2022

Sustainability Report

**Upgrade to
a sustainable service**

everphone

Agenda

01 An introduction
by our CEO & Founder, Jan Dzulko

Dear Reader,

From the beginning of the company, sustainability has been an important factor in what Everphone is doing and circular economy has been a central part of our business model. We are, however, aware that we are operating in a resource-intensive industry and that our operations have an impact on the environment and the people working directly at Everphone and in our supply chain.

Along with Everphone's continued and fast growth, our environmental and social impacts have also been increasing. We want to play our part in and make the most effective contribution to sustainable development. In June of last year, we therefore adopted the first formal sustainability strategy that defines our commitments, goals, and concrete actions. Sustainability poses many challenges, but also offers great opportunities for our business. Our strategy drives us to focus our efforts on the areas in which we can have the most impact: solution, environment, people, ethics, and partnerships.

Taking sustainable action means delivering on our commitments. We are determined to make substantial advancements in all impact areas. I am therefore delighted to be publishing our first sustainability report, which provides an overview of our activities in 2022 and our future commitments to sustainability. Everybody at Everphone is constantly working on improving our social and environmental performance and are happy to be sharing where we stand in this process.

02

About us

(GRI 102-1; GRI 102-6)

Everphone is a leading B2B device as a service (DaaS) provider, acting as a one-stop solution for company mobile devices. The service includes, among others, procurement, management, and integration of mobile devices such as smartphones and tablets in a corporate context as well as the handling of broken devices and returns. Since 2017, Everphone has been providing companies and public institutions with smart devices in a flexible and secure way.

Everphone's approach is to free customers from unnecessary burdens and to make them more sustainable by offering them an easier, more flexible, and circular way to manage companies' devices.

Everphone does business mainly in the DACH region, as well as in the US, UK, France, and the Netherlands. Everphone's service offer focuses on corporate customers, with the customer base consisting of more than 1,000 large enterprises, mid-sized companies, and public institutions. The company now employs almost 300 people in Berlin and Munich.
You can find more information on our **website**.

03 About this report (GRI 102-1)

This sustainability report has been created to share information on our sustainability activities and strategies with our business partners, customers, shareholders, employees, and interested parties. This is the first sustainability report published by Everphone as part of a voluntary commitment. The report is structured in alignment with our sustainability strategy which was adopted in 2022.

Reporting Standards

The sustainability report has been prepared in accordance with the standards of the Global Reporting Initiative (GRI). The GRI standards are internationally regarded as the highest standards for structured and comparable sustainability reporting for enterprises and institutions and allow us to report information in a way that covers all our most significant impacts on the economy, environment, and people.

Scope (GRI 102-2; GRI 102-3)

This report includes all entities based in Germany in accordance with our financial reporting, namely Everphone GmbH, Everphone Service GmbH, Everphone Finance GmbH, Everphone Enterprise II, and Everphone Enterprise III. For the sake of simplicity, all units will be referred to as Everphone or Everphone Group. Everphone Inc. based in Miami is not included due to its size. The reporting period for this report is from 01 January to 31 December 2022.

Identifying Material Topics (GRI 103-1; GRI 103-2)

The sustainability board derived the most relevant impact topics for our sustainability reporting by screening our sustainability strategy and matching the topics with those of the GRI standards. Everphone's sustainability vision and goals as part of the strategy provide the structure for the following chapters and material topics.

Reporting on Material Topics (GRI 102-5; 102-14)

Material topics included in this report are waste, emissions, training & education, diversity & equal opportunity, customer privacy, supplier environmental assessment, and supplier social assessment. We do not include other topics that are not considered material topics. Everphone's highest management body is responsible for reviewing and approving the sustainability report, including the material topics and all other information. The report was compiled internally and is not audited by any external body. Some data was collected by third parties on behalf of Everphone, and reference is made to these in the relevant sections. The following table provides a structured overview of the area of impact and the corresponding GRI material topic.

| Everphone Area of Impact	GRI material topic
Solution	GRI 306: Waste 2020
Environment	GRI 305: Emissions
People	GRI 404: Training and education GRI 405: Diversity and equal opportunity
Ethics	GRI 418: Customer privacy
Partnerships	GRI 308: Supplier environmental assessment GRI 414: Supplier social assessment

Relation to Financial Reporting GRI 102-3

This report will be published in the first quarter of 2023. The publication of the financial reporting will follow in the second quarter of 2023. A more detailed context on the corporate financial goals and business development can be obtained in our financial reporting. The publication of the next sustainability report is planned for spring 2024.

Contact GRI 102-3

✉ sustainability@everphone.de
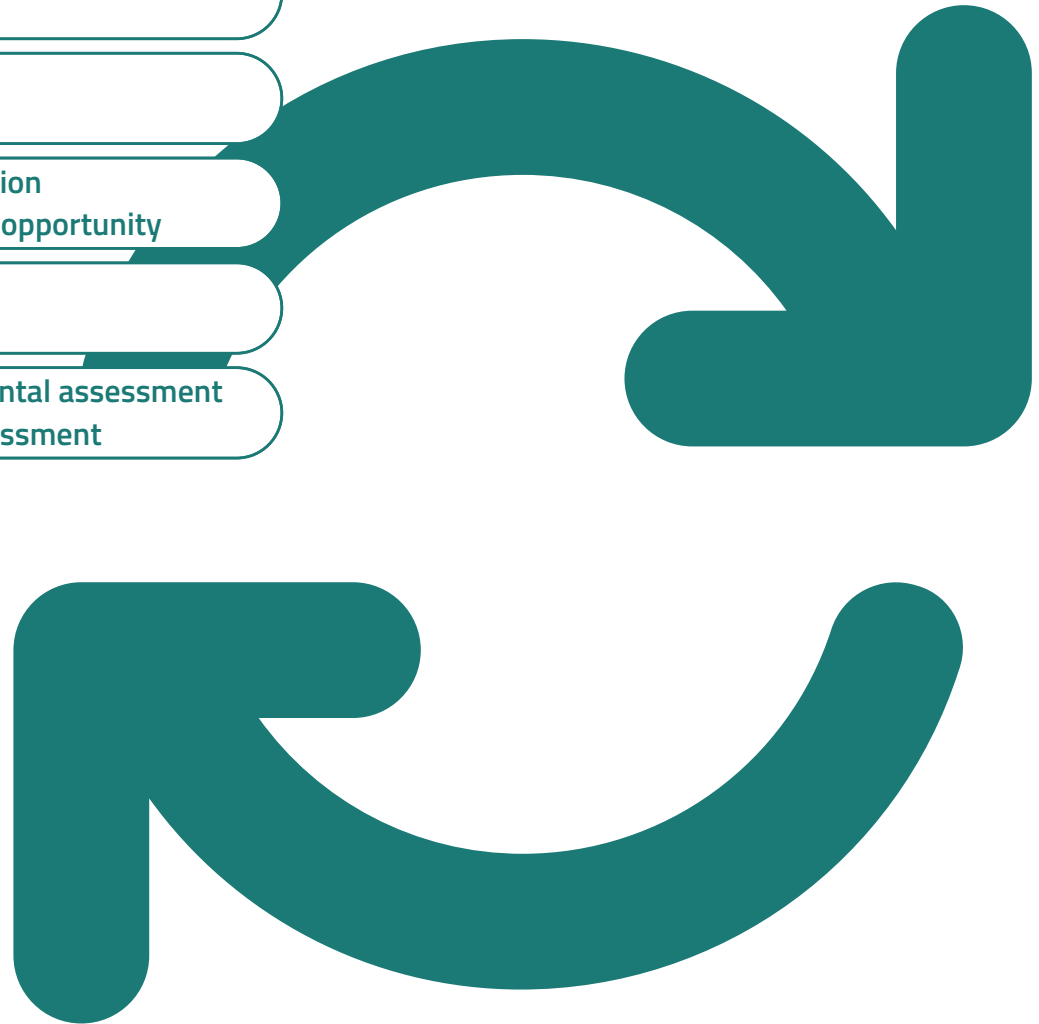
04 Sustainability frameworks and external initiatives

GRI 102-28

Our sustainability strategy and actions are aligned with the global standards and frameworks listed below, which are most relevant to our stakeholders.

UN Global Compact

Since 2021, Everphone has been part of the world's largest corporate sustainability initiative: the UN Global Compact. The UN Global Compact is an initiative intended to align strategy and operations with the universal principles of human rights, labour, environment, and anti-corruption, and to take action to advance social goals. We are fully committed to its principles and we report our progress on an annual basis. Find our Communication on Progress **here**.

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

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

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

4. Businesses should uphold the elimination of all forms of forced and compulsory labour.

5. Businesses should uphold the effective abolition of child labour.

6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

7. Businesses should support a precautionary approach to environmental challenges.

8. Businesses should undertake initiatives to promote greater environmental responsibility.

9. Businesses should encourage the development and diffusion of environmentally-friendly technologies.

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

WE SUPPORT

UN GLOBAL COMPACT

HUMAN RIGHTS

LABOUR

ENVIRONMENT

ANTI-CORRUPTION

EcoVadis

In 2022, Everphone was performing its first EcoVadis rating. The EcoVadis rating is an international sustainability standard that makes it possible to compare companies' performance on sustainability and covers a broad range of non-financial management systems under the five pillars of environment, labour, human rights, ethics, and sustainable procurement. In May 2022, Everphone received a bronze medal for its sustainability management system, which means we are among the top 50 percent of companies in our industry. Using this result as a basis, Everphone is continuously optimizing its sustainability efforts.

United Nations Sustainable Development Goals (SDGs)

Everphone is committed to taking action to create a more sustainable future aligned with the 17 United Nations Sustainable Development Goals (SDGs). The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. By tracking its sustainability performance and publishing yearly results within a sustainability report, Everphone is upholding its commitments to the SDGs and corporate social responsibility.

Memberships Related to Sustainability

Everphone is committed to environmental, social, and economic sustainability and wants to promote this with other actors beyond its day-to-day business. Thus, Everphone is part of the Ellen Mac Arthur Foundation's community and a member of the Bundesverband Nachhaltige Wirtschaft e.V.

The Ellen MacArthur Foundation is a worldwide organization working to accelerate the transition to a circular economy.

The Bundesverband Nachhaltige Wirtschaft e.V. promotes sustainable economy in Germany.

BNW
Bundesverband
Nachhaltige
Wirtschaft e.V.

05 Sustainability Strategy

The Everphone management has adopted an interdisciplinary sustainability strategy for the first time in 2022, which provides a framework to drive our performance in sustainability. The framework includes goals and detailed action points for the years to come, giving direction and making progress measurable and transparent. It not only sets the direction – it also gives our stakeholders assurance that they can rely on Everphone in the long term as a future-focused device-as-a-service partner.

Process GRI 102-12; GRI 102-17

Everphone's five key areas of impact were defined by analyzing international frameworks, such as the GRI Standards and external assessments and initiatives.

As a first step, we identified all sustainability impact topics that were perceived as important for our internal and external stakeholders.

Next, in a workshop, the identified topics were ranked according to their importance for Everphone and its stakeholders and subsequently structured into five main areas that form our sustainability impact areas. For every area, we have established goals and concrete action points with timelines that form the basis for all of our activities in the years to come.

Finally, the sustainability strategy has been approved by the C-Level and lays the foundation for tracking and measuring our progress on key sustainability impact areas. To ensure that sustainability is fully integrated within Everphone, the sustainability strategy is aligned with and communicated by the company's strategy, with each department bearing responsibilities.

Our Vision for Sustainability

The following graphic shows our vision for sustainability, focusing on the five impact areas defined in our sustainability strategy, which are directly linked to our business activities. There is no hierarchy within our impact areas. Each of them is as important as the other and together they form the basis of the sustainable development of Everphone. The impact areas correspond to the UN SDGs and can be mapped onto the three pillars of sustainable development (environmental, social, and economic development), commonly abbreviated as "ESG" – as outlined in the 1987 Brundtland Report.

Due Diligence

In 2022, an ESG due diligence review was conducted by an external party to identify the current and potential positive and negative ESG impacts of Everphone. The results showed that Everphone is eligible for investment according to ESG criteria. Their specific findings were included in the assessment of impact topics for creating our sustainability strategy as well as this sustainability reporting.

SOLUTION: We design our solutions in the most circular way possible. We think of "reuse" before recycling and disposal. → **SDGs 9, 12**

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ENVIRONMENT: We reduce our carbon footprint through an avoidance, reduction, and compensation strategy. We design our operations to be ecologically efficient. → **SDGs 7, 13**

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

PEOPLE: We foster diversity, equity, and inclusion and ensure that all employees feel equally valued. → **SDGs 5, 3, 4, 10**

5 GENDER EQUALITY

4 QUALITY EDUCATION

3 GOOD HEALTH AND WELL-BEING

10 REDUCED INEQUALITIES

ETHICS: We act with integrity and in accordance with legal requirements. We prevent compliance breaches and corruption. → **SDG 16**

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PARTNERSHIPS: We enforce human rights and environmental standards along our value chain. We demand increasing transparency and sustainable action in our ecosystem. → **SDGs 17, 8**

17 PARTNERSHIPS FOR THE GOALS

8 DECENT WORK AND ECONOMIC GROWTH

	SOLUTION	• **100%** of packaging will be free from single-use plastic by 2024. • We deliver **50.000 tons** of saved CO2e emissions to our customers by 2025[1]. • We advance the circularity of our business model to reach **20%** refurbished devices in our fleet by 2025.
	ENVIRONMENT	• We reduce our CO2e footprint per employee by **25%**[2] by 2025. • We achieve net zero carbon[3] by **2030.**
	PEOPLE	• We enhance the share of women in leading positions to a minimum of **30%** by 2023. • We develop a diversity, equity, and inclusion program by **2023.** • We conduct bi-annual pay equity reviews and derive appropriate adaptations by **2023.**
	ETHICS	• We receive **ISO 27001** certification for our information security system in 2023**.** • We receive **ISO 37001** certification for our anti-corruption and –bribery management system in 2026.
	PARTNERSHIPS	• Sustainability acts as a key performance metric for up- and downstream partners by **2025.** • **100%** of our suppliers commit to the sustainability principles laid out in our CoC for business partners by 2023.

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated—they recognize that action in one area will affect outcomes in others and that development must balance social, economic, and environmental sustainability.

Our Sustainability Goals

For each impact area, we have established concrete goals and action points that present steps in the sustainable development of Everphone. A detailed description of action points and responsibilities can be found in the later chapters. The graphic below gives an overview of the different goals for each impact area.

[1] based on Frauenhofer Umsicht 2019, https://www.umsicht.fraunhofer.de/de/presse-medien/pressemitteilungen/2018/studie-it-refurbishment.html

[2] Scope 1 and 2 GHG Protocol; based on planetly assessment (baseline 2020)

[3] no carbon is emitted, so no carbon needs to be captured or offset. For example, a company's building running entirely on solar, and using zero fossil fuels can label its energy as "zero carbon."

06 Sustainability at the Core

Everphone, including its highest governance and management body, operates within a set of defined standards and rules to ensure an effective management of economical, environmental, and social impacts and to avoid critical conflict of interests. To fully embed sustainability in our business, we have created a sustainability governance body within the core of the organization.

Corporate Governance

The advisory board is Everphone's highest governance body and consists of up to five members. One of the members is appointed by the Everphone CEO and founder, three are appointed by Everphone's investors. The chairperson of the advisory board is elected by a majority vote of the board members and must be unrelated to other shareholders. The advisory board does not engage in the day-to-day management of the company, its role is solely to advise and support the management of the Everphone Group. Within its competencies lies appointing and removing managing directors, instating or revoking their service agreements, resolving specific measures and transactions proposed by managing directors, and other matters as defined in Rules of Procedure of Management.

The highest management body is formed by Everphone's managing directors: The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). The CEO and CFO together manage the Everphone Group.

The CEO and CFO, along with the Chief Product Officer (CPO), Chief Operations Officer (COO), Chief Revenue Officer (CRO), Chief Technical Officer (CTO), make up Everphone's C-Level. The C-Level together with the Director People & Culture and the Senior Vice President Strategy meet every two weeks to define strategic goals and decide on key actions within the company. Moreover, it also forms the sustainability board and as such acts as a steering committee, ensuring the implementation of the sustainability strategy within all areas of the organization.

### Sustainability in the Governance Structure

Everphone's sustainability body consists of the sustainability board and the sustainability squad. The sustainability squad is responsible for the implementation and the monitoring of all sustainability-related activities. It works closely together with all company departments with respect to the five

impact topics defined in our sustainability strategy: solution, environment, people, ethics, and partnerships. To ensure a holistic and interdepartmental approach, the sustainability squad is part of the strategy vertical at Everphone. Internal and external stakeholders can turn to the sustainability squad as the first point of contact if questions arise regarding the implementation of the sustainability strategy or if concerns related to Everphone's environmental or social practices exist.

The sustainability board and squad meet once per quarter to monitor and evaluate the organization's progress on its sustainable development and to decide on further actions. Since the sustainability body was established only recently, its performance has not yet been evaluated with regard to to the management of Everphone's impact on the economy, environment or people. We are currently working on advancing the knowledge and skills of all people at Everphone with regard to our five identified key impact topics by means of different training formats and we plan to add an evaluation process as a next step at a later point in time.

The annual sustainability report is an important part of our stakeholder communication on our environmental and social performance.

SUSTAINABILITY BOARD

| CEO | CFO | COO | CRO | CPO | CTO |

SUSTAINABILITY SQUAD

SVP Strategy + Sustainability Manager
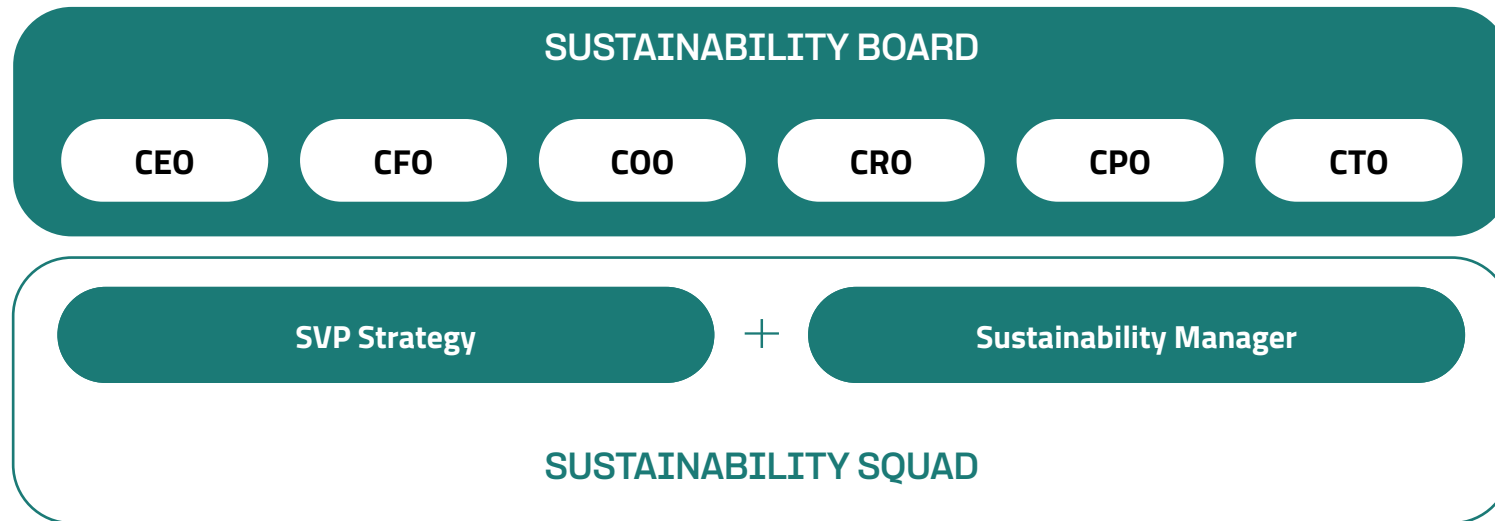
Our Stakeholders GRI 102-19

We identified the following stakeholders as the ones whose interests are being affected by Everphone's sustainability activities. We are aware that each stakeholder group has its own expectations and interests in the company and its development. We regularly engage with them in various formats to compare their sustainable development goals for Everphone with our own.

Stakeholder	Exchange format
Customers	We interact and inform our customers directly via our account management. We also keep them informed through our communications channels and sustainability ratings.
Employees	We are in constant internal communication with all employees, including a quarterly All-Hands format. We offer sustainability-specific e-learning, training, and discussion formats.
Investors	We hold quarterly advisory board meetings that include dedicated sustainability updates.
Suppliers and Partners	We interact and inform our customers directly via our procurement and partner management. We also keep them informed through our communications channels and sustainability ratings.
Government and Regulatory Body	We comply with all reporting regulations and undergo regular audits.
Public	We keep the media, potential applicants and interested members of the public informed through our communications channels.

GRI 306-1; GRI 306-2
GRI 102-23; 102-24; GRI 103-3

Everphone, as a company, is not only focused on its own sustainable development but also on contributing to the sustainability of our customers and helping them to achieve their own sustainability goals. Our focus is on extending the life cycle of devices and avoiding the production of e-waste by offering a circular service model.

Moving From a Linear Towards a Circular Economy

A traditional linear economy follows the principle of "take-make-dispose". Raw materials are collected and then transformed into products that are used until they are finally discarded as waste. A circular economy designs and uses products so that no waste is generated. Resources are kept in use for as long as possible and at the end of a product's life, its materials are regenerated. Everphone participates in the circular economy by extending devices' life cycles and avoiding the generation of e-waste. Every device that is returned by a customer after the end of its rental period, or because of damage, is either refurbished and reused, or recycled. This also applies to "buy and rent back" (BARB) devices. After acceptance of the BARB offer, our customers' employees continue to use their current devices, yet we support them with our service model. This enables customers to close the life cycle of their existing fleet by letting us cover the refurbishment and recycling processes of these old devices. Waste which is eventually created when devices end up in corporate drawers is avoided through the "use-not-own"-model.

Putting devices into a second life cycle through refurbishment reduces emissions compared to purchasing new smartphones or tablets. Recycling devices that are too old or damaged to be reused, prevents potentially harmful materials from ending in landfills, while the metal and plastic recovered can be reused in production.

Refurbish & Reuse

One of the three circular economy principles outlined by the Ellen MacArthur Foundation is to circulate products and materials at their highest value. In line with this principle, we focus on extending the life cycle of devices via refurbishment. In 2022 we could achieve that only 2% of devices directly had to go into recycling, the vast majority, 98%, could be used for refurbishment.

ACTION POINTS	TIMEFRAME	CURRENT STATUS
Replace plastics in packaging and wrappers for our customers with more sustainable alternatives.	2022	Completed
Continue to grow our portfolio of more sustainable hardware and service offerings.	2025	Ongoing
Advance circularity of our business model by optimizing the process of renting out refurbished devices to our customers.	2024	Initiated
Enhance skills to act as a client sustainability advisor.	2025	Ongoing
Make the sustainability impact of our service transparent.	2024	Ongoing

We only recycle devices where refurbishment is not possible. In 2022 we achieved a rate of only 2% of devices directly having to be recycled, the vast majority, 98%, could be refurbished.

Devices that we get back from our customers due to defects or the termination of a rental period are first graded by our service provider. This grading includes technical and optical inspection, as well as certified data erasure. Afterwards, the devices are refurbished and reused in or outside of Everphone's customer base.
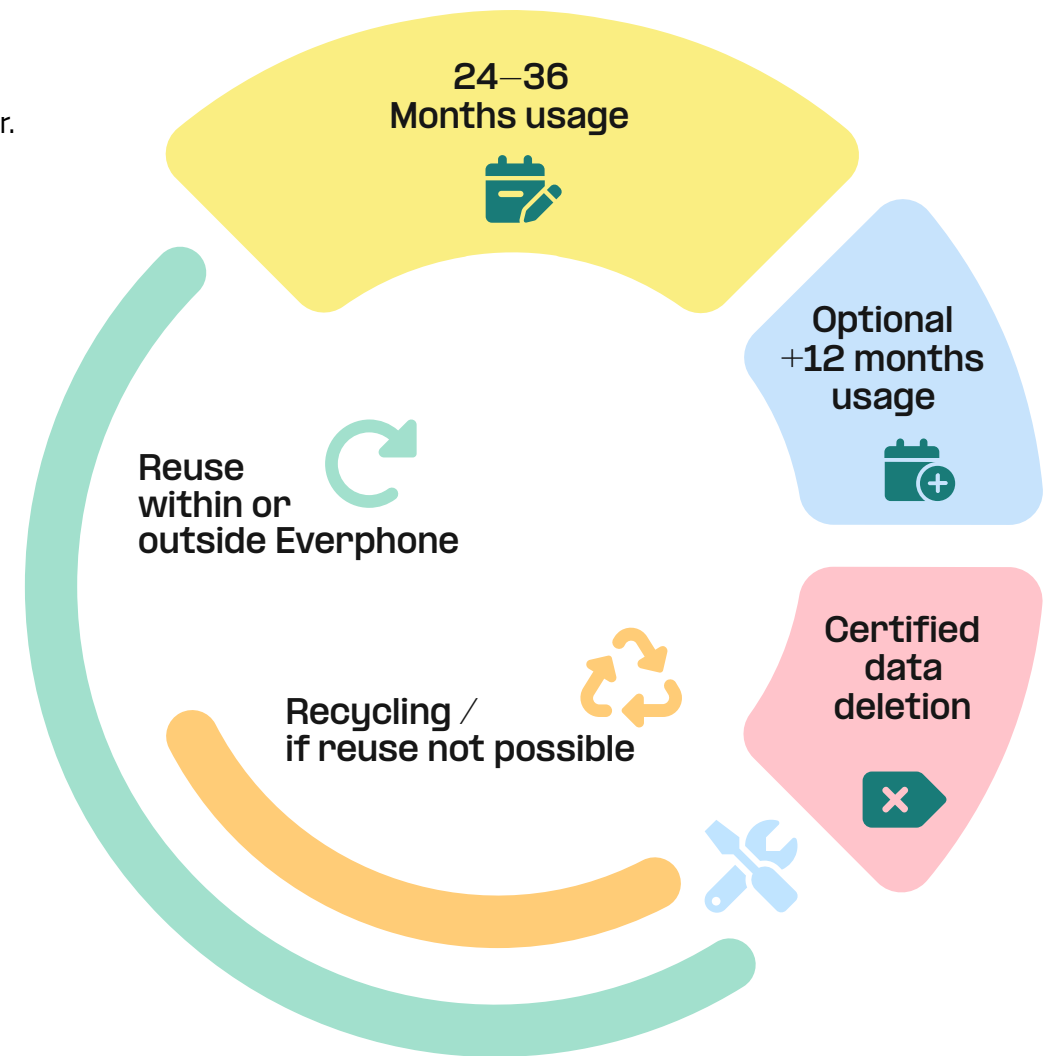
Recycling

If refurbishment is not possible, e.g. due to the condition or age of the device, the devices are recycled. During recycling, valuable resources are extracted and working parts, like displays, cameras, microphones, etc. are separated for use in the repair of defective devices. The customer receives proof of destruction, as the device has been disassembled into individual parts and the circuit board is no longer usable.

Reasons for recycling:
- The device is too old and, therefore, cannot be refurbished
- The device is totally damaged, deformed or perforated
- The data on the device cannot be safely erased
- The customer requires us to destroy the device due to internal data safety policies

We work closely with our refurbishment and grading partners to understand and analyze devices which are returned to us.

24—36
Months usage

Optional
+12 months
usage

Certified
data
deletion

Recycling /
if reuse not possible

Reuse
within or
outside Everphone

Last year, we were able to bring more than 1000 devices to a refurbishment that would have otherwise been recycled. Our goal is to act as an educated and trusted sustainability advisor for our customers and partners, while enhancing the circularity and sustainability of our service and pursuing more circular and green solutions in all areas of our service at every step of the way.

In 2022, Everphone focused primarily on extending devices' life cycles and creating more ecological packaging solutions.

Extended Life Cycles

The manufacturing stage of a smartphone makes up the largest part of its carbon footprint and using devices for as long as possible reduces overall environmental impact significantly. Therefore, we are continuing to work on making more refurbished devices available to our customers in 2023, increasing the number of second life cycles for devices within the Everphone service model.

Packaging

Another important topic for Everphone has been reducing waste by altering the packaging used to send devices out to our customers. Single-use plastics were completely removed and all packaging materials such as tape and filling materials are now made exclusively of paper or biodegradable corn starch. Additionally, we are currently in the process of developing our own custom packaging sizes to fit our device sizes efficiently and to reduce overall waste produced. Some manufacturers are also already supplying more cardboard-based internal packaging, have significantly reduced their use of plastics and are planning to remove it completely in the next few years. For 2023, we are increasing our collaborative efforts with our suppliers and partners, in order to further reduce waste and increase the share of recycled paper and plastics in our operations.

GRI 102-23; GRI 102-24; GRI 103-3

Reducing our impact on the environment and achieving net zero is an area of focus for Everphone and is a guiding principle for all our employees. Everphone's activities as a Device-as-a-Service provider are associated with high emissions for purchasing, packaging, and shipping hardware. The implementation of consistent measures as well as the further development of the circularity of our business model should lead to a reduction of negative impacts. Based on our sustainability strategy, we are implementing an approach of avoiding, reducing, and offsetting emissions. We are working together with our customers, suppliers, and partners to make the emissions in each step of the value chain transparent. This is laying the foundation to accurately track our progress in reducing carbon emissions.

Company Emissions   GRI 305-1; GRI 305-2; GRI 305-3

Together with an independent auditor, we annually assess our company's carbon footprint, reflecting the total CO2 emissions released within the defined system boundaries, to create more transparency. Based on the results, business practices, processes, and reduction measures are regularly reviewed. The assessment and calculation are based on the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG protocol), the world's most widely-used accounting standard for greenhouse gasses. The GHG protocol serves in developing and promoting internationally accepted greenhouse gas (GHG) accounting and reporting standards through an open and inclusive process. Within the GHG protocol, emissions are divided into three emission streams.

Scope 1 includes all emissions generated directly by Everphone, 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.

The overall emissions of the business activities of Everphone for fiscal year 2021 amount to 9,048.85 t CO2.

ACTION POINTS	TIMEFRAME	CURRENT STATUS
Assess company carbon footprint (incl. scope 3), including external validation.	Annually	Completed for 2021
Compensate for of unavoidable company emissions.	Annually	Completed for 2020
Develop and publish environmental directive.[1]	2023	Planned
Use 100% green energy for our facilities.	2022	Completed
Implement smart heating & lighting.	2024	Initiated
Assess environmental impact of logistics and design operations to be environmentally efficient in terms of emissions and waste.	2023	Planned
Expand our network of logistics partners with providers offering lower-emission transportation.	2025	Ongoing
Train and motivate employees to act environmentally responsible.	2022	Ongoing

[1] ISO 14001, section 4.2 explains the requirements that environmental policies must meet in order to comply with the standards
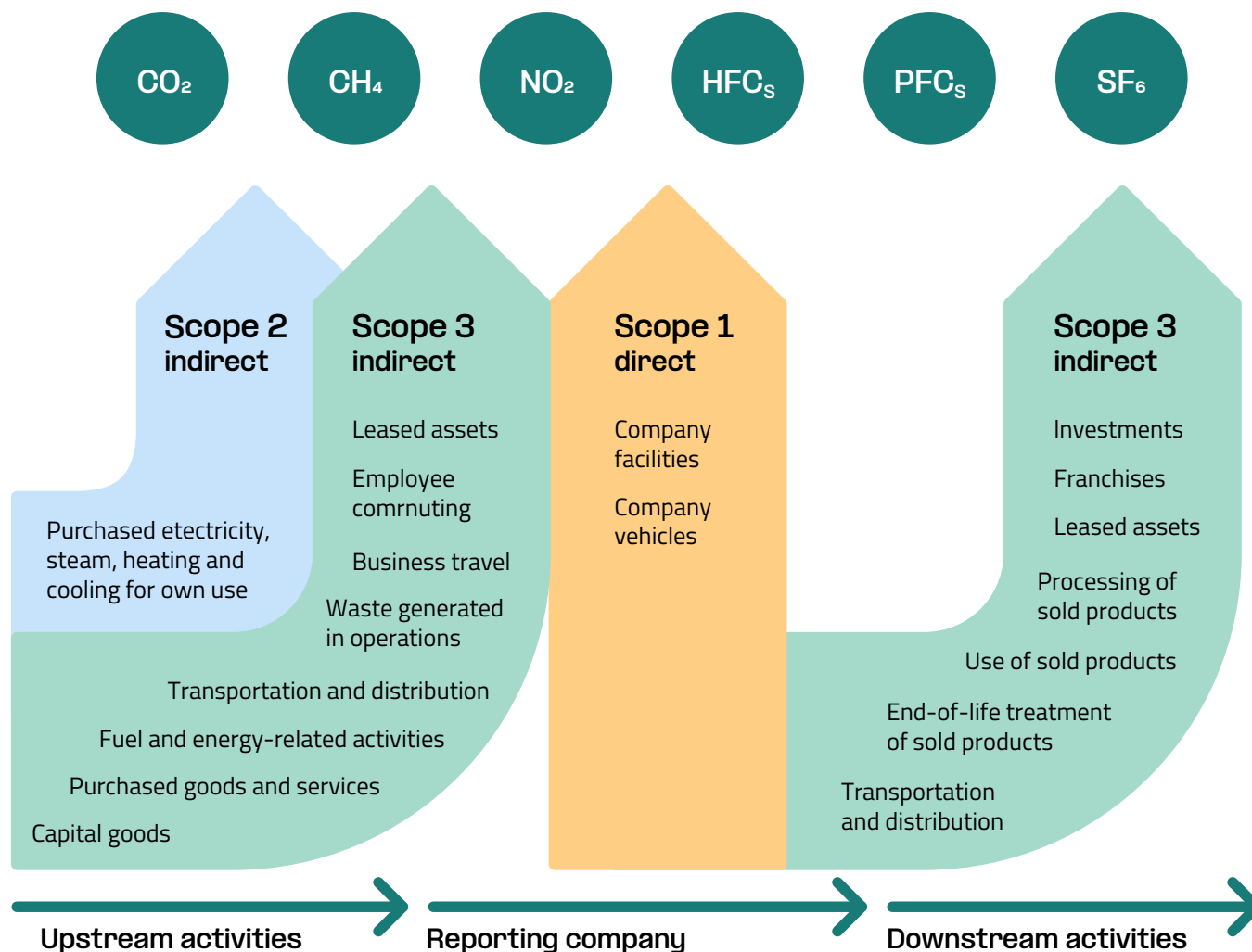
The following table shows the total emissions of Everphone per Scope:

Scope 1 emissions	2.99 t CO2e	0.0 %
Scope 2 emissions	52.21 t CO2e	0.6 %
Scope 3 emissions	8,993.65 t CO2e	99.4 %

In the process of calculating the emissions of **the three Scopes**, all relevant greenhouse gasses, as stated in the IPCC Assessment Report, were taken into account. In detail, the gasses carbon dioxide (CO2), methane (CH4), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3), were included. As several different gasses are included, they are converted to CO2 equivalents (CO2e) as a basic unit and multiplied by their global warming potential (GWP) to create comparability.

The table below shows Everphone's company carbon footprint broken down to the different degrees of **Scope 1, Scope 2**, and **Scope 3** as defined in the GHG protocol.

CO_2 CH_4 NO_2 HFC_S PFC_S SF_6

Scope 2 indirect

Purchased electricity, steam, heating and cooling for own use

Scope 3 indirect

Leased assets

Employee comrnuting

Business travel

Waste generated in operations

Transportation and distribution

Fuel and energy-related activities

Purchased goods and services

Capital goods

Scope 1 direct

Company facilities

Company vehicles

Scope 3 indirect

Investments

Franchises

Leased assets

Processing of sold products

Use of sold products

End-of-life treatment of sold products

Transportation and distribution

Upstream activities → Reporting company → Downstream activities

Source: GHG Protocol: Corporate Value Chain Accounting Reporting Standard, page 5

Emissions per employee in **Scope 1** and **2**:
217 kg CO2e

Reduction of Company Emissions (GRI 305-5)

The majority of Everphone's greenhouse gas emissions originate in **Scope 3**, more specifically from the purchase and use of rented-out devices, accounting together for 87.8 percent of the overall emissions. Those devices present the core of Everphone's business and in our pursuits to decrease emissions and advance circularity, we are focusing on expanding the share of refurbished devices in our device fleet, as elaborated in Chapter 6, Solution.

Logistics

Another significant part of Everphone's business is shipping devices directly to our business customers' employees. Taking responsibility for our transport-related emissions, we ship packages that contain devices within Germany via DHL GoGreen. Within DHL GoGreen, all CO2e emissions of our parcel volumes are offset by supporting various climate protection projects worldwide.

Green IT

Moving in the direction of so-called „Green IT" plays an important role at Everphone. The focus of our tech team is to continuously remove legacy

Scope	Greenhouse Gas Emissions by Category	2021 Emissions in t CO2e	2021 Emissions in %
1.1	Cooling	2.99	0.00
2.1	Electricity (stationary)	7.08	0.1
2.2	Purchased heating	45.13	0.5
3.1	Purchased goods and services	7,606.01	84.1
3.1.1	Devices rented out	6,879.01	76.0
3.1.2	Purchased goods and services (excl. devices rented out)	727.00	8.0
3.2	Capital goods - Equipment	14.78	0.2
3.3	Fuel- and energy-related activities	27.22	0.3
3.4	Upstream transportation and distribution	10.52	0.1
3.5	Waste	3.41	0.0
3.6	Business travel	60.88	0.7
3.7	Employee commuting (incl. home office)	201.61	2.2
3.11	Use of devices rented out	1,067.63	11.8
3.12	End-of-Life treatment of devices rented out (Footnote: 98 % of all devices are refurbished. EoL is therefore only applicable for 2 % of the devices.)	1.59	0.0

code to increase efficiency and reduce unnecessary energy consumption. Everphone does not operate its own data centers, instead hosting data on external servers to ensure that only the capacity needed is used by automatically scaling serverless applications up and down. At the server farm where Everphone's data is hosted, 82 percent of the power comes from renewable energy generated on-site. Everphone purposefully uses Go as its main programming language. This precompiled language, which focuses on high translation speed, results in low emissions. Precompiled means that, unlike other languages, it does not have to be compiled in each request, which lowers computing power and therefore emissions.

All laptops and smartphones used by Everphone employees are procured through Everphone's own "device as a service" model, avoiding e-waste and extending the life cycle of the devices.

Employees

Employees are called upon to support Everphone's goal of reducing its negative impact on the environment and are encouraged to actively communicate to the Sustainability body if they become aware of a process or operation that could be improved from an environmental point of view.

With many employees making daily trips to the office, incentivizing more sustainable commuting options is one of the measures that has been taken to reduce our employee-related carbon footprint. Everphone does not offer company car options but has a JobRad offer in place in order to facilitate access to high-quality bicycles. For 2023, we are also planning to implement an even more flexible work policy, which enables employees to create their own digital workspace and hence further decrease the need for daily employee commuting.

In addition to employees commuting, business travel is one of the focus areas of work directly related to employee behaviour. The overall need for business travel has been reduced via technical communication solutions. Where business traveling is unavoidable, employees are encouraged to use more sustainable options, such as trains. For employees who have to travel a lot due to their job, especially employees from the sales teams or employees with VP status or higher, Everphone provides a Bahncard 100. In 2023, we are additionally planning to introduce a new travel policy, clearly formulating a sustainable travel hierarchy, where less sustainable options cannot be chosen without prior clearance from the respective manager.

Everphone is powered by people—they are the core of our success. It is important for us not only to recruit highly qualified people, but also to keep them long-term. We want to create safe and healthy working conditions and a diverse and inclusive culture that makes employees feel empowered. Our employees are motivated towards high performance by engaging with them and offering them diverse professional development options. Everphone's goal is to offer a workplace and culture where employees feel a sense of belonging and can have an impact by making the most of their capabilities and talents.

Company Values

At the core of our company culture are five values that build the framework of integrity and a respectful approach towards colleagues, customers, and business partners.

- 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.

Employee engagement

In 2022, we focused on increasing our activities in engaging with our employees. Engaged employees are key to enabling the organization to develop and reach its goals because people who understand and connect with the company's values and purpose typically feel more involved. Keeping this in mind, we enhanced the number of forums to engage with employees and added different formats where employees could interact directly with C-level leadership, and contribute their points of view within a question and answer session.

Everphone performs frequent employee satisfaction surveys covering the topics of work environment, autonomy, engagement, rewards, leadership, communication, organizational fit, strategy, and development.

In 2022, we set up an additional comprehensive workplace survey that revealed in detail how employees feel about their workplace and working at Everphone. Interested employees then formed focus groups to develop further workplace topics together with the People and Culture Management Team. This resulted in two different focus groups with a total of 18 members.

ACTION POINTS	TIMEFRAME	CURRENT STATUS
Continue with employee engagement surveys and translate results into concrete measures.	2022	Ongoing
Develop company wide mentorship program.	2023	Planned
Set up mental health program for all employees.	2023	Ongoing
Launch an ERG framework for support and reporting.	2023	Planned
Create a bias free job application and interview process.	2024	Ongoing
Introduce diversity, equity, and inclusion training for leadership.	2023	Planned
Attract diverse people with a target group-specific approach and expand co-operations with external organizations.	2022	Ongoing
Conduct a pay equity review on an bi-annual basis to examine whether there are unfair differences in pay between employees.	2023	Planned

The positives which we took from the survey are that our employees:

- are given sufficient autonomy to contribute their best
- understand the goals of their department and how their work contributes to them
- have access to all necessary work equipment and materials

Points of improvement that are being worked upon within the focus groups:

- To offer of a better mental & physical health support system
- To offer additional collaboration spaces

With the positive feedback which we received from employees regarding the survey format, we will continue to conduct such formats in 2023.
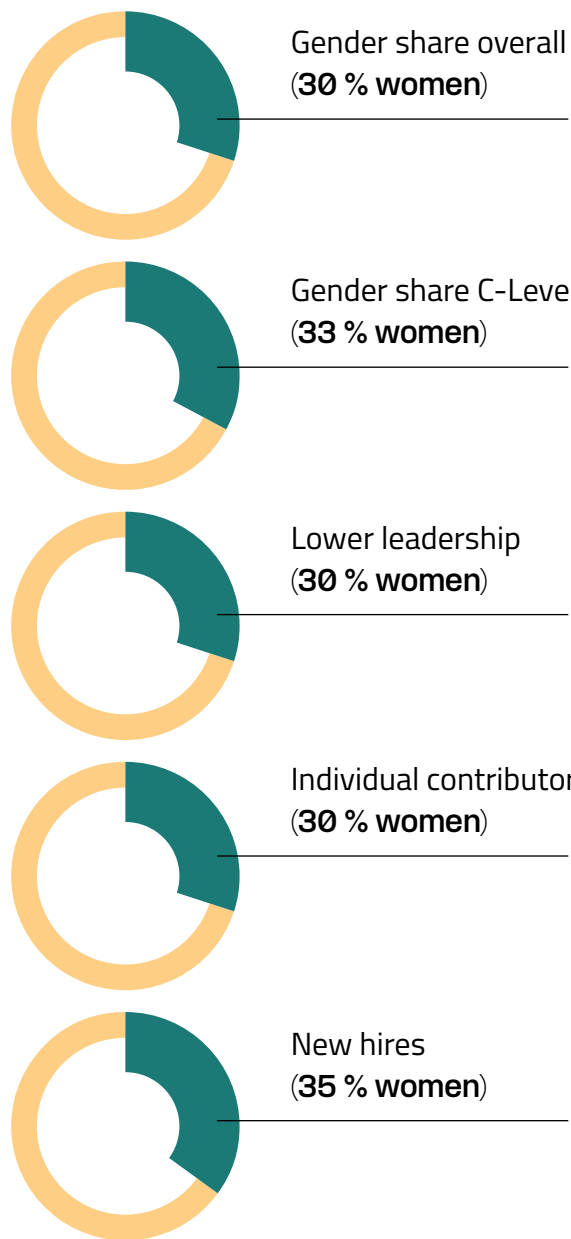
Diversity GRI 405

Everphone's vision for diversity, equity, and inclusion is to offer equal opportunities to everyone. We encourage employees to bring their individual experiences and skills to Everphone and create an environment whereby all employees feel equally valued and safe to contribute their best. We expect all employees to treat each other with respect and dignity and respect individual differences. These differences can include skills, experience, perspective, gender, age, disability, ethnicity, cultural or socio-economic background, religion, sexual orientation, political or ideological beliefs as well as other dimensions of diversity. Those principles are anchored in our code of conduct for employees which applies to everybody at the company.

In this context, we identified the share of women in the workforce, especially within leadership, as one of our priorities. We set ourselves a concrete goal of reaching 30 percent representation of women in leading positions by 2023, because research has shown that 30 percent is the tipping point for diversity to have a real impact on teams. In 2022, we already achieved this goal. At the C-level, we have reached a ratio of two women to four men, translating into a 33 percent share of women in our highest management body. In lower leadership positions and on individual contributor level the percentage of women is at exactly 30 percent.

Data on the diversity of our employees

In 2023, to continue to reinforce our "diversity, equity, inclusion" strategy, we are expanding our activities to other dimensions of diversity, focussing among others, on age. As it is common for startups,

Gender share overall
(**30 % women**)

Gender share C-Level
(**33 % women**)

Lower leadership
(**30 % women**)

Individual contributor
(**30 % women**)

New hires
(**35 % women**)

our workforce is relatively young, with the age average among all employees being 33 in 2022. Our approach is to further foster a culture where everybody is aware of those topics and give underrepresented groups the opportunity to voice their wishes and concerns in a bottom-up setup like ERG groups.

	Gender	Age				TOTAL
MANAGEMENT LEVEL		<30	30–50	>50	N/A	
Upper (C−level)	Female	0	2	0	0	2
	Male	0	4	0	0	4
	Divers	0	0	0	0	0
Lower (all others)	Female	0	12	0	0	12
	Male	2	35	1	0	38
	Divers	0	0	0	0	0
INDIVIDUAL CONTRIBUTOR						
	Female	27	31	3	0	61
	Male	59	75	1	1	136
	Divers	0	1	0	0	0
TOTAL		88	160	5	1	**254**

Share of people of different age groups

<30 = **35%**

30—50 = **63%**

>50 = **2%**
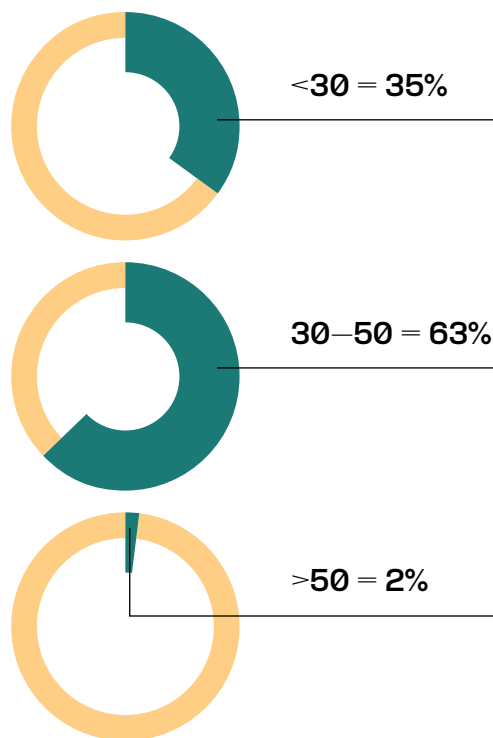
Employee Resource Groups (ERGs)

Employee Resource Groups (ERG) are actively promoted within Everphone. Employees are encouraged to participate and the People and Culture department facilitates the founding, execution, management, and realization of projects.

In 2022, the two first ERGs were founded within Everphone, covering the topics of Female Empowerment and LGBTQIA+. Within a survey, we investigated the interest in launching additional ERGs, expanding the scope of employees identifying with the ERGs' different identities and purposes. These ERGs present an open forum for employees who share a common identity, to raise common concerns or issues that are then shared with the Everphone leadership and both parties engage in developing solutions to address the topics.

ERGs are voluntary, employee-led groups that foster a diverse, inclusive workplace, aligned with organizational missions, values, goals, business practices, and objectives. Within ERGs, underrepresented employees support one another in building their community.

Professional Development and Training

GRI 404-1; GRI 404-2

Attracting and developing talent is crucial to our ongoing success. Everphone supports employees in continuously expanding their knowledge and skills with different in-person and hybrid courses, as well as e-learnings. In 2022, Everphone rolled out an online training academy, the Everphone Academy, a platform available to all employees. The over 650 modules are offered in English and German and cover the following topics: Analytics, Communication, Customer Service, Finance, HR, Leadership, Marketing, Mental Health, Operations, Personal growth, Project management, Sales, Tech, Web Development, and more.

Employees can also have access to the e-learning formats offered by LinkedIn on request.

The table below only represents the time employees have spent on the Everphone-internal online training academy. Other training formats were not tracked systematically in 2022.

Everphone Leadership Academy

We expect leaders to be role models and to drive responsible and sustainable business.

In 2022, we developed and started a dedicated leadership program, covering topics such as empowering your team, creating an inclusive team, supporting career development, and discussing performance among others.

The Everphone Leadership Academy is aimed at current people leaders and the first cohort has successfully completed the course. For 2023, we are planning to add another program, targeting employees who may or may not have previous management experience to prepare to take over more advanced leadership roles.

Employee structure (GRI 102-7; GRI 102-21)

Everphone's workforce is growing along with its business. The number of employees increased by 22 percent from 207 in 2021 to 254 in 2022. The age average among all employees being 33 in 2022. The split of those employees in full-time and part-time as well as permanent and temporary can be found in the table to the right. Most of the part-time employees are working students (27). The turnover of employees during all months of 2022 was on average 3.46 percent, with 164 people joining the company during 2022.

Everphone learning platform usage in Germany in 2022

Total training time	1 month, 6 days, 11 hours
Training time per employee	3.35 hours
Completed courses	538
Completed surveys (in Everphone Academy)	54
Rating on courses	96 %
Logins	1178 logins from 146 users

Everphone employees in Germany in 2022

Employees & Managing Directors	207
Apprentices (Auszubildende)	6
Midijobber & Minijobber	6
Interns, Trainees & Working Students	35
TOTAL	254

All employee data refers to head count and to employees working at Everphone as of the 31st of December 2022. "Temporary" refers to employees who have a temporary contract (with an end date), whereas "permanent" employees' contracts are unlimited.

"Part-time" refers to working students, mini jobbers, and employees working fewer than 40 hours per week, which constitutes "full-time" at Everphone.

New hires in 2022

New hires include all categories of employment: full-time, part-time, temporary, and permanent employees.

GENDER	Permanent	Temporary	Full-time	Part-time
Female	63	12	58	16
Male	162	15	149	30
Divers	1	—	1	0
TOTAL	226	27	208	46

GENDER	Age group			TOTAL
	<30	30—50	>50	
Female	27	29	2	58
Male	47	58	0	105
Divers	0	1	0	1
TOTAL	74	88	2	164

10 Ethics

Information security, data protection, and confidentiality are essential for Everphone's business. For us, compliance with legal provisions, such as the EU General Data Protection Regulation (GDPR), is a matter of the utmost importance. This complex of topics concerns the very core of Everphone's business model and a breach would pose an immense risk to our reputation and could be severely damaging to our ongoing success as a company.

In the areas of security, governance, risk, and compliance, we are focussing in particular on data processing, information flow, communication channels, and customer data protection. Everphone data resides in an EU data center, located at Google Cloud Platform (GCP) in Belgium.

Regarding data protection, we concentrate on ensuring our continuous compliance with the GDPR requirements. The objectives of the GDPR are to protect the fundamental rights and freedoms of natural persons and in particular their right to the protection of personal data and the continued free but secure transmission of personal data.

Guidelines & Processes

Documented guidelines and processes contribute to raising awareness among all Everphone employees regarding the principles of data protection, information security, confidentiality, and other important policies, as well as ensuring compliance with legal requirements. Relevant documents include:

- The Everphone code of conduct, which comprises binding rules of conduct for all employees
- General training documentation on the GDPR and our data protection policy
- The Central Information Security Policy, the Central IT Compliance Policy, and the Information Security Policy for employees, which we will roll out in 2023 in response.

Everphone has also implemented processes to report information-security and data-protection incidents.

Tools

To support the development of our information security and to prepare for the ISO 27001 certification, we implemented VANTA as our new Security Management System in 2022. This tool helps us to organize all necessary documents and tracks relevant

ACTION POINTS	TIMEFRAME	CURRENT STATUS
Introduce compliance training series for all employees.	2023	Ongoing
Further development of the content and awareness of Everphone's internal Code of Conduct.	2023	Planned
Develop donation and sponsoring guidelines.	2022	Planned
Roll out and adapt policies for ISO 27001 certification.	2023	Ongoing
Further enhance the privacy standard of our services.	2023	Ongoing
Assess vulnerability and accessibility status quo of website and portal and and deduce appropriate measures.	2023	Completed

changes and responsibilities. Additionally, we analyzed our website regarding web accessibility. Web accessibility means that websites, tools, and technologies are designed and developed so that people with disabilities can use them. Based on the analysis, we rolled out a tool in order to meet all accessibility requirements of the website.

Training

Additionally to implementing necessary tools, training employees on data protection and cyber security is key to reduce the risk of data and security breaches. To educate Everphone's workforce and to follow legal requirements, employees have been receiving e-learnings on data protection as well as cybersecurity in 2022. These training courses are regularly updated to reflect current requirements and include an exam to ensure that the essential aspects have been properly understood. All Everphone employees have to take the course annually to make sure they are able to properly follow the guidelines and are aware of any new requirements. In 2023, we will extend our existing e-learning on information security and incorporate focus group sessions. The sessions will target specific teams in Everphone, such as IT Operations, Sales, and Product and will further heighten the privacy education of our employees.

Evaluation of Compliance (GRI 102-27)

Everphone creates an audit plan which specifies regular security tests to be performed at the beginning of every year. These tests are part of the regularly required security measures and include penetration tests that verify the security of our system components, network, and software system applications. Additionally, ad-hoc tests are performed when necessary to address changing services, new developments, or innovations. To ensure company-wide compliance with the requirements of the EU GDPR, our privacy, risk and compliance manager, together with our external data protection officer, performs data security analyses based on the requirements. The purpose of these analyses is to identify any gaps and formulate appropriate measures. To the best of our management's knowledge, there was no non-compliance with laws and regulations, substantiated complaints concerning breaches of customers' privacy or losses of customer data reported in 2022. For 2024, we intend to have Everphone certified to DIN EN ISO 27001 and SOC standards.

11 Partnerships

For Everphone it is essential to conduct business in a responsible and sustainable way and we expect our partners to do the same. We therefore increasingly engage with actors in our ecosystem to promote these values and create more transparency along the supply chain.

We are committed to the conventions of the International Labour Organisation (ILO) and the principles of the UN Global Compact. Ensuring fair working conditions is anchored in the Everphone culture and is formulated within the code of conduct for employees which applies to everybody at the company. We see fair working conditions and sustainable and responsible business conduct as important factors in choosing our business partners. We expect all our business partners to carry out their business activities with integrity. In particular, we expect our business partners to comply with the law that is applicable to them, e.g. the Universal Declaration of Human Rights (UDHR), including the core labor standards of the International Labor Organisation (ILO) and the law on anti-corruption, data privacy, competition, and the environment.

Code of Conduct for Business Partners

In 2022, to enforce our requirements to partner companies as described above, Everphone designed a code of conduct for business partners as a control mechanism. Within this code, Everphone defines requirements and principles for its business dealings with its business partners, in particular those relating to compliance with environmental and social standards, ethics, applicable laws as well as integrity. All newly contracted partners along the value chain are requested to sign this code of conduct or to supply their own equivalent documentation. The business partners commit to implementing the principles, comply with them, and to promote them along their own supply chain.

Signatories of the Code of Conduct for Business Partners

In this table we refer to companies from whom we purchase smart devices such as smartphones, tablets, and laptops or to whom we sell devices.

ACTION POINTS	TIMEFRAME	CURRENT STATUS
Develop and implement mandatory code of conduct for business partners.	2022	Completed
Develop and implement mandatory questionnaire for downstream partners with focus on waste and actual refurbishment rate.	2022	Completed
Develop and introduce sustainable procurement policy.	2023	Planned
Prioritize our portfolio of suppliers & partners with those who offer sustainable options and consider social and environmental criteria in their supply chains.	2023	Ongoing
Establish a process to systematically evaluate our direct suppliers with respect to ecological and social responsibility through enhanced supplier management and auditing procedures.	2025	Planned
Develop method to quantify and assess 2nd life rate effectively.	2023	Planned

Transparency along the supply chain

Everphone aims at creating more transparency regarding environmental and social practices along our value chain. We are aware that we operate in an industry with high environmental and social impact along all the steps of a device's life cycle, from production and assembly to the end-of-life treatment. We take responsibility by demanding more transparency and developing an assessment of the practices of our partners. In 2022, Everphone conducted its first survey among all downstream partners to collect information about their sustainability efforts and policies. In 2023, we are preparing to conduct a survey among our suppliers and use the results to create an evaluation logic for upstream- and downstream partners.

Evaluation of Partners

Everphone aims to require all long-term up- and downstream partners to participate in a sustainability performance evaluation, where progress and commitments will be monitored regularly. In 2024, we will develop a catalog of criteria to include in the evaluation questionnaire and form the basis of our procurement policy, a guideline for all our purchasing decisions that will be launched in 2023.

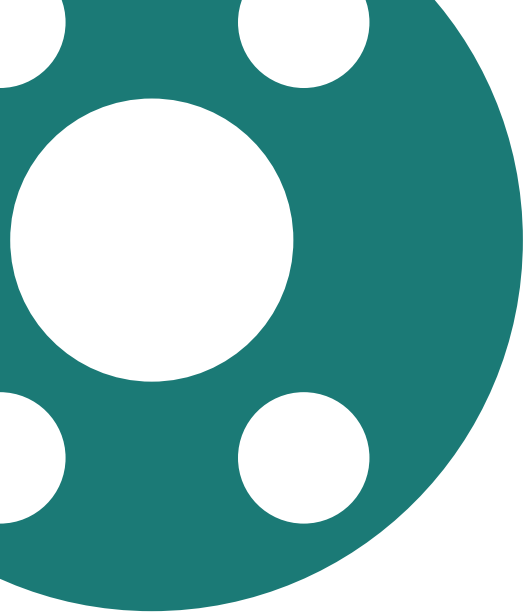|	
Number of suppliers	**22**
Number of downstream partners	**17**
Number of suppliers with a comparable Code of Conduct	**3**
Signed and submitted CoC or comparable documentation in relation to overall suppliers and downstream partners	**93%**

12 GRI Content Index

The Everphone Group has reported in accordance with the GRI Standards for the fiscal year 2022.

Standard used:

GRI 1 Foundation 2021

GRI STANDARD	CONTENT	REMARK	REFERENCE
GRI 2 General disclosures 2021			
The organization and its reporting practices			
102-1	Organizational details		About this report; About us
102-2	Entities included in the organization's sustainability reporting		About this report
102-3	Reporting period, frequency and contact point		About this report
102-4	Restatements of information	This is our first report, no information needs to be restated.	
102-5	External assurance	The report was compiled by Everphone without external assurance.	About this report
Activities and workers			
102-6	Activities, value chain, and other business relationships		About us
102-7	Employees	Region not relevant since all employees of entities included in the reporting are employed in Germany. Non-guaranteed hours employees are not included, since there are none at Everphone.	Social
102-8	Workers who are not employees	Not relevant, since Everphone only works with a very limited number of freelancers. Everphone does not work with other workers who are not employees.	

GRI STANDARD	CONTENT	REMARK	REFERENCE
Governance			
102-9	Governance structure and composition		Sustainability at the core
102-10	Nomination and selection of the highest governance body		Sustainability at the core
102-11	Chair of the highest governance body		Sustainability at the core
102-12	Role of the highest governance body in overseeing the management of impacts		Sustainability strategy; sustainability at the core
102-13	Delegation of responsibility for managing impacts		Sustainability at the core
102-14	Role of the highest governance body in sustainability reporting		About this report
102-15	Conflicts of interest		Sustainability at the core
102-16	Communication of critical concerns	To the best of management's knowledge, no critical concerns were raised during the reporting period.	Sustainability at the core
102-17	Collective knowledge of the highest governance body		Sustainability strategy; Sustainability at the core
102-18	Evaluation of the performance of the highest governance body	Currently the highest governance body is not evaluated based on its sustainability performance.	Sustainability at the core
102-19	Remuneration policies	Confidentiality constraints due to sensitive data.	

GRI STANDARD	CONTENT	REMARK	REFERENCE
102-20	Process to determine remuneration	Confidentiality constraints due to sensitive data.	
102-21	Annual total compensation ratio	Currently the data is incomplete, but initiated a pay review to examine the differences in pay between employees.	

Strategy, policies and practices

GRI STANDARD	CONTENT	REMARK	REFERENCE
102-22	Statement on sustainable development strategy		An introduction by our CEO & Founder, Jan Dzulko
102-23	Policy commitments		Sustainability strategy
102-24	Embedding policy commitments		Sustainability strategy
102-25	Processes to remediate negative impacts	No grievance mechanisms were installed in 2022 but will be implemented in 2023.	Sustainability strategy, Sustainability at the core
102-26	Mechanisms for seeking advice and raising concerns		Sustainability at the core
102-27	Compliance with laws and r egulations		Ethics
102-28	Membership associations		External frameworks and initiatives

Stakeholder engagement

GRI STANDARD	CONTENT	REMARK	REFERENCE
102-29	Approach to stakeholder engagement		Sustainability at the core

GRI STANDARD	CONTENT	REMARK	REFERENCE
102-30	Collective bargaining agreements	The Everphone Group is not bound by any collective pay agreement. We initiated a pay equity review to examine whether there are unfair differences in pay between employees and check our salaries against external benchmarks.	

GRI 3 - Material topics 2021

103-1	Process to determine material topics		About this report
103-2	List of material topics		About this report
103-3	Management of material topics		Sustainability strategy

GRI Standard - Material Topics

305 Emissions 2016

305-1	Direct (Scope 1) GHG emissions		Environment
305-2	Energy indirect (Scope 2) GHG emissions		Environment
305-3	Other indirect (Scope 3) GHG emissions		Environment
305-5	Reduction of GHG emissions		Environment

306 Waste 2020

306-1	Waste generation and significant waste-related impacts		Solution
306-2	Management of significant waste-related impacts		Solution

404 Training and Education 2016

404-1	Average hours of training per year per employee	Everphone's training system did not track gender nor employee category in 2022.	Social
404-2	Programs for upgrading employee skills and transition assistance programs		Social

405 Diversity and Equal opportunity 2016

405-1	Diversity of governance bodies and employees		Social

418 Customer privacy

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Ethics

308 Supplier Environmental assessment 2016

308-1	New suppliers that were screened using environmental criteria		Partnerships

414 Supplier Social assessment 2016

414-1	New suppliers that were screened using social criteria		Partnerships

Legal Notices and Contact Details