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Letter from our CEO

Dear Crayon shareholders, customers, partners, and colleagues,

The year 2023 was notable for incredible change that came at a remarkable pace. There were challenging economic conditions, geopolitical tensions, and unprecedented advancements in the capabilities and adoption of AI.

As a global tech company, Crayon was not immune to these external forces which created opportunities as well as potential challenges and risks. To successfully navigate these changes, we drew on our company values of integrity, quality, pace, and agility.

Regardless of what was happening in the world, we never lost sight of our vision of believing in the power of technology to drive the greater good.

We continued to be a socially responsible company, as evidenced by the comprehensive and impactful environmental, social, and governance (ESG) activities described in this report. We did this while achieving commercial success – our financial performance is described in our separate 2023 Annual Report.

Crayon consistently matures in its approach to ESG, with steadfast support and leadership from myself, the rest of the executive management team, and our Board of Directors. My philosophy is that when I commit to something, I need to deliver on it. Thanks to the joint efforts of all our Crayonites, I am proud to say we certainly delivered on ESG in 2023.

Delivering a trusted business

Leading with integrity is critical as it is the basis for building trust, which Crayon must stand behind with our employees, customers, and shareholders. We have comprehensive systems in place to ensure strong corporate governance and risk management at all levels of our business.

We achieved group-wide ISO 37001 certification in 2023, affirming that we have robust systems in place to manage bribery-related risks and incidents. We maintained our strong privacy and security culture, underpinned by investments in state-of-the art technology and the relevant certifications. Crayon's responsible AI guidelines were embedded into all external and internal AI projects and tools, protecting users and society at large.

Contributing to society

Crayon played a role in local and national economic development by creating jobs — our workforce grew by 16.65% in 2023 compared to 2022. We cultivated a culture of diversity, equity, and inclusion, with 65 nationalities represented in our workforce and women occupying 32% of all roles at Crayon. We respected labor and human rights in our own operations and in our supply chain, conducting due diligence and possessing the capacity to take corrective action where necessary. We donated a total of US $106,012 to various charities worldwide and almost half our employees volunteered to support our local communities as part of our Crayon Cares initiative.

Protecting the planet

We tapped into our core strengths in areas such as data analytics and AI to offer solutions that helped our customers improve their environmental and social performance in 2023. Catering to these customer demands is an emerging revenue stream for Crayon. Within our own operations, our combined Scope 1, 2 and 3 greenhouse gas emissions were 17,793 tons of CO_2 in 2023. We launched our global sustainable device management program to purchase more environmentally friendly equipment for use by our employees, practicing circular economy principles.

Closing remarks

Our ESG accomplishments to date provide a strong foundation for the future. I look forward to making even bigger strides in 2024, knowing we have the skills, passion, and goodwill to become a more sustainable company that creates long-term stakeholder value.

Sincerely,

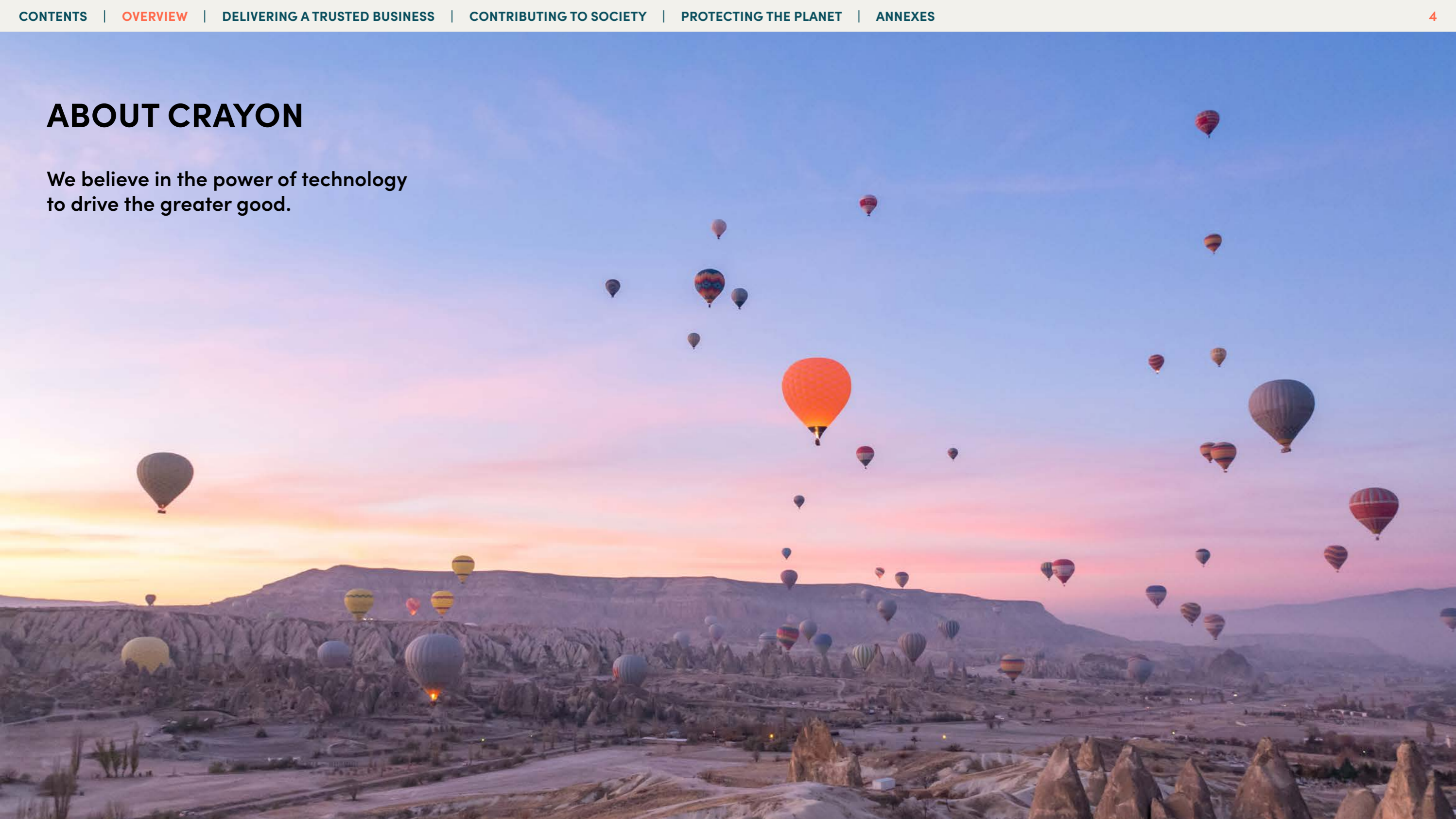Melissa Mulholland, Chief Executive Officer

> **I look forward to making even bigger strides in 2024, knowing we have the skills, passion, and goodwill to become a more sustainable company that creates long-term stakeholder value.**
>
> *– Melissa Mulholland, CEO*

ABOUT CRAYON

We believe in the power of technology
to drive the greater good.

Our business

Crayon is a customer-centric information technology (IT) consultancy that enables customers to maximize their software and cloud investments.

We help customers reduce costs, optimize their software and cloud, and leverage new opportunities in AI. We have a global supply chain, partnering with thousands of software suppliers and three hyperscale cloud providers to deliver our services.

Founded in Norway 22 years ago, our international presence has grown. Today, our key markets are the Nordics (our largest and most mature), Europe, Asia Pacific, Middle East, Africa, and the United States.

4,021 FTEs
Full-time equivalent employees worldwide

4 Main service offerings
- Software procurement
- IT cost management
- Cloud services
- Data and AI solutions

46 countries
Where Crayon is located

80,000 customers
From SMEs to large enterprises, with a high share in public sector

49.1 NOK billion
Gross sales

6.4 NOK billion
Revenue

Our values

Our core values are based on
our Nordic heritage.

INTEGRITY

With our actions we
show integrity and we
are accountable for our
actions and inactions

QUALITY

What we do, we do with
excellence and better
than anyone else

PACE

We are customer focused
and act and execute with
urgency

AGILITY

We innovate through
continuous improvement
and adapt quickly to
change

Our organizational structure

Crayon Group Holding ASA (Crayon) is a Norwegian public limited liability company incorporated and registered in Norway. As a publicly traded company, Crayon is listed on the Oslo Børs (Oslo Stock Exchange) under the ticker code CRAYN.

Crayon Group Holding ASA is the holding and parent company of the Crayon Group, with global headquarters in Oslo, Norway. Through various subsidiaries, Crayon has an operational presence in 46 countries worldwide in the form of sales, consulting, and technical support offices.

Additional details about Crayon's legal form, ownership structure, and subsidiaries are provided in our separate 2023 Annual Report.

The Crayon Group comprises different customer-facing brands with local market resonance:

Anglepoint

Crayon

inmeta
Part of Crayon

NAVICLE
LEADING SOFTWARE LICENSE SPECIALISTS

rhipe
A Crayon company

PUZZLEPART

COMPLIT

emt TECHNOLOGY DISTRIBUTION
A Crayon company

Kryptos
Make IT Simple

PARALLO
A Crayon company

Sensa
By Crayon

Our awards and recognitions

Crayon believes in executing with excellence to achieve success. We are grateful for the acknowledgement our dedication received in 2023.

Crayon and our subsidiary company Anglepoint were named as Leaders in the Gartner Magic Quadrant for Software Asset Management (SAM) Services[1]. Several of our local offices were also acknowledged by media companies like CRN and ARN for our innovative solutions and our commitment to our customers and partners.

Awards and recognition from our vendors included those from Microsoft, Amazon Web Services (AWS), Google, IBM, and Oracle. For example:

- Microsoft Azure Expert MSP
- AWS Premier Partner Status

We were recognized for accomplishments tied to ESG

Contributing to society
- Great Place to Work Certified in India, US, United Arab Emirates, and Africa.
- Crayon Australia won the Distributor for Social Good award at the CRN Australia Impact Awards for the second consecutive year.
- Crayon participated in the 2023 SHE Index, Europe's largest gender diversity index[1].
- Crayon was named 2023 Global Diversity and Inclusion Employer of the Year by The Digital Revolution Awards.
- Crayon was named a Social Impact Award Winner by CRN, an IT media brand.

Protecting the planet
- Crayon was rated a Category 3 performer on PwC's 2023 Climate Index which evaluates the climate impact of Norway's 100 largest companies.

[1]   2023 results had not yet been announced at the time of publishing this report.

[1]   Gartner®: Magic Quadrant for Software Asset Management Managed Services. Published 05 September 2023. By: Yoann Bianic, Stephen White, Jaswant Kalay, and Yolanda Harris

OUR APPROACH TO ESG

Crayon's ESG program is dynamic, demonstrating real and meaningful progress with the passage of time.
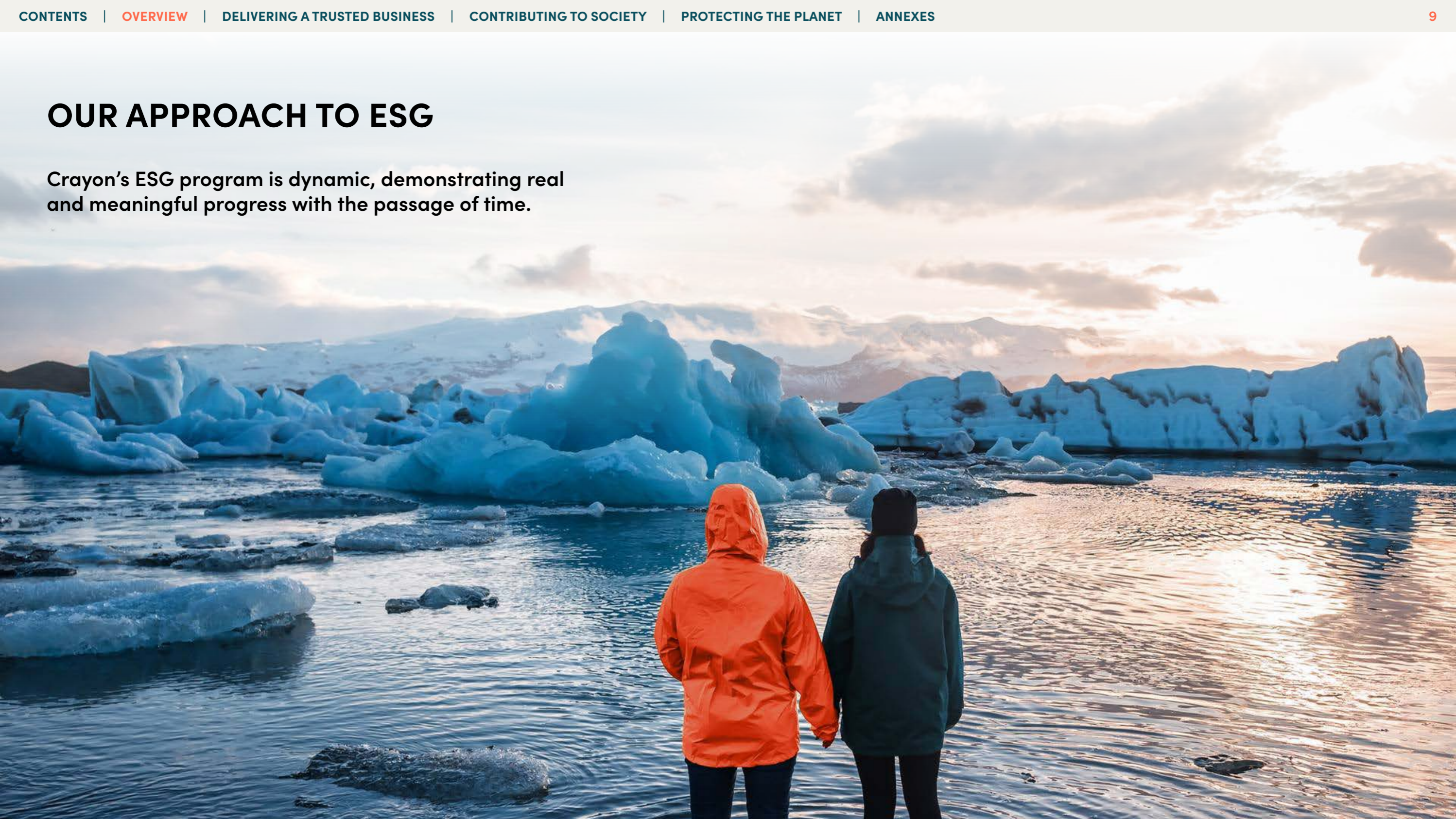
Our ESG journey

We use the term environmental, social, and governance (ESG) as the planning and implementation framework for all sustainability-related activities that position Crayon as a socially responsible company.

Crayon strives to maximize its positive impacts, and to minimize its negative impacts, on the social, environmental, economic, and governance issues that are within our purview.

Our wide-ranging ESG initiatives contribute to our business success by helping to strengthen relationships with existing and potential customers interested in these topics. Furthermore, these initiatives are a component of our employer branding and contribute to employees' positive experiences and perceptions of Crayon's values. Some of our ESG initiatives have the co-benefit of enabling us to anticipate and comply with regulatory requirements. Investor and partner expectations shape our ESG strategy and provide opportunities for collaboration.

We advanced our ESG agenda in 2023, achieving successes in all three pillars as summarized in the graphic and elaborated on throughout this report.

In 2024, we will take stock of our ESG progress with a view toward setting targets and ambitions at both the global and local levels. In doing so, we acknowledge and celebrate the key milestones already reached linked to previously communicated targets. Strongly influenced by the changing regulatory circumstances, the coming months are therefore an opportune time to transition to an enhanced ESG strategy that will propel us into the future. Please refer to Implications of CSRD and ESRS and Annex C: 2023 EU Taxonomy Regulation in this report for more context.

Environment
Protecting the planet

17,793 tons of CO$_2$

Total Scope 1, 2, and 3 emissions (location-based)

1

Global sustainable device management program

ISO 14001

Global certification for our environmental management system

Social
Contributing to society

32% women

Representation of women in our overall workforce

0 grievances

Related to labor and human rights reported against Crayon by third parties

US$106,012

Donated through Crayon Cares

Governance
Delivering a trusted business

2 new initiatives

Established to foster industry-wide collaborations:

- Crayon Integrity Partnership Program
- Crayon Security and Privacy Partnership Program

0 data breaches

ISO 37001

Global certification for our anti-bribery and corruption management system

Our stakeholder engagement on ESG

Our annual ESG report is publicly available on our website and is proactively shared with our employees, customers, and other stakeholders, demonstrating Crayon's commitment to transparency and accountability.

Furthermore, our investors and analysts can use our quarterly earnings presentations, one-on-one meetings, and roadshows to discuss ESG-related matters.

Crayon has been a signatory to the United Nations Global Compact (UNGC) since 2020. We embrace its 10 principles which span labor and human rights, the environment, and anti-corruption.

We perform well on the Ecovadis scorecard, an independent rating system of participating organizations' ESG performance. Crayon had an Ecovadis silver medal in 2023, putting us in the top 25% of all companies evaluated by Ecovadis.

Crayon completes the climate change questionnaire of CDP (formerly known as the Carbon Disclosure Project) each year, disclosing our greenhouse gas emissions. CDP is an independent environmental disclosure system used to drive transparency and action around how organizations manage their environmental impacts.

The UNGC, Ecovadis and CDP all have platforms with interactive elements permitting stakeholder engagement.

Our governance of ESG

Environmental, social, and governance issues receive visibility and support from Crayon's most senior leaders.

The role of our board of directors

Crayon's 10-member Board of Directors performs necessary control functions and partners with Crayon's executive management team on strategic decision-making in all areas, including ESG. This helps to ensure ESG is embedded into business strategy and vice versa. Within the board, the audit and risk board committee is responsible for ESG reporting alongside other non-ESG duties.

This governance structure is the result of changes made in 2023 to empower the board and audit and risk board committee to better preside over ESG matters. In 2023 we merged the previous ESG board committee with the audit and risk board committee. We believe the complementary expertise from ESG and other disciplines on the enlarged audit and risk board committee advantages our overall ESG performance.

Crayon's full Board of Directors reviewed and approved this ESG report prior to its publication.

Additional information about the Crayon Board of Directors (including the audit and risk board committee) is available in our separate 2023 Annual Report.

The role of our executive management team

Crayon's seven-member executive management team comprises our:

- Chief Executive Officer
- Chief Financial Officer
- Chief Human Resources Officer
- Chief Operating Officer
- Chief Sales Officer
- Chief Strategy Officer
- Chief Technology Officer

Together, the executive management team makes all major strategic and operational decisions, extending to those involving ESG. The Crayon executive management team reviewed and approved this ESG report prior to its publication.

On a day-to-day basis, the Chief Strategy Officer has direct responsibility for ESG, overseeing and collaborating with the Vice President of ESG. The Vice President of ESG defines and realizes Crayon's global ESG priorities, including leading ESG reporting and the preparation of this report. Critical concerns about ESG are escalated to Crayon's executive management team, and where relevant and appropriate, to Crayon's Board of Directors.

Additional information about Crayon's executive management team is available in our separate 2023 Annual Report.

ABOUT THIS REPORT

The contents of this report reflect Crayon's commitment to open communication, paired with a keen awareness of the ESG topics that matter most to us and our stakeholders.
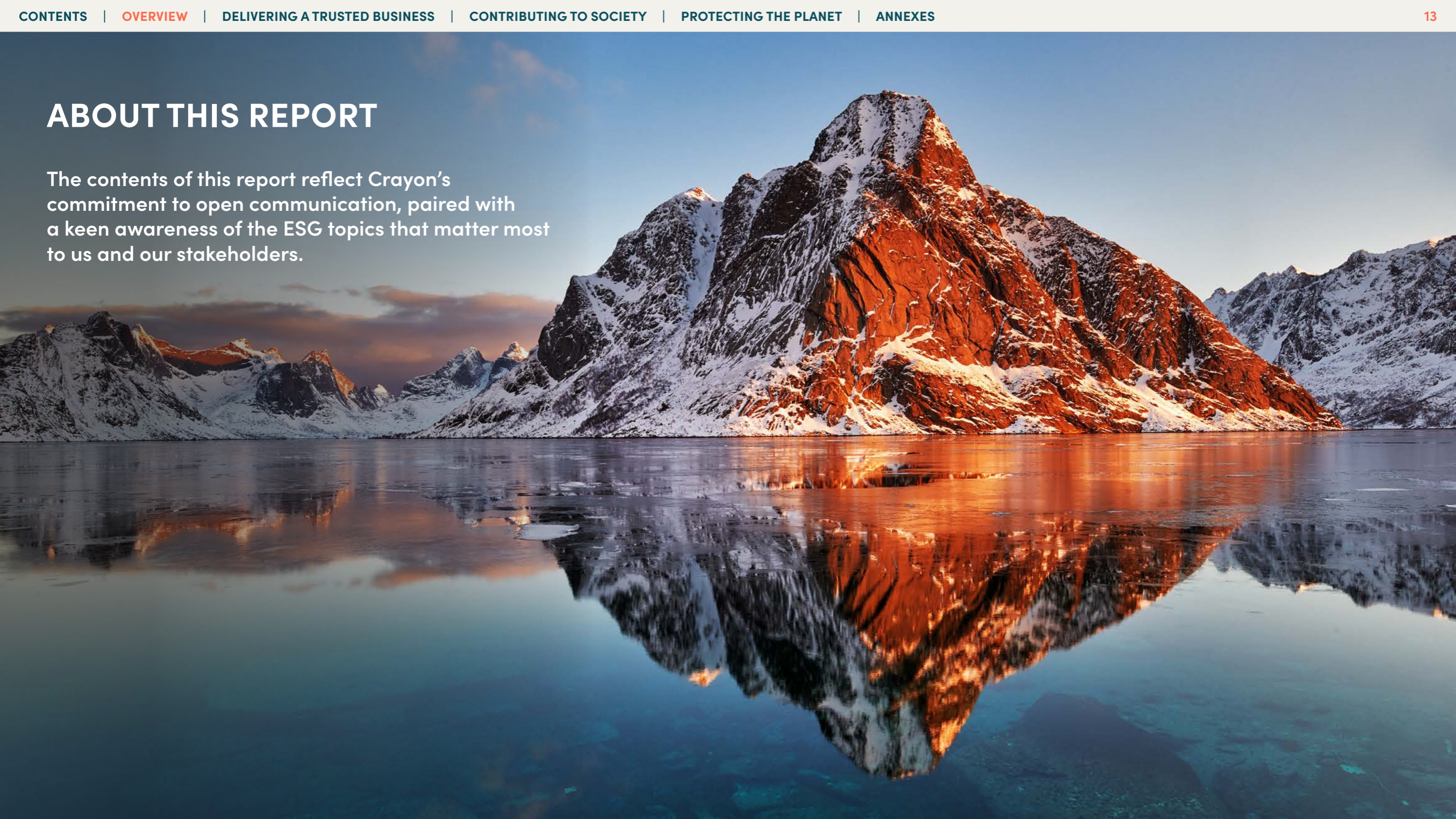
Material topics

The 10 material topics in this report represent Crayon's most significant environmental, social, and governance impacts. Information about Crayon's economic impact and financial performance is available in our separate 2023 Annual Report.

In keeping with international best practice, we aim to align our ESG activities with the United Nations (UN) Sustainable Development Goals (SDGs) progressively over time.

The materiality of our 10 topics was established through a combination of the following:

1. A materiality assessment
Crayon's most recent formal materiality assessment was conducted in 2021 with the assistance of KPMG Norway. The assessment identified potential material topics through peer benchmarking, document reviews, internal and external interviews (including with investors and other stakeholders), and an analysis of strengths, weaknesses, opportunities, and threats (SWOT). Crayon's executive management team selected and ranked the most important issues which were then affirmed by a board committee.

A high-level review and update of the material ESG topics was carried out in 2023 to ensure continued salience and facilitate more streamlined reporting. An in-depth analysis centered on the concept of double materiality will be carried out in 2024 as part of Crayon's preparations to comply with the Corporate Sustainability Reporting Directive (CSRD)

and its associated European Sustainability Reporting Standards (ESRS). For more information, please refer to the discussion below under the heading Implications of CSRD and ESRS.

2. A review of key standards and guidelines
We considered the 2023 Sustainability Accounting Standards Board (SASB) guidelines on material sustainability topics for the software and IT services industry; the Ten Principles of the UNGC (United Nations Global Compact); and the UN SDGs.

Having identified the material topics, we drew on the Global Reporting Initiative (GRI) Standards to further inform the structure and contents of this report.

Comments and questions on the ESG report can be sent to: esg@crayon.com

Our material topics

Enhancing employee well-being

Advocating for diversity, equity, and inclusion

Respecting labor and human rights

Supporting local communities

Promoting integrity, legal compliance, and transparency

Maintaining data privacy and security

Deploying AI responsibly

Managing greenhouse gas emissions

Greening the IT landscape

Facilitating a circular economy

CONTRIBUTING TO SOCIETY

DELIVERING A TRUSTED BUSINESS

PROTECTING THE PLANET

Reporting period and geographic scope

Published in March 2024, this report is Crayon's third consecutive annual ESG report. The reporting period is 1 January 2023 to 31 December 2023, Crayon's financial year.

We publish a single ESG report that is global in scope and applies to all our subsidiaries and entities in 46 countries.

The reporting period, as well as the entities and territories covered in the ESG report, are aligned with those delineated in our annual report. Please refer to the separate 2023 Annual Report for additional information.

Australia	Finland	Ireland	New Zealand	Republic of North	Slovenia	Thailand
Austria	France	Japan	Norway	Macedonia	South Africa	Ukraine
Bulgaria	Germany	Latvia	Oman	Romania	South Korea	United Arab Emirates
Canada	Hungary	Lithuania	Philippines	Saudi Arabia	Spain	United Kingdom
Czech Republic	Iceland	Malaysia	Poland	Serbia	Sri Lanka	United States
Denmark	India	Mauritius	Portugal	Singapore	Sweden	
Estonia	Indonesia	Netherlands	Qatar	Slovakia	Switzerland	

Implications of CSRD and ESRS

The European Union's Corporate Sustainability Reporting Directive (CSRD)[1] and its delegated acts, the European Sustainability Reporting Standards (ESRS)[2], will compel future changes to Crayon's approach to ESG reporting.

As a publicly listed company subject to the soon-to-be superseded European Union Non-Financial Reporting Directive, Crayon will have to comply with the new legislation from 2025, for the reporting period 1 January 2024 to 31 December 2024.

We welcome the increased rigor and prominence accorded to ESG disclosures under the new regime. Crayon has a track record of ESG reporting which we are keen to build on. Reflecting our evolution, in 2025 we will no longer publish separate ESG and annual reports, and will instead produce a single, fully integrated annual report with comprehensive ESG and financial data.

Furthermore, we will carry out a new CSRD-compliant double materiality assessment in 2024 to underpin both our revamped ESG strategy and our 2025 ESG disclosures. Another improvement is that all our reported material ESG data will undergo limited assurance.

We are confident that these and other changes will not only enable us to comply with the CSRD and ESRS, but also augment the overall robustness and effectiveness of our ESG program.

[1] 2022/2464 Directive (EU) of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.

[2] 2023/2772 Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34 EU of the European Parliament and of the Council as regards sustainability reporting standards.

DELIVERING A TRUSTED BUSINESS

Crayon is well-positioned to comply with regulations,
manage risk, and create safe business conditions
that our stakeholders can trust.
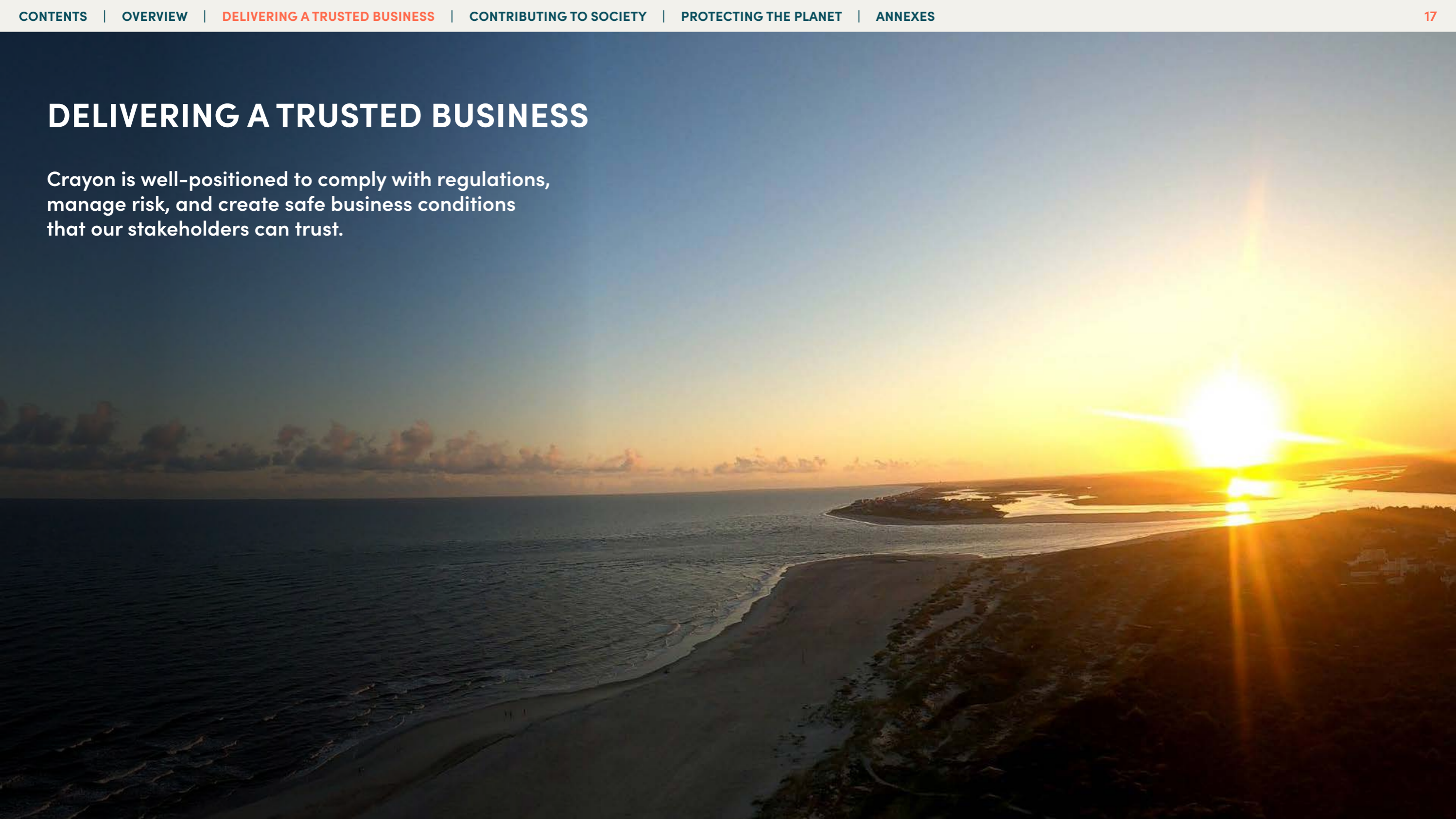
Introduction

Crayon is committed to adhering to all applicable laws and regulations affecting our operations.

We take the appropriate measures to ensure our employees understand the importance of honest and ethical conduct, and consistently reflect this in internal and external interactions.

Our Legal Department and Trust Unit play vital roles in defining and driving aspects of Crayon's governance architecture and culture.

	Legal Department	Trust Unit
MANDATE	The mandate of the Legal Department is to mitigate legal risks, ensure compliance with relevant laws and regulations, and provide comprehensive legal support to the organization.	The Crayon Trust Unit's mandate is to safeguard Crayon's business operations and data processing activities around the world. The unit's global control function encompasses commercial compliance, (e.g. anti-bribery, international sanctions), integrity, safety, security, and privacy.
MANAGEMENT	The Crayon Legal Department is led by the Chief Legal Officer, who in turn reports to the Chief Strategy Officer.	The Crayon Trust Unit is led by the Chief Security Officer, who in turn reports to the Chief Executive Officer.
KEY POLICIES	Crayon's delegation of authority (DoA) matrix provides a clear framework for assigning authority to approve actions and undertake specific tasks. The DoA promotes employee autonomy and accountability, thereby supporting regulatory compliance and risk management.	Crayon's Secured Productivity Policy provides instructions to enable our employees to implement the right business practices in the areas within the Trust Unit's remit. All employees are trained on the policy annually, and relevant business functions receive additional role-based directions.

Promoting integrity, legal compliance, and transparency

Integrity is one of Crayon's core values and is central to our business strategy. We have comprehensive systems in place to ensure strong corporate governance and risk management at all levels of our business.

Our anti-bribery management system was certified to the ISO 37001 standard following independent external audits in 2023. These external audits are supplemented with ongoing internal anti-bribery audits. Our employees and other stakeholders can therefore rest assured that we have a robust and world-class system in place to identify, mitigate, and remediate bribery-related risks and incidents.

The Trust Unit's third-party assessments incorporate technology-enabled automation and risk-based triggers to assess business relationships. Our business partners and suppliers are assessed based on their compliance with international sanctions, as well as their consideration of ethics, security, privacy, and other obligations.

To provide our stakeholders with greater insights into our governance controls, in 2023 we launched a new Crayon Trust Center on our website. This online portal provides tailored information on how Crayon champions safety, integrity, compliance, security, and privacy around the world.

In 2023, the Trust Unit partnered with Crayon's human resources team to implement a comprehensive set of measures and guidelines for the reporting and post-investigation resolution of integrity concerns.

We received 10 concerns related to potential integrity-related matters in 2023, all of which were successfully closed (2022: 26).

To improve Crayon's corporate compliance function, in 2023 the Legal Department revised our Delegation of Authority (DoA) matrix.

We promote a 'speak-up' culture for employees to feel comfortable raising concerns about any potential integrity-related matters. We offer a variety of confidential ways to report concerns, including:

- A trust desk where employees can directly reach out to our dedicated specialists.
- A whistleblower channel where employees and external parties can submit an anonymous report through a link on our website at Crayon.com/Trust.

It is important to us that employees feel confident in using these channels. This is why we have a strict non-retaliation policy in place and diligently investigate any concerns in the interests of the impacted parties, in accordance with the EU Whistleblowing Directive. Our dedicated investigation team for integrity-related matters operates under the oversight of Crayon's Chairman of the Board to ensure its independence.

Please refer to our 2023 Annual Report for additional information on corporate governance and risk management.

> **We believe that integrity and business go hand in hand and we are committed to protecting our unique company culture that values integrity as we continue our growth journey.**
>
> *– Melissa Mulholland, Chief Executive Officer*

Maintaining data privacy and security

Crayon's business operations and services entail extensive data processing. Our managed IT and AI services, in particular, require us to store and further process both business and personal data for customers around the world.

As information security and data protection are paramount to our operations, we have baked 'privacy by design' and 'security by default' into how we develop and run our internal and customer-facing services.

Because of our strong security and privacy culture, Crayon's Trust Unit receives proactive reports related to security and privacy events from our employees worldwide. This combination of timely reporting and ongoing security monitoring, followed by rapid and diligent event management prevented Crayon from experiencing a data breach in 2023 (2022: 0). Accordingly, we did not experience any substantiated breaches of customer privacy and losses of customer data in 2023 (2022: 0).

We established two new initiatives in 2023 that emphasize collaborations with our customers, partners, and suppliers to foster integrity, security, and privacy within our industry.

- Crayon Integrity Partnership Program.
- Crayon Security and Privacy Partnership Program.

One of Crayon's existing strengths is the ongoing knowledge sharing between our internal and

customer-facing security engineering teams — this assists in testing and leveraging new solutions developed by the cyber security services team.

Privacy by design

Crayon safeguards the privacy of those individuals whose personal data we process. We invest in state-of-the-art technology and maintain resilient technical and organizational measures to protect the data we process for our digital transformation services and support functions.

A prime example of our preventative approach to data protection risks in service delivery is our data minimization review. This review is performed by Crayon and our customers at the beginning of each Data and AI project. Wherever possible, we use the results of these reviews and methods such as pseudonymization to process large amounts of data while avoiding or limiting personal data. We perform ongoing reviews and audits to continuously improve our security and privacy controls.

We launched a Crayon-built service and product development tool in 2023 to streamline reviews of new digital transformation services and support functions to ensure they are grounded in privacy by design throughout the entire lifecycle. The tool provides an enhanced method of capturing Crayon's Records of Processing and issuing role-based Secured Productivity Instructions to employees around the world.

Security by default

In 2023, Crayon's information security team faced a total of 9,890 security alerts and increasingly leveraged the power of automation to successfully close over 53% of all alerts by the end of the fourth

quarter. The remainder were closed through manual review and intervention by the information security team. This automation proved useful as both the volume and sophistication of failed attacks grew throughout the year.

Our information security team successfully completed their annual penetration tests of multiple internal applications and customer platforms in 2023. The security team also converted the entire Microsoft

Sentinel security monitoring setup to Infrastructure as Code to enable the rapid onboarding of any new service and acquisition IT infrastructures.

One of Crayon's existing strengths is the ongoing knowledge sharing between our internal and customer-facing security engineering teams — this assists in testing and leveraging new solutions developed by the cybersecurity services team.

Your data is safe with Crayon

ISO 27001

What does it mean?
Certification for information security management system

Crayon entity: All Crayon globally

ISO 27701

What does it mean?
Certification for privacy information management system

Crayon entity: All Crayon globally

Trusted Information Security Assessment Exchange (TISAX)

What does it mean?
Assessment required for processing confidential business and personal data in the automotive industry.

Crayon entity: Germany

Cyber Essentials Plus

What does it mean?
Government-backed, industry-supported certification scheme for organizations to demonstrate operational security against common cyber-attacks

Crayon entity: United Kingdom

Deploying AI responsibly

Crayon's Data & AI Center of Excellence has been delivering cutting-edge projects for customers since March 2019 while simultaneously ensuring we use AI responsibly. Over time, the center has hardwired responsible AI assessments into the entire life cycle of every customer engagement, from the initial project review and decision-making phase all the way through to project conclusion.

These assessments are based on the Crayon Responsible AI Guidelines (CRAIG). The assessments are performed together with our customers to ensure there is a common understanding of potential risks inherent to the development and deployment of AI-powered solutions. The assessments are also designed to assist our customers comply with relevant industry standards and the evolving legislative landscape, for instance, the proposed EU Artificial Intelligence Act.

The Crayon Trust Unit leverages the longstanding experience of our Data & AI Center of Excellence to implement a responsible AI assessment framework for internal AI-based projects, and to generate instructions and guidelines for Crayon employees who use AI-powered tools such as Microsoft 365 Copilot in their daily work.

Our internal framework consists of risk and impact assessments.

Crayon's Artificial Intelligence Risk Assessment (AIRA) is a mandatory component within the data protection review when onboarding new solutions. The AIRA estimates the risk of AI driven tools including generative AI. The AIRA considers a range of factors such as context, laws and regulations, stakeholders, human oversight, data and privacy, and human-understandable AI. In the event of a predicted high-risk rating, an Artificial Intelligence Impact Assessment (AIIA) must be completed as a secondary level of review and decision-making.

The AIIA contains additional considerations related to ethical purposes, accountability, transparency and explainability, fairness and non-discrimination,

safety and reliability, and privacy. The AIIA aims to ensure that AI technology is used to enhance productivity, efficiency, and decision-making while complying with applicable law and respecting privacy, confidentiality, and data security. Where applicable, both assessments must be completed and reviewed before an AI tool is formally approved.

Crayon's seven guiding principles for responsible AI

Individual responsibility
We equip our employees to know responsibilities and obligations

Appropriateness
We strive for progressive projects that create value

Fairness and equity
We aim to instill fairness and avoid discrimination and injustice

Transparency
We are open with stakeholders about the advantages, limitations, and risks of AI

Inclusiveness and human centricity
We commit to beneficial automation of workers' roles, and incorporate diverse voices in development and testing

Technology
We emphasize quality, safety, reliability, robustness, and scalability

Stakeholder interaction and communication
We engage all relevant stakeholders, and consciously use understandable language

Crayon's responsible AI guidelines in action: Our internal rollout of Microsoft 365 Copilot

Microsoft 365 Copilot is generative AI software that can be used to automate and streamline tasks and activities, thereby increasing employee efficiency and productivity. Copilot represents a transformative leap in accessible and relatively affordable generative AI tools suitable for mass adoption in various organizational settings.

When Copilot was launched in 2023, Crayon immediately grasped the potential benefits of making it available to our employees. Copilot's capabilities save time and improve the quality of outputs. We therefore view Copilot as complementing the skills, talent, and creativity of our workforce.

Crayon approached the deployment of Copilot within our organization with the same rigor we apply to all AI technologies — our steadfast commitment to responsible AI did not waver. We had a two-pronged deployment strategy:

a. Infrastructure readiness
Beyond ensuring the availability of requisite licenses, infrastructure readiness for Copilot extended to the scrutiny of information access policies. While Copilot itself does not modify access privileges, it amplifies any imperfections in existing permissions. It leverages the entirety of information accessible to a user to generate responses, thereby spotlighting any shortcomings in our information governance. We carried out a comprehensive internal audit using AvePoint Insights and identified and rectified deficiencies in our data sharing or access rights. Utilizing Azure Purview, we instituted robust access control frameworks.

b. People readiness
Integrating generative AI into our daily routines comes with a responsibility to examine the output it produces. In introducing Copilot we have mandated adherence to a set of terms and conditions bespoke to Microsoft Copilot. These guidelines underscore the user's obligation to verify the accuracy of Copilot's output and report any instances of data oversharing. In essence, users are enjoined from employing Copilot for queries that could yield sensitive or confidential material.

Reflecting on our journey, the protocols we executed have been pivotal in assimilating Copilot into our workflows securely and ethically.
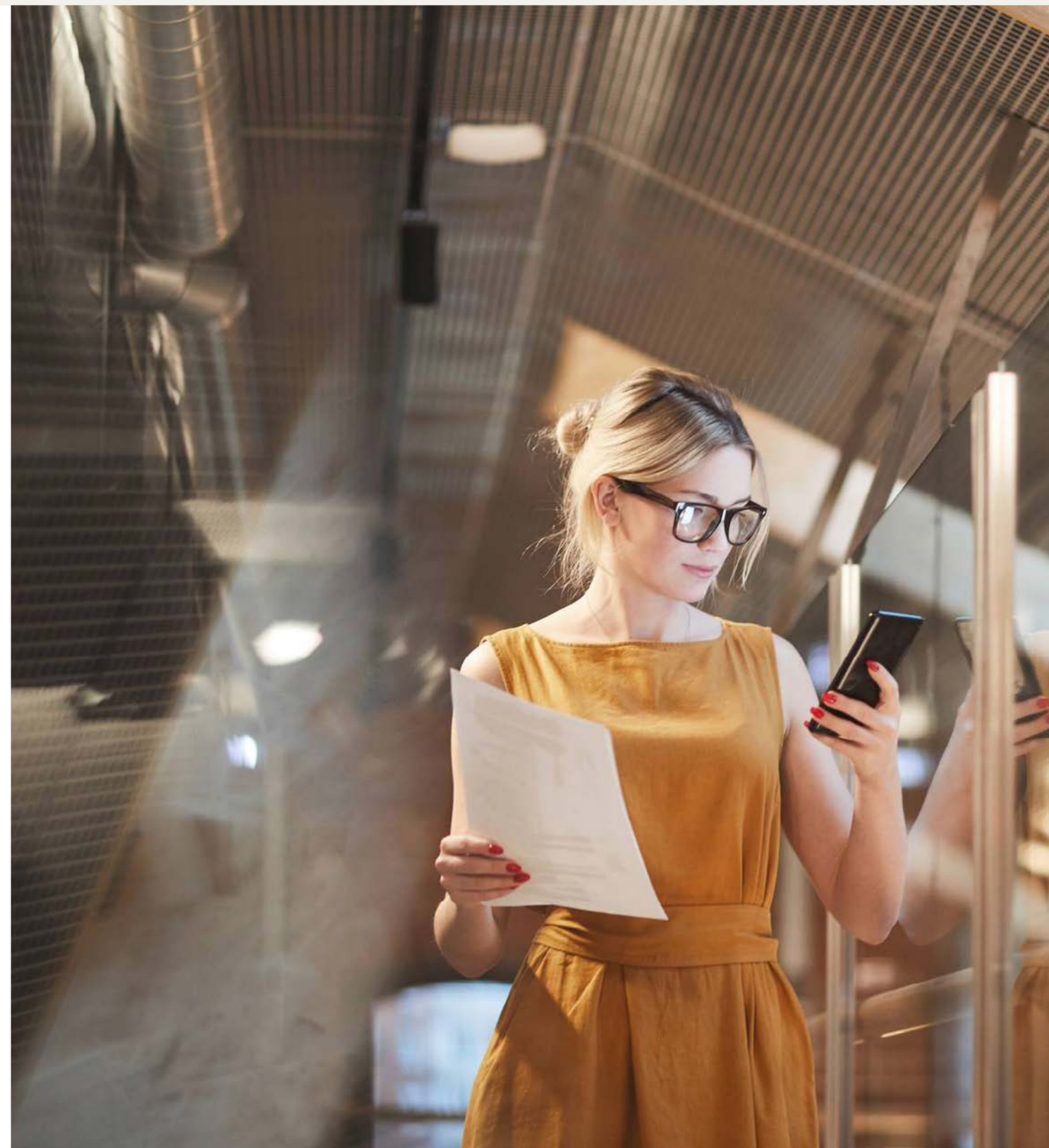
CONTRIBUTING TO SOCIETY

Crayon is a reliable employer and an active and generous participant in the local communities where we operate.
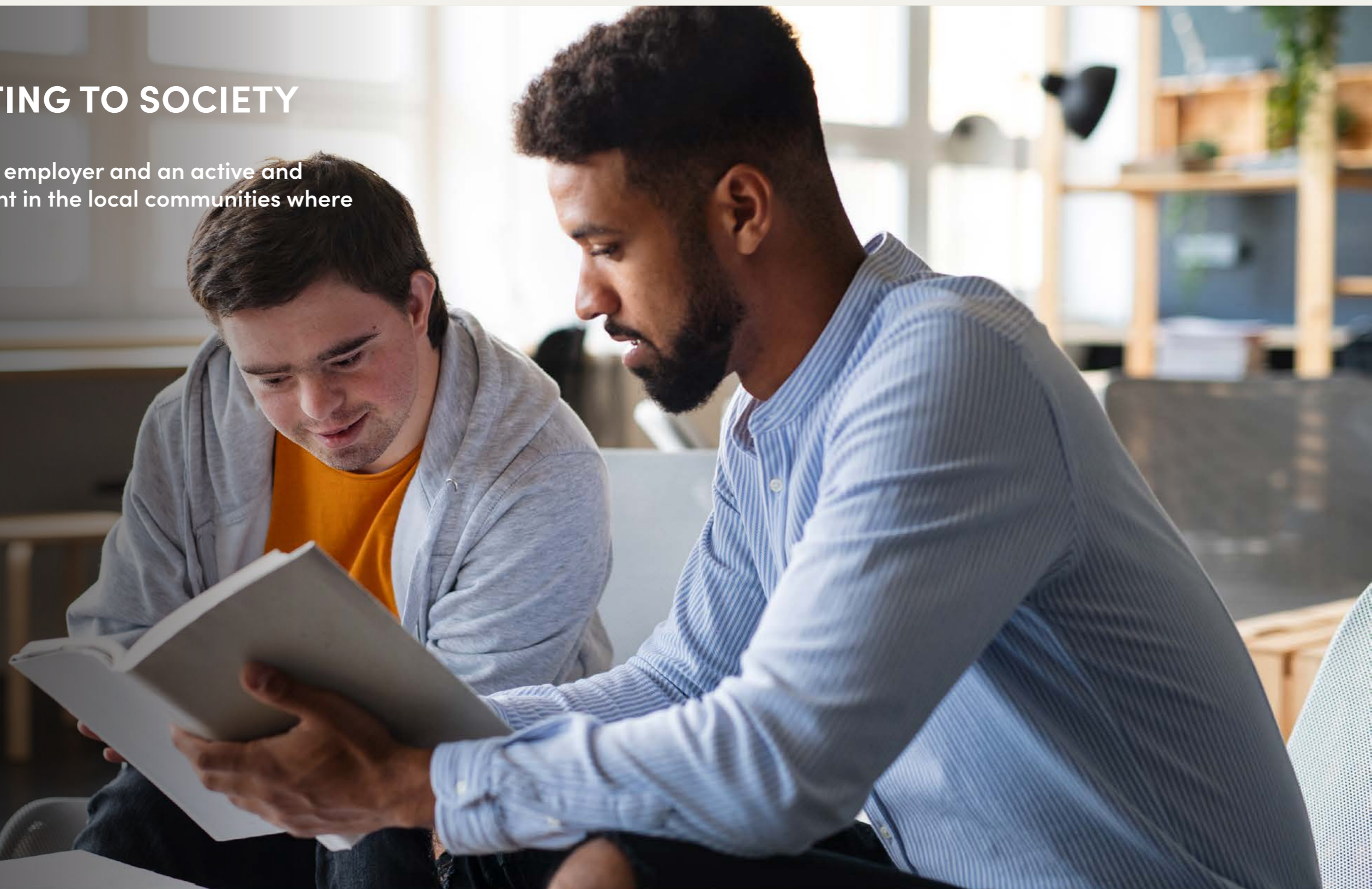
Introduction

Crayon is a people-centric organization. We consciously inject an inclusive, partnership-oriented philosophy in our relationships with our employees and the communities in which we are embedded.

We give back and add value to society by:

Creating and supporting jobs directly and indirectly
We had a workforce of 4,021 employees in 2023, representing an increase of 16.65% compared to 2022. Our employees in turn contributed to their local and national economies through their personal spend and taxes.

Our global network of business partners provided a range of services.

Assisting our employees to optimize their well-being and productivity
We offered health and safety training, employee assistance programs, and internal and external professional development opportunities in 2023.

Our annual Crayon Value Awards honored our employees' contributions across all parts of our organization.

Encouraging diversity, equity, and inclusion in our workforce
We take a holistic view of DEI and integrate DEI principles into our recruitment and employment practices.

We celebrated International Women's Day and Pride Month in 2023 and offered diversity and inclusion training.

Addressing labor and human rights in our own operations and in our supply chain
We carried out human rights due diligence activities in our own operations and in our supply chain in 2023, and published our 2023 Human Rights Transparency Statement.

Donating and volunteering
Crayon Cares is our global charitable giving initiative.

In 2023, we made financial and in-kind donations and volunteered in-person.

Being open to feedback and engagement
We offer various channels for our employees, customers, business partners, and other stakeholders to communicate with us.

Our executive management team can be contacted directly; and our helpline consists of an email address, a phone number and an online portal.

> **I am impressed by the depth of talent, dedication and thoughtfulness exhibited by our employees in their functional roles and in their community outreach.**
>
> *– Bente Liberg, Chief Human Resources Officer*

Enhancing employee well-being

Crayon values its employees and strives to create a safe and rewarding work environment for them.

In an IT industry characterized by fierce competition to attract and retain skilled employees who can deliver Crayon's innovative services, we are proud of our high-caliber talent pool and collaborative organizational culture.

Our network of local human resources (HR) representatives, led by the Chief Human Resources Officer, develops and implements policies and strategies to recruit, select, and engage employees.

Our group-wide people and culture strategy is updated annually and has clear objectives and metrics to position the HR function to support employees and the organization in critical areas such as employee well-being, diversity, equity and inclusion (DEI), and learning and development.

Our people and culture strategy

Talent attraction and onboarding	Employee advocacy, well-being and growth	Skills development and training	DEI
Objective: Attract, hire, and integrate the best talent to drive our company's growth.	Objective: Empower our employees to thrive, achieve their full potential, and advocate for our company.	Objective: Foster an internal culture of continuous learning and growth, building critical skills and competencies.	Objective: Promote diversity, equity, and inclusion within our organization.

Internal HR operations
Objective:
Create and optimize all our human resources processes and frameworks for efficency, support, compliance, and employee satisfaction.

Crayon 2023 workforce profile

In 2023, we had 4,021 full-time equivalent employees (2022: 3,447), indicating a 16.65% increase in our workforce (in full-time equivalent numbers) compared to 2022. The Nordics (primarily our headquarters in Norway) and Asia Pacific (primarily our offices in Australia and New Zealand) hosted most of our employees, together accounting for 48.52% (2022: 53%).

The distribution of our employees around the world is as follows:

- Asia Pacific (18.49%)
- Western Europe (10.62%)
- Southern Europe (3.61%)
- Eastern Europe (5.61%)
- Headquarters (8.41%)
- India (12.09%)
- Middle East and Africa (2.95%)
- Nordics (Norway, Finland, Denmark, Sweden, Iceland) (30.03%)
- United States of America (8.2%)
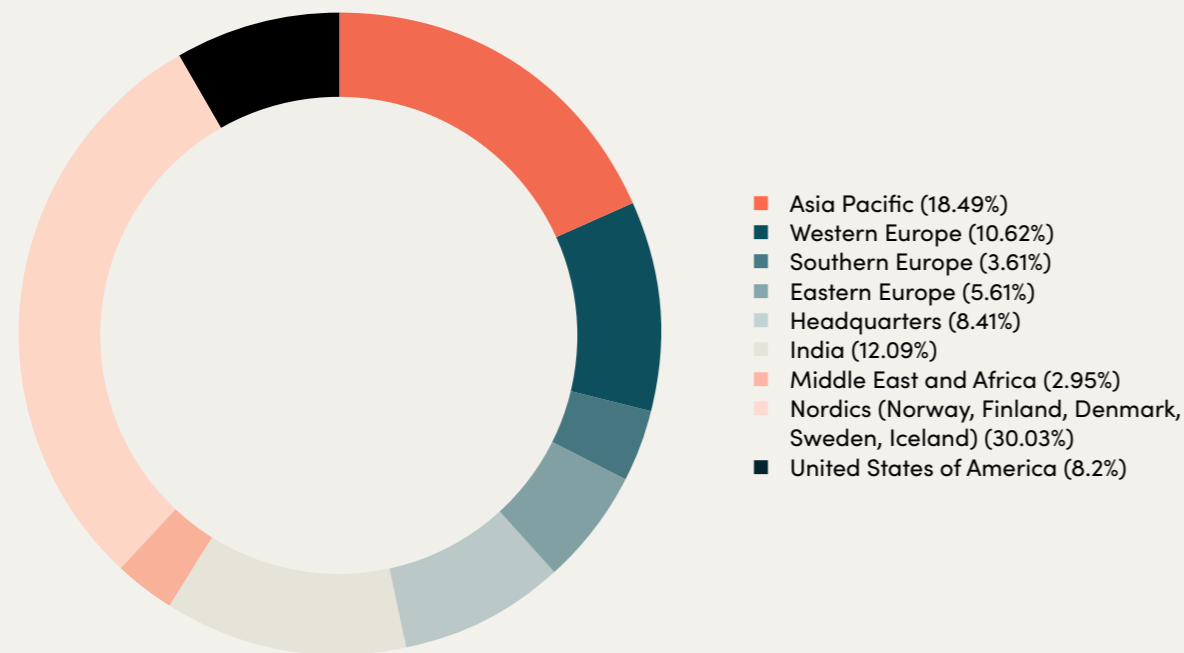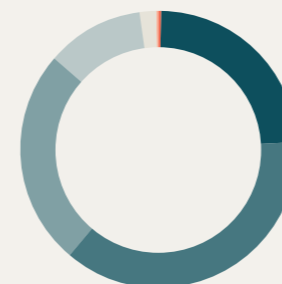
Age of employees

- < 20 years (0.37%)
- 21–30 years (23.90%)
- 31–40 years (37.01%)
- 41–50 years (25.16%)
- 51–60 years (11.55%)
- 61–70 years (1.98%)
- > 70 years (0.02%)

Longevity of employment at Crayon

- 3 years and less (79.76%)
- 4 to 8 years (15.14%)
- 9 to 15 years (3.99%)
- 16 to 25 (1.1%)
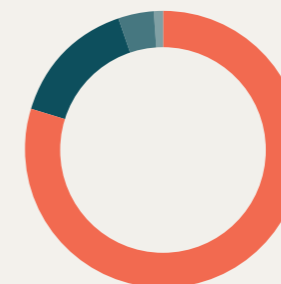
Average tenure: 2.9 years

Employees by category
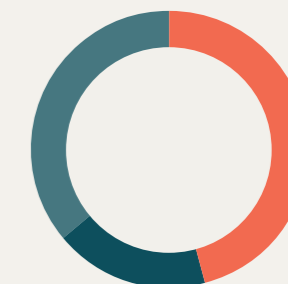
- Technical (46.03%)
- Management (17.92%)
- All other employees (36.05%)

1,239
New hires

78.7%
Global employee retention rate

2022: 73% (restated)

We instituted a revised calculation methodology in 2023 to improve data accuracy. Accordingly, we have restated the 2022 figure using the new methodology to enable comparability.

12.84%
Employees covered by collective bargaining agreement

Engaging our employees

Employee engagement reflects how connected we feel with our work environment, colleagues, and leaders. It is important because it affects, and is in turn affected by, employee morale and productivity.

Our annual internal employee awards to recognize and celebrate our employees are a popular way to engage our employees. In 2023, about 120 local awards and six global awards were given to selected employees. The two-day Value Award event took place in Oslo, Norway in May 2023 at which the global awards were center stage. The on-site activity was attended by 18 finalists from all over the globe and was capped by a festive ceremony – attended by the entire executive management team – where the final global winners were announced.

To measure the success of our engagement efforts, we conduct a global annual employee feedback survey with the support of an independent third party. Employees participate anonymously, giving Crayon a score out of five across seven different categories.

The survey was conducted in October 2023. The survey participation rate was at an all-time high of 69% (2022: 55%), and the overall survey score was 4.2 out of 5.0 (2022: 4.2 out of 5.0).

According to the survey, team spirit and manager capabilities are Crayon's greatest strengths. We have created action plans and regularly follow up on them.

In addition to the employee feedback survey, we actively solicit and embrace feedback received through other channels such as: monthly internal townhall meetings; the company Intranet; internal newsletters; one-on-one communication with direct supervisors and Crayon's executive management team; and individual performance and development reviews.

2023 Crayon employee feedback survey

88.1%

According to our employee net promoter results, most of our employees would recommend Crayon as a place to work

69%

Survey participation rate

4.2

Overall score out of 5.0 across all categories
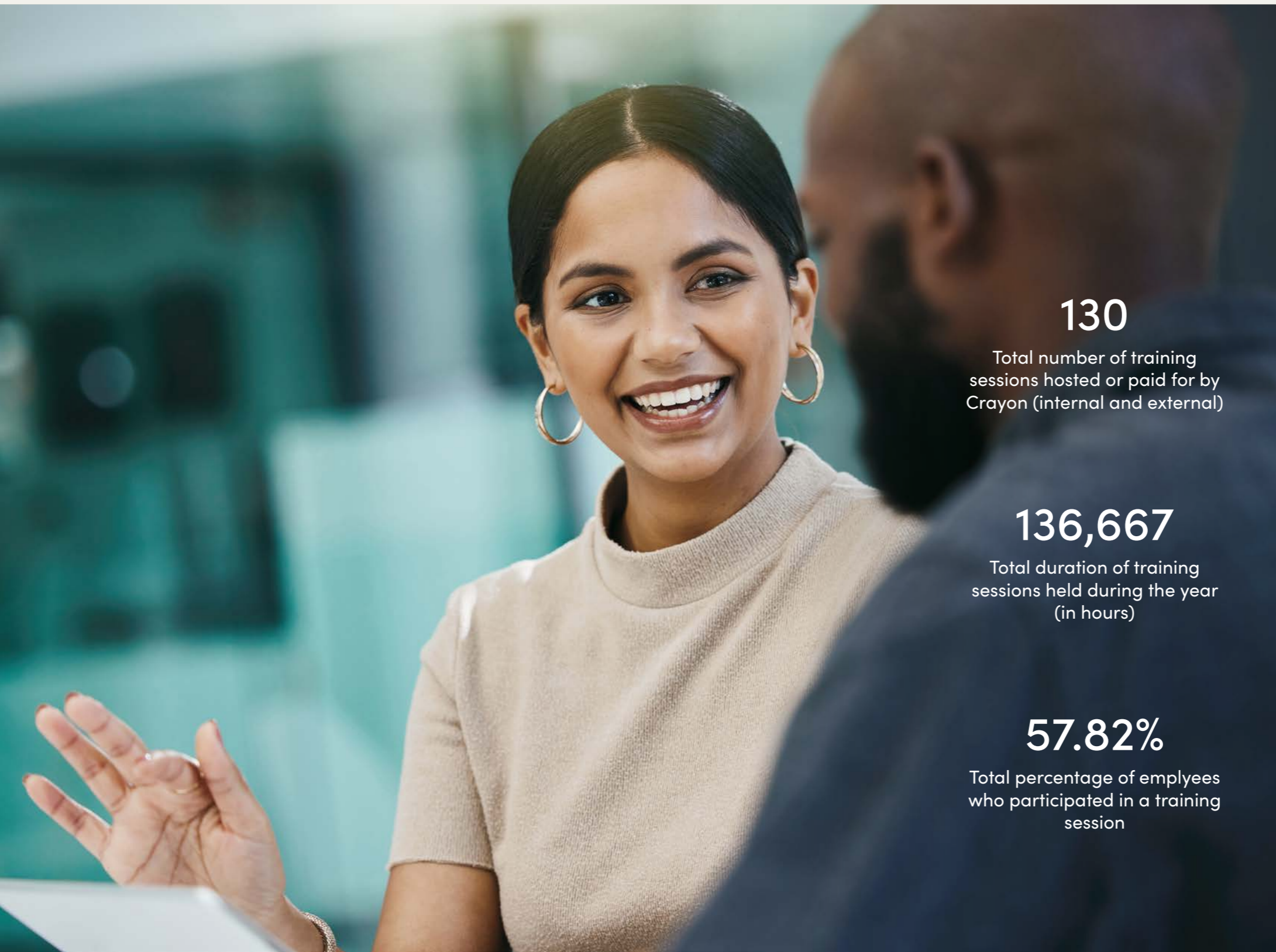
130

Total number of training sessions hosted or paid for by Crayon (internal and external)

136,667

Total duration of training sessions held during the year (in hours)

57.82%

Total percentage of emplyees who participated in a training session

Creating learning and development opportunities

We support our employees' personal career development and promote them within our company whenever possible. We invest heavily in training for our teams, guided by the belief that this not only improves the quality and efficiency of our organization, but also contributes to employee satisfaction and longevity of tenure at Crayon.

In 2023, the content and target audiences of the training sessions varied and included:

- Training for all sales staff in the form of an internal sales development program focused on our own sales methodology.
- Internal masterclasses on software asset management for all services staff.
- Vendor/ software publisher training, with 3,096 new vendor certifications obtained in 2023.
- Seventy-eight other new internally developed training programs were launched in 2023.

With workforce and succession planning in mind, we identified critical people and positions and improved our leadership and talent development programs targeting these niches in 2023.

Monitoring employee health and safety

Responsibility for employee health and safety at Crayon is shared between the Human Resources and Trust Unit teams. Sound safety and health practices are integral to our operations, and we comply with all local workplace safety regulations.

Crayon's global business continuity and disaster recovery planning ensures our sites are prepared in the event of a local emergency. When faced with safety risks such as natural disasters or armed conflicts, our Trust Unit and Human Resources team collaborate to provide tailored assistance, ranging from remote guidance to on-site disaster recovery management (e.g. evacuations).

Some of our sites provide health and safety training. For example, in 2023 all our employees in Germany completed an internally and locally developed training course which covered topics such as how to respond in the event of fire and other emergencies, and self-care for better health.

Many of our sites worldwide offer an employee assistance program to help employees navigate difficult life situations, thus improving their health and well-being. The assistance provided by Crayon is confidential, giving employees peace of mind.

0

Number of work-related fatalities (2022: 0)

0

Number of work-related injuries (2022: 0)

1.2%

Rate of absence from work due to sickness (2022: 2.3%)

Advocating for diversity, equity, and inclusion

From Crayon's perspective, diversity, equity and inclusion (DEI) broadly covers gender, age, disability, nationality, ethnicity, experience, education and other attributes.

Crayon values and encourages DEI in its workforce, understanding that it adds business value by helping to attract some of the best available talent on the global marketplace. Applying DEI principles and practices also enables Crayon to leverage our employees' skills and knowledge to anticipate and cater to our customers' diverse and evolving needs.

The Crayon Integrity Handbook outlines behaviors expected of our employees which include treating others with respect, being inclusive, and examining unconscious biases. Crayon does not tolerate any forms of harassment or discrimination. Reported incidents of harassment and discrimination are referred to our Trust Unit for investigation and resolution.

In 2023, one employee raised concerns regarding alleged discrimination. Following thorough internal reviews, it was determined that the allegations were not made in good faith. Subsequently, appropriate measures were taken after consulting with external legal advisors. As part of our remedial efforts, mandatory training sessions on workplace safety and our code of conduct were conducted within the affected region.

Our DEI performance in 2023

Heading into 2023 our ambition was to launch employee resource groups (ERG) in furtherance of our DEI objectives. Ultimately, we pivoted and instead expanded our global DEI volunteer team. In 2023, 15 employees worldwide volunteered to help drive the DEI agenda across the group by leveraging their local initiatives and resources. Activities ranged from analyzing the metrics associated with our DEI training series to hosting a workshop on the role and purpose of employee resource groups.

As part of our DEI information and awareness campaigns in 2023 we celebrated International Women's Day in March and Pride Month in June. During our annual global inclusion week in October, we used social media to showcase employee voices on what inclusion means to them and posted other relevant content.

Legal restrictions and cultural sensitivities and complexities in Crayon's different countries of operation constrained our ability to report on a wider range of diversity metrics in 2023.

Some indicators of our performance on DEI in 2023 were:
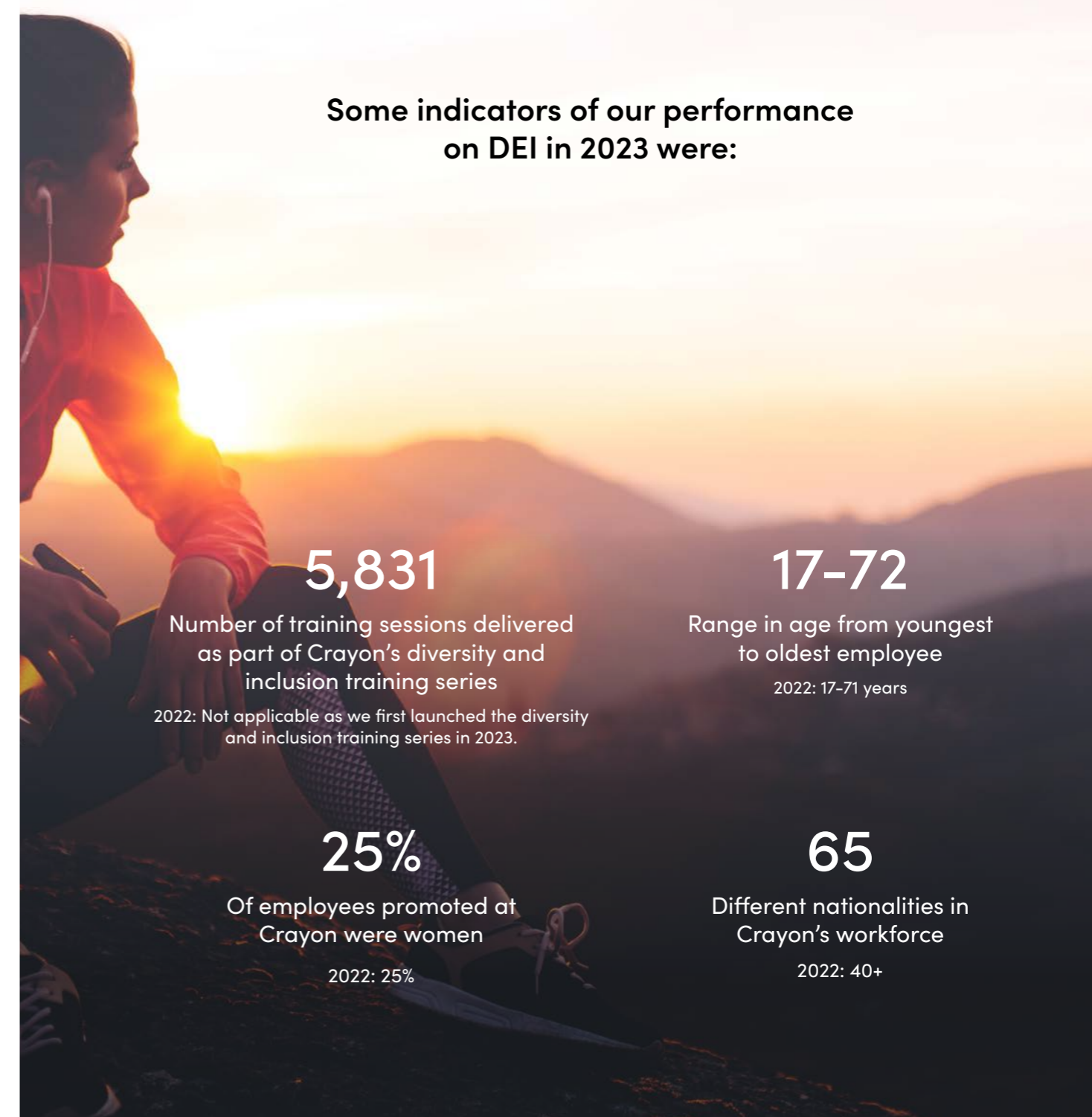
5,831
Number of training sessions delivered as part of Crayon's diversity and inclusion training series

2022: Not applicable as we first launched the diversity and inclusion training series in 2023.

17–72
Range in age from youngest to oldest employee

2022: 17-71 years

25%
Of employees promoted at Crayon were women

2022: 25%

65
Different nationalities in Crayon's workforce

2022: 40+

Gender and pay equity

Focusing on gender-based diversity and equity, in 2023 women made up 32% of our entire workforce and men 68%. This pattern has held steady over the past three years, with the proportion of women showing a modest increase of 1% between 2021 and 2023.

Breakdowns of the different ways in which women participate in Crayon's workforce are provided below. In the past three years, the highest representation of women (50%) in our organization has been at the level of the Board of Directors. We have experienced challenges at the executive management level with the proportion of women declining from by 14% in the same time frame. The proportion of women in technical roles increased by 3% between 2021 and 2023.

In 2023 Crayon implemented various measures to improve gender equity and reduce the risk of gender-based discrimination in our organization:

1. Promotions were awarded with the mindset of achieving intersectionality between merit and DEI. The result was that 25% of all employees promoted were women in 2023 (2022: 25%).

2. The third cohort of our internal Female Leadership Program had 16 participants in the 2023–2024 cycle (2022-2023 cycle: 15 participants). The program offers coaching and mentoring to female employees who are identified as high potential candidates. Since 2019, more than 50% of the women participating in the program have been promoted into leadership positions.

3. In recruiting to fill all open positions, we made efforts to consider candidates from diverse backgrounds.

4. To address pay equity concerns, in 2023 Crayon initiated a multi-year project to evaluate and standardize remuneration for similar roles, and in the process, identify and eliminate discrimination and bias. Gender, age, nationality, and other attributes will be taken into account to ensure fairness and equity. The global salary benchmarking project will be rolled out to Crayon's subsidiaries in early 2024.

Nevertheless, we continued to face challenges and risks with respect to gender equity in 2023. In our experience, what appears to be the perennial shortage of women who enter careers in technology continued to be a challenge in 2023.
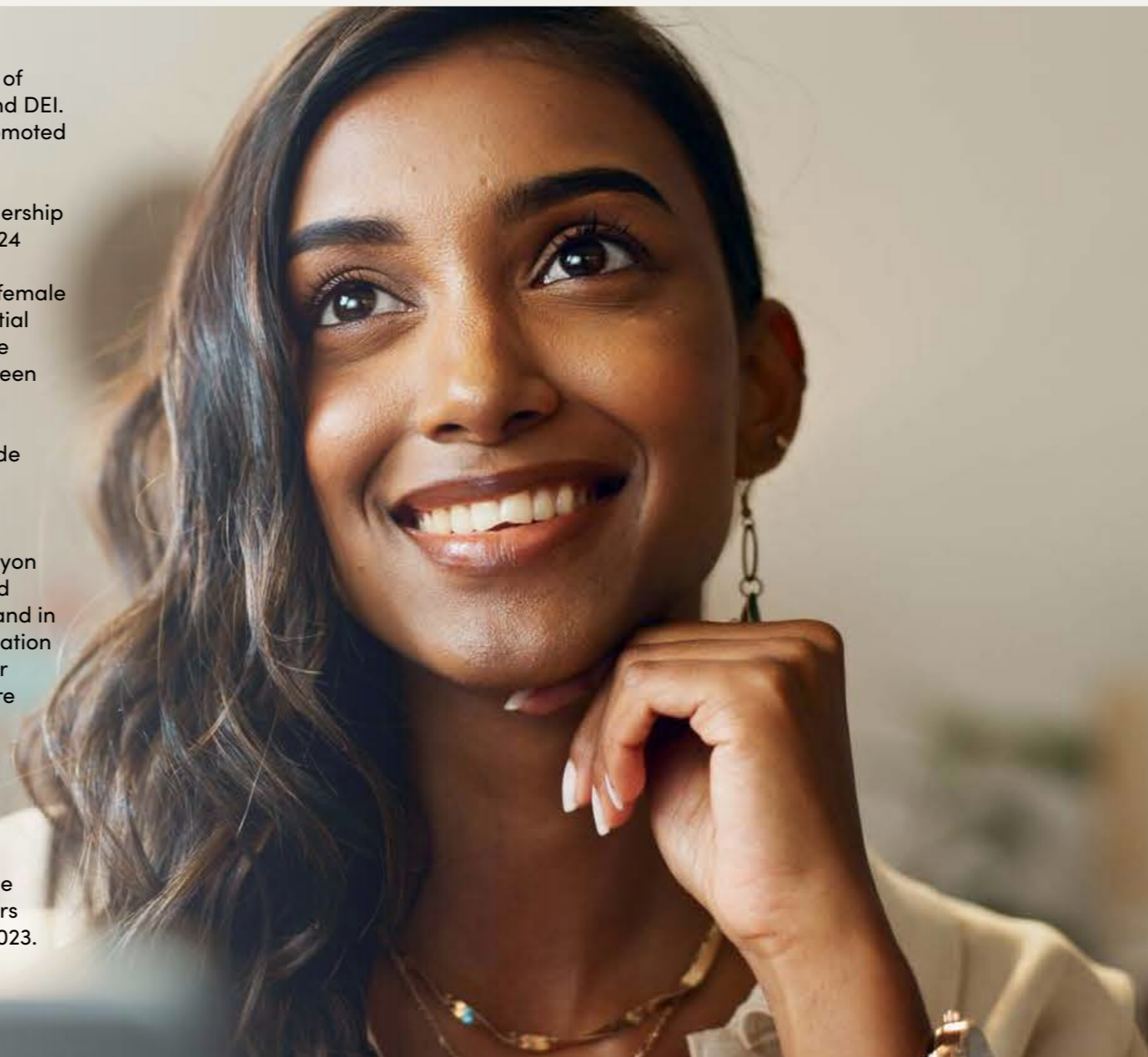
Representation of women by seniority	2023	2022	2021
Women in Crayon's overall workforce (%)	32%	32%	31%
Women in Crayon's executive management team (%)	29%	33%	43%
Women on Crayon Board of Directors (%)	50%	50%	50%

Representation of women by type of role	2023	2022	2021
Technical (%)	24%	23%	21%
Management (%)	29%	29%	27%
All other employees (%)	43%	41%	40%

Respecting labor and human rights

Crayon believes in the treatment of employees with respect and dignity in our own operations and in our supply chain.

Forced labor, slavery, excessive working hours, underpayment of wages and benefits, and inhumane working conditions are some of the pernicious social justice issues Crayon must vigilantly safeguard against.

The steady growth of Crayon's business year-on-year places more onus on us to manage the potential risk of labor and human rights violations as we grow in scale and complexity.

Crayon's human rights disclosures

Supplementary information about Crayon's human rights due diligence activities and progress is available in our 2023 Human Rights Transparency Statement.

The statement, which is updated annually, is available on Crayon's global and United Kingdom websites.

Crayon's Human Rights Transparency Statement is prepared in compliance with both the Norway Transparency Act of 2022 and the United Kingdom Modern Slavery Act of 2015.

We choose to prioritize labor and human rights because of:

1. **Our signatory status in relation to the United Nations Global Compact (UNGC).**

The UNGC is underpinned by 10 Principles, six of which fall under the 'human rights' and 'labor' pillars.

2. **Our alignment with the United Nations Sustainable Development Goals.**

Goal 8 (decent work and economic growth) and Goal 10 (reduced inequality).

3. **Our support for the United Nations Guiding Principles on Business and Human Rights (UNGPs).**

We incorporate the UNGPs into the Crayon Integrity Handbook and the Crayon Partner Integrity Policy.

4. **Planned and existing regulatory instruments in Europe and other parts of the world that are or may become applicable to Crayon.**

For example, the Norway Transparency Act of 2022; the European Union's proposed Corporate Sustainability Due Diligence Directive; and the United Kingdom Modern Slavery Act of 2015.

5. **Increasing customer awareness and calls for action.**

Customer concerns and demands are expressed as sustainability criteria in procurement processes and contracts, and in requests for information.

Addressing labor and human rights risks in our own operations

Crayon strictly abides by the applicable local labor laws and our own internal policies (e.g. the Crayon Integrity Handbook) throughout our operations.

Enforced by our global network of HR representatives, our recruitment and employment systems and controls aim to avoid child labor, human trafficking, unsafe working conditions and other forms of exploitation in our workforce.

The Crayon Integrity Handbook prohibits inappropriate language, abuse of authority, disruptive behavior and outlines other expected employee conduct. Crayon's operations must comply with all applicable environmental laws and follow health and safety requirements.

Appropriate measures are taken to censure employees who act in breach of the law or our policies, to remediate employees who are unjustly and negatively impacted, and to improve the robustness of Crayon's policies and procedures.

We protect our employees' right to collective bargaining and freedom of association. In 2023 six countries in the Nordics and the rest of Europe had collective bargaining agreements (CBAs) – CBAs covered 12.84% of our employees. The CBAs give Crayon staff a voice in strategic and operational decisions, as well as issues such as remuneration, health and safety, and working hours.

All Crayon employees can express their concerns about working conditions and other matters to their supervisors and by directly contacting the executive management team. We also have confidential channels for reporting concerns, such as a dedicated email address (concerns@crayon.com) and a telephone hotline (+47 2396 8400).

In 2024, we will continue to offer a helpline but through a different service provider. Updated contact details will be communicated to our stakeholders in due course.

Please refer to our sections Enhancing employee well-being and Advocating for diversity, equity and inclusion for additional information on health and safety and DEI at Crayon.

Addressing labor and human rights risks in our supply chain

Crayon's Partner Integrity Policy describes the behavior and practices we expect the partners in our supply chain to exhibit, including upholding labor and human rights and protecting the environment.

We encourage external stakeholders such as our customers, partners, and suppliers to reach out to our Integrity team for support at concerns@crayon.com or +47 2396 8400 or anonymously at our online whistleblowing channel. In 2024, we will continue to offer a helpline but through a different service provider. Updated contact details will be communicated to our stakeholders in due course.

We assess our business partners throughout the lifecycle of our relationships with them. From a labor and human rights perspective, Crayon's due diligence assessments emphasize crucial aspects such as human rights, child labor, environmental governance, decent working conditions and DEI. The assessments ensure our business partners' compliance with international regulations as well as our own rigorous standards. Where necessary, we use the data gathered through the assessments to filter out and disengage from relationships that fail to meet our standards.

In 2023, Crayon's Trust Unit led the continued expansion and refinement of our supply chain due diligence process. This was done with guidance from external experts, and a comparison of Crayon's approach with established best practices. One of the outcomes was that we formulated policies to govern our due diligence process in 2023, providing a clearer framework for conducting thorough due diligence assessments and evaluations.

Number of Crayon third parties with labor and human rights risk assessments initiated in 2023

117

- Completed by 31 December 2023 (34%)
- Pending follow-up actions or ongoing survey (66%)

Geographic breakdown of all initiated human rights risk assessments in 2023
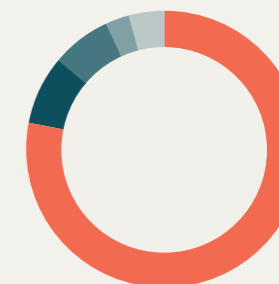
- Western Europe and Nordics (79%)
- India and APAC: (8%)
- US (7%)
- Central Eastern Europe (3%)
- MEA and Africa (4%)

0

Number of grievances related to labor and human rights reported against Crayon by third parties

0

Number of grievances related to labor and human rights reported by Crayon against third parties

100%

Proportion of Crayon third parties that have acknowledged and committed to complying with Crayon's Partner Integrity Policy[1]

5%

Proportion of Crayon third parties rejected during onboarding due to non-existent business integrity program (including human rights)[1]

[1] Percentage of completed due diligence assessments

We are dedicated to continually enhancing our practices and contributing to the advancement of human rights and global supply chain risk management. In 2024, third parties in high-risk categories will be subject to follow-up reviews of their governance maturity and the integrity of their reporting under Crayon's due diligence process.

Supporting local communities

Crayon considers itself part of the fabric of the local communities where we operate and conduct sales. Due to our global scale, we have a strong vantage point to observe the difficulties faced by under-resourced and marginalized communities in different settings. We, therefore, give back through a combination of cash donations, sponsorships, in-kind donations of goods and materials, and our employees' time and labor (employee volunteerism).

These various activities are collectively branded as Crayon Cares and are guided by the Crayon Global Integrity Handbook to avoid conflicts of interest and other potential breaches of ethics and compliance regulations.

In 2023, we donated a total of US$106,012 to various charities and non-governmental organizations (NGOs) in 32 countries around the world as part of Crayon Cares (2021:US$111,116). The funds comprised personal contributions from our employees matched by funding from Crayon. In addition, our employees volunteered their time to initiatives such as tree planting and running to raise funds for worthy causes.

	2023	2021
Total amount of funds raised and donated (US$)	106,012	111,116
Total number of hours volunteered by Crayon employees	16,400	1,450
Employees taking part in volunteer activities as a percentage of our workforce (%)	48.49%	12.82%

Note: 2022 data is not available

Crayon Cares: Some activities from around the world in 2023

Click on the locations for more details
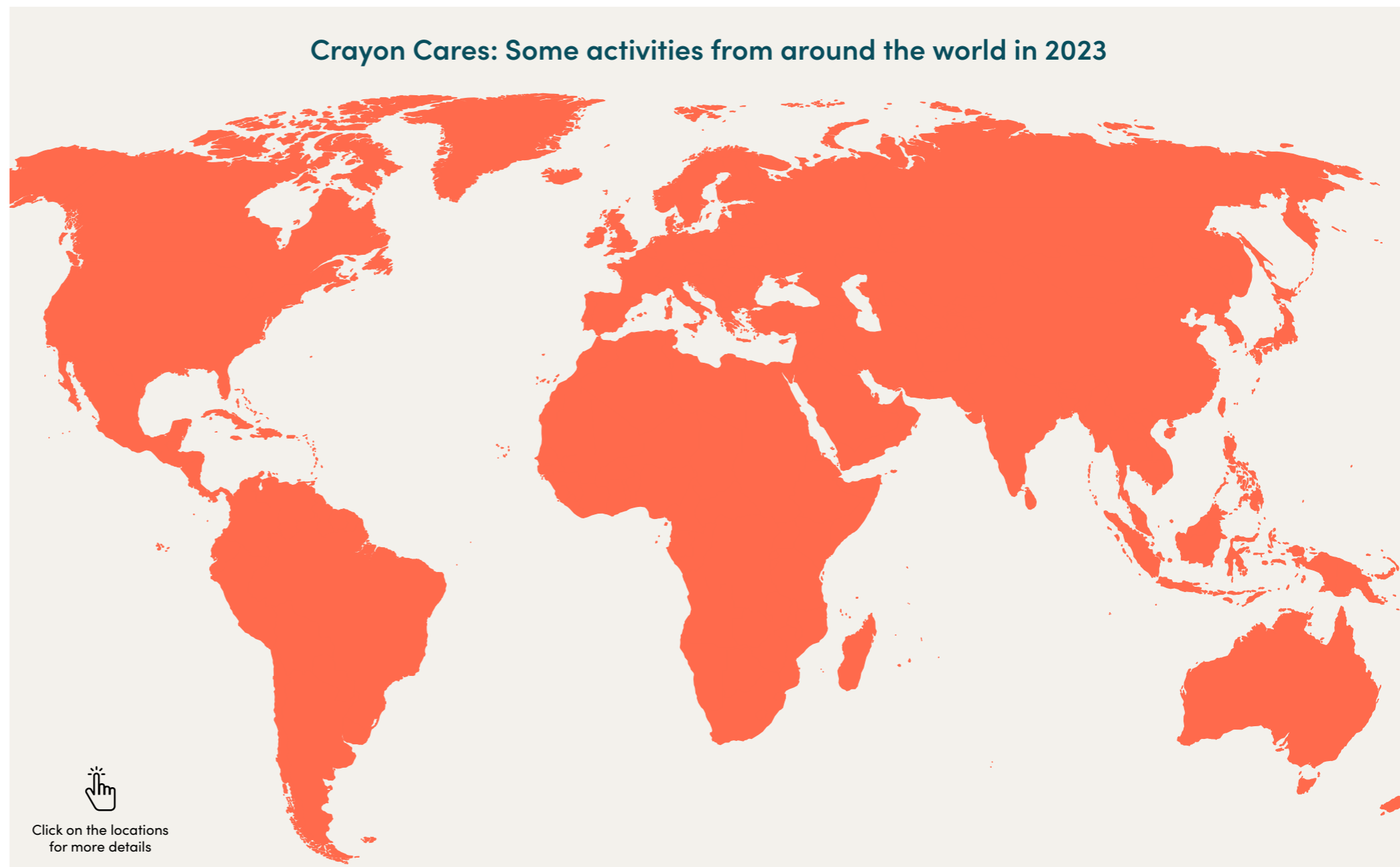
PROTECTING THE PLANET

We take our role as a co-steward of planet Earth seriously. Together, we can all make a difference.

Introduction

Globally, environmental challenges are mounting and range from natural resource depletion to pollution and threats to biodiversity. At Crayon, we strive to do our part to monitor and manage the environmental impacts associated with our services.

We observe the precautionary principle by taking a pragmatic approach that balances business needs and the imperative to minimize and avoid harmful impacts where possible.

This is reflected in Crayon's Environmental Policy which identifies the reduction of greenhouse gas (GHG) emissions, energy consumption, and operational waste as high impact areas given the nature of Crayon's business. The policy encourages all employees to conduct business in an environmentally responsible manner within their domains (e.g. by replacing business travel with virtual meetings and improving recycling rates).

In 2023, Crayon held a group-wide ISO 14001:2015 certification covering 57 Crayon sites around the world. ISO 14001 certification is an audit-based and site-specific environmental management system. It aims to minimize environmental impacts by identifying 'green' impact areas (e.g. energy and water consumption, recycling) and tracking performance in these areas over time.

Crayon at COP28

In December 2023, employees from our office in Dubai attended a segment of the 28th meeting of the Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC). During this event, we showcased the deployment of Crayon's AI capabilities to prevent deforestation and increase agricultural crop yields.

"

We think and act globally and locally in our environmental initiatives. From our role at COP28 to our sustainable device management program, we use the means at our disposal for the greater good.

– Jon Birger Syvertsen, Chief Strategy Officer

Greening the IT landscape

Crayon explores opportunities to incorporate environmental, social, and governance considerations into our customer-oriented service offerings and our in-house operations.

Green services and solutions

One of the ways in which Crayon supports the green transition is by offering customers solutions to help them improve their overall ESG performance. We draw on our wealth of expertise and partner relationships in data analytics, AI, and cloud services to achieve real-world outcomes that positively impact people and the planet.

Two examples illustrating Crayon's belief in the power of technology to drive the greater good are:

1. Our collaboration with Felleskjøpet Agri in 2023
2. Our Tech4Good program

How Felleskjøpet Agri partnered with Crayon to improve animal welfare and reduce feed waste
Felleskjøpet Agri is a Norwegian agricultural cooperative serving numerous farms in Norway, which specializes in high-quality animal feeds and farming supplies. In 2023, Felleskjøpet embarked on an ambitious pig nutrition project to:

- Identify the optimal mix of various feed ingredients to meet pigs' nutritional needs and avoid over- and under-feeding. This would in turn reduce animal health complications and financial losses.
- Modernize the pig feeding process itself.

Felleskjøpet turned to Inmeta, a Crayon subsidiary company, for its expertise in data, AI, and machine learning. The project challenges included integrating advanced technology with traditional agricultural practices, and balancing cost-effectiveness with Norway's stringent animal welfare standards.

The project was successfully executed from the animal welfare, commercial, and technological standpoints. The tool developed by Inmeta is designed for Felleskjøpet's feed advisors to recommend feed plans to pig farmers. The tool calculates the ideal mix of feed ingredients based on various factors such as pigs' desired growth rate, pig breed, and the farm's specific feeding system. This customization ensures that each pig's dietary needs are precisely met, optimizing animal health and growth, while simultaneously reducing feed waste. Farmers benefit from a streamlined feeding process and lower operational costs.

The solution developed by Inmeta on behalf of Felleskjøpet marks a significant shift from manual, Excel-based methodologies to a modern cloud-based system that is intuitive and easy to use. The underlying technology is advanced – for example, building on an Azure architecture, Inmeta incorporates tools such as SciPy Optimize in Python and Pydantic to conduct sophisticated and comprehensive analyses of components such as available feed ingredients, nutritional content, necessary water input and farm capacity.

Tech4Good program
Tech4Good is a Crayon program that combines Crayon's commercial relationships with non-profit organizations (NPOs), with socially impactful initiatives that draw on our technological expertise and are undertaken in partnership with the same NPOs.

Tech4Good's geographic scope is the Asia Pacific region.

Crayon provides varying levels of technical support depending on NPO needs, ranging from licensing to more extensive and complex technology solutions and services. For example, Crayon sells software licenses to NPOs at a discount, in recognition of the resource constraints many NPOs operate under.

At the same time, Crayon co-designs and co-implements technological solutions that help tackle societal issues such as forest conservation, climate change, diversity in workplace recruitment, human trafficking, and access to financial services for people without bank accounts.

One of the environmental initiatives we launched in 2023 is called Futures Offices. The South Pacific region is severely impacted by climate change and to date, the region's climate-related research has been generated in Europe and North America. Tech4Good aims to change that by building local capacity to research climate change mitigation and adaptation in the different island nations.

Crayon is partnering with US-based Institute for the Future, one local telecommunications company and the TMX Group to establish three physical research centers in Samoa, Tonga and Fiji by the end of March 2025. The centers will research topics such as rising sea levels and food security in relation to climate change. Crayon's role includes running 'Train the Trainer' programs to equip the participating government departments.

Green data hosting

Over the years, Crayon has transitioned from having its own physical data centers to utilizing third party cloud hosting solutions. The benefits for us include cost containment, and the ability to deploy large-scale software updates and solutions quickly and efficiently.

Crayon currently owns one data center in Iceland, and leases capacity in two other data centers – one in Norway, and another in Iceland. All three data centers run entirely on electricity from renewable energy sources. All three centers do not utilize any water for cooling, but instead utilize closed cooling systems and air ventilation (Iceland).

In our outsourced cloud hosting, we rely on our contracted service providers to proactively factor in environmental considerations.

Our data centers

Verne Data Center (Iceland)

- Processing Sensa-managed service infrastructure in Iceland
- Leased by Sensa, a Crayon subsidiary

30 m²

Surface area

234

Devices on premises (servers and network equipment)

442,666 kWh

Electricity consumption (electricity from renewable sources)

0 kiloliters

Water consumption

Síðumúli Data Center (Iceland)

- Processing Sensa-managed service infrastructure in Iceland
- Owned by Sensa, a Crayon subsidiary

162 m²

Surface area

334

Devices on premises (servers, network and surveillance equipment)

863,633 kWh

Electricity consumption (electricity from renewable sources)

0 kiloliters

Water consumption

Oslo Data Center (Norway)

- On premises infrastructure for internal Crayon solutions
- Leased by Crayon (space and utilities); servers and hardware owned by Crayon

15 m²

Surface area

33

Devices on premises (load balancers, servers, switches, firewalls, NAS, tape robot, console)

66,592 kWh

Electricity consumption (electricity from renewable sources)

0 kiloliters

Water consumption

Facilitating a circular economy

The circular economy is an alternative economic and business model that aims to move away from linear value chains (take-make-dispose) to value chains that are as waste-free and regenerative as possible:

- In the production phase of the lifecycle, circular value chains aim to minimize inputs of raw materials, capital goods, and energy (including a preference for renewable energy).
- In the use phase of the lifecycle, circular value chains aim to keep materials and products in use continuously and reduce waste through methods such as refurbishing, repairing, and maintaining.
- At the end of the lifecycle, circular value chains aim to reduce waste through reusing, recycling, biodegrading, and other strategies.

Crayon incorporates and observes circular economy principles in different ways, most notably through our sustainable device management program and our approach to waste and water management at our different sites.

Our sustainable device management program

Launched in the first half of 2023, Crayon's sustainable device management program is led by our Global IT team.

The program aims to standardize the procurement and disposal of internal IT equipment and hardware according to the following sustainability criteria:

1. **At the procurement stage**, ensuring all devices are energy efficient, easily repairable, and contain some recycled and non-toxic materials and components.
2. **While the devices are in use**, defaulting to repair and maintenance in order to prolong lifespans, potentially up to 10 years depending on the device.
3. **At the end of life**, recycling or reselling all used hardware.
   a. This includes reducing packaging waste by, for example, returning old laptops to the procurement vendors in the boxes the new laptops were sent in.

The program currently focuses on hardware used by our employees. We have compiled a digital product catalog and ordering portal featuring laptops, monitors, and accessories (e.g. docking stations, keyboards, headsets) that meet the above criteria. Enterprise hardware (e.g. videoconferencing equipment) will be added to the sustainable device management program in future.

A key feature of this global program is the centralization of purchasing and disposal activities. Crayon works with an external procurement partner named Foxway that specializes in asset life-cycle management and has a local presence in multiple countries.

By 31 December 2023, the program was being implemented at 80% of Crayon entities worldwide. We intend to implement the program at the remaining Crayon sites during the first half of 2024.

Our handling of waste and water

At present, data on solid waste and water is only available for our operations in the Nordics due to data constraints in other parts of the world.

In the Nordics, including our headquarters in Norway, we track solid waste disposal with the goal of increasing recycled or biodegradable/composting waste (thereby contributing to a circular economy). Conversely, we strive to minimize solid waste that is either incinerated or goes to landfills as this does not contribute to a circular economy.

We made some progress in 2023 – we experienced an 18.62% decrease in the total waste generated across all categories.

Of the total waste generated, 95% was either recycled or composted (2022: 88%), and 5% was disposed of via landfill or incineration (2022: 12%). We moved to new facilities in Iceland and Norway in 2023, and in both cases, this resulted in better waste management practices in terms of data monitoring and environmentally friendly waste disposal methods.

Nordics	2023	2022
Waste (kg)		
Mixed waste, recycled	2,381	10,897
Paper waste, recycled	4,501	1,952
Residual waste, landfill	42	2,464
Residual waste, incinerated	2,229	2,713
Glass waste, recycled	13,242	1,941
Hazardous waste, landfill	2	
Hazardous waste, recycled	13	34
Organic waste, composting	24,353	9,801
Organic waste, treated	129	
Organic waste, incinerated	81	
Plastic waste, recycled	501	52
Plastic packaging waste, recycled		135
Plastic waste, landfill	7	
Plastic waste, incinerated	10	
Metal waste, recycled	55	14
Municipal solid waste, landfill		1,739.90
EE waste, recycled	1,037	22,255
Cardboard waste, recycled	149	3,689.6
Industrial waste, recycled		2,144
Wood waste, recycled		51
Total waste generated (kg)	**48,732**	**59,883**

Our water consumption in the Nordics increased from 3.32m^3 per FTE in 2022 to 3.93m^3 per FTE in 2023, an 18% increase. This increase can be attributed to more employees working at Crayon sites than from home and a larger kitchen at our headquarters in Norway.

Nordics	2023	2022
Water (m^3)		
Water consumption	15,784	11,468

Managing greenhouse gas emissions

Crayon supports international scientific consensus which attributes climate change to a recent and significant increase in anthropogenic (human-induced) greenhouse gas (GHG) emissions.

We perform an annual GHG inventory that measures our Scope 1, 2, and 3 emissions. Our GHG inventory covers our operations worldwide and is reported to the CDP[1]. Crayon's emissions are calculated in line with the applicable international GHG Protocol standards.

In 2024, Crayon will prepare a decarbonization plan with science-based emission reduction targets. The plan will be submitted to the Science Based Targets Initiative (SBTi) for validation.

Our methodology to calculate GHG emissions

The greenhouse gas inventory was compiled in accordance with: the WRI/WBCSD Greenhouse Gas (GHG) Protocol – A Corporate Accounting and Reporting Standard (1) (the Corporate Standard) (Revised Edition 2013) including the amendment to this protocol; the GHG Protocol Scope 2 Guidance (2015); the GHG Protocol Corporate Value Chain (Scope 3 Standard and Scope 3 Calculation Guidance (2013); and the Global Reporting Initiative Standards (GRI 305: Emissions, 2016).

Scope 1 emissions were calculated using 2023 emissions factors from the UK Department of Environment, Food, and Rural Affairs (DEFRA).

Scope 2 location-based emissions were calculated using 2023 emissions factors from DEFRA and the International Energy Agency (IEA). Scope 2 market-based emissions were calculated using emission factors from IEA and the Association of Issuing Bodies' 2023 publication on the Residual Mixes and European Attribute Mix. For locations where a residual mix factor was not available, the location-based emission factor was used. Guarantees of origin for renewable energy we consumed were taken into account.

Scope 3 emissions were calculated using 2023 emissions factors from DEFRA, Ecoinvent 3.9 and 3.10, 2020 emissions from the United States Environmental Protection Agency, the World Input-Output Database and the Open Input Output Database.

Within Scope 3, emissions from purchased goods and services were calculated based on the spend-based method. Emissions from business travel were calculated based on a combination of either spend or distance/fuel and mode of transport, depending

[1] Formerly known as the Carbon Disclosure Project, CDP is an international organization that aims to improve organizations' disclosure of their environmental performance by producing annual questionnaires on climate change, supply chain, water, and forests.

Crayon's total (location-based) emissions by scope

Scope 1
Direct emissions created by a company's activities

2%

Scope 2
Indirect emissions from a company's activities

6%

Scope 3
Indirect emissions from all other activities up and down the value chain

92%

on data availability. Waste-related emissions were calculated based on actual waste disposed using different disposal methods. Due to data constraints, only three of the 15 Scope 3 sub-categories are currently included in our GHG inventory.

Our emissions in 2023

In 2023 we experienced year-on-year revenue growth of 23%, accompanied by a 1.88% decrease in our carbon intensity. Carbon or emissions intensity in this instance refers to tons of CO_2 (location-based) per million Norwegian Kroner (NOK) of revenue. Our emissions intensity decreased from 2.83 tons of CO_2 per million NOK in 2022 to 2.78 tons of CO_2 per million NOK in 2023.

Our absolute location-based emissions increased by 20.71% compared to 2022. Our total Scope 1, 2 and 3 location-based emissions were 17,793 tons of CO_2 in 2023 (2022: 14,740).

The rise in absolute emissions was due to more comprehensive and accurate data availability (Scope 1), more employees working from Crayon sites instead of at home (Scope 2), and increased spend on goods and services as our operations expanded (Scope 3).

Scope 3 emissions accounted for the vast majority of our emissions at 92% in 2023, followed by Scope 2 emissions at 6% and Scope 1 emissions at 2%. The same pattern was exhibited in 2022. Due to data constraints, only three of the 15 Scope 3 sub-categories are currently included in our GHG inventory.

In terms of geographic spread, the Nordics (including our headquarters in Oslo) accounted for the highest proportion of our emissions, and the United States had the lowest emissions. This pattern is somewhat consistent with Crayon's global operational footprint, as the Nordics including our headquarters are where we have the most employees, and the United States the fewest. Please refer to our chapter Enhancing employee well-being for more detailed information on the geographic distribution of our employees.

Total Scope 1, 2 and 3 location-based emissions by region (2023)
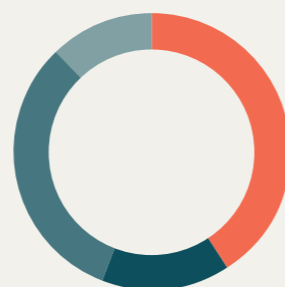
- Nordics (including HQ) (41%)
- Europe (15%)
- Asia Pacific & Middle East Africa (32%)
- United States (12%)

Total Scope 1, 2 and 3 location-based emissions by region (2022)
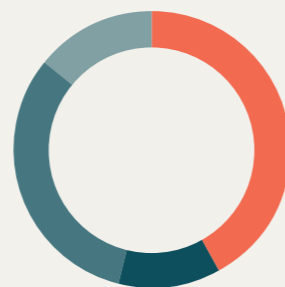
- Nordics (including HQ) (42%)
- Europe (12%)
- Asia Pacific & Middle East Africa (32%)
- United States (14%)

GHG emissions	Unit	2023	2022	2021
(metric tons of CO2 equivalent)				
Scope 1	Tons	332	266	167
Scope 2 location-based	Tons	995	885	774
Scope 3[1]				
Category 1: Purchased goods and services	Tons	12,224	10,235	5,341
Category 5: Waste generated in operations	Tons	8	19	Not available
Category 6: Business travel	Tons	4,234	3,335	548
Sub-total Scope 3	Tons	16,466[1]	13,589	5,889
Total location-based emissions (Scope 1 + 2 + 3)	**Tons**	**17,793**	**14,740[4]**	**6,830[2]**
Emissions intensity/employee	**Ton/FTE**	**4.43**	**4.28**	**2.36**
Emissions intensity/revenue	**Ton/million (NOK)**	**2.78**	**2.83**	**1.87**
Scope 1	Tons	332	266	167
Scope 2 market-based	Tons	1,569	1,256	2,193
Scope 3				
Category 1: Purchased goods and services	Tons	12,224	10,235	5,341
Category 5: Waste generated in operations	Tons	8	19	Not available
Category 6: Business travel	Tons	4,234	3,335	548
Sub-total Scope 3[1]	Tons	16,466[1]	13,589[1]	5,889
Total market-based emissions (Scope 1 + 2 + 3)[3]	**Tons**	**18,367**	**15,111[4]**	**8,249[2]**
Emissions intensity/employee	**Ton/FTE**	**4.57**	**4.38**	**2.84**
Emissions intensity/revenue	**Ton/million (NOK)**	**2.87**	**2.91**	**2.25**

[1] Due to data constraints, only three of the 15 Scope 3 sub-categories are currently included in our GHG inventory.
[2] In 2021, we did not include one of our subsidiaries, rhipe; and only two of the 15 Scope 3 sub-categories were measured.
[3] In keeping with the GHG Potocol's Scope 2 guidance, dual reporting on market-based and location-based emissions is shown.
[4] Restated to reflect increased data accuracy.

Values used to normalize our emissions data and calculate emissions intensity

	Unit	2023	2022	2021
Employees	Full-time equivalent employees (FTEs)	4,021	3,447	2,904
Revenue	Millions (Norwegian Kroner)	6,397	5,200	3,659

Monitoring our energy consumption

Our total energy consumption in 2023 was 6,659MWh, representing an 8.18% increase compared to 2022. The increased energy consumption contributed to our increased Scope 1 and Scope 2 emissions in 2023.

Climate risks and opportunities

As discussed earlier in this chapter, indirect greenhouse gas emissions upstream and downstream in our value chain (Scope 3 emissions) accounted for 92% of our total carbon footprint in 2023, followed by Scope 2 emissions at 6% (indirect emissions from purchased energy) and Scope 1 emissions at 2% (direct emissions from sources owned or controlled by Crayon) respectively.

Within Scope 3 emissions, goods and services procured from our value chain were the single biggest component of our Scope 3 and overall emissions. We are exploring measures such as cost containment and other interventions in our value chain as these would have the biggest impact on our total carbon footprint. We are also cognizant of the need to expand our reporting to more Scope 3 sub-categories in order to have a more accurate assessment of our emissions and where and how to intervene.

Notwithstanding, reducing Scope 3 emissions requires collaborative efforts within our business ecosystem. In future, Crayon will be working even more closely with our customers, partners and suppliers to drive down emissions and their associated environmental impacts.

In 2024 we plan to set science-based emission reduction targets in accordance with the Science Based Targets Initiative (SBTi). The targets and accompanying decarbonization plan will help us to mitigate our carbon emissions. This exercise, combined with the enhanced reporting requirements under the CSRD and ESRS, will yield more insight into our climate-related physical and transition risks and mitigation pathways. Where applicable, opportunities for climate change adaptation may also be identified.

Additional information about our climate-related risks and opportunities is available in other parts of this report:

- Annex A: TCFD Index.
- Annex C: 2023 EU Taxonomy Report.

Energy consumption (MWh)	2023	2022	2021
Total Crayon energy consumption within the organization	**6,659**	**6,156**	**6,316**
Total energy consumption within the organization from non-renewable sources	**3,686**	**2,921**	**2,536**
Consumption from heavy oil	971	512	249
Consumption from diesel	316	558	418
Consumption of other non-renewable energy	2,399	1,850	1,869
Total energy consumption within the organization from renewable sources	**2,973**	**3,235**	**3,780**
Consumption of biomass energy	17	29	22
Consumption of other renewable energy	2,956	3,206	3,758

ANNEXES

A. Task Force on Climate-related Financial Disclosures (TCFD) Index
B. Sustainability Accounting Standards (SASB) Index
C. 2023 EU Taxonomy Report
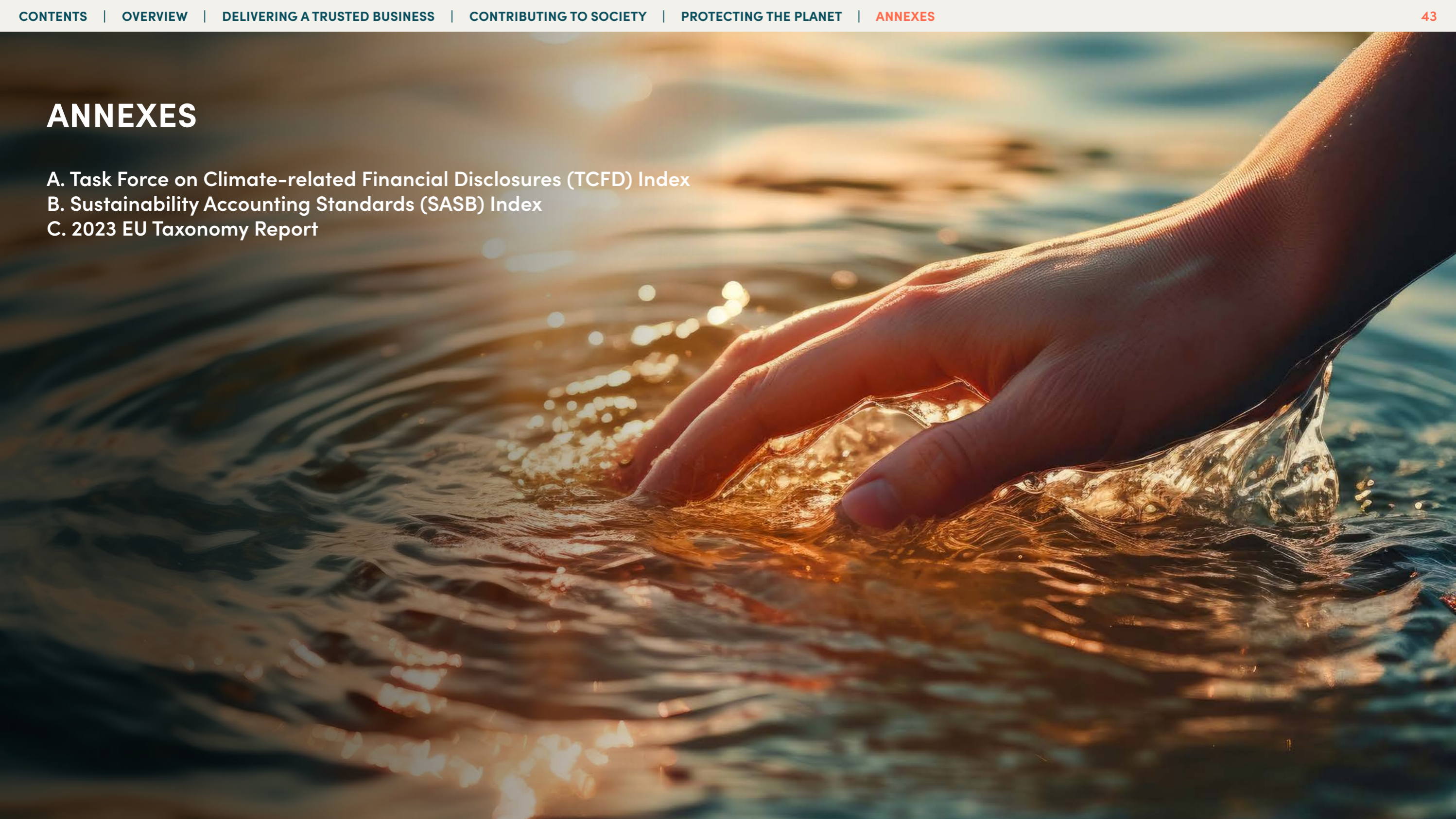
A. Task Force on Climate-related Financial Disclosures (TCFD) Index

According to the TCFD website, the TCFD fulfilled its mandate and officially disbanded in October 2023. However, pending our adoption of other frameworks in future, in 2023 Crayon chose to continue making climate disclosures in line with the TCFD framework in order to help us continue to improve the quality of our reporting. This approach is recommended good practice by the TCFD.

Topic	Disclosure (qualitative or quantitative)	Crayon's 2023 response
GOVERNANCE		
	a) Describe the Board's oversight of climate-related risks and opportunities.	See Crayon 2023 Annual Report, Statement of Corporate Governance, page 19.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Our group-wide ISO 14001:2015 certification involves taking into account climate related risks and opportunities to some extent. The leaders of the relevant functions participate in the environmental management review meetings where climate and other environmental topics are covered. See our chapter Protecting the planet on page 35.
STRATEGY		
	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	See our chapter, Climate risks and opportunities on page 42. See our chapter, Greening the IT landscape on page 37. See our Annex C. 2023 EU Taxonomy Report.
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	As companies implement their commitments to reduce their environmental impact and develop carbon targets, we see potential opportunities to develop Crayon services that facilitate the green transition. See our chapter Greening the IT landscape on page 37. In 2024 we will set science-based emission reduction targets in accordance with the Science Based Targets Initiative (SBTi). The targets and accompanying decarbonization plan will help us to mitigate our carbon emissions. This exercise, combined with the enhanced reporting requirements under the CSRD and ESRS, will yield more insight into our climate-related physical and transition risks. Where applicable, opportunities for climate change adaptation may also be identified.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our commitment to science-based emission reduction target setting, once operationalized, will contribute towards increasing the climate resilience of our day-to-day operations and overarching business strategy.

TCFD continued

Topic	Disclosure (qualitative or quantitative)	Crayon's 2023 response
RISK MANAGEMET		
	a) Describe the organization's processes for identifying and assessing climate-related risk.	Crayon's global ISO 14001: 2015 certification (our environmental management system) to some extent includes processes for identifying and assessing climate-related risks.
	b) Describe the organization's processes for managing climate-related risks.	Crayon's global ISO 14001: 2015 certification (our environmental management system) to some extent includes processes for managing climate-related risks.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Crayon's integrated risk management framework consolidates risks from all our management systems to offer strategic insights for cross-domain decision-making. See Crayon 2023 Annual Report, Statement of Corporate Governance, page 19.
METRICS AND TARGETS		
	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	See Crayon 2023 Annual Report, Statement of Corporate Governance, page 19.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	See our chapter Managing greenhouse gas emissions on page 40.
	c) Describe the targets used by the organization to manage climate-related risks, opportunities and performance against targets.	In 2024 we will set science-based emission reduction targets in accordance with the Science Based Targets Initiative (SBTi). The targets and accompanying decarbonization plan will help us to mitigate our carbon emissions. This exercise, combined with the enhanced reporting re quirements under the CSRD and ESRS, will yield more insight into our climate-related physical and transition risks. Where applicable, opportunities for climate change adaptation may also be identified.

B.   Sustainability Accounting Standards (SASB) Index

We report on the SASB sector-specific standard for the software and IT services industry, June 2023 version. Only sustainability topics and disclosures are included – activity metrics are excluded.

Topic	SASB code	Disclosure (qualitative or quantitative)	Crayon's 2023 response
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1.	1. Total energy consumed, 2. percentage grid electricity, 3. percentage renewable	1, 2, 3: See our chapter Green data hosting on page 38. See our chapter Monitoring our energy consumption on page 42.
	TC-SI-130a.2.	Water usage	See our chapter Green data hosting on page 38. See our chapter Our handling of waste and water on page 39.
	TC-SI-130a.3.	Discussion of the integration of environmental considerations into strategic planning for data center needs	See our chapter Green data hosting on page 38.
Data Privacy and Freedom of Expression	TC-SI-220a.1.	Description of policies and practices relating to behavioral advertising and user privacy	Crayon's commitment to protecting the privacy of those individuals whose personal data we process is cemented in our horizontal approach to privacy by design. We maintain records of processing which define the lawful purposes for which personal data may be processed and perform ongoing internal audits to ensure personal data is only processed for the defined lawful purposes. Every Crayon team member around the world is provided with data protection training during their onboarding, whereafter they are expected to champion privacy in the knowledge that our success in data protection depends on their diligence when processing personal data and when enabling individuals to exercise their privacy rights. Any data subject access request we receive goes directly to Crayon's Information Security and Data Protection team, where it is immediately reviewed by our Data Protection Officer and actioned upon in the interests of the data subject.
	TC-SI-220a.2.	Number of users whose information is used for secondary purposes	Zero. Crayon does not process user information outside the parameters of the lawful purposes defined in our records of processing and communicated in our privacy policies.
	TC-SI-220a.3.	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Zero. Crayon did not incur monetary losses in 2023 as a result of legal proceedings associated with user privacy.
	TC-SI-220a.4.	1. Number of law enforcement requests for user information, 2. number of users whose information was requested, 3. percentage resulting in disclosure	Zero. Crayon did not receive law enforcement requests for user information in 2023.
	TC-SI-220a.5.	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Zero. Crayon did not operate in any countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring in 2023.

SASB continued

Topic	SASB code	Disclosure (qualitative or quantitative)	Crayon's 2023 response
Data Security	TC-SI-230a.1.	1. Number of data breaches, 2. percentage involving personally identifiable information (PII), 3. number of users affected	Zero. Crayon did not have any data breaches in 2023.
	TC-SI-230a.2.	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Data security risks observed in the course of Crayon's day-to-day operations and ongoing internal audits are captured in a dedicated risk register, which is addressed by Crayon's Chief Information Security Officer, together with the relevant stakeholders across the business as part of Crayon's process of continuously improving its Information Security Management System. Whereas Crayon's service delivery teams are responsible for ensuring ongoing compliance with third-party security standards against Crayon's global technical and organizational security measures, Crayon's Trust Assurance team also reviews customer-specific security requirements as an integral part of its ongoing internal audit.
Recruiting and Managing a Global, Diverse and Skilled Workforce	TC-SI-330a.1.	Percentage of employees that are: 1. foreign nationals and 2. located offshore	1. Historically, we have not had a standardized global overview of employees' immigration status. As part of our efforts to further centralize and automate, going forward this information will be tracked in our HR system and added individually per employee. 2. 78.7% of our employees are based outside Norway.
	TC-SI-330a.2.	Employee engagement as a percentage	In 2023, the global employee feedback survey was conducted with the support of an external service provider and had a 69% global employee participation rate. The overall satisfaction score was 4.2 out of a maximum possible score of 5.0. The survey contained 47 rating items (5-point Likert scale) in seven categories. The employee net promoter score (eNPS) was 44, with 88.1% of our employees indicating they would recommend Crayon as a place to work. ("How likely are you to recommend Crayon as a good place to work?")
	TC-SI-330a.3.	Percentage of gender and racial/ethnic group representation for: 1. management, 2. technical staff, and 3. all other employees	1. 29% female 2. 24% female 3. 43% female Legal restrictions and other factors in Crayon's different countries of operation constrained our ability to report on metrics like race/ethnicity in 2023.
Intellectual Property Protection and Competitive Behavior	TC-SI-520a.1.	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Zero. No legal proceedings associated with anti-competitive behavior regulations were initiated in 2023.

SASB continued

Topic	SASB code	Disclosure (qualitative or quantitative)	Crayon's 2023 response
Managing Systemic Risks from Technology Disruptions	**TC-SI-550a.1..**	Number of 1. performance issues and 2. service disruptions; 3 total customer downtime	1. 4 2. 27 3 2,910 minutes[1] [1] We had interruptions to the service 2,970 minutes in total, but as we do not license cloud-iQ no licenses were affected.
	TC-SI-550a.2.	Description of business continuity risks related to disruptions of operations	Crayon's Corporate Security team manages global Business Continuity and Disaster Recovery (BCDR) planning. Our BCDR plan outlines steps and procedures for risk assessment and business impact analysis, identification of critical processes and systems, points of contact, development of recovery strategies, and testing and validation of the plan. The plan ensures that critical functions can be restored and resumed from adverse events as quickly and effectively as possible within defined recovery time and point objectives. This is to ensure stakeholder confidence in Crayon's agility to withstand disruptions and recover quickly. Crayon's main risk spaces related to disruptions of operations include Crayon's customer-facing platforms, data centers, and the impact of the ongoing war on Ukraine.

C.   2023 EU Taxonomy Report

About the EU Taxonomy Regulation

The EU Taxonomy Regulation[1] aims to boost investment in environmentally friendly activities by creating a common language and framework for investors, issuers, and policymakers. It is a key element of the European Green Deal's aspirations for Europe to become a climate-neutral continent by 2050. The taxonomy provided in the Regulation is a classification tool that enables companies to categorize their business activities as:

- **Taxonomy-eligible**
  Having the potential to be considered sustainable and potentially contribute to one of the six environmental objectives laid out in Article 9 of the Regulation.
- **Taxonomy-aligned**
  Being taxonomy-eligible while also meeting additional criteria specified in the Regulation, such as complying with minimum safeguards and not significantly harming any of the environmental objectives.

Norway's Sustainable Finance Act[2], which entered into force on 1 January 2023, is the Norwegian legislation capturing the requirements of the EU Taxonomy Regulation and its delegated acts, including the Disclosures Delegated Act. Consequently, in-scope companies incorporated in Norway such as our parent Crayon Group Holding ASA, are required to report in line with Article 8 of the EU Taxonomy Regulation.

Our scope of reporting

The reporting period of this, our first taxonomy report, is Crayon's 2023 financial year which ran from 1 January to 31 December 2023. The taxonomy reporting period is aligned with that of our 2023 ESG Report and that of our 2023 Annual Report.

The information is prepared on a group consolidated level and presented in Norwegian Kroner (NOK), as in the consolidated financial statements.

Progress made in evaluating our economic activities in 2023

Our preliminary analysis in 2023 showed that parts of Crayon's core business may potentially correspond to some of the relevant, in-scope economic activities identified in the Climate Delegated Act.

We screened the Taxonomy rules to create a list of economic activities that could potentially be eligible or aligned. The description of each economic activity was mapped against our operations and the broader context to establish the best possible fit.

Crayon service offerings and solutions that we believe may potentially be in-scope are as follows:

As required by law, this report covers Crayon's business activities that are either eligible or non-eligible under the taxonomy, as well as our taxonomy-aligned activities. In 2024, we will enhance our screening and reporting methodologies to improve the accuracy of our reporting, with a focus on climate change mitigation and adaptation.

Economic activity as described in the Climate Delegated Act	Potentially in-scope Crayon services and solutions	Potentially applicable environmental objective as described in Climate Delegated Act
Activity 8.1 Data processing, hosting, and related activities Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres(376), including edge computing. The economic activities in this category could be associated with NACE code J63.11 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. An economic activity in this category is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.	**Data processing and hosting** We have three data centers in Norway and Iceland. One data center is owned by us, and we lease capacity in the other two. Our three data centers assist clients in lowering their carbon footprint by migrating, storing, and processing their data from less energy-efficient on-premise facilities to our efficient data centers. Additionally, these data centers are powered by renewable energy sources.	- Mitigation
Activity 8.2 Data-driven solutions for greenhouse gas emissions reductions Development or use of ICT solutions that are aimed at collecting, transmitting, storing data and at its modelling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions. Such ICT solutions may include, inter alia, the use of decentralized technologies (i.e. distributed ledger technologies), Internet of Things (IoT), 5G and Artificial Intelligence. The economic activities in this category could be associated with several NACE codes, in particular J61, J62 and J63.11 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.	**Cloud migration** We offer cloud migration services to our customers including banks, government entities and utility companies. In addition to the convenience of remote access to services and operations, digitalization and cloud migration services may assist Crayon's clients in reducing their emissions and consumption of cloud resources by transitioning from less efficient on-premise setups to cloud environments. Furthermore, these technologies could potentially ensure safer and more resilient data management and infrastructure in the face of severe weather events.	- Mitigation - Adaptation

[1]   2020/852 Regulation (EU) of The European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

[2]   Act on the Disclosure of Sustainability Information in the Financial Sector and a Framework for Sustainable Investments (LAW-2021-12-22-161)

EU Taxonomy continued

For each relevant business activity, the EU Taxonomy requires companies to disclose the percentage of their turnover, operating expenditures (OpEx) and capital expenditures (CapEx) that is eligible, non-eligible and aligned. Although we made progress in 2023, Crayon is still in the process of completing our assessment and will have more comprehensive findings to disclose in next year's Taxonomy report.

> **Consequently, for 2023 we are reporting zero eligibility and zero alignment across turnover, CapEx and OpEx.**

More disclosures are in the following pages using the prescribed statutory templates:

- Our eligibility and alignment KPIs for turnover, CapEx and OpEx.
- Our activities related to nuclear energy and fossil gas.

Our accounting policies: The information on the following pages is prepared on a group consolidated level and presented in Norwegian Kroner (NOK), the same approach as in Crayon's separate 2023 Annual Report. Our definitions and calculation methodologies for turnover, CapEx, and OpEx in the following pages are derived directly from Crayon's separate 2023 Annual Report and are the same. The 2023 Annual Report contains Crayon's consolidated annual financial statements, which are compiled in compliance with the International Financial Reporting Standards (IFRS) and the relevant legislation.

EU Taxonomy continued

Turnover

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, Year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, Year 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		NOK millions	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																	N/A		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																	N/A		
			0%	–	–	–	–	–	–								N/A		
			0%	–	–	–	–	–	–								N/A		
			0%	–	–	–	–	–	–								N/A		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–
Of which enabling		0.00	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–
Of which transitional		0.00	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data processing, hosting and related activities	8.1	0.00	0%																
Data-driven solutions for GHG emissions reductions	8.2	0.00	0%																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0%																
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0.00	0%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		6,397	100%																
TOTAL (A+B)		6,397	100%																

EU Taxonomy continued

Capital expenditure

Financial year 2023		Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, Year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, Year 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		NOK millions	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																	N/A		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																	N/A		
			0%	–	–	–	–	–	–								N/A		
			0%	–	–	–	–	–	–								N/A		
			0%	–	–	–	–	–	–								N/A		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–
Of which enabling		0.00	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–
Of which transitional		0.00	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data processing, hosting and related activities	8.1	0.00	0%																
Data-driven solutions for GHG emissions reductions	8.2	0.00	0%																
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0%																
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		0.00	0%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		154	100%																
TOTAL (A+B)		154	100%																

EU Taxonomy continued

Operating expenditure

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, Year 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		NOK millions	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																	N/A		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																	N/A		
			0%	–	–	–	–	–	–								N/A		
			0%	–	–	–	–	–	–								N/A		
			0%	–	–	–	–	–	–								N/A		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–
Of which enabling		0.00	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–
Of which transitional		0.00	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data processing, hosting and related activities	8.1	0.00	0%																
Data-driven solutions for GHG emissions reductions	8.2	0.00	0%																
OpEx of Taxonomy-eligible but not environmentally sustainable ac-tivities (not Taxonomy-aligned activities) (A.2)		0.00	0%																
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		0.00	0%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		756	100%																
TOTAL (A+B)		756	100%																

EU Taxonomy continued

Nuclear and fossil gas related activities

After an assessment of our activities, we concluded that in 2023 Crayon did not have any exposure to or involvement in activities related to either nuclear energy or fossil gas.

Nuclear energy related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Fossil gas related activities

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

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