



CSR report 2019

Contents

3	Corporate Social Responsibility Report from GK Software
3	Comments on the reporting standard
3	General information on the Company
4	Strategic analysis and measures
5	Materiality
6	Goals
7	Depth of the value-added chain
7	Responsibility
8	Rules and processes
8	Control
9	Incentive systems
10	Involving groups of stakeholders
10	Innovation and product management
12	Making use of natural resources
12	Resource management
14	Emissions relevant to climate
15	Employee rights
16	Equal opportunities
17	Qualifications
20	Human rights
20	Community
21	Political influence
22	Behaviour within the law and in line with directives
25	Imprint/Notes

Corporate Social Responsibility Report from GK Software

Comments on the reporting standard

This report relates to the year 2019. It deals with the twenty criteria in the German Sustainability Code and the additional non-financial performance indicators established by EFFAS (European Federal of Financial Analysts Societies).

General information about the Company

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

GK Software¹ is one of the most important providers in the international market for store solutions and has more than 319,000 installations in over 61,300 stores in 63 different countries. The company's business model consists of licence sales, extensive modification and customising services, software maintenance and a wide variety of other services. The GK Academy also generates turnover by training partners and customers and by certifying hardware. The Company has global business operations and currently generates most of its turnover in Europe, followed by North and Central America as well as South Africa. The business model is designed for further expansion in all the developed retail markets around the globe. A sales partnership has existed with SAP since 2009; as part of this, many of the range of solutions provided by GK Software SE are sold by SAP in its own name; it is then responsible for these sales.

The GK Group has grown strongly both organically and inorganically since its listing on the stock exchange in 2008. Solquest GmbH was taken over in 2009, AWEK GmbH in 2013, the retail division of DBS Inc. in the USA in 2015 and the majority of the shares in prudsys AG in 2017, for example. Alongside several branches in Germany, the following wholly owned subsidiaries are part of the Group: Eurosoftware s.r.o. in the Czech Republic, StoreWeaver GmbH in Switzerland, TOV Eurosoftware-UA in Ukraine, GK Software (Pty) Ltd. in South Africa, GK Software USA Inc., OOO GK Software RUS, AWEK GmbH and AWEK microdata GmbH and Deutsche Fiskal GmbH.

The Company's headquarters have been situated in Schöneck in the Saxon Vogtland region since it was founded. The Management Board, a great deal of the administration work and many other

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

important divisions are based at the company's largest business site there. The second-largest business site is the development base in Plzen, which has already existed for more than 20 years.

Note on the declaration of compliance

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

1. Strategic analysis and measures

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

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

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

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

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

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

GK Software SE acts according to **the law** at all times and believes that it is obliged to comply with national and international standards. It therefore pays particular attention to ensuring that all its

employees act within the law at all times. The goals of the Company's CSR strategy are closely allied to the firm's overall aims.

2. Materiality

Disclosing which aspects of in-house business activities have a major effect on aspects of sustainability and what major effect the aspects of sustainability have on the business activities. It analyses the positive and negative effects and indicates how this knowledge can be incorporated in in-house processes.

The CSR strategy at GK Software is mainly grouped around four fields of activity, which are systematically managed.

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

The second field of activity therefore fittingly involves **gaining and retaining employees**. This is producing the greatest challenges as a result of the effects of demographic change. The Company is therefore using a mix of extensive recruiting measures, strengthening its own employer brand and making available many services for employees in the form of further training, recreational activities and even preventive health care and measures to make everyday life easier.

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

One key topic in the entire CSR strategy is the permanent improvement of the company's energy efficiency. As a result, the **environmental** field of activity has the primary goal of reducing the Company's energy requirements. Increasing demand as a result of the company's permanent growth naturally has to be considered as a trend that is pulling in the opposite direction. One major area of focus in this field of activity particularly involves improving the energy efficiency of the firm's own buildings. Then there is the reduction in CO₂ emissions; this includes the start made on integrating electric and hybrid cars within the firm's fleet, including several of the company's own electric charging points, and leasing company vehicles that have as few harmful emissions as possible.

3. Goals

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

It is the goal of the CSR strategy to make further improvements through responsible and independent actions by all the stakeholders involved in all the fields of action. The environment-related

goals like energy and water consumption, preventing waste or harmful emissions, but also socially responsible actions affect all the company's business divisions and business sites. In the end, it is all about preventing or reducing any negative effects caused by the company - whether economic, social or ecological - and strengthening the firm's responsibility towards its employees, customers, partners or the Company's further surroundings. This enables GK Software to make its contribution towards protecting resources and our climate.

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

Economic goals:

- Maintaining its market leadership through its leading range of solutions
 - It was possible to consolidate this position by means of gaining new customers, particularly in the USA, during 2019. In Germany, a new subsidiary was established, Deutsche Fiskal GmbH, which is making available an extensive range of solutions for implementing the German fiscalisation scheme.
- Permanently providing further training for employees in line with the requirements of the market
 - The trainee concept was significantly expanded in 2019 and the training courses at the Academy were complemented by online elements.
- Reducing the overall operating costs

Cf. more details related to criterion 15 too.

Ecological goals:

- Using energy and fuels efficiently and economically
- Disposing of waste in an eco-friendly manner
- Efficient recycling management, particularly with regard to used technology
- Processes that save resources
- The further digitalisation of administration to provide comprehensive processes that are paper-free, as far as possible
- The introduction of new company car guidelines, which envisage compliance with CO₂ figures, the extension of vehicles' serviceable life, the purchase of cars with lower horsepower and overall greater registration of e-vehicles within the company's fleet
- The introduction of IT guidelines, according to which the useful life of IT equipment has been extended
- Making available a vending machine in the gadget room at the business site in Schöneck, where it is possible to order fairly small IT equipment, such as USB sticks or charging cables, for private use too, with the goal of preventing individual online orders and deliveries and therefore saving resources in the long term

Cf. more details related to criteria 11-13 too.

Social goals:

- Implementing an in-house image as a good corporate citizen at all the firm's business sites

- Particularly strengthening the business site in Schöneck and the surrounding region, which is economically underdeveloped
- Intensifying the long-term, partner-like dealings with customers and partners and other stakeholders
- Having satisfied and motivated employees by continuing the "Active Balance" programme

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

4. Depth of the value-added chain

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

Most of the value-added chain is performed by GK Software itself; however, economic, social and ecological aspects are taken into consideration along the complete value-added chain. The manner in which in-house solutions and services are prepared or provided is naturally one major area of focus at the company as a leading provider of store solutions around the globe. In the case of services that are purchased - normally programming services - or for hardware that is bought (for the Company or for customers) or when constructing or extending its own buildings or rented property, GK Software seeks to ensure that they are provided or built according to the highest current standards in each case, if at all possible.

Suppliers and partners have had to comply with the Company's Code of Conduct in order to work with GK Software since 2018. This complies with the international rules opposed to child labour and exploitation as well as compliance with ecological and social standards. GK Software published mandatory anti-corruption guidelines for its own employees in 2018.

5. Responsibility

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

It is the goal of the Company not to treat CSR in a special department, but live it out in all the departments as a major pillar in the corporate philosophy. This means that a significant part of the responsibility lies with the managers at GK Software, who are responsible for ensuring that the self-imposed rules and the legal requirements are followed. The "CSR" project team is the contact partner for the topic of CSR within the company and it has assumed the responsibility for monitoring the company's CSR goals, as defined by the Management Board, under the leadership of the [Director of Investor Relations](#) in conjunction with preparing this report. The cross-departmental project team consists of employees from the purchasing, accounts, personnel, controlling and corporation communications divisions.

There are plans to revise the CSR process across all the departments in 2020 in order to involve all the business sites and subsidiaries in the tasks associated with it to an even greater degree.

6. Rules and processes

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

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

During the evaluation phase, which is still continuing, most of the feedback was positive; as a result, there has been no need to make any adjustments so far.

7. Control

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

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

The [market leadership](#) field of activity largely depends on the number of new installations, gaining new customers, expanding into new countries and customer satisfaction. The responsible members of the Group Management Board regularly check the relevant KPIs and report on them to the Management Board, which then assesses the figures. Independent analyst reports, e.g. from the gardener, forester, IHL or "rbr" are also included in the assessments in this field of action. At a project management level, reports on the KPIs on this field of action are submitted every week and are subject to permanent monitoring by the departmental managers. We would refer you to the relevant sections in the financial statement for more information on the Company's position in an international competitive environment.

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

We would refer you to criterion 15 for current developments. The measured variables in the [regional ties](#) field of activity are the number of contacts with regional institutions, public authorities and education centres, participation in or organising events with a regional connection, the scale of

regional sponsoring activities as well as the Company's position as a contact partner and supporter of key interests in the region. The major focus of activities in 2019 was on supporting the South-West Saxony Digital Network. The aim of the association is to establish a cooperation network to support companies in successfully organising digitalisation.

In the **environmental** field of activity, the measured variables primarily concern electricity and fuel consumption and the company's carbon dioxide emissions resulting from these. However, the geographical location of the main business site, which can only be sensibly reached by car, and the constantly growing number of company employees., who are travelling permanently, need to be noted here. The inclusion of the first electric cars in GK Software's vehicle fleet, increasingly registering hybrid cars, the firm's own electric charging points and the new company vehicle guidelines with a restriction on horsepower figures, engine size and an environmental bonus for employees who configure new vehicles with no more than 140g of CO₂ emissions mean that the firm is seeking to find a way to contribute to a future with lower emissions.

EFFAS key performance indicators 5 - 7

EFFAS S06-01 key performance indicator

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

GK Software SE promotes an awareness of sustainability and compliance with ESG criteria in its suppliers and partners. In order to take this into account, a Code of Conduct has been drawn up and this demands that all partners comply with particular principles.

EFFAS S06-02 key performance indicator

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

So far, GK Software has not made use of the option of auditing its suppliers and partners in line with ESG criteria. GK Software and its partners promise to pursue a common policy through the introduction of the Code of Conduct. No audits took place during 2019 and none are planned for 2020 either.

8. Incentive systems

Disclosing how the target agreements and remuneration for managers and employees are geared towards achieving sustainability goals and long-term value creation too. Disclosing to what degree achieving these goals is part of the evaluation of the top management level (Management Board/Managing Directors) by the control body (Supervisory Board/Advisory Board).

The salaries of the employees at GK Software are normally individually agreed, as is normal in this sector, on the basis of the function that they fulfil and their qualifications and their responsibility. There may be salary components dependent on performance for managers and employees and they are assessed on the basis of individual and higher-level goals. There is also a share option programme for managers, which is designed to help tie them to the company in the longer term

as a result of a four-year vesting period. The members of the Management Board have a variable salary component too, which depends on targets, and they participate in the share option programme; for more information on the share option programme, we would refer you to the relevant parts of the financial statement. No remuneration component depending on success or participation in the share option programme is granted to the members of the Supervisory Board so that they can fulfil their task as a supervisory body for the Company without any possible conflicts of interest, particularly when setting the variable salary components for the members of the Management Board.

Managers and employees in particular positions have the opportunity of using a company car. A relevant policy defines those eligible to participate in the scheme, the operational necessity and the financial arrangements in line with their role within the firm.

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

There is a special bonus programme for attracting new employees to support the goal of gaining and retaining members of staff and this is available for all employees at GK Software. GK Software was able to gain 19 employees by means of the bonus programme known as "Employees attract employees" in 2019.

There are also other incentive programmes like travel expenses subsidies or support for initial or further training measures like bachelor's or master's degrees or qualifying to become a trainer via the CCI.

9. Involving groups of stakeholders

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

GK Software is therefore focusing on a process of dialogue with all the important stakeholders - i.e. employees, management, politicians or shareholders. As the partners are supposed to be involved in the sustainability strategy through the creation of a Code of Conduct, open communications will be essential here in future too. Suppliers and service providers, politicians, local authorities, organisations and associations as well as the general public are all viewed as outside stakeholders. In principle, GK Software communicates information about the latest developments and innovations via its press office, its website, its linked social media channels and the Intranet, newsletters that are published regularly, mailings and by means of direct internal and external communications. Appropriate specialist publication mechanisms are used for processes that are relevant to the capital markets so that all the information is available for each person involved in the capital markets at the same time and in the same way. Corporate communications, including the specialist capital market communications, are centrally managed in an all-round approach in order to ensure that all those involved communicate the same information and messages about the firm.

10. Innovation and product management

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

As a leading technology firm, GK Software consistently makes use of virtualisation, digitalisation and cloud technologies to provide slim and efficient solutions. One of the goals here is to keep the hardware footprint as low as possible, both within the company and also at customers' premises, and therefore save resources and energy. This goal is also the general focus when developing new solutions. All checkouts with an online capability and other recording systems can be connected to a cloud solution through the newly gained service provided by Deutsche Fiskal GmbH in 2019. As a result, retailers are now even able to forego a significant part of their own computer resources, as the solution can operate completely from a cloud. Additional expenditure for more hardware is then redundant and costs are lowered in the long term.

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

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

EFFAS key performance indicators 10

EFFAS E13-01 key performance indicator

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

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

EFFAS V04-12 key performance indicator

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

No detailed data is being gathered on this at the moment, as most of the points are not relevant to the business model and services provided by GK Software SE. However, the Company is investing in many measures to improve the health conditions for employees within its “Active Balance” programme, e.g. health days, regular blood donations, massage appointments at various business sites, fitness trainers in Schöneck and Plzen, ski passes for the winter sports area at the firm’s headquarters, sports clothing and registration fees for participation in competitions, e.g. the annual company run at various firm sites involving a large number of employees, the JobRad bike leasing scheme at all the German business sites and a great deal more. GK Software has made extensive investments for its employees during the last few years to construct its own fitness studio at the new Innovation Centre, expand the fitness studio at the business site in Plzen and continue extending the GK Campus in Schöneck with many different types of activities like an outdoor climbing and bouldering wall, designing a modern outside area at the Campus site with complete Wi-Fi facilities and a Campus Café with its own coffee roasting unit and the firm’s own nursery. We would refer you to the relevant chapters in the Company’s financial statement with regard to the costs related to the Campus. The Company invested more than EUR 100,000 in its Active Balance programme during 2019 too.

11. Making use of natural resources

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

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

The main focus is on energy consumption according to the Company’s business model. Consideration was therefore given to using building technology that is as efficient as possible and energy-saving lighting when completing the final extension to the Innovation Centre in Schöneck in 2017. The same applies to the GK Campus and the buildings associated with it. They will be equipped with LED lighting technology and modern, energy-efficient kitchen fittings too, just like the Innovation Centre. The hot water in the kitchen areas will be heated by the waste air from the ventilation system, for example. Triple glazing was used to provide improved heat protection when constructing the company’s new nursery, while shade systems were installed at the Innovation Centre to provide improved cooling. A particularly energy-efficient ceiling heating system has been installed in this building alongside the energy-saving underfloor heating and this means that a lower room temperature leads to the same degree of cosiness as with classic heating systems. A solar power unit has been installed on building A and B at the firm’s headquarters in Schöneck. Nesting boxes have been installed at Tannenhaus Hotel, the guest house that belongs to the firm, in order to protect birds and insects.

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

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

12. Resource management

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

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

760 l of diesel fuel were purchased for the emergency power generator in 2019. However, consumption strongly depends on support measures in the electricity grid and it is therefore not possible to predict any reference amount.

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

These efforts to reduce travel expenses are supported by an in-house-developed travel expenses tool that was introduced at the end of 2018. As travel and costs become more transparent, it is possible to formulate and implement measures in a targeted fashion in this field.

GK Software offers its German employees a cheap method for leasing a bicycle through the Company's "JobRad" project. This not only saves fuel, but also boosts the employees' physical activity and health. Employees are currently leasing 96 "JobRad" bikes.

EFFAS key performance indicators 11-12

EFFAS E04-01 key performance indicator

Total weight of waste.

The total weight of the waste is not currently being logged, so there are no figures available for 2019. There are plans to develop a tracking method together with the disposal companies.

EFFAS E05-01 key performance indicator

Share of the total amount of waste that is recycled.

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

The free drinks at the business sites in Germany are ordered in reusable bottles so that no waste is generated through this. There are plans to purchase water dispensers for all the business sites, so as to be actively involved in handling resources more sensibly as a firm. Trials with these units, which have been conducted at the business site in Berlin since 2019, have been very successful; they are well-accepted by employees.

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

EFFAS E01-01 key performance indicator

Total energy consumption.

The last comprehensive energy audit took place in September 2019.

The GK Software buildings and structures, which were audited, and the implementation of the business purpose created consumption of 1,050,994 kWh of primary energy in 2018 (the reference year).

Fuel consumption (petrol/diesel) for the pool vehicles amounted to an estimated figure of 29,269 l during 2019.

The following table shows the CO₂ emissions, which the Company caused. In contrast to the previous year, the table only shows the figures for the German branches in order to prevent any distortion. The figures only include the Company's pool vehicles and no company cars that are suitable for private use too. The comparison with the previous year shows that the total figure has roughly remained at the same level. The equivalent of CO₂ emissions amounted to 552,007 kg/a (without foreign branches and company vehicles eligible for private use too), while the figure in 2017 was 611,700 kg/a. However, consideration should be given to the fact that the business site in Schöneck was expanded and larger premises were rented for the branch in Cologne.

Total energy consumption for the German branches at GK Software SE

T.01

Final energy proportion	Energy sources	Needs kWh _{End} /a	Primary energy factor	Primary energy consumption kWh/a	CO ₂ emissions factor kg/kWh _{End}	Equivalent CO ₂ emissions kg/a
Power needs	Electricity	624,786	2.7	1,686,922	0.593	1,000,344
Heating needs	Natural gas	256,152	1.1	281,767	0.202	56,916
	Oil	0	1.1	0	0.312	0
	Long-distance heating	0	1.3	0	0.202	0
Fuel needs	Diesel/petrol	170,056	1.1	187,061	0.300	56,118
Totals		1,050,994		2,155,750		1,113,378

13. Emissions relevant to climate

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

A summary of measures on a formulated climate goal and reducing the CO₂ footprint at GK Software is being prepared. Among other things, these measures include switching to an energy-saving lighting systems at old business sites too, installing more solar power units at the business site in Schöneck, sensitising employees and making even greater use of local retailers for the food used in the kitchen. The inclusion of electric and hybrid cars in the firm's fleet of pool vehicles and establishing its own electric charging points are making a contribution here too. They are also available for all employees. Public charging points are being used at the business sites in Berlin. The introduction of new company car guidelines, which envisage compliance with CO₂ figures. the extension of vehicles' serviceable life from three to four years, the purchase of cars with a lower horsepower figure and overall greater registration of e-vehicles within the company's fleet are another measure in this respect.

As al new business site in Cologne and new buildings on the Campus and the nursery were moved into or expanded during the course of 2019 and therefore no comparable figures are available for the previous years, it is not possible at the moment to prepare a target for reducing the consumption of resources in 2020.

EFFAS key performance indicator 13

EFFAS E02-01 key performance indicator

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

GK Software emitted 1,113 t of CO₂ during the calculation period. The data collection for scope 2 and scope 3 is still being prepared. The audit to log and assess the consumption data for 2019 has not yet taken place.

14. Employee rights

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

The members of staff in the GK Software Group are employed in the Federal Republic of Germany, the Czech Republic, Switzerland, Ukraine, Russia, South Africa and in the USA. With the exception of the USA, all the countries, in which Group employees work, have signed all the UN agreements covering human rights standards and the ILO core labour standards and have adopted them in local laws. That is to say, the standards related to freedom of association and the right to collective wage agreement negotiations, the elimination of forced labour, the abolition of child labour and the prohibition of discrimination in employment and careers are followed. The USA has only signed up to the conventions covering the elimination of forced labour and the abolition of child labour. GK Software naturally complies with all the valid laws and provisions in all the countries where it employs members of staff.

An [SE works council](#) was established for the first time to coincide with the transformation into a Societas Europaea (SE); this was initiated by the Management Board. The council represents the employees in Germany and the Czech Republic. Each employee at GK Software can contact it via its own department on the Intranet and during consultation hours.

Regular meetings take place between management and the works council in line with the agreements with the Management Board. The results of these meetings are communicated to all the employees via the Intranet in English. The members of the works council are constantly sharing ideas with the employees whom they represent.

The goal is for each employee to have personal employee discussions with their manager once a year. They focus on feedback from both sides and discussions for individual career opportunities.

The Company also offers its employees holiday, parental leave or undisturbed leisure time through the statutory stipulations and various work models that are adapted to the employees' life circumstances. "Trust-based working hours" are practised within the firm - i.e. the major focus is on completing task and not the number of hours that an employee spends in a company building. Employees are responsible for organising and logging their working hours themselves. It is also possible for some to work part-time or at a home office in line with their contractual arrangements. There is an employees' restaurant at the headquarters in Schöneck, where trained chefs working with a team prepare two main dishes every day and offer a permanently varied salad and dessert buffet. Water, tea and coffee and other facilities like fruit baskets are also available free of charge for the employees at all the business sites.

In the eyes of GK Software, it is important to create a positive, safe and healthy working environment for each employee. The "Active Balance" in-house programme was launched in 2015 for this purpose as part of creating a balance between work and life and it has been continually expanded.

The health prevention measures are important here, in addition to making daily life easier by maintaining stocks of waste disposal bags or rubbish coupons, preparing fresh Christmas roast dinners, post or pharmacy services, or various types of leisure and sports pursuits that are adapted to the different times of year. The employees also have access to many internal further training opportunities through the GK Academy. A mobile hairdresser's service was added to these measures at the business site in Schöneck in 2019. A seven-member band has also been formed among the

employees and it meets regularly to practise and made its first appearance at the summer festival.

15. Equal opportunities

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

One fundamental element in the corporate culture at GK Software involves partner-like dealings with each other on the basis of mutual respect and trust. This involves equal opportunities and the encouragement of all employees, regardless of their age, gender, religion or philosophy, sexual orientation or ethnic affiliation. The employees at GK Software came from more than 37 different nations in 2019, 25 different countries at the Schöneck business site alone. Global international growth and corporate communications in English make it easier to familiarise people with the work. The GK Academy also offers language courses in German, English and Czech and social skills training sessions.

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

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

Permanently improving the compatibility of family and career is an important issue for GK Software. In addition to offering flexible working hours, a process that has been pursued for a long time, a corporate nursery opened its doors at the main business site in Schöneck in 2018 and its opening hours are defined to meet the parent's needs. At other branches, funds are available for employees' children to spend time in child care facilities in the vicinity.

The "Active Balance" team presents an individually compiled welcome package if an employee gives birth to a child and congratulations are sent on round birthdays and anniversaries in line with the data privacy regulations and a gift is presented.

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

A structured system for sports courses is now available after the appointment of a fitness trainer at the business site in Schöneck. In addition to the events organised by employees like running, skiing or cycling groups, the climbing group and the agreements concluded with

external partners for all-round physical training sessions or massages, other sports or relaxation courses are held at regular times during the week. The options currently include back & relaxation courses, autogenic training, body balance, a boot camp, zumba, Nordic walking, stomach/legs/bottom, high-intensity interval training, whole-body training and volleyball. Demand for these is high. The fitness room is available for individual training sessions with or without guidance. A company indoor tennis court at the hotel and a bouldering wall at the GK Campus site have been available for use since 2019.

[This service is not possible or necessary in the large cities of Berlin, Cologne and Hamburg because of the lower numbers of employees and the wide range of services available near the offices.

The "MammutClub" was founded at GK Software more than ten years ago to honour employees who have given many years of service. Employees receive a substantial financial bonus and their own car parking space at the business site in Schönebeck, if they are employed there, when they are welcomed into the club.

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

16. Qualifications

Disclosing which goals have been set and which measures have been adopted in order to promote the employability of all members of staff, i.e. their ability to participate in the working world and employment market place and to introduce change in the light of demographic developments and where risks are perceived.

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

Cooperation agreements have been signed or there are close informal links with Zwickau University of Applied Sciences, Chemnitz University of Technology, Freiberg University of Mining and Technology, Ernst-Abbe-Hochschule Jena, Hof University of Applied Sciences, Mittweida University of Applied Sciences, Glauchau University of Cooperative Education, Plauen University of Cooperative Education and the University of West Bohemia in Plzen. Students particularly come from these educational centres to complete work experience at GK Software or work as students or write their final dissertation at the company. In addition, the firm offers many other opportunities for young people to launch their careers or gain further training, ranging from work experience for school pupils to training to become an IT specialist, industrial clerk or chef or even the opportunities for sandwich courses in business IT or media information technology, technical IT or international management.

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

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

The firm annually supports a student from the data science master's degree course as part of the DAAD Germany grant scheme and in cooperation with Chemnitz University of Technology and also supports an application project on the "Management & Organization Studies" master's degree course there in the field of employer branding and employee satisfaction all year round. prudsys AG has been organising the Data Mining Cup for more than 20 years and it is one of the most important student competitions in the field of data science; teams from universities all over the world take part in this competition.

Thanks to the intensive and professionally grounded support for degree dissertations, some students from the Zwickau, Hof, Glauchau and Plauen region have been able to submit their dissertations to the Rotary Club in Plauen. The Innovation Prize for the best degree dissertation submitted was presented to a student in Hof in 2019, who had written her bachelor's degree on the subject of in-store navigation in cooperation with GK Software in the field of innovation & research. GK Software also attaches great importance to a successful start for new employees at the firm. An on-boarding programme has been specially developed for this purpose. This means, in very specific terms, that many training courses and workshops take place during an intensive familiarisation week, the various specialist areas are introduced and each new employee is handed a welcome file with relevant information at the start. A separate introduction week is held for trainees to ensure that the content is communicated specifically for this target group and in line with their age.

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

Employees have the opportunity to organise their training and further training measures themselves because many courses are available as webinars or online training courses via the GK Academy's portal, which has been specially developed for this purpose. This not only prevents trips to business sites in the long term, but the company can also cope with alternative working hour models.

GK Software is a partner in the EU FIRST project. This promotes the process of exchange between firms and universities as part of the Horizon 2020 programme. The research project focuses on the topics of "virtual factories" and "retail processes of the future". As a result, it is possible for employees to spend a period of at least 30 days at one of the partner universities in Bournemouth, Groningen, Modena, Rome or Shanghai and reflect on their work in an academic context. Nine employees took part in the project in Italy, England and the Netherlands in 2019. In return, employees from the partner universities regularly come to the firm's headquarters in Schöneck in order to work on new issues with the GK Software employees. A "Researcher Day" was held in July 2019, which provided an opportunity to gain some insight into the EU FIRST project through elements like lectures by well-known research scientists. GK Software has been awarded the seal of an "Innovative Company" as part of the EU project.

Key performance indicators 14 - 16

EFFAS S03-01 key performance indicator

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

GK Software had 1,205 employees around the globe at the end of 2019.

773 people were employees at the Group's German business sites at the end of the year (excluding prudsys AG). This figure included 697 full-time employees. GK Software also employed the following people in 2019: 20 trainees, 18 sandwich course students, 28 working students; it supervised 16 degree dissertations and enabled 70 people to gain work experience (17 students and 53 school pupils - includes pure school-time work experience and holiday work experience).

They were divided into the following age groups in December 2019.

Age structure at the German business sites (excluding prudsys AG) on 31 December 2019

T.02 Age	Proportion
	%
Aged under 21	2.6
Aged 21 - 30	17.5
Aged 31 - 40	43.5
Aged 41 - 50	22.9
Aged 51 - 60	12.2
Aged 61 - 70	1.4

EFFAS S10-01 key performance indicator

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

Of the 1,205 employees in 2019, 262 of them were women.

The proportion of women in the total number of employees was therefore 21.7 %.

EFFAS S10-02 key performance indicator

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

13 women and 90 men hold management positions with responsibility for other personnel from the team leader level upwards within the complete Group.

That represents a female proportion in management positions of about 12.6%.

EFFAS S02-02 key performance indicator

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

Providing employees with further training is an important component in the CSR measures within the firm. There are measures, which can be clearly attributed here, and those that are not directly

assignable. The latter include: employees participating in conventions, conferences and congresses; coaching sessions as part of the internal [mentoring programme](#); time and materials for individual studies (books, magazines, fee-based online portals); working hours and logistical support for EU projects, which also serve the further training needs of the employees involved.

On average, EUR 230 was spent on each employee for external training courses during 2019.

The training sessions, classroom courses, seminars and webinars completed for internal employees by the GK Academy are an additional asset item. 177 classroom training courses were held during 2019 with 1,177 people attending them.

The GK Academy has also been offering online training courses via its home page since March 2019. 13 different online training courses were actively launched in 2019. Of them, 6 online training courses were launched for all GK employees. A further 7 training courses were used for specific target groups in line with the various departments. Employees therefore have the opportunity to take part in these training courses without this measure being directly charged for. The range of online training courses covers general introductory and product topics, GK security training, as well as data privacy courses, which all GK employees have to attend. These training courses are available at all the business sites around the globe.

The number of people participating in training courses in 2019 increased because of the new online training facilities.

Presentations by trainees and sandwich course students regularly take place in the form of coaching sessions too. They become involved in fairly small topic areas by studying them alone and present them in abbreviated form to their fellow-trainees and trainers. The presentations were given in German in 2019; there are plans to make English the presentation language in future. The goal is to prepare young people adequately for their final examination/oral exam and promote private study too.

This gives rise to a further cost item of approx. EUR 400 per employee, excluding travel expenses, within the Group by using a reduced, internal cost rate and assuming that the training course did not always last a full day.

The average expenditure therefore totalled approx. EUR 591.46 per employee and was therefore very similar to the level in the previous year. However, it should be noted that the absolute training costs have increased because of the growth in the number of employees.

17. Human rights

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

GK Software, as a firm based in Germany, is obliged to comply with the guiding principles of the Organisation for Economic Cooperation and Development (OECD) for multinational corporations. Compliance with human rights and taking responsibility to prevent child and forced labour extend to the complete supply chain, which is why GK Software selects its partners with care. During any business activities within the European Union and with countries associated with the Union, it is

generally assumed that the human rights standards are also followed by the partners. In order to be able to guarantee this internationally too, a Code of Conduct for partners and suppliers has been drawn up and it demands that fundamental minimum standards are followed, in addition to the latest national and international laws.

So far, no infringements of human rights, cases of child or forced labour or exploitation at partners and suppliers have come to light.

Key performance indicators 17

EFFAS S07-02 II key performance indicator

Percentages for all the facilities that are certified according to SA 8000.

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

18. Community

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

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

As part of this, there is a strong degree of cooperation with the local skiing club and its facilities at the main business site in Schöneck and this finds expression in the form of financial subsidies and voluntary involvement by employees from GK Software. Sponsoring agreements with the biathlete, Megan Tandy, and the skier, Andy Schauer continued in 2019.

The Tannenmühle children's home in Erlbach, the association supporting the Vogtland Theatre in Plauen and the Vogtland Rural District's sports gala, which presents awards to the best athletes in the District at a ceremony every year, also receive regular support from GK Software.

In order to promote an interest in IT, GK Software has made itself a partner in the "Hackspace" Initiative and it makes available company premises at its new Campus for ardent IT hobbyists once a week for them to complete design projects or enable people who are not employees to learn programming languages too and generally offer them a platform for sharing ideas.

The "IT holiday camp" has been launched too for young IT enthusiasts; it takes place on several days during the winter holidays and has a different area of focus every year. The equivalent was held in the summer and autumn holidays too in 2019 because of the excellent response from pupils. Workshops on the topics of IT security, Python, Minecraft, climbing, table tennis, how a till works, 2D games programming, a soldering workshop, animation courses, an introduction to the IoT and Scratch were held; 40 children in all attended them, some of them participating in several

courses. The goal being pursued here is to make IT understandable to pupils in a practicable and playful manner and enthuse them about STEM professions.

Other very popular, regional courses are held at the Innovation Centre in Schöneck. An outdoor climbing wall, which is 15 metres high, has been built here and sports enthusiasts can cope with approx. 20 routes ranging from difficulty levels 3 - 7 (UIAA). There has also been a bouldering wall on the Campus building since 2019 and it has attracted a great deal of use from employees and athletes from outside the company.

Firms and communities are generally networked in the region via the work of the South-West Saxony Digital Network and are made fit to face the challenges and opportunities presented by globalisation. The IT Lounge, which takes place every year, other smaller and larger events and the cluster as such enjoy great popularity, nationally too. Visits by state and federal politicians, like the Defence Minister, Annegret Kramp-Karrenbauer, the State Minister for Federal Affairs and the Media and the Head of the Saxon State Chancellery, Oliver Schenk, Torsten Herbst, a Member of the German Parliament, or the Saxon State Minister for Economic Affairs, Labour and Transport and Deputy State Premier, Martin Dulig, provide ample evidence of this.

The "School #digital" project goes back even further. GK Software has set itself the goal, in conjunction with the sports grammar school in Klingenthal, of supporting schools to provide affordable technology for each pupil in the 21st century. A concept has been drawn up and the Saxon Ministry of Education has recommended it as a model project.

Attempts are being made to enthuse more pupils regarding IT by holding and supporting competitions.

The company participated in the WRO Regional Competition in 2019, an international robot contest, which aims to enthuse children and young people aged 6-19 about science and technology. The participants work in groups of two or three with one coach on new tasks every year and then enter the competition in various age groups and in one of the three competition categories. The WRO is viewed internally as a trainee project where all the new and old trainees have to actively become involved in the fields of programming, project management, systems integration etc. Various robot systems are used - for example, Lego Mindstorms. The company was able to qualify for the German finals for the first time in 2019 because of its good work; the next stage involves participating in the world finals.

The Data Mining Cup was held for the 20th time in 2019. It is a student competition, which has been initiated by the Group subsidiary, prudsys AG. 149 teams from 114 universities around the globe in 28 different countries faced up to the challenge in the field of fraud detection during the 2019 edition. Students had to develop a mathematical model in no more than six weeks to uncover as many cases of fraud during self-scanning as possible. Awards were presented to the prize-winners during a specialist conference.

The "Long Night of Coding" (LNDC), a hackathon, which is organised by regional companies and Zwickau University of Applied Sciences and aims to encourage the creation of new ideas, creative solutions and forward-looking applications in the field of business, took place at the university in Zwickau again in 2019. GK is one of the main organisers of this event. The number of people taking part in the LNDC is growing every year. 100 IT enthusiasts took part in 2019, including international guests from Kyrgyzstan and Georgia for the first time.

Excursions were part of the programme in 2019 too, including nine to the business site in Schöneck alone. They involved students from the Ernst-Abbe-Hochschule Jena, Glauchau University of

Cooperative Education, Zwickau University of Applied Sciences (as part of the trinational master's degree), teachers in the form of further training from the Vocational Training Centre in Rodewisch, pupils from the grammar school in Klingenthal as well as guests from the Lions Club in Plauen and the e.o. plauen Vocational Training Centre. These excursions were very popular, which is demonstrated by the fact that a request has been made to include some of them in the regular semester timetable or even the school year curriculum.

GK Software also took part in 23 regional career, graduate and training fairs, in career guidance events and university information days in Plauen, Glauchau, Zwickau, Chemnitz, Dresden, Leipzig, Munich, Hamburg, Jena, Schmalkalden, Ilmenau and Hof and became involved in the form of providing lectures.

Other events that GK Software holds or supports are ZV-LAN parties, lectures at secondary and grammar schools as part of presenting the company or career descriptions, the Grünheide Learning Camp (a special form of encouraging gifted pupils) and the Trainee Selection Day - it is always held at the beginning of the year to select the new trainees in the fields of systems integration and application development, the trainees' day and trainee evenings.

GK Software was rewarded for its commitment, among other things, by being included in the image film on the Vogtland region, the award presented to the CEO, Rainer Gläss, as "Saxony's Entrepreneur of the Year" in 2018 and the presentation of the Order of Merit of the Federal Republic of Germany to him.

19. Political influence

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

The software sector is viewed as being in a state of constant change. On this basis, it is a matter of course for GK Software to not only promise to do business in a sustainable and forward-looking manner, but also make a contribution to ensure that an informed economic policy can successfully support digitalisation. GK Software is therefore involved in various associations, like the Saxon Industry Association, which has set itself the goal of networking small and medium-sized enterprises with each other and with international corporations. Its membership in the Saxon Industry Association, BITKOM and the Industrial Data Space help to network GK Software within the sector so that it is able to act sustainably with a view to the future. Participation at IT summits organised by the German government and helping to work on relevant papers also form part of this. GK Software also participates in consultations, which affect its sphere of influence, at the German Finance Ministry, when invited - particularly regarding the issue of implementing the planned Cash Register Order.

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

Key performance indicators

EFFAS G01-01 key performance indicator

Payments to political parties as a percentage of total turnover

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

20. Behaviour within the law and in line with directives

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

In line with the OECD guiding principles, GK Software promises not to offer, promise, grant or demand any direct or indirect bribes or any other unfair benefits in order to win or retain an order or gain any other unfair advantage.

In this regard, anti-corruption guidelines, which not only provide extensive instructions and measures on prevention, but also guidelines for action, have been prepared, in case any instance occurs where doubts are expressed about the legality of particular actions or a violation of the rules and laws takes place. A [compliance coordinator](#) has also been appointed and becomes actively involved in any instances that occur or where there are doubts about whether the rules and laws have been followed.

A whistle-blower system and other contact opportunities have been set up on the website in order to organisationally cover the issue of whistle-blowing. This ensures that any information can be processed quickly, using the help of legal experts, if necessary.

There are no cases of corruption at GK Software in 2019 either, according to the latest information available.

Key performance indicators 20

EFFAS V01-01 key performance indicator

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

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

EFFAS V02-01 key performance indicator

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

The lion's share of turnover generated by the GK Software Group is achieved in countries that have a Transparency International Corruption Index rating of more than 60. The licence turnover is normally generated via SAP in countries with a lower index rating so that GK Software does not have any direct customer relations there for the time being. Direct customer relations in these kinds of countries may only occur after the licence agreement has been signed. However, these projects are often handled through partners so that GK Software does not have any direct customer relations with the retailers, but simply with the partner in these cases. There are currently business relationships with customers or partners where turnover is generated in seven countries with a TCI below the threshold. No precise measurement of the relevant sales has been made so far, but it lies in a range of less than 10 percent of the Company's entire turnover.

Imprint/Notes

Imprint

Publisher:

GK Software SE
Waldstraße 7
08261 Schöneck

P: +49 37464 84-0
F: +49 37464 84-15

www.gk-software.com
ir@gk-software.com

Chairman of the Supervisory Board:

Dr. Philip Reimann

Management board:

Dipl.-Ing. Rainer Gläß, CEO
Dipl.-Kfm. André Hergert, CFO

Commercial Register Chemnitz HRB 31501

USt.-ID. DE 141 093 347

Photos:

iStockphoto (Title)

Contact

GK Software SE
Dr. René Schiller
Friedrichstr. 204
10117 Berlin

P: +49 37464 84-264
F: +49 37464 84-15

ir@gk-software.com

Notes

Note to the statement

This CSR report is the English translation of the original German version. In case of deviations between these two the German version prevails. This report in both languages can be downloaded at <https://investor.gk-software.com>.

Note regarding the rounding of figures

Due to the commercial rounding of figures and percentages small deviations may occur.

Disclaimer

This report can include statements concerning the future, which are subject to risks and uncertainties. They are estimations of the Board of Management of GK Software SE and reflect their current views with regard to future events. The Company assumes no obligation to update such expressions or forecasts.

