

---

# Cegal Sustainability Report 2022



# About this report

---

**Sustainability is one of the most important and pressing themes of our age. Environmental, Social and Governance (ESG) are the three central factors in measuring the sustainability and ethical impact of a company. ESG factors, though non-financial, have a material impact on the long-term risk and financial performance of a company. Principally, companies that use ESG standards are more conscientious, less risky and are more likely to succeed in the long run.**

This report describes the relevance of ESG in the industry that Cegal is operating in. It highlights the key material ESG themes, assesses performance on those themes and provides an action plan to identifying value creation opportunities. The report is updated annually to monitor progress and keep the company focused on achieving the goals of becoming a more sustainable and future-proof company over time.

The report is the result of an independent review by the ESG & Sustainability consulting firm MJ Hudson, commissioned and approved by the board and management of Cegal.

Note: All judgements are, where possible, based on or backed by analyses conducted by MJ Hudson. In cases involving across-category comparisons or result classification, judgements are not always based on objective analyses or data. These judgements are intersubjective in the sense that they are agreed between MJ Hudson and management, and in line with the thinking of industry experts and leading NGOs.



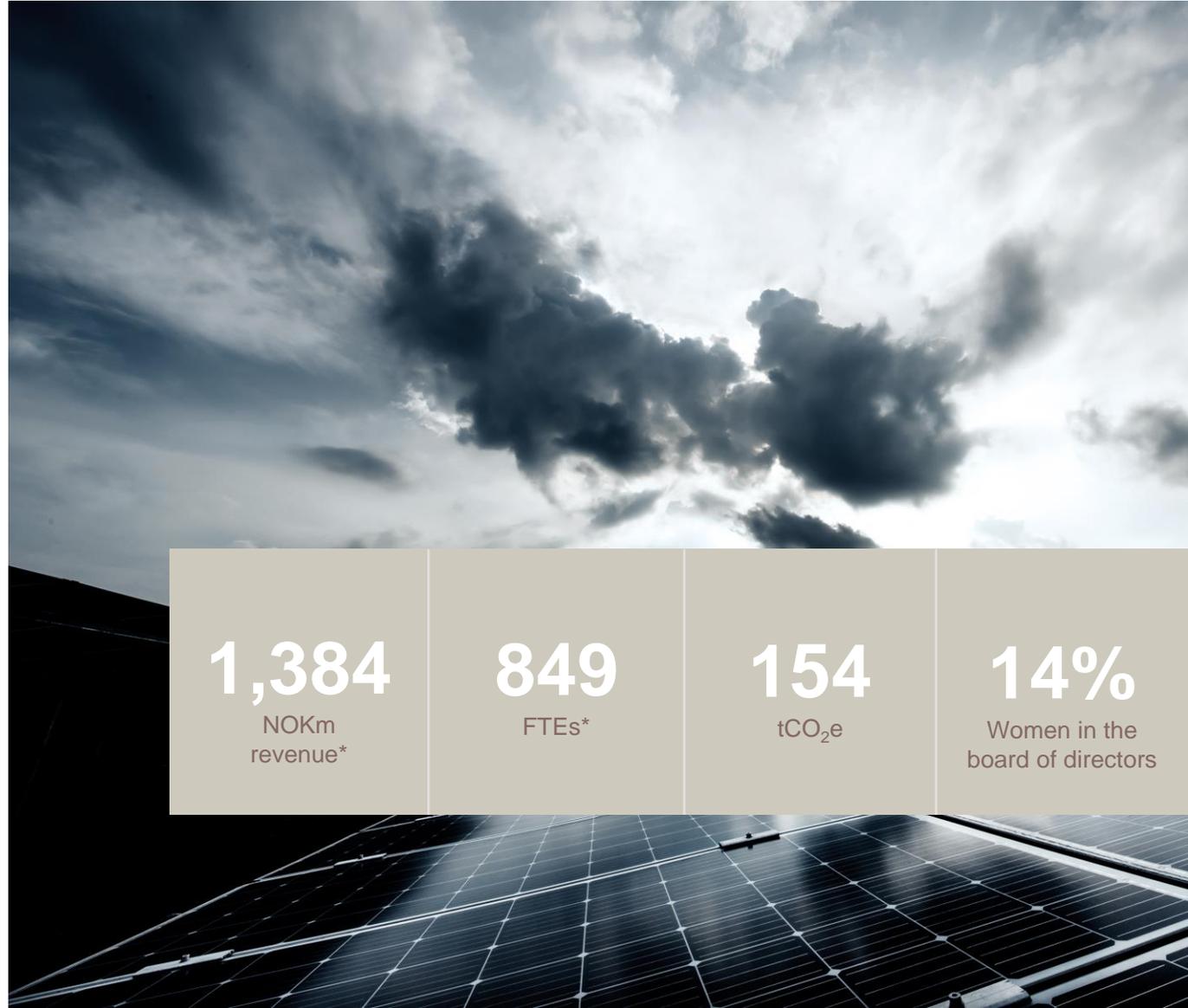
# Contents

---

Company at a glance	4	<b>Annex</b>	
How we look at sustainability	5	Maturity on key material themes	14
Sustainability in the industry	6	Climate risk assessment	20
Overview of the key material themes	7	Impacts and SDGs	21
Managing the key material themes	8	Sustainability integration	22
KPI overview	9		
Progress on 2021 projects	10		
Priority projects	12		

- › Cegal was founded in 2000 and provides mission-critical cloud, software and data management solutions to the Oil & Gas, Renewables and Ocean Industries.
- › Cegal's highly scalable solutions run on datacentre powered by clean energy. The cloud products enable true digital collaboration and secure access to critical industrial control systems, thereby reducing the need for travel.
- › The company has transformed from a local IT services provider based and headquartered in Stavanger, Norway, to a global leader within the respective market niche, operating from Norway, Sweden, Denmark, United Kingdom, Scotland, United States, Canada, Malaysia, and United Arab Emirates.\*
- › In 2021, Cegal joined forces with Sysco, a Norwegian provider of smart applications to the energy industry, and acquired Envision, a Norwegian consultancy and software solutions company. The joint company aims to be a valuable contributor to driving the green shift and solve challenges in other industries with similar needs.
- › Cegal focuses on ESG issues as an integral part of the business model, hence Environmental, Social and Governance principles have been incorporated within operations.

\*Combined data of Cegal and Sysco.



1,384

NOKm  
revenue\*

849

FTEs\*

154

tCO<sub>2</sub>e

14%

Women in the  
board of directors

# How we look at sustainability



## Investigate the industry exposure

First, the relevance of ESG is assessed for the industry that we operate in, and a long-term vision for a sustainable industry is defined.



## Determine key impact areas

Key material themes are highlighted, taking a perspective on the full value chain. They are reviewed on a yearly basis.



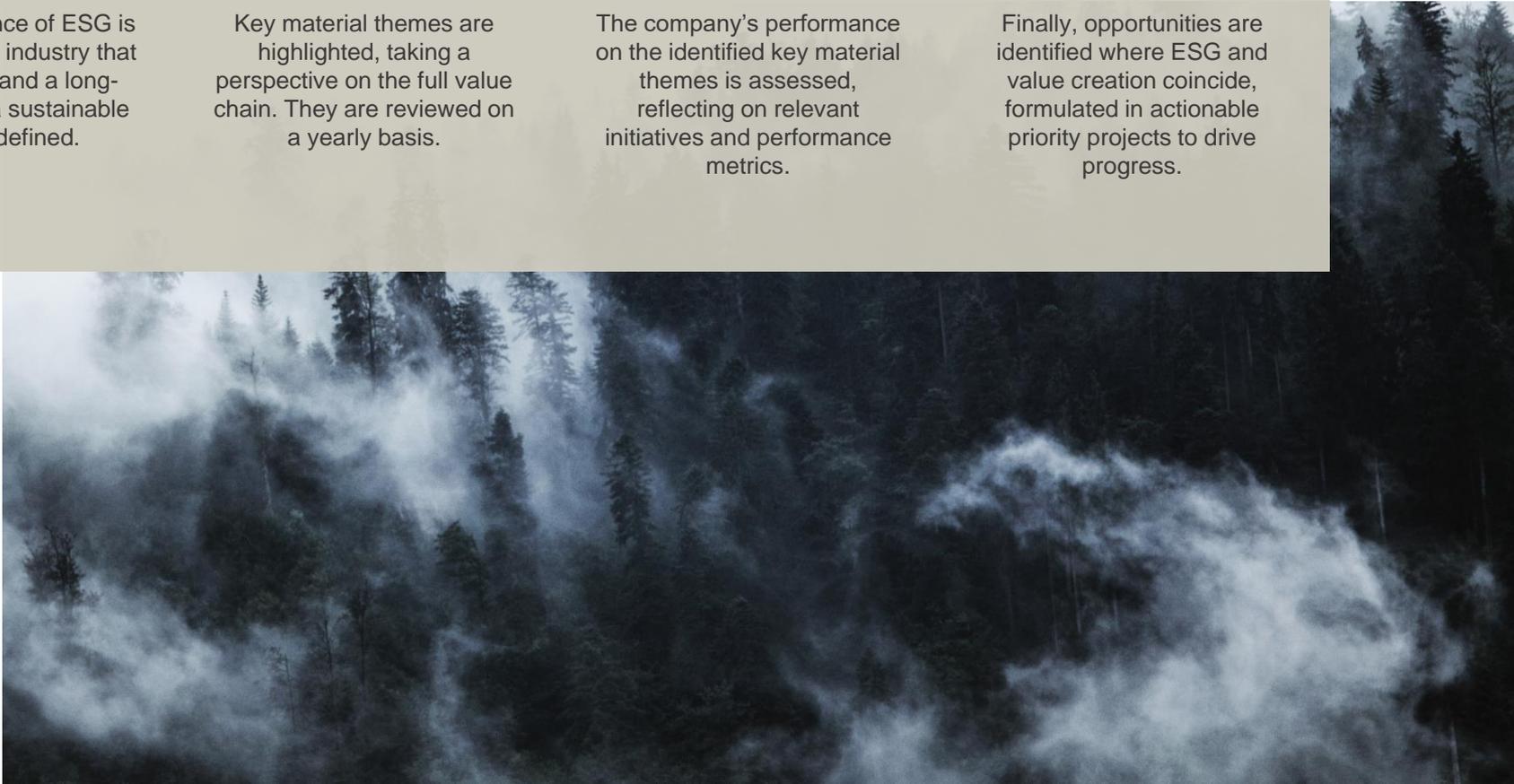
## Assessing performance

The company's performance on the identified key material themes is assessed, reflecting on relevant initiatives and performance metrics.



## Position for the future

Finally, opportunities are identified where ESG and value creation coincide, formulated in actionable priority projects to drive progress.



## Today's industry

- › **Market demand** - Governments, investors and customers are increasingly demanding sustainable action from the Energy & Marine sector, an important end-market for the Software & IT industry. Cloud and software suite providers that meet these needs by integrating digital solutions are in high demand because they increase the efficiency of energy companies' geoscience departments. As consumers are becoming increasingly aware of the environmental and social implications of digital technologies, companies are embedding policies and procedures to increase resilience. For example, policies to ensure human rights are protected and respected throughout the connectivity value chain. Software suite providers at the forefront of embedding these environmental and social factors within their ESG framework are becoming more attractive to the end consumer.
- › **Regulations & certifications** - The regulatory environment influencing software suite providers is largely shaped by data management concerns. Following the EU GDPR, companies must undertake action to ensure the secure handling of customer data. In addition, security standards, e.g. ISO 27017, provide specific guidelines for the implementation of cloud-specific information security systems. In terms of reporting requirements, the EU Corporate Sustainability Reporting Directive will be enacted in 2025, requiring large companies<sup>1</sup> to provide non-financial reporting disclosures. In addition, the Norwegian Supply Chain Transparency Act – i.e. into force July 2022 – will mandate companies<sup>2</sup> to carry out due diligence on human rights and decent working conditions across the entire supply chain.
- › **Industry initiatives** – Industry peers appear involved with sustainability topics. Peers are increasingly engaging with suppliers to reduce carbon emissions using low-carbon technologies, e.g. switching cooling technology from conventional air-based to liquid-based or two-phase, where more heat can be removed per area.

## Long-term vision for a sustainable industry



- › The industry has the potential to reach a future-proof state, yet there are conditions for growth. Cloud and software service providers will have to strive for 100% renewable energy procurement, net-zero emissions and eliminate all data security and privacy-related risks. The end-market, the Energy & Marine industry should reduce greenhouse gas emissions to align with global climate objectives and regulations.
- › The industry will need to enable carbon-intensive market players to lower their footprint, innovate and adapt services to low-carbon technologies, and explore growth pockets in other markets (e.g., ocean industries) to ensure long-term commercial success.
- › A diverse & inclusive hiring policy and employee training programs should be in place to facilitate employee engagement and productivity.
- › Sustainability should be integrated into decision-making throughout the organization, where clients in publicly accepted industries are supported on their sustainability journey.

<sup>1</sup>Cegal falls into the scope of the CSRD – i.e. 2 out of 3 criteria are met: revenues >40EURm; total assets >20EURm; and >250 employees.

<sup>2</sup>Cegal falls into the scope of the Norwegian Supply Chain Transparency Act – i.e. 2 out of 3 criteria are met: >50 FTE employees; turnover >70NOKm; balance sheet sum >35NOKm.

# Overview of the key material themes

Highlighting ESG themes relevant to Cegal and the industry across its value chain using SASB's materiality map

## Company heatmap

	UPSTREAM	OPERATIONS	DOWNSTREAM
	Suppliers	Own operations	Clients
<b>ENVIRONMENTAL</b>			
Climate & energy		<b>Energy &amp; carbon</b>	
Material circularity			
Biodiversity & ecosystems impact			
<b>SOCIAL</b>			
Employee well-being		<b>Talent management &amp; retention</b>	
Customer impact			<b>Service quality</b>
Corporate citizenship			<b>Impact of products &amp; services</b>
<b>GOVERNANCE</b>			
Corporate governance		<b>Data security &amp; privacy</b>	
Supply chain management			
Business resilience & ESG		<b>Sustainability principles</b>	

## Material themes



**Energy & carbon**

Even when carbon intensity is limited, companies should monitor and manage climate impacts in line with international climate goals.



**Talent management & retention**

The challenge to recruit and retain talent can restrain growth. Onboarding, development and reward packages are key to managing and retaining talent.



**Service quality**

Securing the social aspects of IT services, e.g. customer satisfaction and human rights, can strengthen the license to operate and attract and retain customers.



**Impact of products & services**

A service proposition aimed at helping clients achieve their sustainability goals can be expected to drive value creation in the long term.



**Data security & privacy**

Responsible sourcing and integration of ESG throughout the supply chain mitigates risk and promotes good conduct.



**Sustainability principles**

Integrating sustainability principles in the business model and processes is key to sustaining long-term success.

# Managing the key material themes

## Energy & carbon



- › Cegal is focused on lowering its carbon footprint and has set a strategy to do so. By 2024, the aim is to be carbon neutral in targeted areas including products and components, logistics, travel and own sites and operations.
- › In 2021, Cegal obtained the ISO 14001 certification. Environmental topics are managed according to the standards set out in ISO 14001.
- › 98% of the electricity procured is renewable, up almost 25% from 2020.
- › Cegal's cloud solutions are based mainly in Norway and powered by hydropower. The energy consumption of these data centres is closely monitored.
- › Cegal's green shift strategy, approved by the board in 2020, aims to support investments in digital technologies for renewable energy end-markets, such as hydro and wind.

## Talent management & retention



- › Managing, developing and retaining talent is high on the agenda of Cegal, as evident in the multiple initiatives in place (e.g. Women@Cegal and regular employee monitoring).
- › Health & safety is ensured based on ISO 45001 standards, for which Cegal became certified in 2021. Well-being and satisfaction are tracked through a monthly survey that monitors work tasks, culture, workload etc. In 2021, resulting in a 4.5 out of 6 (8% less than in 2020).
- › Remuneration between men and women is monitored. In 2021, the average salary of women was 1% less than men.
- › In 2021, LinkedIn Learning courses were implemented into Cegal's Learning Management System.
- › Diversity and equality is core to the ESG strategy. In 2022, the goal is to have >40% new female hires.

## Service quality



- › By following ISO 9001 principles and guidelines, Cegal aims to deliver a quality service.
- › The quality management system (ISO 9001 certified) contains documented processes, procedures, and responsibilities for achieving quality policies and objectives, and a designated HSEQ team (global shared service) is in place.
- › Customer satisfaction surveys are conducted, where follow-up action is taken in the form of a 1:1 interview with either a key customer or a contract owner.
- › Customer churn is also a key performance indicator for service quality. In 2021, the customer churn was 5.2% of the NOK cloud revenue (exited) - up 8% from 2020.

## Impact of products & services



- › By diversifying offerings to renewable energy markets, Cegal aims to increase the positive impact of its products and services.
- › As part of the green shift strategy, Cegal aims to extend offerings to markets aligned with the renewable energy transition, including offshore wind, hydropower and electricity networks.
- › To strengthen the impact, a merger was realised in 2021 with SYSCO – a company that offers smart applications to the energy sector, enabling different technologies to work together. Both companies will work together to realise the green shift.
- › The energy sector will also undergo a digital transformation. With exposure to ocean industries, Cegal aims to become more efficient with its solutions, whilst saving emissions.

## Data security & privacy



- › To ensure data security and privacy, Cegal has certified its information security management system with ISO 27001.
- › Policies and procedures on data management are established and in line with ISO 27001 and GDPR guidelines.
- › The ISAE 3402 report assures that Cegal has adequate controls in place to ensure data integrity.
- › Over the past few years, Cegal has had no severe security breaches or hacking incidents.
- › 100% of employees received information and security awareness training in 2021. Cegal aims to provide each new employee with information and security awareness training and provide annual refresher training for existing employees.

## Sustainability principles



- › ESG principles are established within Cegal. Key ESG policies, including Code of Conduct, ESG policy and Whistleblowing policy, are in place.
- › Cegal has an ESG committee in place.
- › Key suppliers have been reviewed for ESG compliance. The SYSCO suppliers are pending to be reviewed on ESG criteria.
- › Cegal Humanity was established as an independent organization, partnering with local organizations to help support or fund local humanitarian or international development projects.
- › ESG-related memberships are explored. In 2021, Cegal became a signatory of the UN Global Compact.

# Progress on 2021 projects (1/2)



**Impact of product & service**

**Project** **Contribute to the Green Energy transition**

**Description**

- › Supporting customers in achieving their sustainability goals.
- › Expand the share of revenue from the Renewables vertical by diversifying the offering.
- › Providing digital technologies supporting reduced emissions.

**Ambition**

- › Establish metrics to quantify the positive impact of products & services: MWh/% energy savings.
- › Communicate the revenues stream (%) from renewables using multiple channels (e.g. internal platform and website).



**Progress**

The ambitions have been realised – by moving customer data from on-premise solutions to the public cloud the estimated carbon emission reduction can be computed (~60%<sup>1</sup>).

<sup>1</sup>Based on industry benchmark.



**Energy & carbon**

**Project** **Net Zero**

**Description**

- › Create a roadmap for emission reduction, including procurement of renewable energy and obtaining Guarantee of Origin certificates.
- › Offset indirect emissions through certified programs, e.g. Gold Standard.

**Ambition**

- › Become a carbon neutral company by 2024 for targeted areas (own operations).
- › Communicate the impact of operations to stakeholders through multiple channels (e.g. website).



Due to the merger of Cegal and SYSCO, the target for 2022 will be to set establish the energy and carbon baseline for the merged company including all locations globally.

# Progress on 2021 projects (2/2)

DELAYED  
○○○

IN PROGRESS  
●○○

COMPLETED  
●●●



## Talent management & retention

### Project

#### Women at Cegal

### Description

- › Connect and equip women to shape the future workplace.
- › Set equal pay policy and promote gender equality through Women@Cegal by bringing up discussions on unconscious gender bias and cultural competency.

### Ambition

- › Encourage use of Women@Cegal, Cegal's new female network focusing on gender equality and visibility of women in tech, with monthly target of >1 internal webinar on the platform.
- › Ensure >30% female hires in 2021.



### Progress

Although the ambitions have been realised, Cegal will maintain a focus on diversity in the future; it remains a key part of the Cegal sustainability strategy.



## Sustainability principles

#### Signatory of the UN Global Compact

- › Become a signatory of the UN Global Compact, thereby agreeing to adopt sustainable and socially responsible policies, and to report on implementation.

- › Signatory of the UN Global Compact by the end of 2021.



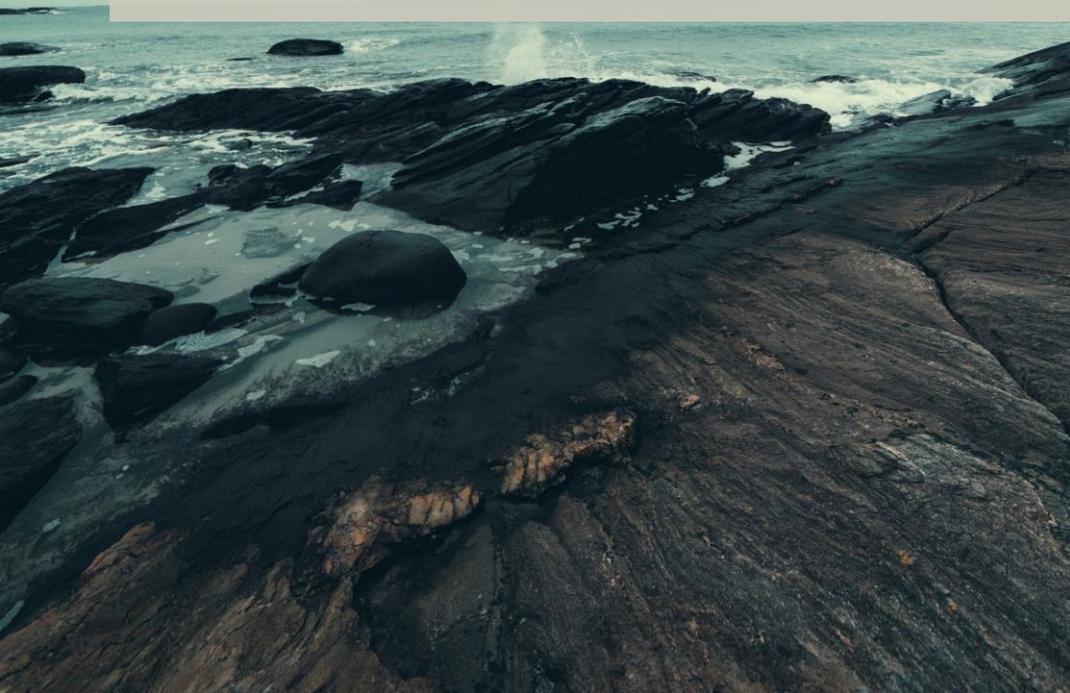
Cegal became a UN Global Compact signatory in 2021, further aligning with the ambition to be more sustainably focused.

A selection of projects has been defined that contribute to fulfilling Cegal’s sustainability ambition(s).

			
	Talent management & retention	Sustainability principles	Sustainability principles
<b>Project</b>	<b>Diversity &amp; equality</b>	<b>ESG communication strategy</b>	<b>Policies &amp; procedures</b>
<b>Description</b>	<ul style="list-style-type: none"> <li>› Cegal aims to improve policies and processes in line with its ambition to be a diverse and equal workforce.</li> <li>› By continuing to focus on diversity in recruitment and embedded equality in established processes and policies, Cegal can work towards a more diverse and equal company.</li> </ul>	<ul style="list-style-type: none"> <li>› Cegal will further improve external communication on sustainability by completing an ESG awareness campaign in 2022.</li> <li>› The aim is to provide stakeholders with information on how sustainability is relevant across the value chain.</li> </ul>	<ul style="list-style-type: none"> <li>› In line with company values to be a responsible social actor, Cegal perceives governance policies and procedures as essential.</li> <li>› The ambition is to embed policies and procedures into operations and drive awareness among employees and other key stakeholders.</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>› <b>Q3 2022:</b> Establish policies and processes to improve diversity and equality – e.g. formalise equal pay policies, revise diversity policy, provide training and define the platform used to recruit diverse talent.</li> <li>› <b>Q1 2023:</b> Redefine practicalities based on feedback/learning and roll-out.</li> </ul>	<ul style="list-style-type: none"> <li>› <b>Q3 2022:</b> Plan for the storyline, required information and external support.</li> <li>› <b>Q4 2022:</b> <ul style="list-style-type: none"> <li>› Create a separate ESG section on the website.</li> <li>› Launch ESG awareness campaign.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>› <b>Q3 2022:</b> Inform employees and stakeholders on policies &amp; procedures and stimulate them to abide by these.</li> <li>› <b>Q4 2022:</b> Set up periodic training sessions with employees to raise awareness and start conversations with stakeholders.</li> </ul>
<b>Responsibility</b>	› Chief People Officer	› ESG Committee	› ESG Committee

---

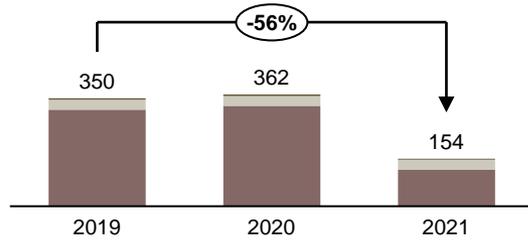
# Annex



## CARBON FOOTPRINT<sup>1</sup>

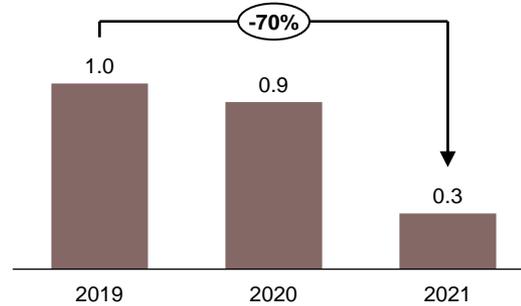
tCO<sub>2</sub>e

- Scope I - Fuel consumption
- Scope II - Electricity & district heating
- Scope III - Air travel



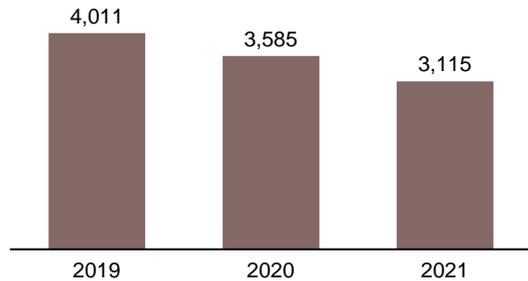
## CARBON INTENSITY

tCO<sub>2</sub>e / FTE



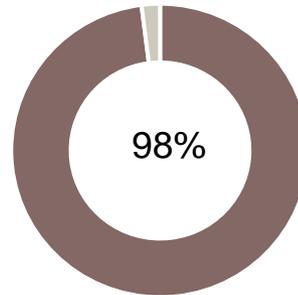
## ELECTRICITY CONSUMPTION<sup>2</sup>

MWh



## RENEWABLE ELECTRICITY<sup>2</sup>

%



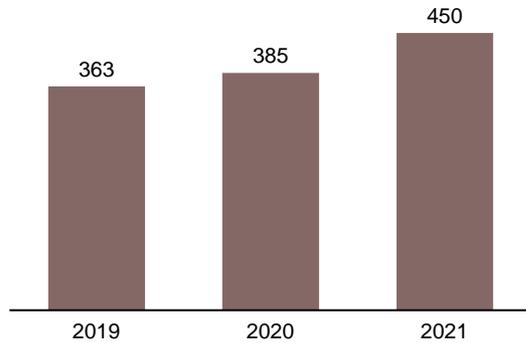
- › Scope I emissions are based on fuel consumption within Cegal, currently driven by diesel from company fleet.
- › Scope II emissions are based on electricity consumption at data centres and offices. Offices emission factors are based on the countries where the electricity is procured. The data centres in Norway have been powered by renewable energy. Last year, the data centres in the UK and the Netherlands improved their renewable rating and are now powered by 100% renewable energy.
- › Scope III emissions include air travel, which has been limited due to COVID-19 restrictions.

<sup>1</sup>Air travel has been normalised from 2019-21, similar for district heating for 2019 and 2020; <sup>2</sup>Includes data centres. Source: Greenhouse Gas Protocol, Company data, MJ Hudson assessment

# Talent management & retention

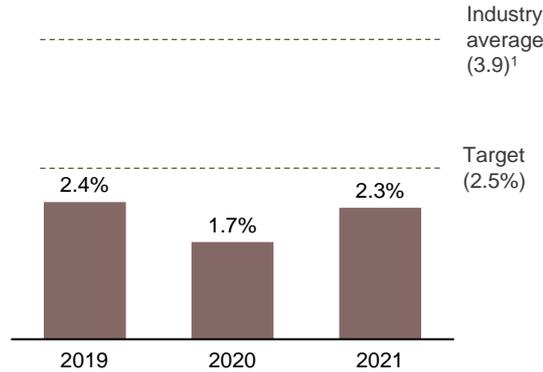
## EMPLOYEES

Permanent FTEs



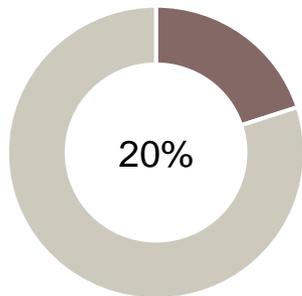
## ABSENTEEISM RATE

%



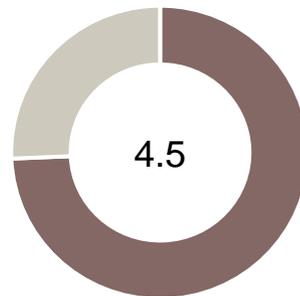
## GENDER DIVERSITY

% of female FTE



## EMPLOYEE SATISFACTION

Score out of 6

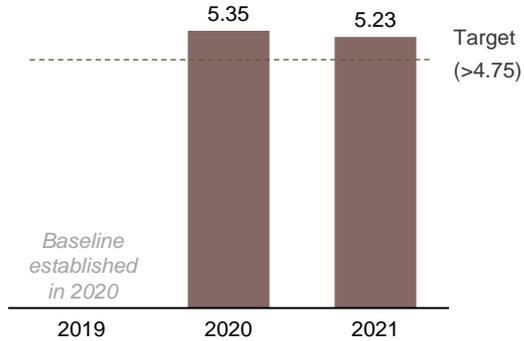


- › Cegal complies with principles related to equal opportunities and diversity in employment practices. Policies and procedures on these topics are known and distributed through Cegal’s management system.
- › In 2020, Women@Cegal was established; a newly established female network and platform for both professional and social activities for all women in Cegal. The mission is 'SHAPING the future workplace' through the exchange of experiences, skills and personal development.
- › Employee satisfaction is monitored through a monthly Human Experience Index survey. This survey covers topics such as workload, work tasks, work environment, feedback to employees and information flow. Improvement measures are taken based on the survey results.
- › Employees are free to join a labour union, e.g. Tekna or Nito. No collective labour union agreements have been established yet.
- › All employees must complete various joint courses in accordance with certifications in Pangea Learning, the internal training module. Training courses are in place per department as well.

<sup>1</sup>Based on Statistics Norway (SSB) 2021 averages for the 'Information and communication services' industry. Source: Company data, MJ Hudson assessment, SSB

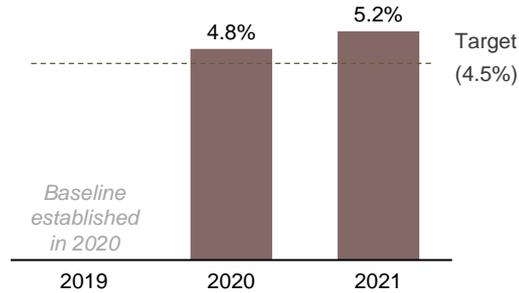
## END USER SURVEY

Score out of 6



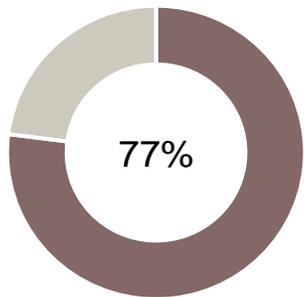
## CUSTOMER CHURN<sup>1</sup>

%



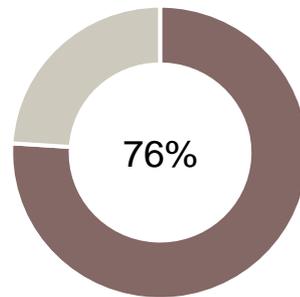
## EXECUTIVE SATISFACTION

%



## CUSTOMER SATISFACTION

%



- › Service quality is a key priority for Cegal. In 2020, key KPIs were measured and recorded for the first time. With the intention to track progress and evaluate accordingly.
- › Cegal annually publishes a 'Service Quality' report, disclosing the results of key performance indicators, such as end-user survey and annual customer satisfaction.
- › The customer churn number represent the % churn for the cloud business. For 2021, the customer churn was equivalent to 5.2% of the NOK cloud revenue (exited).
- › Cegal's quality management system is certified according to ISO standards: 9001 (quality) and 27001 (information security & privacy).



ISO 9001



ISO 27001

<sup>1</sup>Based on 14 customers voluntarily leaving Cegal on a total of 288 customers

Cegal's tools and expertise help clients unlock sustainability goals using digital solutions.

- › Sustainability has not only become a license to grow, but it has also transformed into one of the most promising paths to growth.
- › Cegal's 2025 Vision is set up to help companies beyond the oil & gas sector to transform into organizations that meet sustainable standards of tomorrow's economy.
- › In addition, increasing data efficiency for companies' geoscience departments, whose software and applications are resource-intensive and have required bulky and weighty hardware, such as high-end workstations, that consume significant amounts of energy, generate significant noise pollution, and limit user accessibility. GeoCloud may enable sustainability and a green transformation of the E&P industry.
- › Recycle and re-use of equipment are implemented.
- › In 2021, Cegal has created a process and baseline for the impact of products and services, extending beyond own equipment by also including third party vendors and components.

## One Example



### Cost & energy efficiency

High-end workstations consume significant amounts of energy and generate considerable noise pollution. By using Cloud, you can significantly reduce energy consumption levels, energy costs, and noise levels.

For example:

Switching 100 employees from high-end workstations to laptops would lead to energy savings equivalent to 12 households per day, or charging an iPhone 47,000 times.

### Impact of switching 100 workstations

Reduced energy consumption

**~500**  
kWh / day

# Climate risk assessment

## Type of risk

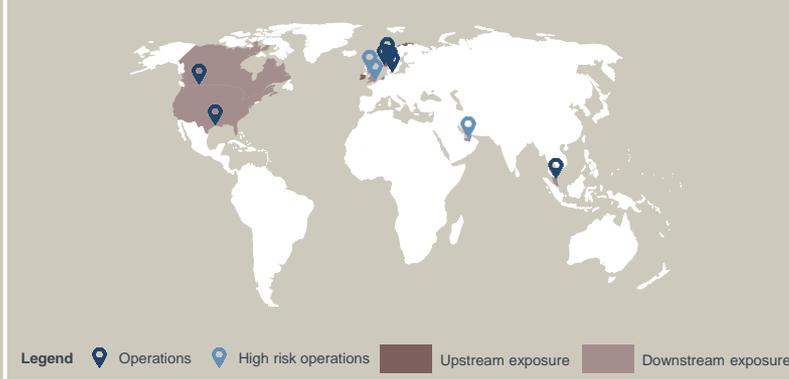
### Physical climate risks

## Description

To assess exposure to physical climate risks, a company's geographical presence and its upstream and downstream exposure are considered. The risk score takes water stress and country ESG RepRisk into consideration, retrieved from Aqueduct Water Risk Atlas tool – recognized for physical climate risk assessment by the TCFD.

## Exposure

### Geographical presence Cegal



## Risk score



### Transition risks and opportunities

The transition risk element captures the risks associated with a shift to a low-carbon economy and the opportunity element portrays how well a company is positioned for a shift to a low-carbon economy. An example of a transition risk element would be high costs associated with the transition to lower emission technology.

### Transition risks



### Transition opportunities



Legend: Material (dark brown), Less material (light brown)

### TRANSITION RISK



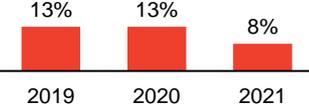
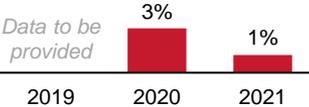
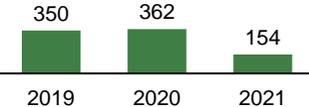
### TRANSITION OPPORTUNITIES



- **Policy & legal:** Increased pricing of GHG emissions could lead to higher offsetting costs, thus challenging the carbon neutral trajectory.
- **Technology:** Pressure for companies to be more sustainable could require expenditure to shift to technologies with lower emissions.
- **Energy source:** Sourcing green electricity, backed by Guarantee of Origin, could reduce sensitivity to changes in the cost of carbon.
- **Markets:** By leveraging the green shift, Cegal could experience increased business model resilience, potentially increasing valuation.

<sup>1</sup>London, Dubai and Calgary have high water risk. London and Calgary have a good socio-economic coping capacity, with Dubai's capacity being low to medium; <sup>2</sup>Dubai and Malaysia, e.g., have low to medium socio-economic coping capacity. Source: Aqueduct Water Risk Atlas, MJ Hudson analysis, TCFD

# Targeted UN SDGs\* for Cegal

Company activity	SDG	SDG target	SDG indicator	Company KPIs						
Empower women throughout all levels in the company	 <p><b>5 GENDER EQUALITY</b></p>	<p><b>5.5:</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>	<p><b>5.5.2:</b> Proportion of women in managerial positions.</p>	<p><b>Women on the board and management group, %</b></p>  <table border="1"> <tr> <td>2019</td> <td>2020</td> <td>2021</td> </tr> <tr> <td>13%</td> <td>13%</td> <td>8%</td> </tr> </table>	2019	2020	2021	13%	13%	8%
2019	2020	2021								
13%	13%	8%								
Stimulate training and development for employees	 <p><b>4 QUALITY EDUCATION</b></p>	<p><b>4.4:</b> By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p>	<p><b>4.4.1:</b> Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill.</p>	<p><b>Training budget, % of payroll</b> IRIS+ OI4229</p> <p><i>Data to be provided</i></p>  <table border="1"> <tr> <td>2019</td> <td>2020</td> <td>2021</td> </tr> <tr> <td><i>Data to be provided</i></td> <td>3%</td> <td>1%</td> </tr> </table>	2019	2020	2021	<i>Data to be provided</i>	3%	1%
2019	2020	2021								
<i>Data to be provided</i>	3%	1%								
Minimise carbon emissions of operations	 <p><b>13 CLIMATE ACTION</b></p>	<p><b>13.2:</b> Integrate climate change measures into (national) policies, strategies and planning.</p>	<p><b>13.2.1:</b> Number of countries that have communicated an integrated plan for adaptability and resilience to climate change;</p> <p>- For companies: GHG contribution to national emissions.</p>	<p><b>Carbon footprint, tCO2e</b> IRIS+ OI7390</p>  <table border="1"> <tr> <td>2019</td> <td>2020</td> <td>2021</td> </tr> <tr> <td>350</td> <td>362</td> <td>154</td> </tr> </table>	2019	2020	2021	350	362	154
2019	2020	2021								
350	362	154								

Cegal's activities are mapped to the SDGs and relevant targets. Each activity identified contributes to an IRIS+ KPI. Potential for national contribution is assessed using the SDG Report 2021, highlighting countries in the value chain that can benefit from company activities.

## Sustainability policies, certificates and targets

- › Relevant ESG-related policies are in place (ESG, H&S, Code of Conduct, Anti-bribery, Whistleblowing, Diversity, Gifts, Purchasing). Cegal maintains all procedures and policies up to date at any point in time.
- › With the 'From subsurface to beyond' corporate strategy, Cegal helps end-markets in line with a sustainable future, such as renewable energy and Ocean industries, increase data efficiency in client's geoscience departments – i.e. the most data-intensive part of these companies.

## Engagement & responsibility of the Board of Directors

- › ESG is on the agenda of every board meeting. Key ESG performance indicators are discussed on a monthly basis in board meetings: 1) HR: turnover, sick-leave, HCI (satisfaction); 2) Information Security: customer churn, customer data loss, confidentiality loss, integrity loss, availability loss; 3) Service Quality: end user survey, annual satisfaction survey, customer churn, executive annual survey, and project quality.

## Risk inventory and evaluation

- › The Cegal Management System is the company's systematic approach to managing health and safety.



## Quality of monitoring systems

- › A dedicated HSEQ manager is in place, who is responsible for the quality management system.
- › Operations are certified according to ISO 27001 (since 2015), and ISO 9001 (since 2019). The scope includes the business processes at all Cegal locations worldwide. The company has issued ISAE 3402 Type 2.
- › The ISO 14001 and 45001 are also in place since 2021.

## Ensuring supplier compliance to Sustainability standards

- › A Supplier Code of Conduct and Procurement Provider Policy are in place.
- › Suppliers are assessed and processes are in place to return and dispose used materials (e.g. IT equipment).
- › Annual risk assessment of all major vendors takes place within the supply chain. ESG criteria are taken into consideration, including compliance with the ISO standards: 9001, 14001, 27001 and 45001.

## Transparency and reporting

- › This sustainability report addresses Cegal's performance on key material sustainability themes and is issued on an annual basis. The report has been publicly shared on the website to provide greater transparency on how ESG is integrated into Cegal's business model and operations.
- › In addition, HSEQ issues and company statements are addressed on Cegal's website.

Policy		Comment
ESG / CSR policy	☑	› Revised and updated in December 2021
Code of Conduct / Employee Handbook	☑	› Provided to all employees
Sanctions procedure	☑	› In place
Third-party risk management procedure	☑	› All major suppliers are reviewed for ESG compliance
Supplier Code of Conduct	☑	› Ought to be signed by all suppliers
Standard agency agreement	☑	› Ought to be signed by all agents
Contract policy	☑	› In place
Diversity / anti-discrimination policy	☑	› Aims to promote diverse and inclusive workforce
Anti-corruption and anti-bribery policy	☑	› Implemented, all employees should be familiar with
Whistleblowing policy	☑	› In place
Executive compensation policy	☑	› Aims to clarify salaries and company bonuses
Data / privacy / IT security policy	☑	› In line with GDPR requirements
Dawn raid procedures	☑	› In place
Health & safety policy	☑	› In place
Anti-trust policy	☒	› Not in place

- › Key ESG-related policies have been established by Cegal and are embedded into operations.
- › The ESG policy has been updated based on established standards: ISO 14001 (environmental management) and ISO 45001 (health & safety management).
- › Cegal is compliant with all relevant environmental and social laws and regulations.

# The UN Global Compact



## The Ten Principles:

### Human rights

**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.

### Labour

**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.

### Environment

**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.

### Anti-corruption

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

## Cegal's commitment

**Cegal commits to ensuring that basic responsibilities to the people and planet are integrated into strategies, policies and procedures, and having a culture of integrity. Cegal will publicly disclose its commitment to the ten principles of the *UN Global Compact*.**

Cegal operates in ways that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption by having policies and practices:

- › Supporting and respecting human rights by providing safe and healthy working conditions.
- › Requesting suppliers to be compliant to the Code of Conduct to ensure human rights and proper working conditions is respected at the supplier.
- › Respecting international guidelines and standards to ensure Cegal is not complicit in human rights abuses.
- › Giving workers the right to form and join a trade union of choice without fear of intimidation or reprisal, in accordance with national law.
- › Ensuring proper labour and working conditions, to safeguard the health and safety of the employees and to promote the development of the communities in which the company operates.
- › Believing in equal opportunities and being a stimulating workplace with an inclusive working environment; quantified remuneration of women to men and ensuring no harassment, discrimination or bullying occurs.
- › Helping clients unlock sustainability goals using digital solutions.
- › Providing systematic training related to anti-bribery & corruption.