

UN Global Compact

Communication on Progress

2019



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Statement of **Continued Support**

11 October 2019

I am pleased to confirm that EG A/S reaffirms its support of the ten principles of the United Nations Global Compact in the areas of human rights, labor, environment and anti-corruption, and that we acknowledge and respect the UN Global Goals for Sustainable Development.

As a Scandinavian technology partner with approx. 1,000 employees working from 22 locations in Scandinavia and Poland, we provide digital solutions for more than 9,500 private and public customers.

EG serves private businesses and the public sector with equal dedication. As mutually trusted partners, EG always takes the long-term view as opposed to chasing short-term gains.

Our position as one of the leading software companies in Scandinavia is thus built on close relationships with our customers, industry knowledge, and solid IT skills. Trust is paramount in an accountable organization and is established by always being honest and straightforward in our advice and delivering as promised, with our word as our bond.

Our overall CSR policy, which includes our code of conduct and business ethics, has been approved by EG's management team and the board of directors.

Our CSR policy is based on the ten principles of the UN Global Compact and this year we have matched them against the 17 UN Sustainable Development Goals. Thus, we have identified 25 actions that we will focus on in 2020.

We will follow up on our progress on a quarterly basis.

In this annual communication on progress, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our customers, employees, suppliers and other stakeholders using our primary channels of communication.

Best regards

Mikkel Bardram
CEO, EG A/S

Human Rights Principles

Commitment

EG supports and respects the protection of internationally proclaimed human rights, and we make sure that we are not complicit in human rights abuses.

EG supports the Universal Declaration of Human Rights. We respect human rights within our sphere of influence and operate our business in a transparent and trustworthy way.

EG's policies on Human Rights

In order to ensure compliance with the Human Rights Principles EG is in the process of updating the following policies:

- › EG Procurement Policy
- › EG Information and Data Security Policy

Risk Assessment

The Scandinavian region is a highly regulated market, and therefore we see it as our most important mission

to influence our vendors to support human rights and comply with the UN Global Compact.

EG has assessed the most significant risks in relation to activities as pertains to the company's business relations, products and services.

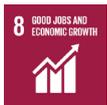
EG sees no significant risk that the company or its suppliers have violated UN Global Compact principles 1-2.

Activities, goals and status

EG commits itself to work actively to be compliant with Global Compact's Human Rights Principles:

- › **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- › **Principle 2:** make sure that they are not complicit in human rights abuses

 The work is based on the 17 Sustainable Development Goals set by the UN through the following activities.

SDG	Goal	Action	Target	Status
	EG will disseminate knowledge of the UN Global Compact.	EG calls on its suppliers to join the UN Global Compact by 2020.	At least 30 % of our Top 100 suppliers should commits themselves to the UN Global Compact.	14 % of Top 100 suppliers
	EG will protect data from abuse.	EG introduces employees to EG's Information and Data Security Policy.	All EG's employees must be familiar with and understand EG's Information and Data Security Policy.	79 % has signed off on the policy. 82 % has passed the EG's GDPR quiz.

Performance evaluation

In the past year EG has changed the content and layout of the report Communication on Progress to the UN Global Compact in order to set new target according to the 10 guiding principles in the UN Global Compact, the requirements in the Danish Financial Statements Act and the 17 UN Sustainable Development Goals.

Focus has been on defining targets and establishing a baseline for activities in 2020.

Tools and controls

- › The list of UN Global Compact members
- › The EG Security Rules
- › The EG GDPR rules



Labour Rights Principles

Commitment

EG supports and respects the protection of internationally proclaimed labor rights, and we make sure that we are not complicit in violations of labor rights.

EG's policie on Labour Rights

In order to ensure compliance with the Labour Rights Principles EG has implemented the following policies:

- › EG Whistleblower Policy
- › EG Procurement Policy
- › Employee Handbook

Risk Assessment

EG has assessed the most significant risks in relation to activities as pertains to the company's business relations, products and services.

The Scandinavian IT industry has experienced unfortunate cases related to bribery and corruption, and this has led to an assessment of our own situation and renewal

and enforcement of our Whistleblower Policy as well as developing a new version of the EG Procurement Policy.

EG sees no significant risk or indications that the company or its suppliers have violated the UN Global Compact principles 3-6.

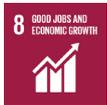
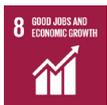
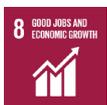
Activities, goals and status

EG commits itself to work actively to be compliant with Global Compact's Labor Rights Principles:

- › **Principle 3:** Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining,
- › **Principle 4:** the elimination of all forms of forced and compulsory labor,
- › **Principle 5:** the effective abolition of child labor,
- › **Principle 6:** and the elimination of discrimination with respect to employment and occupation.

 The work is based on the 17 Sustainable Development Goals set by the UN through the following activities:

SDG	Goal	Action	Target	Status
	EG wants sustainable canteens.	EG will enter into a dialogue with its suppliers.	EG's canteens should be at least 30 % organic.	10 %
	EG will fight alcohol and drug abuse.	EG offers treatment to employees with an abuse.	No employee in EG should be addicted to alcohol or drugs.	Treatment is part of our Health Insurance.
	EG will help protect its employees from financial risks due to illness.	EG wants to analyze and consolidate various insurance programs in order to minimize and protect employees against financial risks.	All employees should be protected against financial problems due to illness.	Target set

SDG	Goal	Action	Target	Status
	EG will ensure full and effective participation and equal opportunities for leadership at all levels for men and women.	EG offers the underrepresented gender a leadership development program.	The underrepresented gender must comprise at least 30% on executive positions and 30% in average on all other leadership levels.	<ul style="list-style-type: none"> › Women: 25 % › Men 75 %
	EG will support continuous innovation through development-oriented projects.	EG organizes internal and external events on a regular basis.	EG should organize/ take part in at least six events.	<ul style="list-style-type: none"> › Folkemøde 2019 › Digitaliseringsmessen 2019 › OffDig 2019 › Innorun19 › EG Sensus Temadag › Anvændertræff › Lægedage › Coding Class
	As a workplace, EG want to reflect the diversity of society.	EG ensures a recruitment process that strengthens diversity.	EG must have a gender distribution of at least 40-60 %.	Gender distribution: <ul style="list-style-type: none"> › 40 % women › 60 % men
	EG will pay its employees equal wages for equal work regardless of gender.	EG monitors the pay gap between men and women without management responsibility.	Salary difference should be less than 5%.	Target met
	EG wants a safe working environment.	EG conducts systematic APV, Work Place Assessment.	APV-score should be no less than 7,5.	7,3
	EG wants a stable working environment.	EG conducts a systematic employee satisfaction survey, EG Pulse.	Employee Engagement score should be at least 7,9.	7,4
	EG will be part of effective public partnerships, public-private partnerships and civil-society partnerships.	EG continuously assesses opportunities to enter into relevant partnerships.	EG should be involved in at least three relevant partnerships.	DI Digital IT-Brancheferieningen UN Global Compact

Performance evaluation

Focus has been on defining targets and establishing a baseline for activities in 2020.

Tools and controls

- › Status reports from main canteen vendor
- › Group statistics regarding employees and wages
- › The Whistleblower-system
- › EG Pulse
- › EG APV, Work Place Assessment



Environmental Protection Principles

Commitment

EG supports a precautionary approach to environmental challenges and undertakes initiatives to promote greater environmental responsibility. Also, we encourage the development and diffusion of environmentally friendly technologies.

EG's policies on Environmental Protection

In order to ensure compliance with the Environmental Protection Principles EG is in the process of implementing a new version of the following policies:

- › **The EG Procurement Policy**

Risk Assessment

EG has assessed the most significant risks in activities as pertains to the company's business relations, products and services.

As a software company, EG does not use chemicals and natural resources, nor create waste on a large scale.

Thus, we have mainly focused on our own and our suppliers' energy consumption.

EG sees no significant risk or indications that the company or its suppliers have violated UN Global Compact principles 7-9.

Activities, goals and status

EG commits itself to work actively to be compliant with Global Compact's Environmental Protection Principles:

- › **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- › **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- › **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

 The work is based on the 17 Sustainable Development Goals set by the UN through the following activities:

SDG	Goal	Action	Target	Status
	EG will minimize its impact on the environment.	EG will map the possibilities of further reducing waste and recyclable materials.	The amount of waste should be reduced and the proportion of recycling increased.	Target set
	EG will optimize its energy consumption.	EG implements Intelligent Facility Management.	The energy efficiency rate should be raised.	Target set

SDG	Goal	Action	Target	Status
	EG will optimize its energy consumption.	EG sets requirements for optimizing the energy consumption for hosting when entering into a new supplier agreement.	Total energy consumption should be reduced.	Target set
	EG will be CO2 neutral by 2030.	EG will calculate its CO2 footprint.	EG has calculated its CO2 footprint.	Target set
	EG will be CO2 neutral by 2030.	EG requires company cars to be CO2 neutral.	EG's company cars should be CO2 neutral by 2030.	Target set
	EG will be CO2 neutral by 2030.	EG requires A-class cars to be used as a company car.	EG requires that Class A cars are used as company cars	Target set
	EG will avoid food waste in the canteens.	EG will enter into a dialogue with its suppliers.	Food waste target max. 100 grams/employee.	Grams/employee: <ul style="list-style-type: none"> › Ballerup - 153 › Herning - 118 › Odense - WIP › Aarhus - WIP
	EG will limit CO2 emissions in connection with canteen operations.	EG will enter into a dialogue with its suppliers.	CO2 emissions in connection with canteen operations should be reduced.	Target set
	EG will buy green and sustainable.	EG will define the sustainable purchases.	Most office materials should be sustainably produced.	Target set
	EG will safely dispose of environmentally harmful waste.	EG will enter into a dialogue with its suppliers.	Suppliers must comply with international framework conditions.	Target set
	EG will burden the environment with as little waste as possible.	EG develops a recycling and disposal policy.	EG should develop a recycling and disposal policy.	Target set

Performance evaluation

In 2019, EG has worked with its vendors to avoid food waste in the canteens and on optimizing energy consumption. Besides that, focus has been on defining targets and establishing a baseline for activities in 2020.

Tools and controls

- › Report from canteen vendor
- › EG statistics
- › EG energy consumption report



Anti-Corruption Principles

Commitment

Corruption and bribery are recognized as barriers to sustainable development and free trade, and EG Corruption and bribery are recognized as barriers to sustainable development and free trade, and EG supports the work against corruption in all its forms, including extortion and bribery.

EG's policies

In order to ensure compliance with Anti-Corruption Principles, EG has implemented the following policies:

- › EG Anti-Corruption and Bribery Policy
- › Whistleblower Policy

Risk Assessment

EG has assessed the most significant risks in relation to activities that pertain to the company's business relations, products and services.

During 2019, EG has focused on this theme and revised and reimplemented both the Anti-Corruption and Bribery Policy as well as the Whistleblower Policy.

EG sees no significant risk or signs or indications that the company or its suppliers have violated UN Global Compact principle 10.

Activities, goals and status

EG commits itself to work actively to be compliant with Global Compact's Anti-Corruption Principles:

- › **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

 The work is based on the 17 Sustainable Development Goals set by the UN through the following activities:

SDG	Goal	Action	Target	Status
	EG will help eradicate corruption and bribery.	EG ensures that all employees read and understand the Anti-Corruption Policy	All employees must read and understand the EG Anti-Corruption Policy.	76% signed the policy. 60% passed the quiz.
	EG will help eradicate corruption and bribery.	EG ensures that all employees read and understand the Whistleblower Policy.	All employees must read and understand the EG Whistleblower Policy.	73% signed the policy 43% passed the quiz.



Performance evaluation

In 2019, EG has made a special effort to implement an updated version of the Anti-Corruption and Bribery Policy and the Whistleblower Policy.

The new and updated policies have been made accessible to all employees, and the employees have been asked to sign off on the policies and take a quiz.

This effort has created a high level of awareness about the issue, and it will continue to be a focus point in 2020.

Tools and controls

- › The Whistleblower hotline
- › SecureAware



Let's go further