



# Asseco South Eastern Europe Capital Group 2023 Non-Financial Report

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# Summary of Non-Financial Information for 2023



**1 643 million**  
PLN revenues

**3 920 employees**  
in the ASEE Group

**12 083 MWh**  
of energy consumed

**10 696 332 km**  
driven by company cars

**23 countries**  
where ASEE operates



# Letter from CEO

## 2. Letter from the CEO

Dear Stakeholders,

I am thrilled to share with you our latest achievements and progress at ASEE Group. As the CEO, it is my pleasure to provide you with an update on our non-financial report for 2023. It was a year of unprecedented success for us, as we achieved exceptional performance again. We owe this success to the collective efforts of our dedicated employees, our strong business conduct, and our unwavering commitment to respecting all our stakeholders, including employees, the societies in which we operate, clients, and partners.

At ASEE Group, we are proud to conduct our business based on our core values of Integrity, Respect, Responsibility, Efficiency, Professionalism, and Commitment. Sustainability is at the heart of everything we do, and in 2023, we focused on increasing Sustainability awareness, which includes environmental, social and governance issues. We are proud of the work done by our Sustainability Team, which has been instrumental in supporting continuous improvement to manage and monitor our GHG emissions, promoting our corporate governance model and addressing employees' concerns.

When preparing the non-financial report, we considered many of the recommendations within the sustainability area, including the UN Sustainable Development Goals, EU Directive 2014/95/EU regarding disclosure of non-financial and diversity information, Regulation (EU) 2019/2088 on Sustainable Finance Disclosure Regulation (SFDR), Recommendations of TCFD (Task Force on Climate-Related Financial Disclosures), Best Practice of GPW Listed Companies 2021, The Regulation (EU) 2020/852 on Taxonomy, and EU Delegated Regulation 2021/2139, 2023/2485 and 2023/2486.

We know that monitoring all relevant data and preparing a report is a challenge for every company, and we have some small companies within the ASEE Group with limited resources to support the reporting process. To address this, we have considered two standards in our reporting framework, the GRI (Global Reporting Initiative) and SIN (non-Financial Information Standard). We have selected SIN, developed by FSR (Foundation for Reporting Standards), to provide a simpler reporting framework. However, we are confident that we will be well prepared for the year 2024 with new reporting ESRS standards. Therefore, presented report is the last one containing SIN standards.

Looking ahead, we are committed to aligning with emerging European Sustainability Reporting Standards (ESRS) and anticipate transitioning to these new standards in the coming year. While we maintain consistency in our Key Performance Indicators (KPIs) for 2023, we recognize the significance of establishing a baseline year for future reporting under ESRS.

In conclusion, I believe that our fourth and last SIN non-financial report comprises comprehensive information on how we approached corporate governance, risk management, environmental, employee, social, ethical and anti-corruption issues, as well as marketing communication in 2023, and the results we achieved in these areas. As a company employing 3952 people in 24 countries and generating over PLN 1.6 billion in sales revenues in 2023, we have implemented 83 certified management systems, consumed 12 083 MWh of energy, with 9% coming from renewable energy sources, emitted 2.97 MgCO<sub>2</sub>e per 1 million revenues of Scope 1 & 2 greenhouse gases into the atmosphere, emitted 141 kg of waste per 1 million PLN revenues, drove 10 696 332 km with company vehicles, and provided 13.3 training hours per employee.

We remain committed to our sustainability journey and look forward to the next phase of this journey. Thank you for your continued support and trust in our company.

Sincerely,

Piotr Jeleński, CEO of ASEE and Payten



# **Business Model** **and Corporate Governance**

### 3. Business model and corporate governance

ASEE S.A. is primarily engaged in holding activities and focuses on managing the Group of companies and expanding its geographical coverage and product portfolio.

ASEE Group also conducts operating activities including the sale of proprietary and third-party software as well as the provision of implementation, integration and outsourcing services. The Group delivers complete solutions and proprietary software necessary to run a bank, as well as state-of-the-art payment solutions helping shape the payments market in the region, and provides integration and implementation services for IT systems and hardware from the world's major vendors.

ASEE Group has identified the following reportable segments reflecting the structure of its business operations:

- Banking Solutions,
- Payment Solutions,
- Dedicated Solutions.

A broader description of the reportable segments is presented in the Management Report on the operations of the ASEE Group and ASEE S.A. for 2023.

#### 3.1. THE COMPANY'S GROWTH STRATEGY AND DEVELOPMENT DIRECTIONS

##### G.1.1. Description of the company's growth strategy including social and environmental aspects.<sup>1</sup>

ASEE S.A. is primarily engaged in holding operations and focuses on managing the Group of companies, including the payment services business consolidated under the brand of Payten, as well as on extending its geographical coverage and portfolio of products and services. Because the Parent Company is primarily engaged in holding activities, directions of the Company's development need to be examined taking into account the development and operations of the entire ASEE Group.

In 2024, ASEE Group (including Payten) intends to continuously expand the business of each operating segment within proprietary solutions and comprehensive services, while focusing on recurring revenue growth. To achieve this goal, ASEE Group plans to enlarge the scale of operations in proprietary software and services offered in the subscription model, including SaaS (Software-as-a-Service), as well as in outsourcing of processes, including payments for both large customers (enterprises) and retailers (merchants), focusing on fees based on the volume or value of transactions processed within a given process.

ASEE Group is expanding the area of its business operations both through organic growth and company acquisitions. Currently, we operate in the markets of Central and South-Eastern Europe, Turkey, Egypt, Spain, Portugal, Colombia, Peru, and the Dominican Republic. With regard to growth through acquisitions, the Group is continuously focusing on incorporating new businesses into its organizational structure.

##### Summary of goals for 2024 in the area of banking and dedicated solutions:

- Further increasing the share of our own products and services in the revenue structure of ASEE Group;
- Making selective investments in the pipeline of new IT products in the Banking Solutions segment and partially in the Dedicated Solutions segment, including further development of Digital Origination, Digital Edge, Live platforms, as well as Intelligent traffic solutions and Smart City solutions;
- Offering of selected solutions in the subscription model, including Software-as-a-Service;
- Preparing additional solutions for shifting the sales model from the traditional implementation and maintenance to the subscription model;
- Enriching selected software solutions with tools based on artificial intelligence (AI) and machine learning (ML);
- Boosting sales by entering into new markets, understood as new geographical locations as well as offering of our products in new business areas in the existing territory of ASEE's operations (also outside the SEE region);
- Gaining more benefits from the geographical and operational scale of the Group's business through well-coordinated management of resources, product development, relations with key customers and suppliers;
- Improving the efficiency of our operations through better project management, greater utilization of available resources, and optimization of customer support.

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<sup>1</sup> SIN Compliance chart can be found in section 9.2

### Summary of goals for 2024 in the area of payments - Payten:

- Expanding and reinforcing the portfolio of the Payment Solutions segment with new services and products both through organic growth and acquisitions, also beyond the present geographical area of the Group's operations;
- Further development of the business line offering e-Commerce solutions. Investments in existing solutions and furthering the range of services and geographical presence in the e-Commerce domain;
- Development of the business line offering payment solutions directly to retailers, providing customers with the comfort of working with a one-stop-shop vendor able to support both e-Commerce and physical payments (IPD);
- Offering new Payten solutions across the entire region of the Company's operations as well as in new markets, especially with regard to payment solutions intended for retail outlets;
- Expanding the portfolio of services offered to retail points of sale by providing the Buy Now Pay Later (BNPL) service as well as other payment and financial services;
- Work on the consolidation of competence centers within various geographies in individual areas of Payten's operations;
- Continued promotion of the Payten brand under which the segment operates.

## 3.2. BUSINESS MODEL

### G.1.2.

The ASEE Group's business model is based on the following assumptions:

#### Strengthening a coherent corporate structure

ASEE Group is expanding the area of its business operations both through organic growth and company acquisitions. Currently, we operate in the markets of Central and South-Eastern Europe, Turkey, Egypt, Spain, Portugal, Colombia, Peru, and the Dominican Republic. With regard to growth through acquisitions, the Group is continuously focusing on incorporating new businesses into its organizational structure.

- Payment Solutions,
- Banking Solutions,
- Dedicated Solutions (other proprietary solutions and third-party solutions).

#### A sales-oriented organization

The main task of sales force at ASEE (including Payten) has, for several years, been to expand our business into new markets as well as to focus on the most promising products and solutions. We continue to invest in resources that are necessary to serve international clients, who are present in the region of ASEE and Payten operations and have centralized organizational structures, as well as in resources allowing to boost sales in new markets.

We have undertaken a big challenge to actively engage business line managers and product managers from other departments into the sales and sales support processes. This is being accomplished gradually, including through professional training and implementation of additional processes to encourage cooperation within the Group.

In addition, we have begun to build a sales organization oriented towards the market of retailers, and not just enterprise clients. This work will be continued in 2024 and 2025 with a special emphasis on automation and IT support of the sales process and monitoring of its efficiency.

In 2024, the Group intends to continue its sales activities aimed at increasing revenues in the existing territory of operations, including Central Europe, South Eastern Europe, Italy, Spain, Portugal and Latin America, as well as in new markets.

#### Improving the operational efficiency

##### *Testing and quality assurance (QA)*

In 2024, the Group plans to strengthen its team as well as to rebuild and harmonize its processes for testing and quality control of developed software.

### *International teams*

We have set up international implementation teams that are dedicated to the execution of selected projects in the areas of mobile solutions, multi-channel online banking platform (Digital Edge), as well as the solution for offering financial products via digital channels (Digital Origination). Work is currently underway to increase the efficiency of these teams.

### *Goals for managers*

Thanks to the standardization of metrics and tools, it has become possible to set coherent targets across the Group based on selected performance indicators and link them to the remuneration of those responsible for our operations. The Group aims to set common goals at the Group level for people from various geographies working together on particular business ventures.

### *Expenditures for product development*

In cooperation with the sales team and heads of our product segments, we managed to verify our product development expenditures which helped rationalize the Group's budget more towards the development of strategically important products. Capital expenditures for these products have been consistently increased.

In 2024, the Group is going to continue to implement standard procedures as well as to improve its operating efficiency. The Management believes that such efforts will help perform any unprofitable projects at a minimum level and enable higher utilization of resources, thus further increasing the profitability of our own services.

### **Focus on strategic products and services**

By focusing on the development of strategic products, the Group will be able to achieve higher revenue growth and boost the sales of its proprietary solutions. This is one of the strategic objectives pursued by the Group and the signs of improvement in this area have been observed for a few years already. In 2023, sales of our proprietary solutions reached PLN 1,077 million, reflecting an increase by almost PLN 110 million or 11% in relation to the previous year. We expect our proprietary solutions to generate even stronger revenues in 2024.

In the ASEE's business development process, the Management places great emphasis on boosting the so-called recurring revenues, which include transaction fees as well as maintenance, outsourcing and subscription services, including SaaS (Software-as-a-Service). In 2023, our recurring revenues reached PLN 702 million, increasing by almost PLN 38 million or 6% as compared to the previous year. ASEE's Management expects to achieve higher growth during 2024.

Our strategic directions of development in the area of products include, among others, solutions for digital transformation of banks, authentication security systems, including anti-fraud and anti-money laundering solutions, artificial intelligence (AI) and machine learning (ML) solutions, billing platform solutions and smart metering systems, content management and business process management (BPM) solutions, multi-functional customer service and sales support platform (Live), intelligent traffic management and Smart City solutions (Husky platform), as well as e-Commerce solutions, including payment processing services. Selected solutions will be offered in the subscription model, including SaaS (Software-as-a-Service).

### **Entering new markets**

In the Management's opinion, in order to achieve higher sales, ASEE Group will need to generate more revenues in markets outside the current area of its operations, while supporting growth with acquisitions and expanding sales of individual business lines in countries where ASEE Group already operates but does not offer a particular service. A good example of this is further development of our offering dedicated directly to points of sale, including our independent network of POS terminals in Romania and the Iberian Peninsula, as well as independent network of electronic cash registers in Slovenia, Bosnia and Herzegovina, and Montenegro. Consistent development of product portfolio for points of sale and e-Commerce customers in Turkey, including direct debit payments, BNPL, independent network of POS terminals.

The strategic goal of ASEE and Payten is to become one of the three largest and most recognizable players in each of the markets where the Group conducts its business.

### 3.3. MANAGEMENT STRUCTURE

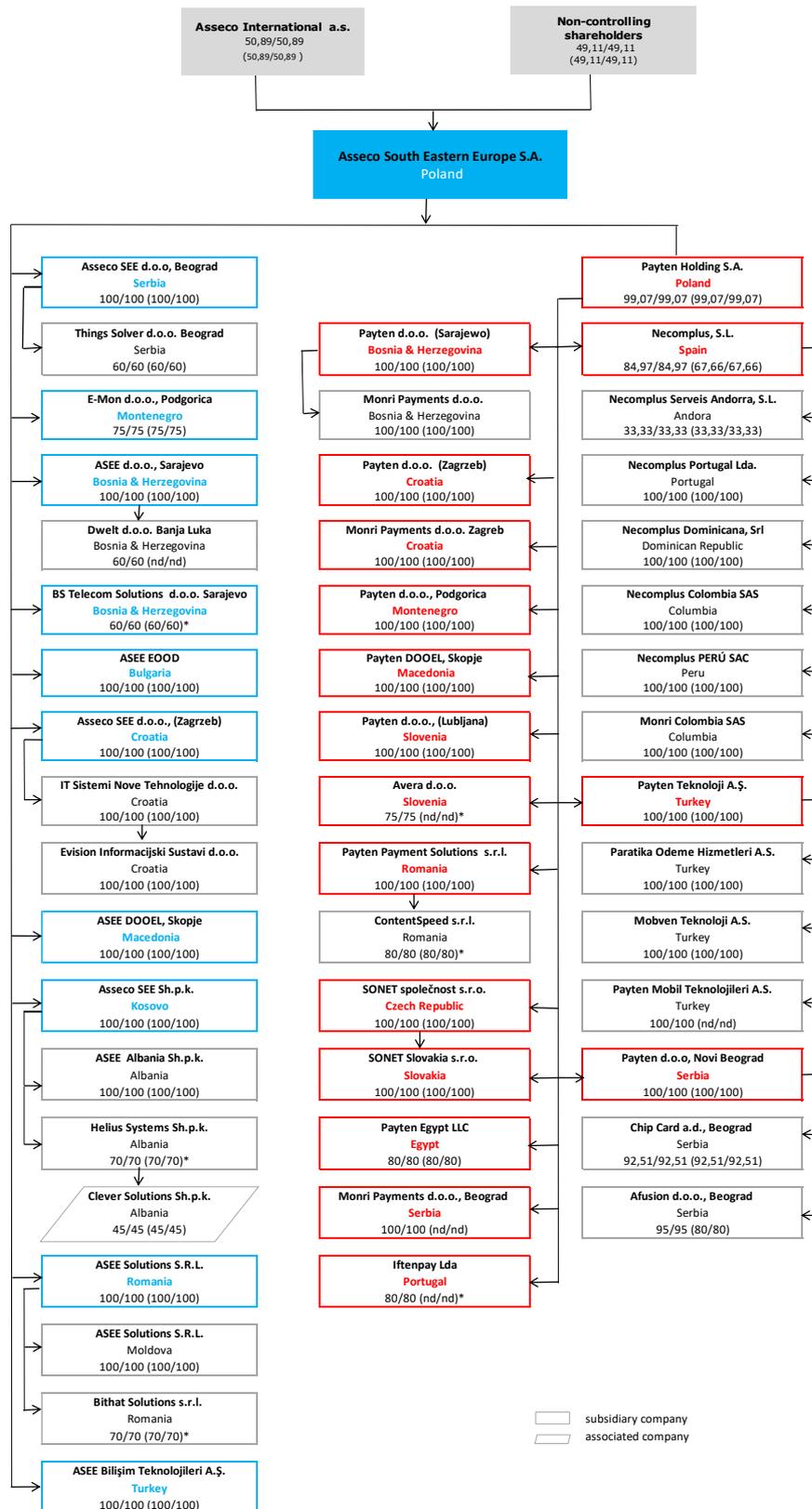
#### G.2.1.

As at the date of publication of this report, this is on 27 February 2024, the Company’s Management Board, Supervisory Board and Audit Committee were composed of the following persons:

<u>Supervisory Board</u>	<u>Management Board</u>	<u>Audit Committee</u>
Józef Klein	Piotr Jeleński	Artur Kucharski
Adam Góral	Miljan Mališ	Adam Pawłowicz
Jacek Duch	Michał Nitka	Jacek Duch
Artur Kucharski	Kostadin Slavkoski	
Adam Pawłowicz		

In light of the growing importance of sustainable development issues encompassing Environmental, Social, and Governance areas, ASEE Group Management Board has appointed Group Operations and Administration Manager dedicated to manage and coordinate our efforts in sustainability development. This strategic initiative underscores our commitment in driving forward our sustainability agenda and ensuring its integration into our overarching business strategy. As part of the materiality test, the Company’s Management Board analyzed non-financial data and decided to select key non-financial performance indicators.

### 3.4. ASSECO SOUTH EASTERN EUROPE CAPITAL GROUP



100/100 voting rights/equity interest as at 31 December 2023 (in %)  
 (100/100) voting rights/equity interest as at 31 December 2023 (in %)

\* this investment is accounted for using the present ownership method, assuming we hold 100% of shares due to the existing put/call options

### 3.5. MANAGEMENT SYSTEMS

#### G.2.2.

ASEE as holding company in Poland does not perform significant operational activities in Poland. Its role is mainly to perform management and control functions towards all subsidiaries in the Group.

Companies of ASEE Group (including Payten) operate in various geographies in the European Union and outside the EU. Various business lines require different management systems and are subject to different local regulations. For these reasons ASEE Group has not implemented a uniform Management System for the entire Group.

Implementation of adequate management systems is a responsibility of management boards of local companies. Maintenance of these systems is essential to ASEE Group business. In addition to internal focus on proper management practices, there are many clients who require adequate certifications. This is in particular essential in payment processing.

Almost all ASEE Group companies implemented various management systems. In total ASEE Group companies hold more than 80 attestations. Several ASEE Group companies (including Payten) hold ISO 9001: 2015 (Quality Management System), ISO 20000-1: 2018 (Service Management System) and ISO 27001:2013 (Information Security Management System). Several companies also implemented ISO 14001: 2015 (Environmental Management System). Payment processing companies also secured many attestations of compliance from organizations like e.g. PCI (Payment Card Industry), VISA and Mastercard.

As the scope of ASEE Group services expands, the number of management systems certificates constantly increases. The information about all attestations is maintained centrally and certificates are regularly renewed. Many certificates have been renewed in 2023.

### 3.6. INTERNAL CONTROL SYSTEM

#### G.2.3.

Internal control system relies primarily on responsibilities of statutory bodies and main central functions, as defined by law and internal regulations. The ASEE governance structure provides clear segregation of duties which contributes to effective communication, decision making process and efficient operations.

Ultimate control responsibility rests with the Supervisory Board which oversees ASEE Management Board. ASEE Board manages directly ASEE SA activities and - more importantly – appoints supervisory boards of local subsidiaries. Consequently, local subsidiaries' management boards have clearly defined control responsibilities. All these control functions of statutory bodies result directly from provisions of law. Compliance with these laws is regularly reviewed by an appointed Compliance Officer.

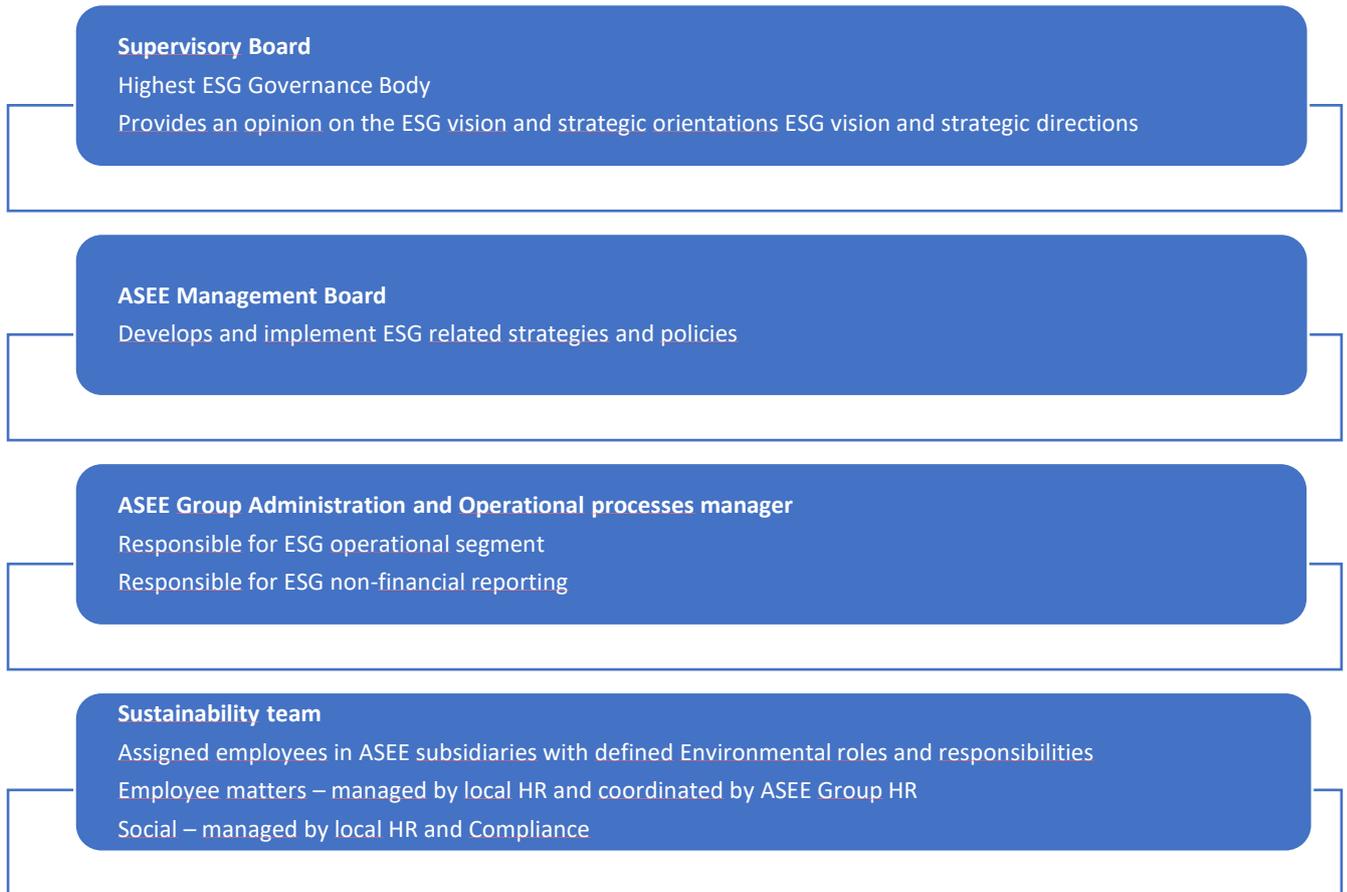
These statutory bodies are supported by Group functions, which have some control responsibilities defined in internal procedures. They also provide advice to statutory bodies. Finally local management boards are also supported in control activities by local operational management teams. Local procedures cascade some control functions on operational managers. In each company where a management system has been implemented, e.g. ISO, there is an indicated employee responsible for ensuring the compliance of the company's operations with the adopted management system. This top-down approach to control works effectively is confirmed by both external and internal audits.

Governance framework for sustainability matters includes various Group Policies and procedures, like e.g. Anti-Corruption, Conflict of Interest, Code of Ethics, Fair Competition Policy, GDPR, and Whistleblowers Procedure.

Group Information Security framework is governed by Group CISO. In 2023, ASEE Group information security was straightened with new and enhanced policies such as Group E-mail Security Policy, User Access Management Policy and Group AI Chatbots Acceptable Use Policy.

**Internal control system regarding non-financial matters:**

1. ASEE ESG Governance structure



2. ASEE Group Compliance Officer is directly responsible for ensuring compliance with the ASEE Group Code of Ethics, Anti-Corruption, Conflict of Interest Policy, and Whistleblowers procedure.
3. ASEE Group HR through Group policies, procedures and standards governs employees and social matters in all ASEE subsidiaries. There is a local HR function, which is subordinated to ASEE Group HR function, which provides a sound framework for applying Group standards in local environments.
4. Information Security and data protection – ASEE Group CISO is appointed to govern information security and data protection. A robust information security framework is developed and implemented to govern ASEE information security landscape.

In addition to control functions performed by management structures, the Company established additional bodies committed to auditing operational management practices, control processes and risk management effectiveness. At the level of the Supervisory Board, an Audit Committee was appointed, which in particular:

1. verifies the adequacy and effectiveness of risk management and internal control,
2. verifies the effectiveness of supervision of the compliance of the Company's operations with the law,
3. assesses the effectiveness of risk management systems, internal control and compliance as well as the internal audit function,
4. assesses the adjustment of the Company to the observations, positions and decisions addressed to the Company by the external auditor or other entities that supervise the activities carried out by the Company.

The Audit Committee is supported by the Group Internal Audit Manager who:

1. prepares an annual plan of internal audits,
2. carries out internal audits in cooperation with relevant employees of local companies,
3. drafts a report with audit conclusions and recommendations,
4. monitors the implementation of recommendations.

Finally, the internal control system is reviewed and verified by external auditors.

### 3.7. SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT

#### G.3.1.

Risk management framework is extended across the ASEE Governance structure addressing financial and non-financial risks. Due to limited size, many ASEE Group companies do not have separate Risk Management functions.

For main processes ASEE Group aims to apply 3 lines of defense:

- operational management of risks connected with the activities of the units,
- risk management by designated roles or units,
- activities of the unit responsible for internal audit - the Group Internal Audit Manager.

Strategic risks are monitored and managed by the ASEE Group Management Board in cooperation with local Management Boards.

Operational risks (including financial and non-financial risks) are identified, measured and managed by the operational management of different functions under the supervision and directions by the ASEE Group or local Management Board. Risk responses and control mechanisms are designed by the responsible operational managers and approved by the ASEE Group or local Management Boards. Risk responses and controls are established and implemented through the policies, procedures and processes across ASEE Group.

Risk management framework to manage non-financial risks is set from ASEE Group perspective. ASEE on a Group level builds awareness in local companies by collecting and explaining the importance of non-financial data. However, the significant risks related to ESG were identified, assessed, and addressed through risk responses on a Group level. Process is managed by ASEE Group Administration and Operational processes manager with support from the ASEE Management Board.

#### G.3.2.

During the materiality re-assessment in 2022 the ASEE Group updated its risk assessment dedicated to social and environmental risks. List and short characteristics of the identified social or environmental risks is presented in the section 8.4 of this Report. They are also discussed in more detail in specific sections presented in the report e.g. employee or environmental. ASEE implemented several risk mitigation tools, risk responses and control mechanisms in 2023. Gradually we plan to address all remaining risks in 2024.

### 3.8. ETHICS MANAGEMENT

ASEE Group recognizes the utmost importance of ethics and has established a Code of Ethics that was elevated in November 2022. Ethical behaviour is central to our corporate culture, communication with stakeholders and the way how we conduct our business operations.

Our Code of Ethics serves as a guideline for providing social norms, ethical standards, expected conduct, and regulatory compliance across all the sectors in which we operate. The Code of Ethics particularly focuses on our core corporate values of Integrity, Respect, Responsibility, Efficiency, Professionalism, and Commitment in their broader sense. We strongly emphasize transparency in our corporate culture, which represents fundamental part of our Code of Ethics.

We place significant importance on ensuring that all ASEE employees understand and adhere to our Code of Ethics, corporate culture and ethical values. To achieve this, we have made our Code of Ethics a mandatory element of our on-boarding process for all new employees. Moreover, we have designed an online Ethics training program, which is available to all ASEE employees, to further promote our core ethical values and corporate culture. It is highly recommended for each employee to complete the training and cover the provisions of our Code of Ethics. Group HR regularly monitors the extent to which training has been completed by the employees of each Group company.

ASEE Group is committed to upholding the highest ethical standards in all areas of our operations. Our Code of Ethics, outlines the main areas of interest and reflects our commitment to ethical conduct. By ensuring that all employees understand and follow the provisions of the Code of Ethics, we demonstrate our ongoing dedication to ethical behaviour and compliance.

#### G.4.1.

ASEE Group approved updated Code of Ethics in 2022 and following documents supplementing its content:

- updated Conflict of Interests,
- updated Fair Competition,
- Anti-Corruption Policy,
- and other Group and local procedures applied by given companies, departments to implement and detail provisions of the above policies.

Above documents are published at the company website and can be found using below links:

<https://see.asseco.com/about/company-documents/>

<https://see.asseco.com/pl/o-asseco/informacje-ogolne/>

#### G.4.5.

No breaches of ethical standards were reported in the year 2023.

#### G.4.6.

Code of Ethics is mandatory element of our onboarding process for all new ASEE employees. To further promote our core ethical values and corporate culture, we have developed a comprehensive online Ethics training program that is accessible to all ASEE employees at any time. It is strongly encouraged that every employee completes the training to thoroughly cover the provisions outlined in our Code of Ethics. This training serves as an essential tool in providing guidance on ethical conduct, reinforcing our commitment to maintaining the highest ethical standards across all our operations.

ASEE Group is very active in field of mergers and acquisitions projects what create risk of issues connected with new entities on-boarding. Human Capital Management (HCM) is an HR tool which has been implemented at the Group level and is provided for all employees from their individual accounts. It enables the employees of new companies to quickly get access and control over the same trainings as other employees have. Even though we have HCM in place new companies might be delayed with finishing such trainings. As of year-end 2023, the total number of employees that received a training on Code of Ethics is 3433 employees.

ASEE Group has established a set of formalized post-acquisition procedures. The procedures have been made available to all the newly joining companies. The common set of standards has been prepared with key business domain experts within the Group and consulted externally where applicable. The standards encompass all key business activities from sales, finance, controlling down to operational and delivery activities. In specific domains the standards are already supported by commonly agreed and provided tools. The standards have set grounds for a continuously improved process managed by the Business Development team within the group with additional focus put on the process improvement in 2024.

In addition, in order to fully utilize the potential of the latest merger and acquisitions each of the newly joined companies has been appointed with a post-merger integration lead, appointed extended post-merger team responsible for implementing the agreed standards, following the commonly established processes.

### 3.9. COMPLIANCE WITH THE TAXONOMY FOR ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

The business activities of the ASEE Group are eligible in the EU Taxonomy of Environmentally Sustainable Activities in terms of revenues in 45% and in terms of capital expenditures in 58% and in terms of operating expenses in 48%.

The EU Regulation 2020/852 on establishing a framework to facilitate sustainable investments was adopted in 2020. On 4 June 2021, the European Commission issued the Delegated Regulation 2021/2139 specifying the technical screening criteria. It defines screening criteria for making a significant contribution to climate change mitigation and climate change adaptation.

On 27 June 2023, the European Commission issued the Delegated Regulation 2023/2485 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives. The other environmental objectives are:

- sustainable use and protection of water and marine resources
- transition to a circular economy
- pollution prevention and control regarding use and presence of chemicals
- protection and restoration of biodiversity and ecosystems

Moreover on 27 June 2023, the EU commission published supplementing regulation 2023/2486 to regulations 2020/852 for determining the conditions under which an economic activity qualifies as contributing substantially to the above presented additional objectives.

After consideration, ASEE Group decided to keep the same procedure for taxonomy as it was presented in 2022 in order to have 2022 and 2023 comparable. Together with ESRS standards, we plan to implement new Taxonomy standards containing all requirements presented in above mentioned regulations.

### Taxonomy Implementation Process

The implementation process included the following steps:

Step 1: Determining the NACE activity codes in which the ASEE Group's economic activities are located. The analysis was conducted against the "NACE Rev.2 – Statistical classification of economic activities in the European Community".

Step 2: Identification of turnover, CapEx and OpEx in all ASEE Group companies. The identification used the methodology specified in the Annex 1 to the EU Delegated Regulation 2021/2178 issued on 6 July 2021 on content of the KPIs to be disclosed by non-financial undertakings (respectively the principles indicated in Annex 1, point 1.1.1. in respect of turnover, in point 1.1.2. with respect to CapEx and in point 1.1.3. for OpEx).

Step 3: Allocation of turnover, CapEx and OpEx to individual identified activities in all ASEE Group companies.

Step 4: Revenue, CapEx and OpEx data from all companies were consolidated at the Group level. Percentage of turnover, CapEx and OpEx attributed to each activity with NACE code was calculated at the Group level.

Step 5: It was determined whether activities carried out in the ASEE Group companies are defined as Taxonomy eligible in the EU Delegated Regulation 2021/2139 Annexes 1 and 2 for climate change mitigation and for climate change adaptation and whether these sectors are included in the Taxonomy as taxonomy eligible.

Step 6: The individual types of activity identified in the ASEE Group and classified in the Taxonomy to be reviewed in relation to the screening criteria as indicated in the Delegated Regulation 2021/2178. In each case, it should be assessed whether the activity meets the criteria for making a significant contribution to tackling climate change adaptation or climate change mitigation and for each activity it should be verified if it does not cause serious harm to other environmental objectives, in accordance with the criteria indicated in the Regulation. It should be also determined for each activity whether it is a transitional or supportive activity. Finally, it should be determined whether activities are carried out in such a way as to ensure compliance with minimum safeguards defined in the Regulation.

Step 7: Presentation sheets were prepared for Turnover, CapEx and OpEx in accordance with the templates included in Annex 2 to the EU Delegated Regulation 2021/2178.

It should be underlined that only certain activities of the ASEE Group have been defined as Taxonomy eligible for making a significant contribution to climate change mitigation and adaptation. As the scope of our activities that are Taxonomy eligible in 2023 is very limited, the Management Board of the ASEE Group decided to limit this year's report to Taxonomy eligibility. As the alignment with Taxonomy was not verified for 2023 data, all Taxonomy eligible activities are reported as not Taxonomy aligned. We anticipate that the presented data may change in the following years as our understanding. We remain committed to providing accurate and transparent information in regard to Taxonomy in the following years.

## Proportion of turnover from services associated with Taxonomy-aligned economic activities in 2023

Economic activity	NACE Codes	CapEx	Proportion of CapEx	Substantial contribution criteria						Do no significant harm (DNSH) criteria						Minimum safeguards	Taxonomy - aligned proportion of CapEx in 2022	Category (Enabling activity)	Category (transitional activity)	
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
		PLN k	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E/T	E/T
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%	0%								0%	0%	0%
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
Computer programming activities	J62.01	29,952	33%															28%		
Other information technology and computer service activities	J62.09	246	0%															0%		
Data processing, hosting and related activities	J63.11	22,739	25%															21%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		52,937	58%															50%		
<b>Total (A.1 + A.2)</b>		<b>52,937</b>	<b>58%</b>															<b>50%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
CapEx of Taxonomy-non-eligible activities (B)		37,989	42%																	
<b>Total (A+B)</b>		<b>90,926</b>	<b>100%</b>																	

## Proportion of CapEx from services associated with Taxonomy-aligned economic activities in 2023

Economic activity	NACE Codes	CapEx	Proportion of CapEx	Substantial contribution criteria						Do no significant harm (DNSH) criteria						Minimum safeguards	Taxonomy - aligned proportion of CapEx in 2021	Taxonomy - aligned proportion of CapEx in 2020	Category (Enabling activity)	Category (transitional activity)	
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
		PLN k	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T	E/T
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																					
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																					
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%	0%								0%	0%	0%	0%
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																					
Computer programming activities	J62.01	19,400	28%																		
Other information technology and computer service activities	J62.09	194	0%																		
Data processing, hosting and related activities	J63.11	14,966	21%																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		34,560	50%																		
<b>Total (A.1 + A.2)</b>		<b>34,560</b>	<b>50%</b>															<b>0%</b>			<b>0%</b>
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																					
CapEx of Taxonomy-non-eligible activities (B)		35,089	50%																		
<b>Total (A+B)</b>		<b>69,649</b>	<b>100%</b>																		

## Proportion of OpEx from services associated with Taxonomy-aligned economic activities in 2023

Economic activity	NACE Codes	OpEx	Proportion of OpEx	Substantial contribution criteria						Do no significant harm (DNSH) criteria						Taxonomy - aligned proportion of OpEx in 2022	Category (Enabling activity)	Category (transitional activity)	
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				Minimum safeguards
		PLN k	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E/T	E/T
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%								0%	0%	0%
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Computer programming activities	J62.01	39,171	32%														32%		
Other information technology and computer service activities	J62.09	45	0%														0%		
Data processing, hosting and related activities	J63.11	20,257	16%														19%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		59,473	48%														51%		
<b>Total (A.1 + A.2)</b>		<b>59,473</b>	<b>48%</b>														<b>51%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
OpEx of Taxonomy-non-eligible activities (B)		63,611	52%																
<b>Total (A+B)</b>		<b>123,084</b>	<b>100%</b>																



# Key Non-Financial Performance Indicators

#### 4. Key non-financial performance indicators

The Management Board of ASEE has defined a list of 35 non-financial indicators that are monitored and reported. Key non-financial indicators will be reviewed and improved in line with the new European Sustainability Reporting Standards (ESRS).

From the current indicators, the ASEE Management Board has selected 5 key performance indicators that are used for strategic and operational decision-making. Even though there was a plan to update KPIs, ASEE Management Board has decided planned update to be conducted in line with a new European Sustainability Reporting Standards applicable for 2024 reporting.

Key non-financial performance indicators:

- G.2.2. List of certified management systems.
- E.2.2. Percentage (%) of energy coming from renewable energy sources.
- E.5.3. Greenhouse gases emissions per revenues.
- E.6.4. Waste emissions per revenues.
- S.5.1. Average number of training days / hours per employee.

Summary of the KPI results in 2023 is represented on page number 4.

During 2023 the ASEE Group:

- increased the number of management certificates from 74 to 83: it confirms the Company's focus on adequate quality and reliability of services delivered,
- decreased the percentage of energy coming from renewable energy sources from 12% to 9%: the Company prefers to select suppliers offering more green energy mix. As last year's Global Economy was facing an energy crisis it can be also visible in the report presented. ASEE Group companies mainly rely on energy suppliers that cannot always offer green energy sources. Therefore, we decided to invest in our own green energy in late 2023 and 2024 expecting to see results in the following years.
- Increased Scope 1 & 2 greenhouse gas emissions by 9% from 2.76 MgCO<sub>2</sub>e per 1 million PLN revenue to 2.97 MgCO<sub>2</sub>e per 1 million PLN revenue: Here brief explanation comes from visible increased operations, more employees coming to office (energy and heating), as well as significant increase of business and operational travels by company vehicles.
- decreased waste emissions per revenues by 7% to 141.26 kg per 1 million revenues: this decrease has been mostly driven by one time event in Serbia last year, where we disposed significant amount of old electronic equipment. In 2023 we did not have such event.
- Provided on average 13.3 hours of training per employee: We will keep improving our monitoring and providing more training opportunities to all our employees in order to enhance the company's knowledge, competencies and expertise.

While we hold confidence in prioritizing these non-financial aspects, our journey towards monitoring and measuring these KPIs began in 2020. Over the past three years, we've seen a notable enhancement in both the quality and accessibility of our data. However, the global impact of the COVID-19 pandemic in 2020 and 2021, followed by the subsequent economic downturn in 2022 and 2023, prompted us to adopt new operational standards, including a hybrid model of operations and a work-from-home policy.

As the economic and operational conditions have stabilized, ASEE has started encouraging employees to return to the office. Given these dynamics, we have opted not to establish specific, measurable targets for our non-financial KPIs at this stage. Instead, we will keep these priorities in mind as we formulate objectives in 2024, taking into consideration the introduction of new European Sustainability Reporting Standards (ESRS).



# Environment

## 5. Environment

The environmental impact in the case of ASEE Group (including Payten) is fairly limited as there are no production operations. For the same reason changes in environment do not affect ASEE operations in short-mid-term.

Payten companies that sell and service ATM & POS equipment may generate significant electrical waste when old equipment is disposed of by ASEE Group company or its client. ASEE Group offices also produce some municipal waste.

ASEE Group has implemented a groupwide environmental policy to manage its impact on climate and environment. With this new policy the ASEE Group (including Payten) aims to:

- Reduce energy and natural resources used,
- Contribute to managing the climate crisis by reduction GHG / carbon emissions,
- Increase proportion of energy used generated from renewable sources,
- Take care for local environment.

As a result of this new policy, every local company has nominated a “Sustainability Officer” responsible for local implementation of environmental policy. Together with the Group Policy Owner they form ASEE Sustainability Team.

### 5.1. CLIMATE CHANGE

Our planet's average surface temperature has risen about 1.18 degrees Celsius since the late 19th century, a change is driven largely by increased greenhouse gas (GHG) emissions into the atmosphere and other human activities.

The current warming trend is of particular significance because most of it is extremely likely to be the result of human activity since the mid-20th century and proceeding at a rate that is unprecedented over decades to millennia. <https://climate.nasa.gov/evidence/>

Climate change may impact the functioning of the ASEE Group in the following areas:

- Global climate warming may influence ASEE in long term, mainly due to potential impact on tourism,
- Extreme weather events may influence supply of purchased equipment and reduce ability to deliver on-site support services,
- New climate related regulations may be introduced with new obligations on ASEE operations,
- Electricity costs increase may influence ASEE cost of operations.

Functioning of ASEE Group may impact climate change in the following areas:

- Long distance transport of purchased equipment,
- Fuel consumption by company vehicles that service installed equipment,
- The Group operates in many offices using energy and heating,
- Business travel,
- Waste management,
- Scale of non-cash payment operations.

#### Climate change risks and opportunities

The risk management process in 2023 has been updated. It focused on the evaluation of risks and opportunities connected with climate change. The overall impact of climate related risks to the ASEE Group operations has been evaluated as medium. Due to lack of energy intensive production lines, materiality of climate issues is limited. The table below provides the main risks and opportunities related to climate crisis.

Climate change	Climate risks	Climate Opportunities
1. Legal risk	1.1. Impose additional environmental and social taxes and/or carbon reduction regulations to decrease CO2 emissions.	<b>General</b> 1. Upgrading vehicle fleet to electric vehicles may both reduce GHG emissions and reduce vehicle servicing operational
	1.2. Risk of more restrictions on driving diesel vehicles in cities: More restrictive regulations may prevent ASEE from using its diesel vehicles fleet to service clients in big cities.	

2. Operational risk	2.1. Lack of workforce due to mental and physical health issues caused by increased temperatures, allergies, air pollution etc.	<p>expenses and maintenance costs</p> <p>2. Promote our products and services as innovative technologies that contribute to digitalization and have positive impact on reduction of climate risks.</p> <p>3. Cost optimization - effective and efficient usage of electricity, heating, working space, resources (human and operational).</p> <p>4. As a consequence of less tourism traffic people will spend more time at home, which results in increase e-commerce which opens opportunity to offer electronic payment channels</p>
	2.2. Risks of fire, floods, earthquakes and their impact on companies' operational assets (offices, data centers, internet connections etc.) due to increase temperatures, rising sea levels, extreme weather conditions.	
	2.3. Lack of operational resources or increased prices of resources (PCs, servers, routers, and other equipment) due to changes in supply chain, production, prices and scarcity of input materials.	
3. Consumption of fuels and energy	3.1. Risk of significant increase of electricity prices and electricity consumption that may lead to increase of operational expenses.	
	3.2. Risk of significant increase of fuel prices and fuel consumption that may lead to increase of operational expenses.	
4. Reputational risk	Increase of expectations and demand for climate actions by all relevant stakeholders (employees, clients, vendors, suppliers, shareholders, regulators).	
5. Business risk	Global warming may result in reduced tourism traffic which may reduce demand for traditional payment methods with cash (ATMs) and credit cards (POSs) may reduce company revenues.	

### Climate-related policy

Whilst ASEE impact on environment is limited, ASEE Group is committed to respond to global warming process by reducing GHG emissions. To confirm this commitment ASEE Group decided to manage down its GHG emissions as one of key non-financial performance indicators.

The Management Board decided to include climate related issues in the Environmental Policy. The main climate related issue in the Environmental Policy refers to greenhouse gas emissions. Carbon emissions result from fuel and energy consumption. Reduction of carbon emissions has been stated as one of the key objectives of the Policy.

In order to reduce GHG emissions, the Company promotes the use of electric and hybrid vehicles. ASEE also promotes investments in renewable energy for our offices. Such investment was successful for example in our offices in Kosovo. Another two offices in Slovenia and Serbia are currently in the process of Solar panels investment. It will be presented in the next ESRS report of ASEE Group. Other actions aiming to reduce negative influence of ASEE Group operations on climate change are discussed in the following chapters below.

### The management of climate related issues in the ASEE organizational structure

We govern climate change risk in the context of environmental management structure. Structure includes a management position at the Group level and a sustainability officer responsible also for climate issues in each company. More detailed information about the management structure has been provided in section 3.6 above.

## 5.2. CONSUMPTION OF FUELS AND ENERGY

According to ASEE Group materiality study, energy and fuel consumption is one of the most important areas of company's environmental impact.

Total Energy consumption		2023		2022	2023 vs 2022
		Mg	MWh	MWh	%
Car Fuel	Gasoline	241	2,961	2,124	39%
	Diesel	313	3,740	3,439	9%
	LPG		320	172	87%
	EV		12	9	34%
Buildings	Energy		3,513	3,287	7%
	Heat		1,537	1,495	3%
Total Energy consumption			<b>12,083</b>	<b>10,524</b>	<b>15%</b>
Total Energy per revenue (MWh/1 million PLN)			<b>7.4</b>	<b>6.7</b>	<b>10%</b>
including Energy from Renewable energy sources			<b>1,088</b>	<b>1,277</b>	<b>-15%</b>

### E.2.1.

The ASEE Group, including Payten, consumed a total of 12 083 MWh of energy. After verifying energy sources with our suppliers, it was determined that 9% of the energy used was generated from renewable sources, with the remaining 91% categorized as non-renewable. While this represents a decrease in the percentage of renewable energy, this change is attributed to information received from our suppliers. In response, the ASEE Group has already initiated plans to increase the use of renewable energy sources in 2024. Specifically, we already use solar panels in Kosovo and Albania, other investments in solar panels installations in Slovenia and Serbia are underway to generate electricity for our offices. These investments will be reflected in our next report for 2024. Additionally, we are actively evaluating other options for green energy sources to further reduce our environmental impact.

Total energy use in MWh is divided equally between energy and heat used in offices and fuel used by company vehicles. In the Group's operating activities, energy is consumed primarily in offices, thus generating indirect impact. Therefore, information collected from all operating companies contains data about both purchased electricity and heating consumption. It includes both rented and owned offices. As the company doesn't run production facilities, energy consumption is monitored as total energy use at the ASEE Group level.

The company uses many vehicles, both as service vehicles and as means of employee transportation. The energy from the combustion of petrol and diesel fuel is related to the fleet of around 500 vehicles. Therefore, fuel consumption results in significant direct environmental impact. During 2023 company vehicles made 10 696 332 kilometers with resulting combustion of 732 424 liters of fuels. As sustainability is increasingly important to ASEE Group, the Company introduced Group Vehicle Policy that encourages purchasing of hybrid and electrical vehicles and thus aims to decrease conventional, less ecofriendly fuel consumption. We can already see that the number of electric vehicles in our fleet increases and we aim to increase even more.

### E.2.2.

ASEE Group also monitors energy consumption from renewable energy sources. About 9% of energy consumed came from renewable energy sources. Expanding the use of renewable energy throughout all our companies is one of key ASEE Group priorities in the area of sustainability. The ASEE Group included it in its key non-financial performance indicators. Actions will be planned to increase this percentage in the following years. The Company stated that strategic goals and long-term actions will be introduced in 2023. Whilst we have already started investment in renewable resources, we are now focused on fulfilling all requirements for ESRS (European Sustainability Reporting Standards). The plan is to use 2023 data as a baseline and set a new strategic goals during 2024, which will be reported accordingly. These goals will include targets of renewable energy resources used.

### E.2.3.

Energy consumption in relation to revenue is closely monitored at ASEE Group. In 2023, the company consumed 7.4 MWh of energy per PLN 1 million in revenue, marking a 10% increase from the previous year. Despite a 8% increase in revenue, as reported in the Consolidated Management Report, electricity consumption rose by approximately 15%. This surge can be attributed to various factors indicating a return to normal business operations, including increased office attendance, heightened business activity leading to a significant rise in mileage vehicles, and expanded shipping both by ground and ocean. Although there was consideration to alter this indicator for the 2023 report, it has been retained. However, the inclusion of this indicator will be reassessed for the 2024 report, aligning with ESRS standards (European Sustainability Reporting Standards). It's noteworthy that ASEE Group's operations currently offer limited opportunities to influence downstream energy consumption.

## 5.3. GHG EMISSIONS INTO THE ATMOSPHERE

ASEE Management Board is increasingly concerned over climate change. As stated above in point 5.1, the Board wants to actively manage our activities with the purpose of combatting the climate crisis by reducing our GHG emissions. ASEE Group aims to ensure its GHG reporting will be based on principles of relevance, completeness, consistency, transparency and accuracy.

### BUSINESS GOALS AND INVENTORY DESIGN

Weight of emitted greenhouse gases is one of non-financial key performance indicators for ASEE Group. As additional metric ASEE decided to monitor greenhouse gases emissions per revenues. Due to the fact that ASEE Group has a significant growth rate and increase in revenues each year, said indicator in 2024 will be subject of review and modification in line with new ESRS standards.

During past period, the company continuously built good understanding of GHG emissions and strived to collect and preset complete and accurate data. Going forward ASEE will aim to:

- Continue to monitor GHG emissions risks,
- Verify completeness of Scope 3 emissions data,
- Identify cost effective reduction opportunities,
- Set long term GHG reduction targets as soon as the base year is established.

In 2024 ASEE Group aims to introduce quarterly reporting related to GHG emissions, which should be regularly monitored by the Sustainability team and reported to the Board.

GHG emissions are monitored and reported according to The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard – Revised Edition.

### SETTING ORGANIZATIONAL BOUNDARIES

In setting organizational boundaries, ASEE Group decided to adopt Control Approach to consolidate GHG emissions. Complete list of subsidiaries included in ASEE Group report is presented in Appendix 1

### SETTING OPERATIONAL BOUNDARIES

In order to set operational boundaries, the company analyzed data about the following potential sources of emissions:

- Energy and heating,
- Vehicle fuel,
- Diesel used by generators,
- Refrigerant used by air-conditioners,
- Passenger travel,
- Freight shipping,
- Energy from renewable sources,
- Waste.

Following the analysis of data, the company decided to include in the report GHG emissions from: direct emissions (Scope 1), indirect energy emissions (Scope 2) and some relevant upstream indirect emissions (Scope 3).

Scope 1: Direct GHG emissions from sources owned or controlled: emissions from the combustion of fuels in company owned/controlled vehicles. The company also considered refrigerant used by air-conditioners, but volumes reported appeared non relevant.

Scope 2: Electricity indirect GHG emissions: emissions from the generation of purchased electricity and heating that is consumed in its owned or controlled buildings. For ASEE Group companies, purchased electricity represents one of the largest sources of GHG emissions and the most significant opportunity to reduce these emissions.

Scope 3: Other indirect GHG emissions: in 2023 the Company focused on the most relevant sources of scope 3 emissions i.e. transportation and business travel.

### ACCOUNTING FOR SCOPE 3 EMISSIONS

ASEE Group payments business line (Payten) has significant exposure to transportation emissions. Company buys ATMs and POS terminals, usually overseas. Shipping of this equipment generates significant GHG emissions. All ASEE Group companies' employees generate emissions resulting from business travel.

In 2024 ASEE Group will continue to analyze other potential Scope 3 emissions e.g. purchased goods and services, capital goods, waste, employee commuting, upstream leased assets (including outsourced services). End-of-Life treatment of sold products and downstream leased assets.

Given the international nature of the Group's operations, it has not been possible to identify specific partners along the value chain as the primary sources of greenhouse gas (GHG) emissions. As a result, obtaining exact data on GHG emissions has proven to be a challenging task.

When quantifying scope 3 emissions, ASEE Group identified significant differences between various companies. This is connected with various business models adopted. Whilst in some countries ASEE companies maintain ATMs using internal resources, in other countries maintenance is outsourced. ASEE Group will continue to review its outsourced services to determine possible changes in its Scope 3 reporting for 2024.

### TRACKING EMISSIONS OVER TIME

ASEE Group is committed to monitor and reduce GHG emissions. To ensure accurate progress tracking, it is imperative to establish a baseline year characterized by sustained normal operations throughout the entire year.

Despite our initial commitment to set 2023 as the baseline year, we have made the decision to postpone setting targets for 2024. This adjustment is driven by our plan to introduce European Sustainability Reporting Standards (ESRS), aligning our goals with these standards for determining GHG emissions targets. This strategic shift reinforces our dedication to transparency and the adoption of recognized standards, ensuring a more comprehensive and effective approach to our environmental initiatives.

### ACTIVITY DATA AND EMISSION FACTORS

Activity data were collected from all ASEE Group companies. In 2023 ASEE did not ask its suppliers to provide any data related to specific activities in company's value chain. Therefore, only industry average secondary data were used.

Published emission factors are used to calculate scope 1 emissions (in case of fuels) and scope 2 emissions (in case of electricity). Scope 2 emissions were calculated on the basis of location-based method. Scope 3 GHG emissions are calculated from activity data such as fuel use, vehicle mileage, shipping distance or passenger miles and published emission factors.

### EMISSIONS CALCULATION

Scope 1 and Scope 3 emissions were calculated with the use of GHG Protocol Tool in the format: "World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6" available on the GHG Protocol Initiative website ([www.ghgprotocol.org](http://www.ghgprotocol.org)). Scope 2 emissions were calculated with the use of country level emission factors as recommended by International Energy Agency i.e. Production fuel mix factor ([https://www.carbonfootprint.com/docs/2023\\_02\\_emissions\\_factors\\_sources\\_for\\_2022\\_electricity\\_v10.pdf](https://www.carbonfootprint.com/docs/2023_02_emissions_factors_sources_for_2022_electricity_v10.pdf)).

All ASEE Group companies reported to the corporate center the following data: energy and heating, vehicle mileage, diesel used by generators, passenger travel and freight shipping.

For Scope 1 (vehicle fuel, diesel used by generators) and Scope 3 (passenger travel and freight shipping) ASEE Group applied centralized approach to calculate emissions in 2023 at the corporate level. For all transportation related emissions distance-

based method was applied. Due to differences at country level energy emission factors, the company adopted decentralized approach to Scope 2 emissions. In 2023 ASEE decided to continue to apply centralized approach for Scope 1&3 because of the complexity of manual data collection process. When the data collection process becomes automated in the future, ASEE Group will consider decentralized approach for future reports, as it may increase climate risk awareness of all local companies.

Emission factor uncertainty for CO<sub>2</sub> emission factors in road transport have an uncertainty of 2-5 percent, due to uncertainty in the fuel composition. Based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2 Energy, Chapter 3 Mobile Combustion published on:

[https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_3\\_Ch3\\_Mobile\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf)

Below table presents all reported Scope 1, scope 2 and scope 3 emissions generated by ASEE Group in 2023.

GHG Scope	Activity		Volume	Unit	MgCO <sub>2</sub> e 2023
Scope 1	Cars	Gasoline	3,957,858	km	939.86
		Diesel	6,175,607	km	1,727.83
		LPG	502,876	km	117.66
		EV (electric vehicles)	59,990	km	0.00
	Generators	Diesel (to produce energy)	387	litre	1.04
Scope 2	Buildings	Energy	3,512,588	kWh	1,518.91
		Heat	5,533,174	MJ	571.87
Scope 3	Travel	Air travel	2,206,485	passenger - km	214.03
		Rail travel	61,780	passenger - km	7.10
	Shipping	Ground/truck shipping	1,255,172,253	kg - km	255.34
		Air shipping	373,281,002	kg - km	228.91
		Rail shipping		kg - km	0.00
		Ocean/water shipping	117,721,752	kg - km	3.87
Total Scope 1 emissions					2,786
<b>Total Scope 1 + 2 emissions</b>					<b>4,877</b>
Total Scope 1 + 2 + 3 emissions					5,586
Total Scope 1 emissions per revenue (MgCO <sub>2</sub> e / million PLN)					1.70
<b>Total Scope 1 + 2 emissions per revenue (MgCO<sub>2</sub>e / million PLN)</b>					<b>2.97</b>
Total Scope 1 + 2 + 3 emissions per revenue (MgCO <sub>2</sub> e / million PLN)					3.40

#### E.5.1.

Overall ASEE Group emitted 2 786 MgCO<sub>2</sub>e of Scope 1 greenhouse gases to the atmosphere. Together with Scope 2, the Group's emissions in 2023 were 4 877 MgCO<sub>2</sub>e.

ASEE Group is aware that total Scope 3 emissions will have to be re-baselined as the company includes more Scope 3 emissions in the report. For that reason, ASEE decided to use Scope 1 & 2 emissions for the purpose of defining main indicators used to monitor performance over time.

The detailed breakdown of emissions grouped by each scope are presented below. It is worth noting that in areas where the impact is most significant, we increased CO<sub>2</sub> emissions.

Scope 1: We have observed an increase in the number of kilometers generated by all company vehicles. This increase can be attributed to the resumption of normal business operations, with employees now visiting clients onsite as usual, as well as increased onsite POSs and ATMs maintenance and repairs. In addition, a certain portion of the increase in kilometers can be attributed to the vehicles from newly acquired companies. The rise in kilometers is more pronounced among gasoline vehicles, including hybrid vehicles, while the increase in diesel vehicles usage is not as significant. Moving forward, it's crucial for us to address this trend by focusing on boosting the adoption of electric vehicles or purchasing vehicles with lower CO<sub>2</sub> emissions. In certain countries where we operate, electric vehicles may already offer a viable solution. However, we must keep in mind that in other countries such a solution cannot be implemented due to undeveloped charging infrastructure.

Scope 2: In this area, our increase hasn't been substantial; however, the 4% rise in energy consumption and 5% increase in heating usage can be attributed to several factors. Firstly, our initiative to encourage employees to visit the office at least 2-3 times per week through the ASEE Group could explain part of this increase. Additionally, the growth can also be linked to the acquisitions we made in 2023.

Scope 3: As previously mentioned, there is room for improvement in reporting within this area. Regarding the increase in shipping, this can be attributed to a rise in orders (including overseas shipping) for devices such as ATMs and POS systems, primarily from our operations in Croatia and Romania.

GHG Scope	Activity		Volume	Unit	MgCO2e 2023	MgCO2e 2022	2023 vs 2022 %
Scope 1	Cars	Gasoline	3,957,858	km	939.86	674.13	39%
		Diesel	6,175,607	km	1,727.83	1,588.65	9%
		LPG	502,876	km	117.66	62.97	87%
		EV (electric vehicles)	59,990	km	0.00	0.00	0%
	Generators	Diesel (to produce energy)	387	litre	1.04	2.17	-52%
Scope 2	Buildings	Energy	3,512,588	kWh	1,518.91	1,455.78	4%
		Heat	5,533,174	MJ	571.87	545.85	5%
Scope 3	Travel	Air travel	2,206,485	passenger - km	214.03	214.23	0%
		Rail travel	61,780	passenger - km	7.10	2.39	197%
	Shipping	Ground/truck shipping	1,255,172,253	kg - km	255.34	216.23	18%
		Air shipping	373,281,002	kg - km	228.91	166.96	37%
		Rail shipping		kg - km	0.00	0.00	0%
		Ocean/water shipping	117,721,752	kg - km	3.87	0.22	1683%

### E.5.3.

ASEE Group's revenues are generated in many markets in various currencies. Therefore, this measure will be very sensitive to possible changes in exchange rates. Initially ASEE Group decided to calculate GHG emissions per 1 million PLN revenue. The result in 2023 was 2.97 MgCO2e/million PLN. As in case of total weight of GHG emissions, only Scope 1 and 2 are included in this metric. As mentioned before, the increase in these metrics comes mainly from increased business activity resulting in higher vehicle millages and increased energy and heating consumption as a result of more office attendance.

GHG emissions yoy comparison	MgCO2e 2023	MgCO2e 2022	2023 vs 2022 %
Total Scope 1 emissions	2,786	2,328	20%
<b>Total Scope 1 + 2 emissions</b>	<b>4,877</b>	<b>4,330</b>	<b>13%</b>
Total Scope 1 + 2 + 3 emissions	5,586	4,930	13%
Total Scope 1 emissions per revenue (MgCO2e / million PLN)	1.70	1.48	15%
<b>Total Scope 1 + 2 emissions per revenue (MgCO2e / million PLN)</b>	<b>2.97</b>	<b>2.76</b>	<b>8%</b>
Total Scope 1 + 2 + 3 emissions per revenue (MgCO2e / million PLN)	3.40	3.14	8%

As GHG emissions per revenue are one of ASEE Group KPIs, the company considers many actions to reduce its emissions per revenue. Actions considered include e.g.

- Investing in energy efficient technologies,
- Energy conservation,
- More environment friendly vehicles,
- Less business travel more videoconferencing,
- Less airplane shipping – better planning of supply,
- More digital business,
- Switch to less GHG intensive sources of electricity,

- Install an efficient on-site co-generation plant e.g. photovoltaic panels, particularly in countries where it replaces the purchase of more GHG intensive electricity from the grid or electricity supplier.

The main improvements delivered in 2023 include:

- Keep monitoring ASEE Vehicle Policy implementation which provides incentives for acquisition of hybrid or electric vehicles – this enables significant reduction of Scope 1 emissions over longer time.
- Preparation of investments in renewable energy sources in some countries (i.e. Serbia, Slovenia).
- Improvement of data collection regarding Scope 1, 2 and 3.

During 2023 the Company aimed to define a Long-Term Plan for each opportunity stated above. Despite our initial commitment to formulate a long-term strategy and plans to capitalize on opportunities for reducing GHG emissions in 2023, we have chosen to defer the definition of our long-term strategy until 2024. This decision is guided by our intention to incorporate the European Sustainability Reporting Standards (ESRS) into our approach, aligning our long-term strategy and objectives with these standards.

All environmental data collected are stored in a central repository. Source of information is documented, so any future material changes may be verified by the people who provided information.

Other air emissions are not relevant in ASEE Group.

## 5.4. WASTE MANAGEMENT

### E.6.1.

Total weight of waste of ASEE Group (including Payten) exceeds 232 043 kg. 21 954kg falls into hazardous waste category and 210 007kg are non-hazardous. ASEE Group companies fully comply with all local waste management regulations.

Waste type		2023	2022	2023 vs 2022 %
<b>20 - COMMERCIAL, INDUSTRIAL AND INSTITUTIONAL WASTES</b>	kg	<b>99,300</b>	<b>148,040</b>	<b>-33%</b>
20 01 35 - discarded electrical and electronic equipment containing hazardous components	kg	21,954	44,075	-50%
20 01 36 - discarded electrical and electronic equipment other than those mentioned in 20 01 35	kg	76,007	103,383	-26%
20 01 33 - batteries and accumulators containing hazardous components	kg	82	59	39%
20 01 34 - batteries and accumulators other than those mentioned in 20 01 33	kg	1,258	523	141%
<b>15 01 - packaging (including separately collected municipal packaging waste)</b>	kg	<b>22,287</b>	<b>13,521</b>	<b>65%</b>
<b>20 - municipal waste</b>	kg	<b>110,455</b>	<b>77,664</b>	<b>42%</b>
<b>TOTAL</b>	kg	<b>232,043</b>	<b>239,225</b>	<b>-3%</b>
<b>waste containing hazardous components</b>	kg	<b>22,036</b>	<b>44,134</b>	<b>-50%</b>
<b>waste NOT containing hazardous components</b>	kg	<b>210,007</b>	<b>195,091</b>	<b>8%</b>
<b>Waste emissions per revenues (kg / 1 million PLN)</b>		<b>141.26</b>	<b>152.37</b>	<b>-7%</b>

In case of office-based operations only municipal waste is generated. ASEE Group companies produced about 110 tons of municipal waste in 2023. Compared with 2022, the increase by 42% is significant and it mainly results from gradual return to offices but also from improved reporting process. We see more companies reporting locally this factor, and we plan to have a baseline data set in a near future. In addition, packaging resulted in more than 22 tons of waste, representing 65% increase compared to 2022. This increase is connected with orders of ATM's and other devices in Croatia as well as Romania. This waste is usually collected separately by professional companies responsible for waste management.

Nearly 40% of the waste generated by ASEE Group companies consists of discarded electrical and electronic equipment. Out of a total of 99 300 kg of such waste, 21 954 kg contains hazardous components. It's worth noting that this represents a 33% decrease compared to the previous year. This decrease is largely attributed to a one-time event in 2022, which involved the disposal of a significant amount of old equipment in Serbia, as detailed in our previous non-financial report for the year 2022.

ASEE companies which import electrical equipment comply with local regulations which impose obligations on any importer of electrical goods to be registered in 'waste management database'. ASEE Group companies are registered in such local waste management databases in: Bosnia, Croatia, Czechia, North Macedonia, Romania, Slovenia and Serbia. In addition, in Kosovo, Albania, Turkey, Montenegro, Portugal and Spain, ASEE Group companies cooperate with professional authorized local

suppliers, who guarantee compliance with local regulations. Such waste is temporarily stored on ASEE premises in a way that prevents negative impact on the environment and health of employees.

#### E.6.2.

Waste emitted by ASEE Group companies is handled in a way which enables recycling by professional waste management companies and it is disposed in accordance with local regulatory requirements.

Until 2023 still not all ASEE companies have tracked in detail management method of its waste. For that reason, this indicator will be monitored closely in 2024, and if possible improved.

The Company aims to improve its monitoring of waste management method. As non all of the ASEE Group operations are in the EU, the monitoring standards and regulations vary significantly, which makes the process of more detailed data consolidation very challenging. The ASEE Group will continue its efforts to improve the quality of information about waste management methods.

#### E.6.4.

ASEE Group emitted 141.26 kg of waste per 1 million PLN revenues in 2023, marking a 7% decrease compared to 2022 when it was 152.37 kg per 1 million PLN revenues. This reduction can be attributed to the significant disposal of old electronic equipment in Serbia in 2022, which did not occur in 2023.

### 5.5. OTHER ENVIRONMENTAL ISSUES

The Company does not fail to comply with any environmental regulations and does not generate other material pollutions.

#### E.1. Direct and indirect impact: raw materials and consumables

As the Company does not process any production lines, the use of raw materials and consumables is not considered material.

#### E.3. Direct and indirect impact: water

ASEE Group uses only water for regular office use.

#### E.4. Direct and indirect impact: biodiversity

There are no biodiversity issues in ASEE Group operations.

#### E.6. Direct and indirect impact: waste and effluents

According to materiality analysis only waste generates relevant environmental impact. Effluents' impact is negligible.

#### E.7. Other direct and indirect environmental impacts

ASEE Group did not cause any environmental pollution by its operating activities. There were no breaches of environmental regulations. No penalties were imposed on any ASEE Group company for breaching environmental protection laws.

#### E.8. Extended environmental responsibility: products and services

ASEE Group does not offer services with extended environmental responsibility.

## 5.6. SIGNIFICANT ENVIRONMENTAL RISKS

Environmental risks related to climate crisis have been presented in the section 5.1. above.

Other key environmental risks include:

- Air emissions
- Energy prices
- Waste management

Risk description	Risk mitigation action
Risk of increased CO2 emissions and not fulfilled set KPIs/objectives due to increased air travel and companies operations related with fuel and/or electricity consumption	Monitoring of fuel and electricity consumption, as well as air travel and optimization of the processes that consume fuel and electricity. Offsetting strategies - replacement of gasoline and diesel with natural gas, reduction of air travel and use online tools for meetings and conferences, buy green energy/credits for electricity consumption. ASEE Group introduced incentives for local companies to start replacing diesel vehicle fleet with more advanced electric and hybrid vehicles.
Risk of Poor Waste Management of municipal waste and electrical/electronic equipment that could lead to potential penalties.	Setting KPI and objectives to monitor reduction of waste and compliance with regulatory requirements. Applying strict local legal requirements and cooperate only with authorized waste treatment operators.



# Employee

## 6. Employee

The labor market has changed rapidly in recent years. More and more often, people taking up employment in a given organization pay attention not only to the financial condition of the company, but also to the rules, organizational culture, values and mission of the organization.

The personnel policy of ASEE consists of the following procedures:

- Recruitment and on-boarding policy
- Training policy
- Annual Performance Appraisal (APA)
- Career Development
- Compensation policy
- Employee off-boarding process

### 6.1. EMPLOYMENT RATE AND REMUNERATION LEVELS (S.2)

#### S.2.1.

As of December 31, 2023, ASEE (including Payten) employed 3920 employees. Moreover, when it comes to number of employees converted into full time equivalents, ASEE (including Payten) employed 3770 employees in 2023. More detailed splitting can be found at below tables:

Gender	Split by HC	HC (%)	Split by FTE	FTE (%)
Women	1503	38%	1401	37%
Men	2417	62%	2369	63%

When it comes to more detailed split by age and gender, the ASEE employment structure is presented as follows:

Age split and gender	Headcount		Full Time Equivalent	
	Women	Men	Women	Men
Employees up to 30 years old	496	757	440.8	709.5
Employees between 30-50 years old	847	1396	801.1	1401.1
Employees above 50 years old	160	264	161.5	258.3
	<b>1503</b>	<b>2417</b>	<b>1401</b>	<b>2369</b>

Among all the employed, 3391 people were employed under Indefinite employment contracts, of which 1281 were women and 2110 men, and 527 people were employed under definite contracts, of which 220 were women and 307 men. Below you can see split converted into either headcount or full time equivalent.

Type of contract and gender	Headcount		Full Time Equivalent	
	Women	Men	Women	Men
Definite	220	307	211	332
Indefinite	1281	2110	1188	2037
Non-guaranteed	2	0	1	0
	<b>1503</b>	<b>2417</b>	<b>1401</b>	<b>2369</b>

#### S.2.2.

In 2023, a total of 1067 employees were employed (new hires), of which 419 were women and 648 men. The split of age describes below table:

New Hires (incl. Age & gender) - HC	Women	Men
up to 30 years old	181	331
between 30 – 50 years old	220	286
above 50 years old	18	31
	<b>419</b>	<b>648</b>

### S.2.3.

The total number of employees who left the company in 2023 amounted to 1031 employees (headcount). Of this total, about 66% were voluntary leaves, meaning employees who ended their cooperation with ASEE of their own accord. The remaining employees exited due to either the expiration of their contracts or as a result of initiatives by ASEE. The distribution of departures by age and gender is detailed in the table below:

Leavers (incl. Age & gender) - HC	Women	Men
up to 30 years old	131	289
between 30 – 50 years old	225	325
above 50 years old	24	37
	<b>380</b>	<b>651</b>

### Recruitment and equal opportunities.

ASEE aims to select and appoint the best people for the job and develop them to perform to the highest professional standards. The following principles should be adhered to at all times:

- ASEE seeks to recruit the best candidate for the job based on merit.
- The recruitment and selection process should ensure the identification of the person best suited to the job and ASEE.

ASEE treats all candidates fairly with respect and courtesy, aiming to ensure that the candidate's experience is positive, irrespective of the outcome. ASEE ensures that the recruitment and selection of employees is conducted in a professional, timely and cost-effective manner, in compliance with current employment legislation. ASEE has a principle of open competition in its approach to recruitment. In order to keep clear and professional selection standards, internal candidates also need to undergo the selection process for a given post.

ASEE promotes best practice in recruitment and selection. It will continuously develop its recruitment and selection practices to allow new ideas and approaches to be incorporated. It is very important for the good image of ASEE, to keep contact with the candidates, inform them about their applications, whether they have been accepted for the next stage of the recruitment processes or rejected.

### Remuneration system

#### S.2.9.

In order to ensure fair working conditions and ensure a competitive position on the market, ASEE offers its employees market salaries, in line with the employee's competences and experience. When taking men to woman ratios one has to keep in mind that IT faculties and other technology positions are still completed mostly by men making it more difficult to attract number of women we want. Currently 38% of total employee population are women.

Remuneration offered varies in countries where ASEE Group operates. ASEE companies employment structure also significantly varied among ASEE companies.

In the senior managerial group, men's salaries are on average higher than women's salaries by 118%. Among the remaining employees, men's salaries are on average higher than women's salaries by 17%. As shown by the presented employment statistics, in the IT industry the vast majority of employees are men. A significant proportion of the employed women occupy positions in the back office. In addition to the managerial staff, the highest salaries are paid to top-class IT specialists, most of whom are men. This explains the spread between the salaries of men and women, which is higher than for the managerial staff.

The above analysis is high-level, as there are significant differences in the number of employees in individual employee groups. In the coming years, the Company will aim to monitor the relationship of average wages and salaries of men and women in more detail.

#### S.2.10.

The ratio of average remuneration of the management board members to the lowest salary paid by the company (converted into FTE) amounts 2425%

### S.2.15.

As a part of salaries package ASEE offers non-salary benefits such as: life insurance, medical packages, sports cards, travel allowance, lunch coupons and others. The benefits package offered to employees varies depending on the company and correlates with the standard defined by the market in the respective country. Both women and men have access to the same benefits package.

## 6.2. EMPLOYEE DEVELOPMENT AND EDUCATION

ASEE believes that people are its most valuable resource, and as an organization, we must invest in our workforce in order to develop and maintain the excellent standard of service that our customers expect.

Training and development Policy applies to all ASEE full or part time Employees. It refers to internal and external professional training and development programs, conferences, seminars and any other learning events that will be directly related to Employee's role and will require ASEE's financial contribution.

Main initiatives in the field of training and development are concerned with acquiring and improving technical knowledge for software developers and engineers, plus soft skills trainings for top management (leadership effectiveness, effective communication with employees) and for all employees to develop the specific skills required to carry out their tasks. Main areas that employees were trained in- technical skills, sales trainings, soft skills trainings, leadership trainings, basic management skills, finance management, software tools training, on the job training, onboarding for new employees.

### S.5.1.

We believe that ASEE's strength is directly related to the skills, competencies and talents of its Employees. ASEE is committed to the continuous development of its Employees through a planned and structured approach to learning, as the environment we work in, and our customers' expectations are constantly changing. Therefore, ASEE focuses its attention on development activities that add value to the business, enabling the Group to meet strategic objectives. We support employee development by offering numerous trainings:

The number of trainings in 2023 amounted – 434 representing 51573 trainings hours. The average number of training hours per employee is estimated at 13.3. The evidence of trainings (Internal/external) is made via Cornerstone system, where every training event has evidence (participants, topic, trainings hours, dates).

The Company covers all expenses related directly to the training (cost of trainings) but doesn't offer special privileges to the employees raising their professional qualifications such as training leave.

## 6.3. HEALTH AND SAFETY (S.4)

ASEE Group is committed to ensuring the highest standards of health and safety in all our operations. We recognize that good health and safety practices are integral to our business operations, and we strive to maintain a safe and healthy work environment. Our health and safety policies and procedures are developed in compliance with local regulations and related standards. We have implemented a comprehensive health and safety management system that encompasses risk assessment, hazard identification, and incident reporting. All our employees are trained in health and safety practices and are encouraged to actively participate in promoting a safe and healthy work environment.

## 6.4. HUMAN RIGHTS (S.7)

ASEE Group formally implemented a comprehensive Code of Ethics applicable to all companies within the group. This Code was updated in November 2022, with the aim of further enhancing the group's commitment to ethical standards. One of the core values emphasized in the Code is Equality, which is defined as the respect for human rights and labor law standards.

ASEE Group is deeply committed to providing fair working conditions for all employees and ensuring that they are treated equally, regardless of their race, gender, religion, or political beliefs. This commitment is reflected in the group's policies on remuneration, professional development, and promotion, as well as in its procedures for selection and recruitment. All these policies are guided by the principle of equal treatment of employees, as required by local labor legislations. During Q4 2023, work was carried out on updating the ASEE Group Recruitment and Selection Policy (ASEE Group Recruitment and Selection Policy), as a result of which the new content of the Policy was adopted by the company's Board of Directors on 3 January 2024.

ASEE Group's business activity is primarily focused on the design of IT products, which are the result of the intellectual work of its employees. As such, the risk of human rights breaches is kept at a minimum. Furthermore, the group's policies on the

selection and recruitment of employees are designed to exclude any risks associated with territories where child labor is prevalent or where there is a lack of respect for employees' rights.

While ASEE Group is also a reseller of hardware manufactured by third parties, the majority of the hardware it delivers, such as POS terminals or ATMs, is produced by well-recognized manufacturers in the market, including Diebold Nixdorf and Ingenico. These companies have established their own complex compliance systems, which ASEE Group is obliged to observe as their partner.

Overall, ASEE Group is committed to the highest standards of ethics and is continuously working to improve its policies and procedures to ensure that its employees are treated fairly and equally, and that its business operations are conducted in a manner that respects human rights and labor law standards.

## 6.5. OTHER EMPLOYEE ISSUES

S.3. Employee relations and freedom of association – no issues relating to employee relations were observed, therefore the area was not considered material for the ASEE Group.

S.6. Diversity management – as there were no cases of discrimination, harassment, sexual harassment reported to date, the area is not considered material

S.8. Child and forced labor – as ASEE Group operates mainly in European markets with strict labor regulations, there were no reported cases of child or forced labor.

## 6.6. SIGNIFICANT RISKS RELATED TO EMPLOYEE ISSUES

Risk description	Risk mitigation action
Loss of Key Personnel and Competences - Not competitive wages, benefits and working conditions.	Annual Performance Appraisal is conducted. KPI's and business objectives are set by the respective manager, distributed to the employee in written form which should be signed by the manager and accepted by the employee. Two-way feedback is provided and obtained, key expectations regarding performance, education and remuneration are communicated and agree upon.
Risk of increased employees expenses due to significant market increase of salaries or inflation that could lead to decrease of operational margin and profit.	Following market trends and adjustments are done based on the market salaries movements, taking into consideration company's budgeted salary expenses and margins/profits.
High employees' turnover rates due to uncertainty, employees dissatisfaction and unequal treatment.	Creating stable working environment. Two-way feedback. Clear expectations discussed and set by mutual agreement between the managers and employees. Continuous improvement of working conditions and benefits for the employees. Offering training and development opportunities for the employees. Treatment of employees based on their knowledge, experience, expertise etc.
Lack of investment in employees' necessary knowledge and skills that could have negative impact on effectiveness and efficiency in operations, lack of quality outputs and deliverables, as well as	Line Managers, Senior Management and HR are jointly responsible for assess professional development needs common to a group of staff or individual employee.  Learning and development plan is prepared by HR based on appropriate approvals from responsible managers.

reduced business growth and financial results.	Budget is annually approved for achievement of defined learning and development plan.
Not providing suitable working conditions in accordance with the Safe and Health regulatory requirements.	All subsidiaries provide compliance with Safe and Healthy regulations. Creating pleasant working environment, following the employee's needs.
Risk of potential accidents outside of office space during working hours (working from home).	Provided insurance coverage for the risks for potential accidents while working from home.
Not providing comfortable working conditions for work from home - chairs, desks and adequate equipment (many people does not appropriate working conditions at home).	All ASEE subsidiaries provided all necessary assets (laptops, monitors, chairs) to their employees in order to improve working conditions at home.
Risk of increased operational expenses for the operational costs for work from home (coverage of internet, electricity and other employees commodities).	Per demand additional operational expenses are cover per individual case.
Cooperation with suppliers and clients that fail to respect basic human rights and using child labor may lead to materialization of reputational and compliance risk.	Established business relations only with multinational, renovated suppliers and clients from information technology, banking, insurance and public sector (DIEBOLD/NIXDOR, Ingenico, CISCO, DELL, Microsoft etc.). Companies that operates in highly regulated markets.



# Society

## 7. Society

### 7.1. LOCAL COMMUNITIES AND COMMUNITY INVOLVEMENT (S.9)

ASEE Group is committed to being a socially responsible organization and has implemented a CSR policy to promote ethical and transparent behavior. The policy focuses on engaging local communities and inspiring employees to serve through building skills and supporting social initiatives. In the year 2023, ASEE & Payten Group actively participated in a diverse range of Corporate Social Responsibility (CSR) initiatives. Our commitment extended across various domains, including community support, educational and cultural programs, environmental conservation, well-being, and assistance for children.

#### Community Support

Necomplus Colombia: Continuing a three-year collaboration with the Association Amor y Compasión, Necomplus Colombia supported the construction of a water well and kitchen. This year, they provided kitchen equipment and funded stationery materials for various association activities, showcasing sustained commitment to the local community's well-being.

Necomplus Perú: In response to Typhoon Yaku's impact on Northern Peru, Necomplus Perú collaborated with Tierra y Ser to provide essential supplies and non-perishable food. Additionally, internal collections among employees were coordinated, demonstrating Necomplus Perú's commitment to timely support in times of crisis.

ASEE Group: Following the earthquake disaster in Turkey, ASEE Group provided coordinated support through reputable institutions and NGOs, facilitating both collective and individual employee donations, resulting in a remarkable contribution.

#### Environmental Protection

ASEE Serbia: ASEE Serbia actively engaged in a documentary supporting environmental awareness, advocating for preservation, and aiding local farmers. Team-building activities directly supported an agricultural property affiliated with the University of Belgrade's Faculty of Agriculture.

#### Education

ASEE BiH: ASEE BiH partnered with Programming School Plus Ultra, extending programming classes to high school students, particularly in smaller communities lacking access to modern technologies. This initiative aimed to empower students by fostering digital competencies, entrepreneurship, business acumen, and soft skills.

ASEE/Monri HR team in Croatia: Organized a one-day workshop for the non-profit organization Red Noses, focusing on Time Management to aid in managing business processes and projects more successfully.

In Spain Necomplus ensured school year meals for 461 students at Ngongomwa School in Malawi, aligning seamlessly with Mary's Meals, a prestigious Princess of Asturias Award recipient. Necomplus collaboration with Fundación Guné supported African emigrants, exemplified by an immigrant integrated into the Necomplus team in Spain, fulfilling their dream of a new life.

#### Supporting Culture

Sonet, member of Payten, continued its long-term partnership with the Brno Philharmonic Choir, supporting their endeavors in 2023.

#### Supporting Well-being/Health

ASEE Kosovo: Employees demonstrated commitment to community well-being by donating blood for the 7th time.

In Spain: 'Necomcare' event organised by Necomplus, ASEE group company. The event, attended by Dr Javier Cortés, president of the Contigo Foundation, had two main objectives. One was to support women's health and the other was to financially support research projects.

ASEE and Payten joined forces in the 21st Humanitarian Amateur Giant Slalom Race at Mavrovo Ski Center, Macedonia. This event aimed to raise funds for the Association for Cystic Fibrosis.

In Romania, our commitment to social responsibility shined at the Business DisAbility Summit, emphasizing inclusiveness, accessibility, and sustainability. Held just two days after the International Day of Persons with Disabilities, this dynamic event showcased over 20 diverse speakers highlighting how these principles drive innovation and growth.

#### Children - Our Greatest Treasure

Numerous initiatives were undertaken in 2023 to support children, including partnerships, donations, and participation in events aimed at improving the lives of children facing various challenges.

ASEE BiH and Monri Payment joined forces to contribute to the Home for children without parental care, the Association of parents and children with diabetes, and the Association of persons with disabilities Duga, comprising over 200 members of both children and adults. Our employees came together, sharing gifts, spending quality time, and spreading the New Year spirit with humility and respect.

ASEE & Monri Croatia collaborated on impactful initiatives, bringing us to Lipik Children's Home. Our shared mission included enhancing the Home's garden and providing essential furniture. Our engagement extended to UNICEF's Milky Way, where a team of 33 individuals ran, walked, cycled, and hiked for children and youth facing mental health challenges. Moreover, we took joy in championing the Schools of Support program, fortifying the social and emotional skills of students while equipping teachers to offer crucial psychological backing.

Split Tech City organized the 5th humanitarian Split Tech Cup in a row with the aim of collecting funds for the Maestral children's home in Split. As many as 24 teams participated, including our employees from IT Sistemi Split office. 7,200 euros were collected for the purchase of laptops for Maestral users.

In Serbia, we embarked on the Belgrade Marathon, dedicating the funds raised to BelHospice for the benefit of oncology patients and children facing incurable diseases. Additionally, our commitment extended to a heartwarming initiative, "A Cap for a Smile," where we collected and recycled plastic bottle caps to provide essential equipment for children with disabilities, easing their daily lives and educational pursuits.

Furthermore, our employees generously contributed funds to the Moša Pijada Home for Children and Youth, supporting 40 children with school supplies. In alignment with our dedication to education, the HR department organized a motivational workshop to inspire and guide them in their academic and career journeys.

This year, our company enthusiastically embraced the MOVEIT4SOS campaign, motivating individuals to walk, run, or cycle to accumulate green kilometers. The goal was twofold: to raise funds for children without parental care, at risk of abandonment by SOS Children's Villages Kosovo, and to contribute to environmental protection.

In Macedonia ASEE donated IT equipment to the school for children with disabilities, making a valuable contribution to this institution to make these children feel special and better. Donation of IT equipment was given to OUC Zlatan Sremac - school for children with disabilities.

### Christmas Initiatives

Sonet Employees: Local charity support with a Christmas collection. This time the choice fell on the collection for Neuro-rehabilitation and braces for St. Nicholas. The fundraiser was for Nicholas, who is almost four years old and was born as a twin with cerebral palsy.

Necomplus in Portugal: Collaboration with Ajuda de Breço for 'The Magic of Christmas, All Year' campaign. As part of this campaign, Necomplus is collecting donations to fund the temporary adoption of children in Lisbon. The project's goal is to help children reunite with their biological, or find foster families.

Necomplus Dominicana: Sponsorship of "The Magic of Christmas" activity by the National Library Pedro Henríquez Ureña.

ASEE Employees in Albania: Gift preparations for children at the Autism Spectrum Disorder Albania center.

### Conclusion

In conclusion, ASEE Group's CSR initiatives in 2023 reflect our unwavering commitment to making a positive impact in diverse areas, emphasizing social responsibility, community engagement, environmental conservation, and the well-being of individuals, especially children. These efforts align with our core values, contributing to a better and more sustainable future.

## 7.2. FIGHTING CORRUPTION (S.10)

The Anti-Corruption Policy was approved formally by the Company's Management Board on October 3, 2013 (last update – November 23, 2022). The Policy applies to all companies forming ASEE Group (including Payten) and includes wide definition of employees (including consultants, contractors, agents).

Bribery and corruption are broadly defined and includes also unpermitted gifts and hospitality. The permitted gifts and hospitality must meet number of requirements connected, in particular, with value, purpose and prior approval of authorized person. Any cash (or its voucher equivalents) are prohibited. In case of public officials, politicians, the requirements are even more strict than in case of any other third parties.

The written records of the gifts/hospitality offered or accepted by an employee should be submitted to the head of finance of a given local entity who maintains register of the records of all hospitality or gifts. Local head of finance should semi-annually

provide Group CFO with table of the gifts and hospitalities. Local trainings are mandatory for each current employee and in the on-boarding process of newcomers. In recent years the Company conducted training considering the Policy for local heads of finance and senior managers.

The above is also supplemented by the Conflict of Interests Policy approved by the Company's Management Board on December 2, 2019 (last update – November 23, 2022). The Policy requires from all employees of the local companies to declare information on potential conflict of interests. In case of local directors this issue is also addressed in the companies' articles of association and contracts for performance of the duties in management boards.

The Fair Competition Policy includes provisions to counteract activities that might be recognized as contradictory to fair competition, what also includes dishonest arrangements with other entities being actual or potential competitors in bids announced by potential clients (including public bodies and state-owned enterprises).

To improve anti-corruption practice ASEE Group introduced Whistleblowers Procedure on July 26, 2022.

The trainings including tests in scope of Anti-corruption, Conflict of Interests, Fair Competition Policies and Whistleblowers Procedure are provided in module accessible from individual employee's account and implement it in HR processes.

These policies have been communicated to 3691 ASEE employees, with 3433 having already completed the online training. The remaining employees will undergo training once the onboarding process is complete.

Moreover, Code of Ethics, Anti-Corruption Policy and Sponsorships and Donations Guidelines appendix, Conflict of Interest Policy and Whistleblower Procedure are publicly available using below links:

<https://see.asseco.com/about/company-documents/>

<https://see.asseco.com/pl/o-asseco/informacje-ogolne/>

#### S.10.1.

The Company recognizes as potential business areas exposed to the risk of corruption:

- sector of the public procurement, as local companies often provide services to public bodies or state owned companies,
- any other relations in which related parties to employees (in particular local directors) may be involved, due to small populations of some countries in which ASEE Group operates, what may often result in necessity to enter into relations that may be recognized as potential conflict of interests in its broadest meaning.

Considering the above, ASEE Group pays its particular attention to control activities, contractual relations, expenditures in view of risks connected with conflict of interests of its employees. Supply chain is not recognized as a significant area for risk of corruption as the potential supply of the items with substantial value refers either to:

- third parties' software solutions re-sold to clients which are individually agreed with clients or even explicitly required by end-clients; or
- ATMs and POS terminals which are manufactured by a limited number of entities; ASEE Group co-operates with the biggest players as e.g. Diebold Nixdorf, having its own strict anti-corruption program.

In April 2023, the ASEE Board of Directors adopted the Corruption Risk Assessment Methodology for the ASEE Group. Its purpose is to identify the areas in the ASEE Group most vulnerable to corruption and to develop strategies/risk responses to mitigate this risk. The ASEE Board of Directors recommended the application of the principles set out in the Methodology to all ASEE Group companies.

#### S.10.2.

In 2023 no cases of suspected corruption were reported or identified.

#### S.10.3.

In 2023 no cases of corruption were confirmed.

### 7.3. PRODUCT AND CONSUMER SAFETY (S.11)

ASEE Group places great emphasis on product and consumer safety considering nature of the provided services:

- dedicated software solutions for financial, industry, public administration telecommunication and utility sectors (development of IT infrastructure, implementations and support, ensuring continuity of business processes, automation of operations, and customized software development),
- payment industry solutions, (services under Payten brand for non-financial and financial institutions connected with eCommerce, mPayments, Card Processing, ATM and POS related services).

ASEE Group provides services on the B2B market and its services may have impact on consumers being end-clients. As the Group operates on a competitive market connected, with broadly defined financial industry, it needs to fulfil high-level international standards regarding information security, personal data security, IT security, quality management and safety standards connected with payment services and banking services (including the ones established by local legislation and national banks). Internal regulations, as Code of Ethics, also underline special importance of compliance with social and legal standards as well as best practice worked out in a given industry sector.

As ASEE Group is not a manufacturer of material goods, it shall be noticed that there is a marginal risk of consumer losses with respect of comfort and safety use of both the products and pollution of natural environment. Nevertheless, as a re-seller of hardware and POS/ATMs, the Group co-operates only with the reputable, key manufacturers having their own strict product and consumer safety policies. Thus, use of the supply chain has a marginal impact on risk connected with life and health of consumers.

In order to provide product and consumer safety, understood as protection of consumer's interests with particular attention to safety of data and safety of financial interests, ASEE Group members have implemented a number of internal systems adjusted to the scope of activity of the particular entity. List of certificates is included in Appendix 2.

All standards are compliant with the norms issued by the national banks and commercial banks to which are provided services by the ASEE Group members.

### 7.4. MARKETING COMMUNICATION (S.12)

ASEE Group offers its services to business customers, winning the majority of clients in tender procedures. For this reason, the scope of the Group's marketing activities is quite limited.

The company does not have its own code of ethics in marketing communication; however, it adheres to the basic principles of ethics in matters of responsible marketing communication. The undertaken marketing activities do not contain discriminatory content, in particular due to race, religious beliefs, sex or nationality.

ASEE Group does not conduct sponsorship activities at the central level. Local sponsorship activities are primarily aimed at supporting local communities.

#### S.12.2

In 2023, there were no cases of non-compliance with regulations and voluntary codes concerning marketing communication in the ASEE Group.

#### S.12.3

Therefore, there were no administrative proceedings against the Group or any of the subsidiaries for this reason. As a consequence, no financial penalties have been imposed on the Group or any subsidiary for violation of laws or regulations in relation to the integrity and ethics of marketing communication.

### 7.5. PRIVACY PROTECTION (S.13)

ASEE Group complies with GDPR (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC or any subsequent legal provision that may amend or replace such Regulation).

Considering the fact that part of the companies forming ASEE Group are registered outside EU, the Company's Management Board instructed local managements to adjust the applied technical and organizational measures to standards not only required

on the basis of local legislation but also to GDPR. The process of the implementation of GDPR standards in local companies was internally verified.

Notwithstanding the fact that the companies of the Group provide services within B2B sector, they may have access to personal data of individuals being end-clients of the serviced entities. The above is strictly connected with the fact that main recipients of the Group's services are financial institutions (banks). However, similar situation might also occur in Payten companies providing payment related services to merchants (e.g. ECR – Electronic Cash Register companies).

The internal procedures protect not only personal data but also any type of the clients' data also by requiring signing confidentiality statements by employees and contractors.

Compliance with GDPR regulation is assigned to Group Data Protection Officer, covering issues related to personal data protection.

Information security and data protection is assigned to Group Chief Information Security Officer (CISO) responsible for improving information and sensitive data security for the group.

The Group CISO's primary responsibility is to design and implement a comprehensive Information Security framework and governance structure that meets the highest standards of privacy and sensitive data protection. Information Security governance structure is supported by a team of local security officers. The Group CISO establish clear guidelines and protocols for the secure management of sensitive data. These protocols ensure that all employees are aware of their responsibilities in protecting sensitive data and are supported by regular training and awareness programs.

The following group policies and standards were adopted in 2022 and 2023 as a result of CISO activities in the ASEE Group:

- Group Information Security Policy - adopted on 21 November 2022.
- Group E-mail Security Policy - adopted on 28 April 2023.
- User Access Management Policy - adopted 8 August 2023.
- Group AI Chatbots Acceptable Use Policy - adopted 7 September 2023.

Overall, the appointment of the Group's CISO was a significant step forward for the ASEE Group in ensuring the protection of personal and sensitive data and strengthening the governance structure. The experience and leadership of the CISO will continue to play a key role in maintaining the highest standards of privacy and data protection across the group.

Due to nature of the services, in particular the ones provided to banks, the companies of the Group maintain number of ISO certificates, including the ones considering the security of information.

ASEE Serbia is certified to ISO/IEC 27701:2019 Security techniques — Extension to ISO/IEC 27001 and ISO/IEC 27002 for privacy information management. Others are certified to earlier versions of ISO/IEC 27001 - Information Security Management System (ASEE's subsidiaries in Romania, Croatia, Macedonia and Bulgaria). List of main certificates of the ASEE Group is available under: <https://see.asseco.com/about/norms-certificates> (except for certificates containing sensitive or confidential information)

#### **S.13.1**

No incidents reported linked of clients'/employees' personal data leakage or unauthorised use.

#### **S.13.2.**

No administrative proceedings against the company initiated with regards to personal data protection.

#### **S.13.3.**

No financial penalties for breaching laws and regulations on personal data protection imposed on the Company.

## 7.6. OTHER SOCIAL ISSUES AND MARKET-RELATED ISSUES (S.15)

S.14. Product labelling – as ASEE Group does not offer physical products, the area is immaterial.

S.15. Company maintains long term relationships with its suppliers. Therefore, it seeks to establish balanced relationships with suppliers. ASEE aims to diligently pay its liabilities to contractors. The relationships are so stable that the company does not consider tracking of rotation of liabilities / receivables material for social perspective.

There have been no administrative proceedings against the company for anti-competitive and anti-market behaviors.

## 7.7. SIGNIFICANT RISKS RELATED TO SOCIAL AND ANTI-CORRUPTION ISSUE

Risk description	Risk mitigation action
Lack of equal awareness of the anti-corruption procedures and differences in approach to their implementation in day-to-day practice between local companies.	<p>Training courses with tests on anti-corruption procedures were prepared by the Legal Department in 2022 and placed by the Human Resources Department in a module accessible from the individual employee account and implemented in HR processes.</p> <p>Internal audits (last completed in 2022). Hospitality or gift registers.</p>
Not fulfilling contractual terms and conditions and set standards in public sector projects.	<p>Project Management Methodology applicable for all projects, including public sector projects.</p> <p>Monitoring project implementation and developments.</p> <p>Insuring highest standards.</p>
Use of public subsidies/economic support and benefits not in accordance with the required beneficial terms and conditions.	<p>ASEE Group subsidiaries strictly comply with local laws and regulations.</p> <p>Compliance is embedded within ASEE corporate culture.</p>
Risk of negative public perception of limited social activities, sponsorships and donations.	<p>All sponsorships, donations, social contributions etc. are monitored and approved by the Group Marketing or Sales. The rules for the conduct of these activities in the ASEE Group are governed by the Anti-Corruption Policy and its annex, Sponsorship and Donation Guidelines.</p>
Risk of malpractice and misconduct. Risk of offering and receiving bribes, gifts and hospitalities could lead to potential regulatory sanctions and damaged reputation.	<p>In 2022, updated and approved:</p> <ul style="list-style-type: none"> <li>Code of Ethics,</li> <li>Conflict of Interests Policy,</li> <li>Fair Competition Policy,</li> <li>Anti-Corruption Policy,</li> <li>Whistleblowing Procedure,</li> </ul> <p>where it is clearly defined control mechanisms for prevention of corruption.</p> <p>In addition, the following was adopted in 2023. Corruption Risk Assessment Methodology in ASEE Group defining standards for performing corruption risk assessment in various areas of operations of ASEE Group companies</p>
Irresponsible marketing communication could lead to damaged reputation, loss of clients and adverse effect on company's financial results.	<p>Marketing campaigns are mostly related with promotion of ASEE products and services and ASEE achievements in different fields.</p> <p>No negative campaigns towards any competitors or clients.</p> <p>ASEE promotes cooperation.</p>
Risk of failure to provide personal data protection and security (data	<p>GDPR Compliance. Confirmed by Internal Audit 2019</p> <p>In addition, ASEE Serbia is certified to ISO/IEC 27701:2019 Security</p>

leakage and/or unauthorized data use) may lead to potential regulatory sanctions and penalties, as well as loss of reputation and client trust.	<p>techniques — Extension to ISO/IEC 27001 and ISO/IEC 27002 for privacy information management. Others are certified to earlier versions of ISO/IEC 27001 - Information Security Management System (ASEE's subsidiaries in Romania, Croatia, Macedonia and Bulgaria).</p> <p>Obowiązujące w Grupie ASEE Group Information Security Policy, Group E-mail Security Policy in ASEE Group, User Access Management Policy in ASEE SA określają zasady i mechanizmy zapewniające ochronę danych osobowych przed wyciekiem lub nieuprawnionym ich wykorzystaniem.</p>
Risk of Personal data breaches	Established anti-malware endpoint protection (endpoint detection and response EDR).
Risk of Phishing Social Engineering	<p>Established regular security awareness training for the employees.</p> <p>Established anti-malware endpoint protection (endpoint detection and response EDR).</p> <p>Established the E-mail protection.</p>
Risk of Denial of Service/Distributed Denial of Service	Established DDoS protection with ISP providers
Risk of communication/network interruptions & outages	Established secondary/backup communication lines and ISP
Risk of data loss & backup recovery	Established the regular backup and testing



# About the Report

## 8. About the Report

### Statement of the ASEE Group on non-financial information for 2023

This report, drawn up in accordance with Non-Financial Information Standard (SIN), includes non-financial information concerning the Asseco South Eastern Europe S.A. (ASEE S.A.) for the period from 1.1.2023 to 31.12.2023 and is an integral part of the ASEE Group's activity report.

ASEE Group decided not to benefit from a statutory exemption resulting from including its non-financial information in the statements of the Asseco Poland Capital Group on non-financial information, in conjunction with art. 49b section 11 of the Accounting Act.

This statement is the third report of the non-financial information published by the Group.

### 8.1. RELEVANCE OF INFORMATION IN THE REPORT

Report specification

Date drawn up: 27.02.2024.

Scope of the report: consolidated statement on non-financial information of ASEE Group.

Report standard: report prepared in accordance with the Non-financial Information Standard (SIN)

Report verification: Report was not externally verified

### 8.2. RELEVANT STAKEHOLDERS

In preparation for the report, the materiality study was conducted, which aimed to determine which internal and external stakeholder groups are relevant in the case of the Group and in which non-financial areas the Group influences the environment and what areas of the environment influence the Group.

The materiality study was reviewed and updated in 2023. It consisted of:

- analysis of the value chain process, including analysis of operational processes group and supply chain
- a regulatory analysis covering law, good practices and other industry-related guidelines;
- interviews with selected managers;
- a comparative analysis of the information collected internally with the recommendations contained in SIN Annex 2, focused on reviewing and validating the discrepancies between ASEE internal view and SIN Annex 2 recommendation.

Following the study identified 6 relevant stakeholder groups

- End users of services
- Employees
- Customers
- Suppliers
- Shareholders
- Local communities

### 8.3. MATERIAL NON-FINANCIAL ISSUES

The materiality study was reviewed and updated in 2023. It consisted of:

- value chain process analysis, including analysis of a group of operational processes and supply chain
- Regulatory analysis covering law, good practice and other industry guidance;

The materiality analysis was concluded with selection of 12 important non-financial issues:

- G.1. Business model and strategy
- G.2. Corporate governance
- G.3. Social and environmental risk management
- G.4. Ethics management
- E.2. Direct and indirect impact: fuel and energy

- E.5. Direct and indirect impact: air emissions
- E.6. Direct and indirect impact: waste and effluents
- S.2. Employment rate and remuneration levels
- S.5. Employee development and education
- S.10. Fighting corruption
- S.12. Marketing communication
- S.13. Privacy protection

#### 8.4. MATERIAL NON-FINANCIAL RISKS

Non-financial Reporting Segment	Inherent Risk Description
<b>III. Business model and corporate governance</b>	
III.1. The market and strategic development directions	III.1.1. Strategic risk - risks related with general economic indicators (projected GDP growth, inflation rate etc.), alternative business models, competitors, suppliers, new disruptive technologies, shift of customers' needs, etc. that could have adverse effect on the Group strategy and growth
	III.1.2. Inflation risk - impact on the value of investments and assets, as well as purchasing power of company's income
III.2. Business model	Risk - competitors to develop new, alternative and disruptive business model and technologies.
III.3. Supply chain	Key suppliers failed to deliver agreed quality and quantity of goods or services due to disrupted supply chains.
III.4. Capital Group	Risk - Lack of capital support from shareholders or through generated profit in order to support the business growth, new markets, new acquisitions or new revenue stream of products and services
III.5./III.6 Management structure/systems	Inappropriate organizational structure could lead to operations inefficiencies, weak decision making process, lack of cooperation, increased operational expenses and slowdown of revenues.
III.8. Ethics	III 8.1. Unethical behaviour increases risk of doing business and could severely damage company brand and image.

	III 8.2. Unethical behaviour could lead to decreased productivity, employees' performance, misconduct, and increased employees' turnover.
	III 8.3. Unethical behaviour such as scapegoating, withholding information, under delivering, not giving credit to others, lowering goals, misrepresenting results, etc. could lead to decomposition of organizational structure, operations and company performance.
<b>V. Environmental issues</b>	
V.1. Climate change	N/A as individual risk segment. Not material, general. Risk assessment done in separate segment VIII below.
V.2. Air emissions	Risk of increased CO2 emissions and not fulfilled set KPIs/objectives due to increased air travel and companies operations related with fuel and/or electricity consumption
V.3. Waste	Risk of Poor Waste Management of municipal waste and electrical/electronic equipment that could lead to potential penalties.
<b>VI. Employee issues</b>	
VI.1. Level of employment and wages	VI.1.1. Loss of Key Personnel and Competences - Not competitive wages, benefits and working conditions
	VI.1.2. Risk of increased employees expenses due to significant market increase of salaries or inflation that could lead to decrease of operational margin and profit.
	VI.1.3. High employees' turnover rates due to uncertainty, employees dissatisfaction and unequal treatment
VI.2. Employee development and education	Lack of investment in employees' necessary knowledge and skills that could have negative impact on effectiveness and efficiency in operations, lack of quality outputs and deliverables, as well as reduced business growth and financial results.
VI.3. Occupational health and safety	VI.3.1. Not providing suitable working conditions in accordance with the Safe and Health regulatory requirements
	VI.3.2. Risk of potential accidents outside of office space during working hours (working from home)

	VI.3.3. Not providing comfortable working conditions for work from home - chairs, desks and adequate equipment (many people does not appropriate working conditions at home).
	VI.3.4. Risk of increased operational expenses for the operational costs for work from home (coverage of internet, electricity and other employees commodities)
VI.4. Human rights	Cooperation with suppliers and clients that fail to respect basic human rights and using child labour may lead to materialization of reputational and compliance risk.
<b>VII. Social and corruption issues</b>	
VII.1. Use of public aid and public orders	VII.1.1. Not fulfilling contractual terms and conditions and set standards in public sector projects.
	VII.1.2. Use of public subsidies/economic support and benefits not in accordance with the required beneficial terms and conditions.
VII.2. Local communities and social involvement	Risk of negative public perception of limited social activities, sponsorships and donations.
VII.3. Anti-corruption	Risk of malpractice and misconduct. Risk of offering and receiving bribes, gifts and hospitalities could lead to potential regulatory sanctions and damaged reputation.
VII.4. Consumer safety	N/A as individual risk segment in ASEE products and services.
VII.5. Marketing communication	Irresponsible marketing communication could lead to damaged reputation, loss of clients and adverse effect on company's financial results.
VII.6. Privacy Protection	VII.6.1. Risk of failure to provide personal data protection and security (data leakage and/or unauthorized data use) may lead to potential regulatory sanctions and penalties, as well as loss of reputation and client trust.
	VII.6.2. Risk of Personal data breaches

	VII.6.3. Risk of Phishing Social Engineering
	VII.6.4. Risk of Denial of Service/Distributed Denial of Service
	VII.6.5. Risk of communication/network interruptions & out-ages
	VII.6.6. Risk of data loss & backup recovery
<b>VIII. Climate change</b>	
VIII.1. Legal risk	Impose additional environmental and social taxes and/or carbon reduction regulations to decrease CO2 emissions
VIII.2. Operational risk	VIII.2.1. Lack of workforce due to mental and physical health issues caused by increased temperatures, allergies, air pollution etc.
	VIII.2.2. Risks of fire, floods, earthquakes and their impact on companies' operational assets (offices, Data centres, internet connections etc.) due to increase temperatures, rising sea levels, extreme weather conditions
	VIII 2.3. Lack of operational resources or increased prices of resources (PCs, servers, routers, and other equipment) due to changes in supply chain, production, prices and scarcity of input materials
VIII.3. Consumption of fuels and energy	VIII.3.1. Risk of significant increase of electricity prices and electricity consumption that may lead to increase of operational expenses
	VIII.3.2. Risk of significant increase of fuel prices and fuel consumption that may lead to increase of operational expenses
VIII.4. Reputational risk	Increase expectation and demand for climate actions by all relevant stakeholders (employees, clients, vendors, suppliers, shareholders, regulators)



# Tables of Compliance

## 9. Tables of Compliance

### 9.1. TABLE OF COMPLIANCE WITH THE REQUIREMENTS OF THE ACCOUNTING ACT

Requirement of the Accounting Act	Chapter
A concise description of the business model (art. 49b ust. 2 pkt 1)	3.2.
Key non-financial performance indicators (art. 49b ust. 2 pkt 2)	4
Policies in non-financial areas and their results (art. 49b ust. 2 pkt 3):	
- policies with respect to environmental issues	5
- policies with respect to social issues	7.3.; 7.4.; 7.5.
- policies with respect to the issues related to respecting human rights	6.4.
- policies with respect to anti-corruption and anti-bribery actions	7.2.
- policies with respect to employment issues	6
Due diligence procedures (art. 49b ust. 2 pkt 4)	3.5.; 3.6.; 3.7.; 3.8.
Major non-financial risks and management of such risks (art. 49b ust. 2 pkt 5)	3.7.; 5.6.; 6.6.; 7.7.; 8.4.

### 9.2. SIN COMPLIANCE CHART

Indicator	Description	Page	Comment
G.1.1.	Description of the company's growth strategy including social and environmental aspects.	8	
G.1.2.	Characteristics of the applied business model.	9	
G.2.1.	Description of the management structure.	11	
G.2.2.	List of certified management systems.	13	
G.2.3.	Description of the internal control system.	13	
G.3.1.	Description of the company's approach towards risk management.	15	
G.3.2.	List and short characteristics of the identified social or environmental risks.	15	
G.4.1.	Indicate if the company has a formal Code of Ethics.	16	
G.4.5.	Number of reported potential breaches of the ethical standards.	16	
G.4.6.	Number of ethical training sessions, number of participants.	16	
E.2.1.	Total energy use in MWh presented according to the main sources of energy.	25	MWh used instead of GJ
E.2.2.	Percentage (%) of energy coming from renewable energy sources	25	
E.2.3.	Energy use per unit of product or revenues.	26	
E.5.1.	Weight of emitted greenhouse gases.	28	
E.5.3.	Greenhouse gases emissions per unit of product or revenues.	29	

E.6.1.	Total weight of waste divided into hazardous and other than hazardous.	30	
E.6.2.	Total weight of waste by management method.	31	
E.6.4.	Waste emissions per unit of product or revenues.	31	
S.2.1.	Number of employees by type of employment contract.	34	
S.2.2.	Number of employees hired in the reporting period,.	34	
S.2.3.	Number of employees leaving the company in the reporting period.	35	
S.2.9.	Ratio of average gross salary of women to average gross salary of men in particular employee groups.	35	
S.2.10.	Ratio of average remuneration of the management board members to the lowest salary paid by the company.	35	
S.2.15.	Information on non-salary benefits offered to employees.	36	
S.5.1.	Average number of training hours (or training days) per employee.	36	
S.10.1.	Business areas exposed to the risk of corruption.	42	
S.10.2.	Number of reported cases of suspected corruption.	42	
S.10.3.	Number of confirmed cases of corruption.	45	
S.12.2.	Administrative proceedings against the company.	43	
S.12.3.	Financial value of penalties for breaching laws and regulations on reliability and ethics in marketing communication.	43	
S.13.1.	Number of incidents linked of clients'/employees' personal data leakage or unauthorized use.	44	
S.13.2.	Administrative proceedings against the company.	44	
S.13.3.	Financial value of penalties for breaching laws and regulations on personal data protection.	44	

## 10. Approval for publication

This non-financial statement of the Asseco South Eastern Group for 2023 was approved for publication by the Management Board of Asseco South Eastern Europe on February 27, 2024.

Management Board:

Piotr Jeleński	The CEO
Miljan Mališ	Member of the Board
Michał Nitka	Member of the Board
Kostadin Slavkoski	Member of the Board

## 11. Appendices

### 11.1. APPENDIX 1 – LIST OF COMPANIES

1. Asseco South Eastern Europe S.A. - Poland
2. Payten Holding S.A. - Poland
3. ASEE doo Sarajevo (Bosnia and Herzegovina)
4. BS Telecom Solutions d.o.o. Sarajevo (Bosnia and Herzegovina)
5. Dwelt d.o.o., Banja Luka (Bosnia and Herzegovina)
6. Monri Payments d.o.o. (Bosnia and Herzegovina)
7. Payten d.o.o. (Bosnia and Herzegovina)
8. ASEE EOOD (Bulgaria)
9. ASSECO SEE d.o.o. (Croatia)
10. IT SISTEMI-NOVE TEHNOLOGIJE d.o.o. (Croatia)
11. EVISION INFORMACIJSKI SUSTAVI d.o.o. (Croatia)
12. Monri Payments d.o.o., Zagreb (Croatia) – połączone w 2023: WEB STUDIO d.o.o., INTEGRIRANI POSLOVNI SUSTAVI d.o.o., GASTROBIT - GRC GRUPA d.o.o.;
13. PAYTEN d.o.o. (Croatia)
14. Sonet spolčnost s.r.o. Czech Republic
15. Sonet Slovakia s.r.o.
16. Asseco SEE Sh.p.k (Kosovo)
17. ASEE Albania Sh.p.k
18. Helius Systems Sh.p.k. (Albania)
19. ASEE DOOEL Skopje (Macedonia)
20. Payten DOOEL, Skopje (Macedonia)
21. Payten d.o.o. Podgorica (Montenegro)
22. E-Mon d.o.o., Podgorica (Montenegro)
23. NECOMPLUS, S.L. (Spain)
24. NECOMPLUS COLOMBIA SAS
25. NECOMPLUS SERVEIS ANDORRA, S.L.
26. NECOMPLUS PERU SAC
27. NECOMPLUS PORTUGAL Lda
28. Ifthenpay Lda (Portugal);
29. NECOMPLUS Dominicana Srl
30. Monri Colombia SAS
31. Payten Egypt LLC
32. ASEE Solutions S.R.L. (Romania)
33. PAYTEN PAYMENT SOLUTIONS SRL (Romania)
34. ASEE Solutions S.R.L. (Moldova)
35. ContentSpeed srl (Romania)
36. Bithat Solutions s.r.l. (Romania)
37. Payten d.o.o. (Slovenia)
38. Avera d.o.o., (Slovenia)
39. Asseco SEE d.o.o., (Serbia)
40. Chip Card a.d. (Serbia)
41. Payten d.o.o. Nove Beograd (Serbia)
42. Afusion d.o.o. (Serbia)
43. Monri Payments d.o.o. (Serbia)
44. Things Solver d.o.o. (Serbia)
45. ASEE Bilişim Teknolojileri A.Ş. (Turkey)
46. Mobven Teknoloji A.Ş. (Turkey)
47. Payten Teknoloji A.Ş. (Turkey)
48. PAYTEN MOBİL TEKNOLOJİLERİ ANONİM ŞİRKETİ (Turkey); - established in December 2023;
49. Paratika Odeme Hizmetleri A.S. (Turkey)

## 11.2. APPENDIX 2 – LIST OF MANAGEMENT SYSTEM CERTIFICATES AND ATTESTATIONS

At least 1 ASEE Group company implemented systems based on the following certificates:

- ISO/IEC 27001 - Information Security Management System - an international standard concerning the requirements for the creation, maintenance and development of information security management systems, containing a set of best practices regarding the methods of security management and guaranteeing clients the protection of their data;
- ISO/IEC 27701 - Privacy Information Management System and ISO/IEC 27002 - Information technology - Security techniques - Code of practice for information security controls - extensions for privacy of ISO/IEC 27001 containing requirements for the establishment, implementation, maintenance and continuous improvement of the Privacy Information Management System;
- ISO/IEC 20000-1 - Information Technology – Service Management - an international standard for IT service management, containing requirements for establishing, implementing, maintaining and improving a service management system (SMS);
- ISO 14001 - Environmental Management System - an international standard which specifies the requirements for an environmental management system that can be used to enhance company's environmental performance which task is to support environmental protection and prevent pollution in a manner that takes into account socio-economic needs;
- ISO 22301 - Business Continuity Management System – an international standard containing a framework for the identification of key risk factors affecting the organization and for maintaining its operations in the most difficult conditions;
- ISO 9001 - Quality Management System – an international standard that specifies the requirements to be met by an organization's quality management system which helps ensuring that customers get consistent, good-quality products and services, which in turn brings business benefits.

Due to the fact that some of main branches of activity of ASEE Group is end-to-end payment industry solutions for financial and non-financial institutions and banking services, whenever type of activity of any of ASEE Group members' requires that, following standards are observed:

- PCI DSS - Payment Card Industry Data Security Standard - a security standard developed by the PCI SSC (PCI Security Standards Council) for payment card merchants and processors and is based on five global payment brands - American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and Visa Inc., who have agreed to include PCI DSS as a technical requirement for compliance with each of their data security programs;
- PCI PIN - Payment Card Industry PIN Security Requirements and Test Procedures - a security standard developed by the PCI (Payment Card Industry) Security Standards Council comprising a complete set of requirements and testing procedures for the secure management, processing, and transmission of personal identification number (PIN) data during online and off-line payment card transaction processing at ATMs and attended and unattended point-of-sale (POS) terminals.
- standard protocol in the payments industry aiming to detect and prevent credit card fraud, and to protect credit card holders, merchants, and banks from security fraud which has been adopted by Visa, Mastercard, American Express, JCB, Discover, UnionPay, as well as many other regional card schemes - the Certificates and approvals related to 3DSS/ACS outsourcing services include for example: VISA - ACS Product Letter of Approval; VISA - 3DSS Product Letter of Approval, VISA - ACS EMVCo Letter of Approval, EMVCo - 3DS server EMVCo Letter of Approval, EMVCo -PCI 3DS Attestation of Compliance (AOC), PCI - PCI 3DS Report on Compliance (ROC).