netnordic

NetNordic Report 2024
ESG Review

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About us

- NetNordic is a Nordic provider of end-to-end solutions for secure collaboration, secure infrastructure and secure networks. The company helps customers with their digital journey through the design, delivery and management of IT-services and solutions.

- NetNordic has more than 600 employees, represented in subsidiaries in Norway, Sweden, Denmark and Finland. In total, the company has 19 offices across the Nordic region.

ESG highlights in 2023

- 77% employee satisfaction.

- A Head of Sustainability stationed in every country where they operate.

- Zero data hacking incidents.

Our ESG work

- NetNordic recognizes climate change as one of our time's most important matters. They work together with their customers and suppliers to reduce their emissions and strive to reach a 50% reduction of their total carbon footprint before 2030.

- The services they provide have a positive impact on several dimensions of ESG. For example, they deliver and ensure secure, critical network and communication services for businesses and society. Their SOC protects critical infrastructure and mission-critical services from cyber threats. They optimize data centers for customers, which helps reduce energy consumption and costs. Lastly, their digital collaboration services assist customers in reducing emissions from transportation.

Our key material ESG themes

	UPSTREAM	OPERATIONS	DOWNSTREAM
Environmental			
Climate	Climate change mitigation		
	Energy		
Water and marine resources			
Biodiversity and ecosystems			
Resource use and circular economy			Waste
Social			
Own workforce		Equal treatment and opportunities for all	
Workers in the supply chain			
Affected communities			Communities' economic social, and cultural rights
Costumers and end-users			Personal safety of consumers and/or end-users
Governance			
Business conduct		Corporate culture	
		Data Security & Privacy	

Climate change
- Climate change mitigation is important to NetNordic and the company works together with customers and suppliers to reduce emissions. The ambition is to reach a 50% reduction of total carbon footprint by 2030.

Own workforce
- The challenge to recruit and retain a diverse pool of talent can restrain growth.
- Onboarding, personal development, and inclusive work environments are key to managing and retaining talent.

Affected communities & Consumers
- Relates to the ambition to have a positive impact on society by actively working towards existing societal challenges.

Corporate culture
- Implement and integrate sustainability strategy throughout the organisation.
- Retain and attract talent.

Date Security & Privacy
- Managing data security and privacy avoids lower revenues due to lost consumer confidence and churn, preventing financial impacts stemming from legal exposures (e.g., GDPR).

ESG progress in 2023

Priority project	Description of project	Progress in 2023
1 **Carbon impact**	NetNordic acknowledges that its largest carbon impact lies across the value chain, rather than solely in operations. As a result, NetNordic aims to set a baseline for Scope 3 emissions across its value chain and identify prioritised next steps.	NetNordic have now established a strong baseline for the company's GHG-emissions, including scope 3 emissions. Most significant sources of emissions in the company value chain have been identified and provide a good staring starting point for prioritising where to focus mitigating efforts.
2 **Sustainability transparency**	NetNordic will work to build a sustainability profile by publicly reporting on ESG & sustainability and stating ambitions and targets on material ESG themes, such as lowering carbon emissions.	During 2023 NetNordic had a strong focus on strengthening the internal structure for managing sustainability in the group. A distributed organization with all business units now responsible for their respective reporting of sustainability data have improved data access and quality, as well increasing buy-in to sustainability related initiatives. These organisational improvements have created a strong foundation for the company to deal with upcoming regulatory requirements and internal sustainability ambitions.

ESG priority projects for 2024

Priority project

Description of project

1 CSRD readiness

NetNordic will be covered by the EU Corporate Sustainability Reporting Directive (CSRD) and the interlinked European Sustainability Reporting Standards (ESRS) from financial year 2025 with first report to be published in H1 2026.

A key priority for 2024 is therefore to prepare and establish necessary structure for the implementation of the new reporting requirements.

2 Policy framework awareness

NetNordic have 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 if needed updated.

Actions for 2024

- Decide on internal working group with clear responsibilities for the implementation of CSRD/ESRS.
- Perform double materiality assessment in line with CSRD/ESRS requirements.
- Establish structure for CSRD/ESRS data-collection.

- Internal campaign to ensure policy framework understanding throughout the full organisation.
- Integrate policy framework awareness into onboarding programme using automation.
- Review policy framework and update as needed (align with CSRD readiness project).

Climate change

- NetNordics's focus is on creating and delivering smart intelligent integrations, specialising in solutions and services for mission-critical infrastructure within the area of cyber security, secure data centers, secure networks and secure integrated communication.

- The GHG emissions increased by 3% from 2022 to 2023. In 2023, the scope with the highest emissions was Scope 3, accounting for 65% of the total emissions. Within scope 3, Category 7, employee commuting contributed the most to emissions in 2023. Additional categories with significant emissions were business travel and the purchase of goods and services.

- A significant change that has occurred within the company during the reporting year is that each country where the company operates has received its own sustainability manager. Consequently, each country reports its own sustainability data, which means that the data has become more comprehensive and is closer to the business operations.

- The noticeable increase in energy consumption is due to the acquisition of a company operating data centers and more completeness of collected ESG data.

- The share of renewable energy depends on whether the company specifically paid for renewable energy. However, it is notable that the majority of location-based energy comes from renewable sources, given that the company operates in the Nordic countries.
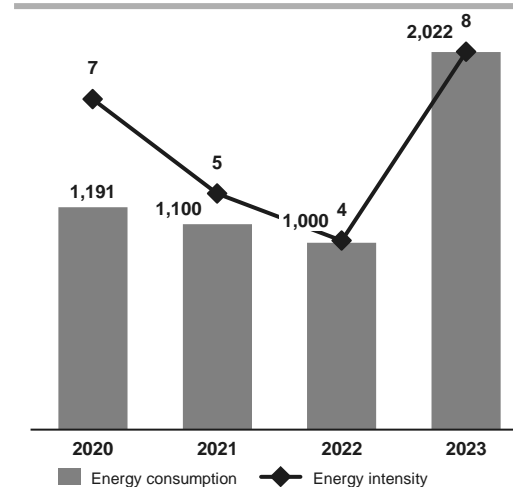
Absolut GHG emissions (tCO2e) & GHG intensity (tCO2e/EURm)
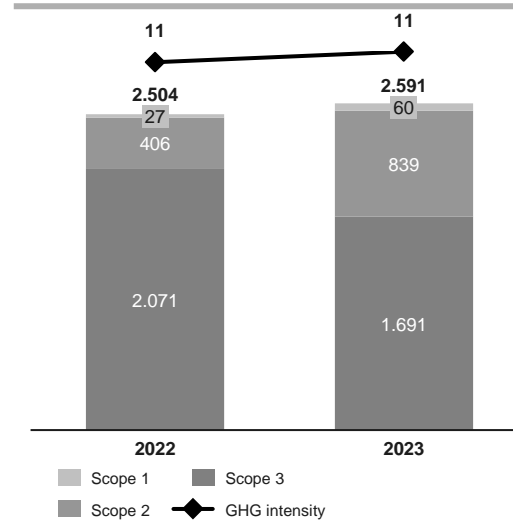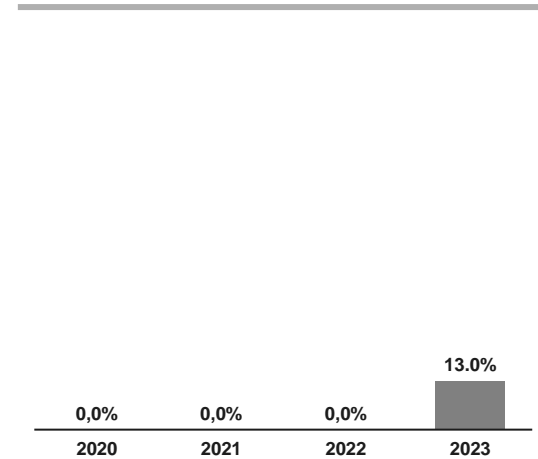

Absolut GHG emissions (tCO2e) & GHG intensity (tCO2e/EURm)
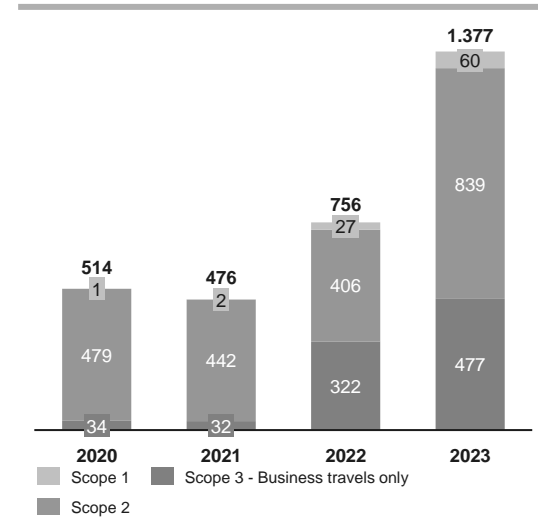
Energy consumption (MWh) & Energy intensity (MWh/EURm)
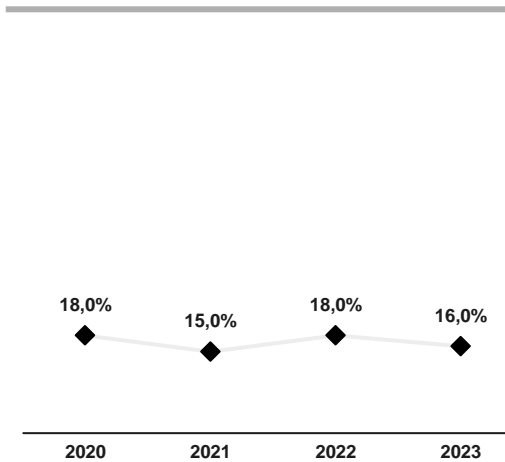


Renewable energy consumption (%)

Equal treatment and opportunities for all

- NetNordic acknowledges that talent is its 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, NetNordic can work towards becoming a more diverse company.

- In 2023, NetNordic has actively sought to diversify their team by targeting their recruitment towards women. Qualifications always come first in the recruitment process, but if candidates have similar qualifications, women should be chosen as a priority. Similar approaches are taken for candidates from different backgrounds to increase diversity at NetNordic.

Gender diversity in total workforce (%)

2020	2021	2022	2023
18,0%	15,0%	18,0%	16,0%

Unadjusted gender pay gap (%)

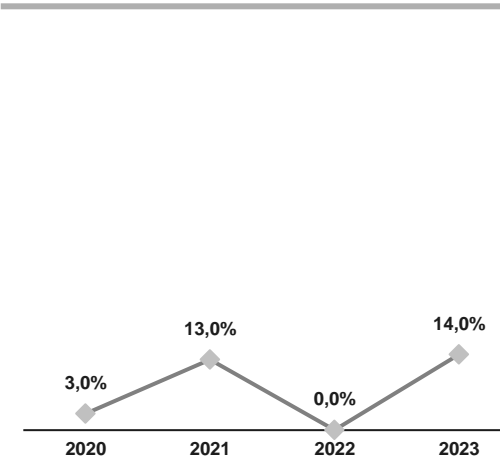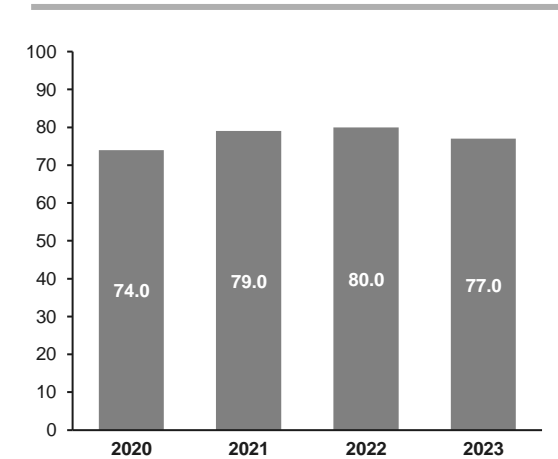| 2021	2022	2023
10.8%	15.0%	9.0%
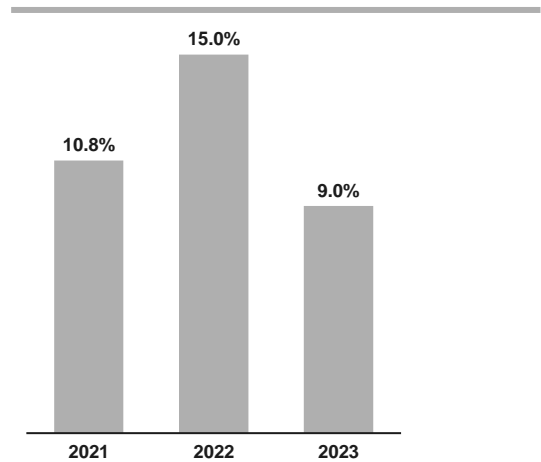
Working conditions, health & safety

- NetNordic monitors working conditions and creates action plans accordingly.

- During 2023, NetNordic had a joint focus on "processes & tools", based on feedback from the annual engagement survey.

- There have been no drastic changes in employee satisfaction over the years.

- 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 (%)

	2020	2021	2022	2023
	3,0%	13,0%	0,0%	14,0%

eNPS (#)

	2020	2021	2022	2023
	74.0	79.0	80.0	77.0

Absenteeism rate (%)

	2021	2022	2023
Total	2.4%	2.3%	2.7%
Short-term	0.7%	1.7%	1.2%
Long-term	1.7%	0.7%	1.5%

Short-term Long-term
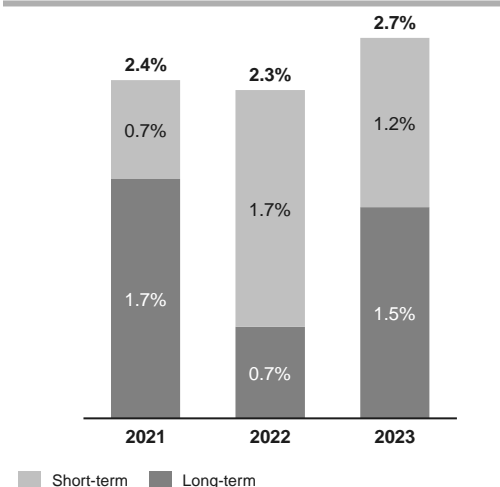
Accident rate (# accidents / 1,000 FTEs)

	2020	2021	2022	2023
	0.0	0.0	0.0	0.0
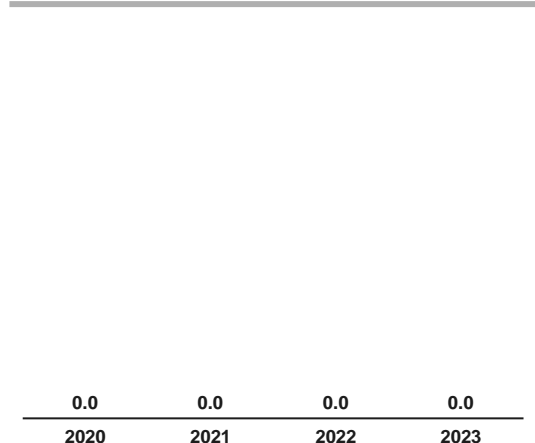
Data security

- Data security is an integral part of NetNordic and forms the foundation of the service and solution offerings. An information security policy is in place to ensure data protection.

- A Data Protection Officer has been appointed with the responsibility of monitoring internal compliance and informing on data protection obligations.

- NetNordic complies with GDPR requirements. Over the past years, zero GDPR-related complaints have been received.
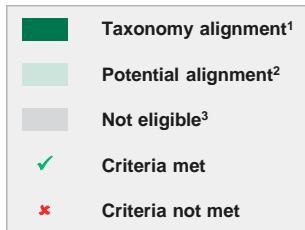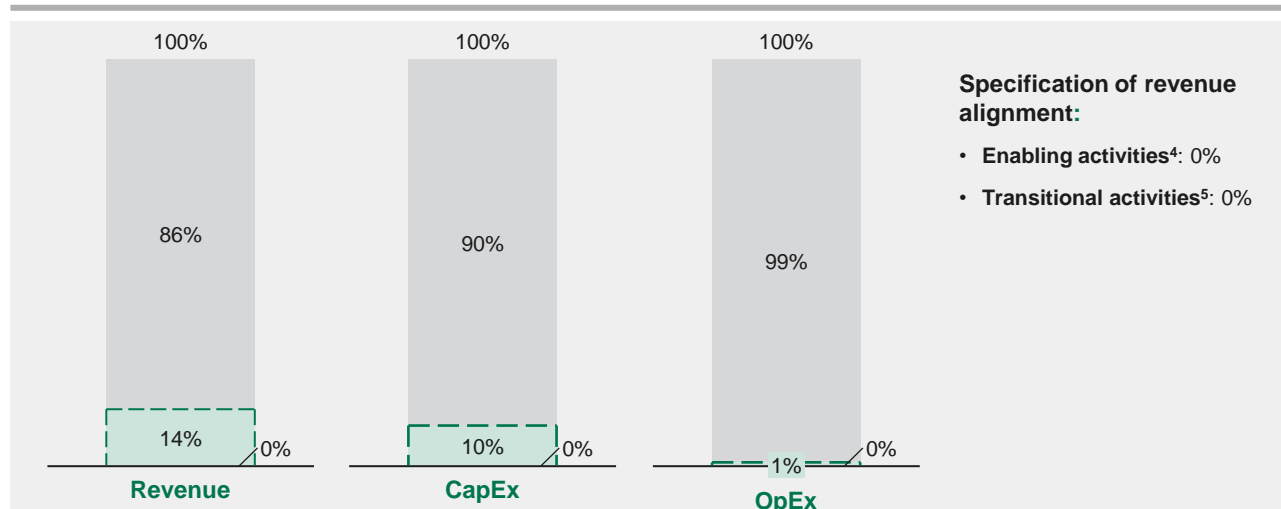
Data hacking incidents

0	0	0	0
2020	**2021**	**2022**	**2023**

EU Taxonomy

Result of taxonomy assessment

Revenue
- 100%
- 86%
- 14%
- 0%

CapEx
- 100%
- 90%
- 10%
- 0%

OpEx
- 100%
- 99%
- 1%
- 0%

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
ENVIRONMENTAL					
Scope 1	tCO_2e	0,9	1,6	27	60,2
Scope 2	tCO_2e	479	442	406	839
Scope 3	tCO_2e	-	-	2071	1691
Total GHG emissions	tCO_2e			2504	2591
GHG intensity	tCO_2e / mEUR			10,5	10,8
Energy consumption	MWh	1 191	1 100	1 000	2 022
Energy intensity	MWh / mEUR	7	5	4	8
Share of renewable energy	%	0%	0%	0%	13%
SOCIAL					
Total number of FTEs	#	450	477	491	625
Share of female FTEs	%	17%	15%	19%	16%
Unadjusted gender pay gap	%		11 %	15 %	9 %
Employee turnover	%	3%	13%	0%	14%
Accident rate	# of accidents per 1,000 FTEs	0	0	0	0
Short-term absenteeism rate	%	–	0,7%	1,68%	1,2%
Long-term absenteeism rate	%	–	1,7%	0,65%	1,5%
Total absenteeism rate	%	2,50%	2,40%	8,40%	2,70%
Employee Net Promoter Score	#	79,00	79,00	80,00	77,00
Company-specific KPIs					
Data hacking incidents	#	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, 2023 – December 31, 2023
Contact person	Fredrik Morberg