



UN Global Compact

Communication on Progress 2020

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UN Global Compact Communication on Progress 2020

Statement of Continued Support

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 we acknowledge and respect the UN Global Goals for Sustainable Development.

EG is a Scandinavian software company with more than 1,400 employees working from some 20 offices in Scandinavia and Poland. We develop, deliver and service our own software to 21,000+ clients.

EG serves both the private businesses and the public sector with equal dedication, in-depth industry knowledge and excellent IT-skills.

We have long term customer relationships and deliver business critical applications to our customers.

We operate with integrity as a professional and accountable organization. Always honest and straightforward in our advice and always 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.

In this annual Communication on Progress to Global Compact, we describe our actions to improve the integration of the UN Global Compact continuously 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.

This report covers the period from October 11.th 2019 to December 31.th 2020. Going forward our Global Compact Report on Progress will follow our fiscal year.

Best regards
Mikkel Bardram
CEO, EG A/S



Human Rights Principles

EG respects and supports the Universal Declaration of Human Rights. We make sure that we are not complicit in human rights abuse within our sphere of influence, and we operate our business in a transparent and trustworthy way.

Thus, EG commits itself to work actively to comply 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



Risk Assessment

EG has assessed the most significant risks in relation to activities as pertains to the company's business relations, products, and services, and we see no significant risk that the company or its suppliers have violated UN Global Compact principles 1-2.

Performance evaluation

In 2020 EG has focused on the following activities:

Goal: EG will disseminate knowledge of the UN Global Compact.

Action: EG calls on its suppliers to join the UN Global Compact by 2020

Target: 30 % of our Top 100 suppliers should commit themselves to the UN Global Compact.

Status: 39 %

Comment: Procurement has urged our key suppliers to commit themselves to the principles of UN Global Compact.

Goal: EG will protect data from abuse

Action: EG introduces employees to EG's information and data security policies

Target: 100 %

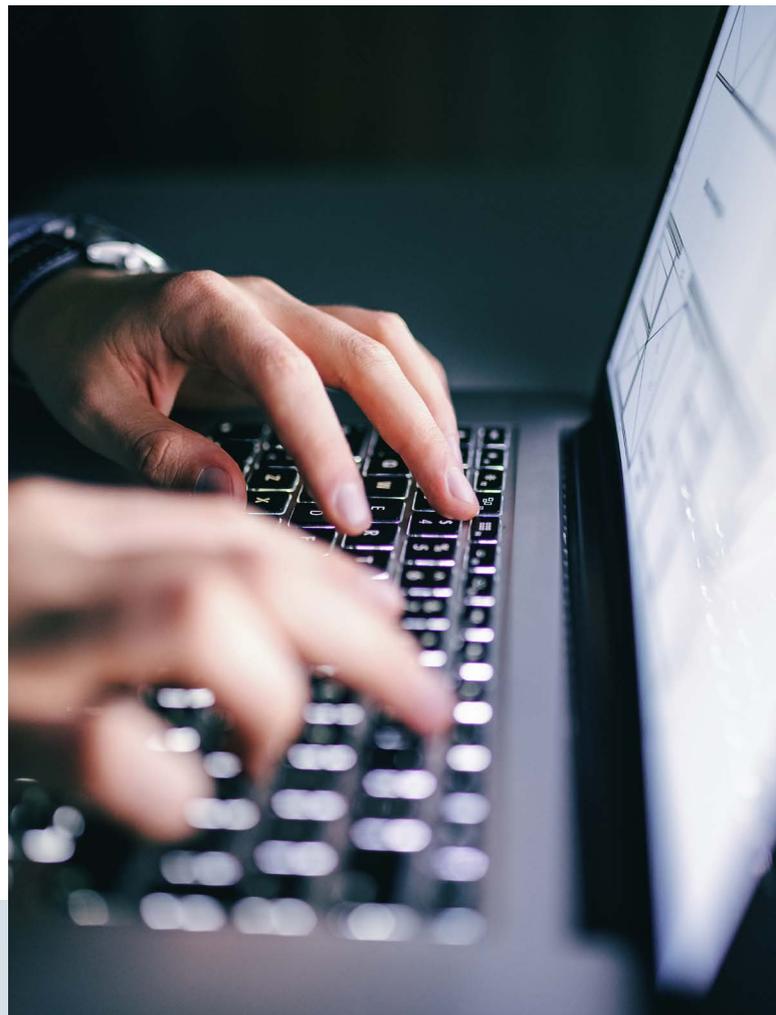
Status: 78,8 % read the GDPR policy/82,3 % passed the GDPR quiz

Comment: In 2020 EG has introduced a new Information Security Management System (ISMS) and acquired 8 companies. The implementation of the ISMS and the onboarding of new employees has influenced the completion rates negatively.



Relevant policies

- › Procurement Policy
- › Information and Data Security Policy



Tools and controls

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

EG FOCUS: In 2020 we have stepped up on our external communication of our commitment to UN Global Compact, promoting a new website on our CSR activities in four languages, global.eg.dk/about-eg/csr/ and addressing our top vendors by mail, urging them to commit themselves to the UN Global Compact.



EG FOCUS: In 2020 we kickstarted a compliance project, adjusting our standard data processing agreements to the revised standards of the Danish Data Protection Agency and to click-to-accept-solutions, wherever possible. More than 21,000 customers will have their data processing agreements renewed as part of this project, ensuring that we have state-of-the-art data processing agreements.

Labour Rights Principles

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

Thus, 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.



Risk Assessment

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 or indications that the company or its suppliers have violated the UN Global Compact principles 3-6.

Performance evaluation

In 2020 EG has focused on the following activities:

Goal: EG will help protect its employees from financial risks due to illness.

Action: EG wants to analyze and consolidate various insurance programs in order to minimize and protect employees against financial risks.

Target: All employees should be protected against financial problems due to illness.

Status: All permanently employed are covered

Goal: EG will ensure full and effective participation and equal opportunities for leadership at all levels for men and women.

Action: EG offers the underrepresented gender a leadership development program

Target: The underrepresented gender must comprise at least 30% on executive positions and 30% in average on all other leadership levels.

Gender balance: Management: Women: 20 % Men: 80 %

Gender balance: All managers: Women: 26 % Men: 74 %

Comment: In 2020 EG appointed the first female board member. 36 % of the participants in EG's Change Management training and 38 % of the participants in the Nordic Leadership Training 2020 were women. HR has analyzed the possibilities and effects of a specific leadership-program for women and decided, that this is not the best way to achieve a better gender balance.



Tools and controls

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

Goal: EG wants sustainable canteens.

Action: EG will enter a dialogue with its suppliers.

Target: EG's canteens should be at least 30 % organic.

Status: 10 %

Comments: The action has been on stand-by due to lock down.

Goal: EG will fight alcohol and drug abuse.

Action: EG offers treatment to employees with an alcohol or drug abuse.

Target: No employee in EG should be addicted to alcohol or drugs.

Status: EG offers free and anonymous treatment for all employees and has not registered any special challenges in 2020. A health survey in part of the group shows no problems with addiction to alcohol or drugs.

Comments: Treatment is part of our Health Insurance.

Goal: EG will support continuous innovation through development-oriented projects.

Activity: EG organizes internal and external events on a regular basis.

Target: EG should organize/ take part in at least six events.

Status: The corona-crisis has severely reduced the number of physical events, but EG has managed to transform important customer events like ASPECT4 Days and training into online events and continued participating in Coding Class activities.



EG FOCUS: In 2020 we developed and implemented a Diversity and Non-discriminating Policy covering all EG Employees. The policy underlines, that we treat existing employees and potential future employees equally and focus on job experiences, competencies and skills – and we do not accept any discrimination based on gender, ethnicity, religion, sexual orientation, or age.

Goal: As a workplace, EG want to reflect the diversity of society.

Activity: EG ensures a recruitment process that strengthens diversity

Target: EG must have a gender distribution of at least 40-60 %.

Status: Gender distribution is 64 % men and 36 % women.

Comment: EG has developed and implemented a Diversity and Non-discrimination policy.

Goal: EG will pay its employees equal wages for equal work regardless of gender.

Activity: EG monitors the pay gap between men and women without management responsibility

Target: Salary difference should be less than 5%.

Status: Target met.

Comments: HR publish annual statistics regarding equal pay. EG is compliant with the regulations in Scandinavia and Poland. The statistics shows no major pay gap, and minor issues are handled with specific interventions.

Goal: EG wants a safe working environment.

Activity: EG conducts systematic APV, Workplace Assessment.

Target: APV-score should be no less than 7,5.

Status: 7,4

Comments: In 2020 we focused on COVID-19, implementing a number of security measures, and no employees caught the virus from other EG employees.

Goal: EG wants a stable working environment.

Action: EG conducts a systematic employee satisfaction survey, EG Pulse.

Target: Employee Engagement score should be at least 7,9.

Status: Employee Engagement Score 7,6

Comments: In 2020 EG conducted four employee satisfaction surveys and has continuously taken action to improve the score.

Goal: EG will be part of effective public partnerships, public-private partnerships and civil-society partnerships.

Activity: EG continuously assesses opportunities to enter relevant partnerships.

Target: EG should be involved in at least three relevant partnerships.

Status: EG is a member of DI Digital, IT-Branchen and UN Global Compact

Comment: EG engages in many partnerships as part of our business serving our public customers EG has also set up at EG Volunteer Program allowing all employees one day of paid leave per year working pro bono for e.g., NGO's.



Relevant policies

- > Diversity and Non-discrimination Policy
- > Whistleblower Policy
- > Procurement Policy
- > Employee Handbook



EG FOCUS: In 2020 Jane Wiis was appointed as the first external female member of the board ever. Jane Wiis holds a M.Sc in Political Science, and she is passionate about the digitization of the public sector in Denmark.

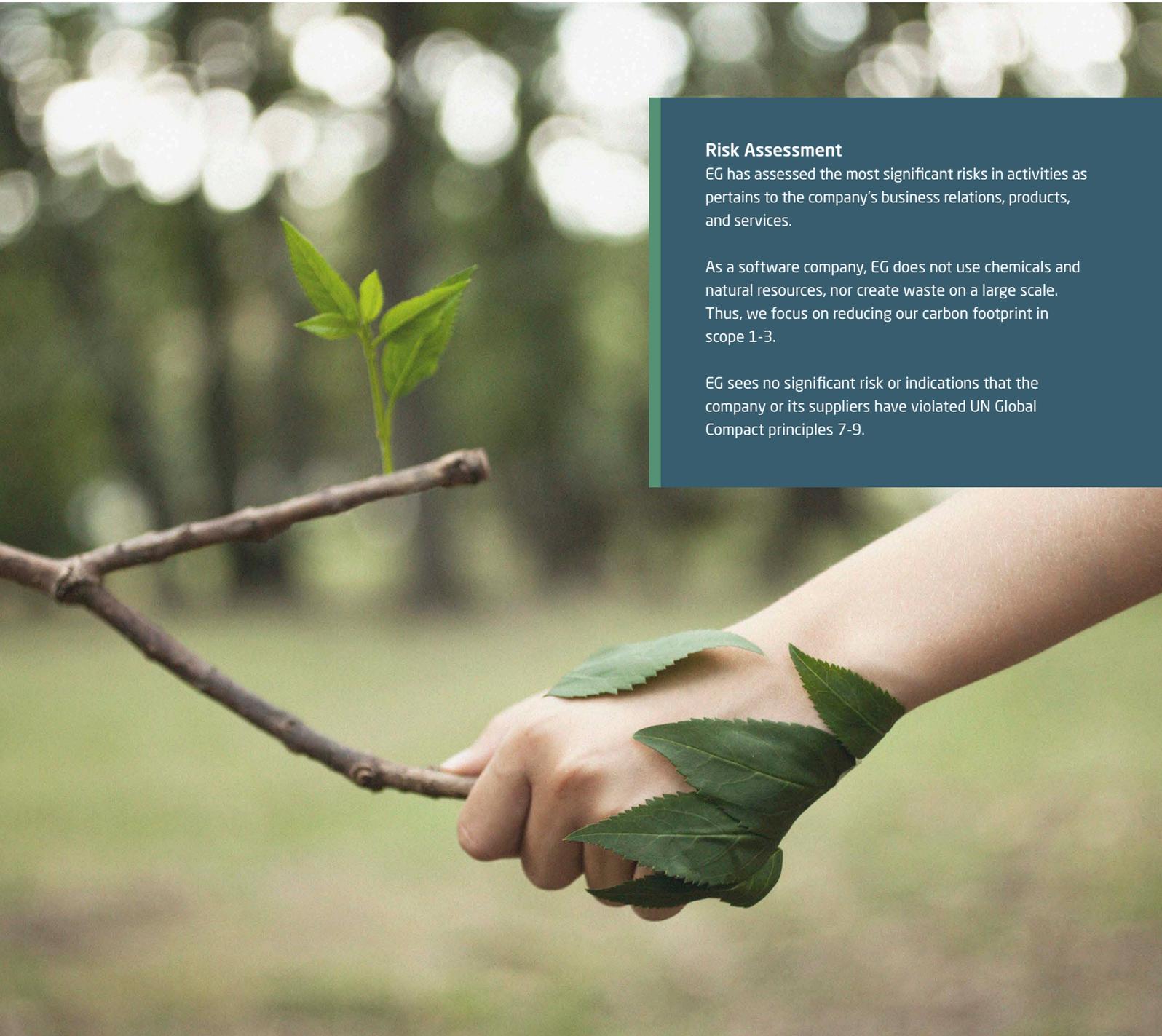
With more than twenty years of experience in digitization of the public market, Jane Wiis brings with her deep, valuable knowledge of municipal thinking, focusing on the citizen and customer perspectives as well as unique expertise on the building of IT infrastructure, operations and digitization of the Danish public sector.

Environmental Protection Principles

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.

Thus, 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.



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 focus on reducing our carbon footprint in scope 1-3.

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

Performance evaluation

In 2020, EG has worked with the following activities:

Goal: EG will minimize its impact on the environment.

Activity: EG will map the possibilities of further reducing waste and recyclable materials

Target: The amount of waste should be reduced and the proportion of recycling increased.

Status: We have researched on the actual figures for the volume of diverse types of waste. The findings must be analyzed and used for setting specific targets.

Goal: EG will optimize its energy consumption.

Action: EG implements Intelligent Facility Management

Target: The energy efficiency rate should be raised.

Status: Procurement is looking into the possibilities in 2021.

Comment: Further actions awaits the mandatory Energisynsrapport - Energy-report. A new tool must be implemented to measure the energy efficiency.

Goal: EG will optimize its energy consumption.

Activity: EG sets requirements for optimizing the energy consumption for hosting when entering into a new supplier agreement

Target: Total energy consumption should be reduced.

Status: EG is in the progress of merging its datacenters into one main datacenter.

Goal: EG will be CO2 neutral by 2030.

Activity: EG will calculate its CO2 footprint

Target: EG has calculated its CO2 footprint.

Status: Due to COVID-19 the preliminary calculation of our CO2-footprint baseline has not been finalized.

Comment: The ambition is still to be CO2-neutral by 2030. To ensure a transparent and known statement of our CO2 emissions, EG A / S wishes to calculate its emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol) and its definitions of direct and indirect emissions named resp. Scope 1, 2 and 3. In 2021 EG kickstarts a process, enabling this.

EG FOCUS: In 2020 we signed an agreement with energy provider, Norlys, where EG commits to buy 1,100,000 kWh of CO2-neutral, renewable energy from windmills from 1 January 2020 until 31 December 2021. Thus, 100 percent of EG's energy consumption in Denmark comes from renewable energy.



EG FOCUS: In 2020 we adopted a green company car policy, reducing the future level of CO2-emissions from company cars from an average of 150g CO2 /km to 30g CO2/km, which equals one third of the current level.



Tools and controls

- › Report from vendors
- › Statistics
- › Energy consumption report

Goal: EG will be CO2 neutral by 2030.

Activity: EG requires company cars to be CO2 neutral

Target: EG requires company cars to be CO2 neutral

Status: EG has revised its company car policy, so all company cars should be hybrid or electric going forward.

Comment: EG has installed charging stations at all relevant locations in Scandinavia.

Goal: EG will be CO2 neutral by 2030.

Activity: EG requires class A-cars to be used as company cars

Target: EG requires that Class A cars are used as company cars

Status: EG has revised its company car policy, so all company cars will be hybrid or electric going forward.

Comment: As the current leases expire and the current fleet is replaced, EG's emissions will drop from the current average of approximately 150g CO2 /km to approximately 30g CO2/km. This amounts to around a third of the current levels.

Goal: EG will avoid food waste in the canteens.

Activity: EG will enter a dialogue with its suppliers.

Target: Food waste target max. 100 grams /employee.

Status: N/A

Comment: The action has been on stand-by due to lock-down. Food waste has been minimized due to serving portions instead of buffet and very few employees working from office locations.

Goal: EG will limit CO2 emissions in connection with canteen operations.

Activity: EG will enter a dialogue with its suppliers.

Target: CO2 emissions in connection with canteen operations should be reduced.

Status: A realistic baseline needs to be set up.

Comment: The action has been on stand by due to lock down.

Goal: EG will buy green and sustainable.

Action: EG will define the sustainable purchases.

Target: Most office materials should be sustainably produced.

Status: The organization focuses on green purchase and a policy on green purchase is in the making.

Comment: Procurement is looking into office materials and disposal of it-equipment and focusing on buying less frequent and larger lots to reduce transportation and packaging.

Goal: EG will safely dispose of environmentally harmful waste.

Action: EG will enter a dialogue with its suppliers.

Target: Suppliers must comply with international framework conditions.

Status: The organization focuses on green purchase and a policy on green purchase is in the making.

Goal: EG will burden the environment with as little waste as possible.

Action: EG develops a recycling and disposal policy

Target: EG should develop a recycling and disposal policy.

Status: The organization focuses on recycling and safe disposal and a policy on the issue is in the making.



Relevant policies

- › Procurement Policy

Anti-Corruption Principles

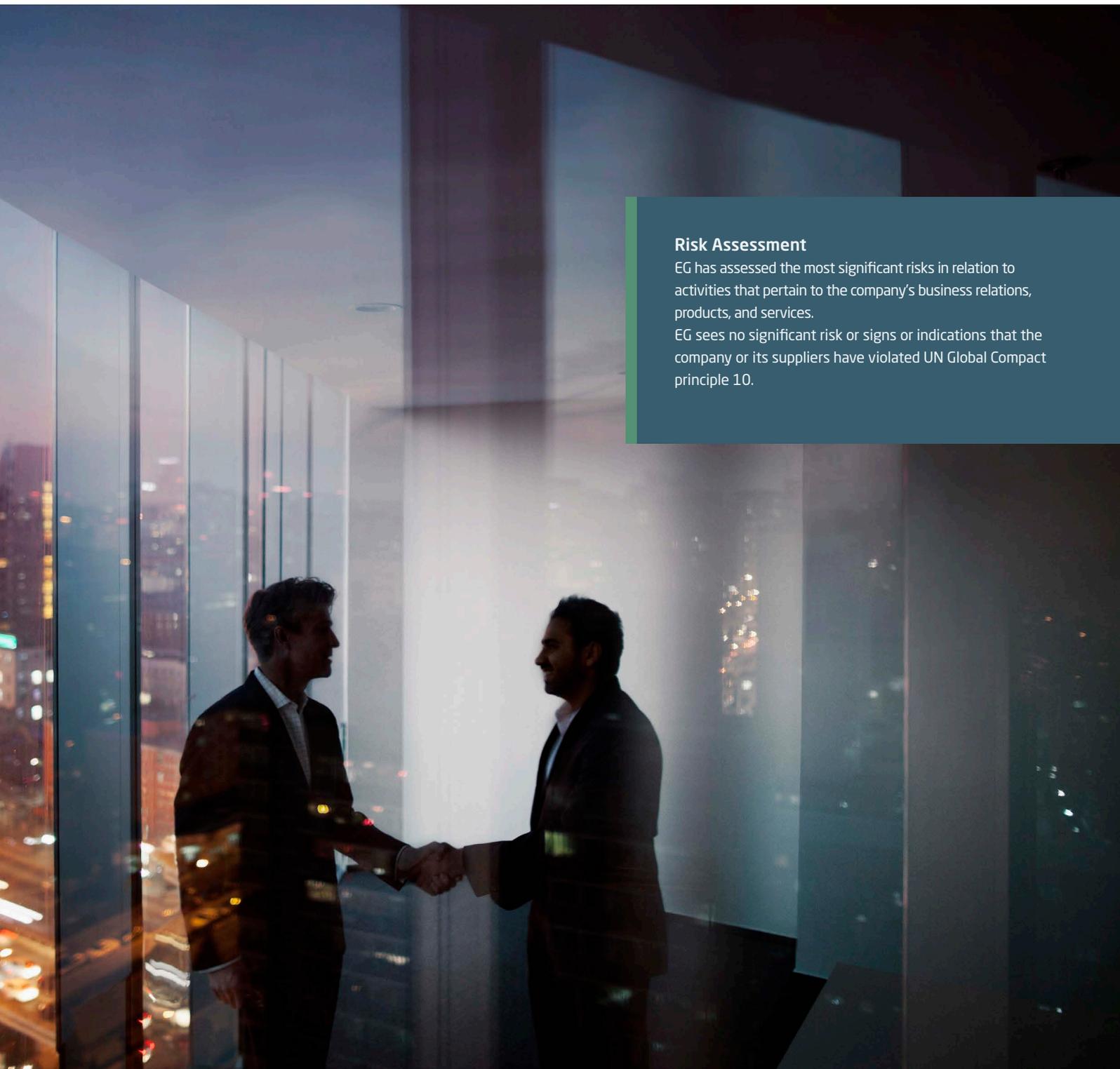
EG regard corruption and bribery as barriers to sustainable development and free trade, and EG supports the work against corruption in all its forms, including extortion and bribery. EG commits itself to work actively to be compliant with Global Compact's Anti-Corruption Principles:

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

Risk Assessment

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

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





EG FOCUS: In 2020 we redesigned our standard operating procedure for onboarding of new vendors. The main reasons for updating these processes are that we need to make sure that we know the potential vendor before we sign a contract, and that we know what impact the engagement with the vendor will have on our own business and - last but not least-, how this will affect our relationship with our customers.

Performance evaluation

In 2020, EG has worked with the following activities:

Goal: EG ensures that all employees read and understand the Anti-Corruption Policy

Target: All employees must read and understand the EG Anti-Corruption Policy.

Status: 73,6 % of the employees has signed the policy and 85,3 % has passed the quiz.

Comment: In 2020 EG has introduced a new Information Security Management System (ISMS) and acquired 8 companies. The implementation of the ISMS and the onboarding of new companies has influenced the completion rates negatively.



Tools and controls

- > The Whistleblower hotline
- > EG Information Security

Goal: EG ensures that all employees read and understand the Whistleblower Policy

Target: All employees must read and understand the EG Whistleblower Policy.

Status: 63 % of the employees has signed the policy and 58 % has passed the quiz.

Comment: In 2020 EG has introduced a new Information Security Management System and acquired 8 companies. The implementation of the ISMS-system and the onboarding of new companies has influenced the completion rates.



Relevant policies

- > Anti-Corruption and Bribery Policy
- > Whistleblower Policy

EG FOCUS: In 2020 we implemented a new Information Security Management System, EG Information Security. In EG Information Security we share all EG policies and standard operating procedure, including our Whistleblower- and our Anti-Corruption Policy, and we keep track and measure just how compliant we are as a company within selected areas of special interest.



EG: Corporate Social Responsibility

We continue to have focus in our social responsibilities and in the following we have listed our primary goals for 2021 within the areas of environment, social responsibilities, and governance.

Environment

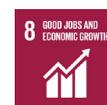
GOAL	ACTION	TARGET
EG has a clear policy and strategy on ESG issues	EG adopts ESG strategy	Strategy ready by Q2
EG is climate positive	EG calculates carbon footprint	EG is carbon positive by 2030
EG reports on ESG Key Metrics	EG defines ESG Key Metrics - Environment	Report ready by Q4
EG's customers saves CO2	EG develops annual Customer specific CO2-report	Report ready by Q4
EG buys green and sustainable and burden the environment with as little waste as possible	EG adopts policy for green procurement, disposal and recycling	Policy ready by Q2
EG offers all employees the opportunity to contribute actively to reducing the CO2 emissions.	EG offers employees to choose an annual Climate Gift with CO2 offset, doubling the employees donation.	10 % of employees choose the Climate Gift



EG as a climate positive software company supports the UN Sustainable Development Goals #7, Affordable and Clean Energy, #9, Industry, Innovation, and Infrastructure, #12, Responsible Consumption and Production and #13 Climate Action.

Social

GOAL	ACTION	TARGET
EG reflects- as a workplace - the diversity of society	EG ensures a recruitment and retention process that strengthens diversity	EG must have a gender distribution of at least 40-60 %.
EG reports on ESG Key Metrics	EG defines ESG key metrics - Social	Report ready by Q4
EG has clear expectations to the conduct of its employees	EG will update existing Code of Conduct	Code of Conduct is ready by Q1
EG's customers saves CO2	EG develops annual Customer specific CO2-report	Report ready by Q4
EG offers the employees a safe and stable working environment	EG conducts a systematic employee satisfaction survey, EG Pulse.	Employee Engagement score should be at least 7,9.
EG reports on working environment	EG develops EG Pulse Report	Report ready by Q4
EG support the civil society.	Implementation of EG Volunteer Program	10 % of EG's employees take part in the Volunteer program



These actions will support the UN Sustainable Development Goals #3, Good Health and Well-being, #5, Gender Equality and #8 Decent Work and Economic Growth.

Governance

GOAL	ACTION	TARGET
EG's suppliers commit to the UN Global Compact.	EG's Top 100 suppliers are encouraged to commit to the UN Global Compact	100 %
EG is a 100 % trusted data partner	EG's information and data security policies are made available to all employees	All employees must be aware and compliant with EG's information and data security policies.
EG has a procedure for ESG-approval of suppliers, vendors and partners	EG develops procedure.	Procedure ready in Q3
EG has a Code of Conduct supplier, vendor and partners	EG updates existing Code of Conduct	Code of Conduct ready in Q1
EG reports on ESG Key Metrics	EG define key metrics - Governance	Report ready by Q4
EG has a Data Ethics Policy	EG adopts Data Ethics Policy	Policy ready by Q3
EG reports on Data Ethics	EG develop a Data Ethics Report	Report ready by Q3
EG's employees fight corruption in all its forms	EG's Anti-Corruption Policy is made available to all employees	All employees must be aware and compliant with EG's Anti-Corruption Policy.
EG's employees report on any irregularities	EG's Whistleblower Policy is made available to all employees	All employees must read and understand the EG Whistleblower Policy.



These actions will support the UN Sustainable Development Goals #16, Peace, Justice and Strong Institutions and #17: Partnerships for the Goals.



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Let's go further