

A photograph of a man and a woman sitting at a wooden table, both smiling and looking at their laptops. The man is on the left, wearing a white shirt, and the woman is on the right, wearing a black top. The background is a simple office setting with a green cushioned bench. A large pink diagonal graphic is on the left side of the image.

Creating meaningful connections

Fellowmind
Sustainability
Report 2021

Fellowmind

Dear reader,

At Fellowmind, our people are central to everything we do. We believe that by putting people at heart, they can bring their talent to the world. Because when people flourish, business and society flourishes.

Sustainability is at the core of Fellowmind's business strategy, and it is at the core of the strategy of many of our customers. Today's two mega-trends, digitalization and sustainability, go hand in hand. With commitment and determination, tech-enabled sustainability has the ability to solve the environmental and social challenges facing us. To survive and flourish in the times ahead, Fellowmind must apply a mindset and take responsibility that contributes to the greater good. We need to align with preferences and requirements from our customers, employees and society at large. To capture and provide insight in our journey towards a more sustainable future, we are proud to present this first Fellowmind sustainability report. With this document, we would like to make everyone aware of our ambitions and to show the steps we take to reach our objectives.

We have a clear ambition: Fellowmind is committed to net zero greenhouse emissions before the end of 2030 based upon science-based targets. In this report, you will learn that sustainability is actually our license to operate, our baseline to make sure that everything we do is in line with the interests

of Mother Earth. Also, from a strategic point of view, we want to make an impact on our customers' journey and take the utmost care of our employees.

Taking sustainability seriously is essential to employees and potential employees who are looking for purpose and meaning. They want their employer to make a serious impact on this topic. We want to build a sustainable organization in itself where all people feel welcome, can be their authentic selves and where people like to work.

Sustainability is - next to digitalization - one of the top priorities of most of our customers. As Fellowmind we can support our customers in their green transition with our technology, our business knowledge and our passion and dedication. We can enable them to record, report, and reduce their environmental impact through automated data connections and actionable insights.

We have a commitment to society. With a sustainable mindset, we improve the well-being of businesses but also

'At Fellowmind, our people are central to everything we do.'

broader social, environmental and economic outcomes. As we make people, business and society flourish, we create an ever more unique, attractive and competitive Fellowmind.

With this report we want to show that we take sustainability seriously and that we have a huge ambition in driving this topic across our ecosystem.

We hope this report will inspire you to drive your sustainability efforts, every single day. Your feedback or engagement with us is appreciated!



Emiel Putman,
CEO



Theo Rinsema,
Chair Board of Directors



Executive summary

This is Fellowmind's first sustainability report. It aims to give an account of our commitments and performance on Environmental, Social and Corporate Governance (ESG) topics across our operations during the fiscal year of 2021.

Given that Fellowmind was fully integrated as one company in 2021, complete monitoring and reporting of our impact on sustainability is not yet in place for this report. However, it is a report that goes deep into our strategies and goals and our impact (both positive and negative) on sustainability. Facts and figures are combined with real life cases, voices and projects from different countries where Fellowmind operates. Reading this report will give you an extensive understanding of our intention and ambition to make a difference for people, business and for society.

The report highlights six material topics and six other important topics for sustainability for Fellowmind, material topics being the topics that have the most significant impacts (positive or negative, actual or potential, reversible or irreversible) on the economy, environment and people. The material topics have been identified and prioritized through a structured and systematic analysis of Fellowmind's impact along the value chain. For each of the topics this report explains what it means to Fellowmind, how Fellowmind approaches the topic, what the strategic goals are and how we are progressing towards the goals.

→ **Employee engagement** is about us having people at heart. It is about putting our Fellows at the core and enable them to share their talents with the world. We aim to be-

come the best workplace in the industry by maximizing the engagement of our employees. One example of how we do it is through different leadership programs aiming to getting to know yourself better and to be able to use your talents even better. Employee engagement is closely measured both yearly and weekly, giving valuable insights through indicating if something is wrong, which in turn gives the opportunity to intervene at an early stage.

Being an → **Inclusive employer** is important for more than one reason. Inclusion leads to diversity. If everyone feels welcome and safe, no matter what your background is, what gender you are, what religion or sexual orientation you have, we believe that it will attract others from different backgrounds. And at Fellowmind, that's what we want to stimulate. We have a (for the industry) ambitious goal of increasing female new hires to 40 % during 2022 and during 2021 we have included a non-binary option in our weekly employee scan. Psychological safety is a key indicator for this topic and we aim to constantly improve and do better than benchmark companies.

→ **Customer solutions** is about being a company that helps their customers with digital transformation, lifting and shifting from physical to digital processes. As such, Fellowmind has an impact on sustainability by default.

But by taking a holistic approach to digitalization and connecting it to the green transition, we can increase that impact significantly. One of the most important components to enable this will be launched in 2022, the Microsoft Cloud for Sustainability, an extensible software-as-a-service solution that helps record, report, and reduce an organization's environmental impact through automated data connections and actionable insights. It helps companies to understand what the current state is and to articulate what the desired state can be.

→ **Business ethics** is about being an ethical and reliable business partner. This is of high priority to us. We as a company can make a difference, both by having our own house in order, and by having open discussions on sustainability and ethical dilemmas, internally as well as with our customers. To ensure we live up to our high standards on business ethics, we have a number of policies in place. These are all included in the eLearning portal and part of the mandatory onboarding program for employees at Fellowmind. Our Code of Conduct and Supplier Code of Conduct are aligned with the UN Declaration of Human Rights and the conventions of the International Labor Organization (ILO). In 2021 there were no known cases of non-compliance or corruption.

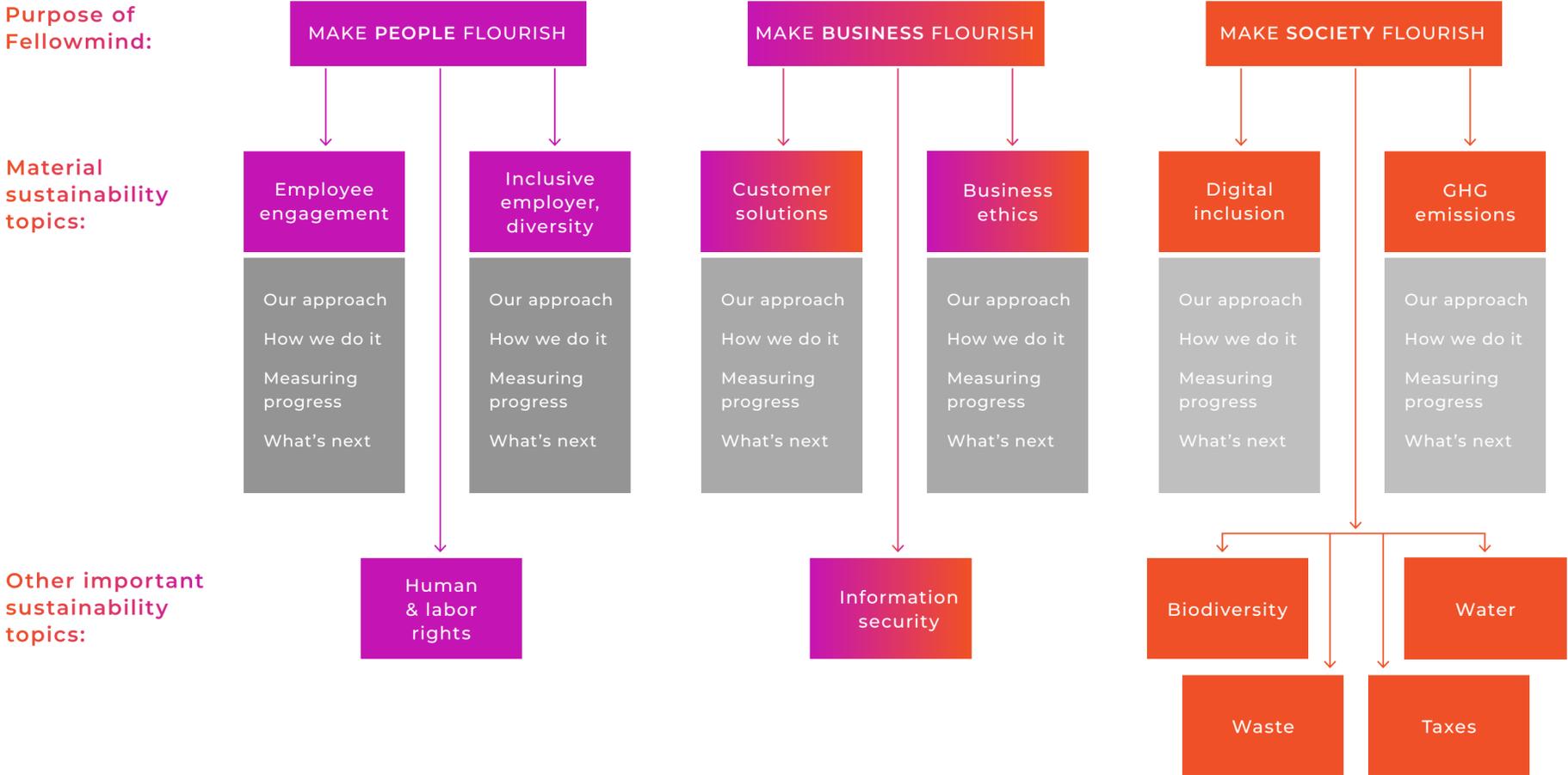
→ **Digital inclusion** is described as an effort to ensure that everybody can contribute to and benefit from the digital world. At Fellowmind, we see how the speed of digitalization effects sections of society like older people or people with disabilities in a negative way and we want to make a positive impact and help bridge the gap. We have the opportunity, we have the digital knowledge, and we are all across north-west Europe. We want to contribute no matter what the benefit is for our own organization. For 2022, the Board of Fellowmind set aside a fund of 100 000 EUR to support projects or activities aiming at increasing digital inclusion in society, the Digital Inclusion Fund.

→ **GHG (Green House Gas) emissions** As a company, operating within the IT-industry, Fellowmind has an impact on GHG emissions within Scope 1 (from sources that are owned and controlled by Fellowmind, including fuel consumption from leased cars), Scope 2 (resulting from the generation of electricity, heat or steam, purchased by Fellowmind) and Scope 3 (from sources not owned or directly controlled by Fellowmind, but related to our activities). Scope 3 emissions will be recorded in 2022 and reported in next year's sustainability report. For our own emissions, the goal is to be a net zero GHG emission organization by 2030, according to science-based targets.

All in all, there are seven chapters in this report:

- The first chapter, *This is Fellowmind* gives you an overview of Fellowmind's core business, our purpose, mission, vision and values.
- The second chapter, *Strategy for sustainability*, gives you an insight into our overall strategic approach to sustainability, focus areas, KPI:s and goals.
- Chapter 3-5 accounts for the six material topics and six other important topics, divided in three sections and aligned with our purpose: To make people, business and society flourish.
- Chapter 6, *Governance*, illustrates how ESG topics are governed within Fellowmind, as well as gives you an insight into the structure for corporate governance and the Board of Directors.
- Finally, in chapter 7 and 8, *Additional disclosures* and *GRI and further info*, you will find tables with facts and figures and an GRI index, as well as a brief comment on the EU taxonomy and Task Force on Climate Related Financial Disclosures (TCFD).

Structure of our sustainability reporting:



Contents

07 This is Fellowmind

18 Strategy for sustainability

- 19 ESG strategy
- 20 Shared value
- 21 Stakeholders
- 24 Materiality analysis
- 25 UN Sustainable Development Goals

27 Making People Flourish

- 29 Employee engagement
- 36 Inclusive employer and diversity
- 40 Human and labor rights

41 Making Business Flourish

- 44 Customer solutions
- 50 Business ethics
- 54 Information security

55 Making Society Flourish

- 57 Digital inclusion
- 60 GHG emissions
- 63 Biodiversity, water, waste and taxes

65 Governance

- 66 ESG management framework and structure
- 68 Corporate Governance and Board
- 69 Risk management

70 Additional disclosures

- 71 People
- 75 GHG Emissions
- 77 Covid 19

79 GRI and further information

- 81 GRI content index
- 86 About this report

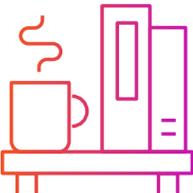


This is Fellowmind

Fellowmind at a glance



1,900
employees



35 offices. Head
office in Barneveld,
the Netherlands

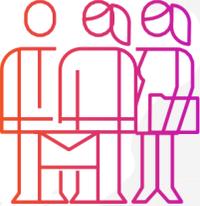
6 countries.
Denmark, Finland, Germany,
The Netherlands, Poland and Sweden



2,500+
customers



Revenue 2021
262 million EUR



22 Employee
Net Promoter Score 2021



32 Customer
Net Promoter Score 2021

Our customer offering:

- Optimize Operations
- Customer Engagement
- Data & AI
- Modern Work
- Cloud & Security Infrastructure

Industries in focus:

- Manufacturing
- Agriculture
- Energy
- Financial Services
- Public Sector
- Retail

At Fellowmind we aim to create meaningful connections. Making people enjoy working with technology and making technology work for them. That's what we promise our customers.



Fellowmind was established by combining the strengths of multiple European Microsoft partners. The basis of this started already in 2005, when Emiel Putman, CEO, started his first company, CRM Partners, in the Netherlands. With time, the company became more steady and grew fast organically. A branch opened in Germany and a few years later CRM Partners made its' first acquisition. A few years later, the company broadened its' scope further, and went from being a niche customer engagement specialist to becoming a Microsoft platform partner. After a while, the ambition of becoming a European platform became clear. **So, in November 2021, 12 Microsoft partners became one company: one brand — Fellowmind.**

With the transition, we are better able to offer customers an integrated approach to digital transformation.

All business units in the six operating countries – Denmark, Finland, Germany, The Netherlands, Poland and Sweden – were renamed ‘Fellowmind’ to realize the shared ambition of becoming the European market leader in the fields of Business Applications, Cloud & Security Infrastructure, Data & Analytics and Modern Work. With 1,900 highly experienced team members with strong industry knowledge across more than 35 offices, Fellowmind is now able to offer complete digital business solutions through the common Fellowmind platform. We serve public and private customers in Europe across a wide range of industries. As we continue to grow, we want to scale up our platform, but also acquire organizations that complete our service portfolio for digital transformation in each country.

The majority shareholder of Fellowmind is FSN Capital, a leading Northern European private equity firm. Fellowmind employees hold the remaining shares.

Holistic offering on digital transformation

Fellowmind helps their customers to be ready for the future. The world is rapidly changing and in a few years’ time, no one will be speaking of digital transformation. Non-digital businesses will have a hard time surviving as digital technology plays a vital part in every organization.

We want to add business value along the whole chain. And we do it through seeing the bigger picture, identifying opportunities, and embracing the intuitive and personal dimensions of technology. We offer our customers flexible, scalable, no-hassle solutions that stand the test of time.

The solutions we offer to our customers in the six regions we operate are:

- Optimize Operations
- Customer Engagement
- Data & AI
- Modern Work
- Cloud & Security Infrastructure

→ We believe that only when you understand the challenges of an industry you can advise on an approach and solutions. With many of our advisors coming from the same industry as their clients, we know what matters.

Therefore we focus on these industries:

- Manufacturing
- Agriculture
- Energy
- Financial Services
- Public Sector
- Retail

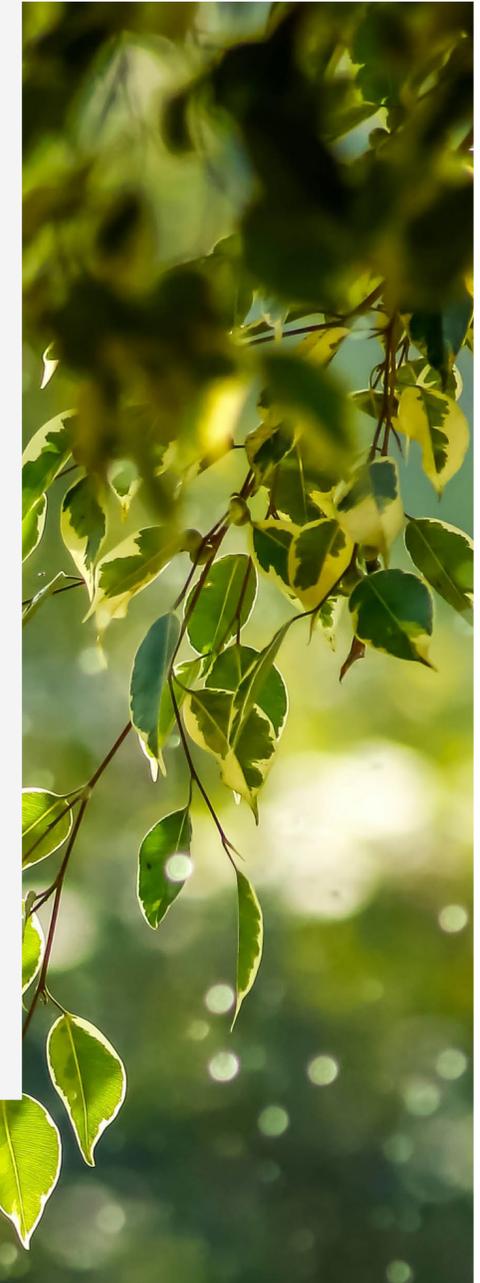
Our approach to sustainability

Sustainability is at the core of Fellowmind's business strategy, and it is at the core of the strategy of many of our customers. Within Fellowmind, we are committed to help our customers not only on their digital journey, but also to support them in their green transition. With the help of our expertise, technology helps our customers to become more sustainable. Our holistic approach to digital transformation includes the ambition to help companies gain insights into the impact their business has or can have on sustainability. As for our own internal responsibility, Fellowmind is committed to net zero greenhouse emissions in our own operations by 2030.

As a Microsoft partner, Fellowmind has signed the Microsoft Partner Pledge. The pledge is about encouraging and supporting the adoption of technologies in a deep and ethical way and ensure everyone possesses the right skills and opportunities to make the most of what lies ahead. The Microsoft Partner Pledge focuses on the following four critical goals: Digital skills for job, Diversity & Inclusion, Responsible and Ethical AI, and Sustainability.

Our statements on sustainability

- We care about our **future generations** by seriously reducing our environmental footprint
- We take **our Fellows** seriously by taking our responsibility on being a sustainable employer
- We partner with **our customers** demanding ethical and reliable business partners and support them in their green transition
- We cooperate with **our main shareholders** in improving our performance on ESG
- We take our corporate responsibility in **society** by establishing meaningful connections for those who need it the most



Our purpose

Making people, business and society flourish.

Fellowmind is built around our people. By putting our Fellows at the core, we create a resilient foundation for all our accomplishments and future endeavors. It is our collective expertise and experience - engaging both hearts and minds - that differentiates us and contributes to our joint success.

Our Fellows and customers belong to the same tribe. As the world is becoming increasingly complex, dynamic collaborations are vital. At Fellowmind, we understand our customers' business, listen to their needs and speak their language. It is when we become one with our client, we are able to guide them through their digital transformation journey and create long lasting value.

We have a commitment to society. With a sustainable mindset, we improve the well-being of business but also broader social, environmental and economic outcomes. As we make people, business and society flourish, we continue to make Fellowmind evermore unique, competitive, and attractive.

Our vision

We see people and technology as enablers of meaningful connections.

The world is becoming ever more digitized. Digital technology is invading people's lives, both in a private and in a business context. Interactions are being digitized, and it seems that technology is pushing out the human connection.

In our vision, we see people and technology as the enabler of meaningful connections. To add purpose to technology, it requires us to see the bigger picture, to identify opportunities, and to embrace the intuitive and personal dimensions of technology. With in-depth business and industry knowledge, craftsmanship, cooperation and commitment we discover advantages that benefit all stakeholders; enabling everyone to do better. In other words, it is people who create meaning where technology merely connects. Technology connects, people create meaning.

Our promise

Our goal is to make people enjoy working with technology and making technology work for them.

Our promise to our customers is about people as much as it is about technology. On the tech side, we offer dedicated expertise and modular business solutions within each domain of the digital transformation - customers, employees, operations, and business model innovation - always fueled by the power of data. On the human side, we help our customers ensure their people adopt and enjoy working with technology. We help transform their business for a digital era in which people are at heart, making use of technology that works for them.

Our values

- Always personal
- Better together
- Serious about fun
- Act with courage

Fellowmind has four strong shared values. Our values represent what we stand for as a company, and how we want to be perceived by our customers. And most of all, they guide our daily behavior and give us direction in how we act with each other and with our customers.

The Fellow Mindset

At Fellowmind, we are determined to give everyone the freedom to flourish.

The Fellow Mindset, or the Employer Value Proposition (EVP), is about what kind of company we want to be, both for current employees, but also for potential candidates who would like to work with us, or who we would like to work for Fellowmind. In this regard, the combination of being active in our strive for sustainability and having a purpose is very important.



The Connected Company

We believe connections lead to a more inclusive economy, business and society.



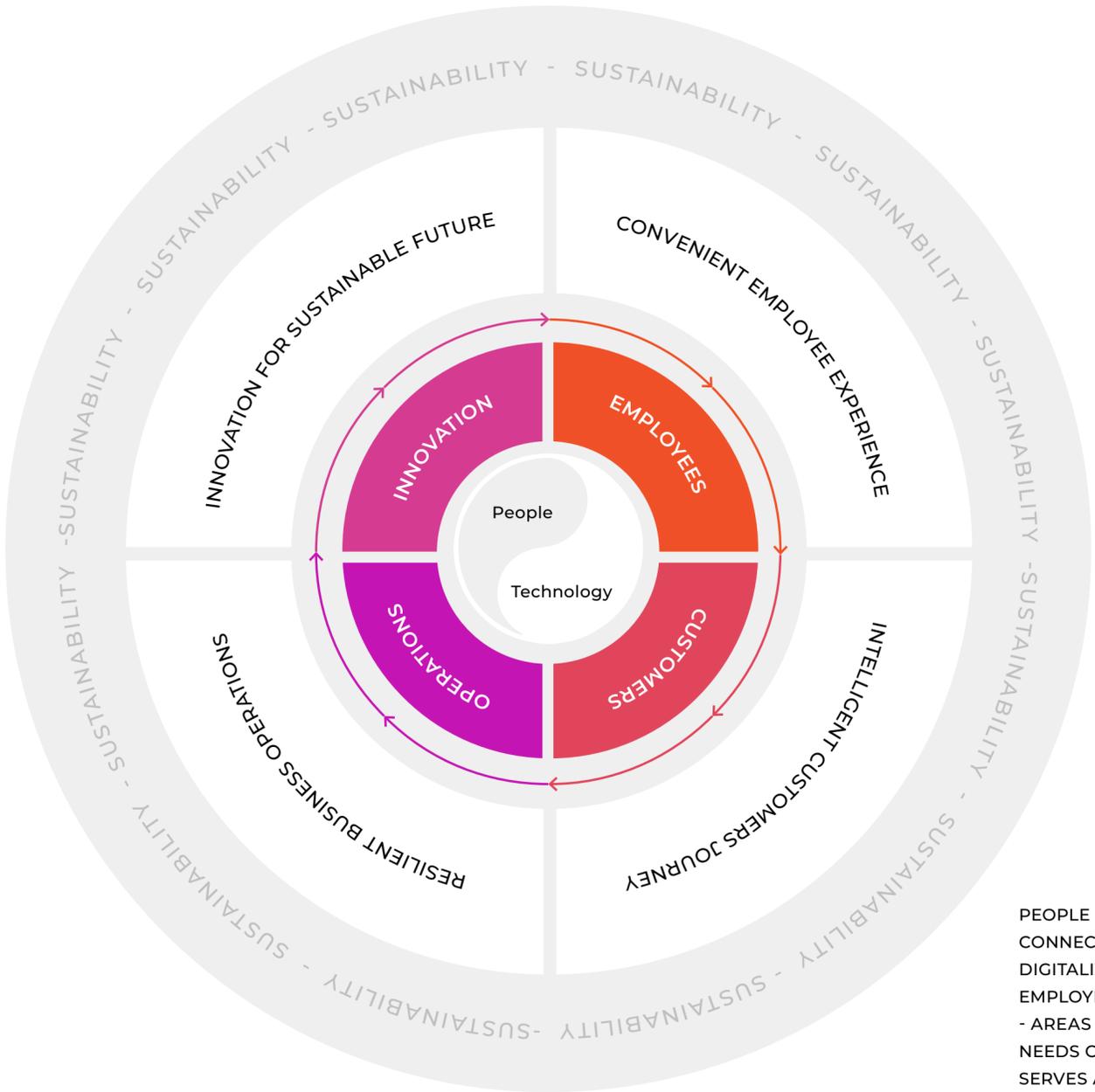
'We take a holistic approach with our customers, helping them across the full Microsoft platform, but we take it further than that. We look at your eco-system, we look at your employees, we look at everything around you, and we take it from there. The connected company is a concept we are just in the process of launching. We are developing an index for our customers where we ask them for a baseline on where they are in terms of sustainability, where they want to go and how we can help them. The same goes for society, where we see the gap of digital capabilities growing, now with people that are ahead and people that are falling behind. How can we, with our digital skills and expertise help them? That is something we ask our customers as well. One commonality we see is that providing data, providing insights, providing the technology our customers use is the way we can really help right now.'

At Fellowmind, we believe in meaningful connections. And we support our customers to become connected companies. As the world is becoming increasingly digitalized where computers and algorithms mediate much of people's daily activity in one way or another, society is becoming increasingly connected. To keep pace with today's connected customers, companies need to become connected companies.

Connected companies have the ability to extend connections across their entire business, through all the processes, employees, customers, innovation and all other stakeholders that are somehow connected to their business procedures. Connected companies have an advantage, because they learn and move faster than their competitors. While others work in isolation, the connected company links into rich networks of opportunity and can expand their influence.



Debbie Alders,
Strategy Director



The Connected Company is part of our holistic view on digitalization where sustainability serves as a platform on which the four pillars, included in our offering, stand; Employees, Customers, Operations and Innovation. During 2022, we will launch a Connected Company Index through which the journey to become a connected company can be measured from both a digital and human perspective. Through data collection and analysis within seven focus areas, the index will give companies insights on where they stand, as well as where they need to go to become a fully connected company.

PEOPLE AND TECHNOLOGY ARE IN THE HEART OF THE CONNECTED COMPANY, WHERE OUR SOLUTIONS ON DIGITALIZATION INCLUDES THE MIDDLE CIRCLE AREAS; EMPLOYEES, CUSTOMERS, OPERATIONS AND INNOVATION - AREAS THAT WITH OUR SERVICES WILL HELP ACHIEVE THE NEEDS OF OUR CUSTOMERS (OUTER CIRCLE) SUSTAINABILITY SERVES AS A PLATFORM (GREY AREA).

Impacts along the value chain

We help accelerate the digital readiness of customers in various industries by using Microsoft cloud solutions, encouraging agile development, implementing integrated platforms, and assisting end-users to learn and adopt. It may not come as a surprise that Microsoft is by far our biggest supplier of all software systems. Besides we also buy software from third parties, and we produce our own software products. We only purchase hardware for our own operations, not for our customers or end-users. For storage of the majority our cloud solutions, we use the data centers of Microsoft.

Based on the company's sector, jurisdictions, and operations, here are our impacts:



FACILITY & EQUIPMENT SUPPLY	OWN OPERATIONS	MANAGEMENT & MARKETING	CUSTOMERS & END-USERS
E-waste and hazardous waste	Data security and privacy	Anti-competitive behavior	Contract conditions (B2B customers)
GHG emissions and energy consumption from leased data center services	Diversity and inclusion	Anti-corruption and bribery	Contributing to more efficient work management
GHG emissions and energy use from the production of hardware	Employee commuting and business travel	Data security and privacy	Digital literacy
Impact on biodiversity in hardware supply chain and at data centers	Employee education and development	Diversity and inclusion	Energy use of products and services
Labor and human rights in hardware production	End-of-life management of IT equipment	Employee education and development	Impact on customers' production and resource efficiency
Local emissions from mineral extraction (hardware)	Energy use	Labor conditions and human rights for employees	System reliability (lagging, downtime)
Socioeconomic impacts of conflict minerals, and of corruption and bribery in the supply chain	Labor conditions and human rights for employees	Office waste	
Water and cooling used in data centers	Professional integrity and honest advice	Employee pensions	
Workers' health and safety	Work-life balance	Work-life balance	





Strategy for sustainability



ESG Strategy

Based on the impact analysis and the materiality analysis conducted during 2021, an ESG strategy (Environmental, Social and Governance) for Fellowmind was completed in late 2021 and adopted by the Board in February 2022. It includes five strategic areas with set targets for 2022 as well as more long-term targets. The strategic areas cover all six material topics, identified in the materiality analysis.

In this report, the strategic areas and related KPIs, long and short-term targets, as well as performance during 2021, are accounted for under the headline Measuring progress for each material topic.

The ESG strategy is updated each year, as part of a processes for continuous improvement, which is standard for FSN Capital's portfolio companies.

The ESG strategic areas are:



1

Enabling the green transition with digital solutions for our customers

READ MORE → PAGE 42



2

Sustainable employer to reduce severe and irreversible impacts from climate change

READ MORE → PAGE 56



3

Best workplace in the industry by maximizing the engagement of our employees

READ MORE → PAGE 28



4

Enabling societal digital inclusion

READ MORE → PAGE 56



5

Ethical and reliable business partner

READ MORE → PAGE 42

Shared value

At Fellowmind, through our operations, we create business value and value from a social and environmental perspective simultaneously. We see two major interconnected business opportunities for Fellowmind as a company. The first, is about customer solutions and offerings. The second, is about attracting, treasuring and keeping talent and competence within Fellowmind.

'We see a huge potential for our sustainability offerings in the European market. We take this very seriously and we have a huge ambition to drive this across our company and our customers.'

Emiel Putman, CEO

From a customer solution perspective, The Connected Company offering with Microsoft Cloud for Sustainability means our customers will be able to do big changes in their supply chain, cutting things out and doing things smarter. With the use of Microsoft Cloud for Sustainability (→ see page 44) we can help customers record, report and reduce their GHG emissions.

'You don't get returns despite ESG, but because of ESG. We see many examples of companies increasing their return through focusing on ESG'

Mia Sørli, ESG associate, FSN Capital

'To me, the source of sustainability starts with data, having data to understand what the current state is, and then from the current state be able to articulate what the desired state can be. A lot of our customers are struggling with that, at least holistically. When it comes to end-to-end, when it comes to circularity, when it comes to thinking through the entire supply chain left to right, I believe there is a lot of room and a lot of opportunities to help companies address these journeys, with the right strategies and tools. I think Microsoft is one of the most advanced companies on the planet at the moment. Not only when it comes to awareness of their own footprint, but also the impact the digital can have in accelerating towards a more sustainable planet, even if those solutions and implementations are still at an early stage. As Fellowmind, once we embrace those solutions and become experts in those domains, we can leapfrog a lot of other companies and actually positively differentiate ourselves in that domain.'

Ernst-Jan Stigter, Regional Director, The Netherlands

However, taking sustainability seriously is key not only in a customer perspective, but it's also essential to employees and potential employees who are looking for purpose and meaning. They want their employer to make an impact on this topic.

'I think that if we as Fellowmind can position ourselves as a company that not only talks about things and has a vision on things, but also have the tools to implement and help address it pragmatically, I believe it could be a massive talent attractor. I really do. Because there aren't that many companies that really can do that.'



Ernst-Jan Stigter, Regional Director, The Netherlands

Stakeholders

Stakeholder dialogue is key to how well we succeed as a company. They are an integral part of our purpose, business, mission, vision and values. As such, stakeholders are both co-owners and co-creators of our ESG strategy and the implementation of the plan. We partner with them and learn from them. And we are held accountable to them in our continuous strive to improve.

FSN Capital

As majority shareholder, FSN Capital plays a key role in Fellowmind's strategic development as a company. FSN Capital's ethos, "We are decent people making a decent return in a decent way" defines their core values. FSN Capital is committed to being responsible investors and having a positive environmental and social impact across our portfolio.

Two members from FSN Capital attend each Fellowmind Board meeting. ESG is at the top of agenda at every meeting. Chair and CEO from Fellowmind has weekly meetings with FSN Capital where major topics are discussed and board meetings are prepared.

Employees

Our people are central to everything we do. We believe that by putting people at heart, they can bring their talent to the world.

Beyond the day-to-day conversations between manager and employee, an extensive Employee engagement scan is performed once a year including all employees aiming at getting detailed insights on employee engagement on different topics. As a complement to the yearly scan, there is a weekly engagement scan. (→ see page 32)

Other ways of communicating with employees are through a weekly CEO e-mail update, FellowBase, the intranet platform, the Fellowmind Inside – an internal broadcast five times a year, a quarterly Employee Shareholder update and monthly European Management Meetings.



Customers

The relationship to our customers is key to how we succeed as a company. Over the last two years, we measured customer satisfaction through an NPS survey conducted by external agency Blauw Research BV. It is a centralized process set for all regions. It helps to get insights on which drivers have impact on the satisfaction and on the customer relationship. The priority matrix shows on which aspects Fellowmind should focus to optimize the customer experience.

In 2021, the majority of the customers experience a pleasant relationship with Fellowmind. The NPS increased from 27 to 32.

Customers are satisfied with the high level of competence and knowledge within Fellowmind. They experience good, professional cooperation with their business unit. Some customers are more critical about their relationship with Fellowmind, they experience a lack of project management. This manifests itself in long response times. Some customers would also like to see more proactive behavior in providing strategic advice and fitting solutions.

Other examples of customer dialogue are reports based on surveys and interviews. In 2021, a survey among customers in the finance and manufacturing sector was made by Fellowmind and Forever Sustainable, a think tank and advisor

in sustainable business. The purpose was to create an understanding of how customers work with sustainability, what their future needs are and how important sustainability as a topic is to them, and ultimately how Fellowmind can help them reach their sustainability goals. The interviews with customers in five countries resulted in the report Enabling the Green Transition. How companies deal with the challenges of digitalization, collaboration, and communication was the focus of another report from 2021, where over 3000 IT and business decision-makers in six European countries participated. The results are captured in the Fellowmind People & Technology Report which offers an insight into how companies are preparing for the future and leveraging technology to empower employees and become future-proof.

Microsoft

Fellowmind has a longstanding relationship with Microsoft, starting 17 years ago. As a dedicated partner, we have grown our business alongside Microsoft on the basis of the Business Applications practice.

Microsoft and Fellowmind have been close from the start, building a trusted connection and mutual understanding of the business of both companies. As a result, Fellowmind is actively participating in many Microsoft forums and groups to develop both business and the relationship. Fellowmind has several Microsoft MVP's (Most Valuable Professionals)

as part of the team. MVP's participate actively in the community, help build expertise in the field of technology and provide feedback and improvement opportunities for the products and platforms Microsoft offers. Fellowmind is also part of several Partner Advisory Councils (PAC). Members of the PAC help develop programs to further develop business with Microsoft in the area of Marketing, Sales, Support and other programs. PAC members also provide feedback on product roadmaps and other product related developments. Fellowmind is a member of the PAC for Business Applications SI's, Business Central and Project & Portfolio Management. Fellowmind has been a member of the Microsoft Inner Circle for Business Applications since 2011. The Inner Circle represents the top 1% of Microsoft partners in performance and business excellence and offers an important opportunity for partners to keep connected with Microsoft executives. As an Inner Circle member, Fellowmind has participated in many events and conversations with Microsoft leaders and contributed to the development and growth of the partner ecosystem. As a result, Fellowmind is invited to new programs and initiatives to add to the growth of both Microsoft's and Fellowmind's business.

Fellowmind has adopted a dedicated Microsoft Engagement approach to connect on all levels with the Microsoft organization. Fellowmind countries collaborate closely with the Microsoft organization through the Partner Development Manager (PDM). This relationship builds on business

development in several areas and is connected through the umbrella connection of the Multi Area Partner Orchestration (MAPO). The MAPO relationship connects the Fellowmind countries and the Microsoft PDM's to align initiatives, build better connections and collaborate efficiently and effectively across all Fellowmind regions with Microsoft. Fellowmind has dedicated resources in each country to align marketing & sales, support and program management with their counterparts in Microsoft.

Microsoft and Fellowmind have a yearly planning cycle, where goals and targets are set for business development in terms of industries, solution plays and intended markets. The results of the collaboration are evaluated on a monthly basis. Qualification for Inner Circle membership is based on evaluation of last fiscal year's performance as a partner and accreditation in the Inner Circle is a confirmation of the fact that Fellowmind is still meeting the highest standards of business excellence for Microsoft.

Additional stakeholders

Fellowmind is a member of regional IT-based associations such as NL digital and Platform voor Klantgericht Ondernemen (platform for customer-focused way of doing business).

For several projects we co-operate with universities, such as the Wageningen University in the Netherlands, and the Örebro University in Sweden.



Materiality analysis

As part of FSN Capital’s standard on-boarding process for its portfolio companies, a double impact analysis of Fellowmind was made together with EY. The analysis assessed Fellowmind’s impact on the economy, environment and people, as well as external factors’ impact on the company.

The double impact analysis, together with the stakeholder dialogues, formed the basis for the materiality analysis conducted during 2021, and which is based on the reporting framework *Global Reporting Initiative’s (GRI) revised standard*, launched in October 2021. After having assessed the impacts, the next step was to prioritize Fellowmind’s most significant impacts (positive or negative, actual or potential, reversible or irreversible impacts). The process included a workshop with the top management team at Fellowmind and representatives from FSN Capital, and was guided by Forever Sustainable, a corporate sustainability consultancy company.

Fellowmind’s material topics:



Medium impact

High impact

MATERIAL TOPICS ARE TOPICS HAVING THE MOST SIGNIFICANT IMPACTS (POSITIVE OR NEGATIVE, ACTUAL OR POTENTIAL, REVERSIBLE OR IRREVERSIBLE) ON THE ECONOMY, ENVIRONMENT, AND PEOPLE.

12 topics were included in the materiality analysis, of which 6 topics are material and have a significant impact on the economy, environment, and people. All 12 topics are addressed in this report, but with an emphasis on the material ones. For the remaining six other important topics, Fellowmind does not have as large impact.

The material topics have been validated through individual interviews with four representatives from Fellowmind (Chair of the Board, CEO, Strategy Director, Regional Director) and one from FSN Capital (ESG Associate).

UN Sustainable Development Goals

Fellowmind has defined direct contribution to four of the seventeen UN Sustainable Development Goals (SDGs). These are closely connected to the strategic areas in our ESG commitment, and to the material topics where Fellowmind as a company have the biggest impact on sustainability.

ESG STRATEGIC AREA:

Enabling the green transition with digital solutions for our customers



MATERIAL TOPIC:

- Customer Solutions
- GHG Emissions

DIRECT IMPACT ON SDG & SUB TARGET



12.6 Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle



13.3 Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning

INDIRECT IMPACT ON



ESG STRATEGIC AREA:

Sustainable employer to reduce severe and irreversible impacts from climate change



MATERIAL TOPIC:

- GHG Emissions

DIRECT IMPACT ON SDG & SUB TARGET



12.3 By 2030 halve per capita global food waste at the retail and consumer level, and reduce food losses along production and supply chains including post-harvest losses

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment



13.3 Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning



ESG STRATEGIC AREA:

Best workplace in the industry
by maximizing the engagement
of our employees



MATERIAL TOPIC:

- Employee engagement
- Inclusive employer & diversity

DIRECT IMPACT ON SDG & SUB TARGET



8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labor-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

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

INDIRECT IMPACT ON



ESG STRATEGIC AREA:

Enabling Societal digital inclusion



MATERIAL TOPIC:

- Digital inclusion

DIRECT IMPACT ON SDG & SUB TARGET



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

INDIRECT IMPACT ON



ESG STRATEGIC AREA:

Ethical and reliable business partner



MATERIAL TOPIC:

- Business ethics

DIRECT IMPACT ON SDG & SUB TARGET



8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.



12.6 Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

INDIRECT IMPACT ON



Making People Flourish



Fellowmind is built around our people. By putting our Fellows at the core, we create a resilient foundation for all our accomplishments and future endeavors. It is our collective expertise and experience - engaging both hearts and minds - that differentiates us and contributes to our joint success.

CIRCLE OF SUCCESS:



ESG STRATEGIC AREA:

Best workplace in the industry by maximizing the engagement of our employees

READ MORE

MATERIAL TOPICS:

- EMPLOYEE ENGAGEMENT ON PAGE 29
- INCLUSIVE EMPLOYER ON PAGE 36

OTHER IMPORANT TOPICS:

- HUMAN & LABOR RIGHTS ON PAGE 40

At Fellowmind we have People at Heart. People are central to everything we do. We believe that by putting people at the center, we enable them to share their talents with the world. And when people flourish, business and society flourishes. Our circle of success starts with passionate people, people who are willing to go the extra mile and are able to create a unique customer experience that leads to sustainable and rewarding relationships. Through profitable business, we can keep on innovating and developing our knowledge and skills. This enables us to invest in the continuous growth of our employees; fueling their passion and building on their talents. We call it the circle of success.

'At Fellowmind we put people at the core of our business. Engaged fellows create a unique customer experience for our customers and these customers become our ambassadors. Psychological safety is a key element to drive the engagement of our Fellows, to make sure they feel included and heard. Every change or process we implement at Fellowmind we always think how this will impact our people. Will it make them better at what they're currently doing? Will this enable them? That's how we see People at Heart.'

Marjolein Wehrmeijer, Group HR director



Employee engagement

Our approach

Driving the engagement of our employees is a top priority for Fellowmind and something that is encouraged in both a top-down and bottom-up approach.

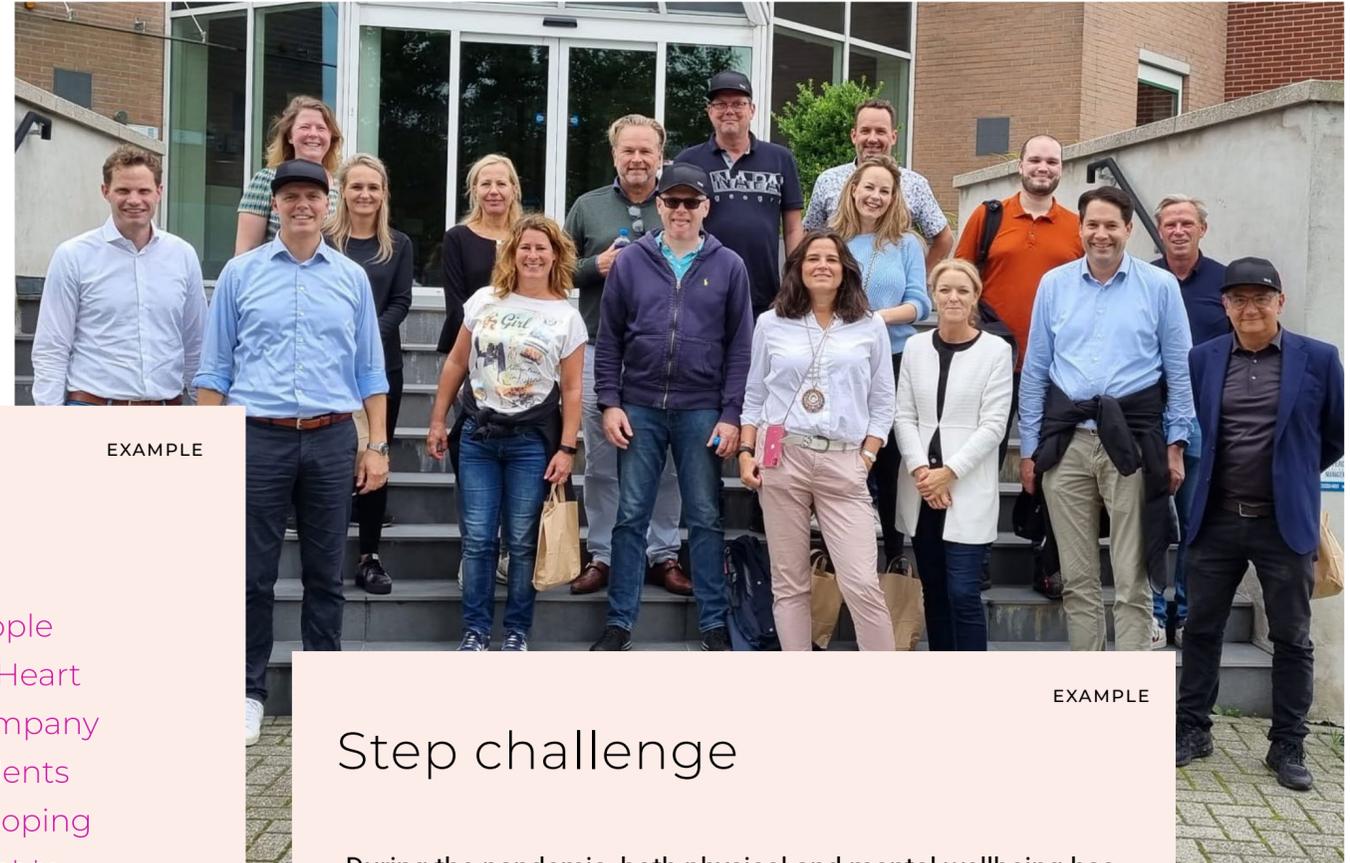
Our employee engagement work is based on the Job Demands Resources model (Bakker & Schaufeli). Research in the area of positive organizational psychology has shown that employees and organizations thrive in particular when they have many resources at their disposal.

External job resources are characteristic of work that encourages the attainment of goals, and aids employees in realizing the demands of work. Examples include the manager giving personal attention and feedback, social support from colleagues, and meaningful work. Job resources form important factors of positive organizational psychology, while abating job-related stress.

Personal resources form the foundation of employees' opinions about the perceived level of control they exercise over their surroundings and events in their lives. Examples of personal resources include an optimistic outlook, complete trust in personal capabilities, and a healthy amount of resilience.

All performance of employees in Fellowmind is evaluated once a year.

Initiatives and projects



Personal Leadership Program

EXAMPLE

‘Already in the first years of the company we had a very people oriented culture. Maybe we didn’t say the words People at Heart back then, but we lived it. We wanted the people in our company to be able to use their talent. But if you want to use your talents then you need to learn what these are. So, we started developing programs to discover who you are and how you can connect to yourself. And, knowing your own talent, how can this enable you to do the job you really love? I think that is actually the core People at Heart – feel free to be your authentic self, use your talents, and be able to flourish! And during all the years that I have been working within this company, this has been so important. We want to be the best workplace in our industry. For me, that means that people can use their talents without being hindered by rules or regulations. Our colleagues should really feel the freedom to flourish.’

Peter Stulp, Group Sustainability Director



Step challenge

EXAMPLE

During the pandemic, both physical and mental wellbeing has become increasingly important. We wanted to do initiatives for people to get energized again. In early summer of 2021, we set up a step challenge for our employees. The challenge was to go for a walk of at least 10 000 steps every day for 30 days, and to do it together with colleagues. A walk may look like a small thing, but it really helps both physically and mentally. About 400 people participated and they were really enthusiastic about it. We hope this year that with the promotion from last year’s participants, we will have a lot more employees joining.

Initiatives and projects



Q&A WITH: THOMAS LOK, PEOPLE MANAGER,
FELLOWMIND IN THE NETHERLANDS

You attended the very first Future Leadership Program. How was it?

It's a really cool program, a very nice atmosphere and with nice people. You had the time to reflect on where you are as a person in the company, and how to grow as a leader. It gave me tools for my proverbial backpack to better help others to take the next step, to go to the next level. I see myself more as a facilitator than a real leader who tells people to go left or right. The program taught me situational leadership and to see where a person needs help on specific tasks. Also, it was an opportunity to see people from other countries and it was nice to see that even though we came from different cultures our identities were similar, we bonded quickly.

How can leadership help advance sustainability, in your opinion?

As a leader, you set the example. People see you and what you do. And if you have more of an eye for the people around you, if you make time for people to make a difference- for example to volunteer in a homeless shelter- I think more people will follow. That goes for the social, but also for other decisions you make at the office, what you do or what things you buy. If you are not true to your inner self people will see it. Personally, I want to do things for other people besides me, who maybe aren't yet in a place where they can help themselves and I am. We are quite successful as a company so why not look out for others, we can help and improve and maybe we can both benefit from that.



Future Leadership Program

This program started in 2019. Ten future leaders are given an opportunity for one year to develop their leadership skills as well as to grow on a personal level. Management leadership programs are based on three steps of development where the first is to CONNECT to oneself, to the company and teams, to the customers and to society. The second step is to build TRUST towards and between these actors and yourself, and the third is to CHALLENGE & INSPIRE as a leader. Sustainability is becoming an increasingly important ingredient in the Future Leadership Program. If we want to inspire people from top-down, it must be addressed here.



Measuring progress

From a Fellowmind group level there are two main methods to assess employee engagement:

1. Employee Engagement Scan

The Employee Engagement Scan is a yearly survey that goes out to all employees with about 160 questions, divided into different constructs, i.e. work-life balance. The first time it was conducted was in 2009 at CRM Partners in the Netherlands. Response rate is usually around 90 percent. 2021 was the first year the Employee Engagement Scan was made in all six countries with 1,850 employees.

The results show the level of engagement and how the different constructs affect engagement. It also provides an indication of whether there is a need for an intervention and where. It could be on a regional level, or with a specific age-group. Since these scans are performed every year, we are able to see how things change and if interventions have had the intended effect.

All employees get their individual results on level of engagement and if there are topics that they should address with their manager or team. The Head office HR-department offer interpretation sessions with every region about the results,

and a global session with all regional HR-managers. The Employee Engagement Scan is also a culture check that gives an indication of how well we live up to our core values.

2. Weekly scan

Winningtemp is a tool that was introduced to Fellowmind employees in September 2021. It is a weekly scan that goes out to all employees, who can answer by selecting “a smiley” from green to yellow to red. It measures the temperature for nine different constructs, like Leadership, Team spirit and Work Situation. This weekly survey also measures the likeliness for employees to recommend Fellowmind as an employer to others through eNPS (Employee Net Promotor Score).

The result of the weekly scan gives valuable insights through indicating if something is wrong, which in turn gives the opportunity to intervene at an early stage. Results are regularly discussed in the Executive Committee and all regional HR teams are invited to monthly sessions where best practices, lessons learned, or issues are addressed and discussed.

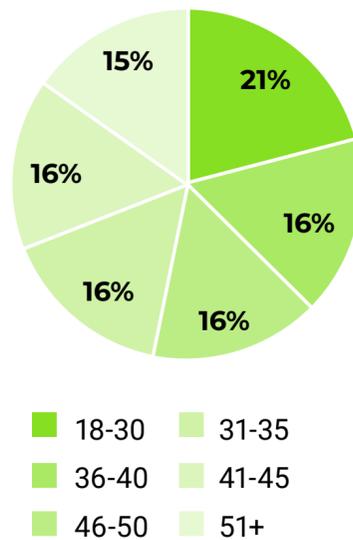
Employee Engagement Scan 2021: Fellowmind overall

Who participated?

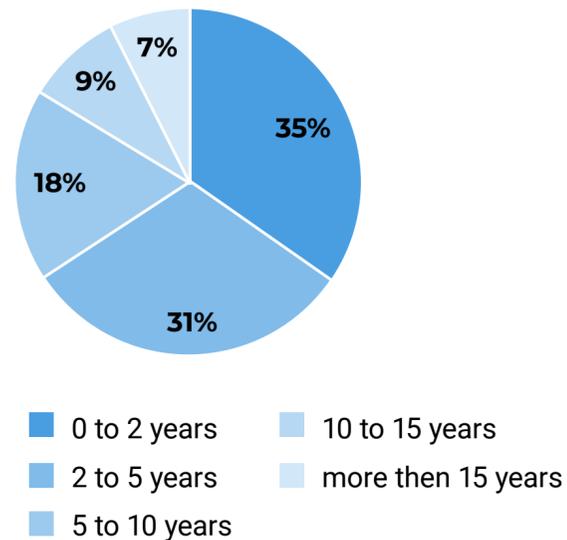
1,423
respondents



Age



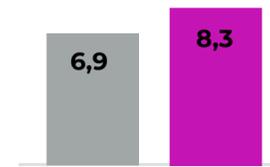
Job duration



Social support

91%

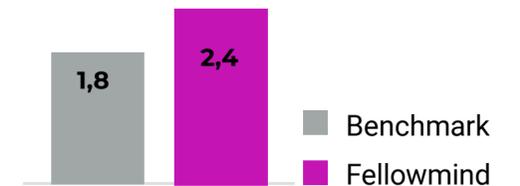
of respondents say that they can ask colleagues for help often or always



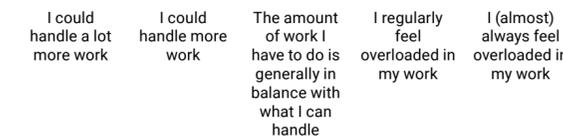
Work-life imbalance

19%

of respondents say that work takes so much time that it has a negative effect on the private life regularly or more often



Workload



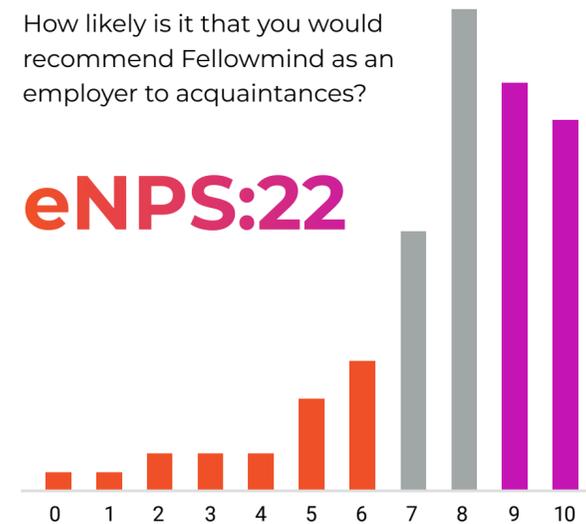
Meaningful work

70%

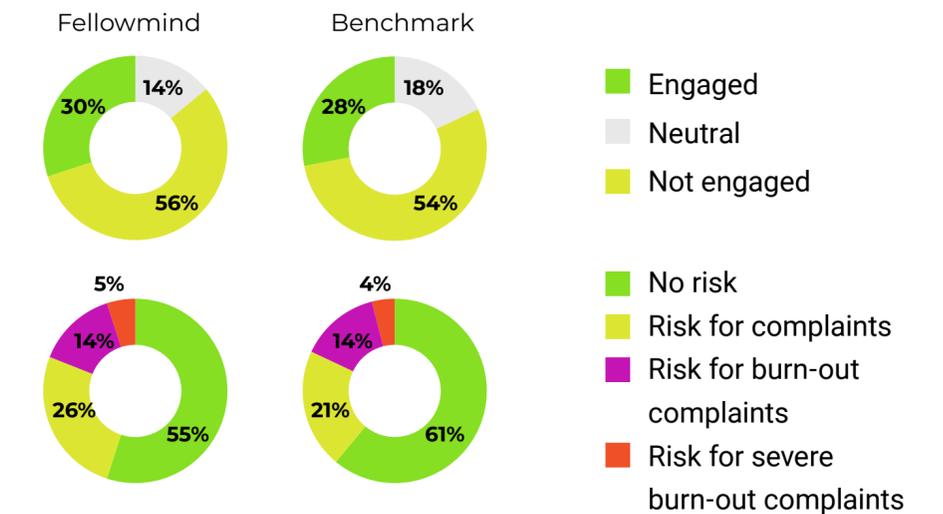
of respondents has found a meaningful career

How likely is it that you would recommend Fellowmind as an employer to acquaintances?

eNPS:22



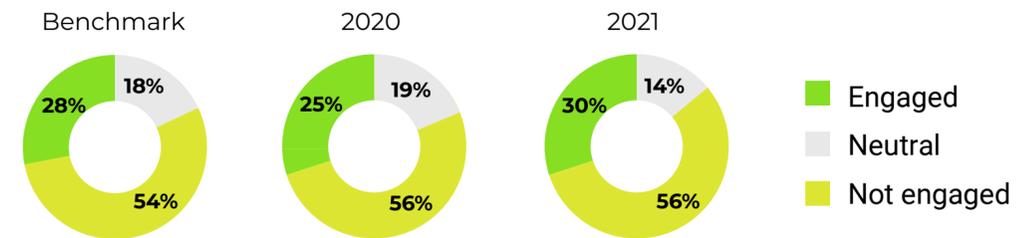
Engagement and burn-out risk





Employee Engagement Scan 2021: Fellowmind overall

Overall employee engagement



Dedication, Absorption and Vitality (or Vigor)* are often used as determinants of employee engagement.

Lower overall scores in 2021 can be contributed to the Covid-19 pandemic, especially vitality and absorption. Another thing that probably influenced the scores is the fact that in 2021 we became one brand for all companies, a change that most likely has had a temporary effect on the engagement of some of our employees.

Engagement

WORK ENGAGEMENT	BENCHMARK	2017	2018	2019 (346)	2020 (1021)	NOVEMBER 2021 (1423)
Dedication	6.1	6.8	6.6	6.6	6.6	6.4
Absorption	5.2	6.1	5.7	5.8	5.6	5.4
Vitality	5.8	6.5	6.3	6.2	6.0	5.7

*Vitality (or vigor) is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in ones work and persistence in the face of difficulty. Dedication is ones' sense of significance, enthusiasm, inspiration, pride and challenge. Absorption refers to the state in which one is highly concentrated and happily engrossed in works so that s/he feels time passes quickly and it is difficult to detach from work. (Schaufeli, Salanova, Roma, & Bakker, 2002. The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. Journal of Happiness Studies, 3, 71-92.)

ESG strategy target and performance

STRATEGIC ESG AREA	KPI	LONG-TERM TARGET	PERFORMANCE 2021	ANNUAL TARGET 2022
Best workplace in the industry by maximizing the engagement of our employees	Employee Net Promoter Score (eNPS) is a method to measure employee loyalty. It measures how willing your employees are to recommend their workplace to their family or friends.	eNPS 35	eNPS of 22; implemented a tool for continuous measurement of employee engagement providing insights per team and across the entire company.	eNPS 30

What's next? 

During 2022, to further advance on employee engagement, we plan to:

- Focus on work-life balance and connectedness/inclusion, with the aim to increase employee engagement. A Connected Leadership program has been developed around this theme.

Inclusive employer and diversity

Our approach

'I hold myself to a high standard when it comes to inclusion of employees. And we are not only talking about gender only, but we are taking it to the next level. People shouldn't have to compromise who they are when they come to the office. That is very close to my heart, but I also think it's crucial to a business like Fellowmind, given the scarcity of talent and the emphasis on employee engagement the company has.'

Theo Rinsema, Chair Board of Directors

Being an inclusive employer is important for more than one reason. Inclusion leads to diversity. If everyone feels welcome and safe, no matter what your background is, what gender you are, what religion or sexual orientation you have, we believe that it will attract others from different backgrounds. And at Fellowmind, that's what we want to stimulate.

Being an inclusive employer who embraces diversity is about both culture and strategy. An open and inclusive culture, where, if there is something you don't like, you are encouraged to speak up, is essential. For our employees to feel that their voices are heard and that they are in a safe place is at the core of having People at Heart. Everybody counts and we need to respect each other. And if something happens – we can never avoid that – everybody should feel secure enough to speak out.

The Fellowmind culture is complemented with a formal structure of policies and procedures, to ensure that all employees know how and where formal complaints can be issued. These policies include the Code of Conduct, Whistle Blower policy and Procedure for handling reported issues of concerns (→ see page 50).

Initiatives and projects

Female hire

The IT-industry has a long tradition of being male-dominated. We have high ambitions to change that tradition. At Fellowmind, as of early 2022, 25 percent of the employees are women, and every year we raise our targets to increase the rate of female hire.

One approach in our work to change the ratio, is to raise awareness in recruiting processes and to train people to become aware of unconscious biases.

Non-binary inclusion

In 2021 a non-binary category was added in the Employee Engagement Scan. By doing so, we show that we welcome the fact that people can identify as non-binary and non-binary employees can feel included. At the same time, it gives us a chance to become aware of potential differences in employee experiences not only between men and women, but also those who identify as non-binary.

Hire people with disabilities

Fellowmind in The Netherlands has recently hired new personnel, with help from a Dutch company called ITVitae, who works with education, training and employment services for people with autism.

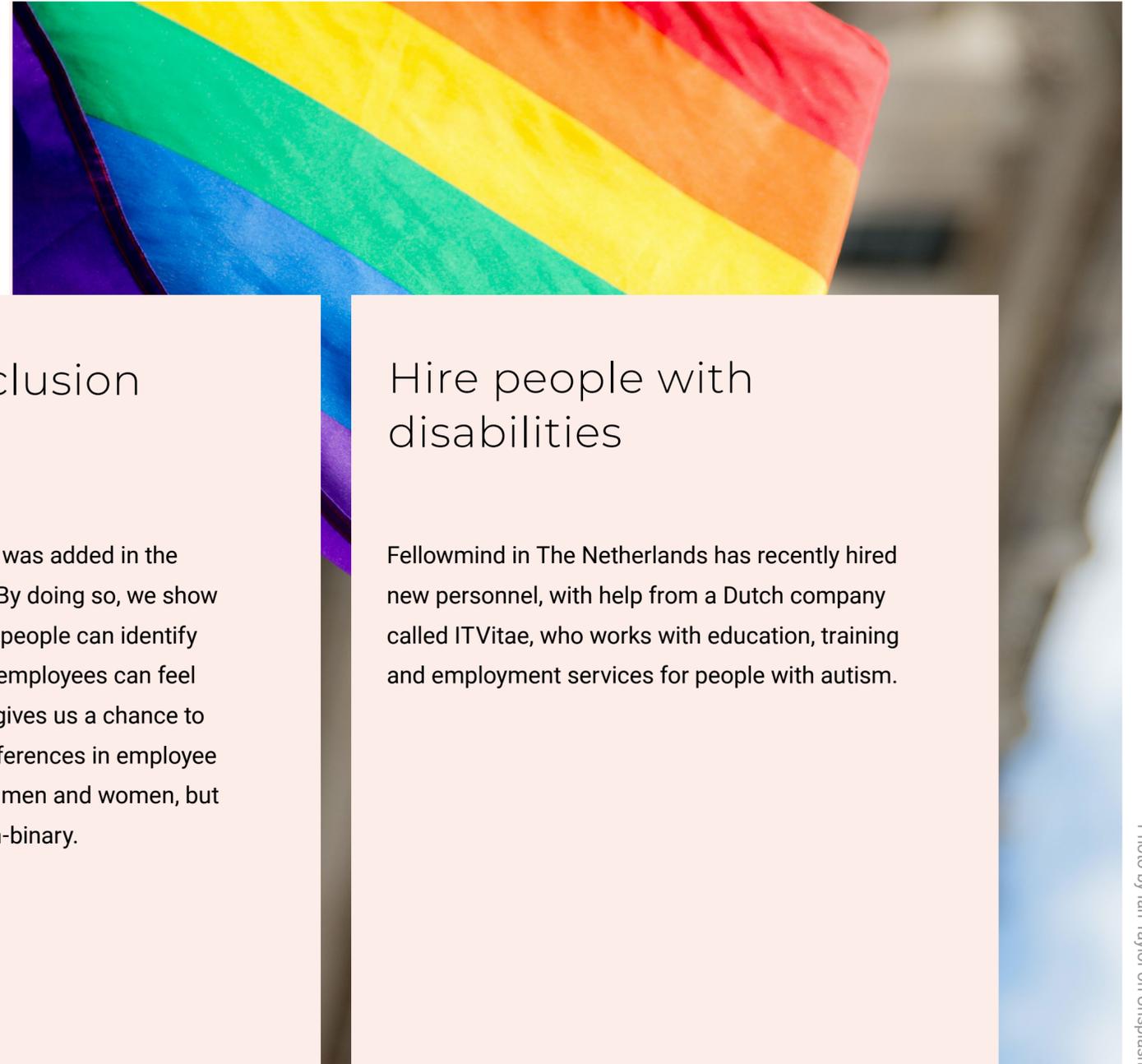


Photo by Ian Taylor on Unsplash

Measuring progress

The most important and comprehensive KPI to measure whether Fellowmind is succeeding in being an inclusive employer and create a culture where you feel safe to be who you are, is Psychological Safety. This KPI is measured in the Employer Engagement Scan through answering how well you agree on a scale from 1-10 to the following assertions:

- When somebody makes a mistake, it's often held against him/her
- In this organization, people are willing to express a different opinion
- No one in this organization would deliberately undermine my efforts

STRATEGIC ESG AREA	KPI	LONG-TERM TARGET	PERFORMANCE 2021	ANNUAL TARGET 2022
Best workplace in the industry by maximizing the engagement of our employees	Psychological safety as key-indicator for diversity and inclusion	Score significantly above the benchmark on psychological safety	Analyzed employee engagement and inclusion insights.	Psychological safety target for 2022 is 8.0 (benchmark other companies in 2021 was 6.1)
Best workplace in the industry by maximizing the engagement of our employees	Gender diversity	Gender balance in all departments	Female ratio: 24.9 % Female new hires: 29.5%	Female new hires: 40%

JOB RESOURCES	BENCHMARK	2017	2018	2019 (346)	2020 (1021)	NOVEMBER 2021 (1423)
Psychological safety	6.1	-	-	-	8.0	7.9



What's next?

During 2022, to further advance on inclusion and diversity, we plan to:

- Upgrade the weekly scan to also include topics like equality, diversity, inclusion and sustainability. The aim is to make employees aware of the topics that are important to us.
- Create a group wide onboarding program with modules on inclusion, diversity, psychological safety and sustainability/ESG.
- Increase our support for psychological safety by cooperation with a company that provides psychological help and mindfulness training for employees. The aim is to prevent burnout or sickness through offering time and space to talk to a professional psychologist at an early stage.



Human and labor rights

As a company with a strong focus on having people at heart, human and labor rights are built in at the core of our values.

We are committed to live up to human and labor rights as stipulated in UN Declaration of Human rights and International Labor Organization (ILO). These commitments are enacted through policies such as the Code of Conduct and the Supplier Code of Conduct. For more info about our policies. (→ see page 50)

During the coming year, we plan to go through the policies and processes to ensure that they are aligned with the upcoming legislation on due diligence, and that they stipulate the precautionary principle.

§ At Fellowmind, we perform business in line with basic human rights enshrined in the UN Declaration of Human Rights. The Company shall comply with the four conventions of the International Labor Organization (ILO) on the right to free organization, prohibition of child labor, prohibition of forced labor, and prohibition of discrimination.

Paragraph 2:1, Fellowmind Code of Conduct.

Making Business Flourish



Our Fellows and customers belong to the same tribe.

As the world is becoming increasingly complex, dynamic collaborations are vital. At Fellowmind, we understand our customers business, listen to their needs and speak their language. It is when we become one with our client, we are able to guide them through their digital transformation journey and create lasting value.



ESG STRATEGIC AREA:

Enabling the green transition with digital solutions for our customers



Ethical and reliable business partner

READ MORE

MATERIAL TOPICS:

- CUSTOMER SOLUTIONS ON PAGE 44
- BUSINESS ETHICS ON PAGE 50

OTHER IMPORANT TOPICS

- INFORMATION SECURITY ON PAGE 54

'Sustainability is very close to our strategy and should be included in our conversations with the customer. Also, in situations where it's not on the top of customers' mind themselves, we have an obligation to insert it into the project in reality. That's one of the key elements of the objectives we want to achieve with the digital project.'

Theo Rinsema, Chair Board of Directors

As awareness about sustainability is rising, and regulation, from global to EU to the national level is being introduced, the demand for solutions on measuring, monitoring and transitioning is growing. Being a company that helps their customers with digital transformation, lifting and shifting from physical to digital processes, Fellowmind has an impact on sustainability by default. But by taking a holistic approach to digitalization and connecting it to the green transition, we can increase that impact significantly. Through both providing data and insights, and by giving advice based on those insights.

We bring sustainability to the table in two ways. One way is to engage in research and innovation projects together with partners and clients, digging deep into the possibilities of digital solutions for sustainability. This tackles sustainability vertically. The other is to include sustainability in all our customer offerings. This tackles sustainability horizontally.

'We could make an impact through investing in the manufacturing and energy industries. We could be even more specialized than we are now, making operating and management systems that would make factories and companies more efficient in their daily work. It would have a large impact on the pollution created. Innovative business venture is one thing but helping these industries to be more efficient - that's where we can have the biggest impact'



Otto Hintikka, Sales Director, Fellowmind in Finland

Customer solutions

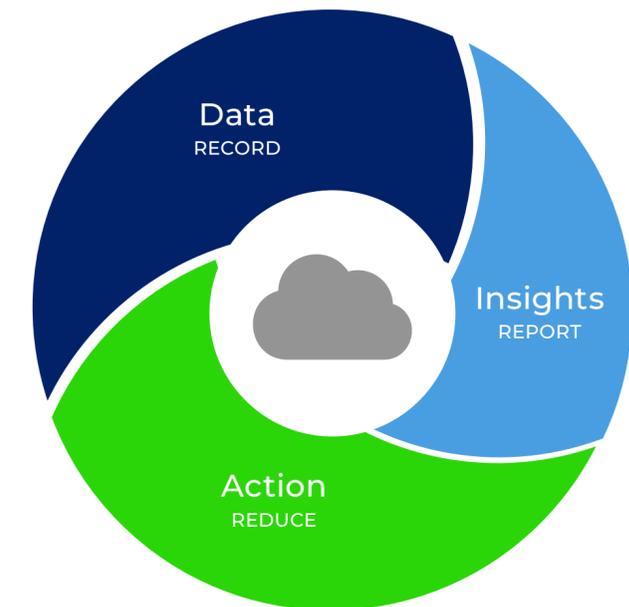
Our approach

'We are committed to be a front runner of the adoption of the Microsoft Cloud for Sustainability and to deliver these solutions to the industries that we commonly serve. We are now planning to implement the cloud for four customers during 2022. Next year it can be forty. Can you imagine what forty times 10 000 users is, times the current state, times the desired state? I mean that's huge, it can and will be huge.'

Ernst-Jan Stigter, Regional Director in The Netherlands.

At Fellowmind, we believe that it is through customer solutions that we, by far, can have the biggest impact on sustainable development.

Our holistic offering aims to drive value along our customers' value chain, from end to end. And through The Connected Company concept, sustainability is becoming an integral part of Fellowmind's offering. One of the most important components to implement The Connected Company for our customers will be launched in 2022, the Microsoft Cloud for Sustainability. As a Microsoft partner, Fellowmind will be one of the first companies in the world to employ it. The Microsoft Cloud for Sustainability is an extensible software-as-a-service solution that helps record, report, and reduce an organization's environmental impact through automated data connections and actionable insights. It helps companies to understand what the current state is and to articulate what the desired state can be.



Initiatives and projects

Data driven insights reduce carbon emission in foundry company

FELLOWMIND IN DENMARK

'There are many things we can do to help companies achieve a smaller carbon footprint. So, we get a benefit for the customer, we help the climate, and we actually help our own business, because the data driven insights we can provide is additional business for us. I think there are so many low hanging fruit that we can bring into play for clients – just do it!'



Jan Hoffriz Christiansen, Sales Executive,
Application Innovation Fellowmind in Denmark



In Denmark, Fellowmind is working on a project partially funded by the EU to help Vald. Birn A/S, one of Northern Europe's largest foundries.

Jan Hoffriz Christiansen is Sales Executive at Fellowmind in Denmark and manages the project. 'As you can imagine, melting iron requires a huge amount of energy. Vald. Birn has a sizable annual energy bill in the double-digit million Euro range. Just one percent efficiency means quite a lot of money, but also a very big reduction in CO2-emissions because there is a high correlation between the two.'

Fellowmind helps Vald. Birn A/S to gain insights into their industrial manufacturing process so that they understand at what points they spend the energy and how they can reduce it, either through more dynamic production planning, or through more dynamic energy purchase or by changing the way they work slightly.

'We help companies create a holistic real time data perspective. We gather all the data points from each machine involved in manufacturing. We can tell by which given time it consumes how much energy, and we combine it with CO2-equivalents of emissions. But our purpose is to generate insights for decision-makers on what to do, based on this information. It could be to bring an energy intensive order forward in the production line when the energy is cheaper since the correlation between cheap electricity and low carbon emission is super high, at least in Northern Europe due to our renewable energy sources. So, essentially we are providing insights to make informed decisions which are good for the economy but also for the climate.'

Initiatives and projects

Farmbeats project

FELLOWMIND IN THE NETHERLANDS



The global demand for food increases due to population growth. It is estimated that demand will increase by 70% by 2050. The agricultural sector, in order to meet these future demand, has a a shortage of agricultural land. Through climatic changes the availability of water and soil conditions become larger bottlenecks in the food production.

The agricultural sector is part of the solution. The new agricultural sector is an industry that is less harmful to the environment, where the production level is up to standard and where every farmer has a healthy existence. To achieve this, there are still complex issues requiring attention. Both ecological and economic and social aspects must be part of the solution.

FarmBeats is a data hub on which a variety of data sources can be connected. For example soil sensors, weather stations, soil sampling and weather forecasts. The data is collected, aggregated, contextualized and translated into practical advice. The advice is made transparent for the farmer through a user-friendly app. The farmer uses the advice when make the many daily choices at work, and it can be used for developing strategic plans.

The data remains the property of the farmer. Via the FarmBeats platform the data is analyzed and made applicable. Through the transparent ownership of data, the central role of the entrepreneur in the chain becomes more visible.

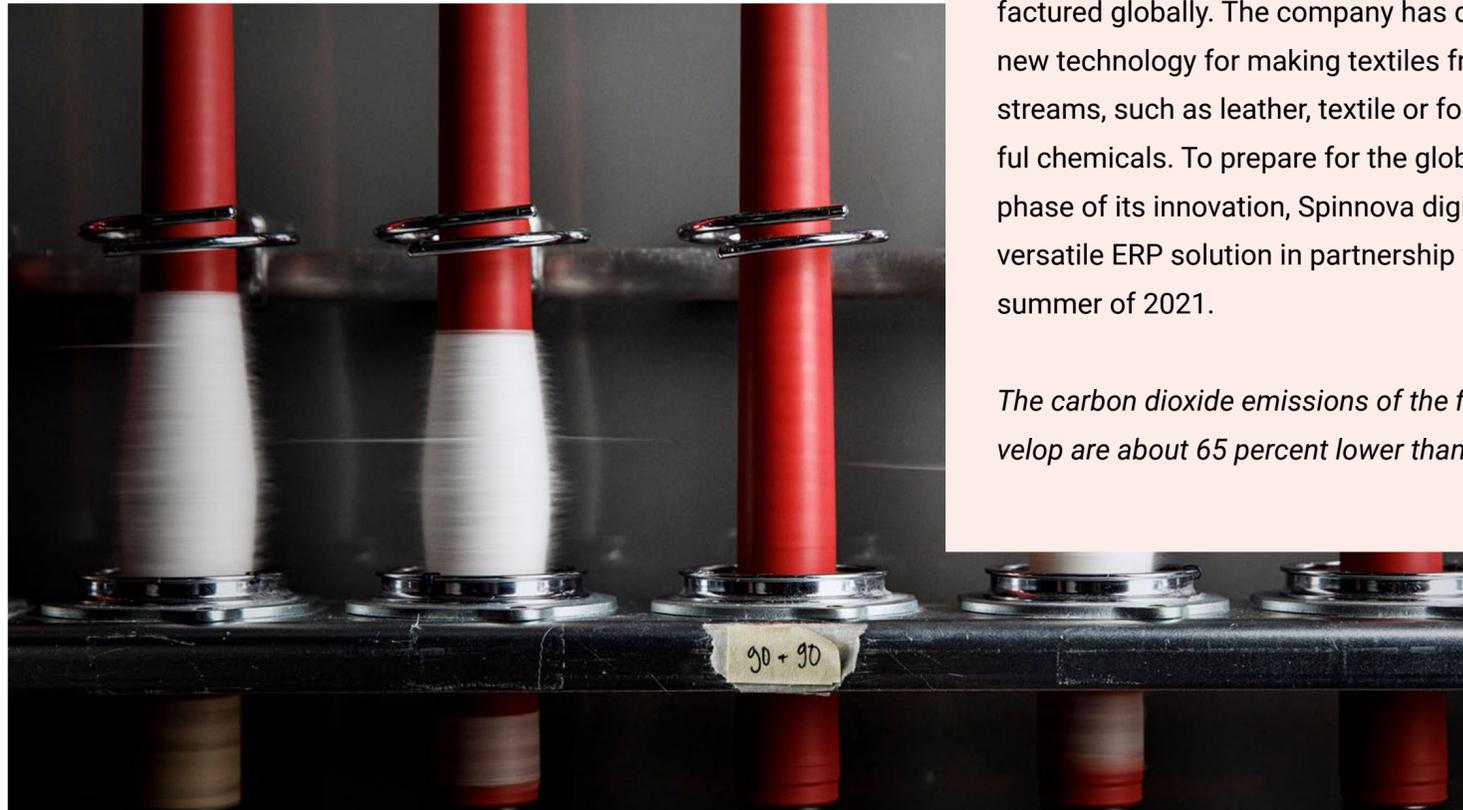
FarmBeats is already being used outside Europe. In the US, nearby Seattle, FarmBeats has been used to empower farmers in soil temperature, humidity and crop condition. As a result, it can use up to 30 percent less water for irrigation and 44 percent less chalk to maintain soil pH.

- We are partnering with Microsoft for a sustainable future and it is with pride that we co-develop an agricultural data platform. Together with growers, agricultural advisers, advisory organizations, buyers and governments, Fellowmind as the first provider in Europe, help realize the future of the European agricultural sector, says Peter Stulp, Group Sustainability Director at Fellowminds.

Initiatives and projects

Revolutionizing textile manufacturing

FELLOWMIND IN FINLAND



Many of the industries we serve have a negative impact on climate by default, and they are working hard to reduce it. Some customers' business idea is, in and of itself, part of the solution. One example is Spinnova in Finland, where Fellowmind's service contributed to quicker growth and worldwide implementation.

Spinnova is going to revolutionize the way textiles are manufactured globally. The company has developed a completely new technology for making textiles from wood and waste streams, such as leather, textile or food waste, without harmful chemicals. To prepare for the global commercialization phase of its innovation, Spinnova digitized operations with a versatile ERP solution in partnership with Fellowmind in the summer of 2021.

The carbon dioxide emissions of the fiber production we develop are about 65 percent lower than in the production of cot-

ton from its cultivation to the production of fiber, and significantly lower than in the production of polyester and viscose. The materials developed by the company are also rapidly biodegradable and fully recyclable, says Sanna Haavisto, Information Solutions Manager at Spinnova.

In order to enable Spinnova employees to monitor and control their growing operations in real time and based on the right information, Fellowmind, in cooperation with the company, built a complete ERP solution based on Microsoft Dynamics 365 Business Central and Azure technologies.

Measuring progress

Measuring the impact of customer solutions on climate and GHG emissions is a complex task. During 2022, the structure for data collecting and reporting for Scope 1, 2 and 3 emissions is being thoroughly set up, which means more correct results will be reported at the end of 2022. Data for 2020 and 2021 is commented on → page 76.

STRATEGIC ESG AREA	KPI	LONG-TERM TARGET	PERFORMANCE 2021	ANNUAL TARGET 2022
Enabling the green transition with digital solutions for our customers.	<ul style="list-style-type: none"> a) Number of projects implementing Microsoft's Cloud for Sustainability. b) Number of Digital Solutions for our customer's sustainability challenges. 	<ul style="list-style-type: none"> a) We have established a Cloud for Sustainability engagement at 50% of our customers. b) Sustainability fully integrated in all our service offerings. 	<ul style="list-style-type: none"> a) Developed propositions for our customers to Record, Report and Reduce GHG emissions through Microsoft's Cloud for Sustainability. b) Implemented a project for data driven farming with Microsoft to support sustainable farming. 	<ul style="list-style-type: none"> a) Implement the Cloud for Sustainability (to be released in 2022) at 4 existing customers. b) Providing insights and advice to top 20 customers on GHG emissions of the use of on premise versus Microsoft Cloud services.



What's next?

During 2022, to further advance on inclusion and diversity, we plan to:

- Establish a new ***Excellence Center for Sustainability*** within Fellowmind. This competence center will increase our teams' knowledge and competence around sustainability impact and opportunities for our customers.
- Implement ***The Connected Company*** as a concept and holistic offering, including a Connected Company Index and through introducing ***The Microsoft Cloud for Sustainability*** at four customers.



Business Ethics

Our approach

Policies

The following policies have all been approved by the Board of Directors. They are easy accessible for everyone working at Fellowmind through the e-Learning Portal on the Intranet. As of yet, they are not publicly available on the external website. The policies apply to all activities and all employees within Fellowmind.

It is mandatory for all employees to pass an e-learning course as part of the onboarding process, and after significant policy updates. In the course, employees are asked to answer questions to show you understand the purpose of the policies and what they mean in practice, i.e. questions on how you as an

Being an ethical and reliable business partner is of high priority. We as a company can make a difference, both by having our own house in order, and by having open discussions on sustainability and ethical dilemmas, internally as well as with our customers.

To ensure we live up to our high standards on business ethics, we have a number of policies in place. These are all included in the eLearning portal and part of the mandatory onboarding program for employees at Fellowmind.¹

employee would act in a certain situation, related to anti-corruption. Through the e-learning system the number of employees that have finished the training is tracked. In October 2021, 92 % of all employees, including the Executive Committee and the Board of Directors, had already passed the course for all policies mentioned below. The remaining part is explained by acquisitions and newly employed, who has not yet had the opportunity to go through the onboarding program and e-learning courses.

During the coming year, we plan to go through the policies and processes to ensure that they are aligned with the upcoming legislation on due diligence, and that they stipulate the precautionary principle.

The Code of Conduct summarizes the fundamental ethical attitudes and integrity standards shared across all companies within the Fellowmind Group. It outlines our key ethical principles and requirements on issues that can have significant business, legal and reputational consequences if handled improperly. It applies to all Fellowmind personnel and includes respecting Human Rights, promoting equality and diversity, safeguarding environment and prioritizing health and safety of individuals. It also states a commitment to only associate with parties that uphold our values and standards, and a strict opposition to all forms of corruption and fraud. As such, the Code of Conduct, includes policy on anti-corruption. The Code of Conduct states that Fellowmind perform business in line with basic human rights enshrined in the UN

¹ Including all permanent and temporary employees of Fellowmind as well as hired personnel, consultants and any other party who have authority to act on our behalf regardless of location. In addition, the Code also applies to all members of our Board of Directors (collectively referred to as "Fellowmind personnel")



Declaration of Human Rights. It also states that the company shall comply with the four conventions of the International Labor Organization (ILO) on the right to free organization, prohibition of child labor, prohibition of forced labor and prohibition of discrimination.

A Supplier Code of Conduct was produced in 2020 and is to be introduced to suppliers in 2022. It illustrates what we expect of our suppliers and business partners and covers human rights, workers' rights, children's rights, the environment and corruption. When selecting new suppliers, emphasis will be given to social and environmental standards. The Supplier Code of Conduct refers to the ILO Conventions, the UN Convention on the Rights of the Child, and the UN Convention on Discrimination Against Women. The Supplier Code of Conduct is sent to suppliers who sign the document and return it to Fellowmind.

The Whistleblower policy outlines Fellowmind's procedure for reporting and handling of non-conformities. Fellowmind believes that openness and good communication throughout the organization ensures a good business practice and promotes a better work culture. This procedure guides employees on how to report concerns about possible illegal actions and violations of Fellowmind's Code of Conduct and other applicable policies or guidelines. The management of each subsidiary is responsible for the implementation of the procedures, including an effective communication to all employees, making sure all Fellowmind employees have the proper knowledge of the procedures. The Whistle Blower Policy includes direct phone numbers to the CEO, Chair of the Board and majority shareholder, FSN Capital.

There is also a **Procedure for handling reported issues** of concerns. The purpose of this procedure is to establish

internal detailed guidelines for how a whistleblowing report of a censurable condition is to be handled and documented, as to guide employees to ensure clear and predictable procedures.

Incidents 2021

In 2021 there were two incidents that were reported to the Board, both of which were at customer level and were about data security.

There were no known cases of non-compliance in 2021.

There were no known cases of corruption in 2021. Whether or not there is a need of doing an assessment of risks related to corruption will be discussed by the Board during 2022.

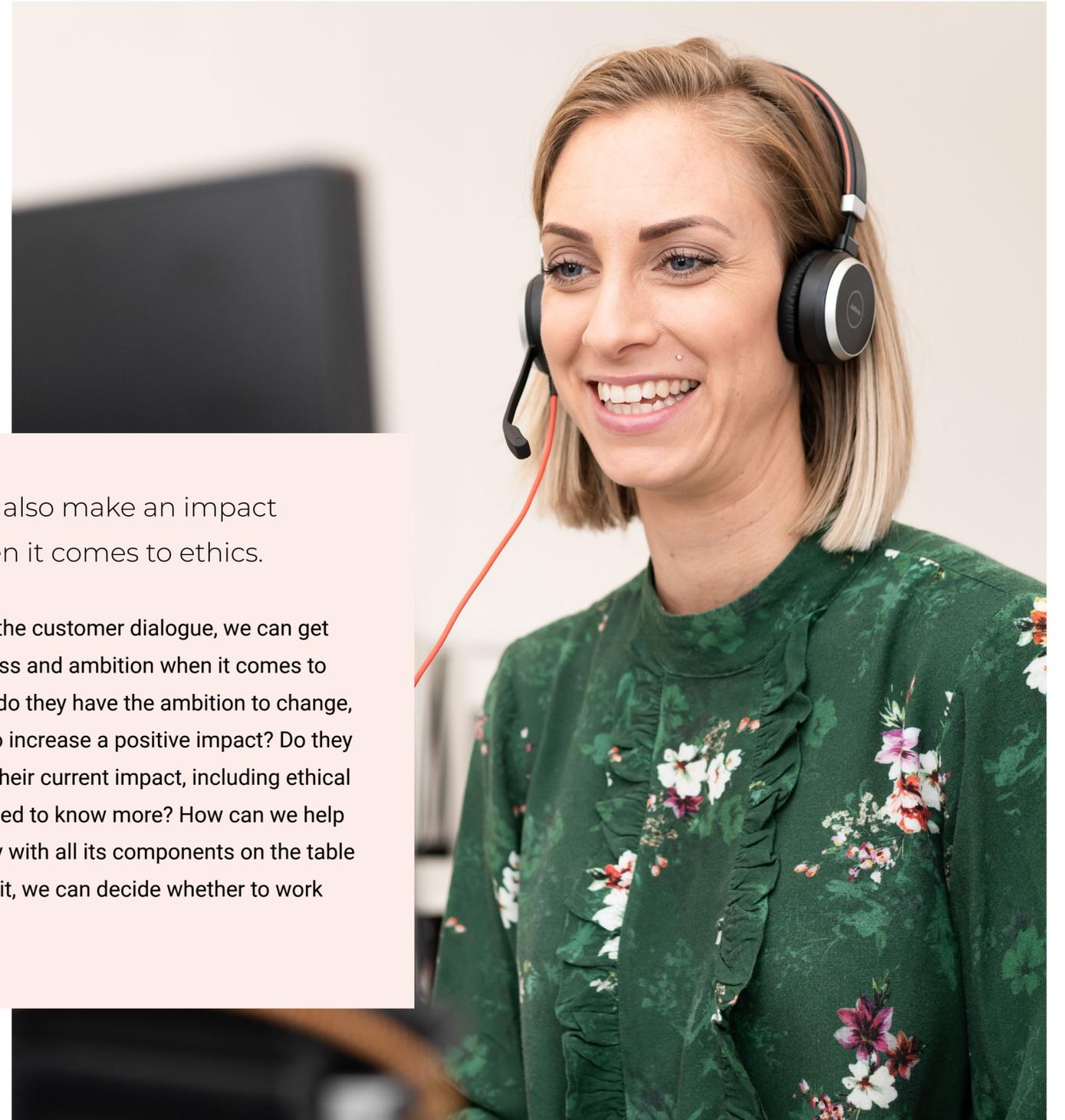


Initiatives and projects

Customer awareness and willingness to change

As a company, we can also make an impact on our customers when it comes to ethics.

By bringing sustainability into the customer dialogue, we can get an idea of the client's awareness and ambition when it comes to the topic. Are they willing and do they have the ambition to change, to reduce a negative impact, to increase a positive impact? Do they have the data and insights of their current impact, including ethical issues? If not, are they interested to know more? How can we help them? By putting sustainability with all its components on the table and have a discussion around it, we can decide whether to work with a company or not.



Measuring progress

2021 has been about getting policies and strategies in place. Looking forward, we set our goals high when it comes to being an ethical and reliable business partner.

STRATEGIC ESG AREA	KPI	LONG-TERM TARGET	PERFORMANCE 2021	ANNUAL TARGET 2022
Ethical and reliable business partner.	a) Supply chain management. b) Business compliance.	a) Best in class supply chain management. b) Employees undergo annual ESG trainings.	a) Supplier Code of Conduct in place b) eLearning covering key ESG topics such as CoC and Whistleblower Policy included as standard in onboarding program.	a) Top 50 suppliers sign supplier CoC or similar CoC covering same principles. b) 100% of employees conduct ESG eLearning.

What's next?



During 2022, to further advance on inclusion and diversity, we plan to:

- Get our top 50 suppliers to sign the Supplier Code of Conduct.
- Introduce *The Connected Company* and thereby systematically adding sustainability topics to the conversations with our customers.



Information security

Information security is part of our DNA as an IT-company. We have a full team of security experts in Denmark to secure the IT-platforms of all our clients'. The team is working closely together with customers on long-term contracts. In 2022, the service will scale across the whole organization, for all other regions.

Within Fellowmind, central guidelines are in place and every region has its own organization for IT security. GDPR policies are available for all employees through the eLearning portal.

ESG strategy target and performance

STRATEGIC ESG AREA	KPI	LONG-TERM TARGET	PERFORMANCE 2021	ANNUAL TARGET 2022
Ethical and reliable business partner.	Data privacy and security	Trustworthy management and use of stakeholder data	Further developed IT security policies	100 % adoption of updated GDPR policies through our central learning portal

Making Society Flourish



We have a commitment to society. With a sustainable mindset, we improve the well-being of business but also broader social, environmental and economic outcomes. As we make people, business and society flourish, we continue to make Fellowmind evermore unique, competitive, and attractive.



ESG STRATEGIC AREA:

Enabling Societal digital inclusion

Sustainable employer to reduce severe and irreversible impacts from climate change

READ MORE

MATERIAL TOPICS:

- DIGITAL INCLUSION ON PAGE 57
- GHG EMISSIONS ON PAGE 60

OTHER IMPORTANT TOPICS:

- BIODIVERSITY, WATER, WASTE, TAX ON PAGE 63

To execute on the strategic areas that relates to Society, a Sustainability Circle was established in 2021 and starts working actively in 2022. The circle has a bottom-up approach to sustainability and any employee with an interest in, or ideas about how Fellowmind can advance its knowledge, capabilities and efforts for sustainability, can join. Up to this date, the Sustainability Circle has eleven members, representing all major regions. At the top of the agenda is the net zero GHG emission target for the company and efforts for societal impact on digital inclusion.



Q&A WITH:

THOMAS LOK, PEOPLE MANAGER,
FELLOWMIND IN THE NETHERLANDS

What are your expectations on the Sustainability Circle?

I've noticed that I'm too focused on numbers or getting customers to agree on invoices and I want to focus more on social and digital inclusion, it gives me a lot of energy. That's also why I asked to join the Sustainability Circle to see how I can contribute and make awareness spread.

What would I like it to be? Don't just talk but get to action. See which small things from different aspects we could do, for example what we can do at the offices to make our footprint smaller, what we can do with the cars we drive. But also, the wellbeing of the employees in the projects, what can we do to improve that? If you do this on a company level, you have a wide reach and simple things can have a big impact. I'm against green washing, so I want it to make an impact and not just be sustainable by name in name only.

Digital inclusion

Our approach

At the EU level, Digital inclusion is described as an effort to ensure that everybody can contribute to and benefit from the digital world.

'The transition to the digital world has brought us many new and exciting opportunities. However, not everyone has equal access to these opportunities. For some people, the digital world is not yet fully accessible. For others, it is not affordable. And others were not taught the skills to participate fully.'

European Commission, Shaping Europe's digital future

Our approach

At Fellowmind, we are aware that many people are experiencing a feeling of disconnect with society. We see how the speed of digitalization affects sections of society like older people or people with disabilities in a negative way and we want to make a positive impact and help bridge the gap. We have the opportunity, we have the digital knowledge, and we are all around north-west Europe. We want to contribute no matter what the benefit is for our own organization. Creating meaningful connections is, after all, our core mission.

But contributing to society without commercial motives doesn't only benefit the people we meet or help. It also brings purpose and meaning to our employees.

'I really believe in voluntary work because it motivates the people involved. You see fire in the employees when they do it, so it's a win-win in my opinion. We bring something to society, but society also brings something to us, to the employees.'

Thomas Lok, People Manager, Fellowmind in The Netherlands

Initiatives and projects

Digital Inclusion Fund

For 2022, the Board of Fellowmind set aside a fund of 100 000 EUR to support projects or activities aiming at increasing digital inclusion in society, the Digital Inclusion Fund.

The fund will be administrated by the Sustainability Circle, who in turn will involve employees across all regions. Digital literacy projects could include giving classes to relevant groups or hire non-digital people and teach them to be part of this industry, giving them a better chance to be included in modern work-life. Another important topic is that of social behavior online, where efforts against bullying and harassment online could be relevant for Fellowmind to engage in.



Measuring progress

For the future, we have the ambition to measure more qualitative aspects of impact when it comes to efforts for digital inclusion. But since the Inclusion Fund and the projects associated with it, are new initiatives, which is to be launched in 2022, we start by looking at more basic measurements.

ESG strategy target and performance

STRATEGIC ESG AREA	KPI	LONG-TERM TARGET	PERFORMANCE 2021	ANNUAL TARGET 2022
Enabling Societal digital inclusion.	Digital inclusion.	Make a serious impact in Western Europe in improving digital inclusion.	Allocated budget for initiatives to support digital inclusion. Set up a Sustainability Circle to e.g. manage the initiatives around digital inclusion.	Run 4 major digital inclusion/skills activities that impact all regions.

What's next?

During 2022, to further advance on inclusion and diversity, we plan to:

- Launch four different projects on digital inclusion, managed through the Sustainability Circle and the Digital Inclusion Fund.



GHG Emissions

Our approach

Using and selling Microsoft software to our customers means having both direct impact on GHG emission through energy consumption from leased data centers, and through water and cooling used in the data centers, and indirect impact through our customers and end-user's use of energy from products and services. Data centers are a big source of GHG emissions. For Fellowmind, the challenge is that we don't own these centers, but are dependant on them for operating. Microsoft's commitment is to be carbon negative by 2030 and by 2050 remove from the environment all the carbon the company has emitted, either directly or by electrical consumption since it was founded in 1975. To reach this, datacenters must be part of the solution for broad decarbonization. Investments in datacenter research and development helps Microsoft address important challenges to reduce carbon emissions across its construction and operations, significantly reduce and eliminate water use for cooling, reduce e-waste by giving server parts new life and sustain local ecosystems where their datacenters reside. For further in-

formation on Microsoft's sustainability work: [Supporting our customers on the path to net zero: The Microsoft Cloud and decarbonization.](#)

As a company, operating within the IT-industry, Fellowmind has an impact on GHG emissions within Scope 1 (from sources that are owned and controlled by Fellowmind, including fuel consumption from leased cars), Scope 2 (resulting from the generation of electricity, heat or steam, purchased by Fellowmind) and Scope 3 (from sources not owned or directly controlled by Fellowmind, but related to our activities).

formation on Microsoft's sustainability work: [Supporting our customers on the path to net zero: The Microsoft Cloud and decarbonization.](#)

In 2021 an analysis was made to identify which categories within Scope 3 that are most relevant for us as a company to include in our emissions inventory. Four categories were identified: Purchased goods and services, fuel- and energy-related activities (not included in Scope 1 and 2), waste generated in operations, and business travel. These will be recorded in 2022 and reported in next year's sustainability report.

Although the biggest positive impact on GHG emissions we as a company have is through customers' production and resource efficiency, through customer solutions that help record, report and reduce GHG emissions, we are committed to reducing our own emissions as well. The goal is to be a net zero GHG emission organization by 2030.

To achieve the net zero goal and fulfil the green transformation within our own operations, change is needed within a number of areas. And change is needed on all levels, from team to region and group.

Within Fellowmind a Sustainability Circle is formed with participants from all regions. The participants applied for joining the circle based on their interest in making Fellowmind more sustainable. The circle is creating an action plan to reduce the carbon footprint within the company, by focusing on the areas of action below.

The Sustainability circle is also investigating ways to encourage employees to become more aware of sustainability in their private life.

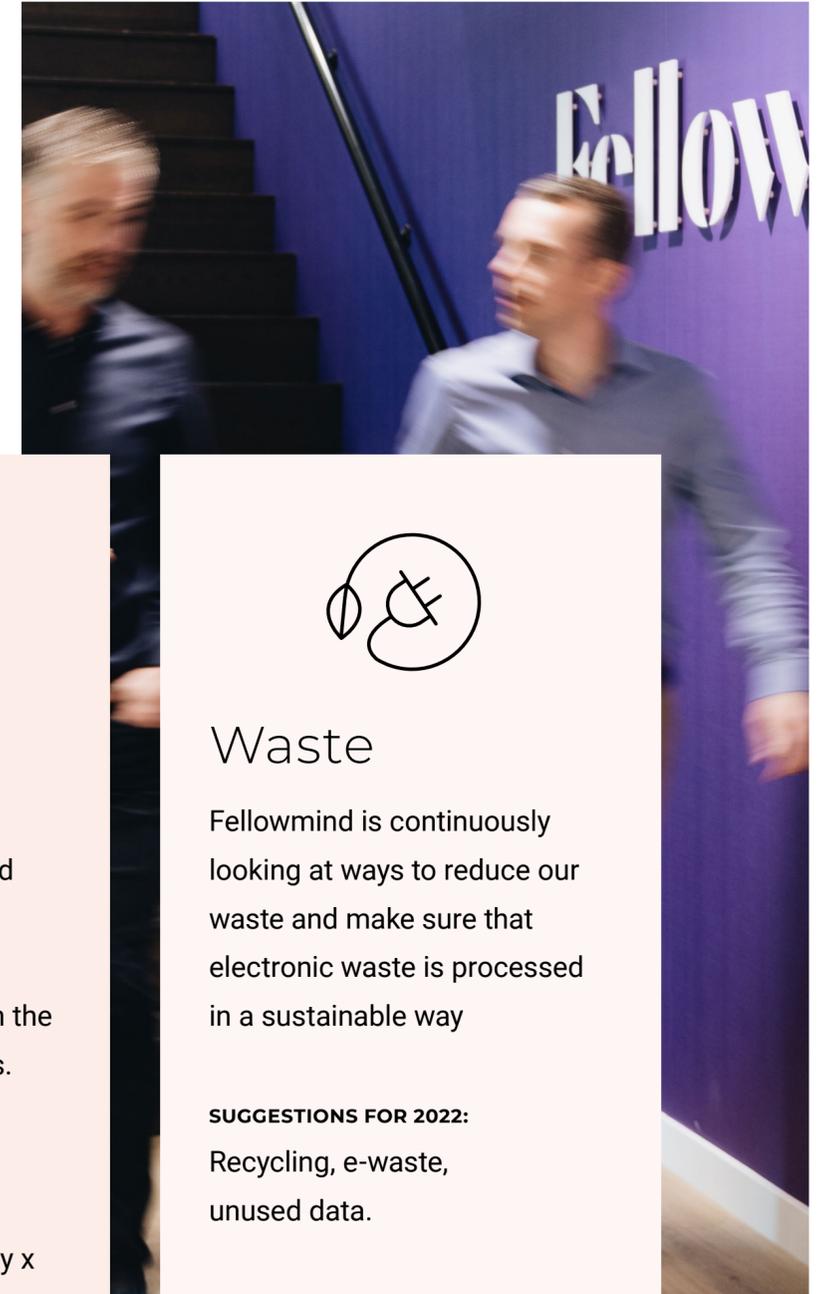


Initiatives and projects

Four areas of action to reach net zero

To achieve the net zero GHG emission target by 2030 in our own organization, four areas of action for employees have been identified. Next step is to translate these into regional targets and action-plans.

The four areas and suggested actions are:



Food

At Fellowmind, we are conscious in what we drink and eat in our offices. The environmental impact is an important driver for deciding on the products we offer to our employees in the offices.

SUGGESTIONS FOR 2022:

Locally produced food, less meat, planted based food, Fair trade coffee.



Mobility

We minimize our emissions, and we compensate our carbon output. We limit our carbon footprint when we travel.

SUGGESTIONS FOR 2022:

Fleet management, CO2 compensation for flights, community living, home pooling (sit together at home with a colleague nearby).



Offices

We monitor our own electricity consumption and implement ways to reduce it. We investigate how we contribute to biodiversity in the surroundings of our offices.

SUGGESTIONS FOR 2022:

Automatic lights, Rooftop (bees), plant a tree for every x amount earned.



Waste

Fellowmind is continuously looking at ways to reduce our waste and make sure that electronic waste is processed in a sustainable way

SUGGESTIONS FOR 2022:

Recycling, e-waste, unused data.



Measuring progress

We use the Science-based Target Initiative to set our targets for reducing GHG emissions. By getting help from the SBTi we make sure that targets we set are in line with what science deems necessary to make the 1.5 degree target set in the Paris Agreement. We are in the process of getting the practical work in order to be able to collect and report the data on Fellowmind at group level. To track Scope 1, 2 and 3 emissions, we use a ESG management and consulting tool, CEMAsys, selected by FSN Capital and used by all their portfolio companies.

ESG strategy target and performance

STRATEGIC ESG AREA	KPI	LONG-TERM TARGET	PERFORMANCE 2021	ANNUAL TARGET 2022
Sustainable employer to reduce severe and irreversible impacts from climate change.	Reduction of GHG emissions (scope 1, 2 and 3)	Net zero GHG emissions within Fellowmind's own operations by 2030	Recorded scope 1 and 2 GHG emissions. Completed a full scope 3 screening to identify material scope 3 categories. Identified Food, Waste, Mobility and Office-space as employee engagement priorities to reduce own footprint. * For updated numbers on GHG emissions from 2020 and 2021, see Additional disclosures, → page 76.	Reporting of scope 1 and 2 emissions available and action plans for reduction in place at all regions.

What's next? →

During 2022, to further advance on inclusion and diversity, we plan to:

- Prepare and complete action-plans for reduction of GHG emissions for all regions
- Do a science-based target analysis and plan, to be adopted in 2023



Biodiversity

We have identified an impact on biodiversity at our own offices. In 2022, this will be further investigated to understand where along the value chain impact is made, and how big it is, in order to decide on actions to reduce negative impact.

Waste

We have identified that we have an impact through:

- E-waste and hazardous waste in supply chain
- E-waste and end-of-life management of IT equipment
- Office waste (food waste, stationary)
- Digital waste in the cloud

In 2022, this will be further investigated to understand where along the value chain impact is made, and how big it is, in order to decide on actions to reduce negative impact.

Water

We have identified an impact on water, as it is used for cooling in the data centers we use. In 2022, this will be further investigated to understand of where along the value chain impact is made, and how big it is, in order to decide on actions to reduce negative impact.

Taxes

Fellowmind has an impact on society through paying tax in the countries where we operate, which we do in all six countries of operations.





Governance

ESG management framework and structure

For Fellowmind, sustainability has quickly found its way to the core of the radar, even though, from a people's perspective we have always had People at Heart. Developing people and actively working to increase inclusion and diversity has been in the DNA of the company since the start of CRM Partners in 2005, and it has stayed there through growth and acquisitions over the years.

Complementary to the ESG strategy described on → page 19 are a few policies adopted by the Board, that need to be mentioned in the context of sustainability. Read more about the *Code of Conduct, Whistle Blower Policy and Procedure for handling reported issues of concern* on → page 50.

ESG management structure

Fellowmind's majority shareholder, FSN Capital, is a leading Northern European private equity firm which makes control investments in growth-oriented Northern European compa-

'We don't have sustainability as a separate priority in our business strategy because we feel the priority is clear to us. It's an imperative, you have to have it. In our priorities strategically, there are some things we need to work on to be competitive in the future, but we don't feel sustainability is an option. It's a must-have, it needs to be in everything we do.'

Debbie Alders, Strategy Director

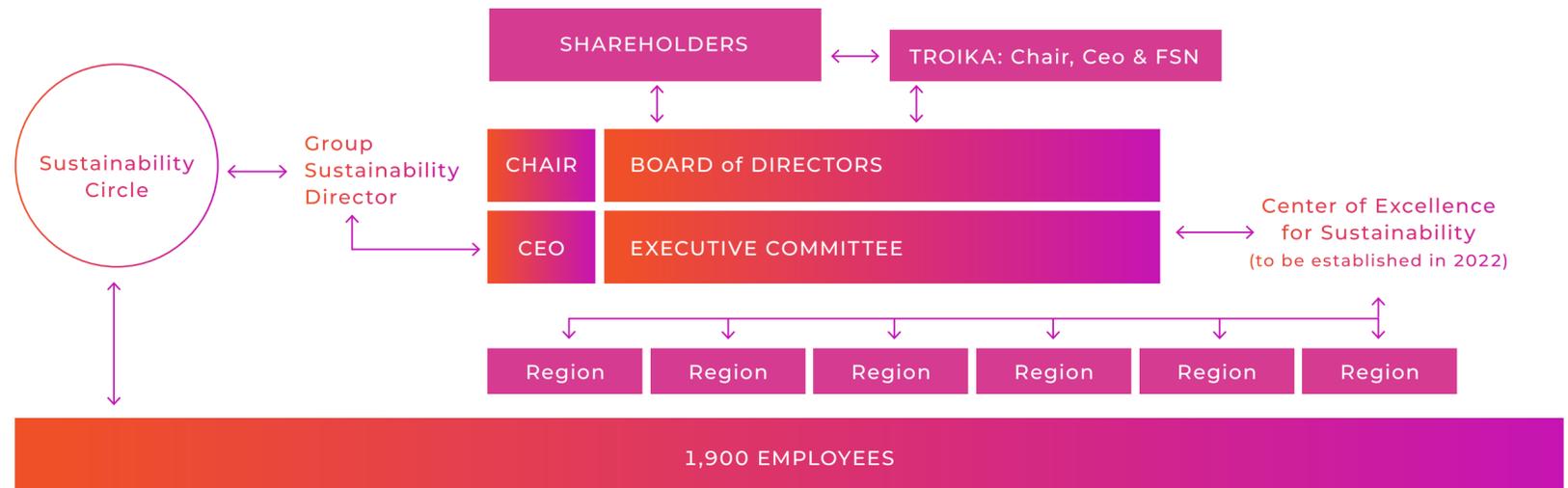
nies, to support further growth and to transform companies into more sustainable, competitive, international, and profitable entities. FSN Capital seek to create this transformation in a responsible manner through interaction with each portfolio company and engagement with their employees, suppliers, the local communities in which they operate, and the environment. FSN Capital has an appointed ESG associate, and there is a well-established ESG governance and strategy framework that applies for all portfolio companies from pre-investment to exit. In the Environmental, Social and Governance Report from FSN Capital (2021), the framework is explained in detail.

The **Board of Directors**, Fellowmind's highest governance body, oversees the organization's processes to identify and manage impact on economy, environment and people. The board decided on the strategic direction and prioritizations by approving the ESG strategy including material topics for Fellowmind in early 2022. The strategy will be reviewed by

the board annually. The Board of directors also approve the company purpose and value, as well as policies and goals related to sustainable development. Besides that, ESG is a fixed topic on top of the agenda at every board meeting. The board goes through all ESG initiatives, and results from the ESG work that is done throughout the regions are reported and discussed. Within the meeting there is also a formal process for reporting incidents. Through having ESG as a fixed topic at every meeting, the board members' knowledge, skill and awareness of sustainability is consistently increasing. As members of the Board, majority shareholder FSN Capital provides Fellowmind with consultancy and services on sustainability.

The **CEO**, head of the **Executive Committee** (Fellowmind's top management team), is accountable when it comes to reporting back to the board on initiatives, as well as progress and impact on sustainability. **Regional management teams** have the responsibility to implement and execute on the

ESG management and Corporate governance map:



ESG strategy in their region’s daily operations, and report back on KPIs to the Executive Committee. Top managements performance is reviewed according to objectives for the year and ongoing KPI measures, evaluated by the CEO, overseen by Group HR Director and reviewed by the Board of Directors.

Fellowmind’s major shareholder, FSN Capital, has two representatives on the board. Furthermore, a so called **Troika** with FSN Capital, the Chair of the board, the CFO and the CEO get together on a weekly basis to discuss topics that need special attention, including sustainability. The purpose of the Troika is to ensure that the interest of the shareholders is taken care of while at the same time balancing it with the interest of the employees and the interest of the customers. In

this constellation, the Chair of the board plays an important role as being independent. The Chair doesn’t have shares in the company and is in a non-executive position.

In light of the increasing focus on sustainability, Fellowmind has appointed a **Sustainability Director**. The Sustainability Director reports to the CEO and plays a connecting and coordinating role within the company.

For example, the Sustainability Director heads the recently established **Sustainability Circle**, which had its first meeting in February 2022. The circle has a bottom-up approach to sustainability and any employee with an interest in, or ideas about how Fellowmind can advance its knowledge, capabil-

ities and efforts for sustainability can join the Sustainability Circle.

During 2022 a **Center of Excellence for Sustainability offerings** will be established within Fellowmind. This competence center will increase the Fellowmind teams’ knowledge and competence around sustainability impact and opportunities for our customers.

Corporate Governance and Board

BOARD MEMBER	ELECTED (YEAR)	INDEPENDENT IN RELATION TO THE COMPANY AND THE MANAGEMENT TEAM	INDEPENDENT IN RELATION TO MAJOR SHAREHOLDER	NATIONALITY
Theo Rinsema	01.07.2020	Yes	Yes	The Netherlands
Marcus Egelstig	19.12.2019	Yes	No	Sweden
Nicholas Hjorth	19.12.2019	Yes	No	Denmark
Ronny Roos	19.12.2019	No	Yes	Sweden
Vladan Jankovic	19.12.2019	No	Yes	The Netherlands
Bo-Erik Ekström	19.12.2019	No	Yes	Finland
Preben Damgaard	01.07.2020	No	Yes	Denmark

The highest governance body is the Fellowmind Holding AB's Board of Directors. The Board of Directors consist of 7 members: two representatives of FSN Capital (the majority shareholder), 4 representatives from the largest regions (The Netherlands, Denmark, Sweden and Finland) as well as an independent Chairman with significant industry experience. When nominating the Board of Directors the key criteria is competency in relation to the company's future growth path (board should have complementary competencies) as well as diversity in relation to gender, nationality and background. Remuneration for the Board of Directors is a fixed and flat fee paid quarterly and the option to invest in the group. Members of the Executive committee receive a fixed pay as well as tar-

get based variable pay. Currently, there is no specific correlation between remuneration and the company's impacts on sustainability.

The Board of Directors are making an annual board evaluation to ensure monitoring of a good working climate. Results for the board evaluation is overseen by the Chair of Board, as well as by the General Counsel from FSN Capital. Finally, in the Troika, there is an ongoing calibration on performance issues, monitoring performance of the business and ESG topics, and acting as a sounding board for the CEO. Evaluations are happening annually and they are anchored in the "level above" to ensure proper governance.

Risk management

The most material ESG risks and opportunities for Fellowmind are identified in the ESG strategy for the company as mentioned in the table below. These risks and opportunities are aligned with the material topics and how we approach them. In the column to the right there is a reference to pages in this report where management and mitigation of risks and opportunities are described.

RISK	OPPORTUNITY	MANAGEMENT AND MITIGATION
	Enabling the green transition with digital solutions.	Make Business Flourish → page 41 - 54
	Engaged employees and inclusive company.	Make Society Flourish → page 55 - 64
	Enabling societal digital inclusion.	Make Society Flourish → page 55 - 64
Severe and irreversible impacts from climate change.		Make Business Flourish → page 41 - 54 Make Society Flourish → page 55 - 64
Noncompliance with privacy, integrity and security legislation.		Make Business Flourish → page 41 - 54



Additional disclosures

People 2020-2021

The following tables report Fellowmind employee data for 2020 and 2021. Employees by country, as well as age and gender distribution, cover all companies at Fellowmind. The numbers are reported in headcount and at the end of the reporting year.

EMPLOYEE DATA OVERVIEW	2021	2020
Average number of employees	1,862	1,660
Women / Men, %	27 / 73	25 / 75
Permanent staff / temporary employees, %	95 / 5	96 / 4
Full-time / part-time, %	87 / 13	89 / 12
Employee turnover	248	
New hires	502	
of whom women, %	29%	
Sickness rate, %	2.6%	

EMPLOYEES by COUNTRY	2021			2020		
	NUMBER	WOMEN	MEN	NUMBER	WOMEN	MEN
Sweden	402	31%	69%	360	30%	70%
Finland	428	24%	76%	384	24%	76%
Denmark	367	24%	76%	309	21%	79%
Germany	163	31%	69%	131	27%	73%
Poland	130	39%	61%	124	38%	62%
The Netherlands	338	19%	81%	310	16%	84%
Center	16	38%	63%	14	29%	71%
Axtension	18	28%	72%	28	36%	64%
Total	1,862	27%	73%	1,660	25%	75%

Workers who are not employees

During 2021, 118 workers have performed work for Fellowmind without being employed by the company, mainly freelance web developers, external consultants, and advisors. During 2020, the number of workers who were not employees were 80.

EMPLOYMENT CONTRACT and RATE

	2021				2020			
	Permanent	Temporary	Fulltime	Parttime	Permanent	Temporary	Fulltime	Parttime
Sweden	385	17	379	23	351	9	338	22
of whom women, %	31%	24%	29%	57%	30%	33%	28%	50%
Finland	428	3 ¹	404	21	384	3 ¹	367	14
of whom women, %	27%	67%	27%	19%	25%	33%	25%	0%
Denmark	367	0	342	25	309	0	306	22
of whom women, %	24%		22%	48%	21%		21%	36%
Germany	163	0	117	46	131	0	93	38
of whom women, %	31%		28%	37%	27%		26%	29%
Poland	106	24	119	11	105	19	115	9
of whom women, %	36%	54%	38%	55%	33%	63%	36%	67%
The Netherlands	294	44	238	100	274	34	224	86
of whom women, %	16%	39%	11%	38%	14%	41%	9%	36%
Center	15	1	11	5	12	0	10	4
of whom women, %	33%	100%	18%	80%	33%		10%	75%
Axtension	15	3	14	4	18	10	19	9
of whom women, %	20%	67%	14%	75%	28%	50%	11%	89%
Total	1,773	92	1,624	235	1,584	75	1,472	204
of whom women, %	26%	42%	25%	41%	24%	47%	23%	38%

1) Employees with non-guaranteed hours (zero-hour contracts or on-call employees).

AGE and GENDER DISTRIBUTION 2021 2020

Board of directors

< 30 yrs old	0	0
of whom women, %	0	0
30-50 yrs old	2	2
of whom women, %	0	0
> 50 yrs old	5	5
of whom women, %	0	0

Executive committee

< 30 yrs old	0	0
of whom women, %	0	0
30-50 yrs old	8	7
of whom women, %	38	29
> 50 yrs old	5	5
of whom women, %	0	0

AGE and GENDER DISTRIBUTION Sweden Finland Denmark Germany Poland The Netherlands Center AXtension

Employees, 2021

< 30 yrs old	61	52	N/A	89	22	N/A	N/A	2
of whom women, %	36%	33%		29%	41%			0%
30-50 yrs old	253	303	N/A	71	91	N/A	N/A	13
of whom women, %	28%	24%		25%	36%			38%
> 50 yrs old	88	73	N/A	6	17	N/A	N/A	3
of whom women, %	35%	36%		50%	53%			0%

Employees, 2020

< 30 yrs old	58	54	N/A	69	24	N/A	N/A	2
of whom women, %	38%	24%		20%	54%			0%
30-50 yrs old	226	281	N/A	59	77	N/A	N/A	23
of whom women, %	28%	22%		27%	31%			43%
> 50 yrs old	76	49	N/A	3	23	N/A	N/A	3
of whom women, %	28%	41%		67%	43%			0%

CHANGES in WORKFORCE

Changes in workforce 2021

	Sweden	Finland	Denmark	Germany	Poland	The Netherlands	Center	AXtension	Total
Total turnover (headcount)	46	83	15	24	32	38	5	5	248
Total turnover, %									
New hires	112	117	95	57	38	68	7	8	502
of whom women, %	29%	29%	23%	37%	33%	26%	55%	47%	29%

SICKNESS RATE, % 2021

Sweden	2.0%
Finland	2.5%
Denmark	3.1%
Germany	4.2%
Poland	0.8%
The Netherlands	2.7%
Center	1.3%
Axtension	1.7%
Total	2.6%

GHG Emissions

The greenhouse gas (GHG) emissions are divided into three scopes according to the international standard for corporate GHG accounting, the Greenhouse Gas Protocol. At Fellowmind, we use Cemasys' tool to record and report GHG emissions. Cemasys follows the guidelines provided by the Greenhouse Gas Protocol (GHG Protocol).

However, the system and structure for reporting our GHG emissions is not yet fully in place which has an effect on data reliability for both 2020 and 2021 (for example, the large reduction in electricity in 2021 is most likely due to insufficient data rather than measures to reduce emissions). Improvement efforts are on-going and will be completed in 2022. In addition, reporting procedures are also to be integrated into the existing reporting cycle for all regions in 2022, which also will be an improvement.

Emission per scope

- Scope 1:** GHG emissions from sources that are owned and controlled by Fellowmind, including fuel consumption from leased cars
- Scope 2:** GHG emissions resulting from the generation of electricity, heat or steam, purchased by Fellowmind
- Scope 3:** GHG emissions from sources not owned or directly controlled by Fellowmind, but related to our activities

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO2-equivalents (tCO2e). The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol).

The electricity emission factors used in Cemsys are based on national gross electricity production mixes from the International Energy Agency's statistics (IEA Stat). Emission factors per fuel type are based on assumptions in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA statistics. The location-based method reflects the average emission intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen).

EMISSIONS PER SCOPE (market-based, ton CO2e)	CATEGORIES	2021	2020
Scope 1	Transportation	653	641
Scope 2	Electric vehicles	6	5
	Electricity	2,263	4,786
Scope 3	Employee commuting ¹	110	46
	Fuel and energy related activities ²	658	N/A
Total		3,690	5,478

EMISSIONS PER SCOPE (location based, ton CO2e)	CATEGORIES	2021	2020
Scope 1	Transportation	653	641
Scope 2	Electric vehicles	6	5
	Electricity	1,783	3,561
Scope 3	Employee commuting ¹	110	46
	Fuel and energy related activities ²	658	N/A
Total		3,210	4,253

1) Includes data only from the Netherlands.

2) Covers the full life cycle of scope 1 and scope 2 emissions, and includes the emissions from fuel and energy related activities before they are consumed by the company (extraction, production, and transportation of fuels and energy purchased or acquired by the company).

Covid 19

As an IT-company, we are used to digital work. Our whole infrastructure is set for us to be able to work from anywhere. Thus, the transition from office to working at home was quite easy.

But in the longer run, there are also some negative consequences. It became harder to engage with customers, as well as with employees or colleagues, especially for those who started working during the pandemic. It has been a challenge to feel and strengthen company culture and engagement while sitting at home, a challenge that Fellowmind probably shares with most companies. As a natural consequence of a pandemic, sickness rate among our employees went up, and is still a bit higher than before the pandemic. To meet the need of our employees and prevent sickness, we plan to increase mental and psychological support at an early stage (→ see page 39).

On the other hand, for many companies the Covid 19 situation quickly pushed the need for digital transformation to the top of the agenda. Customers were asking for our services to a larger extent as they needed to digitalize their business. Some customers were driven by an acute need for digital solutions, while others saw an opportunity to change their full operational system to become more effective. And we helped them.

Covid 19 business cases

A Covid-19 Chatbot in just 48 hours.

FELLOWMIND IN DENMARK

In Denmark, as the Corona virus hit the country at first, it brought panic, confusion, and disarray. From the day of the first Danish case of COVID-19 was confirmed in February 2020, concerned citizens flooded the country's hotline with questions on COVID-19-related symptoms. Even with the addition of an extra call center, the emergency services staff could not keep up with this new demand. ProActive - a Fellowmind company, and Microsoft were then called upon to develop a chatbot for the Capital Region of Denmark as a way to advise affected citizens and relieve the emergency services, hotlines, and general practitioners. The team deployed the chatbot in the Capital Region of Denmark on Monday, March 16, 2020 after a jam-packed weekend of non-stop work. On the first day of its implementation, the chatbot responded to over 30,000 inquiries. Shortly thereafter, all the regions in Denmark wanted the chatbot. To date, over 200,000 Danish citizens have utilized the chatbot to self-diagnose their (potential) COVID-19 symptoms.



Helping KLM Catering Services become more flexible and customer centric.

FELLOWMIND IN THE NETHERLANDS

KLM Catering Services (KCS) had been aware of the need to upgrade their system. So, they seized the opportunity when all flights were cancelled due to the pandemic and switched their old operation system to Dynamics 365.

KCS provides inflight catering for airlines such as KLM. The caterer is connected to the airport's IT infrastructure, giving it real-time insight into flight information and the ability to respond immediately to changes. Everything a passenger needs on board can be delivered on time. Using an advanced system, the company provides passengers on hundreds of flights with over 55,000 meals every day.

As many as 80 people worked together, as Fellowmind outlined an MVP that would support the essential activities and processes, such as production, purchasing, and stowage.

Ultimately, KCS could phase out its old system and switch to Dynamics 365 in early June 2021 without significant problems.

Thanks to the extra attention paid to testing and training employees, we were able to achieve good adoption and performance quickly. A major advantage of the new platform is that it is better integrated and offers us the flexibility to produce in a more customer-oriented way. In addition, we can continue to develop our IT, which was unthinkable with the previous system. says Marc Snijders Blok, ICT Manager at KCS.





GRI and further information

Global Reporting Initiatives (GRI)

The annual sustainability report of Fellowmind Company AB (559159-6829) has been approved by the Board of Directors, and constitutes Fellowmind's statutory sustainability report as required under the Swedish Annual Accounts Act. Fellowmind has reported in accordance with the GRI Standards for the period from January 1, 2021 to December 31, 2021. A complete list of disclosures is provided → on page 81-85.

EU Taxonomy

The **EU Taxonomy** is a green classification system that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes. It is a transparency tool that will introduce mandatory disclosure obligations on some companies and investors, requiring them to disclose their share of Taxonomy-aligned activities. This disclosure of the proportion of Taxonomy-aligned activities will allow for the comparison of companies and investment portfolios. In addition, it can guide market participants in their investment decisions.

In 2021, FSN made a high-level EU Taxonomy screening of all its portfolio companies to identify potential eligibility for the EU environmental objectives. In the screening, Fellow-

mind's key activity was set to *Computer consultancy activities* (J62.02) and the company was identified as a potential enabler for Climate change adaption and Climate change mitigation. In 2022, FSN will make a deep dive into how its companies can develop to contribute to the target.

EU Corporate Sustainability Reporting Directive

EU law on **Corporate Sustainability Reporting** (the Non-Financial Reporting Directive, NFRD) requires certain large companies¹ to disclose information on the way they operate and manage social and environmental challenges. This helps investors, civil society organisations, consumers, policy makers and other stakeholders to evaluate the non-financial performance of large companies and encourages these companies to develop a responsible approach to business.

The companies have to publish information related to

- environmental matters
- social matters and treatment of employees
- respect for human rights
- anti-corruption and bribery
- diversity on company boards (in terms of age, gender, educational and professional background)

This report describes Fellowmind's activities and plans according to the GRI standard, which covers all above areas.

In 2022, GRI and the upcoming EU Corporate Sustainability Reporting Directive (amending the existing reporting requirements of the NFRD) will be even more integrated and overlapping.

TCFD

As for **Taskforce on Climate-related Financial Disclosure** (TCFD), FSN makes an annual, internal report where the portfolio companies describe how they manage climate risks. The report is not published externally but going forward there will be an external full report in line with TCFD, including Fellowmind operations.

¹ EU rules on non-financial reporting currently apply to large public-interest companies with more than 500 employees. This covers approximately 11 700 large companies and groups across the EU, including listed companies, banks, insurance companies and other companies designated by national authorities as public-interest entities. https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

GRI content index

Statement of use	Fellowmind Holding AB has reported in accordance with the GRI Standards for the period January 1, 2021 to December 31, 2021.		
GRI 1 used	GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	LOCATION	COMMENT
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	The organization and its reporting practices		
	2-1 Organizational details	8, 10, 80	
	2-2 Entities included in the organization's sustainability reporting	86	
	2-3 Reporting period, frequency and contact point	80, 86	31 May 2022
	2-4 Restatements of information		This is Fellowmind's first sustainability report.
	2-5 External assurance		The report has not been externally assured.
	Activities and workers		
	2-6 Activities, value chain and other business relationships	10, 16	
	2-7 Employees	71-72	
	2-8 Workers who are not employees	71	

GRI STANDARD	DISCLOSURE	LOCATION	COMMENT
	Governance		
	2-9 Governance structure and composition	66-68, 73	
	2-10 Nomination and selection of the highest governance body	68	
	2-11 Chair of the highest governance body	68	
	2-12 Role of the highest governance body in overseeing the management of impacts	66-67	
	2-13 Delegation of responsibility for managing impacts	66-67	
	2-14 Role of the highest governance body in sustainability reporting	68	
	2-15 Conflicts of interest	66-67	
	2-16 Communication of critical concerns	66-67	
	2-17 Collective knowledge of the highest governance body	68	
	2-18 Evaluation of the performance of the highest governance body	68	
	2-19 Remuneration policies	68	
	2-20 Process to determine remuneration		Confidentiality constraints.
	2-21 Annual total compensation ratio		Confidentiality constraints.
	Strategy, policies and practices		
	2-22 Statement on sustainable development strategy	2	

GRI STANDARD	DISCLOSURE	LOCATION	COMMENT
	2-23 Policy commitments	50-51	
	2-24 Embedding policy commitments	50-51	
	2-25 Processes to remediate negative impacts	51	
	2-26 Mechanisms for seeking advice and raising concerns	50-51	
	2-27 Compliance with laws and regulations	51	
	2-28 Membership associations	23	
	Stakeholder engagement		
	2-29 Approach to stakeholder engagement	21-23	
	2-30 Collective bargaining agreements		Information is missing but will be looked into during 2022.
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	24	
	3-2 List of material topics	24	
Customer solutions			
GRI 3: Material Topics 2021	3-3 Management of material topics	42-49	
	Own disclosure: tbd (deadline proof 2)		Cloud for Sustainability will be released in 2022.



GRI AND FURTHER INFORMATION

GRI STANDARD	DISCLOSURE	LOCATION	COMMENT
Digital inclusion			
GRI 3: Material Topics 2021	3-3 Management of material topics	56-59	
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	57-58	
GHG emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	60-62	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	75-76	
	305-2 Energy indirect (Scope 2) GHG emissions	75-76	
	305-3 Other indirect (Scope 3) GHG emissions	75-76	
Employee engagement			
GRI 3: Material Topics 2021	3-3 Management of material topics	28-35	
	Own disclosure: Overall employee engagement in the Employee Engagement Scan	33-34	
Inclusive employer			
GRI 3: Material Topics 2021	3-3 Management of material topics	28, 36-39	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	73	



GRI AND FURTHER INFORMATION

GRI STANDARD	DISCLOSURE	LOCATION	COMMENT
Business ethics			
GRI 3: Material Topics 2021	3-3 Management of material topics	50-53	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	51	
	205-2 Communication and training about anti-corruption policies and procedures	50	
	205-3 Confirmed incidents of corruption and actions taken	51	

About this report

The data reported pertains to the 2021 calendar year unless otherwise specified. The figures included comply with relevant reporting and consolidation principles in accordance with the principles in the financial statements. Companies that were acquired in 2021 receive a 1-year integration period during which they can set up all the necessary processes to start reporting. They are therefore exempted from reporting ESG data and are only included in the employee count and financial figures.

Entities included in the report

Fellowmind Holding AB

Fellowmind Company AB

Fellowmind Company BV

Fellowmind Netherlands Holding BV & subsidiaries

Fellowmind Sweden Holding AB & subsidiaries

Fellowmind Denmark Holding ApS & subsidiaries

Fellowmind Finland Holding Oy Ab & subsidiaries

Fellowmind Germany Holding GmbH & subsidiaries

Fellowmind Poland Sp z oo

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Report developed in collaboration with:

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