
Zenegy ApS

Independent service auditor's ISAE 3402 assurance report on IT general controls during the period from 1 July 2023 to 30 June 2024 in relation to the Zenegy Platform and Zenegy Time to customers

October 2024



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1 Management's statement

The accompanying description has been prepared for customers who have used the Zenegy Platform and Zenegy Time and their auditors who have a sufficient understanding to consider the description, along with other information, including information about controls operated by the customers themselves, when assessing the risks of material misstatements in customers financial statements.

Zenegy ApS (Zenegy) uses Microsoft Denmark A/S (Microsoft) as a subservice supplier for hosting and operation of the Zenegy Platform and Zenegy Time. This report uses the carve-out method and does not comprise control objectives and related controls that Microsoft performs for Zenegy.

Some of the control objectives stated in our description in section 3 can only be achieved if the complementary controls at customers are suitably designed and operating effectively with our controls. This report does not comprise the suitability of the design and operating effectiveness of these complementary controls.

Zenegy confirms that:

- a) The accompanying description in section 3 fairly presents the IT general controls in relation to the Zenegy Platform and Zenegy Time that has processed customers' transactions throughout the period from 1 July 2023 to 30 June 2024. The criteria used in making this statement were that the accompanying description:
 - (i) Presents how IT general controls in relation to the Zenegy Platform and Zenegy Time were designed and implemented, including:
 - The types of services provided
 - The procedures, within both information technology and manual systems, by which the IT general controls were managed
 - Relevant control objectives and controls designed to achieve those objectives
 - Controls that we assumed, in the design of IT general controls in relation to the Zenegy Platform and Zenegy Time, would be implemented by user entities and which, if necessary to achieve the control objectives stated in the accompanying description, are identified in the description
 - How the system dealt with significant events and conditions other than transactions
 - Other aspects of our control environment, risk assessment process, information system (including the related business processes) and communication, control activities and monitoring controls that were relevant to the IT general controls
 - (ii) Includes relevant details of changes to IT general controls in relation to the Zenegy Platform and Zenegy Time during the period from 1 July 2023 to 30 June 2024
 - (iii) Does not omit or distort information relevant to the scope of the IT general controls in relation to the Zenegy Platform and Zenegy Time being described, while acknowledging that the description is prepared to meet the common needs of a broad range of customers and their auditors and may not, therefore, include every aspect of the IT general controls in relation to the Zenegy Platform and Zenegy Time that each individual customer may consider important in its own particular environment.

- b) The controls related to the control objectives stated in the accompanying description were suitably designed and operated effectively throughout the period from 1 July 2023 to 30 June 2024. The criteria used in making this statement were that:
- (i) The risks that threatened achievement of the control objectives stated in the description were identified;
 - (ii) The identified controls would, if operated as described, provide reasonable assurance that those risks did not prevent the stated control objectives from being achieved; and
 - (iii) The controls were consistently applied as designed, including that manual controls were applied by persons who have the appropriate competence and authority, throughout the period from 1 July 2023 to 30 June 2024.

Hørsholm, 22 October 2024
Zenegy ApS

Jacob Wandt
CEO

2 Independent service auditor's assurance report on the description, design and operating effectiveness of controls

Independent service auditor's ISAE 3402 assurance report on IT general controls during the period from 1 July 2023 to 30 June 2024 in relation to the Zenegy Platform and Zenegy Time to customers

To: Zenegy ApS (Zenegy), customers and customers' auditors

Scope

We have been engaged to provide assurance about Zenegy's description in section 3 of its IT general controls in relation to the Zenegy Platform and Zenegy Time which has processed customers' transactions throughout the period from 1 July 2023 to 30 June 2024 and about the design and operating effectiveness of controls related to the control objectives stated in the description.

Zenegy uses Microsoft Denmark A/S (Microsoft) as a subservice supplier for hosting and operation of the Zenegy Platform and Zenegy Time. This report uses the carve-out method and does not comprise control objectives and related controls that Microsoft performs for Zenegy.

Some of the control objectives stated in Zenegy's description in section 3 can only be achieved if the complementary controls at customers are suitably designed and operating effectively with Zenegy's controls. This report does not comprise the suitability of the design and operating effectiveness of these complementary controls.

Zenegy's responsibilities

Zenegy is responsible for: preparing the description and accompanying statement in section 1, including the completeness, accuracy and method of presentation of the description and statement; providing the services covered by the description; stating the control objectives and designing, implementing and effectively operating controls to achieve the stated control objectives.

Service auditor's independence and quality control

We have complied with the independence and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct, as well as ethical requirements applicable in Denmark.

Our firm applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Service auditor's responsibilities

Our responsibility is to express an opinion on Zenegy's description and on the design and operating effectiveness of controls related to the control objectives stated in that description, based on our procedures.

We conducted our engagement in accordance with ISAE 3402, "Assurance Reports on Controls at a Service Organisation", issued by the International Auditing and Assurance Standards Board, and additional requirements applicable in Denmark. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the description is fairly presented, and the controls are suitably designed and operating effectively.

An assurance engagement to report on the description, design and operating effectiveness of controls at a service organisation involves performing procedures to obtain evidence about the disclosures in the service organisation's description of its IT general controls in relation to the Zenegy Platform and Zenegy Time and the design and operating effectiveness of controls. The procedures selected depend on the service auditor's judgement, including the assessment of risks that the description is not fairly presented, and that controls are not suitably designed or operating effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the control objectives stated in the description were achieved. An assurance engagement of this type also includes evaluating the overall presentation of the description, the suitability of the objectives stated therein and the suitability of the criteria specified and described by Zenegy in the Management's statement section.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Limitations of controls at a service organisation

Zenegy's description is prepared to meet the common needs of a broad range of customers and their auditors and may not, therefore, include every aspect of IT general controls in relation to the Zenegy Platform and Zenegy Time that the individual customer may consider important in its particular circumstances. Also, because of their nature, controls at a service organisation may not prevent or detect all errors or omissions in processing or reporting transactions. Furthermore, the projection of any evaluation of effectiveness to future periods is subject to the risk that controls at a service organisation may become inadequate or fail.

Opinion

Our opinion has been formed on the basis of the matters outlined in this auditor's report. The criteria we used in forming our opinion are those described in the Management's statement section. In our opinion, in all material respects:

- a) The description fairly presents how IT general controls in relation to the Zenegy Platform and Zenegy Time were designed and implemented throughout the period from 1 July 2023 to 30 June 2024;
- b) The controls related to the control objectives stated in the description were suitably designed throughout the period from 1 July 2023 to 30 June 2024; and
- c) The controls tested, which were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, operated effectively throughout the period from 1 July 2023 to 30 June 2024.

Description of test of controls

The specific controls tested and the nature, timing and results of these tests are listed in section 4.

Intended users and purpose

This report and the description of tests of controls in section 4 are intended only for customers who have used the Zenegy Platform and Zenegy Time and their auditors who have a sufficient understanding to consider it along with other information, including information about controls operated by the customers themselves, in assessing the risks of material misstatement in their financial statements.

Hellerup, 22 October 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

Michael Clement
State-Authorised Public Accountant
mne23410

Bo Petersen
Partner

3 Description of processing

3.1 Introduction to Zenegy

Zenegy ApS (Zenegy) is a cloud-based enterprise system that is fully based on a free and open API.

The Zenegy application serves B2B customers by providing a system that handles:

- Accounting
- Payroll
- HR
- Time registration
- Expense

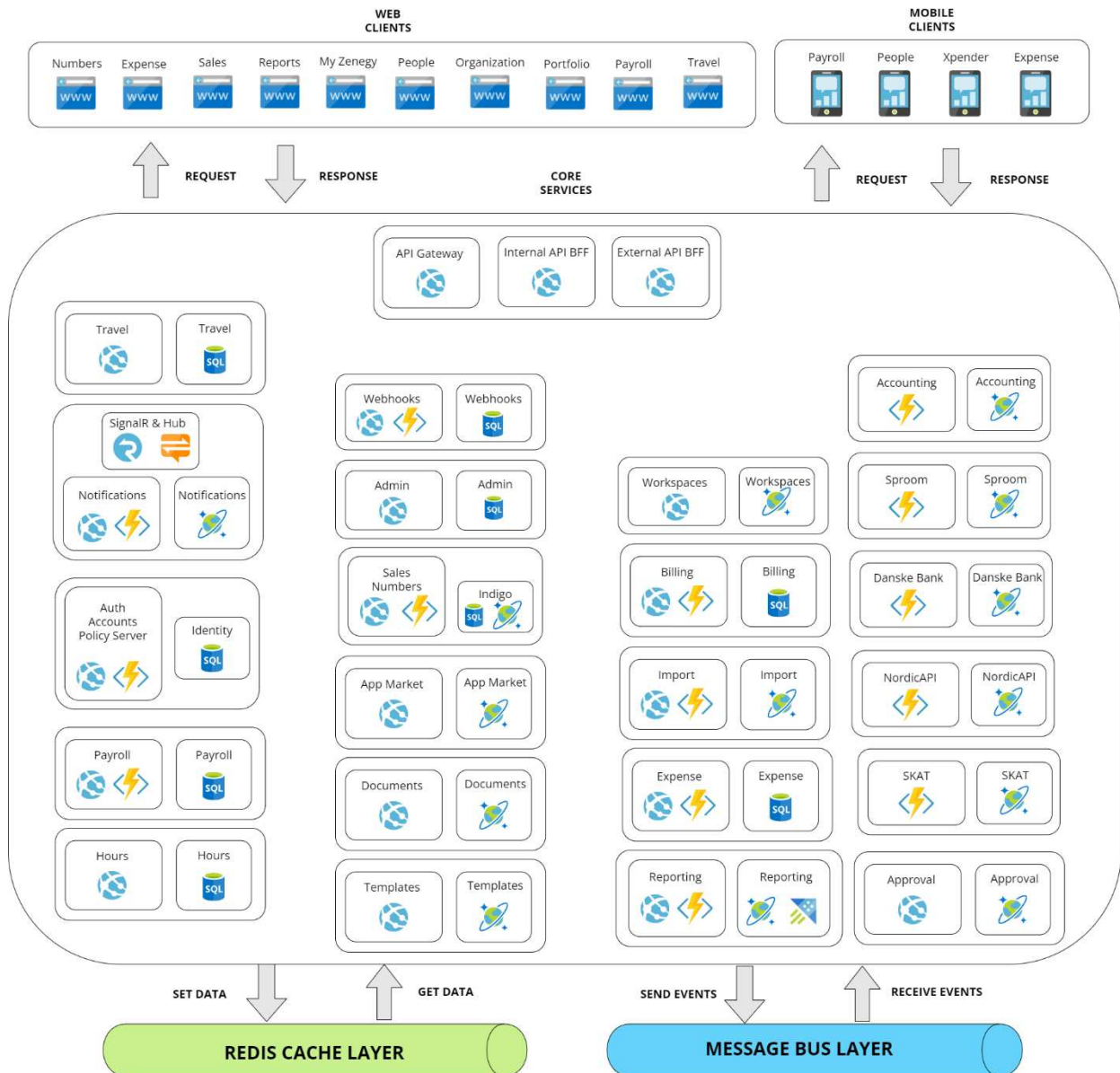
No significant events or changes to the design of controls have occurred that impact Zenegy's services in the period from 1 July 2023 to 30 June 2024.

3.2 Organisation

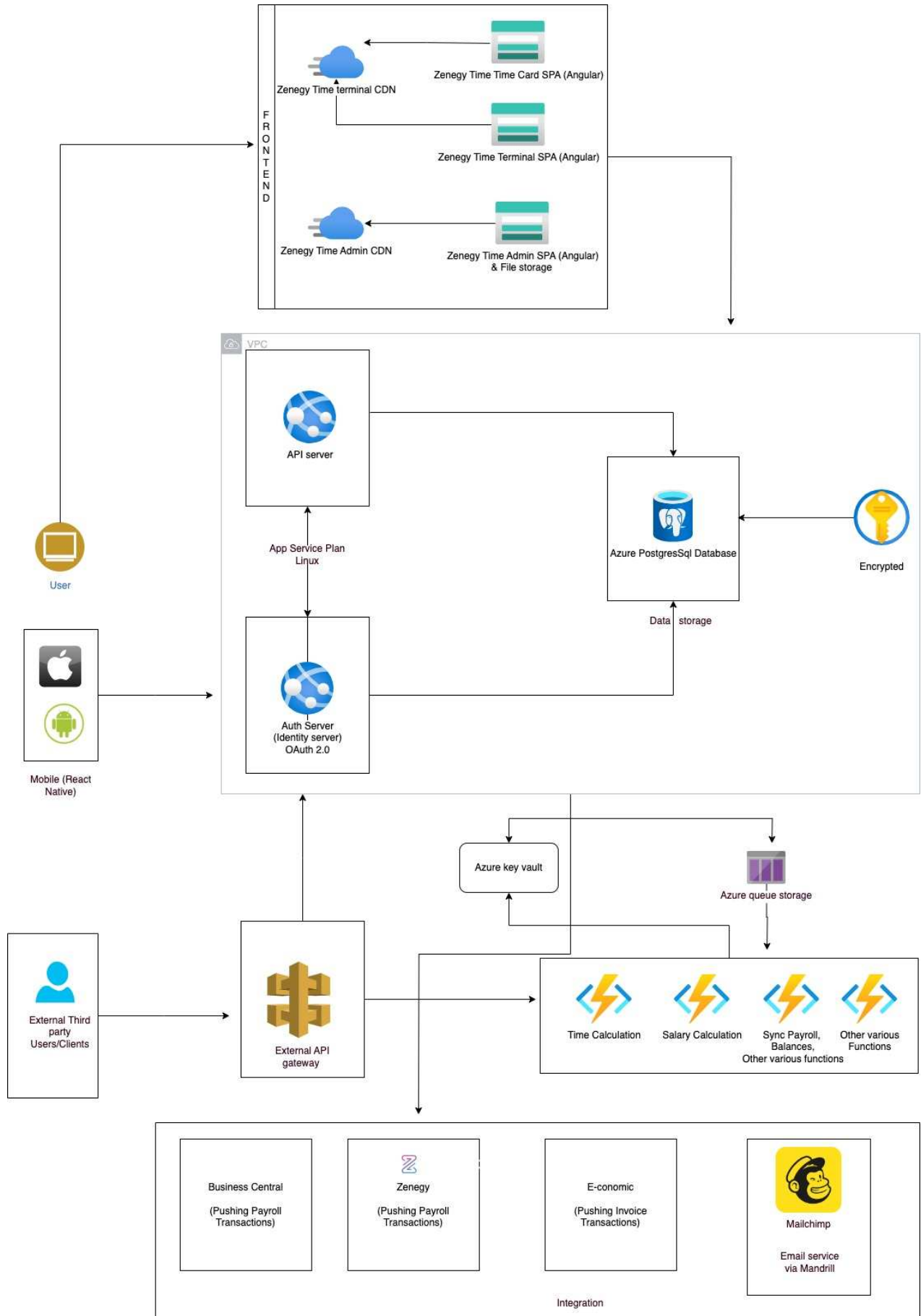
Management:

- CEO - Jacob Wandt
- Partnerships – Jes T. S. Brinch
- CFO - Lasse Hartlev
- CMO – Arek Zakonek
- CTO - Yannik Nielsen
- Head of Products - Sarah Fernhein Jakobsen
- Director, Admin Sales - Johan Broberg Binder
- Head of Customer Success and Direct Sales - Mikkel Kruse Hovgaard
- CHRO - Mads Lyngby Olsen

3.3 Architecture



Penneo dokumentnøgle: P1JP-SKC3B-13BBE-EJH0K-31TOF-A7ESB



Penneo dokumentnøgle: P11P-J-SKC3B-13BBE-EJH0K-31TOF-A7ESB

3.4 Datacenter location

Zenegy has clear separation of Quality Assurance, Beta, Demo and Production environments based on resource groups.

Zenegy has its primary datacenter located in Western Europe (Amsterdam, The Netherlands). A few resources are located in North Europe (Dublin, Ireland).

3.4.1 Zenegy Time is located in the datacenter North Europe (Dublin, Ireland) Database security

The following features are activated as security:

- The data is SHA256 encrypted.
- The database is hosted on Azure.
- When developers want to access the database, the developer has to manually add an IP in the fire-wall.
- Direct access is restricted to a few privileged users and all use Multi Factor authentication.
- Data is encrypted at rest and in transit by default as provided by Microsoft.

3.5 Backup

Zenegy uses App Service on Azure to host its web application and API.

3.5.1 Application

The backup policy is set on the app services, so that five previous versions are kept. If needed, the application can be rolled back up to five versions back in time.

- Application is backed up every day.
- Application is backed up with each deployment.
- All versions are stored.
- This is natively built into Azure.

3.5.2 Database

Zenegy uses Azure database as data storage. Backup policy is set up to do a full backup every week as well as a point of time sliding backup is set on the database. The database can be restored to the exact point in time 35 days in the past. Database backup is reserved for a full restore of the entire system.

- Database is completely backed up every week
- Database is continuously backed up 35 days in the past.
- All versions are stored.
- This is natively built into Azure.

3.6 Operations

3.6.1 How we develop

Zenegy employs a methodology adaptation of Scrum, Agile and DevOps in order to achieve its development. Zenegy follows best practice when it comes to developing API's as well as web and mobile applications..

Zenegy continuously educate and create context for its developers within GDPR and IT Security.

3.6.2 Test and approval

All Zenegy features and functions are covered by unittests as selftesting business logic.

Whenever a feature is developed it has to be reviewed by the Team lead before being pushed to QA environment.

QA run tests against the business case and logic and if approved the feature is pushed to the Beta environment.

On Beta environment the feature is again tested by a PO or PM before being pushed to production.

All code is by deployment policy tested against vulnerabilities in third party packages. It is impossible to deploy if packages are not up to date.

Zenegy uses application Insights as monitor tool for exceptions.

3.6.3 Penetration test

Zenegy performs yearly penetration test performed by a third party.

Third parties that perform penetrations tests are rotated to better cover attack vectors and methodology.

3.6.4 Third parties and supplier risk assessment

Zenegy, at minimum, performs a yearly review of all third parties and suppliers and the associated risk that are related to the Application where Zenegy is dataprocessor.

If there is any development within legislation or procedures, then associated third parties are updated ongoingly.

Zenegy update and maintain a list of 3rd parties subprocessors that directly interact with the Zenegy system.

A full list of 3rd parties subprocessors can be found on Zenegy's website.

All third parties and suppliers are evaluated on the parameter of risk and severity.

3.6.5 Data Processing Agreement

Zenegy has a publicly available Data Processing Agreement.

The data processing agreement is updated on an ongoing basis and is based on the Standard Contractual Clause format as put forth by EDPB and Datatilsynet.

3.7 Control objectives and control activities

3.7.1 Control objective CO1 – IT Governance – Management Direction for Information Security

Purpose:

The management of Zenegy meets at least once a year for a review of security operations within Zenegy.

As part of the agenda are:

- Review of the IT security policy
- Review of the breakdown and restore report
- Review of 3rd parties and risk assessment
- Review of updates to rules and regulations
- Review of security enhancements

As part of actions are:

- Distribution of the reviewed IT security policy

Applied procedures and controls:

Management has a formal review meeting every year where Zenegy identifies relevant threats and risks.

The treats and risks are gathered in a report that is reviewed by the management on the yearly Security review.

Execution of control:

- Yearly Security review

3.7.2 Control objective CO2 – HR Management

Purpose:

When Zenegy hires new employees, the employee signs a confidentiality statement as part of the employment contract.

The new employee is also required to present a criminal record that is reviewed prior to employment.

Zenegy maintains a list of handed out physical items and access to systems via Items & Access Management system.

Applied procedures and controls:

When hiring new employees they are required to present a criminal record and sign a Privacy Statement as part of their contract.

Zenegy has an Item & access control system to manage a list of the assigned items and access rights of each employee in Zenegy.

Execution of control:

- Yearly review
- Personnel changes
- Role changes

3.7.3 Control objective CO3 – Access Management – Physical access

Purpose:

Zenegy has implemented administration of physical access to the office for employees and guests.

Access is limited to employees and approved and supervised guests.

Applied procedures and controls:

Each employee has a personal card that grants access to the office.

Guests are registered in a system.

Execution of control:

- Yearly control of cardholders
- Changes in personnel

3.7.4 Control objective CO4 – Access Management – Backend access

Purpose:

Zenegy is built upon the Azure architecture and only a very limited amount of people has access to the backend system and database.

Applied procedures and controls:

Only the CTO and key developers can gain access to the system.

Azure access is protected by username and password as well as two factor authentication.

Database access is based on Managed Identity (Azure user).

Execution of control:

- Every year a review is done of the users to ascertain that only the correct people have access.
- Personnel changes.

Zenegy Time:

The development team is based out of Europe, and they do not have backend access and are using a proxy database to troubleshoot.

3.7.5 Control objective CO5 – Access Management – Frontend access

Purpose:

Zenegy provide support to customers that require access to the customers' account via an admin and support module. The functionality is built so that only the customer can grant access to their account.

There are two levels of access, full and limited access. With full access the supporter or administrator can perform any action the owner can except giving access to other supporters or administrators. With limited access the supporter or administrator cannot complete a payroll and thereby transfer money.

Both the customer and the supporter or administrator can revoke the access at any time.

All Zenegy employees are additionally using two factor authentication and complex passwords.

As a further security measure whenever a customer activates two factor authentication then it forces the supports and admins to also enforce it.

Applied procedures and controls:

Zenegy has an admin and support module.

Only users who are company account owners or employees with the Full Accountant role can grant access to the company account.

The users can close the access to a company account at any time.

Execution of control:

- Continuously

Documentation:

- Test of functionality

Zenegy Time:

Supporter and Product Management have full access as Admins. Two-factor authentication is being built.

3.7.6 Control objective CO6 – Incident and problem management

Purpose:

Zenegy has an established and documented process of how to record, prioritize and escalate incidents and problems.

Applied procedures and controls:

All employees in Zenegy are shown and have access to documentation of how to escalate issues.

All customers and users are identified via unique GUIDs.

Execution of control:

- Continuously

Documentation:

- Asana - Incident recording
- Confluence – Documentation
- Azure DevOps - Zenegy Time

3.7.7 Control objective CO7 – Communication with customers

Purpose:

- Ensure correct and timely support.
- Limit exposure of personal data.
- Incident management.

Applied procedures and controls:

Support takes place via phone, e-mail, Skype and in-App admin access.

All customers and users are identified via unique GUIDs.

Execution of control:

Service Desk daily review tasks and assignments.

Documentation:

- Intercom - Communication recording
- Asana - Incident recording
- Dixa - First line support

3.7.8 Control objective CO8 – Change and release management

Purpose:

Ensure correct release of code to production.

Applied procedures and controls:

All updates and features are assigned a deployment ID in order to document when and where the update or feature was applied.

All features are covered by unit tests. Zenegy uses peer reviews between developers as well as code reviews by Team Leads. Before deploying features are tested by QA.

Execution of control:

- Continuously

Documentation:

- Asana
- Azure

3.7.9 Control objective CO9 – Knowledge management

Purpose:

Zenegy provides a knowledge base and FAQ accessible from the web as well as from within the application.

Applied procedures and controls:

In order to help users, Zenegy has a built-in help text system.

- The user access it by clicking text elements that then open a help text box.

In order to help users Zenegy has a built-in help video and FAQ system.

- The user access it by clicking the support icon in the bottom right corner.

Execution of control:

- Continuously.

Documentation:

- Zenegy web
- Zenegy Application

3.7.10 Control objective C10 – Field and business logic

Purpose:

In order to ensure correct data in- and output, Zenegy has a built-in field validation on all critical fields as well as all critical business logic operations.

Applied procedures and controls:

When a user tries to input invalid data in a field with validation, Zenegy alerts the user by displaying the error description in a drop-down box as well as highlight the field with the error.

Zenegy also actively limits the input errors by providing dropdown options as well as wizards for filling out forms.

Zenegy features:

- Displaying live update of employee pay slip
- Deviation report with comments
- Downloadable payroll report
- Downloadable draft pay slips
- Error and alert page
- Full log on all actions performed in the payroll run.

Execution of control:

- Continuously

Documentation:

- Test of functionality

3.7.11 Control objective CO11 – Business continuity

Purpose:

Zenegy ensures business continuity by keeping a full backup of all deployments.

Applied procedures and controls:

Zenegy continuously back up all deployments. This is a standard functionality in Azure.

Zenegy performs yearly test on restore from backup.

Execution of control:

- Continuously
- Yearly

Documentation:

- Azure

3.7.12 Control objective CO12 – Third Party Management

Purpose:

Ensure that third parties live up to the quality and security requirements of Zenegy.

Applied procedures and controls:

Zenegy has yearly reviews where third party subprocessors DPA and independent audits are reviewed.

Execution of control:

- Yearly review of DPA, Audits of third parties.

Documentation:

- Comply Cloud

3.7.13 Control objective CO13 – API and secure communication

Purpose:

Enable Zenegy to retrieve data from its database.

Enable the customers and partners of Zenegy to access to their data.

Applied procedures and controls:

Zenegy REST API follows the Oauth 2.0 standard but with extra security in predefined URI.

Execution of control:

- Constant monitoring.
- Pingdom surveillance
- Azure surveillance

Documentation:

- Test of functionality
- Azure - Uptime report

3.8 Complementary user entity controls

Zenegy was designed on the assumption that certain controls would be implemented and operated effectively by user organizations.

In certain situations, the application of specific controls of the user organization is necessary to achieve certain control objectives included in this report.

The list below describes additional controls that should be in operation in user organizations to complement the controls at Zenegy:

- Controls to ensure that the user organization validate that input data to Zenegy is correct.
- Controls to ensure that the user organization act in regard to roles and permissions in case of resignations, retirements or job rotations.
- Controls to ensure that access to Zenegy via terminal interfaces at user locations is restricted to authorized individuals.

4 Control objectives, control activity, tests and test results

4.1 Purpose and scope

We conducted our engagement in accordance with ISAE 3402, “Assurance Reports on Controls at a Service Organisation”, and additional requirements applicable in Denmark.

Our testing of the design, implementation and functionality of the controls has included the control objectives and related control activities selected by Management and listed in section 4.3. Any other control objectives, related controls and controls at customers are not covered by our test actions.

Our operating effectiveness testing included the control activities deemed necessary to obtain reasonable assurance that the stated control objectives were achieved.

4.2 Test actions

The test actions performed when determining the operating effectiveness of controls are described below:

| | |
|-------------------------------------|---|
| <i>Inspection</i> | Reading of documents and reports containing specifications regarding the execution of the control. This includes reading and consideration of reports and other documentation in order to assess whether specific controls are designed so they may be expected to become effective if implemented. Furthermore, it is assessed whether controls are being monitored and checked sufficiently and at appropriate intervals. |
| <i>Inquiries</i> | Inquiry of appropriate personnel. Inquiries have included how the controls are performed. |
| <i>Observation</i> | We have observed the execution of the control. |
| <i>Reperformance of the control</i> | Repetition of the relevant control. We have repeated the execution of the control to verify whether the control functions as assumed. |

Zenegy ApS uses Microsoft Denmark A/S (Microsoft) as a subservice supplier for hosting and operation of the Zenegy Platform and Zenegy Time. This report uses the carve-out method and does not comprise control objectives and related controls that Microsoft performs for Zenegy ApS.

4.3 Control objectives, control activity, tests and test results

Control objective CO1 – IT Governance:

Zenegy has established controls, which ensure that Management has established the required level of information security and procedures to comply with relevant legislation

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|-------|--|--|-----------------------|
| CO1-1 | Security Group has one formal review meeting every year where Zenegy identifies relevant threats and risks. The risks identified are gathered in a report. | We have made inquiries to Management to determine whether procedures are in place for risk management. We have inspected the report from the Security Group Review meeting for reasonableness and evidence that the report includes identification of relevant threats and risks. | No exceptions noted. |
| CO1-2 | Security Group has one formal review meeting every year to address whether Zenegy adheres to relevant rules and regulations. | We have made inquiries to Management to determine whether procedures are in place for risk management. We have inspected the report from the Security Group Review meeting for specification of relevant rules and legislation. | No exceptions noted. |
| CO1-3 | A documented information security policy is maintained. Management approves the policy yearly. | We have made inquiries to Management to determine whether procedures are in place to maintain the information security policy. We have inspected the information security policy for reasonableness and that the policy was approved by management. We have furthermore inspected that the policy is available to all employees. | No exceptions noted. |

Control objective CO1 – IT Governance:

Zenegy has established controls, which ensure that Management has established the required level of information security and procedures to comply with relevant legislation

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|-------|--|--|-----------------------|
| CO1-4 | Security Group has one formal review meeting every year where third-party list and documentation are reviewed. | <p>We have made inquiries to Management to determine whether procedures exist for a yearly review of third-party companies.</p> <p>We have inspected the report from the Security Group Review meeting, where third-party companies were reviewed.</p> <p>We have inspected a sample of third-party companies for evidence that a review of documentation and risks have been performed.</p> | No exceptions noted. |

Control objective CO2 – HR Management:

Zenegy ensures that employees understand their responsibilities and are suitable for the roles for which they are considered

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|------------|---|--|------------------------------|
| CO2-1 | When hiring new employees, the new employee has to sign a Confidentiality Statement as part of the contract. | We have made inquiries to Management to determine whether procedures are in place regarding hiring new employees. We have inspected a sample of new hires contracts that they have signed a Confidentiality Agreement. | No exceptions noted. |
| CO2-2 | When hiring new employees, the new employee is required to present a criminal record that is reviewed prior to employment. | We have made inquiries to Management to determine whether procedures are in place regarding hiring new employees. We have inspected a sample of new hires that they have provided a criminal record. | No exceptions noted. |
| CO2-3 | Zenegy has procedures in place to ensure items and access are respectively returned and cancelled upon termination of the employment. | We have made inquiries to Management to determine whether procedures are in place regarding returning of items and revoking of access right when termination of employments. We have inspected a sample of leaving employees, that access was revoked, and items were returned. | No exceptions noted. |
| CO2-4 | Zenegy conducts yearly reviews of access to systems. | We have made inquiries to Management to determine whether procedures are in place regarding yearly reviews of access rights to systems. We have inspected that a yearly review of access rights to systems has been performed. | No exceptions noted. |

Control objective CO3 – Access Management – Physical access:

Zenegy has established procedures to limit physical access to information processing facilities to appropriate and approved personnel and visitors

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|-------|--|---|-----------------------|
| CO3-1 | Office and office buildings are operated as closed facilities. | <p>We have made inquiries to Management to determine whether procedures are in place regarding Physical security.</p> <p>We have inspected that Zenegy's Physical Access policy for reasonableness and specification that the building is operated as a closed facility.</p> <p>We have inspected that the building is operated as a closed facility.</p> | No exceptions noted. |
| CO3-2 | Periodic review or approval of assigned keys and access. | <p>We have made inquiries to Management to determine whether procedures for periodic review of assigned keys and access.</p> <p>We have inspected a sample of the periodic review of keys and access has been performed.</p> | No exceptions noted. |

Control objective CO4 – Access Management – Backend access:

Controls provide reasonable assurance that backend access to the Zenegy Platform and Zenegy Time is restricted and properly authorized

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|------------|---|---|------------------------------|
| CO4-1 | Privileged access is limited to a few key individuals with business justification. | We have made inquiries to Management to determine whether procedures are in place regarding user administration. We have inspected that privileged access is limited to a few key individuals with business justification. | No exceptions noted. |
| CO4-2 | Access to the system requires two-factor authentication. | We have made inquiries to Management to determine whether procedures are in place regarding user administration. We have inspected that two-factor authentication is enabled on Zenegy's backend environment. | No exceptions noted. |
| CO4-3 | A periodic user review of all Zenegy back-end users and access rights is performed. | We have made inquiries to Management to determine whether procedures are in place regarding user administration. We have inspected a sample of the access review. | No exceptions noted. |

Control objective CO5 – Access Management – Frontend access:

Controls provide reasonable assurance that access to the Zenegy Platform and Zenegy Time is restricted and properly authorized

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|------------|--|--|------------------------------|
| CO5-1 | The customer is responsible for the administration of user access to their account. Zenegy customer support cannot access customer accounts without the customers' consent. A formal process is in place for customers to request changes in access rights to the Zenegy Platform and Zenegy Time. | We have made inquiries to Management to determine whether procedures are in place regarding user administration to Zenegy Platform and Zenegy Time. We have inspected that it is the customers administrator, who has access to request changes to users and access rights. | No exceptions noted. |
| CO5-2 | All Zenegy employees are additionally using two-factor authentication to the Zenegy Platform and their passwords must comply with Zenegy's password requirements that are based on ISO27001 requirements. | We have made inquiries to Management to determine whether procedures are in place regarding user administration to Zenegy Platform. We have inspected that two-factor authentication is enabled on Zenegy's Platform. | No exceptions noted. |
| CO5-3 | If a customer activates two-factor authentication on their account in the Zenegy Platform, then they force an administrator with access to their account to apply two-factor authentication as well. | We have made inquiries to Management to determine whether procedures are in place regarding user administration to Zenegy Platform. We have inspected that users are forced to inherent the highest level of security, including two-factor authentication when the account administrator enables this. | No exceptions noted. |

Control objective CO6 – Incident and Problem Management:

Controls provide reasonable assurance that problems are recorded, prioritized, and resolved.

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|------------|---|--|------------------------------|
| CO6-1 | Zenegy has an incident management procedure. | We have made inquiries to Management to determine whether Incident procedures are in place. We have inspected that the Incident & Problem Management procedures are reasonable. | No exceptions noted. |
| CO6-2 | Incidents and problems are registered and prioritized. | We have made inquiries to Management to determine whether Incident procedures are in place. We have inspected a sample of incidents, that incidents are registered and prioritized according to the incident and problem management procedure. | No exceptions noted. |
| CO6-3 | Zenegy has a tool and a process that ensures that Zenegy resolve any outstanding incidents. | We have made inquiries to Management to determine whether a tool and a process is in place for resolving outstanding incidents. We have inspected a sample of incidents, that these are registered and resolved in a formalised and structured manor. | No exceptions noted. |

Control objective CO7 – Communication with customers:

Zenegy has implemented a communication and ticket system to ensure a log of all written communication with customers.

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|-------|---|--|-----------------------|
| CO7-1 | <p>All first line e-mail and chat support are handled in a tool. The following data is registered on any request:</p> <ul style="list-style-type: none"> • Requester • Request • Who took the request? • Who processed the request? • Who fulfilled the request? • Timestamp for each update of the request | <p>We have made inquiries to Management to determine whether a first line e-mail support is implemented.</p> <p>Inspected that the Service Desk Group handles first line support in a tool.</p> <p>Inspected that the following is captured in first line support tasks:</p> <ul style="list-style-type: none"> • Requester • Request • Who took the request? • Who processed the request? • Who fulfilled the request? • Timestamp for each update of the request | No exceptions noted. |

Control objective CO8 – Change and Release Management:

Controls provide reasonable assurance that changes to the Zenegy Platform and Zenegy Time are appropriately authorized, tested and approved. Development and production environments are segregated.

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|-------|--|---|---|
| CO8-1 | Change management procedures are in place to support the change process. | We have made inquiries to Management to determine whether change management procedures are in place. We have inspected that the change management procedure is implemented. | No exceptions noted. |
| CO8-2 | Updates and features are evaluated, and business priority is documented. | We have made inquiries to Management to determine whether change management procedures are in place. We have inspected a sample of changes that it was evaluated, and a business priority was assigned. | We have found that for 2 out of 26 samples of changes to Zenegy Time, we have not been able to obtain sufficient documentation of testing performed prior deployment into production. Both samples are from the period prior to April 2024, and we have noted that the change management process for Zenegy Time has been strengthened in relation to documenting test in April 2024. No other exceptions noted. |
| CO8-3 | Zenegy maintains a complete separate development branch where all updates and features are tested before being released. | We have made inquiries to Management to determine whether Zenegy as established a separate development branch. We have inspected that the development and production environment are segregated. | No exceptions noted. |
| CO8-4 | Updates and features are covered by and verified against unit-tests before being pushed to the development branch. | We have made inquiries to Management to determine whether unit-test are part of the change management procedures. We have inspected a sample of changes that code commits are tested against a set of rules. | No exceptions noted. |

Control objective CO8 – Change and Release Management:

Controls provide reasonable assurance that changes to the Zenegy Platform and Zenegy Time are appropriately authorized, tested and approved. Development and production environments are segregated.

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|-------|--|---|-----------------------|
| CO8-5 | Updates and features are approved before being pushed to production. | <p>We have made inquiries to Management to determine whether approval is part of the change management procedures.</p> <p>We have inspected a sample of implemented changes that it was approved prior to deployment.</p> | No exceptions noted. |

Control objective CO9 – Knowledge Management:

Controls provide reasonable assurance that the application is supported with proper training and documentation.

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|-------|---|---|-----------------------|
| CO9-1 | Help text systems, video guides and an FAQ system are available to support the user of the Zenegy Platform and Zenegy Time. | We have made inquiries to Management to determine whether help text, video guides and FAQ systems has been implemented. We have observed that different help text systems, video guides and FAQ is available to support the users. | No exceptions noted. |
| CO9-2 | Customers are informed via newsletters about major updates to the Zenegy Platform and Zenegy Time as well as roadmap. | We have made inquiries to Management to determine whether procedures to inform customers through newsletter about major updates are implemented. We have inspected a sample of major updates that newsletters have been provided to customers. We have inspected that a roadmap showing upcoming updates to the Zenegy Platform is available. | No exceptions noted. |
| CO9-3 | Zenegy hosts regular product meetings where Zenegy employees are updated on new features and changes. | We have made inquiries to Management to determine whether procedures to have regular meetings with Zenegy Employees. We have inspected a sample of meetings have been held. | No exceptions noted. |
| CO9-4 | Guidelines and documentation are available to connect with the full REST API. | We have made inquiries to Management to determine whether guidelines and documentation for connecting to the full REST API is available. We have inspected that the full REST API is documented and available for developers. | No exceptions noted. |

Control objective CO9 – Knowledge Management:

Controls provide reasonable assurance that the application is supported with proper training and documentation.

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|------------|---|--|---|
| CO9-5 | Zenegy provides yearly awareness training on IT security and GDPR to its employees. | <p>We have made inquiries to Management to determine whether procedures are in place for providing yearly awareness training to the employees.</p> <p>We have inspected that the employees have been subject to yearly awareness training on IT security and GDPR.</p> | <p>We have found that only new hires have been subject to awareness training on IT security and GDPR within the audit period. However, ad hoc training on specific topics has been provided to the employees in the audit period.</p> <p>No other exceptions noted.</p> |

Control objective CO10 – Field and Business logic:

In order to ensure correct data in and output. Zenegy has a built-in field validation on critical fields as well as critical business logic operations.

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|--------|--|---|--|
| CO10-1 | Input validation controls are in place to prevent and/or detect errors in master data entered by the customer. | We have made inquiries to Management to determine whether input validation controls are implemented. We have inspected a sample of validation controls has been implemented on relevant data entry fields to prevent and/or detect errors in master data. | No exceptions noted. |
| CO10-2 | The Zenegy Platform and Zenegy Time has drop-down options and fill-in wizards to prevent and/or detect errors in master data entered by the customer. | We have made inquiries to Management to determine whether drop-down options and fill-in wizards are implemented. We have inspected a sample of dropdown options and fill-in wizards implemented in the User Interface on data entry fields on the Zenegy Platform and Zenegy Time. | No exceptions noted. |
| CO10-3 | The Zenegy Platform has stop/error controls when the payroll is executed that result in an error if there is inconsistency in the master data. | We have made inquiries to Management to determine whether stop and error regarding the payroll execution are implemented. We have inspected that the payroll execution is blocked by errors or inconsistency in master data. | This control activity is not relevant for Zenegy Time. No exceptions noted. |
| CO10-4 | The Zenegy Platform features control and verification pre-payroll run. Features: <ul style="list-style-type: none"> • Displaying live update of employee pay slip • Deviation report with comments • Downloadable payroll report • Downloadable draft pay slips • Error and alert page • Full log on all actions performed in the payroll run | We have made inquiries to Management to determine whether control and verifications pre-payroll run is implemented. We have inspected that a log is capturing actions performed in the payroll run. | This control activity is not relevant for Zenegy Time. No exceptions noted. |

Control objective CO11 – Business continuity:

Zenegy features full backup and tests of redeployment.

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|--------|--|--|---|
| CO11-1 | Zenegy performs backup of each deployment. | We have made inquiries to Management to determine whether backup procedures are implemented. We have inspected a sample that Zenegy performs a backup of each deployment. | We have not been able to obtain documentation for the setup and the procedure regarding backup in relation to Zenegy Time. We have noted this is due to the setup at the subservice provider. Furthermore, we have noted that a new setup is expected to be implemented in Q4 2024. No other exceptions noted. |
| CO11-2 | Zenegy performs a continuous backup of databases. | We have made inquiries to Management to determine whether backup procedures are implemented. We have inspected a sample that the Zenegy production environment is continuously backed up. | We have not been able to obtain documentation for the setup and the procedure regarding backup in relation to Zenegy Time. We have noted this is due to the setup at the subservice provider. Furthermore, we have noted that a new setup is expected to be implemented in Q4 2024. No other exceptions noted. |
| CO11-3 | Zenegy performs a yearly full restore test of the Zenegy platform and Zenegy Time. | We have made inquiries to Management to determine whether a data restoration procedure is implemented. We have inspected that a yearly test of the data restoration has been performed. | No exceptions noted. |

Control objective CO12 – Third Party Management:

Zenegy provides reasonable assurance that subservice providers fulfil Zenegy’s quality and security requirements.

| No. | Service organisation’s control activity | Tests performed by PwC | Result of PwC’s tests |
|------------|---|--|------------------------------|
| CO12-1 | Zenegy has established procedures, which ensure that independent auditor reports are received from main subservice providers. The auditor reports are evaluated, and any issues are discussed with the subservice provider. | We have made inquiries to Management to determine whether a procedure for reviewing subservice providers and relevant SOC reports for reasonableness are implemented. We have inspected the latest review of subservice providers and relevant SOC reports. | No exceptions noted. |
| CO12-2 | Zenegy has well defined contractual terms with subservice providers, including a signed Data Privacy Agreement with all significant suppliers. | We have made inquiries to Management to determine whether a procedure using subservice providers are implemented. We have inspected that Zenegy has signed DPAs with relevant subservice providers. | No exceptions noted. |

Control objective CO13 – API and secure communication:

Zenegy features a full REST API and encrypted communication.

| No. | Service organisation's control activity | Tests performed by PwC | Result of PwC's tests |
|------------|---|--|------------------------------|
| CO13-1 | The payroll application has a full REST API. | We have made inquiries to Management to determine whether a full REST API on payroll application is implemented. We have inspected that Zenegy payroll application has a full REST API available. | No exceptions noted. |
| CO13-2 | All communication with the Zenegy REST API is encrypted. | We have made inquiries to Management to determine how communication with the Zenegy REST API is encrypted. We have inspected that communication with the Zenegy REST API is encrypted. | No exceptions noted. |
| CO13-3 | All communication with the Zenegy website is encrypted. | We have made inquiries to Management to determine how communication with the Zenegy website is encrypted. We have inspected that all communication with the Zenegy website is encrypted. | No exceptions noted. |
| CO13-4 | All communication with the Zenegy application is encrypted. | We have made inquiries to Management to determine how communication with the Zenegy application is encrypted. We have inspected that all communication with the Zenegy application is encrypted. | No exceptions noted. |