

SUSTAINABILITY REPORT 2019



**THE SPECIALIST IN
CREATING SUSTAINABLE
DIGITAL BUSINESS**



Our responsible proposition

The specialist in creating sustainable digital business

Realised by People. Passion. Purpose.

Itera aspires to be viewed as the specialist in creating sustainable digital business. Sustainability is already a driver for our services and solutions. Our employees strongly support the company's ambition. It is a question of merging people, passion and purpose. To succeed, we need to work together and to take a holistic approach. We have expertise in design, technology, and business. We have customers who aim to be sustainable businesses. We have the skills needed to create the best solutions. This is how we make a difference.



Business for good

Itera is aware of its social responsibility. We have also helped leading organisations with their sustainability work for many years. Our mission is to be a goal-oriented partner for our customers. sustainability.

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Itera has a duty to make a positive contribution. This is communicated by our 'Make a difference' vision, which is a powerful imperative associated with our brand.

Ane Gjennestad,
CCO Itera

For us, sustainability is a driving force for smart business – it is a question of creating more with less. And 2019 was the year in which we refined the group's strategy in relation to our own commitment to

Our vision – make a difference – imposes significant requirements on how we as a company impact the society in which we operate. We want to play a role in society that involves us making a positive contribution. For Itera, this means that sustainability is business. And it also means operationalising our core values: innovative, passionate and skilled.

In order to demonstrate our commitment to sustainability internally and externally, a sig-

nificant amount of effort was put into developing our sustainability strategy in 2019. Our ambition in this work was to produce clear guidelines and targets in respect of how Itera will help make the future more sustainable. We have a long history of carrying out sustainability initiatives: we achieved our first environmental certification back in 2000.

COMMITTED ORGANISATION

Internal buy-in is a requirement for our commitment to sustainability to be credible externally. A large part of our strategy work was therefore carried out in the form of workshops with employees from all of Itera's service areas. This approach was taken because our commitment to sustainability needs to be a platform for the entire organisation and we need to deliver sustainability from across our specialist areas and units. This is in line with our 'One Itera' mantra.

The strategy work was carried out in four main phases:

1. Assessing our existing activities
2. Conducting a materiality analysis
3. Selecting which of the UN's Sustainable Development Goals we would prioritise
4. Setting targets and associated measures

Itera's sustainability strategy is a dynamic document that will change in accordance with internal and external opportunities, requirements and expectations. It is our tool for making a positive difference for society, our customers, our owners and our employees.



Living up to expectations

Itera has numerous stakeholders. We affect their day-to-day activities – and they affect our activities. In order to gain insight into what our stakeholders expect and require of us, we completed a materiality analysis in 2019. This provides valuable input for Itera's strategic business decisions.

The materiality analysis identifies which stakeholders are important to us and what they think Itera should deliver on. This is the basis for how Itera prioritises its efforts on the areas that will produce the greatest benefit for society and for the company.

The materiality analysis was carried out in 2019, and it confirmed that our primary stakeholders are our customers, our employees, our investors/owners and our partners.

The following summary is an extract from the materiality analysis:

Technology is increasingly a driver and a pre-requisite for more sustainable solutions. Itera's competitive advantage is that we have expertise, experience and delivery capabilities that can meet our stakeholders' expectations. We will also invest in becoming even better at implementing sustainability into our deliveries. This will create trust and meet the expectations of our primary stakeholders:

- Our **customers** will recognise us as an attractive provider if we display clear targets, expertise and an active commitment to sustainable, value-adding solutions. A number of customers have put sustainability on their agenda and look for partners that can contribute to a sustainable future.
- Our **owners and investors** increasingly recognise the value of businesses operating ethically and sustainably. Sustainability is smart business, and investors regard this as a requirement for good investment returns.
- Our **employees** are our most important resource. Our employees are committed to contributing to sustainable growth and want a meaningful working day. Through its commitment to sustainability, Itera will seek to ensure that we are an attractive employer for skilled people who want to make a difference.
- Our **collaboration partners** also want to operate sustainably. We often rely on one another to meet our customers' needs. This means that we need to have the same responsible attitude to what represent the most sustainable and value-adding solutions – for the benefit of our customers and our customers' customers.



Goals for a sustainable future

Itera is committed to being part of the global effort to create sustainable world. Through our strategy work, it became clear that Itera cannot make a meaningful contribution to all of the UN's 17 Sustainable Development Goals. Our approach is therefore to prioritise those goals where we can make a difference through our company.

Our sustainability strategy work, and the materiality analysis in particular, clearly identified the targets where our business and our employees can make a credible contribution to developing sustainability.

Itera believes that technology and digitalisation are helping to create sustainable societies. Big data, cloud solutions, the internet of things and other technologies, in addition to open arenas for democratic processes,

are the basis for our shared resources to be managed responsibly.

Itera has formulated and implemented four purposes:

- We realise sustainable innovation
- We integrate sustainability into our deliveries
- We are sustainable in our day-to-day operations
- We collaborate to achieve our goals

GOALS PRIORITISED BY ITERA

The three Sustainable Development Goals set out below have been prioritised by Itera as a guide for our organisation. Over the next few years, Itera will focus on innovation and developing measures and services that are in line with these overarching ambitions.



Industry, innovation and infrastructure

“Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation”.

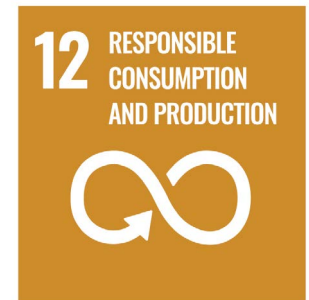
Itera has prioritised measures that mean that we can be a capable advisor to our customers on building sustainable value chains. We will also put in motion internal competence development activities, including by setting up the Itera Sustainability Academy.



Sustainable cities and communities

“Make cities and human settlements inclusive, safe, resilient and sustainable”.

Itera develops sustainable smart concepts via its interdisciplinary teams of specialists. Smart cities, smart mobility and smart energy are important and appropriate focus areas.



Responsible consumption and production

“Ensure sustainable consumption and production patterns”.

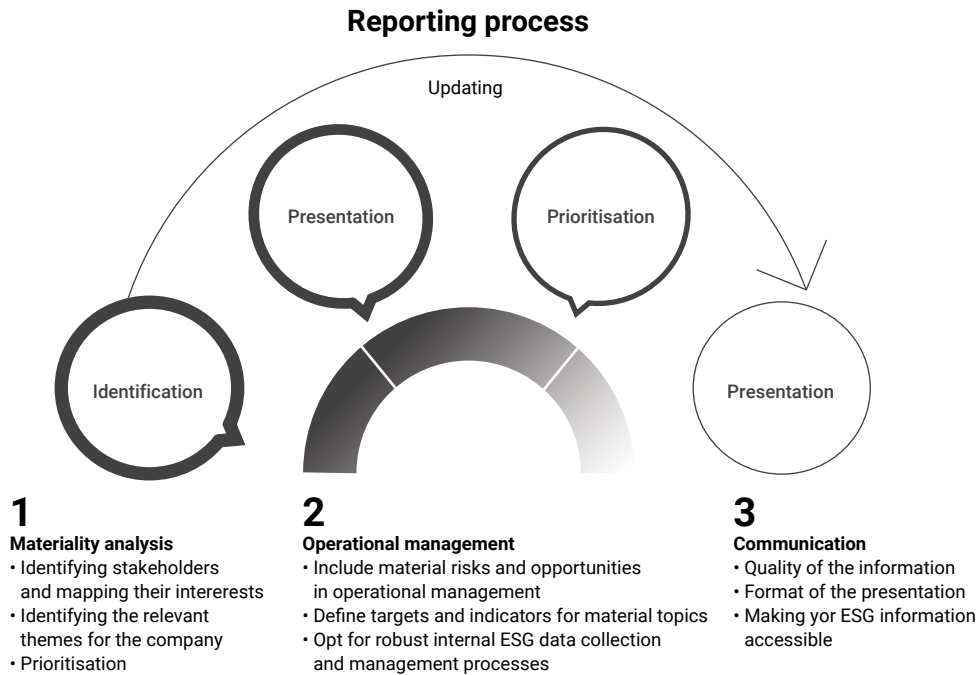
Itera rewards internal conduct that contributes to responsible consumption. We have ambitious targets in relation to recycling or reusing equipment for which the company no longer has a use. Itera will also set requirements to ensure its procurement activities are as sustainable as possible.



Global effort

The UN's 17 Sustainable Development Goals are the world's shared blueprint for eradicating poverty, fighting inequality and stopping climate change by 2030.

Sustainable development is about meeting the needs of people alive today without compromising the ability of future generations to meet theirs. The Sustainable Development Goals reflect the three dimensions to sustainable development: the climate and environment, the economy, and social issues.



We are open about what we do

Itera is committed to reporting its sustainability work in a transparent way. This is also in line with the growing requirements to which listed companies are subject. Itera's objective is to have a set reporting structure where we regularly report on our targets, where we are in relation to them, and what measures we have taken for the KPIs we have prioritised.

Itera is also certified as an Eco-Lighthouse. This requires us to be open about our environmental impact and the measures we take to reduce our environmental footprint.

CORPORATE GOVERNANCE

Itera applies corporate governance that is based on the requirements of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance. The separate section on corporate governance provides more information on how Itera complies with Section 3-3(b) paragraph 2 of the Norwegian Accounting Act and the provisions of the Norwegian Code of Practice for Corporate Governance.



We have been inspired by the process model for ensuring comprehensive reporting and use of reported data that is recommended by organisations including Oslo Stock Exchange. We are on the right path, and as of 2020 we are certified as a Transparency Partner by NASDAQ. This serves as confirmation of Itera's commitment to sustainability and transparency, including its commitment to ensuring human rights, looking after the environment and operating responsible business activities.

Our sustainable value creation

Itera takes a comprehensive approach to how we contribute to sustainable value creation. Our foundation is formed of our vision and strategy, our strengths, and our core deliveries. When these are combined, value is created for our customers, our employees and our owners.



Our vision and strategy

Vision

Make A Difference

Values

Innovative. Passionate. Skilled.

Strategic position

The specialist in creating sustainable digital business

UN SDGs prioritised by Itera

9: Industry, innovation and infrastructure

11: Sustainable cities and communities

12: Responsible consumption and production



Our strengths

Expertise

Technology, design and business expertise applied correctly contribute to sustainability

Commitment

Employees motivated to make a difference

Customer portfolio

We can have an impact on many of the largest companies in the Nordics

We integrate sustainability into our deliveries



Our main activities

Realise sustainable innovation

Identify, sell and deliver projects

Test and learn methods

Sustainability in deliveries

Skills development through "Sustainability Check"

Sustainable day-to-day operations

We are sustainable in our day-to-day operations

"Sustainability Academy" for employees

Collaborators

Identify any relevant partners



Our value creation

Investors

Long-term and ethical investments

Customers

Attractive partner with clear standpoints and contributions to sustainability

Employees

Projects with purpose in a value-based company

Purpose 1

We realise sustainable innovation

Purpose 2

We integrate sustainability in our deliveries

Purpose 3

We live a sustainable worklife

Purpose 4

We collaborate with partners to achieve our goals



Sustainability work prioritised by Itera

Itera's sustainability strategy is a dynamic document from which new priorities and initiatives will evolve over time. This section presents the initiatives, measures and targets we have prioritised.

Working environment

Feedback from Itera's employees in 2019 resulted in improvements being made to our premises to ensure an even better working environment. The solution includes more meeting rooms, quiet zones and zones for people to work more efficiently in project groups and teams. We also organised a stress management course delivered by Stamina Helse for managers and employees.

HSE

The HSE targets we have set ourselves are part of our systematic health, safety and working environment work.

We have set the following HSE targets:

1. Promote employee engagement
2. Maintain a low sick leave rate

Employee engagement

Itera does not measure employee satisfaction but employee engagement, as we are of the view that this is a strong indicator of employee wellbeing. Employee engagement is measured every two weeks through a digital survey consisting of around 10 questions. Each employee gives his/her score and feedback on a wide range of relevant topics, such as his/her work-life balance, professional development, workload and adherence

to Itera's values. Employees are given the opportunity to share their opinion on which areas and measures should be prioritised in order to improve the results.

2019 status: - 8.1 (Group)
- 7.8 (Norway)
Target for 2020: 8.0 score

Sick leave

2019 status: 3.1%
Target for 2020: 3.0%

Environment

Eco-Lighthouse

Itera is a certified Eco-Lighthouse company. This is a natural extension to Itera's history: In 2001 Itera became the first Norwegian communication and technology company to obtain certification in accordance with the environmental standard ISO 14001.

We are committed to operating our business activities in such a way that we avoid damaging the external environment. At Itera, we have a pronounced environmental policy that is reflected across our entire organisation.

Measures:

1. Limit paper usage
2. Encourage use of public transport
3. Sort waste electronic equipment (return scheme).

TRANSPORT

(The figures apply to the Norwegian part of the Group)

No. of flights in the Nordic region in 2019: 289
No. of flights within Europe in 2019: 175
No. of flights in the rest of the world in 2019: 12

PROCUREMENT

(The figures apply to the Norwegian part of the Group)

Number of suppliers that have a certified environmental management system such as Environmental Lighthouse, ISO 14001, EMAS or equivalent in 2019: 18
Goal: 150

Percentage (%) of purchase volume (measured in NOK) spent on third party eco-labelled/environmentally certified goods and services in 2019: 46%

Target 2025: 90%*

The 46% share of purchase volume with environmental certification is surveyed based on our 50 largest suppliers.

* We are focusing on sustainable products. As an example, all our cleaning products, coffee and office supplies are environmentally certified. In 2020, Itera will commit to increasing the focus on the companies from which we purchase goods and services. We will identify which of our suppliers currently have environmental certifications and / or sustainability strategies and establish internal guidelines to ensure that future suppliers also take on environmental commitments. These measures will help us to reach the 2025 target, which is that 90% of the companies we buy benefits and goods from have a sustainability strategy and / or a certification.

WASTE

(The figures apply to the Norwegian part of the Group)

Residual waste: 5681 kilos
Recycled waste: 3915 kilos
Total: 9597 kilos

RECYCLED WASTE

(The figures apply to the Norwegian part of the Group)

Food waste: 1874 kilos
Paper and cardboard: 905 kilos
Waste Electrical and Electronic Equipment: 133 kilos

Equality and diversity

In recent years, Itera has been active in several arenas aimed at ensuring diversity, primarily to contribute to increase the proportion of women, both in its own company and in the ICT industry in general, such as



Oda, Ada and now most recently SHE. The work that is being done and will be done in the future is firmly anchored in our business strategy.

From the beginning of 2020, Itera will put diversity even more clearly on the agenda by establishing an own diversity group in the organisation. The group will ensure the right priorities for diversity work going forward so that diversity becomes part of the platform for Itera's further growth and ambition.

Increased diversity will create synergies Itera can benefit from across departments, disciplines, levels and national borders. Diversity will be a very important competitive advantage. Diversity is developing both for the company and for the individual employee. As a company, we are going to invest in diversity and the results will be rewarded through financial results, in our employee survey and in the fight for the best new employees.

SHE INDEX

Itera has joined the SHE Index, meaning it takes part annually in a survey that measures parameters such as the gender balance and gender pay gap at participating Norwegian organisations. Itera's first score upon joining was 58 out of a possible 100, a result that is a good basis for Itera to work systematically on diversity.

Prioritised measures:

1. Actively work to reduce the pay gap between men and women at all levels within the organisation
2. Achieve a more balanced gender distribution in top management
3. Achieve a more balanced gender distribution in middle management
4. Participate in relevant communities and networks (ODA/SHE etc.) that focus on gender balance and diversity within IT. This will hopefully enable us to achieve a better gender balance within our male-dominated profession (IT)
5. Be aware of bias and gender equality when assessing individuals for promotion and recruiting new employees.

Empowering women in technology to "Lead the change"

ODA

Itera is a gold partner of ODA, the largest network for women in tech in the Nordic region. ODA has over 10,000 members from over 500 companies in different industries, and has worked to make tech more diverse since 2005.

ODA is a non-profit organisation for women in tech run by volunteers who are women in tech and with the support of around 50 partners. The proportion of women in the workforce and diversity are global issues, and are also recognised in the UN's Millennium Development Goals.

At a time when digital transformation and technology are not only creating previously undreamed of solutions to some of the biggest challenges of our times but are also contributing to greater risk, diversity is absolutely essential to society's development. ODA has measured the proportion of women in ICT in Norway since 2016 in collaboration with Kantar TNS, and although the proportion of women in the sector has grown from 16% to 28% in 2018, this is still a long way off the target of women representing 40% of employees both in the sector in general and at the senior management level. In order to achieve this target, ODA works with its strategic partners and various industry organisations to deliver a range of initiatives that target everyone from senior executives to school children. Together the network helps promote technology as an attractive career path for women.

Women as a proportion of Itera employees (Group)

2019:	33%
2020 target:	34%

Women as a proportion of Itera employees (Norway)

2019:	36%
2020 target:	37%
2025 target:	40%

The Group's management team consisted of six men and three women in 2019. The

shareholder-elected Board members are two women and two men, while the employee-elected representatives and observers are two women and two men.

Other selected measures and relevant policies related to sustainability

HARDWARE RECYCLING

Itera has a target of recycling all computer equipment for which we no longer have a use. Used screens, keyboards and mice are given to employees free of charge. PCs that are no longer being used by Itera are formatted and prepared with a Windows operating system for a new life in low-income families. Equipment that cannot be reused is disposed of as hazardous waste.

MOBILE TELEPHONE SCHEME

Itera's employees are entitled to NOK 6,000 plus value-added tax every second year to buy a new mobile phone. In 2020 Itera is introducing a scheme that rewards all employees who keep their phone for more than two years. This involves employees who choose to keep their phone for more than 24 months seeing their next entitlement increase by NOK 250 plus value-added tax per month. The scheme applies retroactively to the last time the employee purchased a phone.

If an employee uses his or her phone for the entire third year, the additional entitlement amounts to NOK 3,000 plus value-added tax, meaning the total entitlement for a replacement mobile phone would be NOK 9,000 plus value-added tax. If the employee purchases a telephone that is cheaper than his/her total entitlement, the difference can be put toward the next telephone he/she purchases.

SUMMER INTERNSHIPS

To contribute to recruitment in a sector where the demand for employees exceeds the supply, Itera runs an annual summer internship program targeted at students at major universities. This program is a strategic tool intended to help Itera to build relationships with the most talented students at an early stage in their education, with some students offered

positions at Itera as early as after the second or third year of their master's program.

The students are tasked with solving strategic problems in a variety of eight-week customer projects, each led by one of Itera's experienced project managers.

Summer internships

2019:	24 students
2020 target:	30 students

DIGITAL SIGNING OF CONTRACTS

To make life easier for our customers and also to contribute to sustainability, Itera has introduced a solution that allows contracts to be signed digitally. Instead of having to print, sign, scan and return contracts, customers can receive their documents by email and then choose whether to sign them on their mobile, tablet or PC.

HUMAN RIGHTS

Itera is committed to ensuring internationally recognised human rights such as those defined in the United Nation's Universal Declaration of Human Rights and other UN conventions. Itera has operations in countries outside Scandinavia, specifically Ukraine and Slovakia, and considers that the establishment of these workplaces has contributed to increasing the living standards of its employees in these countries.

ANTICORRUPTION

Itera does not tolerate any form of corruption.

The Group is exposed through its nearshore activities in Ukraine to a certain level of corruption risk as the country has a low score on the Transparency International Corruption Index. Itera has therefore decided to protect the Group from this risk by not delivering services to the public or private sectors in Ukraine where the problem of corruption is principally found, and by only exporting its services to countries where western business standards are the norm.

The Group has guidelines for all employees concerning the acceptance of gifts and other benefits or advantages.