



Let's go further

ESG Report 2022

Statutory report cf. Section 99a, b and d
of the Danish Financial Statements Act
for the financial year 2022.



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EG at a glimpse

Key Verticals



Healthcare



Business Services



Utility



Public sector



Construction



Industrials



Retail & Wholesale



Real Estate

44

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.

1,900+
Employees &
Contractors

29,000+
Clients

Key Markets

Denmark Sweden
Norway Finland

700+

Employees & Contractors
dedicated to R&D

2,077
DKK million

Group Revenue
2022



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 is committed to the UN Global Compact, and we continuously drive initiatives to ensure that we prioritize the UN's sustainable development goals and are transparent about our progress.

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:

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 also 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.

This year EG has worked hard to reduce our energy consumption using our own technology and by utilizing a flexible working model. In some locations we have already seen significant energy reductions, reducing our overall CO₂-footprint. In order



■ CEO Mikkel Bardram



This year EG has worked hard to reduce our energy consumption using our own technology and by utilizing a flexible working model.



to reach these results, we have among other initiatives implemented our own Energy Management System, EG EnerKey / EG Omega, using sensor technology and artificial intelligence to assess where and when we need to turn energy consumption up and down in our facilities. Furthermore, we use our own software, EG Worksense to make sure we optimize the use of our facilities and can reduce space and energy consumption, where it is not needed.

With this report we commit to making progress on the ESG initiatives and balance the interests of the stakeholders that depend on EG.

We value our employees as one of our most important assets and I am happy that we have been able to maintain a high level of employee engagement in 2022. As a company we offer a safe and stable working place combined with a high degree of individual possibilities like working remotely, internal talent development and an informal and inclusive tone of voice. This is not a culture that generates itself. It is a culture that we tend to and nurse. We have in 2022 established a Global Diversity Committee by asking our employees if they want to join and

make sure that we handle and protect the data of our customers, our employees and EG as a company.

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

generate ideas on how to work even more with diversity and inclusion. The committee will support EG in addressing challenges in diversity and inclusion and discussing solutions to meet them. We have already got the first and valuable inputs and I look forward to working with the committee in 2023.

Within governance the key focus in 2022 has been "data security". The war in Ukraine and the threats to data security has been eminent and we have worked hard to upgrade all our security systems and procedures to



Environment

A climate positive company

Material topics

- Carbon Emission
- Energy Management
- Climate Risk
- Pollution and waste



Social

A diverse and unified world class working place

Material topics

- Employee health and safety
- Diversity and Inclusion
- Wage level and equal pay
- Employee turnover rate



Governance

An honest, trusted and accountable software company

Material topics

- Data Privacy
- Corporate Governance
- Transparency and reporting
- Stakeholder Engagement
- Ethics and Compliance



ESG initiatives



ESG metrics



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 eight key 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 trusted as an accountable business partner, we engage with our stakeholders continuously improving our offerings and solutions to the benefit of customers, owners, vendors, employees, and society.

In 2022, EG has progressed significantly on boarding acquired companies to our common operating model, onboarding 11 more acquired companies. 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 that adds value to EG's business units.

The EG Operating Model



Governance, policies, actions and metrics

EG's ESG Committee sets the targets and prioritizes the ESG-activities based on our materiality assessment and ensure that all the policies to back up the strategy are updated and in place along with the relevant key performance indicators.

The EG ESG Committee is a cross-functional senior management committee of EG, chaired by the CEO.

The Committee has in 2022 regularly evaluated the EG ESG activities, based on changes to relevant laws, regulatory guidance and best practice and they have been looking into new ESG activities and initiatives in EG for 2023. In addition, they have

been monitoring and discussing the EG's ESG management principles, process, controls, and main risks in 2022.

The EG ESG Committee has in 2022 diligently revisited, analyzed and evaluated our material sustainability topics which we maintain, and the committee is looking into setting new goals.

In 2023, we will continue to develop our ESG program and all relevant actions in compliance with all relevant laws and regulations.

The EG ESG Committee reports on initiatives, progress, and the material ESG topics to EG's Board of Directors.



Environment



We want to be a climate positive company

Once again, the international community in 2022 agreed that companies as well as private citizens need to act now if we want to reach the targets set in the Paris Agreement and reduce global warming.

As an accountable company EG has a long-term commitment to being climate positive, and we aim to support our customers by enabling them to reduce their CO₂ footprint through many of our software solutions.

The energy crisis has accelerated the need to reduce our own energy consumption and that has helped us to motivate EG's employees to make behavioral changes that reduce energy usage.

We have also seen a growing demand for our Energy Management Software which helps our customers act immediately to

optimize their energy consumption. Digitization is a central part of the solution to the energy crisis and our focus is to ensure that tools are made available for as many businesses as possible. The biggest positive environmental impact we can have as a software company is to support our customers in achieving their climate ambitions.

During 2022 we have also had a dialogue with our key suppliers including data center providers to pursue reporting on scope 3. Our conclusion is that it is still too early to share data on scope 3 due to lack of maturity in data standards and availability of data but we will continue to work with our key suppliers to establish a baseline for CO₂ emissions in scope 3.



Environmental Material Topics

EG has determined GHG emissions, energy management, climate risk, pollution and waste to be significant topics for our business.

In 2022 we have progressed well against our environmental targets. On at least three different areas we are moving in the right direction.

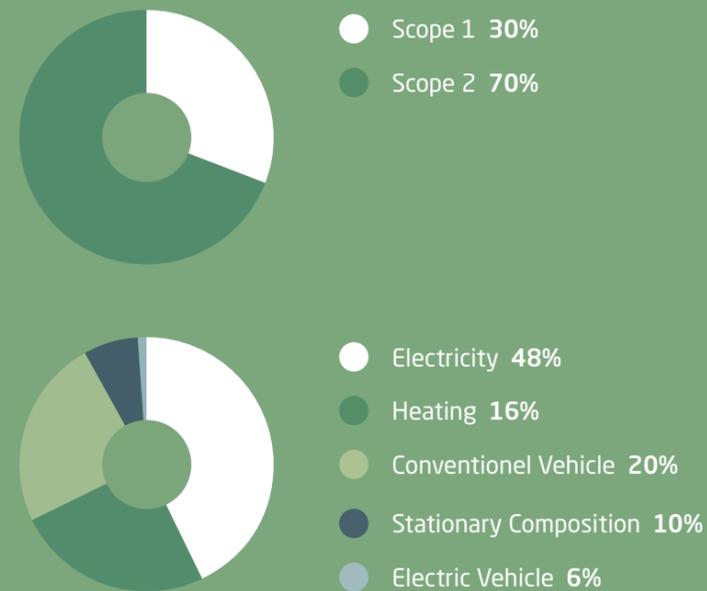
1. We have increased the share of renewable electricity from 49% to 62%.

2. We have reduced the CO₂ per FTE on both scope 1 and 2 and we have increased the scope we cover with our environmental reporting.

3. We have seen that the focus on our environmental initiatives and implementing our own Energy Management Software (EMS) has made a substantial and immediate difference to our energy consumption levels. We have seen reductions in our energy usage of 20-30% in the first couple of months we have been using the software in our facilities.

GHG reporting

2021 was the first year that EG calculated and reported on Scope 1 and 2 GHG emissions. This means that this is the first year with comparative figures of GHG emissions and we have extended our reporting and now it includes 84% of our employees and 85% of our square meters.



Climate Risk

The EG ESG Committee has evaluated 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

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 recycling 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 Metrics

Metric	Target	2022	restated ¹⁾ 2021	2021	2020
Total energy consumption ²⁾	-	4,531 MWh	4,645 MWh	3,349 MWh	-
Share of renewable energy within electricity consumption ³⁾	-	62%	41%	49%	-
CO ₂ e emissions Scope 1 ⁴⁾	-	207 tons CO ₂ e	228 tons CO ₂ e	184 tons CO ₂ e	-
CO ₂ e emissions Scope 1 per FTE	-	0.136 tons CO ₂ e/FTE	0.159 tons CO ₂ e/FTE	0.155 tons CO ₂ e/FTE	-
CO ₂ e emissions Scope 2 - local based ⁵⁾	-	301 tons CO ₂ e	340 tons CO ₂ e	298 tons CO ₂ e	-
CO ₂ e emissions Scope 2 per FTE - local based	-	0.198 tons CO ₂ e/FTE	0.238 tons CO ₂ e/FTE	0.251 tons CO ₂ e/FTE	-
CO ₂ e emissions Scope 2 - market based ⁶⁾	-	479 tons CO ₂ e	568 tons CO ₂ e	402 tons CO ₂ e	-
CO ₂ e emissions Scope 2 per FTE -market based	-	0.314 tons CO ₂ e/FTE	0.397 tons CO ₂ e/FTE	0.339 tons CO ₂ e/FTE	-
Does your company follow a formal Environmental Policy	Yes	Yes	Yes	Yes	No
Does your company follow specific waste, water, energy, and/or recycling polices	Yes	Yes	Yes	Yes	No
Does your Senior Management Team oversee and/or manage climate-related risks?	Yes	Yes	Yes	Yes	Yes
FTEs included in Co ₂ reporting / share of total FTEs		1524 / 84%	1430 / 94%	1188 / 71%	
M ² s included in Co ₂ reporting / share of total M ²		27,175 / 85%			



²⁾ **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.

³⁾ **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.

⁴⁾ **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.

⁵⁾ **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.

⁶⁾ **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.

¹⁾ Due to increase in scope of locations, for 2021 numbers are restated to ensure comparative numbers
Accounting policies for the Key Environmental Metrics not disclosed on the page see page 35.

Key environmental initiatives and achievements in 2022

In 2022 we:

- Acquired Vitani Energy Systems and Ørn Software to expand our portfolio within Energy and Sustainability Management and Facility Management
- Bought 994.928 kWh GHG-neutral and renewable energy for our facilities in Denmark for which we are billed directly
- Implemented our Energy and Sustainability Management System, EG Omega/EG Enerkey at our own facilities
- Implemented EG Worksense to allow employees to reserve desks, optimizing the use of office space
- Accelerated all plans for transforming current energy sources into greener solutions, including solar panels and heat pumps in all relevant office buildings
- Established several partnerships in order to share our knowledge and improve our solutions
- Won the Danish award, 'Energiforum Danmarks Innovationspris 2022' together with Fusebox.

In 2023 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

Case study

Software nudges construction industry to pick sustainable solutions

According to the UN Environment Organization, UNEP, the construction industry accounts for nearly 40% of total CO₂ emissions globally, making the construction industry one of the biggest contributors to the global warming.

Therefore, the Danish state has changed its building regulations, so all new buildings as of 1 January 2023 must document the climate impact (CO₂) by making a life cycle assessment (LCA).

On top of that, all buildings above 1,000 m² must document that the building emits less than 12kg of CO₂-equivalent gasses per m² per year. From 2025, these restrictions apply to all buildings, and the limit will be lowered.

These rules represent a huge challenge for the construction industry as each individual material has its own CO₂ footprint. To stay below a certain level of emissions throughout the life of the building, optimization must take place right from the design phase.

Thus, EG has developed easy-to-use LCA-calculators for the designers and estimators.

“In our calculation systems we already use 2D drawings and BIM 3D models for buildings. We convert it to activities and bill

of materials, after which we calculate cost of the building. We have done that digitally for more than 20 years in EG. Therefore, it was natural for us to add an LCA to the calculation process” says Magnus Therkildsen, Head of Development.

The LCA-calculation is done in four steps:

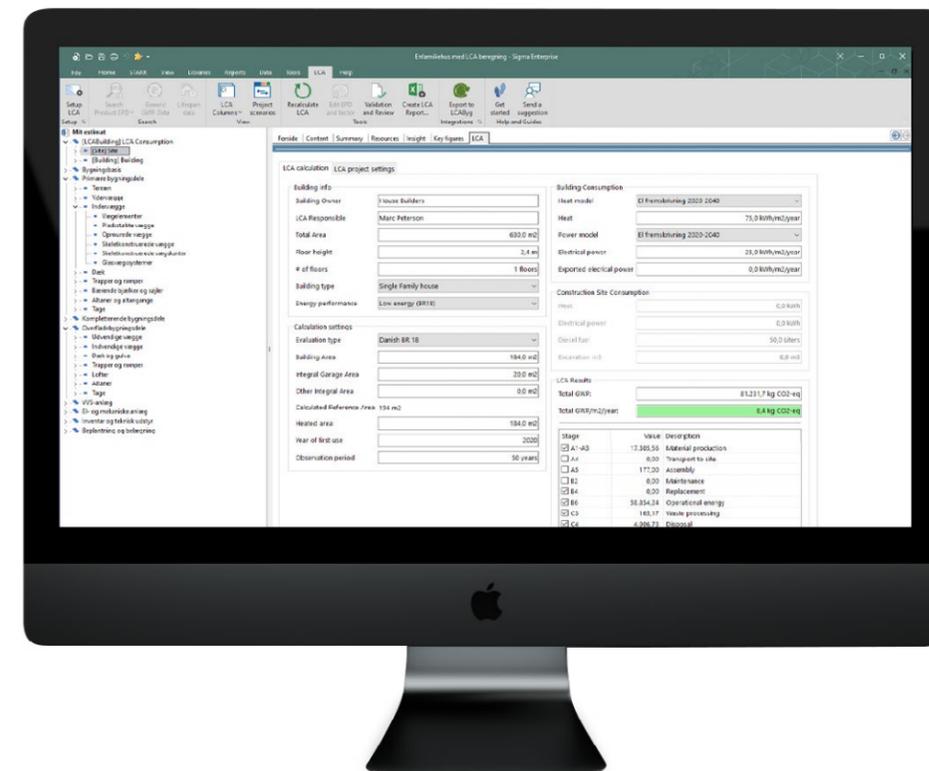
- 2D or 3D models of the building are broken down to material level
- CO₂ emission data is linked to each material using industry EPD’s. An Environmental Product Declaration (EPD) is a single, comprehensive report telling the life cycle story of a product. The EPD provides information about a product’s impact upon the environment, such as global warming potential, smog creation, ozone depletion and water pollution.
- LCA figures are summarized to check limit values
- Scenarios with alternative materials are calculated

“Our LCA calculators enables the designers and estimators to make the right choices and provides the building owners with the documentation they need. I’m certain this will push our customers and our customers’ customers to make even more environmentally sound choices and enable the growing industry of sustainable building materials. Choices that would otherwise be very difficult to make, but now requires minimal effort with our software to show the consequences of the various choices.

Thus, software and building data push to move behavior in a more sustainable direction,” says Magnus Therkildsen, Senior Manager, Development, and continues “We have developed the software together with clients, and they all express that the result is a very intuitive and easy solution.”

EG is a leading supplier of software for the construction industry in Denmark, Norway, and Finland with more than 10,000 customers, and 300 dedicated employees who only deal with the construction industry.

EG supplies software for the entire construction process from design to finished construction.



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 organization with locations across 8 countries 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 wellbeing and satisfaction, and again in 2022 we improved our Employee Engagement score.

We have a dedicated HR Organization ensuring that we follow all national and international laws and agreements and execute 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 45 and average tenure of 7,5 years. In a highly competitive market, we are satisfied with a voluntary employee turnover rate of 11% 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 Employee Engagement Survey, which takes place three times a year. In 2022, the overall Employee Engagement score in EG Pulse improved to 7.8 from 7.7 in 2021. In 2022 we had three (3) work related injuries, all three related to minor physical injuries.

Wage level and equal pay

We strive to have an equal salary for each role at each job level. All our employees are offered the same benefit scheme and any potential salary adjustment 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. In 2022 we have implemented an external salary benchmark tool to ensure fair and competitive salary in all roles and across genders.

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 delivering 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. 33% of the employees in EG are female compared to 26% in the Danish IT-industry, according to IT Brancheforeningen/ITB. 18% of top management and 31% of all our managers are women.

In 2022, EG have had an enhanced focus on Diversity and Inclusion and established a Global Diversity Committee who will support EG in addressing challenges in diversity and inclusion and discuss solutions to meet them. In EG's Nordic Leadership Training there is also an enhanced focus on Diversity and Inclusion, where our leaders gain more knowledge on inclusive leadership and how to better support a diverse team. In 2022, 38% of the participants in EG's Nordic Leadership Training were women.

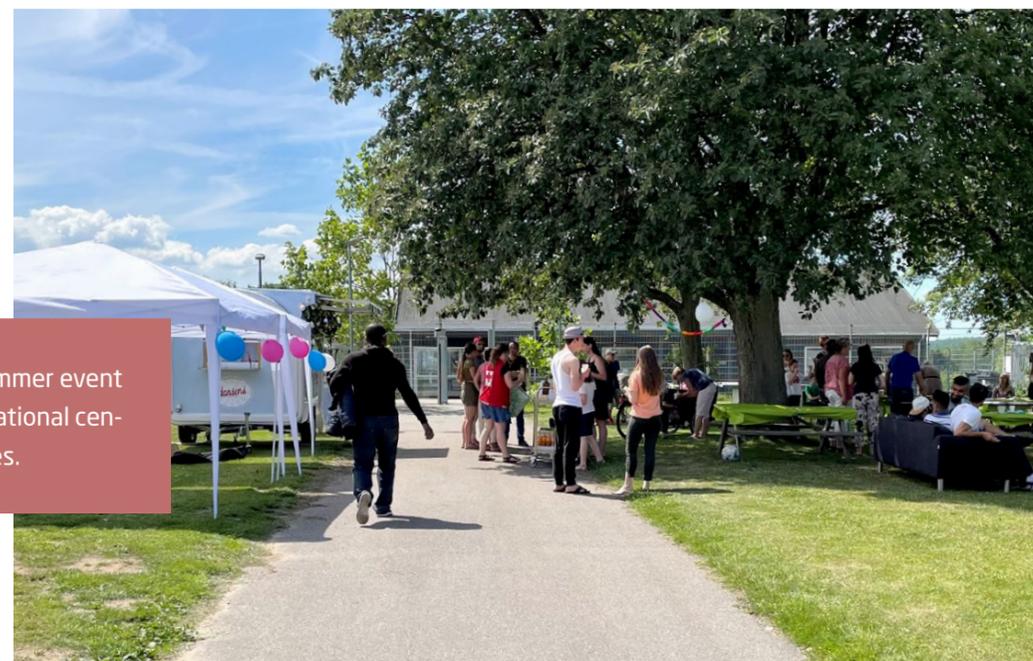
Case study

Volunteering means caring for others

EG has a volunteer program, allowing all employees to take paid time off to volunteer during work hours, one day per year. Here are some of the highlights from 2022 showing how employees chose to spend their volunteer days.



Izabella, Anna and Raimon spent a volunteer day at Fundacja dla szczeniat Judyta, a non-profit organisation, who helps puppies and disabled dogs. The foundation treats the dogs, prepares for adoption, and finds good, loving homes.



Esther helped at the summer event at Center Sjælsmark, a national centre for Ukrainian refugees.



17 employees from **EG Digital Welfare** worked collectively as volunteers at Sølund Festival, one of the largest music festivals in the world for mentally disabled citizens.



In Norway **Linn** spent a day at the Girl Tech Fest (GTF) in Oslo. GTF is an initiative targeted at girls in 5th grade, encouraging more girls to select science & technology as part of their education.

The **EG Marketing Team** spent a volunteer day with the Danish NGO Ventilen, that aims to prevent and battle loneliness among young people, creating an online member campaign.



Lena and Birgitte attended the Convention of Zonta, an NGO that focuses on improving women's rights and gender equality together with more than 1,300 delegates from all over the world.



Nina spent two afternoons at Frivilligcenter Århus, which offers free lunch every weekday to newly arrived refugees from Ukraine. The food is delivered as donations by various companies that want to help.

Key social initiatives and achievements in 2022

- Integrated a section around inclusive leadership in our Nordic Leadership training
- Increased awareness of EG Cores Values with an improved score from 7.7 to 8.0.
- Established a Global Diversity Committee
- Operationalised our Health & Safety Policy with additional offerings to support stress
- Improved communication and created easy access to offerings within Health & Safety
- Improved terms for maternity / paternity leave with focus on equal rights
- Reached 33% female employees with 31% managers being female
- Hired first female SVP
- Implemented Talent Succession planning as a part of our annual HR processes
- Employee engagement score increased from 7.7 to 7.8
- Increased use of our Volunteer Program which allow employees to take paid time off to volunteer to support social, environmental or health objectives of their own choice during work hours

In 2023 we will focus on



Action

Ensure diversity in successors for management positions
- integrate review in yearly Talent Review process

Continue to increase an inclusive mindset among leaders
- additional training and awareness campaign

Implement initiatives identified in Diversity Committee



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	2022	2021	2020	
5 GENDER EQUALITY 	Total share of positions held by men	66%	67%	67%	65%
	Total share of positions held by women	34%	33%	33%	35%
	Women on the board of Directors ¹⁾	2 ²⁾	1	1	1
	Women as share of top management	34%	18%	16%	16%
	Women as share of all managers	34%	31%	30%	29%
	Does your company follow a sexual harassment and/or non-discrimination policy?	Yes	Yes	Yes	No
8 DECENT WORK AND ECONOMIC GROWTH 	Voluntary leavers	-	199	189	82
	Involuntary leavers	-	93	88	113
	Leavers in total	-	292	277	195
	Voluntary turnover ratio	<12%	11%	12%	7%
	Employee turnover ratio	<17%	16%	18%	17%
	Number of human rights violation cases	0	0	0	0

²⁾ Board diversity target is communicated externally as a 2024 target.



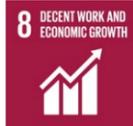
¹⁾ EG's Board currently comprises nine members, of which six members have been elected by the shareholders at the Annual General Meeting, and three by the employees. One shareholder-elected member is a woman.

Diversity is a key focus area for the Board of Directors. The Board of Directors annually discuss the company's activities to ensure relevant diversity in the company.

EG has in early 2022 established a Remuneration & Nomination Committee to assist the Board of Directors with e.g., the oversight of the composition of the Board of Directors. The committee will annually review the composition and competencies of the Board of Directors.

The shareholders did not consider it necessary to change the existing composition of the Board of Directors at the annual general assembly or at the extra general assemblies in the reporting year.

EG is on track with the goals that are set. EG will continue to implement actions to support the goals. As the defined target of two female board members are not met yet, the Board of Directors will stay committed to reach the target within the set deadline 2024.

Metric	Target	2022	2021	2020
 Work-related injuries (Group)	0	3	5	1
Does EG follow an occupational health and/or global health & safety policy?	Yes	Yes	Yes	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	Yes	No
Employee Engagement score	7.8	7.8	7.7	7.6
Employee eNPS	35	38	33	27
 CEO pay ratio ³⁾	-	1:9	1:16	1:16

³⁾ CEO compensation divided by average total FTE compensation.

Accounting policies for the Key Social Metrics see page 35.



■ Tina Bodin



In 2022, EG has established a Global Diversity Committee to strengthen our work with diversity.

Case study

Diversity is the key to valuable software

Software must be developed and delivered by people with an understanding of the customers and the diversity of the end users. That is why it is important to EG that the employees are as diverse as possible, regarding e.g., gender, age and nationality as the surrounding society.

To HR Director Tina Bodin it makes perfect sense to walk an extra mile to, for instance maintain a gender balance across the industry average as EG wants to be a diverse and unified working place.

“Diversity breeds diversity. In areas with more female managers and professional role models, we find more female employees in all positions, and this is important to us and the industry,” says Tina Bodin.

In 2022, EG has established a Global Diversity Committee to strengthen its work with diversity.

“We bring together engaged employees from across the organisation to discuss how to become an even more diverse company and how to ensure that we maintain an inclusive culture”, says Tina Bodin, Director HR in EG.

How to create attractive and diverse workplaces

- We make room for everyone and room for those who are different
- We endorse flexibility at work and in life
- We believe cooperation trumps individuality
- We create meaningful work



Read our Diversity & Non-Discrimination Policy
 → <https://eg.dk/siteassets/media/files/about-eg/csr/eg-diversity-and-non-discrimination-policy.pdf>

Case study

Meet four strong EG-professionals

Around the Nordic region, EG has more than 2,000 employees, 33% women, working with the ambition to make a difference for customers and society. Please, meet four of them.



Photo: Morten Bak

Senior Product Manager Kathrine Lindequist Beyer, Denmark

"I have a BA with a focus on Business Study & Performance design. I have now worked for 11 years in the IT industry but started in a digital advertising agency where we at some point chose to invest in welfare technology. That was my way into tech. What drives me today is the fact that together with my colleagues we create value for both social care professionals and citizens in regions, municipalities and private operators. We make it possible for them to work in the best possible way without compromising their professionalism.

In this way, they have more time for the individual citizen. At the same time, our solutions can contribute to making the citizens more self-reliant.

Photo: Henning Iversen



Product Owner Ida Storhagen, Norway

"I have always been interested in developing and improving processes that create value for customers and users. We must always provide correct data and ensure that the system the customer works with every day is updated and handled correctly.

I may be naive but while working for EG I have never thought of gender as being important. It is just great to have diversity in the company. Everyone is important - from system developers to consultants and others who may be more focused on our customers. First and foremost, it's about interests, not gender".

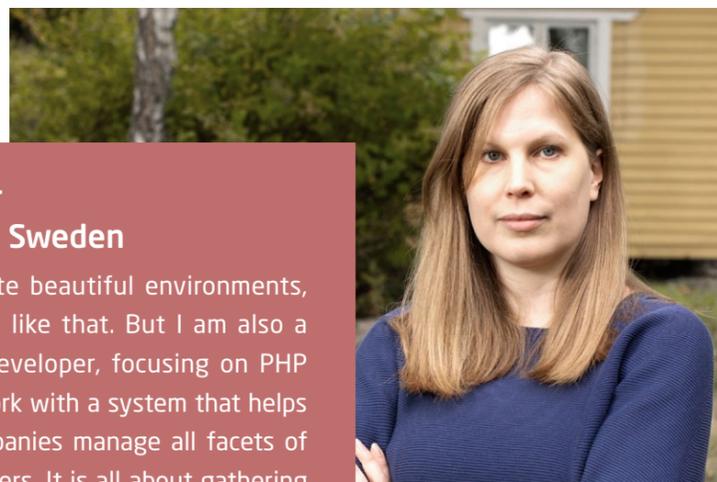


Photo: Anna Anderson

Software Developer Eleonore Bergquist, Sweden

"Basically, I love to create beautiful environments, plant flowers and things like that. But I am also a trained full stack web developer, focusing on PHP and JavaScript. At EG, I work with a system that helps Sweden's electricity companies manage all facets of their contact with customers. It is all about gathering information and making administration as efficient as possible through automation, so that customers' employees have time for other things, and end customers gain value and insight into their own consumption.

IT and software is always changing. There is always something new to learn, so it will never be a boring job for me. You have to think about things and solve problems - it's interesting."

Photo: Pasi Hakala



Director Eija Kestilä, Finland

"I work for EG because I want to work with product development and because I want to work with something meaningful. When we help our customers save energy and become more sustainable, this is a benefit for everyone, as it benefits the environment for both us and our children. This keeps up my motivation.

I started out as a developer, but quickly was given management responsibility. An important driver for me as a leader is to trust people and give them the tools, support and freedom they need to do their job."

Governance



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

In EG we perform our activities in a responsible manner, and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.

As a responsible company it is our duty to make a positive impact wherever we operate and comply with any applicable law, rule and regulation. We are also committed to exercise good corporate governance, and we strive to comply with the Corporate Governance Guidelines issued by Active Owners Denmark.

EG has implemented policies and guidelines for responsible business practices and sustainability, covering governance factors, to support the corporate strategies and reflected in the corporate goals to reinforce the efforts and deliver value to customers, business partners and the society.

EG has assessed that data privacy and security, corporate governance, transparency and reporting, stakeholder engagement, ethics and compliance are significant to our business.



Governance material topics

Anti-Corruption and Bribery policy

EG business is conducted in compliance with all applicable anti-corruption laws and regulations in jurisdictions in which EG operates or does business.

Our zero-tolerance policy regarding corruption, bribery, and facilitation payments continues to be our guiding principle in our efforts to prevent it from occurring.

EG has an Anti-Corruption and Bribery policy to support this, and it applies to all employees. The policy highlights that employees must be aware that both giving and receiving gifts and hospitality can be used as means to promote

corruption or be perceived to others as corruption.

EG has in 2022 not been involved in any cases regarding bribery or corruption and the overall corruption risk picture for EG still remains like previous years. We expect to have the same level of efforts regarding anti-corruption and bribery in 2023.

Our employees undergo training in anticorruption and bribery on a recurring basis facilitated by EG Group Legal and Compliance.

Find the Anti-Corruption and Bribery Policy [here](#).

Transparency and reporting

All transactions in EG are recorded to permit the preparation of transparent financial statements in conformity with national and international rules, regulations, and generally accepted accounting principles.

No false or misleading entries may be made in the books and records of EG for any reason, and no employee is permitted to engage in any arrangement that results in such a prohibited act. EG has in 2022 adopted and implemented a Tax Policy to support the objective.

Data Privacy

It is important to us that employees, partners, and other stakeholders have control over and the right of self-determination regarding their personal data. We are committed to responsible and secure data handling throughout our business and organization, covering the data of employees, partners, and other stakeholders. We have implemented strong measures to protect personal data and we comply with all international laws and regulations regarding data privacy and data security including the EU GDPR regulations.

We have policies in place regarding data privacy and we have in 2022 added specialist competences within data privacy. Data privacy training is a part of EG's awareness program, which all employees must attend and pass every year.

EG has in 2022 implemented several controls that measure the degree to which the processes of the individual business units comply with EG's personal data and IT security policies and guidelines.

Find the full policy [here](#).

Human Rights

Respect for human rights is fundamental within EG. We follow all relevant laws and regulations in the countries where we operate, and we support the UN Global Compact. EG is committed to respecting and supporting human rights and conducting our business in accordance with internationally recognised human rights standards.

We expect our employees to read and comply with the UN Global Compact and to support our CSR-initiatives as described in our UN Global Compact Communication on Progress and in our ESG report.

We also expect our business partners to support the Universal Declaration of Human Rights and Labor Rights and respect these rights within their sphere of influence and operate their business in a transparent and trustworthy way.

Our business partners must as a minimum comply with national laws and regulations as well as the principles expressed in the UN Global Compact initiative and principles.

EG does not see any significant risk regarding human rights in our operations or in relation to our business partners, as we mainly operate in the Nordic countries. We are not complicit in any human rights abuses.

EG expects to have the same level of efforts regarding human rights in 2023 and we are committed to continually setting and upholding high standards for safeguarding human rights.

We reinforce, promote and support our commitment to respect human rights through company-wide awareness and training programs for our employees.

Ethics and compliance

Strong ethics are fundamental to responsible and fair business. In EG we have a code of conduct for both employees and business partners.

Our Code of Conduct – Business Partners applies to all our suppliers, vendors and partners that are delivering their products or services to EG or any of our subsidiaries. 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.

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 ensuring that data is collected, stored, and used responsibly across the organization. The management of data ethics is carried out by the relevant parts of the organization, who have integrated these principles in their work.

EG has integrated this policy in our awareness- and education programs, which all workers must attend and pass.

Find the policy **here**.

This constitutes our reporting according to cf. section 99d of the Danish Financial Statements Act.

Corporate Governance

It is important for EG to exercise good corporate governance and in that connection to comply with statutory requirements and, as deemed relevant to EG, the Corporate Governance Recommendations.

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 EG. EG's Executive Management is responsible to the Board of Directors for ensuring that the day-to-day operations are conducted in a commercially and

legally responsible manner. The Executive Management has established a Corporate Management composed of 10 members, including the Executive Management.

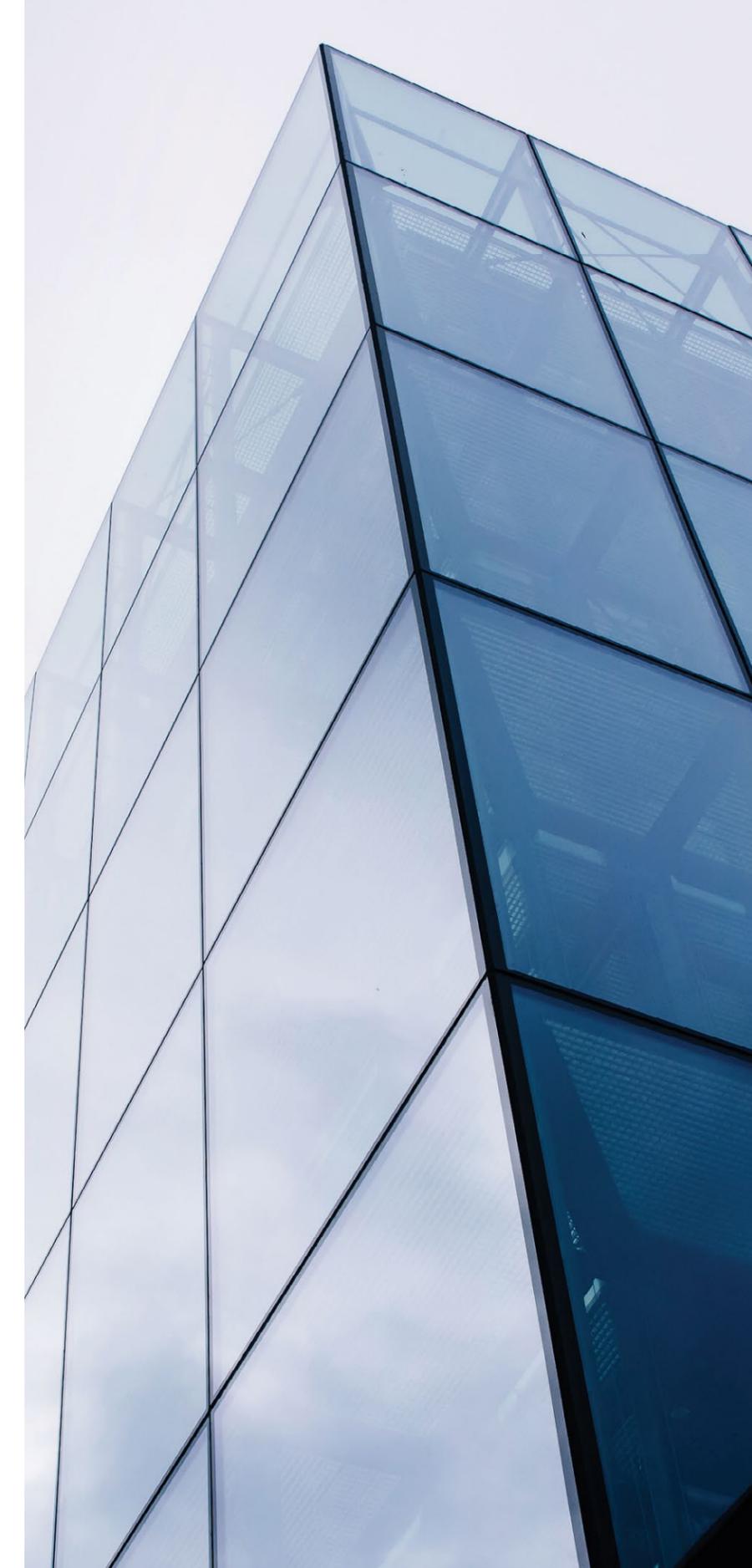
The Board of Directors has set up an Audit & Risk committee, a Remuneration & Nomination committee, and M&A committee. The purpose of the committees is to prepare decisions to be made by the Board of Directors.

On an annual basis, the Board of Directors conducts an evaluation of the effectiveness, performance, achievements, and competencies of the Board of Directors, including an evaluation of the performance of each individual board member and of the cooperation with the Executive Management.

Cyber Security

EG recognises the importance of information security and privacy for our business. We continue to improve our cybersecurity and it has been a major strategy initiative for EG during 2022.

EG's Security Committee prepares for and responds to cybersecurity threats by implementing a strategy that is designed to protect and preserve the confidentiality, integrity and availability of all information owned by, or in the care of, EG. In 2022, we have strengthened our governance by upscaling the IT Security team and adding specialist competences to the department.



Case study

Building next generation cybersecurity

The cyber threat landscape is constantly growing and evolving. The attacks are more frequent, sophisticated and threat actors are more specialised in targeting organisations

What we have done

In order to meet the very high expectations related to protecting our organisation and technologies we continue to execute our enterprise-wide security program initiated in 2021.

“The program has been updated and its scope extended to reflect the current cyber threats - with the goal to constantly improve the way we protect our assets, detect suspicious events and respond to them. We have among others encrypted backups, extended coverage of MFAs and set up a managed surveillance system for our endpoints”, says Tomasz Wilczynski, who took over the responsibility for the program as Chief Information Security Officer in 2022.

Security organisation

This year, EG has significantly strengthened the central security capabilities, by doubling the team’s size and bringing in new and highly specialised talents to introduce new security

solutions, services and build more secure products within well protected environments. One of the capabilities we have brought in house is internal penetration testers who constantly test the robustness and integrity of our systems.

The central security team closely cooperates with the structure of local security coordinators implementing security best practices within specific products and business units. These activities are overseen by a security committee on a regular basis and strongly supported by EG’s board.

“We have also set up strategic partnerships with the leading security vendors to get access to best of breed technologies and providers of services, which can support our long-term objectives. We continue to monitor our strategic partners and IT suppliers and benchmark our organisation and products against best practices, also covering acquisitions of new companies”, says CISO Tomasz Wilczynski.

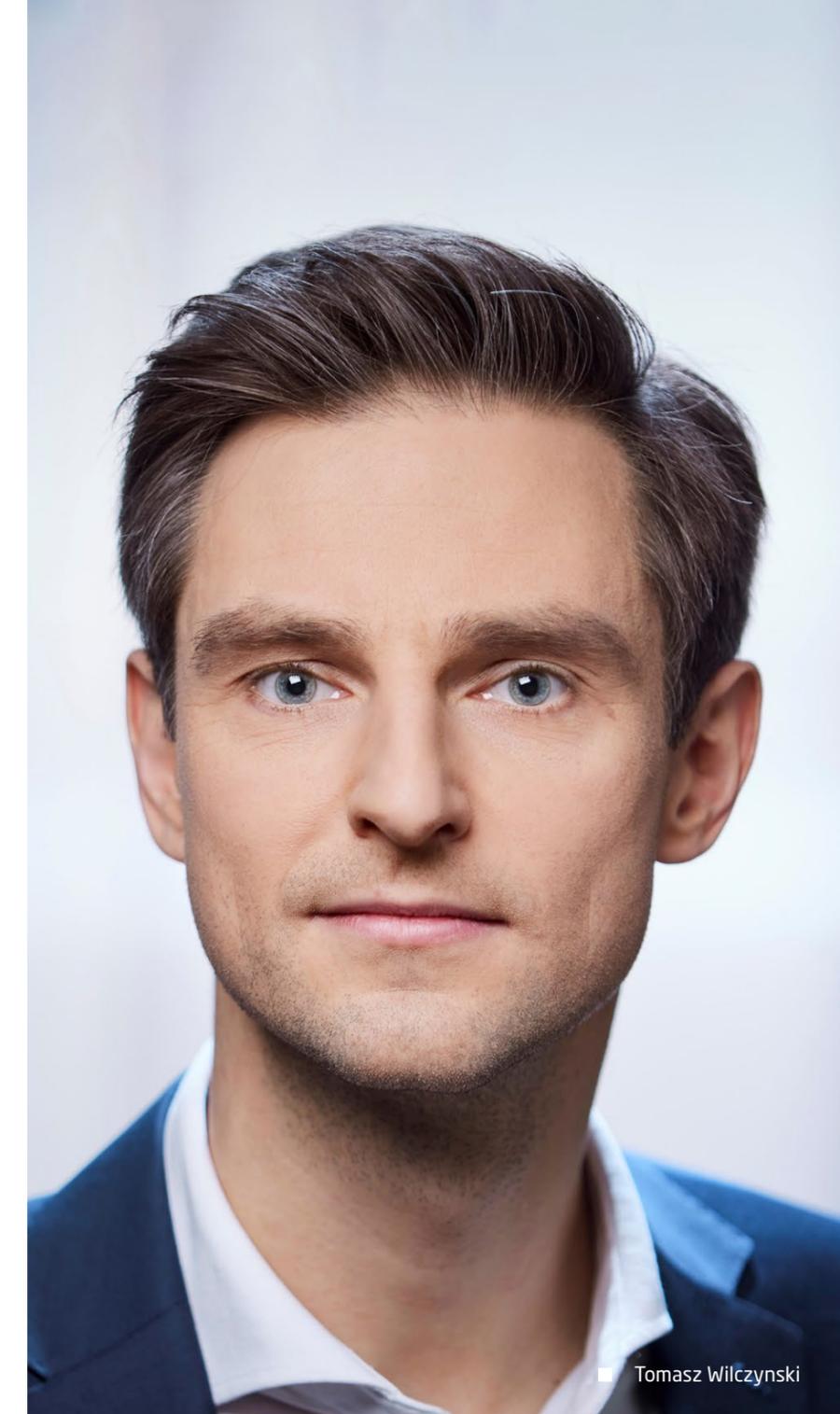
Products security

With the introduction of a new secure software development lifecycle, we have emphasised the importance of security related activities and ensured they are an integral part of our agile operating model. This was followed by the introduction of further application security solution to enable teams to include more secure practices in the development processes.

“We are aware that security is not only the security personnel’s responsibility. That is why we continue to improve the way we train and educate users across the organisation, to make sure we all act securely and can make risk-based decisions. We also test our employees on how they respond to simulated threats to measure our level of cybersecurity culture in the organisation”.

Plans for 2023

The plans for next year are even more ambitious. “We plan to continue to invest in growing our security team and leading solutions using artificial intelligence and automation to protect our systems. Our security strategy for 2023 consists of 9 security areas critical for our organisation backed by many important initiatives with one common goal: to strengthen the security of our organisation, products, and customers’ data”, says CISO Tomasz Wilczynski, EG.



■ Tomasz Wilczynski



Our security strategy for 2023 consists of 9 security areas critical for our organisation.

Key Governance initiatives and achievements in 2022

In 2022 we have:

- Increased our efforts within cybersecurity
- Upgraded our IT security incident management procedures
- Adopted new IT security strategy
- Strengthened our governance by upscaling the IT Security team including a Chief Information Security Officer
- Adopted and implemented Tax Policy
- Linked our ESG performance to executive remuneration
- Adopted and implemented board portal software that enables board members to facilitate meeting management and decision-making processes
- Upgraded efforts on third country transfer of personal data in connection to cloud solutions
- Strengthened the focus on audit of vendors in EG in relation to personal data
- Screened vendors and customers in relations to Russia

In 2023 we will focus on



Action

Continue to monitor and assess current and emerging cyber security threats and ways to effectively adapt and respond to protect EG assets.

Improve EG compliance set-up to meet new regulatory obligations.



Purpose

Protection of EG, EG employees and customer data.

Conducting EG business in a responsible, ethical and transparent manner.

Ensuring that the EG business partners comply and operate in accordance with the requirements of the Code of Conduct - Business Partners and of all relevant national and international laws.



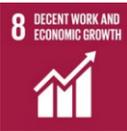
Target

Low chance of serious security breaches, data breach and loss of data.

Compliance with the latest requirements and best practices in the countries where we operate.

Making a positive difference to society by demonstrating responsibility towards the environment and for EG to reach the goal of being CO₂ positive in 2030.

Key Governance Metrics

Metric	Target	2022	2021	2020	
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Number of board seats	8	6	8	9
	Board meetings annually	4	6	4	4
	Total board seats occupied by independents	37,5%	50%	37,5%	43%
 8 DECENT WORK AND ECONOMIC GROWTH	Board members 0 - 35 years	1	1	1	1
	Board members 36 - 50 years	2	1	2	2
	Board members 51 - 70 years	5	4	5	6
	Board members 71+	0	0	0	0



Metric	Target	2022	2021	2020
 Audit and Risk Committee meetings	4	5	4	4
Nomination & Remuneration Committee meetings	1	2	1	1
Employee dismissal due to non-compliance with the anti-corruption policy	0	0	0	0
Are business partners required to follow a Code of Conduct	Yes	Yes	Yes ¹⁾	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

¹⁾ 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. Accounting policies for the Key Governance Metrics see page 36.

Case study

Compliance & standard procedures proved valuable as Russia invaded Ukraine

On 24 February 2022 shockwaves travelled through Europe, when Russia launched a war against Ukraine. Like many others, EG had to react fast to the impact of the invasion as we had 20 developers based in Odesa, Ukraine.

“We urged our workers to make personal security the #1 priority and offered our help if they wanted to flee the country, paying their salaries whether they were able to work or not. Most of the team chose to stay in Ukraine or were not allowed to leave, some went to neighboring countries including Denmark, all are still working for us,” says Senior Vice President Steffen Rugtved, EG Digital Welfare, who is the direct manager of the employees in Ukraine.

Konstantin Gromov decided to stay in Odesa despite the war: “Working for EG reassures me and distracts me from the situation. I’ve worked in IT for ten years, so if it changed, like everything else, it would have been more difficult for me than to continue working.”

The war also tested the EG governance model, explains General Counsel, Vice President, Sune Albert:

“With short notice we had to make sure that we did not have any kind of illegal or non-ethical relations with Russia regarding ownership, customers and vendors. A high level of general compliance, a clear code of conduct and our standard operation procedures proved very helpful.

As documents like contracts and data processing agreements are stored in centralised systems, we were able to scan these for activities in Russia and Belarus fast and effectively, without finding any issues”, says Sune Albert, EG.



Support for Ukraine

There is a before and an after Russia’s invasion of Ukraine. The courage and perseverance of the Ukrainians are an inspiration to all of us. In EG we have been able to contribute through supporting our Ukrainian colleagues and through our donations to Ukraine.

Together for Ukraine

In 2022 EG donated DKK 250.000 to organisations helping the victims of the war in Ukraine. The donation was made through a Danish initiative that combines multiple relief organisations, <https://sammenforukraine.dk/>.

Heating and light to Kyiv

Every year the EG employees get the opportunity to donate their company Christmas Gift to charity in which case, EG doubles their donation. This year a record high number of employees donated to humanitarian aid in Ukraine. As a result, the collection Kyiv fryser/Kyiv is freezing, organised by Rotary received DKK 260.000 for generators, tents, window films, electric heaters, and other means of keeping people in Kyiv warm and creating light.

UN Global Compact

Compliance: 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

8 DECENT WORK AND ECONOMIC GROWTH



5 GENDER EQUALITY



13 CLIMATE ACTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



10 REDUCED INEQUALITIES



Accounting policies for Key ESG Metrics

Key Environmental Metrics

FTEs included in CO₂ reporting / shared of total FTEs:

Total numbers of full-time employees working at locations included in the Scope 2 emission calculations / shown as a percentage share of total full-time employees.

M²s included in CO₂ reporting / share of total M²:

Total numbers of square meters at locations included in the Scope 2 emission calculations / shown as a percentage share of total square meters of all locations.

Key Social Metrics

Total share of positions held by men:

Total number of positions held by men shown as a percentage of total numbers of positions within EG.

Total share of positions held by women:

Total number of positions held by women shown as a percentage of total numbers of positions within EG.

Women on the board of Directors:

Total number of positions on the board of Directors held by women at the end of the reporting year, excluding employee representatives.

Women as share of top management:

Total number of full-time employee women in positions of Vice President or above shown as a percentage of total full-time employees.

Women as share of all managers:

Total number of full-time employee women in positions of manager or above shown as a percentage of total full-time employees.

Does your company follow a sexual harassment and/or non-discrimination policy?:

Yes/No: If EG create, publish, and periodically update a policy document that covers sexual harassment and/or non-discrimination EG affirmatively respond.

Voluntary leavers:

Total number full-time employees and full-time contracted staff who voluntary left EG.

Involuntary leavers:

Total number full-time employees and full-time contracted staff who involuntary left EG.

Leavers in total:

Total numbers of full-time employees that has left EG within the reporting year.

Voluntary turnover ratio:

Total number of voluntary leavers shown as a percentage of average full-time employees and contracted staff over the year.

Employee turnover ratio:

Total number of leavers shown as a percentage of average full-time employees and contracted staff over the year.

Number of human rights violations cases:

Number of cases reported to Head of HR according to the process described in Diversity & non-discrimination policy.

Work-related injuries:

Number of cases reported to the authorities according to local work environment standards and law.

Does EG follow an occupational health and/or global health & safety policy:

Yes/No: If EG create, publish, and periodically update a policy document that covers occupational health and/or global health & safety EG affirmatively respond.

Does EG follow a child and/or forced labor policy:

Yes/No: If EG create, publish, and periodically update a policy document that covers child and/or forced labor EG affirmatively respond.

Does the child and/or forced labor policy also cover business partners?

Yes/No: If business partners are required to follow a child and/or forced labor policy according to a policy document, EG affirmatively respond.

Does EG follow a human rights policy?

Yes/No: If EG create, publish, and periodically update a policy document that covers Human rights EG affirmatively respond.

Does the human rights policy also cover business partners?

Yes/No: If business partners are required to follow a human rights policy according to a policy document, EG affirmatively respond.

Employee engagement score:

Average score of the three (3) EG Pulse surveys done within the reporting year.

Employee eNPS:

Average score of the three (3) EG Pulse surveys done within the reporting year.

Key Governance Metrics

Number of board seats

Number: The number of board seats hold by shareholder-elected members of the board calculated as of end of year. Employee representatives are not included.

Board meetings annually

Number: The number of board meetings are calculated by total number of meetings held in the reporting year. The calculation does not include committee meetings.

Total board seats occupied by independents

Percentage: The percentage of shareholder-elected "Independent Directors" (as defined by The Danish Committee on Corporate Governance) as compared with other board members is calculated as of end of the reporting year.

Board members age split.

Number: The age split is based on the shareholder-elected board members recorded date of birth as of the end of reporting year.

Audit and Risk Committee meetings

Number: The Audit and Risk Committee meetings are calculated by number of meetings as of end of the reporting year. It does not include board meetings.

Nomination & Remuneration Committee meetings

Number: The Nomination & Remuneration Committee meetings are calculated by number of meetings as of end of the reporting year. It does not include board meetings.

Employee dismissal due to non-compliance with the anti-corruption policy

Number: Confirmed number of occurrences of employee dismissal due to non-compliance with the anti-corruption policy include both the total number of reports received through the Whistleblower Scheme and those in scope for investigation as per EG guidelines.

Are business partners required to follow a Code of Conduct

Yes/No: If business partners are required to follow a Code of Conduct according to a policy document, EG affirmatively respond.

Does EG follow an Ethics and/or Anti-Corruption policy

Yes/No: If EG has create, publish, and periodically update a policy document that covers Ethics and/or Anti-Corruption EG affirmatively respond.

Does EG follow a Data Privacy policy

Yes/No: If EG has create, publish, and periodically update a policy document that covers Data Privacy EG affirmatively respond.

Has EG taken steps to comply with GDPR rules

Yes/No: If EG has taken steps to comply with GDPR rules EG affirmatively respond.

Does EG provide sustainability data to sustainability reporting frameworks

Yes/No: If EG provide sustainability data to sustainability reporting frameworks EG affirmatively respond.

Does EG focus on specific UN Sustainable Development Goals (SDGs)

Yes/No: If EG focus on specific UN Sustainable Development Goals (SDGs) EG affirmatively respond.

Does EG set targets and report progress on the UN SDGs?

Yes/No: If EG set targets and report progress on the UN SDGs EG affirmatively respond.



EG delivers Nordic vertical software that helps our customers move their businesses further. Our software is embedded with highly specialised vertical knowledge and is developed based on a deep understanding of our customers' profession and industry.

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