

REPORT

UN Global Compact Communication on Progress (CoP)

Statement by the CEO

Dear ladies and gentlemen,

We are pleased to confirm that Everphone GmbH continues to actively support the Ten Principles of the United Nations Global Compact on human rights, labour, environment, and anti-corruption.

In this Communication on Progress report, we lay out our activities to further enhance the integration of the Global Compact and its principles into our strategy, corporate culture, and daily operations.

Sustainability is one of Everphone's core values and circular economy is a central part of our business model. For us, taking sustainable action means delivering on our commitments regarding the environment, people, ethics, partnerships, and business solution. We are constantly working on improving our social and environmental performance and are happy to share with you where we stand in this process.



Jan Dzulko

Founder & CEO
at Everphone

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About Us

Founded in 2016, Everphone is a pioneer in the growing field of Device as a Service (DaaS) for companies.

DaaS offers clients flexibility, reliability, and an easier way to manage companies' smartphones, tablets, and laptops. Everphone

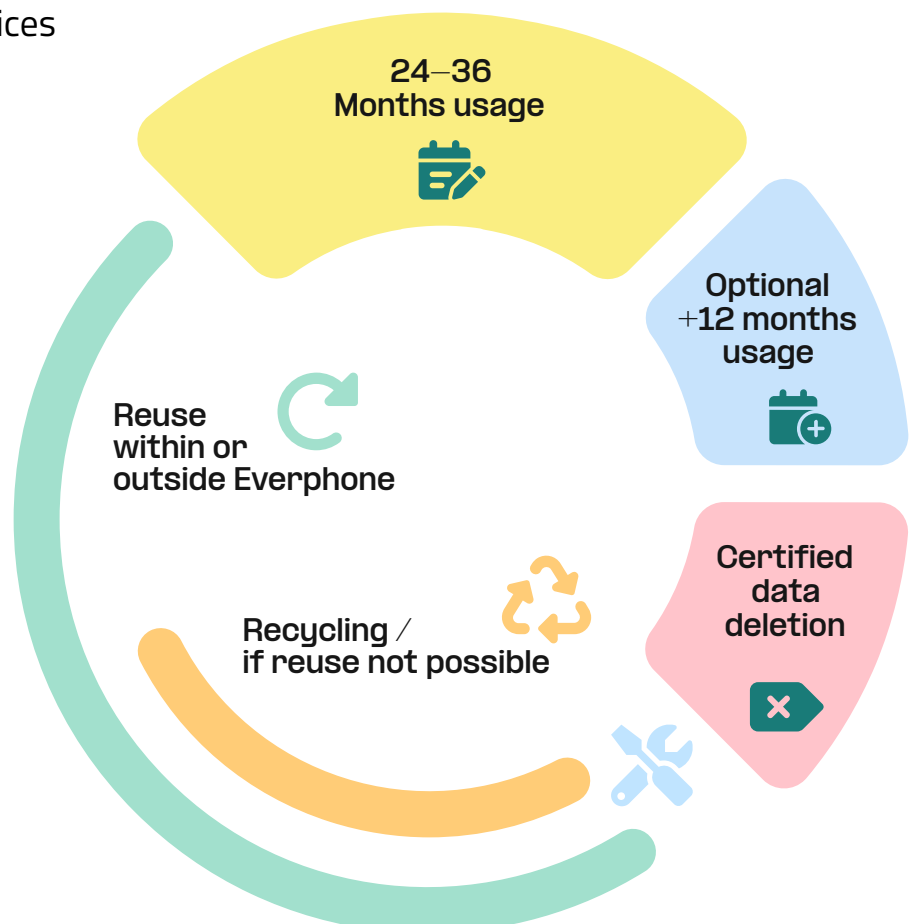
looks after the entire lifecycle of mobile devices – from sourcing and configuring for each employee to management, maintenance, replacement, and returns. This is a more sustainable way of using IT, extending device life, and reducing e-waste. It also frees internal IT departments to focus on other pressing needs.

Our Impact

Mobile devices consume a lot of resources and energy when being produced. With a circular usage concept, we want to increase the lifespan of mobile devices—the longer the usage, the better for the planet and people. When our rental devices are returned, we only recycle the ones that are broken beyond repair. The vast majority is being refurbished and re-used. In 2021, we could give over 98 percent of these devices a second life.

E-waste avoidance

After the first life cycle, used company devices are usually stored, discarded, or recycled. Our “use not own” model reduces electronic waste that is usually created when phones are broken or no longer in use and end up in corporate drawers or even worse in landfills in developing countries.



Sustainability at Everphone

The Everphone management adopted a holistic sustainability strategy in 2022, which provides a framework to focus investments and drive performance. The framework includes commitments and detailed actions for the next years to give direction and make the progress measurable and transparent. But it not only sets the direction – it also gives our stakeholders the assurance that they can rely on Everphone in the long term as a future-focused Device-as-a-Service Partner.

Our sustainability strategy is based on our ESG (Environmental, Social, and Governance) values:



Environment: we reduce our carbon footprint through an avoidance, reduction, and compensation strategy. We design our operations to be ecologically efficient.



People: we foster inclusion and diversity and ensure that all employees feel equally valued.



Ethics: we act with integrity and in accordance with legal requirements. We prevent compliance breaches and corruption.



Partnerships: we enforce human rights and environmental standards along our value chain. We demand increasing transparency and sustainable action in our ecosystem.



Solution: we design our solutions in the most circular way possible. We think “reuse” before recycling and dispose.

Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights, and

Principle 2

make sure that they are not complicit in human rights abuses.

Guidelines and Goals

Everphone is expressly committed to the protection of the fundamental rights of its employees, based on the applicable national labour laws and standards of the International Labour Organization's (ILO), Declaration on Fundamental Principles and Rights at Work. Everphone promotes its observance within its sphere of influence by the enforcement of a Code of Conduct that applies to business partners along the value chain.

Implementation

The principles of respect for human rights are anchored in the Everphone Code of Conduct every employee needs to sign during the onboarding process and comply with. The Code sets the foundation for a working environment based on integrity, respect, and fair conduct. We do not limit our efforts within Everphone but engage with our up- and downstream partners to promote the protection of fundamental human rights. In our Code of Conduct for Business Partners, we oblige our partners to respect the human rights defined in the Universal Declaration of Human Rights (UDHR).

Measurement

- All employees sign and commit to the Everphone Code of Conduct.
- The entire management and all employees are encouraged to support, promote and demand compliance with the Everphone Code of Conduct.
- All new and existing up- and downstream partners need to sign and commit the Everphone Code of Conduct for Business Partners.
- Everphone has environmental, social, and governance criteria in place that define which companies are eligible as Everphone's business partners and customers.

Labour

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

the elimination of all forms of forced and compulsory labour;

Guidelines and Goals

Everphone observes the fundamental rights of its employees, based on the applicable international and national labour laws, and obliges all business partners to do so. Everphone is committed to ensuring an open, respectful, and discriminatory-free working environment.



Radical candor: caring about people means honest feedback to help them grow.



Extreme ownership: take responsibility – don't blame and trust your pilot.



Output not input: your success is measured by the result – not the time spent.



No politics, no ego: disagree and commit.



Make mistakes and learn: mistakes are good – fail, admit, learn, and grow.

Principle 5

the effective abolition of child labour; and

Principle 6

the elimination of discrimination in respect of employment and occupation.

Implementation

Everphone's company culture is based on set values that build the framework of a climate of integrity and a respectful approach to colleagues, customers, and business partners. Each employee is expected to adhere to these values and is evaluated on their compliance as part of annual feedback.

Those values are an essential part of the Everphone Code of Conduct which every employee needs to sign during the onboarding process and comply with. Continuously ensuring employee happiness, Everphone conducts quarterly anonymous surveys covering various workplace-related topics and deduces appropriate improvement actions.

Topics that are related to fostering a diverse, inclusive workplace are addressed by the leadership as well as via Employee Resource Groups (ERG) which are actively promoted within Everphone. ERGs are voluntary, employee-led groups that foster a diverse, inclusive workplace aligned with organizational mission, values, goals, business practices, and objectives.

Everphone offers its employees flexible working models (remote work and mobile working, part-time, etc.) to enable employees to combine family and career.

As laid out in the above section, Everphone's Business Partners are required to commit to the Everphone Code of Conduct for Business Partners, which includes Labor related topics, among others the rejection of Child Labour (ILO Conventions 138 and 182), prohibition of Forced Labour (ILO Conventions 29 and 105), promotion of Diversity and non-tolerance of Discrimination (ILO Conventions 100 and 111).

Measurement

- All employees sign and commit to the Everphone Code of Conduct.
- The entire management and all employees are encouraged to support, promote and demand compliance with the Everphone Code of Conduct and actively raise compliance and integrity issues.
- Everphone's workforce is increasingly diverse with
 - 300+ colleagues that come from 40 different countries,
 - overall 31% share of women, and
 - 29 % of women in the highest governance body.
- All new and existing up- and downstream partners need to sign and commit to the Everphone Code of Conduct for Business Partners.

Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility, and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.

Guidelines and Goals

Recognizing that sustainable businesses should acknowledge the planet's finite resources, Everphone is committed to reducing its harmful impact on the environment within which it operates and designing its operations and service to be ecologically efficient.

Implementation

In 2022, the Everphone management adopted a holistic sustainability strategy in which the sustainability commitments, goals, and detailed measures are defined. Part of this strategy is reducing the Company's Carbon Footprint (CCF) and reaching carbon neutrality. To achieve this, Everphone annually assesses its company's carbon footprint reflecting the total CO₂ emissions released by the company within the defined operational system boundaries. The calculation is based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). This lays the foundation to track the progress in reducing carbon emissions.

Results Company Carbon Footprint

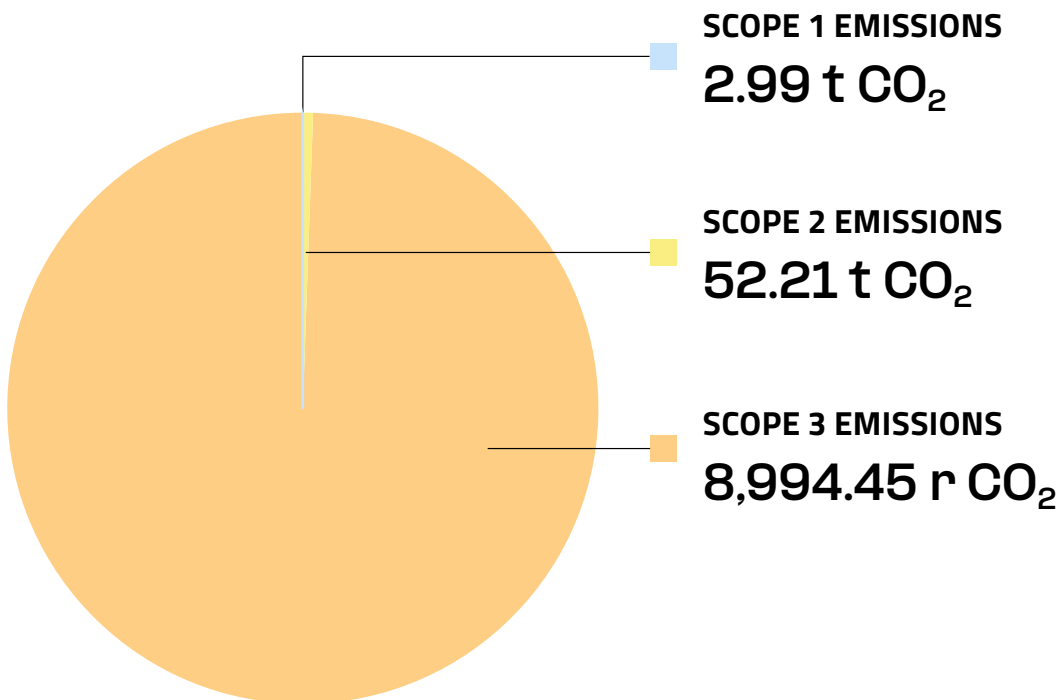
SCOPE 1 includes all emissions generated directly by everphone GmbH, for example by company-owned equipment or vehicle fleets.

SCOPE 2

lists emissions generated by purchased energy, for example electricity and district heating.

SCOPE 3

includes all other emissions that are not under direct corporate control, such as employee travel or product disposal.



Based on the insights gained during the first assessment the following reduction measures were implemented:



renewable energy in all Everphone facilities,



use of exclusively recyclable materials in packaging, and



exclusively carbon-neutral shipping within Germany.

Complementary to the implementation of reduction measures is Everphone's contribution to carbon emission reduction through its circular economy business model: The mobile device industry has a large negative impact on the environment due to the number of raw materials needed to produce the devices and the energy consumption during production. Within this industry, Everphone offers a circular business model which increases the lifespan of mobile devices, therefore, reducing the number of newly produced devices and the associated negative environmental impact. Devices that are returned, are refurbished and reused inside or outside of Everphone, only the ones that are broken beyond repair are recycled. Environmental risks, illegal disposal, and exports to countries with no proper recycling system are avoided.

Measurement

- 100 % of devices that are returned to Everphone are refurbished or recycled
- 98 % of returning devices are refurbished and reused
- Avoidance of 870 tons of carbon emissions through refurbishment¹
- Everphone received Ecovadis Bronze for its sustainability management system
- Everphone received the GreenMagenta Label from Telekom Deutschland

1. <https://www.umsicht.fraunhofer.de/de/presse-medien/pressemitteilungen/2018/studie-it-refurbishment.html>

Anti–Corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Guidelines and Goals

Everphone does not tolerate any form of corruption and other unfair business practices. Transparency and openness are essential requirements for Everphone in order to ensure trust and credibility in business and in our dealings with business partners.

Implementation

The principles of anti-corruption are integrated into the Everphone Code of Conduct every employee needs to sign during the onboarding process and comply with. They are also an essential part of the Everphone Code of Conduct for Business Partners every up- and downstream partner needs to sign and commit to.

Measurement

- Everphone was never involved in any cases of corruption and/or bribery.
- All employees sign and commit to the Everphone Code of Conduct.
- The entire management and all employees are encouraged to support, promote and demand compliance with the Everphone Code of Conduct.
- All new and existing up- and downstream partners need to sign and commit to the Everphone Code of Conduct for Business Partners.