

2023 Sustainability report

Connecting regulators and the industry to drive financial stability,
tax transparency and a sustainable future.



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What we do

A singular focus on regulatory data and reporting

By combining our deep experience in regulatory reporting and regulatory management, together with our broad technology solutions, we provide a full-service offering across the Regulatory Value Chain to industry players across the globe.

In collaboration with our local experts and our strong partner ecosystem, we build standard software packages and platforms to enable regulators, tax authorities, and firms to increase the efficiency of their regulatory reporting, regulatory management, tax reporting, and data management processes.



Our vision is to create a global platform that connects regulators and the industry to drive financial stability, tax transparency and a sustainable future.

Rob Mackay
CEO
Regnology



Our values

Our values bring us guidance and are lived each and every day by everyone at Regnology as we strive to be the best and most reliable partner for our clients.

Grounded in our belief in continual improvement through learning and innovation, we invest in people and provide space for creativity and growth.



Be reliable and responsible



Drive excellence and quality with passion



Empower sustainable innovation



Collaborate for the greater good



Act with respect and embrace diversity

Commitment to sustainability

We are committed to achieving our strategy in a sustainable manner - building our business on good governance practices, ethical conduct and compliance with applicable laws and regulations, maintaining our good reputation and creating long term value for Regnology and our stakeholders.

Last year Regnology received a bronze rating from EcoVadis, the world's largest and most trusted provider of business sustainability ratings. Their assessment methodology is built on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact, and ISO 26000.

Environmental, Social, and Corporate Governance (ESG)

4.1

Organization

The sustainability strategy is approved and owned by Regnology's CEO and leadership team. The Board of Directors receive regular updates. A dedicated ESG committee reviews the progress periodically throughout the year.

Operational oversight of the implementation of the ESG strategy lies with Regnology's General Counsel and is supported by Compliance.

To embed the initiatives shown above into Regnology's day-to-day business each initiative is assigned an owner. This ownership includes driving and managing the implementation process and providing the necessary information to include in the periodic updates to the Board of Directors.

Sustainability reporting and the review of the strategy process are aligned with our annual wheel for financial reporting and the already existing governance review process.

4.2

Risk management

Sustainability is an integral part of Regnology's risk management. Acute and chronic environmental risks are assessed, and measures for mitigation are defined. Transitory risks because of climate change and its effects on politics, the economy, and society are also identified and analyzed.

Social and governance related risks and chances are also part of our risk approach and are managed on a regular basis. The exposure to potential risks that could disrupt or destroy critical business functions and/or the development and delivery of Regnology's software products, and its professional and managed services is covered by Regnology's strategy for continuing business in the case of a critical disruptive incident (emergency, crisis or disaster).



4.3

External reporting

We report on our sustainability voluntarily to show our commitment and demonstrate transparency.

For the financial reporting year 2025, Regnology will be required to comply with the new EU Corporate Sustainability Reporting Directive (EU-CSRD).

The CSRD entered into force on 5 January 2023 and promotes transparency and accountability by requiring companies to report on their environmental, social and governance (ESG) performance.

With the implementation of our strategy and the launch of the ESG initiatives, we have already collected some data sets for CSRD reporting and plan to compile further reporting data in the course of 2024.

The CSRD focuses explicitly on "double materiality", i.e. all information must be included that is necessary for understanding the effects of the company's activities on sustainability aspects (inside-out perspective) as well as for understanding the effects of sustainability aspects on the course of business, business results and the company's situation (outside-in perspective).

Our approach

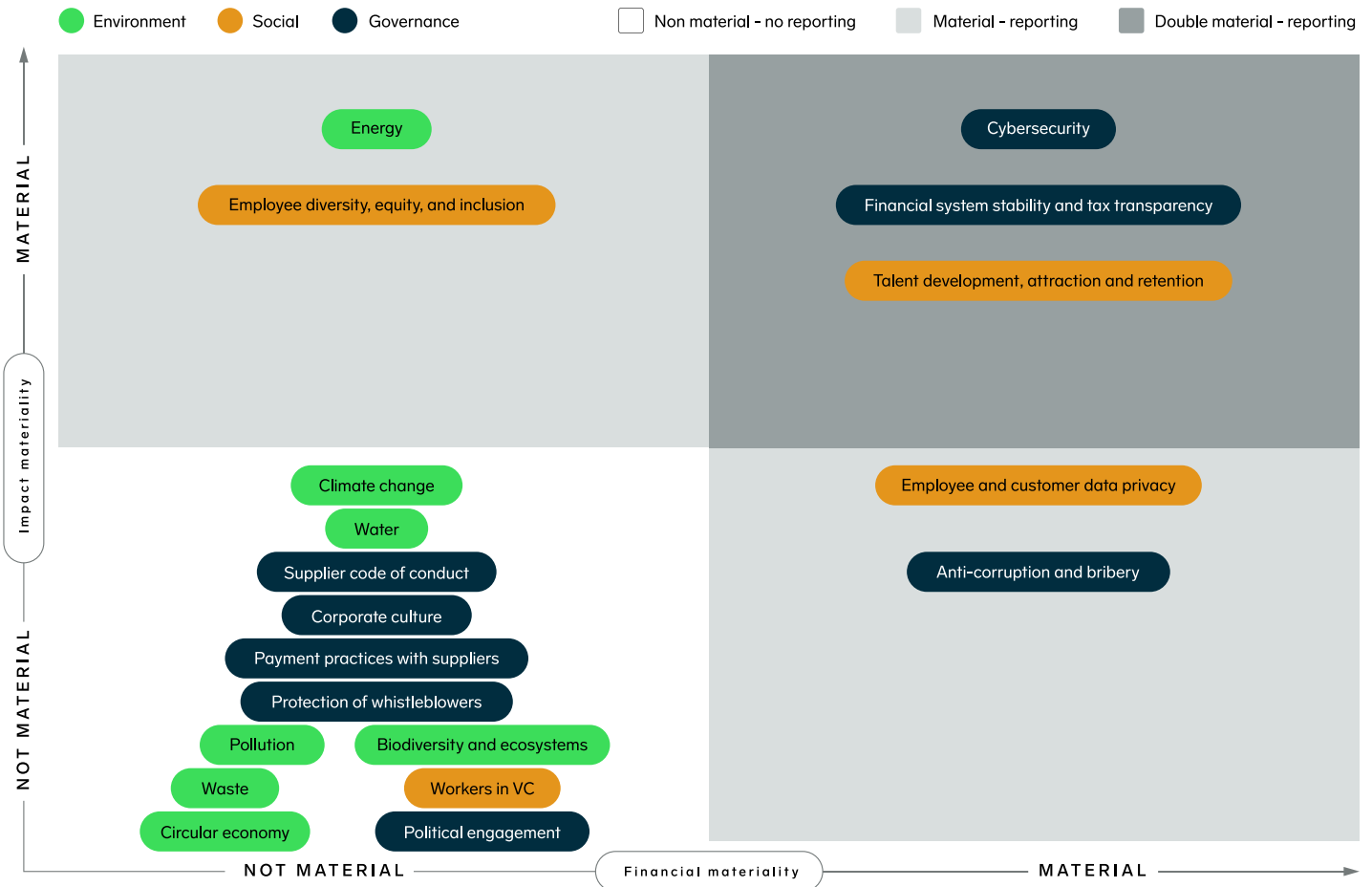
At Regnology we care about Sustainability and have committed ourselves to meet ESG requirements. Our approach to sustainability is holistic, with the strongest focus on areas where we believe we can make a real difference. We address the Environmental, Social and Governance aspects of sustainability, as well as take both an internal and external view on our impact.

At the same time, we aim to leverage our strengths and focus on the specific areas that are most important to Regnology, our key stakeholders (our employees, customers, vendors, the environment and communities in which we operate, and investors) and to regulators.

Regnology considers sustainable procurement and supplier management by evaluating environmental, social, and ethical aspects during supplier selection and ongoing management. We seek suppliers who align with responsible business practices and meet our ESG standards.

Regnology has considered its impact on the planet and society and where we can make a real difference. Based on the double materiality approach we are prepared for the CSRD double materiality requirement.

SUSTAINABILITY DOUBLE MATERIALITY ASSESSMENT



Through our strategic priorities within sustainability, we aim to become an even better partner for our customers who want our world-class RegTech, SupTech and tax software to remain at the forefront of regulatory development.

We also believe that our success depends on the development and well-being of our highly skilled staff

and want to continue to attract and retain the best talent regardless of their background.

The chart below sets out the revised cornerstones and supporting initiatives after completing our double materiality assessment of the sustainability strategy review to help Regnology achieve its vision.

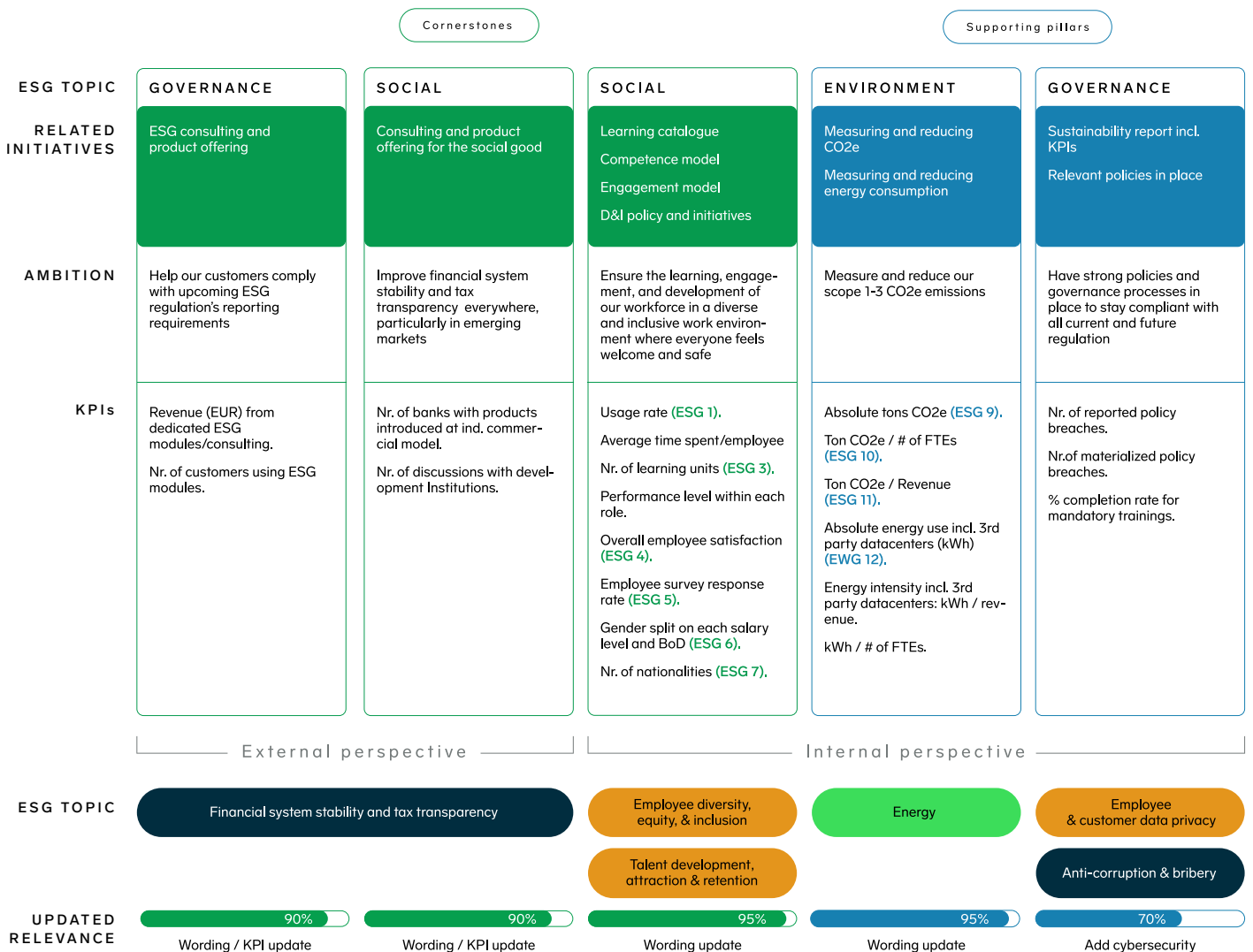
The cornerstones of Regnology's sustainability strategy are of the highest priority for us to reach our vision and ambition level:

1. **HELPING OUR CUSTOMERS COMPLY WITH UPCOMING ESG REGULATION'S REPORTING REQUIREMENTS**
2. **IMPROVING FINANCIAL SYSTEM STABILITY AND TAX TRANSPARENCY EVERYWHERE, PARTICULARLY IN UNDERSERVED MARKETS**
3. **ENSURING THE LEARNING AND DEVELOPMENT OF OUR WORKFORCE IN A DIVERSE AND INCLUSIVE WORK ENVIRONMENT WHERE EVERYONE FEELS WELCOME AND SAFE**

These cornerstones are backed by supporting initiatives which are highly important to us and which we believe all responsible companies in our industry must act on to stay relevant:

4. **MEASURING AND REDUCING OUR SCOPE 1-3 CO2E EMISSIONS**
5. **HAVING STRONG POLICIES AND GOVERNANCE PROCESSES IN PLACE TO STAY COMPLIANT WITH ALL CURRENT AND FUTURE REGULATIONS AND LEGISLATION**

SUSTAINABILITY CORNERSTONES AND SUPPORTING INITIATIVES AFTER THE DMA



Initiatives supporting our Sustainability Strategy

The management team is responsible for determining the strategic objectives and, where applicable, targets for each initiative. For each initiative, respective data owners have been identified to track and record progress.

The following range of initiatives will bring us closer to our strategic vision and ambition.

6.1

Cornerstone: Governance (external)

Helping our customers to comply with upcoming ESG Regulations

RELATED INITIATIVE: ESG CONSULTING AND PRODUCT OFFERING

DESCRIPTION

We will develop industry-leading software products and consulting services that will enable our customers to comply with reporting requirements from upcoming ESG regulations and create transparency for greater financial system stability.

GOAL

Regnology aims to offer industry-leading ESG consulting services and software products.

ACHIEVEMENTS

ESG risks modules developed with delivery, test phase, and roll-out.

Consultancy services developed

Identification of further ESG-related regulation for the market.

Development of dedicated modules / standalone products.

KPIs

Revenue (EUR) from dedicated ESG modules / consulting.

Number of customers using ESG modules.

We have exceeded our set target for 2023.

6.2

Cornerstone: Social (external)

Improving financial stability

RELATED INITIATIVE: CONSULTING AND PRODUCT OFFERING FOR THE SOCIAL GOOD

DESCRIPTION

Introducing our RegTech and SupTech products in developing markets where financial systems are not yet fully mature and Regnology can support creating financial system stability.

GOAL

The aim of the initiative is to increase financial system stability everywhere, particularly in underserved markets by introducing existing products in new (non-core) markets with potentially tailored commercials.

ACHIEVEMENTS

Supported customers to fulfil regulatory obligations for ESEF reporting by acquiring existing software vendor Invoke (now Regnology France)

Sales representatives assigned specifically to work with customers in developing markets.

Intensified dialogue with development institutions and foundations.

KPI

Numbers of customers with the indicated commercial model.

We have exceeded our set target for 2023 by over 600%.

Cornerstone: Social (internal)

Ensuring the learning and development of our workforce in a diverse and inclusive work environment where everyone feels welcome and safe

RELATED INITIATIVE 1 OF 4: STANDARDIZED LEARNING CATALOGUE

DESCRIPTION

Implement a standardized learning catalogue for our employees to ensure their development through easily accessible and relevant knowledge.

GOAL

The aim is to provide easily accessible knowledge to people everywhere in the organization tailored to the individual.

ACHIEVEMENTS

Published communication plan for learning initiatives for our employees on intranet.

Defined actions based on KPI reporting to ensure learning targets are reached.

Further developed our standardized learning catalogue, according to the competency matrix.

KPI - ESG 1

ENGAGEMENT - % OF EMPLOYEES USING ONLINE TRAINING

TARGET

85%

ACTUAL

90%

YOY

▲ 11%

KPI - ESG 3

ENGAGEMENT - AVERAGE NR. OF SMART CARD CREATION & CONSUMPTION PER USER

TARGET

30

ACTUAL

50

YOY

▲ 257%

RELATED INITIATIVE 2 OF 4: STANDARDIZED COMPETENCE MODEL

DESCRIPTION

Implement a competence model across all roles to help employees develop their competencies and improve in their roles based on a tailored approach and regular feedback.

GOAL

The aim is to help employees develop their competencies and improve in their roles based on a tailored approach and regular feedback.

ACHIEVEMENTS

Switch from backwards-looking performance evaluation to a future-oriented skill development model

Competence model embedded in our year-end review, with a direct link to defined total compensation package.

Automated reporting on competence level for staff (Level 1-6) and management (Level 7-9), as well as for high-cost vs best cost countries.

KPI

Performance level within each role.

RELATED INITIATIVE 3 OF 4: STANDARDIZED ENGAGEMENT MODEL

DESCRIPTION

Implement a digitalized engagement model to ensure employees receive continuous, relevant, and timely feedback.

GOAL

The aim is to transition to a feedback-based improvement cycle where employees receive continuous, relevant and timely feedback.

ACHIEVEMENTS

Standardized engagement survey process, including identification of lever to increase engagement scores.

Achieved engagement index of 55%.

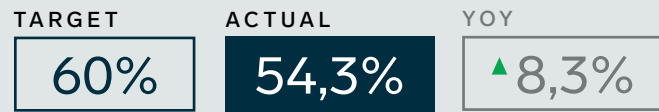
Revised frequency of engagement surveys and implementation of pulse checks, leading to an increase in the participation rate.

Replaced single-sided NPS view with engagement index for a holistic view on employee satisfaction.

Implementation of HR country calls to cover local distinctions.

KPI - ESG 4

EMPLOYEE ENGAGEMENT SCORE AVERAGE



KPI - ESG 5

EMPLOYEE SURVEY RESPONSE RATE AVERAGE



Very busy work schedule of employees due to M&A activities affected the survey participation rate.

RELATED INITIATIVE 4 OF 4: DIVERSITY AND INCLUSION POLICY AND INITIATIVES

DESCRIPTION

Implement policies and practices to ensure we remain a diverse and inclusive workplace.

GOAL

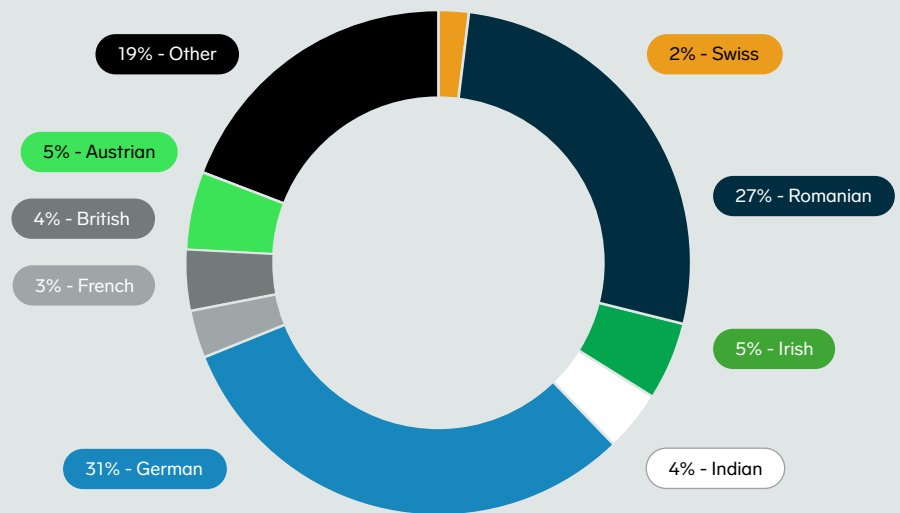
The aim is to ensure that Regnology takes a stance on D&I and work to continue the focus on being an equal opportunity employer.

ACHIEVEMENTS

Diversity and Inclusion Policy published.
Introduction of Ally Network.
Further improved KPI diversity dashboard (e.g.: pay gap)

KPI - ESG 7

TOP 10 NATIONALITIES



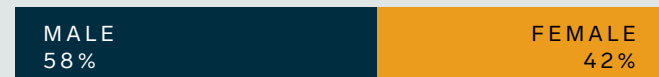
KPI - ESG 6

GENDER REPRESENTATION - 2023

TOTAL

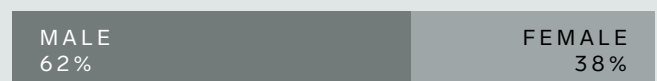


LEADERSHIP



GENDER REPRESENTATION - 2022

TOTAL



LEADERSHIP



Supporting pillar: Environment (internal)

Measuring and reducing our scope 1-3 CO2 emissions

RELATED INITIATIVE 1 OF 2: MEASURING AND REDUCING CO2 EMISSIONS

DESCRIPTION

Measure and calculate CO2e scope 1-3 baseline, using the GHG protocol.

GOAL

The aim is to set reduction targets aligned with science, implement levers to reduce carbon emissions over time, and calculate baseline annually to compare against the reduction target.

ACHIEVEMENTS

Scope 1-3 baseline created.
Set Paris-aligned CO2 emissions reduction targets.
+90% of new revenue data now stored in Google Cloud which is carbon neutral.

KPI - ESG 9

ABSOLUTE TONS OF CO2e

KPI - ESG 10

ABSOLUTE TONS OF CO2/FTE

KPI - ESG 11

ABSOLUTE TONS OF CO2/REVENUE €M

2023 ACTUAL

YOY

1.97

▲ 0.82

2023 ACTUAL

YOY

2.27

▲ 0.92

2023 ACTUAL

YOY

12.43

▲ 2.4

Greater spend due to acquisition of Invoke and greater spend in "External IT costs" within Regnology.

RELATED INITIATIVE 2 OF 2: MEASURING AND REDUCING ENERGY CONSUMPTION

DESCRIPTION

Measure overall energy consumption (requirement for calculating the CO2 baseline).

GOAL

The aim is to create insights on Regnology's energy consumption, both from own offices and from software & servers, and to identify energy reduction levers.

ACHIEVEMENTS

Data on energy consumption collected.
Abacus transaction was updated and improved and is running more efficiently and thus consuming less energy.

KPI - ESG 12

ABSOLUTE ENERGY USE (MWh)

2023 ACTUAL

YOY

1490

▲ 104%

Greater spend due to acquisition of Invoke and greater spend in "External IT costs" within Regnology.

Supporting pillar: Governance (internal)

Having strong policies and governance processes in place

RELATED INITIATIVE 1 OF 2: SUSTAINABILITY REPORT

DESCRIPTION

We will develop a yearly internal report on our sustainability strategy to ensure transparency and report on progress.

GOAL

The goal is to develop an annual Sustainability Report incl. dedicated ESG KPIs to create transparency around Regnology's sustainability impacts and progress.

ACHIEVEMENTS

Definition of governance model for delivery and publication of internal report and external disclosure.
Separate sustainability section on Regnology's website online.
Kept information up to date for 2023.

RELATED INITIATIVE 2 OF 2: RELEVANT POLICIES AND TRAINING

DESCRIPTION	GOAL	ACHIEVEMENTS	KPIs
We are currently in compliance with the regulations but will focus on our policies and governance processes to strengthen those where future regulation changes will require updates.	The aim is to ensure Regnology creates and implements all relevant policies required for ethical business conduct.	Required policies and policy governance in place. Mandatory and awareness training sessions provided. Sustainability training forms part of the CoC training.	# of reported policy breaches # of actual policy breaches % completion rate for mandatory trainings

Our Board of Directors is regularly updated on our progress on these initiatives in line with other strategic priorities.

7 Double Materiality Assessment

During 2023/24 we performed a double materiality assessment (DMA) with the assistance of external consultant The Footprint Firm. This exercise enabled us to understand Regnology's impact on the external environment and its ESG risks and opportunities. This built on both the ESG materiality assessment conducted in 2020 and also our annual enterprise risk management program.

The DMA exercise involved Footprint speaking with members of the Regnology Leadership Team, representatives of Nordic Capital, two customers and one key supplier. Footprint have also discussed the DMA exercise with Regnology's auditors.

The outcome of the assessment was that the following areas were those identified as either having (i) the greatest impact of Regnology on society (impact materiality) and (ii) the largest impact on Regnology's business value (financial materiality).

CYBERSECURITY

FINANCIAL SYSTEM STABILITY AND TAX TRANSPARENCY

TALENT DEVELOPMENT, ATTRACTION AND RETENTION

EMPLOYEE AND CUSTOMER DATA PRIVACY

ANTI-CORRUPTION AND BRIBERY

ENERGY

EMPLOYEE DIVERSITY, EQUALITY AND INCLUSION

Regnology will, where possible, align its 2024/5 Sustainability Report with its reporting requirements under CSRD.

8 Community relations

As a responsible member of society, Regnology assumes social responsibility in the countries where it operates. Based on the respective legal systems and internal guidelines charitable donations and sponsorships are managed and authorized by the Chief Human Resources Officer in consultation with Compliance.

Regnology's objectives and approach to charitable giving and the policy on encouraging staff involvement in local charities, community projects, and voluntary organizations is conducted at a local level.

Initiatives in 2023

Our commitment to ESG extends to transformative educational initiatives in Africa, with a particular focus on supporting the alphabetization of women in Uganda and enhancing children's education and nutrition in Tanzania. By empowering women in Uganda through literacy programs, we are helping to break the cycle of poverty, enabling them to secure better employment opportunities and improve their families' well-being. In Tanzania, our efforts are directed towards elementary school children, ensuring they receive quality education and proper nutrition.

We supported the NGO “Asociația We Help!” in Sibiu with a donation of decommissioned laptops. The purpose of this association is to give the chance for a better life to kids from disadvantaged families. With this initiative, we were able to support the digital education of children with limited financial means.

Additionally, there are local office based charity initiatives, for example, in Austria, Regnology staff donated EUR 2,000 to Medecins san Frontieres.

Donations were also awarded to UNICEF, demonstrating an inspiring commitment to making a positive impact beyond our organization. By channeling their recognition into contributions for UNICEF, they are helping to support vulnerable children worldwide, providing them with essential resources such as education, healthcare, and emergency relief.

9

Outlook

Having completed its DMA exercise, Regnology is now in the process of preparing for the CSRD requirements and identifying any missing datasets as part of a gap analysis to ensure that for the financial year 2025 Regnology is tracking all the data points necessary to fulfil its reporting obligations under CSDR.

Sustainable procurement and supplier management involves considering environmental, social, and ethical factors when selecting and managing suppliers. For Regnology it is increasingly important to work with suppliers that adhere to responsible and ethical business practices and meet our ESG standards. As part of our responsible supply chain program, we will further enhance and develop more sustainable criteria when selecting suppliers. Such a sustainable procurement approach will help us to mitigate risks, reduce the carbon footprint, promote fair labor practices, and drive positive social and economic impacts throughout the supply chain.

