

CORPORATE SOCIAL RESPONSIBILITY POLICY

of usd AG



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Preamble

Corporate Social Responsibility (CSR) is the social responsibility of companies in terms of sustainable business. It is based on the three-pillar model of sustainable development, which includes social, ecological and economic aspects such as fair business practices, employee-oriented HR policy, economical use of natural resources, protection of the climate and environment and serious local commitment. The following guideline describes the principles and requirements to which the Executive Board, management and employees of usd are committed in this context.

“We refrain from behavior that violates laws, regulations and rules. Always remember: We are the good guys. Each of us looks beyond the boundaries of our own task. Always keeping an eye on what serves our clients, “more security” and our community as usd. In order to gain and maintain the trust of our clients and business partners, we treat each other with respect and responsibility. Regardless of whether you are a colleague, client, partner, competitor or service provider. We act independently and fairly.

Everyone at usd bears responsibility. For our clients, ourselves and each other, but also for our planet and future generations.”

Manfred Tubach, CEO & Founder of usd AG

1. General information and principles

1.1 Purpose of this policy

This policy forms the framework of our CSR management system. It describes our goals and initiatives and at the same time defines the requirements and our internal organization for implementing our CSR initiatives. In the first step, we focus on achievable goals for our company and thus make a direct contribution to achieving the global goals, see chapter 4.

1.2 Responsibility and accountability

Overall responsibility for CSR management lies with the Executive Board of usd, which also adopts the objectives and associated measures required for CSR management as part of its strategic corporate planning. Responsibility for the implementation, content and monitoring of compliance with defined measures has been transferred to the Compliance & Legal organizational unit, represented by Executive Board member Andrea Tubach. Responsibility for the operational implementation of

the requirements defined in the CSR management system lies with the divisional management of the respective usd business and central divisions. They are responsible for actively supporting the implementation of measures, writing them down in internal process documentation and, in particular, complying with and driving forward the implementation of the defined measures within their own division. The key performance indicators (KPIs) defined and monitored in this context are transferred once a year to the CSR management system, which is consolidated in the Compliance & Legal organizational unit.

Consolidated results and recommended measures from the CSR management system are presented at Executive Board level as part of the annual management review. They form the basis for the budget planning of the CSR measures portfolio for the following financial year and are approved by the Executive Board.

Significant deviations from agreed CSR targets during the year are also communicated to the Compliance & Legal organizational unit outside of the annual reporting cycle. As part of a structured decision-making process, the severity of the deviation and its impact on stakeholders are taken into account when deciding whether additional measures or adjustments to the approved plan will be made during the year.

Part of the organization of the CSR management system is the internally established Responsibility Circle. It consists of a community of employees from various usd divisions who are actively involved in the design and planning of CSR measures.

1.3 Validity and review

The CSR policy applies to all usd locations and their employees. It is reviewed and adjusted annually if one of the following conditions is met:

- Changes to important references and underlying standards.
- New findings on existing and insufficiently addressed CSR aspects.
- Changes in the requirements of relevant stakeholders (e.g. clients, suppliers) that are addressed by the usd Code of Ethics and Conduct.

1.4 Obligation to comply with laws

usd complies with legal requirements and obligations wherever it does business. In addition, where it makes sense, we also act before the date of the required legal stipulation and align our processes for the future.

2. Responsibility Circle

Corporate Social Responsibility is close to our hearts and must be a subject that we work on as a community and constantly develop further. For this reason, the Responsibility Circle offers the opportunity to plan and promote joint activities on various CSR topics. Employees from various usd divisions are invited to submit their own ideas, suggestions and proposals. This concept enables us to receive new ideas directly from our employees and thus broaden the circle of those responsible and our perspective.

3. External CSR initiatives

The United Nations Global Compact (UNGC) was founded in 2000 as a global initiative for sustainable corporate governance. 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 areas 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.

The relevance of each of the 17 SDGs is undisputed. Taking usd's corporate strategy and business purpose into account, five of the 17 sustainability goals were prioritized as the focus. This focus enables targeted implementation of the defined measures and transparent monitoring via defined KPIs.

4. usd Focus Sustainable Development Goals (SDGs)

4.1 SDG 4: High-quality education

We bear responsibility. We share the knowledge we gain through our practical work and our research with the security community in open events at the CST Academy, training courses and publications. We invest in qualified junior staff and have established an excellent professional on-the-job training program over time. After a successful onboarding process, each employee has an annual budget for professional and personal development, which is discussed at least every six months in employee development meetings. We also maintain numerous partnerships with universities and colleges and teach young people about IT security in a practical way in seminars and lectures. The aim is for usd to offer a practical lecture on information security at a minimum of one German university or college every year. In this way, we promote the training of IT security specialists, who will be needed more and more urgently in Germany as a business location in the future.

The People & Culture and CST Academy organizational units are responsible for driving forward the SDG of “high-quality education”. However, the experts and managers from the business units make the greatest investment in terms of time. As part of the continuous improvement of onboarding processes, regular discussions with employees regarding personal training, among other things, and the preparation and implementation of seminars and lectures at colleges and universities, usd employees make a valuable contribution both inside and outside our company. Our goal is to invest 5% of our available working hours in high-quality education.

4.2 SDG 5: Gender equality

According to a survey conducted by Bitkom in 2023, the average percentage of women in the total workforce at a company with 50 - 499 employees is 16% on average¹. With around 25% women, usd is already well above this average. More male specialists are still being trained in the STEM fields in particular. However, as the Federal Statistical Office (Destatis) reported in January 2024, the proportion of women among first-semester students in the STEM fields has increased: While it was at 31% in 2002, it rose to 35% in 2023. In computer science, which is particularly relevant for usd, the proportion of women among first-year students in their first semester was just under 23% in 2023. These figures naturally also have an impact on the proportion of women within the specialist market for IT security experts. Equal opportunities for women to take on management roles at all levels and make decisions in a corporate context are even more important given the industry background. All personnel decisions at usd, from recruitment and development to the granting of flexible working hours or parental (part-time) leave models and promotions, are made regardless of gender. We aim to approve 100% of parental (part-time) leave requests submitted, where possible, in the desired models and thus contribute to promoting equality in child rearing.

As a modern company, we are gradually striving to significantly exceed the above-mentioned average for the IT industry. Our goal is to achieve a usd-wide female quota of 30% by the end of the 2027 financial year.

People & Culture is responsible for this global goal company-wide. However, various measures ensure that acceptance is secured across the entire company and is exemplified by all managers.

¹ <https://www.bitkom.org/sites/main/files/2023-04/Bitkom-ChartsFraueninderITK2023.pdf>

4.3 SDG 8: Decent work and economic growth

As a company with exclusively German locations, we are naturally subject to strict requirements regarding the working conditions of our employees. In addition to modern offices and flexible working hours for a good work-life balance, high occupational health and safety standards apply. As an international consulting company, we also respect the national rights in the countries in which our colleagues work on assignments abroad.

The Supplier Chain Duty of Care Act (Lieferantenkettensorgfaltspflichtengesetz, LkSG) also regulates the extended protection of working conditions in the supply chain. Even if usd is not yet subject to the legal requirements of the LkSG due to its size, integrity, trust and legally compliant action are of the highest priority for us. We therefore already require our suppliers to comply with our established principles via the usd Code of Ethics and Conduct in order to maintain a successful business relationship. These principles not only form the basis for responsible conduct and fair competition, but are also intended to help avert legal risks and potential reputational damage at an early stage.

The internally and externally communicated whistleblower reporting procedure “Tell us!” for reporting violations was also introduced before there was a legal obligation to implement it and has been active since January 1, 2022.

In a world in which economic growth also depends on the successful digitalization of processes in all areas, usd makes a valuable contribution as an IT security consultancy. Through the continuous optimization of our service portfolio and the ongoing training of our employees in the areas of technology, standards and industry-specific security requirements, usd's contribution to economic growth is also growing. We also provide an annually growing number of high-quality jobs in Germany as a business location.

The Executive Board of usd is primarily responsible for compliance with the goal “Decent work and economic growth”. The strategic orientation and successful market development of our Sales division influence our economic growth. The Compliance & Legal, People & Culture and Procurement divisions ensure decent work through their actions in line with CSR goals and requirements.

4.4 SDG 12: Sustainable consumption and production

As a consulting company, usd focuses on sustainable consumption including a functioning, resource-conserving circular economy for this global goal. The focus topics are the recycling of IT equipment, the switch to digital processes and waste management (waste separation, avoiding food waste, etc.). The usd Code of Ethics and Conduct already mentioned under SDG 8 not only encourages business partners to comply with social principles, but also appeals to sustainable

responsibility. Even if usd is not yet obliged to do so, we have been publishing a sustainability report since 2022 to increase the transparency of our actions and activities.

Together with the Responsibility Circle, the Compliance & Legal division is responsible for providing input on new measures and reporting to the Executive Board.

4.5 SDG 13: Climate protection measures

usd is committed to carrying out its activities in harmony with the environment and nature. We are also committed to ensuring that our business activities are sustainable for future generations. As part of usd's environmental management, all aspects of our operations are continuously analyzed with regard to potential improvements for the benefit of the environment. For a climate-friendly organization, usd and all employees have set themselves the goal of protecting and maintaining the natural foundations of life, fulfilling all binding obligations, continuously improving the environmental management system and anchoring environmental protection as a matter of course in everyone's thoughts and actions. The possible measures resulting from this are checked for feasibility and cost-effectiveness and transferred to projects once they have been approved.

In this context, too, the Responsibility Circle and the Compliance & Legal organizational unit are the responsible drivers at usd for continuously improving climate protection measures and encouraging all usd employees to behave responsibly.

5. usd Code of Ethics

5.1 Ethical responsibility

5.1.1 Bribery and corruption

We are committed to complying with all applicable laws, rules and regulations relating to bribery and corruption and not to engage in any form of bribery or corruption in the course of our work or external relationships.

We shall act and make decisions free from the influence of extraneous considerations and interests and shall comply with the applicable anti-corruption provisions in this respect. We may not offer, promise, demand, grant or accept any services in business transactions unless they are appropriate in the context of direct cooperation. We are also obliged to disclose any dubious cases that could be regarded as corruption.

We also undertake to disclose dubious cases that could be considered bribery or corruption. Employees are required to report inquiries or claims regarding improper financial or other benefits of any kind related to the performance of our work to compliance@usd.de.

5.1.2 Fraud & money laundering

There are different types of fraud. We undertake to refrain from any kind of intentional deception with the aim of obtaining an unfair or illegal financial advantage. The contractual partner shall not take part in actions that aim at the inflow of illegally obtained assets into the legal cycle of the financial and economic world.

5.1.3 Conflicts of interest & impartiality

We separate our entrepreneurial interests from our own interests that would result in a conflict. Conflicts may arise in the context of personal relationships, financial advantages and/or cooperation with competitors. We decide and act without being influenced by commercial, financial or other pressure.

5.1.4 Anti-competitive practices

We shall comply with the standards of fair competition. For this purpose, we shall comply with the applicable laws that regulate dealings with competitors with regard to agreements and activities that influence prices and performance.

5.1.5 Gifts, gratuities and invitations

Accepting gifts, invitations or other benefits in an official context can give rise to conflicts of interest and constitute corruption. We therefore avoid situations that could suggest a conflict of interest or the appearance of a conflict of interest. We are aware of the risk that corrupt payments may be concealed behind donations, sponsorship services or memberships.

This applies in particular if these benefits have an influence on our business actions and decisions and third parties expect to benefit from them. This includes:

- Services in connection with current contract negotiations or business transactions.
- Benefits that are used to exert influence or pressure on business partners or other third parties or to obtain information about a competitor's offer or an ongoing procurement procedure.

5.2 Social responsibility

5.2.1 Prohibition of discrimination

As a fundamental value firmly anchored in our corporate culture, we treat each other with respect and fairness. Everyone is responsible for respecting the feelings of others in their actions. We always act in compliance with the General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz, AGG). We do not tolerate any form of discrimination or unequal treatment on the basis of ethnic origin, gender, religion, ideology, disability, age, pregnancy, sexual orientation and identity or any other protected characteristics. The personal dignity, privacy and personal rights of each individual shall be respected.

If questions arise in this regard or employees make observations that are contrary to our values and the law, the first point of contact for further processing the respective concern is a colleague from the People & Culture team, who will initiate the process defined for this purpose. In addition, we are committed to offering a HeroNight once a year as part of the CST Academy event format to promote in-house exchange with a focus on diversity and equality.

5.2.2 Health & safety at work

We have a safe working environment for our employees. We ensure occupational health and safety in the workplace so that the physical integrity and general health of our employees is never at risk. To this end, we work together with a service provider specializing in occupational health and safety to continuously implement legal requirements and regularly identify and implement potential for improvement within usd health management for our employees. In this context, the risk assessments are reviewed at the quarterly occupational safety committee meetings (ASA meetings) to ensure they are up to date and existing risks are analyzed and reassessed if necessary. The aim of usd is to offer our employees a health and safety program at least once a year.

5.2.3 Social security

Our employees benefit from the option of further social security. Our goal is for 80% of our permanent employees to have a company pension plan and 50% a term life insurance policy by 2026. Both types of social security are subsidized by usd.

5.2.4 Minimum wage & working time

We are committed to maintaining very good working conditions. Minimum wages generally set a wage floor for workers so that basic needs can be met. We go one step further and ensure that we pay 100% of our employees a living wage - regardless of their employment relationship. This is defined in the usd salary and competence level model. As an IT security company, we employ highly qualified people, regardless of department, who have numerous employment opportunities outside our company on the job market. The standards of our employees and therefore also our salary levels are far above the applicable statutory minimum requirements. We also ensure that applicable local working time restrictions are adhered to and are in line with industry practice.

5.2.5 Freedom of association

We respect the right of employees to freedom of association within the framework of the applicable rights and laws.

5.2.6 Child labor & forced labor

We reject any form of slavery, forced labor or bonded labor and guarantee our employees the right and the possibility to voluntarily give up employment. We undertake to comply with the international regulations on the minimum age for admission to employment and the prohibition and immediate elimination of child labor. Stricter national regulations regarding child labor are to be applied as a matter of priority and are demanded from suppliers via the usd Code of Ethics and Conduct, among other things. We do not tolerate any cooperation with a supplier who uses child or forced labor.

5.2.7 Commitment to research and teaching

Research in the IT security environment is just as much a part of our work as the exchange of knowledge within the security community. Because more security can only be achieved if many people make it their task.

Handling the findings of our work with responsibility is our top priority. We have intensively addressed the question of what this means for our conduct. We report vulnerabilities in standard products in a structured responsible disclosure process. Our aim is to ensure that at least 50% of the vulnerabilities we report to manufacturers are closed by the manufacturer every year, thereby achieving greater security in the long term.

5.3 Environmental protection and sustainability

We declare environmental and climate protection to be an integral part of our responsible corporate governance and are committed to the goal of protecting the environment for present and future generations. The principles and guidelines laid down for this purpose throughout usd are described in the “Environmental Policy of usd AG”.

6. Training of employees

In view of the increasing importance of human rights in the business context, 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 in the usd (usd Code of Ethics). The training must be completed annually by our employees. In 2023, the completion rate was 100%. Our target is a completion rate of at least 95%, which we therefore exceeded in 2023.

7. Supplier management

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 usd Code of Ethics and 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.

8. Continuous improvement

As part of the annual management review of the management systems implemented at usd (currently: information security management system in accordance with ISO 27001, quality management system in accordance with ISO 9001), a review of the CSR management system has been integrated since 2022.

In addition, an internal reporting and idea management process has already been established via the Responsibility Circle, which also enables ad hoc measures to be taken following approval by the Executive Board at the monthly meetings.