

Statement on non-financial information

extract from the full Directors' report on the operations of Netguru S.A.in
the period from 1 January to 31 December 2022.

Date: 30/03/2023

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Introduction

In 2020, by joining the B Corporation movement, Netguru S.A. committed to co-creating sustainable economic development. In accordance with the B Corporation Declaration of Interdependence, the company's management believes that every business should be conducted in a way that benefits everyone and does not harm anyone.

Following this, in 2022, the company formally included in its statute a commitment to long-term and positive impact on the world and to taking into account the voice of stakeholders in the decision-making process.

The purpose of publishing this statement on non-financial information is:

- to transparently communicate data related to the company's impact on the environment and society, and to enable stakeholders to access this information;
- to prepare for the requirements of the CSRD directive and future Environmental Social Governance (ESG) data reporting obligations; at the moment, Netguru S.A. is not required by law to report this type of data;
- to inspire other companies, with a particular focus on the IT sector. The company's management is convinced that transparent sharing of ESG actions is important for the role that businesses play in the world.

The information contained in the report includes selected key indicators from all areas indicated in the ESG reporting guidelines issued by the Warsaw Stock Exchange for companies listed on the GPW: corporate governance, environment and society, and additional data (proprietary indicators) relevant to the technology sector.

The data is for 2022, but in selected cases, also for 2021 as a supplement to the context in the first such compilation.

Key decisions on the road to responsible business development

- 2008 r. – establishment of the company, introduction of the possibility of full-time remote work for most employees and contractors;
- 2013 r. – introduction of transparent salary ranges, published in job postings;
- 2019 r. – first resignation from a client for ethical reasons: refusal to develop a digital application for hunters;;
- 2019 r. – first pro bono project for the international organization Pure Earth (an application for reporting environmental pollution);
- 2019 r. – creation of the Sustainability Lead position in the company and the first strategic workshop with company stakeholders;
- 2019 r. – accession to the United Nations Global Compact Poland;
- 2020 r. – B Corporation certification;
- 2020 r. – revision of the company's vision for sustainable development: *Sustainable, digital world where everyone can realize their full potential*;
- 2020 r. – participation in the UNEP GRID Climate Leadership program and the first calculations of the company's carbon footprint;
- 2020 r. – co-founding of the Tech To The Rescue movement to strengthen the digital competencies of the non-profit sector;
- 2022 r. – achievement of CO2 emissions neutrality for 2021;
- 2022 r. – formal inclusion of *stakeholder governance* and purpose clause in the Netguru Statute.

Organizational structure, team diversity, and employment turnover

Data as of the end of 2022:

- Netguru team: 800 people (employees and contractors)
 - 37% women;
 - 92% of people between 20 and 40 years old, 8% above 40 years old;
 - 61 foreigners;
 - 568 people in technical positions, including 26% women;
- Leadership positions: 79 people, 51% women;
- Managerial positions: 44 people, 39% women;
- Core Team management: 9 people, 44% women;
- Netguru Board: 2 people (1 woman and 1 man);
- Supervisory Board: 3 people, 100% men,

Employment turnover at the end of 2022: 32% - the number of actual departures (the number of people who spent their last day in the company during the period in relation to the average number of people employed during that period).

Employee opinion survey and engagement - eNPS: 24.

In its quarterly employee opinion surveys, Netguru uses the eNPS (Employee Net Promoter Score) indicator. This indicator helps measure how the company is perceived by employees and whether employees are its ambassadors in the labor market. The eNPS is measured on a scale from -100 to +100 and by asking a question about the readiness to recommend the company to friends/family by choosing an answer on a scale from 0 to 10. In the fourth quarter of 2022, the eNPS at Netguru was 24.

Actions supporting diversity

Netguru S.A. fosters an inclusive workplace culture, boosts social participation, and advocates it outside of Netguru. Over the years, internal and external campaigns have been carried out, including:

- *Narrative Matters* – about inclusive language;
- *Neurodiversity* – *what it is and what potential it has*.

Netguru constantly supports the LGBTQ+ community by promoting educational materials and expressing solidarity through an annual, periodic change of the company's logo to a rainbow. The company has introduced internal goals related to gender equality, and educates in the areas of disability, mental health, and cultural diversity.

The company is a co-author of the guide *"Inclusive Diversity and Culture Step by Step. A Guide for Organizations"* edited by Dominika Sadowska and under the patronage of the Polish Institute for Human Rights and Business.

The Hidden Heroes campaign: in April 2022, Netguru launched a campaign honoring little-known innovators in technology. The stories of Pattie Maes, Ravi Perlman, Lou Montulli, Douglas Engelbert, Phil Zimmermann, Gladys West, Nasir Ahmed, and George Samuel Hurst, Jeff Hana, and Ken Kocienda - authored by Steven Johnson, a popular American writer and presenter - are available on the hiddenheroes.netguru.com website. The project has been awarded and recognized by The Drum Awards and DesignWays, among others.

Internal due diligence procedures and consulting teams at Netguru

Procedures:

- **The Speak Up mechanism**, which includes policies to prevent workplace bullying, discrimination, and other negative behaviors. In 2022, the Speak Up Commission reviewed 5 reports. All leadership members undergo anti-bullying and anti-discrimination training.
- **The Code of Conduct** - a set of principles outlining social norms, rules, obligations, or best practices for a particular person, party, or organization. The Code of Conduct applies to all Netguru team members.

- **The Information Security Management System**, based on ISO 27001 standards, which includes policies and procedures describing mechanisms for managing information confidentiality and privacy.
- **General Compliance Policy** - in effect since March 2019, prohibits practices and actions such as corruption, establishes conflict of interest management principles, provides general guidelines for combating money laundering, and emphasizes confidentiality at Netguru.

Consulting teams:

- **Netguru Consulting Group** - a diverse group of Netguru members who evaluate selected solutions and corporate projects.
- **The Ethics Committee for Projects** - a group that provides opinions on ethical issues related to cooperation with selected clients and recommends a decision to the CEO. As a result of its work in 2022, Netguru withdrew from cooperation with 5 projects that were deemed to have a negative impact on society and the environment.
- **The Community and Employee Experience Team** - which organizes events for employees and partners, taking into account social and environmental impact in the decision-making process (an informal practice), for example, by minimizing the use of disposable plastic and food waste during integration meetings, collaborating with local suppliers, and optimizing package shipping.

Pro publico bono activities

Every year Netguru delivers pro or low bono projects (free or at cost) for organizations solving important social and environmental problems in Poland and around the world and supporting the Sustainable Development Goals.

In addition, Netguru provides more than 100 open source code repositories on GitHub.

Projects implemented in 2021 and 2022:

- **Need Energy** - an intelligent dashboard for a company in Zimbabwe that promotes sustainable energy development in South African countries by tracking energy consumption and predicting future needs for individual and commercial users;
- **Design of a subpage for the international organization Synergy Animal**, dedicated to combating irresponsible industrial farming of animals (banksforanimals.org);
- **A chatbot for volunteers at the Great Orchestra of Christmas Charity communication center**;
- **Project Clarin** - a joint project with the Office of Competition and Consumer Protection (UOKiK) to develop a dataset and artificial intelligence model for detecting abusive clauses, or prohibited contractual provisions that appear in consumer contracts;
- **The forumrazem.org.pl platform for non-governmental organizations in Poland working to help Ukraine**, with the participation of the Polish Humanitarian Action and Ashoka;
- **Consulting support for the reorganization of the Ukrainian House in Warsaw** - a non-governmental organization that helps refugees from Ukraine in Poland;
- **A mobile application for the Pismo Foundation** - a pro publico bono venture, which publishes the "Pismo. Opinion Magazine" - the first basic version of the product;

- Redesign for OWASP.org, the world's largest non-profit organization and community that develops and publishes software security standards and guidelines.

Involvement in pro and low bono activities	2021	2022
Number of people involved in the above projects	16 people	71 people
Number of hours worked on the above projects	1129 hours	1129 hours

IT pro-bono

Netguru is a co-founder and co-financier of the Tech To The Rescue (TTTR) foundation, established in 2020 in response to the Covid pandemic and the growing need to support the non-governmental sector in digitization. The TTTR foundation connects non-profit organizations with technology companies willing to support their digital development on pro and low bono terms. In 2022, TTTR already had 1200 companies from 60 countries, and launched 200 cooperation projects between the technology sector and organizations solving social and environmental problems.

Six dimensions of assistance provided in response to the war in Ukraine:

1. Assistance in relocation to Poland for Ukrainian colleagues,
2. Additional paid leave and financial support for Ukrainian colleagues,
3. Support in finding housing and creating a database of Netguru employee housing,
4. A monetary donation in support of Ukraine equivalent to the sum of donations from Netguru employees and partners (matching funds),
5. Tech For Ukraine - implementation of pro bono projects to strengthen social organizations helping people fleeing the war in Ukraine,
6. Free psychological support for all Netguru employees and partners.

Cash and in-kind donations

Value of cash and in-kind donations in 2021: PLN 60 092

Value of cash and in-kind donations in 2022: PLN 273 886

Beneficiaries of the largest cash donations in 2021 and 2022:

- The Tech To The Rescue Foundation: EUR 15 000
- The ING Dzieciom Foundation, in connection with a fundraising campaign for Ukraine: PLN 11.000 (equivalent to the amount donated to help Ukraine by Netguru employees, then doubled by the ING Dzieciom Foundation)
- The Polish Hospitality Foundation (Grupa Granica): PLN 10 000 (equivalent to the amount donated by Netguru employees to the Grupa Granica, then doubled by Netguru co-founders. The final value of all donations to the Grupa Granica amounted to PLN 40 000).

Other beneficiaries of monetary donations in 2021 and 2022:

- Great Orchestra of Christmas Charity Foundation based in Warsaw
- Siepomaga Foundation based in Poznań
- Autonomia Foundation based in Kraków
- Days of Anti-Discrimination Association based in Poznań

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Netguru S.A., with registered office in Poznań, ul. Male Garbary 9, 61-756, entered in the Register of Entrepreneurs of the National Court Register maintained by the District Court for Poznań-Nowe Miasto and Wilda, 8th Commercial Division, under KRS No 0000745671, Tax ID No (NIP): 7781454968, Statistical ID No (REGON): 30082628000000, with share capital of PLN 106,798.21 (paid in full).

- DAJ HERBATĘ Foundation based in Warsaw
- Atypowi Foundation based in Warsaw
- Małymi Oczami Foundation
- Captain Światelko Foundation
- Love Does Not Exclude Association

Beneficiaries of in-kind donations - computer equipment and interior equipment articles in 2021 and 2022:

- Studio Wschód Foundation based in Wrocław
- Christian Association of People with Disabilities, Their Families and Friends "Ognisko" based in Kraków
- Initiatives of Podkarpacie Association
- Ashoka Foundation based in Warsaw
- Asbiro Foundation based in Jędrzejów
- "Jasny Cel" Association for Children with Cerebral Palsy based in Białystok
- Friends of Children Association Mazowiecki Branch
- ESPA Foundation based in Legnica
- Karuzela Foundation based in Warsaw
- Primary School No. 4 named after Ignacy Paderewski in Pruszcz Gdański
- Stocznia Foundation based in Warsaw

Environmental impact and carbon footprint

Sources of CO2 emissions	2020 (first year of calculation)	2021	2022
Total CO2 emissions in all 3 scopes	391 tons	376 tons	362 tons
Main sources of emissions: 1) Energy consumption in offices (scope 2) 2) Energy consumption by laptops and monitors (scope 2) 3) Business travel (scope 3) 4) Cloud computing data (scope 3)	1) 238 tons 2) 36 tons 3) 36 tons 4) 31 tons (estimated data)	1) 222 tons 2) 46 tons 3) 20 tons 4) 37 tons (estimated data)	1) 152 tons 2) 73 tons 3) 113 tons (increase in number of business trips) 4) 5 tons (data based on supplier consumption)

In 2020, as a result of the B Corporation certification process, Netguru estimated its carbon footprint for the first time. The certification classified Netguru as a company with a minor environmental impact (Sector: Service with Minor Environmental Footprint).

At the end of 2020, Netguru joined the second edition of the "Climate Leadership" program under the auspices of UNEP/GRID and conducted the company's first emission calculations with the support of external experts. The main sources of emissions were identified (in the table above).

Netguru stores data on cloud servers: GCP, AWS, and Azure. Employees and the company mainly use the three mentioned, the remaining data is directly stored and processed in the infrastructures of clients and external projects.

In 2021, as a result of participation in the Climate Leadership Program, the Company declared a goal of emission neutrality by 2025 and began calculating emissions in all three scopes (direct, indirect, and value chain).

In 2022, a partnership with Tergo and compensation for unavoidable carbon dioxide emissions for 2021 through an agroforestry program in Belize.

The agroforestry project in Belize (Central America) is being implemented by the Polish startup Tergo. This project not only removes carbon dioxide from the atmosphere but also has a positive impact on the local community and biodiversity, based on high-quality carbon credits.

Poznań, 30 March 2023