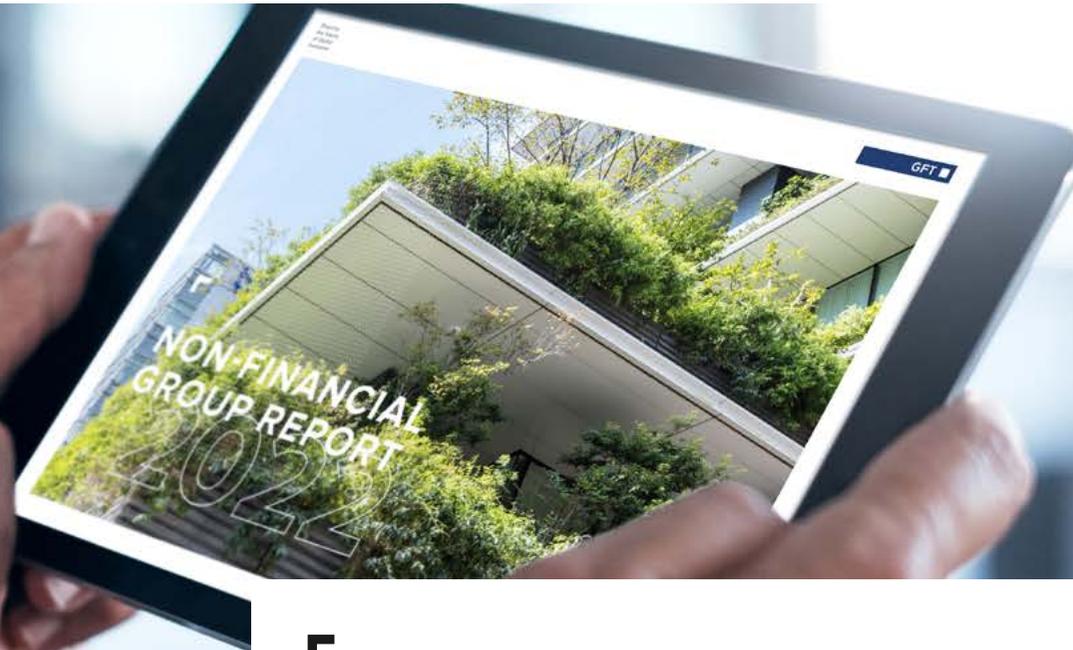


# NON-FINANCIAL GROUP REPORT

# 2022



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## Foreword

**Dear stakeholders,**

When it comes to how a company positions itself in a resilient and stable way for the future, then the matter of sustainability is not an add-on, but an integral part of the strategy. For GFT as an IT company, sustainability plays a role in two respects. On one hand, it is about shaping our internal structures in such a way that we can deal with change and grow profitably in the long term. At the same time, as a technology partner for banks, insurers, and industrial companies, we want to drive digital transformation responsibly while incorporating ecological and ethical principles.

**Conscious action, binding values**

To achieve these goals, social, ecological, and economic aspects must be weighed up and brought into a reasonable balance. In everyday life, this requires making conscious decisions – a presumably self-evident fact, and yet a challenge in a fast-moving age.

Show mindfulness towards employees, customers, and partners. Stay positive and focused. Make conscious and thoughtful decisions. And at the same time, keep an eye on the impact these decisions can have. Our well-developed corporate culture and binding values help us. They guide our actions and remain constant in a dynamic environment – a link between all GFT employees.

Our claim to good corporate governance stands on our values. As a signatory to the United Nations Global Compact, we stand firm by its ten principles in the areas of human rights, labour, the environment, and anti-corruption.

**Living diversity and inclusion**

85 different nationalities were part of the GFT team in 2022. We value the talent and drive of our employees and promote a culture of diversity. We put our commitment to equal opportunities into practice. Throughout the Group, we have created structures to make the most of every individual's skill. Because each individual helps drive the company forward, every individual counts.

Our Diversity and Inclusion Policy commits us to ensuring equal opportunities at all levels and combating discrimination. The introduction of local Diversity Equality & Inclusion (DE&I) programmes is part of this. The goal of "equal pay for work of equal value" compares the average salary of men and women based on job families and career levels. In 2022, the Group-wide equal pay gap was less than 1%.

We take these and many other measures out of the deep conviction that there is enormous potential in diversity. Teams are more creative and successful, problems are tackled in a more complex way, new markets are opened. So, diversity makes sense. Not only in the context of competition for skilled workers but to give all people the opportunity to use their skills.

**Promoting talent worldwide**

We have known for many years that qualified and motivated employees are the engine for innovation and the key to our success as an IT company. As part of the "Grow tech talent worldwide" goal, we promote IT talent internally and externally. In 2022, all GFT national companies received the globally recognised "Great Place to Work" certification. We are proud of this award and at the same time see it

## Foreword

as an incentive to continue our path. The results of the Great Place to Work survey form the basis for a series of further internal measures.

We engage with various target groups across the group and within the global tech community to improve their opportunities by building and expanding technology skills.

**Sustainable software design**

As an IT company, we see it as our task to contribute to relevant social issues with our expertise. How can information technology help solve the climate problem? How can access technology be made available to all people? We have developed various approaches to this.

Accessible software design specifically considers the needs of people with disabilities, for example in the development of websites, tools and technologies. To this end, we launched an internal community on inclusive coding in 2022, which around 100 developers had already joined by the end of the year.

Another aspect of sustainable software design is the "Privacy by Design" approach. Here, all data protection requirements are integrated into IT systems right from the start. For 2023, we plan to expand the training offers and improve integration into the GFT methodology.

GFT software solutions are intended to contribute to the climate-friendly use of technology. At the initiative of our software developers and architects, the "GreenCoding" method for energy-saving software programming was unveiled at the end of 2020. Since then, a dedicated internal community has

been driving its development. By the end of 2022, over 1,000 GFT employees had already completed GreenCoding training. We have conducted training for clients and launched the first GreenCoding pilot project for a European investment bank. The aim of GreenCoding is to help companies achieve their climate goals.

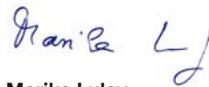
**Scientifically validated climate protection**

We aim to reduce our carbon footprint as a matter of course. In 2022, we set ourselves ambitious climate protection targets in line with the Paris Climate Agreement and had them verified by the independent Science Based Targets Initiative (SBTi). GFT is thus one of the first software companies in the German SDAX share with climate targets that have been validated by SBTi.

**Sustainably on course for growth**

Dear stakeholders, GFT remains on a solid growth path. We look back on a record year and expect positive business development in 2023 as well. With social, ecological, and ethical aspects as an integral part of our strategy and activities, we will continue to shape the digital future in a responsible manner. I invite you to join us on this journey.

**Best regards,**



**Marika Lulay**

CEO of GFT Technologies SE

## About this report

## About this report

In accordance with sections 315b and 315c HGB (German Commercial Code) in conjunction with sections 289c to 289e HGB, this unaudited non-financial report of GFT Technologies SE contains the relevant disclosures on environmental, employee and social matters, as well as on respect for human rights, and combating corruption and bribery.

The report contains information regarding environmentally sustainable economic activities in accordance with Art. 8 of Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation).

The website links used in this document contain further information and are not a constituent part of

this report. Exceptions are marked as such. The report was prepared on the basis of the GRI Standards (2022) of the Global Sustainability Standards Board (GSSB). The GRI Content Index can be found in the annex of this report.

The data and information contained in this report relate to the financial year 2022 (1 January to 31 December 2022) and correspond to the scope of consolidation for financial reporting.

The emission data in the section 'Greenhouse gas emissions' (chapter 2 'Environment & technology') refer to the financial year 2021 – a corresponding reference can be found in the text. For Scope 1 and 2, only the ten largest national companies by headcount (Brazil, Costa Rica, Germany, the UK, Canada, Italy, Mexico, Poland, Spain and the USA) are considered. These account for 98% of the work force. A corresponding note to this effect is provided in such cases. The Scope 3 disclosures refer to the whole GFT Group.

Figures stated in the section 'Employees' (chapter 3 'Society & technology') correspond to the consolidated group used in financial reporting but only refer to active employment contracts.

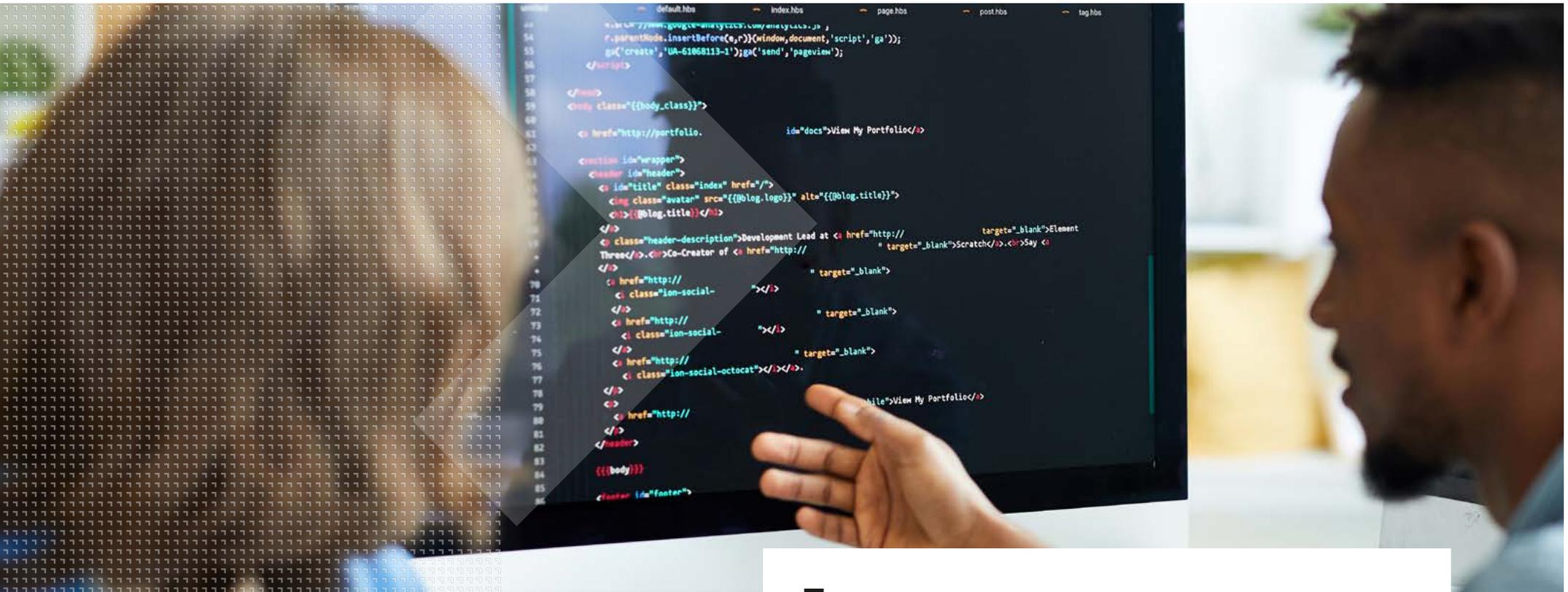
The relevant financial information can be found in the combined management report and consolidated financial statements 2022. The corresponding documents are available at [www.gft.com/financialreports](http://www.gft.com/financialreports).

A non-financial performance indicator for the GFT Group is the productive utilisation rate. Detailed information on this figure is published in the combined management report for 2022 (1.3 Management system and 1.5 Personnel).

References to persons are to be understood as gender-neutral. For ease of readability, we refrain from using multiple mentions or paraphrases in certain passages – this does not imply any judgement.



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GFT locations

## The GFT Group

As a pioneer in digital transformation, GFT develops sustainable solutions for all aspects of future-oriented technologies – from cloud engineering to artificial intelligence and blockchain/DLT. With a high degree of technological expertise, strong partnerships and profound market know-how, GFT advises companies in the financial and insurance sectors, as well as in the manufacturing industry. GFT intelligently deploys its IT solutions to raise productivity and create added value for its clients. Companies receive simple and secure access to scalable IT applications and innovative business models.

Founded in 1987, GFT currently has 43 locations in 16 countries in Europe, Asia, North and South America. At the end of the reporting period on 31 December 2022, the GFT team comprised 8,842 full-time employees (2021: 7,718). Details on the international distribution of employees are provided in the combined management report (1.5 Personnel). An overview of all GFT locations is presented on the corporate website.

In its financial year 2022, the GFT Group generated revenue of €730.14 million (2021: €566.19 million). 72% of revenue was generated in the Banking sector, 18% in the Insurance sector and 10% in the Industry & Others sector. Operating earnings (EBITDA) amounted to €86.04 million (2021: €60.79 million) and pre-tax earnings (EBT) to €66.05 million (2021: €40.03 million).

The GFT Group's carbon footprint<sup>1</sup> amounted to 1.7 t CO<sub>2</sub>e per € million revenue (2020: 3.1 t CO<sub>2</sub>e), or per employee (FTE) 0.2 t CO<sub>2</sub>e (2020: 0.3 t CO<sub>2</sub>e).

The parent company of the GFT Group (GFT) is the listed company GFT Technologies SE. It has a one-tier management and control structure with an Administrative Board as its management and control body.

The GFT Technologies SE share is listed on the Prime Standard segment of the Frankfurt Stock Exchange and in the SDAX index. The company's largest shareholders are company founder Ulrich Dietz (around 26%) and Maria Dietz (almost 10%).

Detailed information on business activities and the business model can be found in the combined management report 2022 in the chapter 'Basic principles of the GFT Group'.

### Sustainability in the GFT Group

*CSR is not about philanthropy, but about making a company's core business functions more sustainable.*

– Marika Lulay, CEO GFT Technologies SE.

Every company bears responsibility for its business and social environment. Corporate Social Responsibility (CSR) is the contribution that GFT makes to sustainable development. It is the process of integrating environmental, social and governance (ESG) aspects into our business activities and strategy, and ensuring transparent reporting. We want to drive the digital transformation while also respecting ecological and ethical principles. As a technology partner for our clients, we want to achieve long-term profitable growth.

### Responsibility/control

The **Administrative Board of GFT Technologies SE** is responsible for corporate strategy and all major decisions, including fundamental sustainability issues. It gives appropriate consideration to environmental and social objectives, and systematically identifies and evaluates the risks and opportunities associated with social and environmental factors as well as the ecological and social impact of the company's activities. Moreover, the Administrative Board conducts a review of the annual non-financial report.

The **Group CSR Committee** is a Group-wide and cross-functional steering committee chaired by the CEO that supports and reports to the Administrative Board. It convenes three times a year to review progress on the CSR agenda at operating level and to discuss strategies to support the sustainability goals.

The **remuneration system** for the Managing Directors (for service agreements concluded since 2020) not only includes a growth and return target but also a socially or environmentally oriented sustainability target as part of annual performance-related remuneration. These targets are set annually by the Administrative Board. Details on the remuneration system are explained in the Remuneration Report 2022. In addition, several members of the senior management team also have **sustainability targets** as part of their performance-related remuneration.

### Inclusion of our stakeholders

We can only be successful if we take appropriate account of the needs and expectations of our stakeholders. Our most important direct stakeholders are our clients, employees, shareholders and investors, as well as our suppliers and partners. We use the direct feedback of our stakeholders, for example from discussions with clients, partners, and investors, as well as suggestions from employees (see chapter

<sup>1</sup> Market-based data, Scope 1 and 2 according to GHG Protocol, financial year 2021, coverage 97% workforce, 91% revenue.

## The GFT Group

'Society & technology', section 'Employees'). In addition, we assess what our clients require of us as part of their supply chain or the requirements of voting right representatives. We regard authorities and ESG rating agencies as our most important indirect stakeholders.

**CSR-Strategy**

As a technology service provider, our CSR strategy focuses on sustainability in software design and the development of specialists with technological expertise. Our business activities are based on responsible corporate governance and an ambitious climate protection programme:

- Our **climate protection targets** (chapter 2 'Environment & technology') are scientifically based and in line with the Paris Agreement on Climate Change: by 2030, operational greenhouse gas emissions (Scopes 1 and 2) are to be continuously reduced by 50% compared to the base year 2020. In addition, emissions along the value chain (Scope 3) are also to be reduced: these emissions are to be reduced

by 60% per euro of value added by 2030 compared to the base year 2020.

- The **sustainability by design** objective has an ecological component with the resource-oriented programming approach 'GreenCoding' (chapter 2 'Environment & technology') and an ethical-legal component with the principles of 'Privacy by design' for software development and the application of technologies (chapter 3 'Society & technology').
- Our **grow tech talent worldwide** objective (chapter 3 'Society & technology') is aimed at promoting IT talent both externally and internally. Across company boundaries, GFT is committed to supporting various target groups within the global tech community in order to improve their future opportunities through the development and expansion of technology skills. Internally, we support the continuous development of our employees. We want to advance each and every one of our employees in order to position GFT as effectively as possible in the competition to attract the best talent. As an IT

service provider, we generate most of our value added ourselves – the performance, expertise and motivation of our employees have a decisive influence on the quality of our services, client satisfaction and thus the business success of GFT. We believe that a working environment based on diversity, equality and mutual respect is the foundation for this approach.

- We drive sustainability in corporate governance with our **resilient management systems** objective (chapter 4 'Corporate governance'). For us, this means achieving long-term profitable growth in compliance with applicable law and fair market conduct – in harmony with our ecological and social objectives and together with our stakeholders.

**Significant non-financial aspects and risks**

The **materiality analysis** assesses which aspects of our business activities have a decisive influence on sustainability aspects (inside-out) and which sustainability aspects have an impact on our business activities, our corporate strategy, and our business model (outside-in). We analyse the ecological and social effects of digitalisation with sector-specific reference to the technology consulting sector and how GFT addresses these (new) challenges. We consider relevant topics and expectations from the perspective of our most important direct and indirect stakeholders. The system boundaries are the GFT Group. The analysis is reviewed on an annual basis.

Tab. 1 Sustainability aspects

Matters acc. to 289c HGB	GFT sustainability aspect	GRI standards (2022)	UNGC principles	SDGs
Environmental matters	Energy consumption	302	7, 8, 9	12.6, 13.2
	Emissions	305	7, 8, 9	12.6, 13.2
	GreenCoding (resource-efficient programming)	No equivalent	8, 9	8.4, 9.4
Employee matters	Working conditions	403	3, 4, 5, 6	8.5, 8.8
	Remuneration	102-35, 102-36		5.1, 8.5
	Participation	102-41, 102-43	3	8.8
	Training and education	404		4.3, 10.3
	Equal opportunity	405, 406	6	5b, 10.3
Social matters	Social commitment	No equivalent	1, 6, 9	4.3, 4.4, 5b, 12.6, 17.6
	Tax	207		10.4
	Professional integrity (SASB, Sustainability Accounting Standards Board SV-PS-510a.2)	No equivalent	10	16.5
	Data protection and information security	418.1		16.10
Respect for human rights	Checking compliance	412	1, 2	8.7, 8.8
	Employee data privacy	No equivalent	1, 6	8.8, 16.10
Anti-corruption and bribery matters	Combating corruption	205	10	16.5
	Fair competition	206	10	16.5

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please go to  
[www.gft.com/financialreports](http://www.gft.com/financialreports)

We consider sustainability aspects to be material if they can, directly or indirectly, have a significant impact on the Group's financial position and performance, its reputation and resources. We also consider the direct and indirect effects of our business activities on all selected sustainability aspects. The frameworks we refer to are the GRI Standards (2022) of the Global Sustainability Standards Board (GSSB), the principles of the United Nations Global Compact (UNGC) and the United Nations Sustainable Development Goals (SDGs), in particular the sub-goals and indicators of the respective SDGs.

**Sustainability risks** are integrated into in the Group-wide risk management system. Within the framework of our Group-wide risk management system, an assessment was made for all significant sustainability aspects with regard to their probability of occurrence and the extent of any negative impact. Risk management is an integral part of the Group-wide planning, controlling, and reporting process at GFT. It is the responsibility of the Global Risk Committee (GRC) headed by the Chief Financial Officer (CFO). Risks are assessed regularly, three times during the reporting period. The risk management process is audited annually by an external auditor.

No reportable risks from sustainability aspects pursuant to section 289c (3) sentences 3 and 4 HGB were identified in connection with our business activities or our business relationships. Detailed information on the GFT Group's risk management system is published in the risk report of the combined management report 2022.

### Disclosure according to EU Taxonomy

The Taxonomy Regulation creates a uniform and legally binding **classification system for environmentally sustainable economic activities**<sup>1</sup>.

The taxonomy provides criteria and defines **taxonomy-eligible** activities. Assessing the degree of alignment of a company with the taxonomy provisions requires verifying the performance of its activities against the technical screening criteria. According to Regulation 2020/852, **taxonomy-aligned** economic activity must demonstrate significant contribution to the achievement of at least one of the environmental objectives set out in the Regulation, do no harm to the rest of environmental objectives, and meet certain minimum safeguards. So far, the technical screening criteria for the environmental objectives 'climate change mitigation' and 'climate change adaptation' are available.

The taxonomy creates extensive new disclosure obligations for financial market participants and companies. In accordance with Regulation 2020/852 any undertaking which is subject to an obligation to publish non-financial information should include in its non-financial statement or consolidated non-financial statement information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable, in particular the following:

1. The proportion of their revenue derived from products or services associated with economic activities that qualify as environmentally sustainable (taxonomy-aligned).

2. The proportion of their Capital Expenditure (CapEx) and the proportion of their Operating Expenditure (OpEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable (taxonomy-aligned).

#### 1. Taxonomy-eligibility

The European Commission aims to make Europe the world's first climate-neutral continent and is committed to reducing net greenhouse gas emissions to zero by 2050. Therefore priority has been given to the business sectors that are most relevant for achieving climate neutrality and delivering on climate change adaptation. Additional economic activities will be the subject of further work undertaken by the Commission. The current list of taxonomy-eligible economic activities comprises a limited range of economic activities within the ICT sector, which results in the low level of key performance indicators disclosed by us.

Sustainability aspects are incorporated within the core of our business model. We believe that our initiatives contribute positively to climate change mitigation and adaptation i by reducing clients' environmental footprint. Using the latest technologies, we support our clients in digital transformation. Our approach to sustainable software design combines resource-efficient programming (GreenCoding) with data protection through technology design (Privacy Engineering). We will continue to develop this approach and additionally drive forward the sustainable alignment of our portfolio.

<sup>1</sup> The taxonomy refers to several regulations including: **Regulation (EU) 2020/852** of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ('Regulation 2020/852'), **Commission Delegated Regulation (EU) 2021/2139** of June 4th 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives ('Regulation 2021/2139' or 'Technical Screening Criteria'), **Commission Delegated Regulation (EU) 2021/2178** of July 6th 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation ('Regulation 2021/2178')

## The GFT Group

Despite our initiatives for sustainability, in accordance with our interpretation of the Taxonomy Regulation, most of our activities are currently considered to be outside the scope of Annexes 1 and 2 to the Taxonomy Screening Criteria.

### 1.1. Revenue

The process of identifying taxonomy-eligible activities included review of all our activities related to the first two environmental objectives in order to determine which of them can substantially contribute to climate change mitigation or climate change adaptation.

To assess taxonomy-eligible revenue, we performed an initial screening based on which three economic activities were selected and further analysed. The results of the analysis of revenue eligibility are presented in table 2:

**Tab. 2 Summary of taxonomy-eligibility analysis – Revenue**

Taxonomy-eligible economic activity	Substantial contribution	Eligibility qualification	Summary
8.1 Data processing, hosting, and related activities	Climate change mitigation	Non-eligible	Our internal and external operations are mostly cloud based. Data centres are owned and managed by third parties. We also do not own data centres, which are used in third party operations.
8.2 Data-driven solutions for GHG emissions reductions	Climate change mitigation	Non-eligible	Solutions we deliver are not predominantly used for the provision of data and analytics enabling GHG emission reductions.
8.2 Computer programming, consultancy, and related activities	Climate change adaptation	Non-eligible	Economic activity that pursues the environmental objective of climate change adaptation should contribute substantially to reducing or preventing the adverse impact of the current or expected future climate, or the risks of such adverse impact, whether on that activity itself or on people, nature, or assets. Considering the above requirements our economic activities cannot be classified as taxonomy-eligible.

Based on performed review of our economic activities in 2022, the share of taxonomy-eligible revenue is 0%.

### 1.2. Capital Expenditure and Operating Expenditure

To determine the taxonomy-eligibility of **Capital Expenditure** (CapEx) and **Operating Expenditure** (OpEx), we have also considered our other cross-sectional activities. The list of activities qualifying for the taxonomy was defined as a result of a comprehensive review of our operations with the participation of managers and experts from business, finance, CSR and external specialists.

Due to the explanations presented in the Draft Commission Notice dated 19 December 2022<sup>1</sup>, our approach to OpEx and CapEx eligibility qualification and disclosure has been modified compared to 2021. No eligible CapEx and OpEx for corresponding economic activities were identified for the reporting period 2021. As a result of the changed approach, in 2022 we qualified three economic activities.

<sup>1</sup> Source: Draft Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective

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As a result of the taxonomy-eligibility review performed in 2022, economic activities presented in table 3 were qualified as taxonomy-eligible in the field of Capital Expenditure:

**Tab. 3 Summary of taxonomy-eligibility analysis – CapEx**

Taxonomy-eligible economic activity	Substantial contribution	Eligibility qualification	CapEx (in kEUR)	Summary
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Climate change mitigation	Eligible	2,639	Leasing and operation of passenger vehicles used by our employees
7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Climate change mitigation	Eligible	3	Installation of charging stations for electric vehicles in or near our office buildings.

As a result of the taxonomy-eligibility review performed in 2022, economic activities presented in table 4 were qualified as eligible in the field of Operating Expenditure:

**Tab. 4 Summary of taxonomy-eligibility analysis – OpEx**

Taxonomy-eligible economic activity	Substantial contribution	Eligibility qualification	OpEx (in kEUR)	Summary
7.3 Installation, maintenance, and repair of energy efficiency equipment	Climate change mitigation	Eligible	7	Individual renovation measures consisting of installation, maintenance, or repair of energy efficiency equipment.

In accordance with Regulation 2021/2178, non-financial undertakings and financial undertakings are required to disclose information on eligibility and alignment of nuclear energy and gas related activities referred to in Sections 4.26, 4.27, 4.28, 4.29, 4.30, 4.31 of Annexes I and II to Delegated Regulation 2021/2139 as presented in table 5.

**Tab. 5 Disclosure of the information referred to in Article 8(6) and (7) of Regulation 2021/2178 related to nuclear and fossil gas economic activities**

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Since our economic activities are not related to nuclear energy and fossil gas referred to in Sections 4.26, 4.27, 4.28, 4.29, 4.30, 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139, further disclosure of the information referred to in Article 8(6) and (7) of Regulation 2021/2178 related to nuclear and fossil gas economic activities is considered to be non-applicable.

## 2. Taxonomy-alignment

2022 is the first reporting period in which the taxonomy-alignment is to be disclosed. Our taxonomy-alignment process was performed as a result of a compliance review with the participation of internal managers, experts, and suppliers. Each economic activity qualified as taxonomy-eligible was verified in order to establish if it contributes substantially to one or more of the environmental objectives, does not significantly harm any of the environmental objectives, is carried out in compliance with the minimum safeguards, and complies with technical screening criteria.

### 2.1. Revenue

Based on the performed analysis of economic activities, the share of taxonomy-eligible revenue in 2022 is 0%, therefore no review of taxonomy-aligned revenue was performed. More information in taxonomy-eligibility section (1.1. Revenue)

## The GFT Group

**2.2. Capital Expenditure and Operating Expenditure**

Economic activities presented in table 6 were qualified as taxonomy-aligned in the field of Capital Expenditure based on the alignment review performed in 2022.

**Tab. 6 Summary of taxonomy-alignment analysis – CapEx**

Economic activity	CapEx (in kEUR)	Proportion of taxonomy-aligned activity	Enabling/ Transitional activity	Summary
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	43	1.63%	N/A	Leased electric vehicles (category N1) were qualified as taxonomy-aligned. Leased non-electric cars including hybrid cars were qualified as taxonomy non-aligned (CO <sub>2</sub> emissions are higher than 50 g CO <sub>2</sub> /km)
7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	3	100%	Enabling activity	Installed charging stations were qualified as taxonomy-aligned

Economic activities presented in table 7 were qualified as taxonomy-aligned in the field of Operating Expenditure, based on the alignment review performed in 2022.

**Tab. 7 Summary of taxonomy-alignment analysis – OpEx**

Economic activity	OpEx (in kEUR)	Proportion of taxonomy-aligned activity	Enabling/ Transitional activity	Summary
7.3 Installation, maintenance, and repair of energy efficiency equipment	7	100%	Enabling activity	Installed energy efficient light sources were qualified as taxonomy-aligned.

**3. Calculation of key performance indicators****3.1. Revenue Key Performance Indicator (Revenue KPI)**

For the share of taxonomy-eligible turnover, the taxonomy-eligible turnover is considered in relation to the total revenue of the GFT Group.

In this process, the denominator takes into account all the revenue generated at the Group companies. This revenue, as disclosed in the consolidated income statement, amounted to €730.14 million in the 2022 reporting year.

Based on the performed review of our economic activities the share of taxonomy-eligible turnover is 0%. For more details, please refer to the taxonomy-eligibility section (1.1. Revenue) and table 18. Revenue from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2022.

**3.2. Capital Expenditure Key Performance Indicator (CapEx KPI)**

For the share of taxonomy-eligible capital expenditure, the taxonomy-eligible capital expenditure is considered in relation to the total relevant capital expenditure of the GFT Group.

According to the Taxonomy Regulation, the denominator of the key figure for capital expenditure is calculated by taking into account all additions to intangible assets, equipment on operating leases and property, plant and equipment, as well as additions to rights-of-use assets as defined in International Financial Reporting Standard (IFRS) 16 including the additions to the named assets within the framework of corporate acquisitions. Goodwill acquired is not taken into account here. If a divestment is planned, capital expenditure on non-current assets is only taken into account until the point in time at which they were first

## The GFT Group

classified as available for sale or disbursement in accordance with IFRS 5. The relevant additions to the assets to be taken into account amounted to €24.30 million in the financial year 2022.

**Tab. 8 Proportion of CapEx from products or services associated with taxonomy-aligned economic activities**

Capital Expenditure related to non-aligned activities (kEUR)	2,596
Capital Expenditure related to aligned activities (kEUR)	46
Total Capital Expenditure (kEUR)	24,301
The CapEx KPI related to taxonomy-aligned economic activities (%)	0.19%
Percentage of Capital Expenditure related to non-aligned activities (%)	10.68%
Percentage of Capital Expenditure related to non-eligible activities (%)	89.13%

For more details, please refer to [table 19](#) Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2022.

### 3.3. Operating Expenditure Key Performance Indicator (OpEx KPI)

For the share of taxonomy-eligible operating expenses, taxonomy-eligible operating expenses are put in relation to the relevant operating expenses of the GFT Group.

The operating expenses to be taken into account in the denominator include non-capitalised research and development expenditure and expenses from short-term leasing agreements as well as from leases on low-value assets. In addition, expenditure from building renovation measures and certain maintenance and repair expenses relating to property, plant and equipment in accordance with the delegated act specifying Article 8 of the taxonomy regulation are included. The relevant operating expenses to be taken into account amounted to €18.20 million in the financial year 2022.

**Tab. 9 Proportion of OpEx from products or services associated with taxonomy-aligned economic activities**

Operating Expenditure related to non-aligned activities (kEUR)	0
Operating Expenditure related to aligned activities (kEUR)	7
Total Operating Expenditure (kEUR)	18,196
The OpEx KPI related to taxonomy-aligned economic activities (%)	0.04
Percentage of Operating Expenditure related to non-aligned activities (%)	0
Percentage of Operating Expenditure related to non-eligible activities (%)	99.96

For more details, please refer to [table 20](#) Proportion of OpEx from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2022.

## Environment &amp; technology



## Environment & technology

16	<b>Sustainable software design: Sustainability by design</b>
16	<b>Greenhouse gas emissions</b>
17	Scope 1 and 2
18	Scope 3
20	<b>Climate targets</b>
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## Environment &amp; technology



Further information on software development and climate protection can be found in our [whitepaper](#)

## Environment & technology

**Digitalisation has enormous potential to help mitigate climate change – provided that the IT sector itself and its client industries systematically take steps to protect our environment. With sustainable software design and a smart mix of technologies, we help our clients to improve their energy efficiency. We define operational environmental protection as reconciling responsible and economical resource use with optimal working conditions and high-quality technical equipment for our employees.**

Within the GFT Group, environmental issues are the responsibility of the Chief Financial Officer (CFO). The basis for environmental and climate protection is the **Group Environmental Policy**. It is binding for all employees of all Group companies. Employees are encouraged to conserve resources during their daily work and to consider both economic and ecological aspects. The Policy's main fields of action are procurement, IT infrastructure, business travel and facility management. In the reporting period, we defined a further field of action as 'business activities': the consideration of energy efficiency in software design and the operation of IT with renewable energies is a decisive lever to help our clients achieve their sustainability goals.

Our **environmental management system** is under development. In the reporting period, the GFT Group's environmental guidelines were brought into line with the requirements of the standard for environmental management systems, ISO 14001. In 2022, our Spanish facility in Sant Cugat del Vallès became the first GFT location to begin **certification**

**according to ISO 14001**. At the time of reporting, certification had not yet been completed.

Various campaigns on the topic of operational environmental protection were run locally, for example an Environment Week in Mexico. In 2020, our Italian subsidiary launched the 'Green Office' initiative, i.e., the gradual establishment of an environmentally friendly office concept comprising a sustainable working environment, environmentally friendly procurement, and resource-conserving behaviour. The project is scheduled to be completed by the end of 2023. In the reporting period, a competition was run for employees to reward the saving of plastic, paper, water and energy.

The GFT Group's **IT infrastructure** includes two **data centres** in Germany and Spain. They are used exclusively for internal operations; GFT does not provide hosting for clients. Since 2021, we have been sourcing 100% of the electricity for these data centres from renewable energies. To improve energy efficiency, we have been continuously increasing virtualisation for many years and are gradually shifting the infrastructure to the cloud. By the end of 2023, **cloud migration** should be completed and the Group's own data centres will only be used to provide redundancy.

Across the Group, the IT equipment of our employees is replaced on average every three years. This ensures that the devices we use are powerful enough to cope with the demanding workload of our IT staff, while at the same time meeting the highest energy efficiency standards. We are also driving **desktop virtualisation** in this field. In line with the **circular economy approach**, we try to give our discarded hardware a second life, for example by reselling it or donating it to charities. In Germany, we entered into an agreement with a non-profit IT service provider in 2022 for the collection, deletion, remarketing, and recycling of our discarded hardware. This enables us to make a positive contribution to society and the

environment. Our partner is committed to the inclusion of people with disabilities and, devices that can no longer be refurbished are professionally dismantled and recycled in Europe. This reduces the risk of used IT hardware ending up as electronic waste abroad.

**Biodiversity** is not a key sustainability aspect for GFT at present. However, we have noticed a growing interest on the part of various stakeholders, which is why we are providing an overview of pilot projects at our national subsidiaries: the Italian CSR team launched 'The Road to Bee Better' in 2021 by constructing and operating its own beehives. The aim was to raise awareness among colleagues and to make biodiversity management more tangible by taking a hands-on approach. Those interested were invited to participate in the construction of five beehives. From the beginning, the initiative was accompanied by an employee who is a passionate beekeeper.

Our People Team (HR) took a different approach. 'Give as you earn' enables employees to make regular donations to selected charitable projects as part of a salary conversion scheme. These include the environmental protection organisation Rainforest Alliance, which is committed to biodiversity and the socio-economic empowerment of the rural population in the tropics.

In Costa Rica, Germany, Italy and Spain, there are various forms of tree planting and sponsorship for employees.

No links to the GFT Group's core business or operations have been identified so far. Due to the positive response from employees, we will continue these initiatives as part of our employer branding strategy and, for the time being, focus on addressing issues in the areas of biodiversity, ecosystem services and their current threats.

## Environment &amp; technology

**GreenCoding**

GreenCoding makes software development part of the sustainability agenda. How? Through consistent orientation of the software to energy efficiency. This is how software code helps to reduce energy consumption and greenhouse gas emissions in the business and throughout the supply chain.

[Read more >>](#)

## Sustainable software design: Sustainability by design

In our sustainability strategy, we are committed to integrating environmental responsibility into our business activities. This is reflected by our sustainability objective 'Sustainability by design'.

Software has a significant influence on the energy and resource consumption of IT infrastructure. Although there are numerous software solutions on the market, for example to improve operational energy management, the development of sustainable software is still in its infancy. For example, there is still no standard for calculating software-related emissions or an eco-label for sustainable software design.

We have developed our own approach to measuring emissions from IT applications and identifying potential for emissions savings. We already use this method in part to calculate our own product-related Scope 3 emissions (see section 'Greenhouse gas emissions').

We want GFT's software solutions to contribute to the climate-friendly use of technology. **GreenCoding** was launched in late 2020 on the initiative of our software developers and architects: it stands for resource-efficient programming to ensure software is developed and executed in a more energy-efficient manner. Since then, a dedicated internal community has continued to drive its development. By the end of 2022, over 1,000 GFT employees had already voluntarily completed a GreenCoding training course. The concept is also attracting interest outside GFT: initial training courses have been held for clients or third parties and the first **GreenCoding pilot project** has been launched for a European investment bank. At the annual AWS re:Invent trade fair, one of the

world's largest cloud and IT conferences hosted by Amazon Web Services (AWS), GFT used its presence to showcase GreenCoding for the global developer community. In 2023, we want to build on this positive development.

## Greenhouse gas emissions

The GFT Group calculates greenhouse gas emissions (GHG) in accordance with the requirements of the Greenhouse Gas Protocol (GHG Protocol), Corporate Accounting and Reporting Standard (Revised Edition 2015). We record Scope 1 and 2 as well as Scope 3 categories relevant for GFT. Scope 1 and Scope 2 emissions are calculated and reported according to the operational control approach of the GHG Protocol.

As of the reporting deadline, the consumption figures for the financial year 2022 were not yet available in full. As a result, the data presented is from 2021. 98% of the work force is covered by the data from the subsidiaries on Scope 1 and 2 (2020: 97% | 2019: 80%). This corresponds to 91% of Group revenue (2020: 91% | 2019: 77%). For Scope 3, there is 100% coverage of the GFT Group as the data (e.g., for procurement and business trips) is taken from the central systems which also serve as the basis for the Annual Report. Due to methodological changes in data collection, it was possible to improve the quality of the Scope 3 inventory and add further categories compared to the previous year.

Scope 1 and 2 emissions were calculated on the basis of energy and fuel consumption using DEFRA emission factors and country-specific factors for electricity and residual mixes<sup>1</sup>. We use Scope 1 (direct emissions)

and Scope 2 (purchased emissions) to calculate the energy consumption of our various sites and the fuel consumption of our company and leased vehicles.

Under the GHG Protocol Scope 2 Guidance, Scope 2 emissions from electricity and district heating consumption are divided into location-based and market-based emissions and reported accordingly. The **location-based method** takes into account the average emission factors per country. The calculation is based on the generation mix of the European transmission system operators or the Climate Transparency Report for non-European locations. The purchase of renewable energies by the reporting company is not taken into account in this method. By contrast, the **market-based method** considers the individual electricity mix of the company, whereby the purchase of renewable energies has an emission-reducing effect. Wherever possible, the actual emissions generated by the respective energy producers are applied. If no supplier factor is available, the so-called residual mix is used.

Emissions from upstream and downstream value creation (Scope 3) are calculated according to the GHG Protocol Scope 3 Calculation Guidance (Technical Guidance for calculating Scope 3 Emissions – Version 1.0). The majority of GFT's Scope 3 emissions relate to the procurement of goods and services as well as capital goods, for which mainly expenditure-based data is currently used. The emission factors applied are therefore expenditure-based (DEFRA/BEIS Annex 13<sup>2</sup>).

<sup>1</sup> AiB European Residual Mix

<sup>2</sup> A conversion from GBP to EUR and a corresponding adjustment for inflation have been made.

## Environment &amp; technology

**Scope 1 and 2**

As in previous years, the **main emission drivers for Scope 1 and 2** in terms of energy consumption at Group level are electricity consumption at 55.6% (2020 : 60.4% | 2019: 60.3%) and fuel consumption of our vehicle fleet at 32.9% (2020: 30.6% | 2019: 31.2%). Fuel consumption amounted to 2,789 MWh (2020: 2,257 MWh | 2019: 3,730 MWh). The increase of 24% compared to the previous year is due to the company's growth and an increase in travel activities. In order to further reduce vehicle fleet emissions, an initiative is planned for 2023 to incentivise the switch to electric vehicles.

**Electricity consumption** in 2021 amounted to 3,417 MWh (2020: 3,810 MWh | 2019: 7,219 MWh), a decrease of 11% compared to 2020. This decrease is mainly due to the fact that the majority of employees continued to work from home in the second year of the pandemic (for the consideration of work-from-home emissions, see Scope 3 category 7). In addition, heating and air conditioning were adjusted and office space was reduced. No floor space adjustments were made in 2022. Employees throughout the Group have the option of working from home as well as in GFT offices.

With regard to reducing CO<sub>2</sub> emissions, one goal is to convert as many locations as possible to green electricity. The share of **electricity from renewable energies** was increased by almost 50% in 2021 compared to 2020, which is mainly due to the conversion of the Spanish national company. Relative to grey electricity,

The purchase of electricity from renewable energies was increased by almost

# 50%

the share of green electricity is now 68% (2020: 21% | 2019: 14%). This resulted in a 71% reduction in Scope 2 emissions (market-based) compared to 2020. The subsidiaries in Costa Rica, Mexico, Spain and the USA already sourced 100% of their electricity from renewable sources in 2021. The switch was almost complete in Canada (99%), Brazil (96%) and Italy (90%). In Germany, the share of electricity from renewable energies was 28% in 2021. No information on the electricity mix was available for Poland. In the UK, GFT did not have an office in the reporting period. As a result, no consumption from branch offices is included (emissions from employees working from home are fully covered by the work-from-home scenario in Scope 3 category 7). Further locations in Germany and Poland were converted to green electricity in 2022.

In addition to the major lever of reducing emissions by switching to green electricity, GFT is making further efforts to lower emissions at its locations. With regard to improving the **energy efficiency of buildings**, we are in consultation with local landlords: the office building in Poznań, Poland, has been certified according to the BREEAM sustainability standard since mid-2022, and a certification project is currently underway in Krakow. The buildings at the two locations in Warsaw and Lodz have already been certified according to LEED, a standard for ecological construction, since 2020. Our head office in Stuttgart is the only company-owned location. GFT operates a combined heat and power plant there. Further measures, such as the installation of a photovoltaic system, are currently being considered.

**Tab. 10 Scope 1 and 2 emissions GFT Group**

		t CO <sub>2</sub> e		%
		2021	2020	Change
Scope 1	Direct emissions from combustion by stationary sources (natural gas + diesel)	166	162	+2
	Direct emissions from combustion by mobile sources (vehicle fleet)	691	594	+16
Scope 1 total		857	756	+13
Scope 2	Indirect emissions from purchased electricity			
	Market-based	215	744	-71
	Location-based	890	988	-11
Scope 1 and 2, total (market-based)		1,072	1,500	-29

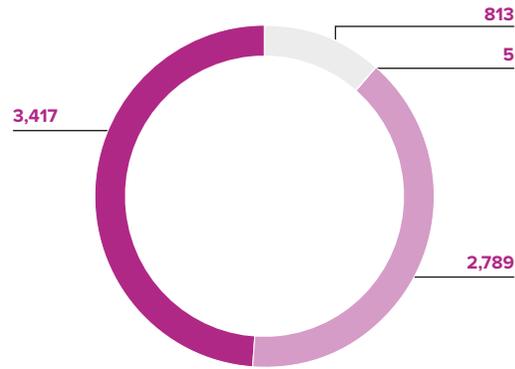
Note: Figures for Brazil, Germany, Italy, Poland and Spain are included for 2019, and in addition for the UK, Canada, Mexico and the USA for 2020, and additionally for Costa Rica in 2021. The figures are partly based on estimates or projections. 'Market-based' takes into account emission factors of an electricity supplier or electricity product, 'location-based' takes into account the average emission factors of the countries.

1 Figure from GHG emissions 2020 corrected (originally: 4,458 MWh), based on ancillary cost statements of individual locations.

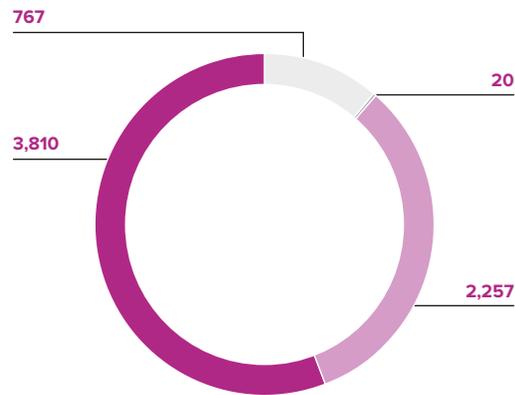
2 Figure from GHG emissions 2020 corrected (originally: 18%), based on ancillary cost statements of individual locations.

Environment & technology

Distribution of energy consumption (MWh) – 2021



Distribution of energy consumption (MWh) – 2020



- Scope 1: Natural gas consumption
- Scope 1: Diesel consumption (generators/machines)
- Scope 1: Fleet fuel consumption
- Scope 2: Electricity consumption

Note: Figures for Brazil, Germany, Italy, Poland and Spain are included for 2019, and in addition for the UK, Canada, Mexico and the USA for 2020, and additionally for Costa Rica in 2021. The figures are partly based on estimates or projections.

Extensive **energy-saving** measures have been implemented at numerous GFT locations, including:

- Reprogramming of lighting controls in corridors, toilets, kitchens, underground car parks and lifts to reduce movement, brightness, and run-on times
- Conversion of lighting to LED, removal/switching off of fluorescent tubes
- Timed switch-off of printers
- Switching off all monitors in the evening, switching on only as needed
- Adjustment of air-conditioning and heating in offices and server rooms according to needs
- Shutting down of kitchens, including all appliances, in unused facilities

In some cases, workplaces were also relocated from open-plan offices to smaller offices so that the open-plan offices did not have to be heated and further emissions could therefore be saved.

**Scope 3**

In the reporting period, we slightly improved the quality of the emissions inventory for **Scope 3** (financial year 2021) by changing the recording and calculation methodology. In addition, we report on two new categories: capital goods (category 2) and business travel (category 6).

Upstream greenhouse gas emissions

In the case of upstream greenhouse gas emissions (categories 1 to 7), the largest emissions driver is **purchasing** (category 1) with 14,009 t CO<sub>2</sub>e. This corresponds to 45% of total Scope 3 emissions. Compared to the previous year, there was a change in the calculation method: procurement data was used for 2020, which is why capital goods were already included and not reported separately in Scope 3 category 2. By changing the calculation method to items from the income statement, we have significantly improved data quality. In addition, **capital goods** (category 2) can now be presented separately.

They accounted for 4,580 t CO<sub>2</sub>e, corresponding to 15% of Scope 3 emissions. In 2020, emissions from category 1 and 2 together accounted for 66% (18,803 t CO<sub>2</sub>e). Due to the change in methodology, no comparison with the previous year is possible. From the 2022 survey onwards, we intend to gradually replace expenditure-based emission data based on average factors with supplier-specific data.

An initial screening (see non-financial report 2021, p.12) has shown that the impact of emissions from **waste** is negligible for our company (< 200 t CO<sub>2</sub>e). We will monitor activities and possibly include this category in the future.

To calculate emissions from category 6 **business travel** (2016 t CO<sub>2</sub>e, 7% of Scope 3 emissions), we considered the costs for flights, trains and taxis. We used the same method to subsequently calculate emissions for 2020 (3,269 t CO<sub>2</sub>e) and 2019 (12,960 t CO<sub>2</sub>e). The 2020 emissions resulted mainly from the first quarter. Compared to 2019, i.e., before the outbreak of the Covid 19 pandemic, the level of travel in the first quarter of 2020 was normal. For the remainder of 2020, there were virtually no trips. For 2021, emissions were down 85% compared to 2019. We expect travel to level off at around 40% of 2019 volumes in the medium term. For 2022, we will also replace expenditure-based data with real data wherever possible.

## Environment &amp; technology

Our aim is to adequately reflect the energy consumption of employees working from home in GFT's greenhouse gas emissions and to better understand the impact of hybrid working models. We have therefore refined our **work-from-home scenario**<sup>1</sup> (category 7): for our first application in 2020, we initially only determined the average electricity consumption of IT equipment for a full-time employee (FTE), taking into account country-specific emission factors. For 2021, we based our calculations on an office of 10 m<sup>2</sup> and added average heating/cooling behaviour for a northern and a southern hemisphere scenario. In addition to country-specific emission factors, we take into account other location-specific parameters. For 2021, we once again based calculations on 100% work-from-home across the Group. For 2022, we will use a hybrid model that takes into account commuting to GFT offices in addition to working from home. In this way, we are going beyond the requirements of the GHG Protocol. In addition to work-from-home offers, GFT uses measures such as job tickets, BahnCards or bicycle leasing offers to reduce emissions from commuting in various countries. In Switzerland, the 'Bike to Work Challenge' was launched to motivate colleagues to cycle to work. In the UK, employees have been able to lease electric cars as part of a deferred compensation scheme since 2022.

**Downstream greenhouse gas emissions**

Categories 9, 10 and 12 are not applicable for downstream greenhouse gas emissions, as GFT only develops and markets intangible products in the form of software solutions. In order to calculate **CO<sub>2</sub> emissions from the use phase of our software solutions** (category 11), there is still the difficulty that there is

currently no corresponding accounting standard, especially not for individual software solutions. We have therefore developed our own tool with which we can calculate emissions precisely down to project level on the basis of basic parameters and using reference values. So far, we only use it for projects where we have full influence on architecture and software. In order to map a complete coverage of revenue, we use a hybrid approach of our own data and market data. As market data is usually older, it is adjusted for inflation using an average exchange rate. At 8,418 t CO<sub>2</sub>e, these emissions have a 27% share of Scope 3 (2020: 8,500 t CO<sub>2</sub>e, 30%).

**Tab. 11 Scope 3 inventory**

Category		t CO <sub>2</sub> e	
		2021	2020
<b>Upstream emissions</b>			
1	Purchased goods and services <sup>2</sup>	14,009 <sup>3</sup>	18,803
2	Capital goods <sup>4</sup>	4580 <sup>2</sup>	Included in 1
3	Fuel-and-energy-related activities (not included in Scope 1 or 2)	395	949
4	Upstream transportation and distribution <sup>5</sup>	Included in 1	Included in 1
6	Business travel <sup>6</sup>	2,016	3,269
7	Employee commuting	1,414	1,259
8	Upstream leased assets	Operational control approach, therefore included in Scope 1 and 2	Operational control approach, therefore included in Scope 1 and 2
<b>Downstream emissions</b>			
11	Use of sold products	8,418	8,132
<b>Total</b>		<b>30,832</b>	<b>33,400</b>

**Tab. 12 Consumption figures, GHG intensity, market-based**

	2021	2020
Electricity consumption, office buildings (t CO <sub>2</sub> e)	186	643 <sup>7</sup>
Emissions from electricity consumption, data centres (t CO <sub>2</sub> e)	29	101
Electricity consumption per million euros of revenue (kWh/€ million)	5.4	7.6
Emissions Scope 1 and 2 per full-time employee (t CO <sub>2</sub> e/FTE)	0.2	0.3
Emissions Scope 1 and 2 per million euros of revenue (t CO <sub>2</sub> e/€ million)	1.7	3.1
Emissionen Scope 1–3 <sup>8</sup> per full-time employee (t CO <sub>2</sub> e/FTE)	4.7	5.5
Emissionen Scope 1–3 <sup>7</sup> per employee <sup>9</sup> (t CO <sub>2</sub> e/FTE)	4.1	4.9
Emissionen Scope 1–3 <sup>7</sup> per million euros of revenue (t CO <sub>2</sub> e/€ million)	50.2	59.9

1 The optional accounting standard for Scope 3 category 7 (Employee Commuting) was applied in accordance with the GHG Protocol. However, the inclusion of work-from-home activities is optional.

2 Expenditure was broken down into relevant categories and totalled per category; exceptions: expenditure for travel (recorded in category 6) and contractors (recorded in category 7).

3 Comparison with previous year not possible due to change in calculation method

4 Capital expenditure = additions to assets in 2021 (excluding right-of-use assets according to IFRS16)

5 Costs for postage and transport of purchased goods are already included in the prices (category 1) and cannot be recorded separately.

6 DEFRA emission factors in kg CO<sub>2</sub>e/£ (GBP) are converted to kg CO<sub>2</sub>e/€ (EUR) using an average exchange rate taking into account inflation.

7 GHG balance 2020 figure corrected (originally: 710 t CO<sub>2</sub>e), based on ancillary cost statements of individual locations

8 Comparison with previous year not possible due to change in calculation methods for Scope 3

9 Comprises permanent GFT employees and freelancers on the basis of average full-time employees

## Environment &amp; technology



For further information on our climate targets please read on >>



## Climate targets

GFT's primary objective is to become **emission-free over the entire value chain in the long term**. To this end, we formulated the target in 2021 of becoming carbon-neutral for our own operations (Scope 1 and 2) by 2025. We are in close contact with our most important partners – the companies that let our branch offices and the leasing service providers. After almost two years, however, it has become clear that this target would only be achievable by means of offsetting. As **we have ruled out offsetting as part of our decarbonisation strategy**, we therefore critically reviewed the target as well as the time horizon and translated them into new climate targets in the reporting period. We have significantly improved the quality of our emissions inventory data since 2021. As a result, we are expanding the scope to include the entire upstream and downstream value chain (Scope 3). With the aid of an economic climate impact model, various emission paths were calculated in order to comply with the goals of the Paris Climate Agreement. The scientific basis is crucial for the operationalisation and steering of the reduction path:

- **By 2030, operational greenhouse gas emissions (Scopes 1 and 2) are to be reduced by 50% compared to the base year 2020.**
- In addition, **emissions generated along the value chain (Scope 3) are also to be reduced: by 60% per euro of value added by 2030 compared to the base year 2020.**

The independent Science Based Targets Initiative (SBTi) has reviewed these targets and confirmed that they correspond to the current state of climate science. GFT is thus one of the first software companies in the SDAX with climate targets that have been validated by the SBTi. This independent validation is also an important signal to our stakeholders regarding minimising risks in the value chains of our clients and in the portfolios of our investors.

In the case of software solutions, the majority of emissions are generated by the end customer during the usage phase. However, the science-based climate targets validated by SBTi do not take these emissions into account. They are classified by SBTi as 'indirect emissions of the use phase'. They are therefore considered 'optional' emissions and are not taken into account in the Scope 3 targets of software companies.

They are among our biggest emission drivers, accounting for around one third of our total Scope 3 emissions. We therefore go **beyond the SBTi requirements: CO<sub>2</sub> emissions from the use of our software solutions (Scope 3 category 11)** are part of our emissions inventory and were also included as part of our internal climate targets. **We also aim to reduce them by 60 per cent per euro of value added by 2030.**

In connection with the newly adopted climate targets, a **guideline** on the requirements for **recalculating the base year** was prepared. In accordance with the GHG Protocol Corporate Standard/Scope 3 Standard and the Target Validation Protocol of the Science Based Target initiative (SBTi), a **5% significance threshold** was set.

We attach great importance to transparent reporting. This is why we participate in the **CDP Climate Rating**. In 2022, we were able to improve our rating by two grade points from D to C.

As part of our climate ambitions, we also addressed the issue of climate risks in the reporting year. We conducted a gap analysis of the **recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)**<sup>1</sup>, which is based on four pillars: Governance, Strategy, Risk Management, and Indicators/Targets. The next step is to implement the recommendations. This includes a comprehensive identification of climate-related opportunities and risks along different climate scenarios.

## Environment-related risks

Environmental and climate risks are part of the Group-wide risk management process and are constantly being refined and supplemented to meet the increasing requirements for environmental risk analyses. We do not operate any production facilities. Our data centres are continuously being downsized and will be fully migrated to a cloud infrastructure by the end of 2023. They are used solely for GFT's own operations; GFT does not provide hosting for clients. The use of operational resources is low, and no raw materials are used. We assess the impact of our business activities on the environment and climate, biodiversity and ecosystems as insignificant, and we also assess the occurrence of ecological risks as relatively unlikely. We therefore assess environmental aspects as a low risk.

<sup>1</sup> The expert panel was established in 2015 on the initiative of the finance ministers and central banks of the G20 countries by the Financial Stability Board in order to create a basis for managing climate-related risks through appropriate reporting standards and thus prevent market failure. The focus is on potential risks for companies arising from climate change and climate policy (and not vice versa the impact of companies on the environment and climate).

Society & technology



**Society & technology**

22	<b>Employees</b>
23	Activities and projects
24	Working environment
26	Remuneration
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26	<b>Social commitment</b>
26	Technological development and responsibility
27	Education
27	Lobbying
27	Risks
27	<b>Respect for human rights</b>
28	Risks

## Society &amp; technology



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# 85%

of GFT employees are convinced:  
GFT is a great place to work.

**Great  
Place  
To  
Work®**

## Society & technology

### Employees

**GFT regards itself as a responsible employer. The creation of fair, safe and healthy working conditions is our overriding objective. We help our employees achieve the best possible work-life balance by providing good framework conditions. We believe that diversity is an expression of equal opportunities and the key to success. The prerequisite for this is trust in the organisation that violations of our corporate values will not be tolerated.**

GFT's corporate strategy is geared towards shaping and simplifying the digital world. We can only deliver this for our clients if our employees are suitably motivated and skilled. Therefore, our **HR strategy** is geared towards attracting, retaining and continuously developing talent for GFT worldwide. Under the leadership of the Global Head of HR, our Global People Team defines Group-wide goals and uniform standards for HR work in the areas of HR Operations, Talent Acquisition, Learning & Development and Employer Branding. The HR departments of the national subsidiaries are responsible for implementation. In 2022, key HR topics were: preparation and follow-up of the **Great Place to Work** employee survey, modernisation of the **career model**, support for the introduction of local **Diversity, Equality & Inclusion (DE&I) programmes**.

**Communication and information** – both face-to-face and virtual – are crucial for cohesion and cooperation. Especially since the outbreak of the pandemic in 2020, virtual communication channels have been

steadily expanded and improved to give all employees the opportunity to contribute suggestions, concerns and questions through various channels. These include chats and commenting functions in numerous internal blogs and on the intranet and online events. The CEO provides quarterly information in a live-stream ('CEO live') about current Group developments and a key topic – for example, the cloud strategy or the results of the staff survey. Several thousand colleagues regularly take part. Questions can be asked via chat, also anonymously, which the CEO answers immediately and then discusses in greater depth in the CEO blog 'Connecting the dots'. Numerous local events were also possible again in 2022 – for example the **GFT Values Awards**: employees in each country decide which colleagues and teams most impressively represent the Group's corporate values (see chapter 'Corporate governance'), either through their work on a particularly challenging project or through their everyday actions.

Another important management tool for transparent **stakeholder dialogue** is our regular **staff survey**. It serves as a sentiment gauge and helps us to understand how we can improve as an employer.

Surveys at national level have proven to be effective since 2020 – they are easier to manage from an organisational point of view than Group-wide surveys and can better capture the key concerns of employees at a local level. At least one survey per country should be conducted annually – these can also be local and topic-related quick polls. A uniform set of questions on satisfaction with the working conditions, the development opportunities, the working atmosphere, and the management ensures comparability at Group level. In 2022, the independent research and consulting institute Great Place to Work (GPTW) conducted the staff survey at GFT's national subsidiaries.<sup>1</sup> Participation across the Group was 66%.

According to GPTW, a company is deemed to be a great place to work if at least 65% of employees testify to this (the so-called Trust Index). This threshold was reached or exceeded at all GFT subsidiaries: 85% of our employees regard GFT as a great place to work.

The GPTW methodology assesses how employees experience the corporate culture on a day-to-day basis, based on 5 categories: Credibility, Respect and Fairness, Pride and Team Spirit. Each category is assessed from two perspectives: How do employees perceive it at GFT in general and how do they experience it directly in relation to their own work? Potential for improvement is also identified and a benchmark against other companies is prepared. This enables us, for example, to draw a comparison with employer performance within the IT industry.

From the employees' perspective, the main topics were:

- **Diversity, equal opportunities, and inclusion (DE&I) as well as safety**

All countries achieved very good results in these areas.

- **Quality of leadership**

On the whole, leadership behaviour was rated as good, with fluctuations in the countries. Employees would like to see improvements in feedback and communication/information; this is to be addressed with training measures for managers.

<sup>1</sup> To ensure the anonymity of respondents, companies with more than 10 employees are eligible to participate.

## Society &amp; technology

**Best Place to Code**

Our developers at GFT Mexico are convinced of this, and with this award recognise the good working conditions at GFT.  
[Read more >>](#)

- **Fairness in promotions**

This topic was perceived differently in the various countries. The most important measure is to make the promotion process more transparent in terms of job family<sup>1</sup> and career level. The changes in the career model initiated in 2022 also contribute to this.

- **Fair pay and benefits**

There were strong fluctuations between the countries in this regard. GFT aims to pay appropriate and market-oriented remuneration everywhere. In addition, an equal pay gap analysis is being carried out (see section 'Remuneration').

Each country has developed its own action plan that addresses the main weaknesses and relevant issues. The implementation status of the measures is to be communicated every six months.

The main employee-related aspects are discussed below, based on three areas: Activities and projects, Work environment and Remuneration.

**Activities and projects**

Digitalisation has always been our core business. As a technology partner, we support the digital transformation process of our clients with customised IT solutions along the entire value chain. This environment gives our employees the opportunity to develop innovative IT solutions in international teams based on the latest technologies, often in the form of co-innovation projects together with clients and partners.

GFT lives an organisational structure that promotes personal responsibility and cooperation. The core element of our employer branding strategy 'Ready to grow' is the personal and professional development of all employees (SDG 4.3 Quality Education).

**Learning**

We regard learning as the cornerstone of every transformation. Recognising technology trends at an early stage, testing them and turning them into marketable IT solutions requires continuous learning. This is anchored in our 'Learning & Development (L&D) Principles and Fundamentals'. They contain guidelines for annual training planning in the respective countries. At the same time, they are intended to create transparency about the Group-wide L&D initiatives.

We ensure a high level of technology expertise among our employees by offering a wide range of training courses on technologies, design principles and methods. The GFT Accelerated Leadership Programme prepares employees for management tasks. NEXT-GEN Leaders is aimed at high potentials in upper management. GFT promotes **continuous training** (SDG 4.3) for all employees with language courses, seminars on soft skills and part-time vocational training qualifications. Training courses on compliance, data protection, information security, GFT methodology and open source software are mandatory. In the reporting period, each employee completed an average of around 34 training hours (2021: 27).

**Career advancement**

The Group-wide **career model** defines experience levels for the required qualifications and skills: 'Skilled' comprises graduates, young professionals and trained specialists. 'Senior' refers to highly skilled and experienced specialists. 'Leaders' perform management tasks with and without staff responsibility. We regard specialist and management careers as equal development paths.

Activity profiles are pooled into job families. In 2022, these job families were revised and greatly expanded. Since its introduction in 2015, the GFT Group

has grown significantly, so that certain job families were no longer granular enough. For non-financial reporting, a simplified presentation in three main groups was chosen and has been retained: IT Professions, Consulting, Corporate Services.

**Tab. 13 Work force by job family**

% of work force	2022	2021	2020
IT Professions	87	86	85
thereof women	19	18	18
Consulting	6	6	6
thereof women	36	35	35
Corporate Services	7	8	9
thereof women	74	72	71

**Tab. 14 Work force by experience level**

% of work force	2022	2021	2020
Skilled	57	55	56
thereof women	27	27	29
Senior	37	39	38
thereof women	20	19	21
Leader	6	6	6
thereof women	18	17	17

A culture of continuous learning also means that we regard all our employees as talents. Everyone learns and grows at every stage of their career. We want to encourage everyone to inspire others and themselves to learn. This is also reflected in our employee-oriented approach to **performance assessment**. Instead of relying solely on performance appraisal by superiors, we want our employees to develop their own personal and professional goals (individual development plan) and to reflect on them in discussions with

<sup>1</sup> Pooling of activity profiles, in detail described in the section Career Advancement

## Society &amp; technology

The #teamgft includes people from

# 85

nationalities.

their colleagues (multi-source group). A new feature was introduced in 2022: self-assessment regarding goals and skills. The use of this component is voluntary. Employees are accompanied throughout their personal and professional career development by experienced mentors. In 2022, 84% of all employees were covered by the Performance Management Model (2021: 89%).

### Working environment

GFT is committed to fair, safe and healthy working conditions (SDG 8.5, 8.8). With an open and appreciative corporate culture, we want to create an appealing working environment for all employees in which they can develop freely and shape their own professional development.

The global **GFT team** comprised employees with 85 different nationalities in 2022 (2021: 77, 2020: 75). Almost 76% of our employees were men, 24% women (2021 23% | 2020: 23%) and 0.1% non-binary (recorded for the first time in 2022, no prior-year comparison). The total number of new hires was 1,124 full-time employees (2021: 3,750). 16% of employees left the company at their own request (2021: 19%).

### Women at GFT

The proportion of women in management positions amounted to 18% (2021 :17% | 2020: 17%). About two thirds of all female employees worked in IT Professions. In order to raise the visibility of our female IT colleagues both internally at GFT and externally in the technology sector, we launched the internal **WomenTech mentoring programme** in 2022. Around 40 women took part in the four-week training programme.

**Tab. 15 Women in the GFT Group**

Composition of female work force in %	2022	2021	2020
IT Professions	68	67	65
Consulting	10	10	9
Corporate Services	22	23	26

### Age profile

The average age of GFT employees was 39 (2021: 39, 2020: 38); for women 38, for men 39 and for other genders (non-binary) 31.

**Tab. 16 Age profile of GFT Group**

Age in years	2022	2021	2020
<= 30	29	29	31
31-40	39	39	38
41-50	22	22	22
>= 51	10	10	9

**Tab. 17 Age profile by gender (2022)**

Age in years	Women	Men	Non-binary
<= 30	23	77	<1
31-40	23	77	<1
41-50	27	73	<1
>= 51	24	76	<1

### Employee rights

In accordance with our Group-wide Code of Ethics & Code of Conduct, GFT is committed to **complying with international labour and social standards** around the world. GFT respects the **right to freedom of association and collective bargaining**. We respect the legal right of all employees to form and join employee organisations of their choice, including labour organisations or trade unions. Workers must not be discriminated against because of their decision to join or not join a labour organisation. In countries where co-determination is restricted by law, GFT encourages employees to get involved.

**Employee representatives** represent 81% of the GFT Group's work force<sup>1</sup>. Worker co-determination is governed by the respective national regulations. In some cases, national companies have collective bargaining agreements and/or company agreements. Due to its legal form, GFT Technologies SE has an 'SE works council' that represents employees in the member states of the EU (Belgium, Germany, France, Italy, Poland, Spain).

The respective employee representatives can communicate with employees by independently posting information on the intranet, using internal communication channels and holding meetings in GFT's offices.

We only use measures such as fixed-term contracts, temporary work and employee leasing in isolated cases. In the year under review, 4% of our employees had fixed-term contracts (2021: 4%, 2020: 3%). The proportion of external IT experts who provided project-related support for our core business was just under 15% (2021: 10%).

<sup>1</sup> There are no employee representative bodies in Costa Rica, the United Kingdom, Hong Kong, Canada, Mexico, Switzerland, Singapore, the USA and Vietnam.

## Society &amp; technology



Choose your own name  
at work.

### Health and work-life balance

In 2022, we adopted a Group-wide **GFT Health & Safety Policy** to promote the health and well-being of our employees and to prevent health risks. Due to varying national regulations, there is no Group-wide health management programme, but all national companies offer **health-related measures**, such as subsidies for insurance plans, check-ups, medical services and offers for external sports facilities. Important health-related topics addressed in employee communications in 2022 included mental health and mindfulness, exercise and cancer prevention.

To ensure a good **work-life balance**, GFT offers a high degree of freedom and flexibility with regard to the amount of work and working hours. Hybrid working, i.e., the possibility to combine work in the office, from home (or 'work from anywhere') and at clients' premises, is standard throughout the Group. Many employees regard the establishment of work-from-home as one of the most important achievements, especially as there is no obligation to return to the office, as is the case at many other companies.

### Diversity, equal opportunities, inclusion

The Global Head of HR is responsible for the topic area **DE&I (Diversity, Equality & Inclusion)**. We understand this to mean creating a diverse and inclusive working environment that offers everyone in the company the same opportunities to develop further (SDG 5 Gender Equality, SDG 10 Reduce Inequalities). The basis for this is our Group-wide Diversity & Inclusion Policy. This also includes an explicit commitment to proactively combating and eliminating all forms of discrimination, bullying or harassment.

Affected employees can contact internal complaints offices, in Germany for example the 'Bullying and Conflict Officer'. In addition, a web-based anonymous whistleblowing system is available (chapter 4, section 'Compliance management system'). In the reporting

period, we investigated one allegation of age discrimination, which was not confirmed. There was one case of misconduct by management towards employees. In this case, specific measures were imposed by the Sanctions Advisory Committee. This committee comprises the Global Head of HR, the Head of Group Legal and the Chief Compliance Office. It decides on appropriate and proportionate sanctions in accordance with local labour law.

In 2022, GFT's national subsidiaries were requested to develop a local DE&I agenda for the following areas of activity:

- Increasing the proportion of women (in general, in promotion and in management positions)
- Empowering women (in management positions and in the technology environment)
- Promoting health and safety
- Reducing the equal pay gap and gender pay gap
- Database on diversity
- Conceptualising an 'inclusive workplace'

Progress was assessed in the middle of the year: all companies had established the Group-wide equal pay process (in some countries this is also regulated by law). In terms of recruitment and empowerment of women, some targeted measures were already in place, but the implementation of a systematic approach was still largely in its infancy. Some countries already have consolidated programmes on occupational health and safety. The greatest difficulty proved to be the collection of diversity data. The reasons for this include its classification as particularly sensitive

data, combined with the high requirements for data protection.

Most DE&I activities focused on women. Some countries have developed programmes for the inclusion of migrants. There was a lack of initiatives on LGBTQIA+, ethnicity, dealing with impairments or generation-related concerns.

Various articles on DE&I were published on the intranet in the second half of the year.

The results of the Great Place to Work survey were used as the basis for a series of measures: the development of a DE&I strategy, the creation of training courses, the revision of the existing Diversity & Inclusion Policy and the derivation of DE&I-specific recruitment concepts. Implementation is planned for 2023.

'Choose your own name at work' was created in response to a suggestion from employees: the new 'preferred name' function allows employees to simply change the first name displayed in their profile. No authorisation or proof is required for this. The change is adjusted in the systems in the background and a new email address is generated. In this way, we as an employer are helping to strengthen our employees' right to self-determination. In 2022, 158 people made use of this possibility.

## Society &amp; technology



## Privacy by Design

Data protection from the start

[Read more >>](#)



## Digital Banking for Kids

Mobile pocket money app for children

[Read more >>](#)

## Equal Pay Gap

<1%

## Remuneration

The remuneration amount depends on the activities, function and responsibility of the employee. In addition to basic salary, remuneration also includes location-specific employer benefits. In 2022, **personnel expenses** of the GFT Group amounted to €478.97 million (2021: €380.39 million | 2020: €320.39 million). Further details are provided in the Annual Report (chapter 2 'Economic report'). Disclosures on the **ratio of board members' remuneration to employee remuneration** are included in the 2022 Remuneration Report.

**Equal pay** is a recognised human right – it means that all people have the right to equal pay for work of equal value.<sup>1</sup>

The 'equal pay for work of equal value' calculation is based on the job families and career levels of the GFT Career Model. The analysis has so far included male and female employees. The average salary<sup>2</sup> of all men at GFT is compared with the average salary of all women at GFT:

**Equal pay = (average salary men – average salary women)/average salary men**

Global HR submits a quarterly analysis to the Managing Directors of GFT Technologies SE. GFT's main goal is to achieve equal pay (SDG 5.1). In 2022, the **Group-wide equal pay gap was <1%** (2021: <1%).

## Risks

We regard the demotivation of our employees – for example as a result of activities that are permanently over- or under-demanding, a lack of promotion, a poor work-life balance, inadequate remuneration oder non-transparent communication – as significant risks. Discrimination, insults, threats and harassment can have a massive impact on well-being and performance. Ergonomic and psychological suffering can lead to health problems and even occupational disability. Such effects may be significant in certain cases. GFT has established systematic precautionary measures. The management teams of GFT companies are in permanent contact with employees and their representatives. The occurrence of such risks is therefore relatively unlikely. Overall, we assess the risk as medium.

## Social commitment

We promote IT talent and want to attract more people to the technology industry – regardless of whether they work for GFT or not. This is why we are engaged in the areas of technology development and education. As an employer, we are also actively involved in the local economy. At many of our locations, GFT employees provide support for charitable initiatives – more than 44 local projects in the reporting period. Employees helped people in Ukraine in a wide variety of ways. GFT supported their efforts, for example, by granting them time off from work or making donations to charitable organisations.

## Technological development and responsibility

With our sustainability goal 'Sustainability by design', we are committed to ensuring that software development and the application of technologies are undertaken in accordance with ethical principles (SDG 12.6).

Our '**Privacy by design**' approach means that all data protection requirements are integrated into our IT systems from the very beginning, i.e., during the design process.

Our principles are defined in the GFT Group Data Protection Policy & Guidelines and the GFT Group Privacy by Design Approach (see chapter 'Corporate governance', section 'Data protection & privacy' for further details). In order to embed 'Privacy by design' into our core business processes, the Chief Operating Officer (COO) spearheaded a Group-wide awareness campaign in 2022. This initiative reached more than 1,500 senior and middle managers. The proactive consideration of data protection risks when using future technologies and in complex IT projects was highlighted. In video conferences, the Chief Privacy Officer and the Leader of the Privacy Engineering Community introduced the principles of data economy and pseudonymisation and gave an overview of where employees can find help with privacy engineering for GFT's own and client projects. In addition, an optional basic training course on 'Privacy by design' was offered, which was successfully completed by more than 120 employees.

<sup>1</sup> A deviation in equal pay is also referred to as an 'adjusted gender pay gap'. The underlying 'unadjusted gender pay gap' only takes into account the average difference (mean or median) between pay for all employed men and women in a selected sample. The average salary does not take into account characteristics of equivalence such as job family or career level. The unadjusted gender pay gap is presented as a percentage of the difference between the average gross salary of male and female employees as a percentage of male gross salary. The 'unadjusted gender pay gap' is not in itself a measure of discrimination. Rather, it combines differences in the average pay of women and men to serve as a comparative barometer.

<sup>2</sup> The term 'salary' comprises the annual gross salary and the target bonus. Reports are prepared per country in the local currency. Paid and unpaid leaves of absence, apprentices, dual students, interns and employees at career level LO are excluded.

## Society & technology



### Further information

on the memberships of all GFT Group companies can be found at [www.gft.com/sustainability](http://www.gft.com/sustainability)



#devday4women

[devday4w.com/sessions/octubre-2022](http://devday4w.com/sessions/octubre-2022)

There are plans to expand the training courses on Privacy by Design and to improve the integration of Privacy by Design into GFT's methodology in 2023. The goal is to increase the number of skilled and qualified privacy engineers at GFT and to improve the timely consideration of privacy requirements and privacy-related risks in software development activities and the integration process for software products.

The 'digital divide' is the gap between those who have access to technology and those who do not. This includes geographical limitations in the availability of digital services, gender aspects or differences in age, socio-economic situation, and education. With the aim of closing this 'digital divide', a new internal community for '**Inclusive coding**' was set up in 2022, which had already been joined by around 100 developers by the end of the year: 'It is the task of (software) designers to ensure that everyone can participate in society.' Accessible design specifically considers the needs of people with disabilities. Web accessibility means that websites, tools, and technologies are designed and developed in such a way that people with disabilities can use them.

### Education

Our 'Grow tech talent worldwide' programme (SDG 4.3, 4.4, 5 b, 17.6) aims to promote external tech talent, attract new talent to the IT sector and support tech communities. With a total of 190 initiatives, including cooperation with universities or other partners, independent GFT events and sponsoring, we have significantly increased our commitment compared to the previous year (2021: 67).

Our focus areas are:

- **Creating tech talent** is aimed at children and young people as well as adults without a technical background. With offers such as coding workshops and hackathons, we want to support the acquisition of basic technology skills.
- **Empowering tech talent** targets the global tech community through conferences, webinars and university partnerships and aims to promote the development of technology skills.

We want especially to **encourage girls and women pursue careers in technology**. In addition to various mentoring programmes for women and girls, we have run several coding workshops, including a two-day hackathon in cooperation with the organisation She-codes, for 200 participants in Vietnam. To increase the visibility of women in the IT industry, we sponsored technology conferences such as the 'DevDay-4Women', one of the largest conferences for female software developers in Latin America, or the 'EuropeanWomenIn-Tech 2022'. With 48 events (2021: 12), we have also significantly increased our commitment in this area.

### Lobbying

GFT did not make any financial or non-financial political contributions in the reporting period. In accordance with the new German Lobbying Register Act ('Lobbyregistergesetz'), GFT entered itself in the public lobbying register of Germany's Federal Parliament ('Bundestag').

An overview of the memberships of all Group companies in industry associations, local business associations and other organisations can be found on our website at [www.gft.com/sustainability](http://www.gft.com/sustainability).

### Risks

We assess the negative impact of our business activities and social commitment on society as insignificant and the occurrence of society-related risks as relatively unlikely. We therefore assess social risks as low.

## Respect for human rights

The **Group's duty of care** to protect human rights is anchored in our Code of Ethics & Code of Conduct. We are committed to upholding, supporting, and respecting internationally proclaimed human rights in accordance with the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (SDG 8.7 und 8.8). As a signatory of the UN Global Compact (UNGC), we are also committed to upholding and promoting the 10 UNGC Principles.

GFT complies with internationally recognised standards and, in those countries where we have facilities, with the nationally applicable **labour and social standards** (see section 'Employees' > 'Employee rights'). We respect the **right to privacy** of our employees (SDG 16.10). This is regulated in our 'Data Privacy Policy for Handling Employee Data', which is part of the overarching Group Data Privacy Policy (see chapter 'Corporate governance', section 'Data protection').

## Society &amp; technology

**Further information**

on the Terms and Conditions of Purchase of the GFT Group can be found at [www.gft.com/int/en/supplier-information](http://www.gft.com/int/en/supplier-information)

Compliance with labour and social standards in the **supply chain** is important to us. In accordance with the Group-wide Purchasing Policy, priority is given in the selection of suppliers to those who pursue the promotion of human rights and environmental awareness. The Terms and Conditions of the GFT Group contain a Code of Conduct for Suppliers and Service Providers.

Our main suppliers are highly skilled IT specialists who support our core business. When purchasing services that serve business operations, we can influence compliance with environmental/social criteria. Due to the volume of our purchases, we see only limited opportunities to monitor our suppliers or influence their business practices when procuring IT (software, hardware, network services) as well as for indirect purchasing as a whole.

When monitoring our business partners (clients, partners, suppliers), human rights-related aspects are integrated into **third-party due diligence** (see section 'Compliance' in the chapter 'Corporate governance'). These include country risk analyses, as well as sector and company analyses, and are also a regular component of internal audits.

Before entering into business relationships and before establishing GFT locations in new regions, our Compliance Office conducts country-specific risk analyses and ad-hoc audits based on frameworks such as the World Justice Project's Rule of Law Index and the Human Freedom Index.

The Compliance Office also conducts systematic audits of existing business relationships. All business partners are regularly (daily to weekly) and automatically checked against sanctions and terrorism lists in our ERP system. In the event of human rights abuses, we are ultimately entitled to terminate the business relationship with immediate effect.

Further information on partnerships can be found in the management report (1.2 Business model) and on our website [GFT partners](#); on the supply chain in the notes to the consolidated financial statements (5.3 Expenses for purchased services, 5.5 Other operating expenses).

**Risks**

We assess the occurrence of human rights violations resulting from our business activities or in connection with the services we provide as relatively unlikely. We consider the impact to be insignificant. We therefore assess the overall risk of human rights violations as low.

## Corporate governance



## ┌ Corporate governance

30	<b>Compliance</b>
31	<b>Compliance Management System</b>
31	Anti-corruption and bribery
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Corporate governance



For further information please go to [unglobalcompact.org](http://unglobalcompact.org)



For further information please go to [www.gft.com/governance](http://www.gft.com/governance)

# Corporate governance

**GFT attaches great importance to responsible corporate governance geared towards sustainable value creation. We do not regard corporate governance as a rigid set of rules, but rather as a continuous, value-based process. Our compliance management system, taxes, IT security and data privacy play an important role in this process.**

We operate in a disruptive and multicultural environment that is changing extremely fast. Against this background, binding values and sustainable corporate governance are of crucial importance. Our common set of values summarises in 5 words what defines our identity as an innovative, customer- and employee-focused technology company. These **values** create a bond, express what we stand for and what distinguishes us from our competitors. In our daily work, they underpin our decisions, actions and behaviour and allow us to function as a true team.

These values form the basis for our **approach to good corporate governance**. We define sustainable corporate governance as achieving long-term profitable growth in line with our environmental and social objectives and in partnership with our stakeholders. We have been a member of the **United Nations Global Compact**, the world's largest voluntary initiative for sustainable corporate governance since 2019. The **17 Sustainable Development Goals (SDGs)** adopted by all UN member states in 2015 are part of the 2030 Agenda – a universal call to action to end poverty, protect the planet and improve the lives and prospects of people around the world.

We have identified 9 SDGs that have a direct impact on our business model and on which we focus predominantly to measure our sustainability progress. However, we see links to almost all of the SDGs in GFT's business activities, the local volunteering efforts of our employees that we support, and the systematic application of socially and environmentally responsible business practices. Our corporate strategy is geared towards long-term profitable growth and systematically takes into account environmental and social goals. Our 'resilient management systems' objective supports this strategy. We take sustainability

aspects into account in our management systems and continuously develop them further. Under the leadership of the Chief Operations Officer (COO), we began to systematically integrate data points for determining sustainability aspects into our data warehouse during the reporting period. We have developed an **ESG due diligence** process that helps us assess ESG risks and potential when making acquisitions, as well as in our relationships with clients, suppliers and partners.

For us, compliance with laws is not an objective, but a matter of course. A description of our Corporate Governance Principles can be found in the Corporate Governance Statement in our combined management report 2022.

## Compliance

We regard integrity as a crucial prerequisite for long-term success. Based on our corporate values, the **GFT Code of Ethics & Code of Conduct** pools the ethical principles and rules of behaviour for the GFT Group. These rules and guidelines are binding for all employees in all companies and countries. It is important to us that all employees know and understand these guidelines. This is our contribution to SDG 16.5 (Peace, Justice and Strong Institutions).



## Corporate governance



For further information  
please go to  
[www.gft.com/compliance](http://www.gft.com/compliance)

€0.00

Losses from legal proceedings due to  
anti-competitive behaviour

## Compliance Management System

The Administrative Board has appointed the Compliance Office to be responsible for Group-wide implementation of the compliance management system. The Chief Compliance Officer (CCO) reports regularly to the CFO, via quarterly reports to the Managing Directors and at least once a year to the Audit Committee of the Administrative Board.

The central aspects of our compliance programme relate to the prevention of bribery and corruption, as well as fraud, violations of competition law, money laundering and the financing of terrorism.

The Group-wide compliance-related guidelines are available via the intranet. In addition to the Code of Ethics & Code of Conduct, these include the Anti-Bribery & Corruption Policy, the Business Benefits Policy, the Conflict of Interest Policy and the Anti-Fraud Policy. In addition, the Antitrust Policy applies to employees in the areas of procurement and offer preparation. Employees who are entrusted with donations and sponsorship contracts are subject to the regulations of the Donation & Sponsorship Policy.

Employees are encouraged to report violations of laws and Group policies. In the event of suspected misconduct, the Compliance Office leads the investigation. Various communication channels are available for reporting: by post, by email, by telephone and online via the whistleblowing tool offered to all employees. This is a web-based channel whose technology ensures anonymous reporting with a two-way communication mechanism. GFT protects any whistleblower from adverse treatment or retaliation, such as dismissal, disciplinary action, threats or other forms of adverse treatment, if incidents are reported in good faith.

The Compliance Office regularly uses internal communication channels to raise awareness among employees. There is a mandatory online training course for all employees that covers all compliance-relevant areas: such as the structure of the compliance management system, guidelines and documents, principles and guidelines, and compliance risks. In addition, examples are used to explain when, why and how to contact the Compliance Office. Employees must complete compliance training within six months of joining GFT and thereafter in a two-year cycle. The training rate was 81% in 2022 (2021: 79%). The Compliance Office also trains relevant employee groups as needed. All employees are obliged to disclose potential conflicts of interest internally in order to avoid actual conflicts of interest.

In addition to regular monitoring of existing business relationships, new business partners are also reviewed on a risk basis. Existing business partners are subject to an automatic system-supported review.

In 2022, there were no legal proceedings pending due to anti-competitive behaviour or the formation of cartels and monopolies.

### Anti-corruption and bribery

We pursue a zero-tolerance approach to bribery and corruption, as set out in our Group-wide Anti-Bribery & Corruption Policy. We also expect our suppliers to comply with these guidelines.

In certain high-risk situations, such as invitations, entertainment and gifts from business partners, prior approval must be obtained from the Compliance Office under specified conditions to avoid corruption and bribery. The corresponding detailed regulations and threshold amounts are defined in our Business Benefits Policy.

The Compliance Office did not receive any reports of corruption and bribery violations in 2022.

### Risks relating to corruption and bribery

As the corresponding policies and approval processes are valid throughout the Group, we have defined a uniform framework and prevented any scope for interpretation. We assess the effects of corruption and bribery as moderate. Due to the measures described, we assess the occurrence as relatively unlikely. The risk is therefore low.

## Tax

For the GFT Group, tax payments are an integral part of responsible corporate governance. In accordance with its Group Tax Policy, GFT is committed to complying with applicable tax laws worldwide. In line with our values of CARING, COMMITTED and COLLABORATIVE, GFT management firmly believes that paying taxes is a social and ethical responsibility as well as a contribution to society in every country in which GFT operates.

Compliance with all national and international tax laws is ensured by taking appropriate measures, such as efficient, high-quality and reliable expertise, processes, systems, methods and controls. The tax strategy is geared towards a legally compliant, tax-optimised structuring of matters in Germany and abroad. GFT does not pursue aggressive, inappropriate tax arrangements and – in accordance with the performance principle – pays taxes in those places where it creates value. In doing so, it strives to maintain a cooperative, transparent and constructive relationship with the tax authorities.

## Corporate governance

## ISMS

Information Security Management system according to ISO/IEC 27001:2013

The Group's tax strategy defines the framework for action and is specified and implemented using organisational and content-related guidelines, regulations and instructions. In 2022, a Group-wide Tax Policy was adopted in which we commit to the following, among other things:

- Compliance with the spirit and wording of tax laws and regulations in the countries in which GFT operates
- No relocation of value creation to low-tax countries
- No use of tax structures without economic substance
- Setting of transfer prices in accordance with the arm's length principle
- No use of secret jurisdictions or so-called 'tax havens' to avoid taxes

The tax guidelines regulate the responsibilities, tasks and duties of persons acting on behalf of the GFT Group with regard to tax authorities, tax-related processes, the involvement of the Corporate Tax department in processes or matters, as well as reporting and documentation obligations. The tax guidelines set concrete implementation requirements for legal compliance and thus raise awareness of tax issues within the GFT Group. In accordance with our Code of Conduct, intentional violations of external and internal tax guidelines or the failure to rectify incorrectly processed transactions must be reported and pursued internally.

The GFT Group's risk management system is an integral part of the management structure and includes tax opportunities and risks. It serves to ensure compliance with legal regulations and to minimise the risk of regulatory infringements or to recognise them in good time. The Chief Financial Officer (CFO) is responsible for the centrally organised risk management system.

## Cybersecurity & Resilience

The ongoing trend of digitalisation, including but not limited to key technologies such as cloud computing requires businesses to ensure permanent access to data, IT systems and networks. Service outages can quickly cause high costs and reputational damage. Technical failure, human error, malicious attacks, and natural disasters are the main risk factors. Managing such risks is crucial to ensuring business continuity.

GFT has a resilient business model thanks to the following aspects:

- **Geographically and organisationally highly distributed delivery processes**  
Our network of international development centres can supply our clients at all locations. By taking advantage of all GFT capacities around the world, this model enables us to keep business continuity in the case of outages.
- **Cloud-based virtual desktop**  
Cloud-based applications in daily use enable access to all business-relevant data and information on any device, wherever an internet connection is available. This ensures the continuity of communication and collaboration processes in the case of internal infrastructure problems.

- **Hybrid working as standard**

Working from home (or 'working from anywhere') offers the same level of performance as working from GFT offices. Our appropriately sized, reliable, and secure remote working infrastructure enables business continuity in the case of technical or facility problems at our GFT premises.

The aim of our **information security management** is to protect the information and information processing systems of GFT, as well as of our clients and partners. Ultimately, it is about protecting the company, the employees, and its tangible and intangible assets. Our cybersecurity & resilience strategy comprises the components information security and business continuity.

### Information security

GFT operates an **Information Security Management System (ISMS)**, headed by the Chief Information Security Officer (CISO). It provides a framework for security policies and procedures which are binding for all company units. The ISMS is certified in the **ISO/IEC 27001:2013** standard for one GFT business unit. GFT applies this standard for information security management across the entire Group. In turn, this also provides confirmation to clients that we work in a professional manner in all areas and thus play our role in safeguarding the confidentiality, integrity and availability of the information we manage.

## Corporate governance

## Zero Trust

for the defence against  
cyberattacks

## BCM

Business Continuity Management  
System according to  
ISO 22301:2012

Effective **defence against cyber attacks** depends on the smooth interaction of people, technology and processes – and especially the ‘right’ behaviour of people. The rise of hybrid work in particular marks a new era of complex, distributed IT environments in which the ‘right’ behaviour of people is crucial. GFT applies the so-called **zero trust model**<sup>1</sup> and has vulnerability analyses conducted by third parties, including simulated hacker attacks.

Annual, mandatory **training** covers the topics of business continuity basics and information security enriched with current threats, countermeasures, and awareness-raising topics. Training attendance is recorded on an ongoing basis and thus successful participation is measured in a reliable way. We also inform and sensitise our employees in their daily work in order to make them aware of current threats to empower them to follow a **clear escalation process** in the event of anything suspicious.

GFT has a **Security Operations Centre (SOC)** monitoring our systems 24/7, coupled with an incident management process for incidents reported by our employees. In 2022, this model helped us avoid any catastrophic incidents and respond quickly to new vulnerabilities.

In the reporting period, the German subsidiary GFT Integrated Systems was **certified according to TISAX** (Trusted Information Security Assessment Exchange), a standard for information security in the automotive industry based on ISO 27001.

### Business continuity

**Business Continuity Management (BCM)** involves identifying and minimising risks arising from deliberate or accidental threats and their impact on central business processes and services. GFT has set up a Business Continuity Management System (BCMS), based on the principles of the **ISO22301:2012** standard. This ensures that business operations are maintained following the failure of, or damage to, vital services, facilities or staff. The main objectives of our BCMS are to assure that:

- Key services are identified and protected, thus ensuring their continuity
- GFT remains compliant with its regulatory and legal obligations, especially from client agreements
- Tangible and intangible assets (including GFT’s reputation) are protected in the case of incidents
- Staff are trained in such a way that they can respond effectively in emergencies or disruptions and receive adequate support and information
- Incident management and processes to recover IT services (disaster recovery) will be enabled and provide an effective response.

We test our business continuity and disaster recovery plans on an annual basis. In specific project business and depending on customer requirements, additional business continuity requirements are integrated and/or implemented on a project-specific basis as far as possible in consultation with the customer.

In February 2020 – for the first time in GFT’s history – the Group-wide Business Continuity Plan was formally activated in order to deal with the impacts of the COVID-19 outbreak. This involved activating the **Operational & Emergency Response Teams (OERTs)** at local and global level. Their objective was to take all necessary measures to ensure the safety of our staff and the smooth continuation of client projects. The OERTs are responsible for coordinating our response in the event of a disruption to GFT’s services. The Global OERT, headed by the Chief Operating Officer (COO), is the ultimate decision-making authority in such cases. It is responsible for evaluating and responding to business continuity incidents that affect the Company as a whole. It coordinates the local OERT committees in the countries. These are responsible for the command and control of all aspects of a crisis in their country.

The Group-wide business continuity plan was formally deactivated at the end of September 2022.

### Cybersecurity

GFT operates in highly distributed and networked system environments in which the global internet is an essential component. Therefore, threats from the cybersecurity environment are nothing new for GFT and are an integral part of information security management (ISMS) and business continuity management (BCMS).

<sup>1</sup> The ‘zero trust’ principle means that no user, no device and no application is trusted without verification. Without exception, all access to company resources or services, whether from internal or external sources, is permanently monitored and checked.

## Corporate governance

## Data Protection & Privacy

We consider Data Protection as an integral part of everyday business operations.

To defend against cyber attacks, the threats are regularly evaluated and appropriate countermeasures are implemented. These include technical, administrative and organisational initiatives. In addition to preventive measures, it is essential to recognise attacks and have reactive measures in place. Should an incident occur, our approach includes, but is not limited to:

- Enabling communication between teammates
- Setting up an alternative basic infrastructure
- Keeping key internal services running
- Capability to conduct specialised forensic analyses
- Pre-defined recovery strategies

The findings of the security authorities and Microsoft (our main cloud provider) on existing attack scenarios are continuously fed into the monitoring system to assess, detect, prevent and respond to cyber threats.

### Data Protection & Privacy

The Data Protection & Privacy Policy of the GFT Group is rooted in respect for human rights and dignity, and corresponding law to foster trust in the digital transformation. It is based on the following pillars:

- **GFT Group Data Protection Team** which facilitates uniform data protection practices within the Group and at the interfaces with clients, partners and suppliers.
- **GFT Group Data Protection Policy & Guidelines** which establish an adequate and common level of data protection within the GFT Group and its interfaces to clients, suppliers and partners.
- **GFT Group Data Sharing Framework** which provides a legal framework for the safe and lawful transfer of personal data within the GFT Group.
- **GFT Group Data Protection Training & Awareness** which facilitates the application of GFT Group Data Protection Policy & Guidelines into everyday business operations.
- **GFT Group Data Protection Incident Handling** which aims at the early identification and mitigation of any risk which may result from the violation of Information Security and Data Protection Standards.
- **GFT Group Privacy by Design Approach** which fosters the awareness as well as early identification and treatment of privacy related risks in GFT's software development activities.

#### GFT Group Data Protection Team

The Chief Privacy Officer (CPO) leads the GFT Group Data Protection Team & Network whose members are facilitating the integration of data protection into GFT's everyday business operations at group and local level, in GFT internal and external client facing activities and driving uniform data protection practices within the Group and at the interfaces with clients, partners and suppliers (SDG 16.10).

The Chief Privacy Officer, his deputies and Function Privacy Officers take care of data protection requirements on group level. Local Privacy Officers take care of data protection requirements on local level and/or on behalf of the Chief Privacy Officer. All Privacy Officers are assembled in the Privacy Officer Committee which represents the core element of the GFT Group Data Protection Team and serves as a bridge between Group Data Protection and Local Data Protection.

Privacy Engineers are responsible for privacy related topics in engagements/proposals to which they were assigned to. They might also be asked for an opinion by the Function/Local Privacy Officers in cases where their technical expertise would be required. Together they form the Privacy Engineer Community with a leader in Privacy Engineering directing its overall development.

#### GFT Group Data Protection Policy & Guidelines

The GFT Group Data Protection Policy & Guidelines are based on the GFT Group Values and the GFT Group Data Protection Statement 'We consider Data Protection as an integral part of everyday business operations'. The objective of the GFT Group Data Protection Policy and Guidelines is to establish and maintain an adequate and common level of data protection within the GFT Group and at GFT Group's interfaces to clients, suppliers, and partners. The scope of the GFT Group Data Protection Policy covers all types of GFT Group operations in all business functions and processes, all legal units directly or indirectly affiliated with GFT Technologies SE, all countries where GFT Group is maintaining operations (SDG 16.10). In particular, the GFT Group Data Protection Policy and Guidelines are relevant for those countries which do not have in place data protection related legislation and/or an acceptable level of data

## Corporate governance

80%

training rate Data Protection

Protection. We want to ensure efficient and standardised processing in compliance with legal requirements and in recognition of the rights and freedoms of the data subjects in support of a global operations model. We conduct internal audits of the data protection policy compliance and have integrated data protection & privacy as a regulatory risk in GFT's group-wide risk and compliance management.

#### GFT Group Data Protection Training and Awareness

The application of GFT Group Data Protection Policy & Guidelines into everyday business operations is facilitated by GFT Group Data Protection Training & Awareness Measures. The training strategy for data protection consists of a mandatory set of training courses called "Data Protection Foundation" and is complemented by optional trainings which are tailored to specific topics and/or job roles (e.g., Privacy Engineers). The completion of 'Data Protection Foundation Training' is mandatory for all employees and contractors across all divisions and countries (even in countries where there are no legal requirements). Both mandatory and optional Data Protection Training measures contain a quiz of which a specified percentage of the questions must be answered correctly to pass successfully. In 2022, the training rate was 80% (2021: 67%) despite the exponential growth of the GFT workforce.

As we consider data protection to be an integral part of everyday business operations, we go beyond an annual mandatory training. An internal awareness campaign on our global communication channel

highlights specific aspects of data protection and information security. Other training programmes and awareness measures are added as appropriate if required by client needs, regulatory developments, organisational changes or need to tailor some topic to a specific audience.

#### GFT Group Data Sharing Framework

The digitalisation of business processes is accelerating, as is the adoption of cloud-based tools and other modern technologies. Common standards are needed to regulate the increasing sharing and transfer of personal data between different GFT entities from different countries, continents, legal regimes and jurisdictions. It is necessary to ensure legal compliance and security for many processes, which are subject to constant change and development, associated with the Group's dynamic business activities. In response, the GFT Group has implemented a unified and easily adjustable approach to sharing of personal data within the group: The GFT Group Data Sharing Agreement provides a modular legal framework for the safe and lawful transfer of personal data within the GFT Group by binding all GFT legal units to the highest standards in Data Protection even in countries which do not have in place a Data Protection related legislation and/or an acceptable level of Data Protection.

#### GFT Group Data Protection Incident Handling

A personal data breach may, if not addressed in an appropriate and timely manner, result in physical, material or non-material damage to natural persons

such as loss of control over their personal data or limitation of their rights, discrimination, identity theft or fraud, financial loss, damage to reputation or any other significant economic or social disadvantage. Therefore, GFT has established a global Information Security and Data Protection Incident Handling Process which obligates every GFT employee to report any event which may lead to a data breach without hesitation. A qualified team will respond quickly to the reporter of the event, check to which extent information security and data protection standards have been compromised and implement an action plan to prevent high risks for the rights of potentially affected individuals. In 2022, there were no critical Data Protection Incidents. However, there was one remarkable Data Protection Incident which was externally visible, falling into the category of a 'substantiated complaint'<sup>1</sup> as described by the GRI. In 2022, all data protection incidents, including the aforementioned remarkable one, have been successfully managed and any high risks of harm to individuals been prevented.

#### GFT Group Privacy by Design Approach

With 'Privacy by Design', all data protection requirements are to be integrated into IT systems right from the start, in the so-called design process. Our Privacy by Design approach is defined in the GFT Group Data Protection Policy in general and more specifically in Guidelines on 'Algorithmic Transparency and Accountability', 'Pseudonymization', and 'Privacy by Design'. Privacy by Design is relevant for GFT from an internal processing perspective as well as from a client perspective. As a producer of the products,

<sup>1</sup> According to GRI Disclosure 418-1 (2016), "substantiated complaint" is defined as "written statement by regulatory or similar official body addressed to the organization that identifies breaches of customer privacy, or a complaint lodged with the organization that has been recognized as legitimate by the organization".

## Corporate governance

services and applications, GFT considers the relevance of Privacy by Design when developing and designing such products, services and applications with due regard to the state of the art. GFT ensures that stakeholders of such products, services and applications have the possibility to express Privacy by Design related expectations and that these expectations are fed into developing and designing process. At GFT, specifically trained privacy engineers are implementing GFT's approach to Privacy by Design in relevant projects. In 2022, a Group-wide campaign was launched to foster awareness for Privacy by Design. For more details about this initiative in 2022 and further plans in 2023, please refer to chapter 'Technology development and responsibility'.

Stuttgart, 23 March 2023

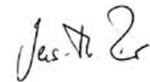
GFT Technologies SE  
The Managing Directors



**Marika Lulay**  
Chief Executive Officer



**Dr. Jochen Ruetz**  
Chief Financial Officer



**Jens-Thorsten Rauer**  
Group Chief Executive –  
Central & Western Europe







## GRI content index

Tab. 21 Total work force (as of 31/12/)

Proportion of work force in %	2022	2021	2020
Heads	9,082	7,944	5,986
FTE	8,842	7,718	6,172

Tab. 22 Employees with temporary contracts

	2022	2021	2020 <sup>1</sup>
Proportion of work force in %	4	4	3
thereof women	104	76	50
thereof men	247	221	50

Tab. 23 Part time rates in the GFT Group

	2022	2021 <sup>1</sup>	2020 <sup>1</sup>
Proportion of work force in %	5	6	5
thereof women (persons)	163	161	62
thereof men (persons)	208	111	38
Proportion of female staff in % (in relation to total female staff)	13	11	11
Proportion of male employees in % (in relation to total male staff)	3	2	2
Proportion of all managers in %	2	2	2
thereof women (persons)	43	43	43
thereof men (persons)	71	71	71
Proportion of female managers in % (in relation to all female managers)	2	3	3
Proportion of male managers in % (in relation to all male managers)	1	1	1

Tab. 24 GRI SRS 401-3 (2016) Parental leave

	2022	2021 <sup>2</sup>	2020 <sup>1</sup>
Total number of employees on parental leave (headcount)	967	351	308
thereof women	716	242	117
thereof men	251	109	191

Tab. 25 GRI SRS 403-2 (2016) Sick leave rate

	2022	2021	2020 <sup>1</sup>
Sick leave rate (average days per employee)	3.3	2.9	3.8

<sup>1</sup> The data were collected for the 5 largest GFT Group companies (Brazil, Germany, Italy, Poland, Spain). They represent over 80% of the GFT work force.

<sup>2</sup> The data were collected for the 9 largest GFT Group companies (Brazil, Canada, Germany, Italy, Mexico, Poland, Spain, UK, USA). They represent 97% of the GFT work force.

## GRI content index

GFT Technologies SE has reported the information cited in this GRI content index for the period 01/01/2022 – 31/12/2022 with reference to the GRI Standards.

Tab. 26 GRI content index

GRI Standard		Reference to reports* (page), links, comments
<b>General Disclosures</b>		
2-1	Organizational details	Notes to the Consolidated Financial Statements, General Information AR: 75, Composition of the Group AR: 93, Shareholder Structure AR: 20) <a href="https://www.gft.com/int/en/about-us/investor-relations/share">https://www.gft.com/int/en/about-us/investor-relations/share</a>
2-2	Entities included in the organization's sustainability reporting	NfR: 5, 7, AR: 23 ff
2-3	Reporting period, frequency and contact point	NfR: 5 yearly, 38 date of publication
2-4	Restatements of information	No significant changes in the year under review compared to previous years
2-5	External assurance	NfR: 5 No external audit was carried out in the 2022 reporting year.
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	Industry: NfR: 7, Business model (AR: 23 ff), Partnerships <a href="https://www.gft.com/int/en/partners">https://www.gft.com/int/en/partners</a> Value chain: Supply chain (NfR: 28), expenses for purchased services, other operating expenses: Notes to the Consolidated Financial Statements (AR: 113)
2-7	Employees	AR: 4
2-8	Workers who are not employees	NfR: 24, Analyst presentation Preliminary figures 2022, slide 18 <a href="https://www.gft.com/dam/jcr:bfa01ab9-e4f5-43bd-9424-da5241158e6b/gft-preliminary-figures-fy-2022.pdf">https://www.gft.com/dam/jcr:bfa01ab9-e4f5-43bd-9424-da5241158e6b/gft-preliminary-figures-fy-2022.pdf</a>
<b>Governance</b>		
2-9	Governance structure and composition	Management structure: Corporate Governance Declaration (AR: 61 ff), Members: (AR: 18), <a href="http://www.gft.com/administrative-board">www.gft.com/administrative-board</a>
2-10	Nomination and selection of the highest governance body	Elected by Annual General Meeting: Corporate Governance Declaration (AR: 66), Objectives for composition, independence, competence profile: Corporate Governance Declaration (AR: 66 f)
2-11	Chair of the highest governance body	Chairman of the Administrative Board (AR: 60), <a href="http://www.gft.com/administrative-board">www.gft.com/administrative-board</a>
2-12	Role of the highest governance body in overseeing the management of impacts	NfR: 7, Principles and recommendations GCGC Corporate Governance Declaration (AR: 59 f), Identification of material non-financial aspects and risks (NfR: 8 f), Risk report (AR: 39 ff)
2-13	Delegation of responsibility for managing impacts	NfR: 7, Remuneration system for the Managing Directors (p. 4), Remuneration Report 2021 (p. 4 f, 8) <a href="http://www.gft.com/governance">www.gft.com/governance</a>
2-14	Role of the highest governance body in sustainability reporting	Dealing with CSR strategy, status implementation CSR strategy, AR: 14, 16 f review of the NfR by the Administrative Board, review obligation pursuant to section 47 (3) SEAG in conjunction with section 171 (1) sentence 4 AktG, Managing Directors: Reporting obligation pursuant to §§ 315b and 315c HGB in conjunction with §§ 289c to 289e HGB
2-15	Conflicts of interest	Conflicts of interest and their treatment: Report of the Administrative Board (AR: 15)
2-16	Communication of critical concerns	Risk management system (AR: 39 ff), whistleblowing tool (NfR: 32)
2-17	Collective knowledge of the highest governance body	Education and training (AR: 15 f), Competence profile: Corporate Governance Declaration (AR: 66)
2-18	Evaluation of the performance of the highest governance body	Self-assessment according to recommendation D.12 GCGC: Corporate Governance Declaration (AR: 63), Report of the Administrative Board (AR: 16)
2-19	Remuneration policies	Remuneration systems for the Administrative Board and Managing Directors, annual remuneration report on the implementation of remuneration systems: <a href="http://www.gft.com/governance">www.gft.com/governance</a> No published information on the remuneration system for managers below the Managing Directors

## GRI content index

GRI Standard		Reference to reports* (page), links, comments
2-20	Process to determine remuneration	Remuneration report <a href="http://www.gft.com/governance">www.gft.com/governance</a> , employee representatives are involved in accordance with national regulations
2-21	Annual total compensation ratio	Remuneration Report <a href="http://www.gft.com/governance">www.gft.com/governance</a> , currently no publication of country-specific disclosures
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	NfR: 7 f (sustainability strategy), 27 f (human rights), 26 (equal pay), 30 (values), 26 f, 34 ff (data protection & privacy)
2-23	Policy commitments	AR: 62NfB: 27 f, 30 ff GFT Code of Ethics & Code of Conduct <a href="https://www.gft.com/de/de/about-us/corporate-governance/Compliance">https://www.gft.com/de/de/about-us/corporate-governance/Compliance</a>
2-24	Embedding policy commitments	AR: 62NfB: 27 f, 30 ff GFT Code of Ethics & Code of Conduct <a href="https://www.gft.com/int/en/about-us/corporate-governance/Compliance">https://www.gft.com/int/en/about-us/corporate-governance/Compliance</a>
2-25	Processes to remediate negative impacts	Employee representatives (NfR: 24), anti-discrimination (NfR: 25), non-financial risks (NfR: 8 ff), risk management system (AR: 39 ff), whistleblowing (NfR: 31), cyber security & resilience (NfR: 32 ff), data protection & privacy (NfR: 34 ff)
2-26	Mechanisms for seeking advice and raising concerns	Employee representatives (NfR: 24), anti-discrimination (NfR: 25), non-financial risks (NfR: 8 ff), risk management system (AR: 39 ff), whistleblowing (NfR: 31), cyber security & resilience (NfR: 32 ff), data protection & privacy (NfR: 34 ff)
2-27	Compliance with laws and regulations	NfR: 31
2-28	Membership associations	<a href="http://www.gft.de/nachhaltigkeit">www.gft.de/nachhaltigkeit</a> , register entry GFT Technologies SE – Lobby register at the German Bundestag: <a href="https://www.lobbyregister.bundestag.de/suche/R004568">https://www.lobbyregister.bundestag.de/suche/R004568</a> (At the time of reporting, the current entry in the lobby register refers to the financial year 2021, update for financial year 2022 will take place mid-May 2023)
2-29	Approach to stakeholder engagement	NfR: 7f, Employees: NfR: 23 f, Customers: Value Creation (NfR: 7f, 15), Global Delivery Model (AR 23, 50), climate targets (NfR: 20 f), GreenCoding (NfR: 16), Privacy Engineering (NfR: 26 f, 35 f), Cybersecurity (NfR: 32 ff), Data Protection (NfR: 34 ff), Shareholders: Letter to our Shareholders (AR 10 ff), GFT on the Capital Market (AR 19 ff), <a href="http://www.gft.com/ir">www.gft.com/ir</a>
2-30	Collective bargaining agreements	NfR: 24
<b>Disclosures on material topics</b>		
3-1	Process to determine material topics	NfR: 8 f, AR: 41 f Risk assessment
3-2	List of material topics	NfR: 8 f
<b>Corporate Governance</b>		
3-3	Management of material topics	Ethical standards and rules of conduct, compliance management system, taxes, IT security, data protection
<b>Anti-corruption</b>		
205-1	Operations assessed for risks related to corruption	Through our Compliance Office, we check all locations for corruption risks
205-2	Communication and training about anti-corruption policies and procedures	Internal communication, mandatory online training for all employees, needs-based training, training quota (NfR: 31)
205-3	Confirmed incidents of corruption and actions taken	NfR: 31 No incidents were reported in the year under review.
<b>Anti-competitive Behavior</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	NfR: 31 No investigations or proceedings were initiated during the year under review

## GRI content index

GRI Standard		Reference to reports* (page), links, comments
<b>Tax</b>		
207-1	Approach to tax	NfR: 31 f
207-2	Tax governance, control, and risk management	NfR: 31 f, AR: 33, 89 ff, 99 f, 114f AR: 39 ff Risk management system, risks AR: 42, 48 f
207-3	Stakeholder engagement and management of concerns related to tax	NfR: 31 f
207-4		AR: 51 f Individual Financial Statements of GFT Technologies SE (HGB)The tax expenses of the GFT national companies (AR: 93 scope of consolidation) are included in the consolidated financial statements, AR: 33, 88 f, 98 f, 113 f, 117
<b>Public Policy</b>		
415-1	Political contributions	Indirect contributions <a href="https://www.lobbyregister.bundestag.de/suche/R004568">https://www.lobbyregister.bundestag.de/suche/R004568</a> (At the time of reporting, the current entry in the lobby register refers to the financial year 2021, update for financial year 2022 will take place mid-May 2023)
<b>Environment</b>		
3-3	Management of material topics	NfR: 15 Environmental Directive, IT infrastructure, NfR: 16 sustainable software design, NfR: 16 ff greenhouse gas emissions, NfR: 20 climate targets, risks: AR: 39 ff risk management, AR: 14, 16 f review of the NfR by the Administrative Board
302-1	Energy consumption within the organization	NfR: 18 environmental data refer to the financial year 2021
302-3	Energy intensity	NfR: 18 f Environmental data refer to the financial year 2021
305-1	Direct (Scope 1) GHG emissions	NfR: 17 f Environmental data refer to the financial year 2021
305-2	Energy indirect (Scope 2) GHG emissions	NfR: 17 f Environmental data refer to the financial year 2021
305-3	Other indirect (Scope 3) GHG emissions	NfR: 18 f Environmental data refer to the financial year 2021
305-4	GHG emissions intensity	NfR: 19 environmental data refer to the financial year 2021
<b>Employees</b>		
3-3	Management of material topics	NfR: 15 Human Resources Strategy, AR: 25 ff Human Resources Management, NfR: 25 Health and Work-Life Balance, AR: 14, 16 f review of the NfR by the Administrative Board
<b>Employment</b>		
401-1	New employee hires and employee turnover	NfR: 24
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	We do not distinguish between full-time and part-time. There are location-specific employer benefits.
401-3	Parental leave	NfR: 47 No uniform information on return rate possible due to different national regulations
<b>Labor / Management Relations</b>		
402-1	Minimum notice periods regarding operational changes	National differences in regulations; all legal deadlines are respected
<b>Occupational Health and Safety</b>		
403-1	Occupational health and safety management system	NfR: 25 GFT Health & Safety Policy, AR: 39 ff Risk management system Due to the different national regulations, there is no Group-wide occupational health and safety management. All GFT subsidiaries offer health-related measures and comply with national requirements for occupational safety and health.

## GRI content index

GRI Standard		Reference to reports* (page), links, comments
403-2	Hazard identification, risk assessment, and incident investigation	NfR: 25 GFT Health & Safety Policy, AR: 39 ff Risk management system
403-3	Occupational health services	NfR: 25 GFT Health & Safety Policy Due to the different national regulations, there is no Group-wide occupational health and safety management. All GFT subsidiaries offer health-related measures and comply with national requirements for occupational safety and health.
403-4	Worker participation, consultation, and communication on occupational health and safety	NfR: 24, 25
403-5	Worker training on occupational health and safety	Compulsory training due to differences in national regulations in some countries
403-6	Promotion of worker health	NfR: 25
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	NfR: 25, NfR: 33 Business Continuity Management System, AR: 39 ff Risk management system
403-8	Workers covered by an occupational health and safety management system	NfR: 25 GFT Health & Safety Policy Due to the different national regulations, there is no Group-wide occupational health and safety management. All GFT subsidiaries offer health-related measures and comply with national requirements for occupational safety and health.
403-9	Work-related injuries	NfR: 47 sickness rate – all days lost due to illness (working days) are taken into account; due to widely differing national regulations, there is no uniform Group-wide recording of work-related injuries.
403-10	Work-related ill health	NfR: 26 the main types of work-related diseases, cf. 403-9
<b>Training and Education</b>		
404-1	Average hours of training per year per employee	NfR: 23 A distinction by category cannot be made at present
404-2	Programs for upgrading employee skills and transition assistance programs	NfR: 23 Technology Competence, Accelerated Leadership, NfR: 16 GreenCoding, NfR: 26 f Privacy Engineering, no transitional assistance programmes available, appropriate support in individual cases
404-3	Percentage of employees receiving regular performance and career development reviews	NfR: 24
<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	AR: 66, 69 Diversity concept for the Administrative Board and Managing Directors Employees: NfR: 23 f, 47 NfR: 22 career model
405-2	Ratio of basic salary and remuneration of women to men	AR: 113 Personnel expenses, a distinction by gender/category cannot be made at present
<b>Non-discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	NfR: 25
<b>Human Rights</b>		
3-3	Management of material topics	NfR: 27 f Due diligence, labour and social standards, purchasing conditions, NfR: 27 employee data protection, NfR: 34 f data protection, NfR: 26 f, 35 f Privacy by design, AR: 14, 16 f review of NfR by the Administrative Board
<b>Freedom of Association and Collective Bargaining</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We are not aware of any business processes or suppliers that involve a significant risk here.
<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	We are not aware of any business processes or suppliers that involve a significant risk here.

## GRI content index

GRI Standard		Reference to reports* (page), links, comments
<b>Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	We are not aware of any business processes or suppliers that involve a significant risk here.
<b>Information Security&amp;Data Privacy</b>		
3-3	Management of material topics	NfR: 32 Information Security Management System (ISMS) according to ISO/IEC 27001:2013, NfR: 33 f Defense against Cyberattacks, NfR: 33, 34 Zero Trust Model, NfR: 33 Security Operations Centre (SOC), Business Continuity Management System (BCMS) according to ISO 22301:2012, NfR: 34 f Data Protection, NfR: 35 f Privacy by Design
<b>Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	NfR: 35, the incident was successfully managed, thus preventing all high risks of harm to individuals.

\* AR = Annual Report (financial year 2022), NfR = Non-financial Report (financial year 2022)

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### Further information

Our Investor Relations team will be happy to answer any questions you may have. Or visit our website at [www.gft.com/sustainability](http://www.gft.com/sustainability). There you will find further information on sustainability in the GFT Group and on our ESG performance.

The non-financial group report 2022 is also available in German on [www.gft.de/nachhaltigkeit](http://www.gft.de/nachhaltigkeit).

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