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Opportunities and Threats: The Responsibility of IT Companies

Diagnosis. Recommendations. Inspirations.



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Executive Summary

In the 21st century, technology companies became the centre of modern economies, and thus manufacturers of equipment, software and apps have an influence on basically every aspect of our daily lives. The two-year-long pandemic only sped up the digitalization process. With the increasing importance of the industry, its responsibility is greater than ever.

The goal of the “Polish technology companies in the face of global challenges” study – conducted at the end of 2021 – is to verify the response of the local IT business to the contemporary challenges related to climate change, biodiversity loss, social inequality, or personal data and privacy protection. The study conducted by INSPIRED and InCredibles analyses how Polish technology companies implement the concept of sustainable development and sustainable digital footprint.

Over 400 businesses were invited to participate in the “Polish technology companies in the face of global challenges” study. The survey included questions about their activities executed in terms of the software & computer services sector materiality, defined based on SASB and MSCI’s methodology, i.e. the aspects to which investors, financial institutions, customers and consumers pay close attention. It turned out to be quite a challenge for the respondents, therefore we would like to sincerely thank all those who took the time to fill out the questionnaire. At the same time, the discussions carried out already at the study implementation stage confirmed the research team and partners’ belief that this topic is crucial, yet not entirely understandable for many executives, who still consider it a trend or an additional benefit rather than a development oppor-

tunity. Obviously, there is no shortage of market leaders who apply the world’s best practices in terms of managing the social and environmental aspects of their business operations, however, they constitute a very small group.

I hope that the diagnosis included in the report will help define and organize the aspects related to the responsibility of IT companies towards the environment and society and initiate a broader industry discussion on that subject. Moreover, the document features best practices, inspirations and suggestions on where and how to begin.

If the report encourages and motivates at least some of the Readers to act, it will bring the authors immense satisfaction, as each and every one of us has a role to play in slowing down climate change consequences and making a real difference in terms of the quality of life.



Marta Lesiewska
Founder & Consultant
INSPIRED | Corporate Responsibility

Dear Readers,



Since 2017, we have been inviting the most talented young entrepreneurs, whose technology companies and projects are writing the next chapter in the history of economy, to take part in our InCredibles mentoring program. And we continue to bet on people with a mission.

Who would that be? Those who pay attention to how they are developing their business and acknowledge the role of their employees, customers, partners and counterparties in the process. We promote those for whom the code of ethics, environmental protection, supporting the weaker and social sensitivity are not just patches used to temporarily mend the lack of understanding of the changing world.

Considered ground zero for the report, our “Polish technology companies in the face of global challenges” study shows that the awareness of the titular challenges in the national industry remains low. Moreover, it is hard not to get the impression that for most of the respondents sustainability is a temporary fad and a cost rather than an important and lasting trend impacting company equity.

However, modern economy enforces new rules of the game. Without a comprehensive and authentic ESG strategy, it will be more and more difficult to acquire further financing rounds, loans or customers. It will also be harder to win international tenders, build global consortia, transfer know-how or attract the most valuable employees.

Fortunately, the presented study also confirms that we do have some leaders in Poland who want to and are able to successfully combine economic benefits with caring about people and the natural environment. And what has not been mentioned in the study? The increasing expectations of the youngest employees, for whom the genuine responsibility of employers becomes a key factor when deciding whether they want to work for them or not. Change is coming...



I hope you find the report helpful,
Sebastian Kulczyk



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Opportunities and Threats: The Responsibility of IT Companies

The favourable treatment for the technology industry ended in the western world a few years ago. It is not enough to simply develop technologies that make everyday life easier – **more and more often, it is not just about “what is created”, but also about “how it is created”. The carbon footprint, ethics and human rights are becoming as important part of the activity of IT companies as code quality or user interface.**

Experts have calculated that the **technology sector** is currently responsible for **4% of global greenhouse gas emissions**, and considering its exponential growth rate, it can be expected that this number will only increase further. The environmental advantages of modern technologies, such as possibility to limit business travel or eliminate use of paper, should not overshadow the disadvantages, like the massive carbon footprint due to a significant increase in energy consumption or issues related to e-waste recycling and management.

Besides environmental risks, modern technology brings other challenges. For example, encryption and blockchain technology ensure safety, transparency and privacy on the one hand, but on the other they are hard to trace by the law enforcement authorities and intelligence services, which aids the development of crime and expansion of the black market. Experts¹ also point out the risks related to promoting stereotypes and making discriminating decisions by AI systems, threats to user privacy, solutions enabling the spread of hatred and fake news, and use of so-called conflict minerals mined by children or modern-day slaves. Similarly, the use of blockchain as a uniform term and the confusion surrounding blockchain and Bitcoin cause public misperceptions, miseducation, and general uncertainty regarding blockchain technology and energy consumptions.

At all events, technology companies are not free of challenges common to all organizations: issues concerning employee diversity, equal pay for man and women, or ensuring stable basics of corporate governance (organizational structure, business model, compliance with the principles of business ethics).

Challenges associated with environmental, social and governance issues (ESG) are of even greater importance for technology companies, due to the very limited scope of regulations in that respect. Nevertheless, the situation is dynamically changing, which is especially noticeable in the start-up sector. An impressive example is the latest and so far the biggest investment of the Balderton Capital group, which has invested 54m euro in the Ramp Network group. Balderton invests exclusively in businesses operating according to the highest ESG standards – it is a dynamic growth opportunity for the Polish start-up, but at the same time the bar has been set high for the entire IT sector.

Experts have calculated that the technology sector is currently responsible for

4%

of global greenhouse gas emissions



Production of **one bitcoin** consumes 17MJ of energy², which is as much as released by 1,312 lightning discharges. The annual greenhouse gas emission related to bitcoin production amounts to over **22m tonnes of CO₂e²** – a similar amount of carbon dioxide is generated yearly by countries such as Jordan or Estonia and more than 120 other countries around the world.³

In Poland, particular standards or implementation and monitoring processes have been developed for the producers of traditional goods and electricity providers. In the IT sector, however, the level of transparency and governance is minimal. **The decision to enter the ESG path is made individually by a particular company** and basically always requires stepping out of the comfort zone and facing ongoing challenges. **It seems crucial to stop focusing on short-termism, which can often be the main obstacle to including sustainable development in strategic planning and decision-making in terms of capital allocation.**

The scepticism of technology companies or their unclear approach to alarming ESG challenges is noticed not only by experts but, above all, by their mass users. In the US, merely 4 years ago, as much as 71% of people perceived technology companies as having a positive influence on the development of the country. In 2020, that number dropped to 50%.

These facts do not necessarily mean that the IT industry has stopped being vigilant and does not respond to the dynamic ESG challenges. The world's biggest technology companies, such as Google (Alphabet), Microsoft, Accenture, Salesforce or Oracle, display a solid understanding of the importance of sustainability implementation, which results in economic growth, consequently leading to increased social cohesion (including reduced social stratification, equal opportunities, reversed marginalization and discrimination) and enhanced or at least maintained quality of the natural environment. **Some examples can also be found in Poland. The Netguru group has joined the B Corp (Benefit Corporation) movement, officially pledging to include environmental and social goals into its business strategy.**

Such leaders' commitments draw the attention of the public, which ultimately translates into increasing expectations also towards smaller entities. These trends have been intensified by the coronavirus pandemic. The technology sector has thus introduced new sustainable initiatives, such Green IT or Tech for Good.

Tech for Good focuses on the tech environments, aiming to implement values and goals the execution of which contributes to improving welfare and providing measurable help for the society in gaining benefits that lead to the improvement of different aspects of our lives, including work safety, health, education, environmental sustainability and equal opportunities.

Green It is a project aimed at reducing the amount of electricity consumed by computers, servers and hardware. The companies participating in the initiative commit to using cloud services as well as reporting and reducing their carbon footprint. They set an attainable goal, such as supply chain and server optimization, and firmly refuse to do business with companies who do not care about environmental issues.



Why should technology companies take care of different ESG aspects?

Maintaining stable, long-term cooperation with customers:

47% of global companies declare that they monitor the social and environmental impact of their suppliers, **further 25%** plan to introduce ESG control mechanisms for their suppliers in the near future.⁴

74% of CEOs believe that it is their personal responsibility to ensure that their ESG policies reflect the values of their customers and employees.

93% of representatives of technology companies in Poland and Germany agree that environmental, social and governance issues are becoming an increasingly important part of their strategies. **Their motivations include customers (19%), cost management (16%), and access to new markets (10%).**⁶



Meeting employees and customers' expectations:

For the generation of millennials, the climate agenda is a priority when making professional decisions. Fewer and fewer of them are interested in working for companies that do not act on environmental issues. It is worth remembering that Generation Z, who pay a lot of attention to ESG issues, are currently starting their careers in the IT sector.

When it comes to ESG factors, **Impact Due Diligence** has become a standard. **83% of managing directors and investment specialists** indicate that they would be willing to pay about 10% extra on average to acquire a company with a positive ESG result compared to a company that was negatively evaluated in those non-financial areas. **This includes the directors who claim that ESG programs have no impact on equity for stakeholders.**⁷

Increasing company equity:



Preparing a company for future changes:

The number of ESG regulations in investment markets has increased from 50 in 2010 to 325 in 2018. The EU taxonomy and European Green Deal will further increase their importance – starting from 2023, the Corporate Sustainability Reporting Directive (CSRD) will be implemented across the EU, expanding (and elaborating) the scope of the non-financial reporting obligation to all companies that meet at least two of the following criteria – revenue of **40m euro net, 20m euro in assets, 250 or more employees.**

More and more banks and financial institutions base their capital support on a company's actions regarding sustainable development they ask. The reason for that, among other things, is the Regulation (EU) of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector, so-called Sustainable Finance Disclosure Regulation (SFDR) enforced in March 2021.

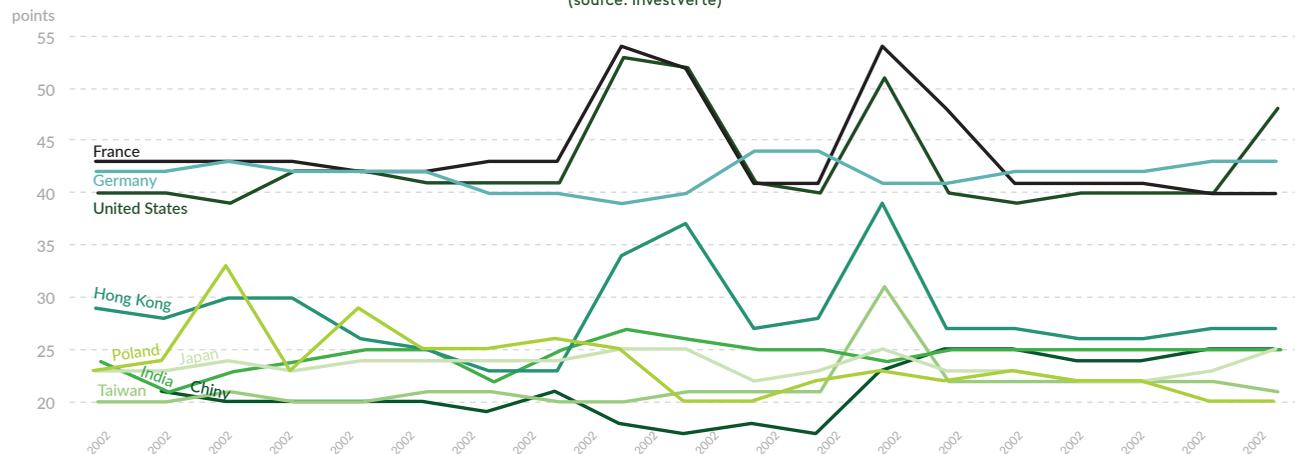
Easier access to capital:

Polish IT companies underperform in global ESG ratings

InvestVerte, a provider of ESG analytics services for the investment market which combines source ESG data with financial information, has prepared a comparative analysis of the advancement of technology companies in terms of compliance with ESG requirement. The ESG impact analysis is based on machine learning, where particular indicators are being ranked. Thanks to such an approach, the obtained ESG results are stable over time and transparent, whereas a distinct change is a clear signal of improvement or decrease. The analysis included companies reporting ESG data within the software and computer services sector in China, France, Germany, Hong Kong, India, Japan, Poland, Taiwan and the US. For the purpose of comparing data from different markets, market capitalization was taken into account. **The higher the number of rating points, the better companies form a particular market address ESG risks.** Based on that, it is clearly visible that Polish technology companies⁹ receive significantly lower scores than IT software manufacturers and consulting companies from the markets in the US, Western Europe or Asia. This is of great importance, considering global competition on that market, as companies fight for contracts and investors. More importantly, the quality of the reported data indicates a downward trend over the analysed period of 18 years. What is also clearly visible is the significant role of regulation in Germany, France and China in improving the quality of reporting.

ESG index comparison for the Computer Services sector in chosen markets

(source: InvestVerte)



The technology sector is defined as all the services and products the function of which is to process and transfer information electronically. **The Polish technology sector constitutes 7.6% of the EU market, and Poland is ranked fifth among European countries in terms of the number of registered companies from the ICT sector and seventh in terms of growth dynamics.** The number of Polish technology businesses increases at an average annual rate of about 10.1%. The technology sector consists of three closely connected segments: computer hardware, software and IT services. Most of the revenue generated by that industry in 2011 came from the sales of computer equipment. The share of software sales amounted to 14% and IT services to 29%. The fastest growing segments of ITC are cloud services, big data, artificial intelligence, sales of devices and smartphones, ecommerce, digital marketing, internet of things and cyber security, fintech and office automation. This study includes companies from the software and IT services subsectors.



2

ESG at Polish Technology Companies

The “Polish technology companies in the face of global challenges” study provides not optimistic perspective on a level of ESG awareness among national business organizations.

Polish IT at glance



The Polish technology sector constitutes 7.6% of the EU market



5th place

Poland is ranked fifth among European countries in terms of the number of registered companies from the ICT sector and seventh in terms of growth dynamics

The approach to environmental issues is still superficial, unorganized and driven by economic benefits. It is perceived as a supportive not integral strategy of business.

1

There is a lack of transparency in communication regarding the impact.

2

There is a lack of understanding of the return on environmental investments.

3

The engagement of staff in sustainability activities is limited.

4

Personal data protection is inefficient.

5

There are no basic governance principles implemented to operational strategies.

Only 11% of Polish IT companies implemented a strategic approach to ESG



For the purpose of this report, a simplified ESG index has been created based on the questionnaire developed by the research team, led by INSPIRED.

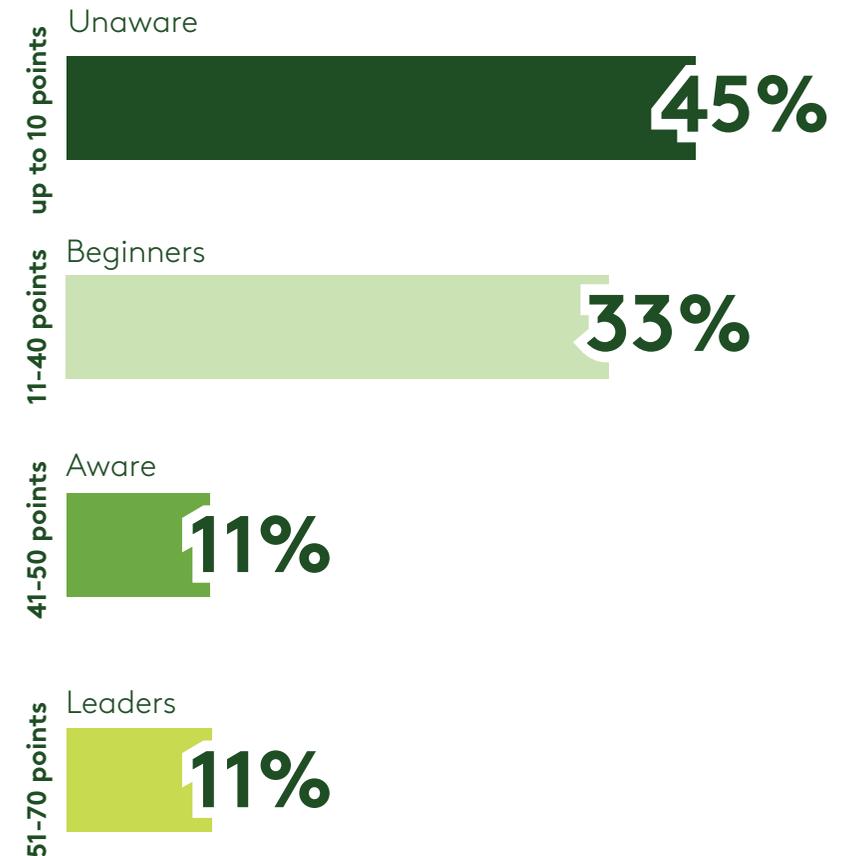
Every company could get points for their ESG activity depending on the declared activities. Considering the level of connection between executed activities and the business basis as well as the maturity degree of implemented solutions, points were awarded from 0.5 to 5¹¹.

The overall ranking has revealed four basic approaches to ESG displayed by Polish companies:

- 1 **Unaware** – those who have not implement any activities or only selected activities, which did not result directly from the willingness to introduce a positive social change.
- 2 **Beginners** – those who have implement some solutions, yet in a way that is not well-organized or multifaceted.
- 3 **Aware** – those who have implemented numerous solutions.
- 4 **Leaders** – those who act in an organized manner across many different fields.

The results indicate a high percentage of unaware entities and beginners, and a small group of aware companies and leaders. The first two groups need activities that would boost their awareness and reveal which solutions can be successfully implemented by them and to what extent. Companies aware of the importance of sustainability could use some support and advice to systematize their activities, with the focus on ESG reporting. Leaders can help develop and promote solutions for the three remaining groups.

ESG approaches among Polish IT companies



Environmental impact

5%

of technology businesses in Poland measure their carbon footprint.



Half of the companies declare that they **will measure their carbon footprint** in the following years.

Most companies do not generate nor buy renewable energy or have no knowledge of whether they **use green energy** in their daily operations.



Using **cloud services based on renewable energy**

is nearly three times less common than analog services using traditionally generated electricity.



Half of the companies dispose of electronic waste with the use of specialized companies.

30%

of Polish IT companies segregate waste into 5 or more fractions.



90% of the companies do not analyse how their software contributes to energy consumption.

50%

of the companies carry out information and training activities for their employees to promote eco-friendly behaviours.

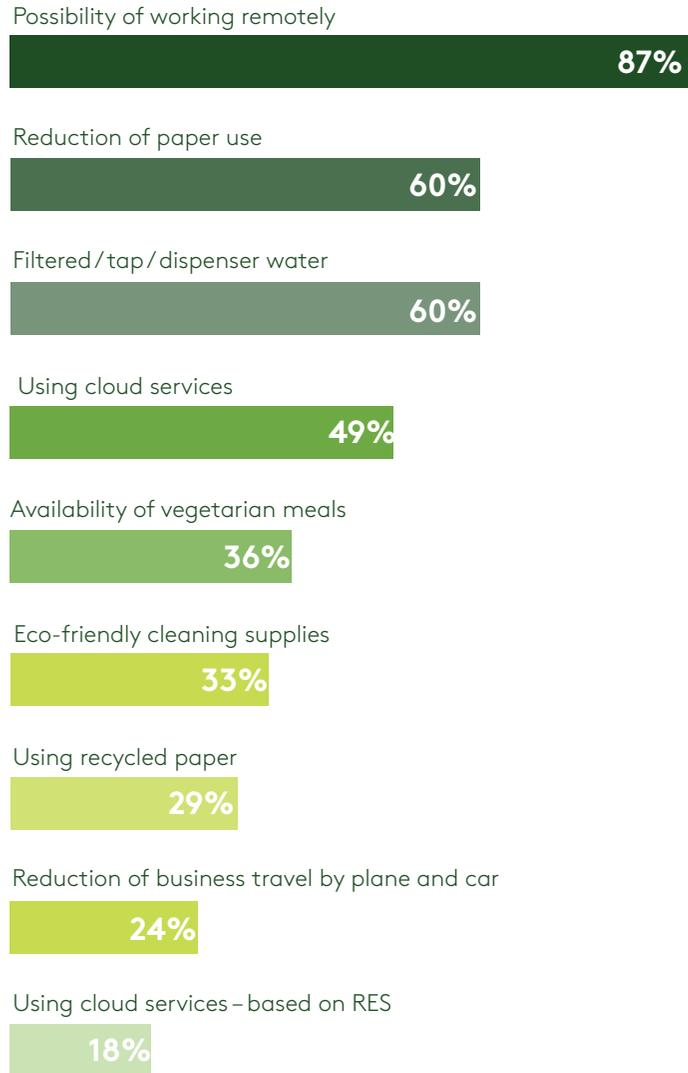


The most frequently declared pro-environmental activities include:

- allowing to work remotely
- saving paper
- filtrating water / availability of water dispensers

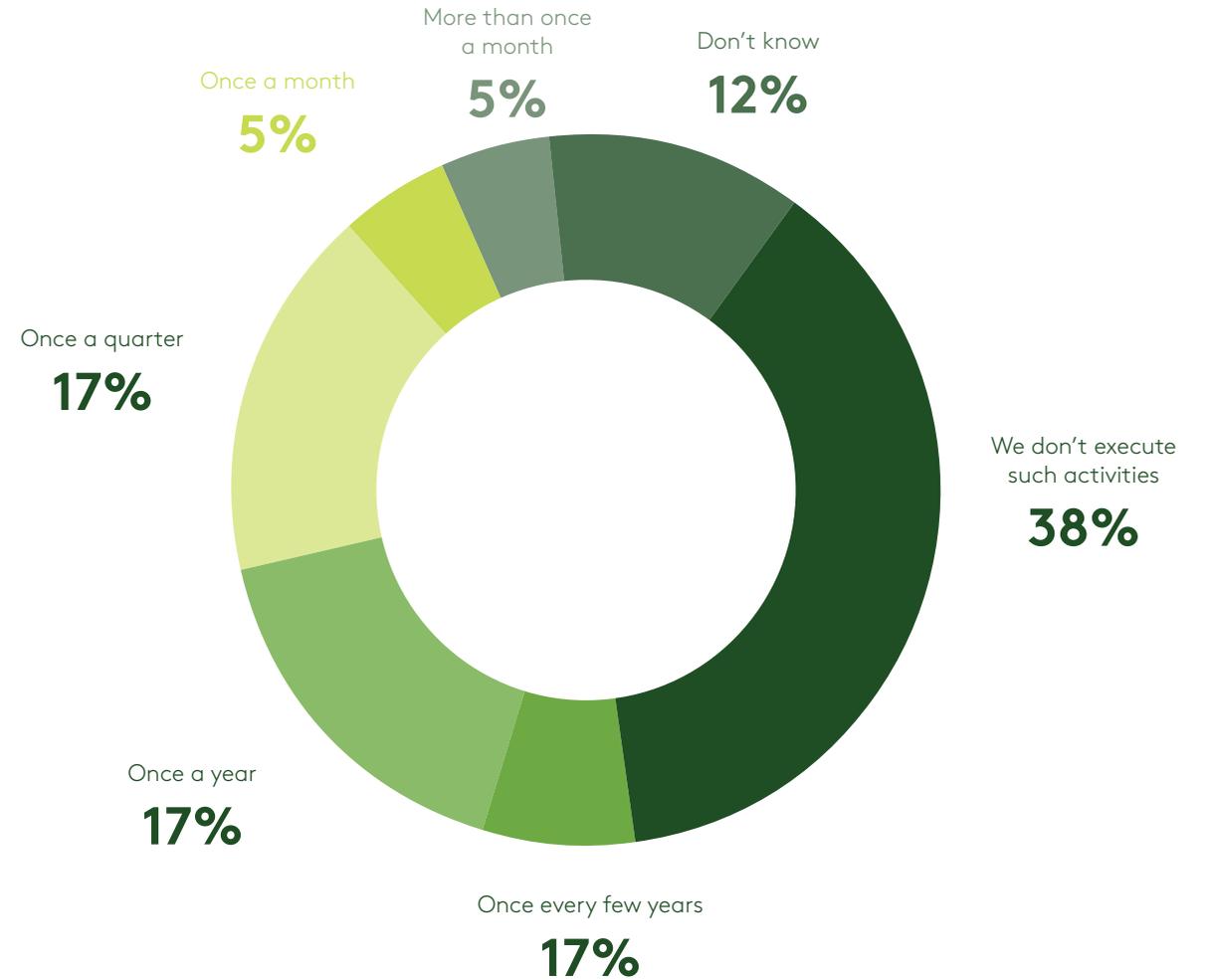


Which of the following pro-environmental activities have been implemented at your company?



* A multiple choice question

How often do you carry out information and training activities for employees to promote pro-environmental behaviours in terms of water saving and reduction of raw material consumption?





Authors comment

It is hard not to get the impression that most Polish technology businesses think about the natural environment in terms of potential savings. The possibility of working remotely is ecologically glorified, even though in the age of COVID-19 it is a standard and a necessity rather than an intended pro-environmental initiative. This is best reflected by the low popularity of activities that are closer to the core business activity, but require greater commitment and financial resources, such as carbon footprint measurement, low-emission software solutions, or using renewable energy. These are far less popular, and so are the solutions that limit the comfort of employees and executives, as evidenced by relatively rare introduction of regulations reducing business travel with the highest carbon footprint”.

Inspirations



Beyond.pl chose RES as the only source of power for its data centres because, as it declared, “it is our business responsibility and the only right path in the data centre industry”. Server rooms are one of those facilities that continue to consume more and more energy on a yearly basis. Currently, they account for 1-2% of global energy needs, but considering the expected development of IT by 2030, the share will increase up to 10-14%. Even though conscious investments in green technologies require extensive knowledge and notable initial outlay, they ultimately have a considerable impact on reduction of CO2 emissions. Another factor that helps reduce the carbon footprint of data centres is the energy efficiency of server rooms, reflected by the PUE indicator. It basically means that the smaller the proportion of electricity used to power the heavy data centre infrastructure vs electricity consumed by IT equipment, the less CO2 generated. **Although launched over five years ago, our facility remains one of the most energy efficient facilities in the region. Our PUE is 1.2, while the average amounts to 1.5-1.6.** Unfortunately, that shows how much there is still to be done on the market in terms of data center infrastructure optimization and adjustment to the increasing demand of end customers, and without those activities, Europe will not achieve climate neutrality by 2040.

Wojciech Stramski, CEO,
Beyond.pl



Asseco Poland has created an online platform for the employees to allow them to exchange insights and submit ideas for eco-friendly solutions within the company.

Dentsu Polska has set up a bee yard on the roof of its office building, and the honey goes to the employees and customers.

Intive has enforced a business travel policy and an internal IT system to manage it. Every trip is registered, including the place of departure, destination and means of transportation. Based on the data and CO2 emission indicators, the company has developed a calculator estimating the carbon footprint of every business trip.

Microsoft has been powered exclusively by renewable energy since 2014, consuming over 3.2 billion kWh per year. Since June 2012, the company has been carbon neutral, partially thanks to the implementation of an internal carbon fee. Microsoft uses the savings to finance energy efficiency improvements, purchase more renewable energy, and support social projects aimed at compensating CO2 emissions and promoting sustainable development.

London-based **WholegrainDigital** has developed a method of calculating the energy consumption and carbon footprint of websites. The company provides services for marketing and digital agencies as well as corporations around the world. For example, their cooperation with Volkswagen resulted in creating a dedicated website for the premiere of the ID4 electric car in Canada. Its users could choose between a high and low emission version of the site (50% lower carbon footprint). The creators have applied a number of different measures, including some radical ones, like replacing all photos with ASCII art.

Social impact

2/3

of the companies engage their employees in pro bono and low bono activities



56% of the companies



organize charity campaigns or other forms of help for those in need on their own initiative.



On average, the companies dedicate

about 400h per year

to pro bono activities and about **300h** to low bono initiatives, which is an equivalent of **23%** and **17%** of full time respectively.



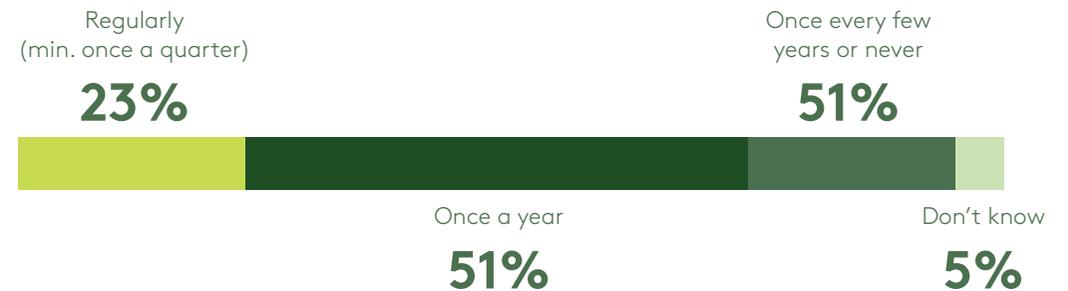
33% of the companies

work together with NGOs and participate in their projects.

Does your company execute pro bono and low bono activities, dedicating the employees' work time to those initiatives?



How often do you organize fundraisers or material support for people and/or animals in need?





Authors comment

Most companies in Poland have a basic understanding of pro-social missions. The most common initiatives include fundraisers or material support for people in need or animal shelters. It may be presumed that in most of those cases, the employees participate in the cost of such fundraising events, devoting their time and engaging other participants from their network. Those kinds of projects are usually organized ad hoc and do not engage employees too intensely during their work time. Financial contribution from the company is not always required, however it is expected from the executive team to participate generously.”

Inspirations

Tech To The Rescue started off as Divante's response to the coronavirus pandemic. That is when the initiator of the project, Tomasz Karwatka, decided to devote the work time of his employees to helping non-governmental organizations in building an efficient solution to fight the pandemic. The response was enormous, and the initiative was joined not only by companies from Poland. As a result of cooperation with Ashoka Polska and 10 other ITC businesses, the initiative was transformed into the Foundation, which became a permanent part of the support ecosystem for citizens' initiatives. They can count on support in terms of programing, development of websites, graphic design and UX, whereas the involved companies gain credible, impactful projects from around the world, thanks to which they can develop their teams and acquire new competencies, while sharing their most valuable resources – the time and knowledge of their people, to address the modern world's most important social and environmental issues. The executed projects include a mentoring app for chronically ill patients that increases the effectiveness of treatment by 10-30%, a support app for autistic children that makes it easier for them to master basic daily activities, which over the period of two years has been used by 150,000 people, or a system facilitating offset climate processes. There are numerous examples of how successful Tech To The Rescue really is, even though the Foundation has not been operating for that long. We have collaborated with tens of social organizations, using cutting-edge technological solutions to increase their reach. More examples can be found on our website at <https://www.techtotherescue.org>. All the projects executed by the end of 2021 can potentially change the lives of over a million people. Tech To The Rescue has an open format – all technology companies that can and want to join us in tackling major problems are welcome. Month after month, we gain more and more partners – not just from Poland.

Jacek Siadkowski, Managing Director,
Tech To The Rescue



The Polish National Radio Symphony Orchestra in Katowice joined forces with **IBM Polska**, ING Bank Śląski, Katowice City Hall, **Fujitsu Technology Solutions**, GAZ-SYSTEM and the schools participating in the P-TECH program to launch the NOSPR AI chatbot. The [Ai.nospr.org.pl](https://ai.nospr.org.pl) website allows visitors to ask artificial intelligence questions about classical music and enjoy a virtual NOSPR concert hall.

Intive in cooperation with Grupa Ratownictwa Medycznego PCK in Wrocław created and continues to develop the oRescuerApp app, which helps rescuers to better organize their operations thanks to immediate verification of availability. The solution is available in an open format, which enables further adjustment to the needs of other rescue units. The app was designed as part of the internal Do Good Apps program, which allows employees waiting to be assigned to a commercial project to work on social apps.

Intel's employees turned the remaining company plastic into pencil cases, which were then filled with school supplies and donated to local schools and charity organizations.

Corporate governance

1/3 of Polish IT

companies have a code of ethics.



20% of the companies

are not sure whether in their case a document such as a code of ethics is relevant.

At companies employing more than 50 people, nearly 40% have implemented a code of ethics, and less than 20% have doubts in that respect.



Only two of the surveyed companies carry out external audits oriented at detection of corruption-related behaviours.

Among companies employing up to 50 people, only one in four has a code of ethics.



Over 60% of companies without a code of ethics have not implemented any anti-corruption activities.

Companies with a code of ethics apply external expense approval procedures twice as often. Those companies enforce strict rules regarding acceptance of gifts and other forms of gratification. Many of them have introduced an internal audit system and regular staff training aimed at elimination or mitigation of the corruption risk.

Half of the companies declare that they will reject ethically uncertain work orders and tenders, and one in three companies has never experienced such a situation.

Do you have a code of ethics?



What is your company's approach to ethically uncertain work orders or tenders?





Authors comment

An effective and successfully implemented and enforced code of ethics, diversity support, anti-corruption activities, or anonymous whistleblowing mechanisms should not be exotic definition anymore but but rather a standard. Corporate governance is mainly associated with large enterprises and extensive bureaucracy, but that is not the case. It pertains to the governance factors of decision-making, from sovereigns' policymaking to the distribution of rights and responsibilities among different participants in corporations, including the board of directors, managers, shareholders and stakeholders. Governance factors indicate the rules and procedures for countries and corporations allowing investors to screen for appropriate . In practice – even beyond the technology industry – it is clearly visible that implementation of direct and easily understandable corporation's purpose and makeup of boards of directors increases productivity what contributes to the improvement of company image, and enhances the capacity for crisis prevention”.

Inspirations



Technology itself is neither good nor bad. However, as a tech company, we know that by supporting our customers in digital transformation we increase the efficiency and impact of their products on the world. What do we support then? It is a very important question from an ethical perspective. We are a company that wants to make a difference, and as such we received B Corp certification granted to businesses that take responsibility for their influence on the environment or the society. We should consciously choose for whom we want to or do not want to provide services.

In 2020, we created a task group, the first goal of which was to develop an assessment process and criteria for ethically uncertain cases related to project execution and to specify the categories of customers and industries we do not want to extend an offer to, as it would be against our values. The latter included businesses connected to the arms industry, industrial animal farming, hunting, or the non-renewable energy market, which refuse to look for an alternative. Drawing the line between what is “good” and “bad” for the world is not easy. The Ethic Committee established within the framework of the task group helps us make decisions and initiate a public discussion about the sustainability challenges.

Karolina Długosz,
Sustainability Lead, Netguru



Emitel has implemented an **anti-mobbing and anti-discrimination procedure**, i.e. a formal course of action in case of reporting misconduct, mob-like behaviour or discrimination. Every newly hired employee gets acquainted with the guidelines specified in the procedure.

The Management Board of **Emitel** has adopted a resolution introducing the **Integrated Management System** composed of Data Security Management System and Business Continuity Management System. Particular elements of the Integrated System have been developed in line with the ISO 22301 Norm and ultimately approved by the certifying unit as consistent with the norm. They enable building the right work organization, creating safe emergency procedures, strategies and operational continuity plans.

In July 2020, **intive** enforced its **Supplier Code of Ethics**, the goal of which is to promote social responsibility among its business partners. The company wants to cooperate with entities that observe human rights, provide safe jobs, respect the law and ethical business practices. From the day it was enforced, the code has been attached to all agreements concluded with other companies.

In 2020, **Sii Polska** set out goals aimed at the improvement of social responsibility across the supply chain. Therefore, the company introduced a quarterly **CSR Newsletter to Suppliers**, in which it shares its best practices, promotes socially responsible and charitable activities, and encourages suppliers to exchange information in that respect and present their best practices. The number of signed declarations within the Code of Responsible Sii Supplier has increased to 52% and includes all major suppliers providing products and services for the company.

As the leader of the Central European IT market, **Comarch** feels responsible for promoting ethics and strives to join the world’s best companies in terms of corporate responsibility, observance of human rights and environmental protection. That is why it enforced its own **Code of Ethics** and committed to regularly evaluate compliance with the rules included in the Code and update its contents based on the obtained conclusions. The Code reflects the ethical values that Comarch prides and aims to respect. For the employees of Comarch Capital Group, it constitutes a standard of conduct in both business and business-related relationships with their colleagues, supervisors and customers, partners and local communities. ¹³

Diversity

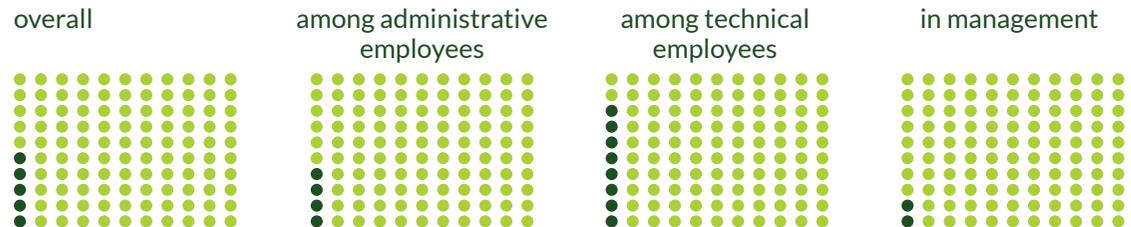
Over **30% of the overall staff constitute women**. Their share in the governing bodies of the surveyed entities does **not exceed 12%**.

Percentage of women:

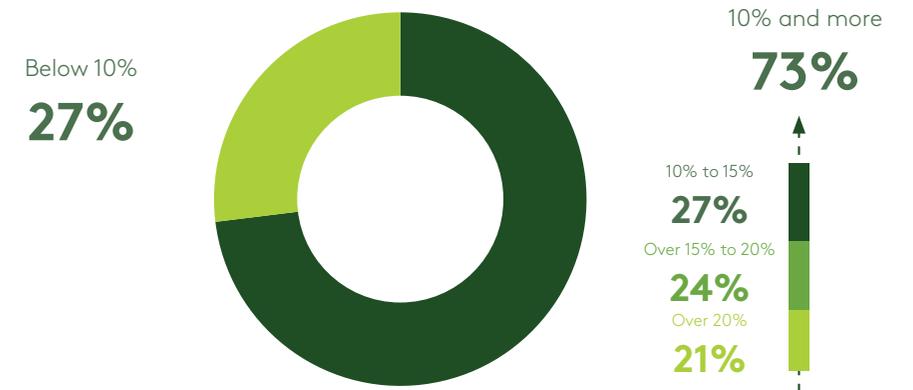


5% of the employees are foreigners, while it is clearly visible that they are overrepresented among the technical staff and under-represented in management.

Percentage of foreigners



Employee rotation over the last year



*Including those who quit their job as well as those who were fired or whose contracts came to an end and were not renewed.

About **45% of the surveyed** companies lack stability in terms of their staff (rotation over 15%).

Form of employment



Inspirations

Corporate governance should also specify the rules related to equal treatment of all employees. Women constitute 30% of the overall staff. However, their share in the governing bodies is still pretty small and remains below 12%. Therefore, women are nearly triply underrepresented in management, whereas numerous studies, including those conducted by Harvard University, clearly indicate that the presence of women in management boards and the multitude of perspectives resulting from diversity directly translate to lower employee rotation, higher sales, and increased business stability. Additionally, in the IT industry known for acquiring specialists from around the world, the presence of foreigners is clearly visible. However, according to the respondents' declarations, only 5% of the employees of Polish companies from that sector are foreigners, with explicit overrepresentation among technical staff and underrepresentation in management. It can be expected that the share of foreigners at each of those levels will be higher in the case of entities with foreign capital due to the fact that the managerial staff come from the home countries of particular companies, but also as a result of the higher openness and corporate nature of those entities. So far, Polish companies bring employees from abroad mainly for technical support. However, it is worth considering the potential benefits such as innovativeness and more efficient communication resulting from diversification of executive teams.

Marta Lesiewska, Founder & Consultant
INSPIRED | Corporate Responsibility



To celebrate **Women's Day**, **Capgemini Polska** organized a diversity webinar "Unconscious Bias: Be conscious of the unconscious". The speaker, Dr Anna Zaroda-Dąbrowska from Diversity Hub, explained the role of unconscious bias, stereotypical assumptions about particular people or social groups, and their unintentional positive or negative perception, also in terms of gender. Moreover, the company got involved in the #EachForEqual campaign.

The main goal of the **IT Girls rEvolution Academy** program developed by **Capgemini Polska** is to fight stereotypes regarding women in the IT business, spark the interest of female high school students and encourage them to further explore IT-related subjects during IT/technical studies. The program features workshops with the company employees across different IT areas.

The **Women@HPE Poland** group at **Hewlett Packard Enterprise Global Business Center** was established in 2013 and since then has been actively supporting female talents in becoming successful in their professional and private lives. 2020 marked the continuation of the initiative in an online format, featuring interactive sessions dedicated to building your own brand online and strengthening motivation and self-confidence.

The **Welcome2Wrocław** program by **Hewlett Packard Enterprise Global Business Center** was created in 2015 as a response to the need reported by the foreigners employed by the company. Currently, besides support in terms of relocation to a new city, it encompasses integration meetings, Polish classes for foreigners as well as information and educational sessions on safety or programs for foreigners available in the city.

Personal data security

9 in 10 companies have implemented a customer data security policy and other personal data security policies.



40%

of the companies know what to do in case of a breach of personal data protection regulations and leak of such data.



None of the surveyed companies declared a **purchase of personal data from entities** from outside of the EU or the US.

25% of the

companies only process their employees' data.

20%

of the companies search for contacts online on their own.



75% of the companies

transfer collected data to third parties – i.e. those about which data owners are not informed.

1/3 of technology companies

transferring personal data to other entities do not sign the relevant entrustment agreement.

1/3

of the companies **verify the recipient's documentation** prior to data transfer.

How do you regulate the rules of transferring personal data to third parties?

We sign relevant transfer agreements

68%

We apply internal procedures

50%

We inform the owners of personal data we want to transfer to other entities

42%

We verify the entities' security policy prior to data transfer

32%

We impose a disclosure obligation on entities to which we transfer data

29%

We conduct audits at entities to which we transfer data

24%

Does not apply – we do not transfer personal data to other entities

16%



Authors comment

In 2018, an intense campaign was executed to emphasize the necessity to adjust corporate solutions to the requirements of the general data protection directive. The enforced regulations and the resulting threat of high fines were noticed by all industries. As the study indicates, Polish technology companies managed to implement a number of formal solutions protecting their interests and the interests of people whose data they obtain. However, what is especially alarming is the very low awareness and readiness to react and proceed in emergency situations. The fact that 40% of technology companies do not know what to do in case of a data leak should be a red flag for the entire industry”.

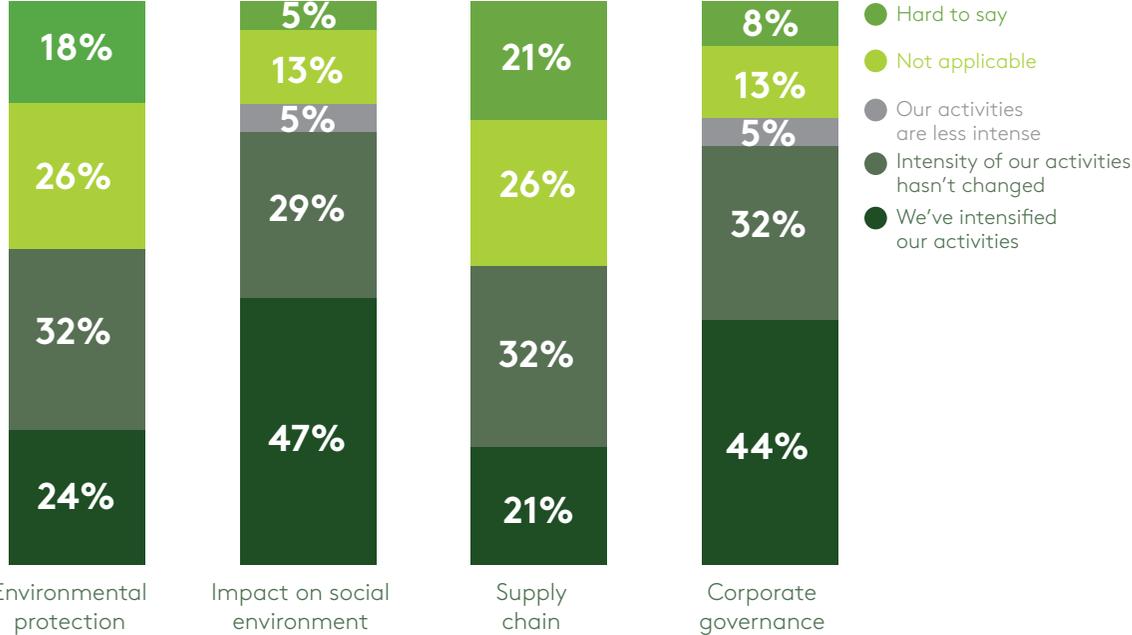
3

Future Perspectives

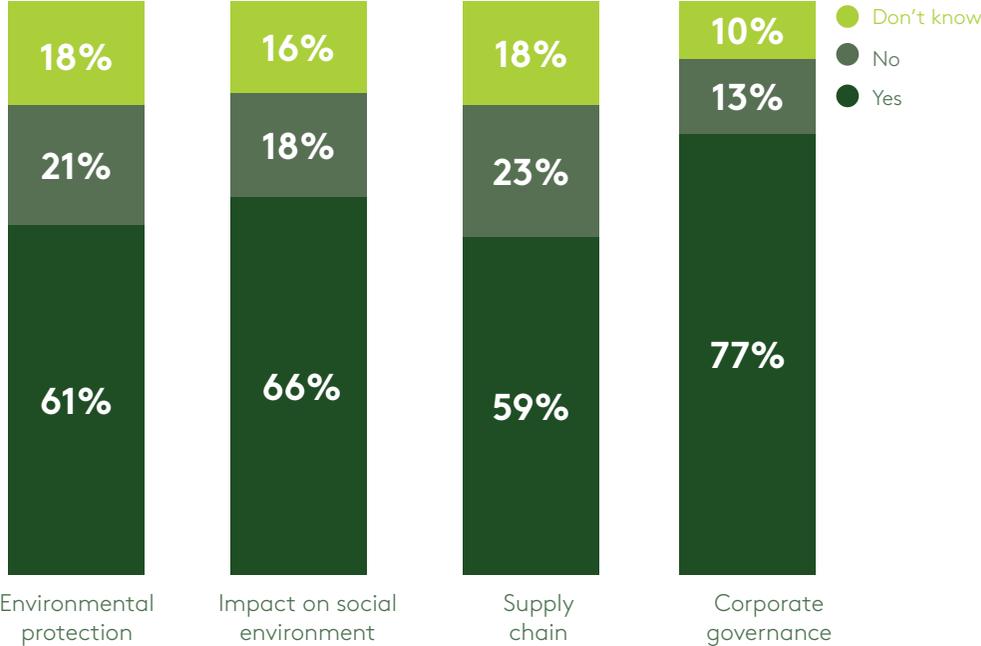
Most companies declare the development of an ESG strategy

The first pilot of the study on social responsibility in the IT sector was conducted at an extraordinary time, as our respondents had just survived 18 months of operating in a pandemic situation. Most of them have switched from office to work from home or hybrid work. They have been all struggling with numerous and rapidly changing regulations that impacted their scheduled work, travels, and everyday activities.

How do you evaluate the change in intensity of your activities within the scope of sustainability/CSR/ESG during the pandemic compared to pre-pandemic times?



Is your company planning to increase the number or scope of sustainability/CSR/ESG activities in the next years?



Authors comment



The pandemic and global need to digitalize many services have contributed to the fast development of the sector.

At the same time concerns about business stability have starting to grow; customers of IT companies have experienced the consequences of lockdowns and continue to struggle with the ripple effect related to the supply chain or inflation, which in turn impacts their expenditure and investment in software.

When it comes to sustainability, the pandemic did not cause a revolution. As indicated by the previous results, some environmental aspects are even easier to implement in the midst of events (e.g. the possibility to work remotely or reduce the use of paper). Furthermore, the companies did not declare that their activities were less intense in any of the specified areas (such situations were incidental). It seems clear, though, that many companies have significantly intensified the activities aimed at making a difference in their surroundings (e.g. in terms of pro bono, low bono or volunteering activity) and developed transparent procedures and policies, ethics standards and data security (corporate governance). It proves itself that this time accelerated pivoting changes. An awareness of sustainability and corporate social responsibility keep increasing, raising the sector's potential for a stronger social and internal impact.

Even though we are aware of the fact that our study has contributed to generate positive trigger when it comes to active mode in relation to sustainability

The declarations of company representatives in that respect are very pleasing, as they show potential and willingness to develop in the right direction".

7 steps to sustainable development – where to begin

1

Get interested in ESG, because ESG is already interested in your company. ESG is a new, hard business reality – it is not just a temporary whim of politicians, craze for social organizations or fantasy of ecologists. Take it seriously.

The quality of your activity aimed at generating revenue is as important as the profit itself. Soon, low quality of generating revenue will not be possible.

The UE regulations and policies enforced in most countries around the world will make non-compliance with high environmental standards unprofitable.

The social impact of your company is thoroughly checked by potential investors. The emphasis on governance matters will continue to increase. Terms such as SROI (Social Return On Investment) are not just empty slogans anymore.



2

An ESG strategy is not rocket science. You can understand it and enjoy it. There are countless sources of knowledge.

The internet is a sea of credible and reliable information on possible sustainability strategies. Browsing through proven case studies, you can review how other companies approach that topic. Become acquainted with issues related to renewable energy, net zero and emissions, sustainable finances and sustainable carbon footprint.

Take advantage of webinars, articles in governance magazines, training programs, cyclical thematic meetings organized by investment funds, reports (e.g. those published by the Responsible Business Forum in Poland), consultations, and even studies.

Trust people and find sustainability enthusiasts within your organization, who will gladly take over all directional activities, or get an expert opinion from external ESG specialists.

3

Find sustainable projects

Sustainability ensures new products and challenges for the technology industry and new project opportunities for your company. Clean-Tech, Med-tech, Eco-AI, Prop-Tech are only a few examples of innovative concepts needed by the world (and customers).



5

Aim for the future

Sustainability means daily choices. Discover your strengths, identify priorities, and remember that you do not have to explore all the areas right away. Every organization is different, and especially in the case of SMEs, initially, it is better to focus on one area – e.g. saving resources and reducing negative impact on the environment. Find or appoint a coordinator for the organization – preferably someone who is already interested in the subject and will successfully inspire others. Find some time for that person and support them in expanding their knowledge.

4

Discover what you have (and what you are missing)

Check which ESG elements have already been implemented at your company. Explore the achievable metrics and verify the knowledge capital represented by your team. Many organizations do more than they are aware of. Consider a professional external audit conducted by respected consultants.

6

Choose a framework

If your company falls under the reporting obligation or you consider obtaining financing, it is a good idea to align your sustainability activity with a current, widely recognized standard. Unfortunately, there are many of those on the market – from the Sustainable Development Goals (SDGs) and UN Global Compact, through Global Reporting Initiative (GRI), Task Force for Climate Related Disclosures (TCFD), CDP, SASB, IIRC, to DJSI and SECR. There is a good reason why they are called the “ESG Alphabet Soup”. On top of that, there are various ratings and certifications. Each of them has its own characteristics and emphasizes different aspects, aiming to meet the needs of particular stakeholders. However, implementation of reporting not only ensures the transparency of executed activities, but also supports decision-making processes at every management level.

7

Build partnerships

Do not try to reinvent the wheel. Partnerships across the supply chain, participation in industry organizations, cooperation with non-governmental organizations – we all have a goal, and it is easier to achieve it together. Use the know-how available on the market. For example – if you are considering competence volunteering – you can start working with Tech To The Rescue. If you want to reduce your negative environmental impact – think about joining the Climate Leadership program.

The cherry on top - Communication



How to communicate ESG?

Where to look for the key to building trust?

Sustainable development has become a topic that every company should explore. Considering the growing interest of consumers, customers, partners, stakeholders and the media as well as local and international regulations, sooner or later all companies will have to present their specific sustainability goals and their execution, at least by publishing an ESG (Environmental, Social and Governance) report. So why waste any time?

Building trust

As much as such a report is an expression of a company's transparency towards its surroundings, it can often be pretty incomprehensible for the reader. As it is hidden somewhere on a corporate website, its key message does not reach the recipients, with whom the respective company is building relationships on a day-to-day basis, even though quite frequently it reflects the company's mission or long-term strategy. It is a good way to build trust in our brand, which can translate into many positive aspects and accelerate growth. Therefore, it is worth spending some time developing clear communication and convincing narration around our strategy and report.

Be credible

It is essential to choose one particular theme – preferably a topic in which the company is most credible and considered as an expert. Sustainability oriented strategies and communication are integral part of company canvas. For example, if a company decides to explore the environmental aspects, it should be consistent with its statements and activities. It has to be as close to its business models and of key importance for the relevant reduction of its negative impact.

Base on facts and act.

In order to avoid echo effect, it is necessary to analyze who are the recipients of our communication. The good etiquette of language with a definition of recipients objectives allow us to sound authentic. Obviously, it refers not only to the linguistic and visual aspects of the strategy or/and ESG report but, most importantly, to the understandable facts. If some activities are currently only being planned, it is necessary to specify short-term goals and ways in which we intend to achieve them. The worst thing we can do is to promise something and let it sink in the ocean.

Ensure broad communication

When we have a well-developed substantive and graphic layer, it is a good idea to ensure broad multi-channel communication and address our message to various stakeholder groups – from employees, through partners, to customers. The information we share should be easily available across different channels and thus verifiable, e.g. featured on the website or in the materials about our company. However, in this case, it is important to select effective reach tools and develop a long-term communication strategy.

And finally, the most important question. Are you ready for this?



Agata Zeman, Managing Director,
24/7Communication

4

About the Report

The report is based on the “**Polish technology companies in the face of global challenges**” study that explores the topic of sustainability at IT businesses in Poland. The data featured in the report were obtained via an online survey. The invitation to participate was sent to several hundred companies operating in the IT sector with Polish capital. Ultimately, 66 organizations took part in the study.

The survey included questions about the positive and negative social, environmental and economic impact of the participating companies. They were developed based on matters considered relevant for the technology sector by popular reporting systems and ratings applied by investors, among other entities. Due to the cross-sectional nature of the questions, the respondents were the representatives of the surveyed companies’ executive teams or people responsible for sustainability/CSR/ESG.

Besides collecting data necessary for the analysis, the study potentially contributed to the increase of awareness within [DT1] the areas in which the companies will grow sustainably. The survey might also have helped the respondents identify and systemize their ESG-related activities – which currently are essential for corporate customers, end users as well as financial institutions and regulatory bodies expanding the non-financial reporting obligation.

The study was conducted by INSPIRED Corporate Responsibility in cooperation with the following partners: InCredibles Inspirations, Tech To The Rescue, ITCorner, ASHOKA Polska, Imapp Consulting, Green Team – Wrocław University of Economics, 24/7 Communications and InvestVerte.

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INSPIRED | Corporate Responsibility Team: Marta Lesiewska (Founder & Consultant), Justyna Guzicz (Associate Consultant), Aleksandra Augustyniak (Specialist).

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INSPIRED | Corporate Responsibility – a boutique consulting company providing services in the area of development and implementation of sustainability and ESG strategies for businesses and investors, oriented at making investment portfolios and corporate values more attractive. An international group of experts from the fields of finance, innovation, management, communication, PR and marketing strategies who see sustainability as a great opportunity. We believe in taking small steps that lead to greater changes and support our customers in this global challenge.

Visit: <https://inspired.cr>

Incredibles Sebastian Kulczyk – InCredibles is a comprehensive mentoring and educational program for the most innovative Polish startups initiated by Sebastian Kulczyk in 2017. It is distinguished by its authorial concept of „tailor-made” workshops and individual consultations with mentors, potential clients, investors and recognized business practitioners.

Only the finalists of prestigious competitions organized by Rzeczpospolita (Eagles of Innovation), My Company Poland, European Tech and Start-up Days and European Economic Congress in Katowice (Start-up Challenge), University Business Incubator at Wrocław University of Economics (InQube), Eastern Business Accelerator (MeetUp Day) and Gdańsk Business Incubator (Starter) are invited to the program.

InCredibles is also a platform for projects and inspirations supporting the development of Polish startup ecosystem. For this purpose, in cooperation with content partners and media, InCredibles initiates and co-creates specialized reports, debates, publications and patronizes educational events dedicated to young Polish entrepreneurs, such as: MBA for Startups, Jutronauts and Firmament broadcasts on Radio 357.

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InvestVerte is a team of experts who combine the best knowledge in ESG portfolio management to create the best hybrid AI and machine learning tools. The company develops big data strategies, ensuring that the overall process is well controlled and challenged by a high-quality validation tools and robustness checks.

More info: <https://www.investverte.com/>

24/7Communication is one of the biggest agencies specializing in strategic consulting on PR communication. It has extensive communication competencies – from corporate and product PR, through CRS and ESG, Public Affairs and lobbying, to employer branding and internal and crisis communication. Every day, over 60 experts execute the most complex projects for customers representing sectors such as technology, pharmaceuticals, energy and industry, consumer goods and retail. In 2020, the agency was named “The Most Innovative PR Agency” in Poland by MMP, while in 2021, it received the main prize at a PR competition – Titanium Paper Clip and “Best PR Agency” title.

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Community partners:

Tech To The Rescue – a global platform bringing together technology companies and social organizations to execute pro bono projects aimed at solving the modern world's key problems.

More info: <https://www.techtotherescue.org/>

IT Corner is an association uniting the owners of technology companies based on the principles of trust, knowledge and experience exchange. Focusing on that idea, we bring together people who get personally involved in the life of our organization. We build relationships based on our values and share the invaluable experiences of company founders. We support the technology industry through numerous events we organize, we share our know-how and join forces in searching for innovative solutions.

Link: <https://itcorner.org.pl/pl/>

Ashoka Polska – a non-governmental organization with the mission to build a world where everyone can be a creator for the common good. Its operations are very consistent, address the local context and respond to the needs of the social innovation ecosystem. In Poland, Ashoka supports extraordinary and distinguished social innovators.

More info: <https://www.ashoka.org/pl-pl/country/poland>



Research partner:

Imapp consulting is a team of analysts with extensive experience in the field of public policy research, including sustainability support, who help companies out at every stage of planning, implementation and performance review.

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