






 London, 18°C  
Mostly Sunny

Inventory Overview ...

 Rose Bouquets	24 units	€35.00
 Tulip Bundles	18 units	€23.00
 Mixed Arrangement	12 units	€50.00

Stock & Weather 

 London, 18°C  
Mostly Sunny

Live stock levels:

 Roses (White):	75%
 Peonies (Coral):	20%
 Eucalyptus	95%

*20% - Low Stock (Reordered)*

Bouquet Composition

Bouquet	\$3.80
Medium	\$2.00
Total	\$58.00



# ESG Report 2025

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# ESG highlights 2025

**2025 was a year of clarity, momentum and deeper integration of sustainability across SD Worx. As our business continued to expand across Europe and beyond, we strengthened the way we manage, measure and embed ESG into daily operations. These achievements not only represent meaningful progress but also shape the foundation for our next steps, especially in climate action, responsible innovation and data readiness.**

## Strategy & accountability

We reinforced the governance supporting our ESG ambitions. We updated our ESG strategy and KPIs to create clearer Group wide expectations and launched our Corporate ESG policy to establish a common baseline for all colleagues (see GOV 1; SBM 1). The improved [EcoVadis](#) score, from Bronze to Silver, placed SD Worx among the top 7% of assessed companies, reflecting stronger practices and Group wide engagement.

## Policies and actions embedded in daily operations

Throughout the year, we updated existing policies and practices and introduced new Group-wide ones, embedding ESG expectations into daily operations:

- launch of the Corporate ESG policy, translating our ESG ambition and commitments into clear and shared expectations for all colleagues and external parties.
- a renewed Global Travel & Expense policy promoting lower carbon, purpose driven travel.
- a harmonised Waste Management policy aligned with the EU waste hierarchy.

- launch of the Labour & Human Rights and Contingent Workers policies, reinforcing Group wide protections.
- Pay Transparency initiatives enhancing internal awareness and customer facing features.
- continued growth in Learning & Development, marking a third consecutive increase in average learning hours.
- expanded Health, Safety & Wellbeing programmes, including Pulso (our Employee Assistance Programme ) and Brain@Worx trainings.
- launch of the Responsible AI policy and associated training, supporting ethical and transparent innovation.
- a strengthened Supplier Code of Conduct and improved engagement to promote responsible practices across our value chain.

## Data & systems readiness

Reliable insights are essential to sustainable decision making (see IRO 1/2). In 2025:

- a new carbon accounting platform aligned with the GHG Protocol was implemented.
- our first Group wide commuting survey improved the accuracy of Scope 3 mobility emissions.

- Scope 3 insights were further refined through a detailed analysis of Purchased Goods & Services.
- the establishment of the Digital Office accelerated our transition towards customer centric, AI enabled solutions at scale.

## External recognition & transparency

Our strengthened ESG efforts were recognised externally with a Silver EcoVadis Medal (76/100; 93rd percentile). Internally, we enhanced access to ESG resources and data by redesigning our Group intranet (see SBM 1).

## Integration across the Group

As SD Worx expanded, we ensured ESG governance and processes were embedded into new countries and acquired entities. Integrating sustainability early in (post) M&A activities helps maintain consistent values, practices and controls across the Group (see GOV 1; IRO 1/2).

# Looking ahead: 2026 priorities

**In 2026, we will further embed ESG into our daily operations, decision making processes and long-term strategy. Our ambition is to make sustainability an integral part of every major business choice and not a standalone workstream.**

## Climate strategy & SBTi

We will formalise our SBTi (Science Based Targets initiative) commitment by submitting our near term targets. We will also complete the rollout of our carbon accounting tool. As our environmental dataset becomes more complete, we will use these insights to strengthen climate management in all regions.

## Social strategy

We will further align our social ambitions with the business strategy, ensuring that our people initiatives directly support our digital HR growth strategy. We will continue to invest in our people through expanded training, upskilling and career pathways to enable our organisation to meet the demands of the evolving digital landscape. We plan to strengthen our diversity and inclusion programmes with a specific focus on accessibility and targeted improvements in health and safety. In parallel, we will advance efforts to roll out pay transparency reporting in all SD Worx countries in 2027. Overall, to support more robust and reliable disclosures, we will continue to enhance the quality of our social dataset.

## CSRD & ESRS readiness

2026 will be a pivotal year in preparing for CSRD (Corporate Sustainability Reporting Directive) reporting. Key milestones include:

- running our first ESRS (European Sustainability Reporting Standards) dry run
- defining the scope of ESRS/EU Taxonomy assurance
- refreshing the 2024 DMA (Double Materiality Assessment)
- initiating control walkthroughs in preparation for limited assurance on 2027 data

These steps support our pathway towards a fully compliant CSRD report in 2028.

## About this report

**This report follows the ESRS fair presentation principles, ensuring that disclosures are relevant, complete, accurate, neutral and faithfully represented, while avoiding unnecessary complexity.**

We continue to apply GRI (Global Reporting Initiative) standards, with the scope defined by our most recent Double Materiality Assessment. During this transitional phase, we use simplified ESRS disclosures to maintain clarity and coherence.

Further details on our reporting process can be found in the annex "Reporting practice and methodology changes," which explains:

- how the refreshed Double Materiality Assessment defines the report boundary
- the systems and controls that support data quality
- recent methodological updates, including ESRS mapping and the GRI dual navigation annex
- our roadmap towards full CSRD compliance by 2028

# Corporate governance



# The role of the administrative, management and supervisory bodies in relation to sustainability (GOV-1)

## Governance structure

SD Worx's formal governance framework defines the responsibilities of administrative, management and supervisory bodies in relation to sustainability. The framework is aligned with the Corporate Sustainability Reporting Directive (CSRD) through the draft simplified European Sustainability Reporting Standards (ESRS), which guide how we manage and disclose information on governance, sustainability-related risks, ethical behaviour and stakeholder expectations.

Anchored in the principles of the UN Global Compact, our governance model reinforces integrity, respect for human rights, labour standards and anti-corruption practices across all operations. It provides clear structures, defined accountabilities and transparent processes to support responsible business conduct and compliant reporting.

## Governance bodies and responsibilities

The General Assembly is the highest decision-making body and approves the annual accounts and budgets, appoints and removes directors, amends the Articles of Association and decides on profit allocation.

### Board of Directors (the Board)

The Board provides strategic and control function and oversight to ensure long-term value creation. Its responsibilities include:

- defining mission, strategy and policies
- overseeing financial integrity, investments and risk management
- decision-making related to organisational structure and changes, mergers and acquisitions.
- supervising internal audit and compliance
- monitoring performance and remuneration of the Executive Committee (Excom)

The Board aims to combine efficiency, expertise and diversity and is supported by two specialised committees: the Audit & Risk Committee (ARC) and Remuneration & Nomination Committee (RNC), which both report to the Board after each meeting. Each year, the Board prepares a detailed annual report, which describes the company's status, potential risks and prospects. The report highlights examples of corporate governance, provides an overview of the financial position and communicates the activities of the Board and the organisation.

### Board structure and composition

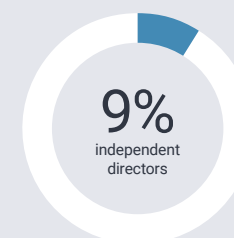
The Board is calibrated for both swift decisions and broad insight, with 8–12 directors, ensuring:

- diversity in skills, gender and perspectives
- complementarity across disciplines relevant to the company's operations
- continuity for long-term success

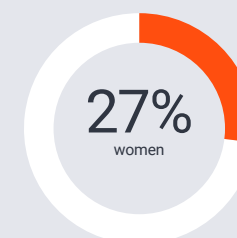
Material issues and concerns (including sustainability, compliance, audit findings and whistleblowing escalations) are channelled to the ARC and the Board via standard reporting lines and scheduled agenda items.

### Board composition metrics (2025)

#### Board independence



#### Gender diversity





(From left back row) Jan Van Acoleyen – Filip Dierckx – Kobe Verdonck – Koen Van Gerven / (From left front row) Teresa (Tea) Colaianni – Brigitte Boone – Fabienne Lallemand (Board Secretary) – Steven Buyse  
(Not pictured) Dirk Collier – Michael Lavrysen – Georgette Schlick – Daniel Williamson

### Board members (as of 01/07/2025)

Ginkgo Associates CommV, permanently represented by **Filip Dierckx**, chairman



To Be Projects BV, permanently represented by **Brigitte Boone**, director

**Steven Buyse**, director

**Teresa (Tea) Colaianni**, director

DCM Seagull CommV, permanently represented by **Dirk Collier**, director

**Michael Lavrysen**, director

**Georgette Schlick**, independent director

Akeley BV, permanently represented by **Jan Van Acoleyen**, director

Fusion Inc BV, permanently represented by **Koen Van Gerven**, director

Ellezé CommV, permanently represented by **Kobe Verdonck**, director

**Daniel Williamson**, director

## Oversight of sustainability matters

Sustainability is embedded in SD Worx's governance:

- The **Board** oversees sustainability matters, reviews progress toward ESG targets and assesses trade-offs and risks.
- The **ARC** oversees ESG policies, practices and performance, reporting standards and assurance for ESG disclosures, and emerging ESG topics and stakeholder concerns reported to the Board.
- **Excom** integrates sustainability considerations into strategy, budgeting, risk management and business planning.
- The **ESG Steering Committee & ESG Office** validates ESG/ climate strategy and KPIs, tracks regulatory developments (e.g. CSRD, EU Taxonomy, SBTi), and provides dashboards and briefings to the ARC, Excom and the Board.

### Climate governance

As climate change is material, the oversight is delegated by the Board to the Audit & Risk Committee (ARC) and the ESG Steering Committee. The ARC reviews climate related risks through the ERM (Enterprise Risk Management) framework, while the ESG Steering Committee validates climate strategy, KPIs and regulatory developments. Excom embeds climate considerations into strategy, budgeting and operational planning. The Board holds the ultimate accountability and receives regular ARC reporting. (See E1 for details).

Governance bodies receive sustainability information through structured reporting flows, including quarterly ARC updates, ESG Steering Committee dashboards, Excom strategy reviews and periodic briefings from the ESG Office and the Risk & Security Board.

## Training and competence of governance bodies

All directors and Excom members complete annual Code of Conduct and Security & Privacy training. A consolidated inventory of sustainability skills and experience is being compiled in 2026 and will be disclosed once available. More information about the Code of Conduct training content can be found in chapter G1-1 Policies related to business conduct.

## Board Committees

### Audit & Risk Committee (ARC)

The ARC supports the Board of Directors in fulfilling its supervisory responsibilities. It provides independent oversight of financial reporting, risk management, internal control and compliance across the Group. The Committee evaluates the effectiveness of the risk management framework, the integrity of the control environment, and the processes used to ensure compliance with laws, regulations and internal policies. It oversees the work of the Internal Audit and External Audit and monitors the quality and reliability of financial and sustainability reporting, including controls supporting ESRS aligned disclosures.

### Remuneration & Nomination Committee (RNC)

The RNC supports the Board on executive appointments, succession planning and overall leadership structure. It sets and reviews remuneration frameworks aligned with long term value creation and responsible business conduct, ensuring policies are competitive, fair and compliant. The Committee also oversees key human capital priorities, including diversity and inclusion, leadership development and succession for critical roles, so that pay practices and talent decisions support the organisation's strategy and risk appetite.

### Executive Committee

The Executive Committee (Excom) acts under Board delegation and manages day-to-day operations. It ensures alignment between strategy and execution through:

- implementation of strategy plans and policies.
- operational and financial performance
- resource allocation and stakeholder engagement
- operational risk management and internal controls

Excom is supported by the Risk & Security Board, ESG Steering Committee, Facility Steering Committee and the Market Teams, ensuring that governance decisions are translated into daily operational practice.

### Members of the Executive Committee (31/12/2025)

**Kobe Verdonck**, Chief Executive Officer



**Patrick Barazzoni** (EVP DACH - Italy - Nordics - CEE – Adriatic)

**Michael Custers** (Chief Strategy Officer)

**Andrea Eschle** (Chief Products & Technology Officer)

**Bruce Fechey-Lippens** (Chief People Officer)

**Kelly Lespinoy** (Chief Legal & Compliance Officer)

**Sebastian Peeters** (Chief Financial Officer)

**Gille Sebrechts** (Chief Digital Officer and EVP Prottime, SAP & INTL)

**Dominique Tassent** (EVP Benelux & Southern Europe)

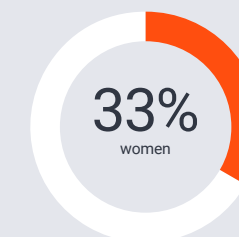
### Excom composition metrics (2025)

#### Compliance training



(Compliance training including Code of Conduct, Security and Privacy)

#### Gender diversity



## Risk & Security Board

The Risk & Security Board oversees information security, privacy and operational resilience across the Group. It establishes and reviews corporate security and privacy policies, monitors significant incidents and emerging threats, and evaluates the adequacy of controls designed to protect information and systems.

The R&S Board ensures that security and privacy practices align with legal requirements, strategic priorities and risk exposure. It also contributes to effective internal controls for sustainability reporting where data protection, cybersecurity or operational resilience are relevant.

## ESG Steering Committee

The ESG Steering Committee is a senior leadership body responsible for guiding and validating the company's ESG strategy. It reviews progress on material sustainability matters, monitors regulatory developments and ensures alignment across the organisation on key ESG priorities.

This Committee supports both the Executive Committee and the ARC by providing insights on sustainability-related risks, opportunities and stakeholder expectations. It meets regularly to review performance against ESG targets and coordinate the implementation of agreed actions.

## Members of the ESG Steering Committee (31/12/2025):

**Maurice Bisschop** (CEO SD Worx Jobs)

**Michael Custers** (Chief Strategy Officer)

**Dr. Steve Engelen** (Integrated Reporting Officer)

**Bruce Fechey-Lippens** (Chief People Officer)

**Lesley Hellebuyck** (Head of Internal Control & Compliance)

**Kelly Lespinoy** (Chief Legal & Compliance Office)

**Sebastian Peeters** (Chief Financial Officer)

**Gille Sebrechts** (Chief Digital Officer and EVP Protime, SAP & INTL)

## Market teams

Market Teams are responsible for executing the company's commercial strategy and ensuring local market excellence. They implement go-to-market activities, deliver financial and operational results, and provide insights into local regulatory conditions, customer needs and emerging trends.

They also contribute to the implementation of sustainability commitments at local level and provide input on regional risks and opportunities that may be relevant for ERS reporting.

## AI governance

SD Worx governs AI through a cross functional committee and an approved tool registry; risk based controls align to the EU AI Act and are integrated with privacy, security and ERM. For the full lifecycle, roles, controls and metrics, [see Responsible AI](#).

## ESG governance as part of governance structure

SD Worx's ESG governance model consists of three interconnected layers:

### 01

**The Board via ARC** – strategic oversight of ESG matters.

### 02

**ESG Steering Committee** – senior leadership committee validating ESG strategy and monitoring progress.

### 03

**ESG Office** – operational driver coordinating ESG activities, data, compliance and reporting.

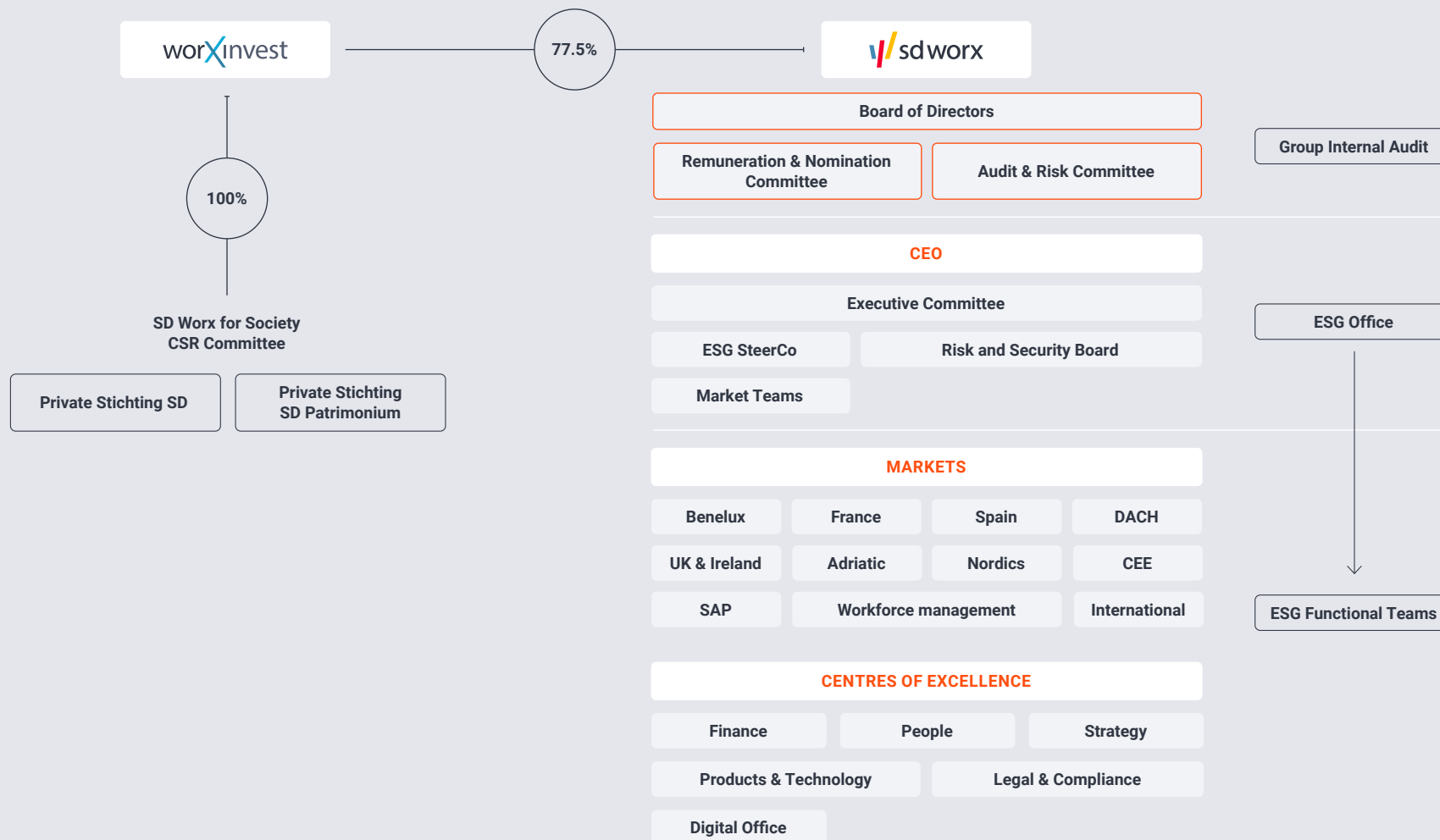
### ESG Steering Committee

The committee meets quarterly to review progress on ESG targets, discuss emerging risks and align the organisation on key priorities. Members include senior leaders from various areas within the company.

### ESG Office

The ESG Office is responsible for:

- leading double materiality and risk assessments
- coordinating regulatory compliance and disclosures
- managing ESG data collection, controls and reporting
- driving awareness and communication in alignment with brand and corporate communications
- supporting cross functional ESG working groups
- coordinating with functional owners to ensure progress on key actions and consistency across the Group.



## Collaboration and dialogue

ESG is embedded throughout SD Worx via structured dialogue and engagement:

- **Board of Directors** – strategic ESG sessions and presentations.
- **Executive Committee and senior leadership** – departmental ESG reviews and sounding boards.
- **Employees** – awareness sessions, DEIB training, engagement surveys.
- **External stakeholders** – ESG reporting, investor briefings and community initiatives.

Dedicated ESG working groups – Environment, People, Governance and Portfolio – drive cross-functional collaboration and ensure ownership within each focus area. These groups work alongside the ESG Steering Committee to implement initiatives such as structured reporting frameworks and ESG due diligence in M&A transactions.

## ESG dialogue

Stakeholder	Dialogue
<b>Board of Directors</b>	ESG strategic sessions and presentations
<b>Executive Committee / Senior Leadership</b>	ESG strategic sessions and department presentations, sounding boards
<b>Audit &amp; Risk Committee</b>	Recommends ESG strategy, policy and practices; oversees reporting standards and safeguards assurance; informs the Board on ESG matters with respect to business practice, performance and change
<b>ESG Steering Committee</b>	Holds quarterly meetings to propose and validate ESG strategy framework and actions
<b>ESG Office</b>	Provides a weekly progress update on the ESG roadmap, key performance indicators and sharing of best practices
<b>ESG Functional Teams</b>	Offers a monthly alignment on objectives, actions and dependencies to execute the ESG roadmap
<b>CSR Committee</b>	Holds biannual meetings relating to CSR decisions/SD Worx Fund
<b>Participating, M&amp;A transaction (Investment Team)</b>	ESG due diligence, questionnaires, synergy/cultural fit check
<b>SD Worx employees</b>	Regular department meetings, presentations, awareness sessions; social impact matrix communication; engagement surveys, DEIB trainings and workshops
<b>General public</b>	ESG reporting, social matrix actions and communication
<b>Investors / Shareholders</b>	(Non-)financial results briefing, investor presentations, General Assembly

# Integration of sustainability-related performance in incentive schemes (GOV-2)

**SD Worx integrates sustainability-related performance into its executive incentive structures by linking variable remuneration for Excom members and Spark leaders (managers reporting to Excom) to employee engagement. In 2025, SD Worx transitioned from using the Employee Net Promoter Score (eNPS) for variable remuneration to the Employee Engagement Index (EEI), a core social sustainability indicator, to foster a more comprehensive understanding of employee sentiment, wellbeing and organisational culture.**

The EEI was already actively used in the business to form a qualitative component within the variable pay framework, ensuring that leadership incentives are directly influenced by their contribution to fostering an engaged, inclusive and people-focused working environment. While the Board of Directors does not have sustainability-linked variable remuneration, the inclusion of the EEI for senior leadership is a material step in aligning compensation with SD Worx's sustainability and people-first ambitions.

# Statement of Due Diligence (GOV-3)

**SD Worx operates a sustainability due diligence process aligned with ESRS. The process covers the identification and assessment of actual and potential human rights and environmental impacts across our own operations and the value chain. It also covers the prevention and mitigation of adverse impacts, the tracking of effectiveness and remediation where required. Outcomes of our double materiality assessment determine scope and prioritisation. The process is integrated with our ERM (Enterprise Risk Management) to ensure escalation and monitoring alongside other Group risks. It is consistent with the UN Guiding Principles on Business & Human Rights and the OECD Guidelines for Multinational Enterprises.**

## Governance, policies and roles

Sustainability due diligence is anchored in our Code of Conduct, Labour & Human Rights, Security & Privacy and Procurement policies. Oversight of due diligence sits with the Board, (ARC) and Excom. Day to day coordination is led by the Group Internal Control & Compliance and ESG Office with Risk & Security, Privacy, Legal and Procurement. Evidence and attestations are available in the Trust Centre/Assurance pack (see annex Attestations).

## Value chain due diligence (suppliers and partners)

Our sustainability due diligence process covers identification, assessment, mitigation and remediation of impacts in our operations and value chain. We apply pre engagement screening, contractual ESG/privacy/security obligations, periodic reviews and targeted audits under a third party assurance framework. Corrective action plans are required where gaps are found. Coverage and results are tracked and disclosed with the relevant topical standards. We also conduct risk based on site supplier audits to verify adherence to environmental, social, business conduct, security and privacy requirements, aligned to ISO 14001, ISO 27001 and ISO 27701 where applicable.

## Grievance and remedy

Employees can raise concerns through confidential speak up/ complaint channels. Allegations are investigated, outcomes recorded and remediation tracked to closure; material issues are escalated via ERM. Channel description and metrics are reported in G1 and S1-2 and S1-16.

# Risk management and internal controls for sustainability reporting (GOV-4)

**SD Worx's risk appetite varies according to the activity undertaken and our strategic priorities. The Board sets the risk appetite through a risk appetite statement: the Audit & Risk Committee and Executive Committee oversee adherence. Group top risks are consolidated annually for Excom monitoring and ARC review. Entity risk registers are also regularly reviewed. The risk appetite applies consistently across SD Worx and to key partners and suppliers.**

## Risk management model

SD Worx believes that good risk management leads to better operational and commercial decisions, fostering a growing, resilient and sustainable business. SD Worx operates under the 'Three Lines Governance Model' to ensure strong governance and risk management practices.

- **First line – Operational teams:** the teams that deliver SD Worx products and services to our customers and their support functions serve as our first line. They own and manage risk, maintain effective internal controls, and implement risk and control procedures for the delivery of services to our customers.
- **Second line – Specialist oversight functions:** our specialist functions, such as Enterprise Risk Management, legal, cybersecurity, data protection, internal control and compliance, which support the management of risk and our internal control environment, serve as the second line. They provide complementary expertise, ensure that risk levels remain within the risk appetite set by the Board, and report on the adequacy and effectiveness of risk management.
- **Third line – Internal Audit:** Group Internal Audit serves as the third line, providing independent, reasonable assurance and advice on governance, risk management and internal controls to support the achievement of our objectives.

### Three Lines Model

- ┌ Accountability, reporting
- ┌ Delegation, direction, resources, oversight
- ┌ Alignment, communication coordination, collaboration



External Assurance Providers

## Time horizons

We assess impacts, risks and opportunities over defined horizons within our corporate DMA (Double Materiality Assessment) process coordinated by the ESG Office: short-term ( $\leq 12$  months), medium-term (2–3 years) and long-term (4–10 years). These horizons are used consistently across our enterprise risk assessments, double materiality follow-ups and strategy reviews. Enterprise risks are assessed on a 5-year horizon. Prioritisation combines inherent likelihood, inherent impact and control effectiveness. Based on these criteria, risks are prioritised to be either remediated, monitored, accepted or optimised. This approach is consistent with the principles of COSO ERM and ISO 31000.

## Business model and value chain integration

Risk identification and control design are embedded in our business model and value chain through privacy/security by design, operational controls (including Business Continuity Management and incident response) and supplier due diligence and contractual controls. The risk process (identify  $\rightarrow$  assess  $\rightarrow$  prioritise  $\rightarrow$  respond) is applied consistently across entities and functions.

## Stakeholder input

Insights from our DMA and ongoing stakeholder engagement (customers, employees, regulators, suppliers) feed into risk identification and treatment plans. These inputs are reflected in risk registers, control enhancements and policy updates, ensuring that our risk profile remains aligned with stakeholder expectations and emerging issues.

## Linkage of IROs to key risks

SD Worx aligns its material Impacts, Risks and Opportunities (IROs) with the enterprise risk register. Based on our DMA, the material topics (E1 Climate, S1 Own workforce, S4 Consumers & end users, G1 Business conduct) are mapped to the Group's key risk areas. Where IROs exceed escalation thresholds, items are raised to entity risk registers and, if relevant, consolidated as Group Top Risks for Excom monitoring and Audit & Risk Committee oversight. Climate related IROs follow our TCFD approach as detailed in the annex.

## Key risks aligned with material topics

SD Worx is exposed to various risks in the normal course of business that could have a material adverse effect on its results. We manage these risks as well as possible through our risk management system. The table below highlights the most significant risks, these are neither ranked nor exhaustive.

### Key risks aligned with material topics

Key risk and IRO reference	Description and impact	Mitigation
<p><b>Macroeconomic unpredictability and volatility</b></p> <p>SBM-3 interaction/financial effects</p>	<p>HR activity is highly correlated with economic activity. General uncertainty about the economic outlook, weak European growth and rising geopolitical tensions create a volatile environment. Although unemployment rates in the EU remain at record lows, this volatility could lead to the postponement of further hiring or even downsizing by our customers, which in turn could have a negative impact on our results.</p>	<p>SD Worx is closely monitoring market conditions and is prepared to respond quickly to changes. We have a strong balance sheet and financial position. Our agile processes allow us to act quickly and shift priorities as volatile market conditions require.</p>
<p><b>Talent attraction and retention</b></p> <p>S1 Own workforce – working conditions, DEIB, skills and training</p>	<p>Given our people-focused business and the current competitive labour markets and 'war for talent', our ability to attract and retain the right people is critical. Failure to continue to attract the talent to support SD Worx's rapid growth could impact operational efficiency and our ability to deliver, resulting in sub-optimal results.</p>	<p>SD Worx is proud of its strong culture and values. Employee engagement is a key metric that is actively monitored throughout the year through work and engagement surveys. As an end-to-end HR provider, we are constantly striving to promote innovation in HR practices and to apply new HR concepts within our own organisation as quickly as possible</p>
<p><b>Cybersecurity</b></p> <p>S4 Information related impacts on customers/end users; G1 Business conduct – data privacy and cybersecurity</p>	<p>The rapid proliferation of new vulnerabilities, the use of cyber weapons to cause operational disruption or compromise data and the ever-increasing damage caused by ransomware attacks, keep cyber risk high on the agenda. As technology and data are core business enablers for SD Worx, cybersecurity attacks resulting in HR data breaches can disrupt business operations and have significant reputational and financial implications.</p>	<p>Processes are in place to prevent and detect cybersecurity threats on a 24/7 basis, and security controls are embedded in our IT environment.</p> <p>A comprehensive threat and vulnerability management programme aims to identify and manage new vulnerabilities on time.</p> <p>With our group-wide ISO 27001 certification as the basis, we are continuously improving our cybersecurity capabilities and our capabilities to withstand cyberattacks.</p>
<p><b>Disruptive technology</b></p> <p>G1 (responsible tech conduct), S4 (algorithmic impacts on customers), GOV 1 (AI governance oversight)</p>	<p>The tremendous speed of the continued growth of generative AI and the further development of other frontier technologies such as quantum computing can lead to adverse outcomes that negatively impact our business.</p> <p>New, innovative platforms making use of cutting-edge technology can change business dynamics and the way companies manage their workforces. Failure to respond in time could affect the bottom line or even the viability of certain businesses.</p>	<p>SD Worx is investing heavily in new digital solutions through a large R&amp;D budget, including advanced new technologies such as artificial intelligence (AI). We continuously scan the market for new trends and solutions through our Market Research and Intelligence team and use this information to strengthen our processes and products.</p>

## Key risks aligned with material topics

Key risk and IRO reference	Description and impact	Mitigation
<p><b>Legal compliance with labour and tax regulatory frameworks</b></p> <p>G1 Business conduct (compliance); S1 Own workforce (compliance aspects)</p>	<p>The COVID-19 pandemic led to an increase in tax and subsidy regulations, making payroll processing more complex. Complexity is also increasing in Eastern European countries as they become more regulated. Failure to comply with regulatory changes can lead to an increase in claims, which in turn can have a significant impact on our financial results.</p>	<p>SD Worx has a knowledge centre of legal experts and specialists who monitor laws, decrees and regulatory changes issued by social security and tax authorities. We do not wait for a regulatory change to be enacted but proactively seek information to analyse the impact of such changes at an early stage. A dedicated Knowledge Tools team develops solutions to ensure that we can efficiently communicate new content and regulatory changes to both our employees and our customers.</p>
<p><b>Workforce</b></p> <p>Compliance aspects</p>	<p>An increase in claims, which in turn can have a significant impact on our financial results.</p>	<p>SD Worx has a knowledge centre of legal experts and specialists who monitor laws, decrees and regulatory changes issued by social security and tax authorities. We do not wait for a regulatory change to be enacted but proactively seek information to analyse the impact of such changes at an early stage. A dedicated Knowledge Tools team develops solutions to ensure that we can efficiently communicate new content and regulatory changes to both our employees and our customers.</p>
<p><b>Data protection regulations</b></p> <p>G1 Business conduct: data privacy; S4 Consumers/end-users</p>	<p>SD Worx processes large amounts of personal data. As the risk of cyber-attacks increases, so does the risk of personal data breaches and data-related litigation. Customers' desire to maximise the benefits of data insights further increases these risks.</p> <p>Overall, SD Worx is exposed to a higher risk of non-compliance, which can result in significant claims, fines and reputational damage.</p>	<p>We have a dedicated Privacy and Data Protection team who, together with our Group Data Protection Officer, ensure compliance with data protection regulations.</p> <p>SD Worx has invested in an ISAE 3000 assurance report to demonstrate GDPR compliance for the processing activities we carry out for our customers.</p>
<p><b>Supply chain resilience</b></p> <p>G1 2 Supplier relationship management, S4 Consumers/end-users</p>	<p>Environmental, social and governance (ESG) factors are increasingly driving investor and customer preferences, making sustainability/transition risk management critical to SD Worx's continued growth. Failure to implement robust policies and processes for all components of sustainability that can meet stakeholder expectations can lead to a loss of confidence among prospects and investors, and ultimately slower growth and lower performance.</p>	<p>Through appropriate ESG governance structures and dedicated ESG working groups, we continuously track ESG reporting standards and EU/global legislation. SD Worx already complies with ESG reporting frameworks such as GRI, which are largely aligned with approved EU reporting standards. We do not just want to comply with new standards; we want to be inspired by ESG and support our customers with ESG-inspired offerings.</p>
<p><b>Sustainability/ESG transition</b></p> <p>E1 Climate (material) → transition &amp; physical risks; G1 (business conduct)</p>	<p>Environmental, social and governance (ESG) factors are increasingly driving investor and customer preferences, making sustainability/transition risk management critical to SD Worx's continued growth. Failure to implement robust policies and processes for all components of sustainability that can meet stakeholder expectations can lead to a loss of confidence among prospects and investors, and ultimately slower growth and lower performance.</p>	<p>Through appropriate ESG governance structures and dedicated ESG working groups, we continuously track ESG reporting standards and EU/global legislation. SD Worx already complies with ESG reporting frameworks such as GRI, which are largely aligned with approved EU reporting standards. We do not just want to comply with new standards; we want to be inspired by ESG and support our customers with ESG-inspired offerings.</p>

## Financial effects & resilience

For the year 2025, SD Worx has not identified any separately quantifiable financial effects of sustainability related risks or opportunities due to data limitations and measurement uncertainty. Qualitatively, cybersecurity/privacy, workforce wellbeing and climate transition may influence revenue resilience, operating costs and capital allocation. Note 27 in the consolidated financial statements provides further information on the management of financial risks, in particular foreign exchange risk, credit risk, interest rate risk and liquidity risk concerning the Group's financial liabilities.

## Internal controls for sustainability reporting

SD Worx applies a formal internal control framework for sustainability reporting. Topic owners are accountable for data definitions and first line validations; the ESG Office consolidates data and performs consistency and plausibility checks and performs second line quality reviews; and Internal Audit conducts assessments by request.



# Data privacy and cybersecurity

**As a global provider of HR and payroll services, we handle sensitive information daily. This data belongs to employees, customers and suppliers. This responsibility drives our commitment to maintaining the highest standards of information security and compliance.**

## Scope and boundary

Our security and privacy policies apply across the entire value chain, covering suppliers, outsourcing partners and technology providers. We enforce these requirements through contractual obligations, pre engagement due diligence and continuous monitoring, supported by corrective action plans where necessary (see G1, MDR P).

We integrate security and privacy into all products and operations through a Group wide governance framework built on ISO 27001 (ISMS) and supported by privacy management, incident response and Business Continuity Management (BCM) and Disaster Recovery (DR) policies. Governance oversight rests with Excom, while second line functions – including Risk & Security, Privacy/Legal and Compliance – provide monitoring and advisory support. Internal Audit delivers independent assurance, and escalation follows the ERM process described in the Risk chapter.

Our Group policies cover information security, data protection, incident response and business continuity and disaster recovery. External certifications and assurance mechanisms, such as ISO 27001/27701 and ISAE 3402/3000, are referenced in the annex.

## Third-party due diligence

Our requirements apply to the entire value chain. Before engagement, suppliers and partners undergo screening (privacy, security and ESG) and accept contractual obligations; we monitor performance, conduct targeted audits and issue corrective action plans where needed. This is followed up by a dedicated Third-Party Assurance team.

Actions and controls (MDR A).

- Security by design/privacy by design in products and change processes
- 24/7 monitoring and incident response, vulnerability management and patching
- Third party due diligence and contractually binding privacy/security clauses
- BCM/DR testing; regular internal/external audits
- Mandatory information security and privacy training for all employees

## Targets & metrics

Our data privacy and cybersecurity targets are crucial part of our governance strategy. Targets are built to be simple to grasp and easy to verify. Unless stated otherwise, these cover the entire Group and are reported annually. For the ISO 27001 target, recent acquisitions are excluded until formally onboarded.

To reflect the proportion of colleagues covered in countries of different sizes, we apply FTE weighting. We also follow the auditor's own severity scale, meaning that a 'major' finding corresponds to the level classified as major by Internal Audit or by our external certifier.

### Governance targets

Long-term target	Action	Target	2025 result
<b>Strengthen risk management</b>	Conduct regular risk assessments aligned with policy	80% coverage of critical business units by Q4 2026	In progress – not yet measured in 2025
<b>Maintain GDPR compliance</b>	Develop and maintain a compliant privacy management system	0 major audit findings in 2026	0 major audit findings in 2025
<b>Avoid GDPR penalties</b>	Enhance GDPR controls and monitoring	0 GDPR fines in 2026	0 GDPR fines in 2025
<b>Improve information security</b>	Maintain and expand ISO 27001 coverage	90% of the workforce covered by end of 2027	92% of the workforce covered (FTE-weighted; 2025)
<b>Achieve NIS2 compliance</b>	Implement NIS2 requirements across all countries	0 major audit findings on material non-compliance with NIS2 requirements	In progress in 2025
<b>Build a security aware culture</b>	Cyber and data protection awareness programme with annual training for all employees	>95% training completion in 2026	88% training completion in 2025

## Risk linkage

Privacy and cybersecurity risks identified in our DMA are managed through the ERM process in the Risk chapter and cross referenced in the TCFD annex (integration into overall risk management).

### Our privacy and security strategy includes:

- 24/7 monitoring and incident response
- Vulnerability scanning and patch management
- Security by design and privacy by design principles
- Annual business continuity and disaster recovery testing
- Regular external and internal audits
- Mandatory information security and privacy training
- Clear incident response and escalation workflows

## Certifications and assurance

### Our commitment is validated through multiple certifications and attestations:

- ISO 27001 for information security management.
- ISO 27701 for privacy management.
- ISAE 3000 for GDPR compliance.
- ISAE 3402 for payroll outsourcing and SaaS services.

More information can be found in the annex.

## Looking ahead

As the use of artificial intelligence accelerates, we also recognise the growing importance of AI specific security and privacy safeguards, including model governance, responsible data use and protection against new forms of cyber risk. By prioritising security and privacy across both traditional systems and emerging AI driven environments, we not only protect data, but also uphold the trust that our customers, employees and partners place in us.

# Responsible AI

**AI supports secure, efficient, future ready HR & payroll services. Our approach emphasises human oversight, fairness, accountability, GDPR compliant data protection and the transparent use of AI. Responsible AI is integrated with our cybersecurity and ethical business conduct. (See S4 for customer facing policies, engagement and remedy channels.)**

## Scope and boundary

The scope of responsible AI reporting includes SD Worx's own operations and third party AI systems that the Digital Office has formally approved.

The reporting boundary follows the principle of operational control. Material value chain elements, specifically AI vendors and technology providers, are addressed through contractual requirements, privacy and security due diligence and third party assurance. These elements are reflected qualitatively in the disclosure where relevant.

## Governance and oversight

Oversight is provided by AI Legal and Compliance, managing risk classification, system approvals and policy updates, and reports at least twice a year to the Executive Committee and the Audit & Risk Committee (ARC). The Digital Office maintains the official registry of approved AI systems and defines the conditions under which they may be used.

Employees are required to use approved AI systems as their primary option. The use of public AI tools is only allowed under strict conditions and is never permitted for processing customer data, confidential information or proprietary content.

## Process to identify, assess and manage AI impacts, risks and opportunities

SD Worx applies a risk-based classification and lifecycle approach aligned with the EU AI Act and embedded in our AI Policy. Our process covers the full AI lifecycle and includes:

1. Use case registration and documentation to ensure traceability and a consistent assessment basis.
2. Human in the loop verification for all significant or consequential decisions.
3. Governance of approved tools, maintained through the Digital Office's registry and defined usage conditions.
4. Privacy and security assessments, ensuring appropriate safeguards and alignment with GDPR and security standards.
5. Post deployment monitoring, covering issues, incidents, user feedback and model performance.

Outputs from these activities feed into the ERM cycle and inform our DMA refresh, helping to identify material AI related impacts, risks and opportunities.

## Policies, actions, targets and metrics

SD Worx maintains a coherent set of policies, guidance and controls to ensure responsible, compliant and trustworthy AI.

- Artificial Intelligence policy – defines the scope, roles and responsibilities, decision rights and lifecycle controls, including registration, risk classification, approval requirements, human oversight and transparency.
- Information Security and Privacy policy – sets out ISMS and privacy management principles, including alignment with GDPR and NIS2 requirements where applicable.
- AI usage guidelines – provide practical rules for employees (e.g. no sensitive data in public tools, critical assessment of outputs) and reflect EU-trustworthy AI principles. They complement the AI Policy, Security & Privacy Policy and the Code of Conduct.
- Code of Conduct and Whistleblowing; Labour & Human Rights policy – outline expected ethical behaviour, fair conduct, grievance mechanisms, remedy and reporting channels.
- Data Processing and Contractual Controls – Establish privacy by design requirements and data use restrictions for AI vendors and third party tools.

## Action and continuous improvement

We maintain a structured approach to responsible AI through clear governance, mandatory registration and ongoing risk management. All AI use cases must be registered, risk assessed and approved. We ensure that all impacted roles receive appropriate training, and we expect our suppliers to be aligned with our standards through privacy-by-design expectations, EU AI Act readiness and the data-use safeguards embedded in our DPAs and MSAs.

## The EU AI Act

We identify and classify our AI use cases and keep the required technical documentation up to date. We manage risks throughout the entire lifecycle of each system, from design and development to deployment and ongoing monitoring. We apply strong data and model governance, including checks for bias and model drift. We ensure appropriate human oversight and meet the EU AI Act's requirements for accuracy, robustness, cybersecurity, logging and post market monitoring.

When we act as a provider of high risk AI systems, we prepare for the required conformity assessments. When we act as a deployer, we follow the deployer obligations and verify that the provider has met their responsibilities.

Customer transparency, ways to challenge decisions and remedy channels are described in S4. Governance roles and meeting cadence are reported in GOV 1, while the ERM approach is covered in IRO 1. These chapters complement our AI specific transparency and operator duties aligned with the EU AI Act.

## Ethics, security and transparency

We do not use automated decision making for critical HR processes such as recruitment, promotions or performance evaluations. We avoid prohibited or high-risk practices, such as biometric categorisation, emotion analysis or anything that could lead to discrimination or social scoring.

Only approved AI systems are allowed to handle sensitive or confidential data.

We commit to explainability and transparency: whenever AI provides significant assistance, this is clearly disclosed, and all outputs must remain verifiable and accountable.

These principles are connected to our broader frameworks: customer engagement and remedy processes in S4, responsible business conduct in G1, people and training commitments in S1, environmental impacts of digital operations in E1, and enterprise risk management in the Risk chapter.

## AI's Impact on ESG

### Environmental

We use AI where it delivers measurable value – better insights, scenario modelling and operational efficiency – while avoiding unnecessary processing. This supports lower energy use and more sustainable digital operations, aligned with our environmental goals (see E1).

### Social

AI improves accessibility, learning and productivity by reducing repetitive tasks, while human oversight remains mandatory. We do not use automated decision making in HR critical areas and prohibit practices that risk discrimination (see S1 and S4).

### Governance & trust

Our lifecycle controls are EU AI Act aligned (registration, approval, documentation, data/model governance, monitoring), with a Group AI registry, clear rules for public tools, transparency/disclosure of significant AI assistance and oversight via Excom/ARC (see GOV 1 and IRO 1).

# Strategy & general disclosures



# Sustainability strategy, business model and value chain (SBM-1)

**Sustainability is an integral part of how SD Worx creates value as a software and services driven HR and payroll provider. We operate a service based business model without production activities and with very limited or no exposure to high risk sectors such as fossil fuel extraction, chemicals manufacturing, tobacco or controversial weapons. We serve customers across many industries; where customers operate in higher risk sectors or jurisdictions, our exposure is indirect and limited to service delivery and is managed through sanctions screening and other third party controls.**

Our value creation depends on our people, technology platforms, office infrastructure, supplier network and the diverse customers we serve across industries. Expectations for ethical, legal and responsible conduct are embedded in our Code of Conduct and Supplier Code of Conduct, which apply to all external partnerships and sourcing activities.

Our sustainability strategy is grounded in the Double Materiality Assessment (DMA). The DMA identifies where our activities generate the most significant actual and potential impacts and where sustainability matters are most likely to influence SD Worx's performance, development and position. Methodological details are provided under IRO 1-2, governance roles and responsibilities under GOV 1/GOV 4, and climate specific strategic considerations under E1, with TCFD mapping available in the annex.



# ESG ambition, targets and strategic direction (GDR-T)

**Guided by our DMA, we focus on climate action and environmental responsibility, a safe and inclusive workforce, trustworthy data privacy and cybersecurity, and responsible business conduct. We commit to measurable 2030 ambitions, continuous improvement and transparent reporting in line with ESRS. Progress on environmental, social and governance targets is detailed in chapters E1 6, S1 4/S4-4 and G1-3.**

## Key 2030 ambitions

### Environment

- Reduce GHG emissions by at least 55% by 2030, aligned with the EU Green Deal.
- Submit near-term targets to SBTi in 2026.
- Transition to 100% electric vehicles by 2030 (Belgium).
- Move to 100% renewable electricity across all facilities by 2030.
- Engage suppliers through emission reduction plans and encourage SBT commitments.

### Social

- Strengthen wellbeing, safety and inclusion through comprehensive DEIB programmes.
- Increase our employee Net Promoter Score (eNPS) and exceed an EEI benchmark of 4.0 by 2030.
- Improve customer experience and achieve a relational NPS target of +15 in 2026.
- Ensure fair labour practices and advance Pay Transparency.
- Boost training and development to support skill based career paths.
- Reduce work related accidents and injuries.

### Governance

- Strengthen Board diversity and uphold high governance standards.
- Maintain and improve the EcoVadis Silver Medal rating achieved in 2025.
- Maintain at least 90% coverage of the workforce with ISO 27001 certification (as our organisation and certification scope continue to expand).
- Achieve a ≥95% completion rate for mandatory Code of Conduct, Security and Privacy training, year-on-year, including new joiners and scope expansions.
- Maintain zero fines for GDPR breaches.

## SDGs and sustainability rating

In 2025, SD Worx underwent its annual independent sustainability assessment by EcoVadis, the most trusted global rating platform for evaluating ESG performance in service organisations.

This year, SD Worx is proud to have achieved the EcoVadis Silver Medal, reflecting our strengthened environmental, social and governance practices and our commitment to continuous progress.



Our public accountability is further reinforced through our ongoing participation in the UN Global Compact. As a signatory, we commit to integrating the 10 UN principles covering human rights, labour, environmental protection and anti corruption into our strategies, policies and daily operations. Our public profile is available at [SD Worx | UN Global Compact](#), and an overview of the 10 principles can be found at [The Ten Principles | UN Global Compact](#).



We continue to support and contribute to selected Sustainable Development Goals (SDGs) that align closely with our business model and areas of impact.



# Policies supporting the strategy (GDR-P)

**Our policies reflect our core values: responsible growth, integrity, respect for people and care for the planet. They guide operations across the Group and shape expectations for customers, partners and suppliers.**

## Environmental policies

These policies (e.g. Waste Management policy) set out how we reduce emissions, manage travel responsibly, minimise waste and integrate environmentally conscious decisions into daily operations.

## Social policies

Our Labour & Human Rights policy is our main human rights commitment, aligned with:

- UN Guiding Principles on Business and Human Rights
- ILO Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises

It works alongside our Code of Conduct, DEIB commitments, Health & Safety approach and temporary worker policy.

## Governance policies

SD Worx maintains a robust governance framework that supports secure, ethical and responsible business conduct. Our commitment to trustworthy digital services is reflected in our information security and privacy practices, including an ISO 27001 aligned Information Security Management System, cybersecurity controls and privacy by design principles. Ethical behaviour is guided by our core policies, such as the Code of Conduct, Anti Bribery and Corruption Policy, AML/CTF framework, whistleblowing framework and Procurement Policy, which promote integrity, transparency and compliance across all operations. We further extend responsible practices into our value chain through the Supplier Code of Conduct and a structured third party assurance approach, ensuring that our suppliers uphold high ethical, social and environmental standards.

## Scope, ownership and monitoring

Policies apply Group wide unless specified and extend to partners and suppliers through contractual clauses.

- Oversight: Board/ARC
- Execution: Excom and ESG Steering Committee
- Coordination: ESG Office

Monitoring includes internal controls, training completion, incident and complaint handling, and supplier remediation.

# Actions and resources to implement the strategy (GDR-A)

**To deliver on our sustainability strategy, SD Worx invests in targeted actions across climate, digital trust, people and responsible business conduct. These initiatives are enabled by dedicated resources, clear governance and robust monitoring mechanisms.**

## Climate and environmental action

We invest in renewable electricity, electric mobility, energy efficient buildings and supplier engagement programmes. These actions are supported by dedicated CapEx/OpEx in facilities, fleet and energy efficiency projects.

## Protecting the data entrusted to us

We maintain strong cybersecurity and privacy controls, continuous monitoring, security by design principles and regular training. Investments include tools, systems and specialised expertise, supported by external assurance and certifications.

## Supporting our people and fostering inclusion

Our initiatives support pay transparency, wellbeing, DEIB programmes, internal mobility, learning & development and health & safety. Resources include dedicated teams, training programmes and employee engagement structures.

## Upholding responsible business conduct

Ethical behaviour is reinforced through annual training on our Code of Conduct and Anti Bribery/Anti Money Laundering (ABC/AML) policies, robust complaints handling procedures, supplier due diligence and strengthened contractual audit rights. These measures ensure integrity across our value chain and support compliance with regulatory and ethical expectations.

## Methods and scale

All actions are prioritised using our Enterprise Risk Management (ERM) and Double Materiality Assessment (DMA) processes. We monitor coverage, maturity and outcomes across initiatives to ensure they are managed effectively and deliver measurable progress.

# Metrics, methodology and controls (GDR-M)

## Key metrics

- Diversity across the workforce and leadership
- Employee and customer engagement (eNPS, EEI, NPS)
- Participation in compliance, privacy, security and ESG training
- ISO 27001 coverage
- GHG emissions (Scopes 1, 2 and material Scope 3)
- Energy consumption and renewable electricity share
- Wellbeing and safety indicators

## Methodology and controls

Environmental data are calculated using the GHG Protocol and consolidated under the financial control approach. Privacy, security and health & safety metrics follow Group policies and undergo both first line validation and second line checks. External ISO and ISAE attestations are provided in the annex, reinforcing transparency and reliability of the reported information.

## Targets, baseline and milestones

Targets are summarised in the Strategy and General Disclosures section and further details are provided in the relevant topical chapters. Unless otherwise stated, these apply Group wide with a 2024 baseline. Progress and interim milestones will be reported annually.



# Interests and views of stakeholders (SBM-2)

**SD Worx engages with a broad community of stakeholders whose perspectives shape our priorities and inform our understanding of impacts, risks and opportunities. In line with ESRS 2 and our DMA process, we distinguish between stakeholders affected by our activities and those who use our sustainability disclosures.**

Our affected stakeholders include employees, customers and end users, suppliers and business partners, and workers across our value chain. We also consider users of sustainability statements, such as shareholders and investors, social partners and trade unions, regulators and public authorities, who rely on transparent information to assess our performance.

We maintain continuous dialogue with these groups through structured engagements, surveys, interviews and ongoing feedback loops. Across these channels, stakeholders emphasised both the financial and nonfinancial value SD Worx creates, while also expressing growing expectations for transparency in how this value is delivered and distributed. Their perspectives directly informed the 2024 DMA, which confirmed six material matters: climate change mitigation; working conditions; diversity, equality and inclusion; data privacy and cybersecurity; corporate culture; and information-related impacts for consumers and end users.

Insights gathered through stakeholder engagement flow into dedicated topic owners, who translate them into concrete actions and plans. The ESG Office and the ESG Steering Committee consolidate inputs and steer priorities and resources across the organisation. An oversight of escalated impacts, risks and opportunities is provided by the Executive Committee, the Audit & Risk Committee and the Board, ensuring that stakeholder expectations are reflected in both our strategy and our business model.

## Economic value for stakeholders

To complement our qualitative insights, the following table illustrates how economic value is created and shared with our key stakeholder groups. These figures are based on audited financial statements and confirm that most of our revenues are distributed to employees in the form of wages and benefits, with substantial value also flowing to governments (taxes), suppliers, lenders and shareholders. Methodology and financials refer to the consolidated financial statements.

### Economic value (in million EUR)

	Stakeholder	Measurement	2024	2025
<b>Economic value generated</b>	Customer	Revenue	1,180,320	1,306,687
	Supplier of goods & services	Operating costs	175,024	195,599
<b>Economic value distributed</b>	Employees	Employee wages and benefits	794,067	871,293
	Supplier of goods & services	Payment to providers of capital	127,792	152,235
	Society	Payment to governments (taxes)	20,322	25,448
	Society	Community investments/CSRD	4,037	5,779
<b>Economic value retained</b>		Direct economic value generated' less 'economic value distributed'	59,078	56,333

Source: audited financial statements and managed accounts Payments to government (taxes) do not contain social security taxes, which are part of Employee wages and benefits. Likewise, other taxes, such as property taxes and local municipality taxes, are part of Operating costs Community investments consist primarily of sponsorship and donations.

# Double Materiality assessment (DMA) (SBM-3, IRO-1/2)

**This chapter links material impacts, risks and opportunities (IROs) to our strategy and potential financial effects, outlines our process and outcomes, and sets out next steps for 2026 planning.**

## Interaction of material impacts, risks and opportunities with strategy and business model, and financial effects

Our six material sustainability matters – climate change mitigation, working conditions, diversity, equality & inclusion, data privacy & cybersecurity, corporate culture and information-related impacts for consumers and end users – guide where we focus management attention, investments and ESG targets. These are the matters validated through the Group DMA and used to scope our ESRs disclosures.

### Financial effects and resilience

This section presents SD Worx's current view of financial effects from material sustainability matters and how those insights inform the resilience of our strategy and business model. Detailed climate related risks, opportunities and scenario set up are disclosed in E1-11; this chapter summarises the resulting financial effects and their use in management processes.

### Climate related financial effects

In 2025, we began identifying quantifiable financial effects of climate related risks using Average Annual Loss (AAL) modelling. The modelling provides initial decision support ranges for potential property damage and business interruption impacts under selected scenarios. Using the AXA Climate methodology, the current run provides early insight into potential financial impacts over time and constitutes our first set of quantified climate related financial effects. More info can be found in E1-11. The results are used as inputs for the annual planning and risk appetite described in GOV-4.

### Resilience of strategy and business model

Insights from the climate analysis inform our assessment of revenue and cost resilience, including the potential effects of a transition and any physical risks that may influence operational continuity and cost structures over time. These inputs are integrated into budgeting, location and continuity planning, along with the calibration of risk appetite described in SBM 3. Climate risks are also tackled under Environment.

### Opportunities and other material sustainability matters (non climate)

Sustainability trends also create opportunities for SD Worx – for example, the growing demand for trusted payroll and HR services that embed privacy-by-design, regulatory compliance support and lowering the footprint of digital delivery – supporting product differentiation and customer retention (see SBM-1).

For data privacy & cybersecurity, own workforce impacts, DEIB and corporate culture, quantified financial effects are not yet available due to data limitations and measurement uncertainty. Where relevant impacts exist, we monitor them qualitatively within SBM 3 (e.g. potential influence on revenue resilience, operating costs, talent retention and capital allocation) while underlying data and estimation methods mature. We will reassess quantification as methodologies and data quality improve. For climate specific opportunities, scenarios and financial effects, see E1.

## Process to identify and assess material impacts, risks and opportunities

In 2024, SD Worx carried out its first Group-wide Double Materiality Assessment (DMA) in line with CSRD requirements. The DMA provides an evidence-based view of sustainability topics from two angles: impact materiality (our effects on people and the environment) and financial materiality (how sustainability matters may affect SD Worx's long-term enterprise value). It now functions as a strategic tool for setting ESG priorities, managing risks and opportunities, and determining our ESRS reporting scope.

The DMA followed a structured methodology, starting with a long list of potential sustainability topics compiled from ESRS 1, peer benchmarks, sector insights and regulatory developments. We then assessed these topics through three key steps:

### 01

**Impact and financial materiality scoring** – each topic level IRO was evaluated for severity, likelihood, the effectiveness of existing controls and SD Worx specific contextual factors.

### 02

**Stakeholder engagement** – employees, customers, suppliers and social partners were consulted through surveys and interviews, helping validate and refine internal assessments.

### 03

**Validation and thresholds** – the ESG Steering Committee and Executive Committee reviewed and confirmed the results. Materiality thresholds were applied based on scoring scales and SD Worx's risk appetite. Value chain impacts were included whenever exposure was identified as material.

The final DMA results define the scope of our CSRD/ESRS reporting. The assessment is a living process and will be reviewed periodically to ensure it reflects evolving expectations, risks and regulatory requirements.

## Outcome of the DMA

The DMA identified six material sustainability matters for SD Worx. These represent the areas where our impacts are most significant, where stakeholder expectations are highest and where sustainability related risks or opportunities could meaningfully influence long term performance. Among these, climate change mitigation (ESRS E1) is considered material and is included in scope.



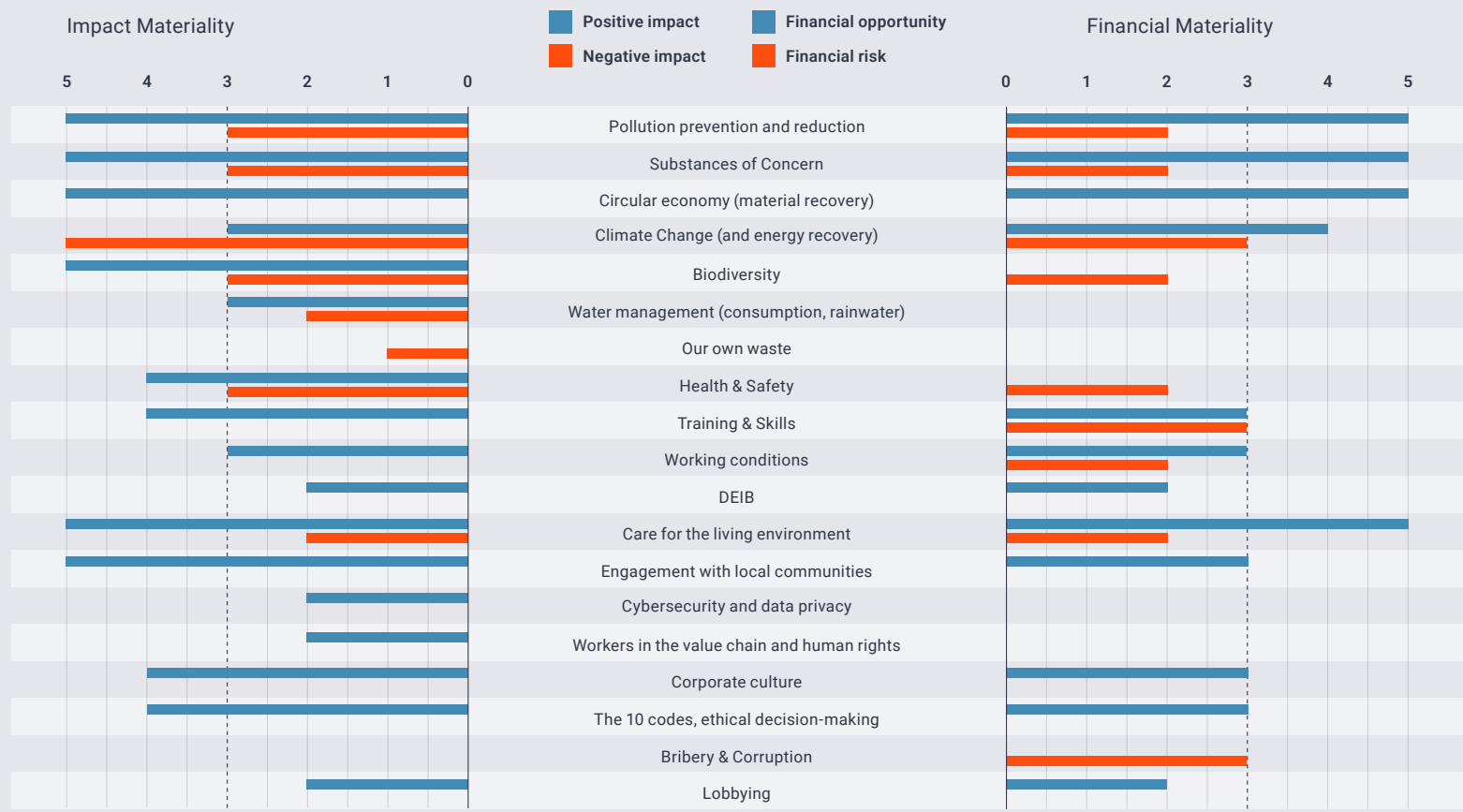
Material topic	Related ESRS*	Why it matters for SD Worx
Information-related impacts for consumers and end users	S4	Protecting personal data and ensuring transparency is fundamental in HR & payroll services.
Working conditions (own workforce)	S1	Employee wellbeing, safety, pay transparency and sustainable employment shape our people experience and business performance.
Diversity, equality, inclusion and belonging (DEIB)	S1	Inclusive, accessible and equitable workplaces drive innovation, talent attraction and long-term engagement.
Data privacy & cybersecurity	G1	Confidentiality and system resilience are critical in a data-driven HR environment.
Climate change mitigation	E1	Emission reduction and preparation for transition risks across our operations and value chain.
Corporate culture and responsible business conduct	G1	Strong culture underpins ethical conduct, customer trust, performance and resilience.

These topics anchor our ESG strategy, inform our 2025–2030 goals and KPIs, and determine the scope of ESRS aligned disclosures. A cross reference table in the annex links each material topic to the relevant policies, actions, metrics and targets in this report.

\* European Sustainability Reporting Standards

### Material impacts, risks and opportunities (IROs) – highlights per topic

The table depicts the material topics with measured impacts, risks and opportunities.



### 1 – Climate change mitigation (E1)

There are opportunities to adopt cleaner technologies, such as more energy efficient software and greener data centre operations, and to offer tools that help customers reduce their own emissions. A credible transition plan also improves resilience and supports access to sustainable finance.

Key risks include our Scope 3 emissions, near term transition costs and increasing regulatory requirements, such as carbon pricing. Physical climate risks – flooding, heat or water stress – may affect business continuity and operating costs. Further details, including scenario analysis and site screening, are provided in E1-11.

### 4 – Data privacy & cybersecurity (G1)

Robust privacy and security capabilities strengthen our market position and enable a secure digital transformation for our customers.

However, incidents involving data loss, privacy breaches or cybersecurity threats could disrupt services and lead to financial and reputational harm. Our governance approach and controls are outlined in the Privacy & Security chapter.

### 2 – Information related impacts for consumers and end users (S4)

Strong privacy practices and transparent handling of information build trust, which is especially important in HR and payroll services.

The main risks are data breaches or misuse of information, which could damage our reputation, reduce customer confidence and lead to penalties under regulations such as the GDPR.

### 5 – Working conditions (own workforce) (S1)

Stable employment, fair pay, hybrid work options and strong social dialogue help improve engagement and support retention.

Risks arise if employees perceive pay gaps or feel that wellbeing is not adequately supported, which can increase the chances of turnover or burnout.

### 3 – Corporate culture (G1)

A healthy, ethical culture, which is grounded in shared values, supports employee satisfaction, productivity and long term organisational success.

Risks include misconduct or non compliance, which can harm our reputation and business relationships.

### 6 – Diversity, equality, inclusion & belonging (S1)

Investing in diversity and inclusion, through closing gender pay gaps, strengthening cross cultural understanding, improving accessibility and building skills, enhances organisational strength and employer attractiveness.

Insufficient training or incidents of harassment present legal risks and can damage trust.

### DMA next steps

In the coming years, SD Worx will expand quantitative modelling where it is relevant and feasible and will carry out a concise resilience assessment of our strategy and business model under key climate and social scenarios. This work will draw on insights from the DMA and E1 11. We will also continue advancing our SBTi trajectory – registering in 2025 and setting near term targets in 2026 – and strengthening supplier engagement to support reductions in Scope 3 emissions.

# Environment



# ESRS E1 Climate change

**In January 2025, the World Economic Forum released its Global Risks 2026 Report, once again confirming that climate change remains among the most severe global risks. Over a ten-year horizon, the top three risks identified are extreme weather events, biodiversity loss and critical changes to the Earth's systems. In the short term, however, geopolitical tensions and democratic erosion, fuelled by widespread misinformation and disinformation, are dominating public attention and risking delays in decisive climate action. This is reflected in post Omnibus amendments to EU sustainability rules (e.g. CSRD/CSDDD scope changes), related implementation guidance (ESRS simplification and EFRAG Q&A), as well as the 2026 Taxonomy Delegated Act.**

At the same time, competition for natural resources continues to fuel global instability. After record breaking heat in 2023 and 2024, 2025 was confirmed as the third warmest year on record by the European Centre for Medium Range Weather Forecasts. (ECMWF) in its 2025 Global Climate Highlights. These trends show that climate change has become a lived reality, with environmental degradation and resource scarcity becoming increasingly material issues for companies and societies alike. This is why SD Worx maintains a strong focus on understanding climate risks and accurately accounting for greenhouse gas emissions.

The framework developed by the Task Force on Climate-related Financial Disclosures (TCFD) has become the global reference point for climate transparency. It recognises that climate-related risks, from rising sea levels to the cost of transitioning away from fossil fuels, carry significant economic consequences. Investors, lenders, insurers and other stakeholders therefore require consistent, reliable, decision useful information. SD Worx reports in line with TCFD recommendations, which are embedded throughout the simplified ESRS E1 disclosures in this chapter.

## Climate governance

Climate-related responsibilities are embedded within SD Worx's existing governance system described in ESRS 2 GOV-1 and GOV-4. The Board holds ultimate accountability for climate strategy, target approval and oversight of climate related impacts, risks and opportunities. The Audit & Risk Committee reviews climate related risks within the ERM framework and receives regular updates from the ESG Office and the Chief Risk & Security Officer. The ESG Steering Committee validates climate strategy, monitors climate related KPIs and regulatory developments, and ensures alignment across functions. The ESG Office coordinates climate data, scenario analysis and reporting, and supports cross functional climate working groups. Excom integrates climate considerations into business planning, risk management and performance reviews.

### E1-1 Transition plan for climate change mitigation

SD Worx has developed a structured transition plan aligned with the EU Green Deal and the Paris Agreement pathways. The plan focuses on the organisation's most material emission sources and outlines the actions required to achieve long term decarbonisation. The key transition levers are the following:

#### 01

**Mobility:** SD Worx aims to fully electrify its vehicle fleet by 2030. This transition is supported by mobility budgets, incentives for cycling and public transport use, and stricter business travel rules introduced under the 2025 Travel & Expense Policy to reduce air travel emissions.

#### 02

**Energy use in buildings:** the company will expand renewable electricity procurement, deploy on site solar PV where feasible, and improve building energy performance through efficiency upgrades.

#### 03

**Supply chain:** environmental criteria are being integrated into procurement processes, supported by the Supplier Code of Conduct, ESG questionnaires for key suppliers and data centre partners, and strengthened Scope 3 supplier engagement. SD Worx also encourages alignment with recognised frameworks such as the SBTi.

#### 04

**Operations:** operational measures include adopting green building certifications, optimising HVAC systems, supporting hybrid working practices and rolling out ISO 14001. Certification is already in place in Estonia, Finland, Norway, Sweden, Romania and parts of the Netherlands.

#### 05

**Offsetting:** to compensate for a share of unavoidable residual emissions, SD Worx invests in certified carbon offset projects (Gold Standard). Offsetting is applied in parallel with continued efforts to reduce the operational footprint.

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A detailed, science aligned decarbonisation roadmap will be finalised in 2026. The year 2024 serves as the base year for defining emissions trajectories and establishing the company's re baselining policy.

## E1-2 Identification of climate-related risks and scenario analysis

SD Worx applies a structured, multi-layered process to identify and assess climate related risks and opportunities. Insights from the DMA inform our climate risk universe, while portfolio level climate risk screening and scenario analysis provide quantitative inputs across short, medium and long term horizons. Outputs are integrated into our ERM framework and entity risk registers for ongoing monitoring and mitigation.

### Scope and coverage

In 2025, 132 SD Worx assets including offices, parking facilities, data centres and rooftop solar were screened for acute and chronic physical hazards, transition risk drivers and nature/biodiversity related considerations.

### Integration in risk management and planning

Identified climate risks are managed through established ERM processes (Three Lines Model, ARC oversight), and are embedded in strategic planning, investment decisions and business continuity measures.



## Overview of acute and chronic climate risks

	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	Changing air temperature	Changing wind patterns	Changing precipitation patterns	Soil erosion
			Water stress	
			Sea level rise	
Acute	Extreme heat	Tropical cyclone	Drought	Landslide
	Extreme cold	Storm	Extreme precipitation	Earthquake
	Wildfire		Flood	Subsidence

Figure. Climate and nature related risk screening – portfolio summary (provider: Altitude by AXA Climate; assessment Nov 2025/Jan 2025; coverage: 132 assets).

The colour codes coincide with the amount of risk estimated for our portfolio. These risks were examined under different climate risk scenarios and considering different timeframes going forward.



The outcome is as follows:

- Physical climate risks:** Altitude analysed 16 EU Taxonomy aligned climate perils across multiple scenarios and time horizons.
  - Flood and water stress are the most material risks, mainly due to the high concentration of SD Worx sites in Western Europe.
  - All other perils, such as extreme heat, drought, storms, landslides, subsidence and tropical cyclones, show low to very low exposure, with no structural high risk patterns identified.
- Transition risks and opportunities:** Overall transition risk exposure is low, with only rising energy and electricity prices showing limited relevance for SD Worx. Two transition opportunities stand out:
  - A shift in customer preferences toward eco friendly digitalisation and low emission services.
  - Access to new markets driven by demand for digital HR solutions, remote work tools and efficient technologies.
- Biodiversity considerations:** exposure is limited, reflecting SD Worx's service based profile. Only a small number of assets are in areas with threatened species or biodiversity sensitivities, and these exposures remain manageable.

Altitude also provided asset level recommendations and confirmed that SD Worx's emissions profile is dominated by scope 3 value chain emissions.

## E1-3 Resilience of strategy and business model

The DMA reconfirmed that climate change mitigation is material from both an impact and a financial perspective. As a result, climate considerations are embedded across the company's business model and strategic planning, shaping product development, operational management, procurement practices, M&A processes and financial decision making.

### Strategic orientation and climate integration

- **Products & services:** SD Worx's portfolio supports low carbon value creation through digital HR and payroll solutions, including workforce management tools and AI enabled applications that improve process efficiency and help optimise energy use.
- **Operations & real estate:** operational strategy prioritises energy efficiency and sustainable building practices, including HVAC optimisation, use of green building standards (e.g. BREEAM, LEED), renewable electricity sourcing and on site solar where feasible. Hybrid working policies also contribute to footprint reduction.
- **Mobility:** the company is committed to a fully electric vehicle fleet by 2030 (Belgium), supported by incentives for modal shift and reduced carbon commuting.
- **Data centres:** efficiency and resilience are strengthened by monitoring Power Usage Effectiveness (PUE), improving cooling and energy performance, and sourcing renewable electricity through key data centre partners.
- **Supply chain and procurement:** sustainable procurement is managed through ESG questionnaires for critical suppliers, including data centre partners, use of EcoVadis scoring, the Supplier Code of Conduct, and structured Scope 3 engagement programmes.

- **M&A:** ESG aligned due diligence, including organisational culture and social alignment, is embedded across the M&A process to ensure long term strategic and sustainability compatibility.
- **Investor expectations and reporting:** increasing investor demand for high quality ESG disclosure has resulted in investments in dedicated sustainability reporting software and enhanced data quality processes.
- **Financial planning:** investments in sustainable buildings and related infrastructure are reflected in the company's asset base. Climate related risks, such as carbon pricing, potential regulatory changes and operational disruptions, are assessed within the enterprise risk framework. The company aligns financial planning with 2030 and 2050 climate trajectories, incorporating potential future liabilities.

### Resilience of strategy and business model

SD Worx assesses the resilience of its strategy and business model to climate related risks through scenario based analysis and integration within its ERM and business continuity frameworks. Scenario analysis evaluates exposure to transition risks, including carbon pricing developments, evolving regulation, energy market volatility and reputational/market pressures, as well as to physical risks such as flooding, water stress and extreme heat. The analysis covers 132 operational locations and is assessed across short-term (to 2030), medium-term (to 2040) and long term (to 2050) horizons under SSP2 4.5 and SSP1 2.6 climate pathways. Results indicate that material physical risks persist through 2050, informing decisions on site selection, real estate strategy,

business continuity planning and capital allocation, including investments in green building standards, renewable energy sourcing and fleet electrification. Climate related risks are systematically embedded in SD Worx's ERM system, ensuring that both acute and chronic climate impacts are assessed and managed alongside other strategic and operational risks. Business continuity management, supported by a structured Business Impact Analysis (BIA), evaluates how climate driven disruptions could affect service delivery and critical processes. Outcomes from the BIA guide continuity plans, prioritisation of critical sites and the development of recovery strategies to maintain operational stability. Resilience is further strengthened through organisational measures such as increased renewable energy sourcing, partnerships with energy efficient data centres, ongoing EV fleet transition and the adoption of sustainable building practices. These combined actions enhance SD Worx's capacity to withstand both short term shocks and long term climate related developments, ensuring strategic robustness under a range of future climate scenarios.

## E1-4 Policies related to climate change

SD Worx has established a suite of policies that collectively support its climate ambitions and overall ESG strategy. These policies guide behaviour across the organisation, embed environmental considerations into operations and procurement, and promote responsible business practices.

- **ESG Sustainability policy (2025):** introduced in 2025, the ESG Sustainability policy formalises SD Worx's commitment to responsible business conduct, environmental stewardship and social responsibility. Key commitments include:
  - o reducing greenhouse gas emissions and increasing renewable energy use
  - o strengthening employee engagement
  - o fostering diverse, inclusive and healthy workplaces
  - o upholding ethical business practices and encouraging sustainable procurement

To support implementation, SD Worx launched an ESG training programme and revamped our central ESG SharePoint hub, enabling employees to understand the company's ESG strategy and identify how they can contribute.

- **Waste Management policy (2025):** the Waste Management policy sets Group wide responsibilities and provides local guidance to reduce waste and support emission reduction efforts across all offices. It applies to all employees, contractors and visitors and covers the full waste lifecycle, from generation to disposal under the Reduce • Reuse • Dispose responsibly principles. Country specific guidance from facilities and office managers ensures alignment with local regulations and integration into daily operations.

In 2025, we diverted 81% of our waste from landfill, demonstrating strong performance in sorting and responsible disposal. Alongside the policy rollout, waste management training was provided to facilities, enabling effective local implementation. Through their participation, we successfully covered 80% of SD Worx countries in the implementation process.

- **Supplier Code of Conduct:** this Code, which is publicly accessible at [www.sdworx.com/en-en/supplier-code-of-conduct](http://www.sdworx.com/en-en/supplier-code-of-conduct), sets clear expectations for environmental and social responsibility across SD Worx's supply chain. It encourages suppliers and partners to:
  - o demonstrate ethical labour and sourcing practices
  - o maintain strong environmental and sustainability credentials
  - o use eco friendly materials, products and services
  - o meet ESG criteria incorporated into supplier selection and contracting
  - o commit to continuous improvement and alignment with sustainability standards

The Code forms a cornerstone of the company's responsible procurement approach. In sourcing and contracts, we promote eco-friendly materials and continuous improvement.

- **Global Travel & Expense policy (2025):** this updated policy introduces stricter provisions for business travel, supporting a shift towards lower carbon modes of transportation. The policy aims to empower employees to make responsible, efficient and compliant travel and spending decisions, while minimising environmental impact and ensuring fairness and transparency. More stringent criteria for air travel are designed to reduce emissions and incentivise alternative, more sustainable mobility options.

## E1-5 Actions and resources

SD Worx is implementing a range of targeted actions to advance its climate strategy. These measures address key emission sources, strengthen environmental performance and support continuous improvement across the organisation.

### Sustainable procurement

ESG criteria are increasingly embedded in our procurement practices, supported by EcoVadis-based supplier assessments, climate-focused audits and active engagement with key suppliers to strengthen Scope 3 decarbonisation efforts.

As 'Purchased Goods & Services' represent the largest share of our carbon footprint, we are shifting from a spend-based to an activity-based approach. This transition allows us to collect more accurate, supplier-specific emissions data and better reflect real impacts. Working closely with suppliers ensures that their reduction efforts translate into meaningful progress across our value chain emissions (Scope 3).

### Mobility

SD Worx is gradually transitioning to EVs (Electric Vehicles), supported by an updated mobility policy that will lower transport emissions over time.

In 2025, we conducted our first commuting survey to establish a Scope 3 (category 7) baseline and better understand

employee travel habits. While car use remains dominant, 24% of employees already commute sustainably, and 15% are considering greener options. Key motivators include hybrid working, EV support, public transport subsidies, flexible hours and improved cycling facilities. These insights guide future mobility planning and initiatives.

To reduce Scope 2 emissions from company mobility, we implemented a green electricity arrangement for our leased EV fleet: our supplier ENECO retires Guarantees of Origin on our behalf for all electricity transacted on our EV charging cards in Belgium. This ensures exclusive renewable energy claims for our consumption and reduces our market based Scope 2 emissions relative to the location based baseline.

### Energy management

Our facilities strategy (across approximately 157 offices) prioritises energy efficiency to cut usage and boost building performance. We maximise office efficiency, optimise space and promote long-term sustainability through quick wins, new office essentials and strategic upgrades:

- **Optimising office space:** hybrid work reduces space needs, supported by smart leasing, relocations and improved desk utilisation via the Book My Desk app.
- **Smart technologies:** AI-enabled systems track consumption peaks, detecting anomalies and guiding targeted energy-efficiency actions, especially in long-term leased buildings.
- **Green energy sourcing:** increasing green electricity procurement and securing renewable energy certificates to verify guarantee of origin.
- **Solar energy expansion:** performance monitoring of installed solar panels and planned rollout to expand installations beyond Belgium, including on suitable rented premises.

- **Sustainable headquarters:** new Antwerp HQ designed to meet BREEAM Outstanding standards, replacing older buildings.
- **Certified rental offices:** locations meeting recognised sustainability standards such as LEED, DGNB, and BREEAM (e.g., Espoo, Barcelona, Granada, Malaga, Ballerup).
- **Lighting optimisation:** LED upgrades, automatic controls, sensors and appropriate lighting levels to reduce energy use.
- **Energy-efficient office equipment and modular furniture:** appliances are compliant with EU Energy Label A-C and Ecodesign criteria; modular, durable and recyclable furniture is reused or relocated across our offices.
- **Circular furniture management:** reuse, recycling or donation of furniture from relocations or closures through external partners.

## Data centre energy & efficiency

Data centres remain a major energy consumer within our scope, many operated by external partners. We strengthened oversight by issuing an ESG questionnaire to assess their energy performance and alignment with EU requirements.

Except for NaviSite, all providers supply Guarantees of Origins, and most follow SBTi- aligned decarbonisation pathways. Their strong renewable energy sourcing explains the low CO<sub>2</sub>e emissions linked to our data centre operations. SD Worx continues to track improvements in PUE and renewable energy supply-aligned decarbonisation pathways.

### Energy consumption data centres (2024)

Data centre	Data centres (#)	Energy consumption (kWh)	Renewable energy (%)	PUE*	CO <sub>2</sub> e (tonnes)
Fujitsu	2	583,682	100	1.47–1.95	0
NRB	2	372,768	100	1.32–1.62	0
Navisite	2	944,726	100	1.24–2.11	0
Elisa	2	86,857	100	1.95–2.7	0
DNA	1	54,388	100	1.2	0
MS Azure	-	163,090	79	1.14	38
AWS	-	40,772	100	1.15	9.5
Google Cloud	-	1,545	100	1.09	0.36

\* PUE is a measure of the energy efficiency of a data centre and is the ratio of the energy consumed by the data centre vs. the energy supplied to the IT equipment

## Other actions

Although waste reduction, ICT equipment lifetime extensions and water management do not constitute material carbon drivers, it is still valuable to consider our efforts with respect to resource use and circularity (E3 Water and E5 Resource use and Circular economy are not considered material as per DMA outcome):

- **Waste management:** SD Worx follows the EU Waste Management Hierarchy, focusing on reducing waste, improving sorting and increasing recycling across all offices. Structured recycling programmes, certified partners and employee awareness efforts support correct waste separation. A recent review showed that much more waste is recycled, reused or repurposed than previously recorded, allowing us to reclassify waste streams and apply more accurate emission factors, resulting in a significant drop in CO<sub>2</sub>e waste emissions under ESRS E5.
- **ICT equipment:** SD Worx centrally manages ICT devices such as laptops, phones and screens to enhance security and maximise their lifespan, typically up to 5 years. Devices are centrally procured and configured, tracked in inventory throughout use, and handled in a closed-loop model that prioritises refurbishment and internal reuse. Wherever redeployment isn't possible, data is securely wiped and recycled via certified partners. This circular approach improves resource efficiency, lowers CO<sub>2</sub>e emissions and aligns with EU circular economy goals under E5. In 2024, SD Worx recycled about 2,780 IT devices with Ecubell, avoiding around 483 tonnes of CO<sub>2</sub>e.

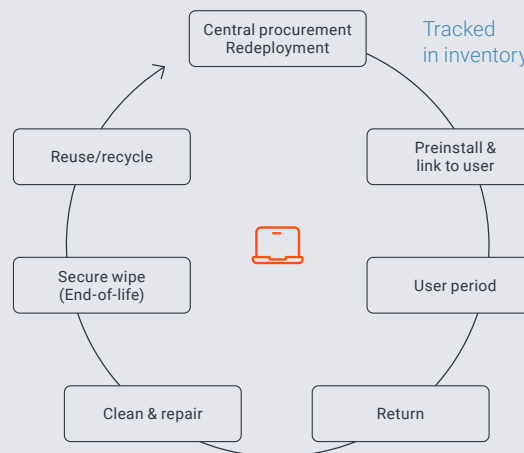
- **Water:** at SD Worx, water stewardship is guided by a commitment to efficiency and community wellbeing (ESRS E3). Most usage is attributed to sanitation and cleaning, with consumption levels varying across different buildings. Usage is monitored in all offices, and teams are encouraged to identify opportunities for reduction. To further reduce consumption, offices adopt water saving technologies, including flow reducing fixtures and surface water flushing systems. Office managers and facility teams work collaboratively to promptly address leaks and continually enhance water management practices.

## Tools & resources

To support the actions, SD Worx deploys a range of tools and investments:

- Corporate ESG software for structured reporting and analysis
- Audit Board/CREDIBL for supplier engagement and compliance management
- HRM dashboards/Power BI reporting for KPI monitoring
- Commuting survey tooling
- Capital investment for solar installations, EV charging infrastructure and building efficiency upgrades
- Environmental Management Systems (EMS, ISO 14001): SD Worx maintains ISO 14001 in several countries, including Estonia, Finland, Norway, Sweden, Romania and parts of the Netherlands. A phased programme is underway to expand certification wider in the Group. This framework strengthens environmental performance through systematic planning, governance, monitoring and continuous improvement.

### ICT equipment



## E1-6 Climate mitigation targets

SD Worx has set climate mitigation targets aligned with the EU Green Deal and international decarbonisation pathways, aiming to reduce its environmental footprint while enabling sustainable practices through its products and services. These targets primarily consist of absolute metrics embedded within the company's five pillar environmental roadmap: Measure, Invest, Reduce, Compensate, Improve. In line with the Group's continued growth and strategy, additional intensity-based metrics (CO<sub>2</sub>e/m<sup>2</sup>, CO<sub>2</sub>e/revenue, CO<sub>2</sub>e/employee) will also be further developed.

### GHG emissions reduction

- SD Worx aims to reduce total greenhouse gas (GHG) emissions by at least 55% by 2030, consistent with the EU Green Deal.
- The company registered with the Science Based Targets initiative (SBTi) in 2025 and intends to have validated SBTi aligned targets in 2026, using 2024 as its base year.
- Over the long term, SD Worx aims to achieve climate neutrality by 2050, in line with EU climate regulations and global net zero objectives

### Operational targets

To achieve these GHG-reduction goals, a series of measurable operational targets have been defined.

- **Mobility targets:** multiple initiatives have been launched across the Group to promote more environmentally friendly transport choices, including:
  - Supporting low carbon commuting through incentives for modal shift, EV assistance and enhanced mobility policies.
  - Achieving a 100% electric vehicle (EV) fleet by 2030 (Belgium, covering 77% of the fleet). Progress is already visible, with the Belgian car fleet achieving a 31% CO<sub>2</sub>e reduction between 2023 and 2024.
- **Energy & renewable energy targets:** through effective real estate and facilities management, SD Worx aims to lower energy consumption and increase the share of renewable energy by:
  - Aiming for 100% renewable electricity across all facilities by 2030 and increasing the proportion of renewable electricity each year (starting from 32% for the Group in 2024)
  - Continuously improving the energy efficiency of buildings and operations through targeted upgrades and landlord engagement.
  - Optimising data centre environmental performance through PUE (Power Usage Effectiveness) improvements and increased renewable energy sourcing.
- **Supply chain & Scope 3 targets:** supplier engagement was further strengthened in 2025, with clear expectations for emissions reductions, including:
  - Increasing the share of suppliers providing primary, high-quality environmental data.
  - Encouraging strategic suppliers to set and commit to SBTi- aligned reduction plans.
  - Integrating ESG criteria into procurement processes to drive continuous improvement in supply chain environmental performance.

## E1-7 Energy consumption and mix

The table shows that approximately 82% of our energy consumption is non renewable. This is largely because most of our leased buildings across Europe rely on natural gas for heating. In line with our SBTi aligned targets, we are making significant investments to transition our energy consumption to renewable sources and to secure the appropriate energy certificates required to achieve our objectives.

Electricity used to charge our leased EV fleet amounted to 880 MWh. Part of this electricity is supplied under a renewable electricity arrangement with our energy provider ENECO, which retired Guarantees of Origin on our behalf covering the full EV charging volume in Belgium. The same holds for DKV-compensated EV fuel in Germany. On this basis, the EV-charging electricity is reported as renewable in our energy mix.

### Energy mix (2024)

Energy source	Energy consumption (MWh)
Fuel consumption from fossil products	5,858
Consumption from nuclear products	1,977
Consumption of purchased electricity – grey residual mix	1,408
EV fuel charging – grey residual mix	109
Consumption of purchased electricity – fossil fuels	1,500
<b>Total non-renewable energy consumption (1)</b>	<b>10,852</b>
<i>Share of non-renewable sources in total energy consumption (%)</i>	<i>82%</i>
Fuel consumption from renewables	8.7
Consumption of energy from renewable sources	1,268
EV fuel charging from renewable backed sources	771
Consumption of self-generated renewable energy (e.g. solar)	357
<b>Total renewable energy consumption (2)</b>	<b>2,405</b>
<i>Share of renewable sources in total energy consumption (%)</i>	<i>18%</i>
<i>Share of renewable sources in total electricity consumption (%)</i>	<i>32%</i>
<b>Total energy consumption (1+2)</b>	<b>13,257</b>

## E1-8 Gross scopes 1,2,3 GHG emissions

### Organisational boundary & reporting basis

- **Operational control approach:** all emissions from activities, facilities and vehicles over which SD Worx has direct operational control are included in the inventory. This covers all owned and leased sites and vehicles operated by SD Worx. Facilities not owned but managed under SD Worx's operational control are also included. The boundary reflects the structure of SD Worx NV as detailed in the Group's financial statements.
- **Reporting period:** the sustainability reporting period runs from 01/01/2024 to 31/12/2024 for calculated emissions.
- **Base year and recalculation policy:** the base year is 2024, selected due to significant organisational expansion. SD Worx maintains a formal recalculation policy aligned with the GHG Protocol and SBTi requirements, specifying when base year emissions must be recalculated to ensure consistency over time.
- **Methodological principles:** all calculations follow the GHG Protocol and its five key principles: Relevance, Completeness, Consistency, Transparency and Accuracy.
- **Scope coverage:** Scopes 1 (direct emissions), 2 (purchased electricity, heating and cooling), and relevant Scope 3 (indirect) emissions categories are reported, consistent with the Operational Control approach. Scope 3 categories included in the inventory are those assessed as relevant and material according to the GHG Protocol value chain framework.

### Carbon footprint (tonnes CO<sub>2</sub>e)

Our carbon footprint calculation includes all greenhouse gas (GHG) emissions caused by our organisation, expressed in CO<sub>2</sub>e. The 2025 study, based on 2024 data, shows a significant expansion of the carbon footprint calculations compared to the previous year's assessment: 157 units or offices were included, covering almost the entire Group, with a combined area of over 130,847 m<sup>2</sup> (105,785 m<sup>2</sup> net of parking) and 9,913 employees (headcount at the end of 2024). A dedicated team is responsible for collecting data on energy, office space, waste and water.

Compared to last year's assessment, our approach has become more professionalised through the adoption of a carbon accounting platform, CREDIBL. This tool enables emissions to be tracked at facility level and draws on a wide range of official emission factor databases.

The following table summarises all carbon footprint results using the official GHG Protocol categories and distinguishes between measured results based on data collection and extrapolated outcomes. For each category lacking observations, data were extrapolated based on either the number of employees or the square metres of office space used. In general, the need for extrapolation was marginal, reflecting improvements in our data collection efforts.

## 2024 carbon footprint (tonnes CO<sub>2</sub>e)

Scope	Total	% Total location-based
<b>Scope 1</b>	<b>3,681</b>	<b>5.96%</b>
Stationary combustion	1,535	2.49%
Fugitive emissions	2,146	3.48%
Mobile combustion	N/A	
Process emissions	N/A	
<b>Scope 2</b>	<b>1,166/1,585</b>	<b>1.89%</b>
Purchased electricity (location-based/market-based)	985/1,585	1.60%
Purchased heat and steam	6	0.01%
EV fuel	175	0.28%
<b>Scope 3</b>	<b>56,898</b>	<b>92.15%</b>
1. Purchased Goods & Services (PG&S)	42,489	68.81%
2. Capital goods	3,430	5.56%
3. Fuel- and Energy Related Activities (FERA)	311	0.50%
4. Upstream transportation and distribution	193	0.31%
5. Waste generated in operations	63	0.10%
6. Business travel	1,079	1.75%
7. Employee commuting	9,333	15.12%
<b>Upstream total</b>	<b>56,898</b>	<b>92.15%</b>
8. Upstream leased assets	N/A	
9. Downstream transportation and distribution	N/A	
10. Processing of sold products	N/A	
11. Use of sold products	N/A	
12. End-of-life treatments of sold products	N/A	
13. Downstream leased assets	N/A	
14. Franchises	N/A	
15. Investments	N/A	
<b>Downstream total</b>	<b>-</b>	<b>-</b>
<b>Total (location-based)</b>	<b>61,745</b>	<b>100</b>
<b>Total (market-based)</b>	<b>62,164</b>	
<b>Total (location-based), incl. offsets</b>	<b>61,221</b>	
<b>Total (market-based), incl. offsets</b>	<b>61,640</b>	

### Scope 1 emissions

Fugitive emissions are the largest direct emission source for the company. Besides reducing consumption of HVAC and cooling installations, we are monitoring refrigerant use and proper end-of-life activities of equipment.

### Scope 2 emissions

With the mandatory shift from fossil-fuelled cars to EVs, a growing category of emissions concerns electricity to power the EV fleet. These increased emissions in Belgium and Germany, for example, are compensated through Guarantees of Origin from Eneco (Belgium) and offsets from DKV (Germany), corresponding to the fuel consumed. In addition, a shift to electric vehicles will help reduce emissions from employee commuting, which currently arise largely from cars running on fossil fuels.

### Scope 3 emissions

Given the scale of our operations and value chain, it is expected that Scope 3 represents the largest share of SD Worx's total emissions, particularly Category 1: Purchased Goods & Services (PG&S).

- **PG&S:** using the spend-based approach, the relevant PG&S categories are listed below and confirm that most of our carbon footprint arises from IT services, personnel-related activities, professional fees and marketing expenditure. A thorough review was conducted across all PG&S categories, and exclusions were applied only to avoid double counting. For example, energy consumption is already accurately captured under Scopes 1 and 2; therefore, energy invoices were excluded from the total spend analysis.

Water consumption impacts are activity-based and are also considered under PG&S as water is procured from water utility companies. Consumption in 2024 was almost 36 m<sup>3</sup>, corresponding to almost 7 tonnes CO<sub>2</sub>e.

#### Purchased goods & services

Purchased goods & services	2024
Business services (personnel/staffing (44%), marketing (23%), fees (33%))	26,400
Computer and related services (IT, hosting, hardware, software)	9,261
Insurance and pension	2,537
Office supplies	1,184
Other services (training, retail, real estate)	1,303
Furniture	990
Food & drink	806
Water	7
<b>Total (tonnes CO<sub>2</sub>e)</b>	<b>42,488</b>
<b>Purchased goods &amp; services (million EUR)</b>	<b>299.818</b>

- **Capital goods:** to ensure full coverage of emissions, capital expenditures for 2024 were calculated using the spend based approach. As shown in the table, capital goods–related emissions were limited for a service provider like SD Worx. Most of these emissions stem from computer equipment and software additions, as well as leasehold improvements that occur when offices are refurbished or adapted.

#### Capital goods additions

Capital goods additions	2024
Land subdivision/Other building equipment contractors	27
Office furniture	571
Office supplies	75
Computer equipment and software	2,504
Leasehold improvements	252
<b>Total (tonnes CO<sub>2</sub>e)</b>	<b>3,430</b>
<b>Capital goods additions (million EUR)</b>	<b>6.267</b>

- **Employee commuting:** a considerable amount of time is dedicated to calculating the mobility impact of our workforce. Because commuting and transportation have a significant environmental footprint, SD Worx is strongly committed to reducing these external effects. We have launched a wide range of initiatives, including:
  - o A revised car policy that both requires and incentivises the use of electric vehicles (e.g. support for installing charging infrastructure) and offers a broader selection of smaller, more economical cars.
  - o An updated mobility policy that makes alternative modes of transport more attractive.
  - o Collaboration with Mbrella to support employees in creating a personalised mobility plan.
  - o Continued rollout of the “Bike Mobility” program, offering appealing options to lease or purchase a bicycle.
  - o A strengthened digital strategy supporting hybrid and remote working models, complemented by progressive “workation policies” that set an example in the labour market.
  - o Implementation of the Belgian federal mobility budget, which encourages alternatives to car use. Increased uptake of car sharing, public transport and cycling will help accelerate the reduction of car numbers and related GHG emissions.

To better monitor the impact of these mobility policies and strategies, SD Worx has established an annual Group-wide commuting survey. In addition, we calculate not only commuting-related emissions but also other transportation effects resulting from employees’ private use of leased cars. As a result, the official Scope 3 Category 7 “employee commuting” figure represents the combined impact of both commuting and employee car transport.

- **Business travel:** with the revised Global Travel & Expense policy prioritising low carbon modes of transport, we expect to see a reduction in emissions from this category.

#### GHG carbon offsets

We acknowledge that GHG emission reduction targets must be disclosed as gross targets, meaning SD Worx may not apply GHG removals, carbon credits or avoided emissions towards achieving these targets. To ensure full transparency, and as further detailed under E1 9, we nevertheless provide an informational breakdown of total GHG emissions both with and without voluntary carbon offsets. This supplementary view highlights our contribution to high quality external mitigation efforts, including the climate mitigation effects generated through the DKV myclimate programme, which compensates for fuel related emissions in Germany.

#### GHG performance intensity measures

To enable a meaningful performance comparison over time, absolute emissions must be contextualised through carbon intensity or other relative indicators that inform policy decisions. The tables below present a selection of KPIs that will be closely monitored going forward. Given the continued growth of the SD Worx Group, we will also assess the carbon implications of both organic expansion and mergers and acquisitions on an ongoing basis.

### Carbon intensity (excl. PG&S) (2024)

KPI	Measured
Carbon-to-revenue ratio (Tonnes CO <sub>2</sub> e/million EUR)	16.31
Tonnes CO <sub>2</sub> e/Employee	1.94
Tonnes CO <sub>2</sub> e/100 sqm	18.20
Tonnes CO <sub>2</sub> e/1000 kWh	1.45

### Carbon intensity (2024)

KPI	Measured
Carbon-to-revenue ratio (Tonnes CO <sub>2</sub> e/million EUR)	52.31
Tonnes CO <sub>2</sub> e/Employee	6.23
Tonnes CO <sub>2</sub> e/100 sqm	58.37
Tonnes CO <sub>2</sub> e/1000 kWh	4.66

### Exclusions from the carbon footprint

Certain GHG categories are considered negligible or are not applicable to a service-oriented organisation such as SD Worx. These exclusions, which have been validated by an external consultant, are motivated as follows:

- **Mobile consumption:** the SD Worx car fleet primarily consists of operational leases, where employees have full control over vehicle use. Therefore, emissions are reported under Scope 3, Category 7 (Employee commuting and business travel), rather than Scope 1.
- **Process emissions, processing of sold products:** these categories do not apply to SD Worx, as we do not engage in industrial processes or manufacture physical products.
- **Upstream leased assets, downstream transportation, downstream leased assets, franchises, investments:** these activities are either not part of SD Worx's business model, or their associated emissions are assessed as immaterial or negligible.
- **Use of sold products:** this category is not required for SD Worx as an HRM and software service provider. Nonetheless, we are exploring ways to gain improved insights into emissions linked to customer use of our software solutions. Developing such visibility would help us distinguish the portion of PG&S emissions related specifically to IT and software, potentially through revenue based or activity based methodologies.
- **End-of-life treatment of sold products:** since SD Worx does not sell physical products, this category does not apply. In line with the GHG Protocol, emissions from the disposal of items are accounted for in Scope 3, Category 5 (Waste generated in operations) during the year they are discarded.

## Methodologies & factors

Scope 1 and Scope 2 emissions are primarily calculated using activity data. An exception applies to fugitive emissions from cooling installations that are operated and owned by landlords; in these cases, average refrigerant charge estimates are used. Even then, SD Worx follows the methodologies and recommendations set out by the GHG Protocol. Global warming potentials (GWPs) for all greenhouse gases are sourced from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report.

Energy-related emissions are determined by multiplying the consumption of company purchased electricity, steam, heat and cooling by the relevant emission factors.

For location-based reporting, emission estimates rely on grid average factors for the country in which the energy is consumed. For market based reporting, estimates may draw on contractual instruments, such as supplier specific emission factors or those associated with renewable energy certificates (RECs) such as Guarantees of Origin (GoOs) retired on our behalf, provided they meet the GHG Protocol's 'Scope 2 Quality Criteria'.

At present, market-based emissions are predominantly calculated using AIB residual energy mix factors for the applicable country. Supplier mix factors are used for Austria and Switzerland where AIB factors are missing. Over time, SD Worx aims to increase the use of emission factors derived from contractual instruments to enhance accuracy and alignment with GHG Protocol best practices.

Scope 3 emissions are calculated using several distinct methodological approaches, depending on the data availability and the nature of the underlying activity.

- **Spend-based method:** emissions are estimated by multiplying the economic value of purchased goods, services or assets by relevant secondary emission factors (e.g., industry average emissions per monetary unit of expenditure). We ensure that inflation effects, exchange rates and the GWP of emissions are also considered.

In 2025 we enhanced our Scope 3 calculation methodology by replacing EEIO emission factors with EXIOBASE multi regional input-output factors. We also refined our approach by analysing emission factors not only by category but separately for each country. This rigorous update strengthens the geographic accuracy, sectoral detail and overall methodological robustness of our carbon accounting.

The shift has led to significant changes in our reported emissions. These differences are driven by the broader system boundaries, refined sector classifications and updated energy and technology profiles embedded in the EXIOBASE model. They do not reflect operational or data input changes but rather improved measurement precision.

- **Distance-based method:** this approach applies to transportation related categories and uses data on mass, transport distance and mode of transport, combined with appropriate mass distance emission factors for the vehicle type.
- **Average data method:** emissions are estimated using secondary emission factors expressed per unit of consumption (e.g. kg CO<sub>2</sub>e/kWh), particularly when primary activity data is not available.

SD Worx uses the following tools and data sources to quantify Scope 3 emissions:

- Carbon accounting platform: CREDIBL
- Purchased goods and services, capital goods: ERM (spend-based), SAP
- Supplier engagement for PG&S: Audit Board
- Employee commuting: commuting survey/HRM tooling
- Business travel: HRM tooling
- People-related data: HRM dashboarding, intranet and Power BI

Increasingly, we can obtain emissions related information directly from suppliers and service providers through online portals, documentation and product packaging. For example, CO<sub>2</sub>e information is now more frequently included on invoices and packaging for IT equipment, improving data quality for Scope 3 reporting

## Methodology and emission factors

Source	Method	Emission factors (EFs)	Inputs
<b>Scope 1</b>			
Stationary combustion	Emission factors applied to primary data or average data where primary data is unavailable	2024 DEFRA	<ul style="list-style-type: none"> <li>* Metering</li> <li>* Fuel expenditure data and average prices</li> <li>* Purchase records</li> <li>* Utility bills</li> <li>* Energy invoices</li> </ul>
Fugitive emissions	GHG protocol	2024 DEFRA IPCC GHG guidance	<ul style="list-style-type: none"> <li>* Equipment inventory count</li> </ul>
<b>Scope 2</b>			
Purchased electricity	Location-based/ Market-based	2024 IEA 2024 AIB	<ul style="list-style-type: none"> <li>* Utility bill/metered consumption</li> </ul>
Purchased heat and steam	Market-based	2024 DEFRA IPCC GHG guidance	<ul style="list-style-type: none"> <li>* Utility bill/metered consumption</li> </ul>
EV fuel	Location-based/ Market-based	2024 IEA 2024 AIB	<ul style="list-style-type: none"> <li>* Utility bill/metered consumption</li> <li>* Fuel records</li> </ul>
Purchased cooling	Location-based	2024 DEFRA IPCC GHG guidance	<ul style="list-style-type: none"> <li>* Utility Bill/metered consumption</li> </ul>
<b>Scope 3</b>			
Purchased Goods & Services (PG&S)	Spend-based Market-based	EXIOBASE 3.9.4 2024 DEFRA	<ul style="list-style-type: none"> <li>* Economic value of purchased goods and services from purchasing records</li> <li>* Equipment inventory emission info</li> <li>* Water utility records</li> </ul>
Capital goods	Spend-based	EXIOBASE 3.9.4	<ul style="list-style-type: none"> <li>* Economic value of purchased goods and services from purchasing records</li> </ul>
Fuel- and Energy Related Activities (FERA)	Location/market-based with correction factors	2024 DEFRA, World Bank, IEA	<ul style="list-style-type: none"> <li>* Energy activity data from scope 1 and 2</li> <li>* T&amp;D and other upstream losses</li> </ul>
Upstream transportation and distribution	Distance-based Spend-based	2024 DEFRA	<ul style="list-style-type: none"> <li>* Invoices and kilometre info courier services</li> </ul>
Waste generated in operations	Primary data or else average data	2024 DEFRA, 2025 DSNZ	<ul style="list-style-type: none"> <li>* Site-specific data</li> <li>* Waste invoices</li> </ul>
Business travel	Distance-based Spend-based	2024 DEFRA, 2025 DSNZ	<ul style="list-style-type: none"> <li>* Purchasing records</li> <li>* Travel invoices</li> </ul>
Employee commuting	Average data	2024 DEFRA, 2025 DSNZ	<ul style="list-style-type: none"> <li>* Commuting survey</li> <li>* Localised log-in data, laptops</li> <li>* GIS data, workforce</li> <li>* National commuting surveys</li> <li>* HRM data: working days, headcount</li> </ul>

## E1-9 GHG removals and GHG mitigation projects financed through carbon credits

At present, SD Worx does not generate any GHG removals within its own operations or value chain.

In terms of GHG mitigation projects, SD Worx has been partnering with Lignaverda, which engages in certified reforestation projects in Senegal. The activities supported by SD Worx are part of Lignaverda's climate-oriented projects. They contribute to climate change mitigation by storing carbon dioxide in tree biomass and soils. They also contribute to climate resilience by creating cooling micro-climates and improving soil structure and fertility.

Lignaverda is listed on the Verra registry under project ID #5823 and follows the VM0047 methodology together with the Community, Climate and Biodiversity Standards. The projects issue high-quality carbon removal credits, demonstrating that carbon has been effectively and sustainably removed from the atmosphere. Over the full project cycle of 40 years, the contribution of SD Worx is expected to result in the removal of approximately 14,400 tonnes CO<sub>2</sub>e.

In 2024, SD Worx GmbH supported certified climate mitigation projects through the voluntary financing mechanism embedded in the DKV myclimate programme. A total of 524 tonnes CO<sub>2</sub>e-worth of carbon credits was financed indirectly by DKV, which in turn channels contributions to Gold Standard-certified climate protection projects, including improved cookstove programmes, clean water initiatives and renewable energy installations. These carbon credits represent voluntary climate contributions and are therefore reported separately from our gross Scope 1, Scope 2 and Scope 3 emissions (see E1.8)

## E1-10 Internal carbon pricing

SD Worx does currently not apply an internal carbon price to guide investment decisions or operational choices. However, various options are being evaluated as part of the 2026 decarbonisation plan to strengthen climate-aligned decision-making and support long-term emissions reduction objectives.

## E1-11 Anticipated financial effects of material physical and transition risks and potential climate-related opportunities

Climate-related risks mainly pertain to the following risks:

- **Transition risks:** the organisation faces financial risks from energy price volatility, carbon pricing and compliance costs. Implementing a net-zero transition plan will increase operational expenses, as highlighted in the 'Altitude risk report'. Rising and unpredictable energy prices further amplify these risks, directly impacting cost structures. Market and reputational consequences may also arise if the company fails to keep pace with industry peers.
- **Physical risks:** climate-related hazards pose significant challenges, including heightened exposure to water stress and flooding at Western European offices and heat stress affecting offices and data centres. These factors could disrupt business continuity and operational resilience.
- **Reputational risks:** inadequate measurement, disclosure and reduction of greenhouse gas emissions, relative to stakeholder expectations and public commitments, represent a major reputational threat. Such shortcomings could erode customer trust and weaken the company's standing as a responsible business.

Using the [AXA Climate methodology](#), we were able to compute the Average Annual Loss (AAL), which represents the expected financial impact of climate-related events during a year. It combines the likelihood of these events occurring with the potential costs of damages they might cause. It does not mean those costs will occur every year - some years might have no losses, while others could see significant impacts.

Losses are categorised into two main types:

- **Property damage:** loss of assets' value caused by impacts on buildings, infrastructure, furniture or inventory.
- **Business interruption:** loss of company revenue caused by assets stopping their operations.



### Total AAL in property damage (SSP2-4.5) in % of asset's value

	Earthquake	Flood	Tropical cyclone	Wildfire	Total AAL
2025	<0.1	0.17	<0.1	<0.1	0.2
2030	<0.1	0.19	<0.1	<0.1	0.23
2035	<0.1	0.2	<0.1	<0.1	0.24
2040	<0.1	0.21	<0.1	<0.1	0.24
2045	<0.1	0.21	<0.1	<0.1	0.25
2050	<0.1	0.22	<0.1	<0.1	0.26

### Total AAL in business interruption (SSP2-4.5) in % of asset's related revenue

	Drought	Extreme heat	Flood	Tropical cyclone	Total AAL
2025	<0.1	<0.1	0.16	<0.1	0.19
2030	<0.1	<0.1	0.18	<0.1	0.22
2035	<0.1	<0.1	0.19	<0.1	0.23
2040	<0.1	<0.1	0.2	<0.1	0.24
2045	<0.1	<0.1	0.2	<0.1	0.25
2050	<0.1	<0.1	0.21	<0.1	0.26

There are no high or medium risks identified at this stage, but we will increasingly be focusing on climate-related risks related especially to real estate and facility management operations.

The transition to a low-carbon economy offers multiple growth avenues. Opportunities include:

- Expanding digital services with a strong sustainability focus, which can capture emerging market demand.
- Achieving cost savings through energy efficiency measures and renewable energy adoption to strengthen operational performance.
- Transparent ESG practices, which enhance the company's market position and build stakeholder trust.
- Scenario analyses from Altitude, which provide valuable insights for long-term financial planning and capital allocation.
- Developing ESG-driven solutions, such as sustainable HR tools and green mobility policies, to address evolving customer needs.
- Shifts in consumer preferences towards eco-friendly products, thereby opening doors to new markets and driving competitive advantage.
- Electrified mobility and renewable energy integration to improve efficiency and resilience across operations.
- Leveraging data-driven emissions insights, thereby enabling better customer engagement and supporting product differentiation.

## Methods & uncertainty

Anticipated financial effects are derived using a top down sensitivity analysis of our energy and operating cost base, as well as selected transition related cost drivers. These sensitivities are applied to carbon price and energy price pathways that are calibrated to our scenario set (NGFS Net Zero 2050 and Current Policies) and to our current contracted energy mix. The resulting AAL figures represent best estimate ranges, depend on the underlying scenarios, and should not be interpreted as forecasts or as financial statements.

The AAL results support decision making by informing our risk appetite setting and planning processes outlined in SBM 3.

# Social



**SD Worx creates social value through the way we design and deliver our HR and payroll solutions. Our work strengthens fair labour markets, fosters healthy employer–employee relationships and supports decent work for all. This value is generated by our internal delivery stakeholder – our operational, technical and corporate teams – and benefits both internal and external stakeholders, including society, the broader labour market, customers, partners, suppliers and our own employees.**

**As a Payroll and HR provider, we directly influence livelihoods, organisations and communities. This responsibility shapes every decision we make, from ensuring compliance and continuity to promoting fairness, inclusion and responsible business practices. We prioritise people and fairness over short-term gains.**

**Guided by our 2024 Double Materiality Assessment, we focus on where our influence is greatest across the value chain and for end users. Detailed policies, actions and performance metrics are outlined in S1-S4 and aligned with ESRS 2 SBM 2.**

### Our commitment to addressing workforce risks

When conducting business, SD Worx maintains an overarching commitment to human rights aligned with the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

This commitment is formally embedded in the company's Labour and Human Rights Policy, which sets out SD Worx's foundational adherence to the International Bill of Human Rights and the ILO's core labour conventions, and explicitly confirms alignment with the UNGPs. The policy applies Group wide across all SD Worx entities and covers permanent, temporary and contingent workers, senior leadership and business partners across the value chain, ensuring that human rights expectations are understood and upheld in daily operations and decision making and coupled with the Supplier Code of Conduct, also in third party engagements. The Policy establishes clear principles, including the prohibition of child and forced labour, non discrimination, freedom of association, fair working conditions, health and safety, responsible technology use, and access to grievance and remediation mechanisms, and forms part of the organisation's broader ESG governance framework.

In 2025, to address DMA-identified risks related to employee training and skills development, workplace safety and inclusive culture within the materiality topics of our 'Own Workforce', SD Worx further strengthened its internal governance framework. This included the publication of a Contingent Workers policy and the introduction of a comprehensive Labour & Human Rights Policy, both designed to ensure consistent standards of fair treatment and to mitigate legal and reputational risks (see S1-6 and S1-16).

Training and capability building were expanded to include AI-focused learning modules and dedicated mental health and resilience training through Brain@Worx (see S1-12).

Addressing risks identified in 'Working Conditions', SD Worx strengthened wage governance and transparency to ensure compensation remains competitive and aligned with market expectations and EU Pay Transparency standards (see S1-9 and S-15).

Enhanced wellbeing programmes and work-life balance initiatives (see S1-13) were introduced to counter negative impacts linked to stress and mental health, supporting morale, engagement and long-term workforce sustainability. In particular, the Pulso Employee Assistance Programme is aimed at promoting wellbeing by offering confidential psychological support to reduce burnout and promote a supportive environment.

# ESRS S1 Own workforce

## S1-1 Policies related to own workforce

SD Worx maintains a comprehensive set of people-related policies designed to manage material impacts, risks and opportunities associated with its own workforce. These policies reflect the company's people-centric culture and commitment to responsible employment practices for employees and non-employees. The fundamental principles of the people-centred policies are also enshrined in the SD Worx Code of Conduct, with the key policy areas covering:

- commitment to labour and human rights principles
- equal opportunities and non-discrimination
- respectful workplace behaviour and inclusion
- learning, development and internal mobility
- health, safety and employee wellbeing
- flexible working arrangements and work-life balance
- collective bargaining and social dialogue
- fair remuneration and pay transparency

In 2025, SD Worx released the Contingent Workers policy to govern the use of the services of temporary workers along with the Labour and Human Rights Policy, translating our ethical principles into practical commitments for respecting and promoting human and labour rights across our global operations and value chain.

Workforce policies are communicated internally and integrated into people management processes.

## S1-2 Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy

SD Worx maintains structured processes to engage with its workforce and workers' representatives on matters that may affect their rights, working conditions or wellbeing. Engagement occurs through defined channels, including regular dialogue mechanisms and grievance mechanisms, ensuring employees can raise concerns and have them addressed.

We offer speak-up and grievance mechanisms to ensure our employees can safely raise concerns. Employees may seek support from the People Department, where People Business Partners act as trusted contacts for advice, issue resolution and escalation, with the option to remain anonymous. In selected SD Worx locations, employees can also approach Persons of Trust; independent trained volunteers who listen confidentially and support employees through the escalation process. For cases requiring impartial assessment, SD Worx offers access to external advisors who provide independent consultation and moderation services. Country specific procedures apply where required by local law and are referenced from the dedicated intranet. A consolidated Group procedure will be rolled out in 2026.

These processes are designed to gather worker perspectives, inform decision-making for meaningful engagement and workforce consultation.

Additional engagement mechanisms include:

- Annual Employee Engagement surveys
- Pulse checks
- Structured feedback via line managers and HR business partners

Results of the annual employee engagement survey are communicated transparently (see S1-4), and we continue to strengthen our feedback culture by encouraging more open dialogue across the organisation. We are also fostering a "critical friend" approach to feedback throughout our countries, embracing cultural differences and promoting constructive, respectful exchanges that support our collective growth and help us create meaningful impact for both colleagues and customers.

## S1-3 Actions and resources related to own workforce

To mitigate the risks and negative impacts identified in the DMA, SD Worx continued to reinforce its labour and human rights framework by publishing a Contingent Workers Policy and introducing a comprehensive Labour & Human Rights policy, ensuring consistent standards of fair treatment across its workforce. Furthermore, ESG principles have been embedded in our updated Global Travel and Expense Policy to enable our workforce to make environmentally and socially responsible travel choices (see S1-1 and to the Environment chapter on mobility).

### Global mobility

To enhance clarity around global mobility and ensure consistency across all countries, we rolled out a Global Mobility Policy, which provides a clearer framework for short term, long term and permanent international assignments. Our approach centres on talent mobility – moving people across borders and towards their full potential. By creating opportunities where talent, ambition and business needs align, we continue to support international growth and employee development.

### Training

Training and capability building resources were further expanded through the set-up of AI focused learning modules, and targeted mental health and resilience training via Brain@Worx, strengthening the organisation's ability to address capability gaps. The skills-based training catalogue was also expanded with courses on communications, language, project management and other domains such as HR, legal and IT.

### Pay transparency

In line with risks related to working conditions, SD Worx strengthened wage governance and transparency to maintain competitive and market aligned remuneration in accordance with EU Pay Transparency requirements.

### DEIB

Key efforts to enhance DEIB included the revamping of our DEIB charter, cultural awareness workshops to strengthen cross-border collaboration and the launch of a targeted plan to improve the inclusion of people with disabilities.

Building on the success of our Shadowing Days programme in 2024, we continued the 2025 edition with 'Connect & Discover', an internal initiative designed to strengthen collaboration and organisational understanding by enabling employees to shadow colleagues across different teams for a day. The programme offers opportunities to observe daily work practices, exchange insights and explore new ways of collaborating, while supporting cross country and cross department connections. Open to all SD Worx employees, participants could register as visitors or hosts and select the areas they wished to explore during the scheduled programme period.

### Wellbeing and work-life balance

The company also enhanced its wellbeing and work life balance programmes, supported by the Pulso Employee Assistance Programme, which provides confidential psychological support to reduce stress, burnout and promote mental wellbeing (see S1-13).

## S1-4 Targets related to own workforce

SD Worx has established targets to address its material social topics on working conditions and diversity, equity, inclusion and belonging (DEIB). We aim to achieve 100% compliance with EU Pay Transparency requirements, increase employee participation in engagement surveys and continue to strengthen our inclusive culture through comprehensive DEIB programmes.

In 2025, 78% of employees participated in the Employee Engagement Survey. The Employee Engagement Index (EEI) was stable at 3.9 and eNPS at 14. Through continuous actions outlined in S1-3, SD Worx is committed to progress toward the long term targets of an EEI of 4.0 and eNPS above 15 by 2030.

### Targets related to own workforce (2025)

	Target	2025
Employee Engagement Index	4.0 by 2030	3.9
eNPS	Exceed 15 by 2030	14
Compliance to EU Pay Transparency requirements	100% by 2027	Refer to S1-15
Coverage of SD Worx offices in H&S reporting	100% by 2027	90%



## S1-5 Characteristics of the undertaking's employees

SD Worx reports the key characteristics of its workforce in the following tables to provide context for the assessment of social impacts, risks and opportunities.

In 2025, our global workforce was represented by people from 84 nationalities.

### Characteristics, own workforce (2025)

Indicator	Units	2025
Total number of employees <sup>1</sup>	FTE	9,005
Total number of employees <sup>1</sup>	headcount	9,369
Permanent employees <sup>2</sup>	FTE	8,384
Female		5,150
Male		3,234
Temporary Workers <sup>2</sup>	FTE	262
Female		143
Male		118
Number of non-guaranteed hours employees	headcount	Nil
Number of nationalities represented in global workforce	#	84
Average age of workforce	years	40.6
Rate of employee turnover in the reporting period	%	12.9
New hires	headcount	1,290
Vacancies filled internally	%	25

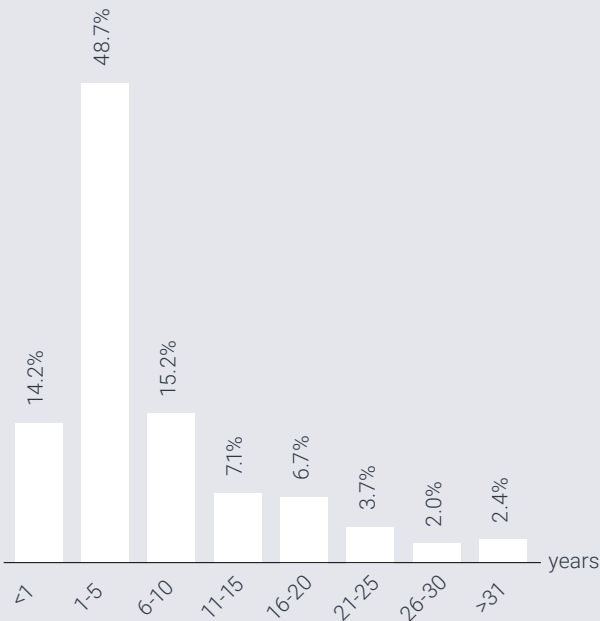
#### Note

<sup>1</sup> Data includes SD Worx entities and its subsidiaries as well as entities acquired by SD Worx in 2025 (see the core report). The figures exclude WorxInvest and VZW.

<sup>2</sup> Differences between the total headcount (or FTE) and the sum of employees and temporary workers are explained by the ongoing harmonisation of workforce systems and processes as a result of companies acquired in 2025.

### Profile SD Worx workforce 2025

#### Seniority



#### Gender equality



**10,062**  
employees and  
contingent workers

**84**  
nationalities

**1,290**  
new hires

### Total number of employees, including subsidiaries (2025)

Country of employment	Headcount	FTE
Albania	328	327
Austria	60	55
Belgium	2,869	2,712
Croatia	87	86
Denmark	8	8
Estonia	25	23
Finland	264	262
France	351	326
Germany	726	689
Hungary	1	1
Ireland	99	95
Italy	980	935
Luxembourg	80	76
Mauritius	843	842
Netherlands	601	550
Norway	150	144
Poland	421	419
Romania	145	143
Serbia	8	8
Slovenia	4	4
Spain	696	689
Sweden	228	225
Switzerland	12	11
United Kingdom	383	375
<b>Total</b>	<b>9,369</b>	<b>9,005</b>

## S1-6 Characteristics of non-employees in the undertaking's own workforce

In the context of SD Worx, a non-employee is a contingent worker who works for our organisation without being hired by SD Worx under an employment contract. From a legal perspective, this contingent worker can either be an employee of another company who renders services for SD Worx or a self-employed person with or without an own company.

With close to 10% of the workforce supported by individuals working on a contractual basis for SD Worx, we believe it is essential to safeguard the organisation against operational, legal and financial risks while enabling flexible resourcing aligned with business needs.

In 2025, we rolled out a dedicated policy for 'Contingent Workers' for this workgroup. The policy seeks to provide clear guidance, processes and responsibilities to hiring managers to ensure that SD Worx engages contingent workers in a consistent, compliant and risk mitigating manner. It aims to give SD Worx better visibility into its external talent landscape, support informed workforce planning and prevent legal misclassification of contingent workers as employees.

The total number of non-employees in the workforce as of 31 December 2025 was reported as 792.

## S1-7 Collective bargaining coverage and social dialogue

At SD Worx, we uphold the right to freedom of association and collective bargaining as a fundamental aspect of our people-centric ESG approach, embedding these principles in our Code of Conduct and ensuring compliance with applicable labour legislation across all entities. Collective bargaining at SD Worx is only one aspect of social dialogue. Social dialogue covers all types of exchanges, consultations, negotiations within the Group among its different entities, employees and their representatives about economic and social matters relating to working life.

We actively facilitate social dialogue through structured exchanges and consultations with employees and their representatives on topics including working conditions, health & safety, working hours, training, pay transparency and equal opportunities. Records of these meetings are transparent and made accessible to all our employees through a central portal.

While collective bargaining coverage varies across regions, driven by local legislations, in 2024 our Global Works Council strengthened employee representation at the international level, enhancing transparency, commitment and cross-border cooperation between management and colleagues.

A total of 30 employees within and outside the European Economic Area represent their countries within the Global Works Council, representing 89% of the workforce in countries with significant employment (more than 50 employees). We are committed to advancing inclusive dialogue and representation mechanisms that reflect national differences and support fair working conditions.

## S1-8 Diversity metrics

### Diversity, Equity, Inclusion & Belonging (DEIB)

Efforts to advance DEIB continued, strengthening open dialogue across the organisation on themes such as belonging, inclusion and wellbeing, with a view to fostering an environment where every colleague feels respected, valued and empowered to thrive. In doing so, we engaged broadly within and outside of SD Worx to promote inclusive practices as listed below.

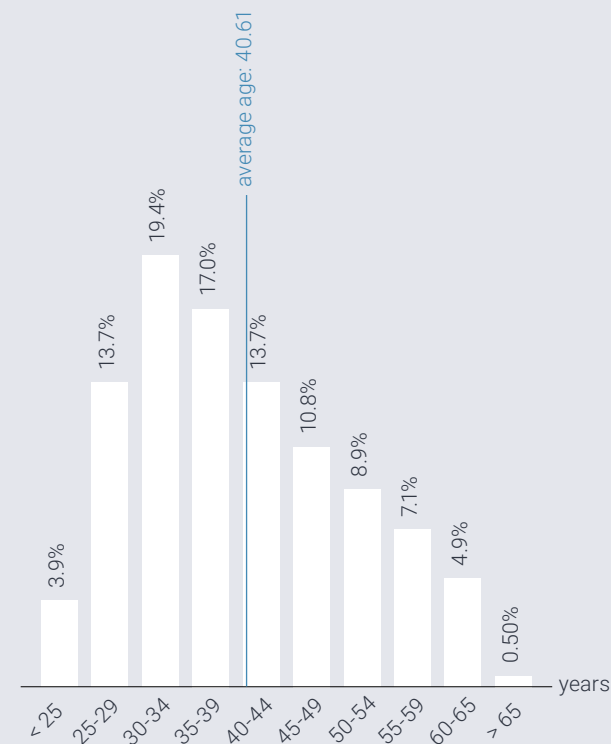
- **Collaboration with a global DEIB partner** started in 2025, with a focus on strengthening cross-cultural awareness and effective cross-border cooperation within our global teams through a company-wide webinar, "From Awareness to Action: Navigating Culture at Work," with tips to translate cultural theory into practical behaviours, pilot interactive workshops on cross-cultural communication and collaboration, and panel discussions on Cross-Cultural Fluency at SD Worx. This was facilitated by the SD Worx People team and our DEIB partner, providing a deep dive into navigating cultural differences at work, with real-life examples and best practices from multinational organisations.
- **DEIB training:** A dedicated e-learning module, Understanding DEIB at SD Worx, was launched. The e-learning was embedded into the onboarding journey for all new joiners, ensuring that our expectations around fairness, respect and inclusion are clear from Day One.
- **Awareness campaigns:** Company-wide panels, internal events and podcasts addressing topics such as belonging, inclusion in hybrid and international teams, and fair reward practices took place. A key highlight was the launch of the DEIB podcast "Let's Talk Pay Equality!," supporting transparency and dialogue around equal pay, complementing broader communication on the Pay Transparency Directive.

Our **DEIB Charter** was updated considering the insights generated from the above sessions.

In 2026, webinars and panel discussions will continue to enhance the inclusion of persons with disabilities in the workplace and supporting women leadership, by partnering with non-governmental organisations. Additionally, steps are being taken to continuously improve quantitative disclosures.

The average age of our workforce was reported as 40.61 years, with the age distribution as tabulated.

Average age SD Worx workforce 2025



## Workforce statistics (2025)

Indicator	Units	2025
<b>Employee distribution by gender<sup>1</sup></b>	%	
Female		61
Male		39
<b>Gender distribution in figures at top management<sup>2</sup> level</b>	headcount	
Female		3
Male		6
<b>Gender distribution as a percentage at top management<sup>2</sup> level</b>	%	
Female		33
Male		67
<b>% Women representation on the Board of Directors</b>	%	
Female		27
Male		73
<b>% Women in the Core Leadership<sup>3</sup> Team</b>	%	59
<b>Employees having received a bonus during the reporting period</b>	headcount	3,674
Female		2,027
Male		1,647
<b>Employees having received a promotion during the reporting period</b>	headcount	1,723
Female		981
Male		742
<b>Percentage of persons with disabilities among the total employees</b>	%	0.4
Female		0.3
Male		0.1
<b>% Workers from minority groups and/or vulnerable workers employed in relation to the entire organisation</b>	Nil	
<b>% Workers from minority groups and/or vulnerable workers in top executive positions (excluding boards of directors)</b>	Nil	

### Note

<sup>1</sup> Only permanent employees on a fixed-term contract have been considered.

<sup>2</sup> The Executive Committee (Excom) has been considered as Top Management.

<sup>3</sup> SPARK leaders have been considered in the Core Leadership and include two female leaders who are also part of the top management (Excom).

SPARK leaders are a select group of senior leaders who report to an Excom member and are part of the Excom members' management team. The composition of the Spark Leader group is reviewed each year at the Excom level.

Further quantitative and qualitative dimensions of diversity and inclusion are reported under S1-5, S1-9, S1-11, S1-2 and S-15.

## S1-9 Adequate wages

All our employees and non-employees are paid an adequate wage. SD Worx ensures that employee compensation adheres rigorously to all relevant wage regulations across every country in which the company operates. This commitment ensures that each employee receives a sufficient wage, not only meeting but always exceeding the minimum standards established by local authorities.

### Remuneration aligned to market benchmarking

To uphold this standard and further promote fairness and transparency, SD Worx utilises the Korn Ferry remuneration benchmark. This industry-recognised reward approach is employed to regularly assess and maintain competitive as well as equitable pay structures, thereby aligning remuneration packages with both market trends and internal policies.

In addition to offering competitive salaries, SD Worx provides employees with a comprehensive package of statutory and contractual social protection benefits. These include coverage for illness, parental leave and retirement, ensuring support throughout the different stages of employees' professional and personal lives (see S1-10). All benefits are carefully administered in accordance with applicable local labour legislation, ensuring compliance and offering employees assurance that their wellbeing and financial security are prioritised.

Furthermore, SD Worx periodically reviews its benefits programmes to reflect evolving legal requirements and best practices, thereby sustaining a supportive workplace environment for all employees. SD Worx has instituted a series of robust measures to ensure that employee wages remain fair, competitive and compliant with all applicable regulations across the diverse countries in which it operates. One of the key actions is the ongoing, systematic review of compensation levels for all employees. This process involves benchmarking wages against both internal peers at comparable contribution levels and the prevailing country-specific wage medians. Continuous reviews enable the organisation to promptly identify disparities and maintain equitable remuneration structures that reflect employee value and market conditions.

To reinforce transparency and oversight, SD Worx is deploying advanced dashboarding mechanisms that provide real-time visibility into employees' relative pay positions. These dashboards are designed to highlight any instances in which an individual's remuneration falls outside the parameters defined by the company's internal reward policy. When such cases are detected, targeted mitigating actions are initiated to correct these deviations and restore alignment with established compensation standards. This proactive approach ensures that all employees are consistently rewarded in accordance with both internal equity and external competitiveness.

In anticipation of the forthcoming national implementations of the EU Pay Transparency Directive, SD Worx is undertaking comprehensive preparations to fully comply with these new regulatory requirements. The company is committed not only to embracing the directive's provisions within EU jurisdictions, but also to extending similar protections and transparency measures to its employees in non-EU countries. This entails the development and adoption of baseline frameworks that guarantee all staff, regardless of geographical location, have access to clear information regarding their compensation and the criteria underpinning wage determinations. Through these concerted efforts, SD Worx upholds the principles of fairness, openness and equality, thereby fostering a workplace culture where every employee is valued and supported.

## S1-10 Social protection

SD Worx demonstrates a steadfast commitment to upholding all applicable legislative requirements within the jurisdictions where it operates. The company ensures that every employee receives comprehensive social protection, which encompasses a broad range of statutory entitlements as well as supplementary benefits provided by the organisation itself. These measures include, but are not limited to, access to health insurance, robust pension schemes, and both statutory and enhanced provisions for maternity, paternity, parental or carer's leave. Additionally, SD Worx provides generous sick leave arrangements and full coverage for employment-related injuries, despite operating within a sector generally characterised by a low-risk profile.

By implementing these benefits, which are always in line with local needs and legislation, SD Worx places a strong emphasis on the wellbeing of its workforce. This approach not only supports the physical and mental health of employees but also contributes to their financial security, ensuring that individuals are protected against unforeseen circumstances that may arise during their employment. Such comprehensive protection fosters a positive workplace culture, enhances employee satisfaction and retention, and underpins the company's reputation as a responsible and equitable employer.

The number of employees without social protection regarding one or more major life events was reported as zero. Through these ongoing efforts, the company upholds high employment standards, promotes fairness and provides an environment where all colleagues can thrive.

## S1-11 Persons with disabilities

SD Worx strives continuously to foster an inclusive and accessible workforce that actively supports the needs of differently abled persons. In 2025, the company launched a dedicated exercise to identify potential gaps in meeting relevant standards and to better understand local country standards and enhance the experiences of employees with diverse abilities at the workplace. Insights from this assessment will inform a targeted improvement plan, reinforcing SD Worx's intention to continuously advance accessibility and inclusion across its operations both for existing employees and for prospective candidates. Based on officially available information for the reporting period, out of the employees who contributed to SD Worx business activities, an estimate of 0.44% were differently abled, representing around 40 persons from 8 countries.

Internal awareness campaigns took place on DEIB (see S1-8) to promote understanding and integration of all abilities and talents. To mark the International Day of Persons with Disabilities in December 2025, a dedicated communication was shared via internal channels.

In the total workforce (excluding non-employees), the table shows the number of persons reported with disabilities. Due to ongoing consolidation of workforce data for companies acquired in 2025, information on persons with disabilities will be further refined in the next reporting cycle.

### Number of reported persons with disabilities (2025)

Country	Female	Male	Total
Belgium	4		4
Denmark		2	2
Finland		1	1
France	1		1
Germany	15	10	25
Netherlands	2		2
Poland	1		1
Spain	4		4
<b>Total</b>	<b>27</b>	<b>13</b>	<b>40</b>

## S-12 Training and skills development metrics

SD Worx continuously invests in talent development through structured performance and career progression with its employees across the organisation. In 2025, 79% of all learning hours were delivered through classroom training, while 21% were delivered via e-learning.

The number of learning hours per employee rose for the third consecutive year, with an increase of 25% reported in 2025 (16 hours per FTE) compared to the same period in 2024.

A total of 7,551 colleagues (excluding contingents) followed at least one skills-based training programme in the reporting period.

### Learning hours by gender (2025)

Gender	Number of hours	Average hours by FTE
Female	93,148	18
Male	42,498	13
<b>Total</b>	<b>135,646</b>	<b>16</b>

**Note:** Figures refer to permanent employees and exclude contingent staff.

### Learning & Development Campus

As our organisation evolves, the training curriculum is being revamped to equip our workforce with the right skills. In 2025, we placed particular emphasis on digital readiness and wellbeing, namely:

- **AI training:** As indicated in the 'Responsible AI' section with reference to GOV-1, IRO-1, to enhance our organisation's capability and confidence in applying artificial intelligence, such courses help colleagues understand the opportunities and limitations of AI, use emerging tools responsibly, and explore how AI can contribute to productivity and customer value. By embedding AI expertise into our learning offering, we are preparing our people for the evolving nature of work.
- **Brain@Worx programme:** This course is aimed at promoting wellbeing and is further detailed under S1-14.

In parallel, we continued to refine and streamline our learning catalogue to make development pathways clearer and more accessible. By enhancing the quality, structure and consistency of our training programmes, we enable colleagues to navigate their learning journey more intuitively and choose the right mix of courses to support their individual growth.

### SPARK JOYner programme

As part of our commitment to continuous learning and career development, SD Worx continued to strengthen its internal talent pipeline through the third edition of the SPARK JOYner programme. After two successful cohorts since its launch in 2022, the initiative invited curious, entrepreneurial and dynamic colleagues for a third edition in 2025 to step forward as future SD Worx ambassadors with the ambition to grow into more strategic roles.

The SPARK JOYner programme offers a comprehensive learning journey covering leadership, project management, strategic insights, senior mentoring and career coaching, while fostering cross functional collaboration and innovation. Open to internal employees with at least one year of experience and a strong growth mindset, the selection process includes written motivation, a video pitch and an online assessment reviewed by a jury of executives, Spark Leaders and alumni. Through this structured development track, SD Worx ensures that employees have meaningful, future oriented opportunities to expand their skills, broaden their perspectives and contribute to strategic innovation across the organisation.

## Talent management and performance reviews

In the most recent cycle for the year ended 2025, 92% of employees completed the Year End Assessment in 'MyMove', our Talent Management, Performance and Assessment tool, reflecting an increase from 87% from the previous year. In the summer of 2025, Germany was onboarded to 'MyMove' and participated in the formal performance review, contributing to the increase.

The 2025 figures\* exclude Austria, which currently does not take part in the impact cycle, as well as colleagues in Italy and Romania, who recently integrated the SD Worx NV organisation as part of the acquisition of F2A and Romanian Software.

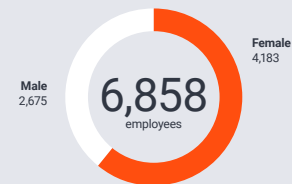
Looking ahead, we will continue building on the career path foundations already in place. Our aim is to offer even clearer guidance on the skills and competencies that support internal mobility and progression within SD Worx. Strengthening these pathways will help colleagues steer their career choices with confidence and enable more targeted, meaningful development conversations.

### Career and performance reviews conducted of employees in scope\*

Percentage of employees who participated in formalised performance and career development reviews



Number of employees who participated in regular performance and career development reviews, broken down by gender



## S-13 Health & Safety

SD Worx operates a group Health & Safety framework that covers the majority of its workforce, with local procedures aligned to legislation. We actively foster a safe, healthy and prevention-focused work environment by aligning concrete initiatives with the objectives of our dedicated Health & Safety policy. Our people being our greatest asset, we continuously aim to maintain the highest standards of workplace health and safety.

Our objectives are to:

- Eliminate hazards and prevent accidents by proactively identifying, assessing and mitigating risks across all work environments through periodic risk assessments and control tours in offices and incident analyses
- Avoid physical, psychological, material and environmental harm through robust prevention measures, safe working practices and continuous monitoring,
- Promote physical and mental health by supporting employee wellbeing, encouraging healthy behaviours and offering resources that strengthen resilience and overall wellness,
- Provide a healthy, safe and pleasant workplace where all employees feel secure, respected and supported in performing their roles, and
- comply with applicable health and safety laws and standards, ensuring that our practices meet or exceed regulatory requirements in the countries where we operate.

Over the reporting period, the organisation showed an improvement in health and safety outcomes. Despite a 49% increase in included employees, the number of work-related accidents fell by 40% from 15 in 2024 to 9 in 2025. This reduction directly contributed to a 57% drop in the Total Incident Frequency Rate (TIFR).

Additionally, the organisation strengthened its structural safety foundation. Coverage by the Health & Safety Management System increased to 88%, reflecting broader implementation of systematic controls and safer working environments. Data quality and reporting reliability also improved: the number of entities with non-available data decreased from 7 to 0.

### Health & Safety indicators (2025)

	2025
# work-related accidents (WRA)	9
# fatalities	0
# reported WR ill health	5
# days lost WRA	398
# commuting accidents	16
# worked hours	14,315,796
Lost Time Injury Frequency Rate	0.63
Lost Time Injury Severity Rate	44.22
% coverage H&S management system	88
Total Incident Frequency Rate (TIFR)	1.48

## New or refurbished offices

In preparation for opening or rebuilding new offices, the organisation systematically consults internal and external HSE experts to ensure full compliance with national legislation and to integrate country specific requirements into the design, layout and technical infrastructure of each site. This includes conducting the necessary risk assessments, documenting preventive and corrective measures, and performing HSE control tours to verify that hazards are identified and mitigated before employees move into the workplace. This structured, forward looking approach ensures that all new and refurbished offices meet legal obligations, adhere to best practices, and provide safe, compliant and ergonomically sound environments from day one.

## Fostering a prevention culture

Across all domains, SD Worx reinforces its structural prevention culture by ensuring trained HSE staff support policy implementation, analysing accidents to prevent recurrence, providing targeted onboarding and training, enforcing zero tolerance toward violence and harassment, conducting mandatory technical inspections, supporting reintegration of long term sick employees, guaranteeing the right to digital disconnection, and maintaining open communication with advisory bodies and the workers' council. Other initiatives to encourage a healthy lifestyle include free medical check-ups and fitness awareness programmes for preventive health management and wellbeing.

## H&S training and Emergency app

To increase safety awareness and behaviour, the organisation strengthened its H&S training and Emergency Preparedness tools in 2025. A short e training course has been launched to support employees in quickly recognising emergency situations, reacting appropriately, understanding evacuation routes and assembly points and reducing fire related risks.

A dedicated Emergency App offers instant access to first aiders, fire wardens, and country specific emergency procedures, ensuring employees can respond confidently and guide colleagues safely during critical moments.

## Ergonomics at work

To complement these safety initiatives, ergonomic wellbeing is also prioritised via the updated Ergonomics & Healthy Workspace tools. Employees can use the interactive E coach self assessment to optimise their workstation, receive ergonomics e learning to understand and apply good posture and setup principles, and book 1 on 1 consultations with external ergonomists, for personalised advice on physical discomfort or workstation issues. These resources help prevent strain, improve comfort and support sustainable healthy work habits.

## Fit@Work

The Fit@Work Month, running from 29 September to 31 October in the 2025 edition, promotes physical, mental and emotional health through weekly English language workshops. The sessions included a keynote address by Prof. Steven Poelmans, guided breathing exercises, meditation, massage techniques and a Pulso led habit building workshop, all offered in multiple time slots and recorded for future use. Participants could also enter a draw to win breathing devices, encouraging long term stress management habits.

## Pulso

At the start of 2025, SD Worx launched Pulso, a new Employee Assistance Program (EAP) offering 24/7 support for employees' emotional wellbeing, practical issues and crisis situations. It provides easy, multilingual access through phone, email, chat and an online platform, as well as local in person counselling. With a geographically spread network of professional mental health counsellors, Pulso forms part of SD Worx's global wellbeing approach tailored to local needs.

Together, these initiatives – from compliance based metrics to wellbeing programmes, emergency training, and ergonomic support – reflect a broad and proactive commitment to creating a safe, healthy and empowering work environment for all.



## S-14 Work-life balance metrics

SD Worx supports employees in managing work and family responsibilities by ensuring access to comprehensive family related leave provisions across all countries of operation. A summary of the employees who took such leaves is given below, irrespective of geography, contract type or working hours.

### Family-related leaves taken in 2025

	2025
<b>Total % of employees entitled to take family-related leave</b>	6.46%
<b>Female (415 employees)</b>	7.59%
<b>Male (152 employees)</b>	4.58%
<b>Maternity leave (number of employees)</b>	243
<b>Paternity leave (number of employees)</b>	54
<b>Parental leave or carers' leave (number of employees)</b>	270
<b>Back to work rate (%)</b>	92 (Belgium)

In 2025, a total of 567 colleagues took family-related leaves of absence, with the majority (498 colleagues or 88% of the total) from SD Worx Belgium. It was observed that 92% of the 498 colleagues who took leaves of absence returned to work and remained in employment after 3 months of joining. The 'Back to work' indicator, now formally recorded for Belgium only, will be collected in a structural way for other countries as well going forward.

### Make the Most Out of Work

SD Worx launched the "Make the Most Out of Work" internal campaign to promote smarter working, stronger collaboration and improved employee wellbeing. The initiative focuses on fostering an inclusive meeting culture, encouraging effective communication, supporting collaboration within diverse teams, and strengthening work life balance through tools such as Brain Balance training and practical wellbeing resources.

### Brain@Worx

Our Brain@Worx programme expanded further in throughout 2025 and now plays an important role in fostering sustainable careers. Through training courses that explore topics like focus and disconnection, healthy sleep and movement, and reflective practices, colleagues are encouraged to build habits that support their wellbeing at work and beyond.

Overall, six learning journeys were delivered in English, French and Dutch, engaging employees globally. In response to strong interest, additional Brain@Worx journeys have been scheduled from February 2026 in all three languages.

### Workation Programme

SD Worx continued its "workation" programme that enables employees to work remotely from another SD Worx country, thereby enhancing flexibility, autonomy and wellbeing while reinforcing a culture of trust, responsibility and international collaboration. In 2025 over 300 employees took part in the programme. The workation programme operates in line with our policies on workation and on global remote working.

## S1-15 Remuneration metrics

### Remuneration policy for employees

SD Worx's comprehensive remuneration package is designed to:

- Connect performance with reward.
- Align individual and team objectives with the overall business strategy and outcomes.
- Attract and retain talented professionals.
- Recognise and reward achievements in accordance with the company's financial health and capacity.

Additionally, SD Worx is committed to offering a contemporary and competitive compensation structure within a motivating yet manageable framework:

- **Motivation:** Competitive wage conditions are essential for attracting and retaining qualified employees. Commitment and performance drive salary progression and variable pay opportunities.
- **Manageability:** Administrative efficiency and budgetary control are integral to our approach. Our wage policy is consistently benchmarked to market standards.
- **Market-based compensation:** We aim to provide rewards that exceed market averages across all roles and pay types.
- **Transparency:** We uphold a high level of transparency in our remuneration practices, balancing diverse business needs with our pursuit of profitable growth.
- **Internal compliance:** Clear policies and guidelines support fairness and ensure adherence to internal standards.

### ABC (Atmosphere, Benefits & Cash) reward strategy

In accordance with SD Worx's ABC (Atmosphere, Benefits & Cash) reward strategy and with prevailing market standards, our remuneration package encompasses more than just gross salaries. We provide a comprehensive suite of benefits, tailored to reflect the company's commitment to attracting and retaining talented professionals, while aligning with our strategic objectives and financial capacity.

Although specific provisions may differ by country, the core benefits offered across all geographies are organised into five principal categories:

- **Atmosphere:** initiatives and programmes that foster a positive workplace culture, promote employee health and wellbeing, and support work-life balance, ensuring engagement, inclusivity and accountability.
- **Benefits:** comprehensive welfare provisions including pension insurance, medical insurance and support for mobility and transportation, designed to enhance overall employee satisfaction and retention.
- **Cash:** direct financial rewards, such as competitive salaries and monetary incentives, reflecting both market standards and performance, in alignment with SD Worx's commitment to recognising achievements and maintaining financial health.

This structured approach ensures transparency, equity and manageability, reinforcing our dedication to rewarding achievements in line with the company's financial health and capacity, as well as supporting compliance with internal standards.

# A

## Atmosphere

For Life. For Work. Your career at SD Worx will be challenging, fun, focused on the team and your role within the team and focused on your growth with plenty of opportunities to grow day in day out.

# B

## Benefits

Solid benefit packages that support you in your daily life, throughout your career; by offering insurance packages, mobility options, flexibility options, vacation days, workation options and many more.

# C

## (Total) Cash

Providing you a market conform total cash position, taking into account your job level and performance level.

SD Worx is committed to delivering market-conform wages, ensuring that employee compensation consistently aligns with prevailing market standards and our ABC (Atmosphere, Benefits & Cash) reward strategy. Across all countries in which we operate, our remuneration practices not only comply with local wage regulations but also surpass statutory minimums, reflecting our dedication to fairness, transparency and competitive pay. To maintain equity and competitiveness, SD Worx regularly utilises the external remuneration benchmark, in line with industry-recognised standards, to assess and calibrate our pay structures in accordance with both market trends and internal guidelines. Variable remuneration constitutes a fundamental element of SD Worx's comprehensive compensation framework, designed to advance both organisational objectives and employee motivation. The allocation of variable compensation is strictly contingent upon the attainment of predetermined performance outcomes, primarily driven by financial performance indicators and further adjusted based on customer feedback (CX) for all employees. For management and executive committee members, additional adjustments are made according to employee feedback (Employee Score or EEI).

Historically, SD Worx has maintained a strong emphasis on collective targets, in alignment with the company's value of "One For All, All For One." Beginning in 2024, the variable pay approach has been further refined: market targets and results now partially inform variable compensation for positions linked to local market performance. Consequently, variable remuneration is determined by a combination of Group-wide and market-specific targets, while customer and employee

feedback continue to serve as critical adjustment factors as previously described. This structure is intended to minimise pay volatility, thereby providing greater stability for employees, to ensure fairness and promote alignment with overarching organisational goals.

All employees are granted unrestricted access to information pertaining to the establishment of targets for financial performance, customer satisfaction (CX) and employee engagement (EI). Both the target-setting processes and final outcomes are communicated transparently throughout the organisation.

### SPARK bonus for talent

In addition to the standard variable pay system, SD Worx offers a one-time bonus programme (SPARK bonus) to recognise exceptional contributions and outstanding performance on a company-wide basis. The timing, nomination process, communication and other details are determined at the division level by the respective division executive committee member in conjunction with their management team. This decentralised approach encourages a culture of ownership, enabling each division to tailor the process to its specific requirements.

Both the variable pay system and the SPARK bonus reflect SD Worx's unwavering commitment to transparency, equity and employee recognition. These initiatives further fuel the company's social responsibility objectives by fostering a culture of engagement, inclusivity and accountability across the workforce.

### Global employee referral bonus

To attract talent, we provide a global employee referral bonus programme. Employees earn a substantial incentive, which is double the market standard, when they refer a candidate who is subsequently hired and remains employed for at least six months. This bonus amount does not vary by role, reflecting our commitment to equality and our core values that every colleague matters. Referred employees benefit from early familiarity with SD Worx culture and an initial internal network, while referring employees are recognised for their contribution and engagement. This approach creates mutual benefit, offering both a referral bonus for the referring colleague and outstanding career opportunities for the referred candidate.

## Pay transparency at SD Worx

In preparation for the upcoming national implementations of the EU Pay Transparency Directive, SD Worx is implementing thorough measures to ensure complete compliance with these new regulatory requirements. As a key element of our ABC (Atmosphere, Benefits & Cash) reward policy, pay transparency forms an essential part of our organisational framework. SD Worx remains dedicated not only to satisfying the directive's standards across all EU member states but also to proactively providing similar protections and transparency initiatives for employees outside the EU. Accordingly, we are establishing comprehensive baseline frameworks to guarantee that all employees, regardless of location, have access to transparent information about their remuneration and the criteria underlying wage determination. With these strategic actions, SD Worx underscores its ongoing commitment to fairness, openness and equality, cultivating an inclusive workplace culture where every employee feels recognised and valued.

Our adjusted gender pay gap stands at 3.03% in line with our target to maintain it below 5%.

Additionally, as a payroll and HR services provider, ensuring objectivity in compensation is fundamental to our corporate identity. This principle not only guides our internal People team and influences our own reward policies and processes but also informs the guidance and recommendations we provide to our customers.

### Remuneration metrics

	2025
Adjusted gender pay gap	3.03%
Unadjusted gender pay gap	15.98%
Annual total remuneration ratio	5.32



## S1-16 Incidents of discrimination and other human rights incidents

During the reporting period, no substantiated incidents of human rights violations or discrimination were recorded at SD Worx. In one isolated case where concerns were raised in 2025, they were promptly assessed through established grievance channels, and appropriate remedial measures were implemented to address the situation and prevent recurrence.

In 2025, SD Worx also published a dedicated Labour and Human Rights policy to reinforce its commitment to non-discrimination, zero tolerance for any form of harassment, and the fair and respectful treatment of all individuals across its operations. The policy sets clear expectations for behaviour, provides accessible channels for reporting concerns, and establishes strong safeguards against retaliation.

### Discrimination and human rights events

	2025	Target 2026
<b>Discrimination</b>		
Number of incidents of discrimination at work on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination, including harassment, identified in the reporting period	1	0
Judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts and tribunals, mediation and complaints filed with the National Contact Points for OECD Multinational Enterprises)	0	0
Substantiated incidents of discrimination registered, including those identified through internal processes	0	0
<b>Human rights</b>		
Number of human rights incidents connected to its own workforce identified in the reporting period, excluding those that relate to discrimination reported in above metric	0	0
Total amount of fines, penalties and compensation for damages recognised during the reporting period in the financial statements for incidents of discrimination and other human rights incidents	0	0
Substantiated incidents of human rights registered, including those identified through internal processes	0	0

# ESRS S2 Workers in the value chain

**Based on our DMA, S2 Workers in the value chain and S3 Affected communities are assessed as not material to SD Worx. Materiality will be reassessed in the next DMA cycle.**



# ESRS S3 Affected communities

**Although S3 -Affected Communities is not material for SD Worx, we report a voluntary summary of our CSR, sponsorships and community engagement activities for transparency.**

## Sponsorships

SD Worx's sponsorship initiatives align directly with two of the Sustainable Development Goals it upholds, SDG 4 Quality Education and SDG 8 Decent Work and Economic Growth, by fostering learning opportunities and promoting fair, inclusive and sustainable labour practices.

SD Worx focuses on supporting research in the future of work through various initiatives:

- **Chair at the Antwerp Management School**

SD Worx is continuing its long standing collaboration with the Antwerp Management School, contributing to the 'Next Generation of Work' Centre of Expertise and advancing research that supports sustainable career development and policies.

- **Cooperation with VUB (Free University Brussels)**

An ongoing cooperation agreement with the VUB (Vrije Universiteit Brussels) for the Social Law Education Program is intended to attract (working) students with an interest in social law since its launch in 2022.

- **SEISMEC**

SD Worx is participating in the SEISMEC project (Piloting the shift to human-centric industry), funded by the European Commission within the Horizon Europe Programme. This interdisciplinary project includes researchers from Erasmus University Rotterdam (EUR) and Rotterdam School of Management, Erasmus University (RSM), in collaboration with a multinational consortium of research, industry and civil society partners. SEISMEC aims to tackle the future of work, to transform workplaces and empower workers in all major European industries.

In addition to supporting research, SD Worx keeps driving the growth of women's cycling through the support of Team SD Worx Prottime.

### Team SD Worx-Prottime

Just as in HR and payroll, success stems from combining individual talent with strong teamwork, bringing people together and creating real momentum. In 2025, Team SD Worx-Prottime delivered an outstanding season with 48 road victories and a total of 80 wins across all disciplines, meeting the target set in honour of SD Worx's 80<sup>th</sup> anniversary. Off the bike, we supported several charitable initiatives by donating team jerseys, raising funds for local causes and backing youth cycling clubs (further info is available in the core report).



## Fonds Worx

Through the [Fonds Worx](#) (formerly SD Worx Fund), SD Worx provides financial and professional support to projects of partner organisations that enable vulnerable people to participate fully in economic life. These organisations:

- prepare underprivileged people for employment, either directly or indirectly
- ensure that disadvantaged groups remain active in the labour market
- ensure that underprivileged people can return to the labour market after an absence.

Since 2020, Fonds Worx has joined forces with the [King Baudouin Foundation](#), which is ‘an actor for change and innovation in Belgium and Europe’, serving the public interest and increasing social cohesion. It seeks to maximise its impact by improving skills in organisations and for individuals and stimulates effective philanthropy by individuals and corporations.

This objective matches perfectly with the SD Worx Fund. Operations are managed through a joint management committee set up by the King Baudouin Foundation, chaired by Fons Leroy and including board members from private foundations. King Baudouin Foundation has taken over all engagements of SD Worx Fund and oversees new requests.

### Fonds Worx initiatives

#### Shaping the Future – Bridging the Gap for Youth Employment

Together with the King Baudouin Foundation, we support the project “Shaping the Future,” a three-year trajectory with 20 projects across Belgium, focused on youth employment and young talents at work. The focus is on financial support, individual coaching and collective workshops through an impact platform. It includes seven projects in Flanders, three in Belgium, five in Wallonia and five in Brussels.

Type of projects:

The projects aim to improve access to the labour market and focus on one of the following objectives for the benefit of young people (aged 15–29) in vulnerable situations: guidance towards employment and/or internships/holiday jobs.

Organisations must commit to supporting the pathway before, during or after employment, with a preference for projects that cover all three phases. The goal is to promote sustainable employment.

The organisation is willing to invest time and energy in further developing the project through the collective impact platform that the foundation will establish.

## SD Worx community initiatives

In 2025, SD Worx colleagues across Europe and beyond actively contributed to environmental protection, social inclusion and community wellbeing. These initiatives were largely colleague-led and locally anchored, reflecting our belief that sustainable impact starts close to home while contributing to broader societal goals.

### Environmental initiatives

Colleagues took concrete action to reduce environmental impact and raise awareness around sustainability.

In **Belgium**, initiatives focused on circularity and nature protection, including a furniture second life project and a plogging activity in Mechelen, combining outdoor exercise with litter collection.

In **Austria**, sustainability was embedded into daily habits through the distribution of refillable water bottles to all employees, supporting the reduction of single use plastics.

In **Spain**, colleagues came together for the Green Action Success initiative. Teams actively contributed to the reforestation of the Mijas mountain, planting native trees and turning teamwork into tangible environmental impact. The initiative left behind not only newly planted forests, but also a strong sense of shared responsibility and long term commitment to environmental stewardship.

### Social and community engagement

Social responsibility remained a strong pillar of SD Worx’s ESG efforts, with initiatives spanning health, education, inclusion, culture and solidarity.

### Career-focused, coaching and empowerment initiatives

SD Worx colleagues contributed to social impact by sharing their expertise, time and experience to support employability, learning and inclusion. These initiatives closely align with SD Worx's core mission of enabling meaningful work and lifelong development.

One such example is the involvement of colleagues in the collaboration with JINC in the Netherlands. This organisation supports young people for whom the transition from education to work is less self-evident. Through structured programmes, JINC offers guidance to students in the final phase of secondary education, focusing on study choices, self-confidence and a broader understanding of career possibilities. These young people often receive limited support from their immediate environment, making targeted external guidance particularly valuable.

Within SD Worx, several colleagues acted as coaches and mentors, engaging in individual conversations with students, supporting them in exploring further education options and helping them take concrete next steps such as enrolling in open days or follow-up programmes. A strong emphasis is placed on human connection, trust-building and practical skills such as networking and preparing for future job applications. This approach helps lower psychological and informational barriers and encourages young people to look beyond what they may initially consider attainable.

Colleagues of **Protime** took part in the 'Onbeperkt jobstudent' initiative to offer young people with a disability or chronic illness the opportunity to gain meaningful work experience. We

welcomed a student with autism to our headquarters, where she spent five months, working every Wednesday and getting her very first taste of a corporate environment. With the support of two dedicated buddies in the HR team, she was guided through her tasks. This experience not only helped her take an important step in her journey but also broadened our own perspectives.

In **Spain**, several initiatives focused on empowerment and inclusion through education and awareness. Colleagues volunteered with **BarcelonActua** in Barcelona, supporting the social inclusion of young migrants in vulnerable situations. Learning and awareness were further strengthened through experiential initiatives such as the "Discover Different Realities" virtual reality experience, which immersed colleagues in the everyday lives of people with disabilities. Inspirational guest speakers shared personal stories of resilience, inclusion and overcoming adversity, contributing to a deeper understanding and dialogue around disability and diversity. Leadership-led conversations on inclusion, including exchanges with external partners, reinforced SD Worx's belief that diverse talent is essential for growth; and connection led conversations on inclusion, including exchanges with external partners, reinforced SD Worx's belief that diverse talent is essential for growth and connection.

In **Italy**, access to learning and knowledge was encouraged through the creation of a shared office library, while a Family Day with a focus on diversity promoted awareness and dialogue across generations.

In **Poland**, SD Worx actively partners with academic institutions to support student development and strengthen the future talent pipeline through multiple initiatives:

- Internships aligned with university curriculum requirements and providing students with hands-on experience that supports academic requirements and career growth.
- Creation of a patronage class in collaboration with a selected university, where SD Worx experts deliver joint learning modules and practical case studies.
- Study visits to SD Worx office for students to gain first hand insight into business operations, HR processes and payroll technologies.
- Expert-led study sessions at universities, delivered by SD Worx experts.
- Sponsorship of the BIT Festival, including support for a student Hackathon organised by a university association to promote innovation and problem-solving.

In **Mauritius**, educational empowerment formed a key pillar of community engagement. Initiatives included learning-focused activities for vulnerable children and women, support for educational infrastructure, and sustained collaboration with schools and youth organisations to improve learning conditions and long-term opportunities.

### Solidarity, fundraising and support for good causes

Alongside career-focused engagement, SD Worx colleagues showed strong solidarity with local and international communities through a wide range of fundraising, donation and volunteer initiatives addressing health, social inclusion, education and humanitarian needs.

Across multiple countries, colleagues organised fundraising campaigns such as charity auctions, cake sales, raffles, concerts and themed office events.

In **Belgium**, initiatives supported Kom op Tegen Kanker, including a charity auction of a signed world champion cycling jersey, as well as participation in the Pink Walk in support of Pink Ribbon, National Breast Cancer Foundation.

In **Belgium and Spain**, colleagues organised regular blood donation drives, providing essential support to healthcare systems. In Spain, a blood donation initiative was particularly meaningful in the aftermath of the tragic train accident in Córdoba, underlining the immediate societal value of employee action.

In **Ireland**, colleagues raised funds, for example for the Irish Cancer Society, through cake sales and individual fundraising journeys.

In **Albania**, colleagues also organised a baking sale to support those in need within the team.

In **Spain**, initiatives such as the Ugly Jumper Christmas, a Family Christmas Event and the Sant Jordi celebration combined community building with charitable donations, including support for organisations such as Mary's Meals. The "Their Rights at Play" initiative extended solidarity to vulnerable children and abandoned animals through partnerships with Cruz Roja Juventud and Rescate Animal Granada.

In **Poland**, colleagues participated in Szlacheta Paczka, one of Poland's most recognised social aid initiatives, providing support to families in need through employee volunteering and fundraising.

Furthermore, they participated in a charity run organised by the Poland Business Run Foundation, in which companies from all over Poland can take part and jointly support people in need. This unique initiative combines sport, integration and assistance to the needy.

In **Mauritius**, colleagues demonstrated a broad and sustained commitment to solidarity, supporting underprivileged students through donations of school supplies, educational outings and the installation of a water filtration system in a primary school. Additional initiatives included donation box campaigns, fundraising events, cultural celebrations in elderly homes, emergency support for individuals and families in need, and long-term partnerships with organisations such as Les Amis de Don Bosco. Large-scale engagement moments, including the Payback Concert, mobilised hundreds of colleagues in support of charitable causes.

# ESRS S4 Consumers & end users

**As part of our responsibility to manage information-related impacts on consumers and end users, a major milestone has been the launch of our Digital Office in the last quarter of 2025 to strengthen the reliability, accessibility and customer centricity of its digital services. The Digital Office drives the unified digital transformation agenda across all markets and functions, ensuring that the design, delivery and evolution of HR and payroll solutions consistently safeguard data quality, service continuity and user experience (see S4-3).**

## S4-1 Policies related to consumers and end users

SD Worx applies an integrated set of policies and practices to manage material impacts, risks and opportunities affecting customers and end users. Within Customer Experience (CX), three central policy pillars apply:

### Data privacy, information integrity and data quality

SD Worx ensures the confidentiality and integrity of customer data, which positively impacts customer trust and guards against misuse of personal and sensitive information. Data breaches are recognised as a material risk for consumers and end users under strict GDPR requirements. A dedicated Group policy on data security and the use of customer data is in place and a yearly mandatory training for all employees is conducted to emphasise the importance of these areas.

To strengthen information related impacts, SD Worx invests in structural data quality improvements through:

- **Data quality enhancement programmes** through a dedicated initiative devised by the SPARK JOYners cohort of 2025, focusing on improving customer data accuracy, routing logic, service workflows and system consistency to safeguard information reliability.
- **Automated NPS data selection processes** to ensure harmonised, secure and GDPR-compliant contact selection across all markets, significantly reducing manual errors and improving data reliability.

These initiatives reinforce the integrity of customer feedback and complaint data and help reduce privacy-related risks.

### Complaint handling

SD Worx has established a consolidated, corporate complaint handling process that ensures consistent logging, follow-up and resolution of customer complaints across all markets and customer-facing teams.

However, governance is still being strengthened:

- Customers do not yet log complaints directly; instead, customer-facing teams are responsible for logging complaints uniformly into the system.
- CX is currently enhancing governance structures to ensure full standardisation, role clarity, consistent complaint definitions and improved quality assurance of complaint handling.

## CX governance and corporate embedding

Customer experience is strategically embedded within SD Worx through:

- A **CX Board** that provides strategic oversight and ensures alignment between corporate leadership, operations and markets.
- A clear, Group wide **CX Strategy**, anchored in Voice of the Customer, journey design and CX culture, ensuring that customer impact is structurally managed and governed.
- Annual **CX Awards** that recognise customer-centric behaviour and stimulate strong CX culture across the organisation.
- Significant progress in customer-centric capability building: 68% of operations employees (payroll consultants) have now completed the Spark Your Customer training, compared to 18% in 2024, demonstrating strong momentum in embedding customer-first behaviour across the workforce.

## S4-2 Engagement with consumers and end users, existence of channels for consumers and end users to raise concerns or needs and approaches to remedy

SD Worx actively engages with customers and end users through a structured feedback ecosystem:

### Engagement mechanisms

- Recurrent Relational NPS measurements across all markets, along with Transactional NPS in journeys such as onboarding, incident handling and case management.
- Quarterly bridging meetings between corporate CX and local markets to translate customer perspectives into improvement priorities.
- Loop-closing communication, demonstrating to customers how their feedback leads to actionable improvements (e.g. BE SME campaign reaching 4,421 customers with 63% engagement).
- Direct interactions such as interviews, feedback calls, shadowing and focus groups embedded in the CX Ways of Working.

### Channels for raising concerns

- Customers raise concerns through NPS feedback, cases, incidents, service interactions and the complaint process.
- Complaint logging is performed by customer facing teams, not by customers directly, ensuring structured registration across SD Worx.
- In the past year, nearly 570 NPS-triggered cases were formally logged and followed up by account owners.
- Concerns can also be raised anonymously through secure and confidential channels described under G1-1 and G1-2.

### Remediation approach

Remediation is supported through:

- the uniform complaint handling process
- small loop and big loop governance for feedback resolution
- escalation mechanisms
- and improvement initiatives embedded in CX governance and SPARK behavioural principles



## S4-3 Actions and resources related to consumers and end users

SD Worx provides ESG-inspired solutions that enable customers to activate their sustainability strategies and build fair, transparent and futureproof workplaces. A key focus is helping organisations prepare for and comply with EU Pay Transparency requirements by raising awareness, offering practical tools and embedding transparency features directly into HR and payroll products.

### Our ESG-inspired offerings include:

- **Compliant payroll and HR processes**, which underpin fair and transparent pay practices and support CSRD social pillar reporting obligations.
- **SD Worx Academy**, offering training across 12 European countries on employment legislation, sustainable workforce management and the implications of the EU Pay Transparency Directive.
- **Talent Management tools such as SD Worx Compass**, enabling structured and transparent performance, talent and skills development conversations.
- **Employee wellbeing programmes**, supporting equitable reward strategies, transparent pay communication, flexible planning and hybrid working policies.
- **DEIB solutions**, including HR dashboards for monitoring diversity metrics and built-in tools for gender pay gap analysis and compliance with the EU Pay Transparency Directive and relevant local laws.

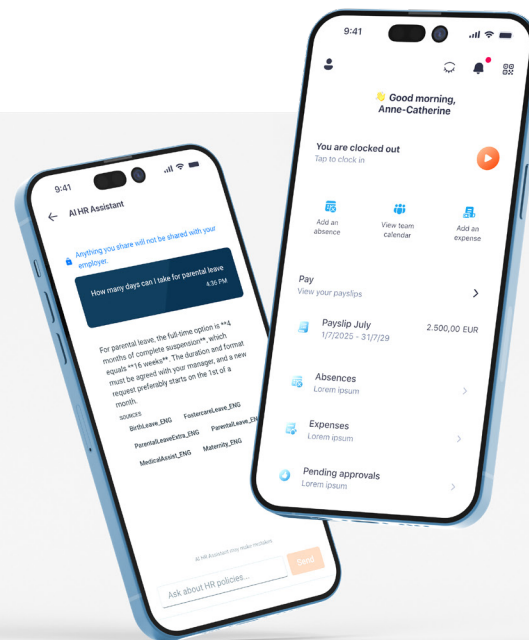
- **Digital HR solutions**, including workforce management platforms and the mysdworx app, designed to improve employee experience, support sustainability goals and make HR processes more accessible and transparent.

The mysdworx app is a centralised gateway to access many HR functionalities for professionals, organisations and their employees. During the last 12 months, we recorded over 1.2 million active users consulting this mobile app to check their payslips or tax documents, request leave or submit expenses. The number of active users of the app continues to increase rapidly, with a few hundred thousand users added in recent years.

Over time, the app is becoming available in more countries and new features are being added to provide a more digital employee experience. The app rating is exceeding 4.7 on 5 when checking the iOS app store or Google Play Store.

- Customised outplacement and coaching programmes, supporting employee development and smooth career transitions.

Together, these offerings help customers strengthen the social dimension of ESG, enhance pay transparency and meet evolving regulatory requirements across Europe.



## SD Worx Knowledge Centre

The SD Worx Knowledge Centre continues to play a central role in advancing the company's social and governance ambitions by translating complex HR and employment legislation into clear, practical guidance for customers and internal teams, while positioning expertise sharing and long term HR research as core to our impact. Through the work of our legal, tax and HR specialists, the Knowledge Centre supports informed decision making, strengthens sustainable HRM practices and reinforces SD Worx's position as a trusted thought leader in building future proof, inclusive and compliant workplaces. This expertise is widely shared with the broader public and professional communities through webinars, business events, social dialogue and multiple communication channels, including our website and blog, where we offer free e books and evidence based insights on topics such as reward strategies, talent management and labour market trends, ensuring that knowledge generated within SD Worx contributes meaningfully to the wider HR ecosystem.

## Digital Office

To better manage information related impacts on consumers and end users, SD Worx initiated the launch of its Digital Office, our central department that brings together key expertise from across the business to set and drive forward our digital transformation agenda. It combines different several dedicated teams with distinct mandates to enhance the reliability, accessibility and customer centricity of its digital service and ensure future-ready digital development across all markets.

In addition to the above, SD Worx implements structured actions to manage both positive and negative impacts on customers:

## Preventing and mitigating negative impacts

- Harmonised **complaint handling process** and strengthening governance for consistent complaint logging.
- **Churn process harmonisation**, with uniform reporting and root cause analysis
- Improvements in **incident communication**, routing, case management and journey governance.
- Data quality improvements and automated NPS data selection ensure clean, secure and compliant customer data foundations.
- Training and enablement of service owners, including SPARK based customer interaction training.

## Strengthening positive impact

- Enhancements of onboarding experiences and journey feedback loops.
- Customer-centric culture reinforcement through CX Awards and Spark Your Customer training.
- Digital accessibility and UX improvements across channels.

## Tracking effectiveness

- Corporate dashboards for NPS, complaints, loop closing timeliness and case quality.
- Trend analysis linking NPS with operational metrics such as ticket handling, issue recurrence and solution quality.
- Governance oversight through the CX Board, bridging meetings and CX leadership reviews.

## Human rights incidents

No human rights-related incidents involving customers or end users were identified in the reporting period.



## S4-4 Targets related to consumers and end users

SD Worx has defined several goals to further strengthen the customer experience. A central objective is to achieve a Relational Net Promoter Score (rNPS) of +15 by 2026, a target approved by the Executive Committee.

rNPS measures the strength and quality of long term customer relationships, based on how likely customers are to recommend SD Worx. Unlike transactional NPS, which focuses on a single interaction, rNPS reflects overall satisfaction and loyalty across the full relationship.

To improve quality and create more value for customers, SD Worx also intends to adjust its loop closing process. 'Loop closing' refers to the follow-up with customers after they give feedback – acknowledging their input, resolving issues and communicating back to them. The proposal is to move from a seven-day response window to ten business days, giving teams more time to provide thorough, high-quality follow-up rather than focusing on speed alone.

At the same time, the Voice of the Customer programme will continue to expand. Efforts include gathering feedback across more customer journeys, improving data quality and enhancing dashboard insights to support better decisions.

Looking ahead to 2026, the customer experience programme aims to roll out rNPS in additional markets, strengthen reporting and further reinforce CX governance. Together, these targets ensure that performance management remains closely linked to customer impact and supports continuous improvement in customer outcomes.



# Governance



# ESRS G1 Business conduct

**SD Worx manages business conduct with integrity, transparency and accountability, embedding sustainability into decision making, risk management and day-to-day operations. The Board of Directors holds ultimate oversight of sustainability matters, supported by the Audit & Risk Committee, which monitors controls, compliance and the quality of sustainability reporting. Policies and internal controls operate under the defined risk model (see GOV 4), ensuring clear responsibilities for operational teams, specialist oversight functions and Group Internal Audit. Sustainability governance applies across the SD Worx Group unless otherwise stated. Reporting for 2025 follows the financial consolidation perimeter and the scope described in BP 1, ensuring consistency between ESG disclosures and statutory financial reporting.**

## G1-1 Policies related to business conduct

SD Worx maintains a comprehensive framework of policies that guide ethical behaviour, responsible business conduct and compliance across our organisation and value chain. These policies set clear expectations for all employees, management, Board members, contractors and, through our Supplier Code of Conduct, our suppliers and business partners. The framework forms the foundation of our commitment to integrity, transparency and responsible corporate citizenship.



## Our policy framework

Our Code of Conduct is the core of our policy framework. It defines the standards of professional behaviour we expect from everyone at SD Worx: acting with integrity, competing fairly, protecting confidential and personal information, fostering a respectful workplace and raising concerns when something does not seem right.

To support these values, we maintain specific policies that address key areas of responsible business conduct:

- Risk Management – our enterprise risk policy outlines how risks are identified, assessed and mitigated under the three lines model, operating within the risk appetite approved by the Board.
- Information Security & Privacy – our security and privacy policies safeguard personal and sensitive information through strong access controls, cybersecurity standards, incident response procedures and compliance with data protection laws.
- Anti Bribery & Corruption (ABC) – we apply zero tolerance to bribery and improper advantages. The policy includes clear rules for gifts and hospitality, interactions with public officials, engagement of third parties, and accurate recordkeeping. Breaches lead to corrective action.
- Anti Money Laundering & Counter Terrorist Financing (AML/CTF) – where legally required, we conduct risk based customer due diligence, screening, monitoring and reporting to prevent misuse of our services for illegal purposes.
- Fraud Risk Management – we embed preventive and detective controls, promote segregation of duties and ensure that suspected fraud is investigated promptly and transparently.

- Competition Law Compliance – this policy strengthens our fair competition practices across all SD Worx entities. It includes an easy to use Do's & Don'ts guide and clarifies how concerns can be raised confidentially through channels aligned with our Whistleblowing Policy.
- Whistleblowing – any individual can raise concerns safely through confidential reporting channels, with anonymity where permitted. We strictly prohibit retaliation and follow a defined process for case handling and escalation.
- Labour & Human Rights – we commit to fair working conditions, equal opportunities, non discrimination, health and safety, freedom of association and access to grievance mechanisms.
- ESG policy – this policy defines our commitments across environmental, social and governance topics and ensures integration of ESG considerations into day to day processes, training and reporting.
- Global Mobility policy – we define clear rules to ensure transparent, consistent and responsible decision making in all mobility related processes for short-term, long-term and permanent international assignments.
- Supplier Code of Conduct and Procurement – we expect suppliers to meet standards on human rights, anti corruption, data protection and environmental practices. Supplier qualification, due diligence and contractual clauses ensure ethical sourcing and responsible third party engagement.

## Applicability, review and oversight

All policies apply to all employees, management, board members and contractors, with expectations for suppliers enforced through due diligence and contractual agreements. Policy owners review their policies at least annually or sooner if prompted by legal, regulatory or risk developments.

Implementation, training and due diligence activities are detailed in G1-2, while performance indicators and targets appear in G1-3 and G1-4. Information on data privacy and security, including attestations, is provided in GOV-4 and annex.

SD Worx's business model does not involve activities linked to animal welfare, and therefore no specific policy is required at this time.

## G1-2 Actions related to business conduct

SD Worx is committed to doing business in an ethical, lawful and transparent manner. We have implemented a comprehensive set of actions to prevent and address corruption and other forms of misconduct. These actions include mandatory Code of Conduct training for all employees (with embedded anti bribery and corruption content), a robust whistleblowing and speak-up framework with non retaliation guarantees, risk-based third party due diligence for suppliers and partners, and structured internal controls and investigations processes. Details of these actions are described below; corresponding targets and metrics are reported in G1-3 and G1-4.

### External and internal monitoring

We complement our own controls with EcoVadis' 360° Watch external monitoring. Our Corporate Communications team tracks media coverage across markets. Where monitoring indicates credible allegations or adverse findings, the matter is routed into our speak up/compliance case handling process for timely assessment and escalation.

### Internal controls and fraud risk management

SD Worx is maturing its fraud risk management approach in line with the policy. Structured fraud risk assessments and enhanced documentation of preventive/detective controls are being phased in. We are enhancing documentation of preventive and detective controls so that ownership, frequency and evidence requirements are clear. Insights from these assessments inform improvements to controls and targeted training for relevant roles.

### Anti money laundering and counter terrorist financing

SD Worx implements anti money laundering and counter terrorist financing (AML/CTF) controls in all markets where such regulations apply. Our risk based framework covers stakeholder and customer due diligence, ongoing monitoring of unusual activity, and mandatory reporting where required by law. We conduct background checks to stakeholders to ensure alignment with our Code of Conduct and the UN Global Compact principles. For customers, we perform thorough compliance checks, including international sanctions screening using tools from providers such as Bureau van Dijk and Moody's. Our Credit & Collection Team carries out KYC (Know your Customer) and credit rating assessments, with enhanced measures in jurisdictions or cases subject to mandatory legal requirements. Together, these controls reduce the risk that SD Worx services are misused for unlawful financial activities.

### Whistleblowing and speak up mechanisms in practice

We provide secure and confidential channels that are accessible to all stakeholders (including employees, customers, partners, and suppliers) allowing concerns to be raised anonymously if preferred. These mechanisms ensure that everyone feels safe to report potential breaches of our Code of Conduct, ethical standards, or legal obligations without fear of retaliation. All reports are triaged promptly and investigated under defined procedures, with fairness, confidentiality, and non-retaliation guaranteed to reporters. Awareness and training support correct use of the channels, and where issues are substantiated, corrective and preventive actions are implemented. Subject to legal constraints, we disclose aggregated indicators such as the number of reports, substantiation rates, and median resolution times. See G1-1 for the underlying policy and protection.

### Risk management

Risk management follows an enterprise-wide methodology, aligned with the three lines of defence model. Management owns and manages risks, risk and compliance functions provide oversight and guidance, and Internal Audit offers independent assurance. Further details of this model are provided under GOV 4.

### Training, awareness and process controls

To ensure policies are understood and applied, SD Worx delivers annual mandatory training to all employees on the

Code of Conduct and Security & Privacy. We also introduced ESG awareness training to all employees and over 70% of employees completed it during the first rollout in 2025.

These trainings are assigned also to new joiners and refreshed annually for all employees. Completion rates are tracked and reported, with reminders and manager notifications, and escalation for overdue modules. (See G1-3 and G1-4).

### Ethical business model and relationship with suppliers

SD Worx operates in more than 25 countries and relies on a broad supplier base. Our Code of Conduct, including clear rules on avoiding and disclosing conflicts of interest, along with our Supplier Code of Conduct and Procurement policy, set clear expectations on ethics, labour and human rights, environmental responsibility and data protection. These requirements are embedded through risk-based due diligence and proportionate contractual clauses. Our Code of Conduct also includes a clear conflict of interest process, requiring employees to avoid situations that could compromise impartial decision making and to disclose potential conflicts promptly for transparent resolution.

### Governance and buyer enablement

Group Procurement and the Third-Party Assurance (TPA) team, in coordination with the ESG Office, govern supplier due diligence, contractual controls and ongoing monitoring. Buyer enablement includes annual role-based training on ESG, modern slavery and human rights, data protection and security, and anti-bribery and corruption, with tracked completion and escalation for overdue cases where required (see G1-3 & G1-4).

### Risk-based segmentation and assurance

Suppliers are segmented using a documented model combining spend and criticality, category risk, geography and data sensitivity. Tier 1 (high-risk) suppliers receive enhanced due diligence, including evidence-based questionnaires, certifications and attestations review, privacy and security controls, and ABC/AML checks, alongside contractual ESG clauses with audit rights. Tier 2 (high impact) suppliers are progressively included in the TPA programme; performance and corrective action plan closure are monitored.

### Supplier oversight and on site audits

We operate with a risk based supplier oversight model that includes pre engagement screening, contractual ESG, security and privacy obligations, and on site audits for higher risk categories and geographies. Audits assess conformance with our Supplier Code of Conduct and applicable ISO standards including ISO 14001 (environmental management), ISO 27001 (information security) and ISO 27701 (privacy information management). Findings result in corrective action plans (CAPs) with time bound closure and re verification. See GOV 3/4/SBM 1 for how audits fit our overall sustainability due diligence and value chain coverage.

### Coverage and continuous improvement

In 2025, 63% of targeted suppliers completed a sustainability assessment. This indicator is tracked year on year and used to steer programme priorities. From 2026, we will strengthen supplier management by increasing visibility into whether key suppliers have Code of Conduct for their employees and suppliers, and by collecting and analysing supplier level carbon emissions data to support even more accurate Scope 3 reporting, regulatory compliance and improved environmental insights (see G1-3 & G1-4).

## Procedures to address corruption and bribery

Our Group-wide Anti-Bribery & Corruption (ABC) Policy sets clear Group-wide expectations for behaviour to prevent bribery and corruption across all entities, regions and departments.

### Policy framework in practice

Our ABC policy defines bribery and corruption clearly, including offering, promising, giving, soliciting or receiving anything of value to improperly influence decisions. We prohibit providing or accepting advantages, including gifts, hospitality, benefits, donations or facilitation payments, that could improperly influence decisions. We set behavioural expectations for interactions with customers, partners, suppliers and public officials, and require transparency and appropriate recordkeeping for higher risk interactions. Responsibilities are clear: all employees must understand and comply with the policy and applicable laws, managers promote ethical behaviour and escalate concerns, Group Internal Control & Compliance (GICC) owns the policy, oversees implementation and ensures regular reviews. All Group companies are covered by the same policy framework, ensuring consistent standards across the full SD Worx Group.

### Preventive controls and due diligence measures

SD Worx applies several preventive measures to reduce bribery and corruption risks, including:

- Third-party due diligence, including integrity assessments for suppliers and partners aligned with our Procurement policy and Supplier Code of Conduct
- Clear rules on gifts, hospitality and benefits, including when they may be offered or accepted and which approvals are required.
- Contractual compliance obligations for external parties engaged by SD Worx, reflecting our anti corruption standards.
- Transparency requirements to ensure that decisions and sensitive interactions are documented and traceable.

The ABC Policy is reviewed at least annually by GICC to reflect legal developments, insights from investigations and emerging risks, and to ensure continued effectiveness.

### Speak up, investigations and corrective actions

Concerns can be raised through confidential speak up channels anonymously. Non retaliation applies to good faith reporters. We assess reports promptly, handle them confidentially and escalate through defined procedures. Substantiated issues trigger remediation and disciplinary measures as appropriate. Confirmed violations may result in disciplinary action up to termination, contractual remedies for external parties (including remediation or termination), and referrals to competent authorities where the law requires. Consistent enforcement strengthens accountability and the effectiveness of our controls.

### ABC training and awareness

ABC principles are embedded in our mandatory Code of Conduct training for all employees. The training covers practical scenarios on bribery and undue influence, rules for gifts, hospitality, sponsorships and third party engagements, and requirements for accurate documentation, approvals and escalation. Annual refreshers and onboarding coverage maintain awareness. Coverage metrics are included in G1-3/4.

### Transparency on convictions, fines and reported cases

In line with ESRS requirements, SD Worx discloses all confirmed findings, fines or legal actions related to bribery or corruption. We report this information transparently and in aggregate where appropriate, respecting legal and privacy constraints.

### Scope and period

Unless stated otherwise, measures and programmes described apply across the SD Worx Group globally. Selected indicators reference 2025 performance and 2026 forward looking actions. Quantitative metrics, targets and outcomes are presented in G1-3/4.

## G1-3/4 Business conduct targets and metrics

SD Worx measures progress through defined targets and transparent metrics that reflect our commitment to ethical conduct, strong governance and responsible value chain practices. The following tables provide a clear overview of the targets we have set and how we performed against them.

### Targets (G1-3)

Our business conduct targets focus on three areas essential to good governance: ethical awareness, anti corruption and responsible procurement. They set the direction for continuous improvement across the Group. These targets guide our actions and set measurable expectations for employees, suppliers and the entire SD Worx organisation.

### Targets (G1-3)

Objective/KPI	2025	Target & Due Date	Owner	Scope/Notes
<b>Code of Conduct incl. ABC training</b>	92%	≥95% completion by 2026	GICC	Group scope; all employees
<b>Security &amp; Privacy training</b>	88%	≥95% completion by 2026	GICC	Leadership guidance for higher threshold
<b>ESG awareness training</b>	76%	≥80% by 2027	ESG Office	Group scope; all employees
<b>Zero ABC outcomes</b>	0 cases; €0 fines	0 confirmed bribery/ corruption cases and €0 related fines/sanctions in 2026	GICC	Confirmed = concluded investigations at year-end cut off
<b>Sustainable procurement – TPA assurance coverage</b>	63% of targeted suppliers covered in 2025	100% Tier 1 and ≥60% Tier 2 high impact suppliers covered by third party assurance by end 2026	Procurement/TPA/ESG Office	TPA covers E, S, G incl. security & privacy measures
<b>Sustainable procurement – Supplier Code of Conduct acknowledgement</b>	Started in Q4/2025	100% Tier 1 and ≥60% Tier 2 by end 2026	Procurement/TPA	Acknowledgement recorded and tracked
<b>Sustainable procurement – Supply chain climate data</b>	Started in Q4/2025	Collect supplier GHG data covering ≥50% of spend in high impact categories by end 2026	Procurement/ESG Office	For Scope 3 improvement & CSRD readiness

## Performance (G1-4 Anti-corruption / bribery metrics)

Our 2025 performance on bribery and corruption is presented in the table below. These metrics provide a transparent view of how effectively our controls, training and speak up mechanisms prevent and address unethical behaviour. The absence of confirmed cases, fines or related sanctions reflects the strength of our compliance systems and culture of integrity.

## Supporting governance KPIs

In addition to the mandatory G1 metrics, we monitor related indicators that support good governance, especially training coverage and supplier due diligence. These KPIs offer important context on the maturity of our governance programmes.

## Methodology and calculation (apply to all G1 training KPIs)

All training KPIs follow a consistent methodology based on the share of employees who complete mandatory modules within their assigned cycles. Metrics include new joiners and are monitored through automated reminders, manager notifications and escalation processes. Supplier related KPIs follow a risk based approach covering targeted high impact suppliers. All governance metrics are supported by internal controls, data validation checks and periodic reviews.

## Performance (G1-4 Anti-corruption / bribery metrics)

Metric	2025	Scope/Notes
Confirmed bribery/corruption cases	0	Confirmed cases only; Group-wide (employees & contingent)
Monetary fines/sanctions related to bribery/corruption	€0	Administrative or judicial decisions within the full year
Disciplinary actions/dismissals related to bribery/corruption	0	Employees and contingent workforce
Whistleblowing reports related to bribery/corruption	0	Reports classified under bribery/corruption
Business relationships terminated or not renewed due to bribery/corruption	0	Suppliers/partners/customers
Legal cases brought against SD Worx for bribery/corruption (pending/concluded)	0	Pending or concluded as at year-end

## Supporting governance KPIs

KPI	2025	Coverage definition/Scope
Code of Conduct training completion	92%	% of assigned employees completing within the cycle
Security & Privacy training completion	88%	As defined above (mandatory cycle)
ESG training completion	76%	Group scope; rolling cycle
Supplier sustainability assessments completed (targeted suppliers)	63%	Risk based program; % of targeted suppliers completing assessment

## G1-5 Metrics related to political influence, including lobbying activities

Based on our DMA, political influence is assessed as not material for 2025. SD Worx made no political contributions and engaged in no paid lobbying activities during the reporting period. Materiality will be reassessed in the next DMA cycle.

## G1-6 Metrics related to payment practices

Based on our DMA, metrics related to payment practices is assessed as not material for SD Worx at Group level; accordingly, G1 6 datapoints are not disclosed. Materiality will be reassessed in the next DMA cycle.



# Annex



# External assurance and recognition

**As a European end-to-end HR solutions provider, SD Worx delivers services to recognised standards of security, compliance and operational excellence. We evidence this through independent attestations, certifications and industry recognitions. Our [Trust Centre](#) provides a single, transparent view of these credentials so customers and stakeholders can quickly verify the standards we meet, reflecting our commitment to accountability, integrity and trust.**

## External assurance

### EcoVadis assessment

Annual independent sustainability assessment conducted by EcoVadis, providing a widely recognised rating and scorecard across service organisations. The assessment covers four core themes: Environment, Labour & Human Rights, Ethics and Sustainable Procurement. SD Worx undergoes a corporate wide [EcoVadis assessment](#).

### ISAE 3402

International assurance standard specifically designed for outsourcing activities with financial impact (e.g. payroll). SD Worx extends coverage to key IT support processes. Independent auditors annually assess our (payroll) outsourcing services.

We issue ISAE 3402 Type 2 reports on selected payroll products, confirming that all control activities and processes were correctly performed over a defined period.

### ISAE 3000

International assurance standard for assurance on non-financial information, supporting GDPR compliance. SD Worx holds an ISAE 3000 Type 1 attestation, proving our internal control framework meets GDPR requirements.

### UN Global Compact

Being a UN Global Compact signatory strengthens SD Worx accountability and commits us to its 10 principles on human rights, labour, the environment and anticorruption.

### ISO 27001

Information Security Management Standard ensuring confidentiality, integrity and availability of data. SD Worx is ISO 27001 certified for a significant portion of its activities and is implementing ISO 27001:2022 across all entities.

### ISO 27701

Privacy Information Management Standard ensuring the effective governance and protection of personal data. SD Worx is certified for significant activities in the Nordics under ISO/IEC 27701, demonstrating alignment with GDPR relevant privacy requirements.

### ISO 14001

Environmental Management Standard ensuring proactive environmental impact reduction and compliance. SD Worx holds ISO 14001 certification in Finland, Estonia, Sweden, Norway, Romania and part of the Netherlands.

## Industry recognition

We believe analyst recognitions are important reputation, credibility and confidence boosters. Here's an overview of the recognitions we received.

### For our business process services

- Recognised as one of the Top 10 Fastest-Growing Business Process Services (BPS) Players by Growth in Everest Group's BPS TOP 50™ report of June 2025.

### For our multi-country payroll solutions

- Recognised as a Leader in NelsonHall's NEAT vendor evaluation for Next-generation Payroll Services 2025, for the 9<sup>th</sup> time in a row
- Recognised as Major Contender (Global) and Leader (EMEA) on Everest Group's Multi-Country Payroll Outsourcing PEAK Matrix® Assessment 2025, for the 4<sup>th</sup> consecutive year
- Shortlisted as a Next Generation Multicountry Payroll Vendor in the 2025 Constellation Shortlist
- SD Worx has been named as a Sample Vendor in the Gartner® Hype Cycle™ for HR Technology, 2025 for Unified Multicountry Payroll1 for 5 consecutive years
- Recognised as a Representative Vendor in the Gartner® 2024 Market Guide for Multicountry Payroll Solutions for the 8<sup>th</sup> time in a row
- Recognised as a Leader in the Avasant Payroll Business Process Transformation 2025–2026 RadarView™

### For multi-process HR outsourcing and cloud transformation services

- Recognised as a Leader in NelsonHall's NEAT vendor evaluation for Multi-Process HR Transformation 2025 for the 8<sup>th</sup> consecutive year
- Recognised for the 7<sup>th</sup> time as a Major Contender in Everest Group's Multi-Process Human Resources Outsourcing (MPHRO) Services PEAK Matrix® Assessment 2025

### For workforce management

- Recognised for the 4<sup>th</sup> time as a Leader in NelsonHall's most recent NEAT vendor evaluation for New World Workforce Management 2024
- Protime recognised for the 6<sup>th</sup> time in the Gartner® 2024 Market Guide for Workforce Management Applications as a Representative WFM Vendor, headquartered in Europe3

### For SAP business application services

- Recognised as Major Contender (Global) in Everest Group's SAP Business Application Services PEAK Matrix® Assessment 2025
- Recognised as a Disruptor in the Avasant SAP SuccessFactors Services 2025 RadarView™, July 2025

### For cloud HR technology

- Recognised as a Core Leader in Fosway's 9-Grid™ for Cloud HR Technology 2025, for the 3<sup>rd</sup> time in a row
- Recognised as a Leader in NelsonHall's NEAT vendor evaluation for HCM Technology & Gen AI with a focus on SMBs

1. Gartner, Hype Cycle for HR Technology, Ranadip Chandra, 17 June 2025
2. Gartner, Market Guide for Multicountry Payroll Solutions, David Bobo et al., 9 December 2024
3. Gartner, Market Guide for Workforce Management Applications, Josie Xing et al., 01 August 2024 (This research has already been archived.)

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# TCFD table

**Mapping of the 11 TCFD recommended disclosures to SD Worx's governance, strategy, risk and metrics disclosures (2025 cycle). See E1-7 for consolidated energy totals/mix and E1-8 for Scopes 1/2/3 and intensities; see E1-6 for 2030 absolute and operational targets, and SBTi 2026 validation plan.**

Integration with ERM. Climate related IROs (per ESRS scoping: E1, with related S1/S4/G1 linkages) are assessed on SD Worx's ≤ 12m / 2–3y / 4–10y horizons and aligned with the ERM 5 year assessment. Items above escalation thresholds move from entity registers to Group Top Risks for Excom monitoring and Audit & Risk Committee (ARC) oversight. See also Risk management → Key risk areas for the linkage between climate IROs and Group Key risk areas.

## TCFD table

TCFD disclosure topic	TCFD recommended disclosure	Where in the ESG Report
Governance	(a) Board oversight of climate-related risks and opportunities	Environment → Governance (ESRS 2 GOV-1/GOV-4); E1 sections – Governance structure overseeing climate matters
	(b) Management's role in assessing and managing climate-related risks and opportunities	Governance (ESRS 2 GOV-1/GOV-4); Environment → Execution of climate strategy
Strategy	(a) Climate-related risks and opportunities over the short/medium/long term	Environment → E1-2 Identification of climate-related risks and scenario analysis; DMA (IRO-1/2)
	(b) Impact on business, strategy and financial planning	Environment → E1-3 Resilience of strategy & business model; E1-5 Actions & resources; SBM-3
	(c) Resilience of strategy under different climate scenarios	Environment → E1-3 Resilience; E1-11 Anticipated financial effects
Risk management	(a) Processes for identifying and assessing climate-related risks	Environment → E1-2; Governance → GOV-4; DMA (IRO-1/2)
	(b) Processes for managing climate-related risks	Governance → GOV-4; Environment → E1-5 Actions & resources
	(c) Integration into overall risk management	Governance → GOV-4; Risk & Security/Key risk areas
Metrics & targets	(a) Metrics used to assess climate-related risks and opportunities	Environment → E1-7 Energy; E1-8 GHG emissions; E1-5 Data centre energy & efficiency; GDR-M
	(b) Scope 1, 2, 3 emissions and related risks	Environment → E1-8 Gross scopes 1/2/3; Methodologies & factors
	(c) Targets and performance against targets	Environment → E1-6 Climate-mitigation targets; E1-5 Actions & resources; E1-7/E1-8 trends

# Reporting practice and methodology changes (BP-1/2)

## Purpose and principles

The purpose of this reporting practice is to set out the principles, scope boundaries, governance and information systems that underpin our sustainability statement to ensure transparency, accuracy and comparability.

## Basis for preparation

Our sustainability statement is prepared on a consolidated basis, using the SD Worx Group financial consolidation perimeter. The scope follows our double materiality assessment and covers SD Worx's own operations and, where material, value chain impacts. We report in accordance with the GRI Standards (2021) and provide a GRI Content annex with a Statement of Use and cross references to ESRS (simplified) disclosures.

The reporting period entails 1 January 2025–31 December 2025; publication date and contact point are provided in the annex: Cross-reference table. Where methodologies or estimates are applied, or prior period figures are restated, we disclose the rationale and effect in the relevant sections. Where estimates or proxies are used for value chain data, we identify the affected metrics and describe the basis, expected accuracy and planned improvements. Differences, if any, between entities included in sustainability reporting and those in financial consolidation, are described in relevant section. Topic specific coverage and any exceptions are disclosed in each material topic section.

## Reliefs and phase-ins

We apply ESRS (simplified set) for this report. Any phase ins will be disclosed at the latest in the first CSRD report in 2028 (covering 2027 data).

## Data architecture and sources

Disclosures combine quantitative metrics and qualitative narratives from defined systems of record, with documented methods and owner oversight to ensure accuracy, traceability and verifiability.

## Governance and assurance

ESG risk governance follows the SD Worx three lines model. Oversight resides with the Board through the Audit & Risk Committee (ARC); the ESG Steering Committee validates approach and monitors progress; and the ESG Office coordinates data collection, methodology and dashboards. The Audit & Risk Committee's remit includes ESG matters. Internal Control and Internal Audit provide independent assurance activities, and the Board via ARC reviews external assurance outputs and certifications.

## Indexes and cross references

We publish three index tables to support traceability: GRI Content table, ESRS (simplified) cross reference, and a TCFD mapping table covering governance, strategy, risk, and metrics & targets.

## Changes vs. last year's methodology

- GRI baseline + ESRS (simplified) alignment: retained GRI as baseline and introduced mapped ESRS topics.
- ESRS working method: ESRS simplified as the foundation of the ESG report structure and the ESRS annex for traceability and efficiency.
- Sharper scoping logic: scope and boundary descriptions explicitly tie to double materiality and the consolidation perimeter.
- Navigation aids: added the ESRS (simplified) cross reference and TCFD table alongside the previously used GRI index.
- CSRD roadmap: this 2025 statement applies the ESRS (simplified) approach; the first CSRD report will be published in 2028 with 2027 data, with methodology described in this narrative.

## Looking forward to 2027

We will expand ESRS disclosure coverage, formalise process level controls and documentation, enhance supplier and system integrations for environmental and social metrics, and phase in assurance in line with regulatory and stakeholder expectations.

*Sebastiaan Peeters*

Sebastiaan Peeters (May 12, 2026 10:30:55 GMT+2)

*Kobe Verdonck*

Kobe Verdonck (May 12, 2026 11:20:36 GMT+2)

*Rune Alvestad*

Rune Alvestad (May 20, 2026 14:20:45 GMT+2)

# Cross Reference Table (GRI – ESRS – EcoVadis) (BP-1/2)

**This annex provides the ESRS content index required under ESRS 2, in line with IRO 2 and AR 30. It presents each disclosure and indicates where it appears in this sustainability statement, linking the topics identified in our Double Materiality Assessment to the relevant sections and aligned reporting frameworks. The table supports both user navigation and assurance traceability. It also functions as our GRI Content Index, mapping each GRI Standard disclosure (ID and title) to its location in the report and noting a reason for omission where required. SD Worx applies the ESRS 2 – General Disclosures (Nov 2025) simplified set.**

## Statement of Use – GRI

This sustainability statement has been prepared in accordance with the GRI Standards (2021). For any GRI disclosure that is only partially met or not reported, a reason for omission is provided, for example, “Information unavailable at publication”.

## Scope cues

The cross reference table covers the simplified ESRS set, including:

- Cross cutting MDR P/A/M/T
- Relevant topical disclosure requirements (e.g. E1 Climate, S1 Own Workforce, G1 Business Conduct, S4 Consumers & End Users).
- EcoVadis categories – Environment; Labour & Human Rights; Ethics; Sustainable Procurement – are shown only as thematic navigation labels.

## Reporting basis

This sustainability statement covers the SD Worx Group (consolidated) for the period 1 January–31 December 2025. Reporting practices, scope and boundary choices are explained in Reporting practice & methodology changes (BP 1 & BP 2).

The report was published on 30 April 2026.

For questions, please contact:

Chief Legal | Compliance Officer  
Kelly.lespinoy@sdworx.com

No external assurance was obtained for the 2025 reporting year. In alignment with CSRD/ESRS requirements, limited assurance will apply from our first CSRD compliant report (covering 2027 data, published 2028). Data quality is supported by internal controls, system level validations and periodic internal audit reviews.

## Assurance roadmap

To prepare for future mandatory assurance, SD Worx has established the following roadmap:

2026: Conduct an ESRS readiness assessment and dry run

2026: Define ESRS and EU Taxonomy assurance scope, roles and evidence requirements

Before the 2027 cycle: Appoint and onboard an independent assurer

2027: Build the evidence repository and complete control walkthroughs to enable limited assurance for 2027 data

### Cross reference table (GRI – ESRS – EcoVadis)

GRI Standard & Disclosure (2021)	Location in this report	ESRS (Simplified) cross-reference	EcoVadis theme
<b>GRI 2-1 Organizational details</b>	E1-8 organisational boundary (SD Worx NV) p. 52; Social → Total number of employees, including subsidiaries (country table) p. 70 Reporting-practice pp. 109-110	BP-1 = Basis for preparation of the sustainability statement BP-2 = Specific information if the undertaking uses phasing-in options	Ethics
<b>GRI 2-2 Entities included in sustainability reporting</b>	Annex → Reporting practice and methodology changes p. 109; Cross Reference Table reporting basis p. 110	BP-1 = Basis for preparation of the sustainability statement BP-2 = Specific information if the undertaking uses phasing-in options	Ethics
<b>GRI 2-3 Reporting period, frequency and contact point</b>	Annex → Reporting practice and methodology changes p. 109; Cross Reference Table reporting basis / publication date / contact p. 110	BP-1 = basis for preparation of the sustainability statement	Ethics
<b>GRI 2-4 Restatements of information</b>	Annex → Reporting practice and methodology changes / Changes vs last year's methodology p. 109	BP-2 = Specific information if the undertaking uses phasing-in options	Ethics
<b>GRI 2-5 External assurance</b>	Annex → Governance and assurance p. 109; Cross Reference Table reporting basis / no external assurance for 2025 and assurance roadmap p. 110	No direct ESRS equivalent	Ethics
<b>GRI 2-6 Activities, value chain and other business relationships</b>	Strategy & General → Sustainability strategy, business model and value chain p. 28; Environment → E1-3 Resilience of strategy and business model p. 45; Governance → Ethical business model and relationship with suppliers p. 100	SBM-1 = Strategy, business model and value chain	Ethics
<b>GRI 2-7 Employees</b>	Social → S1-5 Characteristics of the undertaking's employees pp. 68-70	S1-5 = Characteristics of the undertaking's employees	Labour & Human Rights
<b>GRI 2-8 Workers who are not employees</b>	Social → S1-6 Characteristics of non-employees in the undertaking's own workforce p. 71	S1-6 = Characteristics of non-employees in the undertaking's own workforce	Labour & Human Rights
<b>GRI 2-9 Governance structure and composition</b>	Corporate governance → Governance structure / Board structure and composition / Excom / ESG governance pp. 6-12	GOV-1 = Role of the administrative, management and supervisory bodies in relation to sustainability	Ethics
<b>GRI 2-10 Nomination and selection of the highest governance body</b>	Corporate governance → Governance structure / Board structure and composition p.6; Board Committees (RNC) p. 8	GOV-1 = Role of the administrative, management and supervisory bodies in relation to sustainability	Ethics
<b>GRI 2-11 Chair of the highest governance body</b>	Corporate governance → Board members p. 7	GOV-1 = Role of the administrative, management and supervisory bodies in relation to sustainability	Ethics
<b>GRI 2-12 Role of the highest governance body in overseeing the management of impacts</b>	Corporate governance → Oversight of sustainability matters p. 8	GOV-1 = Role of the administrative, management and supervisory bodies in relation to sustainability	Ethics
<b>GRI 2-13 Delegation of responsibility for managing impacts</b>	Corporate governance → Oversight of sustainability matters p. 8; ESG Steering Committee / ESG Office pp. 10-11	GOV-1 = Role of the administrative, management and supervisory bodies in relation to sustainability	Ethics
<b>GRI 2-14 Role of the highest governance body in sustainability reporting</b>	Corporate governance → p. 8 Sustainability oversight, p. 97 ultimate oversight of sustainability reporting, Annex → Governance and assurance p. 109	GOV-1 = Role of the administrative, management and supervisory bodies in relation to sustainability GOV-4 = Risk management and internal controls over sustainability reporting	Ethics

### Cross reference table (GRI – ESRS – EcoVadis)

GRI Standard & Disclosure (2021)	Location in this report	ESRS (Simplified) cross-reference	EcoVadis theme
<b>GRI 2-15 Conflicts of interest</b>	Governance → Ethical business model and relationship with suppliers p. 100	G1-1 = Policies related to business conduct G1-2 = Actions related to business conduct	Ethics
<b>GRI 2-16 Communication of critical concerns</b>	Corporate governance → Statement of Due Diligence / Grievance and remedy p. 15; Social → S1-2 engagement and grievance mechanisms p. 65; S4 Consumers & end users pp. 91-92, Governance → Whistleblowing and speak up mechanisms in practice pp. 99-101	S1-2 = Engagement with own workforce and channels/remedy; G1-2 = Actions related to business conduct / management of supplier relationships S4 = Consumers & end users	Ethics, Labour & Human Rights
<b>GRI 2-17 Collective knowledge of the highest governance body</b>	Corporate governance → Training and competence of governance bodies p. 8	GOV-1 = Role of the administrative, management and supervisory bodies in relation to sustainability	Ethics
<b>GRI 2-18 Evaluation of the performance of the highest governance body</b>	Corporate governance → Governance bodies and responsibilities / Board committees pp. 6-8	GOV-1 = Role of the administrative, management and supervisory bodies in relation to sustainability	Ethics
<b>GRI 2-19 Remuneration policies</b>	Corporate governance → Integration of sustainability-related performance in incentive schemes p. 14; Social → S1-15 Remuneration metrics pp. 82-84	S1-15 = Remuneration metrics GOV-2 = Integration of sustainability-related performance in incentive schemes	Labour & Human Rights
<b>GRI 2-20 Process to determine remuneration</b>	Corporate governance → Board Committees (RNC) p. 8; Social → S1-9 Adequate wages p. 74; S1-15 Remuneration metrics pp. 82-84	S1-15 = Remuneration metrics GOV-2 = Integration of sustainability-related performance in incentive schemes	Labour & Human Rights
<b>GRI 2-21 Annual total compensation ratio</b>	Social § S1-15 Remuneration metrics pp. 82-84	S1-15 = Remuneration metrics	Labour & Human Rights
<b>GRI 2-22 Statement on sustainable development strategy</b>	ESG highlights / About this report pp. 3-4; Strategy & General → Sustainability strategy / ESG ambition, targets and strategic direction pp. 28-29	SBM-1 = Strategy, business model and value chain; SBM-3 = Interaction of material impacts, risks and opportunities with strategy and financial effects	All
<b>GRI 2-23 Policy commitments</b>	Strategy & General → Policies supporting the strategy p. 31; Governance → G1-1 Policies related to business conduct / Our policy framework pp. 97-98	GDR-P = Policies supporting the strategy; G1-1 = Policies related to business conduct	Ethics
<b>GRI 2-24 Embedding policy commitments</b>	Strategy & General → Actions and resources to implement the strategy pp. 31-32; Environment → E1-4 Policies related to climate change p. 46; Governance → G1-2 Actions related to business conduct / Training, awareness and process controls pp. 99-100	GDR-P = Policies supporting the strategy, GDR-A = general actions and resources, G1-2 = Actions related to business conduct / management of relationships with suppliers	Ethics; Sustainable Procurement
<b>GRI 2-25 Processes to remediate negative impacts</b>	Corporate governance → Statement of Due Diligence / Grievance and remedy p. 15; Social → S1-2 engagement and grievance mechanisms / remedy p. 65; S1-16 incidents and remedial measures p. 85 (supporting evidence); Social → S4-3 remediation and complaint handling pp. 91-94; Governance → speak up / corrective and preventive actions pp. 99-101	GOV-3 = Statement on due diligence; S1-2 = Engagement with own workforce and channels/remedy; S4-3 = Processes to remediate negative impacts and channels for consumers and end-users to raise concerns; G1-2 = Actions related to business conduct / corrective action processes	Ethics; Labour & Human Rights
<b>GRI 2-26 Mechanisms for seeking advice and raising concerns</b>	Social → S1-2 engagement and grievance mechanisms p. 65; Governance → Whistleblowing and speak up mechanisms in practice pp. 99-101	S1-2 = Engagement with own workforce and channels/remedy; G1-2 = Actions related to business conduct / management of supplier relationships	Ethics, Labour & Human Rights

### Cross reference table (GRI – ESRS – EcoVadis)

GRI Standard & Disclosure (2021)	Location in this report	ESRS (Simplified) cross-reference	EcoVadis theme
<b>GRI 2-27 Compliance with laws and regulations</b>	Corporate governance → Data protection regulations p. 20; Data privacy and cybersecurity targets / 0 GDPR fines p. 23; Governance → G1-3/G1-4 business conduct targets and metrics pp. 102-103 G1-4 = Metrics related to corruption or bribery	G1-4 = Anti-corruption / bribery metrics (confirmed incidents and related metrics)	Ethics
<b>GRI 2-28 Membership of associations</b>	Strategy & General → SDGs and sustainability rating p. 30; Annex → External assurance and recognition (UN Global Compact) p. 106	SBM-1 = Strategy, business model and value chain	Ethics
<b>GRI 2-29 Approach to stakeholder engagement</b>	Corporate governance → Collaboration and dialogue p. 13; Strategy & General → Interests and views of stakeholders p. 34	SBM-2 = Interests and views of stakeholders	Ethics
<b>GRI 2-30 Collective bargaining agreements</b>	Social → S1-7 Collective bargaining coverage and social dialogue p. 71	S1-7 = Collective bargaining coverage and social dialogue	Labour & Human Rights
<b>GRI 3-1 Process to determine material topics</b>	Strategy & General → Double Materiality assessment / Process to identify and assess material impacts, risks and opportunities pp. 35-36	IRO-1 = Process to identify and assess material impacts, risks and opportunities	Ethics
<b>GRI 3-2 List of material topics</b>	Strategy & General → Outcome of the DMA / Material topics / IRO highlights pp. 36-39	IRO-2 = ESRS disclosure requirements covered by the sustainability statement / output of the materiality process	Multiple
<b>GRI 3-3 Management of material topics (by topic)</b>	Environment pp. 40-62; Social pp. 64-95; Governance pp. 97-104	Topical standards referenced: E1 = Climate change; S1 = Own workforce; S4 = Consumers and end-users; G1 = Business conduct	Multiple
<b>GRI 201-1 Direct economic value generated and distributed</b>	Strategy & General → Economic value for stakeholders p. 34	SBM-3 = Interaction of material impacts, risks and opportunities with strategy and financial effects	Ethics
<b>GRI 302-1 Energy consumption within the organization</b>	Environment → E1-7 Energy consumption and mix p. 51	E1-7 = Energy consumption and mix	Environment
<b>GRI 302-4 Reduction of energy consumption</b>	Environment → E1-5 Actions and resources (energy management) p. 47; E1-6 Climate mitigation targets p. 50	E1-5 Actions and resources (energy management) E1-6 Climate mitigation targets	Environment
<b>GRI 303-1 Interactions with water as a shared resource</b>	Environment → Other actions (Water stewardship) p. 49	E3 = Water and marine resources (narrative reference)	Environment
<b>GRI 303-2 Management of water discharge-related impacts</b>	Environment → Other actions (Water stewardship / leaks / facilities practices) p. 49	E3 = Water and marine resources (narrative reference)	Environment
<b>GRI 305-1 Direct (Scope 1) GHG emissions</b>	Environment → E1-8 Gross scopes 1,2,3 GHG emissions / carbon footprint / methodologies pp. 52-58	E1-8 = Gross scopes 1, 2 and 3 GHG emissions	Environment
<b>GRI 305-2 Energy indirect (Scope 2) GHG emissions</b>	Environment → E1-8 Gross scopes 1,2,3 GHG emissions / carbon footprint / methodologies pp. 52-58	E1-8 = Gross scopes 1, 2 and 3 GHG emissions	Environment
<b>GRI 305-3 Other indirect (Scope 3) GHG emissions</b>	Environment → E1-8 Gross scopes 1,2,3 GHG emissions / carbon footprint / methodologies pp. 52-58	E1-8 = Gross scopes 1, 2 and 3 GHG emissions	Environment
<b>GRI 305-4 GHG emissions intensity</b>	Environment → Carbon intensity p. 56	E1-8 = Gross scopes 1, 2 and 3 GHG emissions	Environment

### Cross reference table (GRI – ESRS – EcoVadis)

GRI Standard & Disclosure (2021)	Location in this report	ESRS (Simplified) cross-reference	EcoVadis theme
<b>GRI 305-5 Reduction of GHG emissions</b>	Environment → E1-1 Transition plan for climate change mitigation p. 42; E1-5 Actions and resources p. 47; E1-6 Climate mitigation targets p. 50	E1-6 = Climate mitigation targets	Environment
<b>GRI 306-1 Waste generation and significant waste-related impacts</b>	Environment → E1-4 Waste Management policy p. 46; Other actions (Waste management) p. 49; Carbon footprint table (waste generated in operations) p. 53	E5 = Resource use and circular economy	Environment
<b>GRI 306-2 Management of significant waste-related impacts</b>	Environment → E1-4 Waste Management policy p. 46; Other actions (Waste management) p. 49	E5 = Resource use and circular economy	Environment
<b>GRI 308-1 New suppliers that were screened using environmental criteria</b>	Environment → E1-5 Sustainable procurement p. 47; Governance → Supplier oversight / sustainability assessments / supply chain climate data p. 100; G1-3/4 targets and supporting KPIs pp. 102-103	G1-2 = Actions related to business conduct / supplier management; E1-5 = Actions and resources (including Scope 3 supply-chain actions)	Sustainable Procurement
<b>GRI 414-1 New suppliers that were screened using social criteria</b>	Strategy & General → Policies supporting the strategy / Supplier Code of Conduct p. 31; Governance → Ethical business model and relationship with suppliers / supplier oversight p. 100; G1-3/4 targets and supporting KPIs pp. 102-103	G1-2 = Actions related to business conduct / supplier management; S1 = Own workforce / social aspects referenced for value-chain-related content	Sustainable Procurement
<b>GRI 401-1 New employee hires and employee turnover</b>	Social → S1-5 Characteristics of the undertaking's employees pp. 68-69	S1-5 = Characteristics of the undertaking's employees	Labour & Human Rights
<b>GRI 401-3 Parental leave</b>	Social → S-14 Work-life balance metrics / family-related leaves taken in 2025 p. 81	S-14 Work-life balance metrics	Labour & Human Rights
<b>GRI 403-1 Occupational health and safety management system</b>	Social → S-13 Health & Safety / H&S management system and framework pp. 79-80	S1-13 = Health and Safety / health and safety metrics	Labour & Human Rights
<b>GRI 403-9 Work-related injuries</b>	Social → S-13 Health & Safety indicators p. 79	S1-13 = Health and Safety / health and safety metrics	Labour & Human Rights
<b>GRI 404-1 Average hours of training per year per employee</b>	Social → S-12 Training and skills development metrics / Learning hours by gender p. 77	S1-12 = Training and skills development metrics	Labour & Human Rights
<b>GRI 404-2 Programs for upgrading employee skills and transition assistance programs</b>	Social → S1-3 Training / capability building p. 66; S-12 Learning & Development Campus / SPARK JOYner / performance reviews pp. 77-78	S1-12 = Training and skills development metrics	Labour & Human Rights
<b>GRI 405-1 Diversity of governance bodies and employees</b>	Corporate governance → Board composition metrics / Excom composition metrics pp. 6-9; Social → Profile SD Worx workforce p. 69; Diversity metrics / Workforce statistics pp. 72-73	S1-8 = Diversity metrics; GOV-1 = Role of the administrative, management and supervisory bodies	Labour & Human Rights
<b>GRI 407-1 Operations and suppliers in which freedom of association and collective bargaining may be at risk</b>	Social → Labour & Human Rights commitment pp. 64-65; S1-7 Collective bargaining coverage and social dialogue p. 71; Governance → Labour & Human Rights and Supplier Code of Conduct / supplier expectations p. 98; p. 100	S1-7 = Collective bargaining coverage and social dialogue; G1-2 = Actions related to business conduct / supplier management	Labour & Human Rights

### Cross reference table (GRI – ESRS – EcoVadis)

GRI Standard & Disclosure (2021)	Location in this report	ESRS (Simplified) cross-reference	EcoVadis theme
<b>GRI 408-1 Operations and suppliers at significant risk for incidents of child labor</b>	Social → Labour & Human Rights commitment p. 64; Governance → Labour & Human Rights / Supplier Code of Conduct and due diligence p. 98; p. 100	G1-2 = Actions related to business conduct / supplier management; S1 = Own workforce / policy-related social aspects	Labour & Human Rights
<b>GRI 409-1 Operations and suppliers at significant risk for forced or compulsory labor</b>	Social → Labour & Human Rights commitment p. 64; Governance → Labour & Human Rights / Supplier Code of Conduct and due diligence p. 98; p. 100	G1-2 = Actions related to business conduct / supplier management; S1 = Own workforce / policy-related social aspects	Labour & Human Rights
<b>GRI 412-1 Operations that have been subject to human rights reviews or impact assessments</b>	Corporate governance → Statement of Due Diligence p. 15; Strategy & General → DMA process p. 36; Social → Labour & Human Rights commitment p. 64; Governance → supplier due diligence and oversight p. 100	GOV-3 = Statement of due diligence, IRO-1/IRO-2 = Impacts, risks and opportunities	Labour & Human Rights
<b>GRI 413-1 Operations with local community engagement, impact assessments, and development programs</b>	Social → S3 voluntary summary / Sponsorships / Fonds Worx / community initiatives pp. 87-90	S3 = Affected communities	Labour & Human Rights
<b>GRI 415-1 Political contributions</b>	Governance → G1-5 Metrics related to political influence, including lobbying activities p. 104	G1-5 = Political influence and lobbying activities	Ethics
<b>GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</b>	Corporate governance → Data privacy and cybersecurity pp. 22-24; Social → S4-1 Policies related to consumers and end users / complaint handling p. 91; S4-2 engagement and remedy p. 92; S4-3 tracking effectiveness / human rights incidents p. 94	S4 = Consumers and end-users; G1 = Business conduct (privacy / data-governance link)	Ethics
<b>GRI 419-1 Non-compliance with laws and regulations in the social and economic area</b>	Governance → Data privacy & cybersecurity pp. 20-23; Compliance metrics p. 95/103 G1-4 = confirmed incidents / sanctions / fines metrics	G1-4 = Anti-corruption / bribery metrics (confirmed incidents and related metrics)	Ethics

# Glossary of terms and abbreviations

Abbreviation	Full term				
<b>AAL</b>	Average Annual Loss	<b>(e/r) NPS</b>	(Employee/Relational) Net Promoter Score	<b>ISO</b>	International Organization for Standardization
<b>AI</b>	Artificial Intelligence	<b>ERM</b>	Enterprise Risk Management	<b>KPI</b>	Key Performance Indicator
<b>ABC</b>	Anti-Bribery and Corruption	<b>ESG</b>	Environmental, Social and Governance	<b>M&amp;A</b>	Mergers & Acquisitions
<b>AIB</b>	AIB factors are emission factors published by the Association of Issuing Bodies to quantify greenhouse gas emissions from electricity consumption in Europe using market-based accounting.	<b>ESRS</b>	European Sustainability Reporting Standards	<b>MDR</b>	Minimum Disclosure Requirement
<b>AML</b>	Anti-Money Laundering	<b>Excom</b>	Executive Committee	<b>NIS2</b>	EU Network and Information Security Directive
<b>ARC</b>	Audit & Risk Committee	<b>FERA</b>	Fuel- and Energy-Related Activities	<b>PG&amp;S</b>	Purchased Goods & Services
<b>BCM</b>	Business Continuity Management	<b>FTE</b>	Full Time Equivalent	<b>PUE</b>	Power Usage Effectiveness
<b>BIA</b>	Business Impact Analysis	<b>GDR</b>	General Disclosures (ESRS 2)	<b>R&amp;S</b>	Risk & Security
<b>Board</b>	Board of Directors	<b>GHG Protocol</b>	Greenhouse gas protocol global standard for measuring emissions	<b>RNC</b>	Remuneration & Nomination Committee
<b>BP-1</b>	Reporting policies (changes)	<b>GIA</b>	Group Internal Audit	<b>SBM-1</b>	Business model and value chain
<b>BP-2</b>	Reporting methodology (changes)	<b>GICC</b>	Group Internal Control & Compliance	<b>SBM-2</b>	Interests and views of stakeholders
<b>CO<sub>2</sub>e</b>	Carbon Dioxide Equivalent	<b>GoO</b>	Guarantee of Origin	<b>SBM-3</b>	Interaction of material impacts, risks and opportunities with strategy and financial effects
<b>CSR</b>	Corporate Social Responsibility	<b>GOV-1</b>	Role of the administrative, management and supervisory bodies	<b>SBTi</b>	Science Based Targets Initiative
<b>CSRD</b>	Corporate Sustainability Reporting Directive	<b>GOV-2</b>	Integration of sustainability-related performance in incentive schemes	<b>SDG</b>	Sustainable Development Goal
<b>CSDDD</b>	Corporate Sustainability Due Diligence Directive	<b>GOV-3</b>	Statement of due diligence	<b>SSP</b>	The Shared Socio-economic Pathways (SSPs) are a set of climate change scenarios that describe different socio-economic developments and their implications for greenhouse gas emissions and climate change.
<b>CTF</b>	Counter Terrorism Financing	<b>GOV-4</b>	Risk management and internal controls for sustainability reporting	<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>CX</b>	Customer Experience	<b>GRI</b>	Global Reporting Initiative		
<b>DEFRA</b>	Department for Environment, Food & Rural Affairs	<b>IEA</b>	International Energy Agency		
<b>DEIB</b>	Diversity, Equity, Inclusion and Belonging	<b>IPCC</b>	The Intergovernmental Panel on Climate Change is the United Nations body responsible for assessing the science related to climate change, providing critical information to inform global climate policies.		
<b>DMA</b>	Double Materiality Assessment	<b>IRO</b>	Impacts, Risks and Opportunities		
<b>DR</b>	Disaster Recovery	<b>ISAE</b>	International Standard on Assurance Engagements		
<b>DSNZ</b>	Department for Energy Security and Net Zero	<b>ISMS</b>	Information Security Management System		
<b>EAP</b>	Employee Assistance Programme				
<b>EEI</b>	Employee Engagement Index				












# SDWorx\_AR2025\_ESGReport

Final Audit Report

2026-05-20

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