

SD Worx ESG policy

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1. Executive summary

This ESG Policy outlines SD Worx's commitment to responsible and sustainable business practice and environmental stewardship in line with UN Sustainable Development Goals (SDGs), international legislation, regulation and best practices. The aim is to minimize environmental impact and drive continuous improvement across all operations. By adhering to this policy, the organization contributes to global environmental protection efforts while ensuring the long-term sustainability of its business activities.

Sustainability and climate change mitigation are shared responsibilities. SD Worx integrates ESG principles into decision-making and daily activities, focusing on resource efficiency, pollution reduction, and ecosystem protection. Regular performance monitoring, clear objectives, and ongoing improvements underpin the ESG approach.

Key efforts include enhancing energy efficiency, responsible waste management, lowering emissions, and sustainable resource use, all in adherence to evolving ESG regulations and standards. This includes monitoring emerging regulations and ensuring that practices align with current and future legal requirements. Transparency in reporting and a focus on measurable results ensure accountability and stakeholder trust.

As a human-centred organisation, a commitment is made to fostering a healthy, safe, inclusive, and inspiring work environment in compliance with local regulations. Investment in talent management is made to create sustainable careers and meaningful employee experiences. The community is supported through ongoing society-building initiatives and long-term sponsorships.

Ongoing efforts are made to enhance sustainability performance through measurable goals, regular assessments, and necessary adjustments. By consistently evaluating and improving practices, SD Worx aims to maintain responsible and sustainable stewardship and long-term sustainability.

All employees are empowered through training and resources to contribute to the company's ESG goals, fostering a collective culture of sustainability and ethical conduct. A collective approach to sustainability ensures that everyone plays a role in achieving the organization's ESG objectives.

By adopting responsible practices and continually enhancing ESG outcomes, SD Worx aims to reduce the company's carbon footprint and contribute positively to the environment. Compliance with applicable regulations and the application of best practices in business conduct and governance are prioritized. Social responsibility is upheld in all business activities, including products and service offerings to customers.

2. ESG Governance and Structure

Managing ESG—Environmental, Social, and Governance—is a key part of our commitment to sustainable business. It helps us put sustainable practices into action, use resources efficiently, prevent pollution, and keep improving how we operate, in line with international standards like ISO 14001.

A healthy, safe, and socially responsible workplace that promotes diversity, equity, inclusion, and upholds high standards of governance, transparency, and ethical conduct is fostered. The Code of Conduct outlines the commitment to ethical behaviour, respect for labour and human rights, and other key social topics.

Compliance is ensured through audits, assessments, reporting, and mandatory training for all staff, including Code of Conduct training for all employees and temporary workers.
The policy aims to promote sustainability throughout the organization by:

- Ensuring transparent communication and stakeholder engagement.
- Implementing effective environmental initiatives and fostering a conscious workplace.
- Continuously monitoring, assessing, and improving the impact of ESG actions.
- Integrating sustainable solutions into strategies and services.
- Committing to innovative, accountable, and transparent ESG reporting.
- Ensuring good business conduct and sustainable governance practices.

2.1 Scope

This policy applies to **all SD Worx employees** across business operations, offices, subsidiaries and locations. Employees are expected to contribute to the company's ESG objectives by integrating sustainability into daily activities and decision-making processes.

SD Worx encourages suppliers and partners to adopt sustainable practices by:

- Considering suppliers with ethical labour and sourcing practices, strong environmental credentials and sustainability policies.
- Promoting the use of eco-friendly materials, products, and services.
- Incorporating ESG criteria in supplier selection and contracts when feasible.
- Encouraging supplier compliance with ESG standards and continuous improvement.

More information: internally from the corporate policy portal, PCO.04.03 Procurement Policy and externally Supplier Code of Conduct | SD Worx.

SD Worx is dedicated to **regulatory compliance** in every location where it operates. The company adheres to all applicable environmental and sustainability laws, regulations, and industry standards. In cases where local legal requirements exceed the provisions of this policy, the stricter legal requirement will take precedence.

2.2 ESG Management

ESG management at SD Worx involves collaboration among stakeholders and business units. The governance framework includes the Board of Directors, an ESG Steering Committee, and the ESG office, supported by functional teams and working groups. This structure promotes effective policy implementation, goal setting, risk monitoring, and performance tracking.

ESG Steerco (Steering Committee)

- Provides governance and strategic oversight.
- Defines the company's direction for sustainability initiatives.
- Ensures alignment with corporate priorities and regulatory compliance.

ESG Office

- Monitors key performance indicators (KPIs) related to ESG actions and initiatives.
- Drives sustainability initiatives with appointed stakeholders and ensures compliance with sustainability commitments and standards.
- Manages external assurances like Ecovadis, UNGC, and ISO 14001, ensuring continuous improvement.

Functional Committee Stakeholders

- Implement ESG procedures, improve cross-departmental collaboration, and take ownership in each ESG focus domain.
- Allocate necessary resources to implement agreed-upon improvement actions.

Local Office Contacts

- Facilitate data collection at the local level.
- Assist the ESG Office in implementing sustainability initiatives locally.
- Implement and monitor ESG procedures and report on performance.

All SD Worx Employees

- Adhere to sustainability guidelines and best practices as defined in the ESG policy.
- Actively contribute to ESG efforts through responsible and ethical workplace behaviour.
- Support SD Worx in achieving ESG objectives by integrating sustainable practices into daily operations.

Clearly defined responsibilities ensure a structured, accountable, and collaborative approach to sustainability, regulatory compliance, and ongoing improvement.

3. ESG Strategy and Pillars

SD Worx is committed to the highest standards of corporate responsibility, implementing and maintaining and improve sustainability performance and comply with relevant regulations. As a leading European provider of integrated HR solutions, SD Worx acknowledges its role and commits in minimizing environmental impact and incorporating sustainability into its business operations, services, and corporate culture.

The SD Worx Code of Conduct reflects a commitment to sustainability, ensuring that business practices benefit current and future generations. A proactive approach is taken to minimize environmental impact, integrating sustainability into daily operations and fostering responsible practices among stakeholders.
SD Worx expects all employees and stakeholders to play an active role in supporting the sustainability objectives by:

The company's ESG strategy is built on the following pillars:

- **Climate Action & Emissions Reduction**
  - SD Worx actively works to lower greenhouse gas (GHG) emissions through energy-efficient workplaces, sustainable travel, and mobility solutions.
- **Resource Efficiency & Circularity**
  - Efforts include reducing energy and water consumption, minimizing waste, and promoting circular practices to optimize resource use.
- **Sustainable Procurement**
  - Suppliers and partners are encouraged to align with the Supplier Code of Conduct and adopt responsible sourcing practices.
- **Digital Transformation for Sustainability**
  - Technology is leveraged to support remote work, deliver efficient business solutions, reduce paper usage, and eliminate unnecessary resource consumption.
- **Employee Engagement & Awareness**
  - Employees are empowered to adopt sustainable behaviours and contribute to environmental goals through awareness and active participation.
- **Inclusive and Responsible Work Practices**
  - Sustainability is embedded into decision-making, workplace behaviour, and service delivery, fostering socially inclusive communities.

SD Worx takes a proactive approach to sustainability, integrating these principles into daily operations and encouraging all employees and stakeholders to support the company's environmental and social objectives. This commitment ensures that sustainability remains a core element of long-term growth and operational excellence.

SD Worx's sustainability strategy is structured across three core pillars: **Environment**, **Social**, and **Governance (ESG)** with defined commitments and measurable targets, aligned with global standards and impactful results.

3.1 Environmental Commitment – Towards a Healthy Climate

SD Worx works towards global Climate Action Goals by reducing emissions in line with EU 2030 targets and offering sustainable and digital services and solutions. The primary goal is to contribute meaningfully to Global Climate Efforts by implementing actions that reduce emissions and promote environmental sustainability.

The key near-term initiatives for achieving this target include:

- **Carbon Footprint**: Improving the current comprehensive measurement in line with the GHG protocol to track emissions and identify areas for improvement.
- **Climate Action Plan**: Implementing a detailed, actionable plan to drive emission reduction, improve resource efficiency, and sustainable practices across operations.
- **Green Mobility Vision**: Promoting sustainable transportation, electrifying company car fleets and supporting green mobility initiatives.
- **Environmental Provisions in Policies**: Ensuring that sustainability principles are integrated into all levels of decision-making, operations, and stakeholder engagements.

Through these actions, SD Worx is committed to supporting Global Climate Goals while ensuring it is leading by example in providing digital and sustainable solutions for clients and stakeholders.

3.2 Social Commitment – Towards a Happy Workforce

At SD Worx, a people-first approach ensures a healthy, safe, inclusive, and inspiring work environment, compliant with local regulations. HSE policies are regularly updated to reflect legislative changes. A happy, healthy, and engaged workforce is seen as the foundation of sustainable success, supported by ongoing employee assistance programs in collaboration with internal and external partners. Continuous investment in talent management creates sustainable careers and meaningful experiences, empowering individuals in their professional and personal development. A socially responsible corporate culture is promoted, with support provided to communities through society-building initiatives and long-term sponsorships.

Key near-term initiatives to achieve this target include:

- **Social and DEIB Programmes:** Implementing Diversity, Equity, Inclusion and belonging programs to cultivate an inclusive work culture, complemented by well-being sessions for employees' mental, physical, and emotional health.
- **Well-being and EAP:** Pulso EAP offers confidential support services to assist employees professionally and personally, covering psychological, legal, financial, and social matters.
- **Knowledge Sharing and Legal Advice**: Promoting continuous learning and knowledge exchange while providing legal guidance to ensure compliance with labour laws and best practices.
- **People Management and Development**: Strengthening talent management through training, reskilling, and employability programs via the SD Worx Academy, equipping employees for professional growth and career advancement.

By keeping up to date with local and EU legislations, SD Worx strives to be a driving force for **social innovation** where employees feel empowered, supported, and valued, contributing to both individual and organizational success.

3.3 Governance Commitment – Towards a Fair Society

SD Worx is committed to demonstrating leadership through unwavering dedication to accountability, integrity, and transparency. The highest standards are set for compliance and ethical behaviour within industry, fostering trust and confidence among all stakeholders. SD Worx governance practices are rooted in principles that promote fairness, responsibility, and positive societal impact. Leading by example in creating a fair and equitable society, ensuring that all operations and business practices reflect the commitment to the highest ethical standards, hence, contributing to a fair and equitable society.

The key near-term initiatives for achieving this target include:

- **Industry Recognition:** Continuously strive to be recognized as a leader in HR excellence.
- **Assurance and Certifications:** Strengthening the commitment to best practices in governance by maintaining ISO/ISAE certifications and undergoing regular assurance processes to ensure that international standards of compliance and performance are met.
- **Ecovadis Rating and New Sustainable Procurement Policy:** Enhancing the ethical and sustainability practices by improving SD Worx Ecovadis rating and implementing a new **procurement policy**.

More information from SD Worx ESG pages.
Internal link: Intranet - Environment, social and governance at SD Worx
External link: Environment, social and governance | SD Worx

4. Climate action plan

The SD Worx Climate Action Plan outlines the guiding principles and actions to achieve a healthy climate. A comprehensive emission reduction roadmap will be developed, addressing emissions across all scopes (1, 2, and 3) from key sources, including transport and mobility, facilities, IT equipment, and data centres, in alignment with the Greenhouse Gas Protocol.

Climate commitments and measurable targets are structured as follows:

- **Compliance with Relevant Regulations and standards chosen**: Adherence to all applicable regulations (CSRD, CSDDD, Taxonomy), standards (ISO 14001), policies, and procedures (Ecovadis) designed to promote sustainable practices and reduce carbon emissions across operations.
- **Contribution to UN Global Compact Goal 13 – Climate Action**: In alignment with the UN Global Compact, SD Worx is committed to contributing to Sustainable Development Goal 13, focusing on climate action and supporting global efforts to mitigate climate change.

    - **Carbon Emission Reduction target**: Achieve a 55% reduction in carbon emissions by 2030, supporting global efforts to mitigate climate change.
- **Increased Use of Renewable Energy**: Active efforts to increase the use of renewable energy across all facilities, including both owned and leased spaces, ensuring that operations are powered by cleaner energy sources.
    - **Renewable Energy Commitment**: Transition to 100% renewable electricity across all SD Worx operations by 2030, advancing long-term commitment to energy sustainability.
- **Stakeholder Engagement and Training**: Engagement and training of stakeholders on sustainable business practices and the importance of reducing environmental impacts, ensuring a shared commitment to sustainability across the organization.
- **Commitment to SBTi**: SD Worx is committed to achieving significant sustainability milestones in line with Science-Based Targets Initiative (SBTi).
- **Waste reduction:** Implementation of waste reduction initiatives across all operations. More guidelines can be found in the SD Worx Waste Management Policy via corporate policy portal.

These commitments reflect SD Worx's dedication to aligning with international climate standards and continuously enhancing overall sustainability performance.

4.1 Sustainability Across Operations

SD Worx is committed to integrating sustainability into all aspects of operations, partnerships, and business practices. At SD Worx commitment is made to reducing the carbon footprint and driving sustainability throughout operations. Emissions are measured, tracked, and reduced annually, including direct (Scope 1), energy-related (Scope 2), and indirect emissions (Scope 3). The latest carbon footprint figures are available in the public ESG report. The ESG policy provides a high-level framework for sustainable actions in daily work.

Sustainability is integrated into all operations, including supplier selection. Suppliers committed to sustainability and climate actions are promoted.
Through these actions, SD Worx drives sustainable practices across all areas of business, aligning operations with global sustainability goals and reducing the overall environmental footprint.

Key actions include:

- **Partner Selection**: Suppliers and partners are encouraged to align with sustainability values and practice responsible sourcing.
- **Optimization of Cloud Resources**: Cloud resource capacity is optimized to reduce unnecessary consumption.

- **IT Equipment Lifecycle Management**: Efficient management and extended lifecycle of IT equipment are ensured, focusing on longevity, repairability, and responsible disposal.
- **Hybrid Work Model**: A hybrid work model is implemented to reduce commuting emissions and support work-life balance.
- **Energy Efficiency and Renewability**: Energy efficiency is improved, and green energy sources chosen to reduce emissions.
- **Waste Reduction and Management**: Waste is reduced and managed through recycling and reusing.
- **Sustainable Travel and Commuting**: Guidelines for sustainable business travel are developed, promoting online meetings and sustainable travel options. Commuting reduction by moving to EV´s in car fleet.
- **Digital Infrastructure**: Digital infrastructure operates responsibly by partnering with energy-efficient and renewable energy datacentre providers.

5. Sustainability awareness and engagement

Developing employees' understanding of sustainability and its role in operations is prioritized at SD Worx. Various training programs are offered to educate and empower employees to contribute to sustainability objectives.

- **Sustainability Training**: Modules on environmental impact, energy conservation, waste reduction, and sustainable business practices are provided through the Learning Academy to align the workforce with environmental goals.
- **Policy Management and Implementation:** The corporate policy portal streamlines the management and enforcement of sustainability policies, with the Corporate ESG Office overseeing their consistent application and updates.
- **Awareness and Engagement**: Internal communication channels like Viva Engage, webinars, and information sessions are used to keep employees informed and engaged in sustainability initiatives, fostering a community of sustainability advocates within SD Worx.

5.1 External assurance and reporting

SD Worx places a strong emphasis on external assurances for environmental and sustainability management to ensure that sustainability efforts are independently evaluated and continuously improved. SD Worx is dedicated to meeting the highest standards of environmental management, including processes for identifying and managing environmental aspects, setting objectives, and measuring performance. Regular internal audits and management reviews are conducted to ensure effectiveness and identify opportunities for improvement.

Ecovadis assessment

The ECOVADIS assessment evaluates SD Worx's ESG (Environmental, Social, and Governance) performance annually, identifying strengths and areas for improvement. The scorecard, covering environment, labor & human rights, ethics, and sustainable procurement, guides sustainability initiatives and is shared with customers. The latest scorecard is available on the internal ESG page and in the annual ESG report. It can be

requested via the ECOVADIS platform under SD WORX HOLDING NV (GROUP) or with EVID number HE458847.

United Nations Global Compact (UNGC)

SD Worx is committed to the UN Global Compact (UNGC), a voluntary initiative that encourages businesses worldwide to adopt sustainable and socially responsible policies. SD Worx actively supports and contributes to **5 sustainable development goals** (SDG´s): **3. Good health and well-being**, **4. Quality education**, **5. Gender equality**, **8. Decent work and economic growth** and **13. Climate Action**. Progress in this area is publicly reported each year on the UNGC's public webpage, demonstrating transparency and accountability in climate action initiatives.

Environmental management system, ISO 14001

Currently, SD Worx holds ISO 14001 certification in several locations, including **Estonia**, **Finland**, **Norway**, and **Sweden**, as well as in **parts of the Netherlands**. This certification is recognized as an important milestone in ensuring consistent environmental performance across all operations, with active efforts towards achieving full certification in all countries of operation.
Through these external assurances and certifications, SD Worx's ongoing commitment to sustainability and transparency is demonstrated. By continuously seeking independent evaluation and striving for the best global practices, meaningful and measurable improvements are aimed for.

5.2 Corporate Health and Safety

At SD Worx, the belief is that people are key to business success. The aim is to inspire employees through a safe and healthy work environment, facilitating both physical and mental health.

The HSE policy pursues the following objectives:

- Accident Prevention: Measures are implemented to prevent physical, psychological, material, and environmental damage.
- Healthy Work Environment: A safe, healthy, and pleasant work environment is offered.
- Compliance: Adherence to all relevant health and safety legislation and standards is ensured.

Clear roles and responsibilities are defined within the HSE management system, ensuring staff are trained in health and safety policies, legislation, and risk assessment techniques. Occupational HSE risks inherent in activities, processes, and the work environment are identified and assessed to eliminate hazards and reduce risks through necessary controls and measures. This includes analyzing accidents and incidents to implement preventive and corrective measures.

Suitable onboarding and training programs are organized for employees based on their responsibilities. Safety awareness and behavior among all employees and external parties are increased through education, instructions, and training courses. No form of violence or harassment is tolerated, and measures to assist victims are ensured. Health initiatives and counselling services are offered.

A management system is set up to document and follow up on HSE policies, KPIs, requirements, and objectives, ensuring continuous improvement. Crisis management and emergency plans are developed, and mandatory technical examinations and regular prevention checks by internal and external parties are performed.

Open communication about all aspects of the HSE management system is maintained. Every employee is encouraged to take care of their own health and safety and that of others, ensuring compliance with processes and contributing to the improvement of the HSE management system.

More information from SD Worx HSE Policy statement & PCO.03.09 Corporate Health, Safety & Environmental Policy

5.3 Sustainable procurement

Sustainable procurement is understood as a powerful lever for achieving environmental, social, and governance (ESG) objectives at SD Worx. As a forward-thinking organization, ESG principles have been integrated into the procurement process, ensuring that sustainability is a key consideration when selecting suppliers and partners. Responsible sourcing is believed to be vital for creating long-term value, not only for the business but for the communities and environments in which operations occur.

To ensure these evolving requirements are met, the landscape of sustainability standards is closely monitored, paying attention to key areas such as carbon emissions and resource efficiency. Processes are continuously assessed to identify areas for improvement, striving to maintain transparency and accountability throughout the value chain. This approach helps not only meet regulatory requirements but also fosters a culture of continuous improvement in sustainability performance across the organization.

5.4 External communication

SD Worx is committed to being a trusted partner by providing clear and transparent insights into its sustainability journey. The annual ESG report, published on the public website, offers a comprehensive view of efforts, progress, and future goals across all aspects of the ESG strategy. This ensures that everyone partnering with SD Worx can easily track the sustainability path, assess performance, and stay informed about the impact.

In addition to the annual ESG report, the ESG Whitepaper has been launched as a more concise, easily accessible document offering a snapshot of the current ESG status. It provides a high-level summary of sustainability achievements and future ambitions, serving as a reference point for understanding the approach to ESG.

To communicate standards and sustainability performance transparently, an annual independent assessment by Ecovadis is conducted. This assessment provides a sustainability rating and a scorecard summarizing performance through straightforward metrics.

To ensure ongoing communication and engagement with customers, a variety of channels are utilized. Regular updates on sustainability initiatives are provided through customer meetings, newsletters, webinars, and other events. These platforms not only share the latest progress but also provide opportunities for customers to ask questions, offer feedback, and learn more about sustainability.

Through these efforts, SD Worx's commitment to transparency, collaboration, and continuous improvement in sustainability is reaffirmed. By keeping customers informed and engaged, stronger, more meaningful partnerships are built while driving positive changes across the ESG landscape.

6. Key ESG Objectives (2025–2030)

ESG Objective	Key Actions	Target/Goal
Reduce Carbon Footprint	Gradually reduce carbon emissions, implement energy-saving measures, promote telecommuting, promote alternative mobility, and transition to electric vehicles	Annually and aligned with EU reduction guidelines by 2030
Improve Energy Efficiency	Increase energy and recycling efficiency, upgrade energy efficiency in office facilities, buildings, cloud environments, data centers	Annual increase of efficiency by 2030.
Decrease Water Consumption	Reduce water usage, increase efficiency of water use in all office buildings	Aligned with Facilities office strategy and planning.
Enhance Waste Management	Reduce waste generation, implement comprehensive recycling programs, encourage use of reusable materials	Aligned with local regulations
Increase Use of Renewable Energy	Achieve 100% renewable electricity in all facilities, increase procurement of renewable energy sources	By 2030
Promote Sustainable Procurement	Assess suppliers for environmental sustainability and human rights, ensure partners uphold ethical practices, minimize environmental impact, respect human rights	Across the supply chain with focus on tier 1&2 suppliers.
Enhance Employee Engagement	Increase employee participation in sustainability initiatives, conduct training sessions and awareness campaigns	Continuous improvement action.
Improve Data Quality for Environmental Reporting	Enhance accuracy of environmental data, implement advanced data collection and monitoring systems	Continuous improvement action.

7. Definitions

Term	Definition
CSRD	Corporate Sustainability Reporting Directive
ESRS	European Sustainability Reporting Standard
SBTi	Science-based targets initiative
SDG	Sustainable development goal
ISO 14001	Environmental management system (EMS)

8. Document control

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Date	Author	Version	Changes
1.6.2025	Laura Antila	1.0	Initial version

Document References

Nr	Document title	Document number
1	SD Worx Code of Conduct	
2	SD Worx ESG report	
3	SD Worx Workation policy	
4	SD Worx Hybrid work model	
5	SD Worx Waste management policy	
6	SD Worx HSE policy	