



CSR Report

2022



The Retail Innovators

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Corporate Social Responsibility Report from GK Software

Comments on the reporting standard

This report relates to the year 2022. It deals with the twenty criteria in the German Sustainability Code and the additional non-financial performance indicators established by EFFAS (European Federal of Financial Analysts Societies).

Assessment of taxonomy eligibility

As part of the European Green Deal, the EU Commission has initiated the plan of action for sustainable growth, the purpose of which is to divert capital flows into sustainable investments. In light of the above, EU Taxonomy – a regulation designed to form a standardised and legally binding classification system that would allow economic activities to be considered as taxonomy-aligned and environmentally sustainable – was put into force by the EU mid 2020. As a company obligated to non-financial reporting, we analysed our activities as to their eligibility for and compliance with taxonomy in 2022, in accordance with Taxonomy Regulation 852/2020. The first two environmental goals (climate protection and adapting to climate change), for which delegated acts that provide descriptions of relevant activities and technical assessment criteria already exist, are of relevance for the 2022 reporting year. By describing economic activities in the delegated acts, the

Taxonomy Regulation defines which activities are basically eligible for taxonomy. For the Group, these descriptions were used as a basis for assessing whether and to what extent the economic activities are eligible for taxonomy. According to the Regulation's classification system, "8.1 Data processing, hosting and related activities" in relation to climate protection and "8.2 Provision of information technology services" in relation to adaptation to climate change are the only activities in the GK Software business model that are relevant. The taxonomy-eligible economic activities were subsequently checked by GK for taxonomy compliance. The check procedure from the legal framework of EU Taxonomy was used for this purpose. This includes the technical assessment criteria and observing the minimum social standard. At present, in view of the lack of proof to date that the technical assessment criteria have been met, no economic activities, whether taxonomy compliant or not, can be disclosed for the 2022 reporting year. A comprehensive analysis to present performance indicators on the taxonomy-eligible and/or taxonomy-compliant proportion of turnover, investment expenditure (CapEx) and operational expenditure (OpEx) is currently still in progress. A presentation of the performance indicators is planned for the 2023 reporting year.

General information about the Company

GK Software SE is a publicly listed technology firm with its headquarters in Schöneck in the Saxon Vogtland region. The Company has developed into a leading global provider of comprehensive store solutions since it was founded more than 30 years ago. The most important conditions for this have been the high degree of continuity in management as well as motivated and very capable employees.

With more than 540,030 installations, of which 429,256 are in the CLOUD4RETAIL sector, in around 66,000 stores in 59 different countries, GK Software¹ is one of the most important providers in the international market for store solutions. The Company's business model consists of licence sales, software as a service, extensive modification and customising services, software maintenance and a wide variety of other services. The GK Academy also generates turnover by training partners and customers and by certifying hardware. The Company has global business operations and currently generates most of its turnover in Europe, followed by North and Central America as well as South Africa. The business model is designed for further expansion in all the developed retail markets around the globe. A sales partnership has existed with SAP since 2009; as part of this,

¹ The expression GK Software always refers to the corporate Group in the following text. "The Company" is also used as a synonym. Where the name "GK Software SE" or "GK" is used, this refers exclusively to the individual company.

many of the range of solutions provided by GK Software SE are sold by SAP in its own name; it is then responsible for these sales. Since 2021, further partnerships have been added, including with Microsoft, IBM and AWS.

The GK Group has grown strongly both organically and inorganically since its listing on the stock exchange in 2008. Solquest GmbH was taken over in 2009, AWEK GmbH in 2013, the retail division of DBS Inc. in the USA in 2015, the majority of the shares in prudsys AG in 2017, and valuephone GmbH in 2018. Alongside several branches in Germany, the following wholly owned subsidiaries are part of the Group: Eurosoftware s.r.o. in the Czech Republic, StoreWeaver GmbH in Switzerland, TOV Eurosoftware-UA in Ukraine, GK Software Africa (Pty) Ltd. in South Africa, GK Software USA Inc., GK Software SE France, OOO GK Software RUS (in liquidation), GK Group IT Solutions GmbH (formerly AWEK GmbH), retail7 GmbH and DF Deutsche Fiskal GmbH. With GK Software Asia Pte. Ltd. in Singapore and GK Software Australia Pty. Ltd. in Melbourne, 2022 saw the establishment of two further national companies. The latter two companies are still in the process of being established and serve to both further develop sales in the respective countries and their environment and build up local project organisations. Additionally, Tannenhause UG and GK Kita Pixel Kindertagesstätte gUG are wholly-owned subsidiaries of the Group, but are not directly part of the core operating business.

The Company's headquarters have been situated in Schönebeck in the Saxon Vogtland region since it was founded. The Management Board, a great deal of the administration work and many other important divisions are based at the Company's largest business site there. The second-largest business site is the development base in Plzeň, which has already existed for more than 25 years.

Note on the declaration of compliance

The masculine form has been exclusively used in texts to make it easier to read the material. What is written applies equally to all sexes.

1. Strategic analysis and measures

Disclosing whether a sustainability strategy is being followed and what specific measures are being adopted in order to operate in accordance with the essential and recognised, domestic and international standards for the specific sector.

GK is a rapidly growing IT company operating in a forward-looking market that is subject to enormous changes. In this field, the Company views a corporate management system, which is geared to the long term, as an important foundation stone in order to maintain its leading position in the market in future too.

The corporate managers are fully aware that constant growth brings with it an increasing degree of responsibility in ecological and social terms. The whole issue of corporate responsibility is understood to involve three dimensions – **economic, social and ecological responsibility** – as potential for further increasing its competitiveness.

In order to safeguard corporate **economic** success and the Company's expansion strategy, recruiting and retaining personnel and extensive accompanying measures within the Active Balance programme form a particularly important element in the Group's corporate social responsibility (CSR) strategy. Attempts are being made through a variety of measures in the regions, in which the Company is actively involved, to continue to strengthen the recognition and image of the Company as an attractive employer. This particularly applies to the Company's headquarters in Schönebeck and the most important development business site in Plzeň. In addition to successfully attracting employees, the management team's attention is strongly focused on ensuring respectful and trusting dealings with each other and pleasant working and living conditions so that all the employees feel at home and can identify with the firm. The deliberate process of creating a positive employer brand was therefore launched in 2015, supported by its own "Active Balance" label.

GK Software therefore believes that it has a strong **social responsibility** in the regions where it is active as a company. This particularly applies to the Vogtland/South-West Saxony region, which is located far from large cities and strongly depends on the involvement of local companies. The Company also intends to accept this responsibility in future.

As a firm geared towards producing software, the Company consumes or uses natural resources to a lesser degree than firms that directly manufacture material goods or articles. Its focus is therefore on using as little energy and fuel as possible and handling waste in an eco-friendly manner or disposing of used electronic devices in an appropriate way. Even when constructing new buildings or redeveloping older ones, attention is paid to the need to comply with high **ecological standards**.

With its Code of Conduct, GK Software SE guarantees that it complies with the applicable laws and legislation of all countries in which it operates. It gives its employees clear-cut principles on how to act fairly, with integrity and in compliance with the law. In view of the CSR report, our Code of Conduct also takes important economical, social and environmental issues into account. We feel bound to the overarching national and international standards in order to comply with these issues. The growing demand for internal and external

whistleblower systems is also taken into account in the version of the Code of Conduct revised in 2022.

The topics of economical and social responsibility were also of particular significance in 2022, as the first half of the year was still very much dominated by the coronavirus pandemic. GK Software SE shouldered this responsibility. On the one hand, through the quick reaction of corporate management: For the protection of its employees, the Management Board issued a directive in mid March 2020 already, asking all employees who could to work from home. The technology necessary to work from home was provided ad hoc, the technical requirements for mobile working were already in place before the pandemic. At the same time, an in-house coronavirus task force was formed; its purpose was to keep employees updated about the valid guidelines and measures regarding the coronavirus situation and, on the other hand, to monitor compliance with these. These measures proved to be very effective, and we were able to prevent any major outbreaks that could have been attributed to working in the office environment. The combination of working from home as well as in the office was maintained, allowing employees to work according to their needs.

The Company also provided face masks, disinfectants and rapid test kits free of charge throughout the entire Group; from an early stage, FFP2 masks were also made available to employees at increased risk of expo-

sure (e.g., technical support). Signs with access regulations and rules of conduct were posted throughout the Company's premises, employees were prohibited from sharing equipment or were only allowed to do so on the condition that it was disinfected immediately afterwards.

From a social viewpoint, the Company offered support to families, particularly in the form of even more flexible working hours. Consideration was shown for those employees who had the double burden of having to look after or home-school their children while the schools and day-care facilities were closed, as well as doing their own work. The Company always paid full salaries, even for reduced working hours.

In light of the above, the coronavirus situation ultimately had an impact on the environmental aspects of corporate responsibility as well: This is demonstrated by the sharp drop in daily commutes to the workplace and the business trips and in-person events that did not occur. Considerably fewer rental cars or flights were booked from the second quarter of 2020. This meant that the Company was able to reduce its environmental footprint because of the lower CO2 emissions. As more work was done from home in 2022, less office space was needed, with the result that the contract for rented premises at the St. Ingbert business site was cancelled and the floor-space in Berlin was reduced in the medium term.

It is expected that more and more employees will use the shared-desk system in future too. Working from home also had a positive effect in terms of saving resources: The electricity and heating bills were lower, and less waste was produced.

2. Materiality

Disclosing which aspects of in-house business activities have a major effect on aspects of sustainability and what major effect the aspects of sustainability have on the business activities. Analysis of the positive and negative effects and indication of how this knowledge into in-house processes.

In the area of sustainable corporate responsibility, GK focuses essentially on four fields of activity, which are systematically managed.

The first field of activity is the area of market leadership. GK Software aspires to be one of the world's leading providers of store solutions. This requires innovative capability, top technical skills and the appropriate development resources. The skills and expertise of employees are the most important factors in this field of activity.

The second field of activity therefore fittingly involves gaining and retaining employees. This is producing the greatest challenges as a result of the effects of demo-

graphic change. The Company is therefore using a mix of extensive recruiting measures, strengthening its own employer brand and making available many services for employees in the form of further training, recreational activities and even preventive health care and measures to make everyday life easier.

In the regional ties field of activity, GK Software believes that it needs to also become involved in activities outside its direct corporate field as a strong employer in the region. As a result, measures, which have a positive effect on the further corporate environment of GK, are summarised in this field of activity. They include the constantly expanding relations with universities and schools, support for the SüdWestSachsen Digital e.V. network (South-West Saxony Digital Network), sponsorship of cultural associations, athletes and sports teams and support for the Skiwelt Schöneck ski resort.

One key topic in the area of environmental corporate responsibility is the continuous improvement of the Company's energy efficiency. As a result, the environmental field of activity has the primary goal of reducing the Company's energy requirements. Increasing demand as a result of the Company's permanent growth naturally has to be considered as a trend that is pulling in the opposite direction. One major area of focus in this field of activity particularly involves improving the energy efficiency of the firm's own buildings. This includes the reduction in CO2 emissions, plus the integration of

electric and hybrid cars into the firm's fleet, including several of the Company's own electric charging points, as well as the leasing of company vehicles with the lowest possible levels of harmful substances. The number of charging points is steadily increasing. These are currently available at the main site in Schöneck, but charging stations are also to be installed at other GK Software sites to progress with the work towards reducing CO2 emissions.

3. Goals

Disclosing which qualitative and/or quantitative and time-defined sustainability goals have been set and put into operation and how checks are made to determine to what degree they are being met.

It is the goal of the CSR strategy to make further improvements through responsible and independent actions by all the stakeholders involved in all the fields of activity. Environment-related goals such as energy and water consumption, the prevention of waste or reduction of harmful emissions, as well as socially responsible actions, concern all of the Company's business divisions and sites. In the end, it is all about preventing or reducing any negative effects caused by the Company - whether economic, social or ecological - and strengthening the firm's responsibility towards its employees, customers, partners or the Company's further surroundings. This enables GK Software to make its contribution towards protecting resources and our climate.

Based on this responsibility, the Company has set itself the following goals:

Economic goals:

- Maintaining its market leadership through its leading range of solutions

- This position was strengthened in 2022 through the acquisition of new customers on practically all continents. In Germany, DF Deutsche Fiskal GmbH was able to roll out its extensive range of solutions for implementing the German legal fiscal system.
 - Permanently providing further training for employees in line with the requirements of the market
 - In 2022, the range of online training courses offered by the GK Academy was extended and new product-training modules were introduced for employees.
 - Reducing the overall operating costs
- See also further details for Criterion 15, among others.
- Ecological goals:
- Using energy and fuels efficiently and economically
 - Disposing of waste in an eco-friendly manner
 - Efficient recycling management, particularly with regard to used technology
 - Processes that save resources
 - The further digitalisation of administration to provide comprehensive processes that are paper-free, as far as possible
 - The introduction of new company-car guidelines, with policies for compliance with CO2 figures, extending the service life of vehicles, purchase of lower-horsepower cars and an overall increase in the number of e-vehicles registered to the Company's fleet
 - Setting up charging stations for e-vehicles
 - The improvement of the new IT guideline, according to which the useful life of IT equipment was extended

- Making available a vending machine in the gadget room at the business site in Schöneck, where it is possible to order fairly small IT equipment, such as USB sticks or charging cables, for private use too, with the goal of preventing individual online orders and deliveries and therefore saving resources in the long term

See also further details on Criteria 11–13, among others. Social goals:

- Implementing an in-house image as a good corporate citizen at all the firm's business sites
- Particularly strengthening the business site in Schöneck and the surrounding region, which is economically underdeveloped
- Intensifying the long-term, partner-like dealings with customers and partners and other stakeholders
- Satisfied and motivated employees as a result of the continuing or resuming temporarily suspended parts of the "Active Balance" programme, where possible in 2022 due to the coronavirus.

See also further details on Criteria 14–16, among others.

4. Depth of the value-creation chain

Information about how important aspects of sustainability are for value creation and to what degree sustainability criteria are being checked in the value-creation chain.

Most of the value-creation chain is performed by GK Software itself; however, economic, social and ecological aspects are taken into consideration along the entire value-creation chain. The manner in which in-house solutions and services are prepared or provided is naturally one major area of focus at the Company as a leading provider of store solutions around the globe. When purchasing additional services, as well as hosting and cloud services, buying hardware (for the Company or for customers) or constructing or extending its own buildings or rented property, GK Software seeks to ensure that this is all done or prepared as energy-efficiently as possible.

Since 2018, partners have been required to agree to the Company's Code of Conduct in order to collaborate with GK Software. This was revised in 2022 and now also takes into account wider-ranging reporting duties on human rights and sustainability issues. By adding a reference to a whistleblower platform, it increases the options previously available to our partners and sup-

pliers to report tips about conduct that violates laws or regulations. The new version of the Partner Code of Conduct also presents us with a wider range of options for audits and remedial action, which we work through together with our suppliers and partners as needed. This is also consistent with the international rules opposing child labour and exploitation and stands for compliance with ecological and social standards. GK published mandatory anti-corruption guidelines for its own employees in 2018 and started to revise these in the 2022 reporting year.

5. Responsibility

Disclosing the responsibilities for sustainability in the Company's management team.

It is the goal of the Company not to treat CSR in a special department, but live it out in all the departments as a major pillar in the corporate philosophy. This means that a significant part of the responsibility lies with the managers at GK Software, who are responsible for ensuring that the self-imposed rules and the legal requirements are followed. The CSR project team is the contact for the topic of CSR within the company, and has assumed the responsibility for monitoring the Company's CSR goals, as defined by the Management Board, under the leadership of the **VP Communications & Investor Relations** in connection with the preparation

of this report. The cross-departmental project team consists of employees from the purchasing, accounting, compliance, IT, human-resources, controlling and corporation-communications areas.

6. Rules and processes

Disclosing how the sustainability strategy is being implemented through rules and processes in the operational business.

A CSR strategy was first put into place by developing different guidelines, starting in the 2017 financial year. The Code of Conduct obligates employees and partners to maintain the standards to which GK Software feels committed. The appropriate documents are handed to outside stakeholders (primarily partners). Any infringement can have consequences for employees, ranging from a warning to the ending of the working relationship, and the end of any business relationship for partners. This is designed to guarantee that GK Software's business activities take into account human rights, work standards and protecting the environment.

7. Control

Disclosing how and which key performance indicators on sustainability are being used in regular internal planning and checking procedures. Stating how suitable processes safeguard the reliability, comparability and consistency of data for international checks and external communications.

The relevant key performance indicators result from the fields of activity that are viewed as essential for GK. The Management Board periodically checks selected key performance indicators and this forms the basis for measures and modifications of the goals.

The **market leadership** field of activity largely depends on the number of new installations, gaining new customers, expanding into new countries and customer satisfaction. The responsible members of the Group Management Board regularly check the relevant KPIs and report on them to the Management Board, which then assesses the figures. Independent analyst reports, such as from Gartner, Forrester, IDC, IHL or rbr, are also included in the assessments for this field of activity. At a project management level, reports on the KPIs on this field of activity are submitted every week and are subject to permanent monitoring by the departmental managers. We would refer you to the relevant sections in the financial statement for more information on the Com-

pany's position in an international competitive environment.

As far as the gaining and retaining employees field of activity is concerned, the central measured variables are the degree of fluctuation in personnel and gaining new qualified employees. One core goal here is to continue increasing the attractiveness of GK for specialists both regionally and beyond. The continuation of the "Active Balance" programme and particularly encouraging women in so-called STEM jobs especially serve the purpose of strengthening the employer brand.¹ As the proportion of male applicants in the IT field is significantly higher than that of other sexes, any target geared to this must remain subordinate to the goal of attracting employees to the Company, as long as the ratios have not changed markedly here.

We would refer you to criterion 15 for current developments. The measured variables in the **regional ties** field of activity are the number of contacts with regional institutions, public authorities and education centres, participation in or organising events with a regional connection, the scale of regional sponsoring activities as well as the Company's position as a contact partner and supporter of key interests in the region. The major focus of activities in 2022 was on supporting the South-West

¹ Parts of the programme had to be temporarily suspended in 2022 due to the coronavirus.

Saxony Digital Network. The association has established a cooperation network to support companies in successfully organising digitalisation.

In the **environmental** field of activity, the measured variables primarily concern electricity and fuel consumption and the Company's carbon dioxide emissions resulting from these. However, the geographical location of the main business site – given that the only practical way to reach it is by car – and the increase in the number of company employees who have resumed travelling again after the coronavirus pandemic should both be taken into consideration here. The inclusion of electric cars in GK Software's vehicle fleet, an increase in the number of hybrid car registrations, the firm's own electric charging points and the company vehicle guidelines with a restriction on horsepower figures, engine size and an environmental bonus for employees with the configuration of new vehicles with no more than 140g of CO2 emissions, all show that the Company is seeking to find a way to contribute to a future with lower emissions. This strategy was continued in 2022 and is set to continue to be implemented in the future.

EFFAS key performance indicators 5 - 7

Key performance indicator EFFAS S06-01

Share of the suppliers and partners within the supply chain, which have been assessed in terms of compliance with the ESG criteria.

GK promotes an awareness of sustainability and compliance with ESG criteria in its partners. To take this into account, a Code of Conduct requiring all partners to comply with particular principles was drawn up. The Partner Code of Conduct now forms an integral part of every GK partnership agreement, provided the GK template is also accepted by the partner. This always applies for all implementation partners. As regards compliance with environmental, social and governance (ESG) criteria, none of our suppliers or partners have been evaluated as yet.

Share of the suppliers and partners within the supply chain, which have been audited in terms of compliance with the ESG criteria.

So far, GK has not made use of the option of auditing its suppliers and partners in line with ESG criteria. GK Software and its partners promise to pursue a common policy through the introduction of the Code of Conduct. No audits took place during 2022 or are planned for 2023.

8. Incentive systems

Disclosing how the target agreements and remuneration for managers and employees are geared towards achieving sustainability goals and long-term value creation too. Disclosing to what degree achieving these goals is part of the evaluation of the top management

level (Management Board/Managing Directors) by the control body (Supervisory Board/Advisory Board).

The salaries of the employees at GK Software are normally individually agreed, as is normal in this sector, on the basis of the function that they fulfil and their qualifications and their responsibility. There may be salary components dependent on performance for managers and employees and they are assessed on the basis of individual and higher-level goals. There is also a share option programme for managers, which is designed to help tie them to the Company in the longer term as a result of a four-year vesting period. The members of the Management Board have a variable salary component too, which depends on targets, and they participate in the share option programme; for more information on the share option programme, we would refer you to the relevant parts of the financial statement. No remuneration component depending on success or participation in the share option programme is granted to the members of the Supervisory Board so that they can fulfil their task as a supervisory body for the Company without any possible conflicts of interest, particularly when setting the variable salary components for the members of the Management Board.

Managers and employees in particular positions have the opportunity of using a company car. A relevant policy defines those eligible to participate in the scheme, the

operational necessity and the financial arrangements in line with their role within the firm.

Special work is honoured according to the value added that it generates for the firm, for example, in the form of bonuses. As a result, the remuneration system at GK Software is primarily geared towards achieving the CSR goal of market leadership, i.e. long-term corporate success and the prosperity of the firm.

There is a special bonus programme for attracting new employees to support the goal of recruiting and retaining employees, and this is available for all employees at GK Software. GK Software was able to recruit 35 employees by means of the bonus programme known as “Employees attract employees” in 2022. In addition, the employee recruitment bonus was increased to EUR 3,000 net.

The “JobRad” bicycle-leasing programme was also further expanded in 2022 as an active contribution to the reduction of carbon dioxide emissions. This enables employees to lease up to three bicycles of their choice totalling a maximum of EUR 9,000 through GK. As these bicycles can be used privately, employees’ family members also benefit from this.

There are also other incentive programmes like travel expenses subsidies or support for initial or further

training measures like bachelor's or master's degrees or qualifying to become a trainer via the CCI.

As a token of appreciation of the many years of employment with the Company, those employees concerned received 93 vouchers in 2022 as part of the Mammut programme.

There is still also the possibility for employees to receive a subsidy from GK for VDU glasses. This offer has been taken up by seven employees so far and interest in it has steadily grown since it was introduced in 2021.

Another great incentive is the extremely extensive Active Balance programme, offered by GK as a company-wide employee benefit programme. This was increasingly reactivated in 2022 after parts of the programme had to be suspended during the coronavirus pandemic. The programme offers employees various health-related services and general practical support for everyday life. These include corporate benefits, a pharmacy delivery service, a parcel and postal service, the provision of yellow bin bags for recyclable materials (Gelber Sack), a tyre-changing service, the Welcome Baby initiative, Babbel language courses, vaccination campaigns, reduced-price tickets for Plauen-Zwickau Theatre shows, use of the in-house fitness centre and its sports activities, and use of the outdoor climbing and bouldering wall on GK Software's campus site. GK also increased its number of online fitness courses, offering

support to employees at all corporate sites through a wide range of health measures.

Additionally, employees in Schöneck and at other German sites are offered fresh fruit, water and fresh coffee from the roasting house located at the main site in Schöneck. Employees at the main site in Schöneck also have the option of enrolling their children in the Company's own Pixel day-care facility. The short distance between the office and the day-care facility is of benefit to GK employees. In 2022, 21 children were enrolled in the day-care facility, seven of which were the children of GK employees.

9. Involving groups of stakeholders

Disclosing how groups of stakeholders, which are relevant in terms of society and economics, are identified and integrated in the sustainability process. Disclosing whether and how any ongoing dialogue is maintained with them and the results of this are integrated in the sustainability process.

GK Software is therefore focusing on a process of dialogue with all the important stakeholders - i.e. employees, management, politicians or shareholders. Open communication is essential in order to also make an impact with the GK Group's revised Partner Codes of Conduct as part of the sustainability strategy. Sup-

pliers and service providers, politicians, local authorities, organisations and associations as well as the general public are all viewed as outside stakeholders. In principle, GK Software communicates information about the latest developments and innovations via its press office, its website, its linked social media channels and the Intranet, newsletters that are published regularly, mailings and by means of direct internal and external communications. Appropriate specialist publication mechanisms are used for processes that are relevant to the capital markets so that all the information is available for each person involved in the capital markets at the same time and in the same way. Corporate communications, including the specialist capital market communications, are centrally managed in an all-round approach in order to ensure that all those involved communicate the same information and messages about the firm.

10. Innovation and product management

Disclosing how suitable processes are used to ensure that innovations in products and services improve sustainability in the use of in-house resources and for users. Description of whether and how the current and future effects of major products and services are assessed in the value-creation chain and in the product life cycles.

As a leading technology firm, GK consistently makes use of digitalisation and cloud technologies to provide slim and efficient solutions. One of the goals here is to keep the hardware footprint as low as possible, both within the Company and also with the customers, thereby saving resources and energy. This goal is also the general focus when developing new solutions. All checkouts with an online capability and other recording systems can be connected to a cloud solution through the service developed by DF Deutsche Fiskal GmbH in 2020. As a result, retailers are now even able to forego a significant part of their own computer resources, as the solution can operate completely from a cloud. Additional expenditure for more hardware is then redundant and costs are lowered in the long term.

When making new investments in technical equipment for the firm, strict consideration has been paid for years to ensure that the old hardware is replaced by more energy-efficient models that have power saving modes etc. Technology that is decommissioned can either be purchased by employees, is made available to social institutions or is disposed of professionally.

By constructing the modern Innovation Centre at the headquarters in Schöneck, the Company has not only created particularly resource-saving workplaces, which are designed to be energy-efficient, but has also demonstrated that it is possible to develop forward-looking IT centres in south-west Saxony, far from the major cities.

EFFAS key performance indicators 10

Key performance indicator EFFAS E13-01

Improving the energy efficiency of in-house products in comparison to the previous year.

No data is being collected on this matter at the moment, as the customer projects handled by GK always have individual features, even when using the same standard product, and they almost always use different kinds of hardware and therefore cannot be compared. The Company normally has no influence on the hardware that is used by its customers and cannot influence their energy efficiency either, particularly as the systems are often in service for a very long time in the retail sector. When developing software solutions and introducing projects, attention is always paid to the fact that energy-saving methods, which are made available by the hardware, are used.

Key performance indicator EFFAS V04-12

Total investments (CapEx) in research for areas that are relevant to ESG (Environment Social Governance) in the business model, e.g. ecological design, eco-efficient production processes, reducing the effects on biodiversity, improving the health and safety conditions for employees and partners in the supply chain, developing the ESG opportunities for products, including an assessment in monetary units, e.g. as a percentage of the turnover.

No detailed data is being gathered on this at the moment, as most of the points are not relevant to the business model and services provided by GK. However, the Company is investing in many measures to improve the health conditions for employees within its Active Balance programme, e.g. health days, regular blood donations, massage appointments at various business sites, fitness trainers in Schöneck and Plzeň, ski passes for the winter sports area at the firm's headquarters, sports clothing and registration fees for participation in competitions, e.g. the annual company run at various firm sites involving a large number of employees, the "JobRad" bike leasing scheme at all the German business sites and a great deal more. In 2022, the sports activities in Schöneck took place for the first time again in the fitness centre; employees can improve their strength and stamina combined with stretching exercises as a counterbalance to sitting in front of a computer all day. In 2022, the company run was again held at the Plauen Vogtlandstadion. 200 companies with a total of 3000 runners took part. In keeping with the motto "running for a good cause", EUR 3 of each runner's participation fee was donated to the Vogtland's children's cancer charity

“Hilfe für krebskranke Kinder im Sächsischen Vogtland e.V.” 16 GK employees were among the participants.

11. Use of natural resources

Disclosing to what degree natural resources are being used for the business operations.

As an IT company, GK only requires a comparatively low level of natural resources for its value creation. Regardless of this, protecting the environment and resource efficiency are still important factors for the firm’s daily business activities. Special attention is paid to electricity costs, building management and the organisation of business trips, as it is possible to make an impact here in a particularly effective manner.

The main focus is on energy consumption according to the Company’s business model. When purchasing new IT technology or replacing existing equipment, attention is paid to buying devices that are as energy-efficient as possible. The same also applies to replacing server technology; the issue of energy savings is particularly relevant here. Servers are also virtualised, if this is possible and makes sense, in order to keep the server landscape as small as possible and make the best use of the existing technology.

A well-conceived waste disposal system makes a significant contribution to relieving the environment. Waste is strictly separated at the business sites and the disposal process is placed in the hands of professional, local authority service companies. The discarding of toner and old batteries is centrally organised to ensure safe disposal. Employees can also have their private waste in this field disposed of by the Company.

12. Resource management

Disclosing which quality and quantity goals have been set for resource efficiency, particularly using renewable energy sources, increasing the productivity of raw materials and reducing the use of eco-system services and which measures and strategies are being pursued for these elements and how these targets have been met or are to be met in future and where risks are perceived.

Optimising resource efficiency is in the interests of GK. The reduction of greenhouse gas emissions and the diesel fuel used to generate emergency power plays an important role here.

0 litres of diesel fuel were purchased for the emergency power generator in 2022. However, consumption strongly depends on support measures in the electricity grid and it is therefore not possible to predict any reference amount.

The largest amount of consumption is triggered by the need for fuel for company cars. One reason for this is the non-central location of the main business site in Schöneck; it is only possible to travel there by car from regions that are farther away. In addition, local appointments at customers’ premises all over the German-speaking world and business trips, particularly to the development site in Plzeň in the Czech Republic, are necessary. There are also pool vehicles at all the business sites and two company bikes at the headquarters in Schöneck and they can be used for business needs. New travel guidelines introduced in 2019 stipulate that employees should pay attention to making flight and travel kilometres more sustainable, avoid trips to internal and external appointments as far as possible and instead use phone and video conferences to replace them. Video conference systems are therefore available at all the business sites and the internal messaging system supports video conferences on each notebook or workplace computer. As most employees are equipped with notebooks, these systems can be used at home offices without any problems too. Due to the coronavirus pandemic, the necessity for business trips was reviewed, and trips were replaced immediately and as far as possible by video conferences. All business trips were reduced to a minimum as the main focus was, and still is, on the health of the employees, keeping business processes running and protecting the customers.

In 2022, GK opened a GK GO store at the Schöneck site. Employees can use this store during working hours to purchase all of their daily needs without having to scan the items or queue at the checkout.

A new Messenger and video-conferencing tool were introduced in 2020, enabling employees to connect with each other.

Due to the coronavirus pandemic, those employees whose fields of activity allowed them to do so starting working entirely from home. As a result, the percentage of hardware components rose in 2022 compared to previous years. Additional data volume for GK mobile phone networks was also made available by the Company.

In 2022, almost all job interviews – with only a few exceptions – were still conducted either by telephone or video conference. This meant that applicants' claims for the reimbursement of travel expenses were avoided and costs for in-house catering and time spent travelling at the respective business sites were saved. In addition, a new alternative for job interviews known as "Walk&Talk" was introduced. This interview method allowed personal interviews to be held during a relaxing open-air stroll, in compliance with the general rules on hygiene and social distancing. The "Walk&Talk" method was mostly used as the second interview form if the interviewer wanted to meet the candidates personally after an initial online interview. The great advantage of "Walk&Talk" is the

improvement in the physical and emotional well-being of those involved. The physical activity puts them at ease and provides a change of scenery that also gives rise to new topics of conversation. At the same time, it also boosts the candidates' physical fitness. This interview method also makes the GK sites accessible to candidates and offers them a tangible experience despite the coronavirus.

Work placements were gradually reintroduced in 2022 and were carried out in compliance with the rules on hygiene.

These efforts to reduce travel expenses are supported by an in-house-developed travel expenses tool that was introduced at the end of 2018. As travel and costs become more transparent, it is possible to formulate and implement measures in a targeted fashion in this field. GK offers its German employees a cheap method for leasing a bicycle through the Company's "JobRad" project. This not only saves fuel, but also boosts the employees' physical activity and health. 100 "JobRad" bicycles are currently being leased for the Company's employees after the programme was paused under coronavirus regulations and restarted in September 2022. 53 new contracts were signed in 2022.

Each employee also received a EUR 1,000 bonus as compensation for inflation in December 2022. This

meant that the GK Group is actively contributing towards reducing the current effects of inflation on employees.

EFFAS key performance indicators 11-12

Key performance indicator EFFAS E04-01

Total weight of waste.

The total weight of the waste is not currently being logged, so there are no figures available for 2022. There are plans to develop a tracking method together with the disposal companies.

Key performance indicator EFFAS E05-01

Share of the total amount of waste that is recycled.

The share of waste that is being recycled is not currently being logged. The total amount of waste that accrues is, however, always separated (paper, plastics/metals, organic waste, non-recyclable waste) and is picked up by local disposal companies. This also applies to kitchen waste at the business site in Schöneck, which is disposed of separately. Old machines can be purchased by employees or they are sometimes donated to social welfare institutions or schools. The remaining electronic waste is disposed of professionally. GK was able to reduce its paper consumption in 2022 by implementing new digital processes.

The free drinks at the business sites in Germany are ordered in reusable bottles so that no waste is generated through this. There are plans to purchase water dispensers for all the business sites, so as to be actively

involved in handling resources more sensibly as a firm. A trial with these machines, started at the Berlin site in 2019, has been very successful; it was very well received by employees and was extended to the St. Ingbert business site in 2020.

The Company only generates products in digital form. They are therefore not relevant in terms of waste or recycling.

Key performance indicator EFFAS E01-01

Total energy consumption

The last comprehensive energy audit was carried out in March 2022 in accordance with the DIN EN 16247 standard. The GK buildings and structures, which were audited, and the implementation of the business purpose created consumption of 1,458,000 kWh of primary energy in 2019 (the reference year).

Fuel consumption (petrol/diesel) for the pool vehicles amounted to an estimated figure of 13,889 l during 2022. In 2021, consumption was still at around 19,600 litres. In the past year, new hybrid company cars and fully electric vehicles, which can be charged at the Company's own charging stations, were purchased for employees. This is reflected in the increase in electricity consumption.

The following table shows the CO2 emissions, which the Company caused. In contrast to the previous year, the

table only shows the figures for the German branches in order to prevent any distortion. The figures only include the Company's pool vehicles and no company cars that are suitable for private use too.

T.01 Total energy consumption for the German branches at GK Software SE

Final energy proportion	Energy sources	Needs	Primary energy factor	Primary energy consumption	CO2 emissions factor	Equivalent CO2 emissions
		kWhEnd/a		kWh/a	kg/kWhEnd	kg/a
Power needs	Electricity	394,821.67	1.8	710,679	0.453	178,854.22
Fuel needs	Diesel/petrol	12,626.65	1.1	13,889.31	0.265	3,346.06
Total		407,448.31		724,568.31		182,200.28

13. Emissions relevant to climate

Disclosing the greenhouse gas emissions in line with the Greenhouse Gas (GHG) Protocol or standards based on this and indicating the goals set to reduce emissions.

A summary of measures on a formulated climate goal and reducing the CO2 footprint at GK Software is being prepared. Among other things, these measures include switching to an energy-saving lighting systems at old business sites too, installing more solar power units at the business site in Schöneck, sensitising employees and making even greater use of local retailers for the food used in the kitchen. The inclusion of electric and hybrid cars in the firm’s fleet of pool vehicles and establishing its own electric charging points are making a contribution here too. They are also available for all employees. Public charging points are being used at the business sites in Berlin. The new company car guidelines, introduced in 2019 with policies for compliance

with CO2 figures, extending the service life of vehicles from three to four years, purchasing lower-horsepower cars and an overall increase in the number of e-vehicles registered to the Company’s fleet, still apply.

For the coming years, stronger consideration is being given to registering only fully electric vehicles in future – on the one hand, because more and more models are entering the market, so charging infrastructures are constantly expanding, and, on the other hand, because government funding for electric vehicles and plug-in hybrids is being extended, making these vehicles increasingly appealing to firms and private users alike. In 2022, 33 hybrid and five fully electric vehicles were ordered. 15 hybrid vehicles and three fully electric vehicles have been ordered for the coming year 2023 to continue to successfully reduce emissions.

Naturally, the fleet’s eco-balance also needs to be continuously optimised. This means capping CO2 emissions. The CO2 value, which was 185g/km in 2021, was

reduced to 180g/km in 2022. The improvements made by the manufacturers to their engines make this possible. Vehicles are constantly being adapted to meet new government guidelines – by applying mild-hybrid technology, for example – so GK Software will also have to harmonise its own rules and regulations with this. Due to the coronavirus pandemic and the associated transformation from working in the office to working from home, it can be assumed that use of pool vehicles will also change in future. The tendency will likely be to reduce mileage and have fewer vehicles in service at one or other of the business sites, based on an evaluation of pool-vehicle utilisation. The number of pool vehicles has already been partly reduced in Schöneck, Hamburg and Chemnitz since 2021. In 2022, the number of pool vehicles decreased by four.

Due to the uncertainties caused by the coronavirus pandemic, it is currently impossible to set targets for reducing the use of resources in 2023.

GK Software is taking active steps to reduce CO2 emissions and move closer to the goal of climate neutrality. The CO2 footprint from the entire lifecycle of GK Software’s Samsung devices leased between January and March was compensated. Overall, the Company was able to compensate for 502 kg CO2e in this period by supporting a climate protection project in Colombia that produces energy from renewable biomass. In recognition of this, GK Software received a certificate for the

climate-neutral leasing costs of their Samsung devices from everphone.

EFFAS key performance indicator 13

Key performance indicator EFFAS E02-01

Total GHG emissions (scope 1, 2, 3).

GK Software emitted 1,230 t of CO₂ during the calculation period, roughly halving the previous year's figure. The data collection for scope 2 and scope 3 is still being prepared.

14. Employee rights

Reporting on compliance with nationally and internationally recognised standards for employee rights and how the involvement of employees in the firm's sustainability management is being boosted and which goals are being set, which results have already been achieved and where risks are perceived.

The GK Software Group employs staff at its business sites in the Federal Republic of Germany, the Czech Republic, the Swiss Confederation, France, Ukraine, Russia (now closed), South Africa, Singapore, Australia and the USA. With the exception of the USA, all the countries, in which Group employees work, have signed all the UN agreements covering human rights standards

and the ILO core labour standards and have adopted them in local laws. That is to say, the standards related to freedom of association and the right to collective wage agreement negotiations, the elimination of forced labour, the abolition of child labour and the prohibition of discrimination in employment and careers are followed. The USA has only signed up to the conventions covering the elimination of forced labour and the abolition of child labour. It goes without saying that GK Software complies with all the applicable laws and regulations in all countries where it employs staff.

An **SE works council**, initiated by the Management Board, was established for the first time to coincide with the transformation into a *Societas Europaea* (SE). The works council represents all employees under EU jurisdiction. Each employee at GK Software can contact it via its own department on the Intranet and during consultation hours.

According to the agreement on employee participation in GK Software SE, regular meetings are held between the management and the SE works council. 4 official meetings were held in 2022, 2 of which were extraordinary meetings with topics of particular relevance for our employees. The topics discussed at the meetings are recorded in English and the SE works council can make these records available to all employees. These meetings were held online. Regular, constructive exchanges also took place in 2022 between the works council

and the departments of HR Management and Corporate Affairs. In the course of GK's expansion, the works council is currently examining options for holding an SE works council election using a digital voting tool as well. Again, this came in the wake of the restrictions imposed by the coronavirus pandemic, but overall is seen as an opportunity to simplify the practical implementation of the election process in the long term. New SE works council elections are planned for 2023.

The goal is for each employee to have personal employee discussions with their manager once a year. They focus on feedback from both sides and discussions for individual career opportunities. In this area, too, there was a shift in thinking towards a digital format.

Electronic signatures ("digi seals") were introduced in 2021 for the areas where it is possible to use them from a legal point of view. The aim of this measure was to increase work efficiency during the pandemic. Both GK Software in the USA and the partner area (Strategy & Go-to-Market) use DocuSign. This digitalises the signature process worldwide with partners for all contracts and also maps it efficiently across time zones in one workflow.

The Company also offers its employees holiday, parental leave or undisturbed leisure time through the statutory stipulations and various work models that are adapted

to the employees' life circumstances. "Trust-based working hours" are practised within the firm - i.e. the major focus is on completing task and not the number of hours that an employee spends in a company building. Employees are responsible for organising and logging their working hours themselves. It is also possible for some to work part-time or at a home office in line with their contractual arrangements. As the coronavirus pandemic made it necessary to rethink the entire work routine, the acceptance of the home-working concept and other flexible models has grown. We, GK, believe that these models will continue to grow in popularity even when the pandemic is over. However, flexible models always present a company with challenges in terms of labour law, which will have to be mastered in the future as well. Desk sharing was introduced at the St. Ingbert site in 2021 as an innovative way of working and extended to all German sites in 2022. These workplaces have two computer monitors and a terminal box. Employees can book these workplaces in advance online and connect up their laptop at the desk. Desk sharing makes it easy for different teams to come together and work in one place. There is an employees' restaurant at the headquarters in Schöneck, where trained chefs working with a team prepare two main dishes every day and offer a permanently varied salad and dessert buffet. Water, tea and coffee and other facilities like fruit bas-

kets are also available free of charge for the employees at all the business sites.¹

In the eyes of GK, it is important to create a positive, safe and healthy working environment for each employee. The "Active Balance" in-house programme was launched in 2015 for this purpose as part of creating a balance between work and life and it has been continually expanded.²The Company also made a particular contribution to the health and well-being of its employees in 2022, particularly by allowing them to take office chairs home with them, so they could also sit ergonomically at their home desks. In addition to making daily life easier by providing recycling waste bags ("Gelbe Säcke"), Christmas roasts fresh from the oven, postal and pharmacy services, and various types of leisure and sports activities suited to the particular season, this also includes offering preventive health measures, such as eye tests for employees who work at a computer screen. The employees also have access to many internal further training opportunities through the GK Academy.

In addition, GK Software pays EUR 150 gross towards the cost of VDU glasses. VDU glasses are specially designed for computer work. Wearers can see the computer screen clearly without discomfort. They can see

objects better at close range, and the glasses can also prevent sore eyes and muscle tension.

15. Equal opportunities

Disclosing how domestic and international processes are being implemented and what goals have been established to promote equal opportunities and diversity, health and safety at work and health protection, employee participation, integrating migrants and people with disabilities, appropriate payment as well as the combination of family and career and how they have been introduced.

One fundamental element in the corporate culture at GK Software involves partner-like dealings with each other on the basis of mutual respect and trust. This involves equal opportunities and the encouragement of all employees, regardless of their age, gender, religion or philosophy, sexual orientation or ethnic affiliation. In 2022, GK employees came from 52 different nations (26 nations were represented at the Schöneck business site alone); 47 nations were represented in the German companies of GK and employees at all business sites across the globe came from 52 different nations. Global international growth and corporate communications in English make it easier to familiarise people with the work. The employees are also offered language courses, which they can take comfortably at home any time using the

¹ For hygiene reasons, fruit baskets have not been offered since mid March 2020.
² Due to the coronavirus pandemic, the programme had to be paused or could only be offered with major restrictions after March 2020.

Company's Babel account. Part of the weekly working hours can be used for this. The GK Academy also offers training in social skills.

A guest house and flats rented by GK are available for employees who are long-distance commuters.

Management positions, vacancies on the Management Board and Supervisory Board are exclusively filled in line with the personal suitability and skills of the candidates. There is no mandatory age limit for these positions, as employees of any age can bring with them the necessary and enriching skills and abilities. As the Management Board only has two members and the Supervisory Board three, determining a gender quota has not been worthwhile so far.

Permanently improving the compatibility of family and career is an important issue for GK. In addition to offering flexible working hours, a process that has been pursued for a long time, a corporate nursery opened its doors at the main business site in Schöneck in 2018 and its opening hours are defined to meet the parent's needs. The number of children attending the nursery has risen compared to the previous year. As well as the children of company employees, the day-care centre also caters for children whose parents do not work for the Company. This is also an advantage when it comes to recruiting qualified specialists. As the crèche caters for children from various nations, this encourages an

open-minded and tolerant attitude not only among the children themselves, but also among the parents and employees within the Company.

At other branches, funds are available for employees' children to spend time in child care facilities in the vicinity. Employees are presented with an individually compiled welcome package on the birth of a child by the "Active Balance" team; they are also congratulated and presented with a gift on milestone birthdays and for each full year of service with the Company (5 years and above).

The employees provide the greatest potential for GK Software and their well-being is therefore of central importance for the firm's business procedures. The "Active Balance" programme also includes a free vaccination and chemist's service and eye examinations, which are made available to all the employees by the **doctors**, who come to the firm's headquarters to perform these tests. Extensive prevention measures, like health days involving statutory health insurance schemes, massages and back & relaxation courses, are made available at the various corporate business sites and in conjunction with outside service partners.

A structured system for sports activities was possible after the appointment of a fitness trainer at the business site in Schöneck. Other sports or relaxation courses could be offered at regular times throughout

the week, in addition to the events previously organised by employees, such as running, skiing or cycling groups, the climbing group (the Company has provided the necessary material such as ropes and belts for this) and the agreements concluded with external partners for all-round physical training sessions or massages. The options currently offered online include back & relaxation courses, neck mobilisation courses, body balance, Zumba, legs-bums-and-tums classes, high-intensity interval training and whole-body training. Demand is high. The fitness room is available all day for individual training sessions with or without an instructor. A company indoor tennis court at the hotel and a bouldering wall at the GK Campus site have been available for use since 2019.

GK sponsors the participation of its employees at sports events in the region by paying the application fees, offering logistical support and providing high-quality sports clothing (racing-bike shirts and shorts) at cost price. In 2022, GK employees took part the company run in Chemnitz and Plauen, the Pöhl Trail and the half-marathon in Plzeň. GK employees also helped with the organisation of a floorball tournament for IT firms in Plzeň and a "Running to beat cancer" sports event.

The "MammutClub" was founded at GK more than ten years ago to honour employees who have given many years of service. As a member of this club, employees receive a substantial financial bonus and reserved

parking spaces at the business site in Schönebeck, if they are employed there, after 15 years with the Company. Trainers and supervisors, who have been with the company for many years, are regularly honoured at GK's Christmas party for their commitment to their work in promoting young talent. Trainees and students with excellent grades are also encouraged and supported by GK.

When they reach the age of retirement, the Company offers its former employees the opportunity to continue taking part in online fitness courses, having lunch or attending events such as the annual Christmas party, thereby promoting their physical and mental well-being, even after retirement.

The Company's "Active Balance" programme has been introduced in the media on several occasions - for example, during the business review programme on n-tv.

In 2022, GK also offered vaccination drives at its various sites (including flu and coronavirus vaccines), as well as face masks and rapid tests during the coronavirus pandemic.

16. Qualifications

Disclosing which goals have been set and which measures have been adopted in order to promote the

employability of all members of staff, i.e. their ability to participate in the working world and employment market place and to introduce change in the light of demographic developments and where risks are perceived.

Qualified and motivated employees are the most important asset at GK Software. However, the process of demographic change represents a challenge that can only be managed with a special strategy. GK has set itself the goal of not only advertising for, providing them with further qualifications and retaining specialists at each of its business sites, but also participating at regular job fairs, and - what is particularly important - expanding new cooperation schemes and maintaining current ones with schools, universities and other educational institutions to train future specialists.

Signed cooperation agreements or close informal links with Zwickau University of Applied Sciences, Chemnitz University of Technology, Freiberg University of Mining and Technology, Ernst-Abbe-Hochschule Jena, Hof University of Applied Sciences, Mittweida University of Applied Sciences, Glauchau University of Cooperative Education, Plauen University of Cooperative Education, the University of West Bohemia in Plzeň, and with the vocational training centres BSZ e.o. Plauen and BSZ "Anne Frank" are of particular importance. A new, close cooperation partner for vocational training is the Berufliches Schulzentrum Vogtland, Schulteil Wirtschaft und Informatik Rodewisch (BSZ Rodewisch) (economics and

computer science unit of the Vogtland vocational education centre in Rodewisch). The reason for this cooperation is that, since August 2021, vocational training for IT professions (qualified IT specialists for system integration and application development) is no longer offered at BSZ e.o. Plauen, but only at BSZ Rodewisch. Students come to GK from these educational centres in particular on work placements, as working students or to write their final dissertation within the Company. In addition, the firm offers many other opportunities for young people to launch their careers or gain further training, ranging from work experience for school pupils to training to become an IT specialist, industrial clerk or chef or even the opportunities for sandwich courses in business IT or media information technology, technical IT or international management.

There is also a cooperation scheme with Zwickau University of Applied Sciences, where computer studies are combined with training to become an IT specialist for developing applications.

GK also provides supporting for preparing bachelor's, master's and diploma dissertations and doctoral theses and is actively involved in lectures on software development and e-commerce given by selected, highly qualified employees at various universities, who act as lecturers there.

As part of the DAAD (German Academic Exchange Service) Deutschlandstipendium scholarship scheme and in cooperation with TU Chemnitz (Chemnitz University of Technology) and FH Zwickau (Zwickau University of Applied Sciences), the Company sponsored three students from various Masters degree courses in 2022.

Through its cooperation with the Bundesfachschule Neuwied, students are given the opportunity to qualify as state-certified commercial business economists. They are also able to gain an insight into the world of intelligent systems and how these can simplify processes in the food trade. This cooperation was initiated by the GK Supervisory Board.

In 2022, GK Software won third prize in the 2022 Saxon Digital Award competition, presented by the Saxony State Ministry for Economy, Labour and Transportation, in the "Company" category with the "GK GO" solution. The EUR 10,000 prize money was donated for Deutschlandstipendium scholarships at universities in the region and will be used in 2023. Overall, GK has allocated three such scholarships to FH Zwickau and TU Dresden. In December 2022, GK won third place in the Saxon Digital Award competition and donated the EUR 15,000 prize money to the Deutschlandstipendium scholarship programme.

GK also attaches great importance to a successful start for new employees at the firm. An on-boarding pro-

gramme has been specially developed for this purpose. This means, in very specific terms, that many training courses and workshops take place during an intensive familiarisation week, the various specialist areas are introduced and each new employee is handed a welcome file with relevant information at the start. A separate introduction week is held for trainees to ensure that the content is communicated specifically for this target group and in line with their age. Due to the coronavirus pandemic, onboarding was only carried out virtually in 2022, too. The welcome kit was completely digitalised and turned into a welcome email. As well as being environmentally friendly, this allowed paper costs to be saved. The range of online training courses and specialist-division presentations for new employees was further expanded to be able to reach these better on a company-wide scale. In 2022, trainees and students took part in an onboarding event to ensure a smooth transition to the workplace. The onboarding event for the trainees was held digitally, as it was in 2020 and 2021. The number of in-person fairs increased gradually in the 2022 reporting year, and these will play an important role in employer branding in future in order to recruit trainees and students for GK.

The GK Students Lab has been part of the Innovation and Research department since 2017. Its goal is to support the Company's development work with university-level expertise in the form of a technology transfer and to help the students with their vocational training

and future career decisions. The students acquire practical experience and application-based IT skills, and can do their final theses or mandatory work placements with the Company. This helps to raise awareness of the Company among skilled potential employees. In the reporting year, 16 students were working in the students lab.

In 2022, 6 students were working in the Innovation and Research department at the Schöneck and Berlin business sites. The department's main project was GK GO / scanless shopping with full control over the shopping basket in real time. Work was also done on other topics such as object/image recognition on the smartphone, data analysis in retail and using the smartwatch to introduce new technologies to the customer journey. In addition, two final dissertations on the topics "Analysis of checkout systems in the food retail sector with reference to GK GO and GK Software SE" and "Technologies and infrastructures for interactive and digital learning and teaching" were completed, using an (English-learning) app as an example.

In addition to providing a pleasant working environment, GK Software views creating future prospects as an important means of retaining employees at the firm. By pooling the organisation of specialist and personal further training opportunities at the GK Academy, the firm is able to focus on constantly developing and retaining employees. Further training courses for programmes and products guarantee that not only all employees, but

also relevant customers and partners have access to the latest knowledge at any time.

Providing the courses as online events or online training sessions not only avoids the necessity for trips to business sites in the long term, but can also allow the Company to comply with the alternative working-hour models.

GK is a partner in the EU FIRST project – virtual Factories (Interoperation supporting business innovation). This promotes the process of exchange between firms and universities as part of the Horizon 2020 programme. The research project focuses on the topics of “virtual factories” and “retail processes of the future”. As a result, it is possible for employees to spend a period of at least 30 days at one of the partner universities in Bournemouth, Groningen, Modena, Rome or Shanghai and reflect on their work in an academic context. To date, 61 research visits have taken place in the course of the project, 24 of which were made by GK employees. Overall, 35 publicly accessible publications were compiled and some 560 participants reached at events. Due to the pandemic, no research visits took place in 2021; these have been postponed to 2022. In 2022, two young GK employees were sent to the partner university in Groningen (Netherlands) as visiting researchers. Researchers from the partner universities also worked at GK. The project ended in 2022. In the course of the EU

project, GK was awarded the KfW-recognised “innovative company” category.

Key performance indicators 14 - 16

Key performance indicator EFFAS S03-01

Age structure and distribution (number of full-time equivalents according to age groups)

GK Software had 1,168 employees around the globe at the end of 2022.

731 people were employed at the Group's German business sites at the end of the year (including GK AIR). This figure included 634 full-time employees. In 2022, GK also employed the following: 22 trainees, 15 sandwich-course students, and 26 working students; it also provided 41 work placements (10 students and 31 school pupils) (includes school-time work placements and holiday work experience).

They were divided into the following age groups in December 2022.

T.02 Age structure at the German business sites (with trainees) on 31 December 2022

Age	Proportion %
Aged under 21	3.3
Aged 21–30	20.4
Aged 31 - 40	43.5
Aged 41–50	21.2
Aged 51–60	9.3
Aged 61–70	2.3

Key performance indicator EFFAS S10-01

Number of female full-time equivalents in the total number of employees.

Of the 1,168 employees in 2022, 308 of them were women.

The proportion of women in the total number of employees was therefore 25.6 %.

Key performance indicator EFFAS S10-02

The number of full-time equivalent women in management positions in comparison with the total number of full-time equivalents in management positions.

20 women and 123 men hold management positions with responsibility for other personnel from the team leader level upwards throughout the entire Group.

That represents a female proportion in management positions of about 13.9%.

Key performance indicator EFFAS S02-02

Average expenditure for further training per full-time equivalent per annum

Providing employees with further training is an important component in the CSR measures within the firm. There are measures, which can be clearly attributed here, and those that are not directly assignable. The latter include: employee participation in conventions, conferences and congresses; coaching sessions as part of the internal **mentoring programme**; time and materials for individual studies (books, magazines, fee-based online portals); working hours and logistical support for EU projects, which also serve the further training needs of the employees involved.

On average, around EUR 200 was spent on each employee for external training courses during 2022. The range of training courses offered by GK includes first-aid training and fire-safety training. In 2022, the SoSafe IT training course was also introduced to make employees aware of potential risks on the Internet.

Training courses offered by the GK Academy were held online in 2022 and the range of available courses was further expanded and improved. In addition, targeted needs assessments have made it possible to

develop and offer new product training. New modules were added to the onboarding programme for new employees and the programme was optimised with regard to the various target groups. 2,150 in-house participants attended the training courses offered by the GK Academy in 2022. The regularly held, open, company-wide online events are gaining in popularity.

Presentations by trainees and sandwich course students regularly take place in the form of coaching sessions too. They become involved in fairly small topic areas by studying them alone and present them in abbreviated form to their fellow-trainees and trainers. In 2022, the presentations were made in German and English. The goal is to prepare young people adequately for their final examination/oral exam and promote private study too. Communication-training courses aimed at helping students and trainees prepare themselves as well as possible for upcoming oral exams were also introduced in 2022.

17. Human rights

Disclosing which measures, strategies and targets are being adopted for the Company and its supply chain to ensure that human rights are respected worldwide and forced labour and child labour and any form of exploitation are prevented. Mention should be made here of the results of the measures and possible risks.

GK Software, as a firm based in Germany, is obliged to comply with the guiding principles of the Organisation for Economic Cooperation and Development (OECD) for multinational corporations. GK Software selects its partners with care to ensure the observance of human rights and the Company's responsibility for the prevention of child and forced labour to the best of its ability. During any business activities within the European Union and with countries associated with the Union, it is generally assumed that the human rights standards are also followed by the partners. In order to be able to also guarantee this internationally, a Partner Code of Conduct, which requires partners to comply with basic minimum standards in addition to the latest national and international laws, has been rolled out since 2022. In the version revised in 2022, the Partner Code of Conduct also allows GK extended auditing rights. Should details about irregularities or violations be obtained through tip-offs, GK will check these and take further action. In this regard, our Partner Code of Conduct provides for corrective measures to be developed together with the respective partner. So far, no infringements of human rights, cases of child or forced labour or exploitation at partners and suppliers have come to light.

Key performance indicators 17

EFFAS S07-02 II key performance indicator
Percentages for all the facilities that are certified according to SA 8000.

Neither GK Software SE nor its subsidiaries are certified according to SA 8000. Certification is not currently being planned.

18. Community

Disclosing how contributions are being made to the community in the regions where major business activities are taking place.

GK is working with many partners around the world. Despite this, and perhaps because of it, it views itself as a good corporate citizen and is also involved in various charitable projects on a regional basis. Support for children and young people and promoting sporting activities have been defined as major areas of focus here.

As part of this, there is a strong degree of cooperation with the local skiing club and its facilities at the main business site in Schöneck and this finds expression in the form of financial subsidies and voluntary involvement by GK employees. New sponsoring agreements have also been concluded.

GK also sponsored the regional “Beautiful benches for Schöneck” campaign. As part of this campaign, the town of Schöneck refurbished or replaced benches along hiking trails, at lookout points, in and around the town centre and throughout the local districts. GK Soft-

ware made a financial contribution of almost EUR 9,000 towards 15 benches.

In 2022, the Grammar schools in Markneukirchen and Klingenthal were each presented with EUR 500 towards their graduation balls.

The Tannenmühle children’s home in Erlbach/Markneukirchen in the Vogtland region also receives regular support from GK Software. In 2022, GK donated Easter baskets for the children living in the home as well as an Easter dinner to the value of around EUR 1,100. GK Software SE also paid around EUR 800 towards a Christmas dinner for the Tannenmühle children and their carers.

The association supporting the Vogtland Theatre in Plauen and the Vogtland Rural District’s sports gala, which presents awards to the best athletes in the district at a ceremony every year, are also supported by GK Software. GK also supports the football department of VFC Plauen e.V. and the football and volleyball departments of VfB Schöneck 1912 e.V. In 2022, GK also equipped VfB Schöneck 1912 e.V. with new sportswear, banners, goal nets and entrance tickets. The big Saxony Cup match in September 2022 was also financed and supported by the club’s primary sponsor. Since 2022, GK has been supporting the VFC Plauen e.V. club with a EUR 2,000 donation.

Other facilities that are very popular in the region are located at the Innovation Centre in Schöneck. There has also been a bouldering wall on the Campus building since 2019 and it has attracted a great deal of interest from employees and athletes from outside the Company. In addition, Tannenhaus UG took over the running of the Meilerhütte hut at the end of 2022, creating yet another regional point of interest.

Firms and communities are generally networked in the region via the work of the South-West Saxony Digital Network and are made fit to face the challenges and opportunities presented by globalisation. The association’s activities are carried out on a voluntary basis by around 100 entrepreneurs, their employees or institute representatives, in project groups dealing with topics such as tomorrow’s skilled employees, start-ups, digital transformation, smart cities, digital finance and e-health. The aim is also to help South-West Saxony become known and recognised as a technology region on a national level. As an innovation network in rural areas, SWS Digital is expected to increase the attractiveness for skilled employees and new companies, and to strengthen the existing economic structure. The association receives a grant from the Saxon State Ministry for Economics as part of the Saxon cluster-promotion scheme. The non-profit association was initiated by the CEO of GK Software SE, who is also the chair of the association’s executive committee. GK benefits from visibility, contacts and reputation with regard to skilled

employees, digital schools for head-office employees, suppliers/partners, framework conditions (e.g., infrastructure such as broadband) and the added value of the investments made by company headquarters. 21 external events with around 1,000 participants and 120 speakers and moderators were held in 2022. 17 new members were registered. Since its establishment, it has liaised on some 195 specific collaborations: contracts, cooperations, transfer of knowledge, placement of skilled employees, access to capital, media reporting. The highlight of 2022 was holding the 2022 Saxony IT Summit, a joint event for all IT clusters in Saxony, hosted by SWS Digital and GK CEO Rainer Gläß. Under the motto “Smart Business – Smart Country: How does Saxony become one of the world’s leading locations?”, some 260 participants from the fields of commerce, science and politics came together at the Hempelsche Fabrik in Plauen for 60 lectures. High-ranking political representatives included the head of the Saxony State Chancellery, the State Secretary of the Saxony Ministry of Economy, the Vice-President of the Bundestag and numerous state parliament representatives and mayors.

Regularly held cluster events and campaigns enjoy great popularity, even on a national level. Since its inception, the cluster has received 60 requests for expertise in the field of digitalisation or for external representation of the region.

In 2022, the DATA MINING CUP (DMC) was held for the 23rd time. The event is a student competition initiated by the subsidiary GK Artificial Intelligence for Retail AG (formerly prudsys AG). Last year, 78 teams from 59 universities in 23 countries took part. Given a retailer’s fixed product range, the participating teams’ task was to identify which products customers buy on a cyclical basis. It took eleven weeks to complete. The winners of the 2022 DATA MINING CUP are students from the Asia Pacific University of Technology & Innovation in Malaysia.

GK also regularly took part in regional career, graduate and training fairs, in career guidance events and university information days in Plauen, Glauchau, Zwickau, Chemnitz, Dresden, Leipzig, Munich, Hamburg, Jena, Schmalkalden, Ilmenau and Hof, and gave lectures. Many in-person fairs were cancelled due to the coronavirus regulations.

Also in 2022, a summer academy for medical students was held in Upper Vogtland in cooperation with GK. The medical students from across the whole of Germany visited the Company. The programme included a tour of the Company and the campus as well as a company presentation. During this event, GK focused on showing what options are available to an attractive employer to help its employees stay healthy. The students were very impressed and inspired by the concept.

19. Political influence

Disclosing the essential submissions for legislative procedures, all the entries on lobby lists, all the major payments of member fees, all the contributions to governments as well as all the donations to parties and politicians, broken down into different countries.

The software sector is viewed as being in a state of constant change. On this basis, it is a matter of course for GK Software to not only promise to do business in a sustainable and forward-looking manner, but also make a contribution to ensure that an informed economic policy can successfully support digitalisation. GK Software is therefore involved in various associations, like the Saxon Industry Association, which has set itself the goal of networking small and medium-sized enterprises with each other and with international corporations. Its memberships of the EHI Retail Institute, the Saxon Industry Association, BITKOM and Industrial Data Space help to network GK within the sector, so it can act sustainably with a view to the future. Also included in this context are participation at the 2022 IT Summit with the topic of “Data – Creating Digital Value Together”, organised by the German government, and helping to work on relevant papers.

A EUR 9,900 donation was made to the CDU district branch for the 2022 state election.

In November, GK financed an exhibition stand and a café bar in Leipzig at the state conference of the Saxony CDU party.

Key performance indicators

Key performance indicator EFFAS G01-01

Payments to political parties as a percentage of total turnover

GK Software SE does not make any reportable donations to influence government policy. However, it does sometimes act as an event sponsor at regional political occasions. The primary aim of this is to familiarise people with the Company as a regional employer and service provider and network within the region to an even better degree.

20. Legally and directive-compliant conduct

Disclosing which measures, standards, systems and processes exist to prevent illicit behaviour and particularly corruption and how they are checked, which results are available and where risks lie. Stating how corruption and other infringements of the law are being prevented, uncovered and sanctioned in the Company.

In line with the OECD guiding principles, GK undertakes not to offer, promise, grant or demand any direct or indirect bribes or any other unfair benefits in order to win or retain an order or gain any other unfair advantage. Intentions consistent with the OECD guiding principles are chartered in our Code of Conduct and are echoed in detail in our anti-corruption guidelines. These not only express GK's stance on acting fairly and with integrity, but – as well as preventive measures – also offer recommended courses of action and a contact address for suspicious cases. In 2023, these guidelines are due to be revised in conjunction with a new, Group-wide standardised Corporate Compliance training principle. To date, an interdisciplinary compliance office at GK has been handling tip-offs relating to possible violations. This was reorganised in 2022 and the new GK reporting channel provided a platform that is able to protect the anonymity of whistleblowers on a technical level even better than before. The GK reporting channel is compliant with the regulations of EU Directive 2019/1937 and also enables GK to receive tip-offs from the supply chain in accordance with the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). According to the regulation, an interdisciplinary contact point for whistleblowers was established at both GK Software SE and its subsidiary in the Czech Republic, Eurosoftware s.r.o. These contact points operate independently and with their own budgets, using predefined criteria and processes. They are also authorised to consult external experts. Further training is planned for both

contact points in 2023. In the same year, a GK whistleblower policy – for which more complex machine-learning functions (so-called "AI") will be used for the first time to support the policy development process – is to be published.

In the reporting year 2022, no reports were made on either the GK whistleblower platform or the previous system.

Key performance indicators 20

Key performance indicator EFFAS V01-01

Expenditure and penalties after legal cases and procedures on account of anti-competitive practices or infringements of cartel and monopoly principles.

No expenditure and penalties were incurred for legal cases and procedures on account of anti-competitive practices or infringements of cartel and monopoly issues during the reporting year.

Key performance indicator EFFAS V02-01

Percentage of turnover in regions with a Transparency International Corruption Index rating below 60.

At around 93 percent of turnover, by far the largest share is achieved in countries that have a Transparency International Corruption Index rating of more than 60. The licence turnover is normally generated via SAP in

countries with a lower index rating so that GK does not have any direct customer relations there for the time being. Direct customer relations in these kinds of countries may only occur after the licence agreement has been signed. However, these projects are often handled through partners so that GK does not have any direct customer relations with the retailers, but simply with the partner in these cases. There are currently business relationships with customers or partners in 24 countries where turnover is generated with a TCI below the threshold. No precise measurement of the relevant turnover has been made so far, as it lies within a range of approximately 7 percent of the Company's entire turnover.

Legal notice

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Notes

Note on the Annual Report

The CSR Report has also been translated into English. In the event of deviations, the German version shall apply. The CSR Report is available for download in both languages on the Internet at <https://investor.gk-software.com>.

Note on Rounding

When using rounded amounts and percentages, minor deviations may occur due to commercial rounding.

Forward-Looking Statements

This CSR Report may contain forward-looking statements that are subject to risks and uncertainties. They are assessments of the Executive Board of GK Software SE and reflect its current views with respect to future events and developments. The Company assumes no obligation to update such forward-looking statements.