

READY FOR A NEW FUTURE

Digital. International. Sustainable.

Efficient Technology Management®

Fu | ture

{future}, noun, no plural

Looking at things differently (*see also digital, international, sustainable*); not to be predicted, but to be made a reality. Now. Because the future is here before you are ready for it.

digital. Enabling modern ways of working; having the courage to occupy niches through innovation. Taking the entire ecosystem of customers, suppliers, and financing partners into account, and managing it via TESMA®.

international. Setting efficient, international standards while retaining the flexibility to develop customized solutions adapted to customer behavior; trusting in the diversity of the Group and leveraging the expertise, outlook, and experience of nearly 1,200 employees in 28 countries.

sustainable. Part of our corporate DNA since day one; circular economy as the business model of the future; second product life promotes responsible use of resources; a factor in profitable growth; an enabler.



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RemoteWorking@CHG-MERIDIAN



← Digitalization is at the forefront of CHG-MERIDIAN's strategic thinking. To reflect this focus, our title image shows the tips of illuminated fiberglass strands in close-up.

THE TECHNOLOGY MANAGEMENT EXPERTS

From its headquarters in Weingarten, Germany, the CHG-MERIDIAN Group helps its customers to finance and manage the technologies they need to run their businesses. Nearly 1,200 employees in 28 countries around the world manage a technology portfolio worth €7.5 billion.

CHG-MERIDIAN develops non-captive, customized solutions – covering everything from financing and procurement to usage and remarketing – for a wide range of technologies. The Company's more than 12,000 customers include large corporations, SMEs, the public sector, and hospitals.

Among other things, CHG-MERIDIAN develops sustainable and fully integrated strategies for the digital workplace, for intelligent fleet management, and for the flexible financing of hospital infrastructure.





DIGITAL.
INTERNATIONAL.
SUSTAINABLE.

2020 was a difficult year:

In spring, many were optimistic that the COVID-19 pandemic would soon run its course, but we have since come to realize that the virus will affect our lives for longer and more profoundly than we could have imagined.

Despite the unexpected challenges it faced, the CHG-MERIDIAN Group managed to successfully navigate this period. The main reasons for this are our robust business model, a high degree of flexibility, and a motivated team, says CEO Dr. Mathias Wagner in our interview.

CHG-MERIDIAN's goal is ongoing, profitable growth. Is that still the case?

Yes, profitable growth is a key strategic aspect for CHG-MERIDIAN. Even though the past year has presented a considerable challenge, we as a Group have not lost sight of our long-term goal. We have been able to rely on a business model that has demonstrated its resilience and solidity through this difficult period, and we have benefited from our close and stable relationships with customers and business partners. This has enabled us to weather the crisis well so far, and I am confident that we will continue to do so.

Which financial KPI best sums up the year 2020?

It is impossible to reduce a year to one figure, as 2020 has seen so many different developments. Overall, we were able to keep our business stable, although lease origination decreased by 12 percent to €1.758 billion as a result of the pandemic and the uncertain economic situation. Nevertheless, we are looking at a positive trend of net income across the international Group. In 2020, it rose from €65 million to €87 million, a very positive year-on-year increase of 35 percent. One of the reasons for this is the strong growth of the past few years, as our product range has continuously expanded across our three core areas of IT, industrial equipment and healthcare technology. We also performed well with our lifecycle management: In 2020, we refurbished and remarketed a total of 880,000 used IT assets, a rise of 26 percent (2019: 697,000).

Speaking of IT: How has digitization developed in 2020?

Clearly, the pandemic has shifted the focus onto digitalization, as highlighted by the German D21 Index, an important domestic benchmark. Our goal is to promote the digital transformation and to spark and shape the necessary debates. With this in mind, we are expanding our horizons internationally and structuring our portfolio accordingly.

“Sustainable business models such as the circular economy are more resilient.”

For many companies, the COVID-19 situation has shown that they are not yet properly prepared in terms of digital workplaces. Despite the fact that further digitalization and automation are key to their future competitiveness. We are the right partner for these companies, as we can help with financing and offer customized solutions for managing the necessary transformation processes.

1 “The pandemic has shifted the focus onto digitalization,” says Dr. Mathias Wagner, talking to us at CHG-MERIDIAN's headquarters in Weingarten, Germany.



Dr. Mathias Wagner joined CHG-MERIDIAN in 2013, and has been the Group's Chairman of the Board of Management since 2017.

CHG-MERIDIAN has a presence in 28 countries, each with its own local circumstances. How do you keep on top of it all?

The working relationships with our customers are characterized by exceptional flexibility, especially in an international context. Our task is to continuously adapt to the demands that are made of us, which is why we offer both regional solutions and options with a high degree of standardization for cross-border projects. These include optional financing models such as rental or leasing, depending on the requirements. Last year, we also further strengthened our global sales organization so that we are better able to serve international customers centrally and offer them support from a single source.

How important is sustainability as a competitive factor?

It is hugely important. Sustainable business models such as the circular economy are more resilient, and as they follow the principle of access over ownership, they ensure a more responsible use of Earth's resources. This is an idea that has underpinned CHG-MERIDIAN's business for decades, which is why we aim to take it one step further: From 2021, our entire operations across the Group will be carbon-neutral. To achieve this, we avoid, reduce, or offset all CO₂ emissions

generated by our business activities. With carbonZERO, we also launched the first carbon-neutral financing for IT infrastructure in February 2021. We take our responsibility in this regard very seriously and will continue to expand our commitment in this area.

Moving on to CHG-MERIDIAN as an employer, what changes have there been in 2020?

With the onset of the pandemic, protecting everyone's health has naturally become a priority. With this in mind, we immediately formed a task force to initiate and implement all necessary measures. In terms of our day-to-day work, the money we have invested in our digital workplaces and processes in recent years has served us well. As a result, the majority of all employees were able to switch from the office to remote working within a few days and without any major adjustment. I would like to take this opportunity to once again thank them all for the flexibility they have shown. I look ahead with optimism to a future that will continue to present challenges, but will not slow us down.



INTERNATIONAL NETWORK

For CHG-MERIDIAN, an international outlook means more than having a presence at over 40 locations in 28 countries

... an international outlook means leveraging expertise across the Group to set efficient, international standards for innovative technology management while remaining flexible enough to accommodate regional requirements.

... an international outlook means thinking digitally and being close to the customer. It means understanding the customer's needs in detail and working together to find a solution that accurately meets them.

... an international outlook means employing a diverse range of people who can bring their skills, experience and point of view to bear. We introduce some of these people on the following pages.





IN PARTNERSHIP WITH THE CUSTOMER

“With our growing technology portfolio and presence in 28 countries, it is vital that we create a level playing field across the Group: same processes, same services, and same quality.

Our stated aim is that it should make no difference to international customers which CHG-MERIDIAN office they choose in search of their ideal solution. The solution should also feel the same wherever it is implemented. Although we appreciate that a certain level of flexibility is required if there is to be room for customization and regional differences.

For global customers who have centralized decision-making structures and want an internationally uniform solution, we offer a team that can provide qualified answers to questions in all areas and that ensures consistent quality.

If customers prefer to have a local contact in each country, require different processes from one country to another, or have a more regional decision-making structure, the international CHG-MERIDIAN Group can provide comprehensive and made-to-measure solutions in these scenarios too.”



Jule Kilgus
... is responsible for the strategic and organizational alignment of the international Internal Sales unit.



COMPLETE, CUSTOMIZED BUSINESS CONCEPTS

“Purchasing has long been the norm in the Swiss market, and the use of finance options for IT was rarely considered by CIOs and CFOs. Consequently, we started to focus on innovative and fully integrated approaches three years ago. Since then, our made-to-measure solutions and digital processes via TESMA® have been well received by our customers. They are able to reduce their costs and administrative burden, while we handle the entire lifecycle management of their assets and equipment. Our fully sustainable business model will play an even more important role in the near future, as our customers are increasingly mindful of their green credentials. In this respect, CHG-MERIDIAN’s advantage is that we have set benchmarks in sustainability from day one, rather than waiting until now to jump on an increasingly fast-moving bandwagon.

We are not only of interest to regional companies but increasingly also to international businesses with headquarters in Switzerland. How have we achieved this? Primarily through our extensive experience with comprehensive, non-captive, and cross-border business concepts. Furthermore, our Group’s international offices have a strong sales team and a central coordination team to manage and support cross-border projects. And in a relatively small market like Switzerland, news of an excellent service provided spreads very quickly.”

Sebastian Apelt
... is responsible for business performance and local strategy in Switzerland.





THINKING AND ACTING INTERNATIONALLY

“Canada is a great country in which to establish an international presence. It is one of the founding members of the G8, it has a strong economy, the digital transformation has progressed considerably, it is an attractive market for independent service providers, and sustainability has a high priority. These are the perfect conditions for us, and with the support of CHG-MERIDIAN’s US team we got off to a good start.

Through contacts I had made in my previous employment, I was able to introduce us as a newcomer to the Canadian market to leading managers in the healthcare sector. The Canadians were particularly interested in the message behind our circular model and our international approach. This is how we garnered our first references.

Since then, we have successfully established a local presence. By combining lifecycle management and carbon offsetting, we offer a portfolio that has fundamentally changed how Canadian companies view their IT infrastructure.

This success is the result of the collaboration between all CHG-MERIDIAN offices around the world. Supported by a shared idea, our model is constantly evolving. When we speak of growth in Canada, it is a process that is only possible thanks to the strength of the Group. We all benefit from each other, as we all think and work according to uniform standards. Thanks to the innovative spirit of everyone involved, these standards are continually adapted to new requirements, without losing sight of the principles upon which the standards are based.”



Guy Poirier
... joined in 2017 to provide local support to CHG-MERIDIAN’s many customers through his teams across Canada.

AN INNOVATIVE TECHNOLOGY MANAGER

“The Paris metropolitan area is an economic hub and home to leading European and international companies. In this complex environment, customers rely on us because we have the expertise and the tools to manage digital workplace projects locally in this market. We are also able to meet companies’ requirements for uniform international standards through our network.

Our particular expertise is to achieve the optimum solution for our customers in terms of costs and user-friendliness along the entire value chain, from initial consultancy through to resale. This demonstrates how we have evolved into a technology manager that covers the entire lifecycle of a product.

The pandemic has highlighted that companies need to step up their digitalization and automation if they are to remain competitive. We appreciate the confidence our customers have in our ability to understand the challenges they are facing and to offer efficient solutions. Our focus on managing digital workplaces via the TESMA® portal, and our climate-friendly carbonZERO financing for IT investments are just two of CHG-MERIDIAN’s many responses to market demand.”



Younes El Kaissoumi
... is a team leader and responsible for customer relationship managers in the French market.



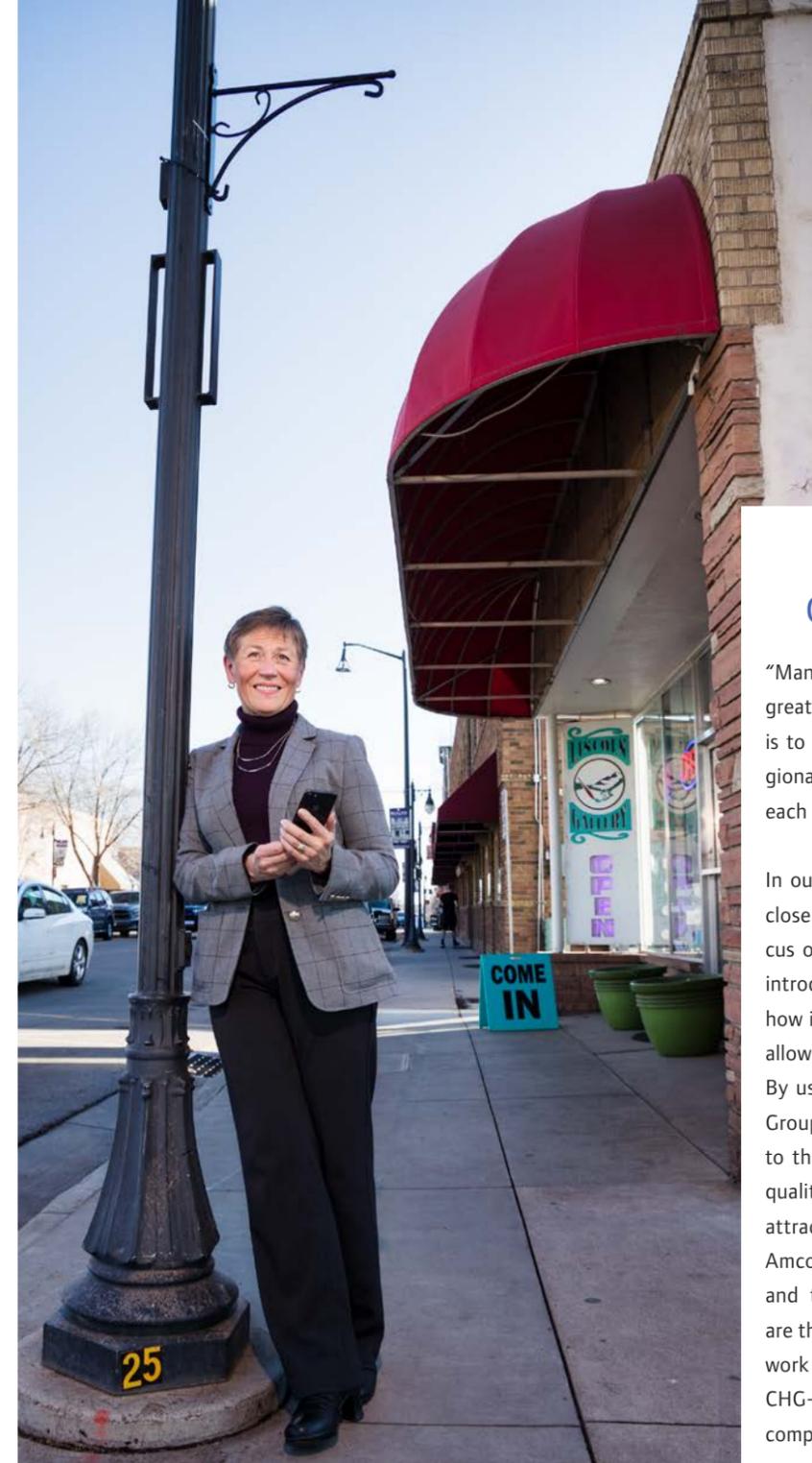
Michel Doll
 ... often travels to the Americas from his native France as a Senior International Business Development Manager at CHG-MERIDIAN.

INTERNATIONAL AND LOCAL ROLLED INTO ONE

“In the two years before the coronavirus outbreak, I had the opportunity to get to know the market in the Americas and our local employees very well. Whether I worked in Mexico, Brazil, the USA, or Canada, it was the same thing that set CHG-MERIDIAN apart from the competition: an international outlook that we are able to apply at the local level.

But what does that mean in practice? We think and work across borders, have uniform standards to facilitate this, and a shared understanding of our business. Yet we are still able to consider the country-specific dimension. In other words, thanks to our in-depth knowledge of the markets, the employees in our local offices know exactly how to manage our customers’ requirements. What are the particular challenges? How can we adapt our solutions to the local circumstances? This has resulted in many success stories in a short space of time.

What starts as a national collaboration can easily be extended in all directions and to all countries, and conversely, our ability to show customers what our international expertise can achieve at the local level has won us a lot of new business and garnered trust.



THE BEST WE CAN OFFER AS A GROUP

“Managing international projects requires great attention to detail. The challenge here is to take into account and manage the regional differences and unique features of each location.

In our day-to-day work, this means getting close to our customers so that we can focus on their needs and requirements, while introducing them to our own approach and how it can be applied to their business. This allows us to develop tailor-made solutions. By using the best that the CHG-MERIDIAN Group can offer worldwide, we aim to live up to this ambition and deliver a high level of quality at all project levels. And this is what attracted a large international company like Amcor. Our network, our business model, and the transparency offered by TESMA® are the key reasons why they have chosen to work with us. This is a prime example of how CHG-MERIDIAN has evolved from a German company into a truly international company.

What I personally enjoy most is the balancing act of working productively and efficiently in the interests of the customer, while pooling our resources in order to avoid unnecessary duplication of work.”



Robbie Macbeth
 ...is the Country Service Manager for the USA and Canada. She acts as the interface between customers and the internal departments that are managing projects around the world.



96%

of all assets returned to CHG-MERIDIAN were given a second product life in 2020

000,000

... assets were refurbished and remarketed by CHG-MERIDIAN in 2020



SUSTAINABILITY PUT INTO PRACTICE

Today, we are in Gross-Gerau, Germany. Nowhere else is the success of CHG-MERIDIAN's lifecycle management model more evident. Here, in the larger of the company's two technology centers, IT assets returned after the first use phase at the customer are given a second life. Demand for these services in Gross-Gerau has increased so much that the center was expanded by 2,000 square meters last year.

On a visit to Gross-Gerau, we find out what makes the lifecycle management business model run so well. Smartphones, laptops, printers, and servers are thoroughly refurbished and then remarketed rather than disposed of at the end of their lifecycle. This process is carried out at two technology centers, one in Gross-Gerau near Frankfurt, and one in Skien (Norway).

“We take care of the entire end-of-life process, from equipment retrieval and certified data erasure to professional refurbishment and sustainable remarketing. 96 percent of assets returned are given a second life,” says Csaba Kallai as we begin our tour. Originally hailing from Hungary, he has been with CHG-MERIDIAN since 2012 and is responsible for logistics and production in Gross-Gerau.

THE NEXT INDUSTRIAL REVOLUTION

Every day, Kallai and 94 other colleagues demonstrate what professional lifecycle management looks like in practice. Their work is vital, as electronic products can only achieve a positive environmental footprint if they are actually used for their entire theoretical lifespan. The circular economy is an important approach to solving key challenges such as climate change and environmental degradation. In the ideal scenario, the same amount of resources are removed from a cycle as are added back. That is why experts believe the circular economy represents the next industrial revolution.

What others might celebrate as the economic model of the future has been central to CHG-MERIDIAN’s business model and an integral part of the company’s DNA from the outset. It is an approach that is growing in popularity, and last year the number of assets processed in Gross-Gerau rose to an all-time high. As outlined above, CHG-MERIDIAN is responding to this demand by expanding its technology

center. Rather than attaching a further 2,000 square meters to the existing building, they were created by adding an internal floor. “The additional space has allowed us to further optimize our processes. We can now work through our orders even faster and more efficiently,” says Kallai.

A REFLECTION OF THE GROUP’S DEVELOPMENT

According to Kallai, this growth is a reflection of the development across the CHG-MERIDIAN Group. The progress of digitalization is one reason why more and more IT devices such as smartphones and tablets need to be remarketed or recycled. Then there are developments such as the EU’s new GDPR, which contains strict requirements for data erasure.

TEAMWORK

The background of the employees at the technology center in Gross-Gerau is as diverse as the CHG-MERIDIAN Group itself. The spectrum ranges from career changers to people with many years of training. Around half of the workforce is from an immigrant background. The team also includes four apprentices, who will be the warehouse logistics specialists and forwarding agents of tomorrow.

If you think the increasing workload is cause for noise and hustle and bustle, think again. The 95 highly-focused employees go about their work quietly. “Well-structured processes and clear organization are fundamental to our success,” says Csaba Kallai.

Back home in Hungary, he studied business administration with a focus on logistics. He first came to Germany as an expat when he was 23, and was so impressed by the quality of life that he decided to stay. “What I particularly value about my work at CHG-MERIDIAN is the freedom we have within defined guidelines. This means that we never stand still as a company and can provide the level of flexibility that customers rightly expect today. This has been particularly helpful during the coronavirus pandemic, as we have been able to react quickly to new circumstances,” says Kallai.

“Our growth is a reflection of the development at CHG-MERIDIAN”

CSABA KALLAI – Head of Logistics & Production in Gross-Gerau, Germany





With more than 40 years' experience, CHG-MERIDIAN operates a successful, international refurbishing and remarketing business. Each IT asset that undergoes our processes saves valuable resources.

SUCCESSFUL INTEGRATION

Among the 95 staff members in Gross-Gerau are 14 employees from the Rhine-Main Workshops for Disabled People and the Solvere gGmbH. "They are fully integrated into our processes and have a special range of tasks that they can carry out in peace in a supportive environment. All 14 of them refurbish accessories such as keyboards, cables, and mice. They contribute a huge deal to our production, and it is almost impossible to imagine working without them," says Csaba Kallai.



"But most of all, it is the general trend for sustainability that is driving demand for our services," says Kallai. "The environmental benefits of reusing IT equipment are greater than those of recycling, so demand for sustainable end-of-lifecycle management is growing significantly."

"Expectations in the market have changed significantly due to an increased focus on sustainability."

Alongside Matthias Steybe, Csaba Kallai is a valuable member of CHG-MERIDIAN's Sustainability Board in his role as Head of Logistics & Production. Working with other colleagues and members of the Board of Management, the committee ensures that the sustainability strategy is implemented across all functions and throughout the Group.

"We are by no means at the end of our development," says Csaba Kallai at the end of our tour. "Sustainability is an ongoing process in which we take our responsibility very seriously."

Further proof that sustainability is not a fashionable trend at CHG-MERIDIAN, it is the way forward.

LICENSE TO OPERATE

"Companies are operating in a more sustainable way," says Matthias Steybe, Group Sustainability Officer at CHG-MERIDIAN since July 2020. "And they increasingly have to earn their 'license to operate' – as must we." In other words, they have to prove that their business practices are sustainable in the long term and at all levels, and that they are making a positive contribution to society and the environment. "The areas to consider in this regard range from respecting human rights and ensuring compliance, to taking responsibility for the supply chain and protecting the environment."

Managing people and resources in a responsible way is increasingly becoming a key competitive advantage. "More and more customers are asking us about our sustainability performance as a supplier and assessing us accordingly," Steybe adds.





THE EXPANSION OF THE TECHNOLOGY CENTER IN GROSS-GERAU AT A GLANCE



INCREASE IN FLOOR SPACE
... from 9,500 m² to 11,500 m².



MORE TEST CAPACITY
Increase in the average amount
of tests carried out.



OPTIMIZATION
... and adaptation of the processes
from goods inward to dispatch,
making them quicker, more efficient,
and more up-to-date.



SAFETY FIRST
Compliance with increased safety
requirements.



BUILDING REDESIGN
... such as the expansion of the meeting
rooms and a new reception area.

REUSE TO COMBAT CLIMATE CHANGE

DID YOU KNOW...*

... that the average period of use for IT equipment is two to three years, and for smartphones even less? Only a fraction of the devices will have actually reached the end of their potential lifespan at that point.

... that in German drawers alone there are around 124 million mobile phones lying around unused, but still usable? If these were refurbished and remarketed after their initial use, almost 1.4 million tonnes of greenhouse gas emissions could be saved.

... that manufacturing a smartphone uses five to ten times more energy, and emits as many times more CO₂, than actually using it? The extraction of raw materials, in particular, requires a lot of energy. On average, a device is exchanged after two years, although it could still be used for three to four years more. This is a waste of resources that we can no longer afford given the threat posed by climate change. Our business model contributes to the circular economy and to environmental protection, and our two technology centers are an essential part of this model.



*(Source: Survey conducted by Bitkom, Germany's digital association, in 2020)

SUSTAINABLE INVESTMENT

CARBON-NEUTRAL FINANCING WITH carbonZERO

“Climate-friendly business practices are increasingly becoming a competitive factor for companies. Many of our customers are pursuing ambitious sustainability targets and are mindful of the environmental impact of their equipment. The overall carbon footprint of the IT assets is a key consideration here,” says Oliver Schorer, Member of the Board of Management and CIO of CHG-MERIDIAN. The company’s answer to this is carbonZERO, a simple yet comprehensive product that ensures that capital expenditure on IT equipment is carbon-neutral.

The CHG-MERIDIAN Group has launched its first ‘green’ financing for IT investments, carbonZERO, which is now available in 28 countries. This new product offsets the greenhouse gas emissions that are generated during the production, transportation, use phase, and end-of-life phase of IT assets.

A product is considered to be carbon-neutral if its CO₂ emissions are avoided altogether or offset through a payment to a certified climate protection project. The underlying principle is that greenhouse gases are dispersed equally in the atmosphere, regardless of where they were generated. If emissions cannot be avoided locally, they are offset elsewhere by a project that has been proven to reduce greenhouse gas emissions.

JUST A FEW CENTS EXTRA PER MONTH

“The cost of making IT equipment carbon-neutral is just a few cents per asset per month. Our customers can simply add carbonZERO to their existing order without any additional hassle. We offer a one-stop solution,” says Schorer. The customer receives a certificate as proof of the CO₂ emissions saved. “It and the entire financing solution can be viewed digitally in TESMA®, our technology and service management system.”

The offset payments made through carbonZERO go toward four projects that are helping to protect the climate in different ways: solar power (Namibia), wind energy (Indonesia), rainforest conservation (Peru), and hydroelectric power (Sri Lanka).

CHG-MERIDIAN selects the projects based on the United Nations’ 17 sustainable development goals (SDGs). The Company has prioritized three of the SDGs: ‘quality education’, ‘affordable and clean energy’, and ‘responsible consumption and production’. Each of the selected climate projects contributes to at least two of these goals.

“carbonZERO enables climate-neutral and transparent financing of IT equipment.”

OLIVER SCHORER – Member of the Board of Management and CIO of CHG-MERIDIAN



THE FUTURE IS MOBILE

With 13,235 employees at 85 sites on all continents, and more than CHF 3.8 billion in revenue, Clariant is one of the leading players in specialty chemicals. Adding value through innovation and sustainability are the guiding principles of the company's strategy. A perfect match then for CHG-MERIDIAN, and the basis for a partnership that has been maintained at various levels in Germany for more than a decade. And which has now gained added momentum thanks to the digital workplace.



“The smartphone market moves very quickly, which is why the time had come to bring ourselves up to date, especially with a view to the digital workplace.”

SABINE TSCHÖP – Procurement Manager in Corporate Services at Clariant Germany, explaining the reasons behind the collaboration with CHG-MERIDIAN

Clariant is based in Muttenz, near Basel in Switzerland. From there, the company has operations around the world in its Care Chemicals, Catalysis, and Natural Resources business areas. Its corporate strategy is based on five pillars: focus on innovation and R&D, adding value while acting sustainably, repositioning the portfolio, accelerating growth, and increasing profitability.

Clariant's German headquarters in Sulzbach near Frankfurt provides the geographical link behind the latest collaboration with CHG-MERIDIAN. It is here that the pandemic has provided an additional incentive to implement the digital workplace, an issue that has long been on the company's agenda. “This is one of the reasons why remote working has grown in importance. And that will continue to be the case,” say both Sabine Tschöp, Procurement Manager in Corporate Services, and Björn Stange, Solution Coordinator & Technical Specialist in IT. “We have learned that a lot is possible and that our structure can handle it.”

TAKING CARE OF IT MANAGEMENT

The equipment needed to enable the digital workplace includes smartphones for 1,200 Clariant employees across Germany. The management of these assets has been reorganized in collaboration with CHG-MERIDIAN by using the TESMA® portal.

On this portal, employees can select and manage their own IT equipment for their digital workplace, just as they would be used to doing on large, user-friendly online retail platforms. The assets and services can be selected from a predefined catalog. “All processes are completely automated. These range from selection and ordering, through delivery and configuration, to support during use, and finally replacement and return,” says Thorsten Staudenmaier-Föhr, a Solution Manager at CHG-MERIDIAN who shares responsibility for the Clariant project. This new and innovative way of equipping employees with IT devices particu-

larly reduces the burden on the IT, procurement, and finance departments.

Thanks to the integration of technical and commercial data into one system, all relevant information is available to the IT and finance departments at the click of a button. Employees can track the progress of their order at any time, see how soon a replacement device will be available in the event of a defect, and check when they will be able to order a new device. “CHG-MERIDIAN offers its customers a platform that covers the entire lifecycle of IT assets, an essential tool in the digital transformation of the workplace,” says Thorsten Staudenmaier-Föhr.

REAL VALUE FOR MONEY

Back to the Clariant tender, which was processed and implemented completely online. “The smartphone market moves very quickly, which is why the time had come to bring ourselves up to date, especially with a view to the digital workplace,”

“Mobile working is right on trend. This highlights once again how important it is for companies to equip their employees with state-of-the-art IT. In addition to making mobile devices available, this requires a suitable platform strategy through which processes can be managed digitally and independently of location. CHG-MERIDIAN now offers TESMA® portal, a solution specifically designed for the digital workplace that permanently simplifies asset management.”

OLIVER SCHORER – Member of the Board of Management and CIO of CHG-MERIDIAN



† Clariant is one of the world's leading players in specialty chemicals.

says Sabine Tschöp. The list of potential suppliers was thoroughly checked during many hours of online research. In the end, CHG-MERIDIAN stood out: “They are able to transparently process everything via TESMA® portal, and we were impressed by their returns process, which includes refurbishment for a second product life. That was particularly important to us, as it meets our own high sustainability standards.”

CHG-MERIDIAN was also able to provide a detailed breakdown and pricing for each service. “The product was fully tailored to our requirements, so we could avoid purchasing packages with modules that we do not need.”

The long-standing partnership with CHG-MERIDIAN was another argument in favor. “Our experience of working with them in other areas of IT has been very positive. And when you are running a tender entirely via video, knowing each other already is a plus,” says Tschöp.

FROM PLANNING TO IMPLEMENTATION

During the implementation of TESMA® portal in autumn 2020, there were technical as well as legal aspects to consider, such as the new data protection regulation. “This rapidly increased the complexity of the project. But CHG-MERIDIAN reacted quickly to any changes,” says Björn Stange. “And a very fair working relationship made this rather complicated process a lot easier.”

All authorized employees are now able to order their own smartphone. Pre-defined parameters, such as approved devices, accessories, and the next available opportunity to order – usually two years ahead – determine what options are open to employees. Once they reach the end of their use phase, at the latest, the smartphones are collected and delivered to CHG-MERIDIAN’s technology center in Gross-Gerau, where they are refurbished and given a second product life after the certified erasure of all data.

Clariant is initially using TESMA® portal as its national solution across Germany. “If the solution generates the added value we expect, we will consider rolling it out to other countries,” says Tschöp. Further IT equipment could also be handled via the platform in the future.

CLARIANT IN GERMANY

The largest of Clariant’s 85 global sites is situated in the Rhine-Main region near Frankfurt, Germany, and comprises four operational locations. In Höchst, some 1,600 employees work in 14 production plants and ten research and development facilities.

The head office for Germany is located in Sulzbach, also close to Frankfurt. Clariant operates eleven production sites across Germany.

ADDING VALUE THROUGH SUSTAINABILITY

As previously mentioned, Clariant is one of the world’s leading players in specialty chemicals. The company’s impressive facts and figures are given an additional dimension through its guiding principles, where ‘adding value through sustainability’ is listed in second place.

“The success of our business relies on resources, and we appreciate that these resources are valuable,” says Marie Aumüller from Clariant’s sustainability team. To ensure we achieve the right balance, ambitious targets have been set for key environmental parameters within the company. “At the same time, we are concentrating our research and development on the most important current trends. These include energy efficiency, renewable resources, and conserving finite resources.”

In addition to the above, sustainable procurement and transparency in the chemical supply chain are among the standards that Clariant expects from its suppliers.

“We assess our partners using a wide range of sustainability criteria. In our smartphone tender, CHG-MERIDIAN scored highly with its lifecycle management, which had a big influence on our decision.”



CHG-MERIDIAN IN THE NORDIC REGION

- » 93 employees
- » Offices in Stockholm, Oslo, Helsinki, and Copenhagen.
- » Plus the technology center in Skien in Norway, where – as in Gross-Gerau in Germany – IT assets are refurbished at the end of their lifecycle and remarketed in line with the principles of the circular economy.



RESILIENT & RELIABLE

COVID-19 has presented CHG-MERIDIAN with considerable challenges, but at the end of a year unlike any other in living memory, the conclusion is that our business model is resilient and reliable. This is what has enabled us to master a situation that nobody could possibly have predicted. Lukas Tränkle summarizes the impact of the global economic situation and explains why we are optimistic about the future despite all the challenges. In his role as Executive Vice President of Finance, he shares responsibility for operations in the Nordic countries, which made a significant contribution to the Group's earnings in 2020.

Challenges accepted, opportunities taken. This is a good way of summarizing the CHG-MERIDIAN Group's performance in 2020, according to Lukas Tränkle. New customer business proved to be particularly challenging, as economic uncertainty made forward-looking planning and investment much more difficult for companies. As a result, lease origination decreased by 12 percent from €1.995 billion in 2019 to €1.758 billion in 2020.

Despite the difficult conditions, the company's digital and sustainable business model based on circular economy has proven its worth. As at December 31, 2020 CHG-MERIDIAN managed a technology portfolio worth €7.5 billion across the Group (December 31, 2019: €6.9 billion) on behalf of its customers.

The profit from ordinary activities (before taxes) amounted to €123 million, which was significantly

higher than the prior-year figure (2019: €91 million). Net income (after taxes) rose from €65 million to €87 million, a very positive year-on-year increase of 35 percent.

One of the reasons for the positive trend of net income across the international Group is the strong growth of recent years, says Tränkle. "Our portfolio has continually expanded across its three core areas of IT, industrial technology, and healthcare technology, and the positive effects continued into 2020."

The CHG-MERIDIAN Group has also built on its successful lifecycle management. It refurbished and remarketed a total of 880,000 used IT assets in 2020, a rise of 26 percent (2019: 697,000). "This means that 96 percent of all returned assets were given a second life."

“We are pleased to note that our customers no longer view us purely as a provider of technology financing. We are valued as a partner who can offer expertise along the entire value chain.”

LUKAS TRÄNKLE – Executive Vice President Finance at CHG-MERIDIAN

The reasons for the positive trend at CHG-MERIDIAN are obvious to Tränkle: “Digital transformation and sustainable business are becoming increasingly central to companies’ success. CHG-MERIDIAN is well positioned in both of these areas. Our circular model offers customers not only the modernization and financing of IT equipment but also the resource-efficient use of the assets. All completely online via our TESMA® asset management tool.”

INTERNATIONAL ...

Tränkle believes there is an additional secret to the Company’s success besides its state-of-the-art service offering. “Across the Group, we focus on large companies with locations in more than one country. Thanks to our international presence, we can provide coordinated support from a single source, no matter how complex the organization is. Everything is linked together to provide the best possible non-captive solution, created solely with the customer in mind.” The Nordic region is a particularly interesting market for CHG-MERIDIAN, as many international companies are based here.

... AND REGIONAL

Nevertheless, it is important to take the unique aspects of each region into account. “Northern Europe has a very particular business mentality. The region has always been a global pioneer when it comes to digitalization and the implementation of digital business models. That shapes the economy, and you can feel it in everyday life.” Statistics reveal that 92 percent of households in Sweden have broadband access, while in Germany, for example, the figure is only 56 percent.

The second major difference, according to Tränkle, is sustainability. “It is embedded in the Scandinavian DNA in a very different way than in Germany, for example, and it incorporates aspects such as justice, transparency, and social conscience. These values determine the relationship not only between the state and its citizens but also between the state and businesses, and they influence both individual and collective behavior.”

THE CHG-MERIDIAN GROUP IN NUMBERS: 2020

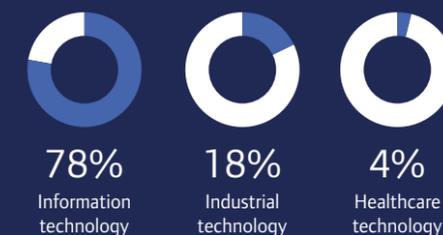
Lease origination

€1.758 billion

Total technology portfolio financed and managed as at December 31, 2020

€7.5 billion

Volume of lease origination broken down by technology sector



Net income

+35% €87 million

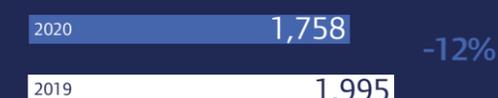
Profit from ordinary activities

€123 million

Key financial performance indicators (€ thousand)

	2020	2019	
Equity (IFRS)	584,556	547,611	+7%
Group’s total assets (IFRS)	3,618,948	3,316,101	+9%
Net income (IFRS)	87,017	64,608	+35%
Non-recourse funding	1,171,036	1,446,187	-19%
Corporate lending	337,063	344,926	-2%

Development of lease origination (€ million)



2021
GDP forecast
for the
Nordic
countries
+2.7 to 4.5%

The Nordic countries have always been successful in combining economic efficiency and growth with a balanced labor market, fair income distribution, and social cohesion. This 'Nordic Model' is hugely successful when it comes to generating both economic benefits and a high quality of life. There is good reason why the Scandinavian countries are among the highest ranked in the global Environmental Performance Index. The index was developed by Yale University and compares the ecological performance of countries.

CHG-MERIDIAN AS AN ENABLER

"Sustainable practices have an important role to play in all business decisions. Not as a barrier, but as an enabler of new lines of business and areas of activity," says Tränkle, who experienced this at close quarters during his first year in Stockholm.

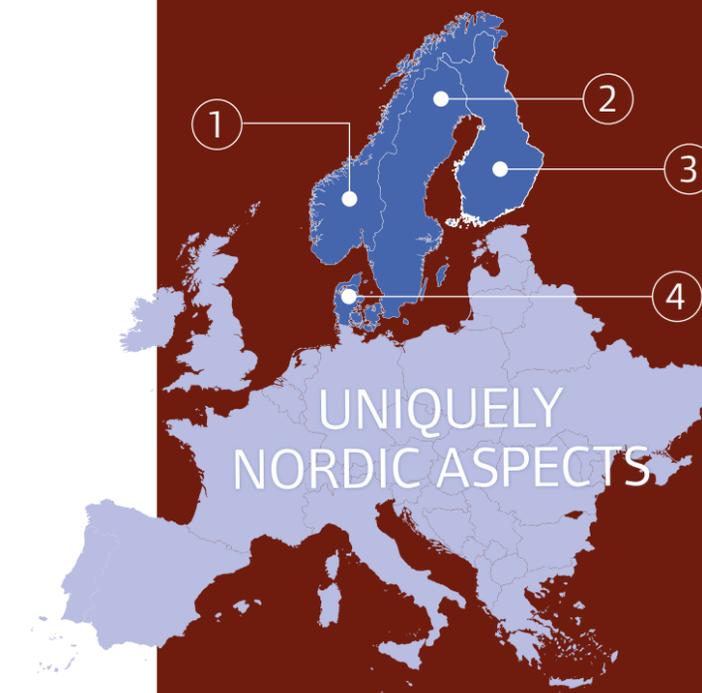
"As a result, there is a great willingness to invest in new technologies in the Nordic countries. This willingness is already high, and it will continue to grow and to give companies an ever greater competitive edge."

CHG-MERIDIAN benefits from the fact that sustainability has long been an integral part of its corporate philosophy. "While others are slowly discovering this area for themselves, it has been relevant to us for a long time. Our entire business model is based on the principles of the circular economy. This is a real advantage, especially in the Scandinavian countries, where our secondary-market approach is becoming an increasingly important selling point. Then there's the carbon-neutral financing that we have been offering since the beginning of 2021. This is exactly what the market is calling for."

Tränkle has identified an interesting trend in financing options. "When we talk to our customers, it is less and less about leasing, rental, or similar solutions. The trend is toward device-as-a-service." The customer outsources IT procurement and pays a monthly price that includes all services. This allows them to scale up or down as required and upgrade to newer hardware more frequently and quickly without placing too much of a burden on their organization.

OPTIMISTIC ABOUT 2021

Lukas Tränkle looks to the future with optimism. "The development and rollout of effective COVID-19 vaccines is giving hope for a lasting recovery in many areas of business." In its latest World Economic Outlook, the IMF is expecting global economic output to rise by 5.5 percent in 2021. "In the Nordic countries, we expect GDP to grow by between 2.7 and 4.5 percent in 2021 after a moderate decline last year," says Tränkle.



UNIQUELY NORDIC ASPECTS

Sweden, Norway, Finland, and Denmark cover an area of more than 1.2 million square kilometers. That is three times the size of Germany, but the four countries have a combined population of just 27 million, compared to Germany's 83 million.

1

NORWAY has undergone huge economic development since tapping into its oil and gas reserves at the beginning of the 1970s. To this day, the unique mix of natural resources and their efficient extraction and use (oil, gas, hydropower, fisheries, and forestry) remain the basis of prosperity.

2

SWEDEN is famous for its large international industrial enterprises (Volvo, Electrolux, Ikea, etc.), but is also home to a number of digital start-ups such as Spotify and Klarna. At the same time, Swedish banks dominate the financial sector in the Baltic region.

3

FINLAND is a global player in forestry and in pulp and paper production. In total, the Nordic countries account for 30 percent of European forestry production and more than half of Europe's total marine harvest. They are particularly dependent on the bioeconomy and have a strong interest in operating sustainably.

4

DENMARK focuses on services, manufacturing, and oil and gas extraction in the North Sea. Although Denmark has many large multinational companies, the economy is dominated by highly specialized and technology-based industries.

Lukas Tränkle is very satisfied with his first year in Stockholm, on both a professional and a personal level. He has not regretted moving to "one of the most beautiful cities in Europe".





“EVERYONE KNOWS THEIR TASKS AND GOALS”

Showing appreciation for employees and treating them well is firmly enshrined in CHG-MERIDIAN’s corporate culture. This culture is put into practice throughout the Group and helps to ensure that together we can get through difficult times and keep the business thriving. And it has particularly proven its worth during the current pandemic, which has been a real challenge for all our operations around the world. Montserrat Cazorla, Head of Human Resources in Mexico, reports on how, despite all these challenges, it can be possible for everyone to pull together, find motivation, and keep the business running successfully.

“The stability in the team was also very important in ensuring that our work was able to continue more or less seamlessly.”

The COVID-19 pandemic hit Mexico particularly hard. How has it affected you and your colleagues?

In mid-March of last year, we switched from office to remote work practically from one day to the next. None of us thought that this would last for so long. Day-to-day life has been a big challenge ever since.

In what way?

Most of us live in Mexico City in small houses or apartments – but often with big extended families. For months on end, public parks were closed and the streets were not safe enough for children to play outside. Since not everyone has their own office or study at home, it’s hard to work undisturbed. I speak from experience as I have a little girl myself. (smiles)

Switching to remote work was and is a major feat for many companies. How was it for you in Mexico?

We were well prepared for the lockdown in the sense that every employee was already equipped with a laptop and we had been using the Microsoft Teams collaboration tool since 2019. This meant we were able to stay in touch with each other working remotely and with our customers too. But in addition to the technical aspect, something else was very important in ensuring that our work was able to continue more or less seamlessly – the stability within our team.

Where does this stability come from? What benefits does having such a team bring?

We have a very low staff turnover, which we are really proud of! One reason why we have been able to keep this figure so low is our training program for personal and technical skills that we established back in 2015. Everyone knows what needs to be done and who is responsible for doing it. This made things a whole lot easier, particularly at the beginning of the pandemic, because the way in which our internal processes are organized was not as convoluted as might have been the case.

→ Despite all the challenges, Montserrat Cazorla and the CHG-MERIDIAN team in Mexico had a successful 2020.

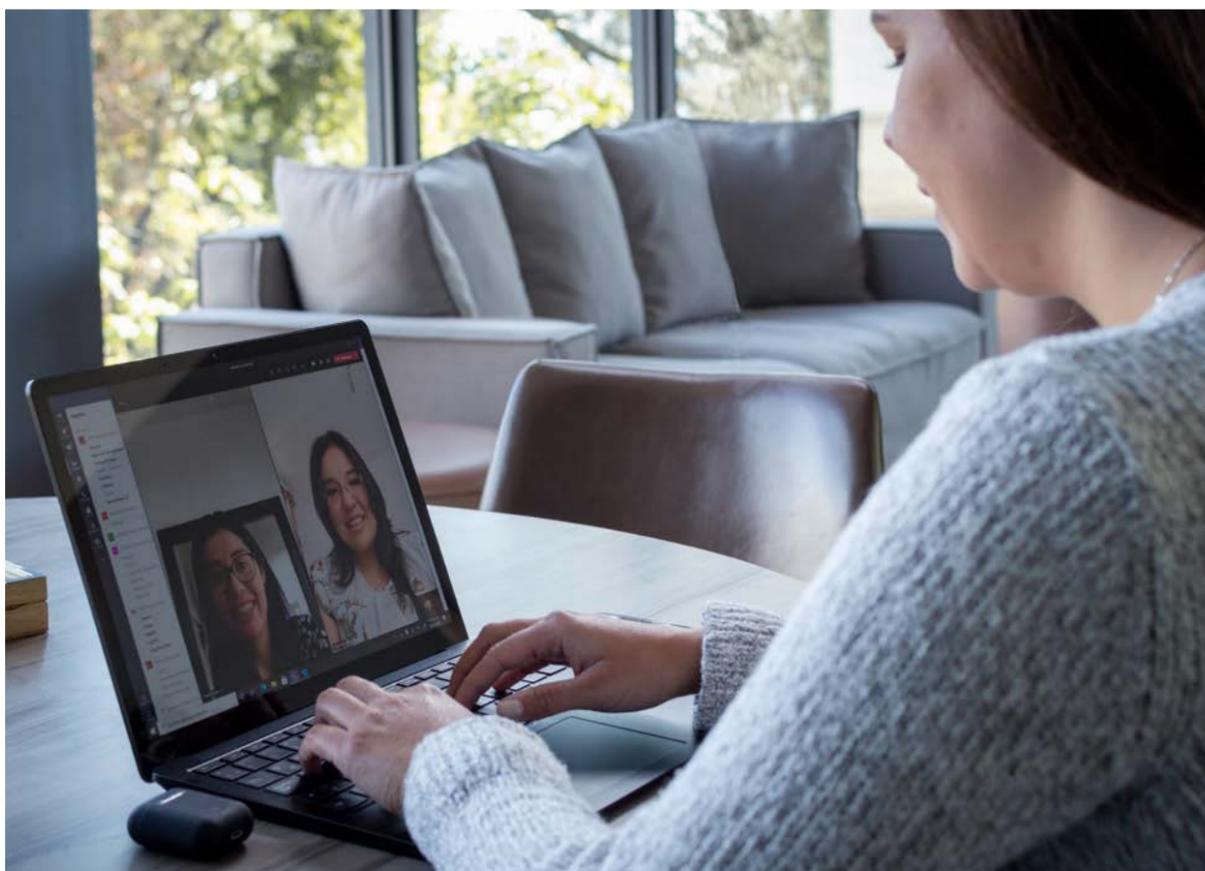
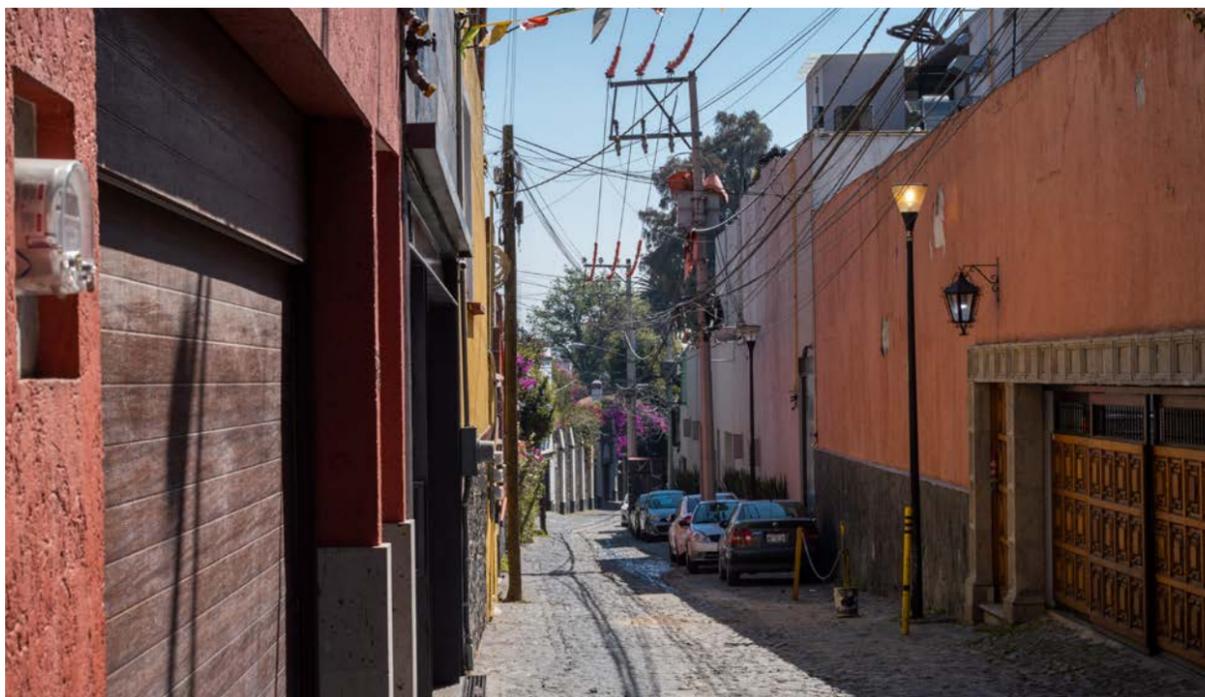
What support was there from the company for you and your colleagues working remotely?

In the first few weeks, my colleagues and I in HR called all our 70 employees in Mexico to find out whether their family situation would allow for the switch to mobile work and how we could support them. Help was also provided internationally, for example in the form of the video tutorials that headquarters provided to all employees who were working remotely.

How have you managed to keep the team motivated as the months have gone on?

Our Agile Leadership program, which was launched in July for all employees, was a big source of motivation. The practical online training that it provided was aimed at creating a new mindset for a more agile corporate culture. To establish this culture, we honed skills such as emotional intelligence and the ability to show empathy in interactions – resulting in an increase in our productivity and efficiency. ›





“Strong long-term relationships are the key to a successful partnership.”

What is the economic situation like one year after the start of the pandemic?

2020 was a really successful year for CHG-MERIDIAN in Mexico. The very strong first quarter was followed during the lockdown by an exceptionally strong demand for mobile IT assets and also, for the first time, for industrial infrastructure for the automation of production processes. This helped us to reposition ourselves. Whereas previously we were technology managers for IT assets, we are now providing the same service for industrial solutions – making us today a supplier that sets a benchmark for the competition.

So the crisis also presented an opportunity?

Exactly! A lot of new customers were brought into the fold last year. We put a lot of emphasis on establishing strong long-term relationships with our business partners, just like we do with our staff. I am very optimistic that we will continue to succeed in this and that it will continue to bring us success!

SOLIDARITY IN TIMES OF CRISIS

The COVID-19 pandemic has put aid organizations under additional financial pressure, which is why CHG-MERIDIAN in Mexico is supporting the Yolia project.

Yolia means ‘a woman’s heart’ in the indigenous Nahuatl language, and the initiative has supported around 400 girls since 1995. What they all have in common is a difficult childhood: they are orphans, or victims of abuse, or have lived on the streets, while others are migrants from Central America who have been picked up in Mexico by the police. Mónica Rábago González set up Yolia at the height of the economic crisis in the 1990s when the number of children living on the streets rose dramatically.

The CHG-MERIDIAN team supported the project financially through personal donations and the proceeds from the sale of furniture that was no longer needed after the company’s offices were renovated. The employees also collected clothes and toys for the 30 girls who live in a hospice and are between 6 and 17 years old.

Due to coronavirus, the items were handed over virtually in January, with the CHG-MERIDIAN team and the girls at Yolia connected via video link. “Even at a distance, it was very touching to see how happy the children were. Witnessing the joy on their faces was hugely rewarding,” was the employees’ unanimous verdict.

Yolia is being supported as part of CHG-MERIDIAN’s CARE initiative, which serves as a platform for employees to come together and put corporate social responsibility into practice on a regional level. The Board of Management provides moral and financial support for the projects.

^ Most of CHG-MERIDIAN’s employees in Mexico City live in small houses or apartments, and a separate room to work in undisturbed is more the exception than the rule here.

† A robust infrastructure for remote working and the stability of the team were key factors behind the almost seamless processes during the COVID-19 crisis.



REMOTE AND FLEXIBLE WORKING HAVE BEEN PART OF THE CULTURE AT CHG-MERIDIAN FOR SOME TIME.

The Company's digital workplaces were expanded and collaboration tools were introduced well before 2020. This has paid off, especially during the COVID-19 pandemic. As soon as it became necessary, the majority of the workforce across the Group switched more or less seamlessly to remote working to keep the business running. A look at our colleagues' home working set-ups shows a wide range of creative and fun approaches to utilizing our digital tools.



RemoteWorking@CHG-MERIDIAN



This has been an unprecedented year that nobody could have thought even remotely possible. We would like to say a big **THANK YOU** to all of our employees for their **COMMITMENT** and their **BELIEF** in our shared idea. These attributes are what have carried us through this period. We would also like to thank all of our customers for the **TRUST** they have placed in us. To carry on living up to our values and beliefs in the future is what both motivates and inspires us.

IMPRINT

Publisher: CHG-MERIDIAN AG

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Concept and text: Michael Dünser GmbH

Design: Anja Pircher Design

Photography: Shutterstock: p. 1 / 18 / 21 / 22 / 25 / 46

Conné Van D'Grachten: p. 5 / 8

Jehle & Will: p. 6 / 9 / 10 / 12 / 13 / 16 / 23

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Printed by: EBERL PRINT GmbH

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