


SOLTEQ



**Statement of  
Non-Financial Information  
2020**

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## **Corporate responsibility at Solteq**

Solteq is a Nordic provider of IT services and software solutions specializing in the digitalization of business and industry-specific software. The key sectors in which the Company has long term experience include retail, industry, energy and services.

Solteq's goal is to promote digitalization responsibly. The Company operates in Finland, Sweden, Norway, Denmark, Poland and the UK and employs 600 professionals. Responsibly produced solutions and operating with a high degree of ethics as a service provider, employer, partner and corporate citizen are a precondition for successful business and strong stakeholder relations.

Solteq's Code of Conduct is based on the Company's operating principles concerning anti-bribery and corruption, human resource management, sustainable development, environmental responsibility, information security and data protection. In addition to the Company's internal guidelines, the operations are guided by local legislation, regulations, instructions, standards issued by authorities and international principles governing ethical business, human rights and social responsibility.

## **Material aspects of responsibility**

Solteq has defined the key aspects of its corporate responsibility based on the economic, social and environmental impacts of its business. The Company also evaluates corporate responsibility from the perspective of industry-specific trends and phenomena.

Solteq's corporate responsibility is focused on four aspects:

- social responsibility and respecting human rights,
- data protection and information security,
- anti-corruption and bribery, and
- environmental responsibility.

Areas especially relevant to Solteq's operations are matters related to the wellbeing of personnel and ensuring the confidentiality of information, and the integrity of information systems. The Company has a zero-tolerance policy for bribery and corruption. Responsible practices ensure that sustainability and environmental aspects are taken into account – considering the extent and nature of the Company's operations.

## **Stakeholders**

Solteq's key stakeholders are the Group's personnel, customers, partners, shareholders and the authorities. The impacts of Solteq's operations on these stakeholders has been comprehensively assessed when preparing the corporate responsibility principles. Solteq engages in active dialogue with its various stakeholders regarding the realization and development of responsible operating methods.

## **Responsibility in customer relationships**

Solteq helps customers find solutions that suit their needs, are technologically up to date and offer a high level of information security. Customer satisfaction is actively monitored.

The principles governing quality management in customer projects are defined in Solteq's quality plan. The goal of instructions and guidelines related to quality planning, assurance, control and improvement is to ensure the high-quality execution of customer projects and the achievement of the agreed objectives.

### **Corporate citizenship**

Solteq is a responsible corporate citizen. Community orientation and social engagement are realized through various projects in the Company's day-to-day operations. Cooperation with universities ensures a smooth transition to working life for students. By participating in the My Tech program of the Technology Industries of Finland, Solteq seeks to inspire schoolchildren and young people to pursue careers in IT. Solteq also participates in charity campaigns that resonate with the employees.

### **Risk management system**

The Group's risk management is guided by legal requirements, regulations and instructions given by authorities, other rules and standards binding the Company, business requirements set by the Company's shareholders and the expectations of other stakeholders. The goal of risk management is to identify and acknowledge the risks involved in the Company's operations as well as to make sure that the risks are appropriately managed when making business decisions. The Company's risk management supports the achievement of strategic goals and ensures the continuity of business operations.

Risk management is aimed at ensuring that the risks affecting the Company's business are identified, managed and monitored. To ensure that responsible practices are implemented, the Company has recognized and is systematically monitoring certain areas, such as:

- risks pertaining to employees and working, such as those related to discrimination, working conditions and equal pay,
- risks related to information security and privacy, particularly phishing, data breaches or other leaks of personal data,
- risks related to corruption and bribery, particularly with respect to the supply chain and customer relationships, and
- risk factors related to the Company's reputation and stakeholders' trust in the Company, such as changes in the operation of the Company or its partners, and any accidents, crises affecting the environment and the personnel, and negative publicity. The Company is prepared to communicate in a timely and clear manner in case of any crisis, emergency and disruption to maintain the stakeholders' trust in the Company. The Company has an up-to-date crisis communication plan, and crisis communication has been invested in by organizing crisis communication training to the personnel.

### **Management of corporate responsibility**

Corporate responsibility issues are regularly discussed by the Executive Team and Board of Directors. The CEO is responsible for reporting on corporate responsibility.

# Social Responsibility

## Personnel and human rights

Highly competent, motivated and healthy employees are the foundation for Solteq's success. For this reason, the Company's operations are largely built on the employees' terms, with the aim of ensuring a good employee experience that enables a positive customer experience.

The project for defining Company values started in 2019 and was completed during 2020. The entire personnel participated in this work, and the key values which emerged from the project were: integrity, dedication and better together.

IT is a rapidly developing industry and the experts employed by Solteq want to develop their skills continuously. To this end, the Company offers regular training opportunities for its personnel. Training in 2020 focused on improving the personnel's technical competencies and information security skills. In addition, team leaders improved their leadership skills through training.

Wellbeing at work is managed as part of the Company's business operations. Wellbeing at work is supported by, among other things, flexible working hours as well as sports and culture initiatives both during and outside office hours. Due to the COVID-19 pandemic, initiatives on wellbeing at work focused on improving team leaders' remote leadership skills.

Successful recruitment plays a strategically important role in a growing and developing Company. In 2020, the Company recruited 111 new employees (93). Personnel turnover is at 16 percent (12). High employee mobility is typical in the industry, and the phenomenon was accelerated by the pandemic. The primary risk related to personnel concerns the availability of competent and culturally compatible employees.

Personnel satisfaction is measured by a survey conducted three times per year. The survey results are used in assigning priorities to Company-specific development projects as well as to supporting managerial work at team level. Employer recommendation (eNPS) increased significantly to 38, compared to the score of 27 from previous year.

Solteq strives to be a flexible employer that values equality and diversity. Employees are treated equally regardless of their gender, ethnicity, religious beliefs, age and other such factors. Unlike many software companies, Solteq's personnel has a wide age range. The Company's employees include fresh graduates as well as experienced professionals approaching retirement age. The average age of the personnel was 41.3 years (40.4). Women accounted for 21 percent of Solteq's personnel (22).

Solteq respects the internationally recognized human rights and workers' rights and nurtures a safe and healthy work environment for all of its employees. The fundamental principles of Solteq's personnel management have been defined in the Personnel and Training Plan and the Occupational Health and Safety Plans. According to the Company's view, there are no significant risks of human rights infringements associated with its operations. Possible risks of human rights infringements are related to the supply chain. These risks are managed by choosing business partners carefully and by obligating the partners to commit to the responsibility principles drawn by Solteq or other equivalent principles of responsible practice.

# Data Protection and Information Security

The confidentiality of data and the integrity of information systems are at the core of Solteq's efforts related to information security. It is crucial for Solteq to protect the privacy of its stakeholders and the appropriate handling of confidential data.

The Company's data security practices, monitoring systems, risk management, regulatory compliance level and maturity continued to develop in 2020. Solteq's Company-level IT function has received ISO/IEC 27001:2013 certification. The certification auditor is KPMG IT Certification Ltd. ISO/IEC 27001:2013 certification requires that the Company continually develops its information security and data protection.

In terms of personal data, Solteq operates in the market in the roles of both controller and data processor. The Company's data protection practices are publicly available. Solteq processes personal data in compliance with legislation and only collects personal data when necessary.

Solteq also gives guidance to its customers relating to appropriate technical and organizational measures, which contributes to protection of privacy in the society. Solteq developed its information security through several information security projects during 2020. The emphasis has been on identity protection and the ability to defend against global information security threats. The personnel's information security skills have been maintained with annual training.

The prevention and communication of information security threats is managed by an established Security Incident Reporting (SIR) process, which ensures that the relevant parties both internally and externally are informed of potential or actual security incidents. By having invested in data security both organizationally and technologically, the Company tackles information security incidents efficiently.

Solteq's employees undergo orientation on information security during their induction training. Expanded data protection and information security training for all of the Company's personnel were introduced in spring 2019. During the calendar year, they were incorporated into the employees' training portfolio as a mandatory training component. Approximately 80 percent of the personnel completed the Information Security and Data Protection training during 2020. The training content will be updated in 2021 to enrich the content relating to information security and data protection requirements when working remotely.

Solteq's information security and data protection are managed by a designated IT Manager and Data Protection Officer and the Company's information security team. The information security team has been expanded in 2020 by including a person to be comprehensively responsible for the information security of solutions delivered to customers.

Despite the extraordinary working conditions in 2020, the COVID-19 pandemic did not result in any major information security and information protection challenges. Solteq has engaged in a long-term architecture development to ensure a secure remote working infrastructure.

# Anti-corruption and Bribery

Solteq does not condone bribery or corruption in any form. In all of its operations, the Company requires compliance with anti-bribery principles as well as the principles governing business transparency.

Solteq chooses its partners carefully and all payments are subject to appropriate approval using a pre-defined approval process involving several stages. All payments must also be recorded in the Company's accounts. The Company does not pay or approve of any questionable benefits. All benefits provided and received must be such that they can be openly reported to everyone. We are committed to transparency in all of our business operations.

Solteq's Board of Directors has approved the Company's anti-bribery and corruption policy and the principles it includes in 2016. The policy complements Solteq's Code of Conduct and includes comprehensive guidelines concerning anti-bribery and corruption activities. Solteq also requires its suppliers and partners to observe the Company's Supplier Code of Conduct or corresponding principles pertaining to corporate responsibility.

Solteq's stakeholders are primarily Nordic and international entities. The Company's business takes place in regions where the risk for corruption and bribery is low. Solteq assesses partnership risks on a case-by-case basis and requests additional accounts and clarifications when necessary based on the partnership risk assessment.

Solteq has established an internal whistleblowing channel to enable the anonymous reporting of suspected misconduct. The Company is committed to processing all reports confidentially in accordance with a standard process. Ensuring the safety of whistle-blowers is essential for Solteq. No suspected incidents of misconduct were reported in 2020.

# Environmental Responsibility

Solteq takes environmental aspects into consideration in all of its operations and promotes sustainable choices. Solteq's policy of sustainable development and environmental responsibility guides the operations to take into account the environmental aspects. The Company's environmental impacts mainly arise from the energy consumption of office premises and data centers. The environmental impact of travel, work equipment and office furniture are also taken into consideration in day-to-day choices and purchases.

No significant environmental risks have been identified in Solteq's business.

## Green choices as part of daily work

Solteq strives to reduce the environmental impact of business premises and equipment as well as increase the recycling of materials. The Company favors modern, energy-efficient and healthy environments in its choices of business premises. Solteq's head office and Showroom in Vantaa's Aviapolis district were built in accordance with the LEED environmental certification system and Green Building standards. The interiors are furnished with ISO 14001 certified furniture intended to withstand extensive long-term use.

Solteq's personnel is encouraged to favor sustainable travel alternatives and to use public, environmentally friendly transportation, such as trains. Centrally located offices, the use of modern communication technology and the provision of remote work opportunities aim to reduce the need for travelling. The COVID-19 pandemic had a significantly positive effect on the environmental impact, as commuting reduced dramatically. Due to the strong recommendation to work remotely, which continued for most of the year, commuting and other work-related trips were reduced to a minimum, practically next to none.

Once the pandemic is over, Solteq will continue to avoid any unnecessary travelling, thereby reducing its environmental impact. The Company has invested in developing an infrastructure enabling remote work, and the personnel can rely on the technology to continue to support working from home – also after the pandemic. The Company continues to favor sustainable means of travel, whenever team meetings and other face-to-face meetings are organized.

According to Statistics Finland, the ICT industry generates relatively low amounts of greenhouse gas emissions. A significant proportion of the industry's environmental impacts arises from hardware manufacturing. Solteq takes this into account in its purchase practices, by favoring energy efficiency, life cycle and reliability of hardware. Network and information system hardware and phones are mostly purchased from well-known and certified suppliers. Equipment that has reached the end of its life cycle is collected in WEEE collection containers at Solteq's offices to be recycled and used as raw material for electronics. Solteq conducts dialogue with different equipment suppliers in order to support sustainable principles.

Aspect	Principles and processes	Objective	Performance indicators	2020	2019	2018	Most significant risks
Anti-corruption and Bribery	Anti-corruption and bribery policy, engaging the commitment of employees and partners, whistleblowing channel	Commitment of employees and other stakeholders	Number of reported infringements	0	0	0	Criminal and other legal sanctions Impacts on customer relationships and public procurement Reputation risk
Management of identified risks	Training is organised using online training portal, making training more efficient	Staff training and effective prevention of risks  Effective and timely communication during crisis, disruption and emergency situations.	Annual training attended by the staff 1. Data protection training 2. Information security training 3. Employees' Information security training 4. Training on register controller's responsibilities	524  525  525  524	383  362  361  370	New	Risks related to data protection and information security Risk factors related to the Company's reputation
Personnel	A culture of sharing knowledge, working together and experimenting  Development of leadership and managerial work  Performance reviews and competence management  Competitive benefits  Rising trend in employee satisfaction	Solteq is a sought-after workplace with healthy and satisfied employees. The Company supports competence development, provides an equal and non-discriminatory workplace community and supports individual wellbeing. Positive employee experience	Employer recommendation score	eNPS 36	eNPS 27	4.15/5	Risks related to the availability of employees
Environmental Responsibility	Life Cycle Management	Re-use of workstations	Percentage of re-used workstations	100%	100%	100%	Reputation risk