



ESG Report 2019

Supporting a sustainable society

netcompany



Letter from the CEO

The code to a sustainable future

At Netcompany we feel deeply responsible for contributing to the continuous positive development of our society. Our vision as a leading IT service company is to continuously improve and build strong, sustainable societies, successful companies and better lives for all of us.

I strongly believe that digitalisation is a crucial determinant of future growth and welfare, and likewise instrumental in supporting correct, transparent, fair and trustful government handling of citizens and businesses. Furthermore, technology will be a crucial driver in fighting climate change, ensuring public health, protecting our democracies and guarding us against cybercrime.

At Netcompany we feel compelled to take responsibility. We have the passion, the people and the ability to execute and support a modern,

state-of-the-art, fair and corruption-free society. In close collaboration with companies, authorities, educational and political institutions it is my firm belief that together we have every opportunity to find innovative and solid answers to the 17 goals outlined by the UN to transform our world.

Education and training are to me the best investments for a prosperous future. In Netcompany we understand, that our ongoing success and delivery capabilities are directly linked to our ability to continuously develop the most talented employees with the right skillset. This is why we offer a unique learning environment and the industry's best career development opportunities.

Equally in society, we need to empower people with competencies fit for the digital age.

I seize every opportunity to speak up and inspire people to acquire digital skills as we will need to bring all talents into play. This is crucial and needed in our mission to find tangible solutions towards the fulfilment of the UN's sustainable goals making the world an even better place in the future.

If we engage ourselves and are brave, we can ensure our children may also grow up in a safe and sustainable future.

Our ESG report 2019 will introduce you to how our core values and our commitment to being a responsible player in society are manifested in our everyday work and in the many initiatives our company has taken.



André Rogaczewski
CEO and Co-Founder

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Introduction to the report

In this ESG report for 2019, we describe our corporate policies and ESG commitments, as well as our strategies, objectives and activities to continuously improve the integration of the United Nations Global Compact and its principles into our business strategy and daily operations. The ESG report also constitutes Netcompany Group A/S' statutory statement on corporate social responsibility for the financial year of 2019 pursuant to section 99(a) of the Danish Financial Statements Act, as well as Netcompany Group A/S' and Netcompany A/S' statutory statement on the underrepresented gender pursuant to section 99(b). Also included are Netcompany Group A/S' reporting on Communication on Progress in relation to the principles of the UN Global Compact.

In our ESG reporting we have chosen to follow Nasdaq's guidelines on key figures in a way that is meaningful to Netcompany (e.g. in relation to the company's high growth in recent years and the industry we operate within) so that the ESG report may genuinely depict Netcompany's overall business. To this extent, we have also chosen to report on some key figures other than the ones that are recommended by Nasdaq. Our key figures are both presented in our annual report and in this ESG report.

For the purpose of this ESG report, "Netcompany" is defined as all group companies, and where necessary the individual companies are referred to by the countries, they are located in.



ESG key figures

Interest in sustainability has increased dramatically in recent years, as it has become more and more evident that we must take an active part in preserving our planet, just as we must act in transparency in order to secure a stable and equal society for all. Taking responsibility for our impact in the world both socially and environmentally is a vital part of Netcompany's values, and it is also a vital part of ensuring Netcompany's overall sustainability for the long run.

It is for the same reasons that we have chosen to report on Netcompany's ESG activities and key figures following Nasdaq's guidelines on ESG reporting, giving investors, analysts and anyone else who may be interested, insight into our ways of acting as a responsible player in society.

Each of the ESG key figures and their development – as shown in the table – will be presented and explained in the ESG report along with a highlight of Netcompany's activities to contribute to the realisation of a more sustainable world.

ESG-head- and key figures overview	Unit	Goal (2020)	2019	2018	2017
Environment - data					
CO ₂ e, scope 1	Tons per FTE	<0.03	0.03	0.03	0.01
CO ₂ e, scope 2	Tons per FTE	<0.39	0.39	0.44	0.39
Energy consumption	GJ per FTE	<10.48	10.48	11.16	6.99
Water consumption	m ³ per FTE	<7.51	7.51	9.00	6.72
Social - data					
Full-time employees incl. freelancers and contractors	FTE		2,293	1,861	1,256
Gender diversity	f/m	20%/80%	19%/81%	19%/81%	17%/83%
Gender diversity for other management teams	f/m	13%/87%	12%/88%	10%/90%	9%/91%
Sick leave	%	<3.0	2.7	3.5	2.9
Employee satisfaction	eNPS	above 20	42	36	48
Customer satisfaction	NPS	above 20	22	26	11
Governance - data					
Gender diversity - Board of Directors (BoD)	f/m	20%/80%	20%/80%	17%/83%	0%/100%
Attendance at the BoD meetings	%	>97	97	95	99



United Nations Global Compact

Netcompany has been committed to Corporate Social Responsibility (CSR) for many years, and since 2013 we have signed up to the UN Global Compact principles for companies' work with corporate social responsibility.

Our sustainability strategy defines our overall focus area, targets and activities. Our ambition is to contribute to promoting and fulfilling the UN's 2030 agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) associated with it.

UN Sustainable Development Goals

In the pursuit of achieving the UN's SDGs, Netcompany has chosen to

focus its ESG efforts on the UN goals no. 4, 5, 8, 9, 10, 12, 16, and 17. The IT industry we operate in is a sector primarily based on the use of labour forces, and our direct climate impact is therefore also somewhat limited. Netcompany's main ESG activities are therefore also focussed on the areas of social responsibility.

In the following summary, each of the SDG goals mentioned above will be presented along with the specific SDG targets that Netcompany is dedicated to fulfilling as well as a summary of Netcompany's activities to contribute to the realisation of the UN goals.



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Summary of our SDG targets and activities





Goal:

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Targets:

4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and Goal-4 effective learning outcomes.

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Examples of our activities:

Netcompany is one of the main initiators behind the project Digital Dogme, where several companies have committed themselves to participate in a new collaborative movement working towards further IT educational training for company employees. The aim for Digital Dogme is to develop many more digitally skilled employees in order to support the growing need for IT competencies in society.

Netcompany also supports various learning initiatives through Netcompany Academy where we develop some of the best IT talents in the industry through an internal unique training programme.

Every six months, Netcompany also offers practical placements for 4 to 16 undergraduate engineering students. The placement scheme is a compulsory part of the undergraduate engineering programme.

Furthermore, Netcompany collaborates with the universities, where various presentations are delivered by Netcompany to inform the students about their career possibilities within the IT industry.

Netcompany also makes donations to the Danish non-profit organisation, Coding Pirates, whose purpose is to promote productive and creative IT skills in children and young people through social and educational activities.

Finally, Netcompany holds several guest lectures at Danish universities for female software students, which Netcompany gives every year.



Goal:

Achieve gender equality and empower all women and girls.

Targets:

5.1 End all forms of discrimination against all women and girls everywhere.

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.

5.B Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.

5.C Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

Examples of our activities:

In Netcompany we offer equal opportunities for men and women, just as we keep promoting diversity and inclusion throughout the organisation as well as in society. This is promoted, among others, through transparent recruitment processes and talent development. Further, Netcompany has equal pay, which means that employees with similar experience and performance ratings are paid equally irrespective of gender. Netcompany also collaborates with universities and schools on initiatives that focus on attracting more women to the IT industry.



Goal:

Promote inclusive and sustainable economic growth, employment and decent work for all.

Targets:

- 8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors.
- 8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- 8.6** By 2020, substantially reduce the proportion of youth not in employment, education or training.
- 8.7** Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

- 8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Examples of our activities:

Netcompany is continuously working towards technological upgrades and innovative solutions that can help further world digitalisation and economic growth. This is achieved through our substantial and talented labour force of approximately 2,500 employees worldwide.

Netcompany's remarkable growth has generated hundreds of new jobs every year, contributing to the general education and training of new IT talents and the overall reduction of unemployment rates. A significant number of jobs are occupied by graduates, which, as a result, also contributes to the overall reduction of the unemployment rate within the youth labour force.

In Netcompany, we're committed to ensuring a safe and healthy working environment for all our employees in respect of all legal obligations and rights of the employees, as well as in accordance with our moral values. This includes, among others, fair and equal wages, rest and leisure, safe and comfortable working environments, and the clear renunciation of the use of child- and forced labour.



Goal:

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Targets:

- 9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
- 9.2** Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries
- 9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Examples of our activities:

Through our digital solutions we support the development of innovative digital infrastructures in society and efficient resource use, enabling industrial growth while at the same time remaining sustainable. Our solutions are built on secure platforms that are flexible and scalable, where information can be accessed anytime and from anywhere. Furthermore, Netcompany holds several positions in governmental boards and associations that focus specifically on how digitalisation can build resilient infrastructures and help support sustainable industrialisation.

**Goal:**

Reduce inequality within and among countries.

Targets:

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

Examples of our activities:

Netcompany has always found great value and strength in diversity. It drives innovative solutions that are key to both Netcompany and the world as a whole. As such, we always actively invite everyone to apply for vacancies in the company irrespective of gender, age, race, religious beliefs etc. signalling the inclusive values that are fundamental to us as a company and characterises our practices and way of business.

**Goal:**

Ensure sustainable consumption and production patterns.

Targets:

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Examples of our activities:

Netcompany is dedicated to preserving the environment and has a number of internal procedures to secure sustainable waste management and reduction of resource consumption. As concrete examples, Netcompany uses recycled paper and in Poland, Netcompany has replaced the use of plastic bottles with purified tap water and reusable containers. All outdated equipment is either sold, recycled or properly disposed of accordingly.

In addition to Netcompany's own initiatives to secure responsible waste management, Netcompany is also currently working with the municipality of Copenhagen in order to provide a digital waste management system.

**Goal:**

Promote just, peaceful and inclusive societies.

Targets:

16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children.

16.5 Substantially reduce corruption and bribery in all their forms.

Examples of our activities:

In Netcompany, we firmly condemn all use of child labour, human trafficking and any form of exploitation of any human being. As a result, we have implemented internal policies such as our Anti-slavery Policy and our Anti-bribery and Anti-corruption Policy to make our stance clear to both the company's employees and business partners. We've also implemented a whistle-blower system where reports can be filed anonymously by anyone that may have suspicions or knowledge of any discrepancies.

**Goal:**

Revitalise the global partnership for sustainable development.

Targets:

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

Examples of our activities:

Through our movement Digital Dogme and participation in several other professional networks, we are frequently cooperating with other companies and entities to solve critical issues in society, such as the lack of IT educated personnel, and to pass on experiences that may help the transfer of knowledge within the IT and digital industries.

Who we are

Netcompany is a pure-play next generation IT service company, delivering business-critical strategic IT projects, that accelerate customers' digital transformation through digital platforms, core systems and infrastructure services in both public and private organisations, throughout Northern Europe.

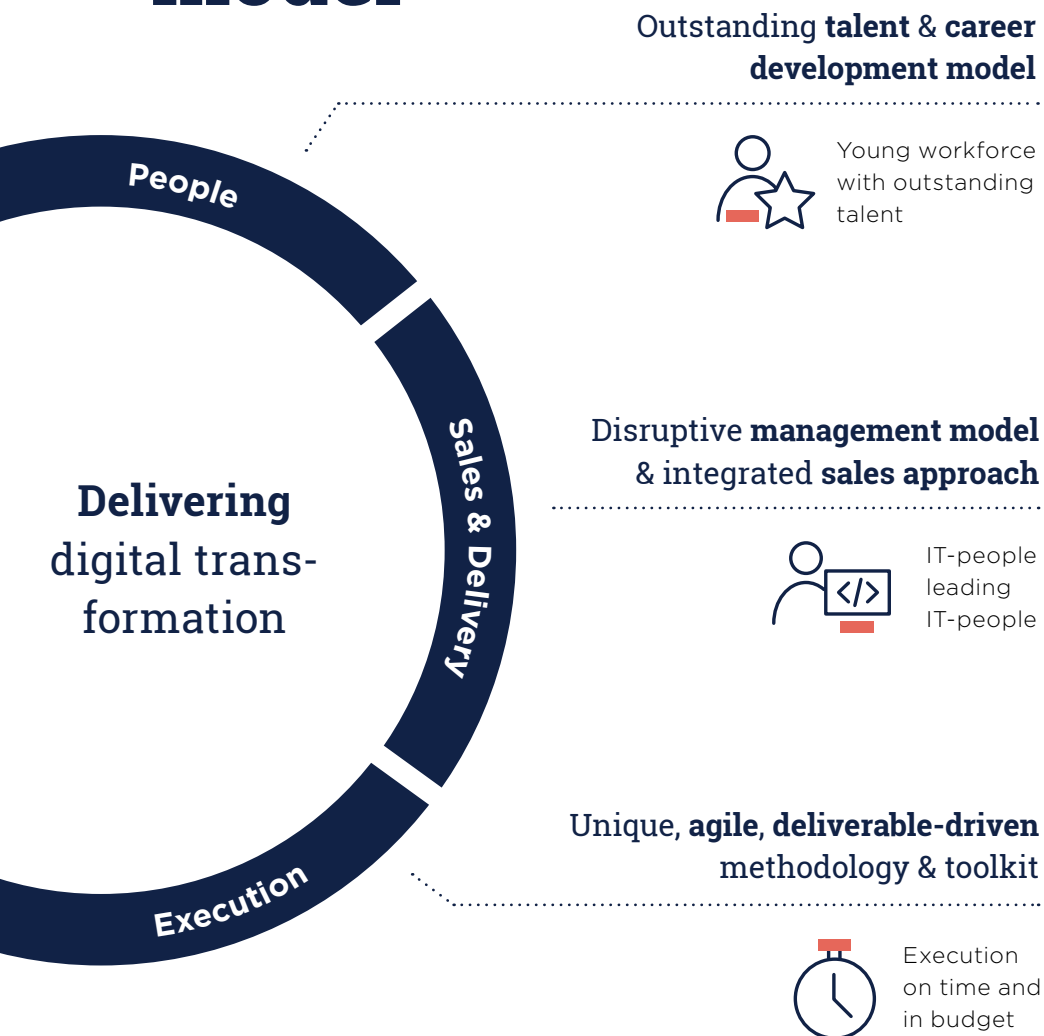
Founded in 2000, Netcompany has its headquarters in Copenhagen, Denmark. Over the last couple of years the

Company has grown, both domestically and internationally, into a company with more than 2,500 employees across 6 different countries.

The reason for Netcompany's remarkable growth is, among others, to be found in the quality of the work that Netcompany delivers on every project, as well as the high level of accountability that Netcompany maintains in all of its business dealings.



Netcompany's business model



Established, repeatable and scalable business model

Netcompany operates its own unique, established, repeatable and scalable business model designed to deliver excellence in digital transformation on time, on budget and within scope through three key pillars:

Outstanding talent and career development model.

Netcompany's IT professionals are highly skilled, many coming from top universities with advanced IT or science related degrees. Netcompany focuses on talent and career development through the company's accelerated merit-based career development programme which rewards top performers with accelerated progression through the various career stages from Consultant to Partner.

Disruptive management model and integrated sales approach.

Netcompany's business model is focussed on a decentralised management model focused on IT people leading IT people throughout all levels of the organisation. Netcompany employs an integrated sales and delivery approach whereby the same individuals responsible for selling IT services to customers are also responsible for delivering such systems and solutions, maintenance and operations. In addition, Netcompany's risk assessment calculation, which is important when pricing, scoping and committing to

new projects, is based on an operational evaluation by Netcompany's experienced IT professionals.

Unique, agile, deliverable-driven methodology and toolkit.

Netcompany's business model involves the use of an agile, transparent and deliverable-driven methodology and toolkit which we believe is unique. This methodology and toolkit provide a complete set of guidelines, tools and templates for planning, delivering, managing and documenting complex integrated IT solutions. It is used across all projects and throughout all stages, from development to maintenance and operations. Netcompany's supporting toolkit includes stringent collaboration and approval processes with customers, in order to ensure that both Netcompany and its customers have a firm, common and completely transparent understanding of all deliverables as well as project progress.

Central to the business model is the commitment to "always deliver", thereby supporting Netcompany and its customers in successfully meeting their needs. Through the continued focus on delivery – on time, on budget and in agreed quality – Netcompany has during the last 20 years consistently built a track record unrivalled in the industry. The capabilities to build such a track record lie in our continued focus on talent and talent development.

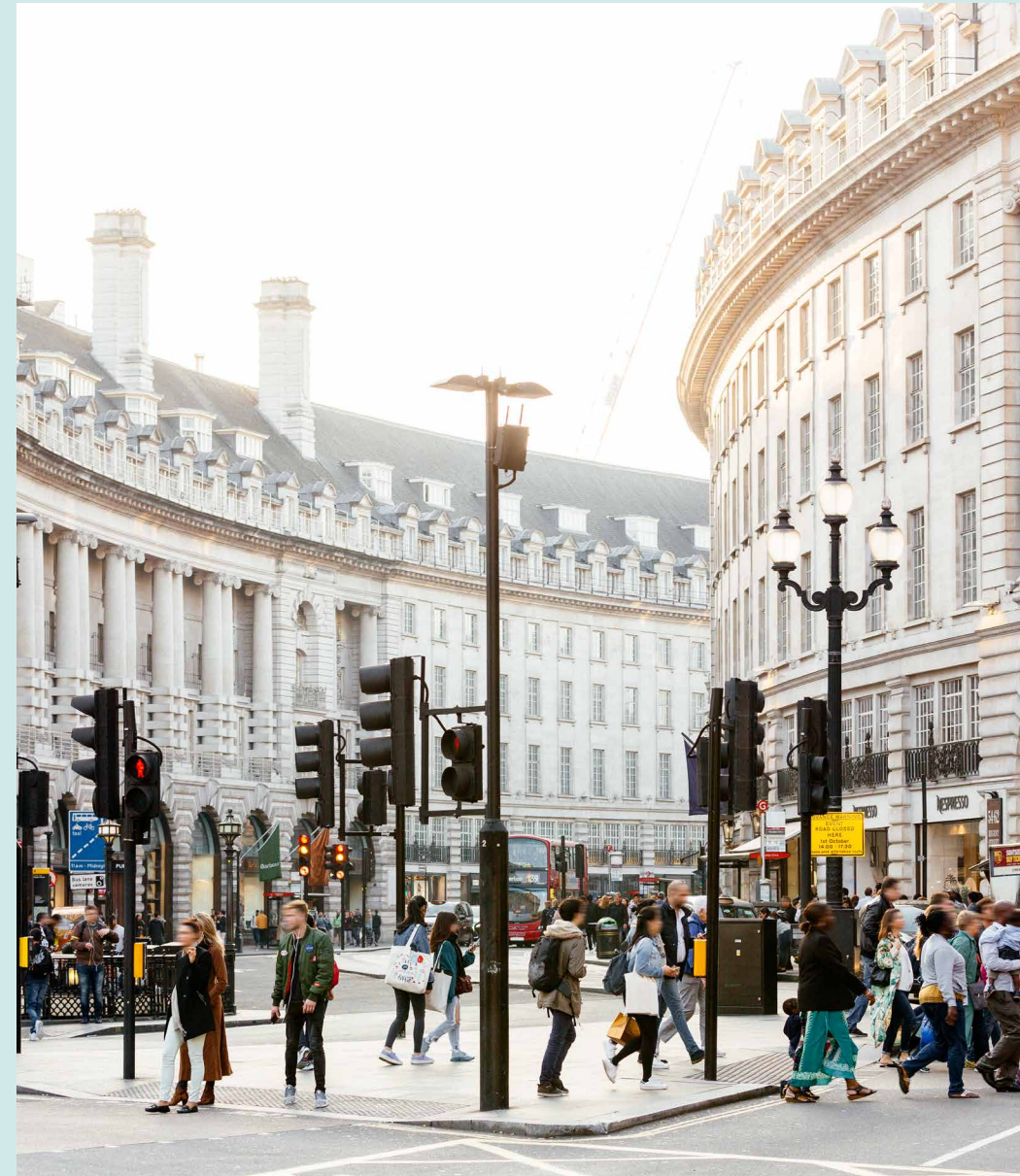
Our sustainability strategy

Netcompany feels substantially responsible for contributing to the continuous development and sustainability of the societies in which the company operates to help create a better future for all – not because Netcompany has grown into a size and a role where it is expected, but because Netcompany is capable and because it is within the company's core values.

As part of this responsibility, Netcompany is accountable for the ways in which the company influences society and for the same reason Netcompany has chosen to report on its ESG activities covering our environmental, social and governance activities.

Netcompany's ESG activities are governed through several documents and processes, including Netcompany's Code of Conduct, Anti-slavery Policy, Anti-bribery and Anti-corruption Policy, Environment Policy, ESG Policy, Tax Policy and Employee Handbook, as well as in the day-to-day management of the company. Each of these documents and processes is designed to ensure that Netcompany lives up to its ESG ambitions.

In 2020, Netcompany aims to strengthen its internal ESG management further, by creating an even stronger link between the company's business strategies and activities.





Environment

The IT industry we operate in is a sector primarily based on the use of labour forces, as opposed to the production industries that use heavy machinery, and our direct climate impact is therefore also somewhat limited. This however, does not mean that we cannot or must not take a proactive and responsible approach to creating a positive effect on the climate.

With new technology, the IT industry can contribute to the reduction of CO₂ emissions and energy optimisation in other industries. For example, the use of cloud solutions, big data, and artificial intelligence can show how manufacturing companies can organise their production in the best way to save energy and reduce their carbon footprint.

In Netcompany we are keenly aware of our responsibility towards our surroundings, and one of the greatest environmental contributions we make is through our software solutions that enable our customers to reduce their environmental footprints.

Netcompany's environmental commitments are also shown through several of our activities and processes, including Netcompany's Environment Policy, which aims to not only mitigate our own environmental footprint but also to support our customers to do the same by developing IT-solutions that support sustainable operations.



In our environmental activities we focus on the SDG targets no. 9 and 12.



Climate impact

In September 2018, Netcompany in Denmark commissioned an audit report on the company's energy efficiency in accordance with the requirements pursuant to directive 2012/27/EU ("Energy Audit Report"). The Energy Audit Report covered all of the Danish locations and the conclusion was that there were only a few alternative energy saving solutions to be implemented within the company. In the following section of this report, references will be made to the results and recommendations of the Energy Audit Report, as Netcompany's general environmental reporting will follow the recommended guidelines and calculation formulas issued by Nasdaq.

Due to the rapid increase in the number of employees from year to year, Netcompany has chosen to report on the company's consumption per average FTE.

Direct GHG emissions (CO₂e scope 1)

Direct GHG emissions (CO₂e scope 1) includes emissions that derives from Netcompany's own combustion of fossil fuels and materials.

Netcompany delivers IT solutions and does not use any fossil fuels in a production capacity, which is why Netcompany neither produce nor emits any direct GHG emissions in this regard. Netcompany's direct GHG emissions are therefore only related to transport by company vehicles.

As the numbers show, there has been a slight increase in emissions from 2017 – 2019 going from 0,01 tons/avg. FTE to 0,03 tons/avg. FTE. The increase is caused by the employment of more personnel that are covered by the company car scheme and are therefore due to Netcompany's growth. The vast majority of our company cars are leased and less than three years old. According to the Energy Audit Report there are no further measures, other than good driving, that can be taken in order to reduce the energy consumption regarding the company car scheme.

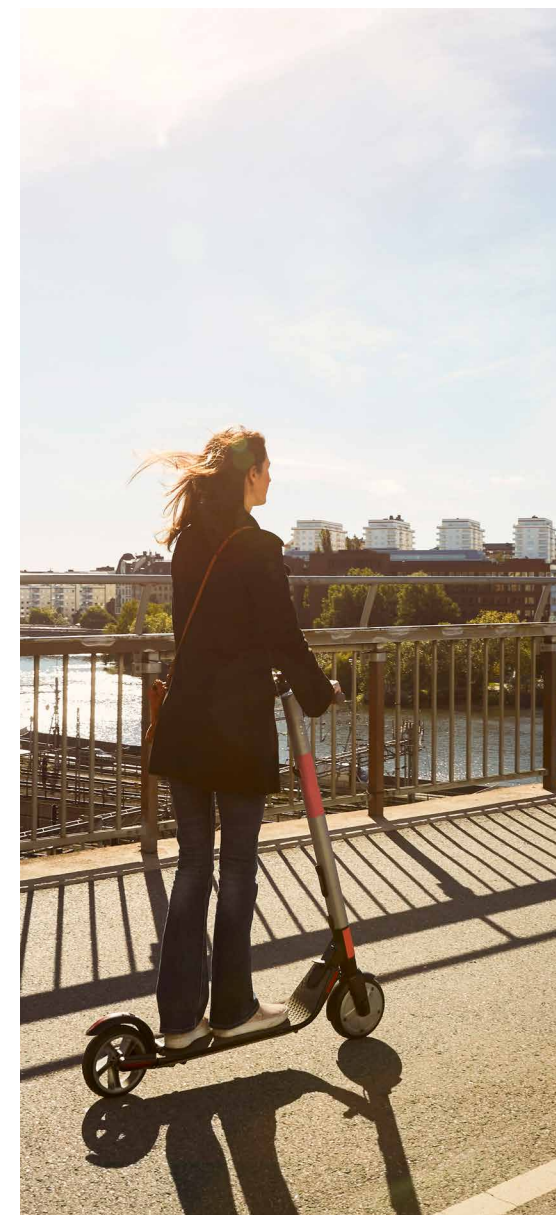
As part of Netcompany's Transport Policy, employees are generally encouraged to minimise all transportation that leads to GHG emissions as much as possible.

Indirect GHG emissions (CO₂e scope 2)

Indirect GHG emissions (CO₂e scope 2) includes emissions that derives from the energy used to produce electricity, heating and cooling for Netcompany's usage, purchased from a third party.

Netcompany's indirect climate emissions are primarily related to the use of electricity at Netcompany's locations and the use of electronic devices by employees in their everyday work. The heating and cooling of Netcompany's office buildings and energy used by servers located at third parties are also included.

A lot of the employees in Netcompany are temporarily located at Netcompany's customers premises while they deliver ongoing IT projects. On this basis it is possible to keep the housing facilities and the associated energy consumption to a minimum. Despite this, it has been necessary in recent years to expand to new locations in order to accommodate the increasing number of employees, just as it has been necessary to obtain further server capacity. The increased energy consumption resulting from the



expansions and the need for extra server capacity are reflected in the numbers of Netcompany's indirect CO₂ emissions going from 0,39 tons/avg. FTE in 2017 to 0,44 tons/avg. FTE in 2018.

Netcompany is constantly trying to minimise the company's climate impact, and as one of our climate initiatives, Netcompany in Denmark changed the original halogen light-bulbs installed in the offices to energy efficient LED light-bulbs in 2018, in line with the recommendation of the Energy Audit Report. The results of this change are positively shown in the decreased emissions in 2019 at 0,39 tons/avg. FTE.

All of Netcompany's electronic devices are new and the computers used are the most energy efficient computers available on the market. Due to the basic needs of the employees and the necessary energy required for Netcompany's work performance, there is of course a limitation to the extent that Netcompany can decrease its indirect CO₂ emissions per average FTE. As of now, there are however still locations where some of the initiatives mentioned above have not yet been implemented, and we will therefore continue to roll these initiatives out to our

other locations, just as we will continue to look for ways to reduce Netcompany's overall CO₂ emissions.

Energy consumption

The total energy consumption includes energy consumed from CO₂e scope 1 and 2 and energy from renewable energy sources.

Netcompany's equipment is continuously monitored and updated to utilise modern power saving infrastructures, so that we may, along with our customers' solutions, contribute to the realisation of our strong commitment to keep energy consumption as low as possible.

Netcompany's energy consumption went from 6,99 GJ/avg. FTE in 2017 to 11,19 GJ/avg. FTE in 2018 and 10,65 GJ/avg. FTE in 2019. As the total energy consumption includes CO₂ emissions from scope 1 and 2 the reasons behind the increase and decrease in our total energy consumption is linked to the same reasons for the increases and decreases in Netcompany's CO₂ emissions, those being the expansions to new locations, need for extra server capacity, employment of more personnel covered by the company car scheme and change from halogen lightbulbs to LED lightbulbs.

Netcompany is always striving to become more energy efficient and whenever viable seeks to employ clean and efficient energy sources in network operations and facility management. Netcompany will continue to do so and look further into new technological initiatives that may reduce the company's energy consumption in the future.

Water consumption

The water consumption includes the sum of all water used from all sources such as spring water, surface water and ground water.

Netcompany's water consumption is only related to the consumption of employees in regard to drinking water and sanitary purposes. To prevent any excess water consumption, Netcompany has installed two-flush toilets and movement sensors at the water faucets in most of the company's bathrooms.

In the years 2017 – 2019 the overall water consumption has been between 6.72 – 9.00 m³ per average FTE per year. In comparison, a normal person's total water consumption throughout a year in a private household in Denmark¹ is estimated at around 37.59 m³. Netcompany's water consumption has been relatively stable throughout the

years, which indicates that the water consumption is at a level where it is only related to the basic needs of the employees. It is of course necessary to provide enough quantities of water to the employees, and for the sake of their well-being it is therefore neither an area that can be altered much to reduce Netcompany's overall water consumption.

It is noted that some of the data is estimated, as our water consumption data for the years of 2017 and 2018 does not exist for all our offices.

¹ https://www.danva.dk/media/5002/2018_vand-i-tal.pdf

Environmental value and initiatives

The value of IT-solutions in society

The international think tank GeSi (Global E-Sustainability Initiative) estimates that digital technology can have a 'transformational' effect on achieving the UN Sustainable Development Goals². By providing digital solutions, Netcompany is, through the delivery of its services, a driving force behind limiting CO₂ emissions in society, alongside the rest of the IT industry.

Via Netcompany's digital solutions, Netcompany contributes to the fulfilment of the UN Sustainable Development Goals by providing, inter alia, communications-, information management-, and various self-service solutions, which enable people to work more closely together with fewer physical boundaries and therefore with a derived positive effect on the climate. By optimising and digitalising workflows for our customers, Netcompany furthermore helps to create sustainable business environments, where smarter transport and logistics can be used to provide a great customer service that includes a reduction in pollution and energy consumption.

Waste management and recycling

Netcompany is dedicated when it comes to preserving the environment and has a number of internal procedures to secure sustainable waste management and reduction of resource consumption.

As an example, Netcompany in Poland has replaced its plastic bottled water with purified tap water and reusable containers. Netcompany also uses recycled paper and we try to use as little paper as possible in our everyday operations. In general, Netcompany also has a low consumption of office supplies, since the majority of activities are carried out on computers.

As an IT service company, it is important that our employees have access to state-of-the-art IT equipment in order to deliver the best digital solutions. Due to the rapid evolvement of the digital solutions available on the market, this means, that IT equipment is more frequently outdated within the context of Netcompany's work, than within the context of other companies work. As a precautionary measure, Netcompany

therefore reviews all equipment twice a year, making sure that the stock is optimised. All outdated equipment that is no longer suitable for use is either sold, recycled or properly disposed of in accordance with Netcompany's principles for responsible waste management and resource consumption.

In addition to Netcompany's own initiatives to secure responsible waste management, Netcompany is also currently working with the municipality of Copenhagen in order to provide a digital waste management system. The solution provides the citizens with an overview of when and how often the various forms of waste are collected, along with options to book additional collections for large items of waste, direct communication with the municipality and a total overview of the associated costs.

Travelling

Netcompany has installed environmentally friendly tele and video communication solutions at all of Netcompany's locations, which are used whenever possible as an alternative to travelling.

If travelling is necessary the preferred transportation method is determined by the infrastructure of the locations where the employees are travelling from and to, considering both the environmental impact caused by the choice of transportation and the overall interests of the company.

To support a more climate and eco-friendly way of transportation, Netcompany in Denmark offers its employees a travel card as an alternative to transportation by car as part of their flexible benefits agreements. Bicycles are also made available for use when attending meetings nearby and in general, Netcompany's offices are located in the centre of the city making commute much easier for our many employees.

Netcompany's travel Policy and initiatives within this field ensure uniform guidelines for all entities within the group, where Netcompany also in general encourages all employees to minimise transportation that leads to GHG emissions.

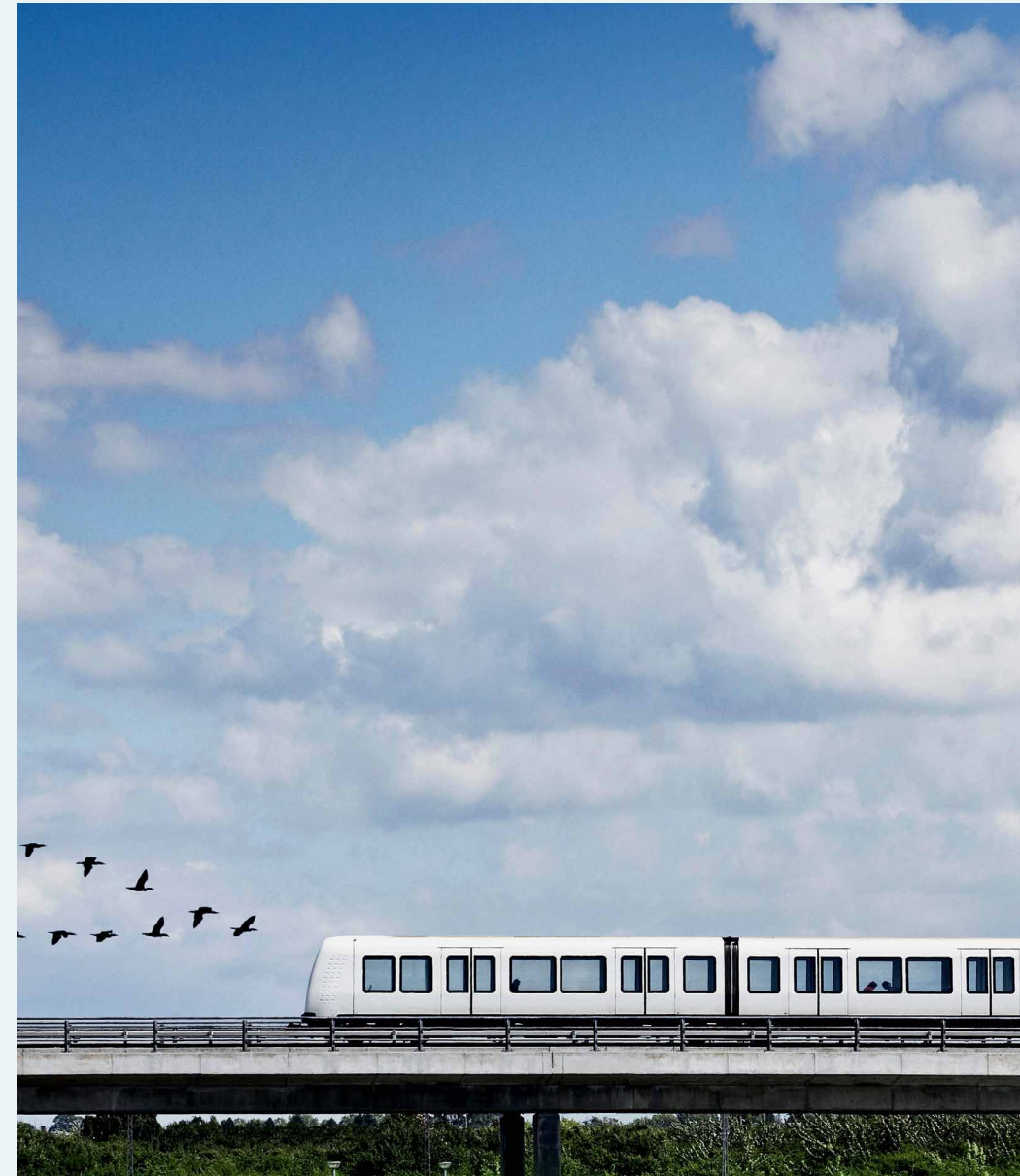
² <https://gesi.org/research/gesi-digital-with-purpose-full-report>



Environmental risks

Netcompany's climate impact is, as the numbers show, overall quite low and it is therefore always a risk that our continued efforts in reducing our climate impact lessen over time due to a misleading feeling of satisfaction with the results. This could possibly lead to an unfavourable effect on Netcompany's reputation and potentially reduce the incentive for potential and existing business partners to do business with Netcompany. Our commitment to annually report on our ESG activities will, however, seek to reduce this risk, as it will continuously encourage us to find new ways to reduce our

climate impact. This also goes for the risk of our employees not following the guidelines of our Travel Policy and the guidelines for our waste management, since we will be inclined to enforce the guidelines and promote new initiatives on an ongoing basis, in order to reduce our emissions as much as possible from year to year. The risk of our employees not following our internal policies and guidelines is also mitigated by an annual demand for our employees to read and make themselves familiar with our policies, as all employees have to declare that they have read and understood them.





Social

It is sometimes easy to get caught up in numbers and revenues when measuring the success of a company. However, success is not only measured in numbers, it is measured by so much else.

As part of this world, we all have a responsibility to act for the benefit of the common interests of society at large. This responsibility is a matter close to heart to all of us working in Netcompany, as we are all invested in the societies, we operate in and in the well-being of the people living in them.

Social responsibility and a profitable business are not mutually exclusive, in fact, it is quite the opposite. Social awareness not only ensures goodwill with customers, in a time where such

focusses are becoming increasingly relevant, it also contributes to employee satisfaction and therefore ensures a more stable and sustainable business. Social responsibility is one of our absolute core values, and we take our responsibility very seriously, always looking for ways to increase our positive influences in society.

Netcompany's activities towards social responsibility can be divided in to both an external and internal responsibility, meaning, the ways that Netcompany respectively affects and influences the surrounding societies in which the company operates, as well as the internal organisation of the company's employees.



In our social activities we focus on the SDG targets no. 4,5,8,9,10,16 and 17



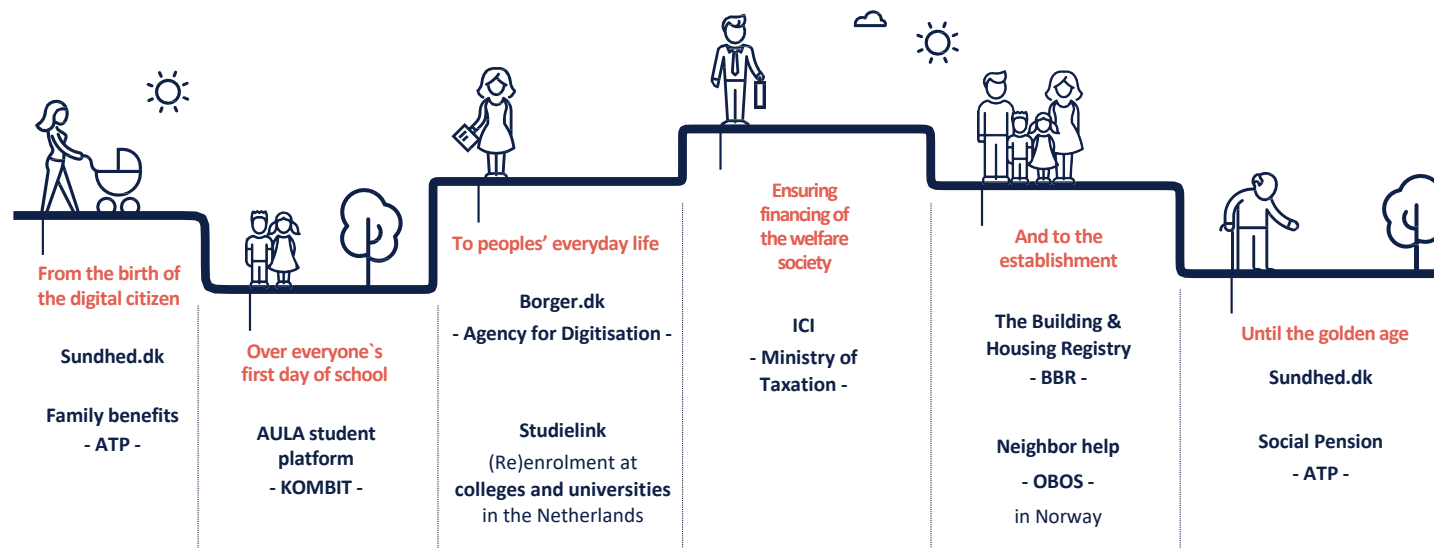
Netcompany's influence on society

Sustainable solutions and services

For more than 20 years, Netcompany has focused on delivering business critical IT solutions to large Public and Private sector customers to lead and support them in their digital transformation journeys.

Netcompany's public sector segment offers end-to-end IT services to central and local governments, i.e. the state and large municipalities and regions. The projects in the public sector encompass the delivery of society critical systems, including tax collection from citizens and on vehicles, payments of public benefits to citizens (e.g. pensions, children/family and property/housing), central registries for companies, properties, employees and public self-service portals relating to public services, including health.

Netcompany's private sector segment offers end-to-end IT services to mid- and large-sized businesses as well as membership organisations, such as trade unions. We deliver business critical IT solutions covering various areas such as e-commerce, billing, document and case management, system



integration, customer relationship management and enterprise risk management, artificial intelligence and information management, very often in combination with each other.

At Netcompany, we believe that with new technology and digitalisation we can make a difference and positively affect many people's lives. For us,

digitalisation is about how to turn technological development into value for the people it affects.

Today, we are an integral part of the Danish society. In fact, Netcompany covers almost every citizen in Denmark from cradle to grave having an enormous effect on the individual's everyday lives. By providing these

services, we are playing a key role in striving to support a modern, state-of-the-art, fair and corruption-free administration of the societies we operate in.

In the following section of the report, you can read about some of Netcompany's solutions which have supported society with digital solutions.

Netcompany's solutions

This year, Denmark's new school communication platform, Aula, was launched. Aula is the biggest digital project ever undertaken by Denmark's municipalities and is a single IT solution facilitating interaction between care providers, schools and homes. It is influencing the everyday life of more than 2 million users. The aim of Aula is to create a space for better communication between the institution and the home. Better communication can help to support more efficient learning and greater well-being in schools and day care institutions.

Oslo municipality has high ambitions for a digitalised society, introducing modern digital public services on an ongoing basis. Oslo municipality chose Netcompany for several framework projects, including the development of new and optimisation of existing digital public services, application maintenance solutions, operations and integration to existing platforms.

Through several years, Netcompany has been responsible for developing and maintaining the portal borger.dk, enabling citizens to access important information. Borger.dk targets all citizens in Denmark with a full view of available relevant and important information to all citizens, whatever their age and requirements. The project is a

true content exercise in gathering, structuring and making available all manner of information under one umbrella.

We believe that supporting education, equality, economic growth, health and the environment is key to building a more sustainable future. Netcompany will continue to serve millions of people in both the private and public sector, showing how digital transformation can create strong, sustainable societies, successful companies and better lives for all of us.

Taxations

It is deeply grounded in Netcompany's values to act as a responsible partner in society in all relations and ensuring equal opportunities for all. We feel strongly that we - as an industry leader - should lead the way in changing our society for the better, and it is important to contribute to the social welfare and benefits of the societies in which we operate.

A prerequisite for the welfare benefits in any society is that sufficient funding is available typically accumulated in the means of direct and indirect taxes. We have a transparent tax disclosure policy, firmly disassociating ourselves from the use of tax havens and other methods of tax evasion. The Executive Management are fully taxable in



Denmark, where we were founded and where the vast majority of Netcompany has been built over the last 20 years. The broader partner group pay income taxes in the countries where they live and work and as a company we pay corporate income taxes and other indirect taxes in all the countries in which we operate.

In 2019, Netcompany has paid more than DKK 120m in corporate income taxes. In addition, Netcompany has paid indirect taxes such as VAT and other similar taxes in excess of DKK 400m. Finally, the more than 2,500 employees of Netcompany have paid more than DKK 400m in personal income taxes based on the salaries they have generated through their employment with Netcompany.

In total the Netcompany Group has contributed with more than DKK 900m in direct and indirect taxes in 2019 to the societies in the countries we are located in. We take pride in this and, based on our continued growth aspirations, we expect to be able to continue contributing more in the future.

Customer satisfaction

In 2016, Netcompany implemented a customer experience management

program. Fundamental to the programme is a customer feedback system. The customer satisfaction survey is conducted on an annual basis and Netcompany tracks progress on its Net Promoter Score (NPS), which is assessed on a scale from -100 to +100. This year, we received an NPS of +22 in our annual customer satisfaction survey – a slight decrease compared with +26 in 2018.

Generally speaking, a Net Promoter Score above 20 is considered to be very good. We believe that the opinion of our customers serves as a powerful indicator in determining the success and performance of our solutions in the market. Going forward, we will continue to translate the learnings from the survey and incorporate the findings into our engagement strategies for all our customers.

Human rights

Netcompany's approach to human rights is strongly rooted in our core values and ethical standards of being a people-oriented company. It is of great importance to us that everyone we meet and get acquainted with in our business dealings is treated with the human dignity and respect that all human beings deserve. As such, we have also chosen to follow the United

Nations' Declaration of Human Rights through several policies including our Code of Conduct and Anti-slavery Policy, just as we have implemented internal guidelines on non-discrimination and protection against harassment.

Netcompany wishes to secure the human rights of every employee throughout the organisation. This also includes the employees of our sub-contractors and business partners. Netcompany's whistle-blower system has been put in place for this reason, so that people can report any suspicions or knowledge of any mistreatment either within Netcompany or within the organisations that Netcompany collaborates with.

Labour

Netcompany always operates under the highest ethics when using labour forces and has a zero-tolerance approach to the use of child labour, as well as forced and compulsory labour. These ethics are also embodied in the Netcompany Code of Conduct and Netcompany fully supports the Convention on the Rights of the Child, stating that all children have the right to leisure and education.

Demonstrating Netcompany's commitment to acting ethically and with

integrity in all the company's business dealings and relationships, Netcompany has implemented an Anti-Slavery Policy, making employees aware of the issue of modern slavery and notifying them of Netcompany's whistle-blower system where any violations or suspected violations can be reported anonymously. Netcompany has to date not received any reports through the whistle-blower system concerning the misuse of labour forces.

³ <https://www.rentently.com/blog/good-net-promoter-score/>

Digital Dogme

In general, we see a threatening lack of digital competencies in society, which is one of our biggest challenges. Most companies are keenly aware that the shortcoming is already concrete and tangible and the consequences are significant, as the lack of digital amplification may lead to lost growth and competitiveness. To prevent this issue going forward Netcompany initiated Digital Dogme together with three other notable Danish companies in 2018.

Digital Dogme is a movement initiated and driven by Denmark's largest companies with a vision of cultivating employees' digital skills within their own organisations.

The aim for Digital Dogme is to create more digitally skilled employees in order to take advantage of the vast possibilities in the new digital era and come out as winners both as individuals, businesses and as societies. The employees that are following Digital Dogme's learning programs have a wide variety of educational backgrounds, interests and aspirations.

Most importantly, they have a high level of professionalism and motivation to develop their digital skills. Today, there are a total of 29 leading companies engaged in Digital Dogme with more than 12,000 registered employees and we encourage all businesses to take part of the initiative, so that together we may do everything in our power to create the digital competencies that are so vital for the further development of our society.

In December 2019, Digital Dogme received a funding of DKK 7.39 million from the Danish Industry Foundation, which will help to establish it as an independent non-profit organisation. In addition to this, the funds from the Industry Foundation will also open up new opportunities for Digital Dogme to further develop an online knowledge-sharing platform and build targeted and structured training courses for continuous development of digital competencies.



Netcompany's responsibility towards employees

Working in Netcompany

Netcompany keeps experiencing a high demand for the company's services, which is highly attributed to the work of our extremely skilled and hardworking employees, as well as the growing need for IT solutions in society today. The continued and rising need for our services has resulted in, and is continuously resulting in, the generation of hundreds of new jobs every year. Just over the past year we have welcomed more than 500 new employees to Netcompany resulting in our number of average FTE's to increase from 1.861 to 2.293, also having a positive effect on the unemployment rates in the societies where we operate.



500

new employees in 2019

In order to secure a positive start for our many new employees, we have implemented a buddy programme where all new employees are paired with an experienced employee in Netcompany, making sure that everyone is properly introduced to Netcompany and quickly integrated in the company both professionally and socially.

We also have a mentorship scheme where our employees are paired with a personal mentor (a senior employee), who also helps with both professional and personal growth, as the mentor follows the mentee's development throughout the mentee's career in Netcompany.

Employee satisfaction

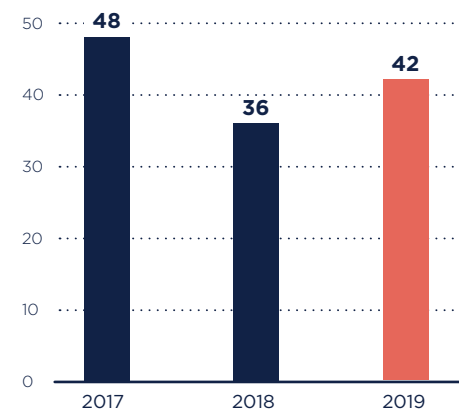
Our employees are our most important and valued resource. They are the ones that steadily take us into the future, which is why their everyday work satisfaction is also of great importance to us and something we take very seriously. As part of our efforts to remain an attractive workplace with a positive employee morale, we conduct an annual employee satisfaction survey tracking our results in the employee

Net Promoter Score (eNPS), which is assessed on a scale from -100 to +100.

In 2017, we received an (eNPS) score of +48 and in 2018 a score of +36. The decrease in our rating in this period is mainly attributed to the company acquisition we made in the United Kingdom with a Vietnamese subsidiary at the end of 2017, as the integration of different organisations always imposes challenges for the employees both in regard to new company cultures and structures, as well as general uncertainties in regard to new and changed work processes. In 2019, we saw an increase in our eNPS score again to +42, which corresponds to the organisational integration that has taken place over the years.

This year's results show a positive development in our level of employee satisfaction and we are proud to report that, for the second year in a row⁴, we've been ranked as one of the top ranking companies in the IT industry in regard to employee satisfaction.

Employee Net Promoter Score



Work environment

Health is an integral part of a person's overall well-being and life happiness. As the average person spends more than 90,000 hours of their life working, a tremendous amount of time is spent at the workplace. This leads to great responsibilities for all employers to secure a healthy and safe work environment for their employees. At Netcompany we take this responsibility very seriously, as we want our employees to remain active and continue to be employable in the labour

⁴ <https://www.computerworld.dk/art/249715/disse-foerende-danske-it-virksomheder-har-de-gladeste-medarbejdere-hent-hele-computerworlds-store-joblaede-magasin>



market for as long as they can and want to.

We believe that there is a strong correlation between job satisfaction and sickness absence, which is also reflected in our job satisfaction score and our sickness absence ratings from 2017-2019.

In 2018, our average sickness absence rate rose from 2.9% in 2017 to 3.5%, which coincides with the company acquisition in the United Kingdom and Vietnam. In 2019, the absence rate fell again by 0.8% landing at an average of 2.7%, which also corresponds to the increase of our ratings in employee satisfaction the same year. For comparison, the average sickness absence percentage per employee for corporations and organisations in Denmark in 2018 was at 2.9%, demonstrating that Netcompany is just below average.

By providing a healthy work environment and by offering a range of health promoting initiatives, we will continue to work towards further reductions in our employee's absence ratings.

After Dark - a strong social community

At Netcompany we take great responsibility in creating a strong social community and pride ourselves in being one of the leading examples for the promotion of social engagement of our

employees. Despite our size, we don't focus on hierarchy and encourage everyone to be approachable across all levels. During the day, we work for our customers but outside of working hours, we have many different events and activities – all arranged by our After Dark committee which is run by a group of volunteer employees.

It is a culture and a community that we are proud of as we believe that we perform our best when we know each other and have fun together.

Our After Dark has a wide spectrum of offers. We have sports teams for running, badminton, soccer, climbing etc. We also have clubs for those interested in games, gaming, cultural experiences and much more. We believe that social activities help us to maintain a high employee satisfaction, a low sickness absence and create unity across projects, teams and physical locations.

Netcompany Academy

Being a large employer and a vital part of educating young and senior people digitally, we strive internally to be market leading in terms of creating a great working environment with respect for the individual and with the aim of establishing a strong learning platform for everyone involved.

Our learning programme, Netcompany Academy, has been an essential part of Netcompany since 2006, and is a dedicated and highly specialised employee training programme. It is designed to support rapid and focused career and skill development from consultant, senior and manager roles, to principal and ultimately partner.

Netcompany Academy's training courses are developed by experienced company executives, managers and system architects. The courses are continuously evaluated and updated to reflect changes in technologies, methodologies and tools. The mandatory courses ensure, that all employees receive uniform training, tailored exactly to the company's project management model and methodology. Optional training sessions, external courses and conferences are also offered at manager level to complement the mandatory element of the Netcompany Academy. We also offer all employees the opportunity to participate in industry, vendor, or methodology certification programmes.

Our standard is five training days (40 hours) per year and at the same time, we pay for certifications, exams, etc. that the employee chooses in his/her spare time. During 2019, our Academy offered 17 different courses across our locations and had a total of 2,051 employees attending.

Diversity

Our employees and their well-being are very important to us, and it is therefore essential for us that we can offer an attractive workplace where everyone feels included and appreciated for who they are.

As such, we always strive to realise the positive potential inherent in having employees with different educational backgrounds, genders and cultural affiliations as diversity is an important factor for the development of new and innovative solutions. In order to achieve this, we perpetually work to ensure equal opportunities for all and promote diversity and inclusion through transparent recruitment processes, talent development and university collaborations, while at the same time fostering a corporate culture of inclusiveness. As concrete examples, our job postings always encourage all candidates to apply, regardless of gender, race, age and cultural background. Via the project Digital Dogme we also take people from other educational backgrounds other than IT and upscale their digital skills and abilities, creating new IT-talents and opportunities for them to further their careers.

In Netcompany, it is experience and qualification that determines the salary level and equal pay is given for equal work regardless of gender or any other unjust reason that does not reflect the true qualifications of our employees. For the same reason, equal terms are also given to all who have the same experience, seniority and internal ratings e.g. when graduates come working for us fresh out of the universities.

Spotlight on gender balance

There are areas within the diversity agenda where we – and society at large – need to improve, and one of them is in the lack of women in the tech and IT industry.

During 2019, Netcompany participated in several activities in order to attract more women into the IT industry, and we can happily report that we are seeing a slow but steady increase in our number of female employees, rising from 17% in 2017 to 19% in 2019. A general increase in women in the industry has also been confirmed in Denmark, where the Danish IT University has reported that from 2016 – 2018 there has been an 9% increase in the number of women admitted to the university's bachelor educations.



In Denmark **nearly 30 %** of the **female participants** at the IT camps have subsequently **applied to an IT education.**

Some of our specific activities in 2019 towards gender diversity included our participation in the national campaign day “Girls’ day in science”, where young women and girls from pre-school to college were invited by Netcompany in Denmark to meet some of Netcompany’s female employees and learn more about the job possibilities in the IT industry

We also held several guest lectures at Danish universities for female software students, which Netcompany does every year.

At the People’s Democratic Festival on Bornholm in Denmark, Netcompany was represented by CEO André Rogaczewski, who participated as a panellist in the public debate about women in tech.

Netcompany also continued to make donations and general support to the

Danish non-profit organisation, Coding Pirates, whose purpose is to create awareness and engage children in the digital world from a young age, ensuring that both girls and boys are introduced to the digital world and its many possibilities from an early age.

In Norway, Netcompany also hosted a women in Tech event for 140 women in the Tech industry and a Girl Tech Fest, which was a coding event for young girls around 10 years of age.

Furthermore, Netcompany also sponsored the Ada and Oda network in Norway and the Danish initiative IT camp for Girls in Denmark, to reinforce our support for more women in the tech industry. In Denmark nearly 30% of the female participants at the IT camps have subsequently applied to an IT education according to the Danish IT University⁵, reinforcing the importance of our work.

⁵ <https://www.itu.dk/om-itu/koensdiversitet-blandt-studerende>



122

events for students



39

guest lectures



20

educational sponsorships



Social risks

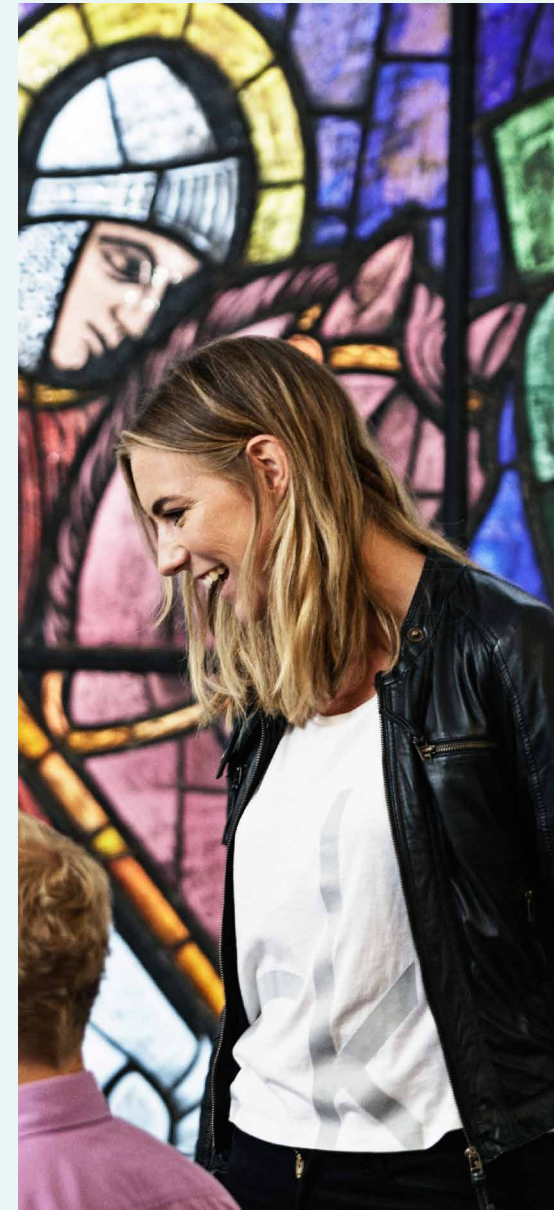
Netcompany is operating in a market with an increasing need for highly qualified IT professionals. Unfortunately, it is becoming increasingly difficult to hire talented personnel with relevant educational background, simply because the number of IT graduates each year is not large enough to cover the market needs. Furthermore, female interest in the industry is still low, imposing a risk for the loss of many of the advantages of gender diversity.

In Netcompany, we understand that our employees are key to maintaining our position and one of our greatest risks is, as a consequence, the lack of qualified employees to support the increasing workload, as well as the lack of diversity that is so immensely important to the development of new and innovative solutions. These

challenges could potentially lead to an unwanted cap on Netcompany's revenue, not because we aren't able to handle the amount of assignments in a fully competent and responsible manner, but simply because we could risk not having access to the required workforce. For the same reason, we are greatly invested in maintaining a high level of employee satisfaction, while at the same time generating an increased interest in employment within the IT industry for all and in particular for women. We will continue to care for our employees both professionally and personally through our Netcompany Academy and mentor programmes, our social activities and our general employment conditions, just as we will continue to promote the great and many advantages of employment within the industry. In addition, we will continue our work

with Digital Dogme, which we truly believe will become an imperative part of meeting the future and increasing needs of IT qualified personnel.

Despite our greatest attempts to the contrary, we are always at risk when it comes to the compliance of our employees and our business partners in terms of violations of applicable rules and regulations, including our internal policies such as our Anti-Slavery Policy. The consequences of such violations could result in loss of goodwill and related losses in revenue, financial costs and corporate liability. In order to prevent and mitigate these risks as much as possible, we have implemented a whistle-blower system, which makes it possible for all to report any suspicions or knowledge of illegalities without fear of repercussions.





Governance

Transparency and constructive stakeholder dialogue are key to Netcompany together with sound decision-making processes and controls for the benefit of Netcompany and our stakeholders.

Trust is a crucial factor in all business dealings, and in Netcompany we understand that trust is something that must be earned over time and, among others, by being transparent. For the same reason, it is important to us, that our investors, and anyone else who may be interested in our corporate dealings, can access the information they need to fully get to know Netcompany as a company.

In Netcompany, we are committed to being accountable and responsible to all relevant stakeholders. This also

means, that we are accountable for our surroundings and for the way we run our business. For us, corporate governance is a key factor in this matter, as it sets out the guidelines for the management of the company and ensures the coalignment of what sometimes may be different interests. It is key in our everyday management, and we believe that a high level of corporate governance is essential to accomplish Netcompany's goals whilst at the same time remaining sustainable over time. Netcompany has therefore developed a number of policies that are aligned with international standards and applicable laws.



In our governance activities we focus on the SDG target no. 16



Management Structure

Netcompany has a two-tier management structure, which is comprised of the Board of Directors and the Executive Management. The Board of Directors supervises the work of the Executive Management and is responsible for the overall and strategic management and proper organisation of the company's activities, while the Executive Management is responsible for the company's day-to-day management. The division of responsibility between the Board of Directors and the Executive Management is set out in the Rules of Procedures for the Board of Directors and Executive Management Instructions.

Board of Directors and Executive Management

The Board of Directors of Netcompany Group A/S currently consists of five members.

According to the Articles of Association, the Board of Directors must consist of at least three and not more than seven members elected at the general meeting. The Board of Directors appoints a Chairman and a Deputy Chairman among its members. Each member is elected for a one-year term, and members may be re-elected. The composition of the Board of

Directors is intended to ensure that the Board of Directors has a diverse competency profile enabling the Board of Directors to perform its duties in the best possible manner. All five members of the Board of Directors are considered independent under the Recommendations on Corporate Governance. The Board of Directors meets at least five times a year and holds extraordinary meetings when required.

During 2019, the Board of Directors conducted a self-evaluation. The evaluation included among others effectiveness, performance, achievements and composition of the Board of Directors, including an evaluation of the performance of the individual members of the Board of Directors as well as the collaboration with the Executive Management.

The members of the Executive Management currently consist of the CEO, COO and CFO. Together, they form the management registered with the Danish Business Authority.

Board Committees

In order to support the Board of Directors in Netcompany Group A/S, Netcompany has established three

board committees: Audit Committee, Remuneration Committee and Nomination Committee.

The committees perform preparatory tasks and make recommendations to the Board of Directors, who in turn will take the final decision on subjects at hand. The main tasks and duties for each committee are set out in separate committee charters. The charters are reviewed, and if deemed appropriate updated, and approved by the Board of Directors annually.

The members of the board committees, including the Committee Chairman, are appointed by the Board of Directors among its own members.

Audit Committee

The Audit Committee consists of three members of the Board of Directors, Pernille Fabricius (Chairman), Scanes Bentley and Robbert Kuppens and its purpose is to assist the Board of Directors with the oversight of the financial and statutory audit matters and internal control and risk management systems of the Netcompany group. Further, the Audit Committee supervises the whistle-blowing procedures and complaints, the external auditor's independence and the procedure for election of external auditor.

The Audit Committee meets at least four times a year.

Remuneration Committee

The Remuneration Committee consists of two members of the Board of Directors, Juha Christensen (Chairman) and Bo Rygaard and its purpose is to assist the Board of Directors by preparing and presenting proposals and recommendations on matters related to the remuneration of the company's Board of Directors and Executive Management.

The Remuneration Committee meets at least two times a year.

Nomination Committee

The Nomination Committee consists of two members of the Board of Directors, Juha Christensen (Chairman) and Bo Rygaard and its purpose is to assist the Board of Directors by preparing and presenting decision proposals and recommendations on matters related to the composition of the company's Board of Directors and Executive Management, including the nomination of candidates and evaluation of the composition of the Board of Directors and Executive Management.

The Nomination Committee meets at least two times a year.

Attendance on board meetings

In 2019, the Board of Directors met 11 times, where three of the meetings were conducted as telephone conferences. The members of the Board of Directors in Netcompany Group A/S, all understand and live up to the essential obligations of their positions, which is reflected in the high attendance rate of the board members in the board meetings. As such, only two board members were prevented from attending one meeting each in 2019. Other than that, there was full attendance at every board

meeting held in Netcompany Group A/S, just as there was a 100% attendance rate at every ordinary board meeting.

In 2018, one board member was prevented from attending on two occasions and two other board members were prevented from attending on one occasion each. During 2017, only one board member was prevented from attending one board meeting that year.

Whistle-blower

In 2017, Netcompany implemented a whistle-blower system, with the purpose of providing a system by which to report serious offences or suspected serious offences that may impact Netcompany as a whole or the life or health of an individual, with full anonymity.

The whistle-blower system allows persons related to Netcompany, such as employees, members of the Executive Management and Board of Directors, auditors, lawyers, suppliers and other business partners of Netcompany, to report serious offences or suspected serious offences.

The whistle-blower system is an independent and autonomous channel and its independence is secured by using an external law firm (Plesner) to receive reports submitted. The law firm forwards any reports to the Chairman of the Audit Committee who investigates the matter promptly and takes appropriate action.

In 2019, two reports were submitted via the whistle-blower system. However, the external law firm assessed the reports to be out of scope.

Recommendations on Corporate Governance

As a listed company, Netcompany observes the Recommendations on Corporate Governance, which are based on the comply-or-explain principle, which makes it legitimate for a company to explain why it does not comply with the recommendations. Netcompany fully complies with 47 out of the 47 recommendations.

According to the Danish Financial Statements Act section 107b, a statement on corporate governance for the financial year is prepared. This statement forms part of the Management's Review and can be viewed at:

<https://www.netcompany.com/int/Investor-Relations/Governance>



**Netcompany fully complies
with 47 out of 47 Recommendations
on Corporate Governance**

Gender diversity at board and management level

Netcompany's ESG report includes the statutory corporate social responsibility statement on the underrepresented gender, cf. section 99b of the Danish Financial Statements Act. In addition to Netcompany Group A/S, Netcompany A/S also have an obligation to report on gender diversity, cf. section 99b of the Danish Financial Statements Act. This section describes the development in Netcompany A/S and Netcompany Group A/S.

Gender balance at board level

Netcompany Group A/S recognises the value of diversity and has set a target of two female members of the Board of Directors to be achieved by 2022. The Board of Directors in Netcompany Group A/S currently consists of a total of five members elected by the shareholders, where one member is already female.

Netcompany A/S fulfils the requirements for equal representation in the Board of Directors as one out of four board members is female.

Results and development:

We always seek the most qualified members of the Board of Directors with due regard to the need for diversity. The members and their internal positions are chosen and assigned by objective criteria's such as relevant experience, education, Netcompany's business strategies and sustainability, and the overall composition of the Board of Directors, hereunder the overall complementation of the individual members inter partes.

In 2019, two new board members were elected at the general meeting and the extraordinary general meeting at Netcompany Group A/S. The choice was, among others, based on level of experience, overall qualifications and in-depth knowledge of the Dutch and UK market. After the elections at the general meetings, the Board of Directors consisted of five board members, where it previously consisted of six members. Based on the board evaluation in 2019, it has since been decided, that a Board of Directors consisting of five board members is adequate for

the time being as the board of directors has the diversity and skills needed for the moment. This also means that the target of two female board members has not been possible to achieve this year. In the upcoming years, Netcompany will continue to evaluate and assess the composition of the Board and look for the best qualified candidates to accede to the Board of Directors while paying due attention to the set targets and the need for diversity in top management.

Gender balance at management level

In Netcompany, we want to unfold the full potential of all our employees and ensure that both men and women have the same opportunities for obtaining leading positions within the company. We are therefore keenly aware of the need to only give weight to objective criteria when it comes to determining the position of our employees, as well as securing equal pay for work of equal value and offering educational and personal support to all employees who may need it.

Results and development:

Even though women are still highly underrepresented in the IT industry, Netcompany is happy to report that there has been an increase in the number of women in management positions in recent years. The number of women in Netcompany's management levels has increased from 9% in 2017 to 10% in 2018 and 12% in 2019.

Activities in 2019 towards gender diversity in top management

In the summer of 2019, Netcompany was represented by our CEO André Rogaczewski at the People's Democratic Festival in Denmark, where he participated as a panellist in the political discussion about how we as a society can make it more attractive for women to become part of top management in the IT industry.

Being a visible part of the public and political debate is one of many key factors to changing some of the perceptions about women in management, which is why Netcompany is also frequently speaking out about the

topic in the media. As part of this approach, Netcompany was also represented at the Women's Board Awards 2019, where CEO André Rogaczewski was one of the key speakers on stage recognising and promoting gender diversity in management.

Gender diversity, and diversity in general, is one of Netcompany's absolute core values, and we will continue our best efforts in the future trying to attract more competent and diverse members to the management of Netcompany.



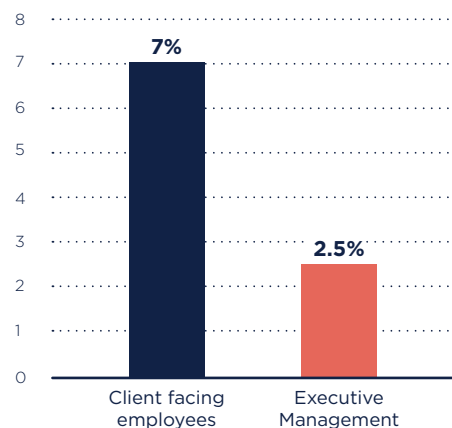
Remuneration of Executive Management and employees

The remuneration of the Executive Management in Netcompany is determined with due consideration to the remuneration of the rest of the organisation's employees, taking into account: the general salary level within the company group, the responsibilities and workload defined in the different positions, the general market standards and standards within comparable companies.

Netcompany was introduced to the public market on 7 June 2018. As a result, Netcompany's Executive Management received an increase in their total remuneration package, so it became equivalent to market standards.

In 2020, the Executive Management will receive a 2.5% increase in salary. Client facing employees in Netcompany, except partners and principals, will in comparison receive a salary increase in 2020 corresponding to an average of 7% per employee. In 2019, the average salary increase for client facing employees was 7%, while the Executive Management salaries was not adjusted.

Salary increase in 2020.



Data protection and privacy

Netcompany is a major supplier on both public and private IT projects which entails the handling of large amounts of personal data as a data processor. As such, Netcompany holds a great responsibility in securing the data subjects rights to privacy, and in acknowledgement of this fact, Netcompany continues to support and encourage the increased focus on data protection.

Even before the GDPR entered into force on 25 May 2018, Netcompany worked for the protection of data and personal data. Security of data has always been of the outmost importance to Netcompany, and Netcompany has a number of security policies and procedures that follow the international security standards ISO 27001 and ISO 27002. Furthermore, Netcompany has also begun the implementation of the new international security standard ISO 27701 published in August 2019, which focuses on GDPR compliance within the context of an organisation, both as a data controller and as a data processor.



Anti-bribery and anti-corruption

In recent years there has become an increase in the level of attention given to bribery and corruption in our society, and in the IT industry where there have been some unfortunate and public cases. Netcompany fully recognises how corruption and bribery undermine a society as well as a business and Netcompany does not tolerate any type of bribery or corruption in any shape or form. As such, Netcompany has implemented an Anti-bribery and Anti-corruption Policy that prohibits all forms of bribery and corruption and sets out strict guidelines for the offering of gifts and hospitality, in accordance with governing law.

Since Netcompany delivers a lot of its services on high-valued projects facilitated by public authorities, the Anti-bribery and Anti-corruption Policy raises special awareness to this area and the risks associated with it. Furthermore, the Anti-bribery and Anti-corruption Policy implements systematic controls to ensure that all expenses are attached to an appendix and approved by two independent

parties allowing Netcompany to ensure that all amounts leaving the company can be tracked, and that a single person cannot withdraw liquidities from the company.

In addition to the Anti-bribery and Anti-corruption Policy, Netcompany also operates under the Netcompany Code of Conduct, which declares that board members, employees, agents, suppliers, consultants and business partners are obliged to comply with applicable laws and regulations in the performance of their duties, and in accordance with good business practices, values and ethical guidelines.

The Anti-bribery and Anti-corruption Policy – as well as Netcompany's Code of Conduct – is mandatory reading for all employees as part of the onboarding programme. Once a year, each employee is required to confirm that they have read and understood the policy.



Netcompany has not received any reports in 2019 or previously, concerning corruption or bribery, among employees or subsidiaries.

In order to further minimise the risks of bribery and corruption, Netcompany has implemented a whistle-blower system in which employees, members of the Board of Directors, Executive Management, auditors, lawyers, suppliers and other business partners of the company can report serious offences or suspected serious offences. Reports may be submitted anonymously, and they are investigated by an external law firm.



Governance risks

Due to the large and increasing number of employees, compliance with internal policies, such as our Privacy policies and Anti-corruption and Anti-bribery Policy, as well as compliance with general rules and legislation, poses a risk for the company as it is never possible to completely monitor every movement of the employees. The same challenges arise in our dealings with our business partners and in our efforts to prevent e.g. slavery and the general exploitation of labour forces in our supply chain. Any violation of our policies or the legislation could severely harm Netcompany in the form of both financial costs,

corporate liability and reputational damage. We are doing everything that we can to prevent any discrepancies, and our internal policies are, as an example, a part of the mandatory reading that all employees are required to adhere to on an ongoing basis, and must review at least once a year, where everyone is required to confirm that they have read and understood our current policies. Furthermore, we have implemented a whistle-blower system, which is governed by an external law firm, where reports of misconduct can be reported without fear of any repercussion or other disciplinary actions.



ESG in the future

This year has been the first year that Netcompany has officially reported on all the company's ESG activities in one report. It has allowed us to disclose in great details how our core values and our commitment to being a responsible player in society have manifested themselves in our everyday work and in the many initiatives that our employees and the company have taken.

We expect that our ESG activities will continue to improve in the coming years.

Together we will keep working towards the fulfilment of the UN's sustainable goals and try to create a better tomorrow for us all.



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