CHG-MERIDIAN Group, excluding OPC India and the affiliated companies abakus, circulee, and devicenow. Comparative figures are only available for one year.

ECOVADIS EVALUATION

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

In 2023, all international vendors that were identified as strategic or valued were assessed and rated with regard to their sustainability-related practices. The results have been documented and, where applicable, evidenced by relevant EcoVadis certification. In Germany, suppliers that have been identified as tactical and are not required by our sustainable vendor management policy to undergo an EcoVadis or similar rating, must submit a self-declaration in relation to our minimum standards. Our ongoing objective is to eventually have all strategic and valued vendors at Group level rated by EcoVadis, and to have all tactical suppliers submit a self-declaration.

Step by step, we are working toward applying sustainability criteria to a greater extent along our entire supply chain and implementing appropriate measures. By doing this, and by working closely with our business partners, we aim to meet our social and environmental responsibilities in our supply chain. At the end of 2023, we also expanded the assessment of our expense vendors. In particular, we looked at our IT vendors, who provide CHG-MERIDIAN's IT infrastructure. Of the 113 IT vendors in total, 48 were classed as strategic or valued and assessed with regard

For the **third consecutive year**, CHG-MERIDIAN was awarded a **silver medal** in the **EcoVadis rating**, keeping the Group firmly in the **top 15 percent** of all companies assessed.



to their EcoVadis rating. 18 of these vendors have such a rating (2022: 40 strategic and valued vendors, of which nine had an EcoVadis rating). Overall, 22 percent of all IT vendors are rated by EcoVadis.

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.



BUILDING NETWORKS WITH CUSTOMERS

We are also proactively approaching our customers to encourage them to make use of the EcoVadis platform with the aim of professionalizing the onboarding processes and joining forces in the area of sustainability. In the reporting year, we were able to increase the number of network participants from 101 to 187.

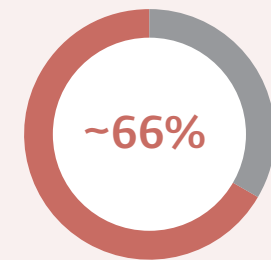
The EcoVadis ratings provide greater transparency, including with regard to CHG-MERIDIAN's services, enabling us to identify potential for improvement and close any existing gaps. For the third consecutive year, CHG-MERIDIAN was awarded a silver medal in the EcoVadis rating, keeping the Group firmly in the top 15 percent of all companies assessed (by points total).

PROCUREMENT STANDARDS

We are constantly working toward making our procurement more sustainable. Our internal sustainable procurement guideline defines the social and environmental standards that need to be met and was 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.

To facilitate the future measurement at Group level of the purchasing volume from suppliers that already meet our sustainability criteria, we conducted an analysis of lease originations in Germany, Austria, Switzerland, and Slovenia in 2023. The findings show that the purchasing volume from all strategic and valued business vendors that have been checked for sustainability accounts for around 66 percent of the total volume with strategic and valued vendors. Our sustainability checks took EcoVadis ratings and vendor self-declarations into account.

PURCHASING VOLUME FROM STRATEGIC AND VALUED VENDORS CENTRAL EUROPE



... of business with strategic and valued vendors in Central Europe is conducted with sustainability-checked suppliers

The risk values determined on the basis of these sustainability checks mainly fall into the 'low' and 'medium' categories. Only one vendor was deemed 'high risk', and we agreed corrective measures with them in 2024. The 'high risk' category is applied where the total number of points in the EcoVadis rating is below 25 or the self-declaration we receive is incomplete, as this does not meet our minimum standards.



GRI CONTENT INDEX

Explanation of use	CHG-MERIDIAN is reporting on the 2023 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 details	7, 13–14, 76	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, 2023 to December 31, 2023, annually, contact point specified in the production credits.
GRI 2-4	Restatements of information	2, 35–36, 41–43, 44, 48, 65	<p>The key figure 'reduction in plastic used at the Gross-Gerau site' does not appear in the 2023 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 definition of the various types of supplier was adapted during the reporting year. We no longer speak of 'business' and 'non-business' suppliers, but of 'expense vendors' (for our own needs, not customer business) and 'business vendors' (customer business).</p> <p>An incorrect figure was stated for greenhouse gas emissions (3.1 Procured goods (own use)) in the last report, and has been corrected retrospectively. Furthermore, category 2.2 was retrospectively adjusted due to an error in the data collection software. As a result, the total emissions in 2022 were in fact 6,426 tCO₂e rather than 6,429 tCO₂e. In addition, the total energy consumption in 2022 was revised due to retrospective adjustments to the electricity mix.</p> <p>The terminology used for the waste types (p. 43) was changed compared with last year's report. We now speak of 'electronic waste' rather than 'electronics recycling'.</p>
GRI 2-5	External assurance	74–75	










GRI standards		Page	Omission/comment
Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	7, 13–14, 34, 63	Our locations worldwide correspond to the markets we serve.
GRI 2-7	Employees	58–61	The figures for graduate trainees, apprentices, and interns have risen significantly compared with the last two years as interns have been included since 2023.
GRI 2-8	Workers who are not employees	61	
Corporate governance			
GRI 2-9	Governance structure and composition	7, 16	
GRI 2-10	Nomination and selection of the highest governance body	31	
GRI 2-11	Chair of the highest governance body	31	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	30–31	
GRI 2-13	Delegation of responsibility for managing impacts	31	
GRI 2-14	Role of the highest governance body in sustainability reporting	31	
GRI 2-15	Conflicts of interest	30	
GRI 2-16	Communication of critical concerns	30	
GRI 2-17	Collective knowledge of the highest governance body	16	
GRI 2-18	Evaluation of the performance of the highest governance body	31	
GRI 2-19	Remuneration policies	53–54	
GRI 2-20	Process to determine remuneration	53–54	
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	26	
GRI 2-24	Embedding policy commitments	28	
GRI 2-25	Processes to remediate negative impacts	28	
GRI 2-26	Mechanisms for seeking advice and raising concerns	28, 30	



GRI standards		Page	Omission/comment
GRI 2-27	Compliance with laws and regulations	28, 44	There were no proceedings against CHG-MERIDIAN in 2023 for confirmed violations of laws in the labor and human rights spheres. We define violations as cases resulting in an indictment or conviction.
GRI 2-28	Membership associations	22	
Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	18, 20	
GRI 2-30	Collective bargaining agreements	53–54	
Material topics			
GRI 3	Material topics 2021		
GRI 3-1	Process to determine material topics	18–19	Material topics are not prioritized. All impacts above the threshold are weighted equally.
GRI 3-2	List of material topics	19	
GRI 201	Economic performance 2016		
GRI 3-3	Management approach	12	CHG-MERIDIAN's operations can have a positive impact on economic performance and provide a macroeconomic boost through cash flows, through its business activities, and through the emphasis on ESG-linked funding.
GRI 201-1	Direct economic value generated and distributed	13–14	
GRI 301	Materials 2016		
GRI 3-3	Management approach	34–35, 38	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 packaging materials at the technology center in Gross-Gerau.
GRI 301-3	Reclaimed products and their packaging materials	34–35, 38	The environmental risk assessment for ISO 14001 certification is based on the number of locations.
GRI 305	Emissions 2016		
GRI 3-3	Management approach	44–46	The negative impact of our daily operations as a service provider, including emissions from business travel, commuting, heating, transportation, and logistics, are not insignificant. The bulk of the emissions connected with the 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. The calculation of greenhouse gas emissions was not reviewed by external auditors.
GRI 305-1	Direct (scope 1) GHG emissions	47–48	Retrospective adjustments were made to the heating data for 2022 due to corrections to the consumption figures. Furthermore, the emissions factors of electric vehicles and the switch to scope 2 were adjusted for 2022. Retrospective adjustments were made to the vehicle fleet data for all previous years due to corrections, and the vehicle allowance was moved from scope 1.2 to 3.6. Energy production was retrospectively adjusted for 2021.



GRI standards		Page	Omission/comment
GRI 305-2	Energy indirect (scope 2) GHG emissions	47–48	An error in the software used to calculate emissions necessitated a retrospective adjustment of scope 2.2 (district heating/cooling) for 2022. The electricity mix was switched from a global to various local values for all previous years. This retrospective adjustment also impacts on total energy consumption, though this could not be adjusted for 2021 and 2019/2020 due to a lack of data. Furthermore, the figure for scope 2.2 (electric vehicles) was adjusted for 2022 due to corrections to the activity data.
GRI 305-3	Other indirect (scope 3) GHG emissions	47–48	In the 2021 report, we stated scope 3.1 emissions of 553 tCO ₂ e. This was a typing error (the correct figure is 533 tCO ₂ e), and the figure has been corrected in this report. For scope 3.1, the activities of end-of-lease partners were included retrospectively for all years. Our own IT assets were switched from scope 3.1 to scope 3.2. Changes to scope 1 and scope 2 also led to adjustments to the emissions in scope 3.3 (fuel and energy-related activities). Additionally, the underlying emissions factors for 2021 and 2020/2019 were adjusted in line with 2023 and 2022 for the sake of comparability. For 3.5 (waste generated in operations), real values rather than forward projections were used retrospectively for all years. The vehicle allowance applies retrospectively to scope 3.6 rather than 1.2 for all years. Scope 3.6 was also adjusted retrospectively for 2022 due to the correction of an input error. Scope 3.8 (leased objects) was adjusted for 2021 and the base year due to a change in the emissions factor.
GRI 305-4	GHG emissions intensity	34, 44, 47	An error in the software used to calculate emissions necessitated a retrospective adjustment of scope 2.2 in relation to GHG emissions intensity. There has also been a change in GHG intensity for all other years due to the various retrospective adjustments.
GRI 305-5	Reduction of GHG emissions	47	
GRI 306	Waste 2020		
GRI 3-3	Management approach	35–36	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	35–36	
GRI 306-2	Management of significant waste-related impacts	35–36	
GRI 306-3	Waste generated	35–36, 43	The key figure 'waste types by tonnes for all other sites' in this report was revised retrospectively for 2022, as the scope has been expanded to include the entire Group. The figure for 2022 has been adjusted to encompass the Group.
GRI 308	Supplier environmental assessment 2016		
GRI 3-3	Management approach	63–64	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, sometimes operate 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	63–64	

GRI standards		Page	Omission/comment
GRI 401	Employment 2016 		
GRI 3-3	Management approach	60	CHG-MERIDIAN creates jobs around the world through its business activities and pays appropriate salaries. 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 401-1	New employee hires and employee turnover	60–61	
GRI 404	Training and education 2016 		
GRI 3-3	Management approach	55	By offering a wide range of courses and by training apprentices, students, graduate trainees, 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 centrally manages CPD for employees worldwide.
GRI 404-1	Average hours of training per year per employee	55	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	55	
GRI 414	Supplier social assessment 2016 		
GRI 3-3	Management approach	63–64	As the raw materials used in our IT devices are often extracted in countries of the Global South with relatively low labor standards, there is a risk of unfair pay and even forced labor. Indirect suppliers in the IT industry, in particular, are sometimes located in high-risk countries with regard to human rights and environmental protection.
GRI 414-1	New suppliers that were screened using social criteria	63–64	
GRI 418	Customer privacy 2016 		
GRI 3-3	Management approach	32	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 for customers.
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	32	There were no substantiated complaints concerning breaches of customer privacy in 2023.
Other non-material topics			
GRI 205	Anti-corruption 2016 		
GRI 3-3	Management approach	28	
GRI 205-2	Communication and training about anti-corruption policies and procedures	28	



GRI standards		Page	Omission/comment
GRI 206	Anti-competitive behavior 2016		
GRI 3-3	Management approach	28	
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	28	
GRI 302	Energy 2016		
GRI 3-3	Management approach	44, 47–48	
GRI 302-1	Energy consumption within the organization	44, 47–48	The calculation of energy consumption was not reviewed by external auditors.
GRI 403	Occupational health and safety 2018		
GRI 3-3	Management approach	56–57	
GRI 403-1	Occupational health and safety management system	56–57	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	56–57	
GRI 403-3	Occupational health services	56–57	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	56–57	
GRI 403-5	Worker training on occupational health and safety	56–57	
GRI 403-10	Work-related ill health	56–57	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	58–59	
GRI 405-1	Diversity of governance bodies and employees	58–59	
GRI 405-2	Ratio of basic salary and remuneration of women to men	58–59	

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 AUDITOR'S REPORT on a Limited Assurance Engagement 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, 2023 to December 31st, 2023.

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 and success stories 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 report-

ing 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 ac-

cordingly 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

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.

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 period from January 1st, 2023 to December 31st, 2023 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 and success stories 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
- Identification of probable risks of material misstatement in the report
- Inquiries of personnel involved in the preparation of the report regarding the preparation process, the internal control system relating to this process and selected disclosures in the report

- Analytical assessments of selected quantitative disclosures in the Sustainability Report
- Evaluation of local data collection, validation, and reporting processes as well as the reliability of reported data based on a sample
- 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, 2023 to December 31st, 2023 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 and success stories 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 (<https://www.bdo.de/de-de/auftragsbedingungen>).

Munich, April 19th, 2024

BDO AG, Wirtschaftsprüfungsgesellschaft

Lukas Rist

Wirtschaftsprüfer
(German Public Auditor)

Carmen Auer

PRODUCTION CREDITS

Published by:

CHG-MERIDIAN AG, Franz-Beer-Strasse 111
88250 Weingarten, Germany
sustainability@chg-meridian.com, www.chg-meridian.com

Concept and editing: Antje Heber, Judith Madlener
(both CHG-MERIDIAN), accenture GmbH

Design: Anja Pircher Design

Photo credits: Jehle & Will: p. 4 & 6, Christian Lord Otto: p. 36, private:
p. 50–51, other photos: Hermes, SAP, NUTEC, Penny, imec, Shutterstock, iStock

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 management report. CHG-MERIDIAN AG does not intend to update such assertions relating to the future.

© CHG-MERIDIAN 2024