GK

CSR Report 2021

Content

Corporate Social Responsibility Report from GK Software

Comments on the reporting standard

This report relates to the year 2021. 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 a company obligated to non-financial reporting, we analysed our activities as to their eligibility for taxonomy in 2021 in accordance with Taxonomy Regulation 852/2020. According to the Regulation's classification system, "8.2 Provision of information technology services" of the GK Software business model is the only relevant activity in terms of adaptation to climate change.

According to the EU Taxonomy guidelines, activities can only be taken into account if they are classified as "enabling" activities. "Enabling" activities are those that support other activities in making a significant contribution towards an adaptation to climate change. Economic activity 8.2 is not classified as "enabling", however.

This means that we are unable to allocate any turnover to our business activities as "taxonomy eligible" within the meaning of the Taxonomy Regulation. The amount of taxonomy-eligible expenditures or investments made is insignificant. An comprehensive analysis of this is still ongoing.

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 rapidly 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 461,389 installations (380,289 of these in the CLOUD4RETAIL sector), in around 63,000 stores in 62 different countries, GK Software[1] 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

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[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.

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, 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 and the majority of the shares in prudsys AG in 2017, for example. 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 (Pty) Ltd. in South Africa, GK Software USA Inc., OOO GK Software RUS,

AWEK GmbH, retail7 GmbH and Deutsche Fiskal GmbH. In the reporting year, GK launched another subsidiary: GK Software SE (France). 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 three 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. AWEK microdata GmbH was sold on 21 May 2021 and no longer belongs to the Group.

The Company's headquarters have been situated in Schöneck 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 almost 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 responsi-

bility - as potential for further increasing its competitiveness.

In order to safeguard economic corporate success and the Company's expansion strategy, gaining and keeping personnel and extensive accompanying measures within the "Active Balance" programme form a particularly important element in the 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 Schöneck 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 will continue to accept this responsibility in future too.

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 topics of economical and social responsibility were also of particular significance in 2021, as the whole year was still very much dominated by the coronavirus pandemic. GK Software SE immediately 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 also maintained during the periods when restrictions were relaxed, 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 exposure (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.

Czech employees who were not able to work from home were offered housing in Schöneck, where the whole family lived at times. This sidestepped the difficulties involved in crossing the border and the daily commute to the workplace in Germany, which, as a result, limited contact as well as the risk of infection.

In light of the above, the coronavirus situation ultimately has an impact on the ecological aspects of corporate responsibility as well: This is demonstrated by the sharp drop in daily commutes to the workplace and the business trips, team activities and in-person events that did not occur. Hardly any 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 CO_2 emissions. As more work was done from home in 2021, less office space was needed, with the result that the contract for rented premises at the St. Ingbert business site was cancelled and the floorspace 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 can be incorporated into in-house processes.

The CSR strategy at GK Software is mainly grouped around 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 demographic 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 entire CSR strategy is the permanent 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 CO_2 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 more are to be installed in 2022 at other GK Software sites too, so that the work towards reducing CO_2 emissions can continue.

3. Goals

Disclosing which qualitative and/or quantitative and time-defined sustainability

goals have been set and put into opera-

tion 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 action. 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 2021 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
- 2021 also saw the Academy adding a number of new online training courses to its programme.
- Reducing the overall operating costs

Cf. more details related to criterion 15 too. 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 lifes of vehicles, purchase of lower-horsepower cars and an overall increase in the number of e-vehicles registered to the company's fleet
- 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

Cf. more details related to criteria 11-13 too. 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 "Active Balance" programme, where possible in 2021 due to the coronavirus.

Cf. more details related to criteria 14-16 too.

4. Depth of the value-added chain

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

Most of the value-added chain is performed by GK Software itself; however, economic, social and ecological aspects are taken into consideration along the complete value-added chain. The manner in which in-house solutions and services are prepared or provided is nat-

urally one major area of focus at the company as a leading provider of store solutions around the globe. In the case of services that are purchased - normally programming services - or for hardware that is bought (for the Company or for customers) or when constructing or extending its own buildings or rented property, GK Software seeks to ensure that they are provided or built according to the highest current standards in each case, if at all possible.

Since 2018, partners have been required to agree to the Company's Code of Conduct in order to collaborate with GK Software. This is 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.

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 partner for the topic of CSR within the company and it has assumed the responsibility for monitoring the company's CSR goals, as defined by the Management Board, under the leadership of the Director of Investor Relations in conjunction with preparing this report. The cross-departmental project team consists of employees from the purchasing, accounts, personnel, controlling and corporation communications divisions.

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 Software. 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, e.g. from the gardener, forester, IHL or "rbr" are also included in the assessments in this field of action. At a project management level, reports on the KPIs on this field of action 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 Company'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 Software for specialists both regionally and nationally. 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 2021 was on supporting the South-West 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 should be taken into consideration here, given that the only practical way to reach it is by car and the number of company employees who travel is still high. The inclusion of the first electric cars in GK Software's vehicle fleet, increasingly registering hybrid cars, 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 who configure new vehicles with no more than 140g of CO_2 emissions mean that the firm is seeking to find a way to contribute to a future with lower emissions. This strategy was continued in 2021 and is set to continue to be implemented in the future.

EFFAS key performance indicators 5 - 7

EFFAS S06-01 key performance indicator

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.

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1   Parts of the programme had to be temporarily suspended in 2021 due to the coronavirus.

EFFAS S06-02 key performance indicator

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 Soft-ware and its partners promise to pursue a common policy

through the introduction of the Code of Conduct. No audits took place during 2021 and none are planned for 2022 either.

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 gaining and retaining members of staff and this is available for all employees at GK Software. GK Software was able to gain 13 employees by means of the bonus programme known as "Employees attract employees" in 2021. In addition, the employee recruitment bonus was increased to EUR 3,000 net.

The "Job Rad" bicycle-leasing programme was also further expanded in 2021. 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, family members can 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.

Two "Train the trainer" training programmes were completed in 2021, which were supported by GK. As a sign of appreciation for their many years of dedication to the Company, those employees concerned were awarded 80 training vouchers of different values (according to their years of service, from 5 upwards) in 2021.

Since September 2021, it has also been possible for employees to receive a subsidy from GK for VDU glasses.

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. As the partners are supposed to be involved in the sustainability strategy through the creation of a Code of Conduct, open communications will be essential here in future too. Suppliers 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. Stating for the major products and services whether and how their current and future effects are assessed in the value-added 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 at customers' premises, and therefore save 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 newly gained service provided by 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

EFFAS E13-01 key performance indicator

> *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.

EFFAS V04-12 key performance indicator

> *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 2021, sports activities were again mostly offered virtually by the Company's fitness trainer, meaning that all employees working from home had the opportunity to take part in online fitness classes and exercise at their workplace. Starting from summer, some classes were also held on site and in the fitness room. In 2021, the company run was again held at the Plauen Vogtlandstadion in the Vogtland region. 150 companies with a total of 1800 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." 18 GK employees were among the participants.

At the start of 2021, our fitness trainer started up a new active-balance programme ("Active Balance4Health"). The aim of this new programme is to give employees simple and practical tips for a healthier daily routine. A group hike through the Vogtland was also organised and accompanied by our fitness trainer in autumn 2021.

GK has made extensive investments for its employees during the last few years to construct its own fitness studio at the new Innovation Centre, expand the fitness studio at the business site in Plzeň and continue extending the GK Campus in Schöneck with many different types of activities like an outdoor climbing and bouldering wall, designing a modern outside area at the Campus site with complete Wi-Fi facilities and a Campus Café with its own coffee roasting unit and the firm's own nursery. We would refer you to the relevant chapters in the Company's financial statement with regard to the costs related to the Campus.

11. Making 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. The firm's nursery regularly collects waste paper.

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.

248 l of diesel fuel were purchased for the emergency power generator in 2021. 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.

A new Messenger and video-conferencing tool were introduced in 2021, 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 2021 compared to previous years. Additional data volume for GK mobile phone networks was also made available by the Company.

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 at the respective business sites were saved. In addition, a new alternative for job interviews known as "Walk&Talk" was introduced. This interview method allows 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 get to know the candidate 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.

The situation caused a number of work placements at the respective business sites to be cancelled, as there was no guarantee that all trainees would be given adequate support in the various specialist areas due to the working-from-home policy. A few work placements could be offered only during the periods when restrictions were relaxed. This also saved costs.

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. 46 "JobRad" bicycles are currently being leased for the Company's employees after the programme was paused under coronavirus regulations and restarted in September 2021.

EFFAS key performance indicators 11-12

EFFAS E04-01 key performance indicator

> *Total weight of waste.*

The total weight of the waste is not currently being logged, so there are no figures available for 2021. There are plans to develop a tracking method together with the disposal companies.

EFFAS E05-01 key performance indicator

> *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.

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.

EFFAS E01-01 key performance indicator

Total energy consumption

The last comprehensive energy audit was carried out in March 2021 in accordance with the DIN EN 16247 standard. The GK buildings and structures, which were audited, and the implementation of the business pur-

pose 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 19,600 l during 2021. In 2020, consumption was still slightly above 16,000 l. This increase was the result of a rise in the number of pool vehicles. In the past year, new hybrid company cars, 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	1,445,270	1.8	2,601,486	0.453		1,178,473.16
Fuel needs	for diesel/petrol	363,355.42	1.1	172,244	0.3		51,673
Total		**1,808,625.42**		**2,773,730**			**1,230,146.16**

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 lifes of vehicles, purchasing lower-horsepower cars with 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 purely electrical 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. Due to delivery problems, only eleven hybrid vehicles and one fully electric vehicle were ordered in 2021. 16 hybrid vehicles and three fully electric vehicles have been ordered for the coming year 2022 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 still at 185g/km in 2020, is expected to be reduced to 180g/km in the coming years. 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 increase in working from home, it can be assumed that use of company vehicles will decrease 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 was already partly reduced in Schöneck, Hamburg and Chemnitz in 2021.

Due to the uncertainties caused by the coronavirus pandemic, it is currently impossible to set targets for reducing the use of resources in 2021.

EFFAS key performance indicator 13

EFFAS E02-01 key performance indicator

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. The audit to log and assess the consumption data for 2020 has not yet taken place.

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 sustain-

ability 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 in the Federal Republic of Germany, the Czech Republic, the Swiss Confederation, France, Great Britain, Mexico, Ukraine, Russia, South Africa 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. 5 official meetings were held in 2021, 3 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 during the coronavirus pandemic. Regular, constructive exchanges also took place in 2021 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 comes in the wake of the restrictions imposed by the COVID-19 pandemic, but overall is seen as an opportunity to simplify the

practical implementation of the election process in the long term.

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 seal") 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 is to increase work efficiency during the pandemic.

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 has 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. At the St. Ingbert site, desk sharing was introduced in 2021 as an innovative work form. 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 baskets 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

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[1] For hygiene reasons, fruit baskets have not been offered since mid March 2020.

was launched in 2015 for this purpose as part of creating a balance between work and life and it has been continually expanded. [1] The Company also made a particular contribution to the health and well-being of its employees in 2021, particularly by allowing them to take their 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 2021, GK employees came from 38 different nations (29 nations were represented at the Schöneck business site alone); 46 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 Company's Babbel 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 does not make any sense.

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 nursery also caters for the children of parents who do not work for the company. This is also an advantage when it comes to recruiting qualified specialists. As the nursery caters for children of various nationalities, this encourages an open-minded and tolerant attitude not only among the children themselves, but also among the parents and employees within the Company.

1   Due to the coronavirus pandemic, the programme had to be paused or could only be offered with major restrictions after March 2020.

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 courses is now available 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. Employees can choose from a total of 14 training sessions. 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. Special events included a joint Czech–German participation in Stoneman Miriquidi 2018 and in the Fichtelberg cycling marathon as Team GK Software. It is not possible, or even necessary, to offer this service in the large cities of Berlin, Cologne and Hamburg because

of the lower numbers of employees and the wide range of activities available in the vicinity of the offices.

The "MammutClub" was founded at GK more than ten years ago to honour employees who have given many years of service. On joining this club, employees receive a substantial financial bonus and their own parking space at the business site in Schöneck, if they are employed there.

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 addition, GK has offered coronavirus vaccinations on several occasions at various business sites and has provided face masks and rapid test kits in the branches.

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. Again in 2021, due to the fact that the coronavirus pandemic caused many events to be cancelled, focus was concentrated on maintaining existing cooperations.

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 (BSZs) e.o. Plauen and 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. However, vocational training courses in IT professions currently ongoing at BSZ e.o. Plauen will be completed. Students particularly come from these educational centres to complete work experience at GK or work as students or write their final dissertation at 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 Diplom degree 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 Chemnitz University of Technology, the Company sponsors a student from the Data Science master's degree course every year and also oversees an application project on the "Management & Organization Studies" master's degree course there in the field of employer branding and employee satisfaction all year round. Two students have already been earmarked for sponsorship in 2022. prudsys AG has been organising the Data Mining Cup for more than 20 years and it is one of the most important student competitions in the field of data science; teams from universities all over the world take part in this competition.

A cooperation was also established with the Bundesfachschule Neuwied in 2021. Students are given the opportunity to qualify as state-certified commercial business economists and 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 2021, GK donated EUR 4,500 to the Dresden University of Technology's Deutschlandstipendium scholarship programme as part of the "MATCHING CHALLENGE" campaign aimed at attracting additional Deutschlandsti-

pendium sponsors and awarding further Dresden University of Technology scholarships to students.

GK also attaches great importance to a successful start for new employees at the firm. An on-boarding programme 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 2021, 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. Onboarding for trainees was carried out in the same manner as in 2020. Additionally, a 2-week POS workshop was developed in 2021 as part of the introductory events for trainees to help them to get a better feeling for GK's core business.

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 2021, 9 students worked in the Students Lab. Their dissertations covered topics such as "Development of clienteling and customer-support applications for smart glasses", "Development of a digital accounting system for energy systems" or "Development of a shopping-basket analysis service using extreme programming concepts". A total of four dissertations were supervised.

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, 22 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. For the time being, the project will be extended to the end of 2022. In the course of the EU project, GK was awarded the KfW-recognised "innovative company" category.

Key performance indicators 14 - 16

EFFAS S03-01 key performance indicator

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

GK Software had 1,096 employees around the globe at the end of 2021.

718 people were employees at the Group's German business sites at the end of the year (excluding prudsys AG). This figure included 629 full-time employees. Additional GK employees in 2021: 23 trainees, 19 sandwich course students, 32 working students; it supervised 9 degree dissertations and enabled 29 people to gain work experience

(15 students and 14 school pupils - includes pure school-time work experience and holiday work experience).

They were divided into the following age groups in December 2021.

T.02 Age structure at the German business sites (excluding prudsys AG) on 31 December 2021

Age	Proportion
	%
Aged under 21	1.5
Aged 21 - 30	20.6
Aged 31 - 40	41.7
Aged 41 - 50	23.9
Aged 51 - 60	10.0
Aged 61 - 70	2.3

EFFAS S10-01 key performance indicator

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

Of the 1,096 employees in 2021, 281 of them were women.

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

EFFAS S10-02 key performance indicator

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 115 men hold management positions with responsibility for other personnel from the team leader level upwards within the complete Group.

That represents a female proportion in management positions of about 14.8%.

EFFAS S02-02 key performance indicator

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: employees participating 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, EUR 90 was spent on each employee for external training courses during 2021.

In 2021, due to the ongoing COVID-19 situation, all GK Academy training courses were conducted virtually. The range of online training courses was further expanded and improved. In 2021, employees were offered 31 different online training modules aimed at specific target groups. 2,319 in-house participants attended the training courses in 2021. This means a considerable increase in the number of participants compared to the previous year. 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 2021, 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. A rhetoric and communication training course aimed at helping students and trainees prepare themselves as well as possible for upcoming oral exams was also introduced in 2021.

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 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 guarantee this internationally too, a Code of Conduct for partners has been drawn up and it demands that fundamental minimum standards are followed, in addition to the latest national and international laws. 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. A new sponsoring agreement was made with Jonas Bachl-Staudinger and Leonie Bachl-Staudinger (ski cross).

The Tannenmühle children's home in Erlbach/Markneukirchen in the Vogtland region also receives regular support from GK Software. GK Software SE donated EUR 2,500 in 2021 and also paid EUR 600 towards a Christmas dinner for the 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 VfB Schöneck 1912 e. V. in the fields of football and volleyball.

Other very popular, regional courses are held 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 use from employees and athletes from outside the company.

In the summer of 2018, the German Alpine Association set up 14 climbing routes, graded from 3 to 7 (UIAA), on the rocky massif of the "Alter Söll" in the centre of Schöneck. The necessary safety equipment was donated by GK.

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 eHealth. 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. 43 external digital events with roughly 800 registrations, some 600 participants, and around 100 speakers or moderators were held in 2021. The number of members rose to 85 in 2021. The network has 1,900 contacts and 1,200 followers on social media. Since its establishment, it has liaised on some 177 specific collaborations: contracts, cooperations, transfer of knowledge, placement of skilled employees, access to capital, media reporting. In 2021, the network won the joint BMBF (German Federal Ministry of Education and Research) research project "Moonrise". Together with 19 partners and coordinated by Hof University of Applied Sciences, the project aims to support small and medium-sized manufacturers with digitalisation.

Regularly held cluster events and campaigns enjoy great popularity, even on a national level. Since its inception, the cluster has received 59 requests for expertise in the field of digitalisation or for external representation of the region. An example from 2021 is the request by the town of Adorf for SWS to organise a digital town-hall meeting between the townspeople, students from Munich and the municipality as part of the "demography workshop" project. The students have drawn up plans for the renovation and re-use of unoccupied buildings in Adorf. These are to be discussed with the townspeople. The town of Adorf has also joined SWS.

In 2021, the DATA MINING CUP (DMC) was held for the 22nd time. The event is a student competition initiated by the Group subsidiary prudsys AG. Last year, 115 teams from 86 universities in 28 countries took part. Students from all over the world developed a model that calculates suitable book recommendations for customers of an online bookshop. It took eleven weeks to complete. For the first time in the history of the DMC, the submitted entries were evaluated by the public via an evaluation site. Visitors to the site saw a fictitious online shop with the book recommendations calculated by the DMC participants. The visitors then had fourteen days to vote on which book recommendations they found the most suitable for the book title shown. This year's DATA-MINING-CUP 2021 was won by students from the University of Geneva, Switzerland.

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. A large number of in-person fairs were cancelled due to the coronavirus regulations. The career orientation fair at Auerbach Grammar School and the open day at the Glauchau University of Cooperative Education were still able to be held as in-person events.

Also in 2021, a summer academy for medical students was held in Upper Vogtland in cooperation with GK. The 12 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.

In addition, occupational orientation events were organised with BSW Vogtland schools. Main topics were GK's company profile and the training and study opportunities. The event was held with various grammar schools in the Vogtland region. A general workshop on the topic of "The interview" was also organised by the career service of the Zwickau University of Applied Sciences.

The Trainee Selection Day is always held at the beginning of the year to select the new trainees in the fields of systems integration and application development. In 2021, the specialist departments in cooperation with the PR department developed an online concept for the Trainee Selection Day that would enable the most suitable candidates to be selected. The professional expertise of the candidates was examined in a multi-stage process consisting of interviews and tests.

GK Software's commitment was rewarded with an invitation from Minister of State Thomas Schmidt for the CEO to appear as keynote speaker at the annual SIMUL+ event organised by the Saxon State Ministry for Regional Development (SMR) in September 2021. In October, GK and the CEO were introduced and honoured as an exemplary company at the commemorative event "30 Jahre Wirtschaftsförderung Sachsen" (Saxony Trade & Invest).

GK is a member of the "Wirtschaft für ein weltoffenes Sachsen" (economy for a cosmopolitan Saxony) association based in Dresden. In March 2021, the CEO Rainer Gläss was elected to the association's executive committee. The association's members promote equal opportunities for all. Respect for, interest in, acceptance of and openness towards others are the cornerstones of a society in which people can live together in peace. This input leads to an increase in economic performance in Saxony. The association actively supports a culture of welcome within Saxony-based companies.

In 2021, Rainer Gläss was also elected to the Board of Governors of the Chemnitz University of Technology as an external member. In this role, Mr Gläss gives recommendations on profile building and improving the university's performance and competitiveness. His duties include approving the university's development plans and draft economic plan.

In 2021, GK also purchased the unused, nationally renowned "Hempelsche Fabrik" building in Plauen. It intends to establish a technology-based creative centre in the city's development zone of Elsteraue. Part of the building will be used by the company itself and part will be rented out. The new business site in Plauen near the company headquarters in Schöneck is attractive for national or international skilled workers seeking an urban environment, for example. There has been a very positive response in the region to GK's commitment. For example, Plauen's mayor has named GK the most influential new arrival in the past 10 years. Parts of the factory are expected to be ready for use at the end of 2022, and 2021 saw the first enquiries from prospective tenants.

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. Participation at IT summits organised by the German government and helping to work on relevant papers also form part of this. On invitation, GK also took part in consultations related to its field of activities at the German Finance Ministry, particularly regarding the issue of implementing the planned Kassensicherungsverordnung (German Cash Register Ordinance).

In 2021, GK attended the Saarland's "Home-Office Summit" at the invitation of Anke Rehlinger, Saarland's

Minister for Economic Affairs. With regard to the St. Ingbert site in the Saarland, the status and ramifications of the work-from-home mandate were discussed with politicians.

No donations have been made to governments or gifts to political parties and politicians inside or outside Germany.

Key performance indicators

EFFAS G01-01 key performance indicator

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. Behaviour within the law and in line with directives

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 Software promises 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.

The intentions consistent with the OECD guiding principles are chartered in our Code of Conduct and can also be found 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. A whistleblower system, managed on an interdisciplinary and confidential basis by a compliance office that takes action in the event of reported suspicions or violations, has been set up for this purpose. This whistleblower system is available both internally and externally. If necessary, the compliance office can consult experts outside the com-

pany. In this regard, GK Software SE evaluates measures and products to ensure that this whistleblower system will be able to meet the future organisational and technical requirements of EU Directive 2019/1937 (whistleblower directive).

There are no cases of corruption at GK in 2021 either, according to the latest information available.

Key performance indicators 20

EFFAS V01-01 key performance indicator

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.

EFFAS V02-01 key performance indicator

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

The lion's share of turnover generated by the GK Software Group 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 where turnover is generated in five countries with a TCI below the threshold. No precise measurement of the relevant sales has been made so far, but it lies in a range of less than 10 percent of the Company's entire turnover.

Legal notice / notes

Legal Notice

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Notes

Note on the CSR 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.