genexis
GROUP AB

Genexis Group
Sustainability report 2022

Content

CEO statement

CEO statement

An accelerating sustainability journey

2022 was an exciting year for Genexis Group AB. The company was established in 2022 as the new holding company for Inteno Group including the subsidiaries Genexis and IOPSYS, each of which are leading companies within the broadband communications industry.

As we build our business, we view sustainability and the longevity of our relationships as key factors for future growth. We cater to hundreds of well-established communication service providers who put quality and reliability at the core of their businesses, and as their supplier we ensure that they are able to fulfil and exceed those expectations. Having developed products and software solutions over the last three decades through our subsidiary Genexis, and with the establishment of IOPSYS Software Solutions in 2018, we are fully dedicated to broadband communications.

The demand for energy-efficient, high-quality fiber connectivity for homes and offices has steadily increased during the past ten to fifteen years. At Genexis Group we recognize and meet this demand. We have grown our business significantly during the last years and will continue to invest in research and development of products and software solutions that address this demand and aim to be an established market leader within sustainability in the fiber broadband industry. Hereby, we aim to improve the experience of our customers across Europe and the rest of the world. Key to this ambition will be how well we manage to ensure the sustainability of our product and service offering.

Sustainability improvements and focus ahead

In 2022, we took important steps in revitalizing our sustainability work and setting our sustainability ambitions. Before then, we had already been working with sustainability initiatives within certain areas such as making sure to exclude harmful substances and investigating circular design solutions for our products. Yet the world is changing and stakeholder expectations regarding sustainability require more from us, ranging from adequate analysis to transparent communication and improved sustainability performance. We are now rolling out groupwide sustainability measures based on our materiality analyses and defined sustainability strategies, one each for Genexis and IOPSYS considering both their different business models and future ambitions. Another highlight was the issuance of a sustainability-linked bond with two material and highly ambitious performance targets related to the share of recycled plastics and setting science-based targets – also placing an emphasis on accomplishing those targets (climate targets validated by the Science-Based Target initiative for eg.). During 2023, the bond will be listed on Nasdaq Stockholm and as such adhere to the Swedish Corporate Governance Code.

As we move forward into 2023, we will continue the implementation of our sustainability work and improve our sustainability performance. Following the establishment of Genexis Group, Conny Franzén will transfer, after 15 years as CEO of Inteno Group, to the role of Vice President of Genexis Group. Furthermore, he will take on the responsibility to lead IOPSYS.

"I have spent 28 years in the company, the past 15 as CEO. Building a sustainable business is important to us working in the company, our customers, as well as the greater society. This becomes more apparent every day. I feel confident to hand over the steering to Gerlas van den Hoven who will lead the group into the next growth phase." says Conny Franzén.

It is with pleasure that we present the first sustainability report for Genexis Group.

Conny Franzén
CEO of Inteno Group
2008-2022

Gerlas van den Hoven
CEO of Genexis Group

About Genexis Group

About Genexis Group

Genexis Group, formerly known as Inteno Group is headquartered in Stockholm, Sweden. Lead investor and largest owner is Accent Equity, a Nordic-based investment fund. Genexis Group and its subsidiaries Genexis Sweden AB (Genexis) and IOPSYS Software Solutions AB (IOPSYS) provide high-quality products and software that enable the realization of the digital home.

With operations and customers in multiple regions globally, the Group is positioned to serve the growing broadband market and offer innovative solutions for the future.
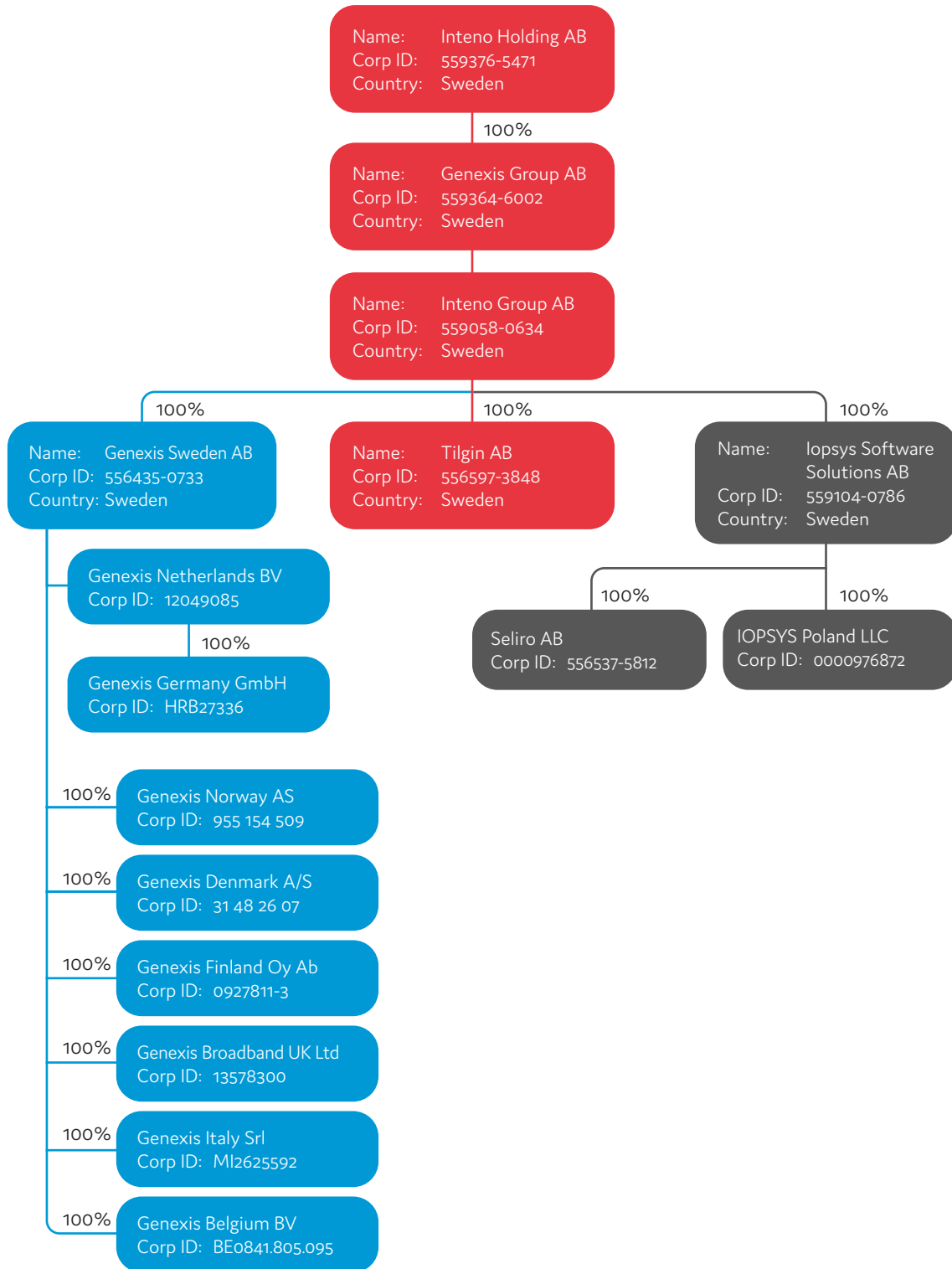
Genexis specializes in developing products and software platforms targeting broadband service providers. Genexis has offices and subsidiaries in Sweden, Netherlands, Norway, Germany, Finland, Denmark, Italy, UK, and Belgium. The company is headquartered in Stockholm, Sweden, and Eindhoven, Netherlands. Next to its main R&D centers in Netherlands and Sweden, Genexis has offshore software development in India. Genexis has logistic hubs in the Netherlands and Sweden. Genexis develops end-to-end solutions for broadband service providers, network owners, installed by system integrators or the end-users. Genexis offers a wide range of products, including DIY fiber terminations, residential gateways, and Wi-Fi extenders and repeaters, all of which are designed to support industry standards, manageability, and sustainability. Additionally, Genexis develops and promotes a real-time management platform keeping the products up to date with the latest software extending the product lifetime.
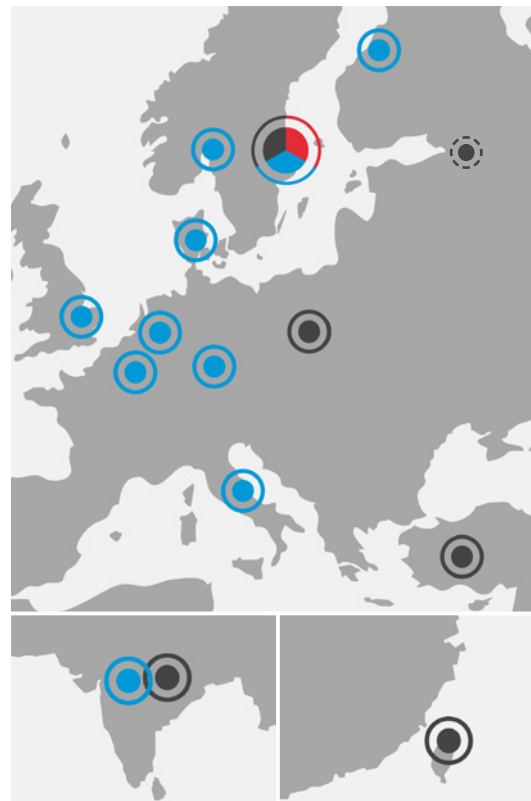
Genexis Group   Genexis   IOPSYS

The company has reduced its previous offshoring to Russia to bare minimum and continue to address the last parts.

IOPSYS designs and develops software solutions for the connected, digitized home. The company was founded in 2018, the headquarters is located in Stockholm, Sweden, with an additional R&D office in Poland, sales office in Taiwan and support office in Turkey. IOPSYS flagship product is IOWRT, an open-source operating system built on OpenWrt for products such as Wi-Fi routers and extenders, fiber termination units, and IoT gateways. IOWRT empowers broadband Service Providers to offer new services with short TTM and without being tied to a specific product. IOPSYS actively contributes to the open-source community. IOPSYS customers include Communication and Internet Service Providers as well as OEMs within the global broadband and connected home industry.

Legal structure

Name: Inteno Holding AB
Corp ID: 559376-5471
Country: Sweden

100%

Name: Genexis Group AB
Corp ID: 559364-6002
Country: Sweden

Name: Inteno Group AB
Corp ID: 559058-0634
Country: Sweden

100%   100%   100%

Name: Genexis Sweden AB   Name: Tilgin AB   Name: Iopsys Software
Corp ID: 556435-0733   Corp ID: 556597-3848   Solutions AB
Country: Sweden   Country: Sweden   Corp ID: 559104-0786
                                                                  Country: Sweden

Genexis Netherlands BV   100%   100%
Corp ID: 12049085

                                              Seliro AB   IOPSYS Poland LLC
100%   Corp ID: 556537-5812   Corp ID: 0000976872

Genexis Germany GmbH
Corp ID: HRB27336

100%   Genexis Norway AS
       Corp ID: 955 154 509

100%   Genexis Denmark A/S
       Corp ID: 31 48 26 07

100%   Genexis Finland Oy Ab
       Corp ID: 0927811-3

100%   Genexis Broadband UK Ltd
       Corp ID: 13578300

100%   Genexis Italy Srl
       Corp ID: MI2625592

100%   Genexis Belgium BV
       Corp ID: BE0841.805.095

Sustainability at Genexis Group

Sustainability at Genexis Group

Key achievements 2022

Genexis has received Silver in Ecovadis in the Netherlands	Genexis Group has issued a sustainability-linked bond	Genexis Group has decided to submit Science-Based Targets

Genexis Group's ambition is to be an established market leader within sustainability in the fiber broadband industry. We strive to design products with energy efficiency and circularity in mind, contributing to enabling sustainable broadband connectivity. We prioritize the well-being of our employees, recognizing that they are a key factor in the success of our business. Finally, we are committed to building a healthy, long-term business that values fair business ethics and financial stability while investing in dedicated relationships with customers and suppliers.

Genexis Group's approach to creating long-term and sustainable value is founded on the common values held by its owners and employees. The Group acts according to our Vision, Mission and Core values, which serve as a set of guidelines for the company's responsible actions.

Vision	Mission	Core values
We make a difference by enabling Service Providers to offer the best possible broadband connectivity experience by using our technology	Enable innovation within gateway products and software solutions, supporting service-providers to improve and increase their competitiveness	We understand the broadband service provider's needs. Our technology companies develop and deliver innovative CPE products and software solutions with intelligent features and high life-cycle value.

Governance

Genexis Group's Board of Directors are responsible for the strategic development and management of the group's business, making decisions related to long-term goals and matters with significant financial, legal, or other implications. The Board has delegated responsibilities in the sustainability area to the Group CEO who, with support from the subsidiaries' CEOs and management teams, is leading the Group's sustainability efforts. Genexis Group's policy framework includes a number of group-specific policies adopted by the Board of Directors, such as the Code of Conduct, in addition to the subsidiaries' own company-specific policies. As of 2022, Genexis and IOPSYS have a united sustainability group with representatives from all relevant business areas that works to coordinate, integrate, and communicate sustainability efforts.

Board composition

The Board currently consists of three Board of Directors, where two are appointed by Accent Equity. Genexis seeks to add two new board members in 2023. The desired outcome is to elect at least one woman and at least one person with sustainability experience. Furthermore, Accent Equity has a dedicated Sustainability Manager who continuously supports the Boards and management teams in each portfolio company, and hence functions as a support function to Genexis Group.

In accordance with the Swedish Governance Code, the company intends to establish a committee in the coming year, tasked with assessing and deciding on compensation and nominating candidates. Additionally, the Board approves CEO remuneration, and the management team's compensation is determined through consultation with the CEO and the Board. There is no compensation related to sustainability for the Board or the management team. A board evaluation is conducted yearly to assess the members' accountability, transparency, and effectiveness.

Sustainability as a responsibility and priority

For Genexis Group and its Board, sustainability is highly prioritized, with initiatives' being discussed at every Board meeting and included in management and quarterly reports. To enhance the professionalization and address Genexis Group's sustainability performance in compliance with future regulations, a dedicated section will be included in board reports to focus on sustainability. Additionally, the key performance indicators (KPIs) pertaining to sustainability will be given more prominence in the reports. Any occurrences related to conflicts of interest or other major incidents within the Group are reported to the Board during the board meetings.

The Board has reviewed and approved Genexis and IOPSYS materiality assessments that were conducted in 2022, as well as the Group sustainability report for 2022. The subsidiaries are developing separate sustainability strategies that will be finalized and receive board approval during 2023.

Genexis Group's materiality assessment

Genexis Group's materiality assessment

In 2022 Genexis Group conducted its first materiality assessment, leading to the development of a sustainability strategy with goals and targets guiding the work forward.

Materiality assessment – from start to finish

Given the structure of Genexis Group, where our business operations take place within either Genexis or IOPSYS, we have undergone two parallel processes, one for each company. This has allowed us to get a tailored understanding of the relevant sustainability impacts that are connected to Genexis Group, yet allowing Genexis and IOPSYS to be understood in more detail and their specific business context. The materiality assessments have laid the foundation for the development of each subsidiary's sustainability strategy, goals, and targets.

The first step in each materiality assessment was to identify the most critical sustainability risks for each company. By assessing the risks based on probability and their legal, financial, and reputational impact on operations, along with our existing sustainability efforts and benchmarking against our competitors, ten sustainability aspects were formulated that are essential for each subsidiary. The sustainability aspects encompass the sustainability areas of environment, human rights, labor rights, and anti-corruption.

As a next step, an impact analysis was conducted from a double materiality perspective, aiming to analyze the sustainability aspects' impact on the companies, and the companies' impact on each sustainability aspect (impacts can be direct/indirect, positive/negative, intended/unintended) – an exercise which was facilitated by the risk assessment already conducted.

To assist us in identifying and prioritizing key areas, we engaged in several stakeholder dialogues. The stakeholder dialogues were conducted according to the AA1000 SES, which is the most utilized global standard for stakeholder dialogues, emphasizing principles of materiality, inclusion, responsiveness, impact, and confidentiality. In order to gather comprehensive information and capture a wide range of perspectives, both surveys and interviews were conducted.

Stakeholder groups	Method
Board & Investors	Interviews
Employees	Survey + interviews
Suppliers & Partners	Interviews
Customers & Clients	Interviews

Material areas

Based on the impact analysis and stakeholder dialogues, the stakeholder aspects were divided into three groups: priority areas, focus areas, and areas to be monitored. Together, the aspects form Genexis Group's material sustainability areas. Priority areas indicate areas that can contribute to brand positioning and create differentiation. Focus areas indicate areas where Genexis Group should develop further from a risk and opportunity perspective. Finally, the last category indicates areas that should be monitored and refined but won't differentiate Genexis from competitors.

The result indicates that "Innovation" and "Resource consumption, emissions and efficiency" are among both companies' priority areas. For Genexis, working with material sourcing and hardware production, "Circular economy" is ranked at the very top. Concerning IOPSYS, "Attracting, retaining and developing talent" is among the most prioritized areas for the business. As for tech companies in general we face the challenges of talent attraction, based on the high demand for talented individuals in the software industry.

Genexis

Priority areas

Circular economy

Innovation for sustainability

Resource consumption, emissions and efficiency

Focus areas

Responsible supply chain management

Data security and customer integrity

Gender equality, diversity and inclusion

Attract, retain and develop talent

Areas to monitor and refine

Business ethics

Company resilience and climate change adaptation

Community engagement

IOPSYS

Priority areas

Innovation for sustainability and open source development

Attract, retain and develop talent

Resource consumption, emissions and efficiency

Focus areas

Gender equality, diversity and inclusion

Data security and customer integrity

Business ethics

Areas to monitor and refine

Company resilience and climate change adaptation

Responsible supply chain management

Community engagement

Sustainability strategy, goals and targets

Based on the materiality assessments where Genexis Group's largest sustainability impact and opportunities were identified, the baseline for two separate sustainability strategies have been developed for the subsidiaries in 2022. Genexis Group's ambition is to implement the strategies, including defined additional goals and targets, for both subsidiaries during the first half of 2023.

Sustainability areas

Improve environmental performance

Genexis Groups's business offers an opportunity to contribute to a more sustainable future. We strive to minimize climate impact within the organisation and throughout the value chain as well as elevate innovation and technology for sustainability and circular economy. In addition, we want to make sure that the business is prepared for climate change impacts and other potential crises. The Business Continuity Plan is revised annually to meet identified risks and ensure continued resilience . An Environmental policy will elaborate our commitments and serve as a steering document for Genexis and IOPSYS to implement. The responsibility for the day-to-day implementation will be delegated to internal functions at Genexis and IOPSYS, following the roll-out of the policy once approved.

Area overarching goals and targets

- Set Science-Based Near-term Targets to reduce absolute emissions in scope 1-2 with 42% by 2030.
- Set Science-Based Net-Zero Targets to reduce absolute emissions in scope 1, 2 and 3 with 90% by 2050 with a 2022 base year.
- 55% of total plastics used in final products to consist of recycled plastics by 2026.
- Achieve 100% renewable electricity procurement in all Genexis offices by 2025.
- Be compliant with ISO: 22301 "Business Continuity Management" from 2024.
- Formalise Business Continuity Plan including management of environmental risks, using ISO:140001 as guidance.

Resource consumption, emissions, and design for energy efficiency

Since Genexis and IOPSYS provide products and open-source software for connected homes, the negative impact on the environment is dependent on each company's business offering.

Negative impacts on the environment originate from Genexis' business and supply chain through material sourcing, hardware production in factories in Asia and Europe, long-medium- and short-distance transportation as well as energy consumption from the usage of Genexis products in consumers' homes (scope 3). Software development in both Genexis and IOPSYS stands for a small share of the Group's climate impact (scope 2). Hence, we are looking to minimize our negative impacts, and increase our positive ones.

We believe this ambition is achieved by enhancing the energy efficiency of our products and solutions for the connected home and continuing the roll-out of fiber to households.

The end-users' daily use of broadband products accounts for approximately 80-90% of the hardware's total life-time emissions.[*] At the beginning of 2023, Genexis Group's

*This is an estimate that we will be working on during the year to confirm.

commitment to comply with the European Commission's Code of Conduct on efficient broadband equipment, was made official, which has paved the way for Genexis' continuous work with energy efficiency. To monitor the development of Genexis' products in this area, the company has measured and calculated emissions for the product series of Fiber Twists, and more product categories are to be added moving forward. Moving forward, Genexis' ambition is to engage in sustainability initiatives, partnerships, and projects with relevant stakeholders (such as customers, suppliers, and community) to develop the sustainable product offering. In terms of software development, both Genexis and IOPSYS can contribute to reducing the overall energy consumption of our products. This is for example done by writing more efficient software and incorporating functions and components to decrease power consumption.

As Genexis wants to lower its 'Scope 2' emissions, we aim for emission-free electricity procurement in all our Genexis Group offices by 2025. Emission-free electricity is generated without depleting natural resources, and as long as needed Genexis accepts and includes nuclear energy to minimize emissions where renewable electricity is not as readily available. Genexis currently uses a monitoring system for energy usage in Genexis' office in the Netherlands.

Transportation and distribution of goods is one of Genexis' largest sources of greenhouse gas emissions and the organization continuously attempts to find new solutions and forms of cooperation to reduce emissions. Genexis is dependent on long distance transportation of products and seeks to combine the most cost-efficient means of transportation with the lowest environmental impact. When selecting forms of transportation, Genexis always aim to choose the most environmentally friendly option, e.g., railway precedes road transport and sea shipping precedes air transportation. However, uncertainties in the supply chain have hindered Genexis to increase the usage of train transport to the extent desired during last year.

Moving forward, to manage the effects from transportation, Genexis strives to increase the use of trains and simultaneously evaluate possibilities to nearshore parts of the supply chain.

During the year, Genexis has increased transportation efficiency by reducing packaging size and fitting more products per shipment, resulting in a 33-78 % increase in products transported. Regarding greenhouse gas emissions caused by transportation in our own operations, Genexis Group encourages virtual meetings to minimize travel and provides charging stations for electric vehicles to reduce emissions.

Energy consumption at Genexis Group in 2022

Energy	Total (MWh)
Fuel	387
Where of renewable energy	14
Where of non-renewable	373
Electricity	393
Heating	30
Cooling	16
Total	**723**

1. The share of renewable fuel is partly based on the reported amount and partly an estimate based on the reduction obligation.

Energy intensity at Genexis Group

Energy intensity	2022
Energy intensity (MWh/HC)	4
Energy intensity (MWh/MSEK)	0,7

1. Intensity is calculated based on energy consumption within Genexis Group

GHG (Greenhouse gas) emissions in 2022

Emissions (tonnes of CO2e)	Genexis Group	Genexis Sweden	IOPSYS
Scope 1	58	-	-
Scope 2 (location-based)	73	-	-
Scope 3	20 240	-	-
Scope 3.1: Purchased goods and services	3 546	3 542	4
Scope 3.3: Fuel- and Energy-Related Activities	39	-	-
Scope 3.4: Upstream transportation and distribution	-	-	-
Scope 3.5: Waste	4	3,9	0,1
Scope 3.6: Business travel	138	-	-
Scope 3.7: Employee commuting	208	-	-
Scope 3.9: Downstream transportation and distribution	-	-	-
Scope 3.11: Use of sold products	16 297	16 297	0
Scope 3.12 End of life treatment	8	8	0
Total (tonnes of CO2e)	**20 371**		

1. Emissions are calculated in accordance with the Greenhouse Gas Protocol according to operational control and with emission factors from DEFRA 2022 and AIB 2022.

2. Scope 1 includes refrigerant in Genexis Netherlands office.

3. Scope 2 is calculated according to location-based method

4. The Scope 3 categories 2, 8, 10, 13, 14 and 15 have been determined to not be relevant for Genexis Group's operations and are therefore not included in Scope 3.

5. The quality of the data for Scope 3.4 and 3.9 is of poor quality and unreliable.Since the data in 3.4 and 3.9 has a significant impact on the overall Scope 3 emissions, the choice has been made to exclude 3.4 and 3.9 from this year's report.Efforts are being made during 2023 to ensure better data quality going forward for both Scope 3.4 and 3.9.

Emission intensity

Emission intensity Scope 1 and 2	2022
Emisison intensity (tCO2e/HC)	0,8
Emission intensity (tCO2e/MSEK)	0,1
Emission intensity Scope 3	**2022**
Emission intensity (tCO2e/HC)	4411
Emission intensity(tCO2e/MSEK)	591

Innovation for circulation of products and extension of lifetime

At Genexis, promoting circularity and extending the lifespan of our products and materials is a top priority, as well as reducing waste disposal and treatment of Electrical and Electronic Equipment (EEE) placed on the market. Genexis currently uses a monitoring system for office waste and collaborates with a Dutch organization for e-waste management as part of Genexis deployment strategy. Our routine involves recycling and reusing the test samples to the greatest extent possible. Genexis goal is to launch a fully circular product by 2025, created with only renewable or recycled resources and designed with the principles of circularity for all its materials (e.g., reuse, repair and/or refurbishment). That way we eliminate waste and pollution and stimulate the circulation of our products and their materials.

The production of hardware requires a diverse range of materials and components, from plastics to semiconductors. To minimize the environmental impact, we aim to design products that use less material, incorporate recycled materials, and are easily disassembled for recycling at the end of their lifespan. We are also exploring take-back programs in collaboration with customers. As we use a significant amount of plastic material to enclose our products, Genexis aims to increase the share of post-consumer recycled plastics (PCR) to 55% by 2026. With the development during the last years, we are on track to reach our target. However, our ambition is higher than that and we wish to exceed this target and eventually end our dependency on virgin plastic.

Level of recycled plastics rolling 12 months
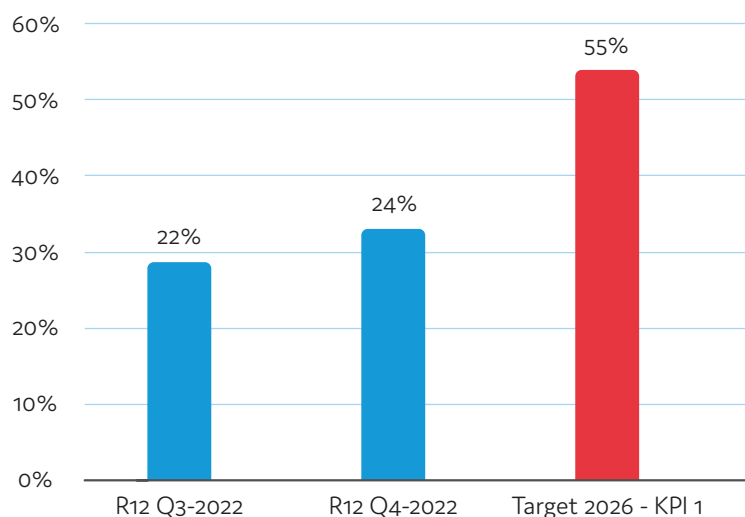
Note: the percentage can vary over quarter driven by product mix, hence levels above are presented on a rolling-12-month average basis.

In 2022, we improved the environmental standard of our packaging by switching to brown recycled carton without any additives. Additionally, we began collaborating with the industry to develop "Product Creation Rules" for reporting product lifecycles equally through LCA's under the proposed EU framework "EPD". We aim to promote the standardization of these calculation rules to enable our industry to measure and report the circularity of their products. Our participation in these industry initiatives is crucial for advancing the circular economy.

Enabling lead- and halogen-free printed circuit boards (PCBs) is becoming increasingly important as environmental regulations get stricter in the European Union. Regulations such as RoHS, REACH, and WEEE require PCBs to be free of substances that are harmful to the environment and human health. WEEE compliance also ensures that end-of-life electronic products, including PCBs, are properly treated and recycled, reducing their impact on the environment. By conforming to these EU standards, Genexis has continued to improve the environmental sustainability of our products and demonstrates our commitment to responsible production and waste management. Genexis has therefore started to monitor the company's waste streams with the ambition to attain more insight on waste streams and involve customers more to get a deeper understanding regarding end-of-life treatment of Genexis' products.

Recycled input plastic materials used in 2022

Total tonnes of plastic material used	Total tonnes of recycled input plastic materials used	Recycled input plastic materials used
285,4	67, 4	24

Waste generated in 2022

Waste category	Total tonnes
Residual/office waste	1,6
Non-hazardous waste	1,6
Hazardous waste	0
Electrical waste	2,5
Material waste	0,02
Total	**4**

1. Waste data for Genexis is estimated based on two containers of 660 liters (on average 75% fill of waste) collected once a week.

2. Residual/office waste is collected for Genexis Sweden, Netherlands, Germany and IOPSYS

3. Electrical waste is collected for Genexis Germany and Finland

4. Material waste is collected for Genexis Netherlands

Responsible supply chain management

Getting high-quality products to market gets easier with well-established supplier relationships. By collaborating closely with our suppliers, Genexis Group can streamline our operations, improve efficiency, and ultimately deliver better products and services to our customers. It is important for us to ensure beneficial working conditions and respect for human rights in our value chain.

Area overarching goals and targets

- Have an official Sustainable Procurement policy and a Supplier Code of Conduct policy developed and adopted by end of 2023.
- Initiate an updated process for supplier risk assessment for Genexis by end of 2023.

Although Genexis and IOPSYS have different supply chains with Genexis procuring materials, components, and products, and IOPSYS procuring mainly services and consulting hours, they are both dependent on their respective supply chains. As a group, it is crucial for Genexis Group to establish a structured process covering sustainable supply chain management.

Supplier relationships

Throughout the course of Genexis' history, there has been a close partnership with suppliers, ensuring that the quality and performance of the products put to market exceed expectations. Many of the supplier relationships have been in place over a decade, which allows development of products and processes together with the suppliers – from the substitution of harmful substances to the optimization of logistics, and more. With regards to systematic sustainability processes within the supply chain, there is still a way to go.

The formalization of the supply chain work has started, such as the development of a Sustainable Procurement policy and a Supplier Code of Conduct that will outline the Groups' expectations for its suppliers in terms of social, environmental, and ethical standards. In addition, Genexis plans to initiate an updated process for supplier risk assessment. IOPSYS specifically will need to review how best to ensure that sustainability is considered by the service providers, with a certain emphasis on human and labour rights standards applicable to contracted consultants.

Up until now, the company has commissioned third-party quality audits only. Three of the largest customers are part of JAC, the Joint Audit Cooperation, meaning that they have their own follow-up on supplier sustainability, which Genexis has been indirectly benefiting from. As Genexis moves forward with the new sustainability-related policies and requirements, there is a need for implementing a process for supplier follow-up and audits to ensure that they are fulfilling the requirements. The company would like to maintain the longstanding supplier relationships in order to safeguard the quality of the products, so the continuous success and sustainability of the company will be partly dependent on how well the company manages to convince its suppliers to improve performance.

Enhance employee inclusion and well-being

Genexis Group values a diverse workplace, recognizing the benefits that come with having varied perspectives. The company strive to create an inclusive environment where every employee feels welcomed, supported in their professional development, and able to contribute with their unique insights and experiences, and in addition, attract the right candidates to the Group.

> **Area overarching goals and targets**
>
> - Maintain the established processes within the Human Resource department that have been yielding good results, and work towards improving others.
> - Update policies and benefits to ensure they are equitable and inclusive for all employees moving forward.

The responsibility for Human Resources rests with the two HR managers at Genexis and IOPSYS. The work includes all activities related to managing the HR annual cycle, including recruitment, onboarding, career development and occupational health and safety. The companies work closely together, resulting in many shared processes and policies. The Employee handbook is the main steering document covering the different areas related to employment at Genexis Group, in addition to the HR policy available at the Intranet. New employees go through an onboarding program where they are formally introduced to the handbook and enroll in various training programs related to their positions and main field of expertise.

Attracting a diverse workforce

Genexis Group is proud to be a multi-cultural organization, attracting talents from all over the world. The employee base consists of both employees and consultants. Genexis employees are based in local offices in Sweden, Norway, Finland, Denmark, Germany, Netherlands, Belgium, UK, and Italy, with consultants in India. IOPSYS employees are based Stockholm, Sweden, with an additional R&D office in Poland, sales office in Taiwan, support office in Turkey and offshore software development in India. The company has reduced its previous offshoring to Russia to bare minimum and continue to address the last parts. However, Genexis Group faces the challenge of recruiting tech talents, as attracting candidates that share the company values and uphold the skills required is a difficult task. This fact is especially true in relation to promoting gender diversity in recruitment. The ambition is a gender equal workplace of 40/60, but most importantly, Genexis Group prioritizes the right candidate for the job. Thus, Genexis Group strives to uphold an inclusive approach in the hiring process, which involves actively seeking out diverse candidates and reducing bias in the hiring process. This is done by ensuring that job descriptions use an inclusive language, eliminating requirements that aren't necessary and by cooperating with top recruiting firms.

Employees* at Genexis Group in 2022

	Men	Women	Other	Total
Number of employees	**133**	**40**	**0**	**173**
Permanent contract	128	37	0	165
Temporary contract	5	3	0	8
Full time	125	28	0	153
Part time	8	12	0	20

*Data on employees is calculated in Headcount

Workers who are not employees in 2022

Total	40

*Data on employees is calculated in Headcount

Employees by employment contract and region

Employment type	Sweden	Netherlands	Other	Total
Permanent contract	66	61	38	165
Temporary contract	0	8	0	8
Full-time	65	53	35	153
Part-time	1	16	3	20

Employee new hires and turnover

New hires	Percentage (%)
Share of new hires	14,5
Turnover	**Percentage (%)**
Turnover rate	9,8

1. Organic net new hires in 2022
2. Data on new hires and turnover is calculated in FTE

Fostering inclusion

For Genexis Group, with headquarters in Stockholm and employees located in different parts of the world, the companies recognize the risk of division among the teams and is taking steps to promote inclusion throughout the organization. HR managers are encouraged to engage in regular social dialogues, allowing them to address issues that come up throughout the course of the year. Additionally, Genexis Group works to stimulate inclusion by promoting remote work options, meaning that employees are connected through the digital atmosphere regardless of where they are. This way, the company believes that a positive work-life balance can be achieved.

> Genexis Group has reported zero (0) incidents of discrimination during 2022.

Diversity of governance bodies and employees

Employment category*	Men	Women	Percentage women (%)
Board	2	1	33
Management team	14	1	7
Managers	n/a	n/a	n/a
Employees	121	39	24

Employement category*	Age <30	Age 30-50	Age >50	Total
Management team	0	3	12	15
Managers	0	8	9	17
Employees	22	73	48	143
Total	22	84	67	173

Employement category*	Age <30 (%)	Age 30-50 (%)	Age >50 (%)
Management team	0	23	77
Managers	0	47	53
Employees	15	51	34
Total	13	49	39

1. Diversity within the board, management team, managers and employees is calculated based on percent within each employment category

*Two members of the management team are consultants but are still included in this data.

Employee benefits, health and safety

Genexis Group places a significant emphasis on offering competitive employee benefits and career growth opportunities, particularly for those seeking leadership roles, as employees are encouraged to stay and grow with the company, along with the benefits of working in a smaller, open-minded organization.

Genexis Group's health and safety measures are governed through the Swedish Work Environment Act (Arbetsmiljölagen). Genexis and IOPSYS are responsible for following country-specific health and safety regulations for each company. A Work Health and Safety policy governs the work, along with a Work Environment Plan to support. Genexis group has not implemented a formal occupational health and safety management system. All matters regarding health and safety are handled through a systematic process in order to ensure that key risk areas and actions are regularly evaluated to mitigate risks. Annual work environment surveys are carried out in order to measure employee satisfaction, ensure quality of our processes, and identify key improvement areas. Risk and improvement areas linked by business relationships are included if identified in the processes. Additionally, Genexis and IOPSYS perform CPR and Fire drills on a regular basis in addition to the onboarding process of new employees, including introduction to relevant policies.

Average hours of training per year per employment category

Employment category	Men (hours)	Women (hours)	Total average (hours)
Management team	18,2	50	21,4
Managers	n/a	n/a	16
Employees	8,6	11,5	9,2
Average total	**10,2**	**14,8**	**11**

Percentage of employees receiving regular performance and career development reviews

Employment category	Total (%)
Management team	60
Managers	35
Employees	57
Average total	**55**

1. Genexis Group is currently working to establish a process where a significant higher number of employees receive a review in 2023

Work-related ill-health and injuries

Type of ill health or injury	Employees	Workers
Fatalities due to work-related ill-health	0	0
High-consequence work-related injuries (excluding fatalities)	0	0
Recordable cases of ill-health	0	0
Total	**0**	**0**

Conduct responsible operations

As a leading actor within the fiber gateway industry, upholding business ethics is of utmost importance to Genexis Group. Any forms of unethical and corrupt activities go against our commitment to operate with integrity and transparency.

Area overarching goals and targets

- Continue to promote a culture of transparency and accountability within Genexis Group's organization and value chain during 2023

- Maintain zero incidents of corruption within Genexis Group in 2023

The anti-corruption and business ethics work at Genexis Group is currently led by each subsidiary, Genexis and IOPSYS. At IOPSYS, the responsibility sits with the Chief Commercial Officer (CCO), and at Genexis, the responsibility sits with the Finance Manager (FM). The two companies have separate internal procedures and steering documents supporting their work. This structure allows each company to operate with a high level of autonomy. However, this structure poses a challenge with regards to attaining a comprehensive oversight of the work in place. Genexis Group will therefore review how to ensure alignment across the group while considering the subsidiaries' unique differences in terms of function, responsibility, and risks that they may face. This would allow for more consistent policies and procedures, clearer reporting and monitoring mechanisms, and a unified approach to training employees. An updated Code of Conduct will be adopted on Group level in 2023, signed by existing employees and included in all new agreements.

Business ethics and anti-corruption

Incidents of corruption could lead to significant financial, operational, and reputational risks that can harm the company and our subsidiaries. By working actively with anti-corruption efforts, we can mitigate these risks and build a more robust business. Examples

We have a zero-tolerance approach towards corruption and reported zero (0) incidents during 2022.

include the introduction of a process to review financial transactions and build a culture of transparency and awareness to detect early signs of misconduct. In IOPSYS' case, with part of their services being performed by resources employed by consulting companies

located in high-risk countries, IOPSYS is aware of the potential risks the company may face if they fail to uphold the correct business conducts practices. For Genexis, having most of their expenses linked to suppliers in Asia, facing higher risk of fraud and other forms of misconduct due to communication and cultural barriers and lack of regulatory oversight, the correct measures must be taken.

To mitigate the risks and ensure the safety and security of both its employees and consultants, Genexis Group believes in having a long-term perspective when it comes to its business relationships. By maintaining close communications with consulting entities, factories, and warehouses, the company aims to uphold its values and demonstrate its commitment to ethical business practices while preserving strong business relationships and continuing to deliver high-quality services to its clients. A whistleblower system provided by external part, along with a policy, is in place to report breaches of misconducts. Further, Genexis works with close monitoring of the purchases and has a rigid endorsement process that includes the application of the four-eye principle.

Data security and customer integrity

As a company providing a wide range of technology solutions for business customers in Europe and USA, Genexis Group primarily manages data in terms of contact- and support-related matters for customers as well as employee data. Maintaining a strong system that safeguards information security and privacy is therefore crucial for Genexis Group. This is not only to establish trust with stakeholders, but also because Genexis Group acknowledges the privacy rights of our stakeholders, keeping their information secure.

Area overarching goals and targets

- Maintain zero cases of substantiated complaints concerning breaches of customer privacy and losses of customer data in 2023
- Become ISO 27001 compliant by the end of 2023

Genexis Group acknowledges privacy as a fundamental human right and has established a comprehensive governance system to safeguard all data, including personal information. Data and customer security is governed by the Chief Technical Officer (CTO) and IT manager with support from the following steering documents: IT-policy, GDPR policy, and the Employee Handbook. The groups participate at regular meetings, making sure that the products and systems are secure and up-to-date in line with the latest security threats and vulnerabilities. Due to the difference in nature between Genexis Group's subsidiaries, the IT systems and processes are adjusted to suit each subsidiary to ensure high data and information security standards and that industry best practices are followed across the group.

Risk management

As IOPSYS is committed to providing secure, reliable, and innovative software solutions, they use open-source security tools to detect and resolve security vulnerabilities in the products and systems. As part of the commitment to the open-source community, the components have undergone prior testing and verification to ensure that the solutions are secure and robust. However, the company is mindful of the potential risks with the product offering and is addressing these by actively working with innovation for open-source development.

For Genexis, designing broadband products for home use, data and customer security mainly concerns the protection of data from ransomware attacks, as the cyber security landscape is constantly evolving with new threats.

In 2022 Genexis Group had zero (0) cases of substantiated complaints concerning breaches of customer privacy and losses of customer data.

Information security management system

Genexis Group is proactively addressing these evolving cyber risks and further formalizing the security systems. In 2022, the implementation of an ISMS (information security management system) based on ISO 27001 started, with the target of becoming fully compliant and certified by the end of 2023. Genexis Group is taking a proactive approach to ISO 27001 compliance by implementing regular risk assessments, security controls, and by investing in security awareness employee training, which varies depending on each employee's role and responsibility. Once completed, Genexis Group subsidiaries will have a robust information security management system in accordance with international standards, providing secure technology solutions to its customers while promoting sustainable IT security practices.

genexis
GROUP AB

Moving Forward

Moving Forward

We believe that sustainability is not only the right thing to do, but also essential for the long-term success of our business.

Looking ahead to 2023, Genexis Group persists in carrying out our sustainability initiatives, both at the Group level and within our subsidiaries. We are fully committed to implementing sustainability strategies for both subsidiaries, driving positive environmental and social impact across our operations. We are taking a holistic approach to sustainability, incorporating new policies, setting ambitious targets (including Science-Based Targets), updating processes, and fulfilling stakeholder demands.

We recognize that our industry has an impact on the environment and aim to lead the way by continuing to work with energy efficiency and circularity initiatives. Our ambition is to be a pioneer within the broadband and software development industry, setting an example for others to follow. Through our sustainability efforts, we aim to create value for our customers, employees, shareholders, and the planet.

About the report

This is Genexis Groups' very first sustainability report with publication date 2023-04-30.

The report shows the commitments in the area of sustainability that the Group has undertaken during 2022 (January 1, 2022 - December 31, 2022) and has been prepared in accordance with the GRI Standards for 2021 and the Swedish Annual Accounts Act (1995:1554).

The sustainability areas that appear in the report are derived from a materiality analysis that Genexis Group and its subsidiaries carried out during the year, and which identified the areas that Genexis Group should focus on going forward. All sustainability areas and GRI indicators are included in the report with a final GRI index.

For questions regarding the report, we refer to:
Conny Franzén: conny.franzen@genexis.eu

GRI index

GRI index

Statement of use

Application of GRI 1: Foundation 2021

Genexis Group has reported in accordance with the GRI Standards
for the period 2022-01-01 - 2022-12-31

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	COMMENT
	General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	7, 8		
	2-2 Entities included in the organization's sustainability reporting	7, 8		
	2-3 Reporting period, frequency and contact point	36		
	2-4 Restatements of information			This is Genexis Groups' first sustainability report
	2-5 External assurance			The report is not externally assured
	2-6 Activities, value chain and other business relationships	7		
	2-7 Employees	27		
	2-8 Workers who are not employees	27		
	2-9 Governance structure and composition	11, 12		
	2-10 Nomination and selection of the highest governance body	11, 12		
	2-11 Chair of the highest governance body	11, 12		
	2-12 Role of the highest governance body in overseeing the management of impacts	11, 12		
	2-13 Delegation of responsibility for managing impacts	11, 12		
	2-14 Role of the highest governance body in sustainability reporting	11, 12		
	2-15 Conflicts of interest	11, 12		
	2-16 Communication of critical concerns	11, 12		
	2-17 Collective knowledge of the highest governance body	11, 12		
	2-18 Evaluation of the performance of the highest governance body	11, 12		

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	COMMENT
General disclosures				
GRI 2: General Disclosures 2021	2-19 Remuneration policies	11, 12		
	2-20 Process to determine remuneration	11, 12		
	2-21 Annual total compensation ratio		Yes	Information unavailable
	2-22 Statement on sustainable development strategy	4, 5		
	2-23 Policy commitments	11, 18, 24, 26, 29, 31, 32, 33		
	2-24 Embedding policy commitments	11, 18, 24, 26, 29, 31, 32, 33		
	2-25 Processes to remediate negative impacts			No process to remediate negative impacts in place
	2-26 Mechanisms for seeking advice and raising concerns	31, 32		
	2-27 Compliance with laws and regulations			Genexis Group AB has full legal compliance with laws and regulations, and has not received fines or other legal measures during 2022
	2-28 Membership associations			No membership associations
	2-29 Approach to stakeholder engagement	14, 15		
	2-30 Collective bargaining agreements			Employees are not covered by collective baraging agreements
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	14, 15		
	3-2 List of material topics	15		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	31, 32		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	31, 32		
Materials				
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 22, 23		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	22, 23		
	301-2 Recycled input materials used	22, 23		

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	COMMENT
Material topics				
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 19		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	20		
	302-3 Energy intensity	20		
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 19		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	21		
	305-2 Energy indirect (Scope 2) GHG emissions	21		
	305-3 Other indirect (Scope 3) GHG emissions	21		
	305-4 GHG emissions intensity	21		
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	22, 23		
	306-1 Waste generation and significant waste-related impacts	22, 23		
	306-2 Management of significant waste-related impacts	22, 23		
	306-3 Waste generated	23		
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	24		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria			In 2022, Genexis Group did not assess any suppliers based on environmental criteria

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	COMMENT
Material topics				
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 29		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	27	Yes	Division by gender, age and region is missing due to a system limitation. This will be corrected in next years report
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	29		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	29		
	403-2 Hazard identification, risk assessment, and incident investigation	29		
	403-3 Occupational health services	29		
	403-4 Worker participation, consultation, and communication on occupational health and safety	29		
	403-5 Worker training on occupational health and safety	29		
	403-6 Promotion of worker health	29		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	29		
	403-9 Work-related injuries	30		
	403-10 Work-related ill health	30		
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	29		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	30		
	404-3 Percentage of employees receiving regular performance and career development reviews	30	Yes	Division by gender is missing due to a system limitation. This will be corrected in next years report

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	COMMENT
Material topics				
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 28		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	28	Yes	Divison by age for the board and division by gender for managers is missing due to a system limitation. This will be corrected in next years report
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 28		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	28		
Supplier social assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	24		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria			In 2022, Genexis Group did not assess any suppliers based on social criteria
Customer privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 34		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	33, 34		