ESG Report
2023

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Contents

About this report
Agillic's ESG Report concerns the financial year 2023. The ESG Report forms part of the Management Review of Agillic's Annual Report 2023 and covers reporting on corporate social responsibility cf. section 99a of the Danish Financial Statements Act.

In 2021, Agillic was certified as a Nasdaq ESG Transparency Partner.

2023 highlights

ESG highlights

Employee Satisfation
7.8
(out of 10)

CO2 total / revenue
0.0 kg/DKK

CO2e emissions
1,850 kg
Scope 1+2

Gender diversity, all staff
30%

Number of nationalities
11

Employee turnover
7%

Financial highlights

Revenue
DKK 64.7M

EBITDA
DKK 1.9M

Number of employees
50
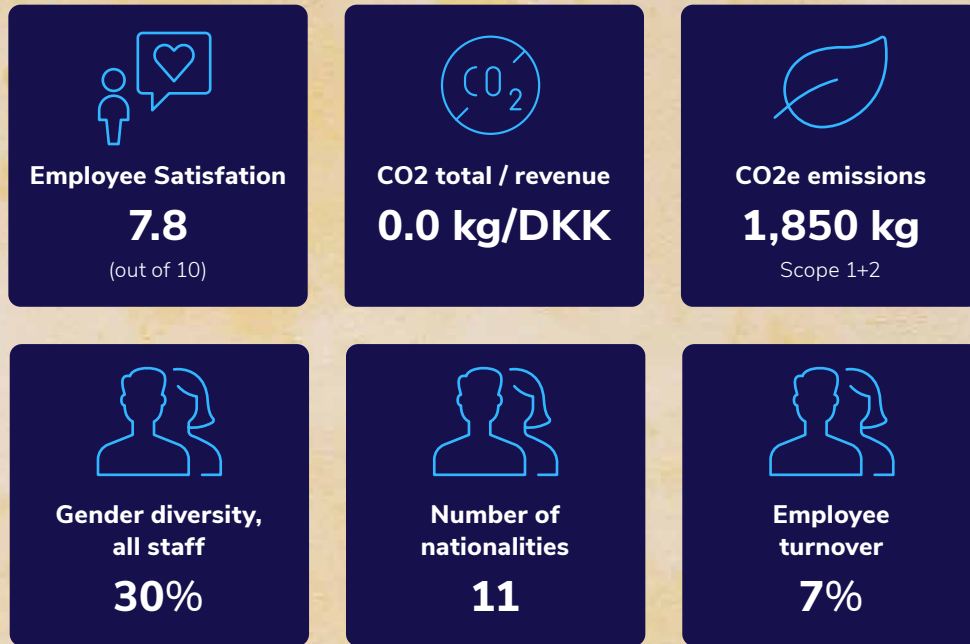
Statement by the CEO

Continuing our commitment to impactful initiatives, Agillic embarked on a significant journey with the release of our inaugural ESG report for 2022, marking a pivotal moment in our dedication to sustainability and responsible business practices.

We have commenced our ESG journey, and over the next couple of years, we will steadily progress in terms of assessing and improving our impact on society.

In 2023, we have focused our efforts on our employees even greater than ever before. Talent is our game changer, and it is extremely important for us to be regarded as an attractive employer. We regard loss of talent and high employee turnover as a key risk for our business, which is the reason why we are very focused on developments in employee satisfaction and sickness absence. In 2023, employee turnover decreased to 7% from 25% in 2022.

In 2022, we defined the target of 50/50 male/female new hires by 2026. Whilst we maintain our ambition of gender equality – in all aspects – we appreciate that 'male/female' is too simplistic a definition of diversity. As of 2024, our focus is broader on diversity in all its forms.

In 2023, Agillic also signed the 'Diversity pledge' under Danish Industry for tools, networking, and to help advance diversity in Denmark.

This year's report serves as a testament to our ongoing efforts to integrate ethical practices and sustainability into the fabric of Agillic's operations, ensuring a positive legacy.

Emre Gürsoy
CEO

The Agillic Manifesto

We see a world where the idea of communicating to the masses is seen as alien.

Where unwanted or inaccurate communication is actually regarded as pollution.
Wasteful and unsustainable.

Where less will be something everyone wants more of.

Where the data with which we are entrusted by customers will be treasured as
if it were a set of fingerprints or a photograph.

So we can build realistic, familiar, first-hand knowledge of more and more people.

And create millions and millions of individual, personalised messages.

Messages that will seem like a welcome whisper in an ear, rather than a shout from afar.

Communication that motivates. Or creates a smile in the mind.

Sometimes momentous.

Sometimes frivolous or fun.

Always respectful. Always personal.

We can already see a world where there is the ingenuity to begin doing all of this.

The more we innovate, the more quickly this will become a reality.

And we will be empowered to eliminate communication pollution altogether.

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Personalised communication to millions

Equity story

Delivering impactful, meaningful, and profitable customer experiences.

Agillic is a Danish software company offering brands a platform through which they can work with data-driven insights and content to create, automate and send personalised communication to millions, offering advantages such as:

- Higher conversion rates
- Enhanced customer satisfaction
- Operational efficiency
- Increased customer lifetime value

Designed for an ecosystem of strategic partnerships across CDP, CMS, CRM, Customer Service, eCommerce, and Business Intelligence, the platform continuously integrates best-of-breed technologies to accelerate the implementation process and deliver fast time to value.

Agillic holds a leading position in the Nordics and is increasing its international presence. Agillic is scaling its business through strategic partnerships and direct sales from Denmark, Norway and Germany.

Business model
Agillic is a subscription business. Clients pay a yearly license for access to the Agillic platform and pay an additional fee for transactions sent, such as email and SMS.

The Agillic stock
Agillic was listed on Nasdaq First North Growth Market Denmark in March 2018. Agillic's market value amounted to DKK 210 million at the end of 2023, compared to DKK 243 million at the end of 2022. Ticker: AGILC

Agillic partner strategy
Agillic is a 100% technology company with no professional services and has therefore established a mutual bond with partners across all priority markets.

We are a best of breed technology, enforcing our position with strong ecosystem tech partnerships to eliminate all frictions from our clients› business process and time to value. .

Watch our client stories
agillic.com/client-stories

ESG governance

The responsibility for ESG is anchored in Agillic's Board of Directors and Executive Leadership, supported by corporate functions in the day-to-day execution.

Executive Leadership is responsible for implementing relevant policies and ensuring that corporate practices and ways of working are aligned with the policies and recommendations for good corporate governance.

Board of Directors

Executive Leadership

VP, People & Culture   **Business Partner**

Materiality assessment

The material topics as defined in the 2022 report have been reviewed and verified using a double materiality assessment, and the topics remain:

- **Energy consumption** and related **CO2 emissions** in connection with software applications and **data storage and transactions**

- Energy consumption and CO2 emissions related to **own operations**

- **Employee satisfaction** as a lead indicator for our ability to retain talent and minimise employee turnover

- **Employee turnover** as a lag indicator with a potential negative impact on business continuity and ability to grow

- **Data security breaches** related to clients' data hosted on our platform

The risks related to these issues and the actions to mitigate these risks will be described in connection with the following sections.

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

ESG policies

Based on our commitment to the UN Sustainable Development Goals and UN Global Compacts Ten Principles, the Board of Directors has adopted the following ESG related policies, which are available at agillic.com/esg:

- Environmental Policy
- People & Social Policy
- Human Rights Policy
- Anti-corruption & Anti-bribery Policy
- Data Privacy Policy

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

Highlights of the individual policies are:

Environmental Policy
Through our Customer Experience Platform we contribute to eliminating communication pollution by using the power of data and content to create unique customer experiences. Eliminated communication results in less data transmitted and less CO_2 emitted in our value chain.

We are committed to running our business operations in a continually more sustainable way. The aim is to reduce the negative environmental impact of our business operations. This primarily pertains to energy consumption related to IT and software operations, office buildings, as well as business related travel.

People & Social Policy
It is of utmost importance to us to be regarded as a respected and attractive employer. Our actions and behaviours are grounded in our corporate values: Integrity, Continuity, Expertise, and Dedication (ICED).

We are committed to ensuring and promoting diversity in the workforce. We want to make positive contributions to the lives, well-being, and development of our employees, and we are focused on creating a healthy working environment with high performing teams that develop together, and not least have fun while doing it. We want to create a sense of belonging and a community for continued learning. Thus, we have systematised knowledge sharing in the 'Agillic Academy' which is an umbrella initiative for knowledge sharing, inspiration, and training of employees, clients, and partners.

Human Rights Policy
Agillic acknowledges and complies with the requirements of The Universal Declaration of Human Rights and ensures that no part of the company is complicit in any human rights abuses. Agillic respects and acknowledges cultural differences and disassociates itself from all discrimination based on race, religion, age, nationality, or sexual orientation. We consider the treatment of sensitive personal data embedded in our Data Privacy Policy to be part of our commitment to human rights.

Anti-corruption & Anti-bribery Policy
Agillic is committed to adhering to high standards of business conduct, which as a minimum includes compliance with the law. Agillic holds a 'zero-tolerance' stance towards bribery and corruption.

Data Privacy Policy
As a processor of personal data from customers, employees, and business relations attention to ethical processing of data is of utmost importance to us. We are committed to processing personal data in accordance with applicable law including the General Data Protection Regulation 2016/679 of 27 April 2016 ("GDPR") and the Danish Data Protection Act No. 502 of 23 May 2018 supplementing the GDPR, and any amendments thereto and other legislation supplementing these rules.

ESG strategy and actions

Agillic first published its ESG report in 2022, outlining intentions and relevant policies adopted. As noted in the report, many of these aspects were already embedded in our daily operations and risk assessment processes, and they continue to form the backbone of our ESG strategy:

Agillic is committed to equal opportunities for its employees and society in general, whilst ensuring ethical and transparent business conduct, minimising our carbon footprint, and empowering the elimination of communication pollution.

Environment

Key focus
- Minimise our own energy consumption and carbon emissions (scope 1-2)
- Monitor our data centre suppliers to ensure continued actions to minimise emissions

Material topics
- Climate change

Social

Key focus
- Embrace diversity including, but not limited to, gender, age, nationality, and disabilities in hiring and employee development
- Monthly anonymous employee engagement surveys
- Providing NGO and charity clients with a platform through the 'Agillic Annual Fundraiser'
- Employee mentoring programme to foster equal personal and career development

Material topics
- Diversity, equity, inclusion
- Employee wellbeing and personal development

Governance

Key focus
- Mandatory annual awareness training on data protection and privacy, cybersecurity, anti-bribery, anti-corruption, and ESG
- Zero data breaches
- Product development contributing to the elimination of communication pollution

Material topics
- Risk management
- Business conduct
- Data privacy and security
- Responsible product innovation

Environment & Climate

We encourage all employees to act with environmental awareness in their daily business conduct and we support remote working and online client meetings to reduce our overall carbon footprint. We are committed to reducing the energy consumption and the carbon emissions deriving from our own operations (Scope 1+2). In 2023, our energy consumption decreased 1.1% to 17,547 kWh from 17,744 in 2022, while our CO_2 emissions decreased 14.4%, which primarily relates to a decrease in emission factors.

It is particularly important for us that we use suppliers of software solutions and cloud storage, that are focused on reducing the climate impact of their operations. Thus, the primary risks regarding environment and climate relate to indirect energy consumption in connection with our technology platform, data storage and transactions (scope 3).

At this point in time, we are not collecting scope 3 emission data. We do, however, discuss environmental aspects with our major suppliers on an ongoing basis and are pleased to report that our two primary data centre suppliers are on track to run on 100% renewable energy by 2025. One centre has been running on 100% renewable energy since 2020 and the other on 90% since 2022.

Having established EU taxonomy eligibility under 'Information & Technology' and the sub-category 'Data processing, hosting, and related activities', we will report and comply with the Corporate Social Responsibility Directive in due course.

People & Social

Talent is our game changer and it is extremely important for us to be regarded as an attractive employer. As a minimum this requires that human rights are respected at any time and that no discrimination based on race, religion, age, nationality, or sexual orientation takes place. We have adopted a Human Rights Policy as well as a People & Social Policy in order to enact our business practices. In the future, we will continuously train our employees in data security and data privacy, which is an inherent part of our business and what we do.

We regard loss of talent and high employee turnover as a key risk for our business, which is the reason why we are very focused on developments in employee satisfaction and sickness absence. In 2023, employee turnover decreased to 7% from 25% in 2022, where the number was adversely impacted by restructuring and involuntary leaving. Employee satisfaction was nearly unchanged at 7.8 (on a scale from 1-10) compared to 7.9 in 2022, while employee sickness absence increased slightly to 1.8% from 1.4% in 2022, however still at an acceptable level.

In 2022, we defined the target of 50/50 male/female new hires by 2026. Whilst we maintain our ambition of gender equality – in all aspects – we appreciate that 'male/female' is too simplistic a definition of diversity. As of 2024, our focus is broader on diversity in all its forms and, for now, we are adding the number of different nationalities to our ESG statement. Furthermore, consensus within the tech industry is that the current talent pool simply does not allow for gender balance. This is obviously not, and can never be, an "excuse" but it is an unfortunate fact, stressing the importance of further international industry action and commitment.

The share of females among all staff declined to 30% in 2023 (2022: 33%) and the share of female managers declined to 14.3% (2022: 16.7%). This development is not satisfactory, and Agillic is committed to improving diversity internally and within the software and technology industry in general. In 2023 we piloted a mentoring programme to empower women in tech and for industry career development and the pilot is currently being reviewed for wider application in 2024. In parallel, our People & Culture engaged in industry communities and will continue the effort in 2024 to help advance the public agenda.

In 2023, Agillic also signed the 'Diversity pledge' under Danish Industry for tools, networking, and to help advance diversity in Denmark.

It is important for us to make positive contributions to the lives, well-being and development of our employees. We do this by providing attractive compensation, benefits and working conditions. This includes attractive parental leave conditions for both parents, flexibility to work remotely, lunch service, various healthcare services, and company events such as attending the annual DHL run in Copenhagen. We have a structured onboarding programme for new employees which includes a 'buddy program' and introduction to all areas of the company.

We follow-up on employee satisfaction through regular surveys and we proactively work on creating a higher satisfaction based on the feedback provided. We secure an open, transparent, and regular dialogue with all employees to ensure a common understanding of objectives and to make sure everyone's voice is heard. We do this through a continuous information flow, including quarterly town hall meetings.

Continuous learning and training are vital for all our stakeholders and the 'Agillic Academy' provides an umbrella initiative for knowledge sharing, inspiration, and training of both employees, clients, and partners.

During 2023, 97% of all employees completed a voluntary personality test and 56% of all employees leveraged the insights for a 'high five' plan for their personal development. We will continue both initiatives across all departments in 2024.

Last but not least, NGOs and charities have always held a special place in our hearts at Agillic. They have been a true inspiration for us with their incredible dedication, and we have been honoured by their choice of our technology to support their causes. We are proud to support eleven organisations across the Nordics with favourable terms, helping them make a real difference every single day.

In December 2023, we held the inaugural 'Agillic Annual Fundraiser' to further recognise their importance and provide a platform for our NGO and charity clients to showcase their vital work. With the outstanding support from our partners and clients alike, we hope to have established a proud tradition.

Governance

Management considers data security breaches as one of the highest risk factors from a governance perspective and not least sensitive personal data (ref.human rights). We mitigate key risks related to data security through an industry-standard security programme, which is aligned with the ISO 27001 standard. Agillic's Information Security Management System ("ISMS") is the responsibility of an Information Security Board, reporting to the Board of Directors. We completed 2023 without any data breaches. We conduct annual audits of GDPR compliance and security level and was last audited by Deloitte in January 2024 according to the ISAE 3000 type II standard. In addition we continuously ensure that all our employees are trained in data security. All customer related data is stored and processed according to the official Data Processing Agreement ("DPA") between Agillic and the customer.

We have a 'zero-tolerance' stance towards bribery and corruption but admits that there is a risk that the company or any of its employees should be complicit in violating corporate policies. In 2023, we have had no cases or reported issues in relation to anti-corruption or anti-bribery. In future, we will continually ensure that new employees are trained in our policy on Anti-bribery and Anti-corruption, and we will continue to encourage employees to report any suspicion to the Executive Leadership. We enforce disciplinary action in case of breaches to the Anti-corruption and Anti-bribery Policy.

We aspire to follow the recommendations on corporate governance from the Danish Committee on Corporate Governance and have published an updated compliance report leveraging the framework provided by The Association of Listed Growth Companies – see agillic.com/investor/corporate-governance.

ESG statement

Note		2023	2022
1.	Energy consumption (kWh)	17,547.85	17,744.24
2.	Energy intensity (kWh/DKK)	0.0	0.0
3.	CO2 total (kg CO2e)	1,850	2,160
	- Scope 1	0	0.0
	- Scope 2	1,850	2,160
4.	CO2 total / revenue (kg CO2e/DKK)	0.000029	0.000032
5.	Employee sickness absence (%)	1.8	1.4
6.	Employee turnover (%)	7	25
7.	Employee satisfaction (scale: 0-10)	7.8	7.9
8.	CEO pay gap (ratio)	3:1	3:1
9.	Total FTEs	50	48
10.	Nationalities	11	9
11.	Gender diversity all staff (% female)	30	33
12.	Gender diversity Management (% female)	14.3	16.7
13.	Gender diversity Board (% female)	0	0
14.	Data Security breaches	0	0

Notes to accounting statement and accounting principles

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

Our focus is to systematically evaluate and measure our impact and provide a clear picture of the company and the journey we are on. The goal is to increase the understanding of Agillic's positive and negative impact, as well as our current and potential impact. The report is based on internal data retrieved from our own databases, as well as data retrieved from utility providers. The Scope 1 and 2 emissions are aligned with the methodology recommended by the GHG Protocol.

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

1. Energy consumption
Total energy consumption measured as kWh has been calculated by summing total energy used in the calendar year in relation to company cars, electricity, and office heating/cooling. The energy comsumption has been calculated using the online tool provided by the Danish Business Authorities on klimakompasset.dk.

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

3. CO2e emissions
CO2-equivalent emissions are reported in scope 1 and 2 according to the definitions in the Green House Gas Protocol.

Scope 1 CO2e emissions:
Scope 1 direct emissions from controlled sources includes company cars and office heating/cooling. The CO2 emissions have been calculated using the online tool provided by the Danish Business Authorities on klimakompassset.dk.

Scope 2 CO2e emissions:
Scope 2 indirect emissions have been calculated based on location and includes purchased electricity. The CO2 emissions have been calculated using the online tool provided by the Danish Business Authorities on klimakompassset.dk.

4. CO2 total / Revenue
CO2 total / Revenue is a measure of CO2 intensity. As the business grows, CO2 will naturally grow as well. However, CO2 in comparison to revenue should not increase – rather the opposite due to economies of scale and actions to reduce CO2 emissions.

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

6. Employee turnover
We are continuously optimising our organisation for efficiency and – not least given the current macro-economic environment – to be as lean and agile as operations allow; thus, we do not re-hire for all turnover (both voluntary and involuntary).

We monitor employee turnover closely and in the context of relevant supporting indicators such as employee sickness absence and employee satisfaction.

Employee turnover in the calendar year has been calculated as (voluntary + involuntary FTEs leaving / average number of FTEs) * 100.

7. Employee satisfaction
Employee satisfaction is based on the average engagement score for the calendar year based on monthly voluntary employee surveys.

8. CEO pay gap
CEO pay gap has been calculated as: CEO compensation compared to median salary of all employees.

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

10. Nationalities
Total employees by nationality at the end of the year.

11. Gender diversity all staff
Total female employees divided by total employees at the end of the year.

12. Gender diversity management
Total females in management divided by total members of management at the end of the year.

13. Gender diversity Board
Total females in the Board of Directors divided total members of the Board of Directors at the end of the year.

14. Data security breaches
Number of observed data security breaches during the year.

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Personalised communication to millions