

ESG & GOVERNANCE

2022





# Increased efforts for sustainable business practices

We are proud to say that in 2022, we at emagine significantly expanded our focus on environmental, social, and governance efforts. ESG has assumed a much more prominent position in both our everyday operations and business initiatives, and in organization's overall strategy and policies. The structure of our company is based on Nordic leadership, with a flat hierarchical model and a significant emphasis on empowering each individual employee. This is something we have striven for in the past, and continue to do every day, by applying measures that support this vision. Below, we detail some of our ESG achievements of the past year, and the goals that further support our employees and the company.

\*For further description of our business model, please refer to page 12.





We are proud to report that in 2022, our attrition rate fell from 21.2% to 17.0%. By implementing a quarterly pulse survey, we were able to listen to our employees' needs, and act on them more quickly and constructively. Our onboarding process has been extended to three steps: Actimo videos, and both local and group level plans. For example, Senior Group executives conduct monthly online onboarding with all our new employees. Additionally, we improved the management gender balance by 9%, which we will work to further balance in the coming years.

We joined the Science Based Target Initiative (SBTI) and monitored our performance through EcoVadis, where we scored in top 20% industry-wide. Moreover, we put more effort into educating our employees about the importance of cyber-security and we hold regular, mandatory data-privacy courses for all our employees. We renewed our ISAE 3000 GDPR standard, renewed ISO 14001/27001 certification, and obtained a TISAX certificate, to uphold the safety and excellence of our operations.

Today, ESG compliance is increasingly demanded of businesses, and this demand comes not only from clients and external stakeholders, but also from our employees. On their behalf, we are dedicated to being a socially and environmentally responsible organization.

We have ambitious plans for 2023, when we will further reduce our CO2 emissions (scope 1 and 2) by implementing more environmentally-friendly policies, such as introducing sustainable procurement and travel, and a new car policy of using only electric vehicles. In March 2023 we will launch a new training programme for our future leaders. We will train 60 aspiring leaders to improve our company's leadership skills. This project is partly driven by the feedback we received through the pulse surveys. We also intend to provide ESG training for all our employees as part of our onboarding process.

We feel a deep sense of commitment to fostering a more sustainable environment for our employees, our customers, and the society in which we operate. We strive to be at the forefront of these efforts, and our business initiatives and policies are a testament to that.

Jesper Diget,  
CPO, imagine



# ESG areas of focus

To improve execution and follow-up on our ESG areas of focus, we have grouped all our ESG initiatives and targets into six categories. We track all activities through our Adverse Impact Assessment system, to increase positive impact and limit negative impact.



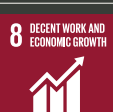



- Diversity, equality, and inclusion
- Employee and consultant care
- Governance and business ethics
- Cyber-security and data privacy
- Climate change and environmental management
- Customer care



ESG materiality matrix  
(based on initial ESG Risk assessment)







Priority topics (SDG´s)		Ambition level				Rationale
		Industry laggard	On par with	Above peers	Industry leader	
	<b>Climate change &amp; Env. Management</b>					It is a key priority for the company to work on minimizing our negative impact on the environment through emission transparency of our activities.
	<b>Governance &amp; Business ethics</b>					A prerequisite to do business (license to operate) especially within the Banking, Insurance and Public sector segments. Performance is continuously being audited and certified by external auditors (ISAE 3402, GDPR 3000, ISO e.g.) to maintain oper. excellence.
	<b>Employee &amp; Consultant care</b>					Limiting risk of impacting our employees negatively is essential to emagine. We primarily focus on maintaining an extraordinary healthy workplace. High employee satisfaction is linked to motivation, empowerment, and better results. Respecting and involving employees in a safe, secure, and healthy working environment is a key priority.
	<b>Cyber security &amp; Data privacy</b>					Increasing requirements regarding data handling etc. from customers and regulators.
	<b>Customer care</b>					Transparency in its operational performance. We take pride in having other measure our performance – customer and employee surveys. And we put a lot of work into changing things when feedback is less than perfect.
	<b>Diversity, Equality &amp; Inclusion</b>					Having a diverse staff and consultant pool is a high priority for emagine (gender, age, nationalities, e.g.) We are actively working on embedding diversity in every aspect of our employment policies and processes (recruiting, promotion, training, compensation, etc.).

**Ambition indicator:**  Current performance  Target performance

We have created an internal matrix to visualize the impact of these various categories and how we prioritize them. Our employees are our greatest asset, which we wish to nurture and respect. Therefore, diversity, equality, and business ethics are at the forefront of our efforts as a service-based company.

ESG is an increasingly large part of our overall business strategy. To continue this journey, we have ambitious plans. To develop an overview of our ambitions, we have visualized our present status (as-is) and what we wish to achieve.

emagine is on a par with its industry peers in every ESG category we have listed. We have the ambition to become an industry leader in sustainable business efforts, and intend to focus on the following topics.

**Diversity, equality, and inclusion:** A diverse staff and consultant pool is a high priority for emagine. We believe that ultimately, gathering people from various backgrounds, nationalities, and walks of life powers progress, because different perspectives are valuable drivers of change. At emagine we are actively working on embedding diversity in every aspect of our company: in employment policies and processes, in recruitment and promotions, in learning and development, and much more. In the last years



we have been working to get a more equal gender representation - both at board level with 40.0% female representation as well as at manager level 1-3 where we have succeeded in 2022 to raise the proportion of female managers from 25.0% to 31.1%, and we expect to improve to 33.0% in 2023.

**Governance and business ethics:** Great governance and business ethics is a prerequisite to doing business (license to operate), especially in the Banking, Insurance and Public sector segments. Our performance is continuously being audited and certified by external auditors (Operations, GDPR, IT Security, etc.), to maintain operational excellence.

**Employee and consultant care:** Maintaining an exceptional workplace is essential. High levels of employee involvement are linked to motivation, empowerment, and ultimately, better results. Respecting employees and providing them with a safe, secure, and healthy working environment is a key concern for emagine.

**Cyber-security and data privacy:** Increasing requirements related to data handling from customers and regulators lead us to continuously reassess and re-evaluate our protective measures.

**Climate change and environmental management:** Our company strives to minimize its negative impact on the

Priority topics (SDG´s)	Achievements 2022	Goals 2023
 <b>Climate change &amp; Env. Management</b>	<ul style="list-style-type: none"> <li>• Adverse Impact Assessments revisit</li> <li>• Reported on all scopes 1-3 (both market and location based)</li> <li>• GHG emissions audited by external partner</li> <li>• Reduced scope 1+2 emissions by 27.0%</li> </ul>	<ul style="list-style-type: none"> <li>• Improve sustainable procurement</li> <li>• Adverse Impact Assessment</li> <li>• Reduce scope Co2 emissions (in accordance with SBTi) by 5.0%</li> <li>• Implement employee ESG education</li> </ul>
 <b>Governance &amp; Business ethics</b>	<ul style="list-style-type: none"> <li>• ISO 14001 (and 50001 compliant) all countries</li> <li>• New employee Code of Conduct</li> <li>• Science Based Target initiative joined</li> <li>• EcoVadis score 83 percentile in industry</li> </ul>	<ul style="list-style-type: none"> <li>• The Science Based Target initiative</li> <li>• Prepare for CSRD directive</li> <li>• Revisit EcoVadis and improve score to top 10.0% in industry</li> <li>• Improve governance – Whistleblower, security, gift log</li> </ul>
 <b>Employee &amp; Consultant care</b>	<ul style="list-style-type: none"> <li>• Attrition rate improved from 21.2% to 17.2%</li> <li>• Employee Survey score improved from 75.0% to 81.0%</li> <li>• Quarterly pulse survey implemented</li> </ul>	<ul style="list-style-type: none"> <li>• Improve attrition rate from 17.2% to 16.5%</li> <li>• Improve employee satisfaction score from 81.0% to 82.0%</li> <li>• Improve consultant redeployment rate</li> <li>• Implement Group leadership Academy</li> </ul>
 <b>Cyber security &amp; Data privacy</b>	<ul style="list-style-type: none"> <li>• Number of data breaches and GDPR incidents = 0</li> <li>• ISAE 3000 GDPR and 3402 oper. renewed</li> <li>• ISO 27001 + TISAX implemented</li> <li>• Cyber defence benchmark implemented</li> </ul>	<ul style="list-style-type: none"> <li>• Number of data breaches and GDPR incidents = 0</li> <li>• Defend ISAE 3000/3402 and ISO 14001/27001</li> <li>• Extend compliance certification to acquired companies</li> <li>• Prepare for NIS2 compliance</li> </ul>
 <b>Customer care</b>	<ul style="list-style-type: none"> <li>• Customer satisfaction = +80.0% ('very good')</li> <li>• Business Relations Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction = +80% ('very good')</li> <li>• Revisit Business Relations Code of Conduct</li> <li>• PR &amp; involvement – focus on sustainable projects</li> </ul>
 <b>Diversity, Equality &amp; Inclusion</b>	<ul style="list-style-type: none"> <li>• Male gender balance improved from 39.0% to 41.0 %</li> <li>• Female manager gender balance improved from 25.0% to 31.1%</li> </ul>	<ul style="list-style-type: none"> <li>• Improve male gender balance from 41.0% to 42.0%</li> <li>• Improve female manager gender balance from 31.1% to 33.0%</li> </ul>



environment. This goal may be achieved through emission transparency related to all our activities.

Customer care: We take pride in having our performance measured through customer and employee surveys, and in putting a lot of work into changing conditions when feedback indicates they are less than optimal.

We have gathered our most important projects and initiatives in each of the six topic categories, and below we describe both the achievements of 2022 and what we plan to achieve in 2023. We have outlined the five most important projects, and included further descriptions.

## ESG priorities

### 1. The Science Based Target Initiative

The SBTi is a collaboration between the CDP (Carbon Disclosure Project), the United Nations Global Compact, World Resources Institute, and Worldwide Fund for Nature. Over 1,000 companies have joined this initiative since its founding in 2015, and as members, we are committed to uploading and disclosing all our data, and to setting targets to reduce greenhouse gas emissions.

### 2. Sustainable Procurement

One of our main priorities is to prepare a sustainable purchasing policy. Guidelines should include clear

explanations to the companies with which we work, both as buyers and as service providers. We wish to make an impact and push our business, and our business partners, towards more sustainable practices.

### 3. Governance

As a member of the United Nations Global Compact, we support the Ten Principles in the areas of human rights, labour, environment, and anti-corruption. This commitment is integrated into our strategy, business operations, and policies.

We are dedicated to improving staff, customer, and vendor awareness of sustainable business conduct. We openly promote our Whistleblower Reporting System, which is a quick and efficient way to report concerns about misconduct.

### 4. ESG Education

emagine plans to increase ESG awareness among all our employees. We wish to make sure that each employee knows how to act with regard to all matters concerning the ESG universe, from the code of conduct to policies and operational guidelines.

We will conduct mandatory ESG training for all new employees, implemented through short videos available on our onboarding platform, Actimo, and the intranet, which show that ethical attitudes are part of the employee education plan.





## 5. PR and Involvement

We wish to channel ESG into becoming a true business lever, both internally and externally. Our sustainable efforts will become part of the marketing strategy, and frequently communicate to the industry and stakeholders. In that same vein, we intend to facilitate employee involvement in communications as part of our initiative to improve employee satisfaction.

## Impact Risk Assessment

In 2022 we revisited our Impact Risk Assessment in all our countries (UNGPs/ OECDs Guiding Principles). We assessed 92 different areas finding potential negative impacts in 25 of them: 19 within human rights and labour rights, 2 in environmental and 4 in anticorruption. The potential negative impacts include a variety of different topics as: “Use Of Energy”, “Offering And Accepting Gifts”, “Cronyism And Nepotism”, “Healthy Workplace” and “The Right To Equal Pay For Equal Work”.

In all the areas we have set up mitigating actions in order to either remove or minimize the potential impact. For the environmental impact we have focused on Energy/Co2 Emissions, where a Group Energy Audit (following ISO 50001) including energy saving actions have been performed. And a new Car Policy changing from fossil-driven company cars. These activities have decreased our

Scope 1+2 emissions by more than 25%.

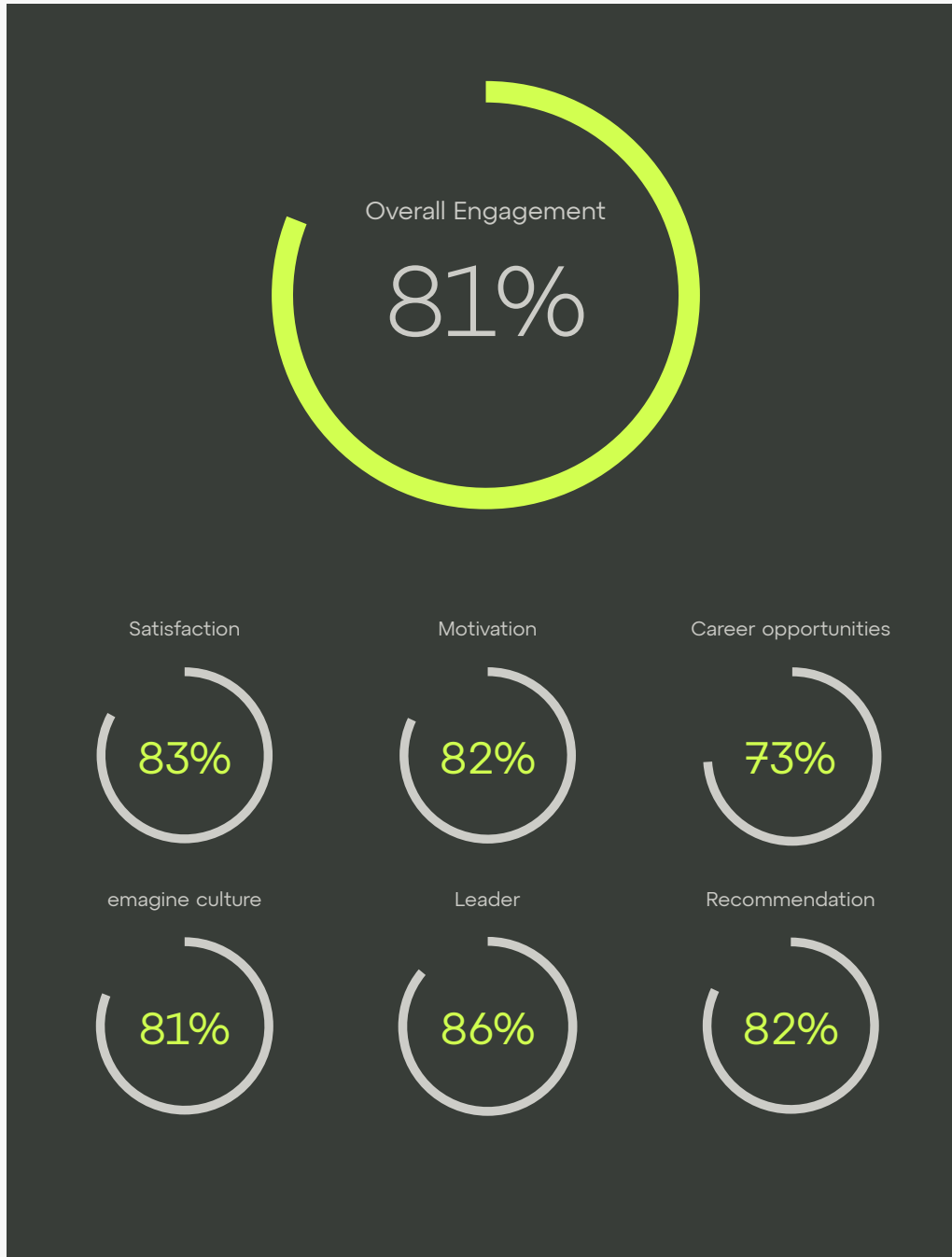
To mitigate human rights and corruption risks we have implemented a group wide Compliance Program including Code of Conduct and Compliance training program as part of our International Onboarding. Lastly in relation to labour rights and employees we have changed our Annual Employee Survey Program to quarterly Pulse Surveys to get faster and more frequent feedback (see next pages for a deeper description).

## Focus of 2023

In 2023 we will be focusing highly on our supply chain for IT products. And from very different angles – our use of energy is highly related to IT, but also the manufacturing and resource extraction is in focus. It mainly takes place in high-risk countries. This creates challenges when it comes to seeking full control of sustainability issues, such as environmental considerations and ensuring ethically-sound working conditions. As an example, responsible sourcing of minerals remains one of the key challenges for the IT industry as increasing global demand, coupled with poor governance, poverty and sometimes outright conflict in the regions where minerals are extracted, exacerbate the potential for human rights abuses.







## Pulse survey: Open and honest feedback is a valuable driver of change

Open and honest feedback is a valuable driver of change and improvement at emagine, which is why we launched the pulse survey.

The survey covers six domains – satisfaction, motivation, development, leadership, culture, and Net Promoter Score – and a comments field. The purpose of these regular surveys is to understand how employees feel and to get a sense of the ‘temperature’ of our organization.

A pulse survey is one of the best ways to measure employee involvement. This short survey comprises six questions and is dispatched to our employees on a quarterly basis. All questions are easy to answer and forwarded frequently, so they help us to collect more feedback and measure trends over time. The immediate results of the pulse surveys offer an incomparable way to spot challenges and areas for improvement, so we can act on them faster. The ability to spot trends offers us valuable insights and helps management to make strategic decisions.

With these periodically sent pulse surveys, employees can develop the positive habit of completing their survey as soon as they see it. This instant response provides accurate data, offers employees an easy way to be heard, and helps them to stay involved.

Feedback, both positive and negative, is at the heart of emagine. There is always room for improvement, and the pulse survey is one of the ways of getting valuable information, which ultimately helps us to shape emagine for the better. Based on this feedback, we have initiated key actions, both at group level and in various countries. Implementing our new Leadership@emagine is a direct consequence of the feedback we received. This means that all leaders, from C-level officers to team leaders, go through a carefully tailored leadership programme, to develop our leaders and prepare emagine for future growth.



# Attrition: we aspire to be the employer of choice in our industry

At emagine, we aspire to be the employer of choice in our industry. We are constantly looking for new initiatives to improve the work-life balance, and make our workplace attractive to both our current and future employees.

In 2022, one of our initiatives involved going through our various benefits, and, based on feedback, increasing the choices our employees can make, based on the stage at which they are in their lives. We also became better at facilitating remote work throughout the group, and we pride ourselves on having a flexible model

that works for both the organization and our employees. Welcoming new emagineers is critical to our future success, and we have implemented a 3-step onboarding approach.

**Step 1:** We have introduced Actimo as our onboarding, survey, and learning platform. We have created multiple onboarding videos on this platform, which newcomers can access from day one. These videos show who we are and what differentiates us as a company.

**Step 2:** Our international onboarding. Once a month our CEO, CCO, and



CPO hold a webinar with all new employees from various countries, where they go through who we are, our purpose, what we do, and how we expect our new colleagues to live up to our values and code of conduct.

**Step 3:** Our in-depth, local onboarding introduces emagineers to their daily tasks, and provides training

that acquaints them with all our systems. An increased focus on our onboarding efforts and the constant attention to our employees' needs has decreased our attrition rate by over 4%.



## Diversity

Women comprise 59% of our workforce, and 33.1% of our managers are women. We wish to have an inclusive and diverse workforce, where we can offer equal opportunities for all emagineers. Regardless of background, age, race, religion or other differences, we believe that the most qualified person should get the job.



## From recruitment consultant to Sourcing and Talent Manager

Malwina Gacyk-Dytkiewicz is a Sourcing and Talent Manager at emagine's Warsaw office. With a master's degree in andragogy and a background in several coordination and recruitment positions, Malwina provides considerable support in all aspects of emagine's Polish division, in both onshore and nearshore activities.

– I began working at emagine in February 2018, when it was still called ProData Consult. I was hired as a Recruitment Consultant for the nearshore team in Poland, working primarily with one large client, but also supporting several other recruitment projects on the side.

– Working with people who are experienced and trained in the field of IT is always a challenge for a person who has only theoretical knowledge of this area. For this reason, I have

always tried to expand my knowledge by participating in webinars, reading thematic articles, and delving into sometimes completely foreign topics. Communication is the key to success, so when conversing with consultants, I was not afraid to say that I did not know or understand something – it enabled me to gain knowledge and build relationships based on honesty and trust.

### **Professional circumstances enable progress**

In 2019 Malwina began facilitating a training programme dedicated to emagine recruiters who were collaborating with other colleagues. Later that year, she received her first promotion.

– This was my own idea, which management welcomed and wanted



to realize. I was to oversee the entire project, from finding the right people to organizing the training modules.

– In October 2019 I was promoted to Senior Recruitment Consultant. Among the other responsibilities this role entailed, I began scouting for IT specialists whose projects I could oversee, and while working with them I encouraged them to write industry-related articles to share their expertise.

Our recruitment specialist reflects on emagine's open-minded and professional organizational culture, which is still a company in a male-dominated industry. She emphasizes that she never feels out of place as a woman working in IT.

– The IT industry is still male-dominated, but throughout my career, I have never felt as though I was out of place. I believe that this was, and still is possible thanks to the professionalism of my emagine colleagues, who make every effort to ensure that we are a strong partner to all our consultants, clients, and suppliers.

– Personally, I have always tried to ensure the highest possible quality of services provided. Thanks to this approach, the meaning of the gender we represent is blurred.

### **Recognizing talent creates new opportunities**

Eight months after giving birth to her son, while on maternity leave, she received an unexpected call from emagine – she was offered a promotion.

– When I got the call from work, my thoughts immediately went to the worst-case scenario. Will I have to start looking for a new job? But the opposite happened. I was offered the position of Sourcing and Talent Manager.

– I have filled this role since February 2022. I admit that initially I felt uncertain about this offer; uncertain about how I could manage motherhood and all the responsibilities that came with

the new management position. Both were first-time experiences for me. At first, I returned to work on a part-time contract, as I began managing two new teams.

– It is difficult to build relationships with your team if you are not there most of the time. I was worried about how this new step in my career would turn out, and whether my endeavours would be successful.

Malwina's managers did not share those concerns, and to this day she continues to demonstrate why she was the right candidate for promotion. Over the past year, she has not only managed two teams in our Polish sourcing department, but has also successfully

set up and coordinated emagine's Recruitment Academy from scratch. This training programme consists of 40 courses for recruiters, which provide optimal support to future onshore and nearshore activities at emagine.

– My work has been appreciated, and thanks to the trust and faith in my skills displayed by Mariusz Grajewski, CEO of emagine Poland, I rapidly transitioned from recruiter to manager. A year ago, I took the position of Sourcing and Talent Manager. It was a great honour for me, and I am still very grateful. It is wonderful to work in an open and supportive organization, where personal learning and development are key.







# ESG in the core of our business

Rapid growth characterized 2022. emagine Group acquired Aspira and Peak Consulting, adding more companies and countries to the group. To keep up with our overall strategy, growth, and an increasingly international company, we increased our focus on ESG and defined a group-unified approach to the way we work with each of the three ESG pillars and areas of focus.

In 2022 we revisited our Impact Assessment for all countries, to ensure that our ESG impact, risks, and opportunities (IRO + materiality) were determined, described, and prioritized, and a double materiality assessment was performed.

We have created a governance structure where ESG strategy and plans are presented (and revisited) by the Group CPO to the board twice a year, and determined and prioritized in this forum.

An ESG Work Group has been selected, which comprises an ESG Group Responsible, Group ESG specialists, and country HR managers to ensure that

strategy and plans are operationalized and ready to be implemented in all countries.

The ESG Work Group is responsible for:

- CSRD requirements being fully implemented in 2025
- Developing ESG targets and action plans
- Securing local ownership in all our markets, ensuring the implementation of local initiatives.
- A consistent approach to implementing ESG practices, ensuring that we operate as one company and, unless otherwise specified, all activities and initiatives described in this report refer to the entire Group mentioned as 'The Company'.
- Performance measurement of ESG targets and action plans; running monthly, quarterly, and annual reporting cycles.





# Corporate governance

emagine strives for good corporate governance to ensure accountability and transparency with respect to our employees, shareholders, and other stakeholders.

## Corporate governance structure

emagine's management is structured in accordance with the Danish Companies Act by having an established Board of Directors and Executive Management (consisting of the CEO, CFO, CPO, COO, CCO and CGO). emagine's corporate governance structure comprises the General Meeting, the Board of Directors, the Risk & Audit Committee, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Executive Management Team, and the Senior Management Team.

## The Board of Directors

The Board of Directors is responsible for overall and strategic management and the proper organization of emagine's business and operations. In this regard, the Board of Directors supervises emagine activities, ensures that emagine is properly operated, and observes the Articles of Association, general policies, guidelines, and other applicable rules and regulations. The Board of Directors is comprised of 5 members.

## Risk & Audit Committee

The Risk & Audit Committee is a supervisory body established by the Board of Directors to

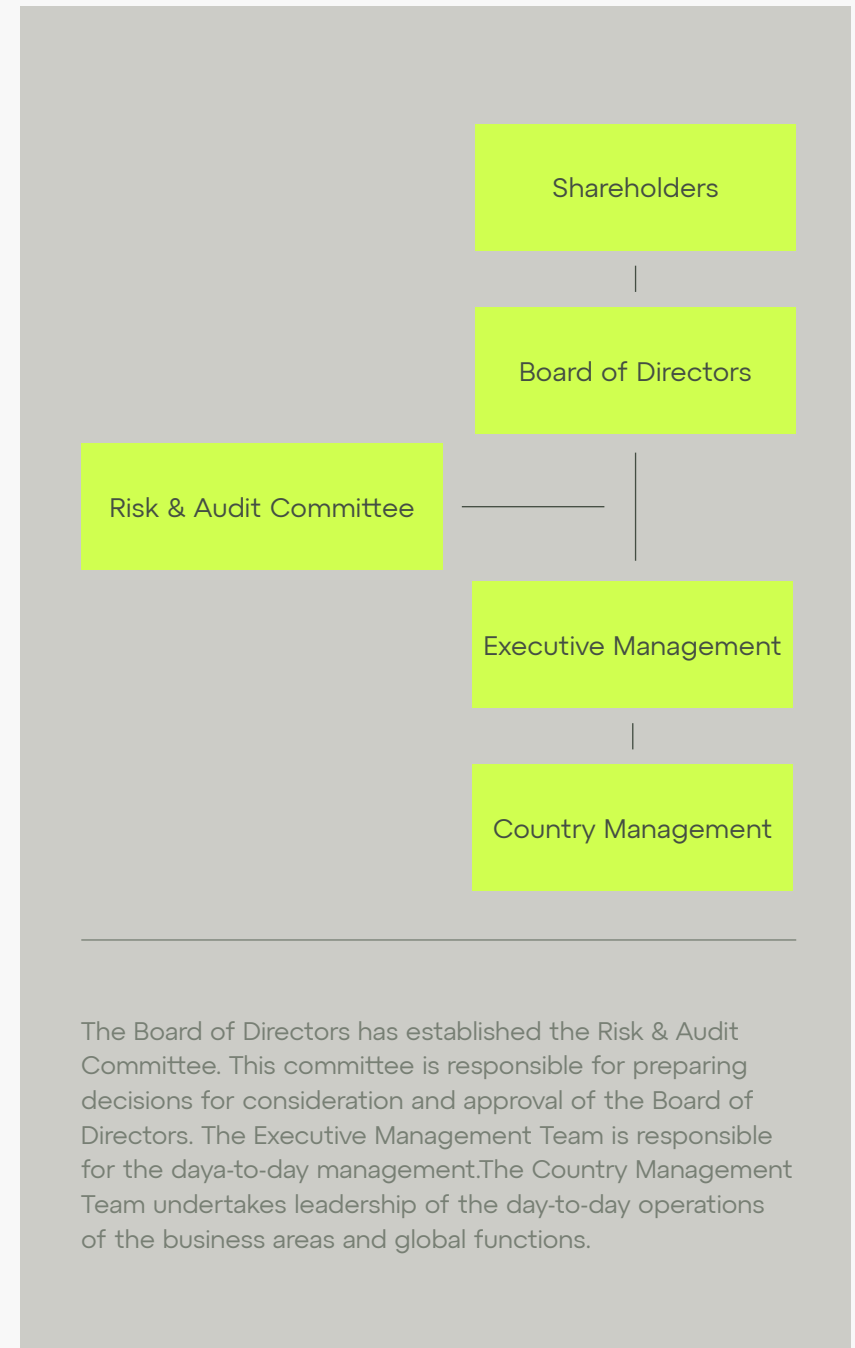
provide insight into and expertise on matters related to financial reporting and internal controls. The committee monitors emagine's financial reporting process and internal controls.

## Data Ethics

emagine's Data Ethics Policy was developed and approved by the Board of Directors in 2021 and covers the following areas:

- Purpose and usage: Human interests prevail over commercial interests. The data that we are legally required to store are held for the benefit of the individual.
- Individual data control: Individuals should have primary control over the usage of their own data.
- Transparency: We strive to be transparent when we communicate purposes and interests of data usage to individuals via privacy notices and policies.
- Accountability and governance: Efforts are made to reduce the risks to individuals and to mitigate undesirable social and ethical implications.

emagine holds an externally audited ISAE3000 GDPR declaration in support of these efforts.





# Internal Control Measures

The Board of Directors is responsible for the existence of adequate internal control measures. In emagine, the internal and external control measures consist of the following layers

	Measure	Responsible
External Control	External Financial Audits External Compliance Audits	General Assembly appoints Financial Auditors CGO appoints Compliance Auditors
Internal & External Control	Whistleblower paradigm	Ethics Committee & Board of Directors
Internal Control	ESG/CSRD Reporting Financial Controlling Compliance domains <ul style="list-style-type: none"><li>• Legal (legislation, sanctions etc.)</li><li>• Finance</li><li>• Security</li><li>• Data Processing</li></ul> Internal Audits Employee Satisfaction surveys	Chief Financial Officer - CFO Chief People Office - CPO Chief Governance Officer - CGO Chief Operations Officer - COO
Internal Support, Rules & guidelines	Code Of Conduct Policies & Procedures ISMS Governance GDPR Governance Financial Budgeting	Country Managers and Extended Management Team



# Board of Directors



## Marika Fredriksson

Chairman

Nationality: Swedish  
Board function: Non-executive, independent director

Non-executive functions:  
Board member:  
A.P. Møller Mærsk A/S  
Aktiebolaget Industrivärden  
Ecolean AB  
KONE corporation  
Sandvik AB  
Saxo Bank A/S



## Christian Bamberger Bro

Vice Chairman

Nationality: Danish  
Board function: Non-executive, non-independent director

Profession: Partner, Axcel Management A/S

Vice chairman:  
AX VI itm8 Holding ApS\*  
BullWall Group ApS\*  
SuperOffice Group AS\*

Capture One A/S\*  
Phase One Group ApS\*  
Loopia Aktiebolag\*

Board:  
Axcel Management Holding ApS  
NTI Group ApS\*

\*and group related companies





# Board of Directors



## Christoffer Arthur Müller

Board member

Nationality: Danish

Board function:  
Non-executive, non-  
independent director

Profession: Partner, Axcel  
Management A/S

Non-executive functions:  
Vice chairman:

Init Group ApS\*  
Mountain Top Group ApS\*

Board:  
Brødr. Müller Holding A/S\*  
BullWall Group ApS\*

\*and group related  
companies



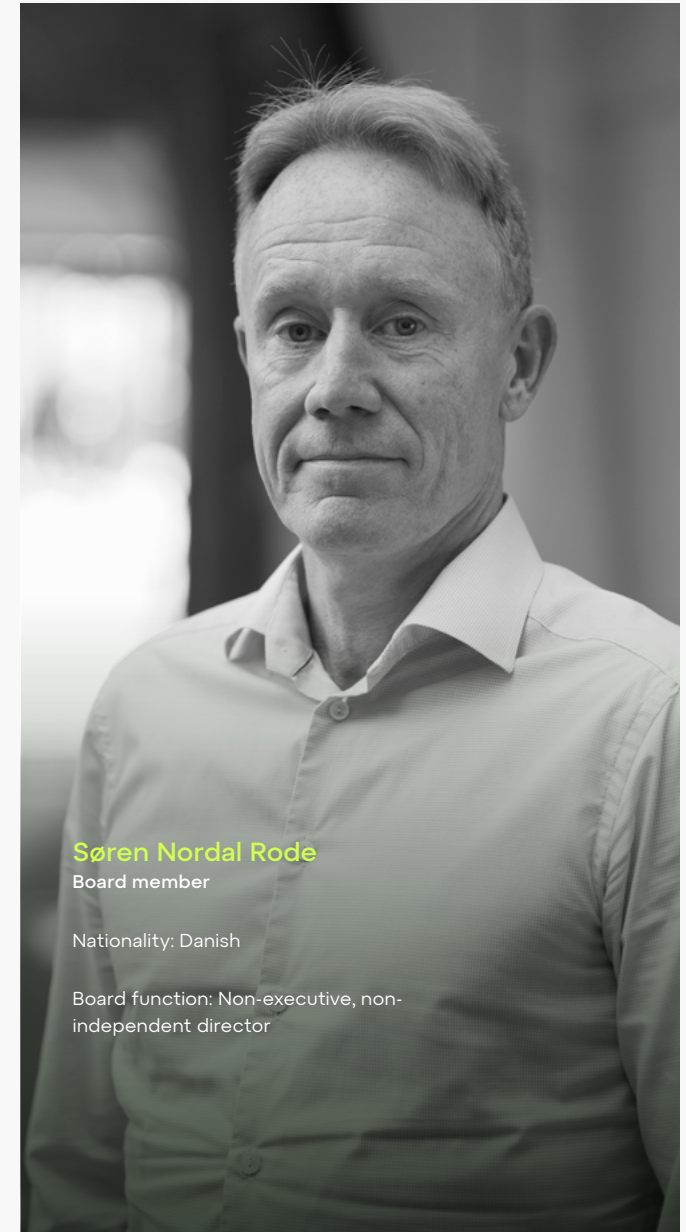
## Petra Jenner

Board member

Nationality: German

Board function: Non-executive, non-  
independent director

Profession: General Manager & SVP, Europe,  
Middle East & Africa, Splunk



## Søren Nordal Rode

Board member

Nationality: Danish

Board function: Non-executive, non-  
independent director



# Risk management

emagine carefully monitors and assesses potential risks to the company on an ongoing basis. Our aim is to understand and regularly report on relevant risks, mitigate risks where feasible, and create a general risk awareness.

## Our risk management approach

As a European company, we are exposed to a variety of risks that are inherent to our business. Managing these risks is an integral part of our management activities.

emagine's risk management structure is rooted in processes for early risk identification, followed by risk analysis, risk assessment, and risk mitigation planning. This structure provides a detailed and bi-annually-updated overview of the key short- and long-term risks. Bi-annually the Chief Executive Management Team presents the updated key risks to the Board of Directors, and recommends the necessary risk-mitigating activities and action plans for approval. The Risk & Audit Committee ensures that the Chief Executive Management Team has established a risk management process that can address all relevant risks.

## Our risk management structure

The Board of Directors approves the overall risk framework. The Board of Directors also monitors the development of the total strategic risk exposure and the individual risk factors, and verifies compliance with the overarching risk policy.

The Executive Management Team determines risk management policies and strategies for the individual risks, and implements risk-mitigation. The Executive Management Team also ensures consistency between the risk management framework and the business objectives, monitors the development of key risks, and makes risk management resources available, for efficient risk management.

Local risk owners identify, assess, quantify, and record risks, which are reported regularly to the Executive Management Team. The local risk owners make suggestions about how to address risks and monitor launched risk management activities.



## Compliance highlights

The Company successfully renewed ISO9001 and ISO14001, with ISO50001 energy Management included. ISAE3000 GDPR external audits were completed, as was the renewal of the ISAE3402 Operations audit of the Company's Nearshore service hubs in Poland. Furthermore, The Company successfully achieved a TISAX certification, required for operations in the German automotive industry.

In progress and planned for 2023, The Company will expand the scope of all ISO9001, ISO14001, and GDPR audits to Group Level, and initiate preparations for NIS2 compliance.



# Our risk assessment in 2022

In 2022, the identified risks and risk mitigation plans were reviewed and assessed by the Executive Management Team. The key risks were presented to the Board of Directors and the Risk & Audit Committee. The Executive Management Team investigated how to best implement the necessary risk-mitigating measures with a focus on ensuring the optimum realization of emagine's strategic objectives.

## Compliance

In 2022, compliance was also a top priority for the emagine organization, as an integrated element of the operational excellence framework. Substantial efforts were committed to successfully re-confirming operational compliance with ISO27001, ISO14001, ISO9001, and ISO50001, while also documenting that operational standards are high, through ISAE3000 GDPR and

ISAE3402 Operations declarations. In addition to these achievements, a TISAX certification was awarded in 2022, in support of emagine involvement in the German Automotive Industry.

## Market

When monitoring overall market risks in 2022, several specific risk factors were tracked, to allow for early intervention and mitigation measures. General

market risk resilience is built of the many initiatives in the Compliance, Tech, and Operations Excellence domains, including targeted M&A activities.

## Tech

Cybersecurity risks remain a focus area for emagine, and in 2022 several substantial investments were made to strengthen detection and prevention mechanisms, while also continuously monitoring and investing in the capacity to recover from any direct attacks, operational disturbances, and advanced types of phishing, malware and ransomware attacks. Throughout 2023, Cybersecurity will remain a priority to support existing and future ambitious compliance targets, such as NIS2.

## Operations/Excellence

The ability to attract and retain competent employees was also a focused area of risk in 2022. In 2022, with dedicated support from Executive Management, several major initiatives that enhance emagine's operational excellence were completed in the domain of Employer Branding, including the roll-out of a Learning Management platform, enhanced ESG reporting, and a standardized Group onboarding process.







With dedicated support from Executive Management several large initiatives enhancing emagine operational excellence in 2022 were completed

### Finances

Although emagine has continuously exhibited a strong financial performance, several risk factors have been monitored by the Risk & Audit committee to ensure continued excellence. Investments have been made to further enhance and strengthen financial governance and controlling.

#### Currency risks

The Company is exposed to currency fluctuations, mainly from the GBP, PLN, SEK, and NOK. The combined risk is currently at a level where hedging is not deemed financially viable. Exchange rate fluctuations related to the translation of the result and intercompany balance of foreign subsidiaries at the balance sheet date constitute a risk. The

Company does not hedge this type of risk.

#### Interest rate risks

The Company's senior debt (in emagine Holding) and credit lines are based on floating interest rates. To mitigate potential increases, the Company has entered into an agreement that caps the interest rate related to approximately 71% of the senior debt for the period up to December 2024.

#### Credit risks

The Company's credit risks related to trade receivables are included in the balance sheet.







# ESG figures

	Units	2023 (targets)	2022*	2021
<b>Environment</b>				
Co2e, scope 1+2 (location based)	Tons	967,7	1 009,3	1 387,2
Co2e, scope 1+2+3 (location based)	Tons	45 027,6	40 928,8	22 944,0
Co2e, scope 1+2 renewable	%	35,0	25,0	64,0
tCO2e/mil. revenue	Tons	9,1	9,3	7,0
tCO2e/FTE	Tons	78,7	91,0	125,0
<b>Governance, Risk and Compliance</b>				
# Issues (service affected - still running)	Number	0	2	1
# Disruptions (service down)	Number	0	0	0
# Downtime in days	Days	0	0	0
Professional integrity incidents	Number	0	0	0
<b>Human capital, health and well-being</b>				
Number of employees 31.12	FTE	560	443	346
Attrition rate - annually**	%	19,2%	17,2%	21,2%
Employees who have left the group	FTE	110	90	90
– Voluntary resignation	FTE	78	63	72
– Redundancy	FTE	30	27	17
– Retirement	FTE	2	0	1
Recruited employees (incl. M&A)	FTE	211	190	106
Work related accidents	Number	0	0	0
Sickness ratio	%/FTE	3,0%	3,1%	3,4%
Employee satisfaction	%	82,0%	81,0%	79,0%
Gender split employees (female)	%	58,0%	59,7%	58,5%
Nationality - Danish	%	93	62	65
Nationality – non-Danish	%	480	380	281
Nationality – non-Danish	%	85,7%	85,8%	81,1%

	Units	2023 (targets)	2022*	2021
<b>Customers</b>				
Number of customers	Number	500	489	458
Customer satisfaction	%	82,2%	82,2%	80,2%
<b>Group managers***</b>				
Members	Number	65	59	48
Female	Number	23	21	12
Male	Number	41	39	36
Gender split (female)	%	33,0%	31,1%	25,0%
Nationality - Danish	Number	20	19	15
Nationality – non-Danish	Number	45	40	33
<b>Board of directors</b>				
Members	Number	5	5	5
Female	Number	2	2	2
Male	Number	3	3	3
Gender split (female)	%	40,0%	40,0%	40,0%
Nationality - Danish	Number	3	3	3
Nationality – non-Danish	Number	2	2	2

\*Excluding acquired companies in 2022

\*\* "Attrition Rate" means

(a) the number of employees with emagine Consulting A/S, CVR-no. 26 24 96 27 ("emagine") and its Subsidiaries who leave the organization voluntarily or due to dismissal, retirement, or death in service between 1 January and 31 December in the relevant financial year calculated as a percentage of

(b) the aggregate number of employees with emagine and its Subsidiaries as of 31 December in the relevant financial year including those employees who leave the organization voluntarily or due to dismissal, retirement, or death in service between 1 January and 31 December in the relevant financial year.

\*\*\* "Group Managers" means:

(a) the chief executive officer of the relevant entity;

(b) any persons which (i) are reporting directly to any persons referred to in paragraph (a) above and (ii) have at least one person reporting directly to it; and

(c) any persons which (i) are reporting directly to any persons referred to in paragraph (b) above and (ii) have at least one person reporting directly to it.

# ESG & Governance 2022



Name	emagine Consulting A/S
Address	Sydhavns­gade 16, 2nd floor, DK-2450 Copenhagen Denmark
Business registration number	26 24 96 27
Established	21 September 2001
Registered office	Copenhagen SV
Financial year	1 January – 31 December
Website	<a href="http://www.emagine.org">www.emagine.org</a>
Board of Directors	Marika Fredriksson Christian Bamberger Bro Christoffer Arthur Müller Petra Jenner Søren Rode
Executive Board	Anders Gratte