NetNordic Report 2024

ESG Review

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About us

- NetNordic is a Nordic IT integrator and managed service provider, specializing in mission-critical services across cybersecurity, cloud, networking, and collaboration.
- We help customers by delivering tailored, mission-critical IT services that simplify complexity and ensure secure, scalable operations for modern businesses.
- NetNordic has around 700 employees, represented in subsidiaries in Norway, Sweden, Denmark and Finland. In total, we have 17 offices across the Nordic region.

Our ESG work

- NetNordic recognizes climate change as one of our time's most important matters. We work together with our customers and suppliers to reduce our emissions and strive to reach a 50% reduction of our total carbon footprint before 2030.
- Our services have a positive impact on several dimensions of ESG. For example, we deliver secure, critical networks and communication services, which are vital infrastructure in today's digital society. Our Security Operations Center (SOC) protects critical infrastructure and mission-critical services from cyber threats. We optimize customers' data centers, which helps reduce energy consumption and costs. Also, our digital collaboration services assist customers in reducing emissions from transportation.

ESG highlights in 2024

- 73% employee satisfaction
- Finalized group-level policy framework; all policies renewed and rolled out with tracked employee acknowledgement and understanding
- Reduced unadjusted gender pay gap to 2,7%

ESG progress in 2024

Project	Description of project	Progress during 2024
1 CSRD readiness	NetNordic will be covered by the EU Corporate Sustainability Reporting Directive (CSRD) and the interlinked European Sustainability Reporting Standards (ESRS) between financial year 2025 and 2027, with first report to be published in 2027 or 2028. A key priority for 2024 is therefore to prepare and establish necessary structure for the implementation of the new reporting requirements.	• Internal working group established to drive ESG reporting • Improvements in data quality to prepare for more extensive reporting • Preparations for conducting a double materiality assessment during H1 2025
2 Policy framework awareness	NetNordic has implemented a policy framework. To ensure full execution on the policy framework the internal awareness of concerned policies is crucial. A key priority for 2024 will therefore be to run an internal campaign on increased policy framework awareness throughout the organisation. Existing policies will also be reviewed, and updated if needed.	• Group-level policy framework is finalized • All policies have been renewed • Roll-out to organization completed, using a learning management system (LMS), tracking that employees have both read and understood all policies

ESG outlook for 2025

ESG focus areas going forward

1 Double materiality assessment and ESG focus

During 2025 the main focus for NetNordic is to complete a double materiality assessment to understand the most material ESG areas for its business, industry and society. Based on the results from the materiality assessment, key focus areas will be identified and the ESG strategy for the coming years will be defined. This will also be the basis for understanding gaps between the current position and the target state, leading to clear actions and improvement areas for the coming years.

2 Sustainability-related communication

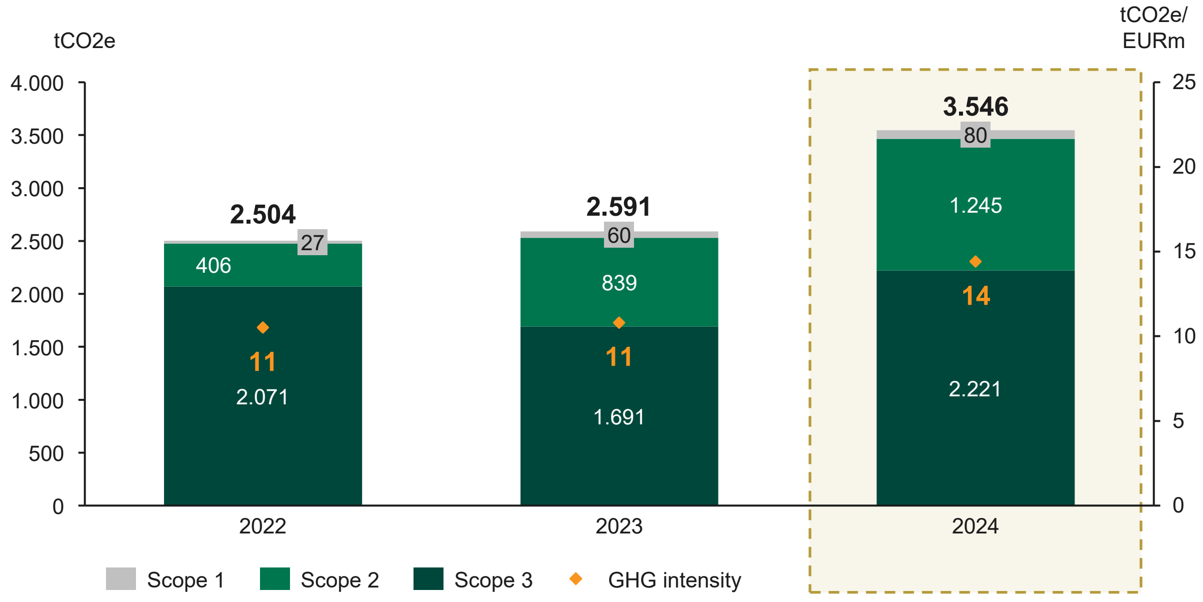
To enhance commitment and ensure transparency on ESG topics, actions to improve communication around sustainability efforts will be taken during 2025. This includes both internal communication to inform and educate employees, as well as external communication to customers, suppliers, investors and society at large.

Climate change

– GHG emissions

- Absolute GHG emissions were 3.546 tCO2e in 2024, with an intensity of 14 tCo2e/EURm in revenue.
- Scope 3 was the dominant source of GHG emissions, accounting for 62,6% of the total. Scope 1 and Scope 2 emissions contributed to 2,3% and 35,1%, respectively.
- During 2024, the reporting scope was increased to ensure better completeness and accuracy of data, leading to higher reported emissions. Furthermore, acquisitions made between 2022 and 2024 have had an impact on reported emissions for 2024. Comparisons between 2024 and previously reported years should therefore be done with caution.

Absolute GHG emissions (tCO2e) & GHG intensity (tCO2e/EURm)

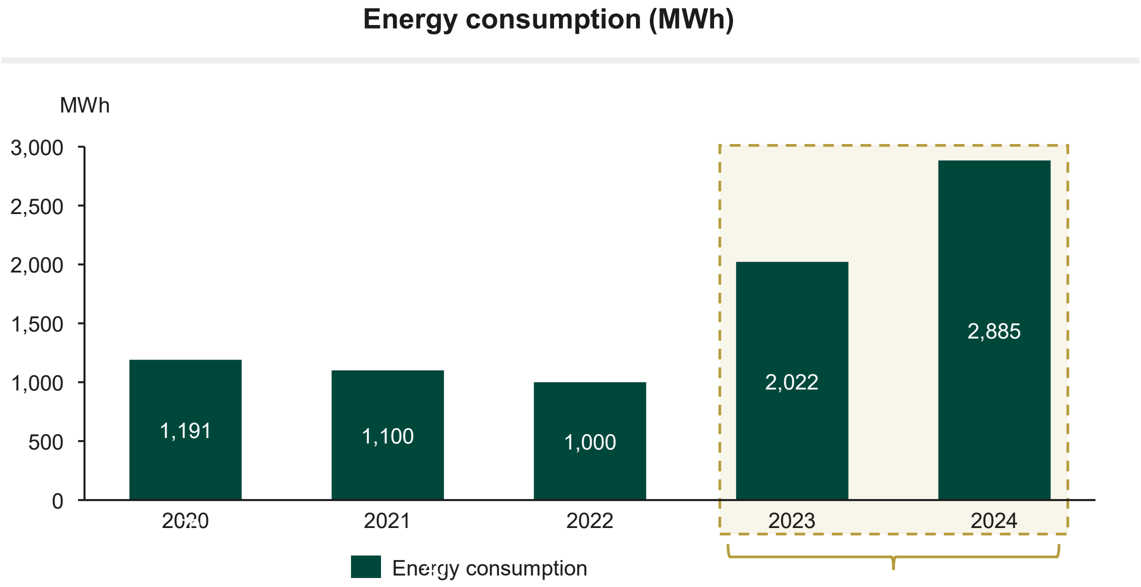


Please note that data comparison to 2022 and 2024 will give misleading results.

The reasons are multiple acquisitions between 2022 and 2024, which have increased emissions compared to previous years. Also, data reporting quality and completeness has improved during the past two years.

Climate change
– Energy consumption

- Total energy consumption increased by 863 MWh (+42,7%) compared to the previous year.
- The main growth driver is acquisitions of companies between 2022 to 2024, both increasing company size and the share of managed services.
- When energy consumption is moved from the customer to NetNordic's managed services, it increases energy consumption for NetNordic.
- It also provides opportunities to increase overall energy efficiency in the value chain. NetNordic has in 2024 consolidated multiple data centers, contributing to higher energy efficiency.



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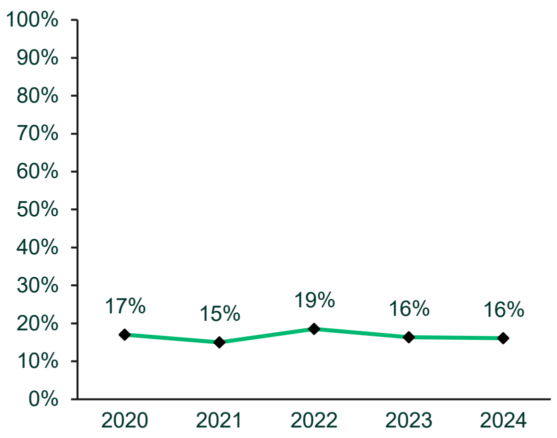
Equal treatment and opportunities for all

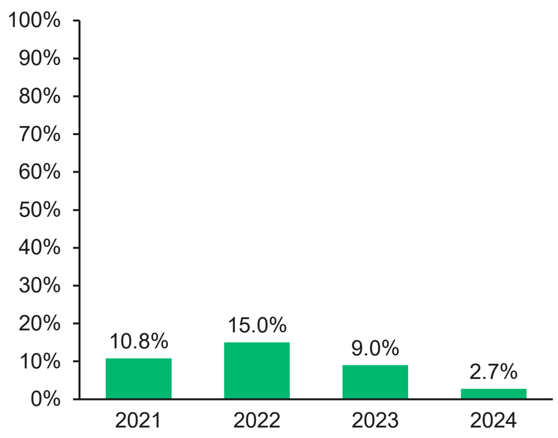
- Talent is our most important asset, being the foundation of the company. Employees are supported at every stage of their career, including training programs for technical staff/consultants based on partner programs.
- Diversity has been a longstanding issue within the industry; therefore, it is important that tech companies provide equal opportunities and eliminate institutional biases.
- By launching and engaging in diversity initiatives, as well as improving talent management and recruitment policies and processes, we are working towards becoming a more diverse company.
- Gender diversity in the workforce remained relatively consistent over the past five years, ranging from 15% to 19%. In 2024, the share of female FTEs was 16%, approximately the same figure as 2023.
- The unadjusted gender pay gap decreased by 6,3 percentage points compared to the previous year, reaching 2,7% in 2024 – the lowest level reported in the past four years. This is due to an increase in number of females in the country management teams during 2024.

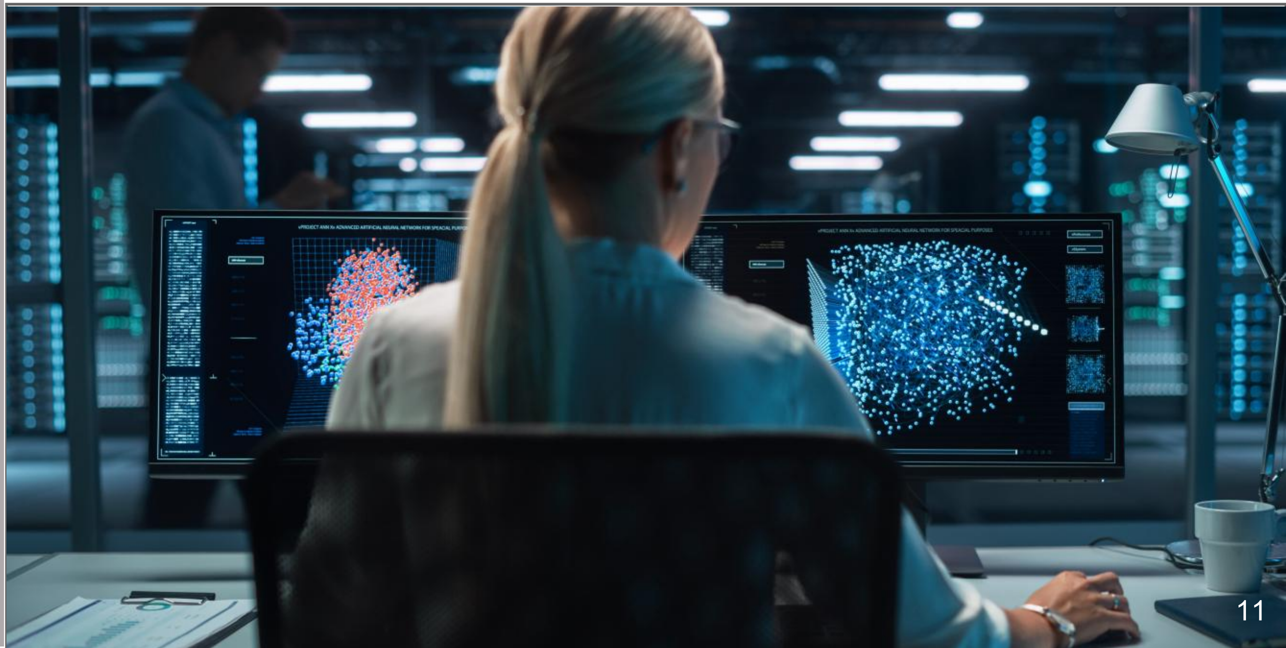
Gender diversity in total workforce (%)



The percentage depicts the share of female FTEs within the company

Unadjusted gender pay gap (%)

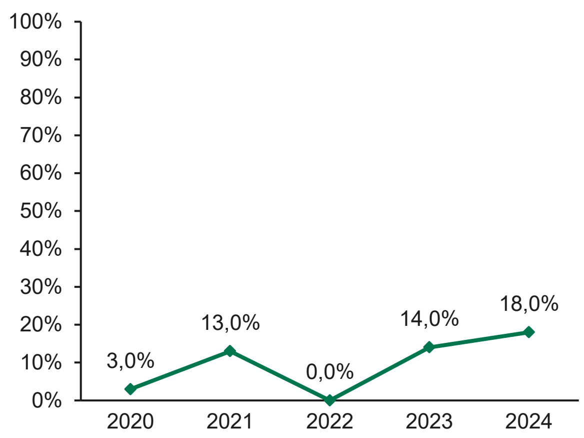




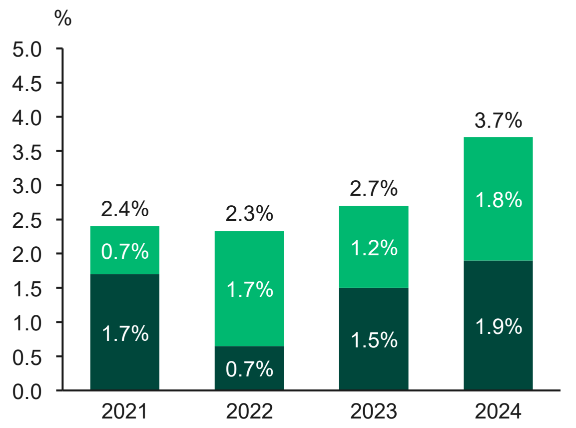
Working conditions, health & safety

- Working conditions are continuously monitored and action plans are created accordingly.
- Employee turnover has risen over the past three years, increasing by 4 percentage points between 2023 and 2024 – reaching 18%.
- Employee satisfaction score has been relatively consistent from 2020 to 2024, with a slight decline in 2024 from 77 to 73 out of 100.
- The absenteeism rate has continuously risen over the past three years, reaching 3.7% – the highest level in the past four years. In 2024, there was a near-equal distribution of short-term and long-term absenteeism.
- Risk inventory and evaluation assessments are performed periodically, and appropriate follow-up action is taken if necessary to improve health and safety in the workplace.

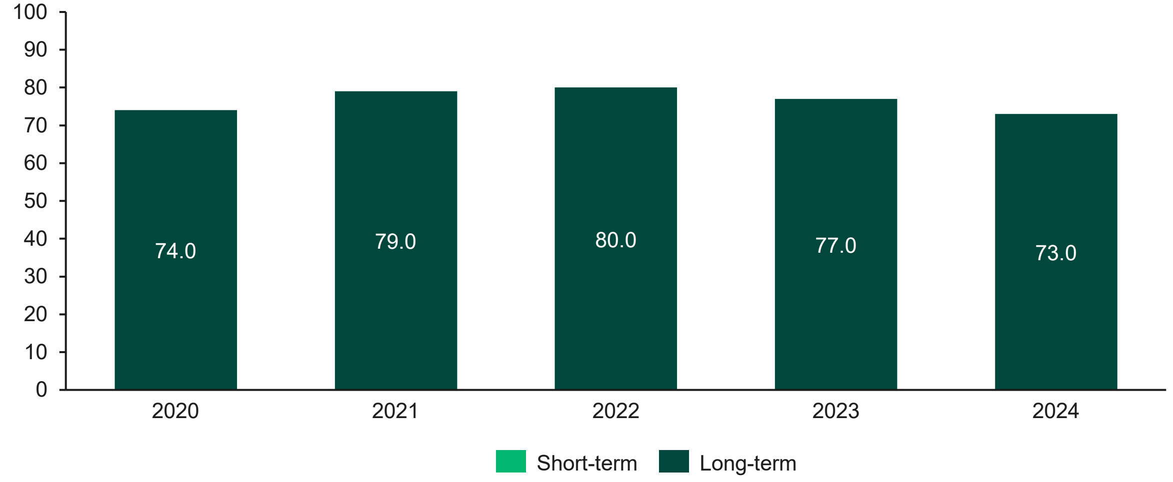
Employee turnover (%)



Absenteeism rate (%)



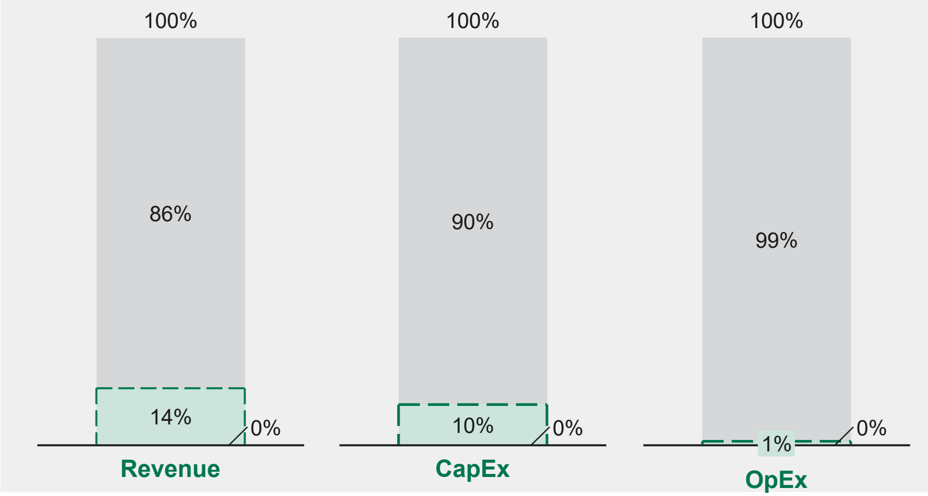
Employee satisfaction score



EU Taxonomy

	Taxonomy alignment[1]
	Potential alignment[2]
	Not eligible[3]
✓	Criteria met
✗	Criteria not met

Result of taxonomy assessment



Specification of revenue alignment:

- **Enabling activities[4]**: 0%
- **Transitional activities[5]**: 0%

Taxonomy-eligible activities

Business activity	Taxonomy objective	Technical screening criteria	Minimum safeguards
8.1 Data processing, hosting and related activities	Circular economy	✗	✓

1. Taxonomy alignment refers to taxonomy-eligible activities that meet the technical screening criteria and the minimum safeguards set by the EU Taxonomy.
2. Potential taxonomy alignment refers to taxonomy-eligible activities that do not yet meet the technical screening criteria and/or the minimum safeguards set by the EU Taxonomy.
3. Not eligible refers to economic activities not covered by the EU Taxonomy. **4. Enabling activities** are activities that directly enable others to make a substantial contribution to an environmental objective under the EU Taxonomy. **5. Transitional activities** are activities for which low-carbon alternatives are not yet available. These can be aligned under the EU Taxonomy if they have GHG emission levels that correspond to the best performance in the sector or industry.
Source: Company data, EU Taxonomy Regulation, Position Green analysis

ESG KPI overview

KPI	Unit	2020	2021	2022	2023	2024
ENVIRONMENTAL						
Scope 1	tCO_2e	0,9	1,6	27	60,2	80
Scope 2	tCO_2e	479	442	406	839	1 245
Scope 3	tCO_2e	-	-	2071	1691	2 221
Total GHG emissions	tCO_2e			2504	2591	3 546
GHG intensity	tCO_2e / mEUR			10,5	10,8	14,4
Energy consumption	MWh	1 191	1 100	1 000	2 022	2 885
Share of renewable energy	%	0%	0%	0%	13%	12%
SOCIAL						
Total number of FTEs	#	450	477	491	625	635
Share of female FTEs	%	17%	15%	19%	16%	16%
Unadjusted gender pay gap	%		11 %	15 %	9 %	2,7%
Employee turnover	%	3%	13%	0%	14%	18%
Short-term absenteeism rate	%	–	0,7%	1,68%	1,2%	1,8%
Long-term absenteeism rate	%	–	1,7%	0,65%	1,5%	1,9%
Total absenteeism rate	%	2,50%	2,40%	2,3%	2,70%	3,7%
Employee Satisfaction Score	#	79,00	79,00	80,00	77,00	73,00
Company-specific KPIs						
Data hacking incidents	#	0	0	0	0	0

Reporting parameters

Legal name	NetNordic Group AS
Org. nr	993 037 079
NACE sector code	J62.0.2
Location of headquarter	Oslo, Norway
Nature of ownership	Majority owned by Norvestor
Reporting period	January 1, 2024 – December 31, 2024
Contact person	Fredrik Morberg