

2023 SUSTAINABILITY REPORT



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FOREWORD

Corporate Social Responsibility (CSR) is the social responsibility of companies in terms of sustainable business. This includes social, ecological and economic aspects such as fair business practices, employee-oriented HR policies, economical use of natural resources, protection of the climate and environment and serious local commitment. This sustainability report describes usd's commitment as part of our CSR management for the year 2023.

„At usd, we are proud to make a contribution to the good side. We refrain from behavior that violates laws, regulations and rules and are committed to positive values as part of our CSR policy and sustainability strategy.

Each of us at usd, we all bear responsibility. For our clients. For ourselves. For the way we work together. For our environment. For the generations that follow us.“



A handwritten signature in black ink, consisting of a stylized 'M.' followed by a series of loops and a final vertical stroke.

Manfred Tubach
Founder, CEO



ABOUT usd

usd AG is a medium-sized stock corporation under German law founded in 1994. In the 2023 financial year, we employed an average of 183 people. Our locations are spread across the cities of Neu-Isenburg, Cologne and Munich. Our 900 clients worldwide operate in all industries. The focus is on banking and financial service providers, tourism and airlines, IT service providers, retail and e-commerce.

We protect companies against hackers and criminals. Our work is as dynamic and diverse as the threat. As an accredited auditor, we advise and certify companies worldwide according to the specifications of the credit card industry. The experts at usd HeroLab identify vulnerabilities in IT systems and applications. Our security consultants provide companies with comprehensive advice on information security, risk management and IT compliance. We take responsibility, the Cyber Security Transformation Academy (CST Academy) promotes exchange and knowledge transfer in the community. more security is our mission.

As an IT consulting company, we use digital technologies and provide services for our clients. We are aware of the impact our services have on the environment and the responsibility we have as a company towards society and our employees in terms of sustainability. Through our continuous improvement management as part of our corporate social responsibility (CSR), we constantly identify unknown impacts and develop measures to minimize negative impacts and promote positive ones.



STAKEHOLDERS AND ORGANIZATIONAL UNITS



The Executive Board bears overall responsibility for sustainability and corporate social responsibility at usd. It assigns direct responsibility to the organizational management for Compliance & Legal, People & Culture, Procurement and the Responsibility Circle. The units are in regular contact and implement different sustainability priorities. The interests of usd's internal and external stakeholders must be taken into account in all activities in the area of sustainability.

STAKEHOLDERS

EXTERNAL STAKEHOLDERS

Our external stakeholders consist of our clients and suppliers, legislators and society. The CSR requirements of our external stakeholders have continued to increase in 2023. In addition to legal requirements at a national and European level, the obligations to provide evidence to our clients, who in turn operate in highly regulated environments, have increased in particular. These include regular monitoring activities through self-disclosures, proof through documents and certifications, as well as assessments of our own CSR management system by external rating companies (e.g. EcoVadis).

We also want to do justice to the growing social awareness of sustainability and social justice issues in our CSR management and reporting in the long term.

INTERNAL STAKEHOLDERS

The internal stakeholders of usd include the Supervisory Board, the Executive Board, the shareholders (management and employees of usd) and our employees. The Supervisory Board advises and monitors the Executive Board's strategic corporate management in accordance with the law. This also includes reviewing and approving the annual auditor's reports, the proposal on the distribution of profits to shareholders and the annual combined management review. If the Executive Board proposes decisions with fundamental implications for usd, the Supervisory Board is obliged to review and advise on the business implications. The Executive Board of usd is responsible for managing the company in the best interests of usd. The interests of usd include the interests of its shareholders (management and employees of usd), employees and other stakeholders. The shareholders primarily have financial expectations of usd, which are to be achieved through responsible and future-oriented corporate governance, among other things. Sustainability issues rela-

ting to the environment, safety and society are discussed at regular meetings held several times a year. Measures proposed by the Responsibility Circle are supplemented by the Executive Board's own key issues. In addition, the Executive Board reports in detail to the Supervisory Board at regular intervals on topics of any kind that are relevant to usd, as required by law. All internal stakeholders consider excellent corporate governance to be essential and indispensable. The Executive Board and Supervisory Board are therefore explicitly committed to responsible corporate governance. Compliance with the associated principles is an important management task.



TOOLS AND GUIDELINES ACCORDING TO CORPORATE GOVERNANCE OF usd AG:

BEHAVIORAL GUIDELINES AND INSTRUCTIONS

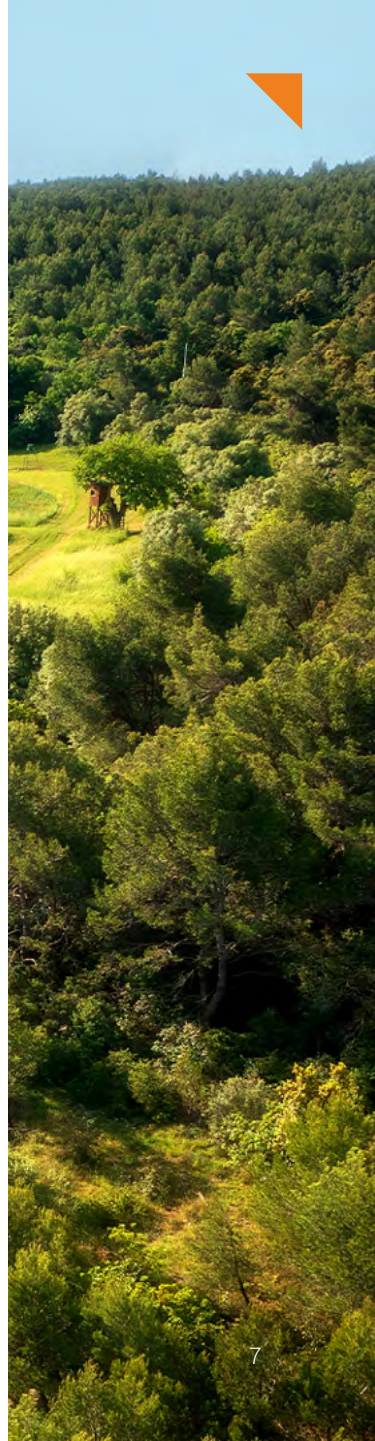
- usd Code of Ethics
- Global employee guidelines
- Corporate Social Responsibility Policy
- Policy on equal treatment
- Global Purchasing Policy
- Code of Ethics and Conduct for Suppliers
- Environmental Policy

CONTROL SYSTEMS

- Supplier evaluation and assessment
- Regulatory process
- Management review

TRANSPARENCY AND REPORTING

- Sustainability Report
- Annual Report



ORGANIZATIONAL UNITS



Figure 1: Organizational model on CSR responsibility

COMPLIANCE & LEGAL

The Compliance & Legal division is in close contact with all of our organizational units and is responsible for monitoring compliance with our policies, regulatory requirements and compliance standards.

PEOPLE & CULTURE

People & Culture is responsible for the steering framework between our employees and usd. They draw up the necessary policies, recommendations for action and internal information pages resulting from our corporate responsibility and

initiate appropriate CSR measures that have a direct impact on our employees.

PROCUREMENT

Our Procurement department is responsible for the procurement of resources and goods in accordance with our policies. As it maintains direct contact with our suppliers and exerts a controlling influence on the selection and quality of the resources we use, it is a central element in the implementation of our sustainability strategy.

SALES

Our Sales division forms the interface between usd and our clients. As the first point of contact, our colleagues in Sales are responsible for identifying the needs and requirements of our clients. Various regulatory requirements and feedback from our clients enable us to continuously develop and improve both professionally and in terms of our CSR.

RESPONSIBILITY CIRCLE

The Responsibility Circle is an independent, employee-led committee that acts as a point of contact and reporting point for employees on sustainability and responsibility issues. In addition to implementing employee interests, the Responsibility Circle also organizes charitable initiatives and implements CSR measures that are suitable and feasible as part of its independent annual planning. The organization of donations is a component of the annual planning. The Executive Board monitors the annual planning and is informed annually by the Responsibility Circle about the success of the measures implemented.




“It is above all the numerous initiatives of our employees that make me proud of what we are achieving as part of our corporate social responsibility measures.”

Andrea Tubach, Member of the Executive Board



OUR SUSTAINABILITY STRATEGY



The following ten statements describe our strategic approach to sustainability and demonstrate its relevance.

1 OUR MISSION

As part of our mission “more security”, we develop and provide sustainable and valuable consulting and other services for our clients. Our actions are in line with our responsibility, our values, our corporate philosophy and our guidelines.

2 DIALOG WITH STAKEHOLDERS

We communicate continuously with our internal and external stakeholders on topics relating to our mission, our environment and our company. To this end, we seek regular exchanges in order to be able to react in a targeted manner to the needs of our clients and suppliers, future trends and changing market situations.

3 SUSTAINABILITY IN THE CORPORATE STRATEGY

We have anchored sustainability in our strategic development and business processes. We take ecological, economic and social aspects into account in our decisions.

4 FOCUS ON SUSTAINABILITY

Our corporate governance and environmental guidelines describe and promote our operational efforts for a sustainable transformation and a climate-friendly organization.

5 NEXT GENERATION SOLUTIONS

We are aware of the increasing demands for greater sustainability, are meeting these demands and are taking responsibility for future generations. We rely on partnerships, technologies and programs to integrate sustainability into our processes and supply chains. Our aim is to only provide services that have a positive sustainability profile.

6 FORWARD-LOOKING RESOURCE MANAGEMENT

Our use of resources is always based on the aspects of economy and environmental justice. Together with our partners, we have created solutions for the operation of our sites that regulate the economical use of resources. The aim is to continuously integrate further measures for the environmentally friendly use of resources through our reporting and ideas management process.

7 MEASURING OUR SUSTAINABILITY INITIATIVES

Since 2022, we have been using suitable measurement methods to measure the impact of our sustainability initiatives. To this end, measurements are initially integrated into the procurement process, as this is where the sustainable impact is greatest.

8 IMPACT ON BUSINESS ACTIVITIES

We regularly and systematically examine positive and negative influences on our activities that arise along the value chain. The early identification of opportunities and risks creates a stable foundation for our business and its sustainability.

9 RELEVANCE OF SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The United Nations Global Compact (UNGC) was founded in 2000. It pursues the vision of a more inclusive and sustainable economy for the benefit of all people, communities and markets, today and in the future. In its CSR initiative, usd is guided by the 10 principles of the UNGC in the divisions of human rights, labor, environmental protection and anti-corruption and, since the adoption of the United Nations 2030 Agenda for Sustainable Development, also by the 17 Sustainable Development Goals (SDGs) defined therein, and integrates these into its corporate culture and policies.

10 CONTINUOUS IMPROVEMENT OF OUR SUSTAINABILITY PERFORMANCE

Our aim is to continuously improve in all areas. We create transparency through a Sustainability Report based on the methodology of the Global Reporting Initiative (GRI).



„Sustainability means taking it into account in our decisions and actions every day. For a better future.“

Andreas Duchmann,
Member of Executive Board



BUSINESS ETHICS AND COMPLIANCE

PRINCIPLE OF PREVENTION

A risk in the area of compliance is the violation of compliance requirements. The tools we use serve to prevent a compliance breach and include risk analyses, awareness measures and training as well as the provision of best practices as general recommendations.

In order to identify potential risks as early as possible, risk analyses are carried out where compliance standards make them necessary. Based on the results of these risk analyses, the business units concerned integrate binding standards and measures into their business processes to reduce (compliance) risks. The annual review of the management systems evaluates the content and parameters of the risk analysis and checks that they are up to date and appropriate. The results of the risk analyses are reported annually to the Executive Board.

Our basic understanding of ethics is supported by our *usd Code of Ethics*. It covers the topics of corruption, fraud and money laundering, conflicts of interest, anti-competitive practices and rules on accepting gifts and invitations. Our Code of Ethics is binding for all our employees and regulates

the ethical framework according to which we act. If violations of our policy are registered, they are reported to an internal reporting office that is committed to restoring our basic ethical understanding.

RESPONSIBILITY IN THE SUPPLY CHAIN

As a company in the service sector, we have no overlaps with the primary or secondary economic sector - we therefore do not produce or create any raw materials or material products and are not involved in any physical production processes. The products and services that we supply are therefore primarily digital goods and (technical) equipment required to provide our services. We also mainly procure software, security and insurance services as well as services for (building) maintenance and infrastructure.

By carefully selecting our suppliers, we meet the requirements of our clients and make our contribution to greater sustainability in the procurement process. We are guided by the global goal SDG 12: Sustainable Consumption and Production. To this end, we have defined specific sustainability and environmental protection requirements that must

be met in the regular evaluation of our suppliers. For more transparency, dialog with our suppliers is very important to us. Our suppliers therefore undertake to comply with the legal requirements in accordance with the German Supplier Chain of Custody Act and also to comply with the *usd Code of Ethics and Conduct*, which includes a sustainable code of ethical and social responsibility. The components of this code are essentially the same as our obligations to promote economic, ecological and social responsibility as well as corporate ethics.



"For me, sustainability means not just thinking about today, but making ethical principles and environmental protection a matter of course in the long term."

Matthias Göhring,
Member of Executive Board

REVIEW AND EVALUATION OF OUR SUPPLIERS

Validating information from our suppliers is the first step in any new supplier relationship. As part of this measure, information provided by suppliers is checked against our Code of Conduct. In addition to quality, environmental protection, safety, health and energy management, the factors of corruption prevention, cyber security, fundamental and human rights and responsibility in the supply chain play an important role. Relevant parameters are documented and weighted as part of a supplier evaluation as an important management tool. Suppliers are evaluated at regular intervals.

88% of our direct suppliers are located in Germany, 5% in other EU countries and the remaining suppliers are from non-EU countries. It can be assumed that there are no cases of significant actual and potential negative environmental im-

pacts in the supply chain. This assumption is confirmed by our annual supplier assessment. There were no anomalies with our suppliers in the 2023 financial year.

As part of an annual review of the management system, the mechanisms used for a sustainable supply chain are qualitatively reviewed in the form of an internal audit and as part of our quality management (DIN EN ISO 9001) and reported on to the Executive Board.



ENVIRONMENT

With regard to the SDGs mentioned in our sustainability strategy, we focused in particular on SDG 12: Sustainable consumption and production and SDG 13: Climate action and mitigation. We have evaluated and already implemented various projects to achieve these global goals. Due to the nature of our services, energy is one of the biggest consumers of resources at usd. Annual training courses, including for work in the mobile office, and visual notices in each of our offices contain instructions on how technical systems (e.g. air conditioning) can be operated and used in an energy-efficient manner. In this way, we ensure that the largest energy consumers are used in the most environmentally conscious and energy-saving way possible.



"To me, sustainability entails aligning our business activities today in such a way that we can continue to exist in the future."

Christopher Kristes,
Member of Executive Board

OUR CSR ACTIVITIES FOR THE ENVIRONMENT

USE OF GREEN ELECTRICITY AND ENERGY-SAVING LIGHT SOURCES

We have been using 100% green electricity from renewable sources at all usd locations since 2015. The majority of our servers are physically operated on the premises of our data center partner, which is also committed to complying with CSR requirements and, among other measures, uses 100% green electricity to operate our servers. In collaboration with our facility management, we have also used energy-saving lighting wherever possible and integrated the low energy consumption of technical equipment as a requirement in our purchasing process.

BUSINESS TRIPS

Business trips are an important part of a consulting firm's business and, despite the increasing use of video conferencing, cannot be completely avoided, partly due to regulatory requirements. Nevertheless, we generally try to avoid unnecessary travel wherever possible, including the use of mobile


offices, and otherwise recommend traveling by public transport or electronically powered vehicles.

JOB TICKETS (DEUTSCHLANDTICKETS), COMPANY BICYCLES AND CARS

To make it possible for our employees to travel to usd locations without a car, we offer all permanent employees and trainees JobTickets, since May 1, 2023 Deutschlandtickets, for public and local transport. This also creates an incentive to use public transport, regardless of the route to work. Around 70% of eligible employees received a Deutschlandticket in 2023. Students are excluded from this offer, as they already receive semester tickets via the respective colleges and universities.

We also promote the purchase of company bicycles as an additional means of transportation and an incentive to reduce CO2 emissions. In 2023, around 7% of employees were provided with a company bicycle, which is already 2% more than in 2022.

Since October 2021, only hybrid or purely electrically powered vehicles have been permitted for new contracts for the



issue of company cars. Since August 2022, this regulation has been extended to only fully electric vehicles. For plug-in hybrid vehicles still in the fleet, our employees are committed to using the vehicles purely electrically as much as possible. Employees are provided with charging stations powered by green electricity for free use at the office locations.

usd IT LIFECYCLE INITIATIVE

We use IT hardware for as long as reasonably possible. For environmental reasons, we have made a conscious decision not to set fixed usage cycles for hardware. Functioning old hardware, including iPhones, is donated in collaboration with a partner, taking data protection aspects into account and thus extending the life cycle of IT devices. In addition, in 2023 the only purchases were replacements or new purchases for defective devices such as notebooks and company cell phones and purchases for new employees.

AVOIDANCE OF PRINTED MATERIALS

All employees are instructed to produce as little waste as possible and to avoid unnecessary printing, for example.

With this basic idea in mind, business cards are no longer printed for usd employees. These are just as unnecessary in the digital world as many original signatures on documents. We therefore work predominantly with digital signatures for both internal and external documents.

WATER DISPENSER TO REDUCE PLASTIC

As we neither manufacture physical products nor process raw materials, the primary consumers of water are sanitary facilities, technical equipment and general drinking water requirements. Since 2019, we have installed drinking water dispensers for our employees and visitors at our Neu-Isenburg and Cologne sites, completely replacing the purchase of bottled drinking water. Although we are shifting our water consumption as a first step, we are completely eliminating our share of the supply chain for water bottles and their negative environmental impact in terms of plastic waste, transportation and treatment. We also provide reusable water bottles and have thus completely replaced plastic bottles. The toilets are equipped with water-saving buttons.

ORGANIC MILK AND COFFEE

In order to promote the cultivation of sustainable food that usd purchases, we have been using organic milk and organic coffee beans as an option in our drinks range since 2019. We have also been offering organic oat milk as a milk alternative since 2022.



SOCIETY

Safeguarding and respecting human rights is our fundamental corporate responsibility. We assume all associated obligations throughout the company and along the value chain within our sphere of influence. In doing so, we are guided by the Supplier Chain of Custody Act (LkSG).

With the help of various principles of conduct and policies, we as a company ensure that we comply with our human rights obligations. The fundamental importance of human rights for usd is reflected in our Corporate Social Responsibility Policy, which covers ethical, social, sustainability and environmental aspects. As part of this, we also require our suppliers to comply with usd's own Code of Ethics and Conduct. We regularly review their compliance through our internal supplier validation and evaluation processes.

Our reporting systems, which register cases of discrimination, disadvantage or corruption, among other things - they are registered through (anonymous) reports / complaints or through evaluation and monitoring - did not register any incidents in the 2023 financial year.

OUR CSR ACTIVITIES IN THE SOCIAL SPHERE

AWARENESS TRAINING

In view of the increasing importance of human rights in supply chains, it is particularly important to us to regularly raise our employees' awareness of human rights aspects and compliance with them through internal training and courses. This is done through our corporate social responsibility training introduced in 2022, which gives our employees a comprehensive overview of human rights and the regulations installed for this purpose at usd (usd Code of Ethics). The training must be completed annually by our employees. In 2023, the implementation rate was 100%.

MONETARY DONATIONS

Every year, we donate to the association Hilfe für krebskranke Kinder Frankfurt e.V. In addition, the Responsibility Circle organizes further donations and involves employees in this process. In 2023, the year-end donation of € 8,000 went to krebskranke Kinder Frankfurt e.V. and FeM Mäd-

chen*haus Frankfurt. In 2023, we also made unscheduled donations totaling € 2,000 to the SOS Children's Village and the German Red Cross for earthquake victims in Syria and Turkey.

DONATION OF WORKING TIME/DONATION IN THE FORM OF TIME OFF

If usd employees are volunteers with the volunteer fire department or the THW, we only deduct the loss of earnings due to an assignment if the absence exceeds four hours. This means that we donate the employee's salary for the period of absence.

CHARITY RUNS

We encourage our employees to take part in charity runs as motivation for sporting activities and to donate to charitable organizations. In 2023, a total of 5 usd employees took part in charity runs, including the "Lauf für mehr Zeit" charity run organized by Aidshilfe Frankfurt and the "Run Of Colours" run organized by Aidshilfe Köln. We were able to donate a total of € 1,000 by participating in the runs.



IN-KIND DONATIONS

Every year at Christmas, we invite our employees to fill gift boxes with everyday necessities on a voluntary basis. During our annual Christmas party, we collect these boxes and donate them to a regional food bank.

COMMITMENT TO RESEARCH AND TEACHING

True to our motto “more security”, we at usd believe that we achieve greater security not only by ensuring it for our clients, but also through the transfer of knowledge in research and teaching. Many of our employees are involved in this by teaching courses at universities and colleges. Our CST Academy is also responsible for the open exchange of innovation. We see it as our task to share knowledge about IT security and improve it worldwide. To this end, the CST Academy organizes internal and external events to share and increase knowledge. In this way, we also contribute to the global SDG 4: Quality education.

GILRS DAY

Since 2022, we have been offering schoolgirls an insight into the professional fields of cyber security as part of the nationwide “Girls Day” initiative. We are delighted that nine girls took the opportunity to take part in Girls Day at usd in 2023.

A photograph showing the hands and forearms of several people holding each other's hands in a circle. The people are wearing various colored sweaters (orange, green, beige, blue). The background is blurred, showing what appears to be an indoor setting with large windows and greenery outside. The word "EMPLOYEES" is overlaid in white capital letters on the left side of the image.

EMPLOYEES

Our goal of protecting companies from hackers and criminals can only be achieved with excellent employees. This results in high demands on activities in the areas of personnel recruitment, personnel development and management. They are necessary in order to continuously improve our position as an attractive employer. In this area, we focus on SDGs 4: Quality education and 5: Gender equality, among others.

As part of the strategy, activities in the area of People & Culture are constantly being developed and improved. To this end, we have defined key areas on which our activities are focused:

- Acquisition of talent
- Support for the individual career path
- Development of leadership skills

Within this framework, the “People & Culture” organization is efficiently supported and accelerated by smart HR management tools, extensive knowledge management and process-oriented action in order to meet the objectives of the central divisions. Within this framework, there is a focus on diversity. We support the Diversity Charter and are convinced that diversity and the appreciation of this diversity have a positive

impact on our usd. In 2023, we employed people from 19 different countries.

OCCUPATIONAL SAFETY

Occupational safety is a central component of our corporate responsibility. Electrical systems and devices that pose a risk of danger are inspected externally every year. If sources of danger are identified on technical devices, they are replaced immediately. There are also technical guidelines that ensure safe working with technical equipment.

Workstations must fulfill defined criteria in accordance with the Occupational Health and Safety Act. All VDU workstations have therefore been comprehensively checked in accordance with a risk assessment. All statutory occupational health and safety requirements are complied with.

HEALTH

The sickness rate among employees in Germany reached a record level in 2023 for the second year in a row. We did not see this trend of increasing sick days confirmed by certificates of incapacity for work within the usd workforce.

On the contrary: our sickness rate fell by 25 % compared to the previous year.

Average sick days per employee				
2020	2021	2022	2023	Ø Germany 2023*
6,09 days	6,81 days	8,83 days	6,67 days	20 days (DAK) 19,4 days (TK)
* Data according to TK and DAK 2023				

Our regular and planned health-related measures for our employees include annual training courses as an important component, which provide information on methods for a healthy working environment and measures to avoid stress. We also offer our employees voluntary preventive medical check-ups at regular intervals. These include, for example, eye examinations and spinal screenings.



Average number of employees according to their contract status in 2023

Employees	Permanent employees	in part-time	Working students	Trainees / dual students	Interns
usd AG Ø	183	32	44	4	2
in Germany	183	32	44	4	2
women	24,73%	47,0%	25,0%	0,0%	9,0%

Our activities are designed to ensure the safety of our employees. With the help of training measures, we raise awareness of workplace hazards and, above all, encourage safe and healthy behavior.

APPEAL AS AN EMPLOYER

We want to offer attractive working conditions to attract the most talented staff and provide them with a platform for further development. In addition to initiatives to generate new employee skills, we also offer attractive remuneration based on a competence level model and provide additional financial benefits. We also increase our attractiveness as an employer, for example through flexible working arrangements, both nationally and internationally. This enables us to meet

the demand for a modern work-life balance and a healthy working environment; mobile working is part of everyday life for us.

PEOPLE & CULTURE

Comprehensive communication channels enable us to draw attention to ourselves in a variety of ways. We are also involved in educational institutions such as TU Darmstadt and Goethe University Frankfurt and regularly host events at our CST Academy as a contribution to cyber security transformation. These programs are essential for us to develop the leaders of tomorrow and to share our knowledge with society. By participating in career fairs, we attract and retain important talent.

CONTRACTUAL EMPLOYEE RELATIONSHIP

Around 73% of employees were in a permanent and long-term employment relationship. Thanks to intensive engagement at various German universities and colleges as well as the strategic focus on developing talent, the remaining 27% are predominantly students, including those with an employment contract as a working student. The aim is to transfer students into permanent employment after successfully graduating. In 2023, the conversion rate for working students was 93%. Compared to 2022, we were therefore able to significantly increase the proportion of working students taken on as permanent employees by 14%. The number of permanent employees who worked part-time in 2023, i.e. less than 40 hours per week, was 24% on average.

OUR CSR ACTIVITIES FOR EMPLOYEES

INCLUSIVITY, DIVERSITY AND GENDER EQUALITY

Inclusivity, diversity and gender equality play a major role at usd, and we particularly want to contribute to SDG 5: Gender Equality. With an average proportion of women of 24.73 % in 2023, we were above the industry average. At 24.44 %, the proportion of women in management positions remained unchanged from the previous year. We also offer various learning opportunities with training sessions and discussion rounds on inclusive behavior within the workforce. For example, a presentation on unconscious bias was held within the People & Culture team as well as a HeroNight, a CST Academy event format to promote internal exchange, for all employees. A colleague from the People & Culture team gave a presentation on unconscious thought patterns, their relevance to everyday working life and generally sensitized all colleagues to the topic.

We support the Diversity Charter in all respects. We are convinced that living diversity and valuing this diversity has a positive impact on our usd and society. Gender diversity is

also a key aspect of diversity that we would like to actively promote and support in our day-to-day work. Since 2023, we have therefore introduced an “all genders” bathroom in addition to ladies’ and men’s bathrooms as a measure in this context.

EMPLOYEE SURVEY

Excellent working environments and a good work-life balance are essential prerequisites for the quality of our work results and our productivity. Both aspects are also the basis for our physical, mental and emotional well-being. For this reason, we survey our employees annually on a variety of parameters to obtain anonymous feedback on existing working conditions, workload and satisfaction. The survey is essentially designed to measure perceived employee well-being.

The participation rate in 2023 was 64 %. These results provide us with valuable insight into how corporate values are perceived at usd, enabling us to make targeted and pioneering adjustments to our People & Culture activities. The most striking result of the 2023 survey was the degree to which employees identify with usd, which ranged from “Not at all” to “Very strongly”. To determine the degree of identification, the

results for the response options “Very strongly” and “Strongly” were cumulated. The perceived degree of identification of employees with usd in relation to usd as a company was also around 80 % in 2023. The degree of identification of employees with the goals of usd was 92 %.

ONBOARDING

Integrating new employees quickly and fully into our teams is an important process that is organized and standardized by People & Culture. It includes a range of different internal programs and training courses to teach professional and social skills. For this reason, we developed our “Become a Hero” program back in 2015, which enables all new employees to get to know the usd departments, exchange ideas and make contacts. In this way, we prepare all employees for their work with us and enable smooth social and professional integration into usd.

Depending on the type of employment, onboarding regularly includes a buddy mentor system, whereby new colleagues receive individual support from an experienced mentor during their onboarding period.

LIVING WAGES

Minimum wages generally set a wage floor for all employees so that basic needs can be covered. We go one step further and ensure that we pay 100 % of our workforce a living wage, regardless of their employment relationship. Living wages are of great importance for achieving the SDGs. Without a sufficient wage level, the achievement of key goals is at risk (e.g. ensuring a healthy life for all; inclusive, equitable and quality education). A well-known and widely accepted definition of a living wage was developed by Richard and Martha Anker on behalf of the Global Living Wage Coalition (GLWC). The associated benchmark analysis was conducted for wages at usd.

Fair, market- and performance-oriented remuneration by usd is anchored in our competence level model, which was developed in line with our personnel development concept. The principles of our competency level model apply globally at usd and include regulations for both permanent employees and working students. The competence levels are based on criteria such as responsibility, competence and success.

Our salaries are determined on the basis of individual negotiations and individual skills and experience. Personal characteristics such as ethnic origin, gender, age, disability, sexual identity or religion/belief have no influence on the structuring of salaries. Our commitment to the General Equal Treatment Act (AGG) and internal policies prohibit any discrimination based on these criteria.

GENDER PAY GAP

The global difference in average monthly basic salaries between men and women at usd is in the single-digit percentage range. The data used to calculate these figures is based solely on the employee position. Individual employee competencies and professional experience were not taken into account in the calculation and are the sole reason for the emergence of these differences.

FLEXIBLE WORKING TIME MODELS


We offer our employees flexible working time models. The regular contractually agreed weekly working hours for around 76 % of our permanent employees are 40 hours per week. The maximum weekly working hours for temporary emp-

loyees, which only includes students and trainees, is based on the requirements of the German Social Insurance and, depending on the educational institution, is a maximum of 20 hours per week for students during the lecture period or 40 hours per week during the lecture-free period.

All usd employees benefit from an annual vacation entitlement that significantly exceeds the statutory minimum entitlement. This regulation is not linked to any type of contract and is intended to give our employees sufficient time off for private activities and relaxation in the interests of work-life balance.

In addition, the agreed working hours of our employees are characterized by a trust-based working hours model. In this way, we place trust in our employees to organize their working hours flexibly and to integrate them appropriately into their everyday lives, together with the technical possibilities of Mobile Office.

As a family-friendly employer, we support our employees in reconciling work and family life. On request, we grant our employees the desired parental (part-time) leave for the care of their children, as provided for in the Federal Parental Allowan-



ce and Parental Leave Act (BEEG). The duration and structure of parental leave are based on the individual needs of our employees and operational requirements. So far, we have not rejected any of the individually submitted parental (part-time) leave applications and look forward to every new usd baby. We also offer our long-serving employees a smooth transition into retirement. Therefore, a part-time retirement agreement is also possible on an individual basis.

(FURTHER) EDUCATION

We see education as a valuable asset. Again, there is a direct link to the global goal SDG 4: Quality Education. The focus here is primarily on the development of our employees through professional training and personal development. By integrating working students into the day-to-day work of all departments in a variety of ways, we support the practical application of the theoretical skills acquired by our students. In addition, we offer demand-oriented further training for all our employees. Through our involvement in colleges and universities, we contribute to the dissemination of knowledge and the practical provision of education. As part of our “Become a Hero” program, we provide our new colleagues with knowledge about usd and relevant soft skills for working as

a consultant. The “Become a Leader” program as a continuation of the ‘Become a Hero’ program is aimed at our colleagues who aspire to a management career. At usd, we define leadership on three levels: Personnel management, technical management and project management. Within this framework, the “Become a Leader” program teaches skills and knowledge to prepare our employees for their new roles. Various events are held to impart knowledge about leadership and leadership skills.

CORPORATE CULTURE

Through our corporate culture, we want to create a framework in which employees can develop their potential and feel comfortable. Through this work culture, we want to promote an attractive and healthy working environment. Respectful interaction at all hierarchical levels is a prerequisite for this.

COMPANY PENSION SCHEME (BAV)

As a supplement to statutory pension insurance and in addition to the intergenerational contract and statutory requirements, we subsidize contributions to a direct insurance policy as a company pension scheme for all employees. In 2023,

36% of our employees took advantage of this offer, which is almost 4% more than in the previous year.

CORPORATE REINTEGRATION MANAGEMENT

Our company reintegration management process provides our employees who have been absent due to prolonged illness or frequent absences due to illness with an opportunity to reintegrate into work. Measures are developed in direct consultation with our employees to support targeted reintegration.

TERM LIFE INSURANCE

To reduce the general life risk and the associated effects, we participate in term life insurance policies taken out by employees. In 2023, around 5% of our employees took advantage of this offer, which is already around 2% more than in the previous year.



FRUIT BASKET

We organize fruit baskets at our office locations as an offer for daily refreshments. We also invite our employees to integrate healthy eating into their daily routine.

FRIST AID TRAINING

Immediate intervention in emergency situations can be life-critical. It is important to us that our employees are prepared for emergency situations at work and at home. The voluntary first aid course offered by usd was taken up by 14 employees in 2023.

OUTLOOK 2024

We are proud of what we have achieved so far as part of our sustainability strategy. At the same time, however, we are also aware that there is still more we can do to fulfill our responsibility towards the environment, society and our employees. In addition to continuously maintaining our CSR activities to date, we are already planning further initiatives for 2024.

An important aspect of our sustainability strategy is reducing our paper consumption. In accounting, we already use as little paper as possible by using digital documents and IT-supported programs. With the introduction of replacement scanning in 2024, we want to reduce our paper consumption even further.

With regard to social commitment, charity runs will again be held in Darmstadt, Cologne and Munich in 2024. We also encourage our employees to take part in city cycling in participating municipalities around our locations.

In recent years, we have offered our employees eye examinations and spinal screenings in the context of occupational health and safety. In 2024, we are planning to carry out voluntary stress tests with the support of our occupational health and safety service provider. Building on this, a keynote speech on the topic of “stress management” is planned. There will also be a keynote speech on the topic of “healthy eating”. We are also in the process of putting together a new usd Circle, which will focus on the LGBTQIA+ community and promote diversity at usd.



ABOUT THIS REPORT

Our aim is to give readers an insight into how we manage our business and drive sustainability at usd. This report contains data from January 1, 2023 to December 31, 2023 and is published at least every two years on a voluntary basis as a supplement to the annual report published each year in order to report responsibly on environmental and social issues at usd.

In the 2023 financial year, usd comprised four organizational business units, which are reported on in this report in sync with the annual report. Relevant employee data for this report comes from central HR management tools so that all data on business units is in the same form and quality.

QUALITY ASSURANCE

To ensure that all data is up to date, this report has undergone independent internal quality assurance. Due to the voluntary reporting on sustainability, no external assurance is required for the Sustainability Report 2023.

CONTINUOUS IMPROVEMENT

As part of quality assurance, not only is data from the current sustainability report checked, but the data is also compared with previously published sustainability reports. If incorrect information becomes apparent, all affected topics are transparently corrected for the next sustainability report.



CREDITS

Publisher

usd AG

Frankfurter Straße 233, Forum C1
63263 Neu-Isenburg, Germany

Contact

Phone: +49 6102 8631-0

Email: contact@usd.de