Sustainability Report
2020
## KEY FIGURES

Details on the key economic, social, and environmental figures given below can be found in the individual sections of this report.

<table>
<thead>
<tr>
<th>Key Figures</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL BUSINESS KPIs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (in €m)</td>
<td>5,102.9</td>
<td>5,194.1</td>
<td>5,366.2</td>
</tr>
<tr>
<td>EBITDA (in €m)</td>
<td>1,201.3</td>
<td>1,244.2</td>
<td>1,177.6</td>
</tr>
<tr>
<td>Earnings per share (EPS) (in €)</td>
<td>1.96</td>
<td>1.88</td>
<td>1.76</td>
</tr>
<tr>
<td>Free cash flow (in €m)</td>
<td>254.6</td>
<td>496.0</td>
<td>376.6</td>
</tr>
<tr>
<td><strong>RESPONSIBLE CORPORATE MANAGEMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of confirmed incidents of corruption</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Participation rate for Code of Conduct e-learning course (in %)</td>
<td>92.35</td>
<td>92.50</td>
<td>92.29</td>
</tr>
<tr>
<td><strong>CUSTOMER-RELATED MATTERS/PRODUCT RESPONSIBILITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of customer contracts – Consumer Access (in millions)</td>
<td>13.54</td>
<td>14.33</td>
<td>14.83</td>
</tr>
<tr>
<td>Number of fee-based accounts – Consumer Applications (in millions)</td>
<td>2.25</td>
<td>2.26</td>
<td>2.37</td>
</tr>
<tr>
<td>Number of free accounts – Consumer Applications (in millions)</td>
<td>37.00</td>
<td>37.59</td>
<td>39.40</td>
</tr>
<tr>
<td>Number of customer contracts – Business Applications (in millions)</td>
<td>8.06</td>
<td>8.15</td>
<td>8.45</td>
</tr>
<tr>
<td>Length of fiber-optic network (in km)</td>
<td>approx. 47,000</td>
<td>approx. 48,500</td>
<td>approx. 50,900</td>
</tr>
<tr>
<td>Number of shipments by 1&amp;1 Logistics (in million units)</td>
<td>5.40</td>
<td>6.90</td>
<td>6.03</td>
</tr>
<tr>
<td><strong>CORPORATE DIGITAL RESPONSIBILITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of reports of data privacy violations under the GDPR</td>
<td>49</td>
<td>86</td>
<td>39</td>
</tr>
<tr>
<td>German internet users using GMX/WEB.DE as weekly news source (in %)</td>
<td>–</td>
<td>13 / 12</td>
<td>12 / 12</td>
</tr>
<tr>
<td><strong>UNITED INTERNET AS AN EMPLOYER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>9,093</td>
<td>9,374</td>
<td>9,638</td>
</tr>
<tr>
<td>Staff turnover rate (in %)</td>
<td>8.9</td>
<td>8.96</td>
<td>6.70</td>
</tr>
<tr>
<td>Management positions filled internally (in %)</td>
<td>65</td>
<td>70.19</td>
<td>73.65</td>
</tr>
<tr>
<td>Women in management positions (in %)</td>
<td>14</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Hours training and education per employee</td>
<td>9.9</td>
<td>11.91</td>
<td>9.46</td>
</tr>
<tr>
<td>Absence due to illness (in %)</td>
<td>5.7</td>
<td>5.75</td>
<td>4.40</td>
</tr>
<tr>
<td><strong>CLIMATE AND ENVIRONMENTAL PROTECTION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy consumption (in MWh)</td>
<td>234,352.93</td>
<td>217,165.94</td>
<td>206,959.87</td>
</tr>
<tr>
<td>thereof electricity consumption (in MWh)</td>
<td>216,556.53</td>
<td>200,475.96</td>
<td>194,248.29</td>
</tr>
<tr>
<td>Energy intensity – data centers (in Wh/€)</td>
<td>29.20</td>
<td>25.76</td>
<td>24.42</td>
</tr>
<tr>
<td>Business travel and company car trips (in km million)</td>
<td>40.20</td>
<td>37.70</td>
<td>19.10</td>
</tr>
<tr>
<td>CO₂ equivalents (in tonnes)</td>
<td>37,522.12</td>
<td>40,443.31</td>
<td>31,233.40</td>
</tr>
<tr>
<td><strong>UNITED INTERNET AS A BUSINESS PARTNER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of purchased services (in €m)</td>
<td>2,066.05</td>
<td>2,048.47</td>
<td>2,317.92</td>
</tr>
<tr>
<td>Cost of purchased goods (in €m)</td>
<td>702.98</td>
<td>734.58</td>
<td>794.24</td>
</tr>
<tr>
<td><strong>OUR SOCIAL COMMITMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations collected by United Internet for UNICEF (in €m)</td>
<td>3.65</td>
<td>4.73</td>
<td>4.93</td>
</tr>
</tbody>
</table>

(1) Figures for 2019 and 2020 do not include one-time factors.
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KEY

ียง Internet link
ียง Definition
ียง Page reference
ียง GRI (number) Reference to GRI Disclosure
Dear reader,

United Internet AG’s successful track record as a leading European Internet specialist stretches back more than 30 years. Today, the Company has more than 25 million fee-based customer contracts and over 39 million users of ad-financed free accounts, plus a workforce of roughly 9,600 people. We take the social and business responsibilities resulting from this strong market position very seriously.

Sustainability has grown in importance in recent years, both socially and politically. The increasing interest shown by external stakeholders is demonstrated particularly clearly in the growing number of queries received from analysts and rating agencies. We are delighted that our efforts to achieve sustainability are being seen to bear fruit in this area as well.

This year marks the publication of United Internet AG’s fourth sustainability report, in which we provide transparency on all our action areas, plus their associated goals and measures. We combine our corporate values – a commitment to success, agility, a sound approach, fairness, openness, and responsibility – with the three core sustainability factors (ESG – environmental, social, and governance). We are also aiming to be a reliable partner for our investors, customers, employees, and other stakeholders in coming years – a partner that addresses the constantly changing framework in this area both in depth and critically.

It goes without saying that the COVID-19 pandemic was a challenge for us in 2020 – we had to respond both rapidly and extremely carefully to protect our employees’ safety to the greatest extent possible while also keeping all our business processes running. We were very successful in this thanks to the joint efforts of everyone involved.

What is more, I am pleased that we have good news to report in relation to environmental and climate protection. We expanded our internal data collection activities so as to obtain an even better overview of the positive and negative impacts of our economic activity. For example, we are focusing not only on getting the balance between availability and energy efficiency right in our data centers – something that we ensured in 2018 by obtaining ISO 50001 certification – but also on efficient, state-of-the-art standards at our new site in Karlsruhe, which was completed in 2020. In addition, we launched our “Jobrad” initiative last year, which gives staff an attractive incentive to switch from high-emitting means of transportation to environmentally-friendly bicycles. In addition, we significantly extended our further education and occupational health management offerings so as to create a value-driven, healthy working environment.

What is more, we also implemented other diversity promotion measures and consolidated activities as part of this process. We were also named a “Top Employer” for the ninth time in a row and won the HR Excellence Award sponsored by Quadriga and “Human Resources Manager” magazine in the “Diversity & Female Empowerment” category for our “Women explore” development and networking offering. Our expansion of our Supervisory Board to total six members, two of whom are women, is another clear sign of how we are strengthening diversity within the Company.
Corporate Digital Responsibility (or CDR for short) remains a key topic, and one that – in the form of the core issues of data protection and information security – is vital to our business model. Data security plays a key role in our company’s long-term success, since it forms the basis for customer trust. As a result, CDR will continue to be a core component of our sustainability strategy in the coming years.

Another milestone that we reached in the past year relates to United Internet AG’s social responsibility. The United Internet for UNICEF foundation cracked the 50 million € mark for donations in 2020, supporting a wide range of projects in the fight against hunger and poverty all over the world. The foundation has played a key role in United Internet AG’s CSR activities for the last 15 years, and it is important to us to be part of something good.

As a new Management Board member, I am looking forward to actively helping shape United Internet AG’s progress on sustainability going forward.
COMPANY PROFILE

Our Vision

Today, the internet is an indispensable information, entertainment, communication, organizational, and e-business medium for consumers and companies alike.

Due to its unrestricted geographical availability and increasingly rapid access speeds, it is becoming a universal infrastructure, supplying information and entertainment offerings on the one hand, and mobile and fixed network-based applications for consumers and businesses on the other.

Our vision is to supply private and business users with attractive ways of meeting their information, communications, and entertainment needs, and with cloud applications from our "Internet Factory," and to deliver these via more and more powerful broadband internet access products that are based on both mobile and fixed network technology.

By expanding its network, United Internet is laying the groundwork for enabling society to participate in the digital transformation process and to move safely around the digital world.

Our Business

United Internet is one of Europe’s leading internet specialists, with 25.65 million fee-based customer contracts (2019: 24.74 million; 2018: 23.85 million) and 39.40 million ad-financed free accounts (2019: 37.59 million; 2018: 37.00 million).

The Group’s operating business is broken down into the Access Division, which comprises the Consumer Access and Business Access Segments, and the Applications Division, which consists of the Consumer Applications and Business Applications Segments.

Consumer Access Segment

The Consumer Access Segment pools our fixed-network broadband products and mobile internet products (including associated applications such as home networking, online storage, telephony, and IPTV) for consumers.

Customers are offered these internet access products on the basis of fixed monthly subscriptions (plus variable, usage-driven top-up fees) with contractually agreed terms.

United Internet is one of Germany’s leading providers of broadband products (and particularly VDSL/vectoring and fiber-optic connections) via its 1&1 brand.

The Company uses its own fiber-optic network (1&1 Versatel) and covers the last mile in the case of VDSL/vectoring associations (“FTTC” = “fiber to the curb”) primarily via Deutsche Telekom’s BNGs/Layer 2 infrastructure (or Layer 3 outside its own fiber-optic network). In the case of direct fiber-optic connections (“FTTH” = “fiber to the home”), the last mile is bridged using city carriers offering FTTH connections and (with effect from April 1, 2021) Deutsche Telekom. Additional wholesale service providers are used for the legacy business with ADSL connections.

United Internet’s mobile internet products make it the leading MVNO in Germany.
As the sole MBA MVNO in Germany, United Internet has long-term, guaranteed rights to up to 30% of Telefónica Deutschland’s used network capacity, and hence extensive access to one of Germany’s largest mobile networks; these rights are held indirectly via 1&1 Drillisch AG, which it acquired in 2017. What is more, United Internet was one of the successful bidders in Germany’s 5G frequency auction in 2019, acquiring two frequency blocks of 2 x 5 MHz in the 2 GHz spectrum and five frequency blocks of 10 MHz each in the 3.6 GHz spectrum. This laid the foundations for building its own high-performance mobile network, so as to expand the value chain in this market in the same way as for with fixed networks. In February 2021, following a review by the European Commission, 1&1 Drillisch decided to accept an improved offer for national roaming from Telefónica Deutschland. If the contract is signed (scheduled for roughly mid-May 2021 according to the offer), this would represent another major precondition for the construction of our own network. Apart from its privileged access to Telefónica’s network, the organization also purchases standardized wholesale mobile network services from Vodafone.

The purchased network services are enhanced with end-user devices from well-known suppliers, and proprietary applications and services, setting it apart from its competitors.

The mobile internet products are marketed via the premium 1&1 brand and discount brands such as youfone and smartmobile.de, allowing the organization to offer the mobile network market a comprehensive range of products while also addressing specific target groups.

Business Access Segment

United Internet’s Business Access Segment offers a comprehensive range of telecommunications products and solutions to business customers under its 1&1 Versatel brand.

At the heart of 1&1 Versatel’s business model is a state-of-the-art fiber-optic network approximately 50,900 km in length, which is one of the largest in Germany and is being continuously expanded.

1&1 Versatel uses this to offer companies telecommunications products ranging from direct fiber-optic connections to customized, individual telecommunications solutions (voice, data, and network solutions). In addition, the 1&1 fiber-optic network is used for (wholesale) infrastructure services for national and international carriers and ISPs.

The fiber-optic network directly connects commercially used buildings and government sites (“FTTB” = “fiber to the building”).

Consumer Applications Segment

The Consumer Applications Segment is the home of United Internet’s consumer applications. These primarily include personal information management applications (e-mails, to-do lists, appointment/address management), and online (cloud) storage, along with domains, consumer website solutions, and office applications.

The portfolio has been successively expanded, and the GMX and WEB.DE brands – the largest e-mail providers in Germany for years – have been transformed in recent years from pure-play e-mail suppliers to end-to-end hubs for user communications, information, and identity management.

The consumer applications are largely developed in-house and operated in the Group’s own data centers.
The products are offered as pay accounts or ad-financed free accounts. The latter are monetarized using classic and increasingly also programmatic (i.e., data-driven) online advertising. United Internet Media is responsible for marketing.

United Internet’s business with these ad-financed and fee-based consumer applications is focused on Germany, Austria, and Switzerland in particular and uses the GMX and WEB.DE brands; the Company is one of the leading providers in this space.

This segment, like others, has also been driving forward its internationalization since taking over the US provider mail.com at the end of 2010. In addition to the USA, mail.com has a presence in other countries including the United Kingdom, France, and Spain.

**Business Applications Segment**

United Internet’s Business Applications Segment opens up internet-based business opportunities for freelancers, self-employed professionals, and SMEs and helps them digitalize their processes. It does this by providing a broad range of high-performance applications such as domains, websites, web hosting, servers, cloud solutions, e-shops, group work, online (cloud) storage, and office applications that customers can use on a subscription basis.
Building on the hosting packages that have proven their worth millions of times, the product range has been expanded over the past few years to include numerous cloud-based e-business solutions.

The applications are developed in the Company’s own development centers or in cooperation with partner organizations, and are run on more than 90,000 servers in 10 data centers.

United Internet’s Business Applications Segment is also an international leader in its field, with activities in Europe (Germany, France, the United Kingdom, Italy, the Netherlands, Austria, Poland, Switzerland, and Spain, among other countries) and North America (Canada, Mexico, and the USA).

The business applications are marketed to specific target groups using a variety of differently positioned brands: IONOS, Arsys, Fasthosts, home.pl, InterNetX, Strato, united-domains, and World4You. In addition, United Internet offers customers professional, active domain management services under its Sedo brand, whereas CM4all (acquired as of February 1, 2021) offers other hosting providers a white-label website builder for creating high-quality websites.
RESPONSIBLE CORPORATE MANAGEMENT
The Basis for Acting Responsibly

Corporate Governance

United Internet AG’s Management Board and Supervisory Board consider it their responsibility to ensure the Company’s continued existence and create sustainable value by managing it responsibly and for the long term. For United Internet, running a business involves more than pursuing economic goals – the Company also sees itself as having an obligation to society, the environment, employees, and other stakeholders.

The Company’s corporate governance activities are based on the German Stock Corporation Act (“Aktiengesetz” – AktG) and on the requirements of the German Corporate Governance Code (the “Code”). We publish an annual declaration of compliance with the Code in accordance with section 161 of the AktG.

Diversity of the Management Board and Supervisory Board

United Internet’s objective from a diversity perspective is for the Management Board and Supervisory Board to include a wide variety of different people and, as a whole, to have a sufficient breadth of opinion and knowledge. Among other things, this requires the members of the individual bodies to complement each other with respect to their experience and their educational and professional backgrounds, so as to have a good understanding both of the Company’s current business activities and of its longer-term opportunities and risks.

The general meeting that resolved to approve the actions of the Supervisory Board for fiscal year 2019 also held elections for the Supervisory Board and expanded its size to six members. The Company’s aim with this measure is to diversify its composition. Since then, the Supervisory Board has had six members, two of whom are women. This means that United Internet meets the statutory 30% target quota for female Supervisory Board members. The Company’s Management Board consists of two members and is currently composed exclusively of men. However, the aim is to increase the proportion of women if the Management Board is expanded in future or if new members are appointed. The basic principle is that both genders should be treated equally on the basis of their qualifications.

For further information, please see the chapter of the United Internet Group’s annual report entitled “Declaration on Company Management/Corporate Governance Report.” The compensation paid to the Management Board and the Supervisory Board is set out in the Remuneration Report, which also forms part of the Annual Report (AR). Basic information can be found in the Articles of Association.
Our Values and Guidelines

Our enterprise-wide corporate values, our management guidelines, and our Code of Conduct are at the heart of what we do every day. All employees are made aware of these basic documents when they join the Company, and must abide by them. Our values and guidelines, and the Code of Conduct, are permanently available on our intranet and, in some cases, the internet as well.

Corporate Values

- Our values strengthen our self-image and provide a framework for how to act. Only a set of common beliefs enable us to think and act together. Our values apply in our dealings with one another and with customers and business partners.
  - A commitment to success
  - Agility
  - A sound approach
  - Fairness
  - Openness
  - Responsibility

Leadership Principles

Our leadership philosophy is based on making people successful. Our leadership guidelines define the following characteristics for our managers:
  - We take responsibility and display courage
  - We are co-entrepreneurs
  - We act as role models
  - We empower staff and motivate them to do their best
  - We lead through active dialog
  - We promote a strong team culture

Code of Conduct

Our Code of Conduct links our corporate values with our internal guidelines. It sets out short and succinctly how to act in compliance with our values, the law, and our guidelines. It uses examples to illustrate key principles and make concrete recommendations on how to deal with colleagues, business partners, investors, competitors, customers, and the media.

Risk Management

The United Internet Group’s risk and opportunities management policy aims to preserve and enhance the organization’s values by exploiting opportunities and identifying and managing risks at an early stage. By walking the talk in this way, we ensure that United Internet AG can do business in a controlled organizational environment. Our policy sets out a responsible approach to dealing with the uncertainties that are an inevitable part of doing business. This also covers dealing with environmental risks.

Compliance and Anti-corruption

Materiality, Impact, and Risks

For United Internet, compliance means both observing all statutory requirements and internal organizational guidelines, and acting in accordance with our corporate values. Its aim is therefore to ensure that all employees act in a legally and ethically acceptable manner. For United Internet, compliance is a precondition for doing business successfully in the long term and hence an integral part of all Group activities.
Goals and Measures

United Internet AG’s Management Board has established a compliance management system (CMS) to ensure ethical behavior and adherence to the law throughout the Group. The Group General Counsel, which reports directly to United Internet AG’s CFO, is responsible for the CMS. Compliance is part of our end-to-end risk management approach, which comprises the Governance, Risk Management & Compliance (GRC), Corporate Audit, and Legal Department functions. Pooling these functions allows a common management approach to be adopted, utilizing and linking thematic and process interfaces. Function-specific and local compliance managers have been appointed for the operating divisions and segments, and for the group’s foreign companies. They perform this role in addition to their other responsibilities and help implement compliance measures, among other things.

The overarching objective of our compliance activities is to prevent compliance violations. We achieve this by taking appropriate measures that are based on the Company’s risk position, in keeping with our three-tier activity hierarchy – “Prevent, Detect, and Respond.” Our compliance activities focus primarily on prevention: transparent rules, well-informed employees, and early identification of potential infringements are the keys to success here.

Our Code of Conduct is the foundation for legally and ethically acceptable behavior. It summarizes the main rules, explains them using examples, and gives concrete recommendations for dealing with colleagues, customers, business partners, competitors, shareholders, public authorities, and the media. At the same time, the Code refers to our key internal guidelines, offering employees a rapid overview.

Among other things, Our Code of Conduct contains rules on how to ensure fair competition and anti-corruption. In line with our corporate value of fairness, it clearly states that we aim to outperform our competitors fairly and honestly, and that we will not employ any unfair practices to prevent, restrict, or distort competition.

In addition, our Code of Conduct clearly sets out the measures that we take to prevent corruption, and uses concrete examples to explain what we mean by anti-corruption. We do not tolerate corruption, regardless of where it happens, whom it targets, or what the reason for it is. In line with this, directly or indirectly offering or granting any form of undue benefits (bribery), and requesting or accepting such benefits (corruption), are prohibited.

These basic rules are set out in more detail in our internal guidelines on preventing corruption and dealing with incentives and conflicts of interest. The guidelines are supplemented by approvals processes and confidential reporting channels that enable employees to contact designated persons of trust outside their immediate working environments. There were no incidents of corruption or indications of potential cases of corruption in the reporting period, as in the year before.

The Compliance department at our German locations launched an e-learning course on our Code of Conduct in fiscal year 2018 in order to provide employees with an interactive way of familiarizing themselves with its contents and to communicate its rules effectively. Following its domestic rollout, the e-learning course was extended to cover the Group’s foreign companies in fiscal year 2019. Participation in the e-learning course is an integral part of employee onboarding. In addition, new employees are made aware of the importance of compliance during their “welcome days.”

(1) As defined by our compliance guidelines, incentives are any inducements aimed at rewarding a business partner’s employees for their work and/or to motivate them to do more/better in future. This includes performance bonuses and customer events, among other things.
Results and Assessment

We use specific measures to benchmark whether we have achieved our compliance goals. These measures-based performance indicators include training and e-learning course participation rates and the number of approvals issued in the course of anti-corruption and other compliance processes. In addition, we use e.g., inquiries and information about possible compliance breaches, and the findings of internal investigations and compliance audits, to identify potential for optimizing processes and rules.

As of December 31, 2020, 6,586 employees (2019: 5,845; 2018: 4,640) had successfully completed the mandatory e-learning course on our Code of Conduct. This corresponds to an overall participation rate of 92.29% (2019: 92.50%; 2018: 92.35%)\(^\text{10}\).

Sustainability Strategy and Management

Approach

Definition of Sustainability

“Sustainability” – which can be defined in simple terms as ensuring that the needs of both current and future generations can be met – is a core issue facing society, politics, and business. Associated social developments and “megatrends” such as digitalization and climate change, and the transformation processes these are causing are being discussed across all sectors, be it in connection with data protection, how to deal with (fake) internet news, the changing world of work, or the transition to a low-carbon economy. Companies often have a material impact on these topics – both positively and negatively. Conversely, these issues also influence businesses, e.g., due to changes in society’s expectations (such as those triggered by the Fridays for Future movement), consumer and customer wishes, regulatory requirements, and increasing investor awareness of ESG aspects. This report shows how these and other sustainability topics relate to United Internet and how the Company deals with the resulting challenges and opportunities.

Our sustainability strategy and sustainability management activities are designed to address material current sustainability topics, challenges, and opportunities – in other words, the relevant impacts that our Company has on our stakeholders, the environment, and society, and the impacts that the environment and society has on it. We ensure this is in fact the case by basing the action areas for our sustainability strategy on a materiality analysis.

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\(^\text{10}\) The scope of application has been expanded over the last two years, meaning that the figures are not directly comparable with those for the preceding year in each case. In the reporting period, the e-learning course was aimed at all United Internet Group employees except for those in independently managed companies. Staff working for 1&1 Telecommunication SE, including its subsidiaries, have been able to take the course since 2018. It was rolled out to the remaining 1&1 Drillisch Group companies in the reporting period.
New Developments

A stakeholder survey was performed in 2016 as input for United Internet’s first sustainability report in 2018. In 2019, the results were supplemented by comprehensive analysis of the current sustainability requirements placed on us by the capital markets, and the regulatory framework and initiatives. To meet these expectations, the departments involved started assessing their content in fiscal year 2020. The initial insights from this have been included in the chapters making up this sustainability report.

The action areas were modified slightly on the basis of the analysis performed in 2019, and the findings are presented in the various chapters. For example, in our “Climate and Environmental Protection” action area, we put an even greater focus on energy, emissions, and the climate in view of these topics’ growing relevance. Additionally, we included data protection and information security in our “Corporate Digital Responsibility” action area, which also covers topics such as access to digitalization, data control and sovereignty, and digital literacy. We addressed the growing interest in our supply and value chain in our “United Internet as a Business Partner” action area(1).

We worked to expand our employee-related KPIs in fiscal year 2020, both to meet our own goal of having data that is as comprehensive as possible and so as to comply with the update to GRI 304. Please see the chapter entitled “United Internet as an Employer” for further details.

Materiality Analysis: Topics and Action Areas

We provide details of the processes we use to determine our material topics, including our definition of materiality, the criteria examined, and our materiality matrix in the section entitled “About This Report.”

We used the results of our materiality analysis to continuously enhance the topics within our sustainability action areas, and to determine where their impacts arise and what areas of United Internet offer suitable starting points for their management. In line with the CSR-RUG, we perform a risk assessment of these aspects with respect to our own business activities, our products and services, and our business relationships(2). The following overview provides supplementary information on how the topics relate to the aspects contained in the CSR-RUG. The action areas are reflected in the structure of the report.

(1) Our supply and value chain presents the activities and actors involved in developing, producing, distributing, delivering, and providing support for a product or service. Generally speaking, this is not a linear process as suggested by the image of a chain, but rather a complex network of actors and suppliers who are themselves interconnected. Nevertheless, we mainly use the term “value chain” in the following for reasons of simplicity.

(2) German Accounting Standard (GAS) 20 specifies that business relationships must relate “in particular to the supply and subcontracting chains.”
### Material Sustainability Topics and Identification of Action Areas

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<th>Non-financial aspects from the CSR-RUG</th>
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<td>Digital literacy</td>
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<td></td>
<td>Our social commitment(^2)</td>
<td>Our Social Commitment</td>
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</tbody>
</table>

\(^1\) This topic is also partly included in the chapter entitled “Climate and Environmental Protection” i.e., in relation to customer hardware.

\(^2\) This topic was not identified as material, but is reported voluntarily due to its importance for United Internet.
Sustainability Strategy: Action Areas and Goals

Action Areas

We identified the following action areas by combining the material topics with the United Internet Group’s structures and activities:

Customer-related Matters and Product Responsibility
Customer demands in relation to internet access and applications are increasing all the time, and we can only hope to persuade customers to stay loyal to our products and hence to us in the long term if they are satisfied. This is why customer feedback and satisfaction are particularly critical for us: we focus on our customers in everything we think and do, and aim to provide compelling products and services. We use numerous initiatives to improve our customer satisfaction, including new products and tariffs, transparency, and an even more powerful and comprehensive offering. This is also why we are continuously expanding our fiber-optic network and product range, for example, and entering into business combinations such as those with Strato AG and the (then) Drillisch AG in 2017.

Corporate Digital Responsibility
As digitalization gathers pace, so do both the opportunities and risks for users, such as improved, customized services on the one hand and the danger of data theft and vulnerabilities on the other. We aim to enable society to participate in digitalization, and to ensure that this is done safely. We build on our geo-redundant data centers to constantly extend data protection and information security on the internet. In addition, we offer users tangible added value made in Germany in the form of innovations such as netID (the European log-in standard) and our “intelligent mailbox.”

United Internet as an Employer
Equally, we operate in a dynamic, fast-growing, and highly innovative environment in our role as an employer, and face a highly competitive market for specialists. We aim to be a fair and attractive employer and to help our employees grow. To do this, we want to create a working environment that enables each and every one of our staff to contribute what they know and to take advantage of development opportunities and the freedoms they have in their work. Our corporate culture is built on mutual support and flat hierarchies that facilitate fast decision-making.

Climate and Environmental Protection
As an internet specialist, our offering revolves around our network infrastructure and our data centers. The latter are responsible for by far the bulk of energy used within the Group, especially since they are operated geo-redundantly, in line with data protection and information security requirements. This energy usage and the resulting carbon emissions impact the environment and the
climate. We therefore aim to use resources efficiently and to contribute to climate protection. We have been investing in sustainable energy usage in key areas since 2007, and are implementing a wide range of efficiency improving measures; in addition, we source renewable energy and offset non-renewable electricity.

- **United Internet as a Business Partner**

  As a telecommunications and internet provider, we work with a large number of business partners. These include network service and IT hardware providers, and sales and shipping partners, among others. We aim to create value together with our business partners through strong, fair partnerships. The integrity of our business partners is extremely important for us – it is necessary both to avoid risks that could result from business relationships and to establish the trust that is needed for long-term business relationships and for taking responsibility together. This is why we have drawn up a Code of Conduct for Business Partners.

- **Our Social Commitment**

  Business success is only possible in a functioning society. We are part of society and are committed to helping ensure its stability and ability to meet future challenges. This is why our United Internet for UNICEF foundation supports United Nations Children’s Fund projects across the world. In addition, our “1&1 Together” program and volunteer members of staff worked hard over the last five years to integrate refugees on the labor market and within the Company. What is more, our partnerships with AfB gGmbH and GDW are proof of our commitment to inclusion. Our “IONOS CARES” initiative donated PCs to a college in the Philippines to help provide high-quality education. We also provided our employees in the Philippines with “Care Packages” due to the COVID-19 pandemic.

**Relevance to the UN Sustainable Development Goals (SDGs)**

We refer to the UN SDGs where appropriate in a number of places in this report. The 17 SDGs aim to end poverty, protect the Earth, and ensure prosperity for all. They were resolved in 2015 by the United Nations (UN) member states, with the goal being to implement them by 2030. We use the SDG symbols to indicate the action areas in which we can contribute the most to reaching specific SDGs. United Internet’s sustainability strategy focuses on SDGs 8, 9, 12, and 13. We also refer to additional SDGs and how we contribute to them in the individual chapters.
Enhancements to the Action Areas

We have identified starting points for the individual action areas and topics, so as to develop goals and measures, and achieve progress.

In some action areas, e.g., for “United Internet as a Business Partner,” we need first of all to draw up a comprehensive overview of the status quo. Our first step here aims to map our supply and value chain – including the relevant actors and topics – as comprehensively as possible. The results are also included in the “Climate and Environmental Protection” action area, where we aim to calculate our carbon footprint (also known as a “CO2 footprint” or “greenhouse gas footprint”), an area in which emissions along the value chain play a key role. We then aim to use these analyses to identify substantive steps that need to be taken. In addition, the project to update our materiality analysis and sustainability strategy that is planned for 2021 will influence how the action areas develop in future. The following table shows additional goals and measures:

<table>
<thead>
<tr>
<th>Goals/measures</th>
<th>Deadline</th>
<th>Status (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUSTAINABILITY STRATEGY AND MANAGEMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Update materiality analysis and sustainability strategy</td>
<td>2021</td>
<td>In preparation</td>
</tr>
<tr>
<td>Adopt systematic approach to data capture for sustainability reporting</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td><strong>CUSTOMER-RELATED MATTERS/PRODUCT RESPONSIBILITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intensify and permanently strengthen cross-functional cooperation</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td><strong>CORPORATE DIGITAL RESPONSIBILITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raise our Corporate Digital Responsibility profile</td>
<td>2020 onwards</td>
<td>Implementation</td>
</tr>
<tr>
<td>Enhance and extend our information security management system</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td>Enhance the security measures in our internal IT service</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td><strong>UNITED INTERNET AS AN EMPLOYER</strong></td>
<td></td>
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<tr>
<td>Diversity:</td>
<td></td>
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<tr>
<td>Implement our road map to achieve our target quota of 18% women in the organization’s top two management levels</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td>Expand our policy for managing and promoting diversity</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td>Professional development:</td>
<td></td>
<td></td>
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<tr>
<td>Standardize monitoring of our training measures</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td>Health management:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expand our health program</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td><strong>CLIMATE AND ENVIRONMENTAL PROTECTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calculate our carbon footprint</td>
<td>2020 onwards</td>
<td>In preparation</td>
</tr>
<tr>
<td>Implement additional energy efficiency measures</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td>Reduce carbon emissions from fuel consumption</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td>Identify additional potential electricity and materials savings</td>
<td>Ongoing</td>
<td>Implementation</td>
</tr>
<tr>
<td><strong>UNITED INTERNET AS A BUSINESS PARTNER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Map our supply/value chain</td>
<td>2020 onwards</td>
<td>In preparation</td>
</tr>
</tbody>
</table>

(1) Please see the relevant chapters or sections for further information.
Sustainability Management

Organization of Sustainability Management

Sustainability management throughout the United Internet Group is coordinated by a team from the Compliance & Sustainability department. The tasks involved include strategic development, reporting, and answering ESG rating agency queries, along with ensuring and optimizing the quality of the data needed for this. The Sustainability Team liaises with core functions and relevant units in the segments, and supports these in assessing non-financial topics in their various business activities, providing information, and ensuring that the entire Group complies with its business responsibilities.

The Sustainability Team reports to United Internet AG’s CFO, who is also responsible for preparing the sustainability report. In addition, the Company’s Management Board addresses current sustainability-related topics and decisions in the course of the fiscal year. United Internet’s Supervisory Board discharges its responsibility of oversight by independently examining the sustainability report (“non-financial statement”) for compliance with the law, propriety, and appropriateness.

Stakeholder Dialog

Our ability to do business depends on our successful cooperation with a wide range of stakeholders. We liaise with these groups using a variety of different platforms and formats, with the aims of reinforcing communication and cooperation, and taking our stakeholders’ interests into account.

- **Customers:** We focus consistently on customer needs and satisfaction. We collect feedback in numerous areas and liaise with customers via surveys and during service calls, among other things. Test users and test buyers provide valuable feedback on new products.

- **Investors:** Investors are a key stakeholder group for United Internet. Our Investor Relations department and our Management Board are in regular contact with them in the form of one-on-one discussions and road shows. We repay investors’ trust in us by ensuring open, transparent reporting.

- **Employees:** Our employees are the key to our success. Only by leveraging their knowledge, skills, and dedication can we continue to develop and to achieve long-term success. Employee feedback is important for us, which is why we regularly perform employee surveys, identify measures to be taken from these, and inform staff of the progress made. In addition, the Management Board is in regular direct contact with employees, e.g., in the course of internal roadshows and “Ask the Board” events, which were held virtually in 2020.

- **Business partners:** Our business requires us to work together with a large number of business partners and suppliers. This includes wholesale service partners, hardware suppliers, call center service providers, and shipping partners, for example. Among other things, we conduct one-on-one discussions with these partners and help call center service providers to train their employees.

See the Annual Report and the United Internet website.
See “United Internet as an Employer” on page 57ff.
See “United Internet as a Business Partner” on page 93ff.
Politicians and associations: We aim to maintain a dialog with political decision-makers and government authorities so as to create a framework for a successful digital economy in Germany. One particular issue for us is ensuring competition, which acts as a driver for innovation, investments, and consumer benefits. This is why we are a member of associations such as VATM[^1], Bitkom[^2], BREKO[^3], the BVDW[^4], and eco[^5]. In addition, specialist departments are active in relevant associations and bodies.

Non-governmental organizations: Our United Internet for UNICEF foundation has worked with the United Nations’ Children’s Fund for around 15 years now to collect donations and recruit new sustaining members.

Local communities: We welcome dialog with local communities and the population at large at our locations. Since we are an internet and telecommunications provider, our operating locations do not have a significant impact. On the contrary: We create jobs outside major German cities at locations such as Montabaur or Zweibrücken.

In addition, our stakeholders’ opinions and decisions are a key factor both in shaping our sustainability management activities and in determining what goes into our sustainability report. We have held a separate dialog with selected stakeholders for this.

[^1]: Verband der Anbieter von Telekommunikations- und Mehrwertdiensten e. V.
[^2]: Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e. V.
[^3]: Bundesverband Breitbandkommunikation e. V.
[^4]: Bundesverband Digitale Wirtschaft (BVDW) e. V.
[^5]: Verband der Internetwirtschaft e. V.
CUSTOMER-RELATED MATTERS AND PRODUCT RESPONSIBILITY

Management Approach

Materiality, Impact, and Risks

As an internet and telecommunications provider, we operate in an extremely dynamic market environment. The United Internet Group’s success is based on its core competency: the ability to identify and systematically tap into customer wishes, trends, and hence new markets at an early stage. Our existing business relationships with millions of customers and users mean we have our ear close to the ground. In addition, our in-house product development capability, highly flexible approach, and strong marketing and sales operations help us to launch market innovations independently – and often more quickly than other players.

Our relationships with our customers are based on trust. Data protection, information security, and round-the-clock access to highly skilled contact staff make us a reliable partner at all times. The reason is simple: customer satisfaction is a unique selling proposition on the market and hence a core component of our competitive ability and long-term success. This is why we give the continuous assessment and management of customer satisfaction an extremely high priority – not only is it important to our customers, but it is also relevant to our investors and employees.

Potential risks in connection with customer satisfaction and the sales market include the need to make any adjustments to our business model or our pricing policy (political or legal risks). In addition, new developments might hit the market too late, or might not find the expected acceptance among the intended target group. Equally, new competitors entering the market could pose a risk to our market share, growth objectives, or margins (technology, market, or reputational risks). What is more, United Internet occasionally enters upstream or downstream markets when diversifying its business model or expanding its value chain. One example is its purchase at auction of mobile frequencies during 2019 and its plans to build its own 5G mobile network.

Goals and Measures

The purpose of our management approach is to focus on our customers in everything we think and do, and to provide them with compelling products and services. By doing this, we aim to systematically and permanently increase customer satisfaction.

United Internet manages more than 65 million customer accounts worldwide. Since customers in the different segments have different requirements, customer satisfaction is measured using segment-specific metrics and performance indicators (such as the customer sentiment score and net promoter score (NPS)), and is managed by dedicated teams using specifically tailored structures and processes. We use regular customer surveys, market research, and analyses to obtain customer feedback. Our customer satisfaction figures are used in our executives’ performance reviews and variable compensation components. What is more, the responsible segment board members are regularly and deeply involved in this issue. They generally report directly to the CEO of United Internet AG or the other company they work for.
In addition, customer service is extremely important to us. This function is not only strongly represented within the organization itself, but is also supported by more than 4,000 external service agents who assist in customer care.

Other customer-related matters apart from customer satisfaction include health questions relating to mobile frequencies and youth protection. Details of these can be found in this chapter.

Results and Assessment

Please see the following sections on the individual segments for details of how we measure and manage customer satisfaction and other customer topics.

Contribution to the SDGs

GRI 103-3

Customer Satisfaction in the Consumer Access Segment: 1&1 Drillisch

Managing Customer Satisfaction Using the Customer Sentiment Score

The Consumer Access Segment had 14.83 million contracts as of the 2020 year-end (2019: 14.33 million; 2018: 13.54 million). Of this number, 10.52 million (2019: 9.99 million; 2018: 9.20 million) were attributable to the mobile internet business and 4.31 million (2019: 4.34 million; 2018: 4.34 million) to broadband connections. The topic of customer sentiment is firmly anchored within the enterprise and a key part of our daily work, both for our 1&1 premium brand and for Drillisch Online's discount brands.

We capture and manage customer sentiment in the Consumer Access Segment using the customer sentiment score. Customer Experience is the key unit involved in managing customer satisfaction at 1&1, establishing customer needs by conducting customer surveys and observing the market and competitive environment, and then actively making the results known within the organization. At Drillisch Online, Business Process Management (BPM) and Quality Management (QM Development) are the units responsible.
The scores produced are more than mere figures for us: they are core values that we use to guide our daily work. Satisfied customers are the basis for our success and spur us on to do our best every day. Our core goal is to increase customer satisfaction and create compelling customer experiences.

**Measuring Customer Satisfaction**

We constantly measure customer sentiment for all relevant customer contact points and customer journeys throughout the customer life cycle. These measurements are mostly event-driven, i.e., they are made immediately after a customer journey (e.g., a change in tariffs) or following some other form of contact with the organization (e.g., Customer Service). In total, roughly 84,000 customer feedback items per month are received for 1&1 and 20,100 or so for Drillisch Online’s brands. We use this information to identify potential for improvement and to develop measures designed to specifically increase customer satisfaction.

In addition, we track external assessments and awards such as the broadband and fixed network test run by specialist magazine “connect.” 1&1 again won this premier telecommunications sector test – its third victory since 2015. The annual test examines the “voice,” “data,” “web services,” and “web TV” categories. The results of crowdsourcing analyses conducted by the Bundesnetzagentur (the Federal Network Agency) are also included in the overall assessment. 1&1 had compellingly short phone connection times, while its high-speed internet offering provided “excellent performance.” The company’s web services also displayed optimal performance in the areas of website access, data uploads to photo book services, and video on demand.

In addition to its fixed network offering, 1&1 has the most satisfied mobile telephony customers of all network operators, at least according to the well-known specialist magazine “connect.” It received particularly good evaluations for its customer service. 1&1 won all eight subcategories here, and clearly outstripped other participants on friendliness and quality. The company is also ahead of the competition in the tariff & invoicing and brand/provider categories. For example, 1&1 is the provider with the best price-performance ratio.

What is more, 1&1 took third place overall in the Internet and Triple Play Provider 2020 award. This survey by the Deutsches Institut für Service-Qualität (DISQ) and n-tv also put 1&1 in second place for its triple play offering. The jury’s analysis revealed the 1&1 solution’s attractive pricing: according to the study, costs could be cut by up to 28.8% compared to competitor offerings.

Drillisch Online also commissions TÜV Saarland every two years to perform customer surveys and obtain satisfaction ratings. The most recent representative TÜV survey (2020) for all Drillisch Online brands resulted in an excellent price-performance ratio and a high level of customer satisfaction.

In addition, smartmobil.de took first place in the review of discount mobile providers conducted by “connect,” based on a survey of tariff and network quality, and a hotline test. The service app test performed by “connect” also yielded a highly positive assessment. Functionality, handling, and service were all rated “very good.” Both the smartmobil.de and the yourfone brands were included in the service app test.
Managing and Enhancing Customer Satisfaction

Customer satisfaction doesn’t stop at departmental boundaries, which is why teams drawn from different areas work together to permanently enhance it.

Clear responsibilities for improving customer sentiment exist for all customer journeys and contact points. Measures designed to enhance customer experience are developed together with 1&1’s Customer Experience unit, and their impact on customers is then assessed. Drillisch Online includes customer ideas and suggestions in ideas management activities by its quality management and project management units. Both units are continuing their work to enhance customer satisfaction and enable customers to get even stickier with their Personal Service World. Suggestions are reviewed and then introduced, and modifications to IT projects are documented and implemented.

Trends in customer sentiment, the status of measures, and new ways of enhancing customer satisfaction are discussed in a range of regular group meetings at 1&1 Drillisch, up to and including at Management Board level.

Uncompromising Customer Orientation at 1&1

We focus squarely on customer needs in order to ensure a high level of customer satisfaction. One way in which we do this is to test and evaluate the impact on customers of ideas for new products, campaigns, service concepts, and the like before they are introduced using qualitative and quantitative market research. A total of 55 ad hoc market research studies were performed in 2020. In addition, we actively engage with our customers on a variety of topics using quarterly dialogs and focus groups. This allows us to ensure we remain close to our customers and understand their needs even better across departmental boundaries.

Our Customer Guidelines help staff to think and act in a customer-oriented way during their daily work, and hence to anchor this perspective permanently within the Company:

- “We recognize and understand customer needs”
  We hear, see, and understand our customers and their needs. And we interact with customers empathetically.

- “We implement customer needs”
  We focus on our customers’ needs in our daily work and use this knowledge to develop the right products, services, and service offerings. We work together as a team and as partners to serve our customers, and are fair and transparent.

- “We delight our customers”
  We ensure satisfaction by meeting our customers’ needs, and delight them by exceeding their expectations. This delight is the driving force behind our daily work and one of the key factors determining our long-term success.
The 1&1 Service Card

The introduction of the 1&1 Service Card in the summer of 2020 did not replace the well-known 1&1 service principle: on the contrary, 1&1 is expanding its service promise to customers yet again. The 1&1 Service Card is another driver for customer satisfaction, as well as a way of differentiating ourselves in the market. Our customers receive a 1&1 Service Card with each order. This lists all the 1&1 services that customers can use free of charge.

These include e.g., the 1&1 **trade-in bonus** and our 24-hour **Replacement Service**.

- The 1&1 trade-in bonus allows customers to send in their old smartphones, tablets, or laptops and receive a bonus in the amount of the fair value of the device concerned. The legacy devices are recycled by 1&1.

- Regardless of what accident befalls their 1&1 smartphone, tablet, or laptop, our customers can phone and surf again comfortably the next day thanks to the 1&1 Replacement Service. Where a device has been damaged, we will replace it with an identical one free of charge within 24 hours. For example we recycle the faulty device and use the components in repairs.

Continuous Development Leads to More Customer Experiences

We aim to always offer our customers the best possible experience and to do our best for them at all times. This is why we constantly develop new service products that add value for our customers. These include:

- **The 1&1 Priority Hotline**
  1&1 is available to help you around the clock. In person, not via a bot.

- **The 1&1 Promise**
  One call is all it takes for a 1&1 expert to help with installing the WLAN for all your devices.

- **The 1&1 Replacement Service**
  Regardless of how your smartphone, tablet, or laptop was damaged, the 1&1 Replacement Service will replace it within 24 hours.
Uncompromising Customer Orientation at Drillisch Online

Drillisch Online also aims to delight customers with its exceptional service: our motto here is "One customer, one contact, one solution." Even though they are price-sensitive, our customers are not prepared to compromise on a first-rate, award-winning customer service that focuses on their needs:

- **Cost-effective online sales**: A tried-and-tested, secure way of making purchases online.
- **Inexpensive network access**: Although we don’t currently have our own network, we use Telefónica Deutschland’s state-of-the-art technology in all cases.
- **Customer recommendations are worth it**: We offer a bonus for recruiting new customers.
- **Customer service**: Available until 10 p.m. every day, and round the clock via the Service World.

We tell the world how proud we are of our daily successes and our customer service, and have these confirmed by independent external auditors – our brands have been tested by TÜV SÜD (s@fer-shopping seal of approval), while our customer service activities have been certified as complying with the ISO 9001:2015 quality management standard.
Customer Satisfaction in the Business Access Segment: 1&1 Versatel

Measuring Customer Satisfaction

1&1 Versatel, the business-to-business (B2B) provider of fiber-optic gigabit connections, is an experienced partner for companies from all sectors and of all sizes: it has implemented more than 50,000 business customer solutions and has more than 100 carrier customers. The company polls customer satisfaction using a five-point customer satisfaction scale and the net promoter score (NPS), an established way of measuring customer willingness to recommend products or services to others. Semi-annual surveys of existing customers are performed by an external market research institute.

Satisfaction is polled for specific customer groups and customer segments, including large customers, wholesale customers (i.e., other telecommunications providers such as mobile and fixed network carriers, cable network operators, national and international B2B telecommunications providers, resellers, and city and regional carriers), and small and medium-sized enterprises (SMEs). Overall satisfaction is calculated using the weighted average of the individual results for the three customer segments.

The Company conducts an in-depth poll of all existing customers twice a year to obtain a comprehensive overview of customer satisfaction (wholesale customers are surveyed once a year). Whereas SME customers were surveyed online in the past, polls for all segments have been made by phone since the beginning of 2020. We also use panel surveys to obtain a comparative benchmark of how satisfied competitors’ customers are.

Equally, a large number of contact points – such as the service hotline for SME customers – measure customer satisfaction on an ongoing basis. In December 2019, we introduced a phone-based customer satisfaction survey following the successful implementation of fiber-optic links, and this was successively enhanced in 2020. Customers reacted positively to the opportunity for dialog. A standardized survey instrument for large customers was introduced in 2020; this allows the responsible business service managers to regularly capture customer satisfaction in this group over the year.

Managing and Enhancing Customer Satisfaction

Surveys are designed and coordinated by 1&1 Versatel’s Quality & Knowledge Management department. This unit, which reports to the Chief Operating Officer (COO), was established in December 2018 to pool all customer satisfaction issues at a cross-departmental level.
Based on the results of the customer surveys, Quality & Knowledge Management identified a need for action in relation to customer-centric communication, among other things. This led to guiding principles for communication being formulated for use in dealings with customers:

- We are solution-driven.
- We listen to our customers and answer their questions directly.
- We are reliable.
- We communicate rapidly and flexibly.
- We take responsibility – including for our mistakes.

In addition, the department is continuing its analysis of key customer-centric processes and introducing measures to optimize them.

We also look at external assessments. As a nationwide provider, 1&1 Versatel took part for the first time in this year’s broadband test organized by “PC-Magazin” in cooperation with umlaut, the management consultancy. The newcomer immediately put in a compelling showing, outstripping the competition to win with 947 out of a maximum total of 1,000 points. The broadband test made roughly 113 million individual measurements of more than 520,000 internet connections in Germany, Austria, and Switzerland over a period of six months. The key parameters measured were data download rates, data upload speeds, and latency (defined here as the time taken to transfer the test data packages). In particular, the 1&1 Versatel fiber-optic connections offered the best user experience for download rates compared to the other providers.

In addition, 1&1 Versatel yet again achieved compelling rankings in the analysis of the most popular service providers for German SMEs conducted by business magazine “WirtschaftsWoche” and ranking and rating agency ServiceValue. More than 9,000 decision-makers, purchasing agents, and users in SMEs were polled during the survey. Seven criteria were used in addition to general customer satisfaction, including the quality of the advice provided, the price-performance ratio, and service quality. Customer responses were obtained for a total of 376 suppliers in 34 sectors. 1&1 Versatel did very well in two categories (telecommunications telephony/internet and telecommunications telephony/internet/mobile), coming first in the former case.
Customer Satisfaction in the Consumer Applications Segment: GMX and WEB.DE

Managing and Increasing Customer Satisfaction

At the end of 2020, the Consumer Applications Segment had 41.77 million (2019: 39.85 million; 2018: 39.25 million) customer contracts and accounts. Of these, 39.40 million (2019: 37.59 million; 2018: 37.00 million) were free accounts and 2.37 million (2019: 2.26 million; 2018: 2.25 million) were fee-based customer contracts. We use detailed surveys to measure customer satisfaction and NPS scores every month in this segment, which includes our portal brands GMX and WEB.DE. These are the key performance indicators (KPIs) for all product areas.

We ask roughly three million customers every year for feedback in the e-mail, homepage, and editorial content areas. For example, we poll them on usability, storage space, and loading speeds, as well as about the editorial selection of topics and the content produced. We lifted the NPS from 25 to 30 points in 2020. Once again, user satisfaction was stable in 2020 at the high prior-year level of 80%. In addition, we measured a third core KPI, customer trust, continuously in the reporting period. In 2020, this was an excellent 88% (2019: 87%). At segment board level, the CEO and the Chief Product Officer (CPO) are closely involved in customer satisfaction measures.

As part of our customer-centric focus, we developed a customer value pyramid as a way of depicting our three core KPIs: customer satisfaction, recommendations, and customer trust:

Our internal results are regularly validated in independent studies. For example, "WirtschaftsWoche" concluded that, once again, GMX was the e-mail provider enjoying the highest level of customer trust in 2020. The business magazine worked with ServiceValue and Frankfurt’s Goethe University to produce Germany’s most extensive trust ranking. A total of 1,911 companies from 150 sectors were evaluated using an online survey of 577,122 internet users. It should be noted that the respondents were actually
past or present customers (consumers and contract partners). Nearly four out of five respondents (78.3%) said that they trusted GMX. The brand received the “highest customer trust” ranking for the sixth year in a row. WEB.DE had a trust index score of 74.5%, resulting in a “very high trust” rating.

In addition, the “Focus-Money” magazine commissioned an initial cross-sector study on German customer satisfaction with leading individual brands in 2020, once again together with ServiceValue. Both GMX and WEB.DE received “highest customer satisfaction” ratings in the “E-mail provider” category. A total of 1,341 enterprises from 61 sectors were assessed by asking more than 274,000 consumers what exactly they think about different providers. Votes were only counted if respondents were customers of the enterprise concerned in the last twelve months.

Other indicators of customer satisfaction are the user reviews of GMX’s and WEB.DE’s e-mail apps. The Android versions of the apps available from Google Play Store have a rating of 4.3 out of 5 stars, while the two brands’ apps in Apple’s iTunes Store score an even better 4.6 out of 5 stars.

Customer Satisfaction in the Business Applications Segment: IONOS by 1&1

The number of fee-based contracts in the Business Applications Segment had risen to 8.45 million at the end of the reporting period (2019: 8.15 million; 2018: 8.06 million). Of this figure, 4.06 million (2019: 3.90 million; 2018: 3.82 million) were in Germany and 4.39 million (2019: 4.25 million; 2018: 4.24 million) were abroad. Following the relaunch of our 1&1 IONOS brand in 2018, we aim to position ourselves as a reliable partner in the digital space with our values of fairness and transparency and our individual consulting offerings. In our hosting business, the various Customer Experience Management teams work together to assess research results and market insights, collect customer feedback, develop training material for our service staff, and design clear, transparent, and attractive customer communications. This collaborative approach allows us to identify issues and processes with which customers have trouble, and rapidly develop solutions for them. Other units such as Product Management or IT are regularly involved in their implementation. Our enterprise-wide programs implement initiatives aimed at simplifying the use of our products for customers and hence avoid unnecessary customer queries.

We regularly ask our customers about their experiences with our products and customer service. One key performance indicator for customer satisfaction is the net promoter score (NPS). We monitor this on a daily basis and analyze the open comments (roughly 5,000 per month). Weekly to monthly reports (including recommended actions) are submitted to the COO, and measures agreed and priorities set together with all Board departments.

Our product and service quality is confirmed both by the various types of customer feedback we receive and by external awards. In 2020, these included prizes from the magazines “Chip,” “IMTEST,” and “PC-Magazin,” the Spanish service award “Elegido servicio de atención al cliente” in the “hosting” category (for the seventh time in a row), and the “Élu Service Client de l’Année” prize for the best customer service in France, also in the “hosting” category, for the third time. In Germany, too, IONOS’s customer service operations were awarded the brand-new accolade “Voted Customer Service of the Year 2021” in the “hosting” category. Research institute ISG labeled IONOS a “Rising Star in the Market for Infrastructure as a Service” and commended IONOS’s Cloud Division’s “excellent development over the past twelve months and strong future potential.”
STRATO was also honored for the quality of its customer service operations, being rated a “Service Champion” in the “web hosting” category for the seventh time in a row by “Focus-Money” and receiving the “Customer recommendation – highly recommended” rating. STRATO also obtained product quality certifications from a number of independent bodies. In 2020, the STRATO HiDrive received TÜV’s “Certified Cloud Security” certificate along with the “Trusted Cloud” seal of approval. In addition, the IONOS Mail Archiving and STRATO Mail Archiving products were certified as complying with the IDW PS 880 standard from Germany’s Institut der Wirtschaftsprüfer.

Transparency Initiative at 1&1 IONOS

We regularly conduct studies to ascertain, and respond to, customers’ current needs. Among other things, we have conducted a number of studies in recent years on the drivers for customer satisfaction. These show that, in addition to the product itself and our customer service, price is one of the main drivers for customer satisfaction. In other words, customers want to know exactly what product or service they are buying for what price.

In line with this, IONOS has worked consistently to enhance transparency in recent years. Since customer demands in this area can comprise a number of different aspects, we used a variety of methods to gain insights on price transparency:

- **Customer proximity:** Employees from central departments such as Product Management and Customer Experience work closely together with Customer Service so as to understand in practice as well as in theory what motivates our customers and why they contact us. This ensures that all areas of our organization put our customers at the heart of what we do, and that we take them into account when developing products and services.

- **Active dialog with internal experts:** We regularly hold round table discussions with customer service staff and specialists from the central departments to evaluate useful information from a large number of real-life customer conversations, and to use these to identify improvements to our products and customer service.

- **Being a customer ourselves:** IONOS staff are encouraged to gain their own experience of our products by taking customer journeys, and to contribute ideas for enhancing our products and services.

- **Gemba Walk methodology:** Gemba Walks are a way for management representatives or the COO to engage in regular, direct dialog with customer service agents on the ground (at present this is done via a video link because of the COVID-19 pandemic). In other words, these sessions take place directly at the employees’ “workplace.” The objective is to understand what improvements can be made to direct customer service processes, and what customers’ needs are. The discussions serve as the basis for identifying measures and recommended activities, which are then implemented. The aim is to increase customer satisfaction and make internal workflows more staff-friendly.

- **Customer community:** We have launched an online customer community that provides customers in Germany with an opportunity to discuss relevant topics with us, and to participate in surveys and product testing. The results are fed directly into product development, customer communication, and process optimization.
These methods have allowed us to gain important insights and identify a number of issues and potential improvements. The following examples have been successfully implemented at IONOS:

- **Small print**: Previously, a lot of detailed price information was given as small print in footnotes. This practice has now been abolished. In other words, we communicate prices and associated terms and conditions clearly and transparently. Prices are displayed directly next to the products in our online shop.

- **Contract renewal reminders**: Customers may end up renewing contracts unintentionally if they forget to give notice of termination before the relevant deadlines. We help customers keep track of when contracts are up for renewal by sending them a reminder mail 45 days before the scheduled renewal date.

- **Rounded prices**: Since some customers find non-rounded prices (e.g., €0.99) on invoices irritating, we have replaced them by rounded ones (e.g., €1).

Implementing these transparency measures has allowed us to consistently increase the NPS for new customers. In our core markets, this led to an improvement in the NPS score of 20% in 2020.

### Personal Consultant

As the world becomes increasingly digitalized and more and more technical tools are deployed, a trend in the opposite direction is also becoming visible. Customers want to talk to real people – and not just with anonymous agents chosen at randomly by some call center system, but with someone they know, who recognizes them again if they come back, and with whom they can build up a trusting relationship.

Our personal consultant system – which we launched in 2018 – is available to customers throughout the world and won a “Best Customer Engagement” award from ECCCSA (the European Contact Centre and Customer Service Awards) in 2019. Our goal is to ensure the success of our customers’ digital business by providing close personal contact.

Many IONOS customers are small enterprises such as crafts businesses that want to have an internet presence but do not necessarily have in-depth technical knowledge in this area. The goal of our personal consultants is to provide these customers with the knowledge they need and support them as their businesses grow. This is why IONOS has offered to assign a dedicated personal consultant to customers since the start of November 2018.

#### How are personal consultants assigned?

All customers can activate a personal consultant function in their control center or request this directly by phone in a support call. Within seconds, they are then allocated a personal agent whose skills suit their needs. They are also given the agent’s direct extension number and from then on can route inquiries to him or her directly via e-mail or phone, or in online chats.

#### What happens if my personal consultant isn’t there?

Naturally, personal consultants are human beings and are sometimes on vacation, sick, or in the middle of a discussion with another customer. To deal with this, we use table groups staffed by multiple personal consultants who know each other. When a customer calls, they are told that their personal consultant is unavailable. After this, depending on how urgent their problem is, they are either provided with immediate assistance by a well-informed team colleague or an arrangement is made for their personal consultant to call back.
How skilled is my personal consultant?

Our selection process guarantees that personal consultants have a high level of expertise and quality. Thorough training and CPD aim to ensure they can not only explain products and functions to customers and translate technical jargon, but also recommend suitable solutions and advise customers on online strategies.

So far, there are very few organizations in Germany that have consistently implemented this approach, making it a key USP for IONOS on the market. We have seen customers responding positively to this service since the program was launched, with satisfaction scores and NPSs rising significantly.

Product Responsibility

Responsibility for Health

1&1 Drillisch AG intends to build a state-of-the-art 5G mobile network in the coming years. 1&1 Drillisch’s successful participation in the 5G frequency auction in the spring of 2019 was the first milestone on the way to constructing its own mobile network. The next step was to reach an agreement on national roaming – the use of third-party networks while it is building its own network infrastructure – with the established network operators.

Our plans to operate our own network focus squarely on the benefit to our customers. We track the state of the art in mobile network usage – and particularly 5G – continuously and closely.

Scientists have been investigating the electromagnetic radiation produced by mobile networks for decades now, and its effects on humans have been thoroughly researched in numerous studies.

The Bundesamt für Strahlenschutz (the Federal Office for Radiation Protection) has confirmed that, at present, there is no reliable information to suggest that the new mobile network standard could affect our health. For 5G, as for all previous mobile network standards, the basic principle is that no impact on health has been proven at levels below the applicable limits.

The Federal Government is also aiming to deepen dialog with citizens and address any concerns relating to the new mobile network standard with its "Deutschland spricht über 5G" initiative. The risks, challenges, and opportunities associated with 5G will be discussed in a trustworthy and even-handed manner in online discussions, chats, and articles with the goal being to increase trust in, and acceptance of, this forward-looking technology even further. Among other things, the initiative will look at sustainability aspects such as the potential for cutting carbon emissions by reducing electricity usage.

United Internet will continue to closely track research on mobile network usage, and will act responsibly should this be necessary.
Responsibility for Youth Protection

As a company, we are not just responsible for customer satisfaction, but also for those customers and internet users who still have to learn how to use our products and services. In line with this, we advocate youth protection and educating people on how to behave online.

The internet is a key part of children’s and young people’s everyday lives, be it for communication, researching lessons, or entertainment. However, these groups are often not media literate enough to deal with issues they come across on the internet if they are unfamiliar with them, or if content is inappropriate, and lack the experience needed to assess the risks and protect themselves. Depending on their level of development, suitable measures and education on possible dangers and risks are therefore needed to ensure they are adequately protected and that they can use the internet without any worries. We are aware that we share this responsibility as a provider of internet and telecommunications services.

In line with this, United Internet – and especially its Consumer Applications Segment – ensures that both its own products and its partner offerings comply with the legal requirements for youth protection. Internal reviews are performed during product development and launches, and any necessary modifications are made, to ensure that children and young people are not confronted with inappropriate content. Our GMX, WEB.DE, and 1&1 portals also take care to comply with youth protection legislation in both their editorial content and their advertising, and to find the right balance between providing a comprehensive range of information and ensuring we live up to our responsibility towards children and young people. We do this, e.g., by managing the information presented and the times when it is transmitted.

We have appointed a Youth Protection Officer who acts as the central point of contact for youth protection. She advises the various departments and functions internally, handles external contacts on this issue, liaises regularly with other youth protection officers, and represents the organization in its dealings with associations and supervisory authorities. Youth protection e-mail addresses have been set up for all portals; the details are given in the legal notices for the relevant sites. They allow people outside the organization to contact the Youth Protection Officer and the Youth Protection Team with any questions or complaints.

Above and beyond this contact information, the portals’ youth protection sections provide information and tips and tricks designed to educate children, young people, and their parents, and to improve their media literacy. The material provided includes links to youth protection programs and information about counseling services and contacts for specific topics and problems associated with internet usage.

See also our “Social Media Safety” initiative on page 55f.

See our guidelines on the United Internet Media website.
CORPORATE DIGITAL RESPONSIBILITY

Management Approach

Materiality, Impact, and Risks

Customers trust us with their data for more than 65 million accounts. It goes without saying that this data must be protected, and its security ensured, if customers are to use our services. In line with this, guaranteeing strict security and systematically preventing unauthorized access to customer data are part of our DNA.

The growing process of digitalization brings more than just the risks that we protect customer data and our own data and information from: it also offers new opportunities (e.g., for product development) that we, as an internet and telecommunications company, aim to exploit.

Digitalization is transforming both the economy and society. Currently countless initiatives, conferences, studies, and charters addressing the framework for digital transformation are being produced at the political, civil society, and business levels. Many different instances stress the need for everyone to be able to participate in digitalization. In addition, members of society need enhanced digital literacy skills if they are to engage with the new opportunities independently and responsibly. The internet and digitalization also play a key role in respect for human rights. After all, topics such as freedom of opinion and information, privacy, and the right to participate in cultural life are now inextricably linked with the digital arena.

In the political sphere, digitalization is often discussed as a means of enabling sustainability and achieving climate goals – one that can play a decisive role in implementing climate protection measures. The links between the two areas can be seen, among other things, from the fact that they were examined together during Germany’s presidency of the EU Council in the 2020 reporting period, along with the COVID-19 pandemic. The infrastructure provided by the information and communications sector, and particularly data centers, are essential for this sustainability-oriented digitalization process.

For the United Internet Group as an internet and telecommunications company, the ability to leverage the opportunities offered by digitalization in the form of new products and processes for its own benefit and that of its customers is a critical success factor. This creates new challenges that the Company needs to address – especially with regard to data and information security. Our heavy focus on Corporate Digital Responsibility – the motivation for numerous measures we are taking – aims to ensure we meet our responsibility to protect customer data and address the process of digital transformation with all its new opportunities and risks.

Goals and Measures

We aim to enable society to participate in the digitalization process, and to ensure that this is done safely. Data protection and information security at our Group are aligned in all cases with the current requirements of, and strict standards applicable in, European and German data protection, which are fundamental to our business success. Closely related topics include data sovereignty and digital literacy for our customers, but naturally for our employees as well.
Due to the importance and multifaceted nature of this topic, responsibility for it has been assigned to a number of different management board members. Generally speaking, it is the preserve of the Chief Technology Officer (CTO), Chief Information Officer (CIO), or Chief Procurement Officer (CPO) of the segments, who report directly to the CEO of United Internet AG or the company concerned.

The numerous measures, systems, and goals in the Corporate Digital Responsibility area are described in more detail in the following sections.

**Results and Assessment**

A wide range of KPIs relevant to the specific areas concerned are used to monitor success. Further details can be found in the following sections.

**Contribution to the SDGs**

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<th>SDG</th>
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<td><strong>4</strong></td>
<td>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</td>
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<td><strong>9</strong></td>
<td>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</td>
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<tr>
<td><strong>17</strong></td>
<td>Strengthen the means of implementation and revitalize the global partnership for sustainable development.</td>
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Interview

“As a successful provider of internet services and infrastructure, we take our digital responsibility extremely seriously”

United Internet AG’s CFO, Martin Mildner, discusses digital responsibility with the CEOs of 1&1 IONOS SE, Achim Weiss, and 1&1 Mail & Media Applications SE, Jan Oetjen. This interview gives insights into what digitalization and a responsible approach mean for United Internet AG, what the associated core issues for the Company are, and where its digital transformation process is heading.

United Internet AG does business in a number of different areas using a variety of brands. What are the core issues relating to digitalization and digital responsibility in each case?

Martin Mildner: Let’s start with the Access Division. We are a leading virtual network operator and our strong brands – 1&1, yourfone, and smartmobil.de – offer mobile internet access to more than ten million customers. What’s more, as the largest provider of alternative DSL connections, we provide roughly four million households with attractive broadband products. 1&1 Versatel also operates one of Germany’s largest fiber-optic networks. And with our goal of building our own 5G network in particular, we are aiming not just to drive forward digitalization within Germany but also to actively shape it.

Jan Oetjen: Our work and product development in the Consumer Applications Segment are also clearly focused on our customers. Our GMX and WEB.DE brands have established us as a leading provider of e-mail services in Germany in recent years, with a market share of around 50%. We also aim to help our youngest users get ready for the digital world and to protect them from potential risks online, which is why youth protection is a top priority for us. In addition, our work as a freely accessible and established source of news is based on clear guidelines, ensuring transparency about our journalistic approach. We also develop our own software solutions to stay abreast of the latest trends.

Achim Weiss: Our Business Applications Segment offers customers a broad range of hosting and cloud business products under well-known international brands such as IONOS, STRATO, Arsys, or Fasthosts. We provide companies, self-employed professionals, private individuals, consumers, and the public sector all the services they need for successful cloud computing – from domains through classic websites and online marketing tools down to full-scale servers and an infrastructure as a service (IaaS) solution. IONOS developed an ESG strategy in fiscal year 2020, in which Corporate Digital Responsibility (CDR) plays a key role. This is founded on our goal of meeting the highest possible security and data protection standards, and at the same time to put users at the heart of our digital solutions.

As you say, data protection and information security are key aspects of digital responsibility. What is the United Internet Group doing in this area?

Jan Oetjen: Our goals throughout are fairness and transparency. For example, our “E-mail made in Germany” and “Cloud made in Germany” initiatives offer the highest possible security in the Applications divisions. Together, the two services represent the largest European e-mail platform with an integrated cloud solution that fully complies with German and European data protection requirements. In addition, GMX and WEB.DE cofounded the European netID Foundation, whose single sign-on solution provides a secure European solution to US providers. This gives our users easy access to the digital world.
Achim Weiss: Right from the start, IONOS has been one of the driving forces behind GAIA-X – a European cloud project sponsored by the German Federal Ministry for Economic Affairs and Energy (BMWi) that aims to increase digital sovereignty in Europe. We are contributing our many years of experience in developing and operating cloud infrastructures to this initiative. In addition, the introduction of our personal consultant concept, which allows our customers to enjoy the highest possible standards of service, adds a personal component to our digital solutions. This strengthens our customers’ trust in us and our products.

Jan Oetjen: It goes without saying that we both want and need to keep on enhancing our performance all the time. Proof that this dedicated approach is the right one and that our customers trust us comes from the Consumer Applications Segment, for example, which has more than 42 million active customer accounts and very high levels of customer satisfaction. We also receive positive feedback from our customer surveys, along with extremely good star ratings in apps and ServiceValue awards for customer trust and customer satisfaction.

Achim Weiss: In addition, IONOS’s customer service organization was “Voted Customer Service of the Year 2021.” This customer satisfaction also extends beyond Germany, as can be seen from the awards we have won in Spain and France.

Where is the road leading in the next few years? What are going to be the key issues?

Martin Mildner: One clear focus is naturally on our plans to build Germany’s most modern mobile network – this will be fully virtualized and based on OpenRAN technology. As Germany’s fourth network operator, we aim to make a major contribution to digitalization.

Jan Oetjen: We intend to continue setting standards for digitalization as one of Europe’s largest e-mail platform providers. Together with Deutsche Post, we have started digitalizing the German letter mail delivery market with our advance e-mail notifications for letters. We want to steadily expand this offering in the coming years with the goal of using the opportunities offered by digitalization to permanently change how letters are sent. This also shows how we take responsibility, especially towards the environment: large volumes of CO₂ emissions can be saved by reducing mail transports, and we also aim to significantly reduce paper consumption in this way.

Achim Weiss: We have significantly extended our market coverage in recent years as part of the internationalization of our hosting and cloud business, thanks to support from our “local heroes” and market leaders such as home.pl in Poland, Arsys in Spain, and World4you in Austria. We aim to continue this trend. It’s also clear that, as digitalization gains ground, the challenges relating to the digital infrastructure and energy requirements are becoming more urgent. This means that data center efficiency will play an increasingly central role. Many of our data centers are already climate-neutral. We are currently building a new solar-powered data center in the United Kingdom, which is expected to start operations in 2022. To help our customers transition smoothly to the digital world, we recently added a “Do-it-for-me” service to our personal consultant Offering. This covers both providing the technical components needed for a website and even creating the website itself. We are aiming to expand this service further so as to maintain and continuously increase customer satisfaction.
Martin Mildner: Digitalization is at the heart of everything we do at United Internet AG. While the Group’s operating companies focus on products and customer-facing services, the task at Group level is to create the necessary structures and optimize our processes so that we can succeed together. More than ever, our goal is to live up to all aspects of our digital responsibility as an internet company, to drive forward innovations with confidence, and hence to offer our customers the best possible products.

Data Protection

Data Protection means Protecting Privacy

As the process of digital transformation increases, so do the volume and complexity of the information and the digital footprints we leave online. The need to protect personal data and questions as to whether data processing is compliant with the General Data Protection Regulation (GDPR), which came into force in 2018, are becoming more and more of an issue with the public at large and with individual users.

Our customers are aware of dangers such as data abuse and insufficient data security, and take data privacy factors into account when selecting products. This can also be seen from the large number of customer queries we receive on the latter issue (2020: 1,872; 2019: 1,686; 2018: 35,445). Since we aim to enable customers to decide for themselves what happens to their data, protecting personal data is both a basic part of how we see ourselves and a prerequisite for our business. In line with this, our products and services naturally comply with the strict data privacy standards in force in Europe and Germany.

The General Data Protection Regulation (GDPR)

Following the entry into force in May 2018 of the EU’s General Data Protection Regulation and the associated revision of the German Data Protection Act ("Bundesdatenschutzgesetz" – BDSG), companies have to comply with stricter requirements regarding personal data and its processing.

In 2020 – as in the previous year – one key focus of the work performed by United Internet’s data privacy departments was on continuing and consolidating measures associated with the new EU rules and national standards. Whereas day-to-day operations continued largely to revolve around recurring work such as maintaining records of processing activities and performing data protection impact assessments for processes that are expected to entail materials risks to natural persons’ rights and

(1) The sharp decline is due to a change in the query. Since 2019, only the adjusted number of data privacy questions from customers has been counted rather than all incoming and outgoing customer questions.
freedoms, the main thrust of our work was on further expanding our data privacy organization. We also launched additional implementation projects.

Examples include implementing deletion policies, ongoing enhancements to risk management, and the implementation of “cookie layers” to obtain users’ consent to their use. We also adapted the privacy notices in the various segments.

The implementation of 2020 rulings by the European Court of Justice (ECJ), German courts, and data protection authorities was another focus of our work in the fiscal year. Particularly noteworthy decisions were taken by the German Supreme Court (BGH) on the need to obtain cookie consents, following on from a 2019 ECJ ruling and a decision by the ECJ on the validity of the Privacy Shield between the EU and the USA on the transfer of personal data to the USA. These rulings gave many enterprises clarity in concrete situations for the first time since the GDPR entered into force, and led to the need to implement associated modifications.

Ensuring Data Privacy at United Internet

We aim to ensure data privacy throughout the Group and to embed it in our systems and processes. Our data privacy departments ensure compliance with a uniform approach throughout the Group. At an operational level, we have strengthened data privacy by establishing data privacy coordinators and continuing to expand our local organizations. The data protection officers in the segments and the Group Data Protection Officer report to the segment management boards and to United Internet AG’s CFO respectively.

We have embedded data privacy in the enterprise in the following ways:

- **Including data privacy experts in the product development process**
  The Data Privacy department and data privacy coordinators serve as internal consultants for data privacy questions that arise e.g., during product design or development (privacy by design) or when entering into contracts.

- **Comprehensive, easy-to-understand rules**
  We help make it easy to comply with data privacy requirements using internal guidelines and processes that make them more understandable and more transparent. Our “Information Security and Data Protection” brochure explains to staff in clear, comprehensible language how to deal responsibly with personal data and information. This includes telling them the basic data privacy rules that they must observe, how to use e-mail and the internet securely, and what to do when there are visitors to the Company.

- **Regular data privacy training helps prevent problems**
  We want each and every employee to help ensure that data is only processed lawfully, that it is not lost, and that it does not fall into the wrong hands. We do this by training staff on data privacy requirements, using both face-to-face and e-learning formats. In 2020, we evaluated a new e-learning course on the basics of data protection, which was rolled out in the Consumer Applications and Business Applications segments in the first quarter of 2021. We also held a wide range of training events on data privacy and data security, especially in relation to the GDPR. In addition to basic training for employees and managers, we held classroom-based courses for data privacy coordinators, among other people, along with events that focused specifically on managers’ responsibilities in this area.
- **Regular dialog with the supervisory authorities**
  United Internet’s Data Privacy department is in regular contact with the competent supervisory authorities, particularly in relation to customer submissions that the authorities pass on to the Company. We also forward notifications of breaches of GDPR data protection requirements – of which there were 39(1) in 2020 (2019: 86(1); 2018: 49) – to the competent data protection supervisory authorities. The staff in our Data Privacy department also maintain regular contact with the authorities to discuss and liaise on topical data privacy issues.

- **Complaints procedures ensure effective detection**
  Customer questions and complaints about data privacy are handled by trained staff in special data privacy departments in close cooperation with the data protection officers for the areas concerned. We respond internally to any incidents by adapting our guidelines and raising employee awareness, if necessary. In addition, our employees can contact the Compliance and Data Privacy departments in confidence to discuss data privacy issues arising in the course of their work.

- **Effectiveness checks**
  The Data Privacy department performs internal ad hoc data privacy checks. In addition, it is involved in ensuring data privacy at service providers, where it performs checks. As a supplementary measure, TÜV Rheinland successfully performed an external data protection audit for 1&1 Mail & Media GmbH and 1&1 Telecommunications SE in 2020.

- **1&1 Service PIN offers enhanced security**
  Customers entrust their data to us for processing. We enhanced our safety standards and introduced our 1&1 Service PIN in the Consumer Access Segment in December 2019 so as to protect this data even better in future. The Service PIN is a personal five-digit code that our customers can access and modify independently in their 1&1 Control Center. During calls, customer service staff ask customers for three digits of the PIN but do not know the entire number. Going forward, the 1&1 Service PIN will become the central means of authentication, replacing the three-factor authentication method previously used. Additional measures to enhance security such as the Support PIN are also being implemented in the Consumer Applications and Business Applications Segments.

- **Cookie layer**
  Like almost all websites and apps, 1&1’s applications use cookies – small text files that are stored on a customer’s computer or in their mobile device’s app cache and that allow the application to recognize users it has seen before. As a result of the court rulings by the ECJ in 2019 and the BGH in fiscal year 2020, we worked together with the office of the Rhineland-Palatinate Commissioner for Data Protection and Freedom of Information (LfDI) to revise the cookie settings on the segments’ home pages. The multilevel consent procedure allows visitors to protect their privacy as optimally as possible by determining for themselves what information should be stored.

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(1) Including Consumer Access, Consumer Applications, and Business Applications; excluding independently managed companies. The rise in notifications in 2019 compared to 2018 was due to the GDPR’s strict notification requirements.
Information Security

Expanding Internet Security

For United Internet, information security is a core component of acting responsibly in the digital world. Customer trust in the measures we take to ensure information security is the basis for ensuring that they feel able to trust us both with personal digital information such as photos, documents, and e-mails, and with business data (e.g., when running applications in the cloud).

The information that we have to protect comprises both customer and employee data. It is processed in our internal systems in business processes that are in turn part of products. We aim to protect information against unauthorized access and misuse throughout the entire, complex product environment. In the process, we ensure we comply with the goals of preserving confidentiality, availability, and integrity. Our security strategy aims to achieve and continuously enhance our protection goals throughout the Group at an appropriate and uniform level.

We base our activities here on recognized international standards. For example, we have implemented an information security management system (ISMS) in accordance with ISO 27001. Establishing and expanding our effective, scalable security organization is particularly important here.

Management Using the Information Security Management System

Apart from ensuring customer data security, the main objective of information security is to maintain United Internet’s ability to do business and to reduce negative impacts on its business operations.

In keeping with the participating companies’ business strategy, the cross-segment ISMS is managed in the Information Security department. This department comprises two teams: Service and Security Management and Technical Security. Among other things, the Service and Security Management team handles the management of information security guidelines, security instructions, staff training, communication with government authorities, and security risk management. The Technical Security team covers advisory tasks relating to security architectures, and applications, systems and network security. This unit trains employees how to ensure secure development and operations, performs security tests, and handles any security incidents together with the departments concerned. The Technical Security team received an international boost in 2020 when it was joined by the security team at our Spanish subsidiary, Arsys.

The Head of Information Security – who is also one of the Group’s telecommunications security officers under the German Telecommunications Act (“Telekommunikationsgesetz” – TKG) reports regularly to the chief technology officers in the relevant segments. Reporting covers the information security risk portfolio, any relevant security incidents that have occurred, security-related measures taken, the results of security audits, and key security trends.
Information Protection Measures

Vulnerabilities can have far-reaching consequences, both for United Internet’s reputation and for customers. United Internet has taken the following technical and organizational security measures to prevent such risks.

Technical Measures

- **Secure software development**
  The best approach is to prevent security vulnerabilities from arising in the first place. All segments use various maturity levels of the Secure Software Development Life Cycle (SSDLC), which consistently includes security in the software development process at a methodological level right from the start. Generally speaking, a number of different measures are an integral part of product development – from threat analyses and dual-control source code reviews through automated checks and wikis of development/security best practices, down to application penetration tests. As the use of agile development methods spreads, the SSDLC is being continuously expanded to include secure dependency management up to and including secure containerization.

- **Global distributed DDoS shield**
  Distributed denial of service attacks (DDoSs) are concerted Internet attacks originating from multiple sources that are designed to reduce the availability of our services. We use an internally developed global DDoS shield, which is optimized continually, to protect ourselves against these attacks. This system cleans the incoming data stream on an event-driven basis in the event of a DDoS, only letting through legitimate customer queries.

- **Systematic use of encryption – Transport Layer Security (TLS)**
  We use TLS, which is also known under its former name of SSL (“Secure Socket Layer”), for encrypted transmission of customer data. In addition, we make TLS functionality available to customers to protect their data traffic, e.g., for entering passwords or payment information such as in online shops.

- **Geo-redundancy**
  We operate data centers in multiple, geographically discrete locations in Europe and the USA. This allows us to store information at a variety of different locations and minimize the risk of business interruptions and data losses caused by external factors.

- **Data centers certified in accordance with ISO/IEC 27001**
  The ISMS used in our data centers is certified annually in accordance with ISO 27001 so as to ensure we are offering our customers the highest possible security standards. In 2020, we expanded the scope of this certification to include more parts of our IT operations and software development.
Organizational Measures

- **Staff training**
  In addition to the technology, humans are an important part of all aspects of the security chain. Basic training and refresher courses (both face-to-face and e-learning offerings) are used to provide employees with information. In 2019, our previously voluntary e-learning course was turned into a mandatory measure that must be repeated every two years. We achieved our target of reaching 80% of staff with our e-learning course. In addition, virtual “classroom training courses” were used to raise awareness for information security among 294 employees in 2020. These virtual courses were stepped up due to the circumstances surrounding the COVID-19 pandemic. They will remain an important means of supplementing face-to-face classes once it is over. Only employees who have been made aware of the dangers can effectively address the risks arising from e.g., phishing or social engineering. This is why developers and administrators receive special face-to-face technical training that is tailored to their particular requirements. In addition, managers are given special training on data protection and compliance issues.

- **Information security rules**
  Our comprehensive rulebook, which is based on ISO 27001, is designed to provide employees in all departments with guidance. Our mandatory information security guidelines serve as the formal basis for this. We use a variety of different communications channels to tailor these rules to different groups and make them easily accessible for employees. In addition to the abovementioned training courses, our intranet provides tips and tricks and explanations of the rules for key employee roles. These include our internal brochure on information security and data protection, which gives clear explanations of the most important rules governing how to handle information and data. Bound copies of this brochure are handed out at our regular onboarding events. The brochure and our intranet also list the contact points to which employees must report potential or suspected security incidents – i.e., violations of the rules or other threats to the Company – without undue delay.

- **Security audits**
  Information Security conducts product, process, and system audits in order to ensure the effectiveness of the ISMS. These are supplemented by audits and checks within the departments and by external audits. One increasingly common tool here are maturity models. In particular, the technical departments that are responsible for customer data use a security maturity model developed by Information Security. The departments’ development activities benefit from clear position finding, while the model also provides a tool for independent, focused, comparable improvements. Maturity models offer an efficient way of planning effort-intensive, in-depth audits more effectively. They allow audits to be planned in for those places where they support maturation most effectively.

- **Continuous monitoring**
  We also continuously monitor various IT systems in order to discover any data vulnerabilities as quickly as possible. In addition to local monitoring, our Security Incident and Event Management System (SIEM), which has been customized and enhanced internally to fit our environment, allows us to capture any incidents and can trigger appropriate responses. To ensure continuous improvement, we measure the time taken to distinguish between security incidents (e.g., attacks) and non-security incidents (e.g., interrupted power circuits). We also capture our response times from the point at which we receive notification of a problem to its resolution. In addition, we have defined internal targets for certain security-related goals, such as availability.
Security incident handling

All business segments have defined standardized processes for handling security incidents. Once an incident is detected, a trained incident manager is responsible for pushing forward with its resolution. Where necessary, he or she also consults the Security Team or external experts.

Information security during the COVID-19 pandemic

The restrictions imposed during the COVID-19 pandemic meant that we had to enable employees to work from home across the board and at short notice while upholding information security standards. The central Information Security department worked together with the security managers in the individual departments to provide support for security-related changes associated with working from home. This allowed security requirements to be taken into account appropriately as part of our established, agile change process. Many staff were already able to use the Company’s infrastructure to work securely from outside the office via a VPN (virtual private network). The security organization ensured safe network and IT component operation at all times even during the COVID-19 pandemic, based among other things on corporate identity management, which uses multi-factor authentication, and DDoS proxy protection.

Integrating Business Acquisitions

We perform a thorough review of existing technical and organizational information security measures before entering into business combinations with other companies, and at key points in the integration process that follows. A maturity analysis based on international standards is used for this. Information Security then supplements the level of maturity established by conducting a risk assessment and recommending actions. A range of integration measures are then resolved and implemented, depending on the results and our business strategy. Where it makes sense to do so, acquired companies are included in United Internet’s Information Security Management System (ISMS). The goal is to establish an appropriate, Group-wide security standard. In 2020, the companies belonging to Drillisch AG (which was acquired in 2017 and is now known as 1&1 Drillisch) were reassigned from the Consumer Access Segment to Group ISMS, and Cronon GmbH was reassigned to it from Business Applications.

Product Security

United Internet offers users solutions for secure, data privacy-compliant communication and cloud services on the internet. With its “E-Mail made in Germany” and “Cloud made in Germany” initiatives, the Group has built a sound reputation for secure sending and receipt of private e-mails, and for protecting digital privacy in the cloud.

E-Mail Made in Germany

In 2013, United Internet and Deutsche Telekom launched the “E-Mail made in Germany” initiative. Its member companies offer customers high standards of security and data privacy. These include encrypted transmission of all e-mails across all routes operated by members, the processing and storage of all data in Germany in accordance with German data privacy requirements, and the identification of secure e-mail addresses within the e-mail applications. Since April 2014, “E-Mail made in Germany” has only used SSL keys certified in Germany and all transmission routes have been fully encrypted. It goes without saying that all partners’ processes comply with the GDPR. In 2015, GMX and WEB.DE – e-mail services belonging to United Internet – significantly enhanced the “E-Mail made in Germany” security standard by developing an encryption solution based on the globally recognized Pretty Good Privacy (PGP) standard.
Cloud Made in Germany

In fiscal year 2017, GMX and WEB.DE introduced free end-to-end encryption of cloud content for all users. Customers can use this “safe” to encrypt their data locally before uploading, hence protecting it from third-party access. Sensitive content that has left the customer’s device is saved online only as an unreadable data set. The data is only decrypted again once it has been downloaded from the cloud to one of the user’s devices. This move by the GMX and WEB.DE portal brands strengthens their “Cloud made in Germany” initiative, which was launched in 2016, and improves internet security.

De-Mail Standard

Since 2012, the De-Mail standard has offered legally valid e-mail communication that can be used for online registration and notification processes involving public authorities, and for legally binding digital transactions. GMX, WEB.DE, and 1&1 have been accredited De-Mail service providers since 2013. In 2016, GMX, WEB.DE, and 1&1 were certified for the first time as complying with the European Union’s eIDAS (“Electronic Identification and Trust Services”) Regulation. Based on this certified infrastructure, they will also be able to offer their users a legally valid method of communication with all other EU Member States in future. The eIDAS Regulation creates an EU-wide standard for the unique identification of all participants and the digital signature of cross-border electronic data transmissions. This creates uniform conditions in all EU Member States for the trusted, verifiable exchange of documents and legally valid communications between citizen, public authorities, and enterprises.

We had applied in the past for approval as an identity provider as defined by the German Online Access Act (“Onlinezugangsgesetz” – OZG) for our single sign-on system, which is based on our De-Mail infrastructure. The approval audits were successfully completed in 2020 and approval has been granted. This means that all De-Mail users and GMX, WEB.DE, and 1&1 customers can use their De-Mail accounts to directly access services offered by the federal government’s and states’ citizen accounts and service portals within the network, without having to log on and authenticate themselves again. This makes it much easier for citizens to use all participating e-government processes, and offers our customers and users additional uses for their De-Mail accounts.

Security and Encryption of E-mails, etc.

In addition to the above mentioned security features such as TLS, end-to-end encryption using PGP, and the “safe” function for cloud storage, all user data and content are subject to Europe’s and Germany’s strict data privacy requirements as set out in the GDPR, and are stored on servers in Germany. User consent is paramount.

The two-factor authentication process introduced in June 2019 provides additional protection for user accounts. With this procedure, accounts can be protected by an additional security code that has to be entered during the log-in process, as well as a password. This second factor makes it harder for attackers to access accounts, even if they have guessed the passwords or obtained them using malware.
### Secure E-commerce

Customer trust is a critical factor in e-commerce. In addition to concerns about the security of their personal data, consumers have questions regarding the reliability of online transactions, providers’ delivery capability, and on online services. This is why we take the measures necessary to allay any consumer concerns and to build up their trust.

IT security is becoming an ever-greater audit focus from year to year. Among other things, well-known technical services provider TÜV SÜD regularly audits the online shops run by Drillisch Online’s core brands (maXXim, smartmobil.de, simplityel, DeutschlandSIM, PremiumSIM, winSIM, yourfone, Galaxy EXPERTE, handyvertrag.de, and free-prepaid). The annual certification and review process caters to our customers’ wishes: security and quality are just as important to them as the price of our products and services. For us as an online retailer, certification with the well-known s@fer-shopping seal of approval offers an opportunity to reduce aborted transactions, positively impacting online sales. The requirements that have to be met to obtain the seal cover issues relating to data security and systems security, data privacy, and online content and processes. The comprehensive, multistage process needed to gain TÜV SÜD’s seal of approval includes an on-site audit. Not only is order processing checked for reliability as part of this process, but the way in which customer service deals with customer queries is also reviewed, and the security of customers’ personal data and payments processing are verified.

After successfully completing the certification process, we are entitled to use the s@fer-shopping seal of approval for Drillisch Online’s online shops. This demonstrates our commitment to offering customers a secure, satisfying online shopping experience and to undergoing thorough, systematic audits to assess whether we comply with this commitment. In addition, this certification helps us implement the GDPR’s technical and organizational security requirements. We were certified for the tenth time in a row in 2020.

### Development of “Intelligent” Products

Security and user-friendliness are also core issues for us when enhancing our products and services. We are making increasing use of data science, artificial intelligence (AI), and machine learning here.

#### Intelligent Mailbox Function

GMX and WEB.DE’s intelligent mailbox provides customers with a handy way of categorizing and grouping e-mails, allowing these to be identified more quickly and effectively in a clear overview. Key e-mails can be found more rapidly and additional useful administration functions are provided for handling mass mailings. This saves time and makes the process more user-friendly. For example, the parcel tracking function allows the standard information about a shipment’s status to be displayed above users’ e-mails, and to group all orders together in an overview. In addition, users can customize offerings to suit their own specific interests, and decide themselves which extra functions should be enabled in their mailboxes.
The intelligent mailbox function is self-learning, and by training the systems we will soon be able to offer the technology to create and offer additional e-mail categories. This will provide users with even more clearly structured mailboxes. For example, two new categories – “social media” and “newsletter” – were added in 2020. The first allows users to display all e-mails from social media channels, such as messages about birthdays and likes, together in a single category. The second offers them an overview of all the newsletters received in their mailbox. This can help them to unsubscribe from those they no longer want. For further details, please see the section entitled “Improved Spam Recognition Enhances E-mails’ Relevance and Security.” It goes without saying that the GDPR’s well-known data privacy requirements also apply to “intelligently captured” data at GMX and WEB.DE.

Improved Spam Recognition Enhances E-mails’ Relevance and Security

We work continuously to improve our recognition and filtering of spam – unsolicited or even harmful messages – so that these do not reach our users in the first place. In 2020, we succeeded in increasing the proportion of spam mails that were recognized and filtered out by 15% using new methods and data science applications. At the same time, spam complaints from users declined by 15%. This shows us that the “right e-mails” are being identified as spam. Spam can be anything from dangerous or harmful e-mails aimed at distributing viruses or at phishing down to unsolicited mails such as frequent mass mailings for advertising purposes.

We achieved this improvement by deploying new virus scanners and optimizing configurations. In addition, we started developing a proprietary spam scanner in 2020 that is customized for our services and that uses machine learning techniques, among other things. What is more, the standard allowing users to unsubscribe from newsletters, which was developed in 2019, helps them clean out their mailboxes and only receive the e-mails they actually want to receive. This is based on Internet Standard RFC 8058 (One-Click Unsubscribe), which allows recipients to cancel newsletters directly in their e-mail mailboxes with a single click. The “unsubscribe” link is always positioned directly next to the e-mail sender. This means that users no longer have to search for it or visit the sender’s homepage. The Certified Senders Alliance (CSA), an initiative launched by industry association eco – Verband der Internetwirtschaft e. V., has added this standard to its rulebook, meaning that it is widely observed by leading senders. Our customers are responding positively to the service.

As a result, the number of unsolicited newsletters was reduced significantly in the 2020 reporting period. All in all, we were able to significantly increase both the relevance of incoming mails and the security of e-mail usage for our customers’ benefit.

User Feedback and AI Used to Further Enhance Spam Recognition

Incoming e-mails at GMX and WEB.DE are checked for whether they comply with spam criteria as a matter of course. If an e-mail is identified as spam, it is moved to a separate folder. However, new and constantly changing spam attack methods may lead to unwanted e-mails landing in customers’ inboxes. Conversely, desirable e-mails may end up in the spam folder. Many users already address this issue by manually moving e-mails to the correct folders, training their personal spam filters in the process.
GMX and WEB.DE are now also using this individual user feedback for their general spam filters and for training their AI systems. This will allow us to protect users faster and more effectively against new types of spam. It goes without saying that users must have agreed to this. They can do this in their e-mail settings by activating the "Spam recognition using moved e-mails" option. In this case, GMX and WEB.DE can analyze and categorize content such as the subject lines or URLs of the e-mails that have been moved, plus associated traffic data such as the senders or IP addresses. The analyses are largely performed automatically by computer systems, and only in isolated cases by hand. The data are used strictly for their intended purpose and processed in accordance with the provisions of European data privacy law. Users can revoke their consent at any time by changing their spam recognition settings.

In addition, we are using machine learning to improve our identification of e-mail accounts that are controlled by botnets, so as to prevent spam mails from being distributed in this way.

Using Machine Learning to Identify Fraud

In our hosting business, we have developed a machine learning-based method of using domain names to predict whether the domain itself could be used fraudulently or misused.

Many security attacks today, such as spam mails and phishing, use domain names that make a serious impression on recipients. For example, e-mails may be sent from addresses or contain links to websites whose names are highly similar to well-known, trustworthy domains. Users often do not recognize such tricks immediately. This type of fraud focuses on (or attacks) recipients, but can also impact our hosting customers, whose domains could be blocked by other providers as a result of such fraudulent activity.

Our own organization can also be negatively impacted by this if the customer does not pay the costs incurred for registering the domain.

The data product that we have developed learns from previous domain registrations that have been identified and flagged by our fraud experts, and can assess pending domain registrations within milliseconds. One result is that customers may be offered a restricted range of payment options that require additional authentication, among other things, in order to minimize the risk for our Company. This function was added to our processes in 2019 and has already led to a reduction in the fraud rate.

The next step we are planning is to roll out the analysis to other markets and drive forward its use at the other Group companies that are active in the hosting area. Machine learning is an excellent way of identifying attempted fraud – the methods for which are constantly changing – and we are confident that we will be able to develop and provide additional useful services going forward.
Data Control and Sovereignty

netID: The New European Log-in Standard

Within the Group, United Internet uses a number of measures to ensure internet users retain data sovereignty, such as the netID log-in standard that provides them with greater control over their data and enhances user-friendliness. Users have to register for, and provide profile names and passwords to access, almost all internet offerings – from online shops through social media down to app stores. Trying to manage this flood of IDs and passwords is a major challenge for customers. Single sign-on services offer a solution that not only enables users to retain control over their data but is also more user-friendly: users can register with a large number of online services using a single, secure combination of their user name or e-mail address and password. In March 2018, United Internet, the RTL Deutschland media group, and ProSiebenSat.1 founded the European netID Foundation (EnID) in order to provide a European alternative to US offerings in this area.

This independent foundation developed the netID open standard – a central log-in that is “made in Europe” and with which customers can currently log in to more than 100 partner offerings. The United Internet Group’s GMX and WEB.DE e-mail platforms are among the netID account providers. Users with existing GMX or WEB.DE accounts can use netID to log on to participating partner offerings by entering a combination of their e-mail-address and password. Equally, new users can set up a free netID account with a mix of their e-mail address and a password.

The European netID Foundation launched two new products on the market in fiscal year 2020 to allow user data to be employed for customized approaches where a consent management platform is in use. netID stores user consents in a stable, device-independent form, meaning that users are shown consent forms less frequently. Instead of third-party cookies, which are increasingly being blocked, netID uses a stable identifier to identify users that can be accessed by netID partners. This also makes netID interesting for marketers, since they can use netID to power data-driven business models in a way that is both future-proof and legally secure.

netID is subject to Europe’s strict data privacy requirements (GDPR). In addition, the foundation reviews all standards, partners, and account providers that are members of the initiative. It also sets high store by transparency and focuses on user data sovereignty. For example, users can independently consent to the use of their data, or revoke such consent, at any time using a “privacy center.” This improves data control in the internet. (1)

(1) The opinion published by the German Data Ethics Commission (DEK) in October 2019 also recommended promoting the use of standards – such as netID – to enable individuals to continuously track and manage the persons and entities to which data access has been granted and to which data has been transferred, so as to be able to assert their rights effectively.
Cooperation Aims to Improve Data Sovereignty for Hosting

At the beginning of 2020 IONOS, Europe’s largest cloud and hosting provider, and Nextcloud, the supplier of the world’s most common open source collaboration platform, signed a strategic partnership. Its goal is to combine the two companies’ offerings to offer users the maximum possible data sovereignty. Nextcloud customers can use their data and applications on IONOS’s infrastructure, allowing them to customize them independently and to add supplementary functionality.

For many customers, data sovereignty is an absolute precondition for using cloud services. As German providers that are only subject to German law, IONOS and Nextcloud guarantee their users that they have sovereignty over their data – access by third parties such as is allowed by the U.S. CLOUD Act is not permitted. The two companies intend to extend their partnership in the coming years and to make the case for more data sovereignty, e.g., with companies and public authorities that have previously used U.S. providers to store their data. IONOS and Nextcloud also differ from these providers in that they rely on Open Source products. The systematic use of open standards ensures transparency.

In addition, to guarantee digital sovereignty in the public sector as well, IONOS worked together with Dataport, the public-sector IT service provider, and other partners in the Phoenix project in the 2020 reporting period to develop a web-based open source software system. This offers the following basic functions in addition to an e-mail mailbox: a calendar, contact management, text processing, chats, videoconferencing, simultaneous working, and document storage and exchange. This new IT-based working environment is suitable for use by public administrations as well as for schools, universities, cultural institutions, and all other public-sector entities. The software runs in secure data centers, ensuring that the government can keep control both of its own data and of that entrusted to it by its citizens and enterprises. This cloud-based program is also intended to be an alternative to the version being presented by US providers and, hence to prevent personal data being transmitted to US authorities.

The issue of digital education became even more important during the 2020 reporting period due to the COVID-19 pandemic. IONOS is part of the group of suppliers providing the Hasso Plattner Institute (HPI)’s training cloud, which complies with German data privacy standards and offers educational learning tools.

GAIA-X – the European Cloud Project

The idea behind GAIA-X is to build a hybrid cloud using European security and data privacy standards that meets the highest digital sovereignty standards. IONOS has been involved in GAIA-X AISBL(1) right from the start, is a member of its Technical Committee, and is actively helping to shape this European initiative. The idea is for the numerous successful local clouds in Europe to cooperate and standardize their operations to create a common “hypercloud” that will allow both large enterprises and SMEs on the European and German markets to exchange and process data in a trusted, secure, and transparent manner. Customers can choose between multiple hosting providers and – thanks to the planned standards – can switch at any time.

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(1) “Association internationale sans but lucrative,” a non-profit association under Belgian law.
IONOS is helping with the rapid construction of a European cloud by contributing its many years of experience in developing and operating cloud infrastructures to the GAIA-X project. Our employees are providing their knowledge in working groups on a number of issues, e.g., defining standards and the reference architecture, and establishing certifications. We are also helping shape GAIA-X’s development as the moderator of the Product & Service Board and as a member of the GAIA-X Technical Committee.

The objective is for GAIA-X to offer a European alternative to the large US and Asian cloud providers known as hyperscalers. Numerous European and German cloud providers, associations, and enterprises are also working on the project in addition to IONOS.

Participating in and Shaping Digitalization

The United Internet Group’s business model is built on access to communication, information, and entertainment. Thanks to the frequencies bought at auction by 1&1 Drillisch AG in summer 2019, we are able to take the next step and establish our own high-performance 5G infrastructure.

Following the successful 5G auction, 1&1 Drillisch AG and the established network operators signed an agreement with the Federal Ministry of Transport and Digital Infrastructure (BMVI) and the Federal Ministry of Finance (BMF) to build mobile phone base stations in “white spaces.” By doing so, the company will help close gaps in coverage in rural areas in particular: constructing large number of masts will contribute to improving mobile phone reception in these regions. In return, 1&1 Drillisch can transfer the license fees payable for the frequencies to the federal government in installments until 2030. This step illustrates the benefits of cooperation for both consumers and network operators.

What is more, the Consumer Access Segment enables a wide range of customers to participate in the process of digitalization thanks to 1&1 Drillisch AG’s broad portfolio, which covers everything from premium to discount tariffs. Additionally, the Consumer Applications Segment with the GMX and WEB.DE portals’ freemail variants offer free e-mail and cloud services, plus associated product innovations such as our intelligent mailbox function, the netID log-in standard, or the advance letter mail notification introduced in 2020 in cooperation with Deutsche Post AG. Registered users can use this free e-mail service to be alerted to incoming letter mail. All these measures are ways of implementing digital participation. Today, the availability of affordable internet access options is seen as being vital for achieving economic and social development, and even for exercising human rights.(1)

Free Access to News

The Company’s GMX, WEB.DE, and 1&1 portals offer users not only e-mail and cloud services but also unrestricted access to content from their own, independent editorial team. 12% each of German internet users use GMX and WEB.DE as a source of news on a weekly basis, while 8% each use the two freemail portals to obtain information at least three times a week. This is documented in the Reuters Institute’s Digital News Report 2020. In addition, the German-language MedienVielfaltMonitor for the first half of 2020 puts GMX and WEB.DE among the top 15 media in the German opinion market. More specifically, GMX and WEB.DE came third and first in the “online opinion market” category. The two portals therefore contribute significantly to social discourse.

In order to do justice to the responsibility that this entails, we have established clear guidelines for ourselves that are set out in an editorial mission statement. Among other things, we want to offer

(1) See e.g., the Bitkom article (German only) dated November 24, 2019.
content that is relevant for users, as well as always complying with strict data privacy standards and aiming to provide rapid and above all correct reporting in acute news situations. If errors occur nevertheless, we correct them transparently in line with a clear set of rules by drawing readers’ attention to the corrections beneath the article.

In addition, the editorial team uses a wide range of mechanisms to ensure transparency for users about our sources. We regularly invite readers to visit our editorial offices, allowing us to stay close to our users and to learn from them personally what they expect from us.

We have abided voluntarily by the rules set out by the German Press Council for many years, and went a step further in 2019 by officially undertaking to comply with the German Press Code. Apart from the classic media brands, our portals were the first major pure-play online media in Germany to take this step.

Fake News – or Just an Error?

The term “fake news” is becoming more and more common in criticism of the media. However, not every error made by the news media falls within this category. Rather, this term refers to deliberately false or bogus reports that are circulated in order to manipulate readers. In addition, it is used sometimes as a political catchphrase for unconscious errors made by news media, which is why correcting these is highly important in journalism. GMX, WEB.DE, and 1&1 therefore put special emphasis on ensuring that corrections are made transparently.

The news services are not limited to the German market, but are also to be found on the GMX brand’s localized national portals in the United Kingdom, France, and Spain. Strict rules apply to partner adverts in order to protect customers from misleading advertising or offerings from the tobacco industry, for example.

Association Work and Cooperative Ventures

United Internet lives up to its responsibility to help develop the digital economy. For example, many employees contribute their time free of charge during working hours to a variety of European and national associations, joint industry committees (JICs), and foundations in order to help shape the future, ensure transparency, and create standards that benefit users.

Equally, since network security does not stop at the walls of our own data centers, United Internet is active in a number of associations such as Bitkom and the Alliance for Cyber Security founded by the Federal Office for Information Security (BSI). Its goals here are to promote both increasing digitalization and the development of new security standards. In addition, we share the results of our information security research within industry associations, or make them publicly available.

The Group also supports the Interactive Advertising Bureau (IAB) Europe and the German Association for the Digital Economy (BVDW), for example. Among other things, the members of these two digital associations are developing the framework for technology that will enable pages to load more rapidly and enhance the user experience. This also involves defining concepts and uniform processes so as to enable members to work more efficiently together. In addition, political and social frameworks are being developed – e.g., in the area of data privacy.
Equally, United Internet Group employees are contributing their working time, experience, and commitment to the German Digital Dialog Marketing Association (DDV) so as to support the sector and shape the market to benefit users. One example of the work that the committees perform is to agree on e-mail marketing measures designed to make spamming even harder.

Our employees also work in JICs such as agof, the German Association for Online Research. These JICs measure neutral performance criteria such as the reach of various internet offerings, providing the market with a “currency.” In turn, this data makes it easier for website operators to obtain advertising finance, as a result of which more money is invested and users can be offered a better service.

Last but not least, United Internet employees support the work of the European netID Foundation via the foundation board and the advisory boards. This independent foundation is responsible for the netID log-in standard (see above) and is continuing to develop it together with the sector.

Basic Research

United Internet Media – a Group subsidiary and the exclusive media marketer for United Internet’s portal brands – regularly conducts research on basic topics that are of relevance to the sector. By doing so, it not only performs an educational function, but also provides the marketing sector with key data permanently and free of charge. Once a year, United Internet Media conducts the Digital Dialog Insights study together with the Stuttgart-based Hochschule der Medien (HdM); in 2020, this addressed the post-cookie era, artificial intelligence, and the impact of the COVID-19 pandemic on digital marketing. The study showed that cookie blocking and the COVID-19 pandemic are leaving significant marks on digital marketing. Experts consider the digital marketing sector to be ill-equipped for the post-cookie era. Companies are badly prepared and do not have the necessary expertise, according to one core finding of the “Digital Dialog Insights” survey. However, the experts also say there is no way back to traditional marketing channels and are in favor of using alternative infrastructures and technologies instead. As in the previous year, AI is considered to be highly important. In the experts’ opinion, it can be used to deliver additional customer benefits in the form of customized and personalized offerings.

In a second study, United Internet Media examined the use of brand logos and seals of quality in e-mail postboxes. trustedDialog – the overarching quality standard that is used at GMX, WEB.DE, and 1&1, as well as at T-Online and freenet, for example – has a positive impact on the sender’s brand image and also mobilizes more users. In an experiment designed to analyze brand potential, news items from three imaginary brands were displayed to a user group with a seal of approval and brand logo for the sender, and a control group without them. The results of the follow-up survey were clear: the trustedDialog seal has a positive effect, especially on perceptions of the sender’s or advertising brand’s security and trustworthiness. In addition, customers were more willing to interact with the brand.

Marketers can use the results of this basic research by United Internet Media to respond better to current challenges, make more focused investments in technology such as AI, and improve their e-mail dialogs with customers. Users also benefit from this by receiving relevant information, content, and advertising messages.
Digital Literacy

Digital Guide and Startup Guide Knowledge Databases

Our “Digital Guide – IT-Fachwissen für alle,” which we have been producing since April 2016, provides freely accessible, internally developed content on websites, hosting, online marketing, IT, and how to be successful on the internet. It has been supplemented since October 2018 by our “Startup Guide – Der Ratgeber für Gründer, Selbstständige und KMUs,” which offers useful information on how to found and manage a business. The two IONOS guides currently comprise roughly 18,500 articles in German, English, Spanish, Italian, and French that are aimed at a broad target group in Germany, Austria, France, Italy, Spain, the United Kingdom, the USA, Canada, and Mexico.

They offer a wide range of information on IT topics, from “how-tos” on internet, e-mail, and password security and network troubleshooting down to explanations of and tips on data privacy and online law. Equally, new digital topics such as artificial intelligence, deepfakes, or the US CLOUD Act are explained in easily understandable terms. Where appropriate, references are made to IONOS product recommendations.

IONOS also offers numerous useful tutorials and webinars that are freely accessible on YouTube. Examples of topics covered include how to delete cookies or successfully optimize search engines. In addition, users of the German-language Digital Guide receive a monthly newsletter on topical issues.

Our “Social Media Safety” Internal Initiative

Despite being digital natives, children and young people do not automatically know how to use the internet – and especially social media – responsibly, but have to learn how to do this. As an internet company, we have substantial expertise in the areas of social media, data privacy, and the like, as well as a responsibility to society. One way in which we live up to the latter is through the program for children and young people that is held at schools near our Karlsruhe and Montabaur locations.

In 2017, employees founded an internal initiative, “Sicher im Netz,” as part of a development program. The Group produced a presentation with workshop elements designed to raise awareness among school students of how to behave on the internet. Since personal contacts are the best way of putting information across, the project group created the role of ambassadors, in which employees give the presentation. Including staff in this way also raises awareness of the issue internally.

In the 2020 reporting period, a second team was set up at our Karlsruhe location in addition to our core team in Montabaur, so as to facilitate more intensive communication with local schools, among other things.
The measures focus on using workshops to teach young people about how to use social media and to raise their awareness of the associated risks. Particular attention is paid to security settings in social networks, picture rights, and – in the discussion following the presentation – negative experiences in networks and how to deal with them. The initiative’s new name – “Social Media Safety” – reflects this approach. We launched the program five years ago at our Montabaur location and have regularly received extremely positive feedback from students and teachers there. The school closures ordered in the course of the COVID-19 pandemic meant that no sessions could be offered in local schools in the 2020 reporting period; however, the program will be continued as soon as the regulations permit. In addition, the plan is to expand the program to our Munich and Berlin locations.

Not only does this social commitment by our employees enhance our presence at the schools at our locations, it is also an expression of our social responsibility towards internet users. This initiative combines social and local commitment with our core business.
Materiality, Impact, and Risks

As an internet and telecommunications company, United Internet shares the typical features of this sector: a rapidly changing environment, short innovation cycles, and intense competition. Our dedicated and highly skilled employees and managers are a key factor in mastering these challenges.

This means we place great value on a sustainable, balanced strategy encompassing all core human resources areas: from recruitment through customized onboarding and training formats for specific target groups, job-specific qualification programs, and support for individual career paths, down to the development and long-term retention of managers, high potentials, and top performers.

Our staff and applicants expect nothing less. Highly qualified, well-trained employees are the cornerstone of United Internet’s business success. It is therefore vital for us to meet our short-, medium-, and long-term staffing requirements and ensure that our workforce has the necessary specialist skills. If we fail to do this, United Internet might not be able to do business effectively or to achieve its growth targets.

Goals and Measures

In line with this, United Internet aims to be a fair and attractive employer. Our goal is to recruit managers and employees with specialist skills and technological know-how, to support their continuing development, and to retain them at the Company.

One core principle of our human resources work is always to see our staff as individuals first, and not just as employees. We create a high-performance culture by ensuring our corporate values are reflected in strategic human resources issues such as compensation, continuing education and training, and work safety.

We work constantly to enhance and expand employees’ skills and managers’ leadership qualities alike. We do this using focused professional development training, mentoring and coaching programs, and special offerings for high potentials, among other things.

We are also convinced that the diversity of our workforce creates the conditions needed for creativity and productivity. We make the most of this wealth of potential ideas and innovations by promoting diversity and equal opportunities through a variety of formats.

We also aim to use our employee health management program and our work safety and preventive measures to promote staff health.

Personnel issues are the responsibility of the heads of Human Resources at the business segments concerned, who report regularly to their management boards.
Results and Assessment

We use a range of performance indicators to measure the effectiveness of our human resources work in different areas; these are generally calculated by HR Control and reported regularly to the Management Board. Indicators include employee satisfaction with professional development opportunities and measurement of our “return on education.” Further details can be found in the following sections.

Contribution to the SDGs

<table>
<thead>
<tr>
<th>SDG</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</td>
</tr>
<tr>
<td>5</td>
<td>Achieve gender equality and empower all women and girls.</td>
</tr>
<tr>
<td>8</td>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</td>
</tr>
</tbody>
</table>

Our Human Resources Strategy and HR Organization

In addition to our general, overarching strategy, our Access and Applications divisions and the individual segments within them require specific human resources strategies. We have established core centers of competence for specific issues, allowing requirements and staffing levels for the Group and the divisions to be coordinated. Examples include People & Organizational Development, and HR Marketing. This ensures a coordinated approach and equal treatment throughout the Group, while freeing up the segments to focus squarely on their operational business.

Responsibility for key elements of human resources development has been transferred to the segments concerned so as to guarantee this operational focus and ensure the HR development strategy is implemented as closely to the business as possible. This has already been completed to a large extent. The People & Organizational Development department focuses mainly on diversity and learning, in order to provide a framework for creativity and productivity. This encourages new ideas and innovation, enhances our Company’s competitiveness, and offers opportunities for all.

Examples of overarching goals and targets are our aim of offering tailored staff development formats, recruiting managers from within the organization, and retaining employees for the long term. Metrics used to track effectiveness include the number of management positions that have been filled internally (2020: 73.65%; 2019: 70.19%; 2018: 65%) and staff turnover (2020: 6.70%; 2019: 8.96%)

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(1) Active core employees, i.e., employees including apprentices and trainees, but not including staff with inactive employment contracts (mainly employees on parental leave), interns, student workers, school students, thesis students, or temporary staff.
2018: 8.90%[1]. In addition, we have set ourselves the goal of appointing more women to management positions.

The following tables give a breakdown of the workforce by location (Germany or abroad) and segment.

<table>
<thead>
<tr>
<th>Employees by location[1]</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Germany</td>
<td>7,567</td>
<td>7,761</td>
<td>7,929</td>
</tr>
<tr>
<td>Abroad</td>
<td>1,526</td>
<td>1,613</td>
<td>1,709</td>
</tr>
<tr>
<td>Total employees</td>
<td>9,093</td>
<td>9,374</td>
<td>9,638</td>
</tr>
</tbody>
</table>

(1) Figures refer to our active employees as of December 31 of each fiscal year.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Access</td>
<td>3,150</td>
<td>3,163</td>
<td>3,191</td>
</tr>
<tr>
<td>Business Access</td>
<td>1,095</td>
<td>1,184</td>
<td>1,188</td>
</tr>
<tr>
<td>Consumer Applications</td>
<td>947</td>
<td>1,007</td>
<td>1,005</td>
</tr>
<tr>
<td>Business Applications</td>
<td>3,355</td>
<td>3,416</td>
<td>3,631</td>
</tr>
<tr>
<td>Corporate HQ</td>
<td>546</td>
<td>604</td>
<td>623</td>
</tr>
<tr>
<td>Total employees</td>
<td>9,093</td>
<td>9,374</td>
<td>9,638</td>
</tr>
</tbody>
</table>

(1) Figures refer to our active employees as of December 31 of each fiscal year.
(2) The increase in headcount is due to organic growth in all areas.

Our Values and Corporate Culture

Our corporate values and management guidelines comprise our Company’s value system. Our Code of Conduct shows how to act in line with these values. All employees receive a bound version of our values and the Code of Conduct when they join United Internet, and these are also discussed during the onboarding process.

We prepare our managers for their responsibility as role models and have also anchored this as a core element of our management guidelines, so to ensure we are walking the talk with our values. Our two-monthly (virtual) manager onboarding meetings use small groups to discuss our values and management guidelines, and gain a firm understanding of what this means for our day-to-day work. Management Board members from the individual segments kick off and introduce the topic, and actively reach out to our new managers on it. It is then discussed in more detail and put in an operational context in the obligatory three-part leadership training course, which all new managers have been required to take since the first quarter of 2020.

A Learning and Feedback Culture

Learning should be an option for, and accessible to, all staff. In keeping with this principle, all training courses, networking events, and personal and professional development offerings that could sensibly be translated into digital form were recast during the reporting period and offered in a variety of unit lengths, from full-day to hour-long formats. As soon as the current pandemic permits, we intend to use a judicious mix of virtual and classroom offerings and modular training courses of different lengths, to guarantee flexible learning in the future, too.

In addition, we developed a comprehensive intranet offering on the subject of virtual communication in 2020. Managers and staff also discussed numerous examples of best practice to ensure we are all learning from and with each other even in these extraordinary times. As a result, we have built strong digital working formats as an organization and worked together more closely across borders. We intend to expand these activities in future. New formats such as online brown bag lunches and other short training sessions are also helping us to build this continuous virtual sharing and learning process.

Our new office building in Karlsruhe, “Hinterm Hauptbahnhof,” also aims to encourage shared learning, room for personal and professional development, and creative freedom. The multi-space concept we have implemented there represents a major step towards state-of-the-art, forward-looking working. It facilitates and promotes creative, dynamic, and flexible working. The various different areas within the new offices cater to the different requirements of daily work. Staff will find the right setting for everything – team sessions, focused individual work, brief meetings, confidential phone calls, creative workshops, or short breaks. This simplifies working and in particular makes teamwork easier, more flexible, and more efficient. Not only does the new building offer workplaces for 2,500 people, it also provides a wide range of additional spaces that encourage staff to development and grow. This also includes the use of collaborative working tools as a standard.

In addition, flat hierarchies permit unbureaucratic communication channels and rapid decision-making – and not just at our new Karlsruhe location. This allows us to be agile and react flexibly to new challenges. Our open feedback culture is another essential foundation for working together and helps foster a high-performance and respectful environment. We can only actively practice values such as openness and fairness in an environment in which colleagues provide feedback to one another respectfully and constructively. Only such an environment allows continuous improvements that benefit individual employees, teams, and the Company alike. This is why high-quality feedback play a key role for us in establishing an open, supportive corporate culture.

Staff and managers assess each other directly in our annual feedback and performance reviews. In addition, employees can obtain digital 360-degree feedback on themselves at any time, both from their direct superiors and from colleagues. This takes the form of a documented, uniform process and can be used in relation to project tasks, for example. This option raises awareness of the need for openness and reflection throughout the entire organization, and makes staff more confident about giving and requesting feedback. As a result, the latter becomes a natural part of everyday work and can be used for continuous improvement.

Other feedback methods are described on our intranet and can be as needed in specific situations by deployed by both teams and individuals. We offer training for both employees and managers to assist teams in creating and maintaining a strong feedback culture, increasing the assurance with which they give and receive feedback. In addition, obtaining feedback from colleagues is a mandatory part of the process used when employees want to take on positions with greater responsibility.
Employee Communication

Ensuring we listen to our employees and providing them with appropriate communication channels are challenges for a rapidly growing company such as United Internet. At the same time, there is an increasing need to provide them with information about our strategy and how the Company is developing. This is why we have developed a variety of successful employee communication channels over the years. Additionally, the COVID-19 pandemic means that many events are being held in digital form, which has changed the nature of communication.

- The Management Board members responsible for the individual segments hold staff meetings and roadshows several times a year to provide information on the course of business in their areas and allow staff to ask questions. Since many employees also own shares in our Company, this ensures that they are kept informed in the same way as investors. These events were held virtually during the fiscal year.

- Our “Ask the Board” format facilitates open, direct dialog between the Management Board members responsible for the individual segments and the employees concerned. It permits employees to ask Board members directly, informally, and face to face about the Company’s current performance, management issues, and other important topics. The events take place every eight weeks at all German locations. In fiscal 2020, a total of 11 (2019: 14) sessions of this type were held. The virtual format this year made them independent of specific locations, allowing many more staff to register and ask questions of the Board.

Employee Satisfaction

We started conducting employee surveys in 2009 in order to obtain their feedback and identify room for improvement, after which we take appropriate measures to implement our findings. The surveys have been a regular fixture since 2016.

The most recent employee survey was held in October 2019 and confirms the topics from the previous survey. Departmental meetings to communicate the results internally started in December 2019.
Due to the ongoing pandemic the focus in fiscal 2020 was on measures to protect the entire workforce and comply with all necessary safeguards, and to achieve a work-life balance. Nevertheless, work continued in parallel on individual overarching initiatives that had been identified in the last employee survey. The measures mainly relate to the following topics, whereby the different segments may focus on different aspects:

- Information and internal processes
- Fairness and appreciation
- Respectful dealings with one another

Employees’ survey responses are an important indicator of whether our human resources work is a success.

To obtain as objective a view of ourselves as possible, we evaluate assessments by external institutions and independent sector rankings as well as internal surveys. In 2020, the Top Employers Institute again recognized us as a “Top Employer” – an accolade we have held every year since 2008. This certification is given to companies that offer their employees attractive working conditions. Criteria used in the evaluation are career opportunities, employer benefits, working conditions, and training and development opportunities.

**Training and Education**

**Development and Prospects**

One of the basic principles for our People & Organizational Development is “we make people successful.” In our dynamic, constantly changing market, our employees have to take responsibility both for their work and for their personal development. We are convinced that their motivation and determination to succeed depends on their ability to see and pursue individual prospects for themselves. Individual employees’ knowledge also grows our organizational knowledge as a whole. For example, keeping up with the state of the art protects our technology lead in the areas of information security and software development, while professional customer care enhances customer satisfaction.

We therefore invest in wide-ranging learning and development measures and ensure our employees grow in line with the functions they perform. Activities here are based on their individual “development journeys”; these are agreed during annual staff performance reviews and their implementation is then checked over the course of the year.

Among other things, staff development plans include acquiring skills needed to perform forthcoming tasks, suitable on-the-job or off-the-job measures, and employees’ personal development wishes and preferences. This reinforces employees’ readiness to take responsibility for themselves and willingness to learn, and ensures they can acquire new skills at every stage of their development. Our proactive feedback culture and 360-degree feedback process supports continuous learning and development. A large proportion of the workforce has the opportunity to take part in these performance reviews using a structured, systematic process and to obtain additional feedback themselves. The results of the annual performance reviews are collated centrally by Corporate People & Organizational Development (POD). In addition, managers in the independently run companies in particular hold individual development reviews with employees.
The success of learning measures is benchmarked using a mix of satisfaction with development opportunities, measuring our "return on education," evaluating how measures have been implemented at the individual employee level during the next performance review, and cost control metrics.

Personal Development Opportunities

- **1&1 Campus**
  Our central training portal, 1&1 Campus, bundles internal training and e-learning offerings, giving staff quick and easy access to development opportunities within the organization. 1&1 Campus offers employees from all areas of the organization a wide range of training options in the areas of methodologies, soft skills, and professional knowledge. We assess all courses for participant satisfaction and recommendation rates to ensure we are continually improving our offering. These KPIs suggest they are of an extremely high quality. In addition to the courses offered by People & Organizational Development, the range also includes training designed for segment-specific customer care units, plus seminars taken from our technical training catalog, our TEC Campus, and our Online Marketing Campus – training offerings by and for employees.

- **TEC Campus**
  Our technical staff have extremely specific, in-depth knowledge. Our goal is to promote information sharing and joint learning, which is why we have expanded our 1&1 Campus to include a platform offering training in tools, processes, and methodologies, along with e-learning material and presentations by staff for staff. The TEC Campus focuses on specialist technical training and presentations, including development practices, developer onboarding, and agile methodologies. This allows topics such as information security and business process management to reach a broader target audience. The TEC Campus also hosts internal conferences such as the TEC DAY or the PASK (Project/Agile/Scrum/Kanban) conference.

- **Talent management (MyWay+, Navigate, and Women explore)**
  We use our talent management programs for proactive personal development. Individual development plans are aligned with the target positions concerned (e.g., professional development for experts and managers in the case of "MyWay+"). Partly as a result of these measures, we were able to fill 73.65% of management positions internally in 2020 (2019: 70.19%; 2018: 65%).

  The "Navigate" program is designed to retain highly motivated high fliers within the Company early on and develop their entrepreneurial mindset and skills, powers of reflection, and ability to give and take feedback from a very early stage.

  "Women explore" gives high-performing women the opportunity to increase their visibility within the Company, to network with one another, and to actively examine their strengths and their career and networking strategies.
"Human Resources’ ‘Women explore’ program has made an inspiring contribution to growing exceptional talent within United Internet – as well as creating a promising way of strengthening our Company by appointing more female managers. It is a great privilege and pleasure to be able to assist in the program as a role model. I am consistently inspired by my female colleagues’ impressive personalities and considerable potential, and I also benefit personally from every exchange with them."

Simone Hoefer, Head of Portal Platform Services, 1&1 Mail & Media Development & Technology GmbH

- **Individual offerings**
  New intranet pages that were launched in 2020 give an attractive and comprehensive overview of the large number of (continuing) professional development opportunities on offer. This provides all staff quick and easy access to all relevant information relating to human resources development and learning. We consistently incorporated feedback from our internal customers when redesigning the pages.

- **Function-specific Development Measures for Customer Care**

  - **Access Division**

    Our strong customer focus means we rely on skilled employees to provide a professional service. In keeping with this, we regularly train both our (internal) employees and staff at our (external) service providers on our products and services, and on sales methods. The more our employees know, the more confident and self-reliant they will be in dealing with customers, guaranteeing high-quality customer care.

    To ensure we meet this commitment to quality from the first customer contact onwards, we overhauled the training given to new call center agents in the “Learning Paths” project and put the focus on practically based content. In addition, we developed and implemented a number of different workshops and short training courses as part of the sales and quality campaigns we launched in 2020, so as to enhance external staff members’ communications skills and sales performance.

    A final core action item in the fiscal year was to digitalize our training and further education offerings. Key training modules were successively converted to webinar format, and a growing number of e-learning modules produced, in order to continue guaranteeing the quality of our training operations. In 2020, we completed the rollout of our learning goals matrix – a way of structuring and implementing coaching and on-the-job training situations particularly easily and efficiently – for our (external) service providers. The launch of the “Verint QM” project saw the first milestones on the road towards uniform coaching documentation using a tool offering call listening and significant evaluation functionality.

  - **Applications Division**

    Customer care staff who serve as consultants for our retail and business customer applications have to have substantial technical expertise. And since the technologies involved are changing rapidly, they also need to keep up with the state of the art. Our training courses therefore focus
not just on customer communication and sales training, but also on product and process expertise.

In 2020, we introduced our new "STEP" employee development program – the "Strive Towards Excellence Program." We use this to support colleagues’ development in Operations Customer Care, from onboarding training down to opportunities to become personal consultants, future trainers, and managers. The new, modular program supplements classroom training with e-learning courses and dynamic videos. The mixed training methods make things more interesting for our team colleagues and motivate them to work together more actively with 1&1 Campus (our learning platform). In addition, e-learning can be used as refresher courses following training.

One performance promise made by our IONOS brand is that a personal contact will be available to provide direct support for customers. In line with this, our training offering also focuses on continuous professional development for our personal consultants.

Outlook

We will continue our learning journey in 2021. We are going to update our 1&1 Campus to make it easier to offer training courses and short workshops by employees for employees, and to ensure that our success story can continue by providing access to knowledge.

Training and Education in Figures

We are moving to centrally document the training offerings available in the individual areas, so as to make them available to a broader target group and further enhance their quality. The goal is to be able to use this central list to report more fully on the volume and types of training offered. The following table shows the figures for training and education recorded for the last three years.

<table>
<thead>
<tr>
<th>Training and education hours (1)</th>
<th>2018</th>
<th>2019 (2)</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and education hours per year (employees)</td>
<td>74,715</td>
<td>111,634</td>
<td>91,171</td>
</tr>
<tr>
<td>Per capita training and education hours (employees) (3)</td>
<td>9.87</td>
<td>11.91</td>
<td>9.46</td>
</tr>
<tr>
<td>Training and education hours per year (service providers)</td>
<td>70,346</td>
<td>66,481</td>
<td>43,527</td>
</tr>
</tbody>
</table>

(1) Data collection was significantly expanded and optimized in 2018. In addition, the figures also reflect combinations with other companies. The hours for employees of our service providers vary, e.g., depending on whether new service providers are currently being deployed or new products being offered, thus necessitating time-consuming basic or product training.

(2) The year-on-year increase in training hours for our employees is due to the introduction of enterprise-wide e-learning courses (e.g., on the GDPR and information security). Since not all these e-learning courses are offered every year, the figures will fluctuate over time.

(3) The information for 2018 relates to United Internet Group employees in Germany: 7,567; from 2019 onwards it relates to all United Internet Group employees: 2019: 9,374; 2020: 9,638.

In addition, our employees attended a total of over 480 external training courses, seminars, and conferences of varying lengths during the reporting period. The decline in external training courses is due to the COVID-19 pandemic, which meant that hardly any face-to-face events could be held.
Recruiting and Retaining Young Talent

United Internet is able to recruit top performers to key positions and hence ensure that the Company can grow its business despite the extremely competitive market for IT specialists, among other profiles. Our successful recruitment strategy is based on an applicant-friendly, competitive acquisition and selection process, flanked by targeted employer marketing, partnerships with education and training providers, and our brands’ halo effect.

Design Your Career – A Wide Range of Opportunities in a Growing Company

As a growing company, we offer our staff secure jobs, exciting projects, personalized training opportunities, and attractive prospects. Our motto in this area – Design your Career – puts this promise in a nutshell. It says that each and every employee can have a hand in growing their own development, which can largely be tailored to their personal situation.

Education

Initial vocational training has a high priority for United Internet. We train future staff and give young people a successful start to their careers. At present, we offer apprenticeships for the following commercial and technical career profiles: computer science specialists (application development/systems integration), IT systems management specialists, dialog marketing specialists, marketing communications specialists, office management specialists, and digital and print media designers. In addition, United Internet and Baden-Württemberg Cooperative State University (DHBW) offer degrees in computer sciences; business information systems; law, tax and business/accounting & financial control; business administration/marketing management; and business administration/digital business management at the university’s locations in Karlsruhe, Stuttgart, and Mannheim.

All program participants work in a wide range of different departments within the organization during their three-year apprenticeship or DHBW degree. They are fully integrated with the teams and day-to-day workflows during their time there. Our apprentice workshops at our Karlsruhe and Montabaur locations are particularly successful. These are mainly used by technical apprentices, who spend an early part of their vocational training here to learn the basic skills that they will need later on when seconded to different departments within the organization. In addition to teaching specialist skills and methodologies, United Internet puts a priority during training on behavior that is in line with its system of values. Technical know-how, methodological expertise, and living the Company’s values are the basis for a successful transition to the working world once apprentices are qualified and ensure they are excellently positioned to take on permanent positions. In June 2020, United Internet was awarded a “Best Place to Learn” accolade.

As of December 31, 2020, there were 225 (2019: 227; 2018: 239) young people in apprenticeships or studying throughout the Group. In fiscal year 2020, 45 (2019: 48; 2018: 58) freshly-qualified apprentices and students who had completed dual studies degree with us were offered permanent positions.

University and School Students

We work together with universities and colleges to attract fresh talent at an early stage. We have developed a variety of trainee programs for a dual degree course (in cooperation with the Baden-Württemberg Cooperative State University (DHBW)) or to help fresh graduates find their feet in our corporate environment.
United Internet is currently sponsoring three students at Ludwig Maximilian University in Munich as part of the "Deutschlandstipendium" system, in which companies and the German government share the cost of scholarships equally. Students not only receive financial aid but are also mentored by colleagues in our departments.

We also have a special responsibility to our interns. We have signed up to the Fair Company Initiative, whose members commit to providing fair conditions such as appropriate compensation and personal support. The interns who join our Company every year for placements in the IT, Product Management, Online Marketing, Finance, and HR departments regularly highlight how much they have learned from the time at United Internet.

Above and beyond this, we offer school students short internships that give them a chance to get to know our organization and the world of work in general. United Internet cooperates and holds events with schools, as well as offering careers advice and career discovery opportunities during Germany’s Girls’ and Boys’ Days, among other things. Apprentices also offer extremely popular one-week programming courses for children and young people aged 13 and over during the summer and fall vacations. Given the current pandemic, all these formats were enhanced so that they can be offered online.

### Diversity and Equal Opportunities

We want all United Internet employees to be treated with respect and have equal opportunities, regardless of their nationality, ethnic origin, religion, ideological beliefs, gender and gender identity, age, disability, or sexual orientation and identity. Each employee should be able to find the area of activity and function in which they can make the most of their individual potential and talents.

Consequently, we ensure this topic is on the agenda in all areas of the Company, from selection and recruitment processes down to human resources development. Personal suitability and commitment are the sole criteria for employee development and careers with us. This is explained transparently for everyone on our internal employee development and career pages.

The following diversity statement, which we drew up in 2019, serves as the mission statement for all the Company’s diversity activities:

#### Diversity Statement

Respect for diversity is a core aspect of United Internet’s corporate culture. The reason for this is simple: only a workforce that mirrors the many different facets of society offers the best possible conditions for creativity and productivity, and makes employees – and the organization itself – unique. This unique diversity creates an incomparable wealth of potential ideas and innovations, increasing the Company’s competitiveness and providing opportunities for all.

Our diversity measures are planned, managed, and enhanced by an interdisciplinary project team set up in 2020.

The reason is simple: diversity is a factor influencing employee satisfaction and one of the key decision-making criteria used by job applicants when selecting employers. To reflect our approach to diversity, our employee survey asks whether respondents agree with the statement that “The organization treats
all employees equally, regardless of their age, gender, religion, or origin etc.” The responses received to this question are very positive and strengthen our commitment to treating one another respectfully.

We discuss the importance of diversity for our Company during the onboarding events for new recruits. We also use the online training course from “Initiative Chefsache” entitled “Unconscious Bias: How to Ensure Impartial Human Resources Decisions” as part of our onboarding training for new managers.

We refuse to tolerate any form of discrimination, harassment, or bullying in the workplace. United Internet has a number of different contacts who can be approached confidentially, such as Human Resources, Compliance, and trained persons of trust. We take any indications of discrimination extremely seriously and are committed to clarifying all issues reported to us.

Implementing Diversity

The following table provides a breakdown of our staff by gender and age. In addition, 10.69% of our core employees worked part-time in 2020 (2019: 10.73%; 2018: 10.00%).

<table>
<thead>
<tr>
<th>Employees by gender(1) in %</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>32</td>
<td>31.88</td>
<td>31.78</td>
</tr>
<tr>
<td>Men</td>
<td>68</td>
<td>68.12</td>
<td>68.22</td>
</tr>
</tbody>
</table>

(1) The information refers to our active employees not including student workers, school students, interns, thesis students, and temporary staff as of December 31 of each fiscal year.

Women accounted for 33.55% (2019: 32.88%) of new hires and 31.15% (2019: 19.15%) of newly recruited managers in the reporting period. As of December 31, 2020, there were 40 (2019: 37; 2018: 33) women in the top two levels of management – a quota of 17% (2019: 16%; 2018: 14%). This means we are eight women short of the 18% target (2019: 6; 2018: 10), an increase in the gap year-on-year. Since we have not yet met our target, we see the need for continued action in 2021.

<table>
<thead>
<tr>
<th>Employees by age(1) in %</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>under 30</td>
<td>25.5</td>
<td>23.38</td>
<td>23.17</td>
</tr>
<tr>
<td>30-39</td>
<td>38.1</td>
<td>33.97</td>
<td>33.20</td>
</tr>
<tr>
<td>40-49</td>
<td>25.2</td>
<td>27.01</td>
<td>26.99</td>
</tr>
<tr>
<td>50 years and above</td>
<td>11.2</td>
<td>15.64</td>
<td>16.63</td>
</tr>
</tbody>
</table>

(1) Figures refer to our active employees as of December 31 of each fiscal year.

The average age of our employees as of December 31, 2020, was 39.43 (2019: 38.09; 2018: 38). The average age of newly recruited core staff in the reporting period was 33.02 (2019: 32.98(1); 2018: 32.2).

(1) The 2019 figure was adjusted due to the inclusion of Strato, home.pl, United Domains, and World4You.
Gender Diversity

We have set ourselves the target of appointing women to 18% of the posts in the top two management levels. In line with this, diversity was a particular focus for us in 2020.

“Our interdisciplinary project team uses the ‘United in Diversity’ motto to drive forward diversity within the organization. We not only review concrete projects but also aim to sensitize and inspire as many colleagues as possible with the information that we provide and with our actions, and to be a contact point for employee questions and ideas. This ensures a richly plural environment and fair treatment within the Company, and helps guarantee its long-term success.”

Anne Keck, Senior Consultant Learning, United Internet Corporate Services, GmbH
Goals

We have taken the following measures to achieve our target quota for women in management:

1. **Employer branding/HR marketing**

   Our goal is to enhance our attractiveness as an employer to women on the market and to appoint more women to vacant positions. We aim to do this by participating in relevant events; using gender-neutral language in advertisements; reviewing and, if necessary redesigning, internal processes; and starting early, with our apprentice marketing activities.

   We are also a member of “Komm mach MINT,” a nationwide networking initiative that aims to encourage girls and women to study mathematics, IT, natural sciences, and technology, and to aim for careers in this area.

2. **Development**

   Our goal is to use appropriate training offerings and potential assessment processes to sensitize our managers for, and equip them to deal with, gender bias and stereotypes, as well as to prepare women to take positions involving management or specialist responsibility and to empower them thereafter.

3. **Networking/information sharing and communication**

   We aim to increase awareness of (gender) diversity within the organization and to help anchor it even more firmly as a living part of our corporate culture using a variety of different networking and information sharing formats.

4. **Framework**

   The goal is to create and strengthen suitable conditions for gender diversity within the Company. We aim to continue doing this via our Employee Assistance program in particular.

A Look Back on 2020

We start actively advancing the situation of women at all levels of the Company very early, e.g., by offering school students programming courses that are taught by our vocational trainees. We held two such courses in 2020 in cooperation with BeoNetzwerk des Stadtjugendausschuss e.V. Karlsruhe.

Our participation in other planned events had to be abandoned because of the COVID-19 pandemic. These included the nationwide Girls’ and Boys’ Days, and the “her Career” and “women & work” job fairs, which were canceled by the organizers at short notice. In some cases virtual versions of these formats are being planned for the coming year, and we intend to participate.

During the revamp of our career web pages we introduced the “Gendersternchen” (the asterisk form used for gendering German terms) and gender-neutral forms of address to ensure we are addressing everyone equally, regardless of gender.

We have also set up “Women explore” – a talent and network offering – for our female employees. In 2020, 70 women from all areas of the Company took part, and another event is being planned for 2021. “Women explore” is designed to increase women’s visibility within the Company, to enable them to network with one another and to actively examine their strengths and their career and networking
strategies, and to draw conclusions for the Company as a whole. The participants attended in-person and virtual network meetings, collaborated in self-organized learning groups, and shared information and opinions with the program owner on the Management Board and a variety of managers and experts. This helped raise overall awareness of the issue and triggered valuable discussions. Among other things, it allowed our organization to identify insights and generate ideas for further improvements in the areas of gender diversity and increasing the number of women in management positions.

In addition to the positive feedback received from the participants themselves, the “Women explore” program was also honored with an external accolade, winning the Human Resources Excellence Awards 2020 in the “Large Company Diversity & Female Empowerment” category. This prize is given every year to innovative flagship projects in the area of human resources management.

We also used “Women explore” to establish a pool of 20 female role models who act as discussion partners and mentors within the Company and clearly demonstrate a range of potential career paths for women at United Internet.

In addition, our role models and other female colleagues give presentations and lectures at external events on careers at United Internet. For example, this year we took part in a series of events showcasing exciting, inspiring, and courageous women who are driving their organizations forward that was organized by Digital Media Women e.V.

We provide our female managers and experts with networking and development offerings such as the regular “Women in Management” get-together and the “Female Leadership” workshop.

**Work-life Balance**

Diversity also depends on all employees being able to easily combine their family duties with their profession. In line with this, a pilot project offers staff the ability to work remotely from home on individual “cover days” without a particular reason.

The external, independent family service that we set up in 2019 offers tailor-made assistance where needed: support with childcare (e.g., free emergency childcare places for children up to 12 years of age); vacation programs (including virtual formats); tips on the German statutory parental allowance, kindergartens, and the like; finding home helps; and assistance with care for family members and in personal emergencies. This allowed us to offer staff ongoing support in challenging situations, particularly during the COVID-19 period.

Since 2020 we have also offered regular networking events and lectures on subjects such as “parental leave and careers.” This allows participants to swap experiences and best-practice examples.
An International Mindset

United Internet’s world knows no borders: we are not just Europe’s leading internet specialist but are also increasingly present and successful in countries such as Canada, Mexico, and the USA. Within Germany, too, more and more people from other countries enhance our teams. We help everyone to interact positively by holding training courses and presentations on intercultural skills.

Certain divisions have adopted English as their corporate language. We offer courses for staff to learn English and German so as to ensure optimum communication on specialist subjects, and also set up tandem partnerships for peer-to-peer language learning.

We have also trained people with refugee backgrounds as apprentices for several years now. Then, once they have completed their training, we provide them with career prospects and play an active role in integrating them into society by giving them permanent positions.

Equally, United Internet’s customers with their wide range of needs appreciate us as a business partner who matches their own diversity. We aim to cater to these customer wishes using a variety of different product ranges and pricing systems that are developed by diverse teams. Our ability to service different national markets also demonstrates our international orientation.

LGBT+

The PrOut@Work foundation and the UHLALA Group use the “Germany’s Top 50 LGBT+ Voices 2020” award to raise awareness of lesbian, gay, bisexual, trans, and inter people in the workplace, and hence to send a signal in favor of diversity. The honor is given to LGBT+ standard-bearers in companies who not only demand more equality for themselves but also serve as a voice for, and represent, their queer colleagues.

We are very proud that Michelle Thiele, one of our staff members, was among the award winners for the second year in a row. Michelle has had a successful career at 1&1 Telecommunication SE for 12 years. Although born with a man’s body, she self-identified as a woman from an early age. Since 2018, she has also been an openly transgender woman at work. Now, supported by the acceptance and recognition she has received for her courage in taking this step, she works actively within the Company to raise awareness for the needs of queer people, and as a contact and support for trans and inter employees.

There are plans to set up an internal LGBT+ network together with other colleagues.

Outlook on Diversity and Equal Opportunities

While we have already successfully implemented a large number of measures relating to diversity and equal opportunities, we aim to continue and expand this work in the coming year. We will be focusing in 2021 on the issue of unconscious bias, and will launch communications, development, and networking offerings. These aim to encourage managers and staff throughout the Company to think consciously about stereotypes and diversity, and to enable them to promote the latter in practice in their own roles and working environments.
Fair Pay

Paying our employees fairly and in line with performance is an important part of our human resources strategy. We aim to provide staff with market-driven, fair and transparent compensation and benefits that are aligned with our corporate strategy. Our internal compensation guidelines form the basis for our comparable, fair, and legally compliant compensation system. They clearly define the rules and procedures to be observed throughout the Group when making salary adjustments.

Some positions and levels of responsibility offer performance-based variable compensation components. In addition, the United Internet Group offers employees a number of benefits above and beyond the financial compensation it pays; these include a company pension, capital formation benefits, prevention programs forming part of our occupational health program, and discounts on our products.

The salaries we pay, and the way in which these progress over time, are independent of employees’ gender or other factors that are not related to the position in question or the skills required. We compare positions internally every six months, keep up to date with market developments and analyses, and track external benchmarks in order to guarantee fair, appropriate compensation.

United Internet’s foreign staff are based among other places in Cebu in the Philippines (2020: 395; 2019: 360; 2018: 351); this is the technical support center for IONOS in Great Britain and the USA. Civil society organizations and NGOs have noted that companies in the Philippines frequently do not pay the minimum wage. United Internet reviews salaries in Cebu regularly to ensure that its staff are paid more than the minimum wage.

Changes to the law governing employee compensation, such as minimum wage legislation, are fully implemented in all companies’ compensation practice in all countries. We ensure that the compensation we pay our employees complies at all times with all local statutory requirements.

Occupational Health and Safety

Ensuring health and safety in the workplace is part of our duty of care towards our employees. Our goal as a responsible employer is to minimize accidents, illness, and risks as far as possible and to promote the health of our employees. We focus on two areas here: occupational health management and occupational health and safety, including data center safety.

All issues relating to these two areas are discussed at annual meetings. These include current developments and organizing hazard assessments as well as compliance with all statutory requirements such as surveying the impact of the COVID-19 pandemic.

COVID-19 led from the beginning of 2020 onwards to a focus on establishing and implementing processes and measures ensuring compliance with the enhanced work safety standard and the SARS-CoV-2 health and safety regulations. This was achieved in close cooperation with occupational medicine and work safety experts. Broadly speaking, measures were taken to address the following topics:
The development and establishment of a company policy on the subject and preparations for crisis scenarios

- A COVID-19 hazard assessment (inspections, a list of measures, ongoing updates to measures and processes); these were given a seal of approval by BAD GmbH, our external service provider for preventive healthcare and safety engineering

- The establishment of processes for handling suspected cases and infections

- The use of behavioral and hygiene measures and rules to prevent infection

- Internal communication and training for transparency and awareness-raising and implementation of a coronavirus healthcare portal

- Advisory and support offerings (e.g., provision of advice to risk groups by the Company medical staff, crisis hotlines, recommendations on how to ensure ergonomic home offices)

- Modifications to processes and structures for working from home

**Occupational Health Management**

We implemented an enterprise-wide occupational health management system in 2017 by setting up our Company medical service and appointing Company physicians for all locations. This Group-wide system complies with the requirements of the German Health and Safety at Work Act ("Arbeitsschutzgesetz" – ArbSchG). The latter clearly sets out the tasks that companies have to perform and their responsibilities, which were implemented by United Internet. Compliance with these statutory requirements is verified by supervisory authorities and the competent occupational health and safety agency, with the latter also providing technical advice on how to implement specific measures.

Among other things, occupational health management at United Internet includes hazard assessments, occupational medicine, health promotion offerings, and preventive measures designed to reduce the risk of mental and physical stress and to improve employees’ work-life balance. These measures cover all core employees in Germany.

Our occupational health management activities are constantly being strategically optimized and extended. For example, we have set up bodies such as the Health and Safety Committee, whose regular meetings are used to define, evaluate, and modify measures. In addition, coordinators have been appointed at the individual locations to help with the implementation of Company-specific and preventive measures. Standardized processes have been created to help staff order specific equipment. In addition, central interfaces have been implemented to permit them to exchange information at an overarching level with the colleagues responsible for our Employee Assistance Program (EAP), and the Health and Safety and Workplace Reintegration Management functions.

Our health management activities focus on the following areas, which are largely aimed at prevention:

- **Facility Management** regularly performs hazard analyses at our premises and holds fire safety drills, including evacuations.

- We work together with occupational medicine specialists to provide occupational healthcare. Since many of our employees mainly work sitting down, workplaces are regularly checked and adapted, and seated workstations replaced by adjustable-height desks where necessary. When fitting out new
buildings, we take care to ensure that meeting areas in particular offer space for both sitting and standing. In addition, we provide a range of offerings on ergonomics. These include blog entries, health videos, and downloadable PDF files containing recommendations on how to work ergonomically, and on compensatory workplace exercises. We also aim to reduce the strain on employees in our call centers by providing stress management training, and teaching them how to ensure conversations remain calm and to deescalate conflicts.

Above and beyond this, all sites provide professional health promotion measures that are performed by third parties. These include influenza vaccinations, occupational medical support, check-ups, and virtual relaxation and exercise offerings that have been adapted to the new conditions resulting from the COVID-19 pandemic. We also performed a hazard assessment for the first time in 2018 that looked at potential stress factors in the workplace. This survey of all workplace types was completed in the same year and a structured follow-up process to implement the resulting measures was launched in 2019. For example, we developed and tested a training format for managers to support employees suffering from psychological stress that was rolled out and successfully implemented in 2020.

One of the findings to clearly emerge from our 2018 employee survey was the wish for even more health promotion offerings. To achieve this, the Health team is liaising closely with departments such as People & Organizational Development to continuously extend our occupational health management and health communication policy to incorporate strategic aspects and expand our offering. Exercise, nutrition, stress management, and enhancing resilience during the COVID-19 period have top priority here. We use the intranet to inform employees of our health promotion measures and offerings, and also provide a health mailbox for them to submit suggestions and ideas. In addition, we perform regular evaluations of our health promotion offerings so as to obtain feedback from employees, and regularly enhance the formats used.

Since June 1, 2019, United Internet has helped all employees in Germany achieve a positive work-life balance even in challenging situations using its EAP, which is run in cooperation with an external, independent family service. Service provider contacts are available by phone around the clock to provide confidential advice on three core topics: parental counseling/childcare, care for relatives, and personal emergencies. The parental counseling/childcare support offered covers everything from tips about the German statutory parental allowance through finding age-appropriate vacation childcare down to school counseling and emergency childcare. Advice on caring for relatives addresses issues associated with how to finance care and other background information on this topic, as well as finding household help and shoppers. In addition, our Family Service supports employees experiencing difficult personal situations such as stress, illness, addiction, or financial crises. It offers both preventive and support measures such as remote counseling, resilience training, mindfulness and relaxation courses, emergency psychotherapy and crisis support, plus help finding medical assistance, therapists, and clinics in acute cases. Employees are regularly informed of the service and of other health-related measures using intranet posts.

New, largely virtual health promotion formats were developed and implemented in response to the new situation caused by the COVID-19 pandemic. For example, “B2Mission 2020” – an app-based jogging and exercise challenge – was offered as an alternative to the normal company races. This allowed employees at all locations in Germany to join together as the 1&1 team and compete against other companies from the rest of the country over a four-week period. In addition to the thrill of the challenge, the initiative was designed to motivate employees to keep moving, and therefore fit, during the COVID-19 pandemic and to strengthen the idea that we are in this together. We also implemented a coronavirus healthcare portal on the intranet to allow staff to obtain a sound overview and rapidly access relevant webinars and other web-based courses, along with other self-help offerings and key internal information.
In 2021, our occupational healthcare management activities will focus on strategically enhancing our offerings, measures, and health-related communications. Among other things, the aim is to introduce a communications policy that uses multipliers to expand the healthcare portal and internal communications. Other virtual formats such as health days are also being planned to compensate for any face-to-face events that may have to be canceled because of COVID-19.

**Occupational Health and Safety, Including Data Center Safety**

Annual safety inspections complying with healthy and safety agency/statutory rules and regulations are performed at all locations together with BAD GmbH’s experts. Public authority reports are also evaluated and implemented, and a central Health and Safety Committee meeting. Meetings are also held at locations that have significant numbers of staff. Our health and safety activities are continuously enhanced in line with statutory/healthy and safety agency rules and regulations.

Only authorized employees have permanent access to our data centers. All such employees are obliged to attend training on the following subjects:

- How to behave if there is a fire
- How to behave in an emergency
- First aid courses run by the DGUV (Germany’s statutory accident insurance scheme) that are specially tailored to data center environments
- First aid emergency training in the use of automated external defibrillators (AEDs)
- Fire prevention training that is specially tailored to data center environments
- Safety training for electrical equipment
- Practical training in category III personal protective equipment (PPE)

In addition, we organize appropriate training for those employees who are responsible for powering up and booting servers. We work together with Verwaltungs-Berufsgenossenschaft (VBG), the German occupational health and safety agency, to train safety officers for each operations team, who attend regular courses. We also receive support from an external specialist for work safety and physical fire protection. We use an internal communications platform to provide employees with emergency manuals, work instructions, and rules to be followed. Signature logs ensure that the relevant safety regulations have been taken on board.
For 2021, we are planning to further develop the processes for, revise, and adapt hazard assessments. This will be done with the detailed involvement of the managers concerned. In addition, we intend to hold in-depth training for our fire safety team.

**Employee Absences in Figures**

The goal of the measures described above is to reduce stress-related absences and accidents at work. We want to continue analyzing the causes of absences and accidents with our occupational medicine specialists, so as to identify any other measures that may be necessary.

<table>
<thead>
<tr>
<th>Absentee rate</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absence due to illness (in %)</td>
<td>5.70</td>
<td>5.75</td>
<td>4.40</td>
</tr>
<tr>
<td>Number of accident reports</td>
<td>36</td>
<td>33</td>
<td>41</td>
</tr>
<tr>
<td>thereof on the way to and from work (in %)</td>
<td>83</td>
<td>21.21</td>
<td>21.95</td>
</tr>
</tbody>
</table>

(1) Figures refer to our all core employees in Germany.
(2) Fluctuations in accidents on the way to and from work are due to the weather, among other things.
CLIMATE AND ENVIRONMENTAL PROTECTION

Management Approach

Materiality, Impact, and Risks

The internet and telecommunications services that we offer are based on our network infrastructure and data center operations. These are responsible for by far the bulk of energy used within the Group. This energy usage and the resulting carbon emissions impact the environment and the climate. Other, lesser, contributory factors include the use of power in our office buildings, of fuel for vehicles, and of materials in our logistics operations in particular, as well as of our own IT hardware. Given our plans to build a 5G network, our energy consumption can be expected to increase further in future.

In addition, our business relationships have a material impact on the environment, especially from the use of our business partners’ mobile networks and fixed networks, and the energy consumption associated with this. Environmental impacts also result from the use of energy and resources, and from potential pollution along the value chain for the devices and products (especially smartphones, tablets, and routers) that we offer. Factors here range from their manufacture through their shipping to customers down to their eventual disposal.

Above and beyond this, the role of digitalization as an enabling technology for greater climate protection should be emphasized, both in our own business and in relation to products and business relationships. One precondition for such a positive effect is that the additional energy requirements are not met from fossil fuels but from renewable energies, since otherwise the use of digital technologies, algorithms, blockchain, and the like would be accompanied by larger carbon footprints. In addition, it can be expected that the new 5G mobile network standard will lead to an increase in electricity consumption, among other things because it offers new technological opportunities, such as the ability to network machinery and vehicles (this is known as the “Internet of Things” or IoT).

Environmental and climate protection are relevant for a large number of stakeholders. This can be seen both at the level of society as a whole, e.g., in the Fridays for Future movement, and with our employees, whose interest in environmental protection can be seen in many areas of their daily work. The topic is increasingly being addressed at a political level, e.g., through Germany’s Climate Protection Program, CO2 pricing, the Paris Agreement, and the UN Climate Change Conferences (Conference of the Parties – COP). It is also becoming more and more of an issue for investors and analysts when selecting investments, while customers emphasize the importance of using green energy e.g., for cloud products, as is the case for IONOS.

Apart from the physical risks posed by climate change – especially due to rising temperatures, which lead to the need to cool data centers more, but also to increasingly extreme/poor weather conditions that could cause infrastructure damage and that therefore both impact our Company – this topic also has an indirect impact on United Internet. As an energy user, the organization needs to reduce its carbon emissions if it is to avoid potential market and reputational risks. In addition, the growing risk of political and technological risks due to the urgency of the topic must be borne in mind: one potential example here is stricter legislation requiring corresponding effort and expense to implement. If our

(1) See e.g., the Bitkom article, dated March 18, 2021.
various stakeholders’ expectations are not met, this could negatively impact our reputation, revenues, or earnings; conversely, positioning ourselves positively here could offer opportunities.\(^{1)}\)

## Goals and Measures

The management approach aims to promote the efficient use of resources, enabling us to cut costs and contribute to climate protection. Particularly in view of our energy consumption, our goal is to continuously increase the efficiency of our infrastructure, and especially of our data centers. Although a reduction in our absolute consumption would be desirable, this is not a realistic goal given the increasing digitalization of the economy and society. This applies both to our data centers, which in their role as the backbone for digital applications are experiencing increasing demand, and to our fiber-optic network which, as by far the most powerful transmission technology, is especially sought-after.

Our main energy consumers deploy management systems to optimize its usage, among other things. The data centers operated by IONOS and Strato are certified in accordance with ISO 50001, while an ISO 14001-based environmental management system (EMS) is used for the fiber-optic network. 1&1 IONOS Holding’s data center operations are climate-neutral, since we both source electricity generated from renewable energy ("green electricity") and offset the share of electricity from non-renewable energy sources that we use. We also reduce the impact of our fiber-optic network operations by using green electricity. In addition, we aim to minimize the consumption of resources and materials, e.g., in our logistics operations, and to enable our customers to dispose of their products and hardware in an environmentally friendly manner. Please see the following sections for further details.

iran and 1&1 IONOS SE’s or Strato AG’s CTO. The specialists in these units work together with Technical Control to manage electricity consumption and energy efficiency.

## Results and Assessment

Energy consumption is measured in all relevant areas and, where this makes sense, is also examined on a relative basis (e.g., per employee or in proportion to revenue), so as to take growth effects into account, for example. In addition, management systems are used to constantly optimize consumption, particularly in data center and fiber-optic network operations. We aim to use this and other data in future to calculate our carbon footprint; this will document and quantify material sources of greenhouse gas emissions ("hot spots") more and more comprehensively going forward. Please see the following sections for further details.

\(^1\) Irrespective of the materiality of climate and environmental protection demonstrated here, the EU Guidelines recommend reporting on climate issues even if only one of the two perspectives (either "environmental and social" or "financial") is material.
Contribution to the SDGs

Ensure sustainable consumption and production patterns.

Take urgent action to combat climate change and its impacts.

Energy Consumption

Our network infrastructure and the server capacity provided by our data centers are needed to supply internet and telecommunications services to our customers. At the same time, their operation accounts for most of our emissions. Roughly half of the Group’s expenditure on electricity comes from our global data center operations. Most of the other half results from our fiber-optic network operations; the small remainder is attributable to our office buildings. Further details on the information given in the following table can be found in the relevant sections.

<table>
<thead>
<tr>
<th>Energy consumption(1)</th>
<th>2018</th>
<th>2019(2)</th>
<th>2020(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption – data centers in MWh</td>
<td>149,012.53</td>
<td>133,807.96</td>
<td>131,025.85</td>
</tr>
<tr>
<td>Electricity consumption – fiber-optic network in MWh</td>
<td>60,113.43</td>
<td>59,599.17</td>
<td>56,665.61</td>
</tr>
<tr>
<td>Electricity consumption – office buildings in MWh</td>
<td>7,430.57</td>
<td>7,068.83</td>
<td>6,556.84</td>
</tr>
<tr>
<td>Total electricity consumption in MWh</td>
<td>216,556.53</td>
<td>200,475.96</td>
<td>194,248.29</td>
</tr>
<tr>
<td>Heating consumption (natural gas and heating oil) in MWh</td>
<td>2,886.65</td>
<td>2,859.01</td>
<td>3,130.86</td>
</tr>
<tr>
<td>Gasoline consumption in MWh</td>
<td>285.34</td>
<td>607.06</td>
<td>756.53</td>
</tr>
<tr>
<td>Diesel consumption in MWh</td>
<td>14,624.40</td>
<td>13,223.90</td>
<td>8,824.18</td>
</tr>
<tr>
<td>Total fuel consumption in MWh(4)</td>
<td>14,909.74</td>
<td>13,830.96</td>
<td>9,580.71</td>
</tr>
<tr>
<td>Total energy consumption in MWh</td>
<td>234,352.93</td>
<td>217,165.94</td>
<td>206,959.87</td>
</tr>
<tr>
<td>Revenue in € million</td>
<td>5,102.9</td>
<td>5,194.1</td>
<td>5,366.2</td>
</tr>
<tr>
<td>Energy intensity (ratio of energy consumption to revenue) in Wh/€</td>
<td>45.93</td>
<td>42.07</td>
<td>38.57</td>
</tr>
</tbody>
</table>

(1) Data capture was expanded and enhanced in many areas in 2018 and further companies were included.
(2) The figures for 2019 were adjusted.
(3) The decline in diesel consumption and total consumption in 2020 is due to the restrictions caused by the COVID-19 pandemic.
(4) Conversion factors/calorific values: gasoline: 8.5 kWh/l; diesel: 9.7 kWh/l.

Electricity Consumption in Our Data Centers

1&1 IONOS Holding’s high-performance data center operations are geo-redundant, making the services we provide to our customers as secure and reliable as possible. This approach ensures that application operations are not restricted by power outages or environmental influences, and gives our customers unconstrained, permanent access to them. This added security comes at the cost of increased...
electricity consumption, which we combat by using renewable energy and constantly improving our energy efficiency.

Climate Neutrality and the Use of Renewable Energy

We have used electricity from renewable energy sources for our data centers in Germany for more than a decade. In the meantime, green electricity is the main source of supply for our locations in all countries. We now only still use certificates to offset carbon emissions at a few locations. This allows us to operate 1&1 IONOS Holding’s data centers climate-neutrally. 1&1 Mail & Media Applications SE’s servers are all located in Germany at IONOS data centers, meaning that these also benefit from the latter’s climate-neutral operations, like IONOS’s own servers. Using renewable energy from nearby geographical areas – mostly in the same country or an adjacent region – is another priority.

The following table shows the electricity consumed in our data centers and other data centers belonging to the Group, along with the carbon emissions we avoided.

<table>
<thead>
<tr>
<th>Electricity consumption and carbon emissions, data centers (1)</th>
<th>2018</th>
<th>2019 (2)(3)</th>
<th>2020 (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption in MWh</td>
<td>149,012.53</td>
<td>133,807.96</td>
<td>131,025.85</td>
</tr>
<tr>
<td>Energy intensity (ratio of electricity consumption to revenue) in Wh/€</td>
<td>29.20</td>
<td>25.76</td>
<td>24.42</td>
</tr>
<tr>
<td>CO2 equivalents in tonnes (Scope 2)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Avoided CO2 equivalents in tonnes (5)</td>
<td>65,642.00</td>
<td>57,828.26</td>
<td>48,891.36</td>
</tr>
</tbody>
</table>

(1) The figures refer to our 10 own and our rented data centers; from 2018 onwards, they relate to the data centers for IONOS, Arsys, Fasthosts, and Strato, plus the data centers for 1&1 IONOS Cloud, home.pl, InterNetX, and World4You. Electricity consumption for 1&1 Drillisch’s data centers is included under the electricity consumption data for its office buildings (see page 85), since it is not currently possible to capture consumption separately.

(2) The reduction in electricity consumption in 2019 and in the 2020 reporting period is due to a number of factors; see the section entitled “Increased energy efficiency” on page 82.

(3) The 2019 figures for electricity consumption, energy intensity, and avoided CO2 equivalents were adjusted retrospectively.

(4) Climate-neutral thanks to the mix of renewable energy sources and carbon offsets. The figures for CO2 equivalents show the contribution made to the greenhouse gas effect. In addition to CO2 itself, they comprise other greenhouse gases such as methane and dinitrogen monoxide.

(5) Approximate figure calculated on the basis of the average annual and country-specific CO2 emissions per kilowatt-hour of electricity consumed; emissions from the electricity mix in the various countries are falling over time, due among other things to the growing proportion of renewable energy used.

Managing Consumption with an ISO 50001-compliant Energy Management System

In 2018, we took the decision to introduce an energy management system (EnMS) complying with ISO 50001. This EnMS covers the IONOS and Strato data centers that we operate ourselves and in which we can therefore manage energy consumption. Using it allows us to continuously pursue our goals of increasing energy efficiency and ensuring transparency. As a result, the EnMS helps identify and stop potential energy wastage, hence cutting costs, and to identify and comply with external requirements such as regular energy audits. In this way, it makes an important contribution to sustainability management and can have a positive impact on our reputation and market position. The EnMS was successfully audited and certified in the 2020 reporting period.

The head of TechOps Hosting at IONOS, and the Data Center unit manager at Strato are responsible for the EnMS and its strategic focus. In addition, a designated energy manager ensures that the EnMS is aligned with our targets, and manages the Energy Team. The latter comprises the regional staff responsible for this topic at the IONOS and Strato data centers in the various countries concerned (Germany, France, Spain, the United Kingdom, and the USA). In addition, a management system manager has been appointed.
Increased Energy Efficiency

The air conditioning system at the Baden Airpark data center was successfully renewed in 2020. As a result, we were already able to make energy savings of 15% in the reporting period. 2021 will see the start of construction of a new, high-performance data center in the Birmingham region of the United Kingdom. This will replace the existing UK data center in Gloucester in coming years. The project aims both to increase capacity and to enhance operational efficiency in the United Kingdom. Current plans are for an improvement in energy efficiency of at least 20% in comparison to the existing data center.

In addition, we are implementing a continuous stream of projects and measures to reduce electricity consumption and increase energy efficiency:

- We are steadily increasing capacity utilization per server, thus reducing the number required.
- We replace old servers with more modern and more energy-efficient hardware in good time.
- Some server hardware is built to order for United Internet, allowing us to avoid unnecessary components and deploy, among other things, energy-saving processors and power supply units that are designed to minimize heat losses.
- The web hosting system used by United Internet Group companies is a highly optimized, proprietary, Linux-based system that allows data from thousands of customers to be managed on a single server, and hence optimizes our use of resources.
- Virtualization is increasingly enabling us to replace bare metal servers by virtual servers.
- The use of containers avoids the need for redundant operating system kernel operations; the kernel is shared by all instances, enabling even more elastic, load-based scaling of the IT resources provided.

First Experiences of Using Machine Learning for Optimizing Server Cooling

Another project involves analyzing data and using machine learning algorithms to predict customers’ storage requirements. This approach can improve the service we provide to our customers even further, make more efficient use of resources, and hence reduce energy and hardware requirements. Our data scientists also continuously pilot other potential applications for data analysis and AI.

Energy audits can also identify levers for improving energy efficiency and reducing the Group’s energy costs. The German Energy Services Act (“Energiedienstleistungsgesetz” – EDL-G) requires energy audits to be performed by an independent auditor every four years.
Balanced Design – The New Standard for All Future Data Center Projects

The demands placed on data centers are increasing all the time – both in terms of performance and regarding environmental aspects. The challenge for operators is to find a balance between ensuring high-availability, secure operations on the one hand, and cost and energy efficiency on the other. When it became clear that capacity requirements at one of the Group’s data centers in Spain would be exceeded, expanding our own data center soon emerged as a cost-effective solution. The next step was to design this so as to offer the right combination of availability, energy efficiency, construction time, and simple, flexible operations. Structured project planning allowed IONOS to implement an extremely cost-effective data center. The new design focuses on the elegant arrangement of the technical components and is based on the concept of distributed redundancy. In addition, the data center features adiabatic free cooling, in which the evaporation chill produced by air and water is used for cooling.

The new data center design also features a “pay as you grow” approach. The center has been constructed in such a way that it can be extended on the fly at any time if needed. Only essential components are installed and operated to start with – a highly cost-effective approach. As a result, there are no excess units that have to be replaced at some point because they are showing signs of age even though they have never been used. This conserves valuable resources and saves on maintenance costs, while equipment that has not yet been installed also does not consume any power. IONOS uses this approach for large components such as UPS units, cooling generators, and cooling units. The design of the new data center gives IONOS a scalable, energy-efficient, state-of-the-art server and cloud infrastructure that offers high availability and an attractive price-performance ratio to match. The success of the design means it will be used as the new standard for all future data center projects at IONOS.

Electricity Consumption by Our Fiber-optic Network

Our fiber-optic network ensures economic efficiency and enables society to benefit from increasingly powerful, rapid data transfer. Today’s technology permits internet speeds of up to 100 GBit/s and represents the most powerful transmission technology by far. What is more, demand for higher bandwidth is constantly rising. However, since fiber optics are not available everywhere in Germany yet, 1&1 Versatel is continuing to constantly expand our fiber-optic network. In 2019, extensive additions were made to 1&1 Versatel’s network, which was further optimized for our customers using more powerful network technology. At the end of the 2020 reporting period, our fiber-optic network was approximately 50,900 km long, compared to roughly 48,500 km the previous year. The network has been continuously expanded in recent years and is one of the largest and most powerful in Germany, already providing a large number of cities and municipalities with high-speed internet services.

Since 2012, 1&1 Versatel has managed energy consumption using an ISO 14001-based environmental management system (EMS). We also give reducing our electricity consumption and associated environmental impacts a high priority in our fiber-optic network operations. The measures that need to be taken to achieve this are developed on the basis of the data from the EMS.

1&1 Versatel’s environmental management activities are centered on its major technical locations, which were identified in an ABC analysis as being the largest consumers of electricity. A substantial 46.55% (2019: 42.78%) of total electricity consumption was attributable to 1&1 Versatel’s 30 largest locations in the 2020 reporting period. The remaining 53.45% (2019: 57.22%) was distributed across roughly 2,384
This is why the EMS is deployed at these major locations in order to hit optimization targets, and manage consumption and cost trends. The air conditioning technology in use at our major locations in Dortmund, Bielefeld, Frankfurt, and Essen was optimized in the reporting period. We installed direct and indirect free cooling systems here that utilize cool outside air where possible for air conditioning. We also installed more effective UPS systems at a number of locations and converted the lighting at many sites to, state-of-the-art, efficient LED versions.

In addition to the electricity that it sources itself at its 30 largest and other locations, 1&1 Versatel is connecting its fiber-optic network with fiber-optic networks and colocation sites belonging to well-known regional city carriers and network operators and, to an increasing extent, with Deutsche Telekom’s BNGs (Broadband Network Gateways). In these cases, 1&1 Versatel does not manage electricity purchasing itself.

The following table shows 1&1 Versatel’s electricity consumption and the locations where 1&1 Versatel is a user.

<table>
<thead>
<tr>
<th>Electricity consumption and carbon emissions for the fiber-optic network(1)</th>
<th>2018(2)</th>
<th>2019</th>
<th>2020(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own electricity consumption in MWh(3)</td>
<td>39,707.16</td>
<td>34,614.09</td>
<td>36,140.09</td>
</tr>
<tr>
<td>Electricity consumption at business partners caused by 1&amp;1 Versatel(3) in MWh</td>
<td>19,892.02</td>
<td>22,051.51</td>
<td>23,510.45</td>
</tr>
<tr>
<td>Total electricity consumption in MWh</td>
<td>60,113.43</td>
<td>59,599.17</td>
<td>56,665.61</td>
</tr>
<tr>
<td>CO₂ equivalents in tonnes (Scope 2; own electricity consumption)(4)</td>
<td>18,821.19</td>
<td>13,880.25</td>
<td>13,880.25</td>
</tr>
<tr>
<td>CO₂ equivalents in tonnes (Scope 3; own electricity consumption)(4)</td>
<td>9,428.82</td>
<td>8,842.66</td>
<td>8,842.66</td>
</tr>
<tr>
<td>Total carbon emissions in metric tonnes</td>
<td>28,493.77</td>
<td>22,722.91</td>
<td>22,722.91</td>
</tr>
</tbody>
</table>

(1) The figures for fiscal year 2020 cover electricity consumption for all 1&1 Versatel’s technical locations, plus locations where 1&1 Versatel is a user. The electricity consumption figures for and 2019 also include electricity consumption at 1&1 Versatel’s office locations, since this data was not available separately. Electricity consumption did not increase despite the expansion of the network, as it is being steadily reduced by efficiency measures.

(2) The figures for individual locations for which no readings are currently available are based on estimates; there is a delay before the data for energy consumption given for the years in question is allocated to specific time periods due to fluctuations in the reading and billing dates. Consequently, figures for prior periods may change after the report is published; as a result the figures for 2018 have been adjusted.

(3) The figures have only been available in this form since 2019. Although a proportion of the electricity consumed is green electricity, this cannot be quantified exactly; as a result, no figures for this have been given.

(4) Estimate based on the data provided by the Umweltbundesamt (the Federal Environmental Agency) in 2019 for CO₂ emissions per kilowatt hour in the German electricity mix (2018, 2019: 474 grams; 2020: 401 grams). Actual emissions are lower due to the use of green electricity, although the proportion attributable to the latter cannot be quantified exactly.

(11) The figures for individual locations for which no readings are currently available are based on estimates.
Energy Consumption by Our Office Buildings

Relatively speaking, our office buildings account for a very small proportion of our energy consumption. In addition, a significant share of the electricity purchased in the reporting period was certified green electricity, something that reduces the potential environmental impact.

<table>
<thead>
<tr>
<th>Energy consumption and carbon emissions for office buildings</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption (1) in MWh</td>
<td>7,430.57</td>
<td>7,068.83</td>
<td>6,556.84</td>
</tr>
<tr>
<td>Heating consumption (natural gas and heating oil (2) in MWh</td>
<td>2,886.65</td>
<td>2,859.01</td>
<td>3,130.86</td>
</tr>
<tr>
<td>Total energy consumption in MWh</td>
<td>10,317.22</td>
<td>9,927.84</td>
<td>9,687.70</td>
</tr>
<tr>
<td>CO₂ equivalents from electricity consumption in tonnes (Scope 1)</td>
<td>1,367.90</td>
<td>451.30</td>
<td>418.86</td>
</tr>
<tr>
<td>CO₂ equivalents from heating consumption in tonnes (Scope 1)</td>
<td>593.39</td>
<td>587.52</td>
<td>640.61</td>
</tr>
<tr>
<td>Total carbon emissions in tonnes (3)</td>
<td>1,961.29</td>
<td>1,038.82</td>
<td>1,059.47</td>
</tr>
</tbody>
</table>

(1) The figures relate to the offices and related infrastructure at United Internet’s locations in Montabaur, Karlsruhe, Munich, and Vienna and to 1&1 Drillisch’s locations in Mainz, Krefeld, Dresden, Nuremberg, Munich, and Münster, which are supplied directly by the utilities concerned. In addition, the United Internet locations in Düsseldorf and Hamburg are included as from 2019 onwards, and its Berlin location is included as from 2020. The figures for the 1&1 Drillisch companies also include electricity consumption by the 1&1 Drillisch data centers (this data has not been disclosed separately to date). Not all figures were available by the editorial deadline for this report. The figures for the 2020 reporting period include consumption at 1&1 Versatel’s offices for the first time. In previous years, this information was reported together with electricity consumption for the fiber-optic network (see page 84), since it was not possible to capture the data separately.

(2) The information for natural gas relates to the Montabaur site, including the logistics center and (as from 2020) Vienna, plus (for 2018) the 1&1 Drillisch locations in Maintal, Krefeld, and Münster; as from 2019, it relates to Maintal only. Heating oil relates to one location in Karlsruhe. Not all figures were available by the editorial deadline for this report.

(3) Calculated using the utilities’ data on CO₂ emissions per kilowatt hour, the conversion factors provided by DEFRA (the UK’s Department for Environment, Food and Rural Affairs) for 2018, 2019, and 2020 and the data provided by the Umweltbundesamt (the Federal Environmental Agency) published in 2019 for CO₂ emissions per kilowatt hour in the German electricity mix (2018: 474 grams; 2019: 474 grams; 2020: 401 grams). Green electricity, which does not result in any CO₂ emissions, was used in some cases.

Material Consumption and Logistics

As an access and applications provider, our business with physical products makes particular use of electronic devices and hardware. Applications are developed in our “Internet Factory” or together with partner organizations, and are operated on more than 90,000 servers in our 10 data centers. In contrast, the Consumer Access Segment primarily provides our customers with information and communications technology hardware in the form of devices such as smartphones and routers, tablets, web surfing hardware, and accessories, along with tariffs for using our mobile network and broadband services. In addition, our employees use IT hardware to perform their tasks.

Customer Hardware

Device Disposal

Smartphones, routers, and other devices that we provide our customers may contain components that cannot be disposed of as household waste. Our job is to take responsibility for these products’ entire life cycle, and to recycle materials properly after use so that no pollutants are released into the environment. We have signed a waste disposal contract with our partner, specialist waste disposal service provider Interseroh, to ensure that the devices that we supply can be disposed of in an environmentally friendly manner. We inform customers about how to dispose of their mobile and landline hardware professionally every time we make a delivery, and list Interseroh’s collection points on our website. This ensures that all customers have the opportunity to return their old equipment for recycling or disposal.
Both European directives and Germany’s Electrical and Electronic Equipment Act (“Elektronikgerätegesetz” – ElektroG) ban the disposal of old equipment and all electronic parts included in deliveries as household waste and require them to be disposed of properly to permit recycling. The goals are to protect the environment and health, and to conserve resources.

According to industry association Bitkom, there were roughly 199 million old cellphones and smartphones in circulation in Germany in 2020 that were no longer in use but still worked or could be recycled. The average period of use is not much more than a year. Valuable raw materials such as precious metals and rare earths can be recovered from these devices – if they are recycled.

Reusing Smartphones

1&1 and three Drillisch online brands launched campaigns in 2019 to remarket smartphones that still work. 1&1’s trade-in campaign offered customers who signed a new contract including a new iPhone up to €700 if they sent in their functioning old one. In addition, Drillisch online brands yourfone, maXXim and Galaxy EXPERTE added refurbished cellphones to their offerings in 2019. These devices, which come from returns within 30 days, are marketed at a significant discount to the price of new ones. They are in perfect working order, have been quality assured, and come complete with accessories, original packaging, and a 24-month guarantee.

Hardware in Data Centers and Office Buildings

For over 11 years now, we have ensured internally used servers and network equipment are recycled in an environmentally appropriate way by passing them on to recycling specialist AfB gGmbH. This organization recycles them professionally or reclaims them for reuse, prolonging the life of the hardware and conserving resources. AfB is a disability inclusion company; according to its own figures, roughly 45% of its current employees are people with disabilities. This means that not only do we ensure our hardware is handled by environmental and recycling experts, but we also improve employment opportunities for people with disabilities.
Afb reclaimed or recycled the following volumes of old IT equipment for us over the past three years:

<table>
<thead>
<tr>
<th>Old IT equipment</th>
<th>Number of devices</th>
<th>Reclaimed and reused in %</th>
<th>Raw materials recovered through recycling in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCs</td>
<td>1,022</td>
<td>650</td>
<td>784</td>
</tr>
<tr>
<td>Notebooks</td>
<td>900</td>
<td>1,355</td>
<td>703</td>
</tr>
<tr>
<td>Tablets(1)</td>
<td></td>
<td></td>
<td>51</td>
</tr>
<tr>
<td>Flat-screens</td>
<td>1,216</td>
<td>858</td>
<td>1,080</td>
</tr>
<tr>
<td>Mobile devices</td>
<td>670</td>
<td>620</td>
<td>561</td>
</tr>
<tr>
<td>Servers</td>
<td>8,436</td>
<td>8,882</td>
<td>6,391</td>
</tr>
<tr>
<td>Printers</td>
<td>18</td>
<td>5</td>
<td>17</td>
</tr>
</tbody>
</table>

(1) The “tablets” category was reported separately by AfB in the 2020 reporting period. No figures can be provided for past periods since these devices were included in the “flat-screens” category in previous years.

We delivered 172.39 tonnes of hardware to AfB in 2020 (2019: 183.39 tonnes; 2018: 179.29 tonnes), helping to save 973.33 (1) tonnes (2019: 146.75 tonnes; 2018: 143.39 tonnes) of CO\(_2\) equivalents. All in all, our 11-year partnership has already saved 6,646.73 tonnes of CO\(_2\) equivalents from 1,726.53 tonnes of IT equipment and mobile devices.

Logistics and (Secondary) Packaging

Part of our business involves providing our customers with products such as smartphones and routers so they can use our services. This task is performed for all 1&1 Drillisch Group brands by our own logistics center in Montabaur. (Secondary) packaging and information materials are needed to protect and dispatch these products. In addition, we send access data, e.g., by post for security reasons. The (secondary) packaging materials that we use largely comprise paper, paperboard, and cardboard (PPC) with a high recycled content of 75–80%. We aim to continuously optimize our use of materials, e.g., by reducing transportation packaging.

Materials Used for Shipments

The number of shipments made by our logistics center decreased by approximately 12% or so year-on-year (2020: 6.03 million; 2019: 6.89 million; 2018: 5.40 million). At the same time, the use of packaging materials (both plastic and PPC) declined compared to 2019. The main reason for this was a change in the law in 2019.

We report the amount of (secondary) packaging used in shipping and selling products annually, both to our waste disposal partner and in parallel to the packaging register, LUCID (an online platform run by the Foundation for the Central Agency Packaging Register (ZSVRI)). The process was modified compared to the previous year as a result of the introduction of the new German Packaging Act (“Verpackungsgesetz” – VerpackG). Organizations introducing packaging covered by the system onto the market for the first time on a commercial basis in Germany (“initial introducers”) must register with LUCID and report the amounts of packaging involved. As a result of the change in the law, 1&1’s logistics operations are now considered to be the initial introducers for fewer packaging materials than was previously the

(1) Following the update to the life cycle assessment, the environmental impacts reported are not only up to date but also cover additional types of IT equipment and mobile devices. As a result, these figures cannot be compared with those for the previous year.
case. Instead, the manufacturers themselves have to pay the packaging fees, and to report the amounts involved, in a larger number of cases.

As a result, 1&1’s logistics operations did not produce any significant amounts of plastic in 2020, whereas the comparable figure for 2019 was 0.5 tonnes. PPC consumption also fell to 432.69 tonnes in 2020, down from 485.10 tonnes in 2019. The number of shipments also fell slightly during the reporting period. The volume of material required depends, e.g., on the relative number of devices or SIM cards shipped, and can therefore fluctuate over the years.

<table>
<thead>
<tr>
<th>Packaging materials (1)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total paper, paperboard, and cardboard (PPC) consumption in tonnes</td>
<td>575.35</td>
<td>458.10</td>
<td>432.69</td>
</tr>
<tr>
<td>Total plastic consumption in tonnes</td>
<td>2.71</td>
<td>0.50</td>
<td>0.00</td>
</tr>
<tr>
<td>Number of shipments in millions</td>
<td>5.40</td>
<td>6.89</td>
<td>6.03</td>
</tr>
<tr>
<td>Amount of PPC per shipment in grams</td>
<td>106.50</td>
<td>70.38</td>
<td>71.76</td>
</tr>
<tr>
<td>Amount of plastics per shipment in grams</td>
<td>0.50</td>
<td>0.07</td>
<td>0.00</td>
</tr>
<tr>
<td>CO₂ equivalents in tonnes (2) (Scope 3)</td>
<td>12.14</td>
<td>10.37</td>
<td>9.22</td>
</tr>
</tbody>
</table>

(1) The figures for 2018 relate to 1&1 Telecommunication SE and its subsidiaries; the shipment figures also include Drillisch Online. As from 2019 they include the entire 1&1 Drillisch Group.

(2) Calculated on the basis of the conversion factors published by DEFRA for 2018, 2019, and 2020.

Recycling by our service providers of (secondary) packaging materials led to the equivalent of 223.26 tonnes of CO₂ emissions being saved in 2019. (1)

Our logistics operations also aim to reduce the use of transportation materials when servicing is required (e.g., when a faulty piece of equipment has to be replaced for a customer). Where rental devices have to be exchanged, customers receive the new device from a selected delivery service, which replaces the device directly on site. The new device is delivered in specially developed reusable shipping packaging that can be used to return the old device directly. This not only reduces material costs but also saves customers time.

In addition, we extended our returns management in the past year. All customer cellphones that are returned are checked thoroughly and tested for reusability. This involves deleting all personalized data on the device, checking the functionality, and also checking for wear and tear.

If the devices are in perfect working order, they are cleaned and polished, and any missing accessories (headphones, charging cables, etc.) are supplied, after which they are offered for sale at a clear discount to new devices.

(1) The figures for the reporting period were not available by the editorial deadline for this report.
The 1&1 Service Card

Since July 1, 2020, our customers have received a 1&1 Service Card with each order listing all the 1&1 services that they can use free of charge.

Services include the 1&1 trade-in bonus and our 24-hour replacement service, for example.

The 1&1 trade-in bonus allows customers to send in their old smartphones, tablets, or laptops and receive a bonus in the amount of the fair value of the device concerned. The legacy devices are recycled by 1&1.

Regardless of what has happened to their 1&1 smartphone, tablet, or laptop, our customers can phone and surf again comfortably the next day thanks to the 1&1 replacement service. Where a device has been damaged, we will replace it with an identical one free of charge within 24 hours. We recycle the faulty device and use the components in repairs, for example.

Emissions from Shipping Distances

In keeping with our aim of reporting more and more of our greenhouse gas emissions, we started including the shipping distances associated with our logistics operations as from 2019.

Packages destined for our customers are delivered by our logistics services providers (these include DHL, Hermes, and GLS). An internal estimate suggests that, all in all, our packages traveled approximately 886.32 million km in 2020. This represents an increase of 10.94 million km on the 2019 figure of 875.38 million km. Based on the information and estimates provided by our logistics services providers, this generated approximately 1,579.07 tonnes (2019: 1,778.98 tonnes) of greenhouse gas emissions. These emissions were not generated by our organization itself, but are the result of our business activity and therefore count towards our Scope 3 emissions.

<table>
<thead>
<tr>
<th>Kilometers traveled for package deliveries in millions</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>875.38</td>
<td>886.32</td>
</tr>
<tr>
<td>CO₂ equivalents in tonnes (Scope 3)</td>
<td>1,778.98</td>
<td>1,579.07</td>
</tr>
</tbody>
</table>

(1) Estimate based on the distances between the target locations and the logistics center in Montabaur; the figures do not include upstream journeys to depots, detours, any multiple deliveries, or returns; mean figures were calculated in some cases.

In addition, we source our packaging and printed materials from local suppliers, avoiding transporting them for long distances and reducing carbon emissions.
Paper Consumption

We have been working together with GDW (Genossenschaft der Werkstätten für behinderte Menschen Mitte eG), which destroys and recycles our old physical files, for more than five years. Not only do GDW's recycling operations help protect the environment, but they also provide jobs for people with physical and mental disabilities.

In addition, we started making increasing use of digital invoicing with our suppliers in 2020. The project had been launched before the 2020 reporting period, but was stepped up last year due to the COVID-19 pandemic, and our customers are also making increasing use of this feature. In line with this, both we and our suppliers are sending digital invoices in order to save paper and the resulting CO₂ equivalents.

The following table shows paper consumption at our locations in Germany, which are supplied centrally with paper. The data captured was expanded substantially in 2019 to include both additional companies and other types of paper. This led to a sharp rise in the figures. In addition, the figures vary from year to year, since in many cases a large amount of paper is ordered and distributed once a year. If, e.g., an order is placed for a large amount at the end of a year, the quantity ordered in the following year will decline. What is more, the paper ordered in a particular year is not used up entirely in that same year. The vast majority of copy paper used in the Group has been certified in accordance with the EU Ecolabel, which is used to denote products and services with a lower environmental impact than comparable options.

<table>
<thead>
<tr>
<th>Paper consumption¹(1)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total paper consumption in tonnes</td>
<td>294.25</td>
<td>3,406.60</td>
<td>2,751.72</td>
</tr>
<tr>
<td>Paper consumption per employee²(2) in kilograms</td>
<td>57.19</td>
<td>417.60</td>
<td>363.36</td>
</tr>
<tr>
<td>CO₂ equivalents in tonnes³(3) (Scope 3)</td>
<td>268.80</td>
<td>3,104.70</td>
<td>2,282.28</td>
</tr>
</tbody>
</table>

¹(1) The figures relate to our companies and locations in Germany, which are supplied centrally with paper. Up to and including 2018 they do not include 1&1 Versatel, Strato, and Drillisch, or letterhead and specialty paper; as of 2019, these are included.
²(2) Arithmetic mean; the figures relate to the employees at the companies and locations listed in (1).
³(3) Approximate figure calculated on the basis of the conversion factors published by DEFRA for 2018, 2019, and 2020.

Employee Mobility

Environmentally Aware Business Travel and Fuel Usage

Our Group is distributed across more than 30 locations in eleven countries – a fact that makes high demands on employee mobility. Carbon emissions are produced when our employees travel.

We aim to reduce travel-related emissions, both by avoiding business trips and by using climate-neutral options such as rail travel.

Corporate Procurement and Human Resources work closely together to manage employee mobility. Responsibility for this topic ranges from business trip management through vehicle fleet monitoring down to defining the terms on which company cars are provided and can be used.

We have taken the following measures to promote eco-friendly mobility:
Avoiding business trips
Equipping our meeting rooms with conference call and videoconferencing technology means we avoid the need for many business trips. In addition, instant messaging services improve internal communications and can help reduce trips between locations even further.

Climate-friendly travel
Our approvals process is designed to encourage employees to use the train as their preferred means of transportation. This allows climate-neutral travel for long-distance trips. In addition, employees can use the car pool service on our intranet to travel together. Local rules exist in some areas of the organization, but these are similar to the general Group rules.

Vehicle fleet
Our company car rules limit the impact our fleet has on the environment, e.g., by restricting the available engine options. In addition, we track the market constantly to ensure our fleet is always state of the art from both an environmental and an economic perspective. We are also examining the use of alternative technologies, with our goal in all cases being to take economically and environmentally acceptable decisions. Vehicle fleet management is largely performed by United Internet Corporate Services. In addition, local rules exist in some cases. What is more, as from 2021 carbon emissions will be capped at 160 g/km per vehicle and it will be possible to purchase electric vehicles.

Paperless travel expense claims
Following a successful pilot project, the United Internet Group introduced a workflow for submitting paperless travel expense claims that also offers improved transparency as to alternative means of transportation and travel expenses.

Fuel Consumption and Carbon Emissions
We work together with external partners on the use of rental and company cars. These partners provide us with regular information on vehicle fleet usage and evaluate fuel cards, enabling us to monitor trends in fuel consumption and associated greenhouse gas and carbon emissions. Air travel is organized by travel agents who also provide us with regular information on carbon emissions, among other things. German rail network operator Deutsche Bahn supplies us with an annual client environmental data report ("Umweltbilanz"). This quantifies the carbon emissions that our employees have avoided by traveling by rail as opposed to by car. In 2020, e.g., this amounted to over 280 tonnes of CO₂ (2019: over 800 tonnes). The substantial year-on-year savings of approximately 520 tonnes of carbon emissions are associated with the slump in overall travel resulting from the COVID-19 pandemic.

Our employees traveled more than 19.10 million kilometers in the 2020 reporting period (2019: 37.70(1) million kilometers; 2018: 40.19(1) million kilometers), generating 3,580.44 tonnes of carbon emissions (2019: 6,260.43(1) tonnes; 2018: 6,786.11 tonnes). The following tables provide a detailed breakdown of the Group’s travel activity. Data capture was expanded and enhanced in many areas in 2019, which resulted in an increase in the figures for that year.

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(1) Figure adjusted retrospectively in the 2020 reporting period.
### Rail travel

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger kilometers (pkm) for long-distance travel</td>
<td>6,010,148</td>
<td>6,162,620</td>
<td>1,989,343</td>
</tr>
<tr>
<td>Kpm for long-distance travel per employee(1)</td>
<td>794.26</td>
<td>794.05(3)</td>
<td>250.89</td>
</tr>
<tr>
<td>CO₂ equivalents from long-distance travel in tonnes (Scope 3)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Pkm for local travel</td>
<td>501,531</td>
<td>508,710</td>
<td>176,600</td>
</tr>
<tr>
<td>CO₂ equivalents from local travel in tonnes (Scope 3)</td>
<td>27.41</td>
<td>27.61</td>
<td>0.0</td>
</tr>
<tr>
<td>Climate-neutral rail travel in % of total</td>
<td>92.30</td>
<td>92.37</td>
<td>100.00</td>
</tr>
</tbody>
</table>

(1) The figures for 2018 relate to the United Internet Group in Germany without Strato and Drillisch, as from 2019 they include the entire 1&1 Drillisch Group. They are taken from Deutsche Bahn's annual client environmental data report ("Umweltbilanz").
(2) The figures relate to the United Internet Group’s employees in Germany; 2018: 7,567; 2019: 7,761; 2020: 7,929.
(3) Figures for 2019 of “Pkm for long-distance travel per employee” adjusted.
(4) The decline in the 2020 figures is due to the restrictions caused by the COVID-19 pandemic. In addition, Deutsche Bahn introduced 100% green electricity for local travel in fiscal year 2020, making climate-neutral travel possible.

### Rental cars

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel consumption (gasoline and diesel) in liters(2)</td>
<td>172,037.35</td>
<td>127,652.29</td>
<td>67,706.15</td>
</tr>
<tr>
<td>Fuel consumption per employee in liters(3)</td>
<td>22.74</td>
<td>16.45</td>
<td>8.54</td>
</tr>
<tr>
<td>Total kilometers driven</td>
<td>2,324,829</td>
<td>1,725,031</td>
<td>914,948</td>
</tr>
<tr>
<td>CO₂ equivalents in tonnes (Scope 3)</td>
<td>312.16</td>
<td>256.78</td>
<td>120.44</td>
</tr>
</tbody>
</table>

(1) The figures relate to the United Internet Group in Germany, in some cases without the 1&1 Drillisch Group’s companies; data capture was expanded and optimized in 2018 to include another external partner.
(2) Calculated on the basis of the average fuel consumption data for passenger cars and station wagons per 100 km provided by the Umweltbundesamt (the Federal Environmental Agency); since 2018: 7.4 l.
(4) The figures are based on service provider data.
(5) The decline in the 2020 figures is due to the restrictions caused by the COVID-19 pandemic.

### Company cars

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel consumption (gasoline and diesel) in liters(2)</td>
<td>1,541,316.09</td>
<td>1,434,708.20</td>
<td>998,712.60</td>
</tr>
<tr>
<td>Fuel consumption per company car in liters(3)</td>
<td>2,120.10</td>
<td>2,029.29</td>
<td>1,305.51</td>
</tr>
<tr>
<td>Total kilometers driven(3)</td>
<td>22,494,492</td>
<td>21,799,020</td>
<td>15,159,073</td>
</tr>
<tr>
<td>Total kilometers driven per company car</td>
<td>30,941.53</td>
<td>30,833.13</td>
<td>19,815.78</td>
</tr>
<tr>
<td>CO₂ equivalents in tonnes (Scope 1)</td>
<td>4,049.94</td>
<td>3,750.09</td>
<td>3,074.11</td>
</tr>
</tbody>
</table>

(1) The figures relate to the United Internet Group in Germany, 1&1 Versatel, and the 1&1 Drillisch Group, plus new orders by Strato; additionally, in the case of the 1&1 Drillisch Group they include long-term rental cars and fuel for rental cars in some cases; data capture was substantially expanded and optimized in 2018.
(2) Presentation adjusted in 2019, including for the previous year; number of vehicles reported as assets as of December 31 of the reporting period in question: 2018: 727; 2019: 707; 2020: 765; the number of cars in the fleet may vary over the course of the year.
(3) The figures are based on manual data input by users when refueling.
(4) The figures are partly based on service provider data and partly calculated using the conversion factors published by DEFRA for 2018, 2019, and 2020.
(5) The decline in the 2020 figures is due to the restrictions caused by the COVID-19 pandemic.

### Air travel

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kerosene consumed in liters(2)</td>
<td>317,144.43</td>
<td>268,548.81</td>
<td>30,582.15</td>
</tr>
<tr>
<td>Kerosene consumed per employee in liters(3)</td>
<td>41.1</td>
<td>35.97</td>
<td>3.99</td>
</tr>
<tr>
<td>Total kilometers flown</td>
<td>8,858,782.87</td>
<td>7,501,363.52</td>
<td>861,469.14</td>
</tr>
<tr>
<td>CO₂ equivalents in tonnes (Scope 3)</td>
<td>2,356.81</td>
<td>2,225.95</td>
<td>385.90</td>
</tr>
</tbody>
</table>

(1) The figures relate to the United Internet Group in Germany, including 1&1 Versatel, Strato, and relevant foreign companies, but not including Drillisch; data capture was substantially expanded and optimized in 2018.
(2) Calculated on the basis of the average kerosene consumption data per passenger and 100 km provided by the Bundesverband der deutschen Luftverkehrswirtschaft (German Aviation Association – BDL); 2018: 7.27; 2019: 7.07; 2020: 7.65; the number of cars in the fleet may vary over the course of the year.
(3) The figures are based on travel agent data and partly on calculations using the conversion factors published by DEFRA for 2018, 2019, and 2020.
(4) The figures are based partly on travel agent data and partly on calculations using the conversion factors published by DEFRA for 2018, 2019, and 2020.
(5) The decline in the 2020 figures is due to the restrictions caused by the COVID-19 pandemic.
UNITED INTERNET AS A BUSINESS PARTNER

Management Approach

Materiality, Impact, and Risks

Based in Germany and with business activities in Europe and North America, United Internet has to comply with strict standards in the areas of environmental protection, and labor and human rights. At the same time, expectations are growing that the organization will use these high standards as the basis for working with its business partners and suppliers. This is required both by frameworks such as the UN SDGs and the GRI Standards and by the German government in its National Action Plan for the Implementation of the UN Guiding Principles on Business and Human Rights (“NAP”) (1), and is also being discussed in the context of a possible German Human Rights Due Diligence Act (“Sorgfaltspflichtengesetz” – SPG). Comparable action plans are also under development in other countries, or have already been implemented (e.g., in the form of the UK Modern Slavery Act). Equally, investors and analysts are joining consumers, civil society players, and the media in looking more closely at the issue of value chains.

In principle, the same topics are relevant in our supply chain and value chain as in our own business. In other words, they are topics that are included in our sustainability strategy and this report, such as climate and environmental protection, and human rights. Human rights comprise not only fundamental rights such as the rights to life, freedom, and equality, but also a wide range of aspects from the world of work, such as the prohibition on discrimination and (“modern”) slavery, and the right to rest. Other rights included relate to the internet and the digital arena; these include freedom of opinion and information, and the protection of privacy.

As regards business partnerships and supplier relationships, companies in Germany are subject to the same strict statutory requirements as United Internet itself. In addition, telecommunications is largely a regulated market and many suppliers have also introduced voluntary commitments. This means that there is a very low risk of child labor or forced labor, e.g., in the domestic links in our value chain. However, such risks can take on a different dimension abroad in view of the legal, political, and social frameworks there. In addition, business partners’ specific activities may give rise to other relevant topics, depending on how far up the value chain an examination goes (it may extend as far back as the extraction of raw materials). This means that other stakeholders may be affected indirectly by the way we behave as a business partner. These may include business partners’ employees and those of their suppliers, residents living near production sites, and people or groups affected by potential environmental impacts.

The ability to work together reliably with wholesalers and business partners is crucial for United Internet. For example, collaborating with specialized partners and outsourcers, and sourcing wholesale services are decisive for our business success. Successful partnerships are based firstly on partner screening, but above and beyond that on the close cooperative exchanges that come from personal support. Another reason why the integrity of our business partners is essential for us is that negative events could impact United Internet (market and reputational risk). In addition, due diligence requirements in the value chain are currently attracting political attention (see above), which could result in political and legal risks.

(1) According to the NAP (page 4), “few countries’ economies are so internationally entwined as that of the Federal Republic of Germany.”
Goals and Measures

The purpose of the management approach is to create value together with our business partners through strong, fair partnerships. On the one hand we want to avoid any liability and reputational risks that could arise from business relationships, while on the other we aim to establish the trust needed for long-term partnerships, and to reinforce our joint assumption of responsibility.

Relevant guidelines include our Code of Conduct and, in particular, the United Internet Group’s Code of Conduct for Business Partners. The latter is a major component of ensuring that partners observe the duties of care that are relevant for compliance, and a key way of reducing compliance risks within the value chain. The Code builds on our corporate values to define minimum social and environmental standards, and lays down rules on how to comply with them. The Code of Conduct for Business Partners has been incorporated into the contracts entered into with business partners by including it in the General Terms and Conditions for Procurement.

The analysis of our supply chain and value chain has already led to the realization that we source significant volumes of wholesale services for the Consumer Access (1&1 Drillisch) Segment of the Access Division in particular. The areas entrusted with procuring wholesale services such as network services and devices also see themselves as “partner managers.” They ensure that the products and services concerned are of a high quality and fit for the future, and manage reliable business relationships on the basis of trust. Carrier Management performs end-to-end management and coordination of the relationships with wholesale telecommunications partners, both for fixed networks and for mobile accounts. Partner Account Management Access is responsible for hardware procurement (information and communications technology (ICT) products and devices) for our customers in the case of both fixed networks and mobile accounts. Ultimate responsibility lies with the management board members for Product Management and Partner Management in the Access Division. In addition, special areas coordinate network procurement by the Business Access (1&1 Versatel) Segment and the outsourcing of customer care services. The Corporate Procurement unit, which purchases a large number of products and service for the Group, is part of Corporate Finance and reports to United Internet AG’s CFO.

Results and Assessment

We are currently working to map our value chain. This topic will be included in the Sustainability Report as soon as we have meaningful data with which to present it.

Contribution to the SDGs

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Description of Our Supply Chain and Value Chain

We are an access and applications provider that supplies private customers and organizations with internet-based applications – both as independent products in the Applications Division and in combination with fixed network and mobile access products in the Access Division.
The following figure shows a simplified overview of the United Internet Group’s supply chain and value chain:

Upstream

United Internet sources network services, domains, licenses, and ICT products such as devices and servers from the upstream value chain. In turn, these wholesale services are based in part on a multistage upstream value chain stretching all the way back to raw materials extraction.

The wholesale services provided for the Access Division – and especially network services (mobile and fixed network) – represent a significant component of total wholesale services, with devices and ICT products for customers and services provided by specialized partners and outsourcers coming second by some margin. Taken together, these items make up the bulk of our procurement volumes. All in all, we sourced revenue-related services and goods worth approximately €3.11 billion (2019: €2.78 billion; 2018: €2.77 billion) from our business partners in 2020. Sourcing wholesale services places high demands on the business relationships involved.

Our Value Added

United Internet primarily adds value in the areas of product development and enhancement, marketing, sales, and customer care; in addition, the organization has its own logistics capabilities. Our products and services build on our data center and fiber-optic network operations.

The figure breaks down the red “Our value added” link in the value chain above in more detail.

Downstream

United Internet also uses service providers in some cases for its sales and customer service operations. Downstream activities can be highly relevant, since in many cases the long-term customer relationships resulting from fee-based subscriptions (roughly 25 million) and ad-financed free accounts (roughly 39 million) can facilitate growth. This means that the use phase for our products is a material part of our business – including from a sustainability perspective. Other business partners in the downstream value chain are shipping partners, who are responsible for delivering devices to customers.

\[1\] The upstream value chain comprises cradle-to-gate goods and services (Greenhouse Gas Protocol, 2011).

\[2\] Downstream activities cover goods and services following their sale/distribution by the reporting enterprise and transfer of control to another unit or organization.
and partners who ensure that waste devices are recycled/disposed of in an environmentally friendly manner.

**Impacts on the Value Chain**

**Upstream**

We primarily source network services and ICT products from the upstream value chain. These must mainly be seen from the perspective of their environmental impact, since network operation involves the consumption of substantial energy and resources. To a lesser extent this also applies to e.g. domains, the provision of which also requires energy and the underlying hardware.

Servers and devices such as smartphones and tablets have environmental impacts that can be relevant, especially with respect to their electronic components up to and including the extraction of the raw materials concerned. A social perspective is becoming important here, since raw materials in particular are frequently mined in countries in which the standards for working conditions and environmental protection are lower than in Germany, for example. In addition, the issue of "conflict minerals" must be addressed. The extraction of minerals such as tin, tantalum, tungsten, and gold – which are used among other things in smartphones as well as for various applications in the automotive sector – sometimes involves forced labor or helps finance armed conflicts. We address this risk in our Code of Conduct for Business Partners.

**Our Value Added**

We add a large proportion of the value we create – from product development down to customer care – in Germany or other EU or OECD countries. Impacts on the environment and society, such as the energy consumed by our data centers or our responsibility as an employer, are examined in detail in the various chapters of this Sustainability Report.

**Downstream**

Services that we commission from specialized partners and outsourcers include parts of our customer service and sales operations, and shipping products to customers. Social impacts in the form of data protection, data security, and working conditions must be taken into account here, and we expect our service providers to comply with strict requirements in these areas.

Equally, environmental topics are relevant. Deliveries by our service providers use fuel and emit greenhouse gases. In addition, recycling or disposing of retired devices and IT equipment in an environmentally friendly manner is a relevant environmental factor, which is why we work with specialized partners in this area.

**Cooperation with Our Business Partners**

We aim to ensure our business partners also take responsibility and make this the basis of our cooperation, so as to be able to build reliable, long-term relationships and assume responsibility together. In addition to our existing close cooperation and personal contacts with our business partners, especially in the wholesale area, the contracts we have agreed with major suppliers of smartphones and other ICT devices in particular specify that ethical principles and working standards must be observed. Partner Management is in close contact with our major wholesalers here.
Responsibility for Human Rights Due Diligence

The National Action Plan for Business and Human Rights (NAP) expects large enterprises to take responsibility throughout their value chain, to perform a risk analysis, and then on this basis to introduce an appropriate corporate due diligence process to ensure respect for human rights. The five core elements of the NAP are:

- A human rights policy statement (public commitment plus expectations to be met by employees and business partners)
- Procedures for identifying actual or potential adverse impacts on human rights (relating to the organization’s own activities, supply chains, business relationships, etc.)
- Measures to ward off potential adverse impacts and to review the effectiveness of these measures
- Reporting (on the approach to due diligence and the effectiveness of the measures taken)
- A grievance mechanism (provision of and participation in appropriate channels for making complaints, so as to give affected individuals access to remedies)

Policy Statement

For United Internet, respect for human rights is an integral component of its corporate culture. The Company has committed itself to observing the United Nations’ Universal Declaration on Human Rights. It has taken measures to prevent, mitigate, and redress any potential adverse human rights impacts. In the process, United Internet bases its activities on the UN Guiding Principles on Business and Human Rights. We have included principles designed to ensure respect for human rights in our corporate values and our Code of Conduct.

Procedures for Identifying Adverse Impacts, and Grievance Mechanism

We have established confidential reporting channels to enable adverse impacts to be identified at an early stage. By appointing central and local compliance managers and designated persons of trust, the organization has created confidential points of contact for employees outside their immediate working environments. These grievance mechanisms ensure that United Internet can effectively meet its human rights due diligence requirements. United Internet takes all perceived injustices extremely seriously. Our overarching goal is to become aware of any incidents at an early stage and to get to the bottom of all complaints regarding human rights violations. There were no indications in fiscal year 2020 of any violations suggesting actually or potentially adverse human rights impacts.

As regards our business partners, we consider appropriate working conditions – from the remuneration paid through working times down to occupational safety – to be a key relevant topic. With respect to these issues and other topics affecting the supply chain and value chain, United Internet has introduced a Code of Conduct for Business Partners that formulates the expectations it has of business partners regarding human rights topics, among other things.
Measures to Ward off Adverse Impacts, Effectiveness Reviews, and Reporting

The risk of human rights violations within the United Internet Group is very small: As of the 2020 year-end, United Internet employed 7,929 (2019: 7,761; 2018: 7,567) members of staff in Germany; no human rights risks were established for these employees. In addition, United Internet employed 1,709 (2019: 1,613; 2018: 1,526) members of staff outside Germany, mostly in the EU or OECD countries with strict labor law standards; no human rights risks were established for these employees either.

Formal reporting on human rights due diligence is mainly performed in connection with the Sustainability Report. This external communication is flanked by our readiness to enter into an open dialog with customers, interested stakeholders, and (potentially) affected individuals, and to provide information if requested.

Code of Conduct for Business Partners

Our Code of Conduct for Business Partners builds on our corporate values to define minimum social and environmental standards in the areas of business integrity and compliance, human rights and labor rights, health and safety, and the environment. The Code specifies how the requirements are to be met and provides information on suitable channels for reporting any indications of problems. For example, United Internet provides employees at its business partners who want to notify it of potential violations of the law or of the Code of Conduct for Business Partners with a confidential reporting channel. At the same time, its business partners must ensure that employees are aware of this confidential reporting channel and that they can use it without any fear of reprisals.

Business Integrity and Compliance

The Code of Conduct for Business Partners requires business partners to take appropriate measures to comply with all applicable laws, regulations, and requirements (compliance). No undue benefits may be requested or offered; anti-corruption laws and regulations, and competition law and antitrust regulations must be observed; and sanctions and embargoes that have been imposed must be complied with (fair competition). In addition, suitable technical and organizational measures must be taken to protect the confidentiality, availability, and integrity of all information transmitted by United Internet, and in particular of sensitive corporate data and personal data (information security and data protection).

Human Rights and Labor Rights

With respect to human rights, the Code is based on the UN Guiding Principles on Business and Human Rights. The Code of Conduct for Business Partners stipulates that appropriate measures must be taken to prevent, mitigate and, if necessary, redress adverse human rights impacts, and that it also expects business partners to do this.

In concrete terms, the Code contains requirements to comply with the rules governing working times, wages, and social security benefits (wages and working times). In addition, business partners may not use any form of forced, prison, slave, or compulsory labor, and the use of conflict minerals must be examined and prevented, especially during the procurement and manufacture of goods (voluntary labor). Business partners may not employ children under the minimum age specified by the International Labour Organization (ILO) or national legislation (no child labor). Above and beyond this, business partners must ensure working environments are free from psychological, physical, sexual, or verbal abuse, intimidation, threats, or harassment, and must undertake to ensure equal opportunities in their human resources decisions. Discrimination on the basis of nationality and national origin, ethnicity,
political affiliation, gender, religion or belief, disability, age, or sexual identity is prohibited (prohibition on discrimination).

Health and Safety

Business partners must ensure safe, healthy working environments in order to prevent accidents and sickness. Among other things, this includes holding regular training courses and providing suitable protective clothing.

Environment

Business partners undertake to comply with all applicable environmental legislation and to ensure the conservation of natural resources. Business partners whose activities have significant impacts on the environment should have effective environmental management policies in place to reduce the adverse impacts of their products and services on the environment.

Implementation

The Code of Conduct for Business Partners has been incorporated into the contracts entered into with business partners by including it in the General Terms and Conditions for Procurement.
Measures and Tools Relating to Call Center Service Providers

In 2018, United Internet expanded its reporting channels. As in the past, these provided a basis during the reporting period for external call center staff to draw attention to any cases of fraud of which they became aware in the course of their support and sales activities.

In 2016, United Internet’s Consumer Access Segment introduced a systematic review of the outsourcing service providers with which it interfaces (due diligence outsourcing or DDO). This due diligence is built around self-reporting by the service provider using lists of questions on specific topics, plus a subsequent analysis and assessment by United Internet. The standardized review focuses on the organizational, financial, and legal position of the outsourcing service providers with whom contracts have been signed. This allows information about compliance and the internal control system (ICS), among other things, to be captured. Since 2019, the review includes all segments with outsourcing activities, and is performed in close cooperation with the departments performing the outsourcing (in addition to Consumer Access these are Consumer Applications and Business Applications).

We have established binding rules to prevent fraud in the support and sales functions at our outsourcing service providers and have agreed them with our partners. We have implemented an internal control function to review conspicuous behavior by both external and internal call center employees.

The results are documented in a review report and addressed, in the form of concrete recommendations for measures, to Compliance, Legal, and the management of the operating segments responsible for implementing the measures, among other instances. In fiscal year 2020, a total of eight outsourcing service providers were reviewed. This means that, four years after the DDO process was introduced, a large proportion of integrated call centers have now been reviewed. There were no material indications of adverse impacts in relation to the social aspects of working practices, human rights, and compliance.

(1) To date, this comprises 1&1 Telecommunication SE and its subsidiaries. The entire 1&1 Drillisch Group already performs a thorough review of its service providers.
OUR SOCIAL COMMITMENT

Management Approach

Materiality, Impact, and Risks

As an internet supplier, we operate in a dynamic and highly competitive market. However, our economic activities aren’t the whole story: we are also part of society and we can only be successful if this functions properly, too. This explains why we are committed to helping ensure a stable society that can meet future challenges.

Our products are targeted at a broad range of people in society and help them connect with each other. In line with this, we take social responsibility within our Company. In addition, we want to ensure this happens throughout the value chain. As a result, we expect our business partners to show responsibility for society and their stakeholder groups.

For many stakeholders, initiatives and projects that see the bigger picture beyond our day-to-day business are extremely important. For example, potential customers increasingly look at companies’ social and environmental commitment and choose suppliers and products on this basis. Staff also increasingly want to be able to identify with their employer – something that is helped, among other things, by the employer’s social commitment and by it supporting its employees in performing voluntary work.

Goals and Measures

We take good corporate governance to mean that we should not lose sight of the impact our various business activities have on people and the environment, and that we should help ensure a stable and forward-looking society. Our goal is to contribute to people’s prosperity both within and outside our corporate environment. We do this by creating jobs and traineeships, through our products, and through our social commitment. Our activities in the last area comprise the initiatives given below, and the first two of these are described in more detail in this chapter.

- **United Internet for UNICEF**
  Back in 2006, foundation donor and United Internet CEO Ralph Dommermuth laid the groundwork for an initiative designed to help children throughout the world. The United Internet for UNICEF foundation, which has been highly successfully in the years since then, supports projects run by UNICEF (the United Nations Children’s Fund) worldwide. By doing so, it helps improve equal opportunities for, and the well-being of, children around the world.

- **1&1 Together**
  From the fall of 2015 to early 2020, we supported three initiatives – “1&1 Welcome,” “1&1 Language,” and “1&1 Fit for Job” – under the overarching title of “1&1 Together.” Over 300 employees volunteered their time alongside the core team. The focused training modules in our “1&1 Fit for Job” qualification program helped refugees find their feet on the German job market, with employees acting as trainers or organizing events. United Internet supported this commitment by enabling employees to take time off to contribute to the initiatives. Staff involved in the scheme could spend up to 10% of their weekly working time on measures designed to assist refugees.
Supporting inclusion
As already described in the chapter entitled "Climate and Environmental Protection,” we also support the inclusion of, and employment opportunities for, people with physical or mental disabilities. Among other things, we do this by passing on waste equipment to AfB gGmbH, a recycling specialist. According to the latter’s figures, 45% of its workforce are people with disabilities. Another way in which we promote working together with people with physical or mental disabilities is our partnership with disabled people’s cooperative GDW (Genossenschaft der Werkstätten für behinderte Menschen Mitte eG), which has shredded and recycled our old files and records for more than five years now.

IONOS CARES
In 2020, United Internet subsidiary IONOS donated 120 PCs to a community college and two publicly funded schools in the Philippines cities of Cebu, Mandaue, and Lapu-Lapu. This continues the IONOS CARES approach of facilitating individuals’ academic and professional development, with a particular focus on underprivileged students from the region. The PCs that were donated will account for a large portion of the pupils’ learning journey and open up opportunities that they otherwise would not have had. In this way, recycling computers kills two birds with one stone: not only does it conserve resources, but it also helps people in need.

“Care Packages” project
In addition, “Care Packages” were distributed to employees in the Philippines in fiscal year 2020 due to the COVID-19 pandemic. These contained a large number of key products such as food and face masks. This was another way in which IONOS helped ensure the health and wellbeing of its workforce in the COVID-19 period.

Results and Assessment
The success of our social commitment can be measured in a number of different ways. Firstly, we are recording an increase in donations received and in the number of sponsor members for the United Internet for UNICEF foundation. Secondly, six refugees who took part in our “1&1 Together” initiative have already been given permanent positions at Group companies after completing the program. We are also receiving positive feedback from our long-term partnerships with AfB and GDW, which shows that the cooperation is working well. These partnerships allow us not only to live our social commitment but also to help the environment.
Contribution to the SDGs

1. **No Poverty**
   - End poverty in all its forms everywhere.

2. **Zero Hunger**
   - End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

3. **Good Health and Well-Being**
   - Ensure healthy lives and promote well-being for all at all ages.

4. **Quality Education**
   - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

5. **Gender Equality**
   - Achieve gender equality and empower all women and girls.

6. **Clean Water and Sanitation**
   - Ensure availability and sustainable management of water and sanitation for all.

8. **Decent Work and Economic Growth**
   - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

10. **Reduced Inequalities**
    - Reduce inequality within and among countries.

11. **Sustainable Cities and Communities**
    - Make cities and human settlements inclusive, safe, resilient and sustainable.

16. **Peace, Justice and Strong Institutions**
    - Promote peaceful and inclusive societies for sustainable development.

17. **Partnerships for the Goals**
    - Strengthen the means of implementation and revitalize the global partnership for sustainable development.

**United Internet for UNICEF**

**Focused on Helping Children in Need**

Our United Internet for UNICEF foundation has been at the heart of our Corporate Social Responsibility (CSR) activities for roughly 15 years. In UNICEF, the United Nations Children’s Fund, we have a globally recognized, experienced, and qualified partner. This organization’s professional approach allows us to enhance the effectiveness of our own activities.

Among other things, UNICEF supports projects that enhance educational opportunities, health, and child protection, improving children’s living conditions worldwide. In addition, it provides humanitarian aid for natural disasters and their protracted long-term consequences.

Our foundation helps raise donations and acquire sustaining sponsors by running appeals for donations on our online platforms. The high visitor frequency enjoyed by our GMX, WEB.DE, and 1&1 portals increases the reach and awareness of these appeals. This broad coverage makes us UNICEF’s largest German corporate partner.
The United Internet Group employs a permanent staff member to centrally manage the foundation’s activities, with the assistance of volunteer colleagues. This staff member works closely together with the foundation’s chair, Tessa Page, with the other members of the foundation board, and with UNICEF. The foundation’s performance is monitored via the regular reports submitted to the Management Board.

How We Help Raise Donations

Once the foundation has decided to launch an appeal for donations to help with current crises or catastrophes, we deploy a variety of instruments to support this goal.

- An interdisciplinary team of editors, graphic designers, and marketing experts comes together to design appeal mailshots and a range of different news formats. The team members pool their knowledge and skills to draft informative, compelling e-mails and prepare their dispatch. Sending mailshots via our GMX, WEB.DE, and 1&1 online portals, and to IONOS customers allows us to rapidly reach over 30 million people with our call to donate.

- In addition, we provide free editorial and advertising space on our online portals for donation appeals. Once again, this allows us to react quickly in urgent cases and provide assistance at short notice.

- Links to the foundation’s home page offer donors rapid, easy payment options.

- In addition, United Internet pledges additional financial support for selected donation appeals and for attracting sustaining sponsors: the Company’s “Double It” campaigns match donations by private individuals up to a set limit. Thanks to this additional incentive, the foundation was able to recruit roughly 1,600 new sustaining sponsors for UNICEF as a result of its 2020 Christmas mailshot (2019: 1,000; 2018: 539).

The single and regular donations raised via United Internet’s portals can be passed on to UNICEF in full because all foundation staff are either volunteers or are not paid from donations to United Internet for UNICEF.

“I am consistently impressed when I see how much support we receive from our users. The fact that we have already been able to use more than €50 million in donations to fund aid in crisis situations around the world fills me with gratitude. If I were to single out one special moment in my work for United Internet for UNICEF, it would definitely have to be my project trip to Mozambique. I have very vivid memories of how the donations are used in practice – and how grateful the people on the ground are for them. The projects that I got to know there demonstrate how really important the foundation’s work is.”

**Thomas Rebbe**, Head of Editorial Content, United Internet for UNICEF foundation board member
Nearly 15 Years of Successful Work

The foundation’s appeals in fiscal year 2020 resulted in a further €4.93 million or so being donated to UNICEF (2019: €4.73 million; 2018: €3.65 million)\(^1\). This brings the total volume of donations raised since the foundation was set up in 2006 to over €52.70 million.

<table>
<thead>
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<th>Total donations per year in € million</th>
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<tr>
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<td>2019: 4.73</td>
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<td>2018: 3.65</td>
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In 2020, the foundation’s main focus was on supporting the crisis zones in Yemen and South Sudan. The two countries have been ravaged by conflicts, poverty, floods, and malnutrition. In addition, COVID-19 is making accessing these areas much more difficult. Healthcare systems in vulnerable countries have been overwhelmed by the pandemic. At its height, more than 1.5 billion children around the world could not go to school and there was a real danger that girls in particular would be unable to continue their education, especially in unstable, poverty-stricken countries. This is why United Internet for UNICEF devoted a number of mailings to COVID-19, calling in particular for educational and healthcare programs to be strengthened.

Donations Exceed €50 Million Mark

In 2020, United Internet for UNICEF and UNICEF Germany passed another milestone for children in need: donations of €50 million have been collected since its foundation. This sum was passed on to UNICEF in full, helping innumerable children in need and in crisis situations.

One example of this partnership is the massive wave of donations for emergency aid following cyclones Idai and Kenneth in 2019. This natural disaster hit Mozambique hard – 2.2 million people, including more than one million children, were impacted. The foundation was able to raise €1.2 million for those affected within a very short space of time, making it the first organization in the world whose UNICEF donations reached the country. This was possible thanks to the enormous generosity of users of the GMX, WEB.DE, and 1&1 online portals and of IONOS customers.

Surpassing €50 Million in Donations: An Interview with Tessa Page

Tessa Page co-founded United Internet for UNICEF together with Ralph Dommermuth and is the foundation’s chair. In the following short interview, she gives us insights into the foundation’s work and current projects, and explains what’s behind its “Technology supports humanity” slogan.

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\(^1\) Figures for 2018 adjusted.
Ms. Page, what has happened since the foundation was established in 2006 and what are you particularly proud of? Also, what challenges did you and your team face along the way?

We have built a really strong team since we set up the foundation – one in which we all have the same vision and work every day towards achieving the foundation’s goals. We can be extremely proud of having made a real difference to the lives of millions of children. Our work has resulted in tangible, long-term social improvements in the area of medical care, education, protecting children’s rights, freedom from violence and abuse, nutrition, and clean drinking water.

For us at the foundation, defending children’s rights is our top priority and we work tirelessly to protect them. We are one of UNICEF’s leading partners in the world in this sector as well as UNICEF Germany’s largest corporate partner. That’s another thing that we’re proud of.

We regularly had to deal with problems along the way – and still do today. These can be minor or fundamental, like those the world is presenting us with at the moment. The COVID-19 pandemic and climate change have led to massive global challenges and hence to new areas of emphasis for our work.

“Technology supports humanity” – what exactly does the foundation’s slogan mean in practice?

We live in an age in which the internet is vital and offers access to a vast range of information. But despite all the news about “flashpoints” it is often difficult for internet users to keep track of the big picture and understand where exactly help is needed most urgently. In addition, they want to be certain that their donations will reach UNICEF in full. E-mail is still our most important communications tool here. Our mailshots allow us to approach donors quickly and effectively with information.

We can reach nearly 35 million people within 48 hours with such e-mails. This speed and reach are critical to be able to help children in need, especially in emergencies. We can provide our users with information about specific projects directly and free of charge, and can raise donations.

The number of humanitarian crises around the world is rising and the donations raised by the foundation are more vital than ever before. What are the projects that United Internet for UNICEF is focusing on?

In the first instance, we always focus on emergencies, because this is where the need is greatest.

For me, education remains the most important issue for donations, since in my opinion it is the key. Many problems in developing and threshold countries would not exist in my opinion if we set more store by education. Educating the children there gives them a tool to ensure and preserve their nations’ future and stability.

One particularly pressing problem that we have been addressing for years is Yemen – a country that has been plunged into humanitarian tragedy by more than five years of ruthless war. Hunger, disease, and poverty are causing unimaginable suffering. And now the COVID-19 pandemic has reached a population that has nothing to fight it with. We raised more than €1.2 million for children in Yemen in 2019 and 2020 alone.
All in all, I am delighted to see and hear about the difference that our donations make to the lives of children and families in need. It is overpowering and extremely touching every time. I hope all our donors realize the difference their contributions really do make and that each and every donation is transformed into a good deed on the ground, and can change a child’s life for the better.

Support for Refugees

Social Integration through Labor Market Integration

When the flood of refugees reached Germany in the fall of 2015, we wanted to send a positive signal as a company and to welcome the new arrivals to this country. United Internet’s integration measures focused on refugees’ specific requirements at different points in time, and were adapted repeatedly over recent years in line with this. From the fall of 2015 to early 2020, we supported three initiatives – “1&1 Welcome,” “1&1 Language,” and “1&1 Fit for Job” – under the overarching title of “1&1 Together.” Over 300 employees volunteered their time alongside the core team. In addition, we created apprenticeships to also offer young refugees the prospect of starting a career.

The initiative was launched back in 2015, when staff provided a variety of “1&1 Welcome” offerings (e.g., music, sport, leisure activities, and redecorating lodgings) to refugees in initial accommodation centers to help make transitioning to their new surroundings go more smoothly. Shortly afterwards we launched “1&1 Language,” which set up contact points near the accommodation centers to enable the new arrivals to learn German. Once the accommodation centers closed, demand for these initiatives also changed.

This is why we focused from March 2016 until early 2020 on “1&1 Fit for Job.” This qualification program helped 416 people with a migration or refugee background get ready for the German labor market, supplementing state and local measures. We also brokered mentors for 22 people and ourselves offered vocational training for over 30 more, as well as offering six people jobs directly. More than 130 program participants then did internships in United Internet Group companies after completing the program. Our offices in Montabaur, Karlsruhe, and Munich offered a modular range of courses during this period, in coordination with the relevant program partners. The program provided participants with a general overview of office work, the cultural environment, and job profiles in our Company, along with practical training on how to apply for jobs and PC skills such as using Word and Excel. The lecturers and trainers were qualified Company staff who were allowed to spend up to 10% of their working time on this. In 2018, we further expanded our networking activities and cooperation with other companies and took part in networking events with the German Chamber of Industry and Trade (IHK) and the Federal Employment Agency, among other organizations, to discuss the next steps.

Throughout this period we focused on what was needed at specific times and ultimately on three core areas: assistance with preparing for vocational training, support for this training, and help for program graduates to get their first job:
The first core area was assistance in preparing for vocational training and helping refugees to find work and becoming integrated on the job market. Among other things, we offered courses on Microsoft Office programs and entry-level programming.

The second core area consisted of needs-driven, on-the-job support during vocational training. For example, colleagues supported school students by acting as business studies mentors.

The third core area was designed to help qualified refugees find their feet on the job market. A special internal offering here took the form of long-term internships plus additional language training.

In recent months, discussions with everyone involved showed that many of our additional training offerings are now covered by public and private educational institutions. We have also used the lessons learned in onboarding and integrating participants to continuously improve our standard processes in the last few years, and have now reached a level that we are convinced can exist on its own in the future.

Our vocational training success rate shows that our standard processes are now capable of offering prospects to refugees going forward. As a result, like the www.wir-zusammen.de initiative, we decided in the early months of 2020 to wind up the "1&1 Fit for Job" project office, to ensure all lessons learned are passed on to the relevant internal units, and to support refugees long-term via the enhanced standard processes that are part of our regular operations.

Looking back, we are proud of what we have achieved. Numerous discussions with a wide range of partners, public authorities, and program participants revealed their appreciation of, and thanks for, what we did.
A Successful Example

Karine Gevorgyan graduated from the "1&1 Fit for Job" program to find a position within the United Internet Group.

Ms. Gevorgyan, how did you come to take part in the "1&1 Fit for Job" program and what do you now do at the Company?

I started with "1&1 Fit for Job" in 2017, when I was invited, with the support of the Federal Employment Agency in Montabaur, to take part in one of the courses making up the program. This training helped me make new contacts within the Company. Thanks to my participation, I was offered the opportunity to apply for a three-month internship under the "1&1 Fit for Job" program. During this time I worked as an intern in the Customer Insight Management department. After that, my contract was renewed for another three months, increasing my commitment to the Company even further.

At the end of the total period of six months, I applied for a traineeship offered by the "1&1 Fit for Job" program and was given a one-year contract that allowed me to work in four different departments: Outsourcing Management, Career Management, Project Management, and Customer Insight Management. Each department influenced my professional development and integration in its own way, while the positive working atmosphere made me interested in staying with United Internet. After completing my trainee program, I took the initiative and applied for a new position in one of the departments I had interned with. As a result, I was offered the job of Junior Quality Manager within Customer Insight Management. That’s what I am still doing and am giving it my all every day.

Looking back, it seems incredible how well things have turned out. I was so unsure about what to expect when I was invited to participate in the training course. And I certainly did not imagine that one day I would get the chance to be employed by the Company, which has a good reputation on the German job market. I am really grateful to the "1&1 Fit for Job" program for its support and assistance. In particular, I would like to thank the "1&1 Fit for Job" team, who gave me confidence in myself and helped me during the integration process and in my career development.
## ANNEX

### GRI Content Index and CSR-RUG Disclosures (I)

The GRI Content Index maps all GRI disclosures made to the relevant sections of this report. This report has been prepared in accordance with the GRI Standards: Core option. All GRI disclosures relate to the 2016 GRI Standards with the exception of GRI 403, which relates to 2018. The topic-specific disclosures in part (II) of the table have been assigned to the aspects in the German CSR Directive Implementation Act ("CSR-Richtlinie-Umsetzungsgesetz" – CSR-RUG).

### GRI 102: General Disclosures

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## GRI Content Index and CSR-RUG Disclosures (II)

Topic-specific Standards 2016 (GRI 200 – Economic, GRI 300 – Environmental, GRI 400 – Social) and Management Approach (GRI 103) and 2018 (GRI 403).

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11 The description of the management approaches in accordance with GRI 103 covers GRI Standards 103-1, 103-2, and 103-3. In addition to the GRI requirements, the description of the management approaches complies with the statutory requirements for the presentation of the policies pursued in relation to the non-financial aspects.
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About This Report

This Sustainability Report is addressed to all United Internet stakeholders. These comprise in particular investors, analysts, customers, employees, business partners, NGOs, political representatives, and the general public.

Report Structure, Methodology, and Frameworks

This Sustainability Report contains United Internet’s consolidated non-financial statement as required by the German CSR Directive Implementation Act (“CSR-Richtlinie-Umsetzungsgesetz” – CSR-RUG) (sections 315b and 315c in conjunction with section 289c of the German Commercial Code (“Handelsgesetzbuch” – HGB)). The consolidated non-financial statement and the non-financial statement for the parent company, United Internet AG, have been combined in this separate non-financial report.

This report contains the statutory and supplementary disclosures for the material aspects for United Internet: environmental matters, employee-related matters, social matters, respect for human rights, and anti-corruption and bribery matters. This list of the minimum aspects required by the CSR-RUG has been supplemented by “customer-related matters.” These are material for United Internet and must therefore be reported. In addition to customer satisfaction, customer-related matters include information security, data protection, and digital transformation in general – all of which are particularly relevant to the sector. This is why these topics are presented in a separate chapter entitled “Corporate Digital Responsibility.”

In addition to the CSR-RUG, our reporting is based on the internationally recognized Sustainability Reporting Standards published by the Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI Standards: Core option. Both the CSR-RUG and the GRI Standards expect information to be presented on how the material topics and their impacts are managed, and in particular the associated goals and measures, and the procedures used for risk identification and mitigation. The CSR-RUG uses the term “policy” (“Konzept”) in this context, whereas the GRI talks about the “management approach.” The latter term is used in this report, as our objective is to prepare a sustainability report that complies with the GRI Standards and that contains the non-financial statement. Consequently, the “management approaches” in this report include the CSR-RUG’s “policies.” In addition, we have applied the European Commission’s Guidelines on non-financial reporting, which build on Directive 2014/95/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups – the European Directive underlying the CSR-RUG.

Process Used to Define Material Topics

We applied the principle of materiality when defining the report content and considered the expectations of our stakeholders. The main requirements used to define the material topics were those set out in the GRI Standards, the CSR-RUG, and the abovementioned EU Guidelines. We observed the GRI Reporting Principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness during the definition process.

Definition of Materiality

Since these frameworks are based on different definitions of “materiality,” the analysis takes a variety of viewpoints into account (see also the figure next page).
Sustainability reports prepared in accordance with the GRI Standards must define material topics using the following two dimensions:

- Their influence on the assessments and decisions of stakeholders and/or
- The significance of the economic, environmental, and social impacts of the organization’s activities

The CSR-RUG and the EU Guidelines require at a minimum disclosures to be made on the non-financial aspects of environmental, social and employee matters, anti-corruption and bribery matters, and respect for human rights that are necessary to understand

- the development, performance, and position of the organization’s business and
- the impact of its operations on the abovementioned aspects

The term “double materiality” is used to describe this combination of financial materiality on the one hand and environmental and social materiality on the other.

**Definition of Materiality in the GRI Standards and the CSR-RUG**

1. Influence of the topic on the assessments and decisions of stakeholders

2. Business activity’s impacts on the topic ("environmental and social materiality")

3. Impacts of the topic on the development, performance, and position of the business ("financial materiality")

**Translation into Criteria for Defining Materiality**

In order to do justice to both definitions, we evaluated the following criteria to define the material topics at the United Internet Group.
1. Influence on the Assessments and Decisions of Stakeholders

Stakeholder Survey
Our 2016 stakeholder survey consisted of two phases. In a first step, more than 40 managers from different areas of the United Internet Group pooled their expertise to assess which sustainability topics are material for United Internet. The analysis used the topics suggested by the GRI, which also include the non-financial aspects from the CSR-RUG.

In a second step, this internal, employee-oriented viewpoint was then supplemented by an online survey of external stakeholders. Stakeholder identification was based on the AA1000 Stakeholder Engagement Standard (SES). The survey polled representatives of our relevant stakeholder groups: investors/analysts, business partners/customers (including wholesale partners and outsourcing providers), other suppliers, and industry associations.

The results allowed us to identify the topics that our internal and external partners consider to be material.

Supplementary Analysis of Capital Market Requirements and Frameworks
In 2019, we also analyzed what sustainability expectations United Internet currently has to meet to satisfy investors, ESG ratings, and analysts, along with recent frameworks, standards, and initiatives. Firstly, this ensures that we can meet the requirements of the capital markets, which are becoming increasingly interested in ESG topics and which are a key target group for the Sustainability Report. Secondly, it helps ensure that our materiality analysis remains up to date, since innovations are often rapidly reflected in capital market decisions and in initiatives.

The following new key reference items have been included in this Sustainability Report: a number of ESG ratings (including MSCI, Sustainalytics, and CDP), assessments, and investor queries; the United Nations’ Sustainable Development Goals (UN SDGs, also referred to as the “Global Goals”); the European Commission’s revised Guidelines on non-financial reporting, which form part of the EU’s Sustainable Finance Action Plan (including the Supplement on reporting climate-related information that was published in 2019); and the 2017 recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on linking climate-related reporting with financial information.

As a result, we were able to expand the list of topics derived from our direct stakeholder survey and identify those topics that are particularly relevant at present.

We also addressed additional future regulatory requirements during the reporting period. These include the framework for the EU’s Taxonomy Regulation, the TCFD recommendations mentioned earlier, and potential changes resulting from the revision of the CSR Directive and the implementation of the SPG.

2. Business Activity’s Impacts

The GRI Standards, the CSR-RUG, and the EU Guidelines all define “impacts” as the economic, social, and/or environmental effects that an organization’s activity has on the goal of sustainable development. This represents “environmental and social materiality,” which can be of interest to consumers, employees, business partners, municipalities, civil society organizations, and society as a whole.

We adopted as broad a social perspective as possible on our organization and our sector when defining United Internet’s potential impacts on society and the environment. To do this, we analyzed frameworks, standards, initiatives, agreements, studies, and research results, among other things— including materials with a sector-specific focus, where applicable. Examples include the UN SDGs (which we also examined from a sector-specific perspective), the UN Global Compact, the Paris
Agreement, and studies and discussion papers produced by civil society organizations and research institutions. We comply with the CSR-RUG in the process and examine the potential impacts of our own business activity, products and services, and business relationships.


The main criterion that we used to assess business relevance was whether a particular topic is included in the United Internet Group’s financial reporting. We focused primarily on the Report on Risks and Opportunities in this context, although we also looked at other areas of the annual reporting. The sustainability topics identified in this way are considered to be directly relevant to the business.

We then widened this analysis by consulting the expanded definition of risk used in the EU Guidelines. Our objective is to ensure a broader time frame along the entire value chain. The risk types included in the TCFD recommendations – which cover political, legal, technological, market, and reputational risk in addition to physical risk – can be used for this.

Next, we started the process of identifying such risks by taking a look at regulatory developments. Among other things, these include the EU Sustainable Finance Action Plan, along with Germany’s decision to introduce carbon pricing and its National Action Plan to implement the UN Guiding Principles on Business and Human Rights.

We also examined overarching data and research results on risks. For example, the top five global risks in terms of likelihood listed in the World Economic Forum’s Global Risks Report 2020 are now all environmental and climate-related. For the fourth year in a row, the top five risks in terms of severity of impact include four from the environment and society categories (with the number one risk being “failure of climate change mitigation and adaptation”). By contrast, economic risks have declined in importance over recent years.

Finally, the expectations of investors, ESG ratings, and analysts as to the transparency and management of ESG topics are used as an indicator of business relevance. According to the GRI Standards and EU Guidelines, financial materiality is particularly interesting to these stakeholders. (1)

Results: Materiality Matrix

The materiality matrix shows the results of the analysis. The horizontal axis shows the impacts of United Internet’s business activity on the environment and society; this dimension is common to both the GRI Standards and the CSR-RUG. The vertical axis shows the relevance of topics for stakeholders in line with the GRI Standards. The top right quadrant shows (in descending order) topics that not only represent relevant impacts by United Internet but are also important to our stakeholders. The renewed analysis of capital market players’ wishes has led to a particular emphasis on these stakeholders.

The square boxes show the business relevance of the topics as defined by the CSR-RUG: Topics that have been assigned red boxes are directly relevant to the business, as can be seen from the fact that they are included in financial reporting, e.g., as part of the Risk Report. Grey boxes are used to denote topics that are currently indirectly relevant to the business if an expanded definition of risk is used (i.e., if regulatory, social, and capital market expectations are used as indicators).

(1) The EU Guidelines, among other things, draw attention to the fact that the various (risk) perspectives may overlap, and that the probability of their doing so is likely to increase even further in future.
Materiality Matrix: United Internet’s Sustainability Topics

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An overview of how the topics identified are linked to the non-financial aspects under the CSR-RUG and of the action areas they are addressed in is given in the section entitled “Materiality Analysis: Topics and Action Areas.”

In addition, the table entitled “GRI Content Index and CSR-RUG Disclosures” links the statutory requirements with the GRI requirements.

Other Reporting Requirements

The CSR-RUG also requires the principle risks to be reported that are linked to the Group’s operations or to its business relationships, products, and services that are highly likely to cause material adverse impacts on the abovementioned aspects, to the extent that these risks are necessary for an understanding of the organization’s development, performance, and position, and of the impacts on the abovementioned aspects. Please see the Risk Report in the Group’s Annual Report, which presents the centrally managed risk management system.
Reporting Period, Reporting Cycle, and Scope of Application

United Internet’s Sustainability Report is published annually. This report covers the fiscal year from January 1, 2020, to December 31, 2020. Where appropriate, prior-period figures for fiscal years 2018 and 2019 are presented or outlooks are given, as required under the GRI Standards. Such places are specifically indicated.

Since this is the Sustainability Report for the United Internet Group, the statements it contains apply in principle to all divisions and locations, and to all subsidiaries in which United Internet holds a majority interest. Where individual disclosures do not yet apply to all companies, locations, and areas covered by this report, this is indicated. We intend to continuously expand the data pool on which the reporting is based. The previous report was published in April 2020.

Preparation, Publication, and Examination of the Sustainability Report

The non-financial statement taking the form of this Sustainability Report is prepared and published by United Internet AG’s Chief Financial Officer on behalf of the Company’s Management Board. In the course of its subsequent independent examination, the Supervisory Board addressed the Non-financial Report as a whole in depth and examined it for compliance with the law, propriety, and appropriateness. The Supervisory Board critically reviewed the context of the non-financial statement and discussed it with the Management Board, which was available to answer supplementary questions and provide additional information. Following its own examination, the Supervisory Board came to the conclusion that there were no grounds for any objections to the non-financial statement.

This report will be publicly available in German and English in early April 2021 as a PDF download on United Internet AG’s website.
PUBLICATION DETAILS

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Note:
For technical reasons, rounding differences compared to mathematically exact values (monetary units, percentages, etc.) may occur in tables and references. In 2020, the figures were rounded to two decimal places and adapted retrospectively, which means that deviations can occur compared to the previous years.

This report is available in German and English. Both versions can be downloaded from www.united-internet.de. In cases of doubt, the German version shall prevail.

Disclaimer
This report contains certain forward-looking statements which reflect the current views of United Internet’s Management Board with regard to future events. These forward-looking statements are based on our current plans, estimates, and expectations, and only reflect facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties, as well as other factors which United Internet often cannot influence but which might cause our actual results to differ materially from these statements. Such risks, uncertainties, and other factors are described in detail in the Risk Report section of United Internet AG’s Annual Reports. United Internet AG does not intend to revise or update such forward-looking statements.