



Let's go further



ESG Report 2021

Statutory report cf. Section 99a of the Danish Financial Statements Act for the financial year 2021.



www.eg.dk

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EG at a glimpse

Key Verticals



Healthcare



Business Services



Construction



Retail & Wholesale



Utility



Public sector



Industrials

43

Years of
Experience



Vision

We enable our customers to become industry leaders



Mission

We build market leading vertical software



Values

Customer focus
Deliver what we promise
Respect for each other



Strategy

We build market leading positions in our business units supported by a strong common operating model while we maintain diversity and empowerment in our business units.

1,600+
Employees &
Contractors

26,000+
Clients

600+

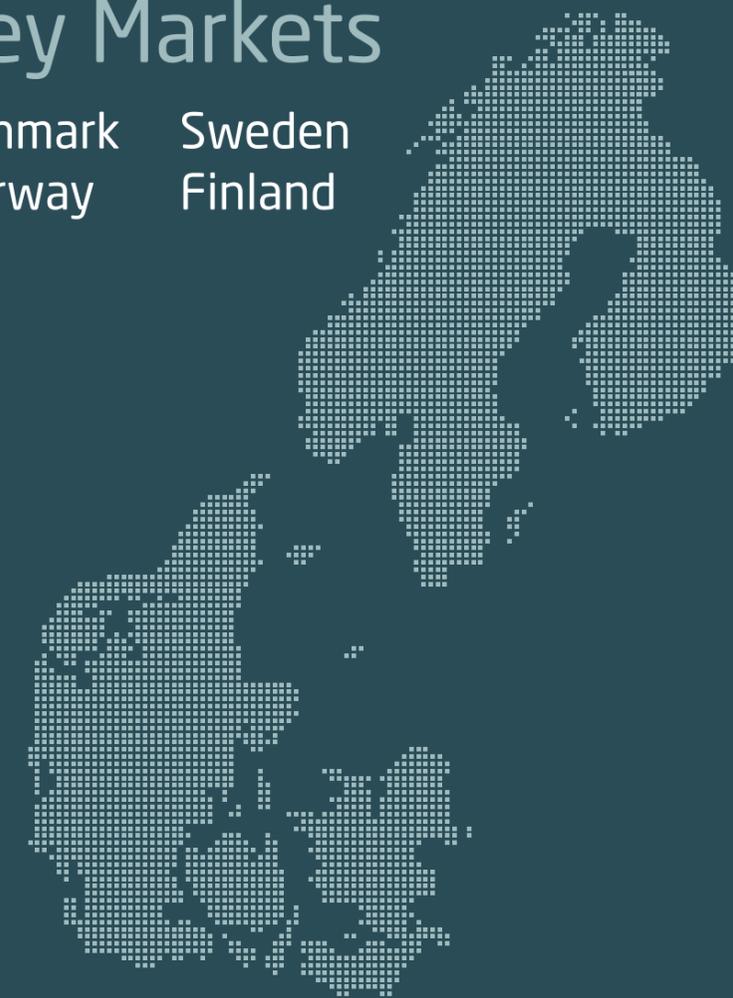
Employees & Contractors
dedicated to R&D

1,755
DKK million

Group Revenue
2021

Key Markets

Denmark Sweden
Norway Finland





■ CEO Mikkel Bardram

In this ESG Report we describe how we work with our corporate social responsibilities and share key figures to document progress on our strategic and material targets.

The CEO statement: Let's Go Further

As a leading Nordic vertical software company with both public and private customers we have a substantial impact on the world around us. Customers, employees, investors and society at large depend on EG to balance the interests of all stakeholders. We take our corporate responsibility seriously and it is integrated in the way we make decisions and do business.

EG has for the last five years been committed to the UN Global Compact and we have continuously been driving initiatives to ensure that we prioritize UN's sustainable development goals and are transparent about our progress. In 2021 we have taken our work a step further and widened our focus to include all aspects of environmental, social and governance impact in our initiatives and in this report.

We have analyzed our corporate social responsibility with special attention to the internal impact, the relational impact and the global impact of our activities.

Based on this assessment we have identified three strategic ESG objectives, that we pursue going forward. As a company, we want to be:

- A climate positive software company
- A diverse and unified world class working place
- An honest, trusted and accountable software company

We have identified the most material topics to meet each of the three objectives and we have initiatives and metrics in place to ensure progress. In this ESG report we describe our initiatives and metrics in more detail but let me highlight some of the most important achievements this year.

The biggest positive environmental impact we can have as a software company is to support our customers in achieving their climate ambitions. Our acquisition of EnerKey enables us to support our around 26,000 customers to reduce their impact on the climate. EnerKey is a sustainability and energy



management system (EMS) that enables customers to monitor energy consumption in buildings and gives recommendations for how to reduce energy and consequently GHG-emissions. EnerKey already has 1,500 customers primarily in Finland and our current focus is to roll out the application to our customers across the Nordics.

I am proud that we have seen an increase in employee engagement in 2021. The improvements come from more clarity around where we

are heading as a company and from targeted initiatives in teams where improvements could be made. We continue to have a female/male diversity which is substantially higher than the average in the tech industry. 34% of the employees in EG are female vs 26% in the Danish IT-industry according to IT-Branchen/ITB.

We make better decisions and innovate more when diverse backgrounds come together. It is a strength in EG that we have many nationalities and cultures, serving a diverse customer segment. It is one of our core values to respect each other and

With this report we also reaffirm our continuous support to the UN Global Compact and the principles of the 17 UN Sustainable Development Goals.

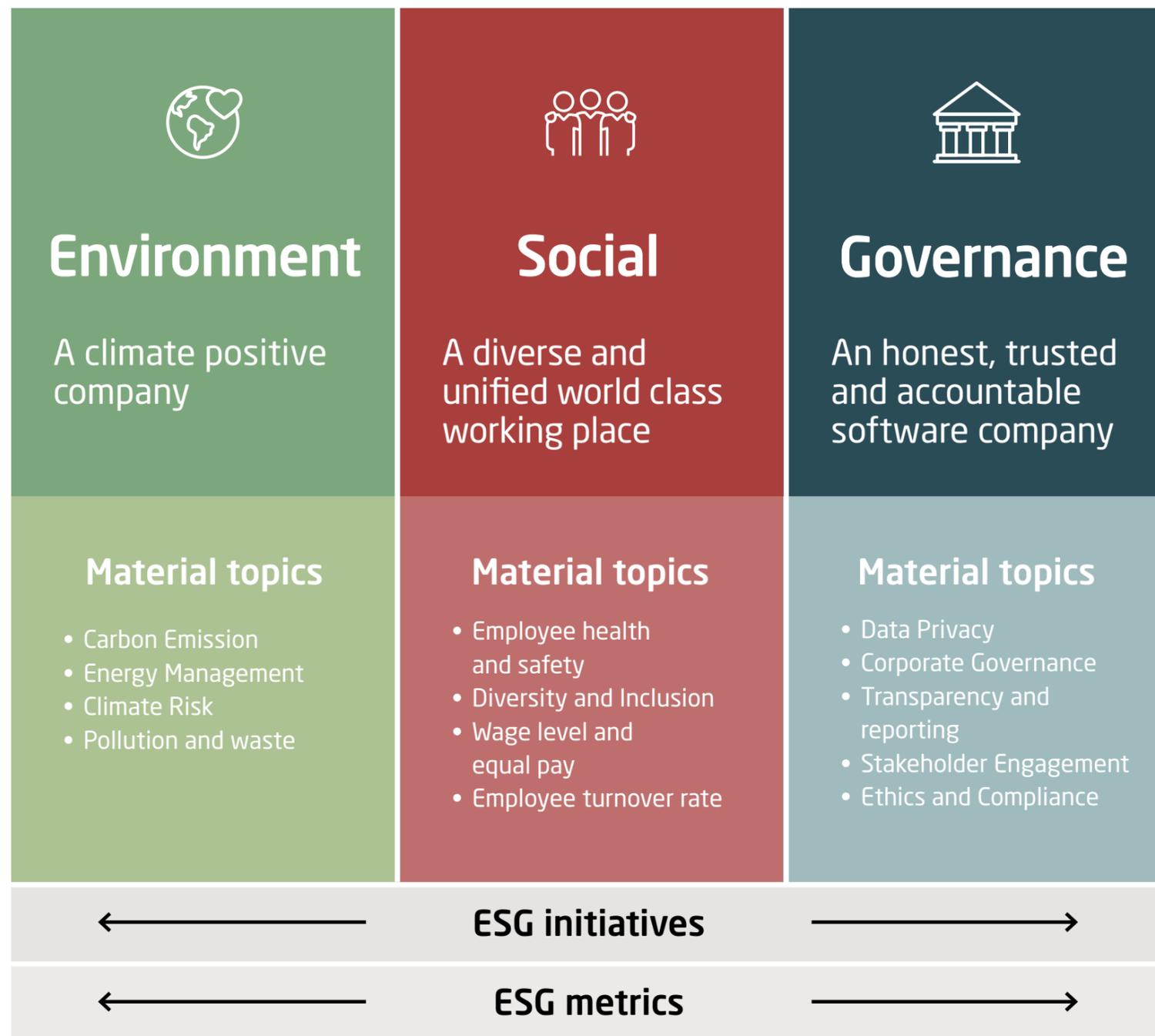
to honor diverse ways of thinking. This is how we continue to evolve as a company - we collaborate closely with each other to share our knowledge and best practices while we cherish and leave room for our differences.

In 2021, we have strengthened our governance with renewed and more simplified policies, and by adding specialist competences and upskilling employees on important cyber security and data protection topics. One of the first steps when we acquire companies is to ensure governance practices are

upgraded and aligned to ensure the integrity of the applications, we provide to our customers. Our ability to do this has quickly reached a new level in 2021.

In EG, we deliver what we commit to as a company. With this report we commit to making progress on the ESG initiatives and balance the interests of the stakeholders that depend on EG.

Mikkel Bardram
CEO, EG A/S



EG as a company

As a leading Nordic vertical software provider, EG develops and delivers proprietary software-as-a-service solutions (SaaS) and other services across seven key verticals and 16 sub-verticals.

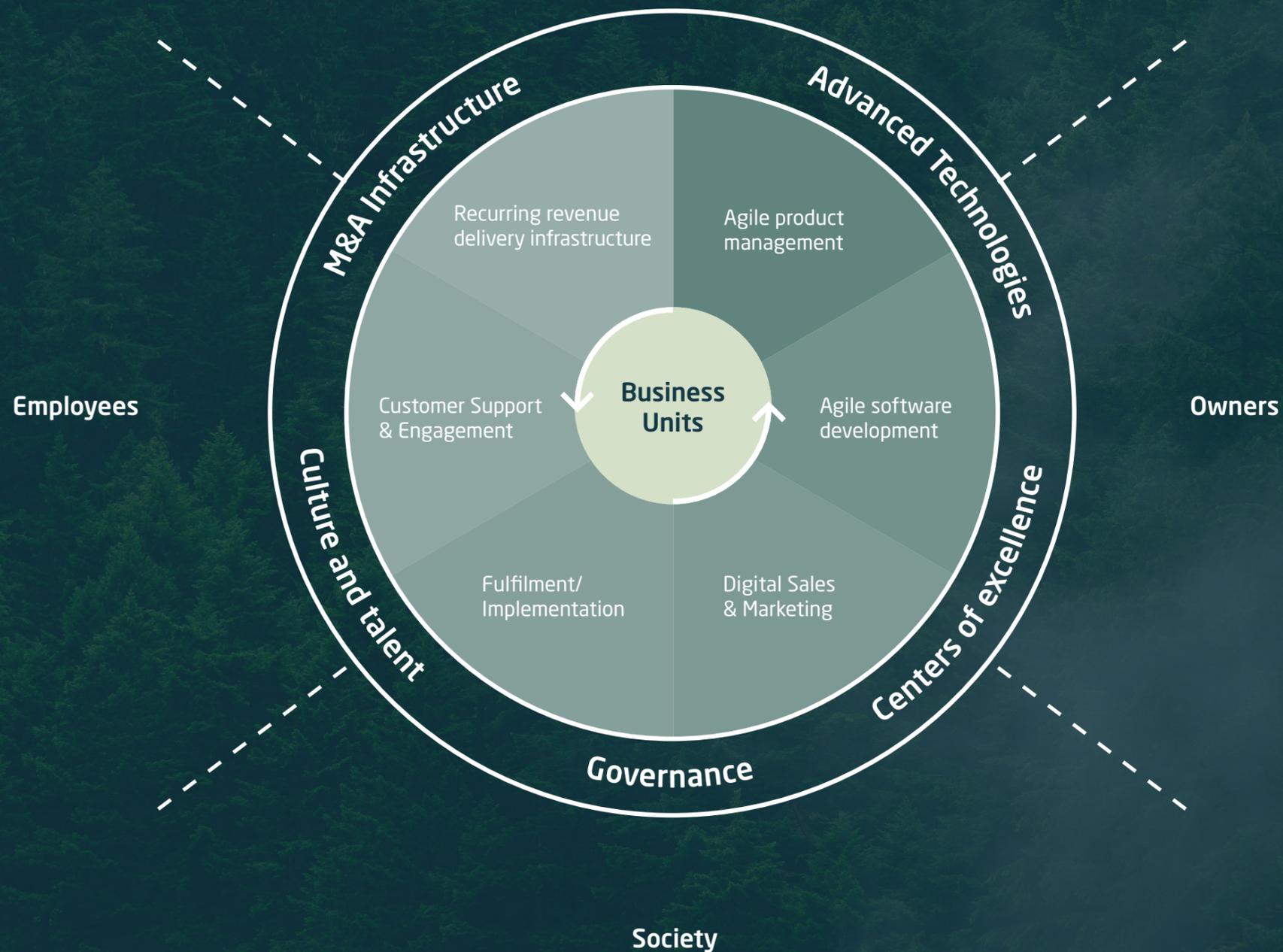
EG seeks to continue to build and strengthen its market leading positions in both new and existing vertical markets, through continuous product development and innovation, and by strategic acquisitions.

To be a trusted and accountable business partner, we engage with our stakeholders continuously improving our offerings and solutions to the benefit of customers, owners, vendors, employees, and society.

Since 2019, EG has implemented a common operating model.

The EG Operating Model provides a common way of working, based on a collaborative culture and group-wide tools, policies and processes, offering a central framework for each of EG's business units.

The EG Operating Model





Governance, policies, actions and metrics

In 2021, EG established an ESG Committee to oversee the ESG strategy and actions involved. The committee, which is chaired by the CEO, is accountable for monitoring the status and implementation of our ESG initiatives and has the mandate to make decisions related to the implementation of strategic ESG initiatives, controls and projects.

The EG ESG Committee regularly evaluate our ESG activities, based on changes to relevant laws, regulatory guidance and best practice. The committee also updates the Board of Directors on material ESG topics on an ongoing basis.

In EG we have policies and guidelines in place to help us and our stakeholders act in accordance with our values and regulations, and we track our performance on specific key metrics. This is to

ensure we integrate governance and corporate social responsibility across all our business units and borders.

To define our material sustainability topics, we in 2021 performed a materiality workshop and evaluated our business against SASB-standards for the industry category Software & IT Services. We have considered materiality by the potential impact for our stakeholders and the environment. We have also evaluated the potential impact of key sustainability topics and set targets on the metrics within each materiality area. The analysis has led to the reprioritization of our ESG initiatives described in this report.

In 2022, we will continue to develop our ESG program and all relevant actions.

Environment



We want to be a climate positive software company

The climate crisis is a major threat to both society and business. As a Nordic software company with both public and private customers, we have a significant role to play in the green transformation of our society.

Digitization of the world generates a demand for more electricity, and digital solutions have the power to reduce this demand, cut consumption, reduce waste of energy and optimize the working procedures in the private and public sector.

EG wants to be climate positive, and we aim to support our customers in enabling them to reduce their CO₂-footprint. EG has determined GHG emissions, energy management, climate risk and pollution and waste to be significant topics for our business.

Energy Management

Energy management constitutes a major potential for EG in positively impacting the environment together with our customers.

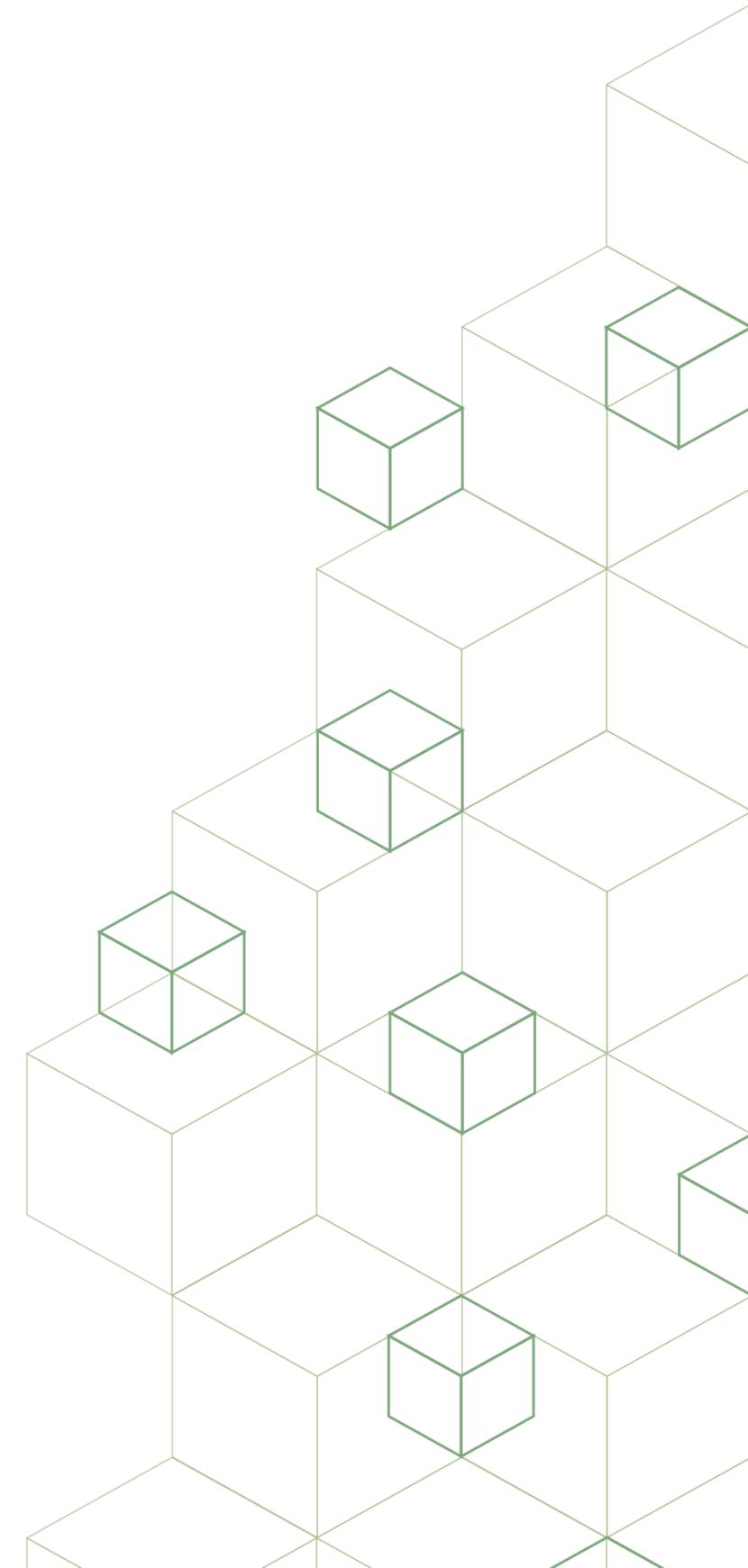
In 2021, we strengthened our position within energy management when acquiring EnerKey, which can support our customers in reducing energy consumption in buildings.

The potential in reducing energy consumption in buildings is significant. According to the International Environment Agency, buildings account for about 40% of total energy consumption and 36% of total GHG-emissions in the EU. Better real time data on actual consumption combined with AI-driven energy management planning will enable both the public and private sector to reduce both energy consumption and GHG-emissions from buildings substantially.

EG also has several internal initiatives to reduce energy usage and GHG emissions. EG buys energy from renewable sources for our major facilities in Denmark, in Aalborg, Aarhus, Ballerup, Ikast, Kolding and Odense. We have also implemented a green company car policy and made charging stations available at most of our facilities.

In addition, we have a strategy to outsource all internal hosting to third party datacenters. In 2021, we closed two main internal datacenters and outsourced the service to external service providers. Due to GDPR-regulations, we only outsource to datacenters within the EU.

In 2021, EG also joined the research project Energy certified DevOps'. The project includes the mapping, development and testing of methods, techniques and tools which can constitute a certification for energy-conscious software development methods and operation of applications. The project is a collaboration between EG and other Danish IT-companies with scientists from AUC, Aalborg University and RUC, Roskilde University, and DTU.



Environment: Material Topics

GHG reporting

2021 is the first year that EG calculates and reports on Scope 1 and 2 GHG emissions. From year 2022 and going forward, comparative figures of GHG emissions will according to plan

be built up in the report to monitor progress, including Scope 3 GHG emissions. The calculation in 2021 includes 71% of our employees and 70% of our square meters.



● Scope 1 31%
● Scope 2 69%



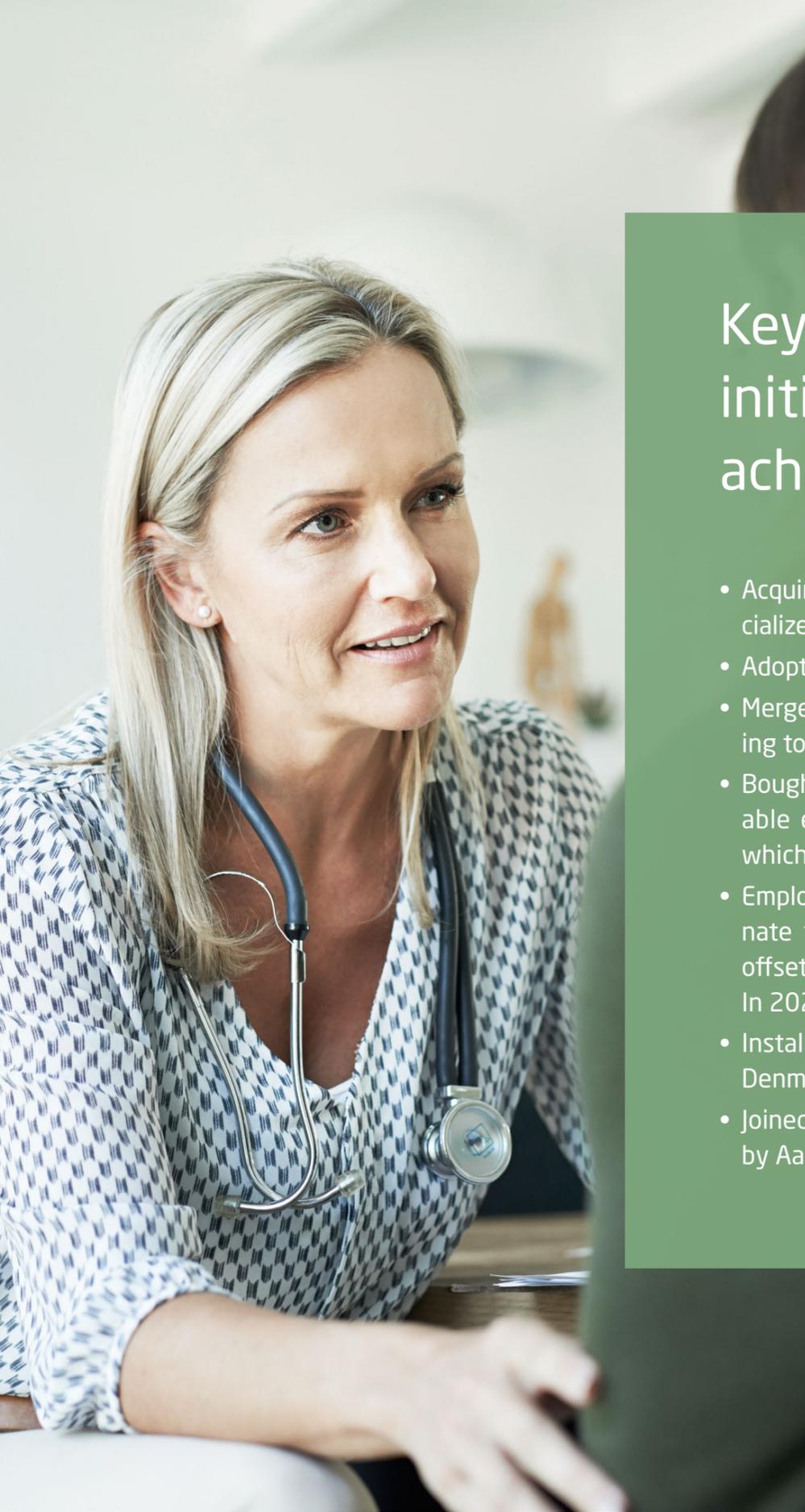
● Electricity 43%
● Heating 25%
● Conventional Vehicle 24%
● Stationary composition 7%
● Electric Vehicle 1%

Climate Risk

The EG ESG Committee regularly evaluate our environmental policy based on climate risk and changes to relevant laws, regulatory guidance and best practice. As a distributed software company with no physical production our main exposure is the risk of energy shortage. We do have facilities in areas in Spain and India with high water stress. However, water is not material to our operations in any of our locations.

Pollution and waste

In 2021, we adopted an environmental policy covering consumption, recycling, pollution and waste. We recycle when possible and dispose of waste according to national regulations. Waste, such as obsolete IT-equipment and mobile phones, paper and food are sorted according to national requirements and recycled or disposed of at approved recycle facilities. Hazardous chemicals and hazardous waste are labeled, stored and managed according to the authorities' instructions and disposed of at environmentally approved reception facilities. We ensure that all wastewater is treated in a public treatment plant according to national requirements. Our employees follow our environmental policy and reduce waste by recycling where possible, avoiding food waste and sorting waste for recycling.



Key environmental initiatives and achievements in 2021

- Acquired green tech company EG EnerKey, specialized in sustainability and energy management
- Adopted and implemented Environmental Policy
- Merged more data centers and outsourced hosting to high performing vendors
- Bought 1.100.000 kWh GHG-neutral and renewable energy for the locations in Denmark for which we are billed directly
- Employees are offered the opportunity to donate their Employee Christmas gift to climate offset in which case EG doubles the donations. In 2021 we offset 2,411 tons CO₂e.
- Installed charging stations at key locations in Denmark, including Aarhus and Ballerup.
- Joined the project "Energy certified DevOps" run by Aalborg University Center, AUC

In 2022 we will focus on

Action



Calculating our GHG emissions for Scope 1 and 2 for more entities and for Scope 3



Purpose

Develop plan for further GHG reductions



Target

<0 GHG emissions by 2030

Key Environmental Metrics

Metric	Target	2021	2020	2019
 Total energy consumption *)	-	3.349 MWh	-	-
Share of renewable energy within electricity consumption **)	-	49%	-	-
CO ₂ e emissions Scope 1 **)	-	184 tons CO ₂ e	-	-
CO ₂ e emissions Scope 1 per FTE	-	0,155 tons CO ₂ e/FTE	-	-
CO ₂ e emissions Scope 2 - local based ****)	-	298 tons CO ₂ e	-	-
CO ₂ e emissions Scope 2 per FTE - local based	-	0,251 tons CO ₂ e/FTE	-	-
CO ₂ e emissions Scope 2 - market based *****)	-	402 tons CO ₂ e	-	-
CO ₂ e emissions Scope 2 per FTE -market based	-	0,339 tons CO ₂ e/FTE	-	-
Does your company follow a formal Environmental Policy	Yes	Yes	No	No
Does your company follow specific waste, water, energy, and/or recycling polices	Yes	Yes	No	No
Does your Senior Management Team oversee and/or manage climate-related risks?	Yes	Yes	Yes	Yes

*) **Total Energy Consumption:** Energy consumption associated with fuels and electricity consumption of vehicles, natural gas consumption, electricity and district heating consumption at EG locations in Denmark, Sweden, Norway and Poland. Wherever relevant, the consumption is converted to kWh by using conversion factor from BP Statistical Review of World Energy. Note that the energy consumption in vehicles covers 80% of EG vehicles, and the energy consumption in office buildings only covers the ones that are occupied by 71% of FTEs and 70% of our square meters.

***) **Share of renewable energy:** The share of renewable energy within the electricity consumption at EG locations in Denmark, Sweden, Norway and Poland, including electricity consumption in office buildings and electric vehicles. At the locations where EG does not own or lease the whole office buildings, the electricity consumption is estimated according to the fraction of surface area that is owned or leased by EG. For one location, annual electricity consumption data in 2020 is used as estimation. Renewable energy is obtained via energy attribute certificates and direct contracts for renewable energy purchase. Note that electricity consumption only covers office buildings that are occupied by 71% of FTEs. This share of renewable energy represents the fraction of renewable energy within the electricity consumption in scope

****) **Scope 1:** GHG emissions associated with combustion of fuels in vehicles that are owned or leased by EG Denmark and EG Sweden, and with combustion of natural gas at EG office buildings in Denmark. GHG emissions from combustion of fuels in vehicles is calculated based on the annual driven distance per vehicle, and the corresponding GHG emission factors (CO₂e/km) published by the transport authorities or obtained from a leasing company. GHG emissions from combustion of natural gas are calculated based on the annual consumption of natural gas and the latest GHG emission factor published by DEFRA. At the locations where EG does not own or lease the whole office building, the consumption is estimated according to the surface area that is owned or leased by EG. For one location, annual consumption data in 2020 is used as estimation.

*****) **Scope 2 local based:** GHG emissions associated with the purchased electricity and district heating consumed at most EG office buildings in Denmark, Sweden, Norway and Poland, and electricity consumed in vehicles that are owned or leased by EG Denmark and EG Sweden, calculated using location-based approach. It is calculated based on the annual consumption of electricity and district heating and the average grid GHG emissions factors published by local grid owner or International Energy Agency (IEA). At the locations where EG does not own or lease the whole office buildings, the consumption is estimated according to the fraction of surface area that is owned or leased by EG. Note that the GHG emissions only cover office buildings that are occupied by 71% of FTEs, and 70% of total square meters available.

*****) **Scope 2 market based:** GHG emissions associated with the purchased electricity and district heating consumed at EG office buildings in Denmark, Sweden, Norway and Poland, calculated using market-based approach. It is calculated based on the annual consumption of electricity and district heating, the GHG emissions factors from suppliers, and the residue mix published by local grid owners or European residual mix. At the locations where EG does not own or lease the whole office building, the consumption is estimated according to the fraction of surface area that is owned or leased by EG. Note that the GHG emissions only cover office buildings that are occupied by 71% of FTEs, and 70% of total square meters available.

Case study

Energy management and CO₂-reduction with AI

The global climate threat has created a high demand for digital solutions, enabling companies and organizations to monitor actual consumption data on energy, fuel and other utilities to reduce carbon emissions.

To meet this demand, EG acquired the greentech company EnerKey in 2021. The company is one of the market leading providers of Sustainability and Energy Management Systems, (SEMS) in Finland. The company is specialized in assisting customers in monitoring energy and utilities consumption to increase focus on sustainability and reduce costs and carbon footprint.

The EG EnerKey solution helps organisations identify emissions and energy saving potential automatically with the use of AI and machine learning.

“Companies and organisations all search for ways to take positive climate action and comply with the forthcoming EU-regulation on non-financial disclosure, such as reporting on data on consumption of power, water and other utilities. We want to support our customers in implementing their

climate action plans and report on their status,” says CEO, Mikkel Bardram, EG.

Today EG EnerKey serves 1,500+ customers, including 59 of the Top 100 corporates in Finland, such as utility companies, large retail-chains and public sector companies.

An example of EG EnerKey’s customers is leading Finnish retail group Kesko, who has been elected the most sustainable retail player in the world for seven consecutive years.

“Long cooperation with EnerKey has generated annual saving of five million euros, says Matti Kalervo, director of Corporate Responsibility, Kesko PLC.

Read more about EnerKey → <https://www.enerkey.com/en/>



All we need
is less

A woman with her hair in a bun, wearing a red and blue plaid shirt, is leaning over a brown laptop, smiling. In the background, a man with glasses and a red shirt is smiling. The scene is set in a modern office or workspace with a white desk, a smartphone, and sticky notes.

Social

We want to be a diverse and unified world class working place

EG wants to be a diverse and unified world class working place, and we offer our employees an attractive, safe and healthy working environment.

We are a diverse organisation with locations across 8 countries, serving 16 sub vertical markets and with significantly more females in our workforce compared to peers in the market. Our objective is to leverage this diversity to develop our company and our offerings to the customers. We also remain focused on employee well-being and satisfaction, and again in 2021 we improved the Employee Engagement score.

We have a dedicated HR Organization ensuring, that we follow all national and international laws and agreements and execute on activities designed to attract and retain the right employees.

Employee health and safety, diversity and inclusion, wage level and equal pay as well as employee turnover rate are significant to our business.



Social: Material Topics

Employee turnover rate

EG employees are skilled and experienced with an average age of 44 and average tenure of 8 years. In a highly competitive market, we are satisfied with a voluntary employee turnover rate of 12% even though we continuously try to improve our working place conditions to retain and attract the right people with the right skills and mindset.

Employee health and safety

Healthy and safe work conditions are both a human right and a prerequisite for running a productive, effective, and attractive workplace with zero work related injuries and a minimum of sick leave.

EG supports and respects the protection of internationally proclaimed labor rights. We do not use child labor, forced or compulsory labor in any of the countries in which we operate.

We monitor the health and safety of our employees with mandatory work assessments and in our biannual Employee Engagement Survey. In 2021, the overall Employee Engagement score in EG Pulse improved to 7.7 from 7.6 in 2020 with an increase in the response rate to 83% from 77%. In 2021 we had five work related injuries, four of them related to minor physical injuries and one case related to stress.

Wage level and equal pay

We strive to have equal salary for each role at each job level. All our employees are offered the same benefit scheme and any potential salary raise within the annual salary review will be based on performance. However, salaries within EG may be individual and differentiated based on e.g. market factors and performance. A difference cannot be justified based on factors not related to performance and markets, such as gender. We track status and our statistics show no major pay gap, and minor issues are handled with specific interventions.

We comply with all national and international regulations regarding minimum wages and our wage level is equal to the wage level in all the countries we operate.

Diversity and inclusion

Diversity and inclusion are significant to the development of both the labor market and of our business. In EG, we believe that every person should have the same opportunities, and as a company we believe a diverse workforce is prerequisite for developing and deliver viable digital solutions for a diverse world.

We continue to strive for a female/male diversity balance substantially higher than the average in the Danish tech industry. 34% of the employees in EG are female compared to 26% in the Danish IT-industry, according to IT Brancheforeningen/ITB. 16% of top management and 30% of all our managers are women.

In 2021, we implemented succession planning to support our talent development. 55% of the participants in our EG Change Management training and 48% of the participants in EG's Nordic Leadership Training were women. In 2021, 20% of our corporate management team were women.



EG employees as volunteers

EG has a volunteer program, allowing all employees to take paid time off to volunteer during work hours, one day per year. In 2021 a number of employees chose to spend their volunteer days in quite different ways.

Preben Vindbjærg Nielsen volunteered to help Lions Club collect used glasses for Africa, Kari Voldsgaard Eybye was judge at the Regional Championships for Fonden for Entreprenørskab, where young people are competing on innovative ideas and Gitte Ganer worked for a day in second hand shop, raising money for Gadens Børn, that supports street children in India.

John, however, jumped on his bike and rode 2,200 km from EG Headquarter in Ballerup in Denmark to the mountain top Gran Sasso in Italy where he won the 8th stage of Giro d'Italia in 1989.

"Since stopping my sports career in 1991, I have not been part of the cycling world. However, cycling has kept me in shape, and I kept the dream of one day going to Italy and reliving the journey up Gran Sasso," says John Carlsen.

"When EG introduced the Volunteer Day for all employees, it inspired me to ask whether I could spend the day cycling and whether EG would support my idea of reconquering the mountain with a sponsorship if the tour also supported a good cause. Fortunately, EG came on board, explains John Carlsen, who joined forces with the charitable organisation, SMILfonden, which works to make everyday life for seriously ill children a little better.

The employees decide for themselves if when and where to volunteer.

Key social initiatives and achievements in 2021

- Adopted and implemented Health & Safety Policy
- Adopted and implemented Code of Conduct for employees
- Joined Klima-alliancen Aarhus, a Danish network focusing on recruitment and sustainability
- Reached 33% female employees with 30% managers being female
- Talent succession initiative implemented with focus on women
- Employee engagement score increased from 7,6 to 7,7
- Implemented the Volunteer Program, allowing employees to take paid time of to volunteer to support social, environmental or health objectives of their own choice during work hours

In 2022 we will focus on

Action



Implement succession planning

Integrate “inclusive mindset training” in leadership training

Reinforce EG Core Values

Purpose



Increase number of women in senior management

Build an even more inclusive culture

Increase employee engagement

Target



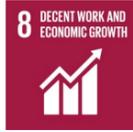
34% female leaders

An Employee Engagement Score of min. 7,8

Key Social Metrics

	Metric	Target	2021	2020	2019
5 GENDER EQUALITY 	Total share of positions held by men	66%	67%	65%	62%
	Total share of positions held by women	34%	33%	35%	38%
	Women on the board of Directors	2	1	1	0
	Women as share of top management	34%	16%	16%	14%
	Women as share of all managers	34%	30%	29%	30%
	Does your company follow a sexual harassment and/or non-discrimination policy?	Yes	Yes	No	No
8 DECENT WORK AND ECONOMIC GROWTH 	Voluntary leavers	-	189	82	192
	Involuntary leavers	-	88	113	71
	Leavers in total	-	277	195	263
	Voluntary turnover ratio	-	12%	7%	13%
	Employee turnover ratio	-	18%	17%	21%
	Number of human rights violation cases	0	0	0	0



Metric	Target	2021	2020	2019
 Work-related injuries (Group)	0	5	1	3
Does EG follow an occupational health and/or global health & safety policy	Yes	Yes	No	No
Does EG follow a child and/or forced labor policy?	Yes	Yes	Yes	Yes
Does the child and/or forced labor policy also cover business partners?	Yes	Yes	Yes	Yes
Does EG follow a human rights policy?	Yes	Yes	Yes	Yes
Does the human rights policy also cover business partners?	Yes	Yes	No	No
Employee Engagement score	7.8	7.7	7.6	7.4
Employee eNPS	35	33	27	16
 CEO pay ratio **	-	1:16	1:16	1:15

*) The target is to have at least two female board members in 2024.

***) CEO compensation divided by average total FTE compensation.



■ Tina Bodin

Case study

Flexibility a key to the modern workplace

In 2021, EG introduced a Working remotely policy providing our employees with a more flexible set-up for working outside our locations.

The policy 'Working remotely in EG' is focused on completing the tasks as effectively as possible - not where these tasks are conducted. The policy has no specific targets but offers guidelines on finding the right balance between working from home versus coming to the office.

"If it is best for our customers, EG and the team, that you come into the office for two days, then that is what you should do. If the tasks can just as well be done from home, then that is fine too," explains HR Director Tina Bodin.

Working from home is an essential element in the workplace of the future

The attitude towards working remotely has primarily been driven by the COVID-19 pandemic, during which most employees have worked from home. However, this is not the only reason for the attitude towards remote work at EG.

"We have assessed both advantages and disadvantages of increased remote work for quite a while, and it has been interesting to test in practice what our working remotely policy means for our ability to deliver the service and solutions which our customers expect," says Tina Bodin and continues:

"We have therefore decided to continue with our current setup, as the flexibility offered by working remotely is an essential element in the workplace of the future, which takes both our customers, EG, teams and the individual employee into account."



Read our working remotely policy
 → <https://global.eg.dk/siteassets/media/files/news/2020/guidelines-working-remotelyin-eg.pdf>

Governance

A photograph of a meeting in progress. In the foreground, a person's hands are visible, writing in a yellow notebook with a pen. The notebook is on a dark wooden table. To the left, another notebook is open. In the background, several other people are seated at the table, looking towards the left. The scene is brightly lit, suggesting a window or large light source. A dark blue semi-transparent box is overlaid on the left side of the image, containing the word "Governance" in white text.

We want to be an honest, trusted and accountable software company

EG wants to be an honest, trusted and accountable software company. We have long term customer relationships and deliver business critical applications to our customers. Protecting data from cyber criminals and any other unintended use or disclosure is an uncompromising priority to us.

We operate with integrity as a professional and accountable organization. We are committed to exercising good corporate governance and strive to comply with the corporate governance guide-lines issued by Active Owners Denmark.

EG has determined data privacy, corporate governance, transparency and reporting, stakeholder engagement, ethics and compliance to be significant to our business.



Governance: Material Topics

Transparency and reporting

All transactions of EG are duly recorded to permit preparation of transparent financial statements in compliance with generally accepted accounting principles and Human Rights. No false or misleading entries may be made in the books and records of EG for any reason, and no employee may engage in any arrangement that results in such a prohibited act.

Data Privacy

We process personal data about customers, potential customers and business partners in a variety of situations and we do that only on documented instruction from the data owner.

We protect data from criminal abuse and any other unintended use or disclosure in compliance with all international laws and regulation regarding data privacy and data security including the EU GDPR regulations. We have an internal GDPR Handbook, and training on GDPR is part of our awareness program. Like many other companies EG is continuously under attack from cyber criminals, mostly phishing attempts and we regularly run internal awareness test to prevent hackers to succeed.

Ethics and compliance

We believe in fair business conduct supported by quality products. During onboarding, all employees are informed of our policies, procedures and zero tolerance regarding corruption and bribery, and the subject is part of our awareness campaigns including tests and sign-off on updates on policies.

Our corporate social responsibility requirements and expectations to our employees and business partners are outlined in our code of conduct. The code of conduct is aligned with our UN Global Compact commitment and the universal human rights set out in the UN International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We have a continuous dialogue with our business partners to ensure they are familiar with and in compliance with our Code of Conduct.

The VP for EG Group Legal & Compliance serves as Group Ethical Officer, advising management and individual employees on both legal and ethical matters. Group Legal & Compliance manages any concerns raised regarding ethics in relation to business partners and EG employees.

EG also has a whistleblower scheme through which actual or potential breaches and critical concerns can be reported in confidence, serving as a prevention system and remedy of serious misconduct and illegalities.

In 2021, EG adopted a Data Ethics Policy, which act as the framework for EG's management of data from an ethical perspective, underlining that EG in addition to upholding high data security and privacy standards also applies high ethical standards to management and handling of data. Link to CSR-site → <https://global.eg.dk/about-eg/csr/>

Corporate Governance

We are highly focused on corporate governance, ensuring that EG, internally and externally, is governed according to applicable legislation.

EG has a two-tier governance structure consisting of the Board of Directors and the Executive Management. The two bodies are separate and have no overlapping members. The Board of Directors determines the overall strategy and acts as a sparring partner to the Executive Management, which is responsible for the operational management of the company. EG has established a Corporate Management consisting

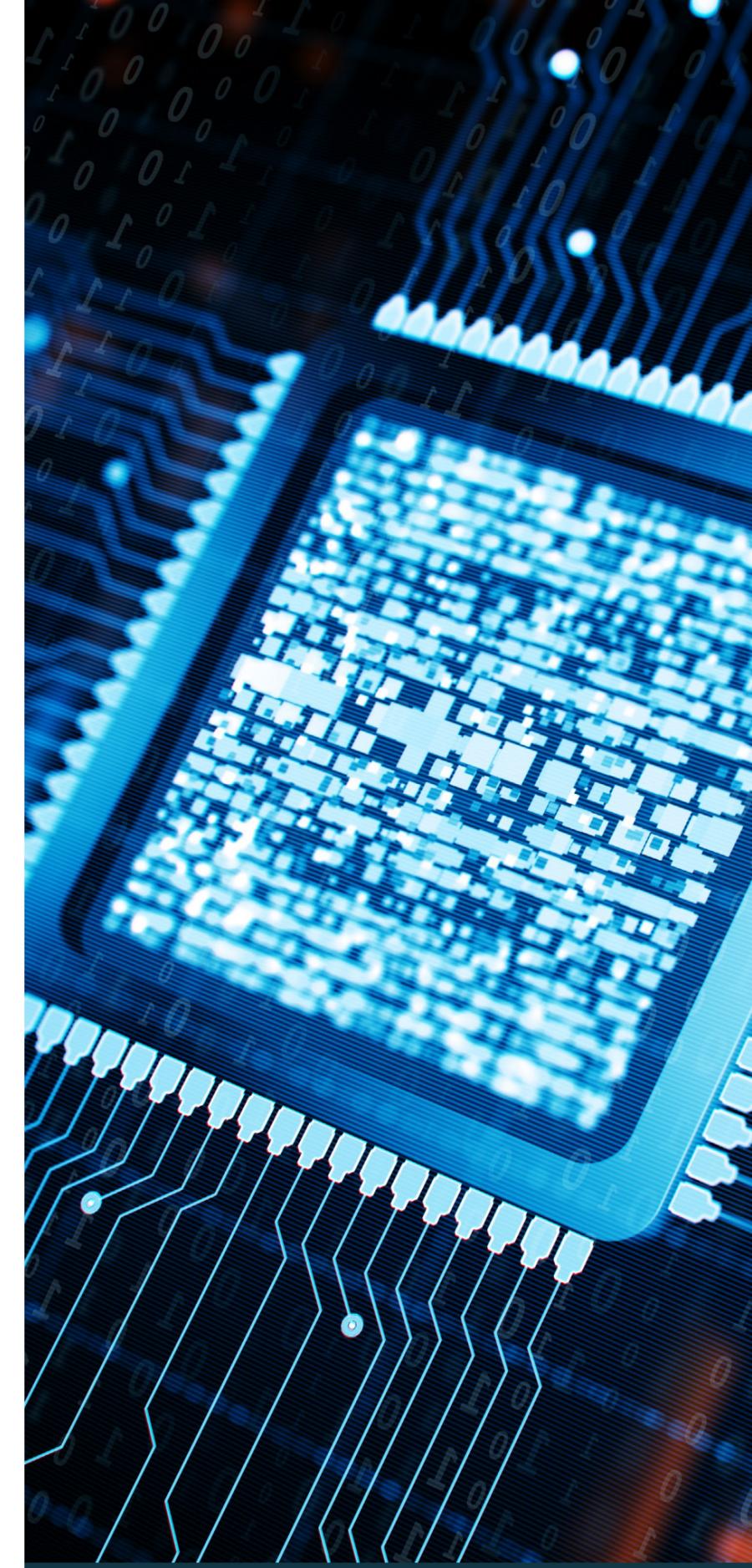
of 10 members, including the Executive Management. The Board of Directors consists of 6 members, and represents broad international business experience and competencies considered to be relevant for EG. 3 of the members were appointed by the principal shareholder Francisco Partners and 3 are regarded as independent.

In November, Klaus Holse was elected as new Chairman of the Board of Directors.

Read more about our corporate governance in our Annual Report.

Cyber Security

We constantly seek to improve our IT security setup to ensure that a high level of security is maintained at all times. We have invested in a central security team to provide overview of the IT systems landscape with a vulnerability scan system followed by a response team and plan which is able to respond to cyber-attacks. Further, we also conduct security scanning and assessments of the security systems of strategic vendors and acquisition targets. In 2021, we started the implementation of the security framework CIS to support all our business units to improve security. EG's security committee where corporate management is represented overlooks operational performance as well as prioritizing the security initiatives and daily work with cyber security and data security.



Human Rights

EG respects and supports the Universal Declaration of Human Rights. We make sure that we are not complicit in human rights abuse within our sphere of influence, and we operate our business in a transparent and trustworthy way.

In order to make our position clear we have incorporated our policy on Human Rights in our ESG Policy, Code of Conduct for Workers and Code of Conduct for Business Partners. Here we describe our expectations to our business partners aligned with our UN Global Compact commitment and the respect for the universal human rights set out in the UN International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

As we operate mainly in the Nordic countries which fundamentally enforce human rights, we do not see any significant risks regarding human rights in our activities or relation to our business partners. In 2021 we have not been complicit in human rights abuses in any forms.

In 2021 we updated our Code of Conduct for Business Partners and encouraged existing and most material business partners to sign our Code of Conduct and we inform new business partners about our policy as part of our vendor approval procedure.

Going forward we will continue the dialogue with our business partners to ensure they are familiar with and in compliance with our Code of Conduct.

Anti-Corruption and Bribery policy

As a major company with both public and private customers we want to be accountable, winning and delivering contracts fair and square. Unethical behavior and criminal behavior including bribery and corruption is damaging to both global and local business.

Thus, EG is committed to conducting business in a transparent, fair and honest manner in all the markets where we are present, and we have a zero tolerance for bribery and corruption. In 2021 we have not been involved in any cases regarding bribery or corruption.

In order to enforce a sound no-bribe culture we have specific procedure for Delegation of Authorities and an Anti-Corruption and Bribery Policy, reflecting our desire to maintain the

highest standards of the company's integrity and ethics in relation to the way in which we operate our business and among EG's employees. The policy also underlines employees must be aware that both giving and receiving gifts and hospitality can be used as a mean to promote corruption or perceived by others as corruption.

All employees are informed of our policies and procedures, when they are onboarded, and the subject is part of our ongoing awareness campaigns including tests and sign off on updates on policies in our Information Security System.

Read our Anti-Corruption and Bribery policy → <https://global.eg.dk/siteassets/media/files/about-eg/csr/anti-corruption-policy-eng.pdf>

Case study

Strong focus on security

The continuous battle against cyber criminals is a must win battle for EG as we are highly committed to protect and defend the data we handle and store as well as the integrity of our applications.

In EG we have an enterprise-wide cyber security program governed by our security committee and implemented by our central security team in close collaboration with security managers in each business unit", says CTO Allan Bech.

Security is a top priority not only for us but also for our customers, and we improve continuously our security practices to reinforce our defence against cyber threats.

"First, we do weekly vulnerability scans of our products and services which are publicly visible on the Internet. We do this because it's important for us to close potential security holes, which criminals could use to access our systems and data", says Allan Bech.

Secondly, EG use leading security services to monitor our cybersecurity performance and we also use it during acquisitions as part of our due diligence process to assess and reduce the security risks. Our employees are also a vital part of our line of defence, and we test and educate our employees so they can help recognize, avoid, and report potential threats that can compromise data and systems.

"Spam filters and other technical defence systems prevent many attacks, and we can see that our campaigns and security awareness training of our employees reinforce tight security and good behaviour in our organisation", says CTO Allan Bech.

In addition, we have implemented Critical Security Controls defined by the Industry-wide used CIS framework to strengthen our cyber defence to protect the company and our customers' data.



■ Allan Bech



We test and educate our employees so they can help recognize, avoid, and report potential threats that can compromise data and systems.

Key governance initiatives and achievements in 2021

- Adopted and implemented ESG Policy
- Adopted and implemented a Data Ethics Policy
- Adopted and implemented GDPR Handbook for employees
- Adopted and implemented Code of Conduct - business partners
- Implemented new Contract Management System
- Finalized updating of more than 22,000 data processing agreements
- Upscaled internal Group Legal & Compliance Office
- Reenforced focus on cyber security
- Implemented weekly vulnerability scans and the CIS framework

In 2022 we will focus on

Action



Conducting employee awareness campaigns focusing on cyber security

Aligning ESG reporting with regulations and standards

Purpose



Protect data and systems from cyber criminals

More standardized and transparent reporting

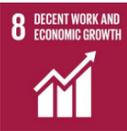
Target



No loss of data or harm on systems due to cyber attacks

Compliance with reporting requirements from EU and national regulations and adoption to UN Global reporting format

Key Governance Metrics

Metric	Target	2021	2020	2019	
 Total number of board seats	6	8	9	6	
	Board meetings annually	7	4	4	3
	Total board seats occupied by independents	50%	37,5%	43%	16%
 Board members: x-35 years	-	1	1	1	
	Board members: 36-50 years	-	2	2	4
	Board members: 51-70 years	-	5	6	1
	Board members: 71+ years	-	0	0	0



Metric	Target	2021	2020	2019
 Audit and Risk Committee (ACR) meetings	7	4	4	3
Nomination & Remuneration Committee (NRC) meetings	2	1	1	1
Employees dismissed due to non-compliance with anti-corruption policy	0	0	0	0
Are business partners required to follow a Code of Conduct?	Yes	Yes *)	No	No
Does EG follow an Ethics and/or Anti-Corruption policy?	Yes	Yes	Yes	Yes
Does EG follow a Data Privacy policy?	Yes	Yes	Yes	Yes
Has EG taken steps to comply with GDPR rules?	Yes	Yes	Yes	Yes
Does EG provide sustainability data to sustainability reporting frameworks?	Yes	Yes	Yes	Yes
Does EG focus on specific UN Sustainable Development Goals (SDGs)?	Yes	Yes	Yes	Yes
Does EG set targets and report progress on the UN SDGs?	Yes	Yes	Yes	Yes

*) A total number of 62, corresponding to 98% of our top vendors have signed or been assessed to comply with our Code of Conduct for business partners.



■ Sune Albert



We acknowledge our obligation to think and rethink carefully every time we receive, collect, handle and store data.

Case study

Data Ethics and respect for data security

EG's solutions must equally benefit EG's customers and their end users.

EG's solutions must equally benefit EG's customers and their end users.

"In adopting the Data Ethics Policy, we underline our commitment to applying high ethical standards to the management and handling of data on top of our high data security and privacy standards. This is in alignment with the EG way of working," says Vice President Sune Albert, Group Legal & Compliance.

EG manages different types of business data and personal data on behalf of the data owners, being customers, business partners, end users or employees. To ensure all data is used for

a right and lawful purpose with respect for the individual, EG continuously addresses data ethics issues in both our design, innovation and business processes.

"It is our obligation to carefully consider all possible implications and consequences for our customers, as well as society every time we receive, collect, handle and store data. This we address by applying the mindset of privacy by design and privacy by default in both the design and development process of all EG's solutions," says Sune Albert.

Read more about on how we handle data in our Privacy Policy:
→ <https://global.eg.dk/about-eg/treatment-of-data/>

UN Global Compact

EG reaffirms its support of the ten principles of the United Nations Global Compact in the areas of human rights, labor, environment, and anti-corruption, and we acknowledge and respect the UN Global Goals for Sustainable Development.

We have assessed the most significant risks in relation to our activities, business relations, products, and services, and we see no significant risk that the company or its vendors have violated UN Global Compact principles.

We also commit to sharing this information with our customers, employees, vendors, and other stakeholders using our primary channels of communication.

With our activities we will contribute particularly to five UN SDGs: Gender equality (SDG 5), Decent work and economic growth (SDG 8), Reduced inequalities (SDG 10), Climate action (SDG 13) and Peace, justice, and strong institutions (SDG 16).

We contribute particularly to five UN SDGs



EG is a market leading vendor of industry-specific, standard software for private and public customers in the Nordics. EG's Software-as-a-Service offerings are developed by specialists with deep industry and domain knowledge, supporting business-critical and administrative processes. EG employs 1,500+ people primarily in the Nordics and in 2021, Group revenue was DKK 1,755 million.

Read more about our ESG initiatives at
→ <https://global.eg.dk/about-eg/csr/>