

netcompany

We are committed

UN Global Compact

Communication on Progress 2018

Statutory Statement pursuant to sections 99a and 99b of the Danish Financial Statements Act for the financial year 2018

Netcompany Group A/S

CVR no. 39488914

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Statement by the CEO

Netcompany has been a signatory to the United Nations Global Compact since January 2013 and it is with pleasure, that we express our continued support for the Global Compact.

We hereby reaffirm our commitment to the principles of the Global Compact for Netcompany and its subsidiaries. Netcompany is committed to continuously improve its sustainability performance and follow the United Nations Global Compact's principles relating to labour practices, human rights, environment and anticorruption.

In this Communication on Progress for 2018, we describe our policy for corporate social responsibility (CSR) as well as our strategy, objectives and activities to continuously improve the integration of the Global Compact and its principles into our business strategy and daily operations.

Sincerely yours,

André Rogaczewski, CEO



Introduction and purpose

Netcompany's vision is to become the leading digital vendor and digital enabler in Northern Europe by accommodating and accelerating digital transformation for public and private enterprises to support strong and sustainable societies, successful and competitive businesses, better environment and better lives for all of us.

UN Global Compact Commitment

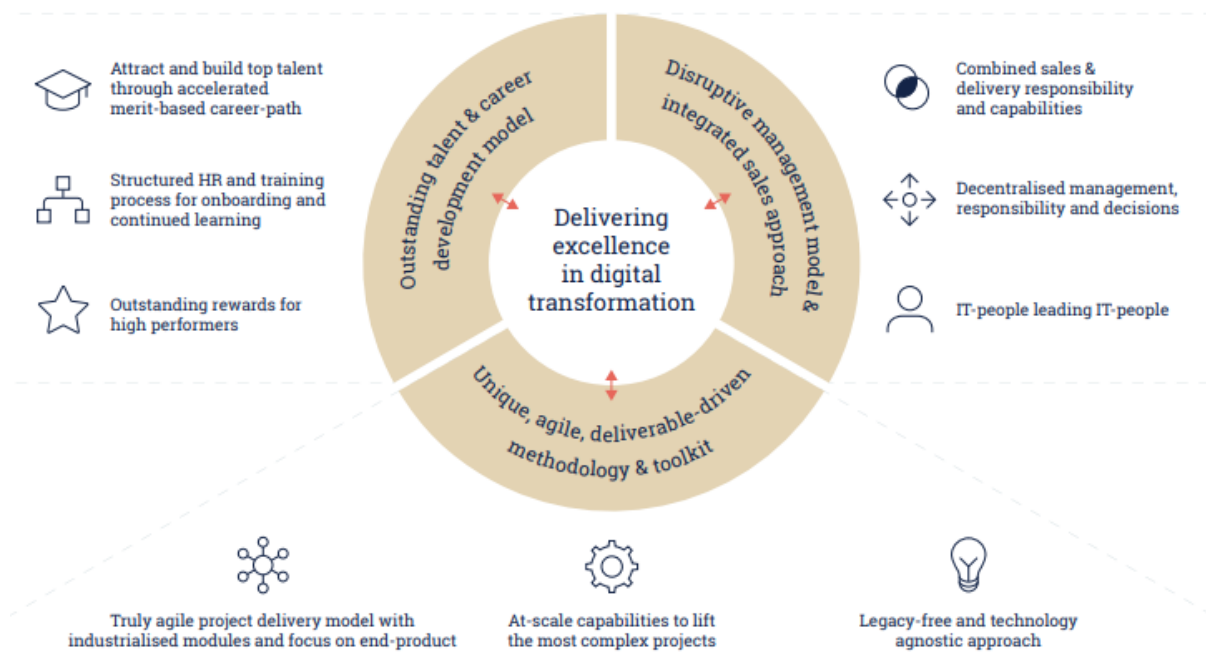
We joined the UN Global Compact in January 2013. In accordance with the UN Global Compact's ten principles within the categories of human rights, labour, environment and anti-corruption, we undertake to:

1. support and respect the protection of internationally proclaimed human rights
2. make sure that it is not complicit in human rights abuses
3. uphold the freedom of association and the effective recognition of the right to collective bargaining
4. support the elimination of all forms of forced and compulsory labour
5. support the effective abolition of child labour
6. eliminate discrimination in respect of employment and occupation
7. support a precautionary approach to environmental challenges
8. undertake initiatives to promote greater environmental responsibility
9. encourage the development and diffusion of environmentally friendly technologies
10. work against corruption in all its forms, including extortion and bribery

Netcompany business model

Netcompany is a pure-play, full-scale next generation IT service company delivering complex business critical IT solutions to Northern European customers - public and private businesses - to support their digital transformations. We support customers within.

We deliver IT solutions across the full IT landscape, from digital front-end to modern back-end systems, including in the areas of digital platforms, core systems and infrastructure. The company's unique business model focusing on delivering projects on time, on budget and in scope is designed around three key pillars: a disruptive management model and integrated sales approach; an outstanding talent and career development model; and a unique, agile, deliverable-driven methodology and toolkit.



Netcompany has more than 1.800 employees across 5 locations. The growing size and complexity of IT deliverables across many public and private business areas has made Netcompany a societal impactful player. Netcompany is in many ways driving societal digitalization of scale. We take this social responsibility very serious and thus have reinforced our organisational structure and governance around CSR through the past year.

Governance

Our CSR activities are governed through several documents and processes, including our Code of Conduct, Environment Policy, our Security Handbook, and in the day-to-day management of the company. To ensure that we live up to our CSR ambition.

At Netcompany we feel substantially responsible for contributing to the continuous development of the societies in which we operate by ensuring that both public and private institutions embrace digitalisation and thereby create an even better and more valuable everyday-life for everyone.

We feel responsible for creating a better digital future. Not because we have grown to a size and a role where it's expected, but because we are capable and because it's in our DNA. At all organizational levels.

We see CSR as a journey where we continuously strengthen our contributions and improve our efforts. In 2019, we aim to strengthen the internal CSR management by creating an even stronger link between strategy, objectives and activities, and key performance indicators.

We aim to create value in each of our focus areas: People, Society and Environment.

CSR ownership and operations

CSR is organisationally anchored in Communications. A CSR task force (reporting to executive management) representing Marketing, HR and Communications is thoroughly pre-qualifying new initiatives against Netcompany's values strategic CSR goals.

CSR reporting

The CSR policy as well as our CSR strategy, objectives and activities to continuously improve the integration of the Global Compact and its principles into our business strategy and daily operations is accounted for in this annual Global Compact Communication on Progress, which also constitute our non-financial report on CSR.

Strong and sustainable welfare societies

Netcompany delivers some of the most society critical administrative systems in terms of distributing wealth and ensuring that the welfare society works as intended. We are a key player in collecting tax and distributing various welfare benefits such as child, housing, unemployment benefits. In 2019 we will deliver Denmark's one and only school platform and intranet, connecting various central stakeholder around every child's learning journey and social development.

We are driven by the following basic actionable principles to form a solid foundation for the welfare societies we operate in

- Ease of use and flexibility in all government systems to accommodate the most efficient administration following rules of engagement provided by law makers
- Personal identification and data trace to support correct transparent government handling of citizens and businesses
- High levels of security to respect privacy but also to protect the societies, in which we operate, from cyberattacks and other digital threats
- Enabling and delivering societal critical and ease of use applications for all citizens
- Increasing the general level of digital maturity and competence in society and organisations

By adhering to these actions and principles we are playing a key role in striving to support a modern, state-of-the-art, fair and corruption-free administration of the societies we operate in.

In the private sector, together with our clients we digitally innovate businesses and industries to create competitive businesses that are operated in an ethical and responsible manner contributing to the societies in which they are an integrated part.

Results: We believe that we by following the principles described above have contributed to and supported our CSR ambitions for "Strong and sustainable welfare societies".

Environment

Netcompany aims to minimize the impact on the environment by striving to follow the demands of the international standard ISO 14001 (The International Organization for Standardization's standard for Environmental Management Systems). The policy shall also ensure that Netcompany's business partners follow environmental standards that are in line with Netcompany's own principles, as outlined below.

Netcompany undertakes to:

- Comply with and, where possible, exceed all statutory environmental requirements and regulations.
- Continuously engage in preventive work in relation to minimizing the environmental impact of its operations.
- Reduce use of non-renewable materials, chemicals, water and energy.
- Implement measures to minimize waste and transport in connection with its operation.

Netcompany takes responsibility for the climate and will continue our focus on our energy consumption in general. Netcompany will achieve this through creative work, training, the use of best available and appropriate technology and operations of the company. Environmental and resource considerations must weigh in any decisions taken. Environmental priorities must give Netcompany a long-term competitive advantage and be a motivational factor in the choice of an IT supplier for private- and public firms, authorities and organisations.

Climate emissions and energy consumption

The majority of Netcompany's climate emissions are related to energy consumption. Netcompany shall be energy efficient and when viable seek to employ clean and efficient energy sources in network operations and facility management. Best available technology with low energy demand shall be used whenever applicable and based on a sustainability and profitability analysis.

Netcompany seeks to minimize emissions from the Group's activities and travel.

Environmentally friendly telecommunications solutions shall be considered as an alternative to travel. If travel is required, the environmental impact of alternative means of transportation must be considered, and the most environmentally friendly alternative shall be the preferred option.

Waste management and recycling

Netcompany secures sustainable waste management, including reducing resource consumption, reusing equipment rather than dispose of it, and promoting recycling. Through our environmental policy Netcompany is dedicated when it comes to preserving the environment. We contribute directly and indirectly through the following activities;

- All Netcompany IT operations are continuously monitored and updated to utilize modern power saving infrastructure. Along with our customers we have a strong and dedicated ambition to keep energy consumption as low as possible when operating IT systems. We are very conscious to be at the forefront, taking measures when we update IT infrastructures to have a green profile - both when it comes to consumption and what sources of energy can be utilized
- By providing communications, information management, and various self-service solutions we enable people to encounter and work closely together with less physical boundaries; that goes for citizens as well as businesses. Furthermore, by optimizing and digitalizing workflows we strive to create a business environment with our clients where smarter transport and logistics is key to provide a great service with less pollution and energy consumed
- In general modernising IT landscapes and investing in new and less energy consuming hardware solutions we are supporting environment. E.g optimizing server environment, low energy consuming computers and office energy sources.

Results: We believe that the activities and efforts in 2018 described above have contributed to and supported our CSR ambitions for preserving "Environment". To mention a few environmental friendly initiatives we have concluded an energy consumption analysis together with Dansk Energi Koncept. The purpose of this analyses is to understand where we can optimize our own energy consumption related to electricity and fuel specifically. The survey is done across all our locations and has led to implementing a more environment friendly facility management, including replacing old energy consuming sources such as light bulbs, kitchen aid equipment, ventilation etc.

Risk:

Due to the large and increasing number of employees, complying with our code of conduct (incl environmental policy) they may pose a risk maintaining focus on the rules of environmental behaviour in day to day work. Although environment is a key focus and a part of Netcompany policies, we acknowledge that we cannot always prevent breaches of rules or policies.

If an increasingly number of employees don't comply with the environmental policies it can harm our company's perception. Adverse effects could include financial costs, and reputational damages.

Through our Code of Conduct and related environmental policies, we support the UN Global Compact principle 7, 9, 12 and 13.

People

Being a vital part of digitalizing societies in the countries where we operate, Netcompany plays an important role in creating a better life for all citizens, and hence ensuring stability, sustainability and trust in the welfare society. We act with a people focus both for our external environment as well as being a large employer across the Nordics.

- We strive to ensure that services given to people from central and local government are correct, timely and reliable to sustain confidence and trust in society as a whole; this goes for monetary services like child-, housing-, unemployment-benefits but also information and self-service facilities in healthcare, social welfare and education sector
- By digitalizing tax and custom house administration we are dedicated to service employees in companies effectively and accordingly to laws and regulations to make them focus on creating value and hence creating a better life for everyone
- By enforcing new and reliable tax collection systems and procedures we ensure that population can trust central authorities and are confident in the tax administration as a whole

Being a large employer and a vital part of educating young people digitally we strive within our own ranks to be market leading in terms of creating a great working environment with respect for the individual and with the aim of establishing a strong learning platform for everyone involved. This platform is vital for all current employees but also forms a basis that can be referred to later on their careers in other companies.

Furthermore, our approach to human rights is strongly rooted in our core values and ethical guidelines of being a people-oriented workplace. Our expectation of being an inclusive and equally supporting organisation is guided by the United Nations' Declaration of Human Rights. The purpose of the guidelines is to provide a basis for our company work with respect to human rights and covers key topics of importance to the company and our employees, such as non-discrimination and protection against harassment. This guidance applies to all employees. These guidelines are described in our Code of Conduct.

This means that human rights is mainly rooted in our culture. We don't operate large production facilities local nor in other global areas. The core of our business is IT development and we are heavily homogenic organised as a digital knowledge and data intelligent business. Our code of conduct relates to employees at our primary locations and serves as the guidelines for human rights. Therefore we have not developed specific activities related to human rights and can therefore not describe risks involved.

Our employee policy, is based on the following commitments:

- We invest in IT talent and education to unfold digital capabilities to the benefit of society at large
- We recognise the importance of diversity and gender equality at all organisational levels
- We promote IT professions to women from the very start in elementary school and throughout the educational path
- Our academy is unique and one of its kind. All our employees participates in our academy, which is built on principles and learnings dating back to our founding year, providing a common language and methodology throughout our company
- We believe in IT people leading IT people, you learn from the best and you get support from the best. And through deliverables our learnings and teams grow even stronger
- We have a strong people culture. We trust and respect each other as peers and as team members.

People activities

Activities in 2018:

- Netcompany has participated in advisory boards for the development of the new Software Engineering line at the University of Southern Denmark and the Software Development and Technology line at the IT University of Copenhagen
- Every year, Netcompany gives several guest lectures at Danish universities to provide a practical perspective to the students' theoretical foundation
- Every six months, Netcompany offers practical placements for 8 to 10 undergraduate engineering students. The placement scheme is a compulsory part of the undergraduate engineering programme
- Netcompany supports the academic environment at Danish, Norwegian and Polish universities through its sponsorship of student associations as well as through social and academic events
- Netcompany runs IT student networks across Danish, Swedish and Norwegian universities
- Netcompany organises the annual Danish championship in programming, where IT students compete to see who can solve programming tasks quickest
- Netcompany share learnings and discuss with Danish leading industry players how to motivate and transform existing talent into digital future roles
- Through a strong partnership with 3 other leading industry players we drive and motivate digital upskilling in Denmark's 30 largest companies to the benefit of the organisations as well as society at large. End of 2018 more than 10.000 employees were in the process of being upskilled

- Every year, we invest in our social environment and well-being of our employees through various 'After Dark' activities. After Dark activities brings people together outside of workhours and creates a network across our organisation while providing our employees with an opportunity to learn and develop in areas not directly related to their day-to-day work.

Results: We believe that the People activities and efforts in 2018 described above have contributed to and supported our focus on increasing interest in digital in general, developing stronger digital skills as well as providing an inclusive learning environment at Netcompany.

Looking at the specific student environment we have held 48 events for students, 16 guest lectures, 16 educational sponsorships, 12 IT-student networks and organizational partnerships across the largest universities in Denmark. All together we have reached more than 2000 students throughout the year motivating their interest for making a difference with a future in digital career.

Risk: Netcompany is increasingly dependent on the amount and quality of digital competence and development skills from educational institutions as well as the level of digital competence in our client organisations. We have a huge interest in maturing digital skills among employees and motivate students to choose a technology and digital education. The demand is growing immensely compared to the actual supply across educations. There is a risk in society that the lack of IT skills keeps growing. If **we** don't act on this critical need with aligned effort in business society in general it will affect the growth of businesses.

Through our People initiatives, we support the UN Global Compact principles 4, 9 and 8.

We provide humanity support

Activities in 2018:

- Netcompany supports Danish war veterans and has done so over the years. Recently, we signed a partnership with the Danish organisation *Velkommen Hjem*, helping war veterans getting a new start in society. Our objectives are to bring at least two veterans in job through motivation, mentorship and network support
- Developing the Frontex Digital Workplace solution helps the EU Agency coordinate collaboration between member states to handle the refugee crisis in Europe and hotspots around the world, securing human rights are respected by the EU member states
- Supporting The Danish Cancer Society, an organisation dedicated to fighting cancer. We support by donating funds to Danish Cancer society and by communicating about their yearly event where they collect money from many companies in Danish business Society.

Results: We believe that the activities and efforts in 2018 described above have contributed to and supported our People focus in general. To give a few examples; we have 2 veterans in active yearly mentorship and we are supporting them widening their business network as well as sharpening their professional introduction. They are already in the process of doing job interviews. We have donated 50.000 DKK to the Danish Cancer Society. Money that goes directly to cancer research.

Risk: Netcompany is increasingly dedicated to and involved in humanity work and CSR initiatives. We have an interest in leading the way and motivating others to do the same efforts helping people with less ability, network or influence to have better lives. There is a dependency on both employees, peers and other stakeholders to take this effort serious and keep supporting. By doing the right things together we can create a much stronger way of influencing to help these people. There is a risk in general that a lack of support or engagement will prevent the right commitment to grow hence influence over time. If we don't act coordinated with aligned effort in business society in general it will affect our reputation and act of society.

Diversity

Our Communication on Progress also constitutes our statutory corporate social responsibility statement on the underrepresented gender, cf. section 99b of the Danish Financial Statements Act.

In addition to Netcompany Group A/S, Netcompany A/S do also have an obligation to report on gender diversity, cf. section 99b of the Danish Financial Statements Act. This section describes the development in Netcompany Group A/S and Netcompany A/S.

Gender balance for general management

Diversity is an important factor and we recognize the importance of promoting diversity in our management levels, including in relation to gender. We continue to strive for a gender balance (40/60) of capable female and male managers. To achieve this goal, we have set out several initiatives in our diversity policy.

Among other things, we have established a female mentor program, where a pool of selected females with high potential are paired with a member from the Partner group to further facilitate the likelihood that the high potential females progress into managerial positions.

Further, we participate in a "more female in IT" programme at the main educational institutions from which we recruit new employees.

The employment procedures are designed to give men and woman equal opportunities to apply for and obtain management positions and at the end of each job advertisement, there is a boilerplate text stating that we encourage anyone qualified for the job to apply, irrespective of gender, age, race, religion or ethnicity.

Our policy and initiatives within this field has resulted in a strategic focus on gender diversity and 10 new female managers has been appointed in 2019, we will continue the focus on strengthening the diversity of our organisation.

Activities in 2018:

- We established an internal Women's Network with the ambition to identify women in the company with the desire and ability to strengthen their management role in Netcompany.
- Netcompany supports Coding Pirates yearly, through donation and by supporting Coding Pirate initiatives in general, that engages young and creative IT talents from 5 years old

- We have our own project in Teknologipagten – Digital Dogme, where of one work stream concentrates on diversity and the way digital programs can motivate and promote women in IT in general

Results: The number of females in the organisation has increased from 17% in 2017 to 19% in 2018. In our the Management levels, the number of females has increased from 8.8% in 2017 to 9,3% in 2018.

Gender balance at Board level

Netcompany recognizes the value of diversity and has set the following targets for the Board of Directors.

Targets for Board of Directors

- Netcompany Group A/S has set a target of one female member of the Board of Directors, consisting of a total of six members elected by the shareholders, to be achieved by 2019.
- Netcompany A/S has set a target of one female member of the Board of Directors, consisting of a total of 3 members elected by the shareholders, to be achieved by 2019.

Results:

- In 2018, Pernille Fabricius joined the Board of Directors of Netcompany Group A/S and the target of one female member of the Board of Directors has been met and a new target will be set during 2019. By the end of 2018, the Board of Directors of Netcompany Group A/S consisted of one female director and five male directors.
- In Netcompany A/S, Tine K Boye joined the Board in 2018 and the target of one female member has been met. By the end of 2018, the Board of Directors of Netcompany A/S consisted of one female director and three male directors.

Activities

- In general, Netcompany continuous to work on attracting competent and diverse members to the Board of Directors of Netcompany Group A/S. As part of this work, Netcompany will maintain its focus on gender balance on the Board of Directors.
- The members of the Board of Directors in Netcompany A/S are employees of the Netcompany Group. The Netcompany Group has implemented a number of initiatives to increase the qualifications of both genders.

Anti-bribery and anti-corruption

In our Code of Conduct, we provide the general foundation for how we conduct our business and specifically, it is the basis for our CSR strategy. It declares that board members, employees, agents, suppliers, consultants and business partners are obliged to comply with both applicable laws and regulations in the performance of their duties, and in accordance with good business practice, values and ethical guidelines when carrying out their work. We do not tolerate any bribery or corruption and condemns it in all forms.

Our anti-bribery and anti-corruption policy is mandatory for each employee to read and it is part of the onboarding programme. Further, once a year each employee is requested to confirm that they have read and understood the policy.

We recognise that corruption and other unethical practices undermine our business, which is key to serving our growing role in society.

To prevent bribery and corruption as well as ensuring compliance with national and international rules, we have adopted an anti-bribery and anti-corruption policy. We are committed to doing business in compliance with the policy and with integrity.

In 2017, we approved a new whistle-blower system, which was transferred to Netcompany Group A/S in 2018 in which employees, members of the Executive Board and Board of Directors, auditors, lawyers, suppliers and other business partners of the company can report serious offences or suspected serious offences. Reports may be submitted anonymously, and they are investigated by an external law firm.

All new employees are made aware that Netcompany does not tolerate bribery and corruption.

Netcompany has not received any reports which fall within the scope through the whistle-blower function in 2018.

We have implemented systematic controls to secure that all costs are legally attached to an appendix and that all costs are approved by two independent parts. We hereby secure that all money can be tracked, and that a single person can't draw liquidities out of the company for e.g. corruption. There has been no instances on corruption or bribery, among employees or subsidiaries.

Risks: Due to the large and increasing number of employees, complying with anti-corruption rules may pose a risk. Although bribery and corruption are illegal and against Netcompany policies, we acknowledge that we cannot always prevent breaches of rules or legislation.

If one of the employees breaks the rules it can seriously harm our company at corporate level. Adverse effects could include financial costs, corporate liability, and reputational damages.

Through our Code of Conduct and related anti-corruption activities, we support the UN Global Compact anti-corruption principle 10.

UN Sustainable Development Goals

Netcompany supports the UN Sustainable Development Goals through our deliverables and by helping industries unfold the potential of digitalisation. Especially, our activities support goal number 4, 8, 9 and 11. (see appendix for UN sustainable goal support).

Netcompany, Copenhagen, January 2019

Appendix.

UN Sustainable Development Goals

Netcompany supports the UN Sustainable Development Goals through our deliverables and by helping industries unfold the potential of digitalisation. Especially, our activities support goal number 4, 8, 9 and 11.



Sustainable Development Goal 4

Ensure inclusive and equitable quality **education and promote lifelong learning** opportunities for all.

Netcompany supports development goal 4 through various learning initiatives.

We attach young talent from Danish and international universities, and both men and women. With IT and with different educational backgrounds. We educate them and train them to be leaders of digital transformation.

Through Netcompany Academy we develop the best IT talent in the industry, both within Netcompany and within our customer's organisation.

Through Dogme20, organisations can participate and be part of a "movement" that looks at talent development in new ways as the need for IT talent become more and more critical.

Sustainable Development Goal 8

Promote **sustained, inclusive and sustainable economic growth, full and productive employment** and decent work for all.

We support development goal 8 by motivating digital adaptability and by deploying digital solutions that help industries grow, through new way of work and new ways for employees to interact and share information.

We provide education and secure productive employment at all levels for our customers. With new advanced digital solutions and use of data (AI, machine learning), we help our customers' build a dynamic workplace, with agile flexible job roles.

This way businesses increase productivity, offer new exciting jobs and shape a stronger competitive platforms in contrast to being obsolete as new technology will find its way to compete against their old business models.

Sustainable Development Goal 9

Build resilient **infrastructure, promote inclusive and sustainable industrialisation and foster innovation**

Netcompany supports development goal 9 through deploying digital infrastructures that enable industrial sustainable growth.

Our academy and customer tutorials are a part of building sustainable industries and a way to foster sustainable innovation.

We build on standard cloud based platforms that are flexible and scalable, where information can be accessed anytime from anywhere. We develop integrated solutions that connect and build on existing data to supply better services at lower cost of administration, compared to old IT solutions.

We have a role in governmental boards and associations that focus specifically on how digital economy and ways of constantly challenging our service models can build resilient infrastructure and sustainable industrialisation.

Sustainable Development Goal 11

Make **cities and human settlements inclusive, safe, resilient and sustainable**

We support this goal by developing and providing access to modern and safe public digital solutions. All citizens should live in a community where access to data and information is a common element of living.

Our projects have increasingly committed us to perform a more important role in society. Lately, projects have grown to serve as critical public solutions with clear objectives to make public life in communities easy and functional for many stakeholders. For companies, individuals, families, students, institutions, teachers.