

REPORTING ON SUSTAINABILITY

This section of the Annual Report 2021 constitutes the statutory statement on sustainability of 7N A/S and its subsidiaries covering 1 January 2021 – 31 December 2021 in accordance with section 99a and 99b of the Danish Financial Statements Act.

7N is represented in Denmark, Finland, India, Norway, Poland, Sweden, Switzerland and the United States of America, which means, that our activities impact people around the world. We recognize that such an impact carries with it a responsibility and thus, our engagement with society is based on fundamental principles of cooperation and tolerance no matter where we operate, and rooted in our three core values: Professionalism, mindset of the servant and respect.

Our main impact on society derives from our contribution to digitalization. The digital transformation changes the way societies and businesses operate, paving the way for more efficient use of resources, transparent, well-informed decision making, social interaction and responsible business conduct.

Our skills and solutions cover all the needed pieces for clients to execute their ambitious IT strategies. With our focus on experienced IT consultants who excel within their area of competence, we aim at delivering high quality and reliable solutions that makes business and societies more resilient.

Please refer to page 26-29 for an overview of our business model.

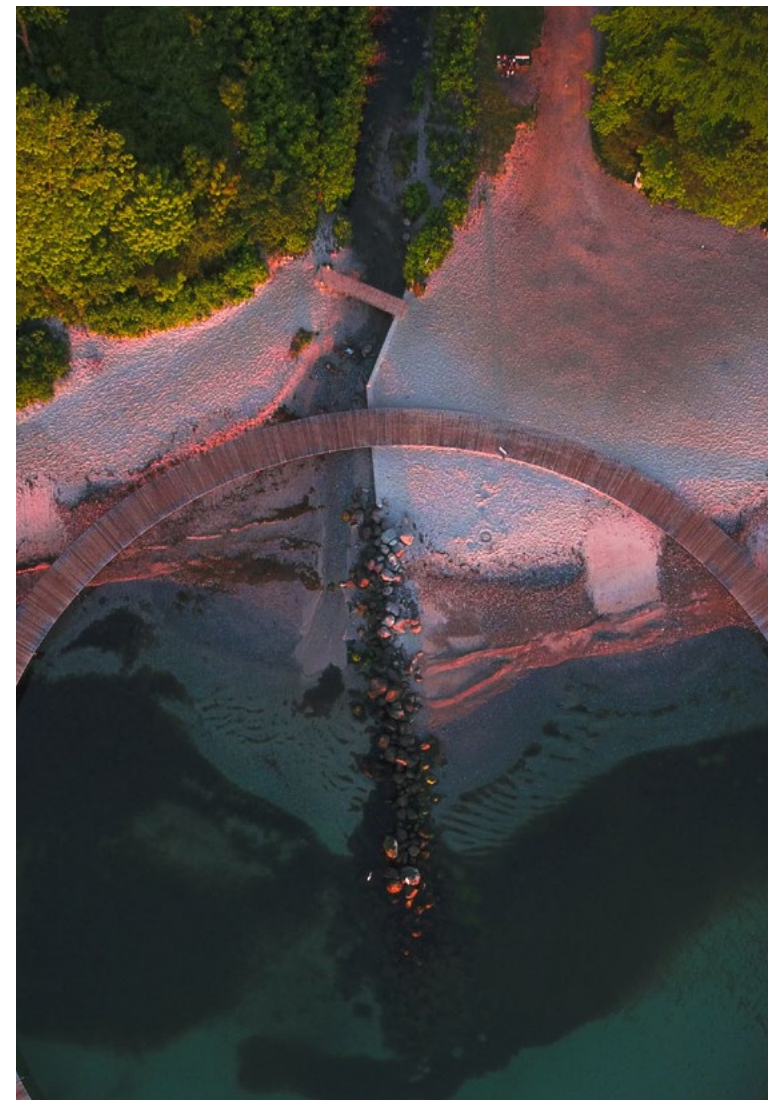


ESG Governance

7N has established an ESG Committee on the Board of Directors to set the ambition level and direction for 7N's ESG efforts and ensure anchoring at top management levels. The committee was established in September 2021 and has initiated a sustainability execution project with the aim of more clearly defining 7N's sustainability ambition with measurable KPIs and initiatives. In 2021, we extended our ESG data collection and analytics and started setting targets for our future efforts.

Employee Relations, Ethics and Human Rights

7N respects internationally recognized human rights principles as formulated in the UN's Universal Declaration of Human Rights and the internationally recognized labor rights principles as specified in the International Labor Organization's core conventions.



7N's primary resource is the approximately 1,600 freelance consultants currently engaged by us. They benefit from participating in projects that utilize their skills and enhance their competencies at a competitive salary compared to alternatives, with no lock-on arrangements and with access to a learning platform keeping their skillset updated and relevant. We will, in 2022, continue to focus on areas that can improve our cooperation with the consultants and their professional development.

The 7N Academy contributes to developing the consultants' professional competencies through certifications, professional networking events, courses, and sparring in relation to professional development. The engagement model with consultants is a significant contributor to global NPS scores in 2021 of 60 among consultants and 73 among staff.

Risks related to employee relations and human rights are primarily breach of data security and privacy as well as a potentially unhealthy working environment, including lack of diversity tolerance, for consultants

and employees. To minimize such risks, we strongly advocate for our core values and have implemented codes of conduct as a natural part of all our contracts –for employees, consultants, and contractors.

Diversity

Diversity is linked to the fundamental human right to equality and is about recognizing, respecting and valuing people's differences. In 7N, we do not tolerate any kind of discrimination or harassment because of religion, race, skin color, gender, disability, age, sexual orientation, or political view. This is stipulated in our internal policies and communicated to all stakeholders.

In 2021, we adopted a diversity policy with the aim of promoting a positive and inclusive work environment that respects the individual and is free from any form of discrimination or harassment.

Processing of Data

It is of highest priority that everyone follows 7N's policies and instructions for the use of our IT-systems and processing of personal data. All employees and consultants are subject to strict confidentiality in their individual agreements, and are required to read our instructions for e.g., processing of personal data, data breach, and GDPR inquiries. Please refer to the data ethics report for further details about handling of data.

Bearing in mind that our business is consultancy services provided by freelance consultants in primarily Denmark and Poland, our supply chain is simpler than that of a manufacturing company or the like with a global supply chain. This significantly reduces the risk of breaches of human rights principles in our value chain. Nonetheless, in our dialogue with suppliers and other business partners, we require compliance with the expectations specified in the code of conducts, including with respect to forced labor, child labor, freedom of association, data privacy and anti-corruption, and encourage our business partners go beyond legal compliance and continuously seek to improve their performance in these areas.

Anti-corruption and Business Ethics

At 7N we compete fairly and are responsible, ethical, and transparent in our business. We do not bribe or

provide improper advantages. Bribes and improper advantages can be monetary such as cash payments or illegal rebates. But they may also include non-monetary items such as improper gifts, products, hospitality and meals, travel and accommodation, or other items or services that ultimately mean the transfer of value in return for special consideration.

Conducting responsible business practice is of high importance to us. At 7N, we do not tolerate and work against corruption in all its forms, including bribery and facilitation payments. We always strive to comply with applicable laws and regulations applicable within the geographical business areas of the 7N Group.

The main risk within anti-corruption and business ethics is that the freelance consultants, who are external parties engaged by 7N but typically working on the premises of clients, behave in ways not conforming with 7N's values and business ethics.

In 2021, we updated our code of conducts for consultants, employees, contractors, and suppliers.

They now more clearly specify that no business partner or employee should receive or give payment, gifts, or any other form of indemnity from and to third parties that may affect or give rise to doubts about our impartiality in business decisions. This is also the case for sponsorships and donations, where we have four eyes principle and segregation of duty. In addition, the code of conducts specify the expected conduct of our stakeholders within the areas of human rights, labour rights, and environmental protection.

The updated code of conducts reduce the risk for non-compliance with the laws or regulations applicable to 7N, as well as internal policies or standards of 7N. Our procedures and codes of conduct are important parts of the onboarding training program for employees and consultants, and in 2022, it will be a focus area to ensure anchoring of the updated code of conducts.

In 2021, we also strengthened our whistleblower system, and no incidents have been reported to date. The objective of the whistleblower system is to provide a relevant platform for consultants, suppliers, customers, and other business partners of 7N to use, if the need for reporting a suspicion of non-compliance with the laws or regulations applicable to 7N, non-compli-

ance with internal policies or standards of 7N or any behaviour or incidents of concern not directly covered by such internal policies, arises.

Climate and Environmental Conditions

In 7N, we strive to reduce our negative impact on the climate and the environment related to our business activities. As an IT consulting company primarily deploying manpower at clients' premises, our environmental footprint is very limited, primarily deriving from our office locations and transport of our staff and consultants leading to greenhouse gas emissions.

Our greenhouse gas emissions disclosure is based on the Green House Gas (GHG) protocol. For comparison, we disclose data for two periods preceding the reporting year. Our environmental footprint in 2020 and 2021 was significantly affected by the covid-19 pandemic, which restricted our travel and meeting activities. We believe, that 2019 should be considered the most adequate benchmark for our environmental footprint and have set our targets for 2022 accordingly.

We aim at reducing our already limited impact on the environment and climate in our business activities by reducing our resource consumption wherever possible, increase recycling of waste, and reduce greenhouse gas emissions during transport. Since 2021, we have reduced our energy consumption with 23%.

We have donated to the Danish Nature Fund to make a positive contribution and to offset our climate impact through the Fund's sustainable nature and forestry projects.

Gender Representation

This part of our sustainability report includes the statutory statement on the underrepresented gender, cf. section 99(b) of the Danish Financial Statements Act. Also included is our statutory statement on diversity in the Board of Directors and Executive Management according to section 107(d) of the Danish Financial Statements Act.

We maintain a culture of diversity, equality and inclusion, where all people should feel welcome, and all

cultures and beliefs accommodated, and we expect the same from our partners and freelance consultants, as reflected in our code of conducts. We are committed to equal opportunities and demonstrate respect for cultural diversity, values, gender equality, age and personal choices.

The diversity policy adopted in 2021 with the aim of providing specific guidelines on 7N's diversity principles, also sets target figures for the share of the under-represented gender in the Board of Directors and outlines principles for facilitating gender balance in other managerial functions.

Currently our diversity ratio for all employees are 45% female and 55% male. Management levels, excluding the Board of Directors and Executive Management, are represented by 29% female and 71% male managers. To 7N, the managers must have the right skills, regardless of gender, but we aim at creating the basis for a more equal distribution of genders at other management levels.

In 2021, we had specific focus on gender specific management training, and have taken the following initiatives to further strengthen the diversity in our managerial functions:

- A sensible work/life balance is offered to reconcile the demands of working life and family life.
- The end of each job advertisement encourages anyone qualified for the job to apply, irrespective of gender, age, race, religion or ethnicity.
- Managerial desires and ambitions are covered in annual employee development interviews.
- When conducting job interviews, we endeavour to ensure that both genders are represented on the list of relevant candidates.
- We want to ensure that male and female employees experience the same opportunities in their careers and in achieving managerial positions.

In 2021, one out of five board members were female. We consider 2021 a transitional year following changes to the Board of Directors in connection with the appointment of a new CEO and Chairman, why it was not possible to reach our gender representation target in 2021. 7N now has a one fifth representation of female board members. The Board of Directors has set a target figure for the proportion of elected female board members of at least 40% in 2023, and that both genders must be represented. Executive Management consists of two male chief officers.

Data Ethics Report

In 2021, we adopted a data ethics policy based on our existing policies and guidelines for processing of personal data, which reflects our commitment to manage data responsibly based on principles of honesty, transparency and accountability. The policy provides guidelines for the collection, use and storing of data with a view to ensuring good practice and respecting the rights of individuals. Our data policies and procedures comply with the international data security standard ISO/IEC 27001.

We mainly process data about consultants, our employees and job applicants provided by the consultants, employees and job applicants themselves, and always in accordance with applicable laws and for legitimate business purposes only.

Data is stored safely and with a clear legal basis in accordance with fixed procedures for storage, erasure, data subject access requests etc. We do not use artificial intelligence tools, machine learning or algorithms nor systematically collect or record data on customers, partners or employees.

Data security is monitored continuously, and immediate action is taken if an attack is suspected. Any breaches of data security or leaks of personal data must be reported to the company's Executive Management, or through our whistleblower system.

With our reporting on our data ethics policy, we comply with the requirements under section 99(d) of the Danish Financial Statements Act.



ESG Data

ESG Data Definitions	Unit	Target 2022	2021	2020	2019	2018	2017
Environmental Data							
CO2e, scope 1	Tons/Tons per FTE	0.40	0.40	0,30	0.41	**	**
CO2e, scope 2	Tons/Tons per FTE	<0.20	0.17	0,20	0.29	**	**
CO2e, scope 3	Tons/Tons per FTE	0.80	0.33	0,27	1.00	**	**
Energy consumption	kWh per FTE	<2,000	1.823	2,003	2,366	**	**
Water consumption	m3 per FTE	<17	17	16	20	**	**
Social Data							
Full-time employees	FTE	370	351	344	312	298	221
Gender diversity	f/m	45%/55%	43%/57%	43%/57%	45%/55%	41%/59%	44%/56%
Gender diversity, management	f/m	29%/71%	29%/71%	31%/69%	27%/63%	27%/63%	33%/67%
Gender pay ratio	Times	<1.4	1.4	1.2	1.1	1.2	1.1
Sick leave	Average days per FTE	<5	2.0	**	**	**	**
Employee satisfaction	eNPS	>70	73	**	**	**	**
Employee turnover	%	<10%	9%	8%	10%	10%	10%
Governance Data							
Gender diversity in a BoD	f/m	40%/60%	20%/80%	29%/71%	0%/100%	0%/100%	0%/100%
Attendance at the BoD meetings	%	>97%	96%	100%	93%	100%	100%
CEO Pay-Ratio	Times	8	7	9	8	9	8

** No data available



ESG Accounting Policy

The following accounting practice is the foundation for the ESG ratios. All emissions are accounted for in accordance with the GHG Protocol Corporate Standard.

CO2e Scope 1 - Direct GHG emissions

Scope 1 emissions are mainly related to combustion by the Group's leased cars. As recommended in the GHG Protocol, for mobile combustion, activity data is based on fuel consumption when possible and otherwise on distance activity. Mobile combustion activities are multiplied by vehicle-specific emission factors provided by the Danish Business Authority's CO2 calculator.

CO2e Scope 2 - Indirect GHG emissions

Scope 2 emissions include emissions that derive from the energy used to produce electricity, district heating and cooling, which 7N has purchased for its use in leased offices. The emissions are calculated using the location-based approach. The underlying data has been provided by suppliers of electricity and heating or invoices provided by the building lessors. The data is multiplied by the emission factors provided by the Danish Business Authority's CO2 calculator.

CO2e Scope 3 – Other indirect GHG emissions

Other indirect GHG emissions (CO2e scope 3) include emissions that derive from business travel by flight. 7N's emissions deriving from business travel by flight are based on data from 7N's travel agency. The data is multiplied with the DEFRA emission factors.

Total energy consumption

Total energy consumption includes all energy consumed in scope 1 and 2. The underlying data is extracted from invoices from our energy suppliers, readings by our fuel suppliers, and meter readings. All figures have been converted by using conversion factors from DEFRA.

Water consumption

Water consumption includes the sum of all water used from all sources such as spring water, surface water and groundwater. Total water consumption is based on meter readings from our different locations.

Social data

The social ESG key figures have been prepared based on the classifications and practices below.

Full-time employees (FTE)	=	Average number of employees per year including contractors in Poland that are not consultants
Gender diversity	=	Proportion of Female and Male FTEs per year divided by the total FTEs per year
Gender diversity, management	=	Number of female managers with at least one direct report divided by the total number of managers with at least one direct report
Sick leave	=	Sum of yearly reported sick days for all FTEs divided by the sum of maximum working days per FTE (data is only available for Denmark and Poland).
Employee satisfaction	=	NPS score based on the data from a yearly survey
Employee turnover	=	Sum of employees leaving 7N yearly divided by the average number of employees in a year

Governance Data

The governance ESG key figures have been prepared based on the following classifications and practices:

Gender diversity – Board of Directors	=	Number of female Board members divided by the total number of Board members
Attendance at BoD meetings	=	Attendance rating per Board member: (presence at Board meetings / Total number of Board meetings) x 100, in %
CEO Pay-Ratio	=	CEO's salary cost divided by the average pay for company employees excluding Board of Directors and Executive Management