

SYZYGY GROUP

Sustainability Report

/

2023



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Key sustainability figures

-29%

Reduction of the CO₂ emissions in Scope 3

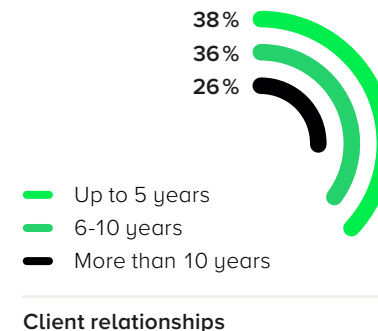
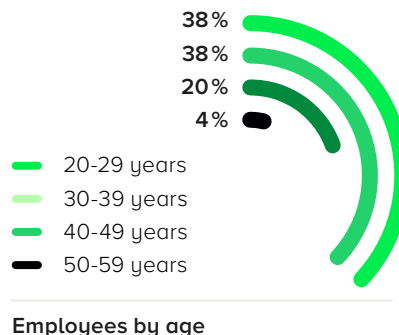
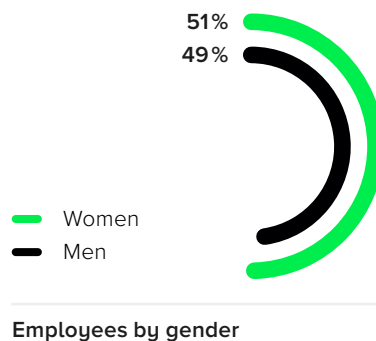


Scope 1+2 by employees (in t CO₂e)

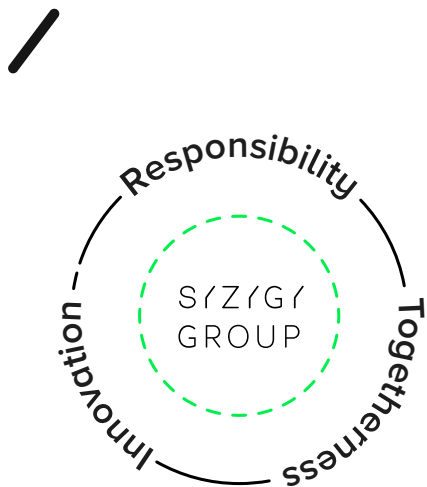
Electricity from **renewable energies** in all offices

100%

☞ Sustainable business is not just about cutting costs, but also about **creating value and ensuring long-term success.** ☞



Values for a sustainable future



Three values that unite us

For us, values are a compass. They unite us across continents, departments and hierarchies.

Our values underpin our respectful behaviour towards each other and towards our clients, society, the climate and the environment.

We take responsibility and are committed to our three values of **responsibility, togetherness and innovation**, both within and beyond the company. We want to improve things, have the courage to explore new paths, create positive experiences and jointly drive forward innovative ideas for the future

œ Innovations come from **listening, mutual inspiration and the expertise of a team.** 99

Frank Ladner (CTO, SYZYGY GROUP)



SYZYGY Performance / Hamburg & Munich

Responsibility

Our action areas, goals and activities are consistently focused on sustainable global development. We are guided by the UN's four Sustainable Development Goals (SDGs) of **Climate Action, Gender Equality, Quality Education, and Decent Work and Economic Growth.**



We take responsibility for the climate

Digitalisation and green IT are key levers in our commitment to protecting the environment. We therefore develop sustainable solutions for our clients and constantly work on our own climate-positive corporate carbon footprint (CCF) by reducing and offsetting CO₂ emissions.



We are committed to equal opportunities

Diversity, equity and inclusion (DE&I) are an integral part of our corporate culture. We are committed to equal opportunities, reject any form of discrimination and foster a working environment that promotes participation, fairness and diversity. We support flexible and participatory working models.



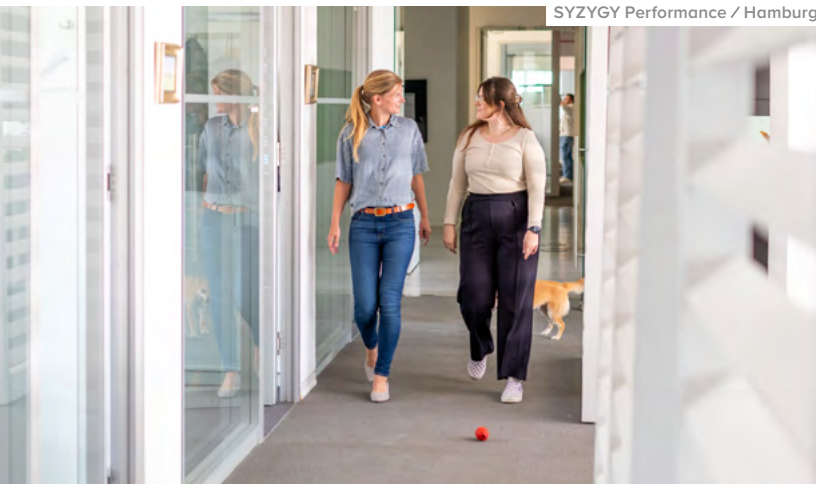
Education is a pillar of our success

Every day, we see how rapidly the digital world is evolving. We believe education is the basis for shaping these changes in a creative, agile and targeted manner. Accordingly, we help our employees to grow professionally and personally so they can achieve their full potential.



We consider economic, environmental and social factors

As a listed company we take responsibility for economically sustainable growth. This applies to our economic, environmental and social principles – including developing staff, promoting diversity and inclusion and creating a decent working environment.



Protection of the climate and the environment

Responsible use of natural resources is a fundamental principle of our corporate culture.

What exactly does this mean for us? We use electricity from renewables for our offices, have extended the replacement intervals of electronic devices, support regenerative agriculture and much more.

From New York and London to Bad Homburg and Warsaw, each operating unit implements its own environmental protection measures. These all contribute to the SYZGY GROUP's sustainability strategy.

Our sustainability strategy and goals

We have calculated our corporate carbon footprint (CCF) for several years now, so we can determine the appropriate mitigation and reduction potential, use this to develop action plans and initiatives, and advise our clients on cutting CO₂ in the digital ecosystem.



Ars Thanea & SYZGY / Poland



Reduce the number of flights
where possible and appropriate



Use public transport
as much as possible



Reduce CO₂ emission
by each agency taking action



Long usage periods
for electronic devices



Switch to electric
fleet vehicles by 2025



We advise our clients on how to reduce CO₂ emissions of digital ecosystem



Green electricity
in all offices



Strongly support
the use of bicycles
or e-bikes

Our activities for a for a smaller carbon footprint

850

tonnes of CO₂ emissions
produced by the SYZYGY
GROUP in 2024

Our contribution towards protecting the climate

We also generate emissions that cannot be avoided. Through regenerative agriculture, CO₂ from the atmosphere is stored in the soil and biodiversity is promoted at the same time. We believe this type of agriculture is the future.

We are firmly committed to our sustainability agenda and in 2024 we will offset 850 tonnes of CO₂ emissions produced by the SYZYGY GROUP. We are thus making another specific contribution towards protecting the climate and the environment.

KLIM / Our partner for regenerative agriculture



3,1 %



2,8 %

**Proportion of global greenhouse gas
emissions by global aviation and Internet**

Sustainability for the ecosystem

We all believe that the carbon footprint in our industry needs to be reduced – not just measured – right from the start, for every activity, every campaign and every hosting.

The Internet produces 2.8 per cent of GHG emissions, almost as much as global air travel (3.1%). Our products are part of this digital ecosystem. But we at the SYZYGY GROUP also know that there is a more sustainable solution.

What can we do to improve the product carbon footprint?

As a digital agency providing end-to-end services, we have taken a closer look at our carbon footprint. In our Point of View (#POV), our team of experts provides insights into various areas – from strategy and business design, image and video production, design, IT and hosting to marketing and media planning.

🌿 **Our industry has a shared responsibility**
to achieve greater sustainability in the
digital ecosystem. 🌿

Erwin Greiner (CFO, SYZYGY GROUP)

We support and uphold equal opportunities

Our industry, from digitalisation to the digital customer journey, is powered by innovation and dynamism – and ultimately **by people who want to drive those factors forward.**

We strongly believe that we can achieve positive change and shape a better future by bringing together a wide range of uniquely talented people. That's why diversity, equity and inclusion (DE&I) are key elements of our corporate culture.

We have signed up

We are actively committed to the German Diversity Charter. For us, this means promoting women in the digital industry and having a work environment without prejudice in which all employees feel appreciated – regardless of age, ethnic origin, nationality, gender and gender identity, physical and mental abilities, religion and ideology, sexual orientation and social origin.



Diversity Charter Initiative

Women in Digital

We launched our Women in Digital campaign to mark International Women's Day on 8 March.

How can we encourage women to enter or switch to the digital industry? We let our colleagues speak on LinkedIn and in our blog. In addition, we highlighted a wide variety of routes into the digital industry and discussed them in depth at internal lunchtime inspiration meetings.

It's time for change and we, as an international company, want to play a role in shaping that change. Technology needs soft skills as well – creative abilities and experiences.



☞ Along with the right technical and economic approach, **people with different backgrounds and ideas are key to innovation and success.** ☞

Stephen Oelgray
(Head of Delivery, SYZGY Techsolutions)

SYZGY / Frankfurt

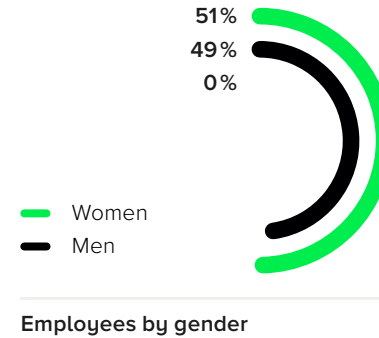


Breaking down stereotypes

In Germany, only 27 per cent of female students are studying MINT subjects (maths, IT, natural sciences and technology). In Poland, the figure is 47 per cent. We want to encourage more women to enter the technology and digital industry because technology is an integral part of life, regardless of gender.

🔗 **Be passionate**, because everything is accessible with the right tools – and in tech, there are plenty. 🔗

Stereotyp versus



Diversity is key

Every day, we see that male and female energy are needed to create a more balanced and inclusive culture. Experience and expertise, not gender or sexual orientation, are the factors that move us forward and unite us.

Fight for diversity

Equal opportunities for all

Working in the digital industry also means flexibility. Many tasks can be done remotely, which is ideal for working parents, enabling them to balance their work and family responsibilities. Flexible working arrangements allow people to fulfil a wide range of life ambitions.

More opportunities

In tune with the new zeitgeist

Routes into the digital industry can be varied and often unorthodox. We believe that if we want to drive forward innovation and progress, we need people who have the courage and desire to do it, and an environment which is conducive to that.

Many paths

Togetherness



The personal growth of all employees is important to us. It defines our teams and is essential for developing unique ideas.

Personal development is designed to inspire our talented employees. In joint events, they reflect on their experiences, share ideas on a professional level, discover new things about themselves and grow. That is the only thing which can bring us all together and is a fundamental component of our business success.



Supporting and inspiring our employees is part of a **healthy corporate culture** for us.

Corinna Carstens (Director People & Culture)

SYZGY GROUP Self-Growth-Retreat

Learn more about yourself, acquire new skills – just two of the aims of the SYZGY GROUP Self-Growth-Retreat, which we organise twice a year.

The retreat is based on the concept of total fitness: in joint workshops, participants reflect on their own previous (professional) experiences and on lifelong learning. How can we set goals successfully and achieve our personal goals and individual purpose? Ultimately, the aim is to help all participants steer this ongoing process more consciously in future and bring about positive changes.

In addition to team building activities, there is plenty of freedom to talk with new contacts outside the usual working environment and network with colleagues from different areas.



SYZGY GROUP / self-growth retreat





SYZGY Techsolutions / Tech camp 2023

80%

Above all teams,
the **AI share of the solutions** was more
than 80 per cent.



// SYZGY Techsolutions Camp 2023



Tech camp 2023 – our generative AI hackathon

22 colleagues, 2 days and 1 challenge: to use generative AI to develop an HR tool that makes our recruiting process easier.

As this was not challenging enough for our colleagues at SYZGY Techsolutions, they decided to impose some additional conditions. They wanted to do everything with AI support, using a technology stack they hadn't worked with before – and also swap their frontend and backend roles at all levels, where possible.

After completing some tricky outdoor challenges as a daily warm-up, the specialists from various teams and departments worked together on their solutions in three groups. Inspired by the relaxed atmosphere, the tasty shared meals and the beautiful summer weather, the groups came up with a concept, project plan, backlog, division of work, technology and repo all by the first afternoon. The solutions, all of which were worthy of a prize, were presented on the final evening.

The camp was incredibly creative and informative. We look forward to using generative AI in more and more areas of our daily work.

Tech camp 2023



Der SYZYGY warp drive

Our internal and external training and development activities function as a warp drive. Alongside our Warp Workshops and presentations with specialist deep dives, our two internal formats Warp Day and Warp 5 also have the following goal: **to grow our people's skills and allow us to develop as an agency.**



Warp Day for perfect onboarding

As a welcome to SYZYGY, we introduce all new employees to the various aspects of working in our organisation. This includes the different practices, the four product areas, our most important processes and frameworks, and corporate design. The day ends with a get-together involving food and drink, and new colleagues have the opportunity to introduce themselves personally.



Warp 5 as inspiration

Our employees are diverse. As such, they deal with many different topics, which are also of interest to other colleagues. So we hold Warp 5 every five weeks: five people present exciting aspects from their area of work in five minutes – from AI to our tools. It's fun, brings people together, provides new insights and, very importantly, allows employees to practise their presentation skills.



Ars Thanea & SYZYGY / Poland

Our mentoring programme for empathy in action

Understanding how another person feels was the subject of a two-part communication workshop run by Paulina Grabowska and Paweł Piotrkowski from Warsaw.

The first part, which was attended by **48 colleagues from SYZYGY Warsaw** and **Ars Thanea**, focused on the principles of non-violent communication, as defined by Marshall Rosenberg (#NVC). In this segment, the emphasis was on empathy

and active listening, which we believe are important qualities for building trusting and authentic relationships between colleagues and with clients.

In the second workshop segment, we looked more closely at understanding and dealing with emotions in the workplace. The 18 attendees to date have taken away many interesting ideas for their everyday working lives, including around giving and accepting constructive feedback that supports productive interactions. The programme will continue in 2024.

Innovation



Generative artificial intelligence (GenAI) heralds a new era for us in the digitalisation and marketing industry. **With the help of AI, we are continuing to drive forward innovation in technological advancement.**

We use generative AI to increase productivity and quality and to improve digital experiences. We automate routines for our clients and make complex tasks accessible for machine processing. Generative artificial intelligence is used for audience analysis, targeting, data monitoring, marketing automation and software development.

GenAI needs clear rules

As a company, we must also take responsibility for the way in which creative technology is used. We have therefore established a stance and guidelines for the use and development of products with Generative AI. Generative AI should fundamentally enable new services and optimise existing ones. However, it must be used by humans in a controlled, transparent and targeted way, and the generated results must always be assessed objectively. We are also continually learning.



☞ ChatGPT is just one example that shows **how quickly AI is developing** and finding its way into more and more value chains. ☞



Marc Zollingkofer (Director Software Engineering, SYZGY Techsolutions)



What is generative AI?

Generative AI is a branch of AI that focuses on the creation of new content. It is called “generative” because it produces output such as text, images, music or even videos that are completely new and can mimic the style and look of human-created content.

- 1 Generative AI **makes our work better.**
- 2 Generative AI **needs human supervision.**
- 3 We use Generative AI **in a professional way.**
- 4 We use Generative AI **transparently.**
- 5 We assess Generative AI **objectively.**
- 6 We are **continually learning.**

SYZYGY GROUP principles on Generative AI

“ We see **Generative AI as a fundamental technology** that is important in all areas of our work – now and in the future. ”

Frank Ladner (CTO, SYZYGY GROUP)



Staging of HYMER vehicles with Generative AI

New opportunities for our clients

Generative AI is on its way to becoming a powerful tool with seemingly unlimited applications. We are at the beginning of a highly dynamic development in which we see more opportunities than risks.

Improvements in quality and productivity will increase our efficiency and alleviate labour shortages. The new possibilities for creating digital experiences are leading to new and expanded offerings from the SYZYGY GROUP.

For example, we are using generative AI to make the impossible possible for our client Hymer. Instead of a real photo shoot, we use this technology to bring to life classic car models that no longer exist.

1. Non-financial Group declaration in accordance with Article 315c of the Handelsgesetzbuch (HGB – German Commercial Code)*

1.1 Strategy and management

The SYZYGY GROUP is committed to conducting business along sustainable lines, with economic, environmental and social responsibility being a key principle of its corporate governance. This is also a cornerstone of our strategy to continuously increase enterprise value and take responsibility for the future. The SYZYGY GROUP's services should not only create benefits for clients, employees and stakeholders, but also have a positive social and ecological impact. It firmly believes that sustainability is crucial to long-term business success.

In this non-financial declaration (NFD), the SYZYGY GROUP reports on the development and progress of the SYZYGY GROUP's sustainability-related action areas in the 2023 financial year, in accordance with the statutory requirements of Article 289 c-e of the German Commercial Code (Handelsgesetzbuch, HGB), Article 315c of the HGB and Article 8 of the Taxonomy Regulation. This NFD is based on the United Nations Global Compact Principles and the UN Sustainability Development Goals, which are also the benchmark for assessing the relevance of

the measures. The non-financial Group declaration was reviewed and approved by the Supervisory Board of Syzygy AG in accordance with Article 171 (1) of the German Stock Corporation Act (Aktiengesetz, AktG).

Sustainability management

The Management Board member responsible for sustainability issues at Syzygy AG is the Chief Financial Officer (CFO), Erwin Greiner. He defines the strategy together with the Management Board and the sustainability team. The Finance function monitors results and progress on environmental, employee and social matters by way of metrics collected quarterly within the SYZYGY GROUP and the WPP Group, and is available to assist the subsidiaries with all sustainability issues.

Compliance, information security and data protection is also part of Finance's sphere of responsibility.

The Management Board and Supervisory Board review the progress and results of sustainability management, which are published in non-financial reporting.

Capturing metrics

The relevant data in all action areas is collected and verified on a quarterly basis to ensure that the data is complete and accurate. In this context, the SYZYGY GROUP collects specifically defined data across the Group and supplies it to the WPP Group. The environmental metrics were gathered and analysed by ClimatePartner. The SYZYGY GROUP also meets the requirements of the capital market.

In accordance with Article 315b (1) sentence 3 of the German Commercial Code, the GROUP refers the reader to the non-financial disclosures on individual aspects included elsewhere in the Group Management Report.

Business model

The SYZYGY GROUP's business model within the meaning of Article 315c (1) in conjunction with Article 289c (1) of the HGB is described in section 2 of this Group Management Report.

The SYZYGY GROUP firmly believes that economic, social and environmental aspects must be reconciled in order to ensure sustainability. The goal is to make a positive contribution to sustainable development at all stages of the value chain.

Non-financial risks

Values and uniform ethical standards that are shared by clients, employees, suppliers, management and investors, together with responsible use of energy and natural resources, safeguard the reputation of the SYZYGY GROUP.

This reduces costs as well as financial, legal and operational risks. The SYZYGY GROUP's image is also enhanced by its support for non-profit causes. A functioning system for managing risks and opportunities is therefore an important part of a sustainable management approach.

Potential non-financial risks are identified and assessed at Group level via the existing risk management system. Possible sustainability risks are identified on a quarterly basis by Controlling and included in monitoring as necessary.

No material non-financial risks related to business activities, client relationships or services were identified in the reporting period that will have or could be expected to have a negative impact on the non-financial aspects or business activities of the SYZGY GROUP. We report on our opportunities and risks in section 5 of this Group Management Report.

Materiality

Sustainability is a highly important aspect of our business activities. Growing awareness of sustainability issues is leading to an assessment of their importance for the Company, the environment, society, and our stakeholders. Demographic change, meanwhile, has brought increasing competition for highly skilled workers. The environment, health, safety, diversity and compliance are also important topics when assessing key sustainability aspects.

Materiality analysis

The non-financial Group declaration aims at transparently communicating the material and relevant non-financial aspects to our stakeholders.

The annual review of the extent to which sustainability aspects are material found that there were no changes in 2023. Due to the new regulatory requirement introduced by the Corporate Sustainability Reporting Directive (CSRD), the SYZGY GROUP will repeat its materiality analysis in 2024.

In the 2023 reporting year, the key issues were limited to the materiality definition presented in the CSR Directive Implementation Act (CSR-RUG) in conjunction with Articles 289b to 289e of the German Commercial Code. These issues are relevant to the business process, the Company's earnings and to business operations that have an impact on non-financial aspects.

- **Environmental matters**
 - Electrification of the vehicle fleet
 - Use of renewable energy sources
 - Staff commuting and working from home
 - Useful life of electronic devices
 - Business travel
- **Employee matters**
 - Diversity and inclusion
 - Working conditions
 - Employee development
 - Occupational health and safety

- **Social matters**
 - Client relationships
 - Social commitment
- **Governance / compliance**
 - Human rights
 - Information security and data protection
 - Combating corruption and bribery
 - Responsible use of artificial intelligence (AI)

Sustainability goals

Responsibility, togetherness and innovation are the three corporate values that set the SYZGY GROUP apart, create cohesion among staff, define our day-to-day work, and act as a compass for decisions and actions.

The SYZGY GROUP takes responsibility by focusing on the impact of its activities and decisions on its sphere of influence, such as its employees, clients, suppliers, society in general and the environment. The Group thus places particular emphasis on upholding ethical standards, complying with laws and regulations, and making a commitment to addressing social and environmental issues. Long-term objectives and the impact of decisions on the future are carefully considered and communicated transparently.

The SYZYGY GROUP is also committed to meeting environmental standards and to promoting sustainable development.

The SYZYGY GROUP aligns its action areas, goals and activities with sustainable development, as informed by the materiality analysis.

Its guiding principles are four of the Sustainable Development Goals (SDGs), the current global goals of the United Nations (UN) in this respect:

- Quality education (SDG 4)
- Gender equality (SDG 5)
- Decent work and economic growth (SDG 8)
- Climate action (SDG 13)

For more education

Innovative technologies and changes in user behaviour mean that internal skillsets must be kept up to date. It is therefore crucial that employees receive support to continuously grow and develop – both professionally and personally. Access to inclusive education for all colleagues is a key element in enabling them to realise their full potential and to benefit from equal rights and equal opportunities. The SYZYGY GROUP is also motivated by the opportunity to contribute to society through knowledge and skills.

For more equal opportunities

Equality is a fundamental human right and essential for a peaceful and sustainable world. Diversity, equity and inclusion (DE&I) are key components of the corporate philosophy.

The SYZYGY GROUP is actively committed to promoting equal opportunities. The Group strives to provide an inclusive and flexible working environment that enables all employees to realise their full potential. Specific measures, such as putting an end to gender pay gaps and selecting the most suitable candidates regardless of gender, are being implemented to promote equal opportunities.

For a better climate

The SYZYGY GROUP is actively committed to promoting climate change action.

The Group sees digitisation and green IT as major drivers of a more eco-friendly approach for both businesses and society in general. With this in mind, the SYZYGY GROUP is committed to minimising and offsetting its own emissions, while developing digital systems that make a positive contribution to climate change mitigation.

For inclusive and sustainable economic growth

As a listed company, the SYZYGY GROUP is responsible for delivering economically sustainable growth while ensuring the competitive viability of its business. This includes supporting economic growth by improving working conditions, developing employees, and facilitating diversity and inclusion.

1.2 Environmental matters

Responsible use of natural resources is an important goal, although it is less relevant for a service provider than for manufacturing companies.

Climate strategy

The consequences of climate change extend across our world, affecting both the economy and the everyday life of each individual. Digitisation and green IT are key factors in making society and business more environmentally friendly.

The SYZYG GROUP makes a contribution by calculating its emissions, identifying ways to avoid and reduce them, setting targets to reduce emissions, and developing and promoting appropriate action and initiatives. Each operating unit also implements its own environmental protection measures to support the Group-wide goals, make the Group a climate-friendly company and ensure that resources are used efficiently.

Transparency on greenhouse emissions

Syzygy AG's Corporate Carbon Footprint (CCF) has been calculated in association with ClimatePartner since 2021. This involves combining the CO₂ emissions for each of the locations and subsidiaries in Bad Homburg, Berlin, Frankfurt, Hamburg, London, Munich, New York and Warsaw.

The CCF was calculated according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol), taking into account Scope 1, Scope 2 and Scope 3 emission sources. While the recording and reporting of Scope 3 emissions in the GHG Protocol is optional, it is also an important step towards greater transparency and accountability.

This helps the SYZYG GROUP to raise its awareness of environmental and climate issues by comprehensively recording and analysing the environmental footprint of its activities.

Overall result of the emissions calculation for business activities

The SYZYG GROUP has taken action to cut CO₂ emissions and reduce its environmental footprint (CCF). In 2023, total CO₂ emissions were reduced by 25 per cent to 753.43 tonnes of CO₂ (previous year: 1,003 tonnes of CO₂). On a per employee basis, emissions stood at 1.23 tonnes of CO₂ (previous year: 1.74 tonnes of CO₂), representing a 29 per cent reduction compared to the previous year.

CO ₂ (in tonnes)	2023	2022	Change
CO ₂ emissions in tonnes per employee – total*	1.23	1.74	-29%
Absolute CO ₂ emissions in tonnes – total*	735.42	1,003.27	-25%

* GHG Protocol

CO₂ emissions per employee are based on the average number of employees: 616 in the year covered by the report and 577 in the previous year.

Determining the CCF made it possible to identify ways of avoiding and reducing emissions, leading to targets for such reductions. A range of different measures and initiatives were developed to achieve these targets. The following table shows the extent to which the targets were reached in the year under review:

Greatest potential for savings in terms of emissions	Emission reduction targets (measures & initiatives)	Target achievement compared to previous year
Scope 1		
Company fleet (of vehicles)	Reduction of emissions by switching to electric vehicles by 2025 (zero carbon in Scope 1)	Reduction of direct emissions from the company fleet: <ul style="list-style-type: none"> • Total: -15 per cent • Per employee: -13 per cent • 52 per cent of company vehicles are electric or hybrid vehicles • 24 per cent of these are all-electric vehicles
Scope 2		
Purchased energy such as electricity and heating (energy requirements of buildings)	Use of renewable energy (zero carbon in Scope 2 since 2021) Reduction of building emissions by promoting sustainability in employees' daily activities	Reduction of CO ₂ emissions from purchased heat and electricity for own use: <ul style="list-style-type: none"> • Total: +4 per cent • Per employee: 0 per cent • 100 per cent net-zero greenhouse gas emissions for electricity CO₂ emissions at all locations
Scope 1 + 2		
		Reduction of company-wide Scope 1 and Scope 2 emissions: <ul style="list-style-type: none"> • Total: -4 per cent • Per employee: -11 per cent

Greatest potential for savings in terms of emissions	Emission reduction targets (measures & initiatives)	Target achievement compared to previous year
Scope 3		
Staff travel to workplace	Reduction of CO ₂ emissions when travelling to work by promoting the use of public transport, bicycles or e-bikes, and working from home	Reduction of CO ₂ emissions for staff commuting and working from home: <ul style="list-style-type: none"> • Total: -22 per cent • Per employee: -26 per cent
Purchased electronic devices	Reduction of CO ₂ emissions through longer usage periods for electronic devices	Reduction of CO ₂ emissions from purchased electronic devices through longer usage periods: <ul style="list-style-type: none"> • Total: -56 per cent • Per employee: -67 per cent
Business travel	Reduction of CO ₂ emissions <ul style="list-style-type: none"> • caused by business travel through increased use of rail travel and video conferencing • to cut air miles by 50 per cent compared to the 2019 baseline 	Reduction of CO ₂ emissions from business travel overall: <ul style="list-style-type: none"> • Total: -27 per cent • Per employee: -33 per cent Air miles: <ul style="list-style-type: none"> • Total: -24 per cent • Per employee: -29 per cent
Products and services	Advising clients on reducing CO ₂ emissions in the digital ecosystem during projects and campaigns	Conducting a comprehensive portfolio analysis to reduce CO ₂ emissions in the digital ecosystem. Publishing a white paper with specific sustainability-related measures to offer climate-friendly products and services to clients

Reduction in Scope 1 emissions

Company vehicles

The SYZYGY GROUP is supporting a green future by switching its company vehicles to electric and hybrid models. This step will help to further reduce emissions. The goal is to use only electric and hybrid vehicles as company cars by 2025. At present, 52 per cent of vehicles are already electric or hybrid, 24 per cent of which are all-electric vehicles. This measure not only contributes to sustainability, but also demonstrates the SYZYGY GROUP's commitment to environmentally responsible mobility.

Scope 1 emissions amounted to 42.02 tonnes of CO₂ in 2023. These emissions are solely attributable to the vehicle fleet, the impact of which was reduced by a further 15 per cent compared to the previous year by switching to electric and hybrid vehicles.

Direct climate-related emissions (Scope 1)*

Scope 1 includes all emissions caused directly by company vehicles.

CO ₂ (in tonnes)	2023	2022	Change
CO ₂ emissions (Scope 1) in t CO ₂ e – market-based	42.02	49.35	-15%

* GHG Protocol

Reduction in Scope 2 emissions

Heat and electricity

CO₂ emissions for purchased heat totalled 113.78 tonnes in 2023. There was no change per employee compared to the previous year.

The SYZYGY GROUP's headquarters in Bad Homburg v.d.H. contribute to a reduction in climate-related emissions by complying with the Green Building standard and receiving Gold certification under the international LEED system, and meeting high ecological standards. Although the SYZYGY GROUP cannot take direct action to improve the energy efficiency of its subsidiaries' buildings as it does not own the buildings, it aims to promote and integrate sustainable practices within the Company through its initiatives and defined targets.

The SYZYGY GROUP has been obtaining electricity from 100 per cent renewable energy sources at all its locations in Germany since 2021, having concluded green power purchase agreements. This step underlines the Company's commitment to a sustainable and environmentally friendly energy supply. In addition, due to Renewable Energy Certificates (RECs) purchased through the WPP Group, the Group is also greenhouse gas neutral in electricity CO₂ emissions (in Scope 2) at all international locations.

Indirect climate-related emissions (Scope 2)*

Scope 2 covers emissions caused by purchased energy such as electricity and district heating.

CO ₂ (in tonnes)	2023	2022	Change
CO ₂ emissions (Scope 2) in t CO ₂ e green electricity, electricity from renewable sources – market-based	0	0	0%
CO ₂ emissions (Scope 2) in t CO ₂ e – heat	113.78	109.40	+4%
CO ₂ emissions (Scope 2) in t CO ₂ e – purchased electricity for own use (vehicle fleet)	0	3.35	-100%

* GHG Protocol

Energy consumption (in kWh)	2023	2022	Change
Heating	596,264	565,111	6%
Electricity	666,765	669,141	0%

Reduction of direct and indirect climate-related emissions (Scope 1 and Scope 2)*

In 2023, CO₂ emissions per head (Scope 1 and 2) amounted to 0.25 tonnes CO₂, a year-on-year reduction of 11 per cent (previous year: 0.28 t CO₂).

CO ₂ (in tonnes)	2023	2022	Change
CO ₂ emissions (Scope 1+2) in t CO ₂ e – per capita, total*	0.25	0.28	-11%
Absolute CO ₂ emissions (Scope 1+2) in t CO ₂ e – total*	155.80	162.10	-4%

* GHG Protocol

Reduction in Scope 3 emissions

In the years ahead, indirect emissions along the value chain (Scope 3) in particular will be crucial to reducing the Company's overall emissions. This also includes CO₂ emissions caused by purchased equipment, business travel and employee commuting.

The SYZGY GROUP's supply chain accounts for 79 per cent (previous year: 84 per cent) of total Scope 3 emissions, at 598 tonnes of CO₂ emissions (per employee: 0.97 t CO₂). This corresponds to a reduction of 29 per cent. The goal is to reduce these emissions through measures and initiatives relating to employee commuting and working from home, the usage of electronic devices and business travel.

Data collection for Scope 3 emissions is especially difficult as they are beyond the SYZGY GROUP's direct control. Despite this, the Group is actively committed to improving data collection and quality.

Purchased electronic devices

The SYZGY GROUP has chosen longer usage periods of around 4 years for electronic devices, to minimise energy and resource consumption and thus overall emissions. They are only included in the CO₂ footprint in the year of purchase. This means that each year that the devices continue to be used, the amount of emissions produced by the devices is not included in the footprint. In 2023, purchased electronic devices accounted for CO₂ emissions of 68 tonnes (per employee: 0.1 t CO₂e). This meant a reduction in CO₂ emissions of 56 per cent.

Business travel

The SYZGY GROUP is committed to reducing the environmental impact of business travel (total: 106 t CO₂ or 0.17 t CO₂ per employee) such as air travel and hotel accommodation. The Company promotes the use of rail travel and video conferencing to minimise environmental impact. This is also laid down in a travel policy that is binding on all employees.

The SYZGY GROUP is committed to minimising air travel and only using it when necessary for business reasons or when it reduces travel time significantly. Emissions from air travel were 65.7 t CO₂ in 2023, equivalent to per capita emissions of 0.1 t CO₂ (reduction compared to the previous year: 42 per cent in total, or 50 per cent per employee).

Staff commuting

The CO₂ emissions caused by employee mobility were reduced by promoting public transport. The SYZGY GROUP supports this through financial subsidies for using public transport, and promotes a culture of sustainability by incentivising staff to switch to alternative modes of transport, such as bicycles or electric bikes. Another focus is to promote flexible work models such as working from home and other arrangements that reduce the need for commuting.

An annual employee survey is conducted to determine the CO₂ emissions arising from employees' journeys to work, which were reduced by 22 per cent in the year covered by the report. These amounted to a total of 331 tonnes of CO₂ emissions (per employee: 0.5 t CO₂). The data was based on the means of transport used, the distance travelled, the number of months in the accounting year, the average number of workdays per week, and the proportion attributable to working from home.

Indirect climate-related emissions (Scope 3)*

Scope 3 includes emissions such as staff commuting, business travel, the purchase of IT equipment, external data centres and office paper. Emissions resulting from business travel include emissions from air travel, rail travel and hotel stays.

CO ₂ (in tonnes)	2023	2022	Change
CO ₂ emissions (Scope 3) from staff commuting in t CO ₂ e	330.99	422.88	-22%
CO ₂ emissions (Scope 3) from purchased goods and services in t CO ₂ e	69.06	157.67	-56%

CO ₂ (in tonnes)	2023	2022	Change
CO ₂ emissions (Scope 3) fuel and energy-related emissions in t CO ₂ e	82.86	107.65	-23%
CO ₂ emissions (Scope 3) from business travel in t CO ₂ e	106.92	145.62	-27%

* GHG Protocol

Air travel	2023	2022	Change
Business travel by air (in miles)	274,973	363,524	-24%
CO ₂ emissions (Scope 3) from business air travel in t CO ₂ e	65.70	112.40	-42%

Use of renewable and non-renewable materials

As a service company, the amount of waste produced is of relatively minor importance. The SYZGY GROUP is nonetheless committed to using existing resources carefully, reducing waste and to recycling as part of its responsible and sustainable business practices. The main types of waste include electronic scrap and office consumables such as paper, cardboard, printer and toner cartridges, and computer equipment.

In its business processes, the Group also aims to use environmental paper (recycled, FSC) and to avoid printing documents as much as possible.

Print products	2023	2022	Change
CO ₂ emissions (Scope 3) print products in t CO ₂ e	1.15	0.67	72%

Reducing and recycling waste

Waste disposal is already very well managed, but the issue still has high environmental importance. The aim is to avoid waste as much as possible.

Waste (kg)	2023	2022	Change
Mobile phones	2	12	-83%
Printer and toner cartridges	30	39	-23%
Paper and cardboard	4,082	3,475	17%
Computer equipment	389	898	-57%
Yellow bin/Green Dot recycling and residual waste	4,690	6,356	-26%

E-waste is sent for recycling. To reduce the amount of waste from mobile phones and computer equipment, employees can purchase used equipment in an online shop. All common printer and toner cartridges are collected by the German companies in a collection box provided by the Caritas charity or the European Recycling Platform, and then reprocessed and refilled by a certified specialist firm.

This not only benefits the environment, it also raises money for projects that support people in need.

Reduction of CO₂ emissions in the digital ecosystem

The SYZYG GROUP focuses closely on the product carbon footprint (PCF), a method for measuring the total greenhouse gas emissions generated by a product throughout its life cycle. This life cycle covers production, transport, use and disposal. PCFs can be applied across several different areas, from digitisation to the customer journey. This method helps to analyse and minimise the environmental impact of the entire digital ecosystem. The SYZYG GROUP has closely scrutinised its portfolio to determine which measures and solutions for clients can contribute to offering climate-friendly products or services. In its Point of View (POV), the Group presents the current status of sustainability in the digital sector. It discusses how emissions can be reduced right from the start, instead of being offset at the end. Various areas are covered, from strategy and business design to image and video production, design, IT and hosting, to marketing and media planning. The POV can be downloaded from the SYZYG GROUP website (<https://www.syzgyg-group.net/klima-und-umwelt/>).

Offsetting CO₂ emissions

The SYZYG GROUP takes responsibility for the 753 tonnes of emissions it causes and works constantly to reduce them. The Group thus uses various strategies to cut CO₂ emissions, but despite these efforts, unavoidable greenhouse gas emissions remain. For this reason, the SYZYG GROUP has offset its carbon footprint of 850 tonnes through carbon credits from KLIM.

By doing so, the SYZYG GROUP is supporting climate action in Germany and investing in regenerative agriculture. Regenerative agriculture (also called carbon farming) is a form of agriculture that stores/sequesters CO₂ in the soil, and thus regenerates the soil. This is achieved through measures that improve soil health and thus raise the soil's CO₂ storage capacity, while also increasing water storage capacity and resilience to climate disasters.

Environment-related risks

The SYZYG GROUP has a general policy of improving energy efficiency and reducing energy consumption. Some financial aspects, such as energy price increases, are largely outside the SYZYG GROUP's sphere of influence and cannot be predicted with certainty. The possible impact on earnings, assets, the financial position and on business relationships is classified as low.

The risk associated with these environmental aspects is therefore rated as low in the overall assessment.

Compliance with the transparency requirements of the EU taxonomy

Delegated Regulation (EU) 2021/2178 on Article 8 of the taxonomy defines the content, method and presentation of information to be disclosed by financial and non-financial entities on the proportion of environmentally sustainable economic activities in their business, investment or lending activities. When the EU introduced Delegated Regulation (EU) 2021/2139 in 2021 and its supplement in 2023 (Delegated Regulation (EU) 2023/2485), it defined the conditions for determining whether an economic activity qualifies as contributing substantially to “climate change mitigation” or “climate change adaptation with criteria” and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. In 2023, the EU also adopted Delegated Regulation (EU) 2023/2486, which defines the criteria for the taxonomy eligibility and taxonomy alignment of economic activities for a further four environmental objectives. These include the obligation to report on taxonomy eligibility for the environmental objectives “sustainable use and protection of water and marine resources”, “transition to a circular economy”, “pollution prevention and control” and “protection and restoration of biodiversity and ecosystems”.

Taxonomy alignment of environmental objectives 1 and 2

In the 2023 financial year, the SYZYGY GROUP did not record any sales revenue or significant expenditure for the economic activities mentioned in the Delegated Act on climate change mitigation and climate change adaptation.

With regard to the activities “6.5 Transport by motorbikes, passenger cars and light commercial vehicles” and “7.7 Acquisition and ownership of buildings”, no adequate documentation relating to climate risk analysis is available at this time, with the result that these activities cannot be classified as taxonomy-aligned.

The SYZYGY GROUP will use the findings of the analyses conducted to prepare and improve individual reporting processes on the taxonomy alignment of taxonomy-eligible activities for the coming reporting year.

Taxonomy eligibility of environmental objectives 3 to 6

In the 2023 financial year, the SYZYGY GROUP did not record any sales revenue or significant expenditure for the economic activities mentioned in the Delegated Act with regard to water and marine resources, the circular economy, pollution and biodiversity.

Disclosure of taxonomy metrics

The following overview shows the proportion of taxonomy-eligible and taxonomy-aligned economic activities for the environmental objectives in terms of sales revenue, and in capital expenditure and operating expenses:

Delegated Regulation (EU) 2022/1214 furthermore requires the SYZYGY GROUP to provide specific information on economic activities relating to nuclear energy and fossil fuels. The detailed disclosure requirements stipulated in Annex XII of the Delegated Regulation do not apply to the SYZYGY GROUP.

Turnover resulting from taxonomy-eligible and taxonomy-aligned economic activities

2023				Criteria for a significant contribution					DNSH criteria ("Do no significant harm")											
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		18	19	20
	Number	Total turnover	Proportion of turnover	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Minimum social standards	Proportion taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) Turnover 2022	"Category (enabling activities)"	"Category (transitional activities)"	
Economic activities		kEUR	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0%			
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)																				
Turnover from taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		0	0%																	
Turnover from taxonomy-eligible activities (total A1 + A2)		0	0%														0%			
B. Non-taxonomy-eligible activities																				
Turnover from non-taxonomy-eligible activities (B)		71,742	100%																	
Total A + B		71,742	100%	Meanings of the abbreviations:																

Meanings of the abbreviations:

Y – Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective

N – No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective

N/EL – "not eligible", activity that is not taxonomy-eligible for the relevant environmental objective

E – enabling activities

T – transitional activities

Metrics for capital expenditure (CapEx)

2023				Criteria for a significant contribution					DNSH criteria ("Do no significant harm")										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	Number	CapEx total	Proportion of CapEx	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Minimum social standards	Proportion taxonomy-aligned (A.1) or taxonomy-eligible (A.2.) CapEx 2022	"Category (enabling activities)"	"Category (transitional activities)"
Economic activities		kEUR	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
CapEx on environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0%		
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	96	5%																
Acquisition and ownership of buildings	7.7	851	45%																
CapEx on taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		946	50%																
CapEx on taxonomy-eligible activities (total A1 + A2)		946	50%														0%		
B. Non-taxonomy-eligible activities				Meanings of the abbreviations: Y – Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective N – No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective N/EL – "not eligible", activity that is not taxonomy-eligible for the relevant environmental objective															
CapEx on non-taxonomy-eligible activities (B)		941	50%	E – enabling activities T – transitional activities															
Total A + B		1,887	100%																

Metrics for operating expenses (OpEx)

2023			Criteria for a significant contribution							DNSH criteria ("Do no significant harm")									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Economic activities	Number	OpEx total	Proportion of OpEx	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Minimum social standards	Proportion taxonomy-aligned (A.1) or taxonomy-eligible (A.2.) OpEx 2022	"Category (enabling activities)"	"Category (transitional activities)"
	kEUR	%		Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
OpEx on environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0%		
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
OpEx on taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		0	0%																
OpEx on taxonomy-eligible activities (total A.1 + A.2)		0	0%														0%		
B. Non-taxonomy-eligible activities																			
OpEx on non-taxonomy-eligible activities (B)		-428	100%																
Total A + B		-428	100%																

Meanings of the abbreviations:

Y – Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective

N – No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective

N/EL – "not eligible", activity that is not taxonomy-eligible for the relevant environmental objective

E – enabling activities

T – transitional activities

Proportion of turnover resulting from taxonomy-eligible and taxonomy-aligned economic activities

	Proportion of turnover / total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0%	0%
Climate change adaptation (CCA)	0%	0%
Water (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution (PPC)	0%	0%
Biodiversity (BIO)	0%	0%

CapEx share relating to taxonomy-eligible and taxonomy-aligned economic activities

	Capital expenditure (CapEx) share / total capital expenditure (CapEx)	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0%	50%
Climate change adaptation (CCA)	0%	0%
Water (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution (PPC)	0%	0%
Biodiversity (BIO)	0%	0%

OpEx share relating to taxonomy-eligible and taxonomy-aligned economic activities

	OpEx share / total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0%	0%
Climate change adaptation (CCA)	0%	0%
Water (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution (PPC)	0%	0%
Biodiversity (BIO)	0%	0%

Nuclear and fossil gas related activities

Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.

No

The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.

No

The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.

No

Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.

No

The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.

No

The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil **gaseous fuels**.

No

Delegated Regulation (EU) 2022/1214 furthermore requires the SYZGY GROUP to provide specific information on economic activities relating to nuclear energy and fossil fuels. The detailed disclosure requirements stipulated in Annex XII of the Delegated Regulation do not apply to the SYZGY GROUP.

1.3 Employee matters

The SYZYGY GROUP firmly believes that the performance and abilities of its employees are the basis of the Company's success. As such, it is particularly important to create a working environment featuring staff participation, fairness and diversity, and which promotes flexible and participatory work models. The SYZYGY GROUP is also committed to occupational health and safety, which is an essential element in being a responsible employer.

To shape day-to-day work and to act as a compass for all decisions and actions, the Company has defined three corporate values: responsibility, togetherness and innovation. These values are brought to life through joint events and experiences, training workshops and flexible work models, all aimed at inspiring and supporting employees.

Diversity and inclusion

Diversity and equal opportunities

The SYZYGY GROUP attaches great importance to promoting the best possible culture in the Company. Diversity, equity and inclusion (DE&I) are at the core of all our activities, with a commitment to supporting equal opportunities for everyone and taking a clear stance against discrimination of any kind. Diversity refers to the recognition and appreciation of diversity and individuality. The aim is to promote diversity among employees.

Only when all employees are able to develop their talents can a wide range of new ideas be generated, leading to sustained success. This requires a working environment that is free of prejudice and treats all employees equally, regardless of gender, nationality, ethnic origin, religion, age and sexual identity. For this reason, the SYZYGY GROUP also decided to sign the German Diversity Charter. This initiative aims to promote the recognition, appreciation and integration of diversity in the world of work in Germany.

As an international company, the SYZYGY GROUP is committed to driving change and playing an active role in shaping it. It recognises that, in addition to technological expertise and experience, soft skills such as creativity are also of great importance.

The SYZYGY GROUP supported this commitment through the "Women in Digital" campaign to mark International Women's Day on March 8, 2023. The question of how women can be encouraged to enter the digital sector or to change sectors was discussed by colleagues on LinkedIn and in our blog. Various routes into the digital industry were presented on these platforms and lively discussions were held at internal lunchtime inspiration virtual meetings.

Each operating unit and the SYZYGY holding company attach importance to equal opportunities and diversity when selecting and developing employees. Flexible work models are also promoted to create a constructive and inclusive working environment.

Gender diversity

The SYZYGY GROUP attaches great importance to promoting gender parity at all levels of the Company. In 2023, 51 per cent of employees were female. The proportion of women in management positions was 35 per cent, with 33 per cent at Management Board and Supervisory Board level. This shows that the Company is actively committed to promoting gender equality in all areas and to creating an inclusive and flexible working environment.

Gender parity

Gender	2023	2022	Change
Women	51%	49%	+2pp
Men	49%	51%	-2pp

Proportion of women in management positions

Proportion of woman	2023	2022	Change
Supervisory Board	33%	33%	0pp
Management Board	33%	33%	0pp
Female employees in management positions	35%	35%	0pp

The SYZYGY GROUP is committed to adapting the working environment or making other employment arrangements, where possible, for employees who develop a disability in the course of their employment, promptly and in consultation with the employee. The percentage of people with special needs or disabilities employed by the SYZYGY GROUP is currently 0.7 per cent (previous year: 0.7 per cent). The Group will continue to provide these employees with equal career prospects going forward.

Age distribution

The age distribution of the workforce is of particular importance in a time of demographic change. The SYZYGY GROUP benefits from a healthy age structure that combines experience, creativity and energy. 76 per cent (previous year: 76 per cent) of employees are under 40 years old. The average age in the SYZYGY GROUP is 34.5 years in the current reporting period.

Age structure	2023	2022	Change
19 and younger	—	—	—
20-29	38%	35%	+3pp
30-39	38%	41%	-2pp
40-49 years	20%	19%	+1pp
50-59	4%	4%	0pp
Older than 60	0%	0%	0pp

Further information on the diversity strategy of the Management Board and Supervisory Board is included in the Corporate Governance Declaration referred to in section 9.

Age of board members	2023		2022	
	Management Board	Supervisory Board	Management Board	Supervisory Board
Below 30 years	0%	0%	0%	0%
30-50 years	0%	0%	33.3%	0%
Over 50 years	100%	100%	66.7%	100%

Fair remuneration

The SYZYGY GROUP ensures that its employees receive competitive remuneration based on their performance and in line with the standards of the applicable national labour market. The remuneration rewards the work performance of all employees equally and compensates them without discrimination. In line with the principle of equal treatment, men and women in similar positions are paid the same salary. The Group has introduced procedures to ensure fair and consistent pay for employees in accordance with the nature of their work, their professional experience, their position and career level, and their regional location.

The SYZYGY GROUP also offers its employees additional benefits such as contributions to the company pension scheme, to state-backed employee savings schemes, towards public transport, and company bikes. Moreover, additional one-off payments for employees were agreed to ease the impact of inflation. These were paid in two instalments (November 2022 / March 2023).

Flexible work models

Employees expect flexible work models: working from home, in the office, hybrid or part-time – everything is possible, because the SYZYGY GROUP has introduced a range of work models. Each of these models was developed and established together with the teams at all of the Company's locations.

This allows employees to choose the work model that best suits their specific needs. The SYZYGY GROUP places great emphasis on attractive working models and continues to develop them, especially with regard to flexibility and sustainability.

Colleagues at SYZGY Techsolutions can choose between three work models: fully remote, hybrid, or in the office. In 2023, 50 per cent of employees were fully remote, 40 per cent hybrid and 10 per cent worked in the office. In a fully remote work model, specialists can work from anywhere in the world, while SYZGY Frankfurt and Munich and SYZGY Performance operate hybrid models, with the office as a creative meeting point and a place for jointly finding solutions. SYZGY Warsaw has adopted a transparent and empowering management style, where roles are tailored to the abilities and strengths of each team member. This boosts the efficiency of the decision-making process and enhances the feeling of security and boldness at work.

The SYZGY GROUP believes that working arrangements must match the individual workplace culture and business model. The aim is to create a culture of trust that gives employees a sense of belonging, regardless of where they work, and which enables flexibility while at the same time promoting efficient, trust-based working.

Changes in headcount

The Group's overall headcount fell by 3 per cent compared to the end of the previous year.

Number	2023	2022	Change
Germany	478	462	+4%
UK & US	43	63	-32%
Poland	68	79	-14%
Total	589	604	-3%

Full-time, part-time, time-out

The Group attaches great importance to offering all employees flexible working conditions geared to their specific life stage. This also includes the option of working part-time. Young parents in particular use this option to reconcile starting a career with the challenges of family life.

The SYZGY GROUP is committed to balance and allowing people to take time out. It offers employees maximum flexibility through working models to suit individual needs, such as:

- Part-time contracts
- Flexible start and finish times each day
- Sabbatical arrangements

	2023	2022	Change
Part-time contracts	19%	15%	+4pp

The details of flexible working hours are agreed individually between employees and their line managers. Part-time employees are entitled to company benefits on a pro rata basis.

Apprenticeships and internships

Internships and apprenticeships offer young people valuable experience and give the SYZGY GROUP access to an additional talent pool. All internships and apprenticeships are paid positions that are open to people from a wide range of backgrounds. The Group filled positions for 16 apprenticeships and 82 internships in 2023.

	2023	2022	Change
Apprenticeships	16	15	+7%
Internships	82	91	-10%

Employee engagement and feedback

Participation and feedback are major issues for employee commitment and motivation, and are gaining in importance.

To quantify the success of the various initiatives and measures for employees, an employee survey based on the eNPS (Employee Net Promoter Score) has been used to measure employee satisfaction since 2019. The aim here is to reflect, evaluate and improve performance. It is important to note that the eNPS only provides a snapshot of the satisfaction level.

This makes it crucially important to continuously monitor the situation so that the Company can recognise trends at an early stage and respond proactively to fluctuations and potential problems.

In the year covered by the report, a score of +23 (previous year: +32) was achieved. The score is down nine points on the prior year. These scores continue to place the SYZYGY GROUP among the top tier of companies such as Amazon, Accenture and Google.

The decline in satisfaction levels is due to critical assessments by employees at subsidiaries different and Syzygy London, where restructuring measures negatively affected the scores. Each unit also conducts additional satisfaction surveys among its employees. On this basis, the SYZYGY GROUP and each individual unit will examine the underlying causes very closely and take specific measures to improve employee satisfaction.

Openness and transparency are encouraged at the SYZYGY GROUP. Group-wide (international) staff meetings (all-hands meetings) or cross-company and cross-departmental information video conferences are held on a regular basis. Their purpose is to keep employees regularly informed about strategic and operational matters, and to address current issues.

Employee development

At the SYZYGY GROUP, it is also standard practice that every employee is free to contribute their ideas, regardless of position or hierarchical level. Each employee has the opportunity to develop personally and professionally through training and further education. In addition, collaboration between the locations is being strengthened and talent developed.

Twice a year, the SYZYGY GROUP organises the SYZYGY GROUP Self-Growth Retreat for around 30 employees from all companies, based on the concept of “total fitness”. In joint workshops, the focus is on personal development, self-reflection on (professional) experience so far, setting and achieving goals, accepting and mastering challenges and lifelong learning. The retreat has been held in southern Germany since 2023 for sustainability reasons, enabling most participants to use climate-friendly modes of travel.

Regular training and development activities ensure that employees in software development, IT management, creative services, information architecture, consulting and project management are at all times acquainted with the latest technologies, design principles and methods. Rather than relying solely on training by external providers, the SYZYGY GROUP attaches great importance to knowledge transfer by experts within its own ranks.

Self-study and online training courses also figure prominently. Personal development is also supported by means of soft skills training and coaching, as required. Employees are encouraged to take part in training courses. In addition, the LinkedIn Learning online training platform is available to interested employees to acquire management, creative or soft skills, and to achieve their personal and professional goals.

Examples of development programmes in the individual companies include Tech Camp 2023, a generative AI hackathon in which 22 colleagues used generative artificial intelligence (generative AI) to develop an HR tool for recruitment within the space of two days. Another development programme, Syzygy Warp Drive, consists of the Warp Day for new employees and Warp 5 for a professional deep dive, in which valuable information is presented. A mentoring programme (a soft skills training course) additionally focuses on non-violent communication and dealing with emotions at work.

Occupational safety, health and employee well-being

The SYZYGY GROUP is committed to maintaining the physical and mental health and occupational safety of all employees. Compliance with all applicable occupational health and safety standards is ensured. The statutory regulations on occupational health and safety represent minimum requirements. Raising awareness, prevention and personal responsibility are particularly important.

The People & Culture department and the occupational safety officers at each of the units use e-mails and video conferencing to provide the mandatory instructions on occupational health and safety to employees each year. The accompanying material with useful information about safety advice and requirements can be accessed on the intranet.

As part of company health management, the Group supports initiatives such as participation in body-fit courses, yoga, massage options and company runs. Rapid first aid in the event of an accident in the workplace is ensured by having a large number of first aiders among employees. As an additional benefit, employees can choose from a wide selection of fruit every day. All staff are also offered flu vaccinations and an occupational health eye examination for display screen equipment (G37).

For the well-being of employees and their families, the SYZYGY GROUP offers an advisory service for personal, professional, health or family issues (Employee Assistance Programme, EAP). The EAP offers all employees free confidential psychological, financial and legal counselling in the form of an in-person or virtual conversation.

As an international company with a presence in Germany, the UK, Poland and the US, we are subject to the employment legislation applying in each of these countries. No negative effects on employee rights were identified.

Dealing with discrimination

The SYZYGY GROUP promotes a culture of integrity and transparency. Employees, partners and stakeholders should be confident that they can express their concerns anonymously and without being worried about the consequences. SYZYGY does not tolerate any discrimination on the grounds of national or ethnic origin, gender, gender identity, sexual orientation, marital status, religion, ideology, disability, age or social origin. The WPP Code of Conduct defines these values and is binding on all employees.

Breaches of the Code of Conduct and other misconduct can be reported via the free confidential Right to Speak hotline, which is operated by an independent third-party provider.

Information on the Right to Speak hotline is available on the SYZYGY GROUP's website. It can also be accessed on the websites operated by each of the companies and on the intranet. In the 2023 year under review, one incident was registered at the SYZYGY GROUP. It was followed up and the matter was resolved.

The Management Board, the CEO and the People & Culture officers in the operational units are actively involved in implementing the relevant initiatives and monitoring the progress of employee matters.

Personnel risk

Operating in the services segment, the Group's performance depends largely on the performance of its employees. Because of their specific skills, some individuals are particularly important. If the Group is unable to retain this high calibre of employee, or continuously attract and retain new, highly qualified employees, the SYZYGY GROUP's success could be negatively impacted. Cases of discrimination could also impair business operations. The possible impact on earnings, assets, the financial position and on business relationships is classified as low. Overall, therefore, the risks arising from these personnel issues are rated as low.

1.4 Social matters

Social matters mainly relate to client relationships and social commitment. For the SYZGY GROUP, corporate responsibility means making a positive contribution to society. We support social and non-profit organisations on our own initiative by making donations.

Relationships with clients

Long-term, trusting client relationships are a central success factor for the SYZGY GROUP's business activities and an important goal. An open dialogue with clients is maintained in order to monitor the quality of the partnership at all times.

The length of client relationships is one reflection of client satisfaction. The length of the relationship and the proportion of sales with the 80 largest clients, who represent 96 per cent (previous year: 93 per cent) of total sales revenue, were distributed as follows in 2023 compared to the previous year:

Length of relationship and share of sales	2023	2022	Change
Up to 5 years	38%	31%	+7pp
6-10 years	36%	32%	+4pp
Longer than 10 years	26%	37%	-11pp

Information security and data protection have a high priority in business relationships with clients. A particularly high level of care is needed when processing client information and data during projects and in data centres. The SYZGY GROUP ensures that an overarching information security structure is in place to achieve this, comprising a certified Information Security Officer (ISO), a Lead Implementer for Information Security and the associated Information Security Coordinators at the various locations.

The information security team is supported by a certified Data Protection Officer (DPO). To create a security-oriented organisation, employee awareness of the individual issues is raised through internal training courses.

The success of this training is demonstrated by successful audits (e.g. TISAX label). In addition to the Group-wide review of compliance with standards conducted by WPP Audit, the Company can respond positively at all times to enquiries from clients, suppliers or other external parties.

Social commitment

Providing support helps NGOs and charitable organisations to carry out important work and provide assistance across a wide range of areas, such as improving health, education and protecting human rights.

The SYZGY GROUP donated around EUR 12,800 (previous year: EUR 26,400) to these causes in 2023, down 51 per cent compared to the previous year.

In EUR	2023	Share (%)	2022	Change
Education	–	0%	–	–
Art	–	0%	–	–
Community	9,168	71%	4,453	+106%
Health	–	0%	2,457	-100%
Environment	3,040	24%	3,500	-13%
Human rights	632	5%	13,445	-95%
Diversity, equity & inclusion	–	0%	2,516	-100%
Total	12,840	100%	26,375	-51%

The SYZGY GROUP supports aid organisations worldwide (human rights), environmental groups and local institutions through donations. More than 70 per cent of the donations go to local aid organisations, which in turn support local and national aid projects to assist children and adolescents.

The SYZGY GROUP is also committed to supporting employees who take on social responsibility and engage in various projects on their own initiative. Social commitment makes an important contribution to society, strengthens the team spirit and helps people in quite specific ways. The SYZGY GROUP allows its employees to become socially involved in projects of their choice on up to two Social Days within a one-year period.

Risks of social matters

The services the Group performs have public impact, so any quality defects in the execution of one of its projects can cause widespread reputational damage. This kind of reputational damage has the potential to have a negative impact on future business development. This risk is regarded as low due to very stable long-term client relationships, especially with the top 10 clients. Social commitment holds risks arising from inappropriate sponsoring.

The probability of this occurring is assessed as low. The possible impact of either factor on earnings, assets and the financial position is assessed as low. The risks associated with these social aspects are therefore rated as low in the overall assessment.

1.5 Governance / Compliance

The SYZGY GROUP considers responsible and lawful conduct as a basic requirement for its business success. Maintaining an effective governance structure is of key importance for the Company. This includes observing all relevant legal and statutory frameworks through efficient compliance management, ensuring data protection and information security, and creating a corporate culture which ensures that sustainability goals are achieved.

The Legal and Compliance function and Data Protection and Information Security make specific contributions to sustainable development of the SYZGY GROUP. The Company's good reputation is based on consistent commitment to responsible and legally compliant conduct.

Objectives of compliance activities:

- Early detection, analysis and assessment of compliance risks
- Integration of preventive measures into business processes to avoid compliance breaches
- Minimise liability risks for the company
- Perception as a reliable partner among clients and business partners
- Consistent prevention, recognition and response to compliance challenges
- Promotion of a strong compliance culture and ethical standards of conduct within the organisation

Respect for human rights

As a responsible international company, the SYZGY GROUP respects all international standards for the protection of human rights, in particular the right to fair working conditions, freedom of speech and protection against forced and child labour, and is committed to ensuring that these rights are respected within its sphere of influence.

The Group is guided here by the published policy statement on human rights. The WPP Human Rights Policy Statement refers to international standards and principles such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization's (ILO) core labour standards.

The Human Rights Policy Statement is part of the WPP Policy Book, the provisions of which have been adopted by all WPP companies, including the SYZYGY GROUP.

The commitment to respecting human rights is also enshrined in the SYZYGY GROUP's Code of Conduct, which applies to all employees and suppliers. This Code contains provisions on potential infringement of human rights at the SYZYGY GROUP in areas such as non-discrimination and labour practices, as well as potential infringements of human rights in our work for clients.

No SYZYGY GROUP location has yet been audited in relation to compliance with human rights, nor have any specific objectives for respecting human rights been formulated in this regard. The policies set out in the Code of Conduct are aimed at avoiding potential breaches and identifying risks at an early stage.

Risks around respecting human rights

The Company has not become aware of any suspicion of human rights violations to date, with the result that no material risks arising from business activities and business relationships have been identified. In addition, the commitment to respecting human rights is enshrined in the Code of Conduct, which applies to all companies in the SYZYGY GROUP. The possible impact on earnings, assets, the financial position and on business relationships is assessed as low.

The risks associated with these social matters are therefore rated as low in the overall assessment.

Information security and data protection

Information and data are a valuable asset and a key element of SYZYGY's business. They enable partnership-based relationships to be built, communications to be targeted at specific groups, content to be personalised, insights to be gained and risk-aware decisions to be made. The SYZYGY GROUP's information security organisation addresses the question of how information and data are collected, stored, processed and made accessible. The information and data may relate to the business activities of individual SYZYGY companies, their employees, clients and suppliers, and sometimes also to consumers.

All companies are required to comply with the Group's applicable policies on information, data and security, as well as the relevant Code of Conduct. To further raise awareness among employees, WPP offers training on the subject of Safer Data and operates an online platform with information and recommendations around conduct, privacy, security and data protection.

The Group has an agile information security organisation and an active data protection team that trains all employees on a regular basis and highlights relevant patterns of behaviour in everyday work through ongoing communication and internal audits.

The Management Board, the CEO and the People & Culture officers in the operational units are actively involved in implementing the initiatives and monitoring issues relating to combating corruption and bribery.

Combating corruption and bribery

The SYZYGY GROUP is committed to complying with applicable laws and guidelines in the course of its business activities. All legislative procedures relating to the capital market, employment law and the communications industry are relevant to the Group.

The WPP Code of Conduct sets out the values and ethical standards that apply to all WPP companies and must be implemented by them. The Code is supplemented by the Corporate Responsibility Policy, the WPP Human Rights Policy Statement and detailed policies on anti-bribery and anti-corruption measures, gifts and hospitality, and on the use of consultants. Our senior managers, business partners and suppliers are required to sign the WPP Code of Conduct annually to confirm their adherence to its principles. WPP Group companies must comply with all the standards laid down in the Code of Conduct, but also have the option to develop their own guidelines and processes, adapted to their specific business and operating environment. No additional goals have been set.

Employees are encouraged to complete online training on data security, anti-bribery and anti-corruption measures, and on the Code of Conduct. Training courses are updated annually and are mandatory for all employees.

Our staff, suppliers and business partners also have the option of expressing their opinions and observations, reporting violations and raising concerns anonymously and confidentially via the free confidential Right to Speak helpline, a whistleblower system.

The SYZYGY GROUP does not support any political parties, politicians or lobbyists, either through services or through donations. Consequently, it did not make any political donations in 2023.

Fines for non-compliance with laws and regulations

No fines or non-monetary penalties for non-compliance with laws and regulations were imposed on the SYZYGY GROUP in 2023.

Risks around combating corruption and bribery

Incidents involving corruption may significantly impair earnings, assets and the financial position and also harm business relationships. Strenuous efforts are made to embed integrity and fairness in our business operations. Enquiries, suggestions and concerns are followed up. Overall, the emergence of compliance risks resulting in a possible impact on earnings, assets and the financial position and business relationships is assessed as low. The risks associated with combating corruption and bribery are therefore rated as low in the overall assessment.

Responsible use of artificial intelligence (AI)

The positive and negative ramifications of artificial intelligence should not be underestimated. The SYZYGY GROUP recognises the need for clear rules on the use of AI. As a company, it accepts responsibility for responsible use of this creative technology.

Accordingly, the SYZYGY GROUP has adopted self-imposed policies and guidelines for the use of AI. The SYZYGY GROUP has drawn up its own rules separately from the European Union's AI Act, which is intended to create a clear legal framework for the use of artificial intelligence. The main goal is to optimise and enhance work processes for the use of generative AI.

The principles followed by the SYZYGY GROUP in this respect are as follows:

- Generative AI supports work processes and helps to make them better.
- The use of generative AI needs human control.
- Generative AI is used in a targeted and professional way.
- Generative AI is used transparently.
- Generative AI output must be assessed continuously and objectively.
- The SYZYGY GROUP is committed to continually learning about generative AI.

The guidelines for the use of generative AI are binding on the entire SYZYG GROUP; the policies for the use of GAI are binding on the German units. The international companies will adapt the rules in line with their national legislation. The information was made available to all companies by e-mail and is available on the intranet.

Bad Homburg v.d.H., March 26, 2024
Syzygy AG

The Management Board



Frank Ladner (CTO)



Erwin Greiner (CFO)



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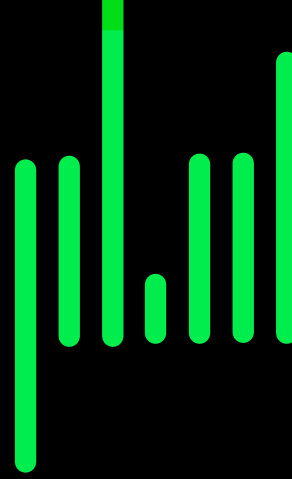
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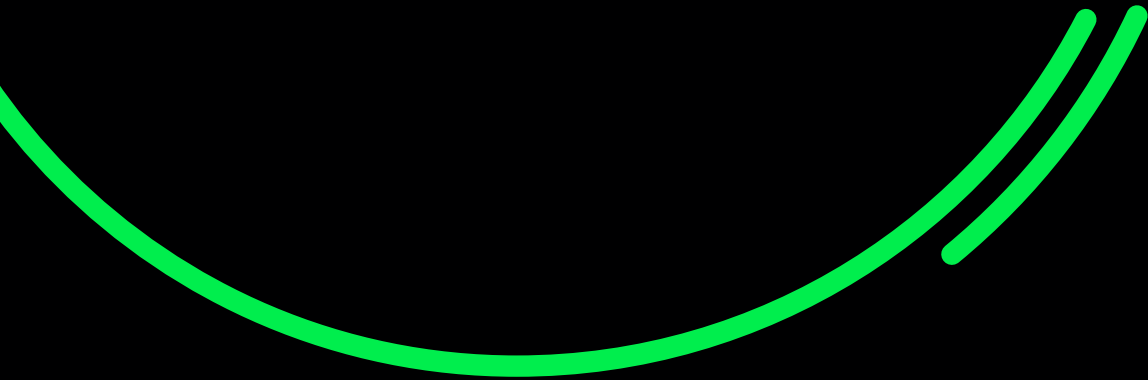
SYZYG GROUP

Credits

SYZYG GROUP, Philipp Czampiel, Ruben Rheinländer,
colleagues of SYZYG GROUP like Nina Pfaff, Aneta
Węśławska, Benjamin Heindorf and much more.



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