



msg global solutions

SUSTAINABILITY REPORT 2022



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Words from the COO/CFO

Dear colleagues,

I am very happy to share our first-ever msg global Sustainability Report with you. Last year, we met our financial goals and helped our clients by providing them with sustainable and innovative business solutions. 2022, in turn, was also a year of considerable crisis. In a world full of constant change, economic turmoil, war, natural and man-made disasters, it is all the more important for us as a global company to improve people's lives and to engage in protecting our planet. This is the main reason why the msg global Board decided to establish the CoC DE&I + CSR to take care of all ESG-related matters from a global perspective. **At msg global, we aim at doing good while doing well.**

In this report, please find a consolidated overview of our past activities, the current status quo on our ESG journey, as well as an outlook on what is planned in the upcoming months.

Enjoy reading!

Best regards,
Ulrich Pils
COO/CFO



Words from the CoC

Dear colleagues,

I am proud to present the first annual sustainability report of msg global. At our core, we are committed to creating positive social and environmental impact through our business practices. This report is a testament to our ongoing efforts to operate sustainably and responsibly, and to continually improve in our efforts to reduce our carbon footprint, promote diversity and inclusion, and give back to the communities we serve. We believe that by sharing our progress and challenges, we can inspire others to join us in our pursuit of a more sustainable future.

When you write a report for the first time, it's always bound to the dedication and commitment of a lot of people. That is why I would like to give a special thank you to all the colleagues in Operations on both local and global levels who did a fantastic job helping us gather the necessary data and kudos to my colleagues in the BU Analytics for the setup and implementation of SCT as our in-house solution for sustainability reporting.

Join us in building a more sustainable future one step at a time. Happy reading!

Best regards,
Linda Hallhuber
Senior Executive Assistant
/Operations Specialist



About This Report

This sustainability report consists of material data regarding environmental, social and governance topics. The consolidated data presented in this report refers to the business year 2022, covering the timeline from January 1st, 2022, until December 31st, 2022. As this is our first sustainability report, we do not disclose data from previous years. We will continue to work on them to improve the traceability and transparency of our information. Data in this report is gathered, calculated and analyzed using SAP Sustainability Control Tower.

The data presented in this report undergoes an internal evaluation process, ensuring comprehensive assessment of all msg global entities. This report provides an overview of our global operations, encompassing a total of 23 entities. This report was set up in accordance with the standards introduced by the Global Reporting Initiative (GRI).

Although, we currently do not have external third-party assurance, this report has been reviewed and approved by the responsible Board Member Ulrich Pils. For general questions, please refer to the CoC DE&I + CSR via DEI-CSR@msg-global.com

Materiality

At **msg global** we are committed to integrating sustainability into our business practices and decision-making. To determine the most significant sustainability topics for our company, we conducted a materiality assessment. We thoroughly analyzed the requirements and focus areas of our internal and external stakeholders, including our employees, our competitors, partners and clients to identify the most significant economic, environmental, and social issues that our stakeholders care about. We also conducted an internal survey covering all our msg global entities to determine the current position in regards to sustainability issues.

We identified and prioritized the sustainability issues based on their impact on our business and stakeholder concerns. We used several criteria, such as relevance, impact, risk, and opportunity, to evaluate the issues. We also considered the United Nations Sustainable Development Goals (SDGs) to align our sustainability priorities with the global agenda.

Our latest assessment identified the following priority issues:

- **Energy management**
- **Climate change**
- **Talent, training and development**
- **Diversity, equity and inclusion**
- **Employee health, safety, well-being**
- **Human rights**
- **Ethics and compliance**
- **Security, privacy and data protection**
- **Community engagement**



About Us

Our company tagline is **Passion. People. Performance.** and it accurately summarizes who we are. **Passion** is how we approach our work – loving what we do and joyfully delivering on our promises. **People** make it all possible. Our people are the best in the business, and provide the power to deliver our mission and vision. **Performance** and specifically “better performance” is our ultimate goal. We strive to exceed expectations in everything we do.

msg global solutions is a systems integrator, software development partner, and managed services provider focused on SAP solutions for multiple industries. Our services include strategies for accounting, finance, regulatory reporting, performance management, sustainability, customer experience, and IoT. Operating from offices across the globe and growing, our expert teams help clients achieve operational efficiency and improve decision-making capabilities. While our journey started in the financial services sector, our solutions are utilized in a wide range of industries.



Mission

Our mission is to deliver solutions that improve operational efficiency and decision-making capabilities.



Vision

Our vision is to help companies perform better.



Values

Sustainability, reliability, creative freedom, dedication, credibility, respect, agility, team spirit, diversity



Founded in
2008



26
Companies



23
Countries



150 million €
Revenue 2022



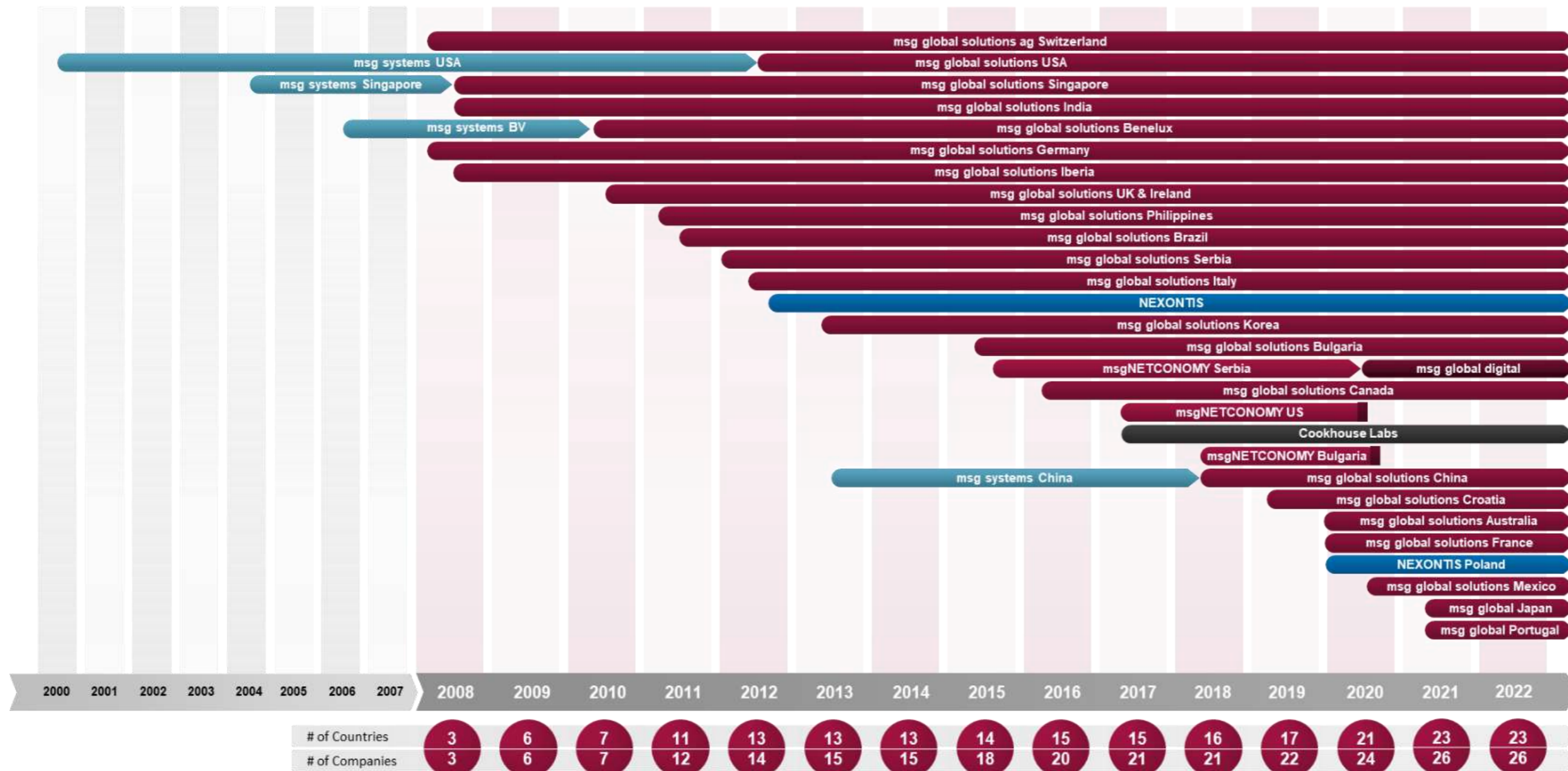
+1400
Employees



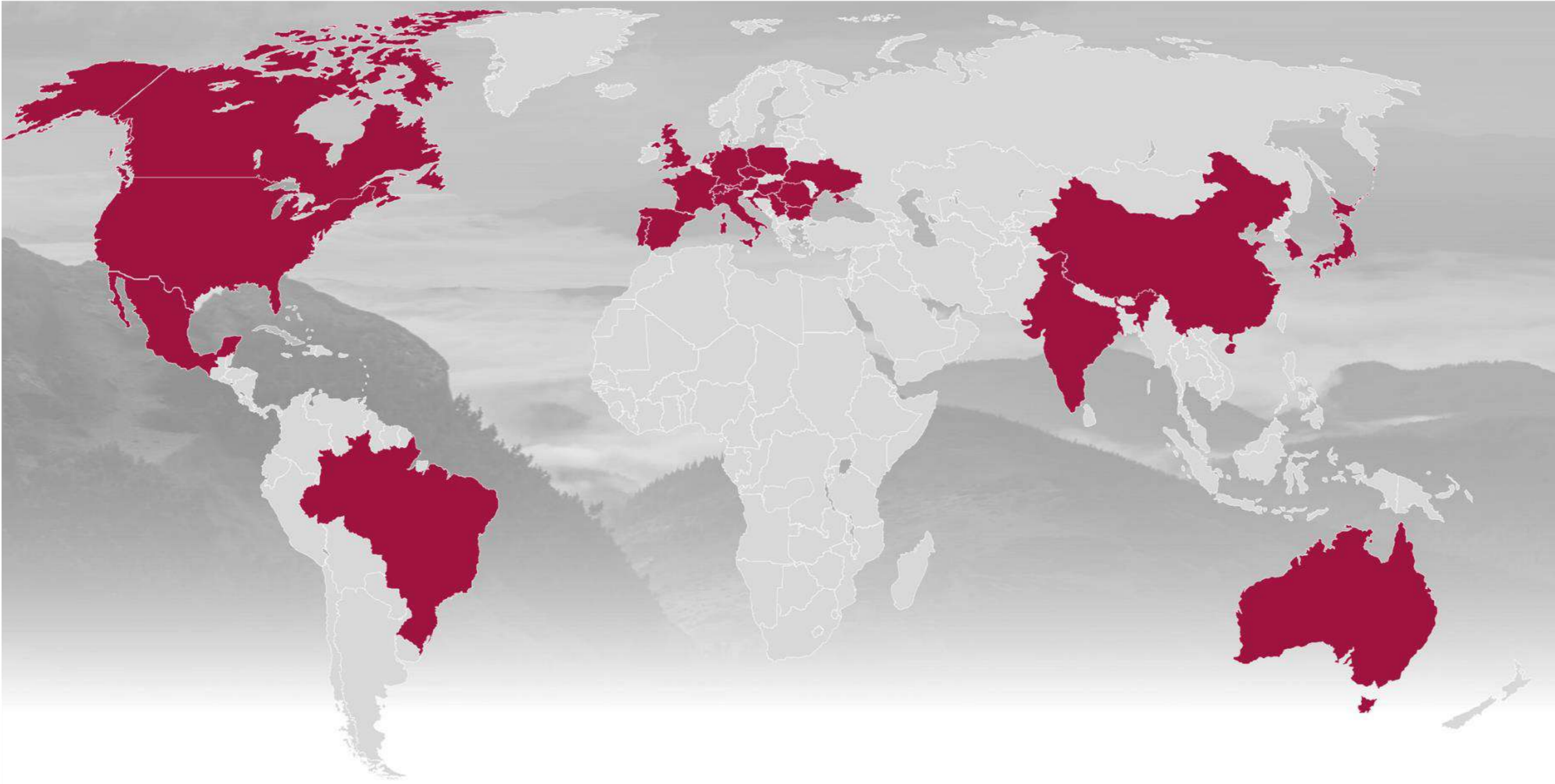
Our Growth



As part of the msg group, **msg global solutions** has significantly broadened global footprint by expanding into various countries. This expansion has been achieved through a combination of organic growth and strategic acquisitions. Originating in Germany in 1980, msg group's presence has expanded across Europe, the Americas, Asia-Pacific, and the Middle East. We have strategically expanded our global footprint to serve clients across various industries with innovative technology solutions and services. Our extensive global presence empowers us to provide local expertise tailored to our clients' specific needs, while simultaneously leveraging our global capabilities to drive continuous innovation and foster growth. By adopting this holistic approach, we ensure that we are well-positioned to deliver exceptional value and meet the evolving demands of our clients worldwide. To provide a concise summary, here is an overview of how we have extended our reach worldwide:



Our Locations



23 countries

5 continents

26 companies

msg global | Bulgaria • Germany • Italy • Serbia • Spain • Switzerland • Netherlands • UK • Croatia • France • Portugal • Brazil • Canada • USA • Mexico • India • Singapore • Philippines • China • Australia • South Korea • Japan

NEXONTIS | Germany • Poland

Our Companies

[Company of msg group](#) | msg global solutions

msg global solutions is part of **msg group**, an independent, **international group of companies** with more than 10,000 employees around the world. The group of companies offers a holistic service spectrum of creative, strategic consulting and intelligent, sustainable and value-added IT solutions. We are a consulting, implementation, and managed services provider that helps companies improve their operational efficiency and decision-making capabilities utilizing SAP technology. With our passion, our people, and our genuine desire to achieve operational improvements, we want to see our clients accomplish their performance objectives.

As an SAP solution development partner for over 20 years, we bring expert knowledge to every one of our engagements in accounting, finance, regulatory reporting, performance management, customer experience, and IoT. At the same time, there are three sub-companies that belong to **msg global solutions**.



msg global digital

Our SAP® CX Company

With extensive experience in SAP® Customer Experience solutions, msg global digital is an exclusive development partner for SAP® Commerce Cloud, Financial Services Accelerator, and is fully dedicated to the digitalization of financial service companies together with SAP® and the industry-specific customer experience solution extension.



NEXONTIS

Our Finance and Risk Company

NEXONTIS is an IT solutions and consulting company specializing in providing accounting, profitability, investment, sustainability and tax solutions designed to help our clients make informed business decisions.



Cookhouse Labs

Our Innovation Company

Cookhouse Labs is a collaborative space for innovative thinkers. Our community of innovators from around the globe is the key ingredient that empowers collaboration to tackle current and future challenges using a customer-centered approach to make the future better

Our ESG Oversight

Sustainability Governance

Our efforts towards sustainability are driven from the top. The Executive Board is responsible for overseeing the sustainability engagement of our company and has set up the Center of Diversity, Equity & Inclusion + Corporate Social Responsibility (CoC DE&I + CSR) to develop and coordinate ESG activities of the company. The CoC DE&I + CSR is chaired by the COO/CFO and is supported by representatives from various departments across the company.

The CoC (Center of Competence) collaborates closely with the Sustainability team of the Business Unit Analytics. This team brings valuable expertise in the field of sustainability and assists in the technical implementation of the report using the SAP Sustainability Control Tower (SCT). The SCT serves as an all-encompassing platform, enabling the gathering, calculations, management, and analysis of data. Utilizing the capabilities of this platform, we have the ability to perform in-depth data analysis and uncover valuable insights. These insights serve as a crucial factor in defining targets and developing a strong and effective sustainability strategy for our company.

Steering and Leadership

The msg global Executive Board consists of six Board Members and is headed by CEO Peter Umscheid. The Board regularly receives updates from the CoC on the progress toward improving sustainability performance. The board also ensures that sustainability considerations are integrated into the overall business strategy, including decision-making processes and risk management. Any critical concerns are addressed immediately upon arising. Final decisions on major ESG initiatives, projects, and strategy are taken by the msg global Executive Board. We are continuously working towards reducing our environmental impact and improving our sustainability performance, and the Board's oversight is instrumental in driving this effort.

msg global Executive Board 2022

					
PETER UMSCHIED	ULRICH PILSL	LOUISE COOKE	AGOSTINO ASSI	PETER DE BRUIJNE	PETER HUGGER
Sales Marketing	Global Operations CoC PMO CoC K&E CoC DE&I + CSR	PaPM & Sustainability FPSL Food	S4i Reinsurance CHL, CX, CS SBCS, Offshore	North America EMEA	APAC LAC

How We Work

As an SAP solution development partner for over 20 years, we bring expert knowledge to every one of our engagements in accounting, finance, regulatory reporting, performance management, customer experience, and IoT.



Services

We are committed to intelligent IT and industry solutions — from consulting and development to implementation. Our services help companies maximize the opportunities of digitalization to improve operational efficiency and decision-making capabilities.



Industries

We offer industry-specific expertise with strategies to transform data into real-time business intelligence. While the heart of our expertise is in the financial services sector, our profitability and performance management solutions are utilized in a wide range of industries.



Solutions

We believe SAP® provides the best enterprise software to help companies transform data into actionable insights. We provide implementation services, we custom-develop software applications, and we define strategies to produce greater efficiencies and better business outcomes.

Industries

We started out in insurance, reinsurance, and financial services. We have been able to use our business knowledge and technical proficiency to earn engagements and forge relationships in retail banking, pensions, and retirement account management, the automotive industry, and food services. From consulting services to managed technical services, from implementations to maintenance, support, and more, we provide expert business improvement, along with conscientiousness, partnership, transparency, and knowledge transfer.

Focus Market

Our company focuses on the following sectors:

- INSURANCE**
 We deliver solutions and services to help Insurers achieve operational efficiency, meet regulatory standards and realize digital excellence
- REINSURANCE**
 Our comprehensive reinsurance solution is constantly advanced, driven by market changes and the business needs of reinsurers across the globe.
- BANKING**
 We can help you empower your company's performance with profitability analysis and performance management for banking.
- FOOD**
 With strategic consulting and intelligent IT solutions, we help you network and automate your processes.
- AUTOMOTIVE**
 We bring your processes up to speed and give all of your mobility and networking processes the boost they need.

We offer industry-specific expertise with strategies to transform data into real-time business intelligence. While the heart of our expertise is in the financial services sector, our profitability and performance management solutions are utilized in a wide range of industries.

Services. Experience Shapes Our Services

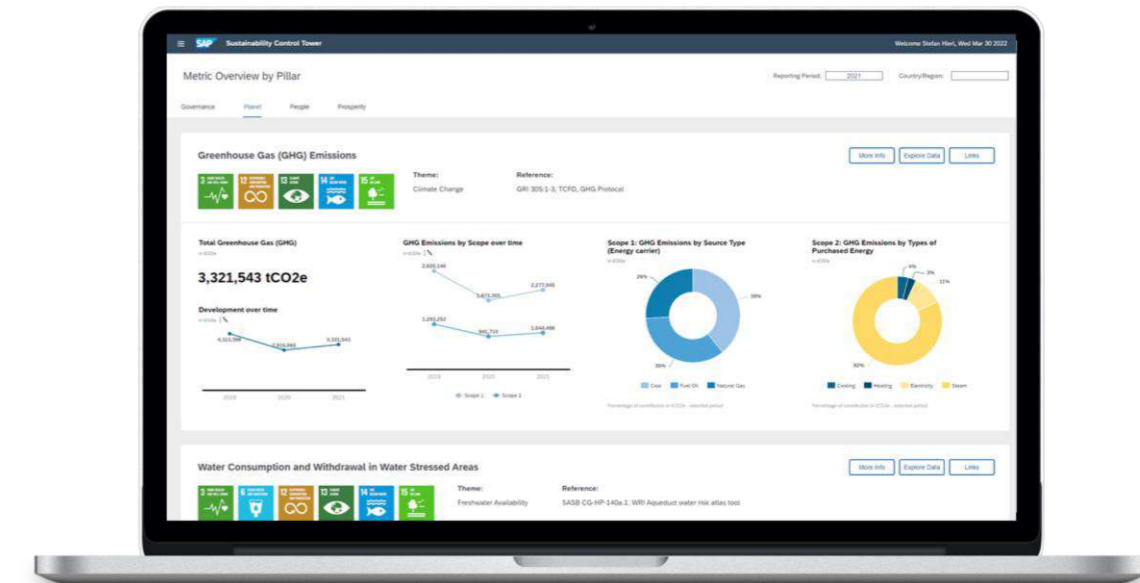
Whether implementing an end-to-end insurance platform, transforming financial operations, maintaining your systems, or helping you manage change, we have the expertise to understand your environment, offer innovative solutions, and create value in executing your vision. With over 30 years of SAP development and implementation experience, our teams deliver services that improve operational efficiency and decision-making capabilities.

- END TO END**
 Core business processing, reporting, analytics, and customer engagement in a single platform.
- INNOVATION**
 Customer-oriented innovation to streamline operations and shape a better future.
- FINANCE TRANSFORMATION**
 Boost business outcomes with improved data access and efficient financial operations.
- BUSINESS TECHNOLOGY SERVICES**
 Delivering a flexible 24/7 support model on-premise or on-demand for your SAP operations.
- SUSTAINABILITY MANAGEMENT**
 Address sustainability needs and ensure that your company complies with upcoming regulations.

Sustainability Management

Sustainability is very important to us, and it is also important to our customers. As a technology company, we are ready to support them on their journey to achieve sustainability objectives. We add real value to their organization's general performance taking the right decisions when it comes to sustainability topics. A symmetric and balanced relationship between economic, social, and environmental needs to be achieved by corporations. We help them manage their reporting, compliance, and disclosure needs with one recognized international prestigious solution, that will be implemented within their company's framework, by addressing all ESG factors.

Our goal is to help organizations achieve their sustainability targets with fast, actionable insights into data by transitioning from manual activities into automated processes while maintaining traceability and a full audit trail.



Sustainable Development Goals Alignment

At **msg global solutions**, we understand the significance of the Sustainable Development Goals (SDGs) as a global framework for addressing the world's most pressing social, economic, and environmental challenges. We have identified multiple ways in which we can contribute to the SDGs and strive towards realizing a more equitable and sustainable future for all.

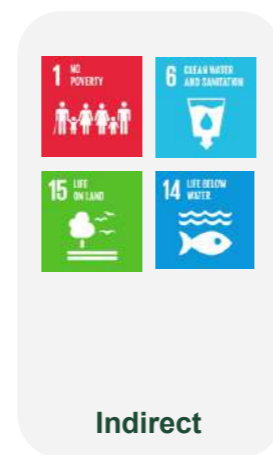
To further explain the categorization of SDGs, we have classified them based on the level of impact our company has on them and the potential for meaningful contributions in each category.

The '**direct**,' category includes SDGs that are closely related to our company's core business operations, products, and services, and are directly impacted by our company's activities. For instance, as an IT and consultancy company, SDGs related to sustainable technological innovation fall into this category.

In the '**complementary**,' category, we included SDGs that are not directly related to our company's core business operations but to which we can contribute by implementing sustainable business practices and supporting initiatives that promote social and environmental sustainability. For example, SDGs related to responsible consumption and production fall into this category.

The third category is '**indirect**,' which includes SDGs that are beyond our company's direct control or influence. However, we can still contribute to these SDGs by collaborating with other stakeholders and supporting initiatives that promote sustainable development. For instance, SDGs related to life below water fall into this category.

By categorizing the SDGs in this manner, we can prioritize our efforts and focus on areas where we can make the most significant impact while also contributing to the broader sustainable development agenda. As an IT and consultancy company, we can make the most significant contributions in SDGs related to sustainable technological innovation.



Our Achievements In 2022

SAP Pinnacle Awards

Finalist: msg global | Profitability and Performance Management
Partner Application – Industry Cloud

The SAP® Pinnacle Award Finalist was awarded to 30 recipients selected from over 20,000 partners for their commitment to value creation, exponential growth, and simplification. We are honored to be a finalist in the Partner Application – Industry Cloud Category which recognizes innovation in partner-developed industry cloud solutions based on the strategic importance for customers in complementing SAP's industry cloud portfolio and on the innovative use of SAP Business Technology Platform.



DIGITAL CORE



INDUSTRY CLOUD



INDUSTRY INNOVATION



ENVIRONMENT

At **msg global**, we recognize that our business sector is dynamic and that the demands to drive the transition are increasing. Historically, the technology sector has been able to meet increasing demands for capacity and speed. However, as new technologies continue to increase and assist companies in their digitization and automation process, our business and society become more dependent on energy consumption and therefore require greater environmental commitments to minimize the impact.

Recognizing this, through this first report we begin the journey towards our commitment to **reduce our environmental footprint by analyzing and measuring our energy consumption and greenhouse gas emissions.**

msg global is committed to addressing this issue and taking meaningful action towards a cleaner, more sustainable energy future.

Highlights 2022



1,772
tCO₂e

Total GHG
Emissions



707,981
kWh

Electricity
Consumed



80,762
liters

Fuel
Consumption



1,249
trees

Planted around
the world

Energy Consumption

Electricity Consumption



msg global solutions is committed to sustainability and responsible management of natural resources. As part of our efforts to reduce our environmental impact, we are pleased to share information on how we use energy and our plans to increase the use of renewable energy.

Our company uses energy primarily for lighting, heating, ventilation, and cooling in our offices. We also use energy to power our IT infrastructure, including servers, storage systems, networking equipment and our electrical fleet.

To minimize our impact, we have several initiatives to improve and track our energy efficiency, such as upgrading our lighting systems, implementing energy-efficient IT equipment, and optimizing our building management systems. We also encourage our employees to engage in energy-saving behaviors, such as turning off lights and electronics when not in use.

It is important to us not only to reduce consumption and implement more sustainable practices but also to encourage the transition to cleaner, renewable energy sources by exploring a variety of strategies in the following years:

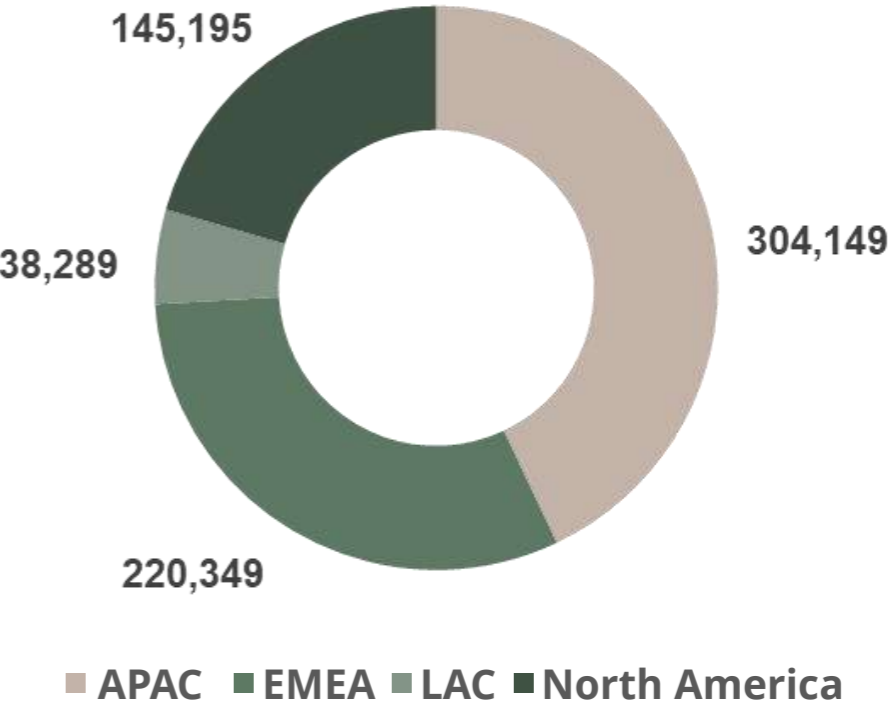
- Purchasing energy from renewable sources.
- Implementing policies for teleworking or hybrid teleworking to reduce transportation emissions and reduce the need for office space.
- Regularly tracking energy consumption to identify areas for improvement and implementing measures to reduce energy consumption, such as upgrading lighting systems, optimizing building operations, and using energy-efficient equipment.
- Implementing a green procurement policy that includes purchasing energy-efficient equipment and products.
- Developing and implementing an employee education and engagement program to promote energy conservation.

msg global solutions is committed to reducing energy consumption and exploring options for procuring renewable energy while promoting sustainable practices throughout our organization and continuing to monitor our energy use and identify areas for improvement.

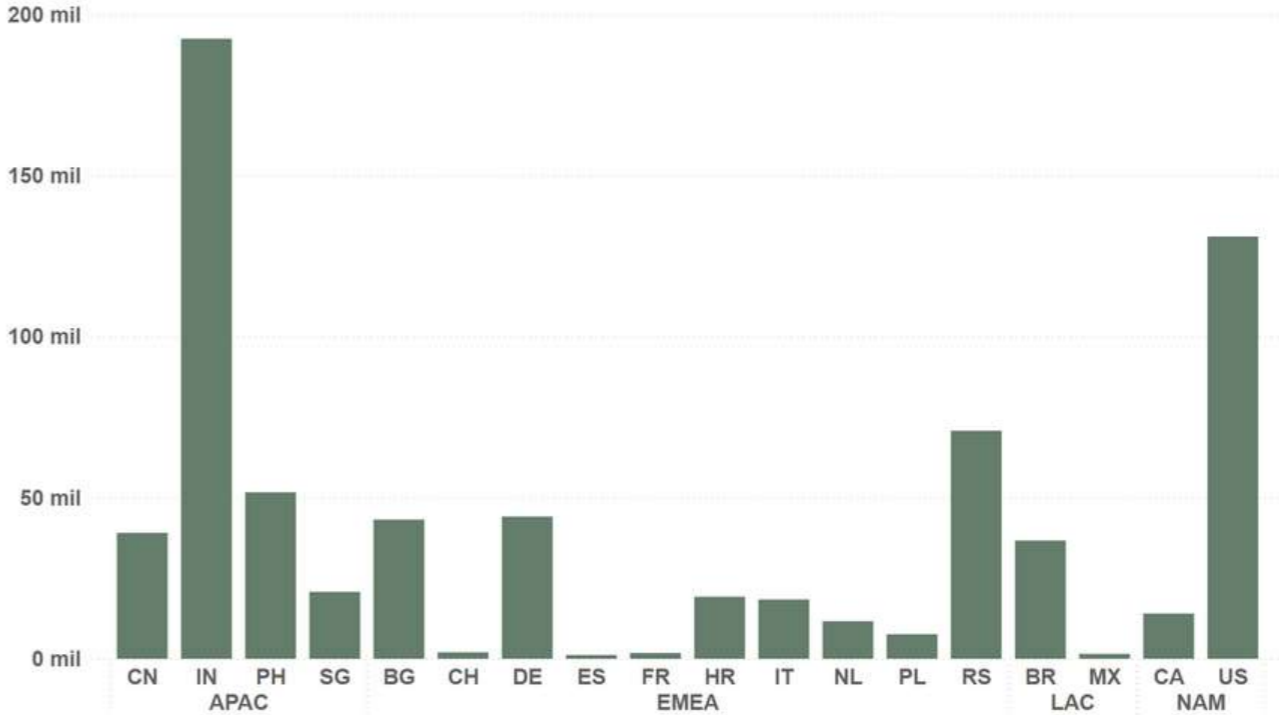
707.982

Electricity Consumption in 2022 (kWh)

Electricity consumption per Global Region (kWh)



Electricity consumption per country (kWh)



UK, Australia and Portugal are not included in this graphic because these entities do not have an office, so their consumption is zero

Energy Consumption

Fuel Consumption

We recognize the significant impact of fuel consumption on the environment and we are committed to reducing our carbon footprint through responsible management practices. We continually strive to optimize our fuel usage and explore sustainable alternatives to fossil fuels.

Company controlled Fleet:

As part of our operations, **msg global solutions** maintains an owned and leased fleet consisting of 98 vehicles spread across 7 entities. These vehicles play a crucial role in supporting our business activities and ensuring efficient client service.

Fuel Types:

Our fleet primarily relies on petrol, diesel, and biodiesel as fuel sources for non-electric vehicles. We are aware of the environmental implications associated with fossil fuel consumption and recognize the need for a transition towards greener alternatives.

Electric Vehicles:

In line with our sustainability goals, two of our entities have integrated electric vehicles into their operations. These electric vehicles offer a cleaner and more sustainable mode of transportation, reducing greenhouse gas emissions and promoting a greener future.

Consumption Reduction Strategies:

We are dedicated to minimizing our fuel consumption and promoting energy efficiency throughout our fleet. We have identified various areas of improvement to achieve this goal, including:

Alternative Energy Sources: We are actively exploring alternative energy sources, such as renewable fuels, electrical and hybrid technologies, to gradually reduce our dependence on fossil fuels.

Vehicle Maintenance: Regular maintenance and servicing of our fleet are prioritized to ensure optimal fuel efficiency and reduce emissions.

Monitoring and Reporting:

To assess our progress and identify areas for improvement, we closely monitor and analyze our fuel consumption data. This data enables us to track trends, set targets, and develop strategies to further enhance our fuel efficiency initiatives.

Moving forward, **msg global solutions** remains committed to implementing sustainable practices and reducing our environmental impact. We will continue to explore innovative solutions and collaborate with industry partners to advance our fuel consumption reduction efforts and contribute to a greener, more sustainable future.

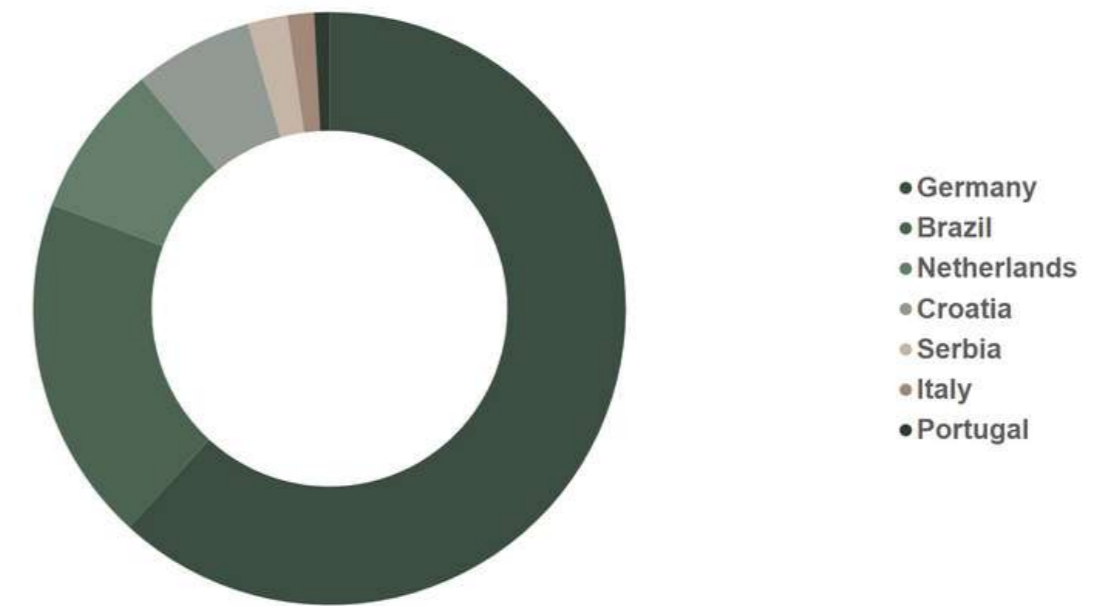
80,762

Fuel consumption in 2022 (liters)

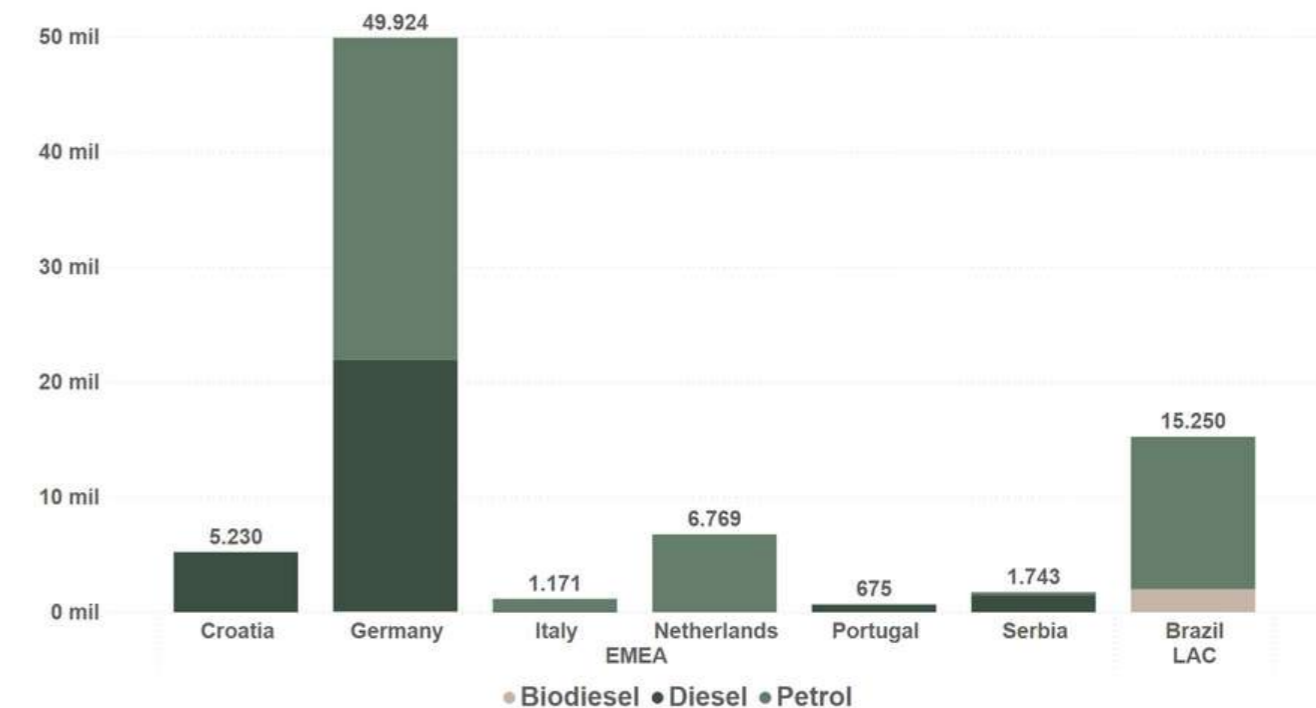
Reduce 25%

Of our fuel consumption by 2025

Fuel Consumption per Country



Fuel Consumption by type of fuel



GHG Emissions



We are dedicated to addressing our greenhouse gas (GHG) emissions as part of our commitment to sustainability. In our first reporting year, we have focused on assessing limited aspects of our operations, including energy consumption for Scope 1 and 2 emissions and business travel for Scope 3 emissions. By considering these areas, we aim to gain insights into our carbon footprint and drive meaningful reductions.

Methodology and Data Collection:

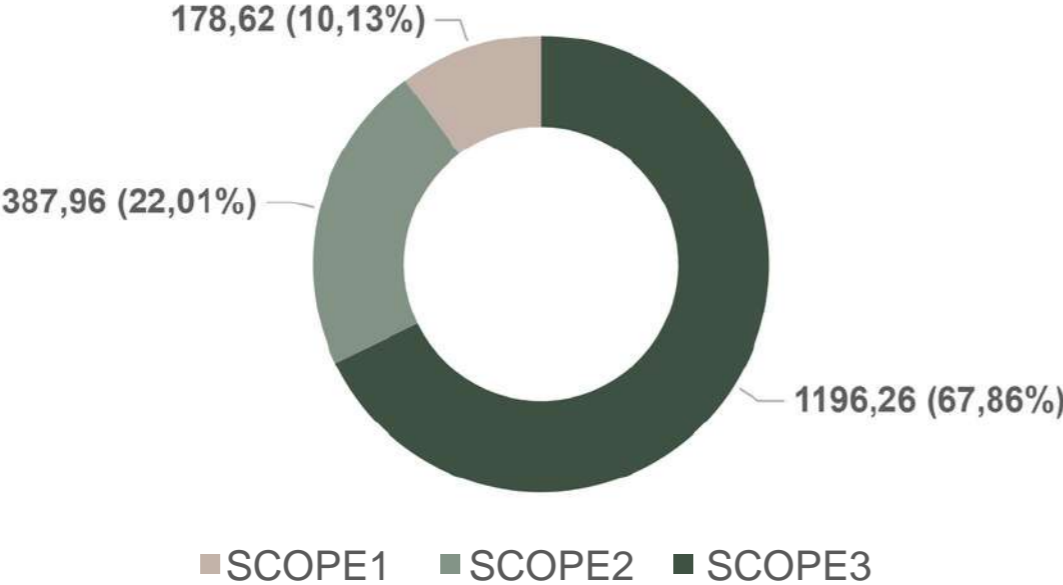
To ensure accuracy and consistency, we have followed the internationally recognized Greenhouse Gas Protocol methodology for measuring and reporting GHG emissions. Our data collection efforts spanned 21 countries in which **msg global solutions** operates, providing us with a comprehensive overview of our environmental impact.

We are dedicated to expanding the scope of our carbon footprint assessment in the upcoming years.

The distribution of emissions across scopes for 2022 is following:

1.772

Total GHG emissions in 2022 (tCO2e)



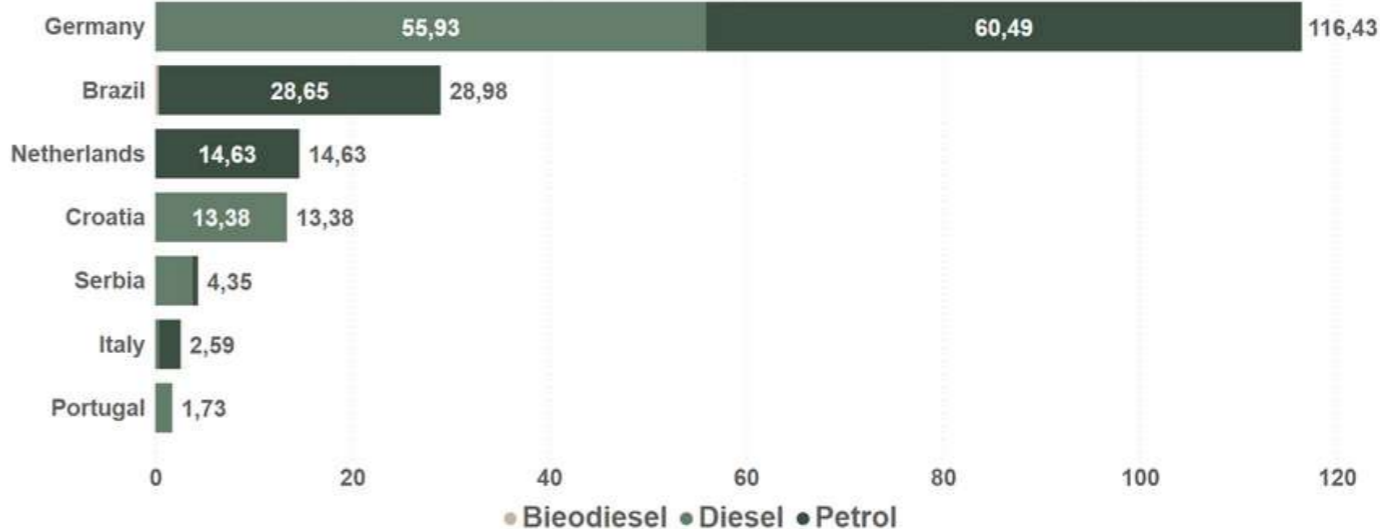
Scope 1 emissions

Our Scope 1 emissions originated from our company vehicles.

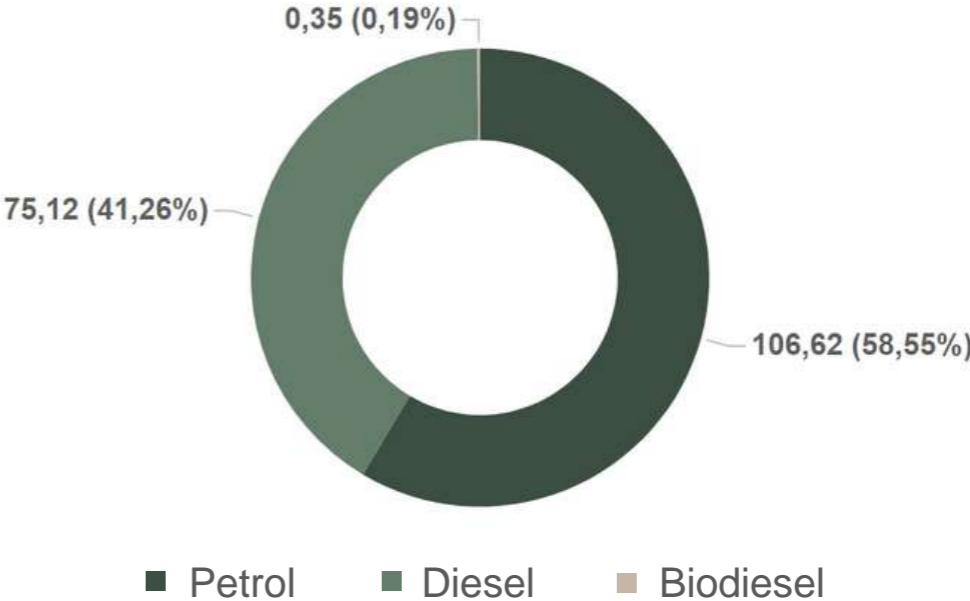
182

Scope 1 emissions in 2022 (tCO2e)

Scope 1 emissions divided by type of fuel and country (tCO2e)



Scope 1 emissions divided by type of fuel (tCO2e)



GHG Emissions

Scope 2 emissions

In an IT company such as **msg global solutions**, scope 2 GHG emissions are primarily derived from electricity consumption, which is often necessary to power servers and other IT equipment. These emissions can be significant, especially if the company operates in a country where electricity generation comes mainly from non-renewable energy sources, such as the burning of fossil fuels.

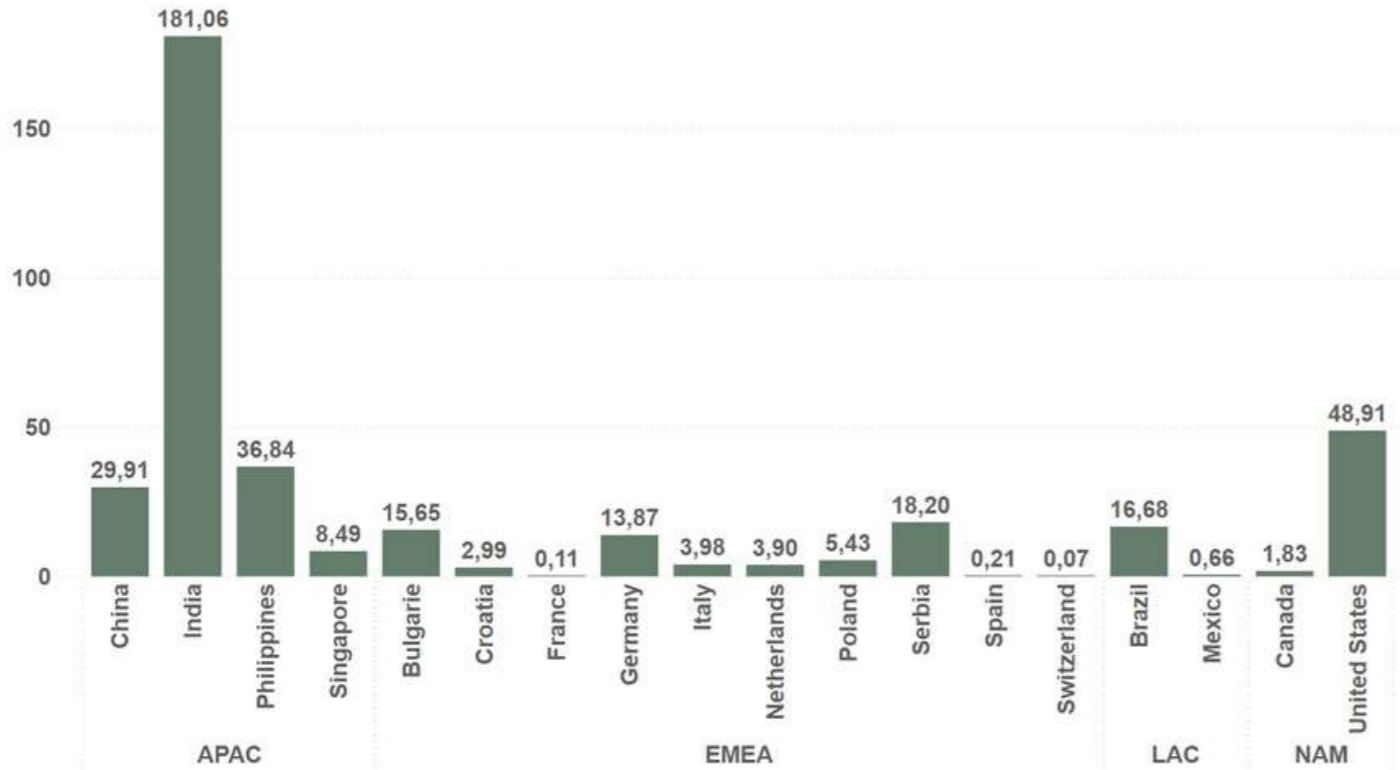
Scope 2 emissions are calculated based on a location-based method considering our electricity consumption of 26 companies in 23 countries.

Since 2020, due to COVID-19, the majority of business operations have moved to the home office, and since then, we kept the hybrid working model. This new way of working has contributed to reducing our electricity consumption in the office spaces.

388

Scope 2 emissions in 2022 (tCO2e)

Scope 2 emissions by country



Scope 3 emissions

We understand the importance of addressing our indirect greenhouse gas emissions, including those generated by our value chain. Scope 3 emissions are calculated based on business travel emissions in this report. We will further expand our reporting scope in the following years to cover other categories of Scope 3 emissions.

Our latest carbon footprint analysis shows that business travel-related emissions account for 67.79 % of total GHG emissions.

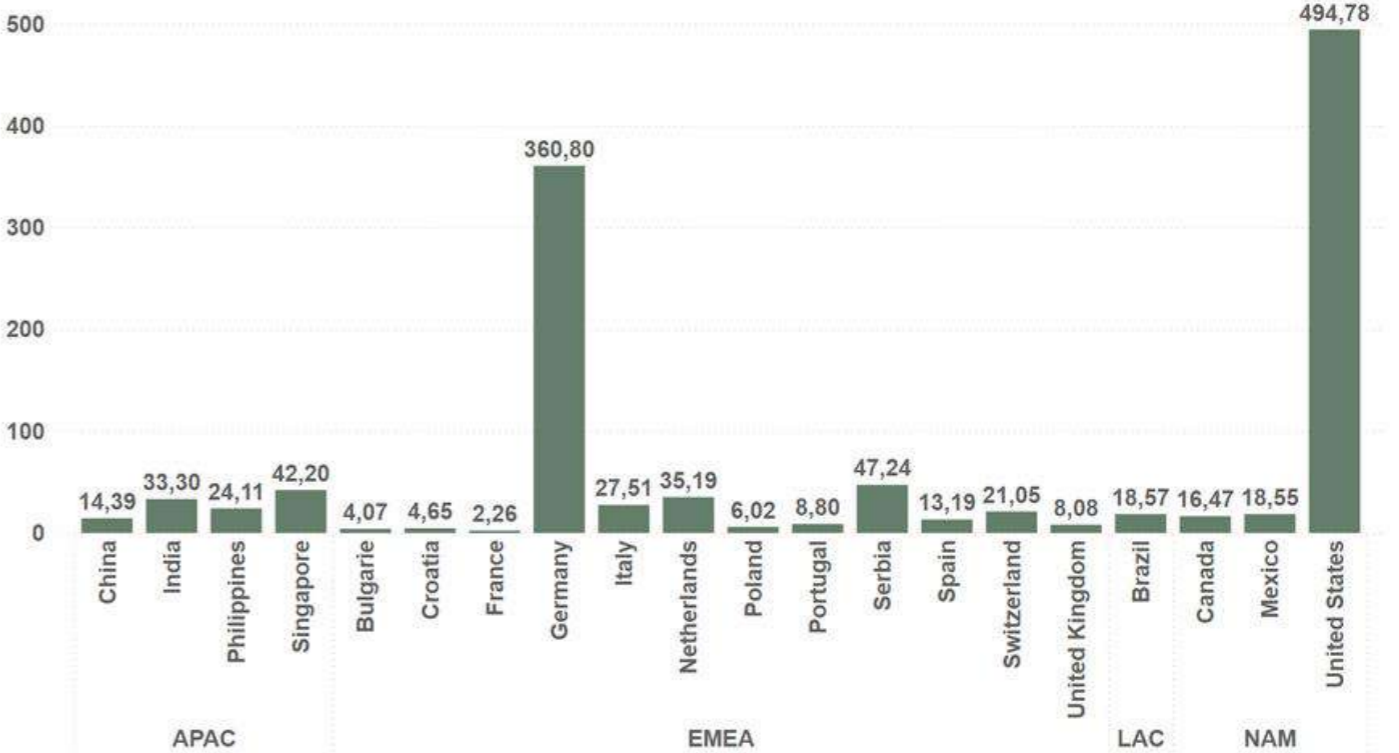
Over the past few years, the COVID-19 situation has reduced business travel, and we have increasingly relied on video conferencing and telecommuting to communicate with our clients. While we did not have a baseline for emissions calculations prior to the pandemic, we can confirm that we have significantly decreased our business travels. Going forward, we remain committed to using video conferencing as a regular practice, even as travel resumes, as part of our continued efforts to reduce our carbon footprint and contribute to a more sustainable future.

For our business travel emissions approach we considered all modes of transportation used in our entities worldwide, such as airplanes, buses, taxis and trains. However, more than 90% of our emissions are generated by flights.

1201

Scope 3 emissions in 2022 (tCO2e)

Scope 3 emissions by country



Corporate Social Responsibility Initiatives

At **msg global solutions**, we are committed to integrating CSR initiatives into our operations and fostering sustainable and continuous development. With the introduction of our CSR policy, we have formalized our dedication to making a positive impact on society and the environment.

Promoting Sustainable Practices

We firmly believe that taking responsibility for the environment and society begins from within. To cultivate a culture driven by consciousness, we proactively motivate our employees to embrace sustainable practices. Through awareness campaigns, training programs, and engagement initiatives, we empower our team members to adopt sustainable behaviors both at work and in their personal lives. By fostering a collective commitment to environmental stewardship, we amplify our impact and contribute to a more sustainable future.

Collaboration with Stakeholders

As an IT and consulting company, we recognize the importance of collaborating with our clients, suppliers, and partners to drive sustainable change. We actively support and assist them in their sustainability journeys by offering guidance, sharing best practices, and providing resources for monitoring and managing sustainability performance. Through our advisory services and tools, we help our clients develop effective strategies, implement measurable actions, and continuously improve their environmental and social impact.

Philanthropic Donations and Non-Commercial Sponsorship

As part of our CSR policy, we have established options for philanthropic donations and non-commercial sponsorship. These initiatives enable us to contribute to social causes and support organizations that align with our values and mission. By investing in philanthropic efforts, we aim to make a meaningful difference in communities and address societal challenges.

Our Vision & Mission Statements



Mission

We focus on balancing social, environmental, and economic values in our core strategy and operations. By involving our employees, our customers, and the surrounding community, we want to improve our business while enhancing long-term social and environmental sustainability.



Vision

We strive to achieve excellence, innovation, and performance in a social and sustainable manner.

OneTreePlanted initiative

msg global participates in reforestation projects.

We not only have our corporate value tree, we also value real trees at **msg global**. That is why in May 2022, the **msg global** Board decided to partner up with OneTreePlanted, a tree-planting charity organization dedicated to the reforestation of the globe. This CSR initiative aimed at planting one tree for each employee. Why trees? Trees absorb carbon emissions and greenhouse gases. They regulate the climate. They clean both air and water, provide shelter and protect biodiversity.

With a total headcount of 1,249 colleagues, **msg global** planted 1,249 trees in a total of four reforestation projects across the globe. The following projects were supported:

- **North America:** Minnesota, USA – the watershed restoration
- **Latin America:** Andes - ecosystem restoration to improve soil and climate stability
- **Europe:** Romania - restoration after windthrow events
- **Asia:** India – the restoration of mangroves through community participation

Through our engagement in these reforestation projects, we aim to demonstrate our dedication to environmental stewardship and inspire others to join us in creating a positive impact on a global scale.

Our projects were chosen to display a worldwide approach and were based on areas that are most in need of support.

1,249
Trees planted in 2022





SOCIAL

We believe that corporate social responsibility extends beyond our environmental impact. It encompasses our dedication to the well-being of our employees, the communities we serve, and the broader society. In this section of our sustainability report, we will explore the social dimensions of our operations, focusing on key areas and initiatives.

The recognition of social responsibility has grown significantly among companies and investors worldwide. We understand that fostering diversity and inclusion, promoting ethical business practices, ensuring health and safety in the workplace, and nurturing talent development are essential for long-term sustainability and success. These commitments shape our approach as we strive to create an inclusive and ethical work environment that unlocks the full potential of our workforce.

Within this report, we will conduct a thorough analysis of how **msg global solutions** addresses these social issues. We will highlight our initiatives and policies that promote diversity and inclusion, cultivate a culture of ethical conduct, prioritize health and safety, and drive talent development. Furthermore, we will assess the outcomes and impact of these efforts, celebrating our achievements while recognizing the challenges that lie ahead.

Through this comprehensive examination of our social responsibility practices, we aim to showcase our commitment to positive change and the generation of sustainable value. By upholding transparency and accountability, we continuously seek to improve and contribute to a more inclusive, ethical, and socially responsible future for our employees, stakeholders, and society at large.

Highlights 2022



1,399
Employees



17,108
Hours of training



1
Work-related injury

Our People

Employees

We are proud to be a company that operates globally, with a presence spanning multiple countries and regions. By December 31, 2022, our dedicated team consisted of 1,399 employees worldwide.

- 680 colleagues were based in Europe.
- 174 in the Americas region.
- 545 in Asia & Pacific region.

Recruitment

We take great care in our recruitment practices, recognizing the critical role the employees play in shaping our future. At **msg global** we seek out the best talent, valuing their unique skills, experiences and perspectives. We not only prioritize hiring individuals with exceptional qualifications, but we seek to attract diverse talent, fostering an environment that embraces different perspectives and experiences. Additionally, we prioritize offering equal opportunities and promoting diversity, ensuring fairness and inclusivity in our recruitment practices. We actively promote the acquisition of young talent. By providing opportunities for young individuals to join our company, we enable them to gain valuable experience and at the same time contribute fresh ideas. By building a strong and diverse team, we empower our employees to deliver innovative solutions that address complex challenges while upholding our sustainability goals.

Recruitment policy

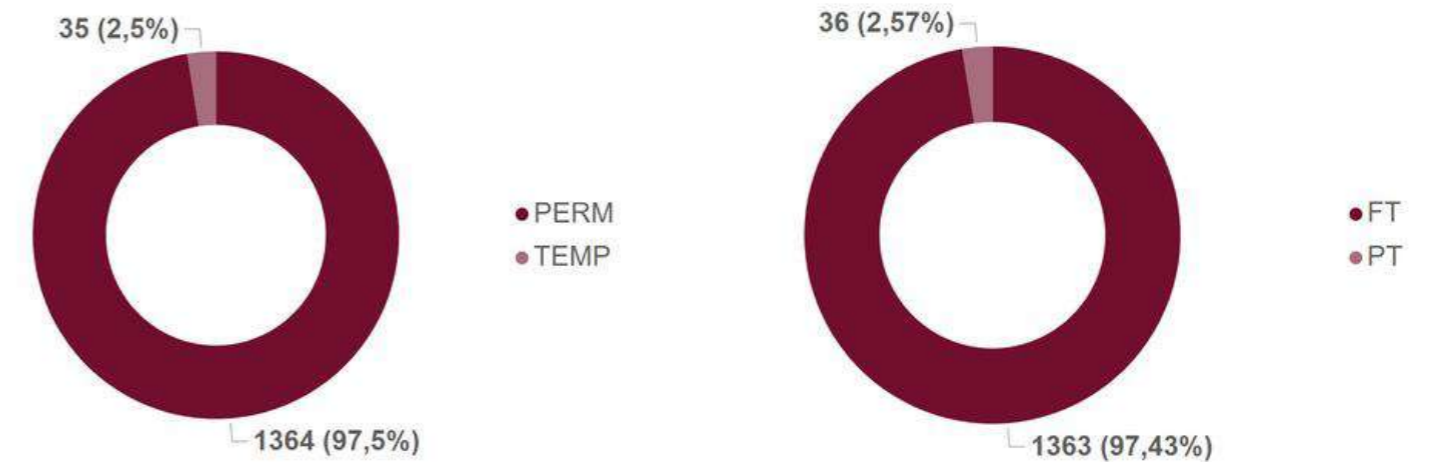
We established a global policy to outline the standard expected practices for the recruitment and hiring process while allowing legally required local deviations where applicable. The policy describes the process of planning the recruiting needs from a business perspective and attracting sourcing selecting, and hiring external job candidates.

In accordance with the requirement of our security standards and clients security requirements, we are obliged to conduct an employee background check when the business demands it.



Type of contract

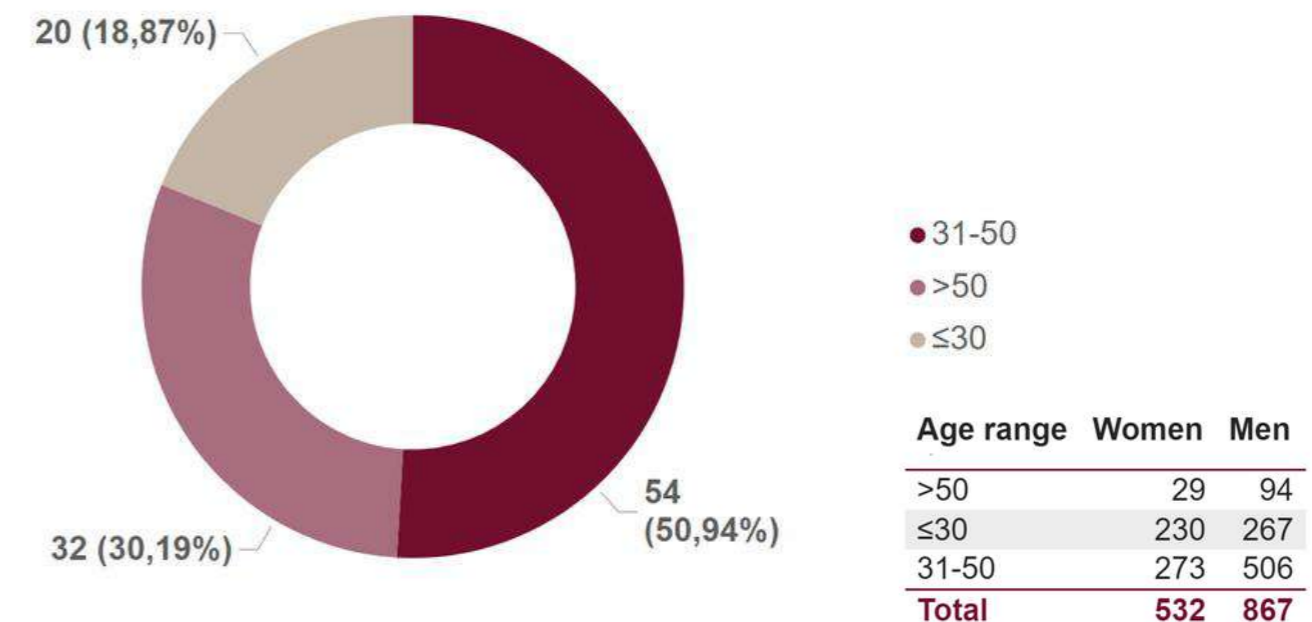
Within our workforce, we have a total of 1,364 individuals employed under permanent contracts, while 35 individuals contribute to our team through temporary engagements. In addition to our core staff, we occasionally engage third-party suppliers and advisors to provide additional support as needed.



Employees by gender and age

Split by gender, **msg global** has 867 male colleagues and 532 female colleagues.

Our distribution by age range was:



Our People

Employee Career Level



The success of our company is driven by the dedication and expertise of our employees. Our commitment to promoting sustainability and creating a positive work environment applies to all roles within our organization, and to all job levels, from entry-level positions to executive leadership.

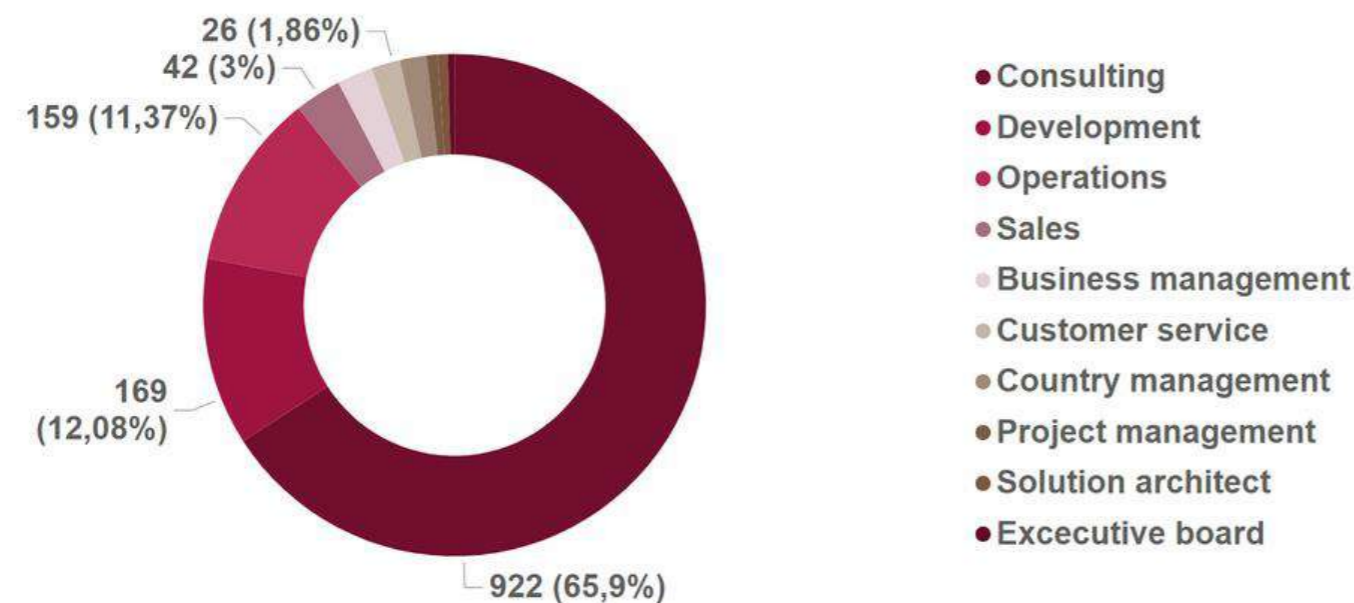
We have eight career levels, starting from L0 and progressing to Executive. At msg global, we emphasize the career development of our employees and have implemented a structured Performance Management Process to manage both the performance and development of individual employees on the one hand and to set the direction for setting organizational goals on the other hand.

Each level represents an opportunity for career growth and advancement, and we are committed to providing employees with the necessary resources, training, and development opportunities to succeed in their roles and advance their careers.

As they progress through the various career levels, employees receive increasingly complex and challenging assignments, with opportunities to lead projects and teams, gain exposure to different areas of the business, and take on new responsibilities.

Consultants make up most of our workforce, but we recognize the significance of providing all our employees with the necessary resources and support to excel in their roles. We invest in their professional development by offering extensive training, mentorship programs, and regular feedback sessions to ensure they possess the knowledge and skills to provide exceptional services to our clients.

In general, our Career Model is based on Career Levels and Job Families, which combined allow a role-specific framework.



Our gender distribution by professional and level category are shown in the table below:

Professional category	Women	Men
Consulting	323	599
Operations	110	49
Development	70	99
Customer service	11	15
Sales	10	32
Business management	4	28
Country management	2	22
Excecutive board	1	5
Project management	1	9
Solution architect	0	9
Total	532	867

The Performance Management Process Phases

Performance Assessment: Pertains to the process where the employee first completes a mandatory self-assessment and second, the manager assesses the employee.

Performance Calibration: Ensures fairness and objectivity in the decision-making process by applying the same standards for performance rating and promotion across all employees.

Performance Appraisal: This is a structured, annual discussion between the employee and their manager where the employee's performance from the previous year is assessed, and targets of the previous year are evaluated. New targets are set in relation to specific pre-established organizational targets. The appraisal also includes an individual career development review, including training and development opportunities as well as a compensation review.

Remuneration planning is based on several factors, such as individual employee performance, local market benchmarking, salary ranges per career level, and the overall budget and company strategy.

The remuneration is split into fixed and variable pay. The recommended ratio of fixed vs. variable salary is the following. Deviations are possible based on local practices:

- Levels 1-2: 90 / 10 %
- Levels 3-4: 80 / 20 %
- Levels 5-6: 70 / 30 %

Our People

The variable salary is based on the individual target achievement and the targets are set with each employee on an annual basis in the mandatory appraisal meeting between the employee and their respective Line Manager.

The EBIT is one part of the standard targets of each employee. The msg global EBIT (Earnings Before Interests & Tax) is defined by the msg global Executive Board based on the financial forecast for the year. This target promotes collaboration and shared goals of msg global as a whole and is shared by all job families. EBIT for the year 2022 was set to 22.1m EUR.

Tailor-made targets give additional flexibility when setting up targets for employees. As a general rule, those are quality targets that can be set in many ways. They can be made of only one or several sub-targets. Still, each target needs to have a precise set percentage, and all must follow the so-called SMART criteria, meaning the targets need to be Specific, Measurable, Achievable, Relevant, and Time-Bound.

Targets specific to a particular role or job family can be one or more of the following: a Team (or Department) target, Project Margin (for project managers), Revenue (for Country Management, BU Heads), and/or Utilization (for BU Heads).

SuccessFactors supports the usage of our incentive model through performance management.



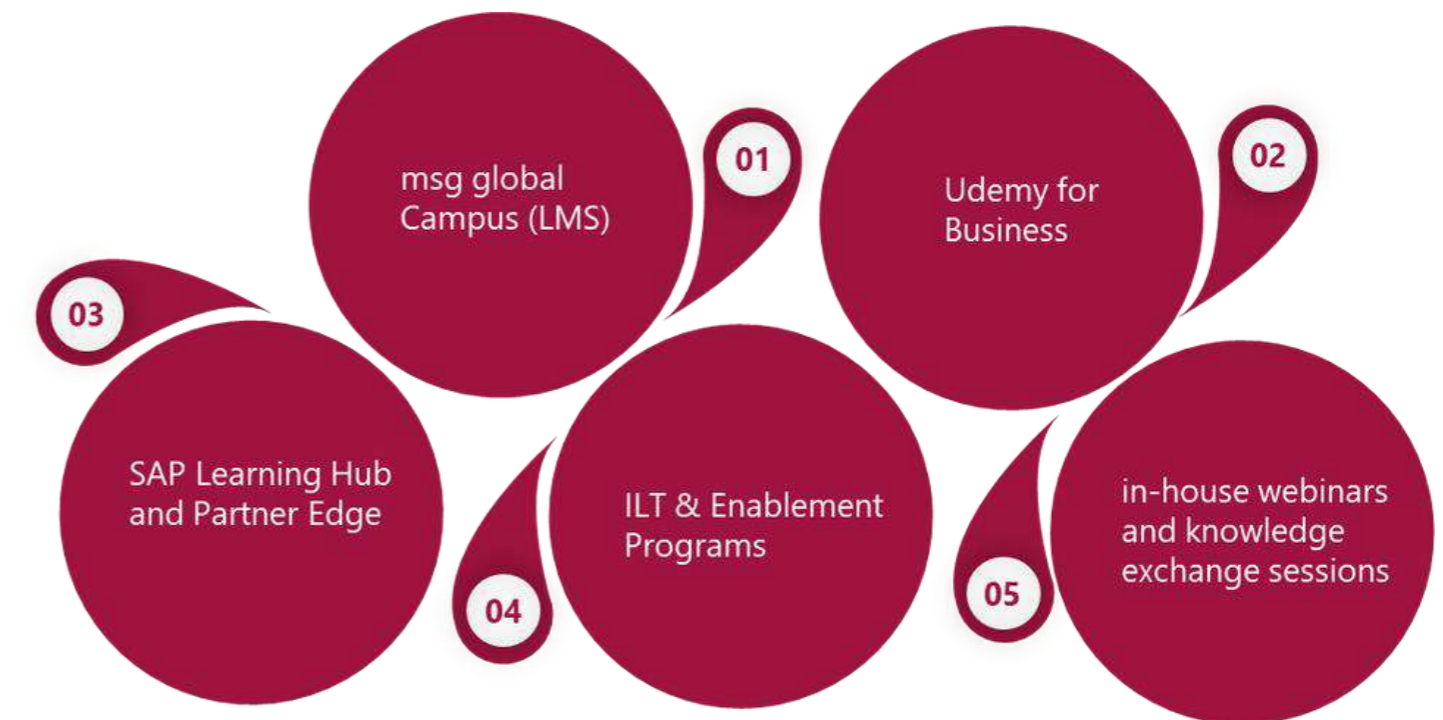
Training

We understand that investing in our employees' professional growth not only enhances productivity but also contributes to their happiness and long-term retention. By providing comprehensive training programs, mentorship opportunities, and regular feedback sessions, we ensure that our workforce at msg possesses the necessary knowledge and skills to deliver exceptional services to our clients. We believe that continuous learning and upskilling are essential to staying competitive in today's corporate landscape, enabling us to meet the evolving demands of consumers and markets.

Vision: Educate our (SAP) expert network of the future!

Mission: Drive sustainable growth through knowledge management and educational services.

Regarding training and development, **msg global** has a broad portfolio of offerings:



17,108
Total training hours in 2022

Our People



Employee Survey

In 2022, we conducted an Employee Survey, deviating from the usual 2-year cycle, to gather direct feedback after 12 months, considering the organizational changes. The survey, which ran for two weeks from October 10 to 23, 2022, ensured anonymity and compliance with data protection requirements. Covering categories such as daily work, the employer, cooperation, diversity, management, recognition, and career development, the survey saw a commendable 84% participation rate. Results revealed an upward trend in all categories, indicating msg global's commitment to addressing employee concerns and improving their overall experience. We value our employees' feedback as a driving force behind our ongoing dedication to sustainability and continuous improvement, fostering a collaborative and growth-oriented workplace culture.

Benefits

We prioritize the well-being and satisfaction of our employees by offering a range of benefits tailored to local conditions and industry benchmarks. Additionally, we have implemented several global programs to further enhance our employees' experience. One such program is "Jobs for Friends," a referral program where employees who refer a new colleague, subsequently employed permanently and successfully completing the probation period, are rewarded with a referral bonus.

We also recognize the dedication of our long-term colleagues through the Employee Recognition Model, which acknowledges their service at the 5, 10, and 15-year milestones. In order to support a healthy work-life balance, we have established a Telecommuting Policy that outlines a hybrid working model designed to cater to the diverse needs of our employees. This policy allows for a flexible approach to work, providing individuals with the option to work remotely or from the office based on their specific requirements and preferences. By implementing this policy, we aim to create a conducive work environment that enables our employees to achieve a better balance between their personal and professional lives.

Moreover, we consistently arrange team events, kickoffs, and gatherings at both the country and business unit levels, fostering strong bonds and a shared sense of belonging among our employees. These regular events serve as opportunities for our teams to come together, celebrate achievements, build relationships, and cultivate a positive and inclusive work culture within our organization.

Global Mobility

During 2022, Global Mobility continued to support all our entities and departments in mobility matters. During the year, we worked on revising our GM policies by providing more precise definitions of the main principles and the structure of the processes.

Relocation Policy: Regulates the permanent relocation of our colleagues from one msg global entity to another. The policy defines the processes, rights, obligations, and responsibilities of all involved parties in relocation cases.

Assignment Policy: Regulates the work process and the procedures related to our colleagues temporarily assigned abroad to work in another msg global entity or on client's premises. This policy aims to provide clear guidance to support the smooth deployment of msg global consultants around the globe.



Diversity, Equity & Inclusion



Our Commitment

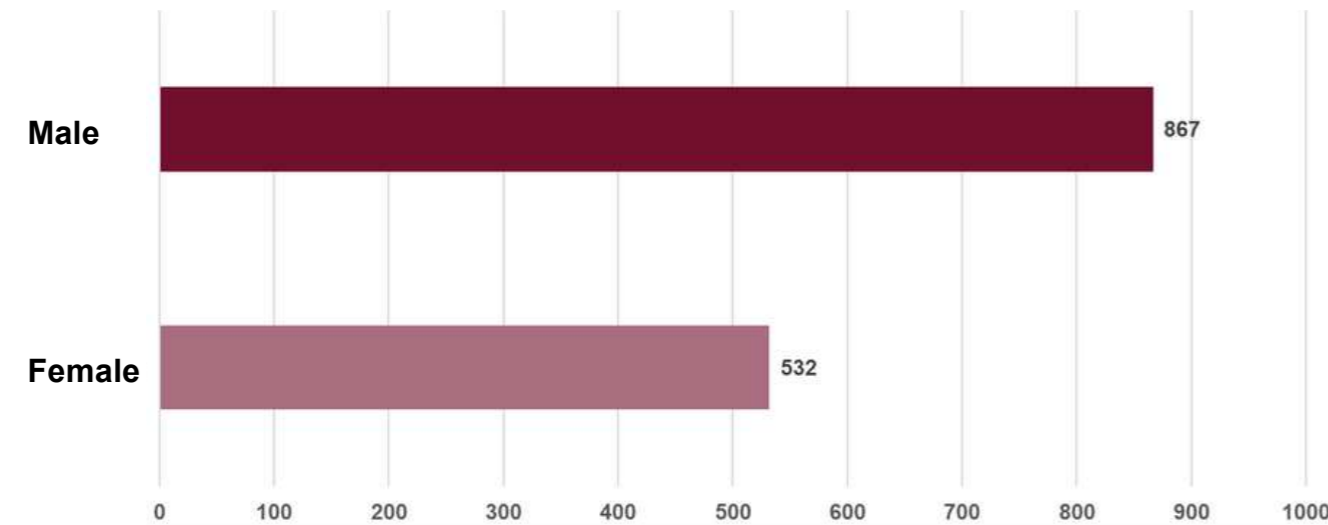
From each corner of the world – our employees are as unique as the continents where they live. Diversity is what makes msg global great. We value diversity and strive to maintain an inclusive environment. We are better able to serve our clients because of, not in spite of, our differences; culture, religion, gender, gender identity, age, race, sexual orientation, abilities, disabilities, and any other dimension of diversity. We endeavor to be equitable in our treatment of each member of our team. We take this seriously and work each day to provide our employees and our clients a diverse, equitable, and inclusive company.

DE&I Policy

msg global also introduced a [DE&I policy](#). This policy explains how we will make our workplace diverse and ensure that it is inclusive. The purpose of this policy is to support and facilitate an inclusive environment that embraces all that makes us different and recognizes the benefits that these differences make. Details on responsibilities, definitions, DE&I in recruitment, training and career development, as well as the procedure for resolving complaints can be found there.

Gender Equality Commitment

Our target by 2030:



46%
of women by 2030

36%
of women at L3-L6 positions by 2030

DE&I Training

msg global set up a mandatory DE&I training for all employees that provides them with an understanding of the topic and with tools to create an inclusive workplace. This includes training on unconscious bias, cultural competence, and respectful communication. The training encourages employees to actively participate in creating a more inclusive workplace. Ultimately, our DE&I training aims to create a more engaged and productive workforce, as well as a stronger and more successful organization.

Language Initiative

At our company, we understand that using the right language is essential in creating an inclusive and respectful workplace culture. We implemented a Diversity, Equity, and Inclusion (DE&I) language initiative to raise awareness and understanding of the importance of language in fostering a sense of belonging and respect for all individuals. We promote the use of inclusive language, which respects and acknowledges everybody's identities and backgrounds. We are committed to eliminating harmful language and stereotypes that may marginalize or exclude certain groups of people. By using language that is respectful and inclusive, we aim to create a culture where all employees feel valued and supported, regardless of their race, ethnicity, gender, age, sexual orientation, religion, or any other aspect of their identity. That is also why DE&I is part of our new-joiner onboarding.

A guide to DE&I

In addition to the policy, msg global introduced a hands-on [Guide to DE&I](#). The Guide gives you practical advice and best practices for promoting DE&I in our company. It includes examples of the most common [biases](#), DE&I in the recruitment and interview process, a language section, as well as employee retention and development.

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Health & Safety



We are dedicated to fostering a healthy and safe workplace environment for all our employees. Our commitment extends to promoting both their mental and physical well-being, as well as emphasizing the importance of work-life balance and stress management. By prioritizing these aspects, we aim to cultivate an atmosphere that supports high productivity and maintains positive morale among our workforce.

Travel Health Insurance

We also have group-wide travel health insurance in place. This insurance policy provides protection to employees who are injured while on a business trip abroad. All accidents and acute illnesses that occur during the international stay are covered.

International SOS

International SOS is our partner in providing 24/7 assistance service and access to medical information and treatment in case of emergency to our colleagues before, during, and after a business trip. Emergencies are defined as acute medical conditions, man-made or natural disasters. It complements the Travel Health Insurance and provides support in making sure a person gets rescued and/or receives the required medical treatment in time.

COVID-19

In response to the COVID-19 pandemic, msg global took the necessary steps to ensure the health and safety of our employees, customers, and stakeholders. We implemented a range of measures in line with guidance from public health authorities, such as the mandatory wearing of masks, social distancing, and regular cleaning and disinfection of our facilities. We also provided our employees with the necessary testing equipment as well as masks and offered flexible, i.e. hybrid working opportunities and switched meetings to an online setup to minimize the risk of infection.

Work-related injuries

We understand the importance of maintaining a safe and secure work environment, and we take proactive measures to prevent work-related injuries and promote employees' well-being. While the nature of our IT and consulting industry entails minimal risks, we remain dedicated to upholding the highest standards of workplace safety. In the business year 2022, we documented a total of one work-related injury within our workforce, highlighting our commitment to maintaining a safe workplace. We believe that by providing a safe and healthy work environment, we not only protect the well-being of our employees but also foster a culture of productivity, satisfaction, and long-term success.

Support



Ukraine special

At **msg global**, we hold firm beliefs in the values of respect, peace, and diplomacy. In today's fast-paced and interconnected world, it is imperative to stand together and extend a helping hand to those in need. In light of the ongoing conflict in Ukraine, our Board issued a statement reiterating our commitment to these social values.

To support Ukrainian refugees, we actively posted our open positions on [jobaidukraine.com](https://www.jobaidukraine.com), an online job platform dedicated to assisting them. Furthermore, we contributed to 'Aktion Deutschland Hilft', a renowned German non-profit organization that provides essential emergency aid to individuals affected by the situation in Ukraine. These collective endeavors received valuable support from the msg global Ukraine Task Force, highlighting our concerted efforts to make a positive impact in this challenging time.





GOVERNANCE

The governance aspect of ESG refers to the systems and processes that guarantee our company operates in an ethical and transparent way and with accountability to all of our stakeholders. By implementing strong governance practices and processes, we mitigate risk, make informed decisions, and build a sustainable future together.

Good governance is a crucial aspect of sustainability and responsible business practices. It encompasses the structures, processes, and policies that guide the decision-making and operations of a company. In this sustainability report for **msg global solutions**, we will delve into the governance practices and principles that shape the company's approach to sustainable business. We will explore how our company establishes transparent and accountable governance mechanisms, aligns its practices with industry standards and regulations, and fosters a culture of ethical conduct and integrity. By examining **msg global's** governance framework, we aim to provide stakeholders with insights into the company's commitment to sound governance practices and its role in driving long-term value creation while maintaining social and environmental responsibility.



100%
Anticorruption training



0
Incident of corruption

Ethics & Compliance



Code of Conduct

msg global's Code of Conduct displays our guiding set of principles that outlines the ethical standards as well as rules and regulations for behavior in all of our business areas. It provides clear instructions for employees and other stakeholders on issues such as compliance with laws and regulations, fair business behavior, respect for human rights, and fair labor practices. By adhering to this [Code of Conduct](#), we uphold our commitment to doing business in an ethical and sustainable manner. There is a mandatory Code of Conduct training for all employees, which must be done on a yearly basis.

Supplier Code of Conduct

We understand that our suppliers play an essential role in helping us achieve our sustainability goals. To ensure that our suppliers share our commitment to ethical and sustainable practices, we have established a [Supplier Code of Conduct](#). This Code specifies our expectations for responsible sourcing, environmental sustainability, labor and human rights, and business integrity and is signed by all our entities. All of our suppliers must comply with this Code. We can build a more ethical and sustainable supply chain, reduce risk, and have a beneficial influence on society and the environment by collaborating with suppliers that share our values.

Anti-Corruption

Preventing corruption is one of the major topics in our Code of Conduct training. We educate our employees about ethical principles and anti-corruption regulations. It is important to show transparency and create accountability within our organization in order to promote integrity and responsible behavior from everyone.

Here are some statistics related to corruption:



Human Rights

As a responsible and sustainable organization, we recognize the importance of respecting and upholding human rights in all our operations and business activities. Our commitment to human rights is grounded in the fundamental principle that all human beings are entitled to dignity, respect, and fair treatment. Furthermore, we seek to ensure that our suppliers and business partners uphold these same values and principles.

ILO

As part of our commitment to DE&I and promoting fair labor practices, our msg global entities have signed commitments to comply with the **International Labor Organization's (ILO) Core Labor Standards**. Those standards are internationally recognized and include, among others, the freedom of association, non-discrimination, and the prevention of forced or compulsory labor, child labor, or any violations involving the rights of indigenous peoples.

We believe that fair labor practices are crucial for the well-being of our employees and the long-term sustainability and success of our company.

Data Security & Privacy

We take reasonable physical, administrative, procedural, and technical measures to protect personal data under our control from loss, misuse, and unauthorized access, disclosure, alteration, and destruction. msg global applies the best industry standards regarding data protection. Unfortunately, no security measures can be guaranteed to be 100 percent effective. However, msg global shall ensure that personal data is stored securely using modern software that is kept up-to-date.

msg global's Information Security Management System (ISMS) is established in accordance with ISO 27001:2013 standard, with a full scope of controls implemented.

We have drafted specific TOMs for each of our entities worldwide tailored to their specific requirements and needs. Access to personal data shall be limited to personnel who need access, and appropriate security should be in place to avoid unauthorized information sharing.

We continually takes appropriate security measures to protect personal data in accordance with GDPR and other relevant data protection laws. In the event of a breach of security leading to the accidental or unlawful destruction, loss, alteration, or unauthorized disclosure of, or access to, personal data, msg global shall promptly assess the risk to people's rights and freedoms and, if appropriate, report this breach to the DPO.

Employees are regularly trained with mandatory IT Security and Data Protection Awareness Training," which is also part of the onboarding process of new joiners.

In 2022 there have been no identified leaks, thefts, or losses of customer data, and no substantiated complaints have been received regarding breaches of customer privacy.

Disclaimer

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Indices for the GRI Standard

msg global solutions is a leading provider of innovative technology solutions and services to clients across various industries worldwide. The company is committed to promoting sustainable business practices and has taken significant steps to align itself with the Global Reporting Initiative (GRI) Standards. The GRI Standards are a set of guidelines that provide a comprehensive framework for sustainability reporting. By aligning itself with the GRI Standards, our company demonstrates its commitment to transparency, accountability, and sustainability. This alignment also enables the company to provide stakeholders with accurate, reliable, and comparable sustainability information. In this report, we explored how **msg global solutions** has aligned with the GRI Standards and the steps it has taken to promote sustainability in its operations and services.

As an IT solutions and development company, **msg global solutions** has prioritized its efforts in those GRI that are most relevant to its performance.

Nonetheless, **msg global solutions** commitment to sustainability reporting and transparency is a positive step towards promoting sustainable business practices and enhancing stakeholder trust and confidence.

ESG reporting must be transparent and comprehensible. These requirements are taken into account in our report.



SUSTAINABILITY
DISCLOSURE
DATABASE



Indices for the GRI Standard

General Disclosures Standard	Disclosure	Location of Information
GRI 2: General Disclosures 2021	2-1 Organizational Details	About Us
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	About This Report
	2-5 External assurance	About This Report
	2-6 Activities, value chain and other business relationships	About Us
	2-7 Employees	Employees
	2-8 Workers who are not employees	Employees
	2-9 Governance structure and composition	Our ESG Oversight
	2-10 Nomination and selection of the highest governance body	Our ESG Oversight
	2-11 Chair of the highest governance body	Our ESG Oversight
	2-12 Role of the highest governance body in overseeing the management of impacts	Our ESG Oversight
	2-13 Delegation of responsibility for managing impacts	Our ESG Oversight
	2-14 Role of the highest governance body in sustainability reporting	Our ESG Oversight
	2-16 Communication of critical concerns	Our ESG Oversight
	2-17 Collective knowledge of the highest governance body	Our ESG Oversight
	2-18 Evaluation of the performance of the highest governance body	Career Model
	2-19 Remuneration policies	Career Model
	2-20 Process to determine remuneration	Career Model
	GRI 3: Material Topics 2021	3-1 Process to determine material topics
3-2 List of material topics		Materiality
3-3 Management of material topics		Materiality

General Disclosures Standard	Disclosure	Location of Information
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Ethics & Compliance
	205-3 Confirmed incidents of corruption and actions taken	Ethics & Compliance
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics & Compliance
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy & Emissions
	302-2 Energy consumption outside of the organization	Energy & Emissions
	302-3 Energy intensity	Energy & Emissions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy & Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Energy & Emissions
	305-3 Other indirect (Scope 3) GHG emissions	Energy & Emissions
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Ethics & Compliance
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employees
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health & Safety
	403-6 Promotion of worker health	Health & Safety
	403-9 Work-related injuries	Health & Safety
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Training & Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Career Model
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights



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