

A photograph of two women in a modern office setting. The woman on the left, wearing a dark blazer, holds a smartphone and points at the screen. The woman on the right, wearing a white sweater, holds a laptop and looks at the phone. They are both smiling and appear to be collaborating. The background shows a bright office hallway with a green exit sign and a potted plant on the right.

# ESG REPORT 2023

Status on ESG progress and target setting

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# Contents

About this report	3	ESG strategy	12
ESG highlights 2023	4	Governance	12
Letter from the CEO	6	Social	14
Penneo in brief	7	Environment and climate	15
ESG governance	8	Gender diversity	16
Materiality assessment	9	ESG initiatives for 2024	17
ESG policies	10	ESG statement	18
		Notes to accounting statement & accounting principles	19



A photograph of three people (two men and one woman) crouching in a grassy field, planting a small, bare-root tree. The woman on the left is holding the tree, while the man on the right is using a small shovel to work the soil around its base. A third person is visible in the background, also engaged in the activity. A wooden crate with various items, including a yellow watering can, sits on the ground nearby.

# About this report

Penneo's ESG report concerns the financial year 2023 and accounts for the company's progress and future target setting.

This ESG Report forms part of the Management Review of Penneo's Annual Report 2023 and covers statutory reporting on corporate social responsibility as defined by section 99a, 99b and 99d of the Danish Financial Statements Act.

For every new employee that Penneo hires, the company plants a tree in collaboration with the Danish company Klimatræ (Climate Tree). The collaboration with Klimatræ began in 2022 and initially 100 trees were planted. Following this, Penneo has planted 2-8 trees on a monthly basis following the number of new hires.



# ESG highlights

In 2023, Penneo's digital signature solution saved approximately...



**77 million sheets of paper**



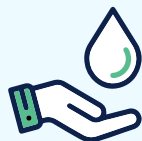
**353 tons of paper**



**1,270 tons of wood**



**2,998 million kilos of CO<sub>2</sub>**



**31 million liters of water**



**207 tons of solid waste**

Penneo has estimated the environmental impact from the digital workflows that Penneo Sign creates using the Paper Calculator from the [Environmental Paper Network's Paper Calculator Version 4.0](#).

Estimates are based on the total number of documents completed via Penneo's Sign solution in 2023. The model assumes that each recipient would print their document(s) once and that there is an average of 10 A4 sheets of paper per document completed.

The reduced paper estimate builds on the assumption of a recycled content percentage of 10%. This is slightly higher than the 8% estimate that is part of the Environmental Paper Network's 2018 State of the Global Paper Industry Report, which leads to a more conservative estimate.

Penneo is aware that its business activities also negatively impact the environment, for example by CO<sub>2</sub> emissions from the data centers we use, energy consumption at our offices or employee travel.

We will continue to prioritize reducing these impacts in parallel with our effort to promote digital processes over paper-based alternatives.

# ESG highlights

## Environment



2024 goal < 0.2

**0.1**

2023 indirect CO2 emissions (scope 2) measured in tons per FTE



2024 goal < 5

**4.8**

2023 energy consumption in GJ per FTE



2024 goal < 3

**2.1**

2023 water consumption in M3 per FTE

## Social



2024 goal 8.5

**7.8**

2023 employee engagement score



2024 goal 38%/62%

**36%**

2023: 36% female/64% male diversity for all staff



2024 goal 38%/62%

**35%**

2023: 35% female/65% male diversity for all managers

## Governance



2024 goal 25%/75%

**20%**

2023: 20% female/80% male BoD gender diversity



2024 goal > 95

**100%**

Attendance at BoD meetings

# Letter from the CEO

The purpose of Penneo is to help companies streamline business critical workflows and meet regulatory compliance using secure and advanced digital solutions. In this way, ESG is effectively at the heart of why we exist since our business is focused on creating paper-free, resource efficient digital workflows and helping companies meet regulatory demands that were introduced to combat money laundering and financial fraud.



Penneo perceives ESG as important. We are committed to supporting a sustainable development of society, and we embrace and enact UN Global Compact's Ten Principles in the areas of human rights, labor standards, environment and anti-corruption, just as we support the United Nations' Sustainable Development Goals. It is all about good corporate citizenship and creating trust. In fact, due to the nature of our business, trust is at the heart of our products and our way of working. Penneo's platform for signing and KYC (Know Your Customer) workflows is trusted by the world's most respected auditing companies and complies with the highest privacy and security standards. In this way, it delivers positive experiences, consistency, transparency, and reliability over time. As the world continues to transform digitally, Penneo exists to make sure trust remains intact.

In 2023, we achieved the ISO 27001:2022 and ISO 27701:2019 certifications for our information security and privacy management system which clearly demonstrates our prioritization of security and privacy, both for ourselves and our customers. ISO 27001 is the international standard for information security management systems, while ISO 27701 is an add-on to ISO 27001 for privacy information management systems. Both certifications make it mandatory to implement and continuously improve a comprehensive set of policies, procedures, and controls to manage and protect sensitive information, including personal data.

Furthermore, Penneo is a highly people driven

organization that relies on the skills and dedication of our employees. Thus, we rigorously track, evaluate and follow-up on employee engagement scores. Likewise, we see employee development as a promise and a way of working. We hire a combination of young talents and experienced specialists with a high personal integrity and intelligence to elevate the entire organization.

Our growth strategy requires expansion across Europe, and to succeed, we need a blend of people, cultures, and languages within the company. Thus, diversity and inclusion are very important elements that are ingrained in our way of working. We make it easy to relocate, just as we support and host many social activities and events – both at work and outside work.

Every time we hire a new employee, we plant a tree to celebrate, show our appreciation and make a tangible, positive difference for all of us. We are also mindful of our local community, and we buy food and office supplies locally. We have ensured proximity to public transportation, and we provide shower facilities for the many employees who bike to work every day.

This ESG report marks the second time we are accounting for our ESG strategy and we look forward to share an account of the progress we have made and how we measure, manage and plan to improve our sustainability impact.

Christian Stendevad, CEO of Penneo A/S

# Penneo in brief

Penneo was founded in 2014 and is a Danish software-as-a-service (SaaS) company and market leader in digital signing and KYC software that is primarily used by companies that operate in AML (Anti Money Laundering) governed industries, for example the audit and accounting industry. Our main markets are currently the Nordic countries and Belgium.

Penneo transforms the way B2B companies in AML regulated industries can meet growing compliance demands. With the company's signing and KYC workflow platform, they can optimize and automate critical business workflows throughout their client lifecycle, from customer onboarding to document signing and ongoing risk assessment. This empowers them to spend less time on quality assurance, compliance and control freeing up time for more value adding business tasks.

With an open API, integrating existing applications to Penneo is easy, and we are already trusted by thousands of companies, including some of the world's leading auditing and accounting organizations.

Penneo is fast becoming the go-to platform for companies looking to save time on administrative tasks while ensuring complete regulatory compliance with a platform that delivers consistency, transparency and reliability. This creates a foundation of trust and peace of mind that is crucial. Not only for themselves, but also interaction with their clients.

The rapid growth of digitization in Europe and the strong network effects provided by our large customers are powerful enablers and distribution channels for Penneo to become the preferred solution for the audit and accounting industry in Europe.

Furthermore, through the auditors, Penneo is exposed to the auditors' clients locally and globally, creating a basis for further expansion to other industries and customer segments.

Penneo taps into the global trends of increased regulation, sustainability, and digitization.

The company is headquartered in Copenhagen, and employed 121 employees by the end of 2023. Penneo aspires to continue its growth path and expansion plans through growth within existing markets and geographic expansion into new markets.

The growth strategy is based on three primary investment streams:

- Upsell Penneo KYC solution to existing customers
- Penetrate AML governed industries with Penneo's KYC and Sign products
- Expand through the audit and accounting vertical to become the preferred solution for auditors in Europe.

In 2023, Penneo generated an annual recurring revenue of 89.3M DKK compared to 71M DKK in 2022 which corresponds to a growth of 26%.



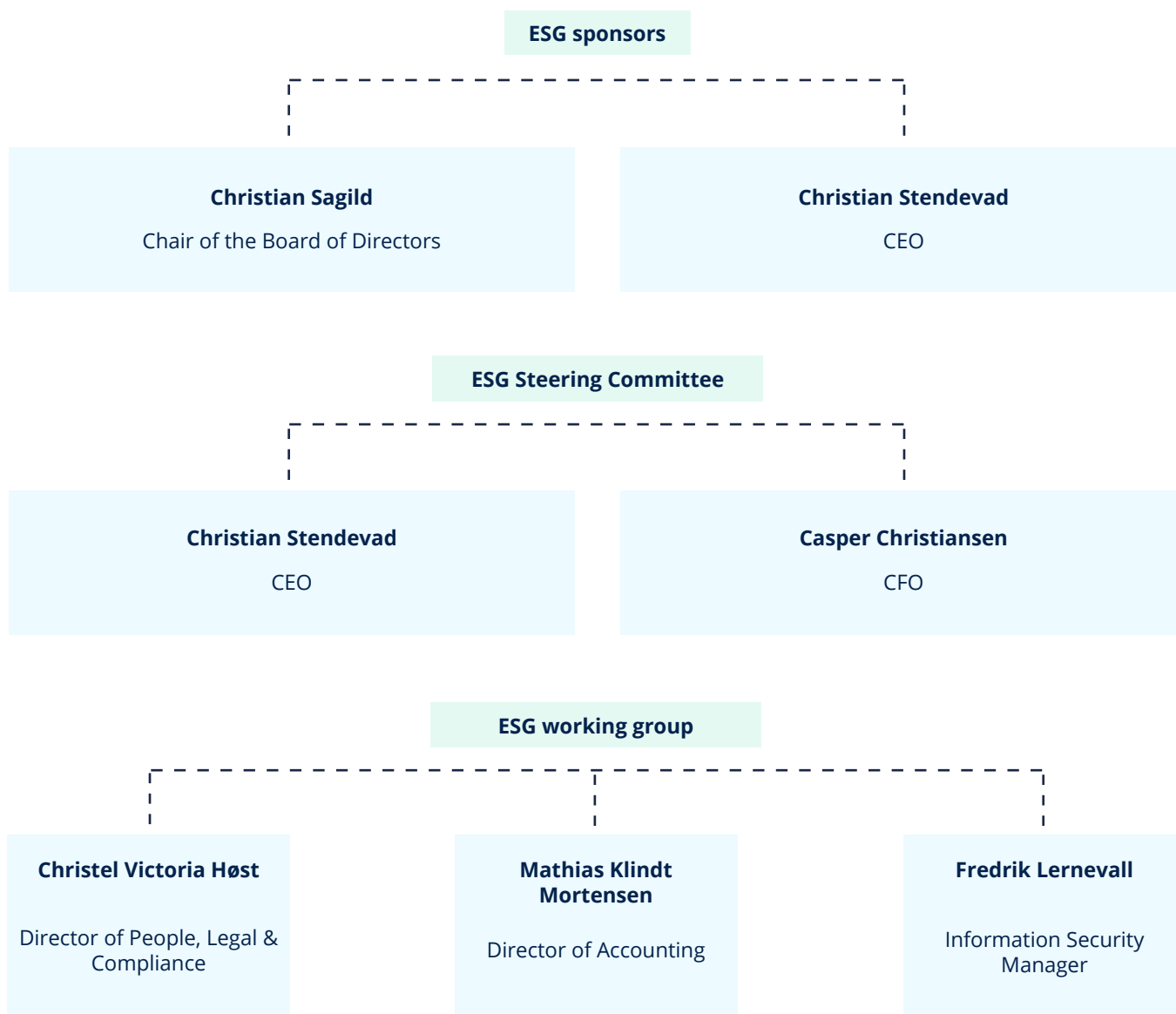
# ESG governance

The responsibility for ESG is anchored in Penneo's Board of Directors and Executive Management.

The management team is responsible for implementing relevant policies and ensuring that corporate practices and ways of working are aligned with the ESG policies as well as recommendations for good corporate governance.

ESG policies and the ESG strategy are reviewed by the Board of Directors once a year as part of the Board's annual planning cycle.

The responsibility for ESG reporting and compliance resides formally with the Director of People, Legal & Compliance, whereas sustainable business conduct is embedded in day-to-day operations.





# Materiality assessment

In 2023, we have updated our materiality assessment aligning it with the principles of Double Materiality as stated in the Corporate Social Responsibility Directive (CSRD). This materiality assessment was conducted to enable us to allocate resources where they can achieve the greatest impact.

Previously, our strategy has been to establish a baseline and understanding of Penneo in an ESG context. Based on our updated double materiality assessment, we have adjusted our strategy to provide a stronger focus on the Governance and People & Social dimensions.

This does not mean that we are not continuously working on minimizing our negative footprint on the environment, but is merely an acknowledgement of

the fact that Penneo's biggest impact lies within the Governance and People & Social initiatives. Now and going forward, our focus and prioritization will be on:

- Efficient workflows to help our customers both in the public and private sector spend resources on areas where they create impact in an efficient and compliant way
- Cyber security and privacy efforts to ensure that customers can trust us with their most valuable information
- Employee turnover and the implications of this in terms of potential lack of business continuity and ability to grow
- Employee satisfaction as a driver to attract and retain employees
- Cyber security and privacy efforts to ensure that

customers can trust us with their most valuable information

Penneo supports the United Nations' Sustainable Development Goals, and specifically Goal 8: "Decent work and economic growth", 9: "Industry, innovation and infrastructure", and 16: "Peace, justice and strong institutions". As Penneo is inherently a business minimizing the use of paper, we also support Goal 12: 'Responsible Production' and 15: 'Life on Land'.

The risks related to these topics and the actions to mitigate the risks will be described in connection with the next section, ESG policies & strategy.

The selected ESG KPIs and related data collected also reflect the findings of the materiality assessment.



# ESG policies

Penneo's Board of Directors have adopted the following ESG related policies, which are all available at the company's website:

- [Environmental policy](#)
- [People & social policy](#)
- [Human rights policy](#)
- [Policy on the underrepresented gender](#)
- [Anti-corruption & anti-bribery policy](#)
- [Data ethics policy](#)
- [Tax policy](#)
- [Stakeholder and governance policy](#)

The policies are reviewed annually by the Board of Directors and converted into strategies and action plans, spearheaded by the Executive Management.



## Environmental policy

Penneo supports the United Nations' Sustainable Development Goals, and specifically Goal 12: 'Responsible Production' and Goal 15: 'Life on Land'.

Our primary business is based on a 'completely paper-free' vision, and we contribute to limited deforestation by reducing the global demand for paper. In 2023, for example, 6.1 million documents were signed digitally using Penneo's software saving approximately 77 millions sheets of paper, not to mention time and cost.

In addition, we are committed to reducing the energy consumption and emissions deriving from our own operations.



## People & social policy

As a software-as-a-service company we are highly dependent on our people, their skill sets and dedication. Being a respected and attractive employer is thus of utmost importance to us. Our principles are built on our corporate values: Unity, Integrity, Ambition and Trust.

We are committed to creating equal opportunities and a safe and healthy work environment for all employees. We believe continuous training and development is a must. We have zero tolerance against harassment or assaults of any kind.

Penneo is committed to provide equality and fairness to all employees regardless of who they are. We firmly believe that diversity is a strength which can contribute to better ideas, development and growth. Therefore, we embrace diversity and work towards creating and maintaining a culture where the individual person is valued and their assets come to light.



## Human rights policy

Penneo supports the United Nations' Sustainable Development Goals, and specifically Goal 8: "Decent work and economic growth"

Penneo acknowledges and complies with the requirements of The Universal Declaration of Human Rights and ensures that no part of the company is complicit in any human rights abuses. Penneo respects and acknowledges cultural differences and disassociates itself from all discrimination based on race, religion, gender, age, nationality, or sexual orientation.

Penneo acknowledges employees' right to be part of unions and is committed to provide a safe work space for our employees.



8

**DECENT WORK AND  
ECONOMIC GROWTH**



9

**INDUSTRY, INNOVATION  
AND INFRASTRUCTURE**



16

**PEACE, JUSTICE AND  
STRONG INSTITUTIONS**







### Policy on the underrepresented gender

Penneo is committed to creating an attractive workplace where both genders are equally able to develop their professional potential. In 2023, Penneo achieved equality in the two levels below the Board of Directors. As required by law, Penneo has developed a specific policy outlining how the company plans to increase the underrepresented gender in the board and senior management of Penneo in addition to its overall diversity policy.

In practice, our policy and actions to strengthen the underrepresented gender in the management of Penneo includes:

- Include both genders in hiring committees
- Use inclusive language in job posts
- Develop female leaders on other levels to ensure we create a pipeline of leadership talents who can move into senior management positions.



### Anti-corruption and anti-bribery policy

Penneo is committed to adhering to high standards of business conduct, which as a minimum includes compliance with the law.

Penneo holds a 'zero-tolerance' stance towards bribery and corruption both inside and outside the company.



### Data ethics policy

As a processor of sensitive data from customers, employees and business relations, paying attention to the ethical processing of data is of utmost importance to us.

We commit to ensuring that all employees at Penneo have a high level of awareness regarding appropriate processing of data. A sufficient level of security shall at any time be implemented in and around technologies used for processing of personal data. Penneo is certified in accordance with ISO 27001:2022 and ISO 27701:2019 certifications for our information security and privacy management system.



### Tax policy

We follow practices that lead to the prevention and reduction of significant tax risks through internal information and control systems.

We follow the recommendations of the good tax practices codes implemented in the countries in which we do business, respecting both the letter and spirit of the law.

We do not use opaque or contrived corporate structures to hide or reduce the transparency of our activities.



### Stakeholder and governance policy

We believe that transparent communication with our stakeholders is important. We operate our business in a manner that ensures adequate and timely communication to our shareholders, customers, and employees.

As a listed company we adhere to the highest disclosure requirements and always strive to follow corporate governance rules, standards, and recommendations while running a sound business.

# ESG strategy - governance

## Cyber Security and Privacy

A key part of Penneo's mission is to enable our customers to comply with regulation in a secure and efficient manner. Therefore, governance is an integral part of our product offering and DNA and this includes Security and Privacy, which is at the heart of our business and also of significant importance to our customers. This is why we are also committed to demonstrating compliance with best practice security and privacy standards. In 2023, we took a major stride forward in this field and became certified in accordance with ISO 27001:2022 and ISO 27701:2019.

With fraud and financial crimes moving from the physical world to the digital world, the impact from Penneo's products will only increase. Penneo is dedicated to keep improving our products so that we continue to offer the best digital solutions to combat fraud and financial crime.



## Corporate Governance

Additionally, we aspire to follow the recommendations on corporate governance from the Danish Committee on Corporate Governance. However, we deviate with respect to three areas; board committees, board remuneration, and the recommendation to appoint a Vice Chair for the Board of Directors.

Penneo has an Audit Committee. However, due to the limited size of the board, the Board of Directors has not found it relevant to establish separate nomination and remuneration board committees at this point in time. We have also chosen not to appoint a Vice Chair.

Penneo considers this acceptable and sound as the members of the Board of Directors have a close collaboration among themselves which makes it unnecessary to establish formal committees on nomination and remuneration.

In order to align the interests of the members of the Board of Directors with those of the shareholders and in order to support the long-term interests of the company, members of the Board of Directors may in addition to the fixed annual fees be granted warrants, subject to approval by the Annual General Meeting (AGM).

As mentioned in the Corporate Governance Statement, the members of the Board of Directors are remunerated with warrants in addition to a base fee since Penneo is a growth company that is currently in a scale-up phase.

Warrants represent a cost effective way to attract board members with the right combination of skills and experience.

In Q4-2023, the Board of Directors - initiated by the Chair - conducted an evaluation of the Board of Directors and the Executive Management in accordance with the recommendations on Corporate Governance.

This evaluation was based on a questionnaire that the individual members responded to. The questionnaire included topics such as evaluating the Board of Director's competencies, the effectiveness of board meetings as well as collaboration with the Executive Management and the overall ability to monitor Penneo in an effective way.

The evaluation concluded that the Board of Directors is performing well and has a good mix of competencies. It has been noted, that further competences within internationalisation of SaaS should be considered. The evaluation also conclude that the Board of Directors has a good ongoing collaboration with the Executive Management and receives high quality materials in advance of meetings.

In terms of diversity in our board of directors, there is currently one woman out of five, equivalent to 20%. Our goal (in a five person Board of Directors) is to achieve a 40% representation in 2025. Achieving this goal, however, is dependent upon whether or not female candidates



are suggested for election by our shareholders. In retrospect, we did not achieve the gender diversity goal we set for the Board of Directors in 2023 due to the fact that an additional male member was elected at the annual general assembly in 2023.

The Board of Directors appoints a Chair among its members. Each member is elected for a one-year term, and members may be re-elected. The Board of Directors meets at least four times a year and holds extraordinary meetings when needed. The Audit Committee also meets four times a year and includes two members from the Board of Directors.

The Board of Directors actively assess yearly if the Board of Directors has a sufficiently diverse and adequate set of competencies to perform their duties.

In 2023, Penneo has strengthened our financial control system which is overseen by the Board of Directors. Moreover, the Board of Directors meet annually with the senior management to align on Penneo's overall business strategy and make adjustments if necessary.

In 2023, the Board of Directors had a 100% attendance rate. The target for attendance for 2023 was set at 95% and was thus met.

### Risks

In light of the numerous hacker attacks observed around the world in 2023, it is evident that the biggest risk for Penneo and its stakeholders, is the risk of malicious cyber attacks. Additionally, when operating a SaaS business, there is a risk of data breaches as well as disruptions to

the different services we provide that may be caused by human error. The security of customer data, however, is a top priority and management therefore considers a data security breach, regardless of the cause, as one of the highest risk factors from a governance perspective. A leak of sensitive personal data is also a specific risk in relation to human rights.

### Actions to mitigate risks

We will continue to operate and further improve our Information Security and Privacy Management System, which are based on ISO 27001:2022 and ISO 27701:2019,

in order to prevent disruptions to our services as well as any type of data breach.

We have updated our incident process in order to have a quick and efficient resolution if we were to experience an incident. Penneo also has a whistleblower policy and channel that makes it possible for internal and external stakeholders to report relevant violations, issues or concerns using an independent and autonomous channel.



# ESG strategy - social

The foundation of Penneo is our people and a culture based on merits and equal opportunities. Penneo aspires to be the best place to work for governance specialists and tech savvy talents. To continuously attract and hire top talent is considered a key prerequisite for Penneo to execute on its ambitious growth plans.

## Risks

As a service company, we are highly dependent on our employees. The 'war for talent', especially within IT and compliance, poses a risk and we must always do our utmost to remain an attractive employer and a great place to work.

A great place to work requires as a minimum that human rights are respected at any time and no discrimination based on race, religion, age, gender, nationality, or sexual orientation takes place. Since we are a tech company focused on software development, we do not carry out physical production. Consequently, risks in Penneo related specifically to human rights, primarily entail areas such as the right to a personal privacy, a private family life, freedom of association, access to safe and healthy working conditions as well as fair and equal remuneration for work of equal value.

Furthermore, the employees require career opportunities, growth paths, and an inspiring work environment. As a smaller company, we must actively work with each individual employee to ensure that they have a fulfilling and satisfactory work life.

## Actions to mitigate risks

We work hard on developing talents within our organization as well as attracting new talents. We believe that high employee satisfaction is a lead indicator for employee turnover and thereby business continuity.

Based on the feedback of the engagement score, initiatives for 2024 have been defined in order to target the areas that negatively impacted the engagement score compared to the previous year.

These initiatives include developing clear and transparent career paths for all employees, increased focus on manager training and increased focus on learning opportunities.

We strive to create a healthy work-life balance that reflects the needs and life circumstances of our staff, which includes many young people, talents from abroad, and young parents with small kids. To accommodate this, we remind employees to take time off and offer a high degree of flexibility and the opportunity to work remotely.

We empower our employees as much as possible. We are focused on providing an informal working environment based on respect and caring, and an environment where individual competencies and wishes for personal development are respected and supported.

In 2023, our number of staff grew from 111 end of Q4

2022 to 121 end of Q4 2023 and we now have employees from more than +20 countries reflecting the diversity of our workforce.

The goal set for 2023 was 8.6, but during the year our employee engagement score decreased from 8.4 in 2022 to 7.8 in 2023. The benchmark for similar companies decreased from 8.1 to 7.8 in the same period.

Absence from sickness in 2023 remained low at 0.3% compared to 1.3% in 2022.

To achieve our ambitious goals and create the best possible working environment, we have launched various initiatives at three different levels:

- At an organizational level, we will bring our organisation closer together to create involvement and a sense of belonging.
- At team level, we will strengthen collaboration while supporting a healthy and flexible work environment.
- At an individual level, we will support personal development as well as caring for each individual's needs.



# ESG strategy - environment and climate

It is our ambition to continuously work on lowering our emissions as part of everything we do. Not only within our own operations, but also within our value chain.

## Organization

Penneo is committed to environmental care at an organizational level. We plant a tree through a partnership with the organization Klimatræ (translates into Climate Tree) for every new employee that joins Penneo. In 2023, Penneo planted +40 trees.

Moreover, Penneo also works on fighting food waste and being overall mindful of the emissions we produce in our office settings.

## Product

Penneo operates two SaaS products and as a result, Penneo indirectly consumes energy through its vendors. The hosting provider that Penneo engages for its products is AWS and AWS is therefore the vendor with the largest indirect energy consumption. Penneo actively works on reducing the consumption of resources used to operate its cloud hosted environment in order to reduce the carbon footprint.

Penneo's two products, Penneo Sign and Penneo KYC, help organizations digitize and optimize internal workflows, which, among other things, eliminates the use of printed paper. Especially Penneo Sign, which is Penneo's digital signing solution, provides a good proxy for the number of sheets of paper that is likely to have

been saved. In 2023, a total of 6.1 million documents were finalized which corresponds to approximately 77 million pages being saved assuming each document would have otherwise been printed and signed by hand once.

## Risks

As a SaaS company, Penneo relies heavily on IT vendors, which require energy to provide the services that Penneo uses. There is a risk that Penneo would cause more emissions through its vendors than absolutely needed. This would reduce the positive impact that Penneo's products are having through its customers,

as well as the positive impact from the trees planted when new employees join the team.

## Actions to mitigate risks

We will continue to plant trees for every new employee joining the Penneo team. We will also continue to optimize the resources needed to operate our products and in particular the resources consumed through the vendor AWS.



# Gender diversity

In Penneo, the gender distribution at the end of 2023 is 36/64 female/male for all employees. For 2023, we set the target of a 35/65 distribution and we are very proud to have achieved this. For all managers we reached a gender distribution of 35/65 f/m at the end of 2023. The target set in 2022 for 2023 was 30/70 f/m.

Even though the percentage increase of female employees was not very large, it happened at a time where we have been in the process of scaling our product and engineering teams. Since recruiting female employees in these areas is challenging, we are very proud that we have been able to increase the share

of women in Penneo as a whole and among managers specifically. For 2024, we are aiming for a distribution on both metrics of 40/60.

When looking at the two levels below the Board of Directors, the first level - the Executive Management - consists of one person. Inherently this will either be a female or male. In accordance with the Danish Business Authority's guidance on the underrepresented gender, this constitutes equality. Penneo expects that this management level will continue to consist of one person at the end of 2024. Therefore the target will continue to be 0/100.

For the second level below the Board of Directors - the Senior Management - we reached equality in 2023 with 29% of the Senior Management being women.

Having achieved these above-mentioned milestones, Penneo will focus on the initiatives that have proven so far to produce the desired outcomes. We will focus on working with hiring biases, always including both genders in the hiring process and ensure we have a pipeline of talent of both genders that can step into leadership roles.

	Unit	2024 goal	2023	2022	2021
Gender diversity among all Penneos	f/m %	38/62	36/64	33/67	31/68
All managers	f/m %	38/62	35/65	27/71	13/87
Executive management (1. level below BoD)	f/m %	0/100	0/100	0/100	N/A*
Senior Management (2. level below BoD)	f/m %	33/67	29/71	14/86	N/A*

*\*Penneo began reporting on gender distribution for the two management levels below the Board of Directors in 2022 in accordance with the introduction of the regulation. Therefore, we do not report on data for periods prior to this.*

# ESG initiatives for 2024

Our ESG initiatives for 2024 have been determined based on our ESG strategy and will be centered around our work with our employee engagement score, manager training and lowering our indirect emissions through AWS. The main initiatives are:

## **Continuous development of employees (Social)**

Penneo will dedicate resources to ensure that our employees feel connected to the company and their colleagues and can have fulfilling careers. This includes having access to clear and transparent career paths and increased focus on learning opportunities.

## **Manager training (Social and Governance)**

As a part of retaining and attracting skilled employees, we will roll out training for all managers to make sure they develop their skill set for the benefit of all employees.

## **Cyber security resilience (Governance)**

As part of our ISO 27001:2022 and ISO 27701:2019 certification, we are committed to maintain as well as continuously improve our internal policies, processes and controls related to information security and privacy.


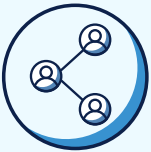

## **Lowering indirect emissions (Environmental)**

As mentioned, we will in 2024 work on lowering our emissions through our main supply chain partner AWS. Due to the nature of Penneo's business, we have a low level of direct emission which is why we can create the most significant impact by working with our cloud service.





# ESG statement

	Environment	Total 2024	Unit	Target 2024	2023	2022
	CO <sub>2</sub> e, scope 1 (direct emissions)	0 <sup>a</sup>	Tons per FTE	< 0.1	0.0	0.0
	CO <sub>2</sub> e, scope 2 (indirect emissions)	14.35	Tons per FTE	< 0.2	0.1	0.2
	Energy consumption	500.54	GJ per FTE	< 5	4.8	5.3 <sup>b</sup>
	Renewable energy share	N/A	%	> 30	20	19
	Water consumption	215.61	M3 per FTE	< 3	2.1	3.2
	Documents sent through Penneo	6,110,115	No. of signed documents	> 5,000,000	6,110,115	4,286,616
	Social		Unit	Target 2024	2023	2022
	Average full-time employees incl. contractors		FTE		104	85
	Gender diversity all staff		f/m %	38/62	36/64	33/67
	Gender diversity all managers		f/m %	38/62	35/65	29/71
	Sickness absence		%	< 3	0.3	1.3
	Employee satisfaction		Engagement	8.7	7.8	8.4
	Governance		Unit	Target 2024	2023	2022
	Gender diversity - Board of Directors (BoD)		f/m	20/80	20/80	25/75
	Attendance at the BoD meetings		%	> 95	100	100

<sup>a</sup> Due to the nature of Penneo's business, we do not have any direct CO<sub>2</sub> emissions.

<sup>b</sup> In 2023, the number was revised due to a miscalculation made in 2022.

# Notes to accounting statement and accounting principles

## About this statement

The ESG data have been compiled to ensure a high degree of transparency between Penneo and our stakeholders on issues related to the Environment, Social impact, and corporate Governance.

The year 2023 is our second year of disclosing ESG data. Our focus is to systematically evaluate and measure our impact and provide a clear picture of the company and the journey we are on.

The goal is to increase the understanding of Penneo's positive and negative impact, as well as our current and potential impact.

The report is based on internal data retrieved from our own databases, as well as data retrieved from external energy companies. The Scope 1 and 2 emissions are aligned with the methodology recommended by GHG Protocol.

We have applied the accounting principles suggested in the Danish Business Authorities' ESG KPI catalog.

## Energy consumption

Total energy consumption measured as mega joules has been calculated by summing total energy used in the calendar year in relation to electricity, and office heating/cooling. The following methodology has been used:  $\sum (\text{used fuel type} * \text{energy factor per type of fuel}) + (\text{used electricity (incl. renewable energy)} (\text{kWh}) * 3.6) + (\text{used district heating / cooling incl. renewable energy sources (mJ)})$

## Energy intensity

Energy intensity has been calculated as total energy consumption (mJ) divided by revenue (DKK).

## CO2e emissions

CO2-equivalent emissions are reported in scope 1 and 2 according to the definitions in the GreenHouse Gas Protocol.

### Scope 1 CO2e emissions:

Scope 1 direct emissions are from controlled or owned sources. (Penneo currently does not control or own such sources).

### Scope 2 CO2e emissions:

Scope 2 indirect emissions have been calculated based on location and includes purchased electricity and district heating.

The CO2 emissions have been calculated by multiplying total kwh and GJ used in the calendar year by the applicable emission factors from the list provided by the Danish Business Authorities (Erhvervsstyrelsen).

## Employee sickness absence

Employee sickness absence has been calculated as total hours of absence due to sickness divided by total working hours.

## Employee Satisfaction

Employee engagement is measured on a scale from 0-10 using an e-NPS tool.

## Total FTEs

Total FTEs have been calculated as the sum of full-time employees + full time equivalents of temporary and part time employees.

## Gender diversity all staff

Total female employees divided by total employees at the end of the year.

## Gender diversity all managers

Total number of females at manager, senior manager and executive manager level divided by total no of manager, senior manager and executive managers

## Gender diversity Board

Total females in the Board of Directors divided by total members of the Board of Directors at the end of the year.

**PENNEO®**

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