



2023

Zalaris Sustainability Report

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Letter from the CEO

Letter from the CEO

“At Zalaris, we have always been driven by our core values of excellence, innovation, and responsibility”

Dear Stakeholders,

As we enter a new year, we are proud to share with you our progress and vision on sustainability. We believe that sustainability is not only a moral duty, but also a strategic advantage for our business. Our customers are increasingly looking for solutions that help them reduce their environmental footprint, enhance their social impact, and adhere to high standards of governance.

At Zalaris, we have always been driven by our core values of excellence, innovation, and responsibility. These values guide our actions and decisions as we strive to create value for our stakeholders and society at large. In 2023, we have launched several new products and features that enable our customers to manage their human capital in a more sustainable and efficient way. We have also committed to achieving net zero emissions by 2040, which will require us to optimize our operations and supply chain.

Moreover, we are aware of the changing regulatory landscape and the rising expectations of our stakeholders on our ESG performance. We welcome the Corporate Social Responsibility Directive (CSRD), which aims to improve the quality and comparability of sustainability reporting across the EU. We have integrated the CSRD principles into our reporting framework, and we are ready to help our customers comply with the new requirements and demonstrate their ESG leadership.

We are not complacent about our sustainability journey. We know that there is always room for improvement and innovation. We will continue to monitor our performance, set ambitious goals, and report our progress transparently. We will also seek feedback and collaboration from our stakeholders, as we believe that sustainability is a collective effort that requires shared vision and action.

At Zalaris, we are inspired by the idea that small steps can lead to giant leaps. We are confident that by working together, we can create a more sustainable future for our business, our customers, and our planet.



Hans-Petter Mellerud
CEO & Founder





ESG in Zalaris

Highlights from 2023
The UN Sustainable Development Goals
ESG Product Focus

“Zalaris has committed to Net Zero by 2040 and works to support the United Nations Sustainable Development Goals (SDGs)”

ESG in Zalaris

Zalaris is taking action to address the climate crisis by:

- Switching to clean energy sources for its office operations (Scope 2) within the next four years,
- Cutting down its carbon emissions from business travel (Scope 3) by almost half by the end of this decade,
- Developing ESG solutions that enable its clients to track and lower their environmental impact.

- My Carbon Footprint, which shows the carbon impact of employee commute (Scope 3)
- CO2 calculation feature, which is built into our PeopleHub Travel & Expense module
- Dashboard, which makes it easier to report and monitor the Norwegian Activity and Statement ACT (ARP Rapportering)
- Upholding the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption.

Highlights from 2023

In 2023 we continue with our ambitions of becoming a more sustainable company by:

- Setting our sights on Net Zero by 2040, with milestones of powering our offices (Scope 2) with 100% renewables by 2025 and slashing our business travel emissions (Scope 3) by 40% by 2030.
- Introducing three cutting-edge products that empower us and our customers to reduce our environmental footprint:



How Zalaris is supporting the UN Sustainable Development Goals

The **United Nations Sustainable Development Goals (SDGs)** are a set of 17 global goals that aim to end poverty, protect the planet, and ensure peace and prosperity for all by 2030. They cover a wide range of topics, such as health, education, gender equality, climate change, and more.

At Zalaris, we are committed to supporting the UN SDGs and recognizing the crucial role that our business plays in advancing and achieving these goals. We endorse all the 17 SDGs, but we prioritize the following ones that align with our vision and values:

• Goal 3 – Good health and wellbeing

- We promote the importance of physical and mental wellbeing for our employees, customers, and society at large. Through our partnership with Norseman, Active Against Cancer, and 5K Your way, we raise awareness about the positive effects of staying active on health and happiness. We also highlight how an active lifestyle can lower the risk of developing cancer or coping with its treatment.
- We offer our employees various benefits and initiatives that support their wellbeing, such as flexible working hours, health insurance, wellness programs, and more. We also provide our customers with payroll and HR solutions that help them manage their employees' wellbeing, such as absence management, employee engagement, and health and safety.

• Goal 5 – Gender Equality

- We embrace diversity and foster a culture of inclusion where everyone is treated with dignity and respect. We do not discriminate based on gender, ethnicity, religion, sexual orientation, disability, or any other personal characteristic. We value your skills, abilities, and contributions, and we support your professional and personal growth.
- We have a balanced representation in our leadership team and board of directors, and we strive to maintain a gender-equal workforce across all levels and functions. We also have policies and practices that promote equal opportunities and prevent harassment and discrimination. We also support our customers and partners in

achieving gender equality in their organizations, by providing them with tools and insights that help them monitor and improve their diversity and inclusion performance.

• Goal 9 – Industry, Innovation, and Infrastructure

- We are dedicated to digitalizing payroll and HR solutions that enhance efficiency, productivity, and quality. We leverage the latest technologies and innovations to provide our customers with reliable, secure, and transparent work environments that empower their employees and stakeholders.
- We use cloud-based platforms, artificial intelligence, automation, and blockchain to deliver scalable, agile, and cost-effective solutions that meet the changing needs and expectations of our customers. We also invest in research and development, and collaborate with leading academic and industry partners, to create new and innovative solutions that address the current and future challenges and opportunities in the payroll and HR domain.



• Goal 12 Responsible Consumption and Production

- We aim to minimize our environmental impact by adopting responsible consumption and production practices. We have set a goal that by 2030, all products we no longer use will be either reused by others or recycled properly. We also encourage our customers and partners to join us in this effort and reduce waste and pollution.
- We have implemented measures to reduce our paper consumption, such as digitalizing our invoices, contracts, and reports, and using recycled paper when necessary. We also use energy-efficient devices and equipment, and switch them off when not in use. We also monitor and optimize our travel and transportation, and use public or shared transport whenever possible. We also help our customers and partners to reduce their environmental impact, by providing them with solutions that enable them to digitalize their payroll and HR processes, and reduce their paper and energy consumption.

• Goal 13 – Climate Action

- We acknowledge our responsibility to combat climate change and its consequences. We have taken measures to reduce our greenhouse gas emissions and energy consumption, and we have pledged to achieve Net Zero by 2040. We also help our customers and partners to do the same by offering them products and services that enable them to measure and manage their carbon footprint and environmental impact.
- We have calculated our carbon footprint and set targets to reduce it by 50% by 2030 and 100% by 2040. We have also joined the Science Based Targets initiative, which helps us align our emission reduction goals with the Paris Agreement. We have also switched to renewable energy sources, such as solar and wind, for our offices and data centers. We also provide our customers and partners with solutions that help them calculate and reduce their carbon footprint, such as carbon accounting, reporting, and offsetting.

• Goal 17 – Partnerships for the Goals

- We believe that working with partners is essential for the success of the UN SDGs. We have partnered with many organizations that share our vision and values and help us become a more sustainable company. On one hand, we have partners that help us improve our internal

sustainability performance and practices. On the other hand, we have partners that help us add sustainability features and functions to our products and services. We also consider our customers as partners when we collaborate with them to make the most of our everyday sustainability actions.

Some of our partners include:

- The UN Global Compact, which is the world's largest corporate sustainability initiative, and which guides us in aligning our strategies and operations with the UN SDGs.
- The Carbon Trust, which is a leading organization that helps us measure, manage, and reduce our carbon footprint and environmental impact.
- The SAP PartnerEdge program, which is a network of SAP partners that helps us deliver innovative and integrated payroll and HR solutions to our customers.
- The Global Reporting Initiative (GRI), which is a framework that helps us report on our sustainability performance and impact.

We are always looking for new and existing partners that can help us achieve our sustainability goals and create positive change in the world.



ESG Product Focus

With the advent of digital transformation in sustainability reporting, numerous ESG (Environmental, Social, and Governance) reporting platforms have surfaced. These platforms aim to simplify the intricate process of ESG reporting by integrating all facets of environmental, social, and governance elements within a corporation.

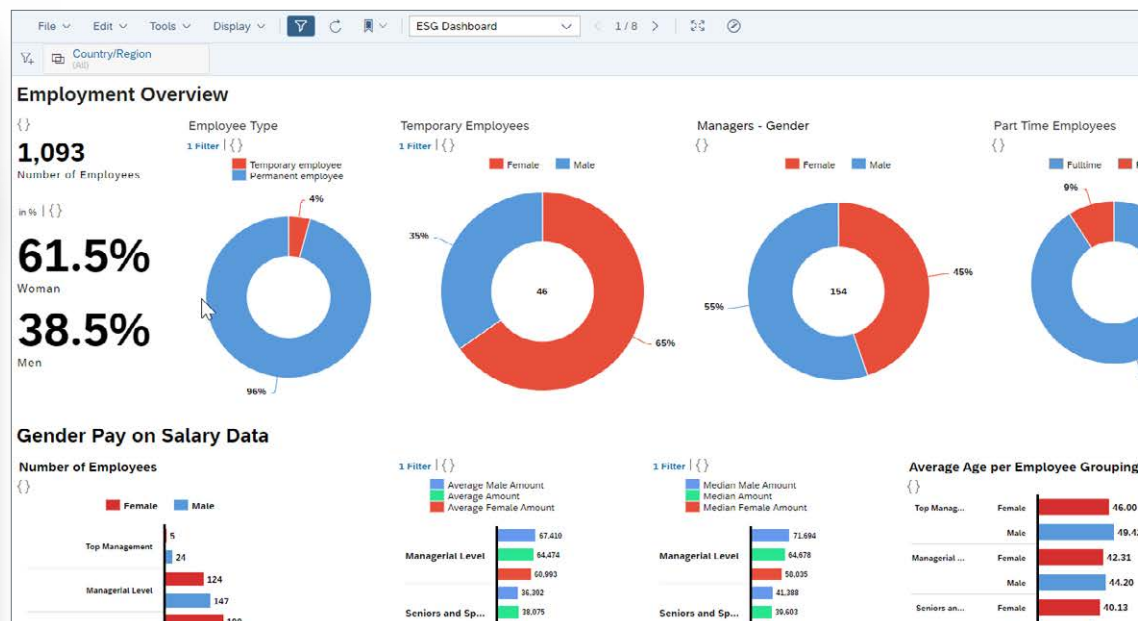
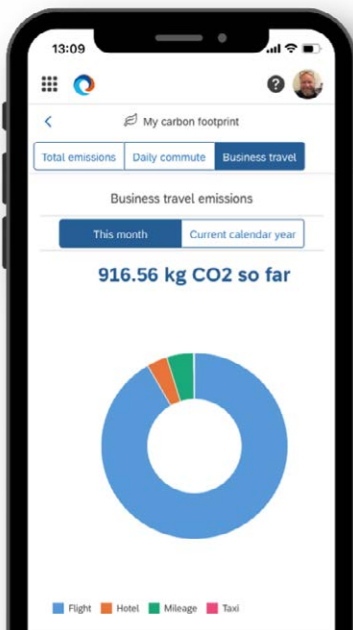
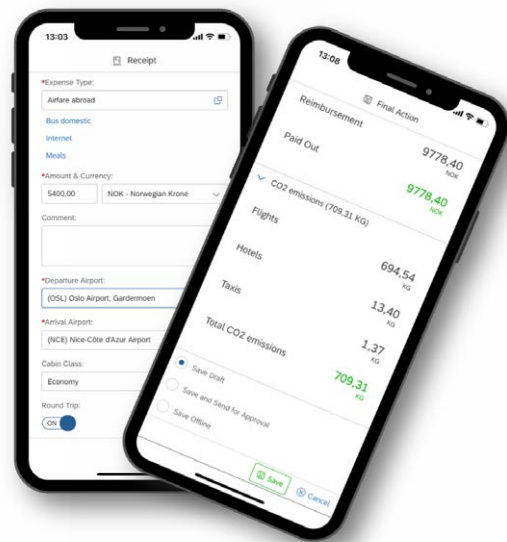
We prioritize the development of tools that harness readily available data, particularly in the realms of payroll and HR. Our goal is to craft efficient ESG reporting tools that make the most of existing data, thereby reducing the necessity for further data gathering.

We continue to leverage our tools which were launched a few years ago:

CO2-tracker in Zalaris' Travel & Expense Solution: The solution automates business travel footprint calculation. It computes the CO2 footprint alongside financial expenses, using travel data and CO2 emission factors from climatq.io. Reports can be generated at various levels.

Zalaris' My Carbon Footprint Solution: It is designed to chart an employee's commuting habits and to exhibit the cumulative carbon footprint resulting from both commuting and business travel undertaken by the employee.

Reporting Dashboard: It is designed to simplify the monitoring of disparities in gender, age, pay, etc., by efficiently utilizing a blend of payroll and HR data and reporting on these metrics significantly easier.





Environment

Our Green Commitment
Office power (Scope 2)
Travel (Scope 3)
Data centers (Scope 3)
Emissions per employee

“At our company, we are dedicated to sustainability and reducing our environmental impact.”

Our Green Commitment

At our company, we are dedicated to sustainability and reducing our environmental impact. We use cloud computing as a way to offer our products and services to our customers, while minimizing our resource consumption and carbon footprint. Cloud computing is a technology that lets you access data and applications over the internet, instead of storing them on your own devices or servers. This has many benefits for your business and your customers, such as lower costs, higher convenience, better security, and faster performance.

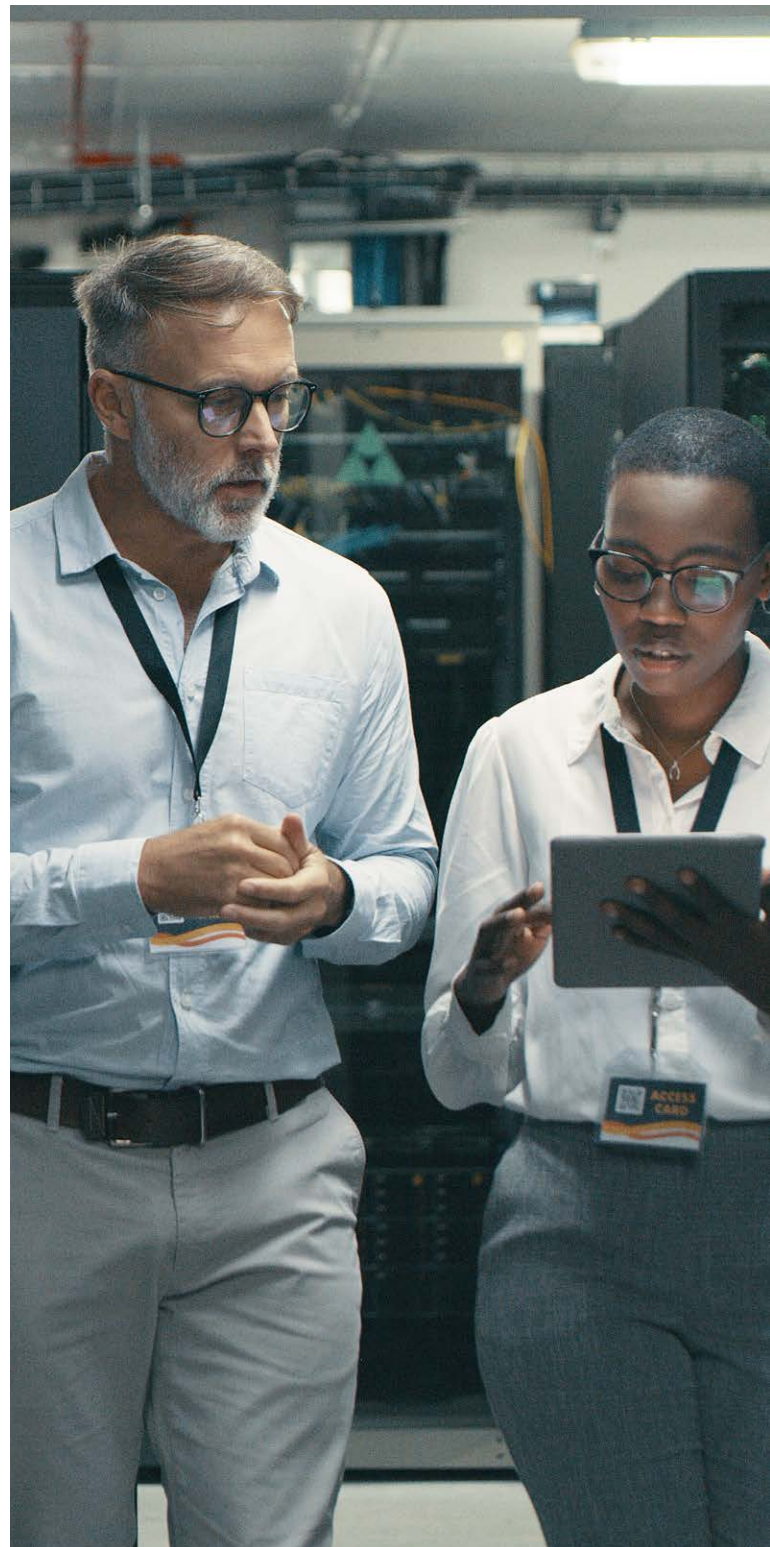
We also select our hosting partners carefully, based on their environmental performance and their use of renewable energy sources. We aim to use mainly green grid power for our locations, and we actively look for the best available sources of green electricity.

However, we are conscious that cloud computing is not a flawless solution, and that it still has some environmental challenges. For example, data centers still need a lot of energy to run and cool, and being an international player in a services business still requires some travel for operations, services, and sales. Therefore, we constantly focus on smart travel and good hosting partners, as well as other ways to enhance our sustainability and reduce our environmental impact.

Cloud computing empowers you to optimize resources and adapt them to your needs, by aligning your resource consumption with your demand and shrinking your energy use and environmental footprint.

Through cloud computing we enable the possibility of doing everything online, from anywhere, anytime, using any device; thereby saving time, money, and emissions, and making our business more convenient and eco-friendly.

We think that cloud computing can be a great tool for environmental protection, and we are glad to be part of this movement.



Office Power (Scope 2)

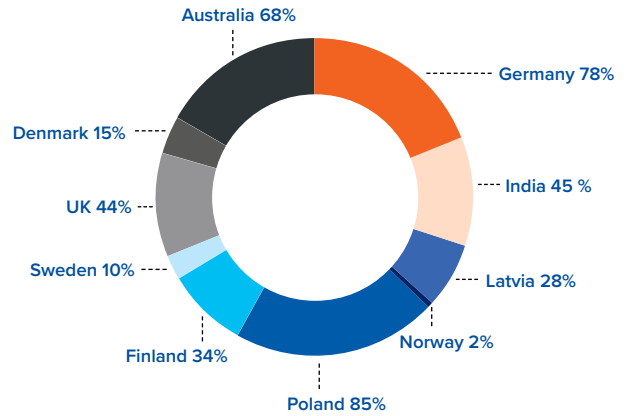
There are multiple factors which vary significantly across different countries, regions, and even utilities, making it hard to compare the CO2 emissions from electricity generation in a consistent and reliable way. Some of the factors include:

- The methods used to estimate the emissions, which can differ from one source to another.
- The types of energy sources used to generate electricity, which can range from fossil fuels to renewables.
- The time of the year and the day when the electricity is generated, which can influence the demand and the supply of electricity.
- The availability and quality of the data, which can be incomplete or outdated.
- The allocation of the emissions, which can depend on how the electricity is distributed and consumed.

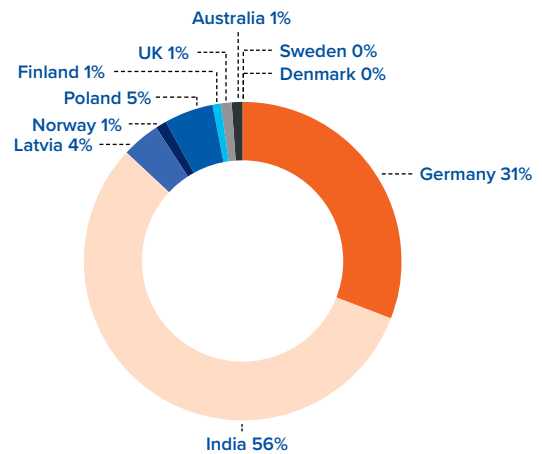
However, despite these challenges, we have established a baseline for our Scope 2 emissions, which are the emissions from the electricity that we purchase and use for our operations. We have used the best available data and methods to estimate our Scope 2 emissions, based on the input from all our locations. This baseline will help us monitor our progress and improve our performance in reducing our carbon footprint from electricity generation.



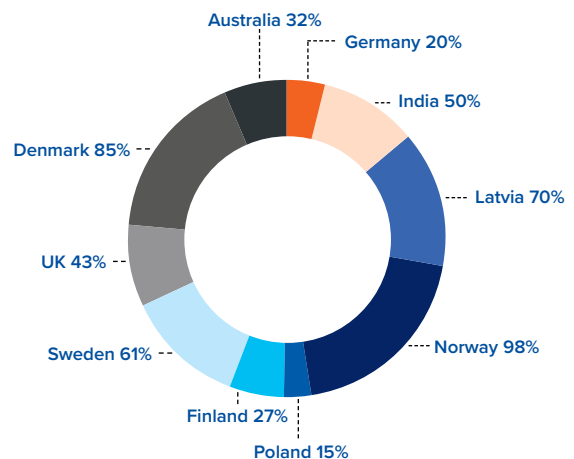
Fossil Fuels 294,765 Kwh



Total Co2 = 105.75 Tonnes Produced



Renewable Energy 506,651 Kwh

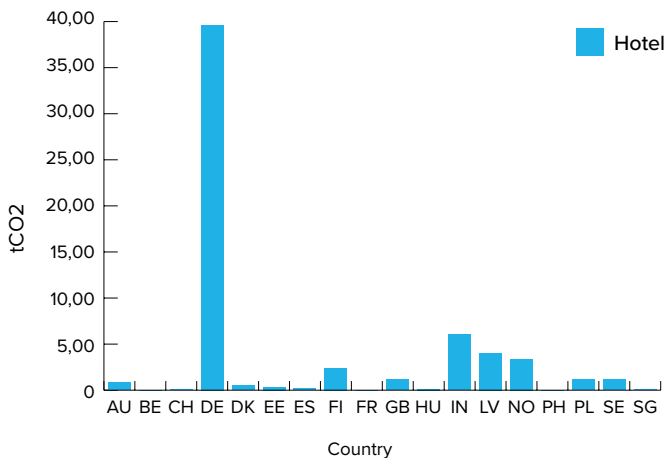
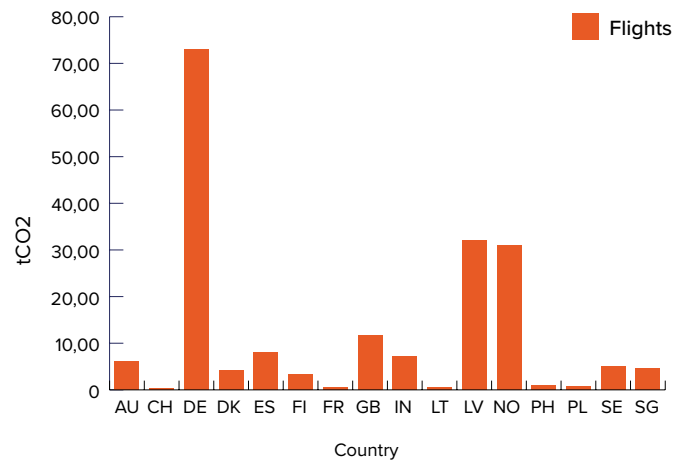
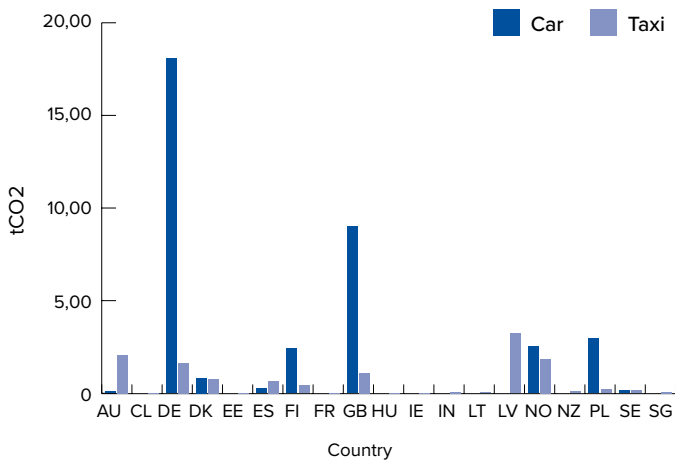
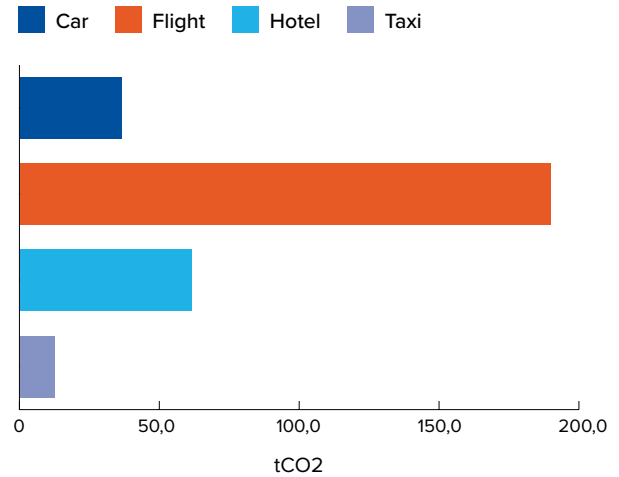


Travel (Scope 3)

Zalaris operates as a worldwide IT and consulting firm. Our primary goal is to support our clients in achieving their objectives, regardless of their geographical location. Our journey encompasses diverse modes of transportation, ranging from air travel to road trips. However, we acknowledge that travel carries a price—not only in terms of finances but also for our planet.

In 2023, our travel undertakings significantly contributed to CO2 emissions. A detailed analysis of our travel and expense app data revealed that around 300 metric tons of CO2 were released in that year. This marked a surge of 58% in comparison to 2022. The decline in travel frequency up to 2022 was due to the worldwide Covid restrictions.

Travel related emissions in 2023



Data Centers (Scope 3)

- The operations of our data center providers are driven by renewable energy, with a low CO2 effect. Our goal is to acquire actual power usage data for the upcoming reports.
- Swift changes in climate due to greenhouse gases present dangers that we must acknowledge and address our activities face the harsh impacts of heat, wind, and deluge and our business plans need to adapt to the changing climate.

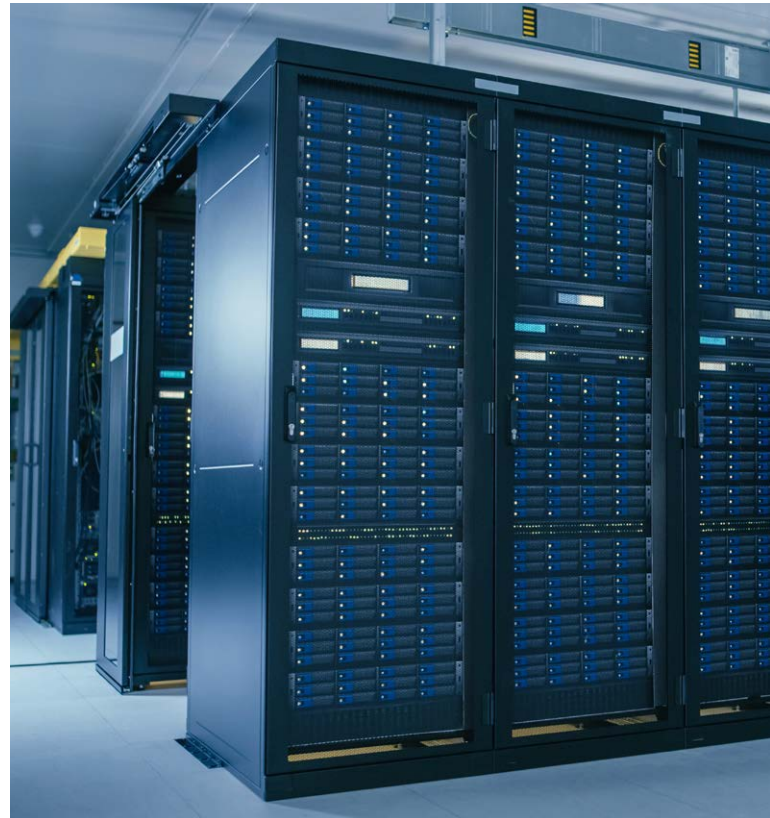
Zalaris has etched a bold ambition - to become Net Zero by the year 2040. This is not merely a target, but a testament to our unwavering commitment to shrink our carbon footprint. Even as we navigate the intricate labyrinth of HR and payroll services, we acknowledge our environmental impact. Our operations have both observable and hidden impacts on the environment. However, we actively strive for transformation rather than merely being bystanders to these effects.

Striving for Net Zero, we go beyond merely reducing our carbon emissions to nothing. We stand hand in hand with the world, joining a global chorus to combat climate change and adding our verse to the symphony of sustainability.

Our Net Zero target isn't just a goal; it's a message — a beacon of our environmental responsibility. It serves as a clarion call to our stakeholders, resonating with our commitment to environmental stewardship. We're

not passive observers; we actively engage, rolling up our sleeves to tackle environmental challenges head-on.

In this journey toward Net Zero, we don't just carve a path for ourselves; we pave the way for others to follow. At Zalaris, we lead by example, make a difference, and shape a sustainable future for all.



Zalaris's Commitment to achieve Net Zero by 2040!

Focus	Ambition	Indicator	Scope
Renewable Energy	Use only accredited eco-friendly sources for the electricity demand of our offices	50% progress has already been made. We will be 100% on renewable energy by 2025	2
Business travel	By holding meetings online, lower the frequency of business travel and achieve a 25% emissions reduction by 2025 and a 40% emissions reduction by 2030	In place by 2025 and 2030	3
Equipment	100% Recycling as our policy for all the equipment we use in our office.	In place by 2030	3
NET ZERO	Participate in carbon removal programs and reduce emissions to shrink the Zalaris footprint across all scopes	By 2040	1, 2 & 3



Social

- Human resource development
- Human rights
- Equality
- Employee turnover
- Absenteeism and injury reporting
- Training and education
- Life-Work balance

“Zalaris aims to be a workplace free from discrimination. No direct or indirect discrimination shall occur based on race, colour, gender, sexual orientation, age, disability, language, religion, employee representation, political or other opinions”

Human resource development and sustainability at Zalaris

Zalaris balances monetary success, value creation, sustainability promotion, and corporate social responsibility (CSR) in an effort to attain long-term growth. Our primary goals are to reduce our environmental effect while simultaneously boosting our beneficial social contributions, enhancing working conditions, and guaranteeing client happiness. We actively seek eco-friendly practices, from energy-efficient operations to supporting green commuting, contributing to a cost-effective and eco-conscious workplace. Our commitment extends to employee development through training programs, empowering them to advance their careers and fostering personal and professional growth. Understanding and addressing clients' sustainability goals, we collaboratively develop effective strategies, measure and enhance sustainability programs, ensuring shared success. Zalaris actively engages in social responsibility, supporting initiatives that address societal challenges, promote equality, and make a positive impact on our communities.

Human rights

At Zalaris, corporate ethics are fundamental. They encompass equal treatment, discrimination prevention, fostering a positive working environment, minimising environmental impact, preventing corruption, upholding employee rights, addressing social issues, and promoting human rights.

Every individual associated with Zalaris is expected to adhere to our organisational policies and procedures, rooted in our core principles. We actively encourage everyone to contribute to fostering a positive workplace culture. Central to our ethos is our Code of Conduct, which serves as the foundation of our corporate culture, embodying our moral values and guiding principles in all aspects of our business operations. Our website page "[Zalaris Sustainability: Nurturing a Greener Future](#)" hosts the Code of Conduct, applicable to Zalaris and its subsidiaries, ensuring transparency and accountability throughout our organisation.

Equality

Zalaris is gender and "background" neutral and advocates for the advantages of equality. The company will maintain the core principles of the International Labour Organisation and provide a professional, inclusive work environment.

Zalaris strives to be a discrimination-free workplace. There can be no discrimination, either direct or indirect, on the basis of race, color, gender, sexual orientation, age, disability, language, religion, representation of employees, political beliefs, national or social origin, property, birth, or any other basis.

Zalaris seeks to provide the infrastructure required so that people with physical disabilities may carry out the numerous tasks associated with running the company.

Equal compensation for equal labor is the foundation of Zalaris' employment policy. This indicates that, under the assumption that all other relevant conditions remain the same, men and women are paid equally for positions that are equivalent.

Zalaris is committed to achieving gender parity in the Group's board of directors and management.

The portrayal of gender, age, race, and religion in Zalaris is intended to be balanced. At the end of 2023, Zalaris employed 1379 people in ten countries (2022: 1036), with women making up 54% of the workforce across all of the Group's businesses and units. By year's end, 10% of the Group's executive management team consisted of women. The company aggressively seeks out and develops female talent in an effort to boost the representation of women. The Zalaris board of directors is composed of two ladies (40%) and three males (60%) with a female chairman.



The board consist of:
60% Males
40% Females

Absenteeism and injury reporting

At Zalaris, our commitment to "Service Excellence, Quality-Focused Processes, and Employees - our key assets" is integral to our long-term success.

We prioritise maintaining high standards of service quality while nurturing a supportive work environment for our employees. Central to this commitment is our mandate that all employees and vendors actively support and take responsibility for health and safety. Line management plays a crucial role in promoting, implementing, and ensuring adherence to these guidelines, fostering a culture of safety and well-being throughout the organisation.

Our commitment is to:

- Preserve and work toward enhancing the security, safety, and well-being of our people at all times in order to eradicate incidents linked to "health and safety" (HS).
- Use an efficient management system to set HS performance goals, track progress, evaluate, and continuously improve services, products, and procedures.
- Collaborate with management, staff, and employee representatives to provide a favorable physical and mental work environment that optimizes the drive and collaboration of all those involved.
- Prepare for, handle, and recover from any crisis, emergency, or interruption to business.
- Provide services that will enable our clients to keep an eye on and respond to HS concerns.
- Be honest in your communication with stakeholders and make sure they comprehend the rules, standards, programs, and performance of our HS.

Sick leave-related absences averaged 4.5% in 2023 compared to 3.7% in 2022. In 2023, there were no documented instances of workplace accidents or injuries. 38 is the average of training hours for every employee.

Training and education

Effective education and training are indispensable for any organisation, especially within the industries of IT software, services, and consulting. The following outlines key reasons for their essential nature:

1. Improving the knowledge and skills of employees.
2. Enhances work satisfaction and team morale.
3. Follow trends in the industry.
4. Draw in and nurture talent.

By making educational investments in your employees, we are able to create a more knowledgeable and driven team that is better able to provide clients with high-quality services and solutions.

Registered training hours

Description	Hours
Certification (SAP)	2630
Self-development & Upskilling	18602
Trainee Training - For juniors from college or intern	7894
General Training	20968

Registered training hours was 53,493 hours in 2023 compared to 63,275 in 2022

This translates to a training duration of roughly 38 hours (2%) for each employee on average.

It is recommended for all personnel to consistently advance their knowledge and abilities. This is an important part of our staff's yearly review.

38h Average of training for every employee

Retention

Retention is often overlooked but plays a crucial role in organizational success. While hiring new talent is essential, retaining existing employees is equally, if not more, important. Here's why:

- High turnover incurs significant recruitment and onboarding costs. Retaining employees saves money and resources.
- Long-tenured employees provide institutional knowledge and stability, crucial for consistent operations.
- Experienced employees uphold and propagate company culture, fostering a cohesive work environment.
- Low turnover boosts morale and engagement, leading to higher productivity.
- Consistent staff leads to better customer relationships and satisfaction.

There were 252 individuals who left Zalaris in 2023 compared to 217 in 2022. However, we had 318 people who joined us at that time.



Life-Work balance

At Zalaris, we understand the significance of maintaining a healthy equilibrium between professional responsibilities and personal well-being. Our commitment goes beyond offering traditional benefits; we cultivate an environment where employees feel empowered to thrive in both their careers and personal lives.

Here's how we champion work-life balance:

- **Flexible Work Arrangements:** We recognise that every individual has unique needs and commitments outside of work. That's why we provide a range of flexible work options, including remote work opportunities, part-time positions, and adaptable schedules. By accommodating diverse lifestyles, we enable our employees to better manage their time and priorities.
- **Supportive Leave Policies:** Zalaris prioritises the well-being of its employees by offering comprehensive leave arrangements. Whether it's parental leave, vacation time, or personal days, we encourage our team members to take the time they need to recharge and attend to their personal obligations without sacrificing career growth.
- **Health and Wellness Initiatives:** We believe that a healthy workforce is a productive one. Through various programs and initiatives, we promote physical activity and well-being among our employees. From fitness challenges to nutritious options in our canteens, we foster a culture that values and supports healthy lifestyles.
- **Technology-Driven Solutions:** Our innovative technology solutions are designed to streamline administrative tasks and enhance productivity. With mobile-based tools for tracking work hours, managing leave, and accessing HR services remotely, we empower our employees to work efficiently from anywhere, whether it's the office or the comfort of their home.
- **Strategic Workforce Planning:** Zalaris utilises advanced workforce planning solutions to ensure optimal staffing levels throughout the year. By forecasting demand and managing resources effectively, we minimise burnout and promote a sustainable work pace for our employees.
- **Environmental Responsibility:** We believe in creating sustainable work environments that contribute to the well-being of both our employees and the planet. By locating our service centers in areas with a lower cost of living and reduced pressure, we enable our employees to enjoy a better quality of life while reducing our carbon footprint.

At Zalaris, work-life balance isn't just a goal; it's a fundamental aspect of our culture. By fostering a supportive and flexible work environment, we empower our employees to thrive both personally and professionally, ultimately driving success for our company and our clients.





Governance

Code of Conduct
Risk
Suppliers
Modern slavery
Whistleblowing channel
Stakeholder engagement
Material topics
GRI framework
Preparing for CSRD

“Zalaris is committed to an environment where open, honest communications are the expectation, not the exception”

Code of conduct

Zalaris, as part of its formal governance system, has a Code of Conduct that plays a crucial role. This code outlines the core principles and ethical standards that guide how value is created within the company. These principles and standards are also incorporated into other relevant governing documents. The Code of Conduct applies to Zalaris and any subsidiary where Zalaris holds over 50% of the voting shares, whether directly or indirectly. It covers board members, managers, employees, and anyone acting on behalf of the company.

While the Code of Conduct does not directly apply to Zalaris' business partners, the company is committed to maintaining high ethical standards across all its associations. Zalaris actively avoids any association with business partners who do not uphold appropriate ethical practices. Integrity remains a priority, ensuring that Zalaris maintains its commitment to creating value for stakeholders.

Every individual connected to Zalaris must adhere to the established rules and guidelines. While occasional lapses may be forgiven, our unwavering commitment to integrity remains non-negotiable. This ethos governs how we conduct business within Zalaris and underscores our dedication to creating value for customers, investors, staff, and all beneficiaries of our services.

The Code shapes our perspective on actions and guides us on what is acceptable and what isn't. Each employee must comprehend how this Code impacts their daily tasks and act accordingly. Personal responsibility lies with every employee to uphold the relevant standards.

Line managers should consider this Code as a cornerstone for making business decisions. They must also acknowledge their role in implementing, supervising, assessing, and ensuring the creation of an ethical environment consistent with the standards delineated in this Code.

We are dedicated to fulfilling all pertinent laws and regulations. When there's a divergence between these legal mandates and our Code of Conduct, we commit to adhering to the most stringent standard in harmony with local laws.

Our Code offers a comprehensive roadmap for ethical conduct, yet there may be scenarios where explicit directives are absent. In such circumstances, our core tenets are to operate in Zalaris' best interest and to solicit advice from the Zalaris management team when faced with ambiguity regarding the correct path forward.

Should employees encounter any doubts about the interpretation or implementation of this Code, they are encouraged to initially consult their direct supervisor or the appropriate department. If these doubts persist, they can be forwarded to Zalaris' Group Compliance Officer.

[Community policy.](#)

[Relationships policy.](#)

[Assets policy.](#)

[Handling infringements policy.](#)

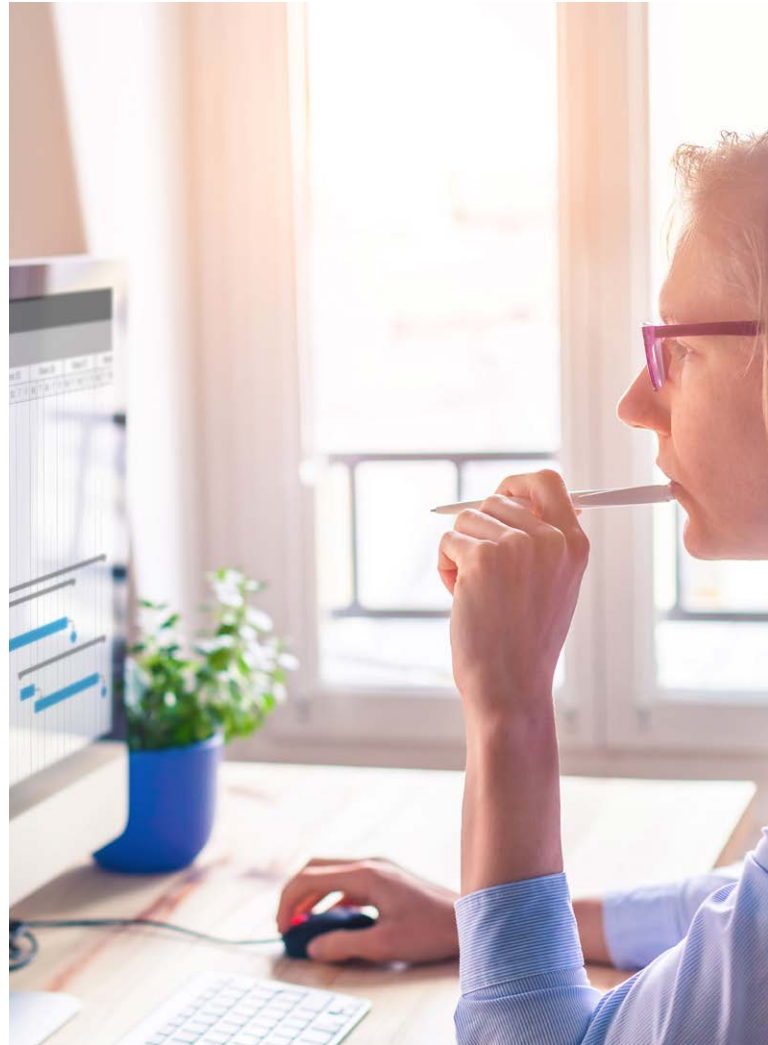


Risk

Risk management forms the backbone of IT operations and development at Zalaris. The following is intended to provide a high-level explanation of our primary risk management strategy.

Risk assessment helps to check how well risk management and internal control activities are aligned and coordinated, and how well they reduce the main business risks that may prevent Zalaris from reaching its business goals. The risk assessment process has the following objectives:

- To help management identify and evaluate the most important business risks. To give executive management a clear picture of the changing risk environment.
- To rank the risk areas that need more attention and supervision. Effective governance means knowing the risks of the organization and acting accordingly.
- Therefore, strong risk management is essential for fulfilling strategic goals and should be a key part of management decision-making.



ISO 9001:2015

Although not directly related to inZalaris Quality systems enable Zalaris to comply with the best practices, policies, and procedures, regardless of their direct relevance to information security.

ISO/IEC 27001

ISO/IEC 27001, part of the ISO/IEC 27000 family, sets out precise criteria for an information security management system. After an audit, compliant organizations can receive certification from an accredited body



Suppliers

As Zalaris is closely associated with its suppliers, their behaviour can significantly impact our reputation. We prioritize treating suppliers fairly and equally. Suppliers competing for contracts with Zalaris must trust our selection processes. Additionally, suppliers to Zalaris must adhere to our principles for supplier conduct. When selecting suppliers, we follow established guidelines and procedures, ensuring they understand and align with our principles. We remain vigilant for any supplier activity that may breach our conduct standards and report accordingly.

Modern slavery

Zalaris stands resolute in its commitment to combat modern slavery, nurturing a vigilant ethos across our operations and supply chain. Our official statement meticulously outlines proactive measures taken to identify and mitigate potential risks associated with modern slavery.

Within our supplier relationships, we forge bonds of trust and integrity, emphasizing mutual benefit. Rigorous due diligence steers our supplier selection and onboarding processes, encompassing reputation assessments, legal compliance checks, adherence to safety standards, and thorough reference evaluations. To date, no allegations of human trafficking or slavery activities involving our suppliers have come to light. However, should such information emerge, swift action would be taken, and relevant authorities promptly notified.

Whistleblowing channel

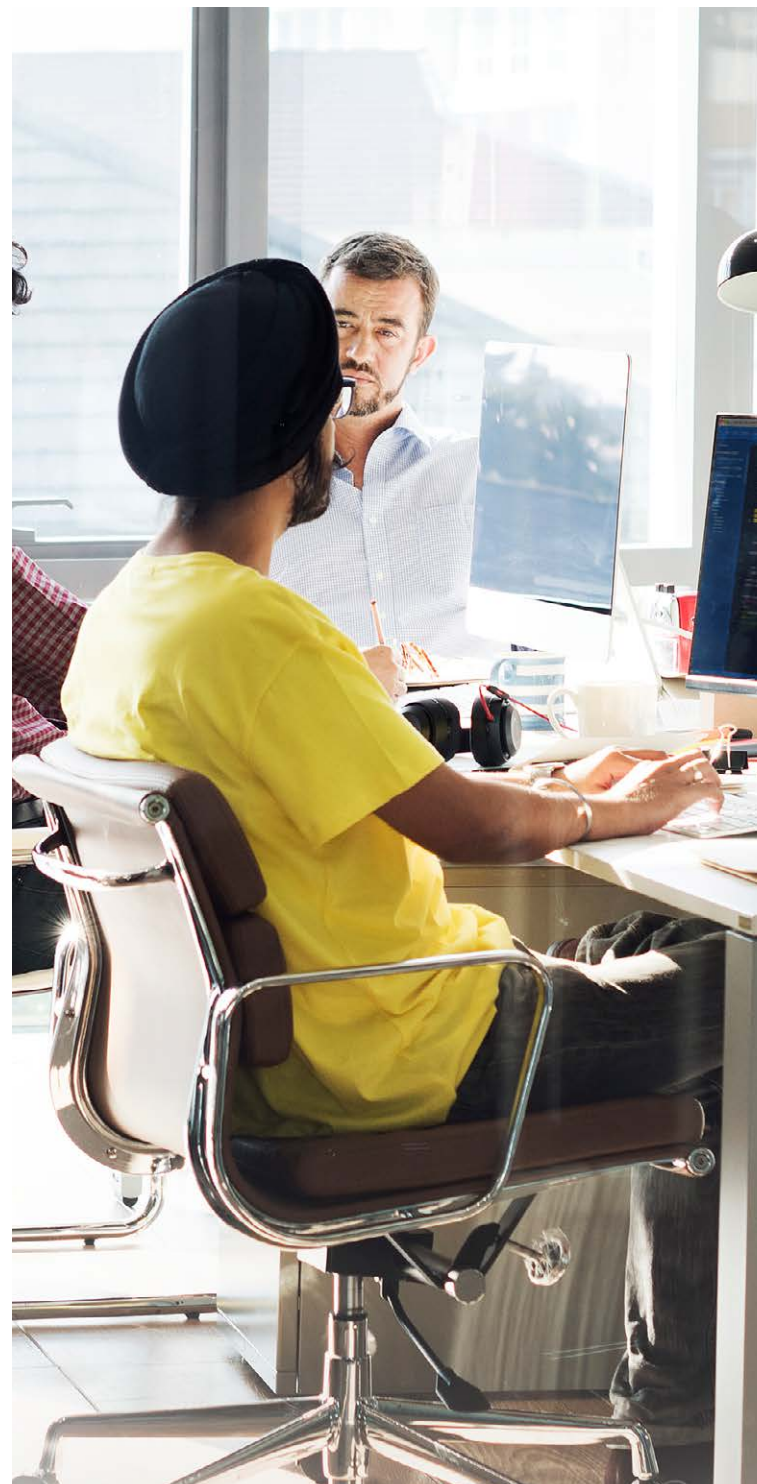
The Zalaris Whistleblowing Channel resides on EthicsPoint's secure servers and is distinct from the Zalaris website or intranet.

Our Commitment

Zalaris promotes an atmosphere where open and genuine conversations are standard practice, not an anomaly. It motivates all its staff members to fearlessly communicate with their immediate superiors or the management team if they perceive any infringements of company rules or standards.

For employees who choose to submit an anonymous report, Zalaris has collaborated with EthicsPoint to guarantee that these reports are delivered to Zalaris in a confidential and anonymous manner. Zalaris pledges that every piece of feedback will be taken into consideration and acted upon.

[EthicsPoint - Zalaris](#)



Stakeholder Engagement

Zalaris is deeply committed to fostering relationships with stakeholders, including employees, customers, suppliers, and public institutions. These connections are essential for our business's success and long-term viability. We prioritize employee engagement to create a positive work environment, build strong customer relationships, and maintain a reliable supply chain through supplier collaboration. Our interactions with public institutions focus on compliance, risk management, and reputation upkeep. We've actively engaged stakeholders on sustainability and materiality, recognizing the journey ahead. Zalaris' Board of Directors and senior management drive sustainability initiatives, aiming to embed them as core values. Stakeholder involvement is a crucial aspect of any project. It's important to remember that this process often takes time and requires consistent effort. Patience, clear communication, and understanding are key during this period. Zalaris will continue to work diligently and make progress step by step.



Material topics

Materiality is a pivotal concept that bridges the gap between business and sustainability. Let’s break it down:




- **Material Topics:** These are the critical issues that significantly impact an organization’s performance, reputation, and stakeholder interests. Factors like industry, size, location, and stakeholder perspectives shape these topics.
- **Sustainability Reporting:** Materiality plays a starring role in sustainability reports. By focusing on what truly matters—environmental, social, and governance (ESG) performance—organizations enhance transparency and trust.
- **Risk Management:** Tackling material issues pro-actively minimizes risks. Whether it’s environmental challenges or governance complexities, addressing them head-on is essential.
- **Strategic Decision-Making:** Materiality guides resource allocation, goal-setting, and sustainability initiatives. It ensures alignment with core priorities.

- **Stakeholder Expectations:** Materiality reflects stakeholders’ expectations—investors, customers, employees, and civil society groups. Responsiveness matters.

In a nutshell, materiality in Zalaris is about striking the right balance—aligning our business goals with societal and environmental responsibilities. We’ve crafted our material topic list based on the **recommendations from SASB²**. Specifically, we’ve honed in on the Software & Information Technology Services industry, identifying six critical areas spanning **climate impact, people, and governance**.

While we’re still in the early stages of this internal process, we’re committed. Our board and senior management fully support the development of a material topics list that resonates with our **key stakeholders’ expectations**.

²SASB Material Topics Software & Information Technology Services industry
[Find Industry Topics - SASB](#)

Area	Material topic	Why & how	SDG
Climate impact	Energy Management	We use a significant amount of energy for cloud hosting. This energy consumption can have a lower impact on the environment as we’ve cautiously selected providers who use green energy for their data centers.	
	Travel	CO2 emissions depend largely on travel. For Zalaris, it is the main reason. We can minimize emissions (and economize) by traveling more rationally or rarely.	
	Office power	Some of our offices are powered by electricity grids that have a high carbon footprint. We want to change that and use green energy sources as far as possible.	
People	A sustainable workforce	Our employees are essential for value creation in our industry. Diversity, retention, skills and training are the key factors for our success.	
Governance	IT Security	We are a technology company that places great emphasis on the privacy and security of the extensive volumes of sensitive data we manage. We take measures to ensure that our data remains protected and reliable.	
	Managing Risk	To mitigate systemic risks stemming from programming errors or server interruptions, we prioritize operational efficiency in our internal processes and carefully choose vendors with strong industry standing.	

GRI framework

Zalaris follows the GRI's rules and standards in its sustainability report. The same can be referred to as an attachment in the 2023 report.

The Global Reporting Initiative (GRI), an independent and international organization, plays a pivotal role in advancing sustainability reporting. It offers a widely recognized framework for organizations to communicate their impacts on the economy, environment, and people. By adhering to the GRI Standards, organizations can transparently report on their critical topics, demonstrate their unwavering commitment to transparency and accountability, and present their sustainability performance credibly and clearly to stakeholders. Through this framework, we express our unwavering dedication to sustainable practices and provide stakeholders with a comprehensive view of our sustainability efforts.

Preparing for CSRD

The CSRD is an EU regulation that came into effect on January 5, 2023. Its primary goal is to enhance sustainability reporting by aligning it with financial reporting.

As we gear up for the Corporate Sustainability Reporting Directive (CSRD), our preliminary actions at Zalaris are centred around spotting the discrepancies between our present reporting methods and the stipulations of the new directive. This involves a thorough examination of our current sustainability frameworks and identifying potential improvements in data gathering, quantification, and disclosure. Furthermore, we are committed to fostering deeper interactions with our stakeholders to better comprehend their anticipations related to sustainability reporting.

[GRI - Home \(globalreporting.org\)](https://www.globalreporting.org/)





EU Taxonomy

Methodology
Accounting
Minimum Safeguards

“The Taxonomy framework is a tool to help with the shift to a more green and sustainable economy.”

EU Taxonomy

The EU Taxonomy is a regulatory framework introduced by the EU. The Taxonomy framework is a tool to help with the shift to a more green and sustainable economy. By creating a clear and consistent classification system and a common language for what is defined as environmentally sustainable economic activities, the framework can help investors and companies to make informed investment decisions on environmentally sustainable activities for the purpose of determining the degree of sustainability of an investment.

Zalaris fall under the scope of the Non-Financial Reporting Directive and is a large PIE with more than 500 employees, and the Group is required to disclose to what extent the activities that they carry out meet the criteria set out in the EU Taxonomy.

The EU Taxonomy revolves around six climate objectives, which is part of the reporting scope for 2023:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

The economic activities covered by the EU Taxonomy has been predetermined by the EU. Those are the activities with the largest environmental impact, according to the EU.

Please refer Appendix for the Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023.

Methodology

This section describes the methodology used to carry out the taxonomy assessment for Zalaris.

Eligibility assessment

Zalaris' economic activities have been reviewed against the the EU taxonomy, the NACE codes and the related technical screening criteria. Based on this review, Zalaris has identified the following eligible economic activity for the financial year 2023:

Sector: 8. Information and Communication

Activity: 8.1. Data processing, hosting, and related activities

The activity includes storage and processing of data through data centres, including edge computing. These activities are only a minor part of Zalaris' total economic activities, and therefore the proportion of eligible activities is low (see further comments below).

Alignment assessment

The economic activity 8.1 Data processing, hosting, and related activities has been evaluated for its alignment with the environmental goals set by the EU taxonomy as relevant to the activity.

Zalaris does not have its own data centres, but relies on two main third-party data centre operators for this service. Zalaris does not own any of the hardware used, or the facilities. To evaluate the compliance with the alignment criteria for the activity 8.1 Data processing, hosting, and related activities, we have communicated with our third-party data centre operators. They have given us documentation about each of the relevant technical screening criteria.

The activity is not in aligned with the criteria. One of the operators that accounts for 40 – 50% of the activity is fully aligned, except for the global warming potential (GWP) of the refrigerants used for cooling the data centre, which has a lower limit in the EU directive than the industry standard. We will work closely with our other data centre operator to evaluate, document, and ensure that they move towards alignment.

Zalaris has also evaluated the compliance of the economic activity with the minimum social safeguards and the do no significant harm principle, which require that the activity does not significantly harm any of the other environmental objectives and respects the relevant standards and conventions on human rights, labor rights, health and safety, and anti-corruption.

Accounting

Zalaris' consolidated financial statements for the year 2023 have been prepared in accordance with international accounting standards ("IFRS"), as adopted by the European Union (EU). The financial statements have been used to allocation of turnover, CapEx and

OpEx to the economic activities. Because we use external suppliers, and only one eligible economic activity was identified, we are reducing the risk of double counting key data.

Turnover

Zalaris typically does not charge separately for the hosting part of our service deliveries. Therefore, we have calculated the turnover related to the activity 8.1 Data processing, hosting, and related activities by applying a market based mark-up to the invoices we get from the data centre operators. See also the comments on OpEx below.

Refer to the consolidated statement of profit and loss for the period ended 31 December 2023 in the annual report for 2023, for details on total turnover for Zalaris in 2023.

CapEx

Due to the use of third-party data centres, Zalaris incurs no CapEx related to the activity 8.1 Data processing, hosting, and related activities.

OpEx

The OpEx related to the activity 8.1 Data processing, hosting, and related activities is based on the invoices received from the data centre operators. For some of the hosting services, these are bundled together with the licenses for certain cloud based software. These costs have been allocated between the hosting service, which is an eligible activity, and the software, which is a non-eligible activity, based on a fixed percentage assessed as reasonable by Zalaris.

Refer to the consolidated statement of profit and loss for the period ended 31 December 2023 in the annual report for 2023, for details on total OpEx for Zalaris in 2023.

Minimum Safeguards

The Minimum Safeguards encompass four foundational pillars: Human rights, taxation, corruption, and fair competition. These pillars represent the EU's commitment to fostering responsible and sustainable economic practices. Collectively, they form the cornerstone of ethical and responsible business conduct.

Zalaris has established policies and procedures that cover the main areas within Minimum Safeguards and refer to the other sections of the Sustainability Report. However, in 2024, we will conduct a further

review of the procedures to continuously identify, prevent, mitigate or remediate the relevant actual and potential adverse impacts related to our operations, value chains and business relationships, to ensure that we comply with the required standards. This includes implementing due diligence and remedy procedures to align with the standards for responsible business conduct mentioned in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Taxation

Zalaris follows a separate Tax Policy that the Board of Directors approved. We comply with tax laws by using our established tax risk management process as this policy states.

Fair competition

We enable fair competition by ensuring the implementation and promotion of our Code of Conduct, which requires that all board members and employees in Zalaris shall, in their work, follow relevant laws and rules and carry out their responsibilities according to good business practices, our values, and ethical guidelines. See the Governance section of the Sustainability Report for more details.



Zalaris India's Sustainable Voyage

How Zalaris India pursues goal for a sustainable future?

Based on an interview with:
Balakrishnan Narayanan
Executive Vice President APAC
& Chief Sustainability Officer

“We weave together environmental mindfulness, social responsibility, and corporate excellence”

How Zalaris India pursues ESG Goals for a sustainable future?

Introduction: Amidst the global call for Environmental, Social, and Governance (ESG) responsibility, Zalaris INDIA emerges as a true trailblazer. In conversation with Balakrishnan Narayanan, EVP APAC and Chief Sustainability Officer, we delve into the impactful strategies that define our commitment to sustainability. Discover how, at Zalaris India every action contributes to a harmonious blend of ecological mindfulness, social responsibility, and corporate excellence, as we continue our journey towards a sustainable future.

Question: Reflecting on Zalaris India's journey, could you highlight pivotal moments that signify its organic evolution into a recognised Sustainability hub?

Answer: Honesty, it all started as an act of selfishness. During our coffee breaks, I couldn't help but notice those massive mugs everyone carried contributing to longer breaks and maybe a bit too much caffeine. So, I decided to shake things up a bit, cut costs, and encourage healthier habits by switching to smaller compostable cups crafted from the fibers of sugarcane. Not only did it help us keep track of how much coffee we were guzzling down, but it also gave us a reality check on just how long those breaks were lasting and also got us introduced to eco-friendly products. We also overhauled our office cutlery, swapping out plastic spoons for biodegradable wooden stir sticks, forks for metal alternatives and plastic plates with those made from areca leaf plates.

Concurrently, governmental initiatives advocating against single-use plastics prompted us to put a ban on single use plastics, out went the plastic bottles, and in its place, we provided everyone with eco-friendly copper ones, bringing a host of benefits like aiding in beating anemia, lowering heart disease risk, managing arthritis, and improving skin health.

But our journey didn't stop there. We took meticulous steps towards garbage waste management, segregating and recycling waste diligently. We also bid goodbye to plastic bags for disposal and instead embraced biodegradable alternatives. Our focus on robust E-Waste protocols and equipment reuse not only minimised waste but maximised resource utilisation, laying a solid foundation for our sustainability endeavors.

Next up: energy efficiency. We switched out all those old light bulbs for LED ones, which not only last longer but are way more energy efficient as they use 80% less energy than regular bulbs. Plus, we've been dabbling in solar power, teaming up with Global Infocity we've embraced 50% solar power energy alternatives with the added perk of Tamil Nadu government providing 50% of energy through renewable sources. Now, we're basically running on sunshine.

When it came to choosing vendors, we looked for partners who prioritised reducing their carbon footprint, treated their employees well, operated ethically, and offered tech solutions aligned with our ESG goals. By sticking to these principles, we have managed to build a supply chain that reflects our commitment to responsible business practices. Looking back, our sustainability journey has been a learning curve, each initiative a stepping stone to bigger goals.

Question: How have Zalaris India employees actively embraced sustainable practices in their professional lives, contributing to the company's overarching sustainability goals?

Answer: At Zalaris India, our team didn't just hop on the sustainability bandwagon – they were practically pushed onto it! First, there was our coffee cup initiative and then, the government dropped the ban hammer on single-use plastics. Initially, there was a lot of criticism, but guess what? They fell for it, like they say, necessity is the mother of invention!

Now, they're leading the charge, ditching plastic for reusable metal water bottles and proudly saying no to single-use plastics. Plus, as a paperless office, we're reducing our reliance on printed materials, doing our part to save trees.

When it comes to getting around, our team is committed to greener transportation options. They're not just driving to work anymore; they're opting for electric vehicles or hopping on public transportation buses and trains whenever possible, not because we're nagging them to do it. They're doing it all on their own accord. Initially, it was all about cutting costs, but guess what? Turns out, those cost-saving measures are also pretty great for the planet.

Some have even taken it a step further by cycling to the office, and a few have even relocated closer to reduce commuting distances, enabling them to walk to work instead. Carpooling has also become a regular

thing, maximising fuel efficiency and minimising our carbon footprint.

It's inspiring to see how everyone's individual actions are making a real impact on our environment.

Question: How about in their personal lives? Beyond the office, do Zalaris India employees foster a holistic culture of sustainability?

Answer: Absolutely, it's quite remarkable to witness how deeply ingrained ESG principles are in the personal lives of our Zalaris India employees but also Indians in general. Sustainability isn't just a buzzword here; it's a way of life. You see, many of our team members hail from vibrant cities like Chennai, Bangalore, Pune, and beyond, where environmental consciousness is woven into the cultural fabric. For instance, many have implemented rainwater harvesting systems at home, allowing them to collect and store rainwater for various uses, reducing reliance on traditional water sources.

Waste segregation is another essential practice they adhere to, ensuring that recyclables, organic waste, and non-recyclables are sorted and disposed of responsibly. Some team members have also transformed their rooftops into thriving terrace gardens, not only beautifying their homes but also promoting biodiversity and mitigating urban heat island effects.

In a nod to healthier living, some of our team members have swapped out chemical medications for Ayurvedic alternatives. Not only are they experiencing the

benefits of natural remedies, but they're also reducing their reliance on synthetic drugs, contributing to a more sustainable approach to healthcare.

100% of our electricity comes from TNEB, with Tamil Nadu Government ensuring that 50% of it is sourced from renewable energy. They don't just stop there, solar energy adoption is widespread among our employees, with many installing solar panels on their rooftops to harness clean, renewable energy for their households.

In everyday life, they prioritise eco-friendly habits, such as using cloth bags instead of plastic to avoid non-biodegradable packaging. During the COVID lockdown, many of our team members found themselves reconnecting with their roots by taking up farming in their hometowns and villages. Furthermore, they utilised biogas systems to convert kitchen waste into energy and fertilizer, reducing methane emissions and contributing to a circular economy.

It's truly inspiring to see how each individual contributes to creating a more sustainable future for generations to come.

Question: Could you share examples of Zalaris' corporate social responsibility (CSR) initiatives and its collaborations with government on ESG partnerships?

Answer: Definitely, at Zalaris India, we believe that CSR isn't just a duty; it's a core value. Our commitment towards social responsibility can be witnessed by



looking at our ESG partnership with Global Infocity Park, where we've collaborated with the Green Tamil Nadu Mission (GTM) and Electronics Corporation of Tamil Nadu (ELCOT) to enhance urban green cover.

As part of this collaboration, we're on a mission to plant and nurture tree saplings at PARK IV, covering about 3 acres in Sholinganallur, Chennai. Our target is pretty ambitious: we aim to plant a whopping 12,000 trees by 2030. Provided the government allocates the required land. As of Feb 2024, we have started off with planting 500 trees.

But our CSR efforts don't stop there. In times of crisis, like during the floods, we rolled up our sleeves and got to work. Our team volunteered their time, distributed food, clothes, and medicines not just to our employees but to the wider public as well.

And when the infamous COVID hit, we set up a single hotspot manned by around 15 volunteers. We gathered information over WhatsApp as a 24/7 hotline on oxygen sources, bed availability, and doctors, making it accessible to everyone including our employees and their families. Plus, we provided masks and sanitizers, making sure our employees had what they needed to stay safe and safeguard others.

We have also been passionate about supporting students in need. Whether it's providing essential school supplies, sponsoring their education, or offering other forms of assistance, we're committed to helping them thrive academically and beyond.

These initiatives showcase our dedication to social responsibility and sustainability, and we're proud to continue making a positive impact in our community and beyond.

Question: The choice of Global Infocity as a workspace is intriguing. Could you shed light on specific initiatives by Global Infocity that align seamlessly with Zalaris' ESG objectives?

Answer: Indeed, while on the lookout for a workplace, we were assertive to choose an ESG-responsible partner and Global Infocity fitted this profile well. One noteworthy aspect is their commitment to sustainable energy practices, operating the facility with a power source comprising 70% from TNEB, 10% from solar energy, and an additional 10% from DG.

Moreover, Global Infocity's dedication to creating a green campus, complete with a designated no-smoking zone, is commendable. It not only contributes to a healthier work environment but also resonates with our values of fostering sustainable and employee-friendly spaces. Additionally, Global Infocity goes the extra mile by providing free EV charging ports for tenants' 2 and 4 wheelers.

Plus, when the floods hit and things got tough, Global Infocity really stepped up. It became our home away from home. Despite the lack of electricity, they ensured our operations didn't come to a standstill by providing dual electric supply. Plus, with food vendors available onsite, we never went hungry. They also made sure drinking water was readily available and even provided emergency vehicles that were plying for other companies. Plus, with ATMs onsite, accessing cash was a breeze, even for those of us accustomed to UPI transactions that is a real-time payment system in India that enables instant fund transfers between bank accounts using mobile apps. This convenience ensured that we had the resources we needed, even in the midst of a crisis. It's moments like these that truly highlight the value of a supportive and proactive workplace environment.

And let's not forget their impressive tree-planting initiative. By planting thousands of trees, they're showing a real commitment to environmental conservation, which meshes perfectly with our own sustainability goals hence making Global Infocity our go to choice despite being economically competitive with alternative workplaces in Chennai.

Question: In fostering an inclusive work environment, how does Zalaris actively ensure equal opportunities for individuals from diverse backgrounds?

Answer: Absolutely! At Zalaris, creating an inclusive work environment is at the heart of everything we do. We're all about providing equal opportunities for everyone, and our diverse workforce speaks volumes about that commitment – with a pretty even split of 51% male and 49% female employees. We actively welcome folks from different backgrounds, cultures, and abilities, making our workplace a vibrant melting pot of diversity. We've signed Memorandums of Understanding (MoUs) with Kumara Guru Engineering College and Rathnam Engineering College, both located in tier 2 cities that are in need of development. These institutions predominantly serve students from humble low-income families, and our partnership aims to provide them with



placements, offering students the chance to pursue internships and eventually secure employment at Zalaris.

In recent times, we've been doubling down on our efforts to make sure everyone feels included. That means rolling out initiatives to welcome back female professionals who've been on maternity leave, got married, or had to take a break for family reasons. We're also big on providing equal opportunities for differently abled individuals, because everyone deserves a fair shot. We're more than just colleagues – we're family. Even after moving on to other companies, many of us find ourselves coming back, drawn by the strong bonds and supportive culture that define our workplace. Our rehire rate speaks volumes about the sense of belonging and camaraderie that permeates throughout our organisation.

We also accommodate the needs of working parents. That's why we have a policy that allows employees to bring their toddlers to work when necessary. We understand the challenges of balancing work and family life, and we provide private spaces for breastfeeding mothers to ensure their comfort and convenience. But it's not just about numbers for us; it's about creating a culture where everyone feels respected and valued. That's why we go all out to celebrate cultural diversity, making sure to honour important cultural events and

traditions. And hey, we even embrace diversity in attire, letting our team members express their cultural identities freely.

At the end of the day, it's all about creating a sense of belonging and empowerment for every single one of our employees. That's what equality and diversity mean to us.

Question: Zalaris India has taken measures to reduce its carbon footprint. Can you delve into specific initiatives and their impact on the company's environmental sustainability?

Answer: Sure thing! Besides our ongoing sustainability efforts like reducing waste and using eco-friendly alternatives, we're really focusing on cutting down our carbon footprint, especially when it comes to travel and commuting.

COVID shook things up for us, showing us that we don't always need to hop on a plane or drive miles for a meeting. It introduced us to the wonders of virtual meetings and working remotely, which has become a new way of life for many of us. And hey, I can't take credit for it – COVID kind of nudged us in that direction.

We've also noticed a lot of folks zipping around on petrol-powered vehicles, so we're stepping up our game. We're looking into promoting the use of EVs and offering sweet incentives to encourage our team to switch to electric. Plus, we're big on promoting public transport, because it's not just good for the environment, but it's safer too as it reduces the risk of accidents.

And check this out – some of our team members are ditching the wheels altogether. They're cycling to work, walking, or even moving closer to the office so they can skip the commute altogether. Pretty cool, right?

Oh, and let's not forget about those free EV charging points we've set up at our office by GIP. By making it easy for our team to charge up their electric rides, we're making it even more enticing to go green. Overall, we're all about finding creative ways to shrink our carbon footprint and do our part for the planet.

Question As you step into the role of Chief Sustainability Officer, could you paint a picture of the strategic vision you bring to Zalaris India and how this role aligns with the company's broader sustainability ambitions?

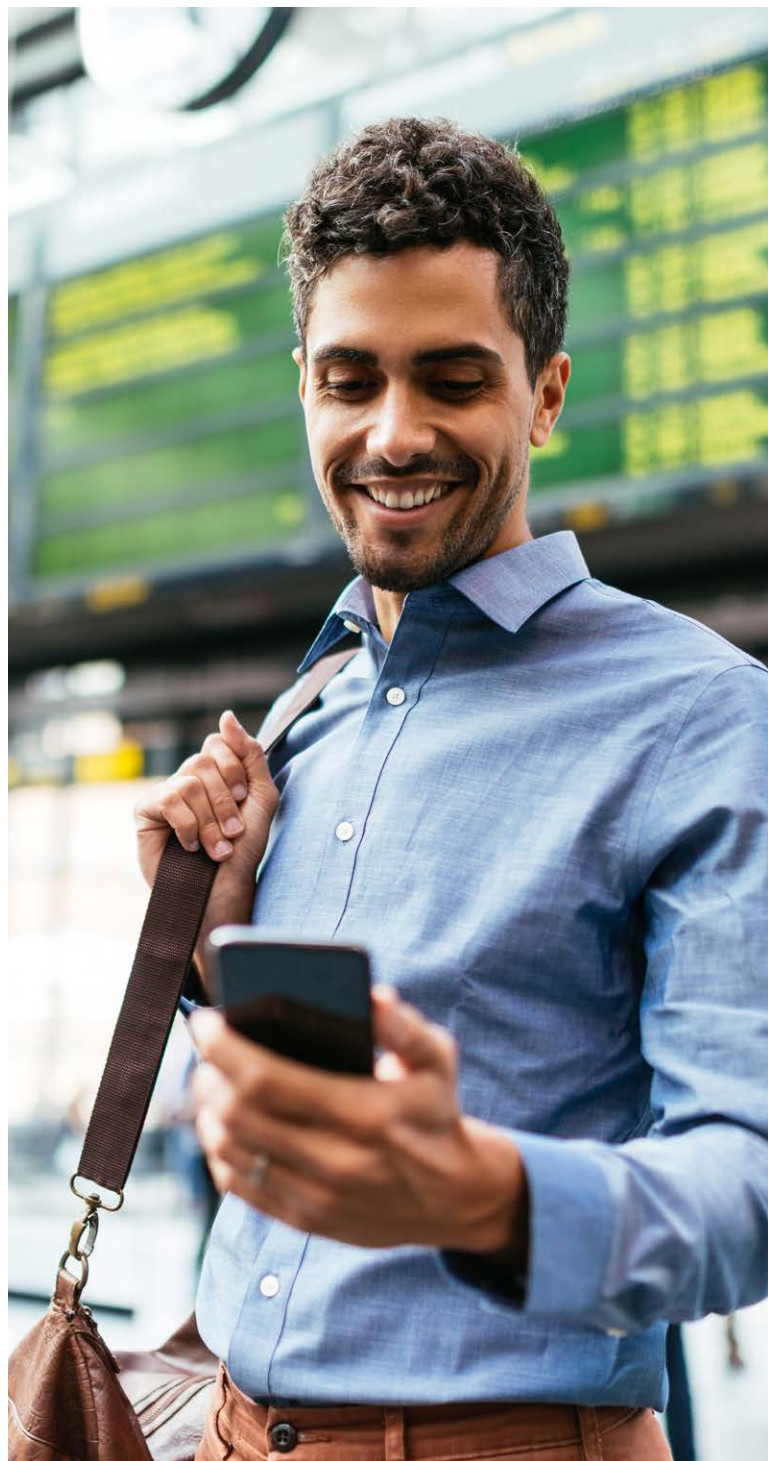
Answer: As I take on this role, I rely on my learnings from Zalaris India to lead our sustainability work. Sustainability was part of our team's culture at Zalaris India. We used spreadsheets as easy and efficient tools to track our sustainability indicators. These reports helped us stay aware and careful about our influence and how we're affected by it.

Now, in this new role, building on our successful practices at India, I aim to ensure sustainability remains a priority across Zalaris.

My main aim is to streamline the process of gathering good, reliable data from different sources, focusing on areas like travel, printer usage, IT equipment usage, and waste generation. Additionally, I'm keen on identifying a way to monitor how our employees are giving back to society and balancing our impact with contributions to sustainable living. This includes educating the needy, providing books, volunteering in disasters, and supporting education initiatives like child sponsorship. We're currently focusing on travel and electricity as our major priorities, but I'm also passionate about ensuring that we're making a positive impact in our communities. While these efforts are already embedded in our culture, I'm determined to make data collection easier so that we can better track and celebrate our contributions.

Furthermore, I'm excited about incentivising employees who contribute to our ESG practices. We're exploring both monetary and non-monetary rewards, such as carbon credits that can be redeemed for sustainable merchandise. By recognising and rewarding sustainable efforts, we not only encourage individual action but also promote sustainable product consumption, supporting local businesses in the process.

Looking ahead, my vision is to integrate sustainability into every facet of our operations, driving long-term value creation for all our stakeholders and making a meaningful difference in the world.





Appendix

- Appendix 1 – GRI content index
- Appendix 2 – Taxonomy-aligned economic activities - disclosure
- Appendix 3 – Diversity, Equity and Inclusion

“Lighting the path for a Better Corporate World”

Appendix 1 - GRI content index

Below we have published our GRI Content Index. The Zalaris 2023 Sustainability Report is produced with reference to the guidelines and principles established by GRI.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Zalaris
	2-2 Entities included in the organization's sustainability reporting	Annual Report - About Zalaris
	2-3 Reporting period, frequency and contact point	2023 Balakrishnan Narayanan
	2-4 Restatements of information	None
	2-5 External assurance	None
	2-6 Activities, value chain and other business relationships	Annual Report - About Zalaris
	2-7 Employees	SR** – Attachment 2
	2-8 Workers who are not employees	SR – Attachment 2
	2-9 Governance structure and composition	AR Corporate Governance
	2-10 Nomination and selection of the highest governance body	AR Corporate Governance
	2-11 Chair of the highest governance body	Adele Norman Pran - Chair of the Board
	2-12 Role of the highest governance body in overseeing the management of impacts	AR Corporate Governance
	2-13 Delegation of responsibility for managing impacts	In 2022 a Chief Sustainability Officer was assigned on group level.
	2-14 Role of the highest governance body in sustainability reporting	The sustainability report is examined by the Zalaris board prior to its publication. Zalaris is in the process of establishing a procedure for external approval or auditing.
	2-15 Conflicts of interest	AR The work of the board
	2-16 Communication of critical concerns	https://zalaris.com/about-zalaris/whistleblowing-channel/

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-19 Remuneration policies	https://ir.zalaris.com/reports-and-presentations/2023-2/
	2-20 Process to determine remuneration	See Remuneration Report
	2-21 Annual total compensation ratio	SR – Attachment 2
	2-22 Statement on sustainable development strategy	SR Letter from the CEO
	2-23 Policy commitments	Code of Conduct - Zalaris
	2-24 Embedding policy commitments	See https://zalaris.com/about-zalaris/zalaris-code-of-conduct/
	2-25 Processes to remediate negative impacts	See https://zalaris.com/about-zalaris/whistleblowing-channel/
	2-26 Mechanisms for seeking advice and raising concerns	See https://zalaris.com/about-zalaris/whistleblowing-channel/
	2-27 Compliance with laws and regulations	See https://zalaris.com/about-zalaris/zalaris-code-of-conduct/
	2-28 Membership associations	Not applicable
	2-29 Approach to stakeholder engagement	SR Governance
	2-30 Collective bargaining agreements	See https://zalaris.com/about-zalaris/zalaris-code-of-conduct/
GRI 3: Material topics 2021	3-1 Process to determine material topics	SR Governance
	3-2 List of material topics	SR Governance
	3-3 Management of material topics	SR Governance
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	AR Key figures, Financial Statements
	201-2 Financial implications and other risks and opportunities due to climate change	AR Operational and Financial Risk ESG: Risks
	201-3 Defined benefit plan obligations and other retirement plans	Note 17 – Pensions
	201-4 Financial assistance received from government	None received in 2023

GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR Office power.
	302-2 Energy consumption outside of the organization	SR Data centers and travel.
	302-3 Energy intensity	SR Environment.
	302-4 Reduction of energy consumption	In progress.
	302-5 Reductions in energy requirements of products and services	In progress.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	None
	305-2 Energy indirect (Scope 2) GHG emissions	SR Office power.
	305-3 Other indirect (Scope 3) GHG emissions	SR Data centers and travel.
	305-4 GHG emissions intensity	SR Environment.
	305-5 Reduction of GHG emissions	In progress.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR Training and education.
	404-2 Programs for upgrading employee skills and transition assistance programs	SR Training and education.
	404-3 Percentage of employees receiving regular performance and career development reviews	SR Training and education.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR – Attachment 2
	405-2 Ratio of basic salary and remuneration of women to men	SR – Attachment 2
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	SR – Attachment 2
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	None reported



2023

Statement of diversity, equity, and inclusion.

Sustainability report attachment 2

01

Gender Equality Status

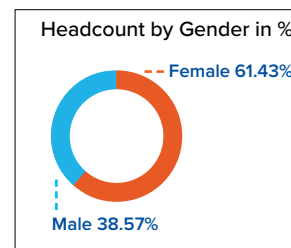
“At Zalaris, we celebrate diversity and strive to create an inclusive workplace where every individual is valued and respected. That's why we're proud to uphold one of our core values - 'Everyone Matters' - which reminds us that everyone is equal and no one is superior to anyone else. We don't care about how you look or whom you love.”

At Zalaris, we celebrate diversity and strive to create an inclusive workplace where every individual is valued and respected. Regardless of gender, ethnicity, religion, sexual orientation, functional impairment, or other personal characteristics, we believe your knowledge, competencies, and strengths genuinely matter.

That's why we're proud to uphold one of our core values - 'Everyone Matters' - which reminds us that everyone is equal and no one is superior to anyone else. We don't care about how you look or whom you love. We care about your determination, expertise, and willingness to work collaboratively with the team to achieve success.

So, join us at Zalaris and build a workplace where everyone feels valued and inspired to be their best selves!

Zalaris is committed to providing a flexible and attractive work environment that meets the individual needs of employees, including flexible work hours, work location when possible, and part-time work arrangements. While full-time positions are the norm, as of 31 December 2023, 8% of employees worked part-time. We conduct an annual review process where employees can update their preferences for full-time or part-time work, and no involuntary part-time positions were identified in 2023. Zalaris support and facilitate for parental leave for female as well as males.



Involuntary part-time employees		Parental leave (avg. numbers of weeks)	
Female	Male	Female	Male
0	0	12.44	1.82

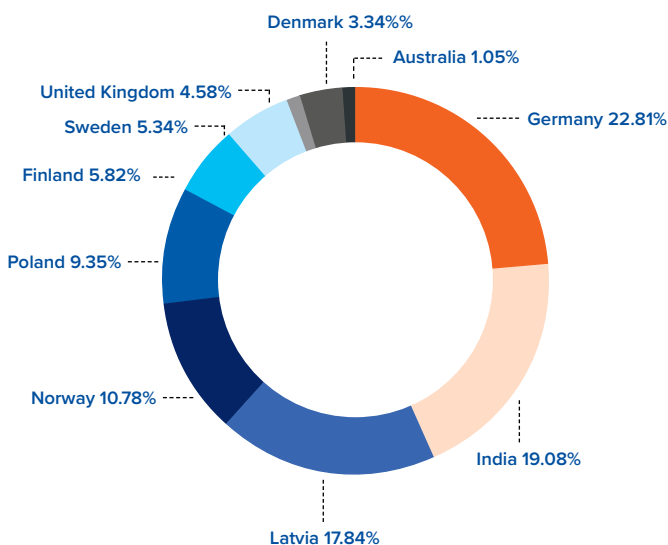


Figure 1 Workforce distribution by country.

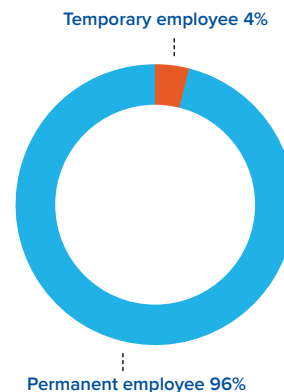


Figure 2 Temporary vs. permanent employees.

Part 1 Gender equality status

This report provides an overview of the Zalaris Group's employee headcounts and salary analyses for the Norwegian entity, focusing on ensuring fair comparisons despite currency fluctuations. At the end of 2023, Zalaris had 1063 employees across 12 countries, representing 22 nationalities, and women accounted for 61% of the workforce and 45% of managers.

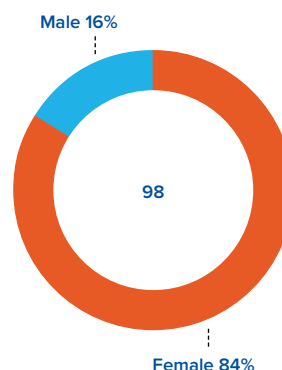
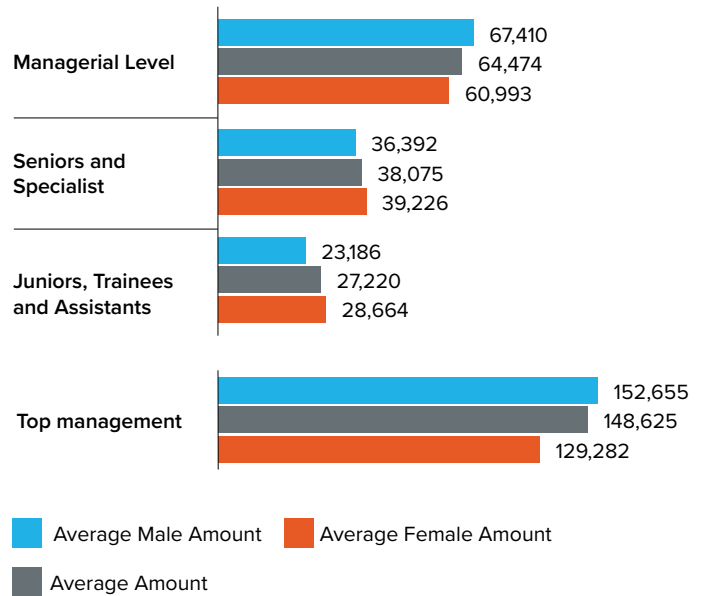


Figure 3 Gender composition, part-time employees

End of 2023 Zalaris have registered 120 contracted FTE consultants. The majority of these were IT specialists assisting in major projects. Our priority is always employments too contractors.

We firmly commit to gender equality at the managerial and senior/specialist levels. Our strategy includes attracting and training junior employees to build their careers at Zalaris. End of 2023, 17% of the Top Management category were held by women (the two highest grade levels positions) with a clear ambition to increase. See the illustration below. The Zalaris Executive Board has set a long-term goal of achieving at least 40% of women in top management positions.

We constantly monitor and analyze fair and equal pay as a part of our available analytical tools and focus. In addition, we do structured pay reviews for each country as a part of our yearly group remuneration process. Our analysis includes possible discrimination based on gender, age, or seniority to ensure equal pay for equal jobs. No gender discrimination was identified in our 2023 review. The salary gap between genders among top management was primarily due to different positions and the inclusion of the CEO's salary in the male data.



Note: On both junior and senior level the average salary of women are higher than men. The reason for the lower average salary at the top level is that the CEO is included in the male number as well as some of the women are placed in lower cost countries.

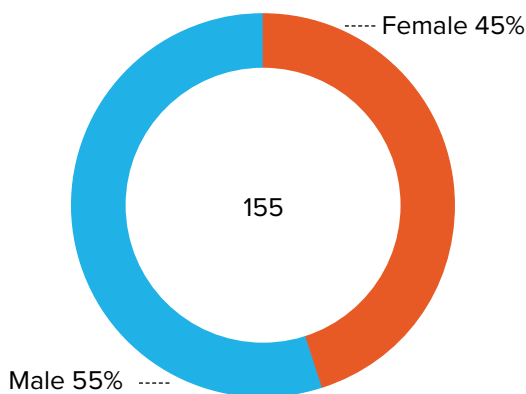


Figure 4 - Managers, gender distribution.

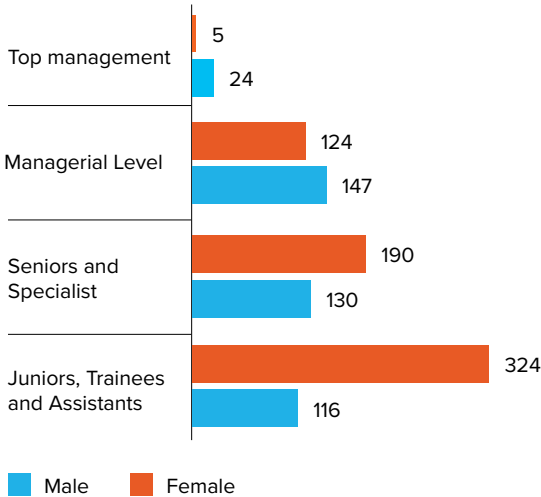
02

Work to promote equity and combat discrimination

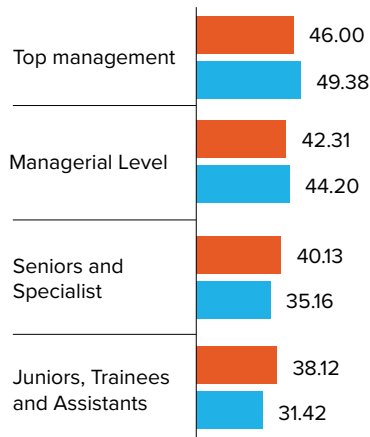
“At Zalaris, we are committed to building an inclusive corporate culture with clear guidelines which include regular measuring and a clear reporting structure.

With global fully digitalized HR processes we ensuring and constantly validate our commitment to provide transparency and equal employee treatment.”

Number of employees



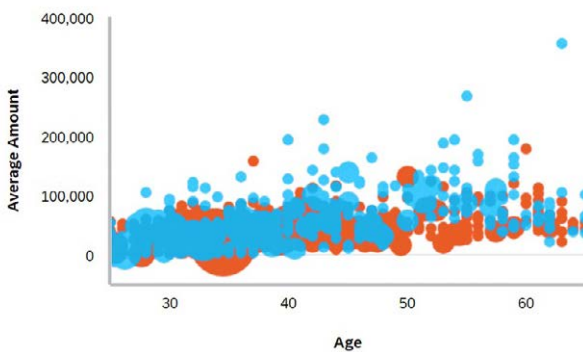
Average Age per Employee Grouping



Salary per age

[Explorer Available](#) | {}

Female Male



Salary Progression per time in Zalaris

[Explorer Available](#) | {}

Female Male

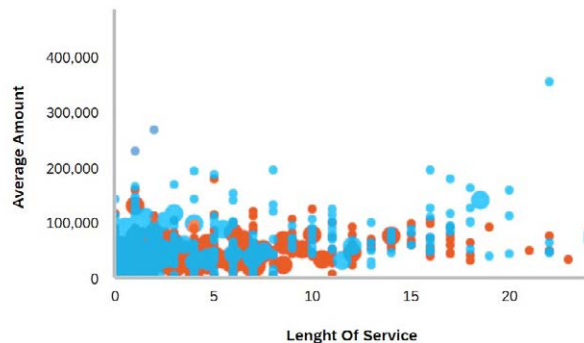


Figure 7 The salary progress graph shows an even pay distribution between genders taking age and seniority into consideration.

Part 2 – Work to promote equity and combat discrimination

Principles, procedures, and standards for equality and anti-discrimination

At Zalaris, we are committed to building an inclusive corporate culture where everyone is treated equally. We strive to foster diversity within our organization, as it generates new ideas and perspectives. We want our employees to be able to balance their work and personal life and provide them with the necessary support to achieve this balance, constantly measured and followed up. We expect all employees to be respectful and considerate towards their colleagues, competitors, customers, and others. We can achieve our goals by being inclusive and engaged with each

other. Discrimination and harassment will not be tolerated in any form, and we take any complaints seriously. We have established clear guidelines to prevent unwanted sexual attention, which include regular measuring and a clear reporting structure. Our principles and procedures for equality and anti-discrimination align with the company's HR strategy, personnel policy, and ethical rules (Code of Conduct) for all aspects of employment.

Our efforts to ensure equality and non-discrimination in practice and identify risks.

At Zalaris, we conduct regular surveys to identify any discrimination or harassment/bullying issues, which is a part of our engagement survey. We also promote our external whistleblowing channel regularly to ensure that employees have an anonymous

reporting alternative available. Any reported cases of discrimination or harassment/bullying are addressed promptly, and we collaborate with local employee representatives to develop action plans. Additionally, we conduct regular awareness campaigns and training sessions for all employees on harassment/bullying.

Our HR processes are fully digitalized, ensuring transparency and equal employee treatment. We conduct specific analyses before our yearly salary review process to detect any possible discrimination based on factors such as gender, age, and seniority. We address any identified issues to ensure fair and equal treatment for all employees.

We understand the significance of acknowledging and celebrating the diverse cultures, religions, and traditions that our team members bring to the table. We leverage the power of the intranet and social

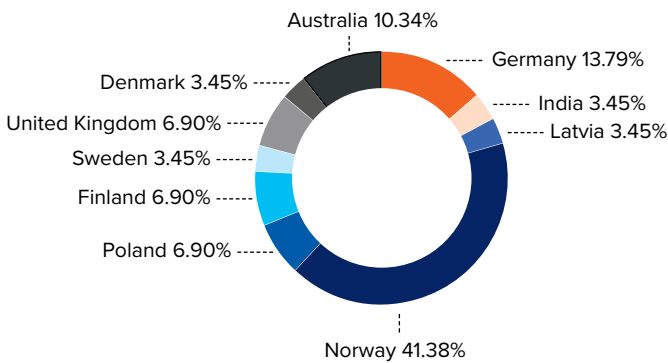
media to promote local festivities and traditions to encourage dialog and build awareness. Topics such as cultural diversity, authenticity, and empowering women have been the inspirational speeches presented at the annual company events.

Zalaris believes in providing equal opportunities to all candidates, irrespective of their race, colour, religion, gender, sexual orientation, gender identity, national origin or disability. Our recruitment processes are designed to be fair, transparent, and free from any form of discrimination. Our Equal Opportunity Statement is a part of every job posting.

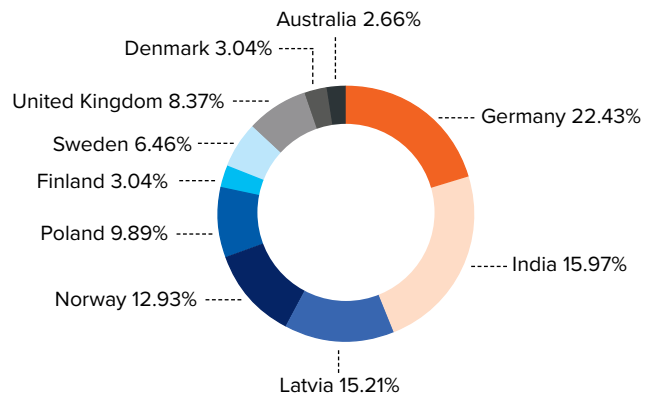
Workforce by country:

Zalaris is proud to have a diverse workforce evenly dispersed around in the countries where we are located.

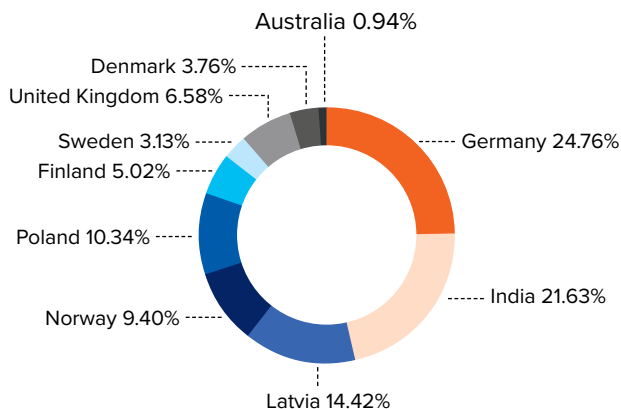
Top Management



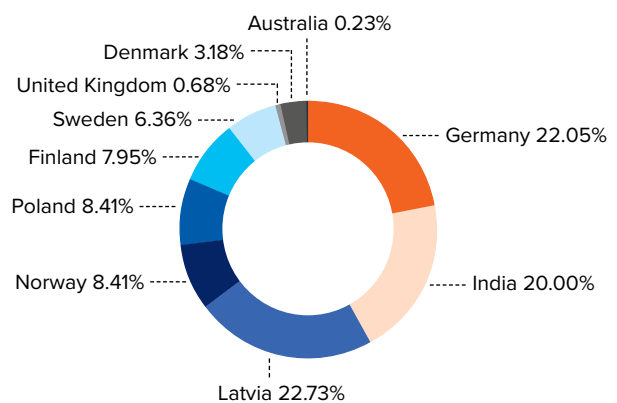
Managerial level



Seniors and Specialist



Juniors, Trainees and Assistants



03

Source of Information

“Zalaris Analytics and Data Management solutions visualize employee analytics and insight, identifying potential issues related to equal rights, such as race, gender, and pay levels on an ongoing basis. This helps us to regularly address any issues and maintain compliance with regulations. Most of the graphics in this report have been pulled directly from our HR Manager Dashboard in SAP Success Factors.”

Source Of Information

Zalaris provides various solutions to support ourselves and our customers in setting and achieving corporate social responsibility (CSR) targets. We have several core solutions, including a recruiting solution that facilitates standardized and effective recruitment and evaluation processes that are anonymous and do not discriminate based on gender or race. Zalaris also offers a global HR master data solution that allows customers to document personnel data according to their requirements. Our payroll solutions ensure compliance with all local tax and reporting

regulations. By utilizing one common IT solution for payroll across multiple countries and a global HR solution for master data, data can be compared and benchmarked without regard to location. Additionally, Zalaris Analytics and Data Management solutions help customers visualize personnel data, identifying potential issues related to equal rights, such as race, gender, and pay levels. This helps to address any issues and maintain compliance with regulations. Most of the graphics in this report have been pulled directly from our HR Manager Dashboard in SAP Success Factors.



Figure 8. Zalaris HR Director dashboard for equity and ESG

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