COMMUNICATION ON PROGRESS 2019
GLOBAL COMPACT SUSTAINABILITY REPORT

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STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

Gothenburg, Sweden May 20, 2020

To our stakeholders:

I am pleased to confirm that Sigma IT Group AB and its subsidiaries reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

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

Sincerely yours,

Lars Kry
Chief Executive Officer
Sigma IT Group AB

COMMUNICATION ON PROGRESS (COP) 2019

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GLOBAL COMPACT SUSTAINABILITY REPORT

COMPANY PRESENTATION

At Sigma IT we believe in a better tomorrow. We act now and lead the digital revolution forward. We continuously see results in challenging the status quo and together with our customers, we create technologies for the future. It is about cutting edge knowledge combined with the ability to dream. To work together with people who create wow!

Our promise is, with the customer in focus, to meet all the business needs within sourcing, innovation, development, operation and management. We are a global full-service provider offering technical specialists, teams and managed services, world leading technical solutions with delivery from all over the world. Also, within several different industries.

The working atmosphere is welcoming, we support each other and jointly create results that are ahead of change. This makes us proud and is appreciated by our customers. Personal development is one of our corner stones and is highly valued. We love what we do, and we get it done.

As a family-owned company, we own our strategy and invest in long-term goals. At Sigma IT we are 1200 specialists at 20 locations in Sweden and in 8 countries worldwide including Poland, Ukraine and India. We are part of the Sigma Group.

STAKEHOLDER COMMUNICATION

Communication with our customers take place in many ways and on many levels. Our assignments are followed up regarding quality by the business manager in charge and in addition a separate customer satisfaction survey is made every second year with our largest customers. Apart from this, there are several seminars and events that Sigma invites to as well as meetings that our customers and partners arrange.

We take a great social responsibility and we want to make a difference in society as a whole and during 2019 we have produced a report, **Tomorrow report,** where we asked the Swedish people what they think about the future, digitalization and also about the environment and UN 17 sustainable development goals. The result is presented in Tomorrow Report and can be found on www.sigmait.se

With our employees the communication is frequent through our internal channels and via the union organization. We also perform an anonymous employee survey on a yearly basis.

Our most important suppliers are also our partners with whom we cooperate in order to develop first class solutions for our customers.

BUSINESS MODEL – MATERIALITY STATEMENT

Sigma's vision is "Expect a better tomorrow" and the vision is included and relevant in the day-to-day business where our goal is to contribute for a better tomorrow for our customers improving their business. The business model is related to our employees and their competence but also to our partners. Sigma IT is the link between companies or organizations that need a specific digital solution, advisory support or expert competence. Often the customer turn to us to provide expert competence that cannot be found on the competence market. The deliveries take place as development work either under the customer's own leadership or as a defined assignment under our responsibility. It can also be an inhouse project.

The business model is based on billable hours where we charge for hours worked or for results accomplished or for a service that can be in a fixed level or based on estimate and adjusted depending on new requirements. There are also combinations of these two principles, always adapted to the choice of the customer.

The core business of Sigma IT is to help our customers improve their business efficiency, and one area is improving their sustainability in terms of energy consumption and CO_2 emissions, waste, and working environment conditions. We do this by delivering our services in all areas where IT is a driver, e.g. concepts for remote working, Internet of Things, AI, e-health, e-commerce, smart energy solutions etc.

All areas of sustainability control are important and relevant to us, and the competence requirements on our employees are very high and therefore there are no risks for child labour or forced labour. We want to contribute to a better tomorrow for both our employees but also for society as a whole and therefore we have a strong commitment in a Social sustainability. Our strategy and initiatives are presented, under Human Rights Principles, Labour and Environmental Principles.

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.

ASSESSMENT, POLICY AND GOALS

Sigma IT Group AB signed up for UN Global Compact in 2015 since we think it is important to support the Universal Declaration of Human Rights.

Our business and our staff are all in Sweden, with strong traditions and regulations in the human rights area. Risks are assessed to be low in general in Sweden. The business of Sigma IT requires highly skilled personnel in IT consultancy and management competencies, which make the risks for our business even lower. For our company, the most relevant aspects of human rights are gender and ethnicity.

Our management system is certified against ISO 27001, the requirement standard on Information Security Management Systems, which secures our control and improvement work is fulfilling the requirements on safeguarding information both with technical measures and by risk awareness. This is important for our ability to safeguard the personal information about our employees as well as the integrity and confidentiality of our customers' information.

To support and protect human rights our Ethical policy is published on our external website.

The policy for Equal treatment and the policy for Working environment are safeguarding equality at work and give directives in the working environment area.
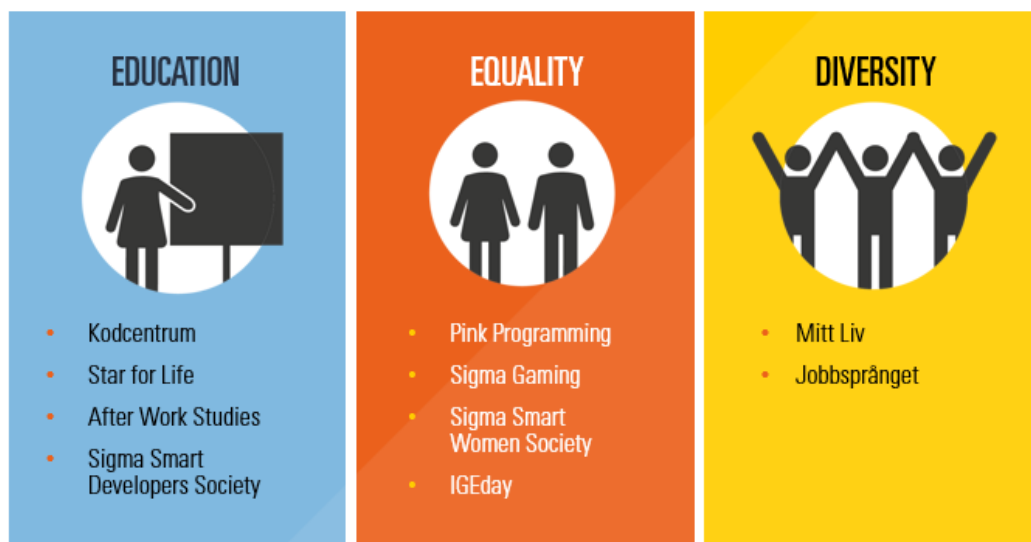
We have also produced a **Code of Conduct** that describes our way of working and our different policies.

IMPLEMENTATION

Sigma's vison is *Expect a better tomorrow* and with this we have an overall initiative for Corporate Social Responsibility that we call *Care of tomorrow* where we have a strategy why and how we can make a difference for a better tomorrow.

To do this we are focusing on three main areas: education, gender balance and diversity and in these areas, we are partners with different organizations and promote inspiration, knowledge sharing and coaching.

CARE OF TOMORROW

EDUCATION	EQUALITY	DIVERSITY
• Kodcentrum	• Pink Programming	• Mitt Liv
• Star for Life	• Sigma Gaming	• Jobbsprånget
• After Work Studies	• Sigma Smart Women Society	
• Sigma Smart Developers Society	• IGEday	

Our actions in the human rights area are:

Gender Balance

The IT industry is dominated by men and we take actions to impact the gender balance. Sigma IT is the main sponsor of *Pink Programming*, a non-profit organization working for women who want to enhance their programming skills but also women who are beginners and want to become programmers. See further:

http://www.pinkprogramming.se/en. With this we hope that women can find female role models and encourage them to pursue an education within IT.

At the present Sigma IT has 29 % female employees and 35 % female managers. The executive management team has 25% women. Our long-term goal is 35% female employees and 40% female managers. Sigma has identified gender balance is an important factor to have a creative and inspiring working environment and has started a broad gender equality program with defined goals and activities. An important goal was to recruit 200 female colleagues during 2018-2019 and this was achieved as planned. One of the other goals is to always have at least one woman and one man on the short-list when recruiting new managers. However, the decision who shall fill the position shall always be made based on competence criteria only. This is monitored on a regular basis by HR.

Further, Sigma launched an extensive educational program including all employees to create awareness around equality and existing structures and norms. For the managers there is extra education and coaching to strengthen them as leaders and be better equipped to manage potential discriminating situations. To do this an external expert was contracted that together with the management was responsible for the managers training that were conducted during 2019. This program continues during 2020.

During 2019 an employer survey focusing only on equality was performed. The result from the survey was taken as input to the gender equality training.

Sigma IT is the organizer of *Smart Women Society,* a network for women within the IT/Tech business.

NETWORK FOR WOMEN

As women are in minority in the Tech Industry, we identified the need of a special network and started Sigma Smart Women Society. The purpose is to strengthen women by presenting successful role models and show the potential for women in the Tech Industry.

SIGMA SMART
WOMEN SOCIETY

sigma

We arrange networking events twice a year in eight of the main cities in Sweden. 100-300 women usually attend and listen to inspiring talks from other women in the business community. We also encourage female young talent at university supporting and coaching them in a yearly mentoring program.

We was also a part of the initiative "Tech Women - Get your voice heard" getyourvoicesheard.com

Sigma is a proud sponsor of FC Rosengård, all female football team that several years have won the Swedish national football league. FC Rosengård is one of the most competitive women's football teams in all of Europe. FC Rosengård is renowned for their focus on social development and helping young people realize their dreams. FC Rosengård is active in two large social development projects, Boost, aimed at helping young people raise their level of competence and competitiveness on the labour market and Football for Life, strengthening the self-esteem and awareness of young women at hundreds of schools in South Africa. So far over 1900 participants have achieved their goal of employment or full-time education through Boost by FC Rosengård.

Education and sharing knowledge

Every year Sigma IT invites customers to *Inspiration days*, where experts from our own, as well as partner´s organizations, share knowledge and give talks over an interesting matter, it may be in technical, communication or strategic area.

We find it important to secure IT competence and knowledge in the younger generation to make sure that we have a continuous competence growth in the country. One way to do this is to introduce IT and digital creation in early ages and Sigma is one of the main sponsors to *Kodcentrum* that is a non-profit organization providing education in IT and programming to young learners from age 6 to 13, see further https://www.kodcentrum.se/ During 2019 we arranged several "kodstugor" for young people to learn more about programming.

We also participated in The international Science Festival.

With hundreds of activities and about 70,000 visits The International Science Festival in Gothenburg is one of Europe's leading popular science events and the only one of its kind in Sweden.

During the autumn school break we arranged a hackathon for children, where the hackathon was on a tram going through the city of Gothenburg.

Since many years, Sigma IT is a sponsor of *Star for Life*, a non-profit organization working for prevention of HIV and AIDS in South Africa, by encouraging school children to work for realizing their dreams and focusing getting an education. *Star for life* was started in 2005 by Sigma's founder and owner, Dan Olofsson. See further: http://www.starforlife.org

LEARNERS IN SOUTH AFRICA BELIEVE IN THE FUTURE

Sigma's founders Christin and Dan Olofsson started the Star for Life project in 2005. The project has a unique way of helping young people to increase their self-esteem and thus create a better future, without AIDS and HIV. We support "our" school, Dlilanga High School, and have introduced a scholarship for further studies in IT.
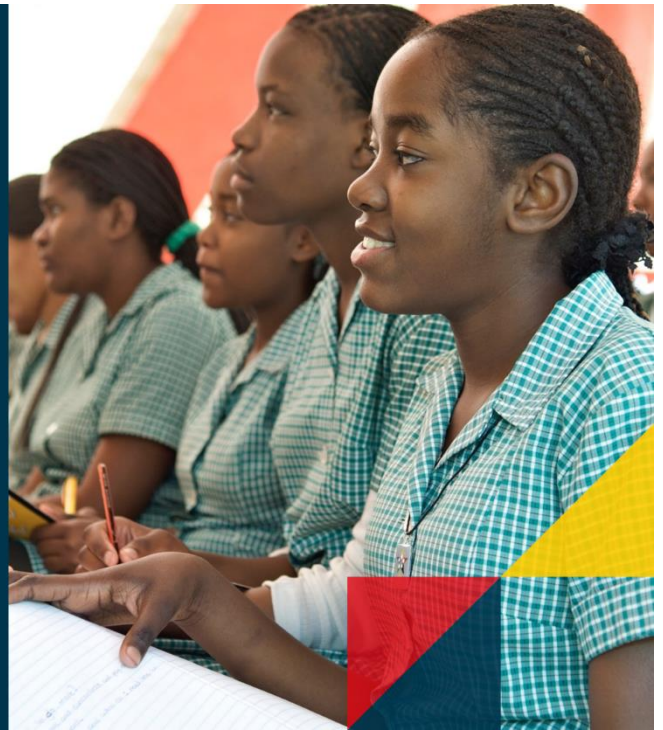
During 2019 Sigma IT did a donation to Star for life where all employees contributed during a "Operation dagsverke". The donation was to support Mobile Health Clinics for schools in South Africa.

Sigma IT is also supporting Motivationslyftet by Star for life where young people in Sweden are getting help to improve the motivation, self-esteem and self-leadership.

STUDENTS IN SWEDEN BELIEVE IN THE FUTURE

Young people in Sweden are growing up with lack of motivation in school work and uncertainties of their own future. Too many Swedish high school students leave their education with incomplete grades.

2013 started Star for Life a program in Sweden, Motivationslyftet by Star for life. The aim is to improve the motivation, self-esteem and self-leadership of young people using scheduled mental training.

MOTIVATIONSLYFTET
BY Star for Life ★

Diversity

Sigma IT has for several years been a partner to *Mitt Liv*, a social company working with integration of immigrant academics. Via this partnership, Sigma employees become mentors for immigrants for one year. See further: http://www.mittliv.com

WE VALUE DIVERSITY

Our employees are participating as mentors in the mentoring program called Mitt Livs Chans (The chance of my life). We want to contribute to integration, and share experiences and networks. When people with different backgrounds and experiences meet, new ideas and business opportunities will sprout.

Mitt Liv

As a part of Sigma's commitment to a better tomorrow and making a difference we started "Funkisfonden". Funkisfonden was launched on New Year's Eve 2018, with the aim of raising the issue of sports for people with intellectual disabilities.

People with intellectual disabilities generally have more health problems than others, so it is extremely important that sports and the possibility to exercise become more accessible to them. Many people with intellectual disabilities go through their entire school life without any sports education and most of those who participate or compete in sports today, did not start until they were adults. Sport is not just about movement and exercise; the inclusion factor and the possibility of making new friends is equally important. Getting more people involved in sports and exercising is vital and this is exactly what Funkisfonden aimed to do.

Protection of personal information

We are compliant with the European Directive GDPR and we have enforced routines and controls in order to protect our employees' personal information as well as our customers' and their customer's or users' personal information that are continuously monitored and improved.

Code of Conduct

To ensure correct management in all aspects of human rights, we have, on basis of our ethical policy, implemented a policy for equality of treatment and a recruiting policy in our management system. Information about whistleblowing is published in our employee handbook and Code of Conduct and we have a workflow function in our intranet to gather suggestions for improvement in any aspect from all employees.

Our supplier and partner agreement template refer to our published Quality, Ethical, Information Security and Environmental policies, and all suppliers and partners must agree to them all, by control of our management system.

The Code of Conduct is available internally on the intranet and externally on our website www.sigmait.se

MEASUREMENT OF OUTCOMES

In the employee survey that takes place once a year, measurements are made on experienced treatment in the aspects of gender, ethnicity, sexual orientation, disability and age. These measurements show that our employees are safe and satisfied with our human rights conditions.

Gender balance

Year	Percentage of female employees	Percentage of female managers
2015	22	13
2016	24	28
2017	25	30
2018	27	28
2019	29	35

LABOUR PRINCIPLES

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ASSESSMENT, POLICY AND GOALS

Sigma IT Group AB is a member of Almega Employers' organization and has collective agreement with the unions active on our market. Two local unions are present in our company cooperating with us in this area.

Our business and our staff in Sweden have strong traditions and regulations in the labour principles area. Risks are assessed to be low in general in Sweden. The business of Sigma IT Group AB requires highly skilled personnel in IT consultancy and management competencies, which make the risks for our business even lower. For our company, the most relevant of labour principles are gender and ethnic aspects together with quality of working life.

The management system of Sigma IT is certified according to ISO 9001, which guarantees we comply with the law as well as the competence management requirements. Our quality policy is published on our external website. One quality goal is to become the best employer (measured and benchmarked by employer surveys).

The business vision for all Sigma Group, communicated externally as well as internally is "Expect a better tomorrow".

IMPLEMENTATION

In addition to the actions mentioned in the Human Rights section, the actions taken in the Labour Principles area are:

To ensure working environment quality, we have implemented a policy for equality of treatment, a recruiting policy and a policy for working environment in our management system together with a more detailed routine for the operative work with safety incidents, safety inspections including psycho-social aspects.

Information about whistleblowing is published in our employee handbook and in our Code of Conduct and we have a workflow function in our intranet to gather suggestions for improvement in any aspect from all employees

Our staff has access to contracted company health care and a generous wellness allowance.

Our supplier and partner agreement template refer to our published Quality, Ethical, Information Security and Environmental policies, and all suppliers and partners must agree to them all, by control of our management system.

Some of the outcomes from our focus area during 2018 is that we started an internal manager's network for our managers to share their knowledge and experience, and to address important issues related to leadership. This network has continued through 2019 and is now "normal way of working".

We decided to continue with our Tech Specialist career opportunity "Tomorrow Pilot", in order to encourage our employees who want to become specialists within their technical field. During 2019 we have had 4 Tomorrow Pilots within Data Science, Clean code, IoS Development and Agile development.

MEASUREMENT OF OUTCOMES

ISO 9001 external audits take place every year during 5 days on many of our offices, when auditors meet employees and interviews are performed with several quality themes according to the standard. No deviations were found within the labour principles area in 2015- 2019.

Every year, a salary screening is made with the purpose to find any unjustifiable biases in which cases they will be addressed in the salary revision.

All health and safety incidents are registered and followed up.

In the employee survey that takes place every year, measurements are made on experienced working environment quality, psycho-social aspects as well as physical.

ENVIRONMENTAL 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.

ASSESSMENT, POLICY AND GOALS

Our business and our staff in Sweden have strong traditions and legal regulations in the environmental area. Sigma IT Group AB delivers IT and management services where the negative environmental aspects are mainly energy/travel with air pollution and CO_2 emissions and IT waste, whereas positive environmental aspects are the delivered benefits of IT supported optimization and rationalization in our customers' business. Our common environmental goal is to increase our online meetings and bring down our travels, specifically for travelling by air, the goal is to decrease our travel by 20% compared to set budget for 2020.

Our Environmental policy, supporting Green/Sustainable IT, is published on our external website:

The entire business of Sigma IT shall be permeated with an environmental awareness, which means that we will conduct our business in a manner that protects the environment and climate. We shall provide a clear environmental profile in our offers wherever this is applicable.

OVERALL ENVIRONMENTAL TARGETS OF SIGMA IT

- Our customers will perceive Sigma IT as an environmentally conscious supplier and be associated with "Green/Sustainable IT"
- Our employees will perceive Sigma IT as an environmentally conscious organization where you can work actively for the environment and for sustainable development
- The market and the society will perceive Sigma IT as an environmentally conscious company that is acting for sustainability

WE SHALL IN A SYSTEMATIC WAY:

- Ensure that we comply with the governing environmental laws for our business.
- Increase the knowledge and awareness of our employees, with regards to environmental issues
- Inform and assist our customers and suppliers in their environmental work
- Continuously work towards improvement to ensure the business decreases its impact on the environment.

 We place focus on:

- travelling; at firsthand we choose remote meeting solutions, e.g. telephone or web conferencing. If we require to travel, we do this as environmentally friendly as possible.
- energy consumption; we strive to reduce our electricity consumption.
- resource consumption; we minimize the usage of consumables, recycle waste and handle environmentally dangerous waste responsibly.

The environmental policy was approved by the corporate management team in September 2016.

IMPLEMENTATION

The actions taken in the environmental principles area are:

Sigma IT Group AB updated our management system in 2014 to include environmental control. The management system was then certified according to ISO 14001 and was externally audited in Gothenburg (our largest office) in 2015. In order to educate our staff an e-learning was launched dealing with environmental issues for our business which is now mandatory for newly recruited. All purchase of stationery, coffee, fruit etc. are eco-friendly. Offices are cyclist friendly.

A common goal for the company that was decided for 2019 was to decrease our travel to 10% compared to set budget for the year. This was followed up monthly by top management, and set goal was achieved successfully.

Our supplier and partner agreement template refer to our published Quality, Ethical, and Environmental policies, and all suppliers and partners must agree to them all, by control of our management system.

Information about whistleblowing is published in our employee handbook and we have a workflow function in our intranet to gather suggestions for improvement in any aspect, from all employees.

During 2019 we have been active in the work with bringing out roadmaps for Fossil Free Sweden, an initiative from the Swedish government. There are several roadmaps for different industries and Sigma IT has taken an active part in the work with the Roadmap for The Digitalisation Consultancy Industry.

By promoting new business models, behaviors, regulations and organisational approaches, strategic digitalisation has the potential to radically reduce greenhouse gas emissions, increase competitiveness and generate high growth in exports of transformative solutions.

Firms in the digitalisation consultancy industry that have joined forces behind this roadmap are united in their ambition to help society become aware of and tap the potential of digitalisation.

The solutions enabled and implemented by digitalisation consultants have an enormous potential to reduce global greenhouse gas emissions.

The fact that Sigma is investing in digitalization with a connection to sustainability is a given, our CEO Lars Kry believes. Our indirect impact is significant if we look at what digitalization provides our customers for opportunities in our global market.

Sigma's entrepreneurial companies can quickly adapt and create innovations and guide our customers into tomorrow according to the challenges different industries face. The digitalization consultants' roadmap shows how this work can be taken forward together in the industry when everyone is involved.

You find the road map for a Fossil free Sweden here: http://fossilfritt-sverige.se/fardplaner-for-fossilfri-konkurrenskraft/fardplan-digitaliseringskonsultbranschen/

During 2019 we also had an employee activity where we invited family and friends to join for a day of cleaning the coast and the sea. #sigmaitcleancoast

MEASUREMENT OF OUTCOMES

ISO 14001 external audits take place every year, when auditors meet employees and interviews are performed with several environmental themes according to the standard. Among other things, our datacenter and our offices are inspected with regards to fire and emergency readiness, contingency planning and crisis management.

In 2017 an energy consumption investigation was made for Sigma Group, which will become a possible baseline for goals and measurements the coming years.

Internal audits and management review of the management system take place every year.

ANTI-CORRUPTION PRINCIPLES

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

ASSESSMENT, POLICY AND GOALS

Sigma IT Group AB signed up for UN Global Compact in 2015 and pay the recommended yearly amount to help financing the work that is done in this field. We think it is important to support the UN Convention against Corruption.

Our business and our staff in Sweden have strong traditions and regulations in the anti-corruption area. Risks are assessed to be low in general in Sweden.

To communicate our zero-tolerance for corruption to suppliers, customers and other stakeholders our Ethical policy is published on Code of Conduct on our external website.

Policies in the information security area have been established in order to safeguard our customers and our own information, by both behavior, routines and technical measures. Information shall be secured in the aspect of confidentiality, as well as integrity, traceability and availability as required by the organization.

The business vision is communicated externally as well as internally is "Expect a better tomorrow".

IMPLEMENTATION

Our management system contains controls for approval of business proposals as well as orders. Approval levels are documented in approval regulations and automated in our business systems. All key roles' role descriptions refer to the approval regulations document.

Our management system is certified against ISO 27001, the requirement standard on Information Security Management Systems, which secures our control and improvement work is fulfilling the requirements on safeguarding information both with technical measures and by risk awareness. This is important for our ability to trust economic data and follow up on suspected breaches against our attest regulations.

Our supplier and partner agreement template refer to our published Quality, Ethical, Information Security and Environmental policies, and all suppliers and partners must agree to them all, by control of our management system.

Information about whistleblowing is published in our employee handbook and Code of Conduct and we have a workflow function in our intranet to gather suggestions for improvement in any aspect from all employees.

MEASUREMENT OF OUTCOMES

External audits take place every year on many of our offices, when auditors meet employees and interviews are performed. Several quality and information security themes according to the standards are covered. No deviations were found within the area of economic processes or corruption risks in 2015 - 2019.

No corruption incidents have been found during 2019.

Internal audits, both economical and in the quality and information security area, are performed every year, as well as management review of the management system.