ESG report

2024

sd worx

Shaping a sustainable future

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2024 stood out as a year of solid growth and strategic further expansion for SD Worx. Despite ongoing economic pressures and geopolitical uncertainty, we stayed on course. We delivered strong organic growth and welcomed five companies to the SD Worx family – most notably F2A, the leading HR and payroll provider in Italy, marking the largest acquisition in our history.

These achievements reflect the strength of our sustainable growth strategy, the dedication of 10,000 colleagues, and the continued trust of our 95,000 customers across Europe.

Growing to serve better

We never take that trust for granted. It is a privilege to be at our customers' service – and a motivation to keep striving to be Europe's most relevant and impactful HR and payroll solutions provider, sparking success at the heart of our customers' businesses, so they and their people can thrive.
Our financial health allows us to invest more than ever in our customer experience and innovative solutions. We have made serious progress in advanced AI-driven HR solutions and workforce management tools, tailored to and compliant with local needs and legislation. This enables our customers to control costs, plan better, have stronger data insights for calculated decision-making and maintain business agility, all while enhancing employee well-being through personalised offerings.

Because it's in our DNA

2024 was recorded as the warmest year ever. Climate change, biodiversity loss and disruptions to global systems are today's reality. Despite the delay in the introduction of the Corporate Sustainability Reporting Directive (CSRD) due to the February 2025 Omnibus announcement, our ESG journey continues to progress steadily, as evidenced by this report. ESG – environmental, social and governance – has become an integral part of who we are, not just what we report on.

People at heart

We believe that success starts with people. That is why we keep investing in our own talent but also support organisations that help facilitate the access to the labour market, making a real difference in people's lives. It is also why we advocate for sustainable HRM and develop solutions that support sustainable workforce planning, and why we continue to invest in long-term research to help shape a more inclusive and future-proof world of work.

Strong governance for lasting impact

Our commitment to transparency and ethical practices resulted into updated corporate governance charters and a strengthened risk management framework. For work, life and society – which is part of our company purpose – unites these efforts under a shared purpose that inspires us at SD Worx and reinforces our long-term commitment.

1.
Statement on due diligence

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At SD Worx, due diligence is a comprehensive and integral part of our business practices and operations across Europe and Mauritius. Given our size and rapid growth, we embed due diligence into various aspects of our corporate governance, risk management, and M&A activities.

Corporate governance: We operate under a code of conduct that outlines our ethical principles. Our governance structures include charters and policies for the Board of Directors (BOD), Executive Committee (EXCO), and Audit and Risk Committee (ARC). For example, our sanctions policy includes regular checks on the ethical background and politically exposed person (PEPs) status of our directors.

Risk management: Our enterprise risk management (ERM) system is aligned with the Three Lines Model, ensuring sound governance and risk oversight. We regularly review our risk appetite statements and conduct risk assessments, with a particular focus on data protection, cybersecurity, and business continuity, in line with ISO/ISAE standards.

M&A practice: Our dedicated M&A hub conducts thorough assessments of mergers and acquisitions, with a focus on financial and legal aspects. We apply checklists and standard operating procedures to ensure smooth and efficient post-merger integration.

Specific areas of due diligence:
- **Financial due diligence:** We assess the reliability, viability, and historical performance of our financial records. Our finance department continuously improves systems and tools for precise financial evaluation. Our M&A and Post-Merger Integration Desk ensures efficient execution of acquisitions and expansions.
- **Legal due diligence:** We examine licences, regulatory compliance, contracts, and potential legal liabilities – including professional, cyber, public, product, commercial crime, and directors' liabilities. Stakeholder relationships and legal risk exposure are also assessed.
- **Operational due diligence:** We evaluate operational efficiency, scalability, and growth potential. Given the strategic role of software and IT in our services, we focus on the optimisation of our people solutions.
- **Tax due diligence:** We ensure our tax affairs are up to date and aligned with our tax policy. We also assess the tax implications of mergers, including their impact on future liabilities.
- **Stakeholder due diligence:** We conduct background checks and assessments of stakeholders, aiming to partner with those whose standards align with our code of conduct and the UN Global Compact principles.

Supplier and procurement due diligence: We maintain a robust third-party assurance framework, which addresses security, compliance, and ESG matters. We seek to collaborate with partners and suppliers who reflect our values and commitments.

Customer due diligence: We conduct thorough compliance checks, using tools from companies like Bureau van Dijk and Moody's for international sanction screening. Our Credit & Collection Team conducts KYC assessments and credit rating checks, particularly for customers and countries subject to mandatory legal requirements.

Internal due diligence: We view stakeholder engagement as a priority, as described in our dedicated chapter. Internal due diligence includes rigorous assessments, information sharing, and corrective measures to ensure transparency, compliance, and effective decision-making. Employees have access to several reporting channels, including designated contacts, grievance mechanisms, and feedback systems (e.g., eNPS and other internal surveys). We also promote health and well-being through a comprehensive programme that includes medical check-ups, fitness assessments, and initiatives to support a healthy lifestyle.

2.
Sustainability vision and strategy
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2.1   Success starts with people

At SD Worx, we spark success at the heart of our customers' businesses so they and their people can thrive. This is because we believe that success starts with people – real success, that benefits work, life, and society.

HR has the power to shape lives – not only at work, but far beyond, from easing financial stress through reliable payroll to improving well-being with smart tools and policies, and from guiding talent to new opportunities to helping reduce environmental impact through hybrid work and green mobility.

For eight decades, we've pioneered people solutions that span the entire employee journey, combining cutting-edge software, data-driven insights, and hands-on HR expertise. With strong European roots, we're committed to helping organisations of all sizes ignite employee engagement and drive success. Together with our customers, we are shaping a future where workplaces thrive, lives flourish, and society grows stronger.

In line with our business strategy, we aim to continue to be the trusted leading European provider of integrated, end-to-end HR solutions for all organisations and people, while growing in a responsible, future-ready way. For our 95,000 customers, we focus on creating long-term value while managing potential risks that come with ambition.

Our ESG vision is woven into our business objectives; our People Strategy supports the well-being and growth of our employees and extends to the communities where they live and work. By empowering our people, we empower our customers. By being a thought leader in sustainable HR and by actively sharing our expertise, we impact society.

For SD Worx, business sustainability means more than reducing emissions. It is about building inclusive communities, applying ethical business practices and integrating environmental care in everything we do, from lowering energy use to sourcing fair-trade products and minimising waste.

For work, life and society.

2.2   Listening to our customers

We have embedded a solid customer experience (CX) programme into our way of working at SD Worx, with clear structures, tools and programmes that turn feedback into action, and actions into stronger, long-term relationships. We continuously listen to the voices of our customers – through both transactional and relational feedback loops – and use these insights to further improve. From small, day-to-day tweaks to big-picture decisions, their input shapes our journey towards happy customers and employees.

To ensure that our CX efforts are impactful, we focus on several strategic pillars and corporate CX programmes:

- **Voice of the customer measurement:** we actively gather and act on customer feedback, closing the loop through meaningful follow-up. This helps us identify opportunities and pain points – and shows our dedication to open dialogue, co-creation and responsible governance.
- **Customer insight:** we track how well we are meeting expectations. These insights allow us to continuously improve, combining operational performance, financial success and social responsibility.
- **Experience design:** by enhancing and streamlining customer journeys, incorporating and enabling digital channels, and improving customer communication with personalised messaging, we focus on delivering products and services that address genuine customer needs.
- **Operational excellence:** streamlining processes, reducing waste, and optimising resource use are key to delivering products and services that genuinely serve customer needs.
- **CX culture improvement:** initiatives such as CX awards and CX training programmes are designed to enhance CX skills and foster a customer-centric culture within the organisation. They help every employee to put the customer at the centre of what they do and thus have a real impact on CX.
- **Organisational adoption:** by anchoring customer-centric principles in our structure and leadership, we make CX everyone's responsibility at SD Worx.

"We create happiness by putting our customers first, empowering our employees, and making a positive impact on society – because true success is shared."

Sigrid Van Duffel, Customer Experience Director

2.3   Economic performance

Success as an international service provider depends on the involvement and management of all stakeholders. The table below provides high-level aggregates of the economic performance created by and for our various stakeholders. It shows the economic value generated, distributed and retained based on our financial statements. The table confirms that most of our revenues are distributed to employees in the form of wages and benefits.

Stakeholder	Measurement	2023	2024
Customer	Revenue	1,057.957	1,180.320
Supplier of goods & services	Operating costs	160.441	175.024
Employees	Employee wages and benefits	734.042	794.067
Supplier of goods & services	Payment to providers of capital	89.792	127.792
Society	Payment to governments (taxes)	18.994	20.322
Society	Community investments / CSRD	3.779	4.037
	Direct economic value generated less economic value distributed	50.909	59.078

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 contain predominantly sponsorship and donations
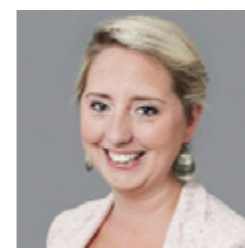
"Our procurement policy ensures an efficient, best-practice approach, and supports the concept that our suppliers increasingly become part of the extended organization."

Julia Mallpress, Head of Procurement

SD Worx operates in 25+ countries and relies on many suppliers. In 2024 we worked with about 7,000 suppliers based in ±40 countries, totalling a few hundred thousand transactions. As part of our procurement policy, we began distributing ESG/CSR questionnaires in 2022 to our partners to verify their responsible business practices, in line with our values and compliance policies. In 2023, we evolved towards a standardised third-party assurance framework with key suppliers. It covers a range of domains, ranging from compliance and security to ESG-related topics. In 2025 we will be launching a new Supplier Code of Conduct which will set out our expectations of up and downstream partners and suppliers. Alongside this, we will be investing in new technologies to support our ongoing drive towards increased compliance.

2.4 SDGs and sustainability rating

In 2024, SD Worx undertook an annual independent assessment by Ecovadis, the most trusted sustainability scoring agency for service companies.

Compared with 2023, our overall score went up and we added 10 points specifically in the 'environment' category.

SD Worx is proud to receive a bronze rating and is committed to continuous improvement.

Our public accountability and engagement are also strengthened by the fact that we are a signatory to the UN Global Compact network, thus committing to integrate the 10 UN principles or core responsibilities related to human rights, labour, the environment and anti-corruption into our business practices through sustainable strategies, policies and operations. Our public page can be accessed at: SD Worx | UN Global Compact. An overview of the 10 principles can be found at: The Ten Principles | UN Global Compact.

By being the trusted provider of end-to-end HR solutions in Europe, we spark sustainability for our employees, our customers and society and actively subscribe to the Sustainable Development Goals (SDGs) that were adopted by all United Nations member states in 2015. They provide a shared blueprint for peace and prosperity for the people and the planet. With everything we do, we want to actively support and contribute to these 5 SDGs, namely:

2.5 ESG ambition and ESG office

Going beyond financial performance and taking responsibility for how a company's behaviour impacts the well-being of the world – made explicit by the ESG framework – has become a business imperative.

SD Worx is committed to delivering this objective and continuing to play a leading role in doing business in a sustainable way. 2024 thus marked the setup of a dedicated environmental, social, and governance (ESG) office to enhance SD Worx's positive impact on society and the environment. The key ambitions of the ESG office include:

1) Environmental commitment: Although our impact on the environment is rather low from a business perspective, the European Green Deal obligates us to substantially reduce our ecological footprint. We endeavour to reduce greenhouse gas emissions (GHG) by at least 55% by 2030, aligning with the EU's Green Deal and international environmental regulations.

2) Social responsibility: We have a significant impact on the well-being of all our employees and that of society by facilitating our customers' success in HR so their employees can thrive. This also includes reviving our portfolio with ESG-inspired offerings.

3) Governance excellence: We want to lead by example by shaping sustainable governance, upholding the highest standards of accountability, integrity, and transparency, ensuring compliance with all relevant regulations, and setting ethical benchmarks within the HR industry.

Through these ambitions, SD Worx aims to create sustainable workforces and enable individuals to reach their full potential, thereby maximising our social impact.
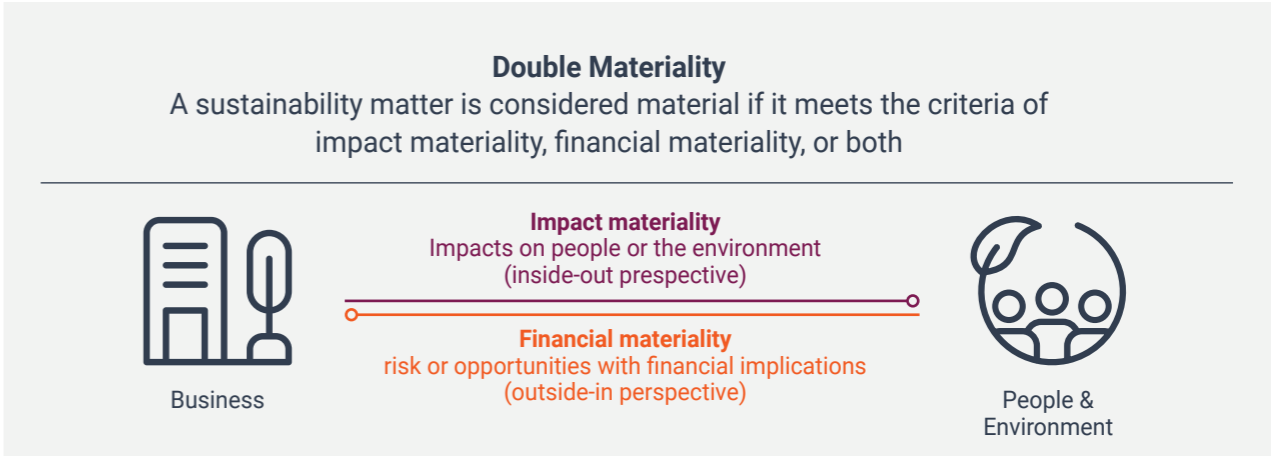
3.
Double materiality assessment

3.1 Introduction

With the Corporate Sustainability Reporting Directive (CSRD), the European Union wishes to increase the economic flow towards sustainable businesses by improving the quality, consistency and transparency of sustainability reporting.

A key element in the new CSRD is the concept of double materiality, which combines impact materiality and financial materiality – as opposed to past materiality approaches which would favour one perspective over the other. More concretely, all in-scope companies are required to perform a double materiality assessment (DMA) to identify which sustainability matters are most material to the organisation and its stakeholders from an impact and/or financial perspective.

Double Materiality
A sustainability matter is considered material if it meets the criteria of impact materiality, financial materiality, or both

Impact materiality
Impacts on people or the environment
(inside-out prespective)

Financial materiality
risk or opportunities with financial implications
(outside-in perspective)

Business

People & Environment

At SD Worx, we see this mandatory assessment as more than just a compliance and reporting concept. When done correctly, it can also stimulate a more holistic way of doing business, break down silos between internal teams, enhance risk management, and foster stronger stakeholder trust.

The list goes on. So, in 2024, we purposely put the meticulous development of our DMA front and centre in our agenda. By the end of the year we had validated the outcome, which will be the basis for our sustainability strategy going forward.

"Double materiality reflects a shift towards a more integrated and strategic approach to sustainability reporting, acknowledging that financial performance and sustainability are intertwined."

Lesley Hellebuyck, Head of Internal Control & Compliance

3.2 DMA methodology: 6 key stages

To deepen our understanding of how SD Worx impacts – and is impacted by – a range of sustainability topics, as well as to determine our reporting scope, we carried out a DMA in line with the EFRAG guidelines.

This structured approach ensures that, besides complying with EU legislation, our sustainability reporting is comprehensive and aligned with both SD Worx' and stakeholders' priorities.

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
ESG assessment	IRO definition	IRO scoring	Stakeholder engagement	Result assessment	CSRD scoping

#1 ESG assessment
A thorough company review and sectoral analysis resulted in an overview of key activities, business relationships and geographical locations to identify relevant ESG matters and stakeholders. This, in turn, led to the creation of a long list of potentially material sustainability matters.

#2 Definition of impacts, risks, and opportunities
For each of the 81 potential material sustainability topics identified in the assessment phase, the impacts, risks and opportunities (IRO) were defined, including the stage of the value chain where each occurs, its time horizon, and whether the IRO is actually or potentially occurring. The ESG topic owners at SD Worx played a key role in this exercise.

#3 IRO scoring
We evaluated each topic through the lenses of financial materiality and impact materiality. More concretely, materiality was scored with relevant topic owners based on criteria such as relevance, likelihood and strategic relevance. The result: 34 retained material IROs.

#4 Stakeholder engagement
To challenge our initial results, we consulted key stakeholder groups: employees, suppliers and business partners, customers, and shareholders. Their views were then taken into consideration in a reassessment of the IROs. For example, risks such as 'Legal and reputational risks linked to violence and harassment' and 'Social exclusion risk' were upgraded from borderline to material.

Stakeholder Group	Stakeholder Type	Engagement Type
Stakeholder group	**Affected / User / Both**	**Survey / Interview / Both**
Employees	Affected	839 Surveys
Suppliers and Business Partners	Affected	49 Surveys
Customers	Affected	38 Surveys
Shareholders	User	2 Interviews

#5 Result assessment
The final double materiality matrix illustrated in the next section highlights the material sustainability matters for SD Worx.

#6 CSRD scoping & strategic implications
We used the insights from the assessment to shape SD Worx' ESG strategy and determine the scope of CSRD-compliant reporting, as well as the underlying data points to report on.

"In 2024, SD Worx completed a thorough DMA assessment, involving a wide range of stakeholders to really find out which activities are material to our business, customers, employees and other relevant stakeholders."

Steve Engelen, Integrated Reporting Officer

3.3 Materiality matrix

To determine our material topics, we established a threshold with several stakeholders (BOD, EXCO, risk committee, ESG office, audit committee). More specifically, on a scale from 0 to 5, the sustainability topics with an impact materiality score of 3 or above were considered material. Importantly, borderline material topics were reassessed and scored to evaluate the impact of higher and lower threshold setting.
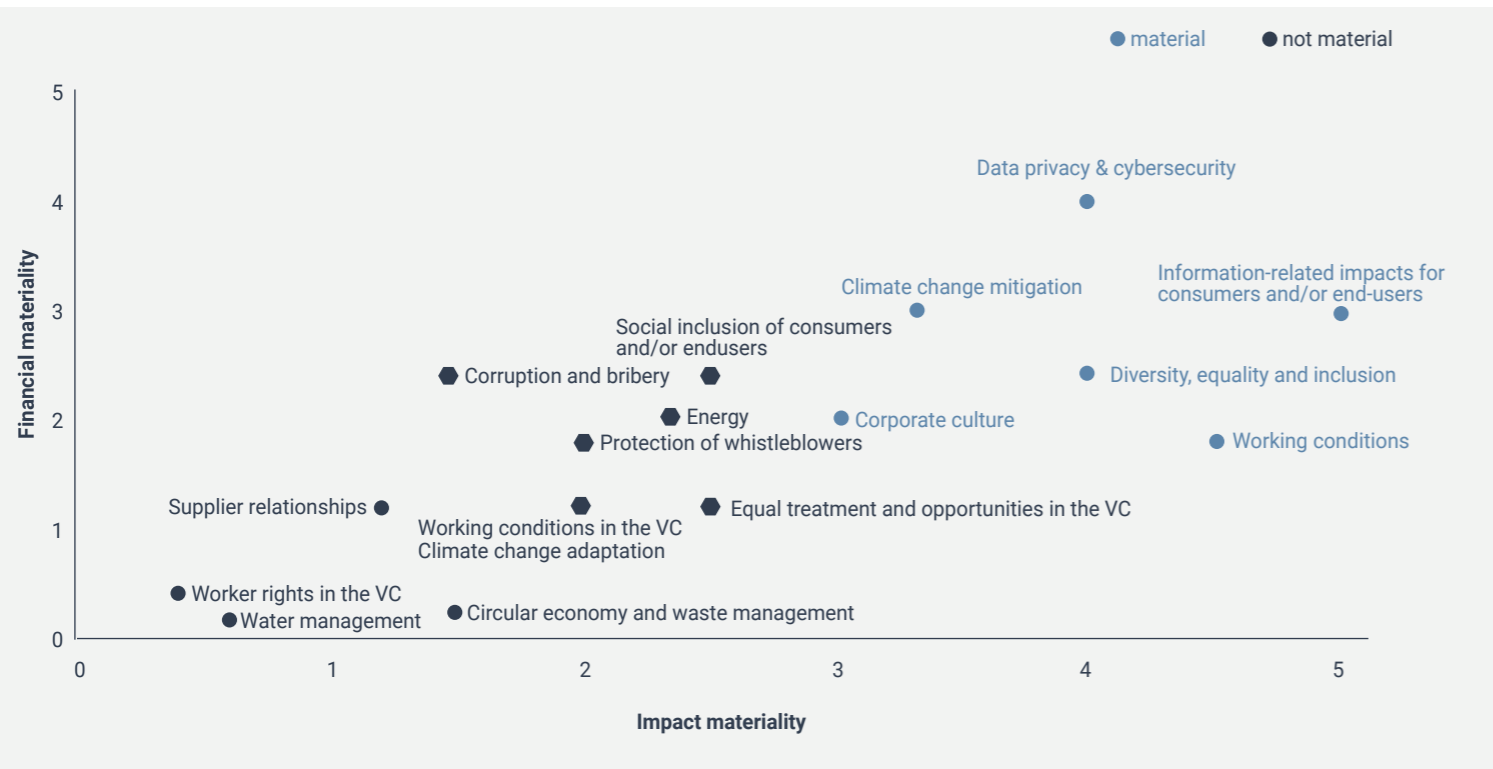
Based on the results from the double materiality assessment, 6 sustainability matters were identified as material:
1. Information-related impacts for consumers and/or end users
2. Own workforce: working conditions
3. Own workforce: diversity, equality and inclusion
4. Data privacy & cybersecurity
5. Climate change mitigation
6. Corporate culture

| Information-related impacts for consumers and/or end users	This sustainability topic addresses how the interests, views and rights of its consumers and/or end users, including respect for their human rights, inform the strategy and business model of our organisation.
Own workforce:	Employees who are in an employment relationship with the undertaking ('employees') and non-employees who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78).
Own workforce: working conditions	Key aspects of working conditions including fair pay, measures to improve pay gaps, working hours, work-life balance, and health and safety, to ensure transparency on employee well-being and the overall quality of the workplace.
Own workforce: diversity, equality and inclusion	Reducing inequalities by respecting human rights and eliminating discrimination in the workplace.
Data privacy	The safeguarding of personal data rights, ensuring data processing is fair and transparent, with clear security and consent protocols.
Cybersecurity	Strategies, policies, procedures, practices, and measures that are designed to identify threats and vulnerabilities, prevent threats from exploiting vulnerabilities, mitigate the harm caused by materialised threats, and safeguard people, property, and information.
Climate change mitigation	The process of reducing GHG emissions and limiting the increase in the global average temperature to 1.5°C above pre-industrial levels, in line with the Paris Agreement.
Corporate culture	Corporate culture refers to the shared values, attitudes, standards, and beliefs that characterise members of an organisation and define its nature.

Alignment of material topics with ESRS

Environment	Social	Governance
Climate change mitigation (ESRS E1)	Diversity, equity and inclusion (ESRS S1)	Corporate culture (ESRS G1)
	Working conditions (ESRS S1)	Data privacy & cybersecurity (ESRS G1)
	Information-related impacts for consumers and/or end users (ESRS S4)	

"**Integration of double materiality into strategic decision-making allows companies to proactively shape their sustainability strategy, turning potential risks into opportunities for sustainable growth and innovation.**"

Lesley Hellebuyck, Head of Internal Control & Compliance

Material impacts, risks & opportunities behind our sustainability matters:
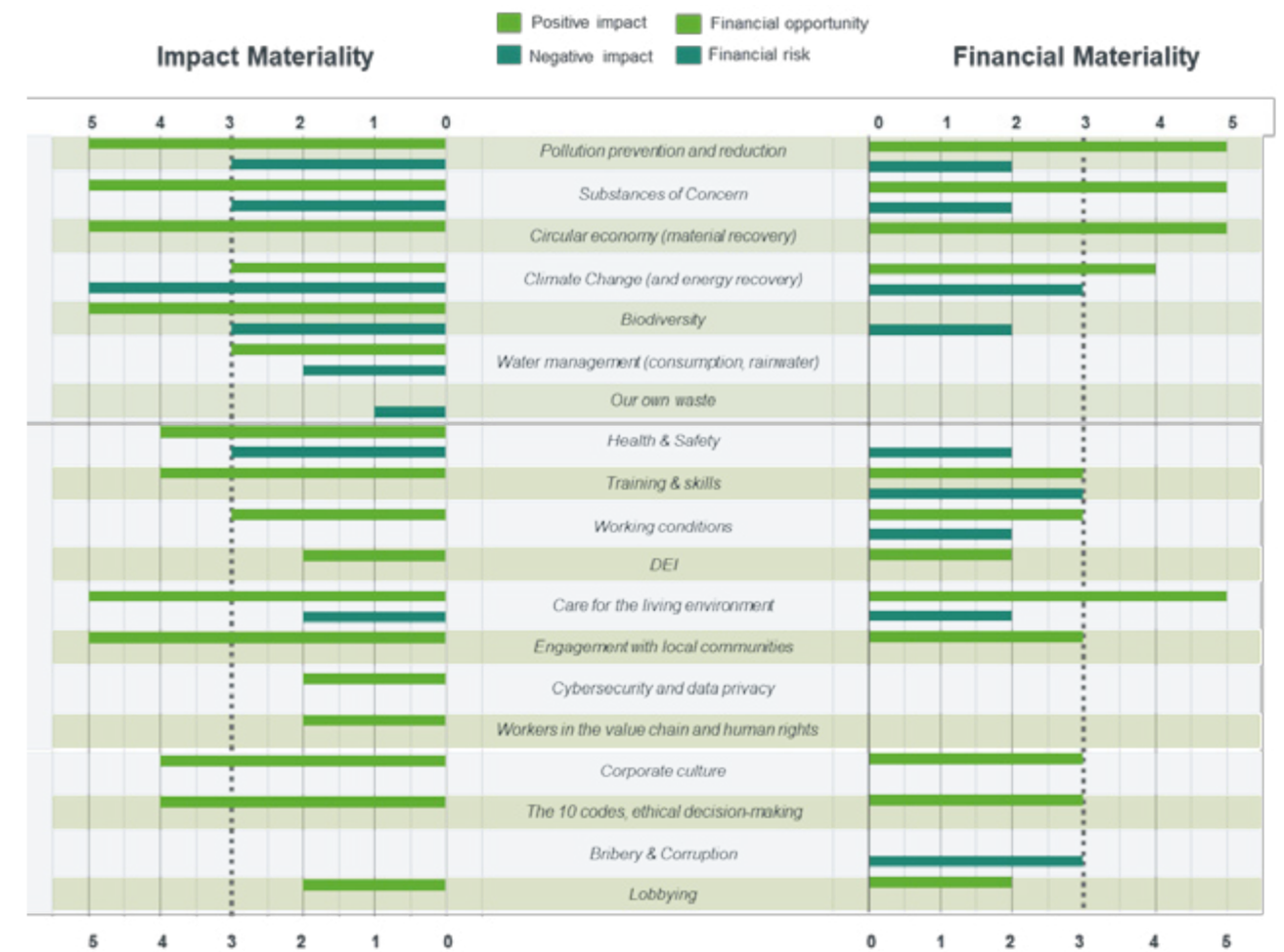
1 – Climate change:

Impact and risk related to **climate change mitigation**:
- GHG emissions Scope 3 - negative impact
  Generation of GHG emissions stemming from upstream and downstream activities (scope 3).
- Integrating clean technologies (such as energy-efficient software solutions, optimising data centre operations with green technologies, and offering clients tools to manage their own environmental impacts) into operations and service offerings can significantly reduce the carbon footprint and that of clients, contributing positively to environmental sustainability – positive impact
- Net-zero costs – risk
  Increased operational costs linked to the implementation of a transition plan to align with reaching net-zero emissions.
- Introduction of new emissions-related regulation from governing bodies resulting in compliance costs and leading to penalties or sanctions in case of non-compliance – risk

2 – Consumers & end users

Impact and risk related to **Information-related impacts for consumers and/or end users**:
- Data privacy – positive impact
  Commitment to maintaining the confidentiality and integrity of user data enhances consumer trust and satisfaction and prevents unauthorised access and misuse of personal and sensitive information, which is critical in the HR and payroll sectors.
- Data security breaches – risk
  Any failure in data security measures could lead to data breaches, resulting in severe reputational damage, loss of client trust, and potential legal penalties, particularly under stringent regulations like GDPR.

3 – Business conduct policies – Corporate culture

In the main ESRS standard G1 Business Conduct Policies, two sub-topics were considered material for SD Worx in the materiality matrix. These are 'Corporate culture' and 'Data privacy & cybersecurity'.

The impact and risk related to **corporate culture** are:
- Strong corporate culture – positive impact
  A strong corporate culture not only enhances employee satisfaction and productivity but also contributes to the overall success and sustainability of the organisation.
- Negative publicity and reputational damage due to unlawful behaviour or non-compliance with internal rules can affect client trust and business relationships – risk

4 – Business conduct – Data privacy & cybersecurity

The impact and risk related to **data privacy & cybersecurity**:
- Data privacy breach – negative impact
  Breaches in data privacy could lead to the loss of confidentiality for sensitive information of suppliers, employees, or clients, negatively impacting individual privacy and trust.
- Non-compliance with data protection regulations – risk
- Cyberattack costs – negative impact
  Cyberattacks can lead to disrupted services and data privacy violations, potentially resulting in loss of trust, reputational damage and legal repercussions.

5 – Own workforce – Working conditions

Under the ESRS standard topic of S1 Own Workforce, two sustainability sub-topics were scored as material for SD Worx, namely working conditions as well as diversity, equality, and inclusion. The impacts and risks related to working conditions are:
- Secure employment – positive impact
- Flexible working arrangements – positive impact
- Adequate wages – positive impact
- Social dialogue – positive impact
- Collective bargaining – positive impact

- Freedom of association – positive impact
- The risk of discontent and potential legal or reputational repercussions if wages of employees are perceived as inadequate or not commensurate with market standards for similar work conditions, potentially leading to high turnover rate and reputational damage – risk
- Neglecting employees' well-being and work-life balance negatively influences morale, job satisfaction and can lead to increased employee burnout and mental health issues – negative impact

6 – Own workforce – Diversity, equality, and inclusion

- The impacts and risks related to diversity, equality, and inclusion are: gender pay gap – positive impact
- Talent, training & skills development – positive impact
- Measures against violence and harassment – positive impact
- Decreasing operational efficiency, innovation capabilities, and overall performance due to insufficient investment in employee training and skill development – risk
- Exposure to legal and reputational risks if cases of workplace violence or harassment occur amongst employees, leading to potential lawsuits and damage to the company image – risk
- Well-being of employees could be compromised by the absence of an inclusive environment – negative impact

It is important to understand that the depicted grey topics in the DMA chart are still of value to SD Worx. Topics like corruption & bribery are key to our business practices and form part of our sustainable corporate governance processes, as explained in the 'Governance' chapter.

4.
ESG-inspired offerings

SD Worx helps companies with ESG in various ways. Our offerings directly activate our sustainability strategy by fostering the right environment for people and organisations to thrive. By sharing knowledge and evidence-based research with the public and the media, we promote social dialogue and sustainable employment trends to the benefit of all stakeholders.

Ensuring compliant payrolls and HR processes for our clients via our payroll & HR solutions is the basis for a sustainable HR policy. This is part of our core business, but we go further than that. As HR and payroll departments play a central role in collecting and reporting data required to meet CSRD requirements, we help them with their reporting obligations, specifically those related to the 'social' pillar of ESG.

However, ESG is not just about filling out reports; it is also about implementing an HR policy that is sustainable, that promotes the well-being of employees and society and that has an impact on the environment.

Sustainability is no longer just a "nice to have" but has become a core priority and a competitive advantage for every organisation.

This puts HR in a strategic position. HR plays a crucial role in putting ESG into practice and shaping the future of work. Responsible and future-oriented workplaces create security, well-being and long-term relationships.

Our ESG-inspired offerings are primarily focused on the S pillar.

Social impact of our offering

Compliance	Sustainable HR				
	DEIB	Employee wellbeing			Professional growth
ESG compliancy	Gender pay gap & equity	**Financial**	**Digital**	**Mental**	Academy for payroll & HR professionals
Compliant payroll & HR	Accessible software	Reward policy	Frictionless / personalised employee experience	Time registration management	Talent management
Domestic and international employment	Digital whistleblowing	Employee benefit and participation programmes	Transparent communication	Flexible planning	Continuous feedback
Pay transparency		Candidate benefit statement & total reward statement		Absenteism management	Skills management
DEIB legislation		Flexible benefit programmes		Hybrid working, workation etc	Internal mobility
Data		Earned wage access			Career management
Reports on S data in ESG					Coaching
HR analytics					Outplacement
Data consultancy					

Many of the activities and services offered by SD Worx embody the social values outlined in the table above.

Professional growth

One way to create a more sustainable workforce is to promote skills-based career paths. Training and education programmes ensure greater career growth and employability. These can be delivered through a traditional classroom approach, internships, live and recorded webinars, online programmes and other digital means. Transparent talent & competence management programmes can be developed to ensure that human capital is valued in every respect.

An example of supporting the development of HR & payroll professionals is the **SD Worx Academy**, which was rolled out in 10 European countries in 2024, providing HR professionals with greater insight into and understanding of employment-related legislation.

Talent management tools, such as SD Worx Compass, focus on the relationships between employees and managers, to the mutual benefit of clients and their workforces. It ensures bi-directional and regular communication between managers and employees on performance, development and well-being. Skills management and career pathing help employees to shape their careers and help them progress towards their next moves. It enables organisations to consider the employee's expectations, well-being and development needs to take the next step in their careers. By focusing on the conversation and not on the system, we help employees and managers to go more in depth and talk about what really matters: how people feel, develop and perform.

At SD Worx, we also offer customised outplacement programmes, guiding (former) employees towards new professional futures, together with a variety of coaching programmes that support employees in their professional and personal development. These programmes help them strengthen their competencies, develop leadership skills, and optimise their performance in a dynamic work environment.

Employee well-being

Our employee well-being programmes help to increase employee engagement and human energy so that people can work happily. These well-being programmes go beyond reward strategies and also focus on digital and mental well-being at work

- **Financial:** Using our knowledge of reward, payroll and HR solutions, SD Worx can serve a wide range of needs in terms of reward and employee benefit systems. We can support clients in setting up reward strategies and policies in line with European directives regarding pay transparency. We take care of the internal and external equity, providing salary benchmarks and developing the needed pay scales that can be translated into individual reward statements for candidates and employees.
- **Digital:** Through further digitalisation and personalisation of our HR solutions and by integrating or interrelating various products and services that we and our partners provide, we can enhance the employee experience and lower the administrative burden on our customers.
- **Mental:** Our time registration and flexible planning solutions, together with our policies on hybrid working and workation, allow to bring the needs of the business in line with the needs of the employee, enhancing employee wellbeing and their engagement.

Diversity, equity, inclusion & belonging (DEIB)

DEIB is the core of a future-proof HR strategy.
In today's workplace, diversity, equity, inclusion, and belonging are no longer seen as standalone initiatives. Instead, they must be woven into every aspect of the HR strategy, shaping policies, decision-making, and culture. DEIB is not an extra task on top of your HR agenda – it's the essential ingredient that makes your entire HR strategy more impactful, relevant, and human.
At SD Worx, we believe that companies must move beyond surface-level commitments to embed DEIB principles in their daily practices. This requires turning intentions into measurable actions, from pay equity and recruitment policies to leadership diversity and employee engagement.

Making DEIB measurable and actionable
While DEIB is rooted in values, it's the data that makes those values actionable. At SD Worx, we help organisations track and act on key DEIB metrics to bring transparency, accountability, and continuous improvement to their people strategy.

We offer practical solutions to turn DEIB commitments into business outcomes, such as:
- HR dashboards to track DEIB metrics, such as pay equity, diversity in leadership, and promotion rates
- Gender pay gap reporting to meet evolving compliance standards

Our data and insights services empower organisations to uncover gaps, track progress, and ensure that they're living up to their ethical standards. With new regulations around pay transparency on the horizon, such as the EU Pay Transparency Directive, companies must proactively manage DEIB metrics to stay compliant, competitive, and attractive to talent.

"DEIB isn't just another initiative — it's the sauce on top of your HR dish. It elevates your people strategy, makes it more relevant to today's workforce, and helps businesses truly live their values and thrive."

Lorenzo Andolfi, Senior HR Researcher

Environmental impact of our offering

As stated in our sustainability strategy, we adhere to the principle of "sustainability in business", i.e., maximising the positive impacts of our business operations while minimising the negative (environmental) impacts. This can be done directly through a modern mobility policy and encouraging the use of alternative modes of transport other than fossil-fuelled cars, but also by advising our customers on how to adopt more flexible work-from-home policies.

As a service provider, we especially contribute indirectly by:

- Promoting innovative HR employment models, hybrid working/'workation' policies, so that teleworking models are flexible and ensure that employees or customers can work from multiple locations. This minimises the need for frequent or long-distance travel.
- Developing digital solution offerings, such as workforce (time) management software and mysdworx app, which improve the user's digital experience and reduce the use of environmental resources such as paper or (over)consumption of energy.

"Enhancing the digital experience for both employees and HR professionals is a top priority for us. Our goal is to provide a seamless omnichannel experience that is accessible anytime, anywhere. We aim to offer an integrated suite where service and software blend harmoniously, ensuring a comprehensive and cohesive experience for all users."

Nico Van Goethem, Digital Strategy – SD Worx

The mysdworx app is a centralised gateway to access many HR functionalities for professionals, organisations and their employees. Every month, more than 1.4 million users consult this mobile app to check their payslips or tax documents, request leave or submit expenses.

The app is becoming available in more and more countries and new features are being developed and added to provide a richer digital employee experience (clocking-in possibilities, integration with meal vouchers third parties, use of AI in expense management, etc.) . The implementation of dark mode in the mysdworx app also supports ESG goals. It not only reduces environmental impact through energy savings but also enhances social inclusivity and accessibility. Dark mode reduces eyestrain and improves comfort for users with light sensitivity or visual impairments.

Artificial intelligence: advancing our journey

In 2024, SD Worx set out with a clear vision to redefine HR and payroll solutions through the strategic integration of artificial intelligence (AI). This vision continues to guide our efforts as we enhance customer and employee satisfaction, streamline operations, optimise processes and foster innovation across all facets of our solutions. By aligning innovation with ethical practices and robust governance, we aim to create lasting value for all stakeholders.

SD Worx sees AI as a transformative tool that aligns with our commitments to sustainability, inclusivity, and operational excellence. AI-driven automation empowers HR professionals to focus on strategic tasks. By automating routine tasks, optimising workflows, and deriving insights from data, we enable evidence-based decision-making, strengthening our people solutions and customer experience. To foster a culture of innovation, we organise AI hackathons that bring together cross-functional teams to explore new AI features and applications. These hackathons serve as a platform for our employees to experiment with emerging technologies, drive creative problem-solving, and accelerate the integration of AI into our products and services.

Generative AI continues to be a major focus at SD Worx, impacting both the solutions we provide to our customers and our internal operations. A key application of this technology is the development of chatbots designed to help documentation of payroll services and other products. In 2024, significant efforts were made to build a robust framework for these chatbots, ensuring minimal latency and high security and usability. Rigorous testing was conducted, and the focus for 2025 is on bringing the chatbots into production. Beyond these customer-focused applications, we're also exploring the use of chatbots internally to streamline operations and improve employee access to information. For example, the Products Department began integrating documentation for developers into a large language model (LLM). This solution helps new team members quickly locate relevant information within a vast repository of documents, significantly reducing onboarding time. Additionally, this integration facilitates multilingual sharing of knowledge, enabling developers to access and understand information in their preferred languages—a critical advantage, as SD Worx operates across multiple countries. SD Worx also launched an internal generic chatbot to ensure the security and protection of intellectual property and customer data. This chatbot offers nearly all the functionalities provided by external providers but operates entirely within SD Worx's environment, safeguarding sensitive information.

SD Worx understands the potential of LLMs to extend far beyond chatbots. In 2024, we introduced an AI-driven solution within our Belgian Flex Income PlanTM (FIP) to revolutionise pension savings evaluations. By leveraging LLMs with a human-in-the-loop approach, the tool enables rapid and accurate analysis of pension-related documents, freeing HR employees to provide meaningful support and guidance to clients. This streamlined evaluation process enhances both productivity and the quality of service for employees and employers. LLMs also assist our developers in writing, reviewing, and optimising code, improving quality and efficiency throughout the development process and leading to higher-quality products and faster time to market. This commitment to innovation and efficiency is further reflected in our "Aristotle" initiative, which reinforces trust beyond regulatory obligations across all products. AI plays a

key role in Aristotle by enhancing compliance processes. AI-powered monitoring tools track legislative changes using RSS feeds from government sources, identifying new regulations – particularly in labour law – to help SD Worx staying ahead of compliance requirements. By integrating AI into compliance, we enhance efficiency, transparency, and trust, all critical for responsible HR administration.

SD Worx is not only focused on technological advancements in AI but also on the governance structures required to ensure AI's successful and responsible integration into HR and payroll solutions. Robust governance is fundamental to aligning AI innovations with ethical standards, regulatory requirements, and the strategic objectives of the organisation.

Compliance with the EU AI Act has been a top priority for SD Worx. In 2024, we took significant steps to align our AI practices with this upcoming regulatory framework, effective since 2 February 2025, including comprehensive risk assessments for all AI systems to identify potential biases, vulnerabilities, and compliance gaps. We established a cross-functional AI governance committee to ensure adherence to ethical guidelines and regulatory standards. These foundational efforts are crucial to address the challenges posed by high-risk AI systems, particularly in recruitment, performance management, and promotions. Recognising these applications as high risk, SD Worx has implemented robust governance frameworks to mitigate risks, promote fairness, and ensure compliance, fostering equity in all AI-driven decisions.

As AI increasingly influences decision-making in these areas, we are proactively addressing the associated challenge. SD Worx recognises the importance of embedding DEIB into all AI-driven processes. By leveraging proactive governance and innovative technologies, we ensure that our AI solutions align with both regulatory standards and our commitment to ethical practices. These efforts foster trust and equity, particularly in high-risk applications, while maintaining a focus on delivering impactful solutions. We are committed to leading the way in creating impactful and responsible AI-driven processes, viewing compliance not as a hurdle but as an opportunity to drive innovation. By aligning regulatory requirements with our strategic goals, we transform obligations into a platform for continuous improvement, delivering secure, forward-thinking, and impactful AI solutions that foster confidence and trust among all stakeholders.

As part of these efforts, SD Worx has begun implementing processes to document and audit AI applications, ensuring transparency and accountability. Training programs have been launched to educate employees and stakeholders on the implications of the EU AI Act and how it affects their roles. By fostering awareness and providing practical tools, we are equipping our teams to navigate the regulatory landscape effectively.

By coupling technological innovation with robust governance and proactive regulatory alignment, SD Worx is building a sustainable and ethical foundation for AI's role in reshaping HR and payroll solutions.

5.
Stakeholders and value
—

An appropriate stakeholder model complements the strategic vision of our company. Multiple stakeholders contribute to the success of the business and deliver positive societal outcomes that enhance the value of the business. This value relates to both economic performance and social impact values. Integral to the double materiality assessment (DMA) exercise launched in 2024 was the engagement of SD Worx stakeholders in surveys and interviews to estimate the impact of our business operations by scoring their perceived importance of sustainability matters. By including all relevant stakeholders and seeking to understand their interests and views on sustainability matters, SD Worx strives to execute its ESG strategy, responding to important social themes that we and future generations will face.

Types of stakeholders

Proper segmentation helps us estimate the impact that our stakeholders are generating through their activities and business operations. Stakeholders are those who can affect or be affected by our activities, categorised broadly in two groups as:

1. **Affected stakeholders:** individuals or groups whose interests are affected or could be affected by SD Worx's activities and its direct and indirect business relationships across its value chain. This group encompasses customers, business partners, suppliers as well as employees.
2. **Users of sustainability statements:** users of general-purpose financial reporting including shareholders, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics.

In addition to the engagement exercise performed during the materiality assessment, SD Worx engages with its entire stakeholder base via numerous channels, including the many ways that **driving stakeholders** interact with and reach the **benefiting stakeholders**. Through designated feedback loops like eNPS (employee satisfaction) and NPS (customer experience check), communication flows in both ways and all stakeholders are accounted for.

Driving stakeholders include SD Worx entities and the departments that generate economic value, thus driving the company's ESG impact. These include all SD Worx employees who are able to develop and manage all relevant activities the company is involved in to realise its business and social goals.

Benefiting stakeholders: The social value that SD Worx creates benefits society and the (local) communities we reach. This impact is not only generated by the CSR actions we have been developing from the start but also by the numerous social efforts made to improve the relations between employers and employees, for instance. The labour market is therefore an important beneficiary stakeholder. In addition to our customers, partners and suppliers, it is SD Worx's employees that we want to see included, empowered and thriving.

Social impact matrix

The social impact matrix shows our intended social impact actions that drive and benefit stakeholders, with a view to activating our brand story and contributing to the Sustainable Development Goals (SDGs). The table does not set out what we do but expands on the many dimensions of non-financial and social value we create in addition to what we do every day. It transparently shows and addresses our ambitions around social action. The benefits are inclusive and cumulative: all impacts created for society will also benefit the labour markets, as these benefits will also touch our customer base and our own employees.

DRIVING STAKEHOLDERS

Products, marketing, sales & operations	Finance, procurement	Legal & compliance, knowledge centre	People
SOCIETY			
• Pan-European HR digitisation / integration	• Decarbonisation efforts • Reliable reporting	• Sustainability rating • Exchange knowledge • Social law contribution-assurance	• Mobility vision • Hybrid working • CSR
LABOUR MARKET			
• Career tooling • Employee benefit systems • Flexible income • Data & Insights	• Hybrid working office management and mobility	• Labour law, product, service development • ESG risk scrutiny • Market standard setting	• DEIB & recruitment • Talent, learning & reskilling insights • Compensation & benefits
CUSTOMERS, PARTNERS and SUPPLIERS			
• ESG-inspired offerings • NPS • Customer service • SD Worx hubs	• Sustainable procurement • Supply/customer diversity • Optimise value for investment	• Standardised audit, vetting & compliance • Trust centre • Assurance practice • Capability developments	• Social value, due diligence and outreach • Employer recognitions • Growth commitment • Human capital management
SD WORX EMPLOYEES			
• Personalised and frictionless experience	• Healthy, safe and vibrant workplaces • Office transformation	• Global Workers Council, social dialogue • Sustainable policies	• Sustainable workforce practice • Employer of reference • DEIB, professional growth and wellbeing • eNPS

Driving' stakeholders engaging and inspiring 'benefiting' stakeholders
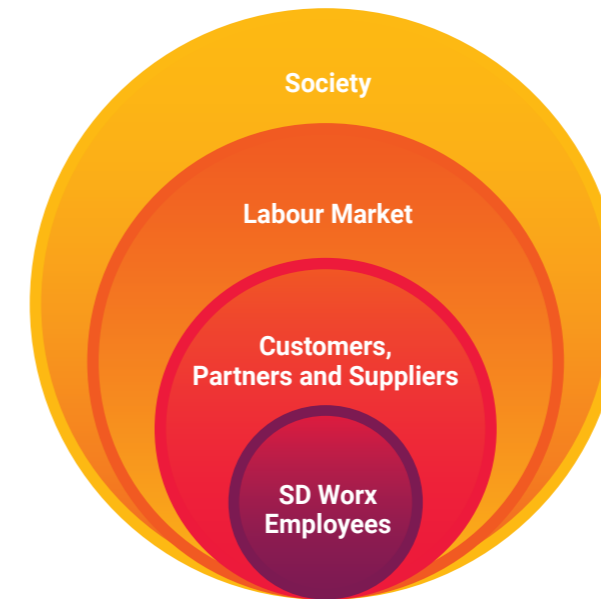
Driving stakeholders

Publications, (online) seminars, academic contributions, interviews / options, blogs, press, community events, financial results / investor relations' briefings

Reports and publications in specialised and broad/social media outlets; business association activities, labour market insights based on HR data online or through private / public events

Brand awareness and reputation building through product marketing (brochures, presentations, social media outreach), trade / road shows, conferences, B2B interactions, consumer visits, CSR questionnaires

Internal portal / Intranet, broadcasts, Viva Engage, network events, feedback systems, engagement surveys, DEIB campaigns and dashboarding, socials gatherings, company / department newsletters, apps, training and workshops

Environmental highlights

- Reviewed car and mobility policy
- More carbon footprint calculations
- Waste management and data collection improvements
- Energy efficiency and green certification increasingly part of real estate management practice
- Increasing focus on 'green' data centre activities
- Analysis of physical climate and transition risks
- Rollout of solar investment plan

Environment

Environmental highlights

Reviewed car and mobility policy	More carbon footprint calculations	Waste management and data collection improvements	Energy efficiency and green certification increasingly part of facility management practice
Increasing focus on 'green' data centre activities	Analysis of physical climate and transition risks	Rollout of solar investment plan	

6.

Environment: towards a healthy climate

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6.1   Sustainability risks

Throughout 2024 and going into 2025, the global landscape remains fragmented across geopolitical, environmental, societal, economic and technological domains. Over the past year, we have seen intensified conflicts, a surge in extreme weather events driven by climate change, deepening societal and political divides, and rapid technological advancements that have accelerated the spread of misinformation.

Also in 2024, climate change continued to dominate the global sustainability agenda. The World Economic Forum Global Risks Report 2025, launched in early 2025, offered critical insights into the most consequential risks facing the world over the next two years and beyond.
In the short term, challenges such as misinformation, extreme weather events, societal polarisation, and cyber threats dominate the risk landscape. These issues are reshaping economies, governance, and communities worldwide, demanding immediate and coordinated action.

Over the next decade, environmental risks are projected to intensify, with extreme weather, biodiversity loss, and disruptions to economic and social systems emerging as the most severe challenges. These risks underline the urgent need for long-term strategies to safeguard ecosystems, secure resources, and mitigate climate-related impacts. Addressing these challenges requires a global commitment and innovative approaches to sustainability. The report concludes with pointing to the interconnected nature of global risks and the need for collaboration to build resilience in a rapidly changing world.

The acceleration of risk exposure as well as mounting demands from ESG reporting requirements have led to SD Worx focusing more on analysing climate-related risks.

Climate risk analysis

In the beginning of 2025, we used "Altitude", a scenario-based climate risk screening platform specifically dedicated to offering what is required by the plethora of EU regulations concerning CSRD, taxonomy and more. This professional risk platform allows us to:
- Screen physical climate and transition risks and opportunities
- Obtain access to consolidated and detailed analyses of our exposure to climate-related risks across our portfolio; predominantly asset locations, in SD Worx's case
- Operate in line with TCFD reporting recommendations, as Altitude covers no fewer than 16 acute and chronic physical risks and opportunities

We had over 130 assets or asset locations scrutinised, ranging from offices, parking facilities, and data centres to solar panel installations. Climate perils were foremost analysed based on the EU Taxonomy classification, and accordingly summarised as follows:

Overview 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
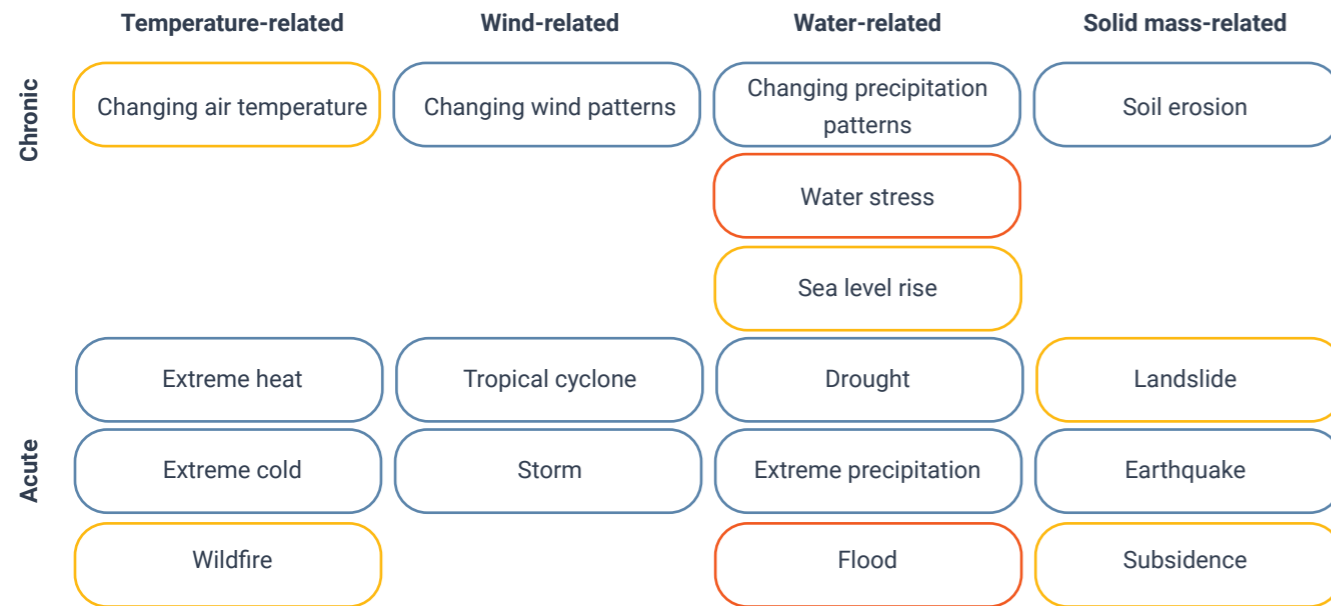
The colour codes coincide with the amount of risk estimated for our portfolio. These risks were examined under different climate risk scenarios and considering different timeframes going forward. Water stress and flood were considered elevated risk spots, predominantly because many locations are situated in Western Europe.

High risks	Medium risks	Low risks
2	**5**	**10**

In terms of climate transition risks, a variety of risk factors relating to the following were considered:
- Policy and legal: regulations, exposure to litigation, pricing of CO2
- Technology: low-emission technology, costs of raw materials
- Market: shift in consumer preferences
- Reputation: stakeholder concerns

The main conclusion was that for a company like SD Worx, engaged in software development and related activities, increased energy and electricity prices stood out as potential risks, although they are considered less significant risks with limited exposure.

A comparable analysis was conducted for transition opportunities. It is notable that a shift in consumer preferences (e.g., eco-friendly digitisation) and access to new markets should lead to many opportunities for a company like SD Worx.

In terms of biodiversity risks, the analysis showed that impact on biodiversity is limited, and so is our dependency on ecosystem services. There are a few asset locations in regions of threatened species where some areas or habitats are subject to changes in biodiversity.

In addition to a detailed risk analysis, insights were obtained on impacts related to each risk category and asset (location) as well as recommendations. Sector-specific results on carbon footprint and GHG emissions were also shared. The latter corroborated that, as a service provider, we are exposed to scope 3 or indirect emissions across our value chain.

6.2 Sustainability trends

Mounting sustainability risks have influenced how companies and society address sustainability, particularly with the implementation of EU ESG regulations. We are witnessing companies responding to the call for greater transparency by enhancing their ESG disclosures.

- Global momentum for mandatory sustainability reporting surged in 2024 with the CSRD reporting deadlines rapidly approaching. SD Worx has been reorganising internally (see 'Governance' chapter on ESG Office) and is preparing to fulfil the upcoming reporting requirements. The convergence of global ESG frameworks does help simplify fulfilment of corporate sustainability requirements, as we are moving from GRI to CSRD reporting.
- Regulations drive the need for more and higher-quality data: this is a continuous process on which we are working. It is worthwhile to note the improvement of data collection approaches for our carbon footprint study.
- As investors seek stronger and more concrete ESG reports, we have invested in ESG software which helps our ESG integration process across the SD Worx Group.
- Many companies are far from equipped to respond to assurance requirements included in many sustainability regulations. This trend is closely related to the need of organised and structured data collection as well as the engagement of all stakeholders to contribute.
- More than ever, global disruptions of supply chains and rising trade tensions do not make it easy to comply with the need to decarbonise supply chains. With the increased focus of governments and institutions on expanding carbon pricing, supply and value chains will continue to be reshuffled. The launch and development of 'digital product passports' will add to the importance of responsible sourcing.
- Increasingly, the transformative potential of AI is being recognised, also pertaining to applications for sustainability integration. One example is the use of AI to regulate and monitor data centre and cloud energy consumption. Considering this evolution, SD Worx has also rolled out more AI guidance and integrated this into policies.
- Climate litigation cases are rising rapidly, which confirm that courts are increasingly shaping sustainability action.

An overarching trend with respect to ESG reporting encompasses changes in the global political and macroeconomic landscape. The US administration reshaping sustainability policies is one thing, and the announcement of the changes that the upcoming "Omnibus Regulations" will trigger in Europe is another relevant event that will shape ESG reporting and action. At the time of writing, the "Omnibus Regulation," albeit still to be approved and adopted by the EU Council and Parliament, was proposed and appears to simplify and reduce the volume of required sustainability reporting requirements.

It is confirmed that the first" Omnibus package on sustainability simplification" will cover the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Taxonomy regulation requirements. The package entails a far-reaching simplification in the fields of sustainable finance reporting, sustainability due diligence and taxonomy. A better alignment of regulatory requirements with the needs of investors, proportionate timeless and integrating the concerns of smaller companies are key areas of attention. The most relevant change for SD Worx is that a stop-the-clock mechanism is proposed, meaning that CRSD deadlines are delayed two years. Reporting on the relevant ESRS disclosures would appear to remain the same for SD Worx, as most reductions are on immaterial disclosures that are not applicable to our company. SD Worx remains committed to compliance with current CSRD requirements.

When we zoom in on concrete climate action, we can discern the following trends:
- Transitioning away from fossil fuels remains a key international goal under the United Nations treaty on climate change. Renewable electricity, particularly solar energy, is growing rapidly, but increasing power demand from data centres, electric cars, and heat pumps poses a challenge to reducing emissions.
- Over 140 countries have committed to net-zero emissions by 2050, but robust plans are needed to meet these targets. The record heat of 2024 has intensified efforts to decarbonise, with companies investing in climate resilience and integrating nature-based solutions into their sustainability goals.
- Noteworthy progress has been made since the Paris Agreement, but more efforts are required to limit global warming to 1.5°C. Companies are advancing their climate commitments through financial incentives, carbon markets, and technological carbon removal.
- More companies are adopting closed-loop production, using recycled materials, and designing products for durability and reuse. Right-to-repair laws and zero-waste goals are gaining traction, with companies eliminating single-use plastics and optimising waste management.
- Consumers and employees demand transparency, rejecting greenwashing and pushing for ethical and sustainable business models.
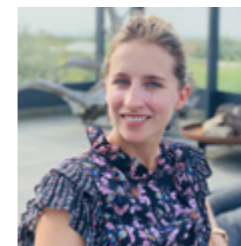
"Regardless of possible delays following the EU Omnibus package, SD Worx is committed to continuing its efforts with respect to sustainability reporting and deploying decarbonisation reduction strategies."

Lesley Hellebuyck, Head of Internal Control & Compliance

6.3   Environmental roadmap

We consider environmental sustainability to be a shared corporate responsibility. While our primary focus is on social impact, we recognise the critical importance of environmental stewardship. We are committed to protecting the environment and developing our operations to support a sustainable society. Our business practices reflect our respect for the environment and our responsibility towards it.

In line with the EU Green Deal, we commit to reducing our carbon footprint by at least 55% by 2030 and achieving carbon neutrality by 2050. Our environmental roadmap is being built around five key activities:

1. Measure and understand: accurately assess our current carbon footprint, identify emissions reduction actions, and develop a decarbonisation plan.
2. Invest in green energy: commit to renewable energy sources.
3. Reduce: implement strategies to minimise emissions.
4. Compensate: offset unavoidable emissions through various initiatives.
5. Continuously improve: regularly review and enhance our environmental practices.

Confronted with continuous methodological changes, we have been working hard to improve the data collection and the measurement of our carbon footprint. A proper carbon footprint assessment helps us structure and prioritise our actions going forward and forms the basis of a decarbonisation plan that is being developed.

6.4   Carbon footprint

Methodology

Our carbon footprint calculation includes all greenhouse gas (GHG) emissions caused by our organisation, expressed in CO2 equivalents. The 2024 study, based on 2023 data, shows a significant expansion of the carbon footprint calculations compared to the previous year's assessment: 121 units or offices were included, covering almost the entire Group, with a combined area of over 105,154 m2 and 8,708 employees (headcount at the end of 2023). A dedicated team is responsible for collecting data on energy, office space, waste and water.

We have also improved the calculation of the Group's mobility impact, which mainly covers the effects of commuting and car use.

A meaningful change compared to previous years is that we have moved from the Bilan Carbone® method to a full application of the latest Greenhouse Gas Protocol. Besides the computation of capital goods, the method is largely the same. We will inform our stakeholders when relevant differences come up. We still use the same impact categories:

- **energy:** emissions related to direct energy use
- **non-energy:** leaks of halocarbons from cooling installations
- inputs/purchased goods & services: emissions from the production of purchased materials and services, ICT equipment and services
- **waste:** emissions from transport and treatment of waste collected at offices
- **transporting and mobility:** emissions from employee commuting and business travel, including emissions from the production of fuels and vehicles
- **capital goods:** energy-related emissions from the production, construction, and renovation of infrastructure, equipment and vehicles owned or leased
- **end of life:** air conditioner

An appropriate modelling approach is required to collect data for all offices and then turn it into useful information. Also required is a set of compliant emissions conversion factors that allow emissions data (e.g., energy in kWh, water in m³, space in m²) to be converted into CO_2 equivalents. Our in-house-developed tool 'CARBI©' was used to measure our footprint, just like last year.

"We have significantly expanded our carbon footprint modelling efforts. Data collection has improved considerably, and a full-scale analysis of our purchased goods & services was performed in collaboration with an external consultant."
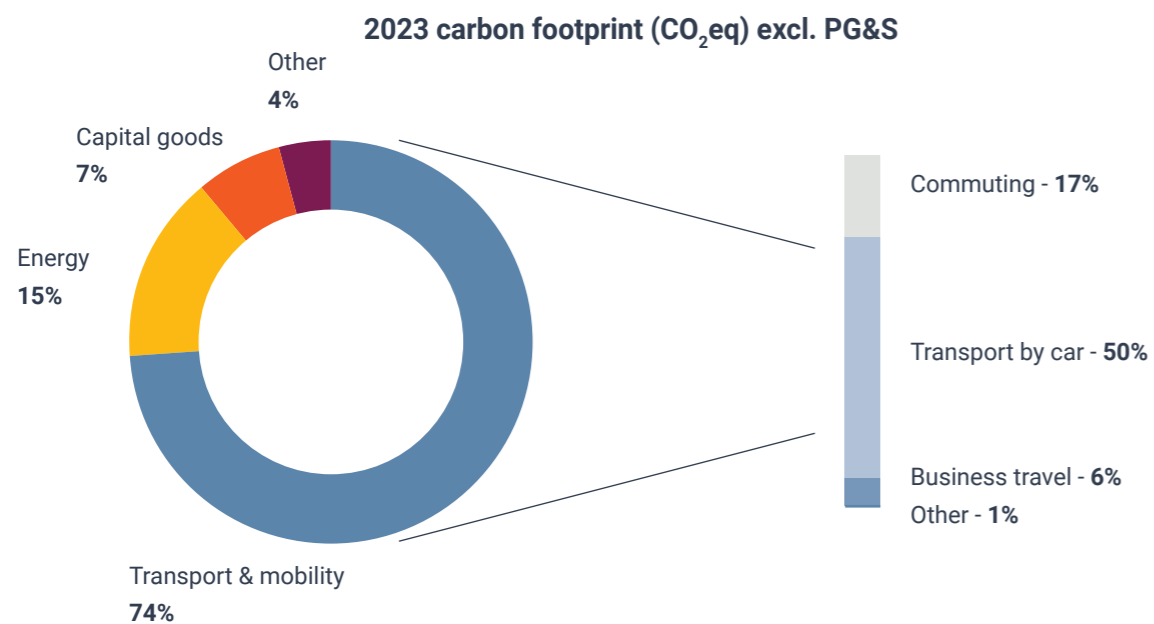
Steve Engelen, Integrated Reporting Officer

Compared to last year's assessment, we have improved on:

- Data collection for all variables by integrating more people across the organisation
- Collection of more in-depth information on waste categories and water consumption
- Capital goods/asset register: in contrast to Bilan Carbone, which writes off relevant assets, the GHG protocol demands that only capital goods additions in the relevant year are included.
- Differentiation of employee commuting information by country, going beyond the use of national averages.
- Better fuel and car economics data collection across the Group.
- Improved location-based and market-based analysis for purchased electricity (scope 2). This allows us to more accurately track the impact of using green energy contracts and alternative sources of energy.
- Complete coverage of purchased goods & services and the use of EEIO emission factors

Results

The pie chart below quantifies the group carbon footprint of SD Worx on 31 December 2023, with a total of approximately 15,505 tonnes of CO_2 equivalents using the location-based method. This total represents all activity-based results and excludes scope 3 purchased goods & services. The main drivers are emissions from mobility, energy consumption and capital goods. As there are significant differences between countries, environmental measures are also tailored to locations and units. The chart visualises the main categories without considering our carbon offsetting initiatives, which offset approximately 603 tonnes of CO_2, or other environmental initiatives such as tree planting initiated at the end of 2022.

2023 carbon footprint (CO_2eq) excl. PG&S

Other 4%
Capital goods 7%
Energy 15%
Transport & mobility 74%

Commuting - **17%**
Transport by car - **50%**
Business travel - **6%**
Other - **1%**

Carbon footprint emissions are subdivided into three scopes:

- **Scope 1 (direct GHG emissions)** consists of all the direct GHG emissions onsite or produced by the cars the company operates under its control. As cars are an employee benefit and the company uses operational leases with the employee in control of car usage, all car fuel consumption belongs to scope-3 emissions. Fuel consumption for heating and machinery and gas leaks from cooling equipment are relevant scope 1 emissions.
- **Scope 2 (electricity, indirect GHG emissions)** consists of the indirect GHG emissions resulting from the direct onsite consumption of purchased electricity, including emissions of power plants. For SD Worx in 2023, the difference between site-based electricity (1282 tonnes) and market-based emissions (770 tonnes) was 512 tonnes. These savings were achieved using renewable energy and/or energy contracts that require cleaner energy than the national (grid) average. EV consumption is now also brought under scope 2 emissions in line with the changed regulation of the GHG protocol on electricity consumption from cars.
- **Scope 3 (other indirect GHG emissions)** includes all other indirect emissions associated with the production of purchased goods and services, waste management, employee commuting, transport and business travel. Scope 3 emissions are often the largest component of most organisations' carbon footprints. For SD Worx in 2023, excluding PG&S, 7% of indirect emissions are due to capital good additions. Commuting (17%) and other car travel (50%) together accounted for over 75% scope-3 emissions. Direct waste and water only accounted for 2% and 1% of indirect emissions, respectively.

The table below summarises all carbon footprint results and distinguishes between measured results based on data collection and extrapolated outcomes. For each category lacking observations, data were extrapolated based on either number of employees or square metres of office space used. As can be derived from the table, the need for extrapolation reduced significantly, in line with improved data collection efforts.

2023 carbon footprint (tonnes CO_2)

Scope	Measured	% Total	Extrapolatec	% Total
Scope 1	892	3%	1.126	3%
Scope 2	1.211	3%	1.354	4%
Scope 3	12.840	36%	13.025	36%
Scope 3 (PG&S)	20.950	58%	20.950	57%
Total (Location-based)	**35.984**		**36.455**	
Total (Market-based)	**35.529**		**35.943**	
Total (Location-based) - incl. offsets	**35.381**		**35.853**	
Total (Market-based) - incl. offsets	**34.926**		**35.341**	

The table includes scope-3 emissions that are tracked, and indirect emissions that are estimated using the spend-based approach. To cover all emissions, capital expenditures for 2023 were calculated using the EEIO (a global, detailed, multi-regional, environmentally extended supply and use/input-output database) expenditure-based emission factors to convert euro amounts into CO_2 equivalents. In doing so, inflation effects, exchange rates and the GWP of all emissions considered were accounted for, in line with the GHG protocol. The table corroborates that, for a service provider such as SD Worx, emissions for capital goods spend in 2023 were limited.

Capital goods additions	2023	2024
Land and buildings	7	6
Hardware	266	248
Equipment	57	69
Furniture and fixtures	158	152
Office equipment	36	35
Leasehold improvements	621	257
Total (tonnes CO_2 eq)	1.145	767
Capital goods additions (mio EUR)	7,682	6,267
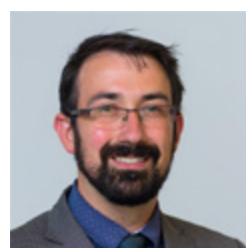
"We assessed our capital goods, property, plant & equipment (PP&E) additions as well as our purchased goods & services to better align carbon accounting with our financial statements."

Kristof Van Brussel, Consolidation Manager Senior

Likewise, a spend-based approach was applied for purchased goods & services (PG&S). PG&S constitutes huge spend for a sizable group of almost 9000 people. A thorough scan was done of all PG&S for which exclusions were only considered to avoid for double counting of emissions. For instance, energy consumption is accurately measured under scopes 1 and 2, thus energy invoices can be left out from total spend analysis. The table confirms that most of our carbon footprint is related to IT services, personnel activities and professional fees, and marketing spend.

2023-2024 carbon footprint purchased goods and services

Relevant purchased goods & services	2023	2024
IT (hosting, hardware, outsourced IT services)	6.140	6.843
Personnel ((external) staffing, recruitment)	4.690	4.611
Professional fees and commissions	4.625	4.192
Marketing (publicity, communication)	2.452	2.755
Facilities	1.364	1.275
Insurance and pension	767	861
Office supplies	402	503
Food & drink	235	451
Training	260	268
Clothing	15	15
Total (tonnes CO_2 eq)	20.950	21.775
Relevant Purchased goods & services (mio EUR)	264,975	272,081

Carbon KPIs and decarbonisation

To meaningfully compare carbon performance over time, absolute figures need to be scaled so that carbon intensities or relative figures can be used for policy making. The tables below show some KPIs that will be closely monitored in the future. We are confident that by implementing environmental measures. we will be able to reduce carbon intensities and thus meet the EU's 2030 (and 2050) environmental targets. In view of the evidenced growth of the SD Worx Group, we will constantly monitor the carbon footprint effects of organic expansions and expansions related to M&A activity.

2023 Carbon intensity

KPI	Measured	Extrapolated
Carbon-to-revenue ratio (Tonnes CO_2/mio EUR)	14.21	14.66
Tonnes CO_2 / Employee	1.73	1.78
Tonnes CO_2 / 100 sqm	14.26	14.71

2023 Carbon intensity (incl. PG&S)

KPI	Measured	Extrapolated
Carbon-to-revenue ratio (Ton CO2/mio EUR)	34.01	34.46
Tonnes CO_2 / Employee	4.13	4.19
Tonnes CO_2 / 100 sqm	34.14	34.59

In 2025, we will investigate decarbonisation reduction strategies and come to a credible decarbonisation plan, both integrating absolute and relative targets, which can assess scenarios and formalise the impact of the chosen reduction pathways. Regulation certainty and accurate data collection and processing are pivotal elements required to achieve this.

The results shown do not consider carbon offsets or market-based results and therefore represent a conservative approach. With a sustainable real estate strategy, further electrification of the car fleet and the increasing popularity of alternative forms of transport, we are confident that the EU 2030 target of reducing at least 55% CO_2 equivalents will be met.

"In the coming years, we will further shape our climate action plan, which will help formulate decarbonisation reduction strategies and enable us to take targeted action."

Laura Antila, ESG Office Lead

6.5 Environmental actions

People solutions

As a service provider, we are not involved in manufacturing activities that directly emit greenhouse gases. Through our people solutions product portfolio, we enable digital solutions, green compensation policies, remote working opportunities, and reduced workweeks that have a direct or indirect impact on the environment. Although these digital transformations contribute to sustainable labour markets, it is not easy to quantify their carbon-reducing effects.

Mobility

The carbon footprint study confirmed that most of our greenhouse gas emissions come from transport and commuting activities, especially scope-3 emissions that are not related to our core activities.

SD Worx has been a prominent player in the labour market, promoting fully hybrid working models, teleworking and 'workation' policies. Teleworking is the most sustainable way to commute, and remote working has been standard at SD Worx since 2021. In addition, SD Worx has a green mobility vision that is intricately linked to flexible reward strategies that enable employees to switch to green mobility alternatives.

In 2022, a new 'Bike Mobility' program was introduced which, in addition to bicycle leasing, offers employees attractive ways to purchase a bicycle through their salaries. E-bikes and scooters are also promoted as alternative means of transport. In addition to bike days to encourage people to leave their cars at home and use alternative means of transport, employees are rewarded for cycling to work.

Since 2023 in Belgium, our collaboration with Mbrella facilitates the creation of a personalised mobility plan for each employee. As part of its digital strategy, this platform partnership makes it possible to manage bicycle allowance, public transport and mobility budgets using a single tool. In 2023, a new car policy based on total cost of ownership has led SD Worx to expand the EV range and accelerate the shift toward an electric fleet. 2024 saw this mobility and car policy strengthened further favouring the selection of an EV or alternative mode of transport. Protime has already committed to a 100%-electric fleet, so this trend will continue. We have started to track EV consumption closely, but as the fleet has only recently been growing, the total EV fleet stock is still small compared to fossil fuel-powered vehicles. An additional benefit is that our Belgian EV energy supplier provides 100%-green electricity from solar and wind.

Starting in 2025, our Belgian car fleet will begin its transition towards a fully electric fleet, with the goal of achieving 100% electric vehicles by 2030.

Through our reviewed car policy in 2024, employees are obligated to (but also incentivised) to select EVs, and the company will assist in the installation of charging infrastructure. This initiative supports the company's green transition to EVs and enables a seamless switch to EVs for our employees.

The CO_2 emissions of the Belgian car fleet were already reduced by 31% during the 2023-2024 period. This significant reduction highlights our progress towards a more environmentally friendly fleet, driven by the increased adoption of EVs and the trend towards more economical vehicles. Even more, 2025 will see the introduction of the federal mobility budget, so that smaller and greener cars will be opted for, or even fewer cars, tout court.

"Our vision on mobility benefits has evolved in recent years, with a greater focus on alternative modes of transport and the decision to order only new EVs from 2025 onwards. With the rollout of the federal mobility budget in 2025, we aim to further reduce the number of cars and increasingly promote greener mobility options. Car sharing, public transport and cycling will all contribute to reducing both our car usage and emissions."

Wim Van Rompay, People Director

Energy

Energy management is linked to real estate management and the extent to which office space is owned or rented/leased. Approximately 12% of our office space used is leased long term from our parent WorxInvest, which provides more flexibility in terms of energy investment and property management. Heating, air conditioning and lighting are the main energy consumers that determine the electricity and gas consumption shown in the graph below.

Energy consumption (MWh and CO_2 eq)
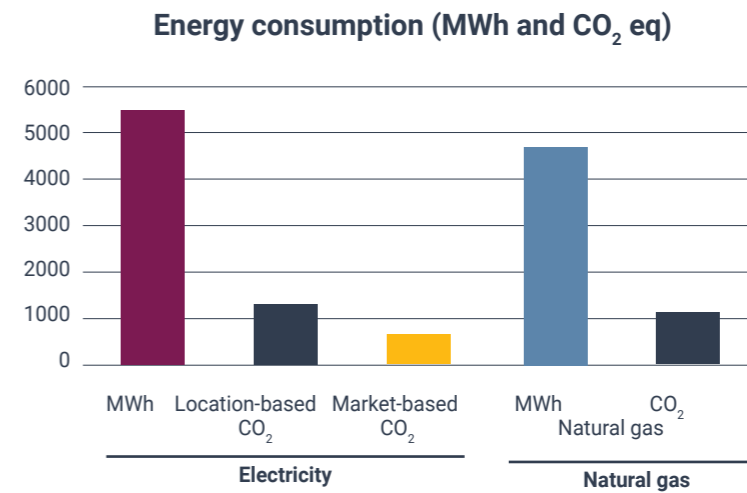
There are ample ways to manage energy consumption:
- With 121 entities in the SD Worx Group and current hybrid working models, office space can be reduced through newly owned office space, relocation, or the revision of leasing contracts. The combination of more green procurement strategies (e.g., the use of green electricity contracts) and less office space per employee will notably impact our ecological footprint. A 'book my desk' app is used to better manage reduced office space and utilisation factors.
- Green electricity is already contracted for some offices, depending on local conditions and office usage. Choosing energy-efficient leased office space remain a critical way for us to reduce energy consumption. In 2023, 27% of energy consumed comes from renewables; excluding Belgium, this rises to 45%. We are continuously aiming to increase renewable energy sources or solutions each year.
- Smart energy technologies and artificial intelligence-powered devices can be used to track and counter excessive energy use. Consumption peaks can be monitored, enabling detection of moments of unusually high energy consumption.
- For our long-term leased buildings, we focus strongly on energy efficiency measures and optimising our HVAC systems. Such initiatives are planned for our offices in Ghent, Hasselt and Kortrijk. For the Ghent office, there is an estimated electricity consumption reduction potential of 52% and one of 49% for CO_2.
- We have developed a solar investment plan and installed solar panels on several of our owned buildings in Belgium and we have also gained more information on installed solar panels on leased offices. In 2025, we will be able to track the benefits of the solar panels installed at our Mechelen and Hasselt offices in 2024. For the Mechelen office, there is an estimated electricity

consumption reduction potential of 51%, and one of 44% in CO_2.
- A new SD Worx headquarters will be built in Antwerp. This new property will be certified and constructed according to the BREEAM Outstanding Award criteria, aligning the long-term sustainability ambitions of the building project with the UN SDGs. Other older buildings will close and be demolished to make room for the new SD Worx headquarters.
- A few of our rental offices also hold sustainable building certifications (LEED, DGNB BREEAM). Examples include are our offices in Espoo (Finland), Barcelona (Spain), Granada (Spain), Malaga (Spain), Ballerup (Denmark).
- Occasionally, SD Worx collaborates with NNOF, a partner specialising in transforming furniture in a fully circular manner. Another partner, 2Eco, focuses on recycling office materials, particularly furniture.

"Our main objective is to transition to renewable energy wherever such initiatives are deemed efficient. Additionally, we prioritise identifying energy efficiency measures for our leased offices to reduce energy emissions."

Dennis Jasper, Director Business Technologies

- A significant source of energy consumption is related to information services, particularly our use of data centres and servers – services that are often outsourced. Given their sizable emissions and as part of our supply/value chain due diligence, we are increasingly monitoring our data centre activities. An ESG questionnaire was sent to our data centre providers to obtain feedback on energy use and their preparations for the EU sustainability reporting framework.

Energy consumption and power usage effectiveness (PUE) of our most relevant data centres

Data Centre	# Data Centers	Energy Consumption	Renewable Energy %	PUE
Fujitsu	2	583.682	100	1.47–1.95
NRB	2	380.412**	100	1.62
NaviSite*	2	944.726	100	1.24–2.11
Elisa	2	233.170	100	2
DNA	1	21.055	100	1.2

Energy figures extrapolated from Sept. 23
** Worx specifically. Theoretical estimation given by NRB.

Microsoft Azure informed us that CO_2 consumption related to SD Worx's energy consumption was about 38 tonnes of CO_2 equivalents.

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. All our data centres have decarbonisation plans in place, and we are pleased to see that most of our data centre partners are already well ahead of EU regulations.

"Commitment to green energy procurement and carbon neutrality are increasingly KPIs in data centre management contracts."

Andrea Eschle, Chief Products Officer

ICT equipment

Equipment such as laptops, monitors, and mobile phones contribute significantly to a company's carbon footprint. SD Worx is committed to optimising the lifecycles of its equipment. Whilst the lifespans of equipment can be extended, there are times when it is a better strategy to recycle, sell, or donate. Security issues, changes in legislation, and new IT requirements may mean that some equipment is retired sooner than expected. The CO_2 impact of ICT equipment is included under office supplies in the scope-3 PG&S emissions table.

At SD Worx, Workplace Services is dedicated to implementing environmentally friendly practices across our operations. Key initiatives include:

- Recycling and reusing materials: partnering with Ecubell to recycle laptops and computers, reusing shipping materials, and ordering laptops in bulk to reduce packaging waste.
- Optimising hardware use: cleaning and reusing returned hardware, and prioritising bulk orders to minimise carbon footprint.
- Collaborating with sustainable partners: ensuring sustainable sourcing of hardware peripherals through our partnership with Discorp.
- Energy conservation: implementing power-saving modes for laptops and screens and turning off devices after hours to conserve energy.
- Repair and maintenance: prioritising the repair of broken ICT equipment to reduce waste.
- Sustainable product selection: providing employees with backpacks made from recycled materials.
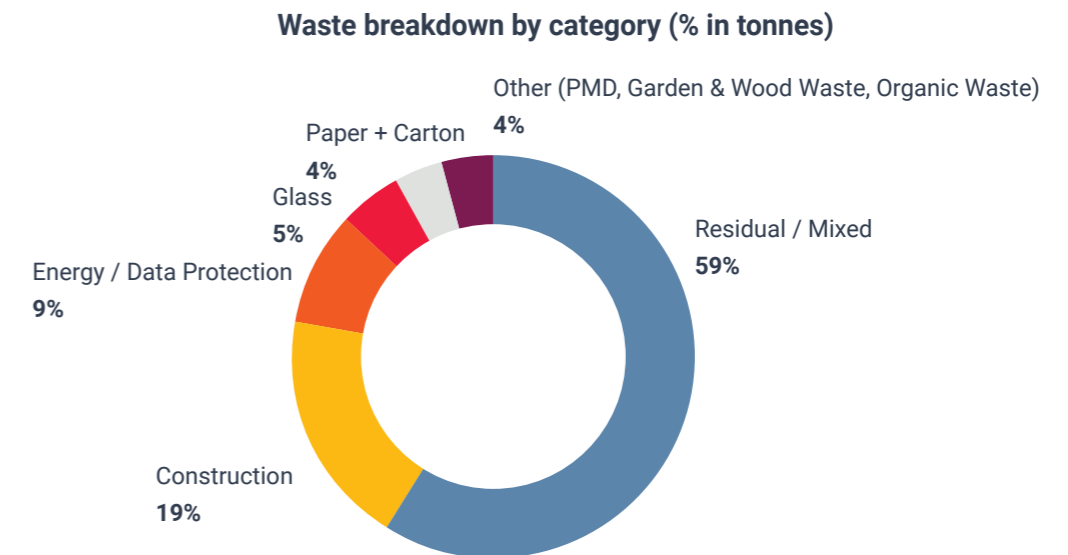
As a larger company, circularity of ICT equipment use is something to further improve on going forward. There is already a description of IT device lifecycle management in place including the most important value chain partners, such as laptop providers and partners handling the end-of-life process of equipment with respect to reuse and recycling.
Parallel to our IT partners and IT equipment are our data centre partners, constituting a critical part of the value chain with whom we operate closely for our core activities. This cooperation does not only affect internal operations but is also pivotal to the efficient delivery of our products to our customers via our cloud environments. In this context, we have launched an initiative to further improve the partner collaboration with our data centre providers to ensure that renewability and efficiency measures are high on their and our agendas. Internally, we are stepping up our efforts to measure and optimise our cloud storage efficiencies, thereby taking stock of available server capacities.

Waste

In 2024, we optimised our data management process to calculate the carbon impact of direct waste across the Group. Although results confirm that direct waste is not a material or significant carbon driver in the business, we conducted a deep-dive analysis of our current waste management practices. This analysis provided insights into the distinct types of waste generated, the frequency of waste collection, and the waste collectors involved.

It is important to note that the reported figures in kilograms or tonnes per location/country are predominantly estimates. We are unable to obtain detailed data in many countries, as many waste collectors do not share exact figures or do not weigh the waste.

Waste breakdown by category (% in tonnes)

- Other (PMD, Garden & Wood Waste, Organic Waste) 4%
- Paper + Carton 4%
- Glass 5%
- Energy / Data Protection 9%
- Residual / Mixed 59%
- Construction 19%

This improvement in data collection has led to an increase in reported CO2 emissions, especially because of more accurate and frequent measuring. We also identified significant opportunities for improvement, enabling us to reduce our waste consumption:

- A certified shredding partner destroys our often-confidential documents, which are then completely recycled. Thanks to digitisation and a reduction in printing, we continue to cut the amount of paper consumed. Electronic output is encouraged wherever possible, in line with our digital strategy.
- We offer paperless pay slips to our customers wherever possible. Considering our large client base to which payroll services are provided (over 6 million pay slips per month), this activity can save several hundred tonnes of CO2 per year, resulting from all logistical activities related to paper production, transport and consumption.
- We will continue to reduce the use of plastics and focus on recycling and the use of recycled products by defining more stringent sourcing criteria for the purchase of goods.
- In 2025, we will develop a company-wide waste management policy aimed at streamlining our waste management processes. This policy will further raise awareness of proper sorting and recycling practices and provide actionable guidance for employees.
- We will train office managers and facility coordinators on applicable European and local waste management requirements. Their support will be crucial in integrating the waste management policy and achieving our set targets.

Indicator	Total	Tonnes CO_2
Water (M³)	24,247	257
Direct waste (tonnes)	722	309

"In 2024, we improved waste data accuracy through collaboration with facilities and waste collectors. This will lead to the setup of a company-wide waste management policy focused on streamlining processes and promoting recycling. "

Lisa Simons, ESG Coordinator

Water

As with direct waste, efforts have been made to understand our water consumption across the Group. Most of the water used is for sanitation and cleaning. An increasing number of offices use surface water for toilet flushing.

Although water and waste do not constitute a significant portion of our carbon footprint, these are tangible issues that are not only part of the scrutiny of the EU sustainability reporting standards, but are also high on the agenda of upcoming EU regulations related to renewable energy, waste, specific taxonomy criteria (circular economy, pollution prevention and control, biodiversity) and more. Our plan is to continue to monitor and reduce water consumption across all operations by tracking water consumption and raising awareness.

6.6 Environmental Initiatives

Supporting green projects

Food forest

Employees of Protime and SD Worx will soon be picking the fruits of the company food forest planted in Mechelen. The food forest initiative started in 2023 and continued to be tended to in 2024. The first fruit trees were planted by an experienced contractor, with the first apples, pears, berries or plums expected in the coming years. The company garden will also be open to the neighbourhood. Later in a second phase, we will plant bushes, including raspberry bushes, strawberry plants and other goodies, all in collaboration with a nearby school. With this food forest we want to make a positive contribution to the environment of this neighbourhood, with a positive social impact for our employees, visitors and neighbours.

Bees and biodiversity

At Protime, protecting bees is vital to supporting biodiversity. Bees are essential pollinators, helping plants thrive and contributing to the balance of ecosystems. By creating bee-friendly environments, we aid in preserving nature's cycles, ensuring that future generations enjoy diverse, healthy ecosystems. Supporting bees aligns with Protime's dedication to sustainability and a greener future for all. When honey harvests are successful, honey is offered to employees and customers, sharing out the biodiversity story in the process, or sold to a sponsor charity.

Volunteering

Every year, Protime employees in Belgium are given a day off to volunteer for a charity of their choice. In 2024, Protime colleagues teamed up with a few non-governmental organisations in environmental clean-up initiatives ranging from tackling litter problems in villages and cities to guest lectures and de-cluttering and cleaning in a school. Below are a couple of snippets of these clean-up initiatives.

Protime colleagues also dedicated their efforts to the cleanliness and comfort of our animal friends. A small group of colleagues took the initiative to clean cages at an animal shelter, ensuring that the pets enjoyed safe, comfortable and hygienic spaces in which to rest and recover. This initiative provided the extra opportunity to feed, cuddle as well as walk the shelter dogs.

Walking challenge

The UK office participates in a colleague walking challenge, a fun and competitive event to get people moving. As part of the challenge, the SD Worx external event app partner commits to either planting trees or removing plastic from the ocean based on participants' mileage.

Carbon offsets

SD Worx offset approximately 603 tonnes of CO_2 in 2023 by investing in carbon offsets. A carbon offset is a reduction in greenhouse gas emissions (or CO_2 equivalent) that compensates for emissions generated elsewhere. This can be a credit or certificate that a company can buy to reduce its carbon footprint. The value is then invested in green projects.

SD Worx in Germany has offset their 2023 car fuel consumption by a total of 586 tonnes of CO_2 eq. by partnering with DKV/myclimate (myclimate.org) to support climate protection through the internationally recognised Gold Standard project portfolio. Myclimate is a non-profit organisation and, as a charitable foundation, uses most of its funds for its primary purpose of protecting the environment via certified climate protection projects. Three projects have been supported since 2023:

1) A stove project in Kenya that enables women to afford efficient stoves instead of cooking on open fireplaces through the setup of municipal savings and loan communities.
2) A drinking water project in Uganda through which modern water filter technology is financed for households and schools.
3) A solar power project in the Dominican Republic replacing electricity generation primarily powered by fossil fuels.

We can also offset indirectly through our suppliers. Our Belgian EV energy supplier guarantees that all electricity is 100% green using certificates of origin. For every kWh charged by an EV, a corresponding number of certificates of origin are purchased, representing certified investments in European wind farms. This is an efficient way of working, as it is impossible for energy suppliers to always provide green energy when, for example, employees charge their EVs at home. Admittedly, the amount of CO_2 offset was only about 17 tonnes due to the small EV fleet. We expect this to increase significantly over time as the EV fleet expands.

Social

Social highlights

Organisation-wide cross-functional Shadowing Days	New engagement platform to empower self-leadership	Over 58% women in workforce	Extensive learning programs for employees
30% increase in learning hours	Launch of compressed working week in Belgium	Set up Global Works Council	Launch people portal dashboard
Organisation work-related surveys	Improvement Health & Safety management across SD Worx	Development Hubs Exchange Programme	

"In 2024, we actively introduced and embedded our unique 'critical friend' culture across SD Worx. It's about genuinely caring for one another while embracing clear, honest feedback – combining empathy with directness to ensure we have the right people and leaders in the right positions. This new approach has significantly contributed to building high-performance management teams and enhancing transparency and trust with our customers.

"Our commitment extends to flexibility and employee well-being, exemplified by initiatives such as our popular 'workation' policy, comprehensive mental health support programmes, and a dedicated focus on inclusive workplace practices.

We've also invested significantly in nurturing internal talent through intensive training and robust internal mobility. By cultivating talent from within, we continue to build the future of SD Worx together, ensuring sustained growth, exceptional service, and an engaging, supportive work environment."

Bruce Fecheyr-Lippens, Chief People Officer at SD Worx

We are committed to reshaping how we live and work together. Beyond proposing innovative HR policies and ways of working, it's just as important to show how we apply these principles within our own organisation. We want our people to thrive in this new era of digital and flexible work.

That's why we are building a people growth strategy centred on talent management, open feedback, competency-based career paths and flexible reward and policies. These elements help us create sustainable careers and meaningful employee experiences, which are social priorities.

We also focus on our broader social role, which includes corporate social responsibility activities. These are detailed in this section, along with ongoing community investment and long-term sponsorships.

"As an HR provider, SD Worx strives to lead by example and raise the bar in inclusive HR policies and people management. Our ambition is to provide an optimal, healthy, safe and inspiring work environment and the right support for our employees, while actively contributing together to social projects. This social impact is also something we want to communicate and transfer to our customers through our portfolio and ESG-inspired offerings.

Inspiration and commitment are essential ingredients that drive growth and continuous reinvention. To continue to spark innovation, we share research, customer success stories and expert insights, helping clients navigate a rapidly evolving HR landscape across Europe.

We practise what we preach by transforming our approach to talent management and HR tech and implementing diversity, equity, inclusion and belonging (DEIB) programmes to enhance the employee experience."

Wim Van Rompay, People Director

8.

Shaping the future of work

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8.1 People growth management: unleash your greatest potential

Success starts with people. That's why we speak of a People Growth Team rather than a traditional HR department.

3 pillars to unlocking people's full potential:
1. Self-leadership: employees are in the driver's seat. We encourage them to pursue their interests and passions to reach their goals.
2. MyMove: through our talent management tool and interactive sessions, we create an ongoing dialogue with employees, supported by structured feedback loops that guide them in their day-to-day work.
3. SD Worx identity: we foster a culture of growth where engagement and DEIB are deeply embedded at every level of our organisation. This shared mindset comes to life through our people, who act as true SD Worx ambassadors.

"We want to change people management and HR policies for the benefit of our people and the wider labour market. Flexible working and empowering our people to realise their full potential are key to making this vision a reality."

Bruce Fecheyr-Lippens, Chief People Officer

8.2 Employees are in the driver's seat: self-leadership

Since we believe that we all should be the CEOs of our own lives, everyone at SD Worx is encouraged to attend the Self Leadership Workshop, run by our Learning & Development Campus, to build their confidence, define their goals and discover how to make an impact. In addition, the Learning & Development Campus has an updated training catalogue, including courses on project management, presentation skills and much more.

The positive SD Worx leader
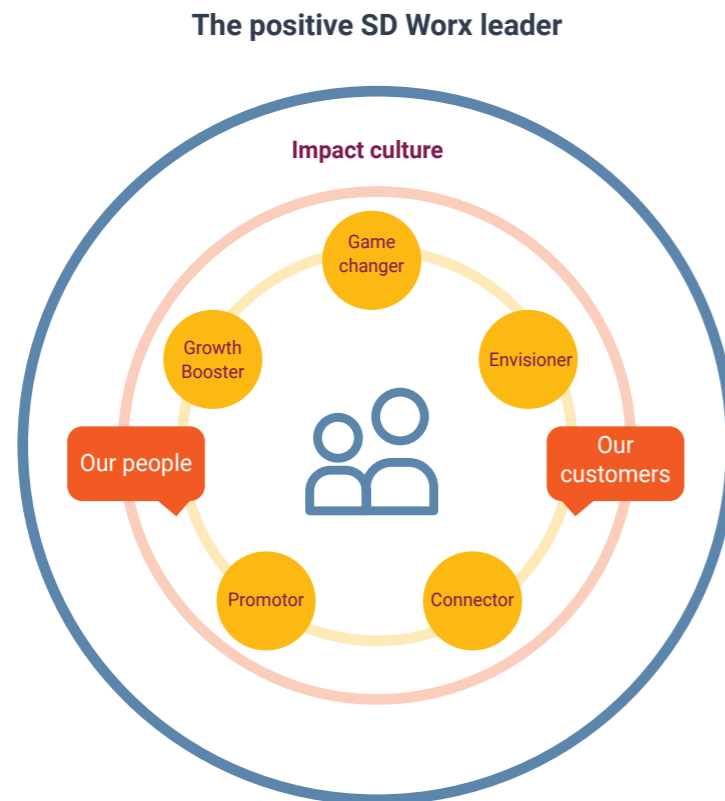
"At SD Worx, we believe that people are the key to success. By fostering self-leadership, continuous growth, and a culture of empowerment, we enable our employees to unlock their full potential and build sustainable careers."
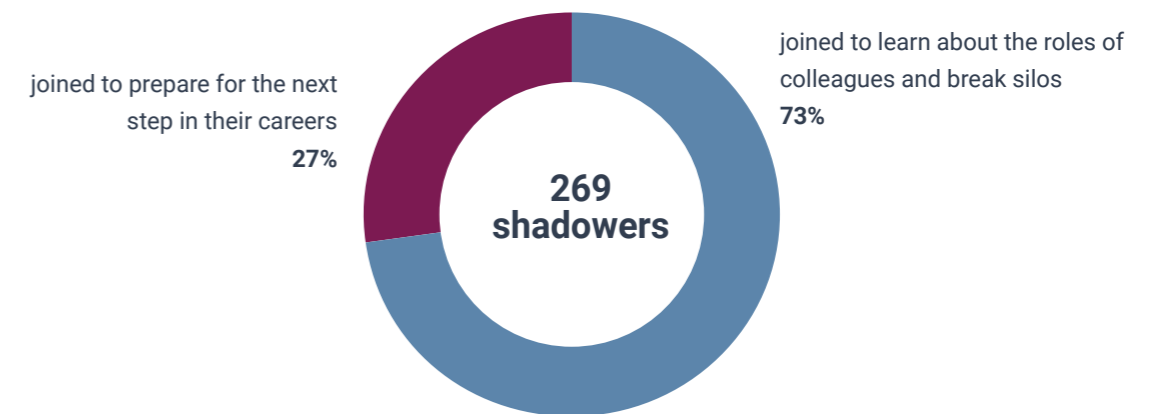
Ellen Neirynck, People Director

Because change starts from within, we give our people the freedom, flexibility and tools to take ownership of their careers. We also offer a range of programmes that empower employees to take initiative. In addition to ongoing initiatives launched in 2023 – such as SPARK JOYners, Switch and SD Worx Exchange – we introduced Shadowing Days in 2024.

Shadowing Days

True to the motto "You are in the driver's seat of your career", our Shadowing Days offer a unique opportunity for curious minds to explore different roles within SD Worx.

Whether driven by curiosity, a desire to better understand peers' roles, a search for inspiration, or the ambition to break down silos and build bridges across teams … everyone is welcome to take part.

Shadowing Days aren't about making immediate career moves. They're about gaining insights, understanding the skills required for various roles, and discovering the tasks involved. It's a chance to broaden perspectives, develop new skills, and create connections across the organisation.

joined to prepare for the next step in their careers **27%**

joined to learn about the roles of colleagues and break silos **73%**

269 shadowers

Top 5 departments chosen:
People - Marketing - Products - Payroll - Sales

8.3 Empowering careers through MyMove and open feedback

Our digital talent platform, MyMove, is a companion on this journey of personal and professional growth.

You're in the driver's seat of your career

MyMove enables employees to:
- set clear career goals
- discover and capitalise on personal strengths
- capture career aspirations
- identify and address development needs
- engage in a culture of two-way feedback

At SD Worx, we foster an open feedback culture as a cornerstone of our commitment to personal and professional development. Feedback acts as a mirror, offering valuable insights into the impact of our employees' actions and behaviours. This continuous loop of improvement empowers everyone to refine their approach and deliver outstanding results.

Acknowledging and responding to feedback not only boosts motivation but also deepens commitment. Supporting our people through their careers means not just guiding them but also showing them relevant opportunities available within our organisation.

Enter: the SD Worx Discovery Tour

This global online event raises awareness of the wide range of career opportunities across SD Worx and inspires employees to take ownership of their professional journeys.

The SD Worx identity through sustainable careers and the worker experience

Our company culture is dynamic, informal and growth focused. By contributing even more to personal and professional development, in addition to offering new ways of working and new HR policies, we are trying to set new standards and build truly sustainable careers and employee experiences. This is also an impact area of our double materiality assessment.

8.4 Future of work

As an HR services provider, SD Worx has a clear vision of the workplace of the future. Our Future of Work philosophy is built on three core principles:
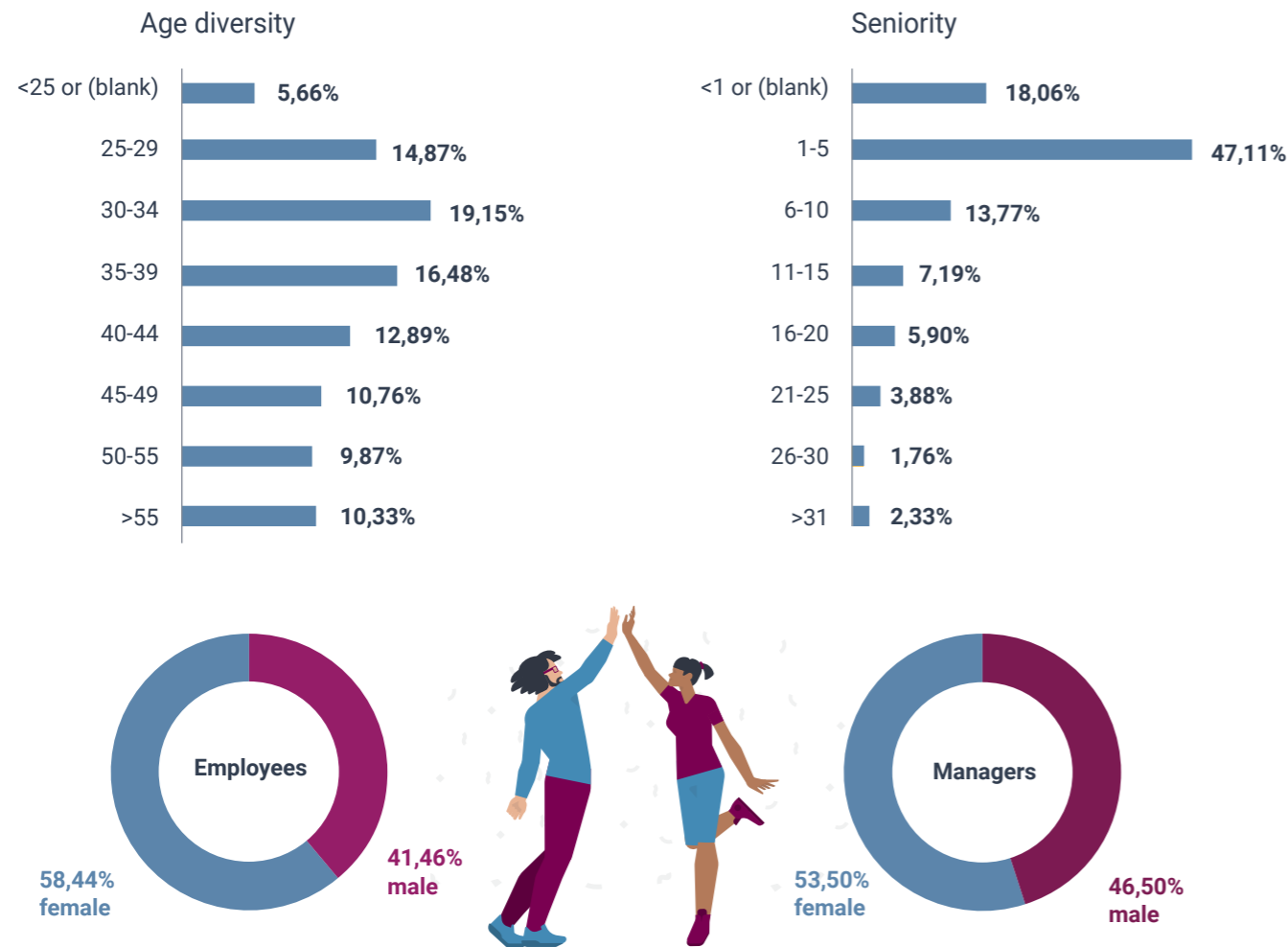
- Autonomy: working independently of location, and time is central to the future workplace.
- Collaboration: digital tools enable more efficient collaboration with colleagues and external parties, improving customer service.
- Playing to our strengths: people perform best when their roles match their personal strengths and talents.
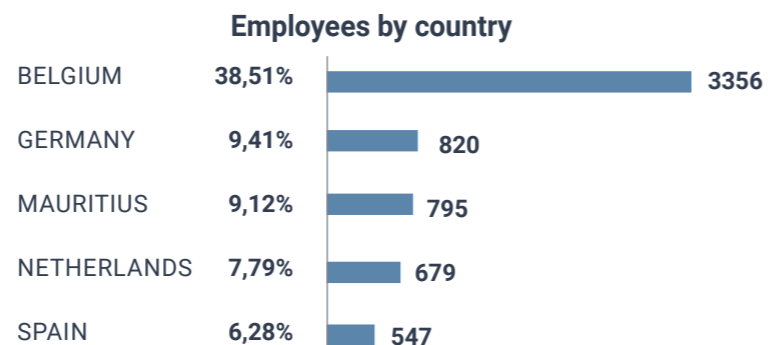
These principles also shape how we work at SD Worx:

Since 2012, SD Worx employees are free to work from anywhere and the number of employees working from home has increased each year. With activity-based workplaces, they can choose settings that suit their tasks, such as a silent area, a group area or a lounge, rather than in a permanent office. The response from employees has been enthusiastic, with clear benefits:

- greater autonomy and stronger connections to customers;
- they save time, focus better, and stay more engaged in their work, achieving a better work-life balance;
- productivity improves, collaboration grows, and knowledge is more freely exchanged
- ultimately, people enjoy their work more – while cutting CO_2 emissions by working from home rather than commuting.

Profile SD Worx employees 2024

Age diversity

Age	Percentage
<25 or (blank)	5,66%
25-29	14,87%
30-34	19,15%
35-39	16,48%
40-44	12,89%
45-49	10,76%
50-55	9,87%
>55	10,33%

Seniority

Years	Percentage
<1 or (blank)	18,06%
1-5	47,11%
6-10	13,77%
11-15	7,19%
16-20	5,90%
21-25	3,88%
26-30	1,76%
>31	2,33%

Employees
58,44% female
41,46% male

Managers
53,50% female
46,50% male

Number of nationalities
90

Employees by country

Country	%	Number
BELGIUM	38,51%	3356
GERMANY	9,41%	820
MAURITIUS	9,12%	795
NETHERLANDS	7,79%	679
SPAIN	6,28%	547

Country	Number	%	Country	Number	%
United Kingdom	429	4,92%	Austria	64	0,73%
Poland	415	4,76%	Estonia	27	0,31%
France	358	4,11%	Switzerland	22	0,25%
Sweden	275	3,16%	Italy	18	0,21%
Romania	165	1,89%	Denmark	13	0,15%
Norway	150	1,72%	Serbia	11	0,13%
Ireland	100	1,15%	Others	7	0,08%
Croatia	96	1,10%	Slovenia	2	0,02%
Luxembourg	85	0,98%	Hungary	1	0,01%

8.4.1 Flexible work

SD Worx wants to be as flexible as possible when it comes to job time, hybrid work and employment contracts, for both internal employees and contingent workers.

Employment Type 2024

8,9% Contingent workers
91,1% Internal employees
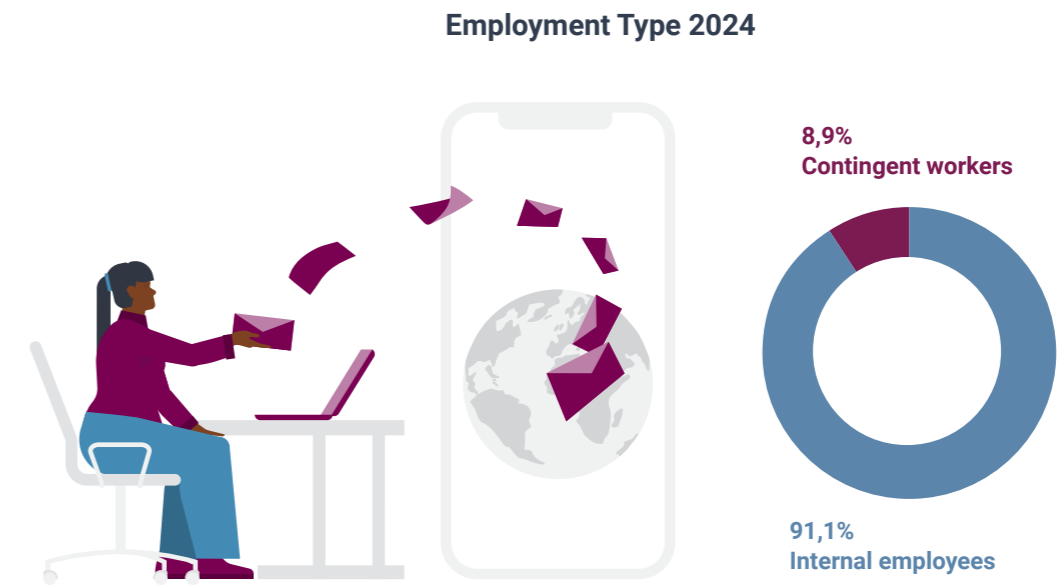
With work-life balance being one of the most important factors in attracting and retaining talent, SD Worx has ushered in a new era of workplace flexibility, exploring options such as 4-day work weeks and short-time working, for example.

Trials and studies across Europe and beyond have shown that culture, industry and working patterns are key to the success or failure of compressed or reduced working hours. These approaches can offer attractive benefits such as improved employee well-being, increased attractiveness as an employer, and efficiency gains – all vital in today's highly competitive business environment.

"Reduced or compressed working weeks can lead to higher engagement, better productivity, improved well-being and higher retention. But they also require clear agreements, transparent and ongoing dialogue with managers and colleagues, and strong workforce planning."

Ellen Claes, People Director Belgium

We even have our own workation policy, reflecting our strong belief in giving our employees ultimate flexibility to support a healthy work-life balance. Our workation approach allows individuals to choose not only their work hours, but also their work location, acknowledging the uniqueness of each employee's life. This autonomy boosts motivation and efficiency in a personalised way. To ensure compliance, we limit the duration of workations and offer them only in countries where we have a legal entity, balancing flexibility with operational needs.
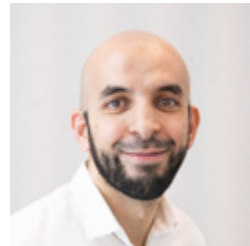
"With our workation policy, employees have the freedom to work from inspiring locations while staying connected and productive, reinforcing our commitment to flexibility and well-being."

Hicham Al Bouhali, People Director

"SD Worx is all about balance, and let's face it, what could be better than working for a company that isn't only progressive, but that also understands that your life is just as important as your work? Here you are valued not just as an employee, but as a person, a parent, a colleague, a friend. Thanks to our flexible working environment, I have worked temporarily from Bergen in Norway to support my son during his exams, and from Malaga in Spain with some colleagues. Both were amazing experiences, Berlin is next on the list!"

Karin De Clercq, Talent Acquisition Partner at SD Worx

8.4.2 Remuneration

Remuneration policy for employees

SD Worx's total remuneration package aims to:

- link performance and reward
- align/steer performance towards business strategy and results
- attract and retain talented employees
- reward performance in line with the company's financial success and ability to pay

In addition, SD Worx strives for modern and market-based remuneration within a manageable and motivating framework:

- Motivating for employees: we need to attract and retain the right people. Wage conditions play a significant role in this. Commitment and performance determine wage evolution and variable salary.
- Manageable for SD Worx: administrative and budgetary manageability are also important. Our wage policy supports this by permanently aligning wages with market conditions.
- Market-based: we aim to reward clearly above market levels across all job categories and remuneration types.
- Transparent: we promote maximum transparency in our wage policy while considering diverse business needs and the profitable growth we pursue.
- Internal legality: clear rules and guidelines ensure internal compliance and fairness.

ADCR Index vs Hay level
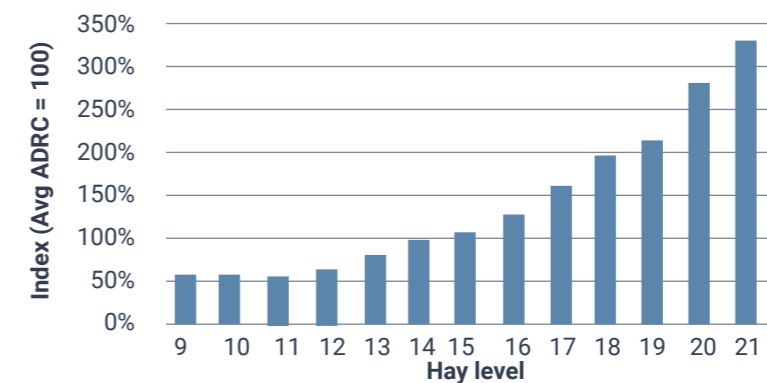
SD Worx uses a Hay level or job evaluation/salary mapping system that corresponds with a certain average daily remuneration cost (ADRC).

Remuneration package

In addition to gross salaries and in line with market best practices, we offer a wide range of benefits. While the specifics vary by country, common benefits (pension insurance, medical insurance, etc.) across all countries fall into 5 categories:

1. cash
2. benefits
3. mobility
4. work-life balance and wellbeing
5. culture and health

A Flex Income PlanTM (FIP) is available to Belgian employees, allowing them to choose a wide range of fringe benefits related to mobility, cash, multimedia/digital and/or corporate culture. This reward enables them to tailor their salary packages to their personal needs. Since 2020, the Group has switched to a FIP shop that is open year-round, giving employees ongoing control over their salary mix, functioning like a personal 'employee bank account'.

Variable wage

Variable remuneration is part of SD Worx's total remuneration package. It applies to employees with contractually variable terms (e.g., in sales or consulting roles) or within specific Hay levels (e.g., in delivery and support functions). Variable pay depends on available budget and performance outcomes.

Since performance year 2020, SD Worx focuses on collective targets and performance to determine the variable salary. As of performance year 2024, this has evolved: market targets and results now partly determine the variable salary for roles focused on local market results. This means variable compensation is influenced by business/segment performance, customer experience, and – for top-level management and the Executive Committee – employee engagement.

This reduces variability. All employees have access to a matrix via SharePoint with annual group targets and scaling metrics for financial results, customer experience and employee engagement. Final results and target-setting processes are communicated transparently. Variable salaries are calculated based on the fixed annual gross salary levels of the relevant reference year.

SPARK bonus

In addition to standard variable pay, SD Worx introduced the SPARK bonus in 2021. This bonus can be awarded quarterly at segment or departmental level, within the available budget, to employees who demonstrate exceptional performance or contribute significantly to a project or goal.

Global employee referral bonus

To attract top talent, we offer a global employee referral bonus. Employees receive an incentive when they refer a candidate who is hired and remains employed for at least six months.

Remuneration policy for senior executives

Executive Committee (EXCO) members are included in our compensation and benefits programmes, with tailored differences based on their roles. Salaries are benchmarked externally every two years. Changes to individual packages are reviewed and validated by the Remuneration & Nomination Committee (RNC).

The RNC also sets and approves performance indicators for bonus plans and validates total annual payouts. These structures are designed to support long-term, sustainable value creation.

9.

Shaping sustainable careers and worker experience

9.1   Learning & Development Campus

SD Worx is successfully navigating an ever-evolving market and continues to grow in size, customer base, workforce and financial performance. We strive to act as one company, regardless of business unit or location, by using standard operating procedures for all. While our technical expertise and innovative solutions remain vital to this ambition, we also need to develop future-focused competencies to thrive in a rapidly changing world. To support this positive growth, we need an engaged, capable and continuously learning workforce.

Our training policy drives sustainable employability by encouraging employees to develop both (1) technical and functional skills for their current role, and (2) competencies that prepare them and the company for the future. Every employee has access to training throughout their career, spanning the full employee lifecycle. This includes tailored programmes for new joiners, skill-building for experienced colleagues and specialised learning paths for experts – ensuring continuous growth and development at every stage.

In recent years, we've increasingly focused on developing and implementing training that reflects the SD Worx culture. This includes workshops on our corporate values, the Self-Leadership Workshop, and the Positive SD Worx Leader Workshop. To boost internal knowledge sharing, we also offer train-the-trainer programmes, enabling colleagues to become trainers in their own areas of expertise.

9.2   Leadership development @ SD Worx

At the heart of our ambition to be 'the trusted HR provider of Europe' lies strong, impactful leadership – leaders who achieve results with their teams and help employees grow as both experts and individuals.

To support this, we've developed tailored training tracks for managers. For first-time leaders, we offer the comprehensive "Start to Manage" programme based on our Positive SD Worx leadership model. For more experienced leaders, the "Start to Lead" programme provides advanced tools and strategies to further strengthen leadership impact. These programmes empower leaders at every level to grow and drive positive outcomes.

Our Learning & Development Campus aligns training courses across countries and business segments. With a mix of digital and classroom-based courses delivered by both internal and external instructors, employees can tailor their learning journey to their individual development needs and pace.

- Class: courses with instructor (physical or online)
- E-learning: education through tools without a facilitator

23% E-learning

77% Class
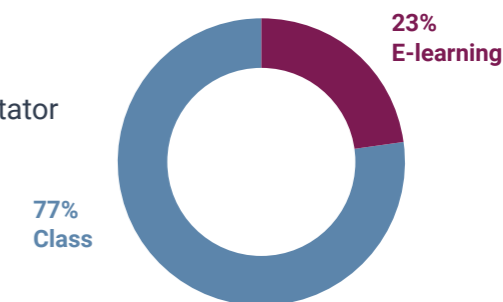
Note:
The increase in overall learning hours is driven by the continuous organisation of our corporate trainings and our efforts to improve training registration within the SD Worx Learning Management System.

	2024			2023		
	Employees	Learning hours	Hours/FTE	Employees	Learning hours	Hours/FTE
Female	5,192	80,368	15.5	4,131	58,029	14.1
Male	3,166	29,825	9.4	2,526	27,016	10.7
TOTAL	**8,358**	**110,193**	**13.2**	**6,657**	**85,045**	**12.8**

Note: Figures exclude contingent staff.

9.3 SD Worx Academy

SD Worx Academy offers training and education programmes for everyone's taste, built on a wealth of expertise (payroll, socio-legal, HR and learning & development) and our core HR business activities covering the entire employee and employer life cycle.

Characteristics of our offering:

- Specialised and experienced trainers bring complex topics, such as legislation, to life through both standard and tailor-made courses.
- Fully flexible: online or in-person, live or on-demand, high-level or in-depth, theoretical or practical, or a mix.
- Courses are available at every level: beginner, intermediate, advanced and professional.
- Learning activities are directly related to real-life business practice and provide opportunities to network with peers.
- SD Worx Academy stays ahead of HR trends and legal changes: training and courses are constantly updated and expanded.
- SD Worx Academy improves continuously its agile learning platform, giving customers access to innovations such as sneak previews of online learning methods, podcasts, virtual learning and more.

"The SD Worx Academy is the learning partner for payroll and HR knowledge, delivering expertise in a variety of learning formats so our customers feel supported in their growth."

Ria Vermeir, Business Manager Outsourcing Services & Academy BE

10.

Work lovability and human energy

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A shared responsibility for employee wellbeing

As an employer, we aim to provide a stimulating work environment with the best possible conditions for every employee. To be an employer of choice, we must do everything we can to make our employees feel good at work.

First and foremost, employees need meaningful responsibilities and fulfilling work. Autonomy and the opportunity to contribute to the bigger picture are essential. That's why we focus on offering meaningful roles and providing opportunities for talent and career development. We place strong emphasis on internal mobility, learning and advancement.

We also have a duty to create a culture and environment that support these ambitions. That's why health, safety and well-being are integrated into our daily policies. The Board of Directors, leadership team and managers are responsible for putting these principles into practice, in line with our value statements. This shared approach empowers everyone – leaders and employees alike – to take responsibility for well-being at work.

Beyond our legal responsibilities regarding safety, we have introduced a wide range of initiatives to promote physical, mental, social and financial well-being. Through our #WeSPARKyourWellbeing campaign, we inform employees about various resources – from the Brain@Worx programme and mental health hotline to yoga sessions, the Fit@Work campaign, ergonomics e-learning and access to ergonomics coaches.

All information is accessible via a dedicated portal. Social activities such as parties and the well-loved SD Worx radio sessions add to the sense of connection. Employees are also encouraged to take the lead: those who launch their own health, sports, cultural or social initiatives can receive financial or administrative support from SD Worx.

We continuously review and adapt all activities in this People domain, always looking for new ways to enhance our employees' well-being.

EAP

Take the launch of a new international Employee Assistance Programme (EAP), for instance. This professional and fully confidential support service is available not only to employees but also to members of their households. It helps with a wide range of personal and work-related challenges – including mental, social, financial and legal issues. The EAP encourages employees to seek help early, helping to prevent issues from escalating and reinforcing the sense of support from their employer.

In 2024, we selected Pulso as our partner, based on their international platform and strong network of certified local providers in every country where we operate. It is essential that employees receive support not just of high quality, but also in their native languages. Pulso also offers digital access via an online portal and e-learning modules, making it easier for employees to reach out for help when they need it.

Pulso's experience with complex international organisations and broad service offering made them the ideal partner for SD Worx.

EAP rollout in 2025

Rollout of the EAP programme began in March 2025 across most SD Worx countries. In some markets, such as the UK and Germany, implementation will follow later in the year, to align with local processes, legislation and consultation with employee representative bodies.
The rollout is phased and adapted to the specific needs of each country. Employees are informed through multiple channels, including local info sessions, SharePoint and a comprehensive communication strategy.

With this programme, we aim to continuously invest in employee well-being, strengthen resilience, and contribute to a sustainable and inclusive workplace.

Brain Balance model

To promote well-being at SD Worx, we place strong emphasis on building awareness – both individually and among managers – of how our brains function. For this, we use the Brain Balance model developed by Professor Steven Poelmans, associated with institutions such as the Antwerp Management School.

This science-based model highlights nine types of activities our brains need to stay balanced and healthy: Focusing, Disconnecting, Sleeping, Moving, Playing, Routine, Relating, Reflecting and Nutrition.

To support this, SD Worx has created a dedicated SharePoint section and a series of e-learning courses linked to these activities, which are available to all employees. A full training curriculum is also in development, beginning with HR and later accessible to anyone interested across the company.

"We offer a range of e-learning courses inspired by the Brain Balance model. The aim is to give all our employees the opportunity to become more aware of their personal well-being by following e-learning sessions that contribute to keeping their brains balanced and healthy, e.g., focusing, decompressing, sleeping."

Eric Junes, Senior Talent Project Manager

Occupational health and safety

Our global workforce of 10,000 people is our greatest asset. We want work and the workplace to spark our people to thrive. A safe and healthy working environment is a right, and it's our duty to provide it.

That's why we focus on the following priorities:
• preventing accidents
• avoiding physical, psychological, material and environmental harm
• promoting physical and mental health
• providing a healthy, safe and pleasant workplace
• complying with all applicable safety and health laws and standards

SD Worx promotes health and safety management initiatives that are tailored to the autonomy and needs of each individual and entity within the Group. We are committed to developing and managing systems that go beyond legal compliance, offering meaningful and proactive support for our employees' well-being.

To accomplish 'safety' objectives, SD Worx commits to:
• appointing dedicated health, safety and environment (HSE) staff to minimise occupational risks and ensure that all measures are implemented and functioning optimally. These specialists advise management on actions to maintain a safe, healthy and optimised working environment.
• identifying and assessing risks related to our activities, processes and working environment
• conducting technical inspections, controls, and preventive checks with support from internal and external parties in our offices
• analysing incidents to enable the introduction of preventive measures
• developing and regularly updating contingency and emergency plans
• systematically consulting internal and external experts during procurement and tendering processes

To accomplish 'health' objectives, SD Worx commits to:
• onboarding new employees with the necessary health and safety information
• offering a variety of health and well-being initiatives
• communicating transparently about all aspects of our welfare policy
• implementing procedures to prevent and address issues such as violence, harassment and discrimination, and offering appropriate support
• providing all employees with medical insurance; employees are invited to regular medical check-ups to enhance overall well-being at SD Worx
• offering counselling and support for employees with work-related physical or mental health issues through internal and external professionals
• guaranteeing the right to (digital) disconnection
• actively supporting the reintegration of employees after long-term absence

We expect all employees to cooperate in reporting hazards and deficiencies to achieve our health and safety goals. Consultation on health and safety matters between management and employees takes place through safety committees and/or works councils. Health and well-being are interrelated concepts.

H&S indicators

The table shows 2024 figures for health and safety indicators, including work-related accidents (WRA), total recordable incident rate (TRIR) and incident severity rate (ISR).

Entities included (>85%)

# work-related accidents (WRA)	15
# fatalities	0
# reported WR ill health	5
# days lost WRA	56
# commuting accidents	27
# worked hours	10,156,311
TRIR (Total Recordable Incident Rate)	0.2954
ISR (Injury Severity Rate)	1.103
% coverage H&S mgt system	**85**

"SD Worx's focus is on a wide range of well-being and DEIB programmes that also contribute to sustainable careers and a great employee experience."

Marc Vermeesch, Prevention advisor Belgium

In 2024, we introduced a new engagement platform, Eletive, to further strengthen employee experience at SD Worx. With a sharp focus on action-driven self-leadership, Eletive connects insights to actions at three levels: organisation, team, and individual.

Through anonymous, voluntary surveys – available in employees' native languages – we encourage everyone to reflect on their own engagement results and take ownership of their engagement. Each participant receives a personal engagement report, along with practical advice, empowering them to make a real impact on their work experience and environment.

Beyond the Employee Net Promoter Score (eNPS), the new Engagement Index offers deeper insights into employee well-being and motivation. A high Engagement Index signals strong conditions for outstanding performance and sustainable productivity, helping employees/managers grow into even more effective (self)leaders.

Unlocking leadership potential: the SPARK JOYners Programme

At SD Worx, we believe that fostering leadership and entrepreneurial mindsets among our people drives innovation and growth. That's why we launched the SPARK JOYners Programme in 2023 – a transformative, year-long journey designed to empower 30 ambitious SD Worx employees annually. This initiative continued in 2024 with another cohort of SPARK JOYners, encouraging them to unleash their leadership potential through action-driven projects.

What is the SPARK JOYners Programme?

This exclusive initiative combines mentorship, training, and hands-on experience to develop future leaders within SD Worx. All our employees can apply to join the SPARK JOYners programme, a strategic project group. For an entire year, they get support in their leadership journeys through discussion groups, training sessions, mentorships, and team days.

Participants are paired with mentors from our senior leadership team, gaining personalised guidance while contributing bottom-up feedback to shape SD Worx's future. They also collaborate in cross-functional teams on micro-innovation tracks, pitching ideas directly to leadership during our Leadership Days. Winning projects get the green light for implementation, giving participants the opportunity to see their ideas come to life.

Sparking innovation from the inside out

To foster a culture of bottom-up innovation and recognise the talent within our organisation, we launched the Micro Innovation Track. During this six-month journey, SPARK JOYners worked in teams to turn bold ideas into tangible improvements. The aim? To roll out small but impactful changes to our current service delivery model and strengthen the long-term sustainability of innovation across our organisation.

In 2024, six projects were brought to life: Project CHIP, The Circle of CX, People Dashboard, Improve Employee Experience, Increase Automation & AI Culture, and Optimising the Invoicing Process in International SMEs. Each project tackled a different business challenge, yet all shared the same drive: to make a real difference from the ground up.

The winning initiative, People Dashboard, impressed with its forward-thinking approach to workforce insights. Built as a central, intuitive cockpit, the dashboard consolidates historical data to support more informed, data-driven decisions. It enables clear target setting at every level and highlights the often-overlooked influence of human factors on financial performance.

Diversity, equity, inclusion, belonging (DEIB)

We believe that diverse perspectives generate stronger ideas and better solutions for the complex challenges of a changing, globalised world. Acting as one company, we aim to leverage the full strength of our international presence. Respect, trust and care for one another form the foundation of our culture, with diversity firmly embedded in all our corporate values.

We have defined clear ambitions:
- Talent: We provide equal opportunities to recruit, retain and develop talent that fuels innovation.
- Workplace: We celebrate individuality and foster an inclusive working environment.
- Marketplace: We reflect the diversity of the markets we serve and promote inclusion among all stakeholders.

Our commitment to DEIB is also reflected in our parental leave policies across the Group. Considering both part-time and full-time leave schemes, we monitor return-to-work rates for employees returning after their leave and/or after 12 months. Given the diversity of local legislation, we adopt a country-by-country approach. For example, in Belgium, the return-to-work rate consistently exceeds 90%.

To strengthen our understanding of diversity in all its dimensions, we organise regular training sessions on topics such as unconscious bias, cultural awareness, and female leadership through our successful Female Leadership Programme. We also engage with the wider business community to promote DEIB, while encouraging open communication internally through initiatives such as our participation in events like Antwerp Pride.

We focus on the many dimensions that shape diversity — including age, gender, nationality, job function, seniority, and Hay level — across our workforce. Through a dedicated internal portal, we track and monitor a broad range of diversity insights to guide our actions. Our DEIB Charter is available on our corporate website.

Together with Inclusion Now

In 2024, SD Worx partnered with Inclusion Now, an external consultancy specialising in DEI research and strategic implementation. As part of this collaboration, Inclusion Now conducted interviews and focus groups to uncover the root causes of challenges within our international hubs.

This resulted in several key outcomes, including the development of inclusion guidelines to support international collaboration and the creation of a clear roadmap to address cultural barriers. One of the initiatives on this roadmap was the launch of SD Worx Cultural Diversity Month, a global celebration of diversity across all our locations.

To further embed inclusivity into our culture, we delivered several DEI-focused training sessions, including unconscious bias training, aimed at raising awareness and fostering a more inclusive workplace environment.

Looking ahead, we plan to expand our participation in Pride celebrations and broaden the range of DEI training programmes available to employees across the Group, so we create workplaces where every employee feels empowered, included and supported to succeed – no matter where they are.

"At SD Worx, we operate across 27 countries, bringing together a wealth of diverse cultures. To celebrate this, we dedicated October 2024 as 'Cultural Diversity Month,' an initiative by the DEIB team to spark conversations, foster cultural awareness, and celebrate the richness of our global team. By learning from each other, we strengthen our connections and create a more inclusive workplace."

Emma Diederik, Recruitment Marketing

11.
Corporate social responsibility (CSR)
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SD Worx Fund

Through the SD Worx Fund, established in 1999, 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, SD Worx Fund 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.

https://www.kbs-frb.be

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.

SD Worx Fund initiatives

DUO for a JOB

In our globally mobile and diverse society, fostering inclusivity is crucial to ensure that everyone can find their places and actively contribute. To promote a more inclusive labour market, DUO for a JOB offers an intergenerational and intercultural mentoring program. This initiative pairs young jobseekers with volunteers over 50, who meet weekly for six months. Together, they share experiences and collaborate to enhance the mentee's job prospects.

www.duoforajob.be

PROFO

PROFO empowers young people and their networks through various projects to promote their personal development, well-being and participation in the labour market.

https://www.profo.be

#SheDIDIT

Since 2018, #SheDIDIT has been offering individual business coaching to women with migrant backgrounds. This program guides them through every step of starting their own businesses as an alternative to traditional employment. Participants can develop entrepreneurial skills, boost their confidence, become experts in their fields and create a future aligned with their visions.

https://www.shedidit.be

BeCode

BeCode provides pre-qualification training in digital professions. It targets the most vulnerable job seekers in the Walloon and Flemish regions. The goal is to improve their access to professional careers.

https://becode.org

YouthStart

YouthStart offers a free 8-day training course for disadvantaged young people aged 16-30. This program empowers them to become entrepreneurs in their own lives. It provides essential self-awareness, attitudes and skills to encourage lifelong learning. Participants can launch successful careers or start their own projects, business-related or otherwise. The focus is increasingly on vulnerable youth with low levels of education.

https://youthstart.be

Interface3

Interface3 aims to expand and diversify employment opportunities for women. They want to help women build strong career foundations. In today's job market, computer skills are not just important but indispensable.

https://www.interface3.be

Governance of the SD Worx Fund

CSR Committee (Board of Directors level)	CSR steering group (SD Worx employees)
• **Assignment:** general follow up on the functioning of the CSR Steering Committee and approval of new structural partnerships; • **Meeting frequency:** twice annually; • **Composition:** members of the Board of Directors.	**Assignment:** • propose new projects to the CSR Committee (major projects); • present new projects to the executive committee (small projects); • contract structural partners; • determine KPIs in collaboration with social enterprises and montor project progress; • budget control.

SD Worx community initiatives in 2024

Local charity sponsorship and donations in Finland

In 2024, SD Worx Finland proudly continued its sponsorship of Team Rynkeby, an international charity cycling team raising funds for critically ill children. 2091 amateur cyclists from 64 teams across 8 countries biked to Paris to support children with cancer and their families. All sponsorship money goes directly to the charity, with cyclists covering their own costs. SD Worx sponsors the local Espoo team (where the main SD Worx Finland office is located), and a colleague even joined the ride!

At Christmas, Finland colleagues donated to Save the Children Finland, helping prevent social exclusion and support underprivileged families. This donation also allowed SD Worx to use the charity's Christmas card template, spreading awareness of this vital cause.

Making a difference in Ireland

SD Worx Ireland colleagues have raised funds for several worthy charities through various activities, including:

- An Easter bake-off for the Irish Cancer Society
- A fundraiser for CRY, supporting young people at risk of sudden cardiac death
- A 5km corporate run for DePaul, aiding those facing homelessness
- Christmas donations for the ISPCC, supporting children in need

Making moments matter' in Mauritius

Each year, the SD Worx Payback Foundation hosts various activities to support the local community in Mauritius. The 2024 theme was 'Making Moments Matter' including:

- Celebrating Mother's/Father's Day with the elderly to bring warmth to their day
- Hosting a food corner and food raffles
- Donations of food items, clothes, and toys to **Crèche Coeur Immaculé** in Quatre Bornes, and donations of an oven, food items, clothes, and toys to **Monad Charity**
- Organising and attending an outing to Cine Star and Dodoland for kids from **Pure Mind Haven**
- A significant contribution to senior residents of **Gayasingh Ashram** by donating four Full Fowler Manual Beds and comfortable mattresses
- Renowned makeup artist **Siddiquah Rujak** hosted exclusive classes at the office, raising donations for the **Monad Charity**
- Celebrating Diwali by volunteering, helping decorate and serving delicious sweets with amazing children from the **Women in Distress** Association

Going above and beyond in Germany

Since 2015, SD Worx has supported and arranged events for Bad Homburg children's home in Germany, which shelters children from difficult housing backgrounds and provides education, sports and cultural projects as well as safety. In 2024, the highlight event was an organised canoe trip down the River Lahn to spend time and have fun with the children, followed by a BBQ and award ceremony with SD Worx medals for all children involved.

Building harmonious relationships with collaborative partners

SD Worx prioritises great collaboration with customers. That's why SD Worx invited Decathlon Germany to an onsite meeting at the office, to cover feedback, ways of working and SD Worx updates, followed by an evening of fun in Frankfurt at an Escape Room experience.

Supporting Spain after storm DANA

Storm DANA devastated parts of Spain with catastrophic flash flooding. SD Worx and Protime donated to the Spanish Red Cross with the aim of contributing to the recovery of the affected areas and providing direct support to the people and communities most in need.

Helping families in need – The Noble Parcel Project

SD Worx Poland organises an annual collection for Szlachetna Paczka, one of the largest social donation programs in Poland. The team raised funds to purchase all wish list items for the family that was selected to support. A comment from the family: "Thank you so much for being here. I can't believe that there are people who can simply help like this. Best wishes to all our donors!"

Fundraising for animal shelter

In November 2024, in connection with National Mutt Day and the approaching winter, a fundraising event was organised for the local animal shelter in Chorzów. Through the generosity of SD Worx employees, dry dog food and wet cat food as well as cleaning supplies for disinfecting animal cages after medical procedures were collected.

Fundraising for health equipment and cancer treatment

Every year, SD Worx colleagues in Poland support the Great Orchestra in achieving common goals aimed at bettering the lives of the needy. On this occasion, SD Worx helped the Foundation in raising funds for life-saving equipment and devices for hospitals, oncology and neurosurgery.

From coffee mornings to spreading Christmas cheer in the UK

The UK's Fun@Worx committee organised a host of events to support charities throughout 2024. To raise money for Macmillan Cancer Support – a charity providing services for people living with cancer at every stage of their cancer experiences – coffee mornings were hosted in both the Manchester and Glasgow SD Worx offices to raise funds.

A 'Big Brunch' was organised where SD Worx colleagues gathered for breakfast in exchange for a small contribution to mental health charity, MIND.

Every child deserves gifts on Christmas Day, no matter their circumstances. That's why SD Worx colleagues also present toy donations to Glasgow's Spirit of Christmas and Wood Street Mission – both charities that help children and families affected by hardship or living in poverty.
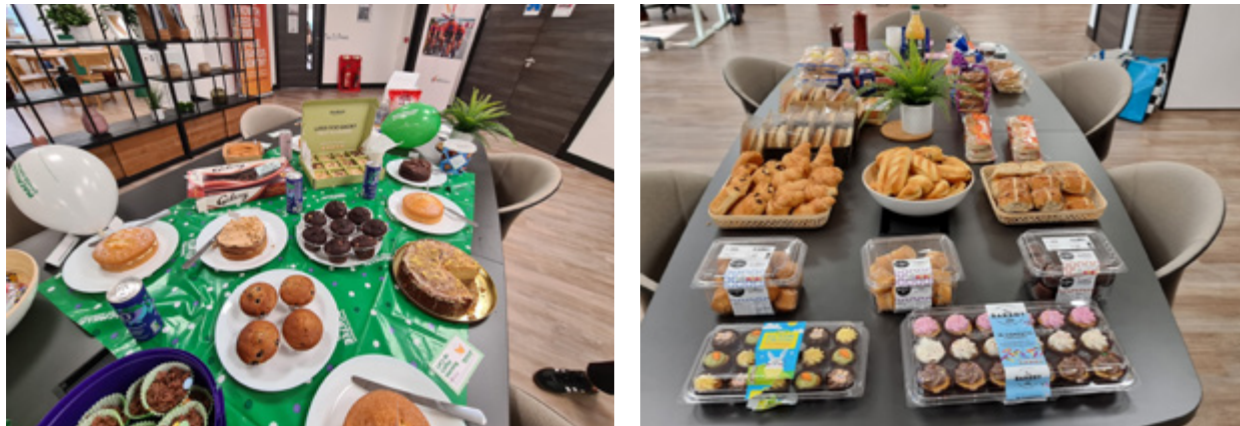
Time for society

Every year, Protime employees are given a day off to volunteer for a charity of their choice. In December 2024, Protime colleagues arranged several activities for the charity event 'De Warmste Week', an initiative to fight loneliness and bring warmth through various community activities.

Activities included selling homemade goods to raise funds, and colleagues could pay to sign up for a 'dropping' challenge where teams had to find their ways back from different locations as quickly as possible.


#WeSparkPride

As an official corporate partner of the 17th edition of Antwerp Pride, SD Worx wanted to #SparkPride as part of its inclusion & diversity activities, alongside enhancing employer branding. A booth on site told visitors all about SD Worx, and colleagues volunteered to participate in the Pride Parade on an official SD Worx truck.

Supporting Stichting Ambulance Wens

Stichting Ambulance Wens is an organisation that fulfils the last wishes of terminally ill and bedridden individuals. SD Worx employees in the Netherlands have facilitated individual donations during monthly get-togethers and quizzes (via donations made through QR codes).
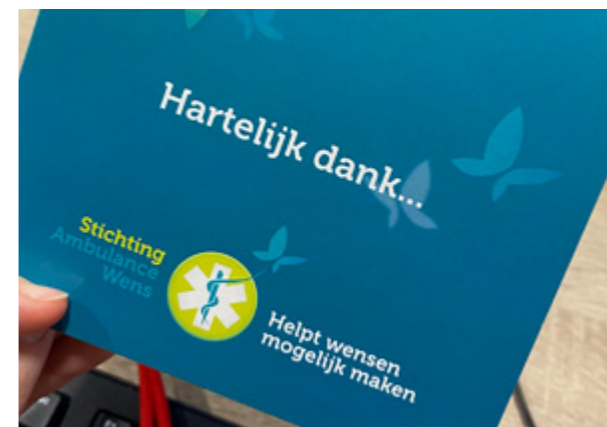
Cycling for the fight against diabetes

For the past 10 years, SD Worx has supported Climbing for Life – an organisation dedicated to the fight against diabetes. Each year, the organisation arranges an event where people can walk, cycle or run together – with part of the registration fee donated to diabetes charities. The 2024 edition saw SD Worx colleagues come together in Voges, with SD Worx funding the registration fee and providing a branded outfit for all SD Worx participants.

100 km run and 1000 km bike ride in Belgium to support KOTM

To support the Kom Op Tegen Kanker organisation (Fight against Cancer), 32 SD Worx Belgium colleagues fundraise to join two activities – a 100km run and a 1000km bike ride against cancer. The SD Worx Executive Committee contributed half of the fundraising amount, with organised events generating the remaining funds. This includes wooden Christmas tree sales, bake sales, hosted breakfasts and the 9th annual SD Worx quiz with the enthusiastic participation of many colleagues!

SME team building

The Belgium SME team chose to support local initiatives and the environment during their team building days. Teams took a painting class at the inclusive creative studio of SJARABANG VZW, guided by people with intellectual or multiple disabilities, and participated in sustainable 'cooking battles' at Groentig using leftovers and vegetables that weren't "attractive enough" to sell in supermarkets.

Het Rode Kruis: donating blood together

Each year, including in 2024, SD Worx employees can donate blood at the SD Worx Antwerp headquarters. The blood donation is facilitated by "Het Rode Kruis" (The Red Cross), an independent voluntary organisation that is part of the international Red Cross network.

Local support at SD Worx Sweden

Colleagues in Sweden have organised initiatives to support local charities, including a jacket collection for Frälsningsarmén a charity supporting vulnerable people in society, and participated in Blodomloppet, a race aimed at raising awareness of the need for blood donations with the opportunity to donate themselves.

Norway

A Pink Ribbon Campaign was organised in **Pink October** where muffins and pink ribbons were sold at the office, with all proceeds going directly to **breast cancer research**.

In the **Movember period**, along with a contest for the office's **best moustache** in November, SD Worx colleagues in **Oslo** sold cakes, with the proceeds going to important projects related to prostate cancer, testicular cancer, and men's mental health. The funds raised were donated to the **Prostate Cancer Association**.

Austria

Colleagues from SD Worx Austria participated in a fundraising running event in Vienna in a charity initiative called "Herzlauf".
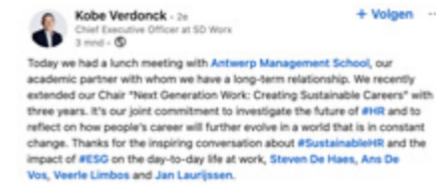

France

SD Worx France continued its collaboration with Association Marie Notre Etoile, an association which fights against paediatric cancer, and donated in 2024 to fund cancer research.

12.
Sponsorships

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Chair at the Antwerp Management School

In 2024, SD Worx and Antwerp Management School extended their long-standing collaboration for another three years. Through our participation in the 'Next Generation of Work' Centre of Expertise, we actively support research focused on shaping sustainable career policies. The aim is to help employers and employees prepare for the labour market of the future. In 2022, we celebrated the 10th anniversary of the SD Worx Chair 'Next-generation work: creating sustainable careers'. This collaboration fits well with our materiality topics of Shaping the Future of Work and Shaping Sustainable Careers.

More information can be found on Sustainable careers

Cooperation agreement with VUB (Free University Brussels)

Since September 2022, SD Worx has a 3-year cooperation agreement with the VUB (Vrije Universiteit Brussels) for the Social Law Education Program, intending to attract (working) students interested in social law. Several students will be placed at SD Worx.

The VUB is the only university in Flanders to offer an advanced master's degree in social law, accessible to those who do not have a master's degree in law. The programme is aimed at both graduates and professionals, and the best master's thesis receives a prize from SD Worx.
SD Worx is involved in (guest) lectures on legal issues related to HR and company reorganisation.

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.

SEISMEC – Piloting the Shift to Human-Centric Industry

Reshaping Work Fellowship

The Reshaping Work Fellowship brings together recent graduates, early-career researchers, and young professionals passionate about the impact of digital technologies on work and labour markets to inspire evidence-based changes. Focused on critical areas such as AI deployment at work, the platform economy, and skills and talent management, fellows help raise awareness about these important issues within a broader future-of-work community. Fellows bring complex findings into clear focus, facilitating easy understanding and engaging in meaningful discussions with policy makers and stakeholders.

https://reshapingwork.net/our-fellows/

Team SD Worx-Protime races for a better tomorrow

In 2024, Team SD Worx-Protime celebrated no fewer than 69 victories, making it a record-breaking year, with triumphs at Paris-Roubaix and the Vuelta Femenina, to name a few. These achievements reaffirmed the status of Team SD Worx-Protime as the world's best women's cycling team on the UCI ranking. As together we are winners, we were happy to renew our commitment as the main sponsor, extending our partnership until 2028.

Kobe Verdonck, CEO of SD Worx: "When we became a sponsor in 2020, we set two key objectives: to fuel the professionalisation and growth of women's cycling and to significantly increase our brand's international presence. Looking back, we're immensely proud of the strides we've taken. Having already extended our main sponsorship until 2026, we're excited to announce an additional two-year extension."

Together we are winners

Just as in HR and payroll, cycling brings together talent, technology and teams to address the toughest challenges. By supporting women's cycling, we put our money where our mouth is and enable female talent to reach its maximum potential. Just as in a cycling team, SD Worx achieves success by working with individual talents and excelling through team spirit. This force brings people together – at work, in life and in society – and it sets things in motion.

That's why our partnership with Team SD Worx-Protime is a match made in heaven.

We also continued this winning streak off-road by donating numerous shirts to charities, raising money for good causes and supporting local youth cycling clubs.

Highlights of 2024

Fighting cancer together
Team SD Worx-Protime donated 20 cycling shirts to support organisations such as 'Kom op tegen Kanker' and 'Think Pink', contributing to awareness of and the fight against cancer.

Supporting our youth
We donated clothing and helmets to youth cycling teams, enabling them to ride with professionalism and safety. Additionally, world champion Lotte Kopecky donated her green jersey to help raise money for the renovation of a primary school, contributing to a total amount of €12,000.
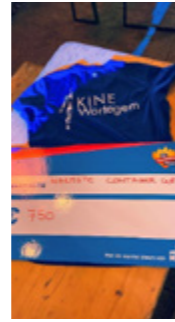
Sponsoring the 'Warmste Week' with a yellow jersey
The charity campaign of the 'Warmste Week' was all about fighting loneliness. Together with a local organisation we raised a total of €750 by gifting yellow jerseys, fluorescent backpack protectors and water bottles.

For the smiles of children
We always want to bring joy to children's lives. At each race, we make time to create unforgettable memories by handing out autographs, taking photos and giving away shirts.

Governance

Governance highlights

Set up AI governance	Review of policies: security, risk, business continuity, data retention, …	New corporate Health, safety and environmental policy	Set up ESG office
New Executive Committee Governance Charter	Launch of sustainability survey at organisational level	Company-wide double materiality assessment	

13.

Governance structure

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SD Worx aims to follow best practices in corporate governance – as set out in the Belgian Corporate Governance Code 2020, which applies to listed companies – while considering the specific context of the organisation. The Group believes that transparency and conscious and effective responsible management are key elements of sound corporate governance.

General Assembly

The General Assembly or General Meeting involves all the shareholders and members of the company. It acts as the link between the Board of Directors and the company's shareholders.

Its main tasks are:
- changing the articles of association
- appointing and dismissing directors and members of the supervisory board and discharging them from services rendered
- approval of the budget and annual accounts
- profit appropriation (limited company)

Board of Directors (BOD)

The BOD has a strategic and control function and ensures that the company operates with maximum efficiency. In practice, the Board defines the company's mission, strategy and general policies. It is also responsible for decisions relating to organisational structure, reorganisation, mergers and acquisitions.

The BOD oversees finance and investments, reviews the integrity of financial reporting and supervises the internal audit function. The Board also monitors budgets, spending patterns and the implementation of projects in line with strategic objectives, as well as the performance, remuneration and evaluation of members of the Executive Committee.

The BOD is assisted by two committees: the Audit & Risk Committee, the Remuneration and Nomination Committee. These committees have been mandated to analyse specific and specialised matters and report to the BOD to enable the Board to make decisions and fulfil its oversight role.

The BOD retains ultimate authority over all matters delegated to the committees. After each committee meeting, the committees report to the BOD on their activities and recommendations.

Each year, the BOD 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.

Structure and members

The Board is small enough to promote an efficient decision-making process, but large enough to ensure the necessary experience in the many disciplines relevant to the company, thus providing continuity. SD Worx aims to appoint a minimum of eight and a maximum of twelve directors. The structure of the Board is defined based on the required level of diversity and complementarity.

The BOD is the highest decision-making body of the company. It supervises the company in general and the management in particular. The Board is collectively responsible for the long-term success and performance of the company in the interests of all stakeholders. It is also responsible for all matters that go beyond the scope of individual legal entities. Its members are as follows:

Ginkgo Associates CommV, represented by **Filip Dierckx**, chairman
To Be Projects BV, represented by **Brigitte Boone**, director
Steven Buysse, director
Teresa (Tea) Colaianni, director
DCM Seagull CommV, represented by **Dirk Collier**, director
Michael Lavrysen, director
Georgette Schlick, independent director
Akeley BV, represented by **Jan Van Acoleyen**, director
Freyol BV, represented by **Frederik Van Bladel**, director
Fusion Inc BV, represented by **Koen Van Gerven**, director
Ellezé CommV, represented by **Kobe Verdonck**, director
Daniel Williamson, director

Audit & Risk Committee (ARC)

Role and decision-making

The Audit & Risk Committee supports the Board of Directors of SD Worx NV and those of its underlying entities in the execution of their supervisory function and has an enterprise-wide audit and risk oversight role over all entities in the organisational chart of SD Worx NV.

Specifically, the Audit & Risk Committee of SD Worx NV is competent for all entities in SD Worx and provides advice to the Board of Directors.

The Audit & Risk Committee is an advising authority and assists the respective Boards of Directors in:

• financial reporting
• risk management and compliance
• internal audit
• external audit
• ESG

The ARC provides independent advice and reasonable assurance with respect to the adequacy and efficiency of risk management, internal control and governance to the BOD, which is ultimately accountable and responsible for risk governance. In doing so, the ARC recognises the responsibilities delegated to other committees by the BOD and understands that the other committees may perform risk monitoring actions through their activities.

The ARC is authorised to investigate any matter that falls within its area of competence and is granted access to all related information. The ARC can request advice from external experts when needed and when this is a majority decision.

The ARC prepares a summary of its activities after every meeting, which is presented to the BOD by the ARC chairperson or a Board member who is also a member of the ARC.

In the reporting to the BOD, the ARC can include recommendations which require attention and action. The BOD decides which action should be taken following the recommendations.
The ARC meets on a frequent basis, with a minimum of four times a year.

Members

Frederik Van Bladel (Chairman), Filip Dierckx, Koen Van Gerven, Patrick De Vos, Brigitte Boone, Michael Lavrysen

Remuneration and Nomination Committee (RNC)

The Remuneration and Nomination Committee develops proposals for the appointment, remuneration and evaluation of the Board and the executive management of SD Worx and its subsidiaries.

Members

Dirk Collier (Chairman), Filip Dierckx, Teresa (Tea) Colaianni, Jan Van Acoleyen, Frederik Van Bladel, Steven Buysse

Executive Committee (EXCO)

Role

The Executive Committee acts on behalf of the BOD and meets frequently. It is a key communicator and serves in an advisory capacity between the BOD and the CEO. The role of the Executive Committee is to manage the day-to-day aspects of the Group's activities by:

- developing and implementing strategy, operational plans, policies, procedures and budgets
- driving and monitoring operating and financial performance
- assessing and controlling risk
- prioritising and allocating resources

In fulfilling its purpose, the Executive Committee gives due consideration to:

- overseeing the BOD development and evaluations
- supervising the CEO, including conducting performance evaluations and setting compensation
- balancing the interests of various stakeholders (employees, partners, clients, regulators and the public at large)
- upholding the integrity, brand and reputation of SD Worx
- planning the firm's future development

Executive Committee (EXCO)

Members (on 31 December 2024)

Kobe Verdonck, Chief Executive Officer
Nadine Aerts (Chief Finance Officer)
Patrick Barazzoni (EVP DACH, CEE & Adriatic)
Michael Custers (Chief Strategy Officer)
Magnus Engman (EVP Nordics, UK & Ireland)
Andrea Eschle (Chief Products Officer)
Bruce Fecheyr-Lippens (Chief People Officer)
Eric Janssens (Belgium SME)
Kelly Lespinoy (Chief Legal & Compliance Officer)
Sebastiaan Peeters (Chief Commercial Excellence Officer)
Tom Saeys (Chief Operating Officer)
Dominique Tassent (EVP Benelux & Southern Europe)
Gille Sebrechts (EVP Protime, SAP & INTL)

Members (from 19 March 2025)

Kobe Verdonck,
Chief Executive Officer

Patrick Barazzoni (EVP DACH, CEE, Adriatic & Nordics)
Michael Custers (Chief Strategy Officer)
Andrea Eschle (Chief Products Officer)
Bruce Fecheyr-Lippens (Chief People Officer)
Kelly Lespinoy (Chief Legal & Compliance Officer)
Raul Mattaboni (EVP Italy & Albania)
Sebastiaan Peeters (Chief Financial Officer)
Tom Saeys (Chief Operating Officer)
Gille Sebrechts (EVP Protime, SAP, INTL, UK & Ireland)
Dominique Tassent (EVP Benelux & Southern Europe)

The Group's ongoing expansion is well reflected in its Executive Committee.

EXCO has delegated responsibilities to:
- Market Team
- Risk & Security Board
- Facility Steering Committee

Market Team

The Market Team acts on a market level and is responsible for managing and growing its respective markets by:

- defining the strategy on a local level
- execute the go-to-market
- delivering the collective targets (financially and operationally)
- ensuring segment objectives are executed on local level, in line with overall market long-term strategy

Composition

- Leader = Market Leader
- Local representatives of
  - CET
  - Products
  - Portfolio
  - Local marketing
  - Legal & Compliance
  - People
  - Finance

Risk & Security Board

The SD Worx Risk & Security Board is responsible for managing the security and privacy of customer data by:

- setting and approving the corporate security and privacy policies and strategies
- acting as a forum to discuss and arbitrate any disagreements regarding security and privacy policies or investment issues
- reviewing major and critical security and privacy incidents and important changes in threats
- executing a yearly management review of the security and privacy management system

Composition

- Chief Risk & Security Officer
- Chief Legal & Compliance Officer
- Group Data Protection Officer

Head of Internal Control & Compliance
- BU management with a representative of:
  - Product owners
  - Facilities
  - Office managers

Facility Steering Committee

Provides the right, proactive and timely support so that SD Worx staff, customers, and visitors can function optimally by:

- ensuring the facility ambition, i.e. ensuring the physical infrastructure of our business is running as it should, as well as identifying areas for greater efficiency and cost-saving
- approve key decisions on budget requests

14.
ESG governance

To better understand how ESG is managed across the Group, it is important to consider the broader organisational structure of SD Worx. In line with sustainability reporting standards, we extend the reporting boundary upstream as this provides more insight into the ESG impacts of SD Worx along its value chain.

As set out in our 2024 Annual Report (Note 4. Group structure), WorxInvest, the parent company of SD Worx, is continuing the track record of SD Worx on a journey of becoming a diversified investment company with a long-term focus and ESG at the core of its investment strategy.

There are also three non-profit legal entities: two private foundations (Private Stichting SD and Private Stichting SD Patrimonium) and SD Worx for Society cv/so. The latter is fully linked to WorxInvest and is dedicated to the management of our CSR activities without the existence of a specific business goal that we seek to derive from it.

WorxInvest's investment priorities and capital allocation strategies may have an impact on the ESG activities and management of SD Worx. The same applies, for example, to the expenditure incurred through SD Worx for Society or SD Worx. A proper budget allocation system is in place to help decide whether certain expenses should be considered in the SD Worx ESG budget or channelled through the CSR activities of SD Worx for Society.

ESG Governance
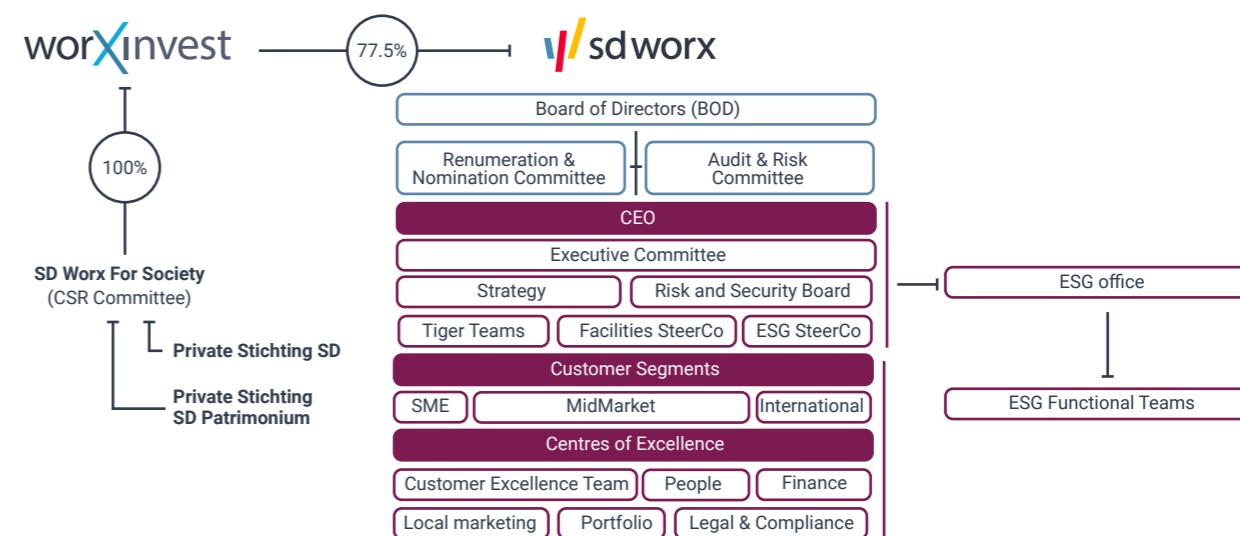
The ESG governance structure at SD Worx NV ensures that our corporate policies and ESG strategies are properly managed, implemented and adhered to. SD Worx has a three-tier structure consisting of the Board of Directors, the ESG Steering Committee under the Board of Directors and the ESG office, working with functional teams or ESG working groups. This structure ensures effective policy implementation, rational target setting, appropriate risk monitoring and timely performance tracking.

First, there are the traditional governance bodies like the BOD, Audit & Risk Committee (ARC) and the Executive Committee (EXCO). For ESG matters, the following additional provisions have been added to the ARC charter:

- recommending the overall strategy of SD Worx in relation to ESG matters
- overseeing SD Worx's policies, practices and performance in relation to ESG matters
- overseeing the company's reporting standards in relation to ESG matters and safeguarding
- providing assurance on ESG disclosures
- reporting to the BOD on current and emerging issues relating to ESG matters that may affect the business, operations, performance or public image of SD Worx or that are otherwise relevant to SD Worx and its stakeholders and, where appropriate, detailing actions taken in relation to them
- advising the BOD on significant stakeholder concerns relating to ESG matters

The ESG Office is an executive body that takes the lead in gathering SD Worx ambitions, oversees the double materiality assessment (DMA) and risk assessment and translates it into a strategic roadmap.

The ESG Office:
- connects with functional business owners who are responsible for executing the strategy and own the sustainability and risks
- oversees compliance, gets input on regulations coordinates reporting and data collection and ensures disclosing the mandatory data and reporting
- gives input to brand and communications for internal and external awareness creation and communication

An ESG Steering Committee was established that consists of members of the EXCO and relevant other participants. Material ESG topics are identified, discussed and managed. ESG actions and policy effectiveness are also reviewed by this committee.

Members

- Nadine Aerts (Chief Financial Officer)
- Michael Custers (Chief Strategy Officer)
- Dr. Steve Engelen (Integrated Reporting Officer)
- Bruce Fecheyr-Lippens (Chief People Officer)
- Sebastiaan Peeters (Chief Commercial Excellence Officer)
- Lesley Hellebuyck (Head of Internal Control & Compliance)
- Kelly Lespinoy (Chief Legal & Compliance Office)
- Gille Sebrechts (EVP Protime, SAP & INTL)
- Maurice Bisschop (CEO SD Worx Jobs)

To implement specific actions, ESG working groups have been set up, improving cross-departmental collaboration and taking ownership in each ESG focus domain.

- Environment Committee
- People Committee
- Governance Committee
- Portfolio Committee

ESG working groups are composed of subject matter experts who collaborate with colleagues, department heads, and members of the ESG Steering Committee. In a large, international organisation like SD Worx, fostering synergies and ensuring all business units work together is crucial. This collaboration drives the implementation of initiatives such as a structured reporting framework, under the coordination and guidance of the ESG Steering Committee or traditional management and Board governance bodies.

ESG dialogue

ESG is brought to life throughout our organisation through communication and dialogue. The table below summarises how the ESG dialogue is managed across the business, both internally and externally. While environmental, ethical, sustainable and governance issues are considered non-financial performance indicators, their role is to ensure accountability and systems to manage the impacts of a business that may affect financial results. There cannot be a disconnect between business strategies and corresponding ESG or sustainability measures.

As ESG becomes more prominent, there is an increasing need to focus on aligning our ESG objectives with our overall strategic drivers. For example, when considering M&A transactions or other business opportunities, due diligence is carried out to ensure that there is a cultural and social fit between SD Worx and the target company.

Stakeholder	Dialogue
Board of Directors	ESG strategic sessions and presentations
Executive Committee/ Senior leadership	ESG strategic sessions and department presentations, sounding boards
Audit & Risk Committee	Recommending ESG strategy, policy and practices Overseeing reporting standards and safeguarding assurance Informing BOD on ESG matters with respect to business practice, performance and image
ESG Steering Committee	Quarterly meetings to propose and validate ESG strategy framework and actions
ESG office	Weekly progress update on ESG roadmap, key performance indicators, sharing of best practices
ESG Functional Teams	Monthly alignment on objectives, actions, dependencies to execute ESG roadmap
CSR Committee	Bi-annual meetings, concerned with CSR decisions / SD Worx Fund
Participating, M&A transaction (investment team)	ESG due diligence, questionnaires, synergy/cultural fit check
SD Worx employees	Regular department meetings, presentations, awareness sessions Social impact matrix communication Engagement surveys, DEIB training sessions and workshops
Public	ESG reporting, social matrix actions and communication
Investors/shareholders	(Non-)financial results briefings, investor presentations, General Assembly

Because ESG covers many different domains, a one-size-fits-all approach is not appropriate. It's not enough to have a dialogue; we need to make sure that the entire workforce, our customer base and the wider community are well informed and empowered. This requires all stakeholders to be aware of and involved in ESG issues and activities. The fulfilment of our ESG objectives and ambition is realised by the entire SD Worx workforce. Hence, the importance of involving our brand and communications teams for internal and external awareness creation and regular communication around our ESG performance.

15.
Risk management

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Approach to risk management

SD Worx believes that good risk management leads to better operational and commercial decisions, fostering a growing, resilient and sustainable business. Risk management is an integral part of everything we do. SD Worx operates under the 'Three Lines Governance Model' to ensure strong governance and risk management practices.

- The first line, consisting of the teams that deliver SD Worx products and services to our customers and their support functions, owns and manages risk, maintains effective internal controls and implements risk and control procedures for the delivery of services to our customers.
- Our second line consists of our specialist functions such as legal, cybersecurity, data protection, internal control and compliance, which support the management of risk and our internal control environment. The second line functions 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.
- Finally, 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 Governance Model

Board of Directors
Accountability to stakeholders for organisational oversight

Audit & Risk committee

Executive Committee
Actions (including managing risk) to achieve organisational objectives

Group Internal Audit
Independent assurance

First line roles:
Provision of products/services to customers; managing risk

Second line roles:
Expertise, support, monitoring and challenge on risk related matters

Third line roles:
Independent and objective assurance and advice on all matters related to achievement of objectives

Everyone in the organisation

Internal Control & Compliance Risk & Security Legal

Group Internal Audit

External Assurance Providers

Key: Accountability, reporting | Delegation, direction, resources, oversight | Alignment, communication coordination, collaboration

SD Worx's risk appetite varies according to the activity undertaken and our strategic priorities. The Board defines its risk appetite for the activities in a risk appetite statement. When taking risks, we always ensure that the potential benefits and risks are fully understood before approving business developments and that appropriate risk mitigation measures are put into place.

Partners and suppliers are an integral part of our business practices and ecosystem. Therefore, we do not define specific or different risk appetite statements for partners and suppliers. Risk appetite statements are assessed and applied in the same way when working with partners and suppliers.

In terms of the governance process, both the risk appetite statement and the risk management process approach are validated by the Audit & Risk Committee and the Board of Directors. The management teams of each market regularly review their risk registers. Once a year, the key risks for the organisation are reviewed by the Executive Committee as part of the annual strategy review and the top risks to the achievement of our objectives are agreed. These top risks are owned and monitored by the Executive Committee and are also reported and assessed annually by the Audit & Risk Committee.

"Managing risk is an integral part of how we do business. We believe that integrated risk management leads to better operational and commercial decisions, creating a growing, resilient and sustainable business."

Gert Beeckmans, Chief Risk & Security Officer

Risk & security

The Risk & Security Department assists management in assessing and monitoring risks and setting up the required risk management processes on a corporate level for the group. The team is focused on:

• enterprise risk management
• cybersecurity
• data protection
• business continuity

The Chief Risk & Security Officer reports semi-annually to the Audit & Risk Committee on the progress and results of the above activities.

Major risk areas

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, not ranked nor exhaustive.

Note 27 to 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.

Key risk	Description & impact	Mitigation
Macroeconomic unpredictability and volatility	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.	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.
Talent attraction and retention	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	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

Key risk	Description & impact	Mitigation
Cybersecurity	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.	Processes are in place to prevent and detect cybersecurity threats on a 24/7 basis, and security controls are embedded in our IT environment. A comprehensive threat and vulnerability management programme aims to identify and manage new vulnerabilities on time. With our group-wide ISO 27001 certification as the basis, we continuously improve our cybersecurity capabilities and our capabilities to withstand cyberattacks.
Disruptive technology	The tremendous speed of 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. 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.	SD Worx is investing heavily in new digital solutions through a large R&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.
Legal compliance with labour and tax regulatory frameworks	The covid pandemic has 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.	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 clients.

Key risk	Description & impact	Mitigation
Data protection regulations	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. Overall, SD Worx is exposed to a higher risk of non-compliance, which can result in significant claims, fines and reputational damage.	We have a dedicated Privacy and Data Protection Team who, together with our Group Data Protection Officer, ensure compliance with data protection regulations. SD Worx has invested in an ISAE3000 assurance report to demonstrate GDPR compliance for the processing activities we carry out for our customers.
Supply chain resilience	SD Worx relies on business partners to provide timely and accurate payroll and HR services. This risk has increased due to the increased demand for HR systems integration. Failure of a key business partner to deliver services on time due to cyberattack or technology or capacity issues could result in claims and reputational damage if SD Worx is unable to meet its obligations to its customer base.	We have a dedicated Privacy and Data Protection Team who, together with our Group Data Protection Officer, ensure compliance with data protection regulations. SD Worx has invested in an ISAE3000 assurance report to demonstrate GDPR compliance for the processing activities we carry out for our customers.
Sustainability/ESG transition	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.	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.

16.

Sustainable governance

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SD Worx is committed to maintaining the highest standards of ethical and compliant business practices both internally and while dealing with suppliers, customers and other stakeholders. That's why, within SD Worx, accountability, integrity and transparency are clear hallmarks of effective leadership.

Ethical business model

Together with our group policies (set up in a clear policy governance framework) and the risk appetite model, the Code of Conduct provides the foundation for SD Worx's business reflecting our core values, fundamental principles and rules of the organisation on how to interact with our stakeholders.

The Code contains many provisions that also ensure that we contribute to and implement the UN Sustainable Development Goals, contributing to our overall sustainable governance profile:

1. Human and labour rights: SD Worx upholds human rights and ensures a safe and respectful working environment. We promote diversity, inclusion, and respect for all individuals.
2. Compliance with laws and regulations: We strictly adhere to laws and regulations, including those related to corruption, bribery, fair competition, and economic sanctions.
3. Confidentiality and privacy: SD Worx prioritises the confidentiality and privacy of information, ensuring compliance with data protection laws and regulations.
4. Business conduct: We maintain high standards of integrity in all business dealings, avoiding conflicts of interest and ensuring transparent communication.
5. Environmental responsibility: SD Worx is committed to reducing its environmental impact through sustainable practices and initiatives.

Governance and reporting

SD Worx has established robust governance structures to ensure compliance with ethical standards. We encourage employees to report any concerns or non-compliance through dedicated channels, including a whistleblowing system.

Our Code of Conduct reflects dedication to ethical business practices, fostering a culture of integrity, respect, and sustainability.

In 2024, SD Worx made several notable changes to enhance ethical and good governance business practices:

1. ESG strategy: SD Worx redefined its environmental, social, and governance (ESG) strategy. This included a double materiality assessment to better align efforts with sustainable development goals.
2. New Executive Committee Governance Charter: an updated governance structure was communicated to clarify different roles and responsibilities and delegations by Executive Committee to the market teams and different boards/committees, including updated organisational charts for all leadership teams.
3. Talent development: We launched the MyMove platform to support career ambitions and skills development. This platform encourages feedback, appreciation, and visibility of career goals.
4. Internal mobility: The Switch programme was introduced to build talent pools and promote internal job mobility, focusing on inclusivity in recruitment.
5. Leadership and mentoring: SD Worx expanded its leadership and mentoring programmes, offering more opportunities for employees to develop skills and grow within the company.
6. Sustainability initiatives: We continued to work on reducing our carbon footprint and supporting green projects, as well as increasing efforts to collect data regarding waste.
7. Artificial Intelligence (AI) practices:

   - **Ethical AI practices:** Artificial intelligence (AI) is transforming the way we work by automating tasks, improving decision-making, and providing valuable insights into our business operations. At SD Worx, we embrace AI to enhance productivity, efficiency, and customer experience responsibly. However, while leveraging AI's potential, we must also address risks such as bias, privacy concerns, and unintended consequences, and recognise the legal and ethical concerns associated with AI in the workplace. A dedicated AI policy was drafted to set out principles for the responsible and ethical use of AI, ensuring alignment with our values and compliance with legal standards.
   - **Human-centric AI:** AI should complement human skills by enhancing decision-making and fostering deeper thinking, not by replacing human judgment. SD Worx ensures that AI supports human expertise rather than diminishing it.
   - **Training and development:** SD Worx emphasises the importance of training employees in digital skills and AI ethics to handle new technologies effectively.

17.
Social dialogue

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Right of association and collective bargaining

The right to collective bargaining and social dialogue has been rooted in the SD Worx project since its inception. Our Code of Conduct specifically addresses the right to freedom of association and collective bargaining. Respect for human rights at work is considered essential, and the Group ensures compliance with applicable legislation to ensure well-being at work and fair working conditions, including those governing working hours and remuneration.

One of the Group's core activities is to study all the legal aspects of social dialogue in the workplace and to share this knowledge with society. SD Worx has dedicated departments in the form of competence and knowledge centres that focus on expertise in social dialogue, working conditions and the legal aspects of working practices and payroll in general. This expertise is then shared through seminars, academic and professional events, and made available to clients and partners as part of advisory and consultancy services.

For SD Worx, collective bargaining 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. These topics can vary across Group entities, but dialogue related to health & safety, work hours, training and equal opportunities are generally shared via a centralised portal.

The Group ensures that the social dialogue is conducted properly for all its entities, in full consideration of national differences. During M&A activities, for instance, significant efforts are spent on due diligence to ensure that labour (law) practices and the right to social dialogue and collective bargaining are adhered to in line with the Group's ESG and stakeholder engagement practices.

Global Works Council

In 2024, our Global Works Council diligently advanced efforts to foster a constructive and transparent dialogue between employer and employees on matters affecting multiple member states.

The Global Works Council serves as a vital platform for SD Worx colleagues to voice concerns and suggestions from the ground up, thereby enhancing commitment, engagement, and the exchange of information across all participating countries. This initiative strengthens international cooperation and promotes solidarity.

In 2024, the SD Worx Global Works Council focused, among others, on the following key areas:
- Health and wellbeing offering: SD Worx provides a standardised external framework to support our colleagues' wellbeing, exceeding legal obligations.
- Fun@Work: This initiative allocates a budget for activities sponsored by SD Worx to enhance cohesion among colleagues.

18.
Communication of concerns

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SD Worx grievance and whistleblowing mechanisms

At SD Worx, employees are empowered to report complaints and instances of unfair treatment through various channels, ensuring different levels of anonymity. In alignment with the UN Guiding Principles on Business and Human Rights, our grievance mechanism is designed to be legitimate, accessible, equitable, rights-based, and a source of continuous improvement. Employees have the discretion to choose whether and how they wish to receive feedback through all available channels.

People Department

The People Department serves as a trusted partner to our employees. Our People Business Partners (People BPs) are the primary point of contact for addressing grievances, providing advice on potential solutions, acting as intermediaries, and escalating issues when necessary. Employees retain the choice to remain anonymous if they prefer.

Persons of Trust

We have designated independent volunteers as Persons of Trust, who can be approached by employees in case of grievances. These individuals are available to listen, represent the employee (if anonymity is desired), and support them during the escalation process.

External advisors

For grievances requiring objective assessment, SD Worx collaborates with external advisors to provide consultation and moderation services.

Whistleblowing:

SD Worx was among the first to implement the EU Whistleblowing Directive and its national transpositions ahead of the enactment date. We have established a comprehensive whistleblowing policy to complement the ethical compliance processes outlined in our Code of Conduct. In addition to an effective process, SD Worx offers a tool for employees to report illegal or unethical behaviour in the workplace. This tool is also available as a whistleblowing-as-a-service solution for our clients.

# 19.

Ethical business model and suppliers

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We take several approaches to manage social and environmental standards from suppliers:

- For high value RFPs, we screen suppliers via an ESG questionnaire to ensure that suppliers comply with basic environmental and social requirements
- We regularly check with existing suppliers and partners in our tier 1+2 (high-impact) space to ensure that they comply with environmental and social requirements

If suppliers do not comply with our basic standards towards environmental and social values, we will not partner with them. This is also reiterated in our procurement policy.

In 2025 SD Worx will also:

1. Launch a web portal which will ask all our suppliers to conform to a code of conduct. The code of conduct will set out our expectations for sustainability and ESG matters. This will apply to all suppliers in our total value chain. Any suppliers being onboarded will be asked to conform by means of a clause within our contracts, as well as when their records are created and administered on our internal platforms.
2. Within procurement, conduct more on-site visits to ensure that suppliers show no signs of breach of our expectations in terms of environmental and social values.
3. Create a business case to launch a new procurement platform by no later than 2026 which will integrate into Ecovadis so we can easily report on our suppliers' performance and any areas of risk. This initiative has been soft approved. This will also allow us to get a view of scope 3 or indirect emissions through our supply chain.
4. The above tool will also allow us to source from new suppliers including SMEs, allowing us to gain more engagement with these types of suppliers.
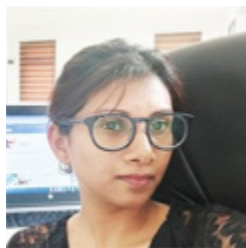
In 2024, we solidified our third-party assurance foundation with a deeper understanding of the security, data privacy, compliance posture, and sustainability efforts of our suppliers and partners.

Rooma Hurreeram, Manager, Third-Party Compliance Complaint-handling process

20.

Complaint-handling process

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To deliver more than good service to our customers and to excel in customer experience, we put the customer at the heart of everything we do, in line with our 'Dear Customer' corporate value and customer experience strategy described in the 'Stakeholder' section of this report. As we strive to ensure the same customer-centric approach in all our customer interactions, we have implemented a consolidated corporate complaint handling process. This process aligns all customer-facing teams around the process of handling and resolving complaints, including any ongoing transactions with complainants.

We strongly believe that an effective and timely solution will improve the complainant's perception of SD Worx. We strive to ensure that whoever handles the complaint has the tools, knowledge, and mandate to take appropriate action. The process for handling complaints consistently across the organisation is in line with our SPARK policy.

We consider an effective corporate complaint process as an essential element for building trust and transparency, enhancing customer satisfaction, and identifying systemic issues. By promoting ethical practices and supporting our ESG goals, we demonstrate our commitment to social responsibility. This process not only boosts our reputation but also strengthens relationships with our stakeholders, driving continuous improvement and sustainable success.

Additionally, our NPS Closing the Loop programmes play a crucial role in this process by ensuring that feedback is acted upon promptly and effectively. This commitment to continuous improvement helps us to address customer concerns, refine our services, and maintain high standards of customer satisfaction.

External assurance and recognition

As a European end-to-end HR solutions provider, we ensure that our customers can rely on secure solutions that are compliant with ever-changing industry standards and aligned with best practices. Our commitment goes beyond our marketing efforts, and we've focused on gaining independent approvals and certifications that are valuable to our customers. This is why we have created a Trust Centre, where our most authoritative credentials are available, on our corporate website.

"Building trust is the cornerstone of our commitment to excellence. As Chief Legal & Compliance Officer at SD Worx, I believe that unwavering commitment to compliance and security not only safeguards our integrity but also fosters enduring trust among our valued customers, dedicated employees, and esteemed stakeholders."

Kelly Lespinoy, Chief Legal & Compliance Officer

21.

Attestations

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Payroll is not only an essential business function; it also plays an important role in corporate culture. In addition, payroll data has become one of the most important assets in a company. However, payroll does not have to be time-consuming and complicated – not with an experienced payroll partner like SD Worx. Our leading payroll services and powerful payroll technology are subject to regular independent reviews, demonstrating how we succeed in sparking success at the heart of your business.

ISAE 3402

Issued by the International Auditing and Assurance Standards Board (IAASB), ISAE 3402 is an assurance standard specifically designed for outsourcing activities related to processes with financial impact, such as payroll. SD Worx does not stop there. We also cover several key IT support processes as we believe that payroll is a highly IT-driven activity. On an annual basis, an independent auditor assesses the quality of our (payroll) outsourcing services.

The subsequent ISAE 3402 report discloses all control activities and processes, including the auditor's opinion.
SD Worx issues annual
 ISAE 3402 Type 2 reports on selected payroll products and services. The report not only includes the service description of the controls but also confirms that we have performed the controls correctly over a defined period.

ISAE 3000

ISAE 3000 is an international standard for providing assurance on non-financial information. It is considered the standard for demonstrating compliance with the GDPR. This attestation confirms that SD Worx has established all the data security and privacy controls required to comply with the principles of GDPR.

SD Worx has achieved an ISAE 3000 Type 1 attestation, demonstrating that our internal control framework is designed to meet the stringent requirements of GDPR.

ECOVADIS assessment

SD Worx adheres to the highest standards in all areas, including sustainability. To communicate our standards and sustainability performance in a transparent way, SD Worx undergoes an annual independent assessment by Ecovadis. Ecovadis is widely used in service organisations and provides a sustainability rating and a scorecard that summarises our sustainability performance in simple metrics.

UN Global Compact membership

Our public accountability and commitment are also strengthened by our status as a signatory to the UN Global Compact network. With this status, we commit to integrating the 10 UN principles or core responsibilities related to human rights, labour, the environment and anti-corruption into our business practices through sustainable strategies, policies and operations.

Our public page: SD Worx | UN Global Compact.

An overview of the 10 principles: The Ten Principles | UN Global Compact

ISO 27001

Security controls are based on the ISO 27001 Information Security Management Standard and Framework. This framework ensures that we protect information systematically and cost-effectively through an information security management system and demonstrates to our customers and partners that we are protecting their data. This widely recognised standard aims to protect three aspects of information: confidentiality (only authorised people have the right to access information), integrity (only authorised people can change information) and availability (information is accessible to authorised people when it is needed).

SD Worx has already achieved formal ISO 27001 certification for a significant proportion of its activities and is currently implementing a program to ensure that ISO 27001 certification is achieved across all our group entities against the latest version of the standard, ISO 27001:2022.

ISO 14001

ISO 14001 is the internationally recognised standard for environmental management systems (EMS). It provides a framework for organisations to design and implement an EMS and to continually improve their environmental performance. By complying with this standard, organisations can ensure that they are taking proactive measures to minimise their environmental impact, comply with relevant legislation and achieve their environmental objectives. The framework covers a range of aspects, from resource use and waste management to environmental performance monitoring and stakeholder involvement in environmental commitments. ISO 14001 demonstrates an organisation's commitment to a sustainable future, combining environmental responsibility with strategic business growth.

SD Worx holds this certificate in Nordic countries (Finland, Estonia, Sweden and Norway) and in the Netherlands.

22.

Industry recognition

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The success of our people solutions isn't only highlighted by our happy customers. For us, analyst recognitions are also crucial to further strengthen our thought leadership, reputation, credibility and trust. Today we are recognised as a Leader by Everest Group, NelsonHall, Fosway, ISG, Avasant and QKS Group in 9 reports. Here's an overview of the recognitions we received in 2024:

"SD Worx stands out in Europe by offering comprehensive HR and payroll support, leveraging its strong local presence and expertise across 25+ countries in the region. Its commitment to expanding its footprint across Europe, coupled with its focus on enhancing platform capabilities through new payroll engines and integrating next-gen solutions as part of its offering, has reinforced its position as a Leader on Everest Group's EMEA Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment."

Priyanka Mitra, Vice President at Everest Group
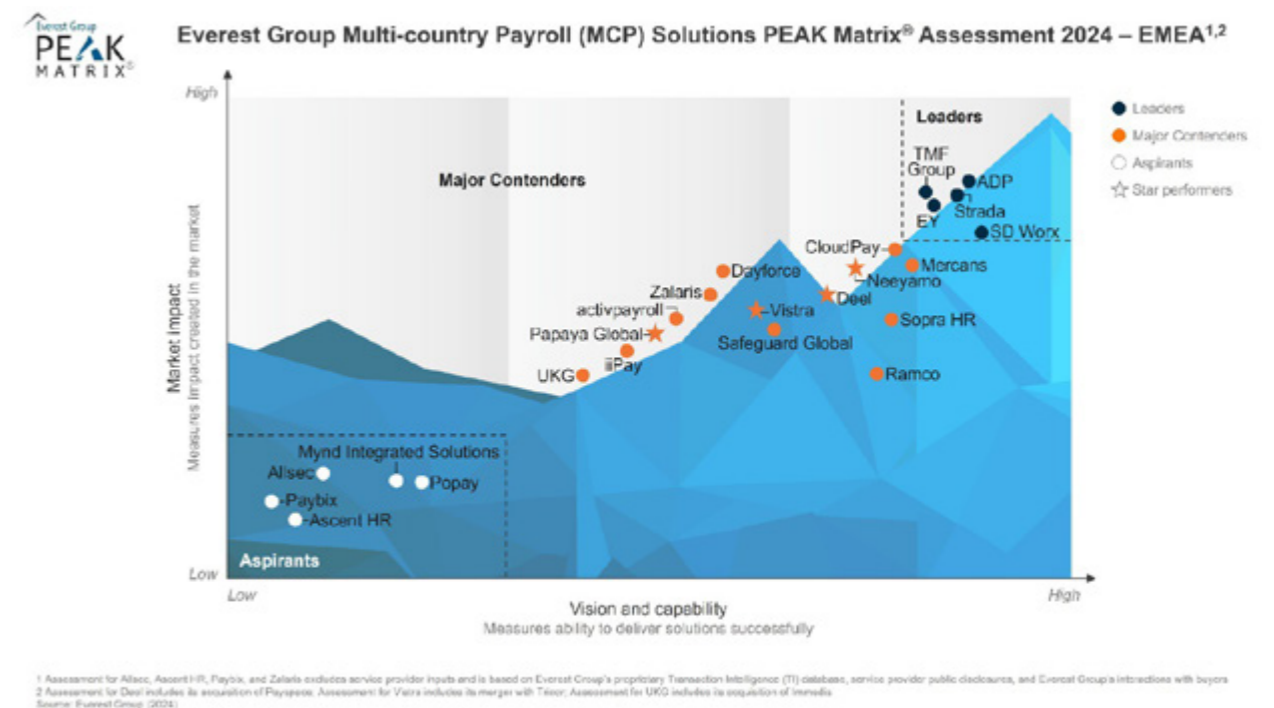
Everest Group Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2024 – EMEA[1,2]

A new NelsonHall vendor assessment analyses SD Worx's offerings and capabilities in #Payroll Services. SD Worx has grown into a comprehensive HR service provider dedicated to HR services.

It is very active in its acquisition strategy to support growth in Europe: https://lnkd.in/e_7wgfim #PayrollServices #Payroll #HR #HRservices #Europe #EMEA

Elizabeth Rennie, HR Technology and Services Research Director at NelsonHall

For our multi-country payroll solutions
- Recognised as a Leader in NelsonHall's NEAT vendor evaluation for Next-generation Payroll Services 2024
- Recognised as Major Contender (Global) and Leader (EMEA) on Everest Group's Multi-country Payroll Outsourcing PEAK Matrix® Assessment 2024
- Recognised as a Leader in the ISG Provider Lens™ (IPL) Quadrant study on "Payroll Solutions and Services 2024"
- Recognised as a Representative Vendor in the Gartner® 2024 Market Guide for Multicountry Payroll Solutions[1]
- Recognised as a Leader in the Avasant Payroll Business Process Transformation 2024-2025 RadarView™
- Recognised as a Technology Leader EMEA and Global, in QKS Group's Spark Matrix report 2024 on Multi-country Payroll Platforms
- Shortlisted as a Next Generation Multicountry Payroll Vendor in the 2024 Constellation Shortlist

For multi-process HR outsourcing and cloud transformation services
- Recognised as a Leader in Nelson Hall's NEAT vendor evaluation for Multi-Process HR Transformation 2024
- Recognised as a Leader in QKS Group's SPARK Matrix "HR Outsourcing Services 2024"
- Recognised as a Major Contender in Everest Group's Multi-Process Human Resources Outsourcing (MPHRO) Services PEAK Matrix® Assessment 2024

For our workforce management solutions
- Protime (an SD Worx' brand) recognised in the Gartner 2024 Market Guide for Workforce Management Applications[2] as a Representative WFM Vendor, headquartered in Europe
- Recognised as a Leader in NelsonHall's NEAT vendor evaluation for New World Workforce Management 2024

For our cloud HR technology
- Recognised as a Core Leader in Fosway's 9-Grid™ for Cloud HR Technology 2024
- SD Worx cited in the Gartner 2024 article 'Hype Cycle™ for HR Technology, 2024' as a Sample Vendor for Unified Multicountry Payroll[3]

1. Gartner, Market Guide for Multicountry Payroll Solutions, David Bobo et al., 9 December 2024
2. Gartner, Market Guide for Workforce Management Applications, Josie Xing et al., 01 August 2024
3. Gartner, Hype Cycle for HR Technology, Jeff Freyermuth,30 July 2024

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What happened at our subsidiaries?

23.
ESG initiatives at Protime in 2024

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Energy coach: Work happiness is a shared responsibility for employer and employee, and therefore, Protime introduced a new initiative with a focus on positive energy, energy management and resilience. Since January 2025, Protime has a team of motivated Protimers who consciously choose to help their colleagues in their quests for mental well-being. Why? Because employees' mental and emotional health are their priority. These Energy Coaches are here to support fellow colleagues, offering guidance and a listening ear whenever someone needs it.

Once-in-a-lifetime employer: You can take this literally. Protime wants to become and remain the once-in-a-lifetime employer for all their employees. Culture plays a very important role at Protime, an organization that invests in its culture all year round. And yes, they get something in return: a sustainably strong-growing and profitable company with a shared ambition to take social responsibility. Protime believes that every Protimer can promote that culture. They are convinced that acting consistently in accordance with their culture, based on clear values and exemplary behaviour, makes them stronger as a company, as employees and above all, as human beings. To make sure they can be this once-in-a-lifetime employer, the company sends out a survey which all Protimers must answer. The results are extremely positive, and where improvement is possible, Protime will invest in initiatives to grow there too – of course, all while publishing all results internally to stay open, honest and transparent.

Loyalty programme: Building further on the once-in-a-lifetime employer brand, Protime incorporated a loyalty programme based on seniority. They call it 'From Wolf to Lion', Wolves being Protimers with 1-5 years of seniority, and Lions, who have 15+ years of seniority. In doing so, Protime intends to facilitate a discussion with the different seniority groups to assess the once-in-a-lifetime employer survey to see if there are differences in assessing different themes, and explore how to bring everyone's mindset closer together. In return for being loyal employees, Protimers get rewarded every time they 'upgrade' to a new animal pack (e.g., wolves, cheetahs, gorillas and lions).

100%-electrified fleet: Protime believes in a sustainable future, which explains why they committed to a 100%-electric fleet. Every new car leased now is an electric one. Employees get to choose between a charging station at home or a subscription to load at charging stations on the road. This way, employees living in cities with no permanent parking spaces also get to have electric cars without having to worry about charging. At the Protime HQ, 32 charging stations are reserved for EVs only.

Food forest: Employees of Protime and SD Worx will soon be figuratively and literally picking the fruits of the first-ever company food forest planted in Mechelen. The first fruit trees were planted by an experienced contractor, with the first apples, pears, berries or plums expected in the coming years. The company garden will also be open to the neighbourhood. In a second phase, we will plant bushes, including raspberry bushes, strawberry plants and other goodies, all in collaboration with a nearby school. With this food forest, we want to make a positive contribution to the environment of this neighbourhood, with social impacts for our employees, visitors and neighbours. Instead of excavating the 500-square-metre embankment, we are now providing a green space for relaxation. This is a good example of how we can encourage environment, social & governance (ESG) to intersect.

Protime bees: At Protime, protecting bees is vital to supporting biodiversity. Bees are essential pollinators, helping plants thrive and contributing to the balance of ecosystems. By creating bee-friendly environments, we aid in preserving nature's cycles, ensuring that future generations enjoy diverse, healthy ecosystems. Supporting bees aligns with Protime's dedication to sustainability and a greener future for all. When honey harvests are successful, honey is offered to employees and customers or sold to a sponsor charity, highlighting the biodiversity story.
Team Lunch Lady: four Protime colleagues decided in January 2023 to organise monthly plant-based lunches for every colleague who wants to order a plate. Protime is convinced that it can introduce all employees to the "unknown" vegan lifestyle this way. They do not want to convince all employees to go vegan, but they do want to make everyone aware that there are sustainable alternatives, and that it isn't too hard to try this occasionally. Team Lunch Lady has prepared a variety of dishes, from Korean pancakes to plant-based "fish" burgers, pulled-jack wraps and pasta pesto made with carrot tops. The project encourages colleagues to occasionally try this themselves at home. Profit goes to sustainable and health-related causes, like the purchase of two rowing machines for the Protime fitness centre.

Sports at work: Protime encourages their employees to do sports or move around while at the office (or when working from home). Many 121s are held while taking short walks, there's a have a 'club' of runners who go running during lunch, there's a fitness centre with spinning bikes, rowing machines, yoga mats, etc. to convince colleagues to take healthy breaks – and Protime even organises a sports week. During this week, they launch a call to Protimers everywhere to hold sporty workshops. This has resulted in many fun activities, like going climbing together, engaging in a 15-minute abdominal workout at 10, or a fun morning yoga session.

Time for society: Protime employees get one day a year to do volunteer work without having to take a holiday. Protime not only wants to contribute to society this way but also seeks to keep its employees motivated and involved. This results in initiatives such as employees helping in animal shelters, planting a garden for a non-profit organisation committed to helping people with mental disabilities, and going on summer holidays with underprivileged children. This demonstrates how committed and caring Protime employees are when properly supported in their initiatives.

Workplace: At Protime, having beautiful offices is key to fostering a vibrant work environment where employees are motivated to come together. A well-designed space serves as a welcoming meeting place, encouraging colleagues to connect and interact in person. By creating an attractive and inspiring atmosphere, we promote collaboration and build stronger relationships within and among teams. Beautiful offices not only boost morale but also enhance creativity and productivity, making them a hub for innovation. These spaces reflect Protime's commitment to a positive work culture, where employees feel comfortable, valued, and inspired to share ideas and work closely together.

Coffee corner: At Protime, having coffee machines only on the ground floor encourages employees to move around more, promoting physical activity and supporting overall health. This small effort to fetch a coffee helps break the sedentary routine and keeps energy levels higher. Additionally, gathering at a central location increases the chances of casual encounters between colleagues, fostering positive interactions and spontaneous collaboration. These informal meetings can spark new ideas, strengthen team bonds, and improve communication across departments. By designing spaces that encourage movement and connection, Protime creates a healthier, more collaborative, and engaging work environment for all employees. We believe that this is FAR MORE effective than investing in expensive electric desks that can be adjusted to your height. We have also invested in the best coffee machines available and use the coffee beans of one of our customers.

Equipped kitchen: An equipped kitchen encourages team cooking and shared meals, fostering stronger bonds and collaboration among employees. Cooking and eating together create a relaxed, social environment where ideas flow naturally and relationships grow. This strengthens team spirit, enhances communication, and promotes a healthy, balanced work culture, where connections go beyond the office and support a positive atmosphere. Sometimes meals are prepared and offered to all employees at an attractive price. All proceedings go to employee investments like fitness equipment (see team Lunch Lady).
Company bar: Our company bar, with arcade games, pool table, darts, PlayStation, and free drinks, creates a fun, relaxed space for employees to unwind and connect. This informal setting fosters camaraderie, encourages team bonding, and provides a healthy work-life balance. By offering these leisure activities, Protime promotes a positive workplace culture where creativity and collaboration thrive.

Corporate communications: investing in corporate communications is key to keeping our employees informed, engaged, and aligned with our company culture. Our innovative approach, through which we won an award for our toilet communication, demonstrates how we creatively use every opportunity to connect with our teams. We also have our own video and podcast studios, allowing us to produce high-quality, engaging content tailored to our workforce. These tools help us share important updates, celebrate successes, and maintain a transparent, open communication culture. By prioritising communication, we foster a more connected, motivated team, which is essential for our collective growth and success.

Showers at work: Having showers available encourages employees to bike to work, supporting both physical health and environmental sustainability. By providing towels, we make it convenient for everyone to freshen up, removing any barriers to cycling. This not only promotes a healthier lifestyle but also contributes to a greener commute, reinforcing Protime's commitment to well-being and sustainability.

Culture Ambassadors: Culture Ambassadors play a vital role in maintaining and strengthening our team spirit. They conduct regular health checks to assess and ensure the well-being of our teams, addressing any issues that might affect morale or collaboration. By actively guarding and stimulating team culture, they help foster a positive, inclusive environment where everyone feels a sense of belonging. These ambassadors regularly come together to align on core values, ensuring that Protime's culture remains vibrant and strong. Their efforts help create a workplace where employees feel supported, connected, and motivated, which is crucial for our long-term success.

Train station: At Protime, reimbursement of train tickets encourages the use of public transport, supporting sustainability by reducing carbon emissions and traffic congestion. It also offers employees a stress-free commute, especially on popular busy days, improving work-life balance. This initiative aligns with our commitment to environmental responsibility and makes daily travel more convenient for our team.

Solar panels: At Protime, investing in solar panels underscores our commitment to sustainability by reducing our carbon footprint and promoting renewable energy. These panels also power our electric vehicle (EV) charging stations, supporting green transportation for employees. This investment reflects our dedication to a cleaner, more eco-friendly future.
Charity: Participating in charity is essential for giving back to the community and fostering a sense of purpose among our employees. Encouraging all teams to get involved not only strengthens team bonds but also promotes empathy and social responsibility. This collective effort supports causes we care about and aligns with Protime's values of contributing to a better world.

Extra team-building budget for all teams: providing all teams with a well-above-average team-building budget underscores our commitment to fostering strong connections and collaboration. Meaningful team-building experiences boost morale, improve communication, and strengthen bonds, ultimately enhancing productivity and job satisfaction. By investing in these activities, we create a positive, cohesive work environment where teams thrive both personally and professionally.

Company events: Supporting employee-driven events like LAN parties, game nights, and BBQs fosters a strong sense of community and belonging. These events, initiated and executed by employees, encourage camaraderie, boost team spirit, and provide a fun, relaxed way to connect outside of work. By backing these initiatives, we promote a positive, engaging workplace culture where everyone feels valued and connected.

ProParty: Our dedicated party team, "ProParty," plays a crucial role in organising larger employee events that bring the entire company together. These events boost morale, strengthen team connections, and create lasting memories. By entrusting ProParty with these initiatives, we ensure that our workplace remains vibrant, fun, and inclusive, reinforcing our company culture and promoting a positive work-life balance.

24.

Building a culture of sustainability and collaboration at Teal Partners

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At Teal Partners, our commitment to creating a supportive and purpose-driven company culture is inspired by Frederic Laloux's Teal principles: self-management, wholeness, and evolutionary purpose. These principles guide every aspect of our organisation, fostering resilience and aligning the well-being of employees and stakeholders with broader goals of sustainability and social responsibility.

Self-management: empowering autonomy

Self-management at Teal Partners emphasises autonomy and decentralised decision-making, enhancing innovation, accountability, and collaboration while breaking down traditional hierarchical barriers. Our recruitment process exemplifies this philosophy: instead of relying on a dedicated HR department, team members actively participate in hiring decisions. This inclusive approach ensures that candidates not only possess the required skills but also resonate with our culture and values, leading to cohesive, high performing teams where everyone can thrive.

Wholeness: supporting the whole person

We strive to create an environment where individuals feel empowered to bring their authentic selves to work. Recognising that work-life balance varies for everyone, we offer flexible working hours, remote work options, and a thoughtfully designed office that promotes well-being and collaboration.

Our workspace features shared vibrant areas like a coffee corner, a fully equipped lunch area, and a company bar, complemented by quiet zones for focused work and calming elements such as greenery and wooden floors. To further support physical health, we provide running and cycling gear, on-site showers, and organise regular group activities such as cycling tours and lunchtime running clubs. These initiatives enhance well-being and build connections across the company. At Teal Partners, we understand that the strength of our company lies in our people. That's why we prioritise building long-term relationships with our staff. We aim to create an environment where team members can grow both personally and professionally, ensuring that their journey with us is fulfilling and mutually rewarding. By fostering a sense of belonging and providing opportunities for learning and development, we seek to retain talent and collaborate over the long term, contributing to the stability and success of both our staff and the organisation as a whole. We also believe in celebrating achievements as a way to reinforce team spirit and recognise individual contributions. Annual events, including team-building retreats, barbecues, and New Year's parties, provide opportunities for connection and appreciation. Additionally, milestones and successes are acknowledged, ensuring that every achievement is valued.

Evolutionary purpose: adapting for impact

Teal Partners' evolutionary purpose drives us to continually adapt and innovate, ensuring that our practices remain relevant to the needs of our workforce, clients, and the environment. This dynamic approach goes beyond static mission statements, empowering the organisation to evolve in response to emerging challenges and opportunities.

For example, we have integrated sustainability into every aspect of our operations, investing in initiatives including transitioning to a solar-powered office and cloud-based infrastructure and moving towards a fully electric vehicle fleet. Moreover, our mobility budget encourages employees to choose not to have a company car by offering financial incentives for sustainable mobility choices. These practices demonstrate how our evolutionary purpose enables us to align our day-to-day operations with our long-term vision for a sustainable and socially responsible future.

In addition, we give back to the community by donating used laptops to charitable organisations, extending their lifecycle while supporting those in need. These efforts reflect our holistic approach to sustainability, integrating eco-friendly practices into every aspect of our business.

Transparency and open communication

Transparency is a cornerstone of Teal Partners' philosophy. Our salary transparency policy ensures that all employees and contractors have access to compensation information, promoting trust, fairness, and accountability.

Beyond financial transparency, open communication is a key component of our leadership approach. Quarterly company-wide meetings provide updates on topics such as staffing, progress toward annual goals, and ongoing projects. These formal sessions are followed by informal gatherings to encourage feedback and strengthen relationships. This approach reinforces inclusivity, ethical governance, and shared accountability, ensuring alignment with our values and long-term goals.

Annex 1: reporting practice

The purpose of this section is to describe our reporting practices, reporting principles and information system standards in relation to (sustainability) reporting. This is an essential part of the ESG standards, enabling a transparent and accurate assessment of the company's operations, sustainability performance and impact on society.

- GRI 1 requires a description of the quality and content of the reporting principles used.
- ESG is multifaceted; the reporting framework is complex as data and information is collected in different ways depending on its source and characteristics. Data is compiled according to different protocols and methodologies.
- As SD Worx is a multi-entity group, describing the system framework and data management standards helps to support the accuracy and verifiability of the reported information.

GRI - What it is?

The Global Reporting Initiative (GRI) is an international and independent organisation: it was founded in 1997 with the participation of the UN Environment Programme (UNEP). Its objective is to ensure transparent guidelines for sustainable development. The GRI guidelines are the world's most widely used ESG standard framework.

They make reporting comparable and contain all relevant topics required by EU Directives. GRI standards are multi-stakeholder in focus and can be relevant for a range of users, from investors to governments to civil society.

Reporting principles

Our ESG/Sustainability reporting approach follows the GRI Reporting Guidelines. Through our corporate website, integrated reporting and communication channels, we report to our shareholders, investors and all other stakeholders on the financial and non-financial aspects of SD Worx Group's business activities, as well as our approach to sustainability initiatives and achievements. To define reporting quality, the reporting principles include accuracy, balance, clarity, comparability, timeliness and verifiability.

- **Accuracy:** we report as accurately as possible. High-quality information is often derived from our policies and the way the Group operates. Information is tracked and often sourced from database and software systems. Data can be replicated to a reasonable extent (e.g., going back several years) and the information provided can be used to assess the business and its impact. The methodology used to calculate performance measures is explained where appropriate.
- **Balance:** information is presented fairly and objectively. Reporting does not overemphasise positive results over more negative results. We inform stakeholders appropriately about key issues without underplaying poor performance. Wherever possible, factual figures are used and, where this is not possible, an explanation of the interpretation of the information is provided.
- **Clarity:** information is presented in an accessible format, e.g., via graphics or other representations in a consolidated format that accompany the text so that the reader can understand the message and key points. Abbreviations are explained and a glossary/syntax is included. The ESG/annual reports can be downloaded from the company's website.
- **Comparability:** data and information are compiled in a way that ensures comparability across organisations and consistency over time. Where this is not possible, this is stated and explained (e.g., changes in accounting policies or corporate structure). Both financial and non-financial reporting are combined to provide a better overall understanding of the information. Acquisition activities have an impact on comparability and are documented.
- **Timeliness:** SD Worx produces large volumes of information for various purposes. We ensure that the relevant information is available to support proper decision-making. While some data is available frequently, such as monthly financial figures, other information may only be reported annually, such as balance sheets. This does not mean that data produced annually is not reported on more frequently internally or is not available at regular intervals. Workforce data is an example of this, as it is always available through our automated HRM/database systems.
- **Verifiability:** the quality and accuracy of information is monitored and verified. The Group has an enterprise risk management system and professional IT systems that check data quality. Our Audit and Risk Committee and IT department ensure that both internal and external control procedures contribute to the concept of auditability. For example, when customers enter payroll data that SD Worx uses for statistics, input validation controls are applied to limit the risk of error. Data is entered and approved at defined levels within the Group's country and business units. The necessary safeguards are in place for our systems and reporting to ensure that, for example, sustainability reporting is done professionally. Qualitative information, such as the process used to identify material issues and governance processes, is documented and reported accordingly. In addition to activities, governance, stakeholders and materiality, the GRI Reporting Principles address completeness and the broader sustainability context to define the content of the report.
- **Completeness:** coverage is as complete as possible, e.g., on material topics, while data sets cover the full reporting period, i.e., one year, which is sufficient to assess ESG impacts. Given the growth of the Group and the large number of entities covered, we indicate what the information used represents in terms of Group coverage.
- **Sustainability context:** the Group considers its environmental impact within the broader sustainability and social context. Careful consideration is given to the definition of sustainability and what this concept means for SD Worx in fulfilling its social role as a service provider. We consider future generations by fully describing corporate social responsibility and our long-term track record. Responsible business conduct, location, local legal structure, the role of leadership in certain social areas and the policies we adhere to all contribute to a sustainable context for our business activities.

Reporting framework

Group reporting is mainly based on:
- For workforce, diversity, equity and inclusion (DEI) and other social data, on internal HR/payroll data collected through a company protocol and methodology. The HR system SuccessFactors has been configured internally to manage employee data such as salary, job history, etc. in real time.
- For health & safety, on incident/event occurrence, statistical reporting and surveys (e.g., ergonomics).
- For social and qualitative information, through market analysis and research conducted by relevant departments and as directed by the business.
- For environmental information, GHG protocols, external consultants, reports, company instructions and suppliers.
- For market and research reports (e.g., absenteeism reports), internal analysis and departmental studies using input from all registered payroll data.
- For financial data, on accounting principles and on a consolidated basis through various accounting programmes and SAP packages.

Scope

The extent to which information is collected, assessed and analysed is determined by the double materiality analysis and the impact areas on which the company focuses. There are limits to the scope of the reporting and the selection of topics that are most important to our stakeholders. In terms of scope, we indicate on a case-by-case basis for which entities data has been tracked and collected. In general, as we publish consolidated financial statements, we aim to achieve a consolidated scope of reporting. The entity structure is set out in our annual report.

Method specificity

The methodology of data collection may be adjusted to reflect the diversity and growth of the Group's activities, the integration of newly acquired businesses, the absence of regulations or standardised international definitions, practicalities of data collection or changes in methodology. Restatement of prior years' published data may be limited to changes in methodology (e.g., change from GAAP to IFRS).

Internal audit and control

Given the size of the Group, some data may be collected at divisional level or controlled by a specific entity or operating unit. Regular internal audits and controls are performed to ensure that the information processed at Group level is accurate and complete.

External verification

External assurance is provided by auditors at Group level. Additional assurance (e.g., internal control procedures, appropriate design and effectiveness of controls) is performed for relevant departments or activities and in view of attestations/certifications such as ISO/ISAE.

System standards

The IT systems used by the Group are closely linked to the accuracy and verifiability of the information, as they form the basis for data reporting. SD Worx develops and uses numerous software programmes for internal (SuccessFactors, etc.) and external use. Regarding database and IT systems and the appropriate design and effectiveness of controls, the criteria for implementing these systems are inspired by international control standards and are based on legal and business requirements related to the HR/payroll services offered by SD Worx.

Reporting period

The reporting period is from 01/01/2024 to 31/12/2024.

Annex 2: GRI reference table

Profile	
1. Strategy and analysis	
Profile	Definition
G4-1	Statement about the relevance of sustainability for the organisation and its strategy
G4-2	Description of key impacts, risks, and opportunities
2. Organisational profile	
Profile	Definition
G4-3	Name of the organisation
G4-4	Primary brands, products, and/or services
G4-5	Location of headquarters
G4-6	Number of countries where the organisation operates
G4-7	Nature of ownership and legal form
G4-8	Markets served
G4-9	Scale of the reporting organisation
G4-10	Total staffing by employment type, gender, employment agreement and region
G4-11	Percentage of employees covered by collective labour agreements
G4-12	Description of the supply chain
G4-13	Significant changes during the reporting period
Organisational profile: involvement in external initiatives	
Profile	Definition
G4-14	Statement on how the precautionary principle is addressed by the reporting organisation
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses
G4-16	Membership in associations and/or national or international organisations representing interests
Identified material aspects and boundaries	
Profile	Definition
G4-17	Operational structure
G4-18	Process for defining the content
G4-19	List of all material aspects identified
G4-20	Specification of the boundary for each material aspect inside the organisation
G4-21	Specification of the boundary for each material aspect outside the organisation
G4-22	Explanation of the effect of any re-statements of previously provided information

G4-23	Significant changes from previous reporting periods
Stakeholder engagement	
Profile	Definition
G4-24	List of stakeholder groups
G4-25	Basis for identification and selection of stakeholders
G4-26	Approaches to stakeholder engagement
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns
3. Report parameters	
Profile	Definition
G4-28	Reporting period of the information
G4-29	Date of the most recent report
G4-30	Reporting cycle
G4-31	Contact point for questions regarding the report or its contents
Report parameters: GRI table of contents	
Profile	Definition
G4-32	Table that lists the standard components of the information disclosure
Report parameters: assurance	
Profile	Definition
G4-33	Policy and current practice with regard to seeking external assurance for the report
4. Governance, obligations and involvement	
Profile	Definition
G4-34	Governance structure of the organisation
G4-35	Process for delegating authority for economic, environmental and social topics
G4-36	Presence of executive-level position for economic, economic or social topics
G4-37	Process for consultation between stakeholders and the highest governance body on economic, environmental and social topics
G4-38	For organisations with a unitary board structure: indicate the number of independent and/or members who are not managers of the highest governance body.
G4-39	Managerial function of the chairman of the highest governance body
G4-40	Process for determining the qualifications and expertise of the members of the highest governance body for steering the strategy of the organisation regarding economic, environmental and social topics
G4-41	Processes in place for the highest governance body to ensure, that conflicts of interest are avoided
G4-42	Roles of the highest governance body and senior executives for modifying economic, environmental or social topics
G4-43	The measures taken to enhance the highest governance body's knowledge regarding economic, environmental and social topics
G4-44	Processes for evaluating the highest governance body's own performance, in particular regarding economic, environmental and social topics
G4-45	The highest governance body's role in the identification and the management of economic, environmental or social topics, and possible stakeholder consultation
G4-46	The highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics
G4-47	The frequency of the review of economic, environmental and social impacts, risks, and opportunities

G4-48	The highest committee or position that approves the organisation's sustainability report and ensures that all material aspects are covered
G4-49	The process for communicating critical concerns to the highest governance body
G4-50	The nature and total number of critical concerns that were communicated to the highest governance body and the mechanisms used to address them
G4-51	Link between compensation for members of the highest governance body, top managers and executives, and the organisation's performance
G4-52	The process for determining remuneration.
G4-53	Process to know the vision of stakeholders regarding remuneration and to take it into account
G4-54	The ratio of the annual total remuneration for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees
G4-55	The ratio of the annual percentage increase for the organisation's highest-paid individual in each country of significant operations to the median percentage increase of the annual total remuneration for all employees

Ethics and integrity

Profile	Definition
G4-56	Internally developed statements of mission or values, codes of business conduct & ethics, and principles relevant to economic, environmental, and social services and the status of their implementation
G4-57	The internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to integrity
G4-58	The internal and external mechanisms for reporting concerns on ethical and lawful behaviour, and matters related to integrity

Performance indicators

Economic performance indicators

Performance indicator	Definition
G4-EC 1	Direct economic value generated and distributed
G4-EC 2	Financial implications and other risks and opportunities for the organisation's activities due to climate change
G4-EC 3	Coverage of the organisation's defined-benefit plan obligations
G4-EC 4	Significant financial assistance received from authorities
G4-EC 5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation
G4-EC 6	Procedures for local hiring and share of top management hired from the local community at significant locations of operation
G4-EC 7	Development and impact of infrastructure investments and services which are mainly provided in the public interest through obligations of a commercial nature, in kind or pro bono
G4-EC 8	Significant indirect economic impacts, including the extent of impacts
G4-EC 9	Policy, methods and proportion of spending on local suppliers at significant locations of operation

Environmental performance indicators

Performance indicator	Definition
G4-EN 1	Total quantity of materials used by weight and volume
G4-EN 2	Percentage of the materials used that are recycled from external waste
G4-EN 3	Energy consumption within the organisation
G4-EN 4	Energy consumption outside the organisation
G4-EN 5	Energy intensity
G4-EN 6	Reduction of energy consumption
G4-EN 7	Reductions in energy requirements of products and services
G4-EN 8	Total water withdrawal by source
G4-EN 9	Water sources significantly affected by withdrawal of water
G4-EN 10	Percentage and total volume of water recycled and reused
G4-EN 11	Location and size of land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas
G4-EN 12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

G4-EN 13	Habitats protected or restored
G4-EN 14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations
G4-EN 15	Direct greenhouse gas emissions
G4-EN 16	Indirect energy-related greenhouse gas emissions
G4-EN 17	Other relevant indirect greenhouse gas emissions
G4-EN 18	Intensity of greenhouse gas emissions
G4-EN 19	Reduction of greenhouse gas emissions
G4-EN 20	Emissions of ozone-depleting substances by weight
G4-EN 21	NOx, SOx and other significant air emissions
G4-EN 22	Total water discharge by quality and destination
G4-EN 23	Total weight of waste by type and disposal method
G4-EN 24	Total number and volume of significant spills
G4-EN 25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annexe I, II, III, and IV, and the percentage of transported waste shipped internationally
G4-EN 26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and drainage
G4-EN 27	Initiatives to compensate the environmental effects of products and services, and the scope of this compensation
G4-EN 28	Percentage of products sold and their packaging materials that are reclaimed by category
G4-EN 29	Monetary value of significant penalties and total number of non-monetary sanctions for non-compliance with environmental laws
G4-EN 30	Significant environmental impacts of transporting products and other goods and materials that are used for the organisation's operations, and transporting members of the workforce
G4-EN 31	Total environmental protection expenditures and investments by type
G4-EN 32	Percentage of new suppliers that were screened using environmental criteria
G4-EN 33	Significant actual and potential negative environmental impacts in the supply chain and actions taken
G4-EN 34	Number of grievances about environmental impacts filed, addressed, and resolved

Labour practices and decent work

Performance indicator	Definition
G4-LA 1	Total staff and personnel turnover by age group, gender and region
G4-LA 2	Cash benefits provided to full-time employees that are not available to temporary or part-time employees, by significant locations of operation
G4-LA 3	Return to work and retention rates after parental leave
G4-LA 4	Minimum periods of notice regarding operational changes, including whether these are specified in collective agreements
G4-LA 5	Percentage of total staffing represented in formal joint management–worker health and safety committees that help monitor and advise employers and employees on occupational health and safety programmes
G4-LA 6	Injuries, occupational diseases, lost days, and rate of absenteeism, and total number of work-related fatalities, by region and by gender
G4-LA 7	Workers with high incidence or high risk of diseases related to their occupation
G4-LA 8	Health and safety topics covered in formal arrangements with trade unions
G4-LA 9	Average hours of training per year per employee by gender, and by employee category
G4-LA 10	Programmes for competency management and lifelong learning that support the continued employability of employees and help them in managing career endings
G4-LA 11	Percentage of employees receiving regular performance and career development reviews
G4-LA 12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity
G4-LA 13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation
G4-LA 14	Percentage of new suppliers that were screened using labour practices criteria
G4-LA 15	Significant actual and potential negative labour conditions in the supply chain and actions taken
G4-LA 16	Number of grievances about labour practices filed, addressed, and resolved

Performance indicators for human rights

Performance indicator	Definition
G4-HR 1	Total number and percentage of significant investment agreements that include human rights clauses or that underwent human rights compliance screening
G4-HR 2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of personnel trained
G4-HR 3	Total number of incidents of discrimination and actions taken
G4-HR 4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights
G4-HR 5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of this kind of labour
G4-HR 6	Operations and suppliers identified as having significant risk for incidents of forced or mandatory labour, and measures taken to contribute to the effective abolition of this kind of labour
G4-HR 7	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations
G4-HR 8	Total number of incidents of violations involving rights of indigenous people and actions taken
G4-HR 9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments
G4-HR 10	Percentage of new suppliers and contractors screened using human rights compliance criteria
G4-HR 11	Significant actual and potential negative impact on human rights in the supply chain and actions taken
G4-HR 12	Number of grievances about human rights filed, addressed, and resolved

Social performance indicators

Performance indicator	Definition
G4-SO 1	Nature, scope and effectiveness of all programmes and methods that determine and manage the effects of operations on local communities, including establishment, operations and winding up
G4-SO 2	Operations with significant actual or potential negative impacts on local communities
G4-SO 3	Percentage and total number of operations assessed for corruption-related risks
G4-SO 4	Communication and training on anti-corruption policies and procedures
G4-SO 5	Confirmed incidents of corruption and actions taken
G4-SO 6	Total value of political contributions by country and recipient
G4-SO 7	Total number of lawsuits for anti-competitive conduct, anti-trust, and monopoly practices and their outcomes
G4-SO 8	Monetary value of significant penalties and total number of non-monetary sanctions for non-compliance with laws and regulations
G4-SO 9	Percentage of new suppliers that were screened using criteria for impacts on society
G4-SO 10	Significant actual and potential negative impact on society in the supply chain and actions taken
G4-SO 11	Number of grievances about impacts on society filed, addressed, and resolved

Performance indicators for product liability

Performance indicator	Definition
G4-PR 1	Percentage of significant products and services categories subject to health and safety procedures
G4-PR 2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes
G4-PR 3	Type of product and service information that is mandatory by procedures, and percentage of significant products and services subject to such information requirements
G4-PR 4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and services information and labelling, by type of outcomes
G4-PR 5	Results of surveys measuring customer satisfaction
G4-PR 6	Sale of banned or disputed products
G4-PR 7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsoring, by type of outcomes
G4-PR 8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data
G4-PR 9	Monetary value of significant penalties for non-compliance with laws and regulations concerning the provision and use of products and services