



# ESG Report

## 2025



HR-ON Aps // Østre Stationsvej 27,3 // 5000 Odense C // CVR no. 34 47 45 40



# General Information

(VSME B1)

HR-ON A/S

Østre Stationsvej 27, 3rd floor, 5000 Odense C  
Denmark

Geolocation: 55.401893467341694,  
10.387113440002269

CVR No

Registered office: 34474540

## ESG reporting period:

1 January – 31 December 2025

## Board of directors:

Jesper Jarlbæk - Chairman  
Martin Rønne Bjerregaard  
Ali Ekber Cevik

## Executive management:

Ali Ekber Cevik

## Basis of preparation

Legal form - Private Limited  
Liability Company: (ApS)

NACE sector code- K621

Total assets- 41,482,283 DKK  
Revenue - 30,866,590 DKK

Number of employees - 60



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# Our ESG Strategy

Sustainability does not begin in spreadsheets - it begins in how we lead people.

As one of Denmark's leading providers of HR software, we operate at the intersection where strategy becomes practice - in organizations' day-to-day operations, in HR decision-making, and in the data that shape how people work. That comes with responsibility. This ESG report is therefore not a supplementary appendix to our business. It is an integrated part of it.

The report has been developed as a structured compliance exercise in alignment with the VSME standard (Voluntary Sustainability Reporting Standard for SMEs). It represents our first consolidated documentation of both our current impact and the impact we aim to achieve. 2025 serves as our baseline year, during which we have identified, mapped, and measured our key material topics. From this foundation, we will work systematically and transparently to define targets and track our progress year by year.

Our ESG profile reflects our core business.

As a software company, our direct environmental footprint is limited. However, our influence on the social and governance dimensions is significant, both within our own organization and through the HR solutions we deliver.

We believe that employee wellbeing, responsible leadership, and a culture grounded in clear values are essential prerequisites for long-term sustainability, including in climate and resource management.

We therefore take a focused approach to environmental, social, and governance (ESG) responsibilities, prioritizing areas where we can have the greatest impact.

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For us, ESG is about translating values into practice and ensuring that our products, decisions, and partnerships actively support sustainable development.

Our approach to ESG is grounded in a fundamental question: Who are we - and where can we make a meaningful difference?

This report is built on our existing values and practices and is aligned with the requirements of the standard. As a result, the Social (S) and Governance (G) dimensions are already deeply embedded in our culture. ESG is not an additional governance layer, but a shared language for what we believe in and actively work toward.

This report marks our first milestone. The 2025 baseline provides a clear point of departure, but sustainability is not a destination. It is an ongoing leadership responsibility.

We believe that trust is a competitive advantage, that responsible leadership builds resilient organizations, and that the future of HR plays a critical role in shaping sustainable businesses. This ESG report is part of our contribution to that journey.









**Ali E. Cevik**

CEO & Founder, HR-ON





# About HR-ON

 <p>Founded in</p> <hr/> <p><b>2012</b></p> <p>By Ali E. Cevik</p>	 <p>Employees</p> <hr/> <p><b>60+</b></p> <p>Headcount in 2025</p>	 <p>Headquarter</p> <hr/> <p><b>In Odense</b></p> <p>With offices in Copenhagen and Silkeborg</p>	 <p>Customers</p> <hr/> <p><b>700+</b></p> <p>Globally</p>
 <p>Users</p> <hr/> <p><b>200.000+</b></p> <p>Globally</p>	 <p>Markets</p> <hr/> <p><b>Present in 3 countries</b></p> <p>Representatives in Norway, Germany, and Japan</p>	 <p>G2 Rating</p> <hr/> <p><b>4.6/5</b></p> <p>★★★★★</p>	 <p>Ranked among</p> <hr/> <p><b>The top 3</b></p> <p>In Denmark (BusinessWith-users, 2025)</p>

## HR-ON: From Values to Technology - How We Develop Software That Supports People

HR-ON is a Danish company headquartered in the heart of Odense. We develop HR software for organizations across both the private and public sectors.

Our digital HR platform supports a seamless employee journey - from the moment a candidate visits an organization's career site and applies for a position, through recruitment and onboarding, to ongoing employment, with a continuous focus on development and wellbeing

HR-ON's digital solutions support HR and management by streamlining workflows, saving time, and reducing administrative effort through automated routine processes. Organizations can choose to implement the full platform or select individual modules based on their specific needs.





# Organisation and governance

At HR-ON, we develop software for people. It is grounded in our value-based management approach within our own organization. We believe that both our company and our employees perform best in an environment characterized by shared responsibility and co-leadership.

As an HR tech company, we aim to do more than develop modern HR solutions. We recognize that we can only genuinely support wellbeing, dialogue, and a value-based management approach if we lead by example. It means developing technology in a way that reflects our view of people.

As an organization operating with a value-based management approach, we work with self-managed teams across the following functions, as shown on the right-hand side of this page.

The individual teams define their own ways of working, including:

- Responsibilities
- Working hours
- Leave and absence







Each team has a coordinator who, together with the other team coordinators, shares updates on ongoing activities across teams to ensure alignment and transparency.

The teams are responsible for meeting their own deadlines, enabling us to achieve our shared overall goals.





Our values that are most essential in relation to self-management are:

 <p><del>Control</del> <b>Trust</b></p>	 <p><del>Time</del> <b>Results</b></p>	 <p><del>Hierarchy</del> <b>Dialogue</b></p>
 <p><del>Rules</del> <b>Values</b></p>	 <p><del>Duty</del> <b>Meaning</b></p>	 <p><del>Order</del> <b>Empowerment</b></p>

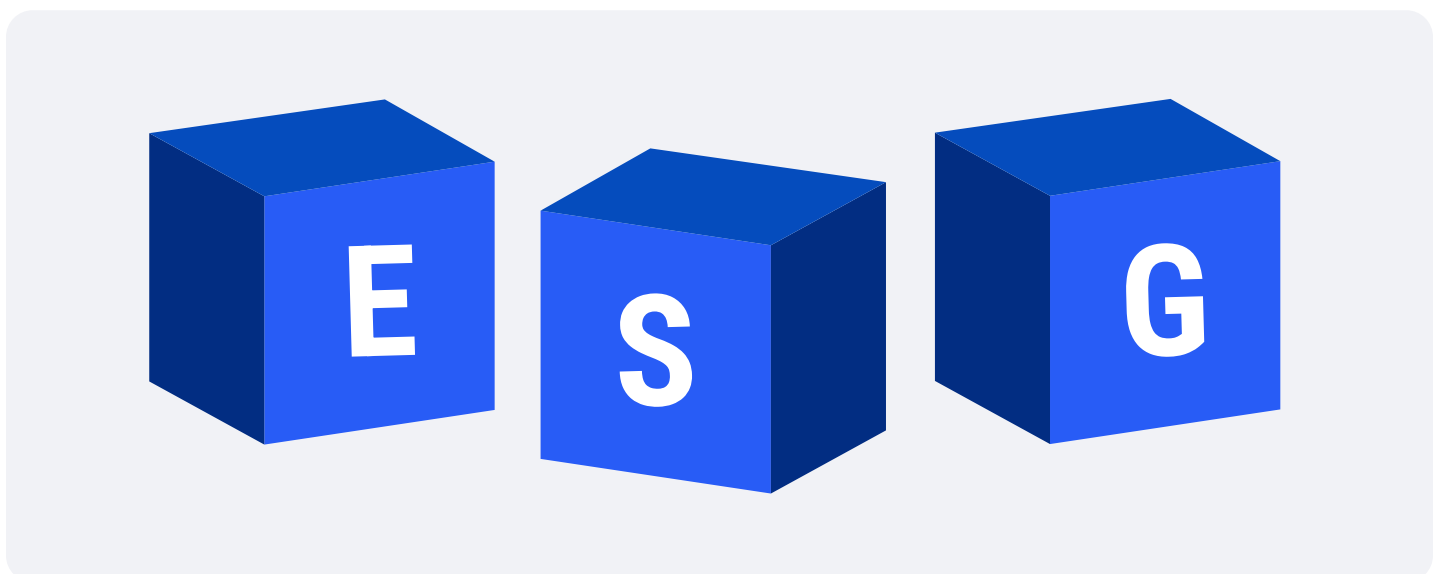
# Strategy and focus areas

*Strategy, Business Model, and Sustainability-Related Initiatives (VSME C1)*

We develop technology that streamlines processes and supports a value-based management approach. This report covers our entire value chain, including upstream and downstream activities as well as our own operations.

The reporting, therefore, covers all activities and stakeholders where we may have an impact, both upstream in the value chain (suppliers), downstream (customers), as well as within our own operations. These impacts may be both positive and negative.

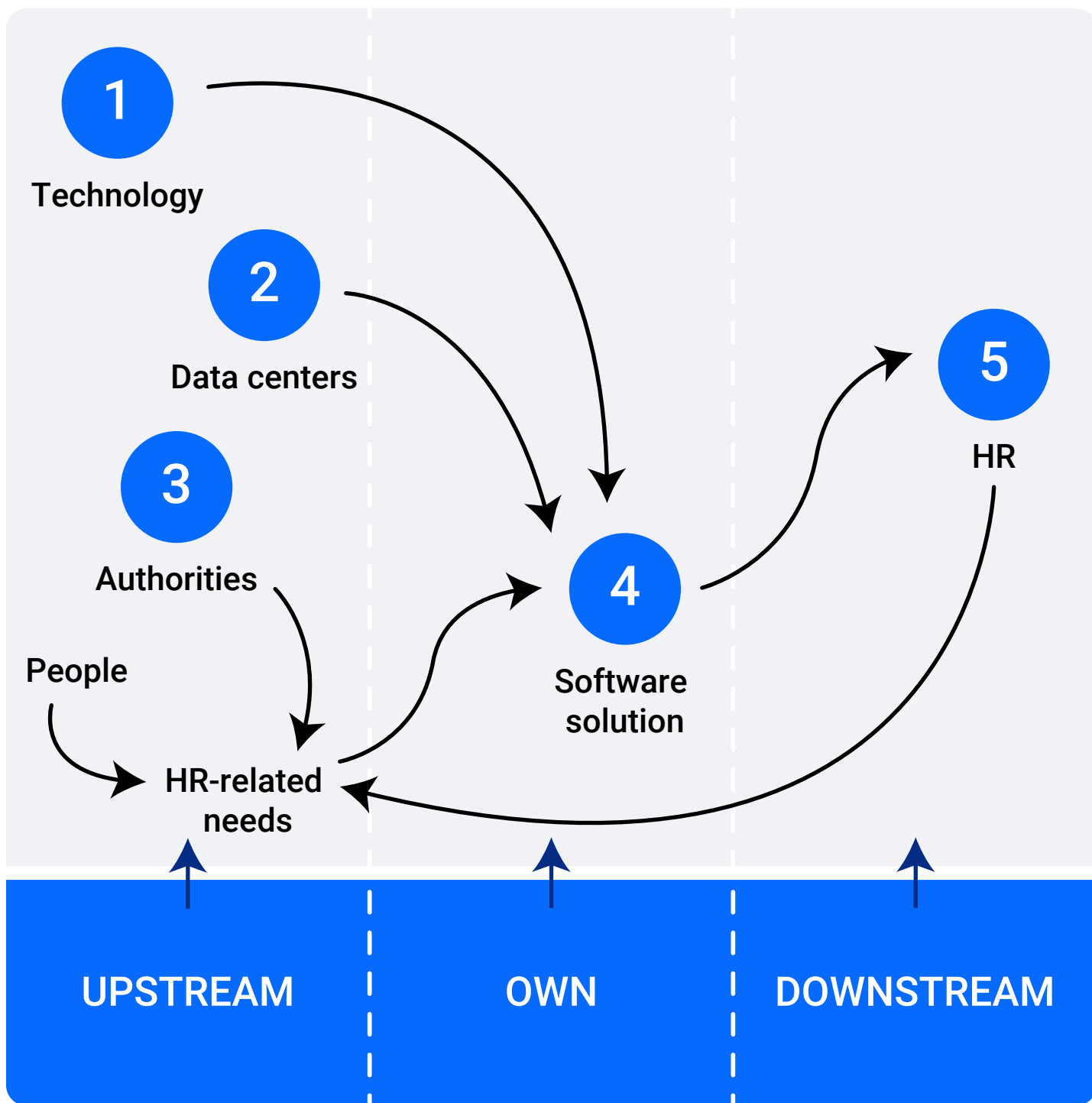
On the following page, we present our value chain and the stakeholder groups we engage with.





# Stakeholders

- 1. Technology providers
- 2. Data centers
- 3. Authorities
- 4. Employees
- 5. Customers



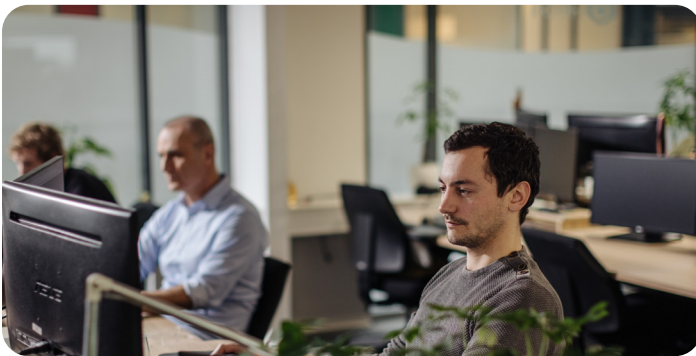
HR-ON's value chain



## Sustainability strategy

Our core business and activities are associated with the following key sustainability challenges:

- Limited influence over environmental impacts related to hosting, as we rely on external hosting providers. The pool of providers is limited, and only a few can meet our required security standards
- Employees are our most critical resource
- Ensuring a positive impact on how HR functions work with employee wellbeing
- Regulatory requirements that may conflict with modern views on people and leadership
- Navigating a rapidly evolving industry characterized by increasing compliance requirements



We take a proactive and forward-looking approach to addressing these challenges through the following:

- Strengthening environmental awareness across our value chain, starting with our own operations
- Embedding our culture in our employee manifesto and core values
- Developing solutions that support value-based HR practices
- Engaging in dialogue on fair HR regulation while developing flexible solutions
- Strengthening our organization through co-leadership, continuous learning, and adaptability

These strategic approaches define how we work systematically and responsibly to address sustainability-related challenges. They establish the overall principles and direction for our ESG efforts and reflect the direction we aim to take as a company.



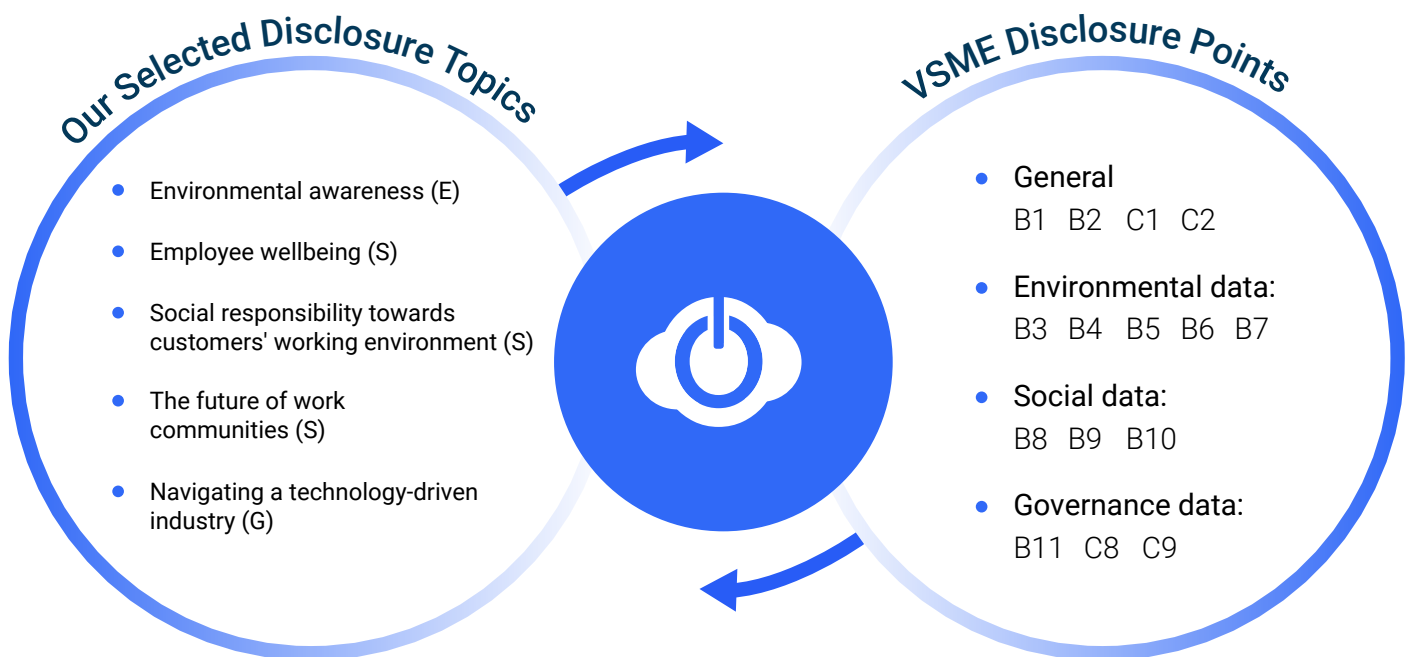
# Double Materiality Assessment

Our double materiality assessment is based on a collaborative process that includes analyzing the value chain presented above, stakeholder mapping, and identifying both impact and financial materiality through workshops, interviews, and internal analyses.

Based on this overall context, including our value chain and sustainability strategy, we have established a foundational structure for our ESG efforts.

The double materiality assessment process has been conducted through close dialogue across the organization. Our approach has been to establish a solid and future-proof foundation for our sustainability work, without being constrained by the fact that we are not yet able to provide full documentation across all areas. We have prioritized a practical, inclusive process in which employees have played a central role.

Through their daily interaction with customers, candidates, and other key stakeholders, employees have contributed valuable insights that reflect HR-ON's way of working: partnership-driven, transparent, and built on mutual trust. This approach has enabled us to incorporate external perspectives without conducting a fully formalized stakeholder engagement process at this stage.





We are transparent in stating that, in 2025, we did not apply advanced scoring methodologies to our materiality assessment. The assessment has been conducted qualitatively and supported by the data available to us. We have therefore adopted a pragmatic and proportionate approach that reflects the company's current stage of development and provides a robust foundation for future work.

Appendix 1 provides an overview of our inclusions and exclusions in relation to the VSME requirements. The document outlines which topics have been excluded and which disclosure points are included in this report.

Based on this process, we have identified five key focus areas that underpin HR-ON's sustainability strategy and policy.

## Key ESG Focus Areas

In our double materiality assessment, we have followed the structure of the VSME standard and focused on the disclosure requirements most relevant to HR-ON's business and our impact on the surrounding environment.

Appendix 1 provides a detailed overview of the disclosure requirements under the VSME standard. In this report, we have prioritized the topics most significant to both the company's development and our stakeholders' expectations.

- Environmental Awareness (E)
- Internal Employee Wellbeing (S)
- Social Responsibility in Relation to Customers' Working Environment (S)
- The Future of Work Communities (G)
- Navigating a Technology-Driven Industry (G)

Our sustainability strategy outlines the key sustainability challenges related to our core business and activities. It also describes how we work to address these challenges.





# Approach to Sustainability and ESG

At HR-ON, our ESG approach aligns with our core business. We can make the greatest impact in the social and governance areas. As a software company, our direct environmental footprint is limited. However, we have significant potential to influence how people thrive, collaborate, and are led - both within our own organization and among the customers who use our HR solutions.

We believe that the social and governance dimensions are fundamental enablers of the green transition. Employee wellbeing, responsible leadership, and a culture grounded in clear values create the conditions for organizations to develop sustainably - including in relation to climate and resource management.

Our approach to sustainability is therefore structured around three key areas:

- **Environmental Responsibility:** We focus on our own hardware consumption, reuse, and responsible procurement, while also promoting broader environmental awareness across our value chain and in society.
- **Social Responsibility:** We place wellbeing, inclusion, and co-leadership at the center of our organization and develop solutions that support fair and value-based HR practices among our customers.
- **Governance Responsibility:** We prioritize data ethics, GDPR compliance, and transparency, and support HR functions in navigating new regulations in ways that respect both people and modern ways of working.

With this approach, we aim to make sustainability tangible and value-creating - in our daily operations, in our products, and in the partnerships we build.



# The 17 sustainable development goals

Our core business is inherently aligned with sustainability and contributes to several of the United Nations Sustainable Development Goals (SDGs). We focus on the goals where we can create the greatest impact.

## SDG 16 as a Foundation

We view SDG 16 - Peace, Justice and Strong Institutions - as the foundation of a sustainable organization. At a time when ESG is often reduced to metrics and reporting, HR-ON maintains that the Social (S) and Governance (G) dimensions are fundamentally human disciplines, and that social sustainability and responsible leadership are rooted in a human-centered perspective. All other goals depend on our success in this area.

We believe that strong institutions are built from within by individuals who act in alignment with their values, and by workplace communities grounded in honesty, trust, and transparency. At HR-ON, our view of people therefore takes precedence over traditional assumptions about how organizations should be managed and structured.

We recognize that balancing control and trust is inherently complex. As a result, we have established frameworks and agreements that support human integrity rather than undermine it. With this foundation in place, the remaining goals can be built upon it.

At HR-ON, we particularly contribute to the goals of health and wellbeing, gender equality, decent work and economic growth, and responsible business practices - all of which naturally emerge from the culture we foster every day.





## SDG 3: Good Health and Wellbeing

We offer health insurance to all employees and provide flexible arrangements for illness and parental leave. We also support organizations working to promote life and wellbeing, including through donations to cancer research. When individuals are given the space to connect with themselves, they are better able to take care of their own wellbeing.

## SDG 5: Gender Equality

Within a framework that assesses individuals based on responsibility, tasks, and competencies, equality becomes a natural outcome. HR-ON maintains a balanced gender distribution, ensures equal pay regardless of gender or background, and fosters an environment that sees diversity as a strength. Our values drive these outcomes - not control mechanisms.

## SDG 8: Decent Work and Economic Growth

A value-based management approach fosters both accountability and job satisfaction. We believe people want to contribute when given the freedom to do so. HR-ON has grown based on this philosophy. We support entrepreneurship, inclusion across nationalities and backgrounds, and a labor market where individuals engage as equals.

## SDG 9: Industry, Innovation and Infrastructure

Our scalable digital solutions are designed to improve HR processes within organizations. They enhance efficiency and support responsible growth by enabling social sustainability and value-based HR practices. These solutions reflect our culture: when employees are given the freedom to think creatively, we believe the software improves.





## SDG 12: Responsible Consumption and Production

Our sense of responsibility extends to our own operations. We implement initiatives to reduce food waste, minimize single-use materials, and extend the lifecycle of hardware.

## SDG 16: Peace, Justice and Strong Institutions

We actively work with sustainable frameworks and agreements through our employee manifesto and trust-based templates, built on transparency, dialogue, and trust rather than control. These frameworks support and protect our culture and shared values.

E (Environment)

S (Social)

G (Governance)



SDG 16 serves as the foundation





# ESG in Practice

## - Key Milestones from 2025

The future of sustainability does not begin in a spreadsheet, but in the way we lead people.

As one of Denmark's leading providers of HR software, we operate at the point where strategy becomes practice across organizations' daily operations, in HR decision-making, and in the data that shapes working life. It comes with responsibility, which is why our ESG report is not merely an "appendix" to our business. It is an integral part of it.

Here are our key milestones for 2025:



Implementation of our sustainability strategy and ESG policy



Implementation of initiatives to support environmentally responsible operations



Launch of initiatives to strengthen workplace communities among our customers



Development of trust-based employment agreements



Launch of structured initiatives to support employee wellbeing



# Focus Area 1:

## Environmental Awareness (E)

(VSME B2 and C2)

### Policy

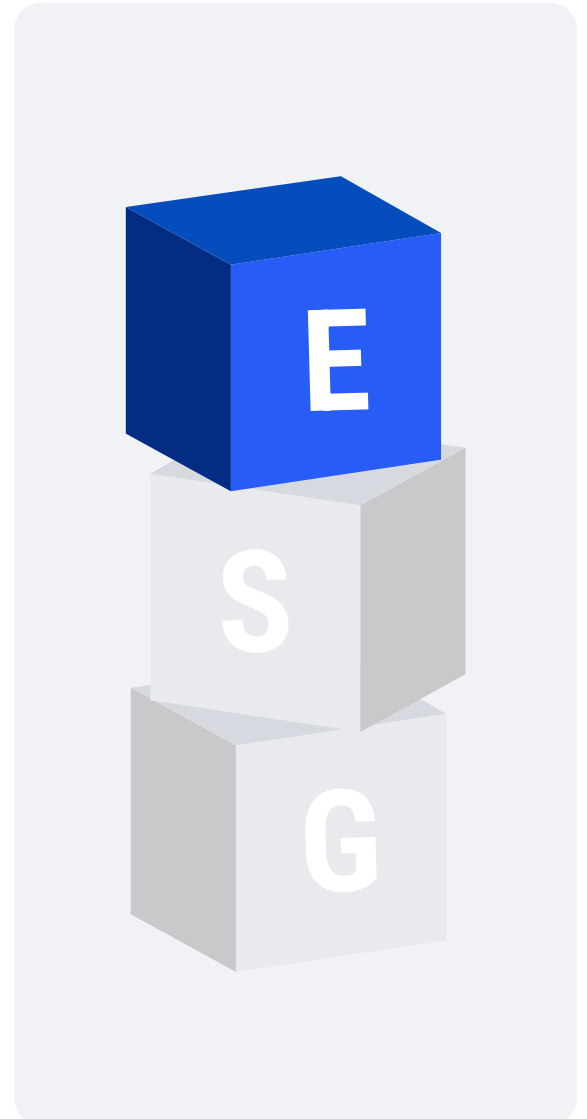
At HR-ON, we take responsibility for our environmental impact. It is an integral part of our operations. As a software company, our direct environmental footprint is limited, primarily related to energy consumption, transportation, hardware, and waste. We work to raise employees' environmental awareness and ensure responsible resource use in our day-to-day operations.

Our ambition is to maintain a stable level of CO<sub>2</sub> emissions, ensuring they do not increase disproportionately as the company grows. At the same time, we prioritize waste sorting in our daily operations to support environmentally responsible behavior.

We operate in accordance with a principle of proportionality and are committed to continuously improving in the areas where we have direct influence.

### Actions Taken in 2025

- Waste sorting: In 2025, we improved our waste-sorting practices, ensuring employees followed Odense's municipal guidelines.
- Reduced CO<sub>2</sub> emissions: In 2025, we also met our target of maintaining our current CO<sub>2</sub> emissions level. Our emissions have remained at a level that has not increased in proportion to our revenue. In addition, as in previous years, we have actively worked to limit our CO<sub>2</sub> emissions both internally and externally.
  - Internal: We encourage employees to use public transport whenever possible for client meetings, trade fairs, and similar activities.
  - External: We seek to influence our suppliers' CO<sub>2</sub> emissions.





## Targets

We aim to maintain our current CO<sub>2</sub> emissions while further improving our waste-sorting practices.

## Metrics

- We measure whether our CO<sub>2</sub> emissions have increased faster than our revenue.
- We track the implementation of waste sorting, including the procurement of sorting bins and the establishment of a formal procedure.

## Improvement Potential

We will continue to seek to influence our suppliers' CO<sub>2</sub> emissions. In addition, we will continue our efforts to reduce internal CO<sub>2</sub> emissions from transport and resource consumption.





# Focus Area 2:

## Internal Employee Wellbeing (S)

*(VSME B2 and C2)*

### Policy

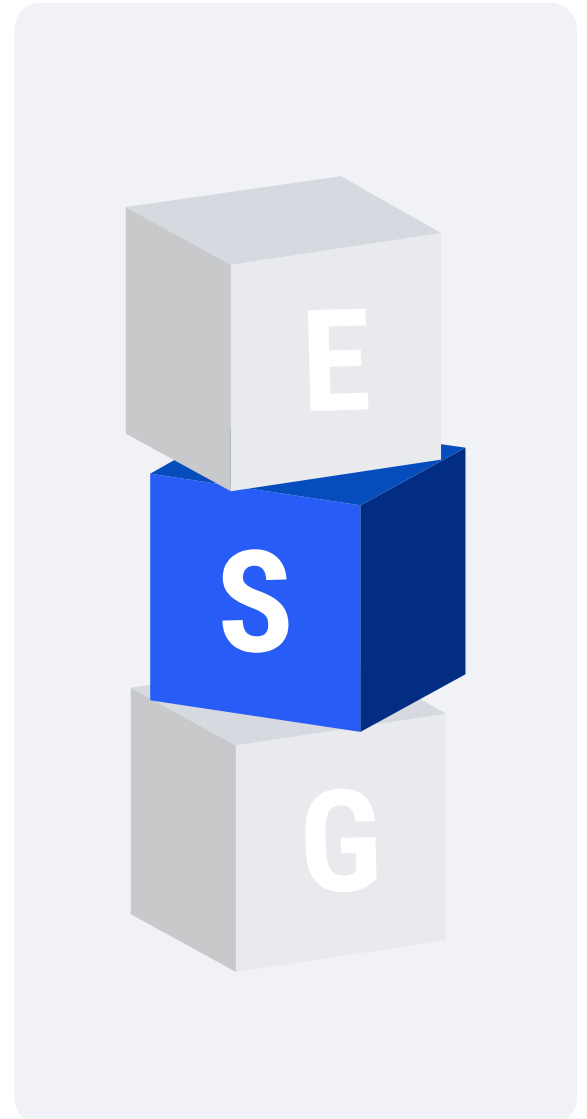
At HR-ON, we consider employee wellbeing a prerequisite for both sustainable business and responsible leadership.

Our culture is grounded in a value-based management approach and trust. It means that wellbeing is not solely an individual responsibility but a shared priority, with structures, relationships, and leadership supporting each individual's ability to maintain a healthy balance between work and private life.

We work to ensure that employees experience flexibility, psychological safety, and influence over their own working day. A healthy work-life balance is central to our social sustainability and to our ability to build stable, resilient teams.

We prioritize ongoing dialogue on wellbeing and development, and systematically measure and follow up on employees' experiences of balance and job satisfaction. Our ambition is that at least 90 % of employees experience a healthy balance between work and private life.

At HR-ON, wellbeing is not only about the absence of dissatisfaction, but about creating a working environment where people can grow, engage, and thrive as whole individuals.





## Actions Taken in 2025

During the reporting year, HR-ON placed a strong focus on internal employee wellbeing. We organized a larger social event each quarter to strengthen relationships beyond formal work roles and create shared positive experiences. Building strong connections across teams supports day-to-day collaboration and fosters a deeper understanding of one another as individuals, forming the foundation for stronger teamwork.

In addition, in early 2026 (February), we conducted our annual employee wellbeing survey to assess how our employees are doing. The results provide insight into wellbeing levels for 2025. We have nearly achieved our 2025 target, with 81 % of employees responding "agree" or "strongly agree" to the statement: "I find most of my work tasks interesting and engaging."

Our People & Culture team is responsible for this initiative and has also invited all employees to a joint review of the survey results. This session includes an open dialogue on solutions to the specific challenges identified by employees, supporting our ambition to reach a 90 % target going forward.

We also held biannual one-to-one meetings, providing employees with a confidential, safe space to share their perspectives directly with the CEO. In addition, employees participated in dedicated "HR-ON dialogues", also held with the CEO, focusing on wellbeing, development, employment conditions, compensation, their relationship with HR-ON, and future aspirations.





## Targets

Our target is that at least 90 % of employees agree or strongly agree with the statement: "I find most of my work tasks interesting and engaging."

## Metrics

Measured through our annual employee wellbeing survey, which provides a quantitative overview of the percentage of employees reporting a positive work-life balance.

## Improvement Potential

Following our merger with the wellbeing platform Howdy - now HR-ON Wellbeing - in the summer of 2025, our People & Culture team has intensified its focus on employee wellbeing. Through the HR-ON Wellbeing platform, employees are regularly prompted to "check in" and report on their wellbeing. It is based on five core questions, designed to be quick to answer and consistent over time, enabling reliable data comparison.

If signs of declining wellbeing are identified, an external response team proactively reaches out to the employee, offering support such as psychological counseling or physiotherapeutic guidance. This approach is anonymous and confidential, ensuring that employees receive support at an early stage, before reduced wellbeing leads to increased absenteeism.

The platform also enables the People & Culture team to monitor employee wellbeing more effectively on an ongoing basis.

The collected data also serves as the basis for quarterly workshops, where employee wellbeing is discussed across the organization. The purpose is to promote transparency, support knowledge sharing, and foster a sense of shared ownership, encouraging all employees to contribute to a healthy work environment. It is central to our long-term sustainability and social responsibility.





# Focus Area 3:

## Social Responsibility in Relation to Customers' Working Environment (S)

### Policy

At HR-ON, we take shared responsibility for the working environment supported by our solutions.

As a provider of HR software, we influence key processes across the employee lifecycle - from recruitment and onboarding to wellbeing and retention. We therefore consider our products and support as an integral part of our social responsibility. Our ambition is to help organizations we work with build healthy, inclusive, and value-based workplaces.

We strive to develop a coherent and holistic platform that enables HR functions to integrate wellbeing and working environment considerations into their daily practices. Our solutions are designed to support transparency, accountability, and data-driven decision-making, strengthening employees' experience of a sustainable working life.

At the same time, we prioritize knowledge sharing and partnerships that enhance our customers' capabilities and their ability to navigate evolving requirements and expectations for the working environment and social sustainability.

For us, responsibility towards our customers' working environment is about creating conditions where technology supports people - not the other way around.

The logo for renosyd, featuring the word in a lowercase, italicized, sans-serif font.

The logo for DSV, featuring the letters in a bold, uppercase, sans-serif font.

The logo for wtw, featuring the letters in a bold, lowercase, sans-serif font.

The logo for coop, featuring the word in a bold, lowercase, sans-serif font.

The logo for Ørsted, featuring a power button symbol followed by the word in a bold, sans-serif font.

The logo for GRUNDFOS, featuring the word in a bold, uppercase, sans-serif font followed by a stylized 'X' symbol.



## Actions Taken in 2025

In 2025, we worked towards integrating HR-ON Wellbeing into HR-ON's product portfolio, supporting our responsibility for our customers' working environment. At the time of writing, the product is known to our customers as HR-ON Wellbeing (formerly Howdy) and has been successfully integrated into the HR-ON product portfolio.

As part of this effort, during the ESG reporting year, we have collaborated with a range of inspiring individuals and companies to host webinars. These webinars are typically open to anyone interested in participating.

We also occasionally host webinars exclusively for our customers, as well as masterclasses where customers are trained in Recruit and Staff and, in the future, also in Boarding and Wellbeing.

Examples of open webinars include (translated to English titles for this report):

- Strengthening the Employee Journey
- From First Working Day to First Payslip, in collaboration with Zenegy
- Preparing for the EU Pay Transparency Directive, in collaboration with Intect
- How to Recruit for Real Diversity, in collaboration with Develop Diverse
- Inspiration for Co-Leadership, in collaboration with Crossing Circles





## Targets

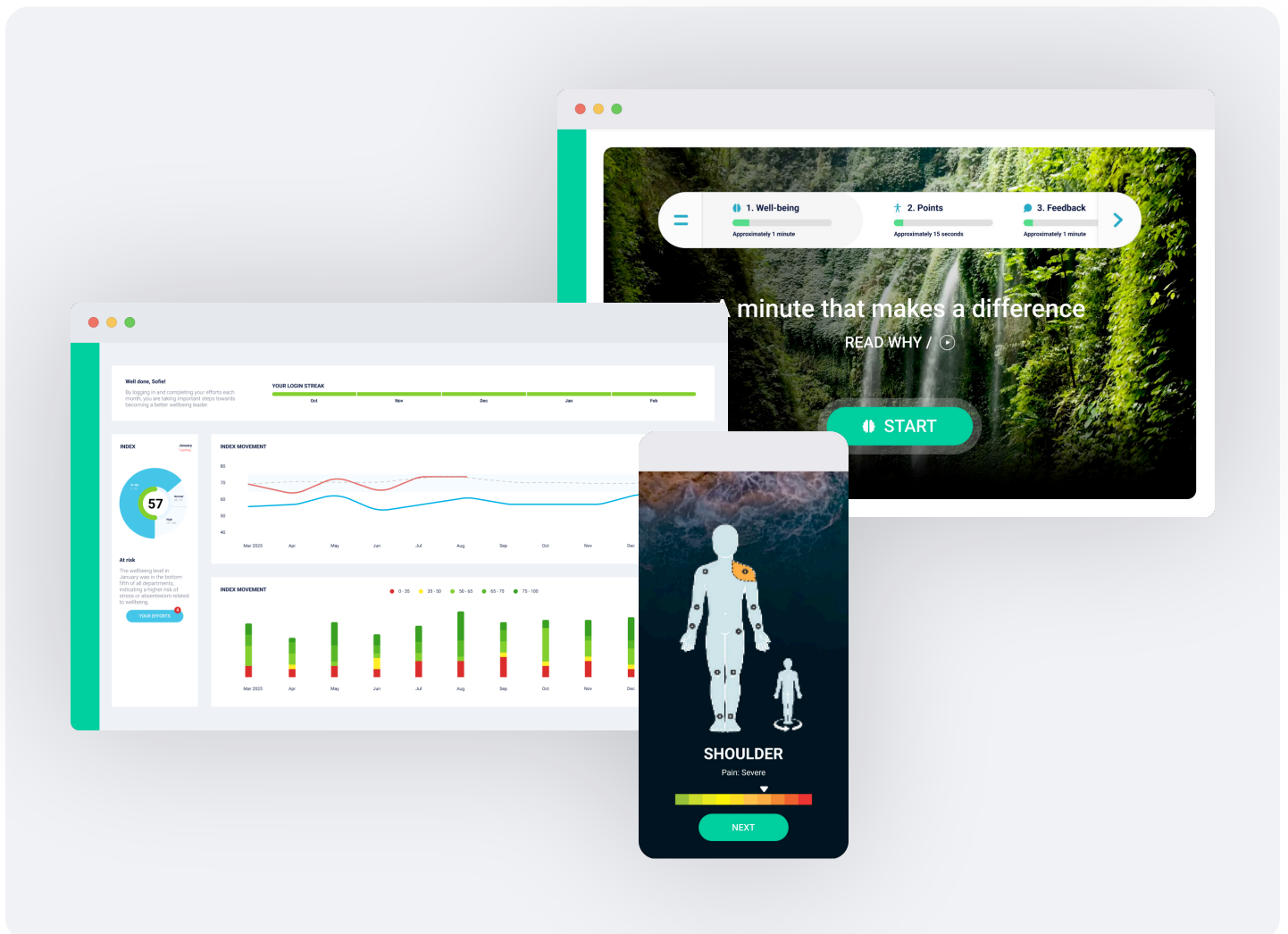
HR-ON Wellbeing is integrated into HR-ON's product portfolio.

## Metrics

Progress is measured based on the establishment of a formal plan for full integration and commercialization.

## Improvement Potential

There is potential to further expand our portfolio of webinars, continuing to share knowledge on wellbeing, onboarding, and retention, and leveraging our internal experience and expertise. As of 1 March 2026, the objective is to fully transition HR-ON Wellbeing into a core HR-ON product, on par with Recruit, Boarding, and Staff.





# Case:

## Value-Based Management Approach: From Subculture to Cultural Driver

The following is the story of HR-ON - a socially sustainable workplace that, at first glance, could resemble a lawless subculture, until leadership and employees together established their own sustainable frameworks and agreements.

It is also a story of a fundamental leadership dilemma: that trust and control are difficult to balance simultaneously and that a new understanding of people is the path out of the shadow of disorder.

### The Ambition of a Socially Sustainable Workplace

When Ali E. Cevik founded HR-ON in 2012 and hired his first employees, it was natural for him to let them manage their own working lives, based on the belief that people cannot be controlled.

He did not seek to control why employees take time off, report sick leave, or stay home with their children. What matters is that they are doing well and feel motivated by their work.

As a result, HR-ON quickly became an organization characterized by a distinct and empowering culture, where individuals take responsibility for managing themselves. However, this culture can also create uncertainty among trade unions and new employees.

### The Perception of a Lawless Organization

The hiring process is a story in itself - not only in the early days of the company, but even years later. New employees often try to negotiate additional holiday time, despite Ali clearly explaining that HR-ON offers unlimited leave. For individuals accustomed to a culture shaped by control - where rights must be negotiated - it can be difficult to understand that HR-ON is genuinely organized as an equal, trust-based team, where no one needs permission to take time off in alignment with their own needs.

The culture at HR-ON differs so fundamentally from the traditional employer-employee relationship that it can seem almost too good to be true. What is experienced as positive internally can appear unfamiliar or even questionable from the outside.

At times, this creates a sense of perceived "lawlessness", particularly when external advisors, such as legal professionals, challenge whether such a culture operates within acceptable boundaries - even though HR-ON fully complies with applicable laws. It can give the impression of an organization operating outside conventional norms.

*Written by Betina Noe, Legal Counsel*



### From Abstract Concepts to a Shared Framework

Ali is aware that people need concepts to understand. A culture only truly exists when there is a shared language to describe it. In 2021, HR-ON therefore dedicated resources to enabling employees and leadership to articulate what they were already jointly practicing. Nothing was changed; the objective was to define a common language.

They introduced principles such as "From Control to Trust," "From Time to Results," "From Hierarchy to Dialogue," and "From Rules and Instructions to Meaning and Empowerment."

HR-ON chose to define their culture as a value-based management approach and consolidated these principles into a document called the employee manifesto. With this, they established a shared language to understand and communicate their culture, both internally and externally.

With this, HR-ON has effectively gone beyond legal requirements. The manifesto builds on existing legislation and serves as documentation that these standards are met.

HR-ON offers flexible arrangements, including unlimited holiday and parental leave. The manifesto serves as a framework.

### Public Reception: Freedom or Lack of Structure?

When HR-ON launched the manifesto in October 2021 to inspire other organizations, it quickly gained widespread attention and went viral. It attracted significant media coverage, with headlines such as: "The CEO does not mind whether employees take five or ten weeks of holiday."

HR-ON experienced an overwhelmingly positive response from the public. Many expressed sentiments such as: "I hope this becomes the new normal" and "Trust is the way forward."

Interest was also strong within the Danish business community, with organizational psychologists suggesting that this approach represents the future.

At the same time, HR-ON faced questions from journalists, HR professionals, and leaders who found the model difficult to reconcile with traditional structures.



*Written by Betina Noe, Legal Counsel*



Questions included: "What about employees who need clear frameworks?" "What if trust is misused?", and "Is leadership no longer necessary?"

Although the manifesto demonstrates HR-ON's commitment to a value-based management approach, these reactions highlight that leadership must continue to clearly communicate how employees navigate and succeed within a more flexible and trust-based structure.

### **A New Narrative About People**

The manifesto opens up a new narrative about people at work. It is a narrative about individuals learning to let go of ingrained assumptions when these appear as inherited patterns or beliefs that no longer serve them. It may, for example, be the assumption that it is most appropriate to work from 8 a.m. to 4 p.m., even when a different working rhythm would be more suitable.

These types of constructive reflections continue to emerge as the manifesto is further clarified and developed as the dynamic framework it is intended to be.

It is also the ongoing story of a leader who enables autonomy, yet can still experience a sense of operating outside conventional norms. Despite the manifesto, Ali continues to have conversations where it is challenging to communicate the culture in a way that is fully understood by those outside the organization.

Although job candidates are asked to review the manifesto as part of the recruitment process, there are still instances where it is perceived as aspirational rather than tangible. It is not surprising. During the hiring process, candidates are also presented with an employment contract focused on rights and obligations - a format that, for many, carries more weight than a manifesto.

### **Balancing Control and Trust Is Challenging**

Until 2025, HR-ON used standard employment contracts, even though they were based on assumptions that did not align with the organization's approach. One such assumption is that agreements cannot be formulated in a trust-based language. It does not align with HR-ON's ambition to create inclusive frameworks and agreements.

HR-ON has continuously addressed this dilemma. Balancing control and trust at the same time is challenging, if not impossible. It is reflected in the many conversations Ali has had with new employees.

In 2025, HR-ON developed fully trust-based employment agreements, designed to replace traditional contracts. These will be implemented in 2026. In the new agreements, needs and interests are articulated instead of rights and obligations. The key difference lies in the use of trust-based language.

*Written by Betina Noe, Legal Counsel*



Where the previous contract stated: "The Company may, with at least three months' written notice, require the Employee to take their main holiday, and with at least one month's written notice, require the Employee to take the remaining holiday."

The new agreement instead states: "The holiday you are entitled to under applicable law is coordinated within your team. If you require additional time off, management should be informed to ensure an overview of the overall situation and to balance the needs of both the company and the employee."

It demonstrates HR-ON's full commitment to a trust-based approach. Instead of contracts that may challenge the culture, the organization now operates with agreements that align with it - while remaining fully compliant with legal requirements. The difference lies in the language of trust embedded in the agreements.

### **Out of the Shadow of Lawlessness**

HR-ON believes that the foundation of future job security lies in a shared set of values. For Ali, this belief runs even deeper. He grew up as a shepherd in the Middle East, in a farming community shaped by an ancient philosophy known as Alevism. This philosophy holds that the individual carries an inner sense of divinity and that being a good person comes from within. The belief is not written down, but passed on through music, and Ali, now CEO and co-founder of one of Denmark's most forward-thinking tech companies, still remembers the melodies and the words. It has shaped a lifelong awareness of the tension between being a law-abiding citizen and remaining true to oneself. For Ali, this tension has always challenged his sense of justice. Because following one's own values should not be seen as something wrong.

### **The Story Continues**

HR-ON is a company experiencing rapid growth, yet it will remain just as natural in the future to trust employees to manage their own working lives. As one employee states: "It creates a sense of security when frameworks and agreements are clear and understandable, and when they reflect the values we express both internally and externally as a company." The new employment agreements are just one example of how future workplace communities require legal frameworks and external requirements to be interpreted through a new understanding of people. At HR-ON, there is no other way to operate than with the awareness that attempting to control one another is ineffective and that trust is a source of strength.

### **A New Standard**

HR-ON hopes that these agreements, like the manifesto, can inspire other leaders committed to sustainability to feel less constrained by conventional norms. Both leadership and employees value the alignment between values and expectations. Sustainable leadership and social sustainability require the courage to stand by one's beliefs and to prioritize values over outdated structures and assumptions. The belief is that the leadership of the future is grounded in authenticity - and in having the courage to act in alignment with what one truly believes.

*Written by Betina Noe, Legal Counsel*



# Focus Area 4:

## Workplace Communities of the Future (G)

### Policy

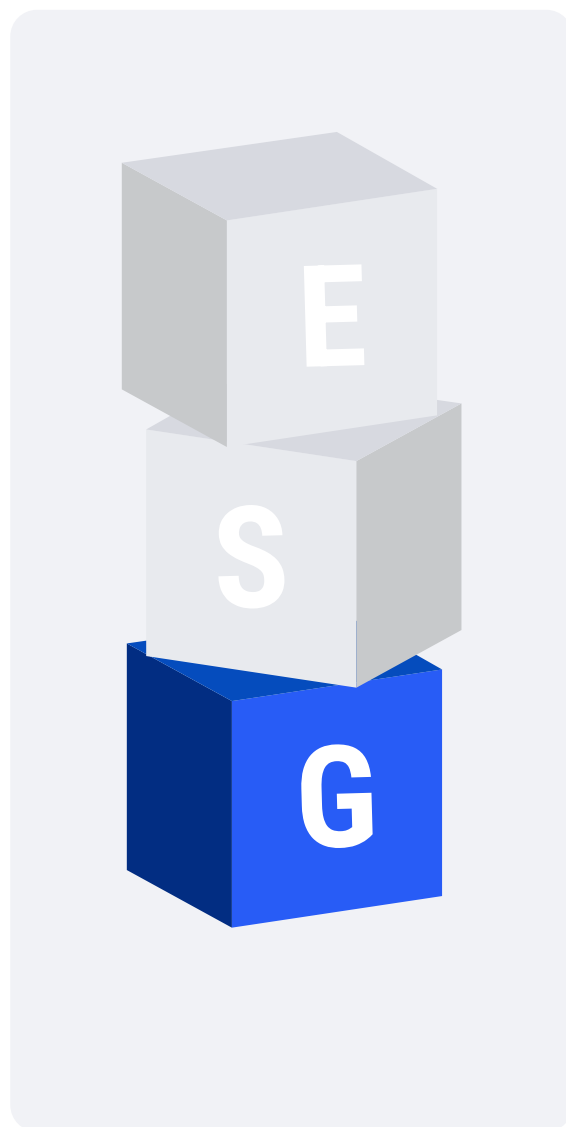
At HR-ON, we develop workplace communities of the future through clear leadership, defined frameworks, and a strong value foundation.

We believe that trust requires structure. Freedom without direction creates uncertainty, and values without frameworks lose their impact. We therefore work deliberately to define and develop the principles that guide collaboration, responsibility, and decision-making across the organization.

Our employee manifesto serves as the cultural and leadership reference framework for our organization. It clarifies how we understand responsibility, empowerment, and shared direction, and is continuously developed in line with the organization's growth and evolving needs.

We are committed to ensure alignment between values and structure and to communicate our frameworks and principles clearly, both internally and externally. Internally, it creates transparency. Externally, it contributes to informing and strengthening the dialogue on how modern workplace communities can be organized.

For us, governance is not about control for its own sake, but about providing clear direction and thereby creating a sense of stability in a community where responsibility and trust go hand in hand.





## Actions Taken in 2025

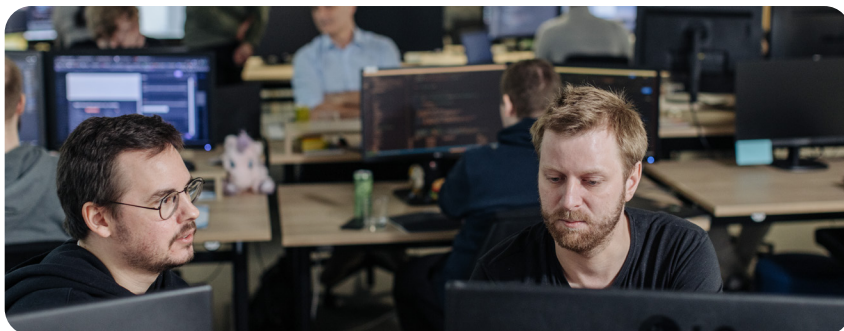
In 2025, HR-ON worked internally with a clear focus on developing more precise language and strengthening alignment among culture, frameworks, agreements, and leadership. As part of this effort, employees and leadership jointly initiated a revision of the employee manifesto to ensure that it continues to reflect the organization's values and functions as a living reference framework.

At the same time, new employment agreements were developed based on HR-ON's value foundation. The objective has been to create agreements that support a trust-based collaboration, clearly define expectations and responsibilities, and align with the organization's culture.

Due to resource constraints, the implementation of the new employment agreements was not completed in 2025. Implementation is planned for 2026.

From a communication perspective, we achieved our internal objective by conducting an internal information session on the topic. In addition, we developed an external communication plan for a series of open webinars, through which HR-ON will share insights and reflections on a value-based management approach and trust-based frameworks and agreements.

These webinars are scheduled for the second quarter of 2026 and will include at least two sessions.





## Targets

All employees have received a new trust-based employment agreement, and a process has been initiated to revise the employee manifesto.

An external communication plan has been established to communicate on workplace communities of the future, both internally and externally.

## Metrics

- We track whether all employees have received a new trust-based employment agreement and whether the revision process of the employee manifesto has been initiated.
- We track whether an internal information session has been conducted and whether a communication plan for external communication on employment conditions at HR-ON has been developed.

## Improvement Potential

In early 2026, we will host a webinar marking the first public release of our ESG report. In addition, the report will be presented internally within the organization.

There is further potential to follow up with webinars focusing on the revised employee manifesto and trust-based employment agreements. We also plan to host a network event for the SIXTEEN Network.

These initiatives will support strengthening organizational cohesion by fostering a shared internal understanding of our goals and culture. At the same time, we aim to inspire other organizations to take a similar approach.



# Focus Area 5:

## Navigating in a Technology-Driven Industry, including Data Ethics (G)

### Policy

At HR-ON, we take responsibility for navigating an increasingly technology-driven working environment with integrity, transparency, and a high level of professional expertise.

As a provider of HR software, we work with data, processes, and decision-making foundations that directly impact individuals and organizations. We are therefore committed to using technology responsibly and in compliance with applicable legislation, including GDPR and information security requirements.

Data ethics is both a leadership responsibility and a shared responsibility. We ensure that all employees have the necessary knowledge of compliance, data security, and responsible technology use, enabling our solutions and processes to foster trust and legal certainty for customers and candidates.

We continuously update our internal guidelines and competencies in line with evolving regulatory requirements and technological developments. In a world characterized by digital acceleration and artificial intelligence, we strive to ensure that innovation is always accompanied by ethical reflection and clear frameworks.

For us, governance in a technological context is about balancing development with responsibility and ensuring that technology strengthens people, rather than compromises them.





## Actions Taken in 2025

- Completion of annual compliance training for all active employees, with a focus on data ethics, GDPR, information security, and the responsible use of digital tools.
- Update of internal guidelines on data ethics and technology use to reflect evolving regulatory requirements and best practices.
- We achieved our annual target, with 100 % of active employees completing the annual compliance training.

## Targets

100 % of active employees have completed the annual compliance training.  
(Active employees are defined as employees who are not on parental leave, leave of absence, or sick leave at the time the training is distributed.)

## Metrics

The completion rate of the annual compliance training is tracked directly in our system, providing a clear overview of how many employees have completed it.

## Improvement Potential

There is potential to expand our technology-related training to include AI capability-building, ensuring employees gain a stronger understanding of the opportunities and risks of AI.





# Status and Overview

(VSME B1)

The report has been prepared as a compliance exercise and is structured in accordance with the extended module of the VSME standard.

The development of our first ESG report has provided valuable insights and established a strong foundation for our continued work. Throughout the year, we have taken several steps to strengthen our internal structures and build a shared understanding of ESG across the organization. At the same time, we have initiated work on the HR-ON targets. The insights gained through this process form a natural foundation for our future reporting and the ongoing development of our sustainability efforts.

The following section outlines the VSME disclosure requirements relevant to HR-ON. As this is the company's first ESG report, it also establishes the baseline that will serve as the foundation for our future sustainability work. The requirements have been adapted to reflect our organizational context and support HR-ON's continued focus on responsible business practices and sustainable value creation.

## **Basis for Preparation** *VSME B1*

The company is a private limited company (ApS).

NACE sector code: 6201000

Total assets: 41.482.283 (according to the annual report as of 30 September 2025)

Revenue: 30.866.590 (according to the annual report as of 30 September 2025)

Number of employees: 36 (according to the annual report as of 30 June 2025)

Address: Østre Stationsvej 27, 3rd floor, 5000 Odense C, Denmark



## CO<sub>2</sub>e Emissions *VSME B3*

HR-ON calculates its total CO<sub>2</sub>e emissions in accordance with VSME B3, using activity data relevant to our operations and value chain. As a software provider, our emissions primarily consist of indirect impacts associated with our digital services, suppliers, and office-related activities.

Modstrøm supplies energy for our office facilities. However, the exact share of renewable energy in the electricity supplied is currently unavailable and therefore not yet included in the calculations.

Total energy consumption: 125.7 mWh

Scope 1 emissions: \*

Scope 2 emissions: \*

Scope 3 emissions: \*

Total emissions: \*

## Resource Use, Circular Economy, and Waste Management *VSME B7*

HR-ON applies circular-economy principles by developing digital solutions designed for longevity and continuous improvement. We focus on stability, scalability, and well-structured architecture to ensure that our systems can evolve alongside our customers' needs over time. We use hosting solutions focused on energy efficiency and renewable energy.

In 2025, the company generated 1,100 kg of non-hazardous waste. This waste consists solely of household-like residual waste fractions and has been collected and treated through Odense's municipal waste management system. In addition, 1 kg of hazardous waste has been recorded. This waste has been correctly sorted and disposed of via designated environmental collection systems in accordance with applicable environmental regulations.

*\* Data is pending, as supplier data has not yet been received. This will be updated as soon as possible.*



### **Own Workforce** *VSME B8*

As part of our reporting on social matters, data relating to our own workforce is included under VSME B8. The disclosure covers employment types and gender composition, providing an overall view of our employment structure. All data is collected through our internal HR systems, ensuring a clear and up-to-date data foundation and supporting our commitment to transparency and responsible HR practices.

Employment type: Permanent employees

Gender composition: As of 31 December 2025, the workforce consisted of 61% men and 39% women

### **Own Workforce: Human Rights Policies and Processes** *VSME C6*

HR-ON has implemented a Code of Conduct outlining the company's commitments in relation to human rights, ethical behavior, and responsible working conditions. As a smaller organization, we have not yet established a formal and structured grievance mechanism for our internal workforce. It is due to our organizational size, resource prioritization, and existing wellbeing and dialogue-based initiatives that enable employees to raise concerns and address potential issues through close, open communication with management.

### **Standards and Calculation Methods**

The Danish Climate Compass (Klimakompasset) has been used to calculate key figures.



# Appendix 1

## Inclusions and exclusions in relation to the VSME requirements

This document provides an overview of the topics excluded and the disclosure points included in the report. In this context, it should also be noted that HR-ON approaches ESG as a compliance exercise.

Requirement no.	Description	Page reference or rationale for exclusion
<b>Core module</b> General disclosures		
B1	Basis of preparation	Page 1, 37
B2	Actions, policies, and initiatives for the transition to a more sustainable economy	Page 19, 21
E-data		
B3	Energy consumption	Page 38
B3	CO <sub>2</sub> emissions	Page 38
B4	Pollution of air, water, and soil	Excluded, as not relevant
B5	Biodiversity	Excluded, as not relevant
B6	Water	Excluded, as not relevant
B7	Resource use, circular economy, and waste management	Page 38
S-data		
B8	Own workforce	Page 39
B9	Health and safety	Excluded, as not relevant
B10	Remuneration, collective agreements, and training	Excluded, as not relevant



# Appendix 1

G-data		
B11	Business conduct	Excluded, as HR-ON has not violated anti-corruption or anti-bribery legislation
<b>Extended module</b> General disclosures		
C1	Strategy: Business model and sustainability-related initiatives	Page 8 - 10
C2	Description of actions, policies, and initiatives to support the transition to a more sustainable economy	Page 19, 21
E-data		
	Assess the relevance of disclosing Scope 3 CO <sub>2</sub> emissions for your organization	Excluded, as not relevant
C3	CO <sub>2</sub> reduction targets and climate transition	Excluded, as not relevant
C4	Climate risks	Excluded, as not relevant
S-data		
C5	Additional (general) workforce disclosures	Excluded, as the company has fewer than 50 employees
C6	Own workforce: Human rights policies and processes	Page 39
C7	Severe human rights incidents	Excluded, as not relevant
G-data		
C8	Revenue from selected sectors and exclusion from EU benchmark indices	Excluded, as not relevant
C9	Gender distribution in the highest governance body	Excluded, as not relevant