

Communication on progress – Opera Software Group 2017

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Statement of continued support by the Chief Executive Officer

Opera is pleased to reaffirm our support to the United Nations Global Compact.

Creating a responsible and sustainable business is an integral part of Opera's business. We are committed to the highest standard of social responsibility and believe that transparency and openness are key elements in obtaining a sustainable and responsible operation.

In this report, we describe our effort and results related to the Global Compact and its ten principles on Human Rights, Labor, Environment and Anti-Corruption.

We continually strive to make the principles a part of our company's strategy, culture and day-to-day operations.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lars Boilesen', with a large, stylized initial 'L' and 'B'.

Lars Boilesen

Brief description of nature of business

Opera holds shares in several different businesses, including AdColony which helps publishers monetize their content through advertising and advertisers reach the audiences that build value for their businesses, capitalizing on a global consumer audience reach that exceeds 1 billion; Opera Apps and Games (Bemobi); "Performance & Privacy" (Skyfire and Surfeasy); and Opera TV (30%).

Mobile Advertising

Mobile Advertising revenue is primarily comprised of revenue based on the activity of mobile users viewing ads through 3rd Party Publishers, such as developer applications and mobile websites. Revenue is recognized when Opera's advertising services are delivered based on the specific terms of the advertising contract, which are commonly based on the number of ads delivered, or views, clicks or actions by users on mobile advertisements.

Apps & Games

Apps & Games revenue is primarily comprised of: i) Subscription revenue when a user purchases a subscription from Bemobi's mobile-app discovery service, (ii) Opera-branded Opera Mobile Store (OMS), when a user purchases a premium application, and (iii) Subscription revenue when a user purchases a subscription from a "co-branded" mobile store, or a white-label operator-controlled version of the mobile store, which is also known as the Opera Mobile Subscription Store.

Performance & Privacy

Performance and Privacy Apps revenue is primarily comprised of i) subscription revenue generated by Opera's VPN service for smartphones, tablets, and computers, and ii) license fees from Rocket Optimizer™

Corporate Costs

Corporate costs comprise primarily i) costs related to personnel working in functions that serve the Group as a whole including CEO/Board of Directors, corporate finance and accounting, legal, HR and IT, and ii) costs related to business combinations and the strategic review process.

Opera is headquartered in Oslo, Norway. We have offices in Europe, Asia, Africa, South and North America, with more than 31 different nationalities represented.

HUMAN RIGHTS

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2

Businesses should make sure that they are not complicit in human rights abuses.

Commitment

Opera respects and observes internationally proclaimed human rights.

All Opera employees must adhere to the existing laws and regulations, contractual obligations, internationally acclaimed human rights and the demands that good business conduct and commonly approved personal conduct require.

Our actions

Ethical Code of Conduct

The Ethical Code of Conduct is created to help employees, clients and business partners understand Opera's values and standards. Opera's reputation is created by the conduct of each individual staff member - therefore, all staff members are obliged to familiarize themselves with the Ethical Code of Conduct when joining the company.

The Ethical Code of Conduct focuses on the following key areas: the rights and obligations of our employees, a healthy and safe working environment, anti-corruption and the external environment.

A violation of the Ethical Code of Conduct may result in disciplinary action, up to and including termination of employment. Several of the guidelines concern actions that are also punishable offenses. The Human Resources department is responsible for following up any possible breaches.

Our Products

Opera's AdColony business' goal is to power the mobile advertising ecosystem through innovative and differentiated mobile advertising services and technology solutions, with a focus towards consumer experience, privacy and providing value to the mobile ecosystem. Opera's mission is be the highest quality mobile advertising platform in the world, delivering innovative brand experiences that evoke emotion and drive real outcomes fueled by data, technology and creativity.

Opera's SurfEasy product provides simple to use solutions to help consumers protect their online privacy, security and freedom. SurfEasy's popular VPN Applications encrypt the data "in and out" of a consumer's iOS, Android, Mac or PC device.

The cornerstone of Opera's Apps & games offering is Bemobi, a leading subscription-based mobile-app-discovery service in Latin America. Bemobi offers a unique, "Netflix-style" subscription service for premium Android apps.

Freedom of expression and the right to privacy

Freedom of expression and privacy are fundamental human rights. Opera strongly believes in these rights, and we will continue to strive to protect them for our users, employees, partners and stakeholders. Conversely, new technologies can be used to invade citizens' privacy. Opera will take the required measures to protect our users' basic right to privacy and freedom of expression.

Measurement of outcome

We continually strive to make the UN Global Compact principles on human rights a part of our strategy and operations.

No claim regarding human rights has been made in the period covered by this Communication on Progress.

LABOR

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Commitment:

Opera recognizes the freedom of assembly, including the right to form labor unions, and the right to collective bargaining.

Our actions:

Discrimination of employees based on union membership does not occur at Opera.

Measurement of outcome:

Discrimination on the basis of membership in a labor union has not occurred at Opera in the period covered by the Communication on Progress.

Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labor.

Commitment:

Opera respects international conventions prohibiting compulsory labor, such as the ILO Convention concerning forced or compulsory labor.

Our actions:

Forced or compulsory labor has not and will not take place at Opera. All employment with Opera is based on a mutual agreement between employer and employee.

Measurement of outcome:

Forced or compulsory labor has not taken place at Opera in the period covered by this Communication on Progress.

Principle 5

Businesses should uphold the effective abolition of child labor.

Commitment:

Opera respects international conventions and legislation abolishing child labor, such as the ILO Convention concerning Minimum Age for Admission to Employment.

Our actions:

Opera does not directly or indirectly use child labor.

Measurement of outcome:

Child labor has not taken place at Opera during the period covered by this Communication on Progress.

Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Commitment:

Opera is committed to interact with our employees in the same way as we strive to interact with our customers, following the highest ethical standards and respect for individuality.

Our actions:

Equal opportunities and non-discrimination

Opera strongly condemns discrimination. We believe that people should be treated with respect and insist on fair, non-discriminative treatment, regardless of irrelevant factors such as nationality, political views, religion, sexual orientation and gender.

We promote cultural diversity and we are proud to have more than 31 nationalities represented within the company. We pride ourselves in being an international organization, where innovation and teamwork take place across borders and time zones.

We continually work to improve the gender balance in the company. At the end of 2016 32% of our staff members were women. In addition, the Board of Directors of Opera was represented by two female members.

Opera seeks to promote and encourage our female leaders. As an example, several of our female leaders are or have been part of the leadership program Female Future, a leadership and boardroom competence development program for female leadership talent.

The principles of equal opportunities and non-discrimination are present throughout the organization and in all company activities. When recruiting, we use assessment methods such as programming tests and test cases to give equal opportunities to all qualified applicants. Similar approaches are exercised when promoting, offering training opportunities, etc.

We aim to give equal opportunities to employees in both their work and personal lives. One of the benefits for all male employees is the opportunity to have two weeks of paid father's leave upon the birth of their child. By doing this, we are emphasizing the importance having a healthy work-life balance, regardless of the geographical location or local labor legislation

Health and safety

At Opera, we strive to offer our staff members a safe, healthy and inspiring work place. We have a highly international workforce, where we combine the responsiveness of a flat structure with an extreme focus on results and innovation.

Opera prides itself as being a family oriented company. We emphasize the importance of a healthy work-life balance, encouraging our employees to take time to focus on family and friends. This view is reflected in our family-friendly policies, such as our two weeks of leave at birth for fathers.

Discrimination on the bases of sickness or disability shall not occur at Opera. We work hard to meet all our employees' needs - we offer shorter working hours and other services to accommodate our employees with disabilities our other particular needs.

Metrics from 2016 indicate a satisfied and content workforce - Opera has a low sick leave, with an average of 2.95 % in 2016.

Whistleblowing

Opera encourages freedom of speech and blowing the whistle on malpractice, fraud, illegality, or breaches of rules, regulations, and procedures or raising health and safety concerns.

An Opera staff member making a whistleblowing report is protected from any repercussions, such as dismissal and other forms of reprisal. To secure an effective procedure, staff members may blow the whistle either in person or anonymously to the Work Environment committee.

To improve communication and ensure that issues do not escalate to the point where they become a whistleblowing case, Opera focuses on the following practices:

- Communicate the company's norms, values, and rules and regulations regarding ethical conduct.
- Create an open atmosphere by making sure that staff members have the opportunity and possibility to meet and discuss issues in formal and informal settings.
- Discuss and put questions regarding freedom of speech and whistleblowing on the agenda in internal communications.
- Ensure that there is a Work Environment committee in place that meets regularly to discuss issues.

Diversity and Inclusion Training

Employees and Managers participate in Diversity and Inclusion Training every 12 months in order to prevent harassment and discrimination of all forms.

Harassment Policy

The company's harassment policy is presented during orientation and encourages employees to report any and all forms of harassment they either witness or hear

about without reprimanding or breach of confidentiality. The new employee is also made aware of who their Human Resources Business Partner is should any concerns or needs arise throughout their employment.

Measurement of outcome:

There have been no reports of harassment or discrimination at Opera in the period covered by this Communication on Progress.

ENVIRONMENT

Principle 7

Businesses should support a precautionary approach to environmental challenges.

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility.

Commitment:

Opera believes that the business should support environmental policy and voluntary action.

Our actions:

Corporate Social Responsibility

The company sponsors various charities both locally and around the world to protect the environment and prevent further damages. Employees participated in a coastal cleanup that occurs every September throughout California. The company also sponsors a non-profit called The Thirst Project, which builds water wells around the globe for villages that do not have access to clean water.

Commuter benefits

Employees can elect pre-tax dollars into flexible spending accounts dedicated to transit costs to encourage public transportation and the reduction of vehicles on the road.

Measurement of outcome:

A large number of our employees takes part on these initiatives and reports positively about the experience.

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

Commitment:

Opera understands the importance of supporting the environment and seeks to prevent any negative environmental impact our activities might have. Opera has incorporated our environmental policy as a part of the Ethical Code of Conduct.

Our actions:

Opera shall:

- Act according to environmental laws to limit the environmental burden on earth, air, water and ecosystem.
- Commit to using environmentally safe products in the workplace.
- Educate staff about company environmental regulations.
- Evaluate the consumption of energy and other resources to determine means of control.
- Ensure the development of environmentally protective procedures.

For several years, Opera has made data-center efficiency, low-power CPUs in our servers and procuring power from renewable energy sources key components of our hosting-expansion strategy. Our colocation agreements with data centers require the use of renewable energy and compliance with our power efficiency standard. Across all locations, we are 27% more efficient than the Uptime Institute industry average. Opera's approach reduces the cost per transaction and the negative environmental impact of our company.

When purchasing servers and other larger infrastructures, we focus on reducing waste throughout the lifecycle of the product. New purchases are assembled at the factory and delivered with minimal packaging. We focus on using the equipment as long as it is efficient, often years longer than the original expected life. When used equipment is ready for retirement, Opera has entered into a collaboration with Greentech, part of the Arrow Group, who buy and refurbish equipment, before they resell or recycle it.

Opera works actively to reduce the production of paper waste from our operations. Further, Opera has effectively removed all disposable cups and glasses from our offices. Instead, our employees receive a personal cup and water bottle upon joining the company. We encourage keeping the lights out after hours and in unused areas. We encourage the use of video conferencing, rather than extensive traveling.

Measurement of outcome:

We support the environment and seek to prevent negative environmental impact our activities might have. As a consequence, all employees are obliged to follow the Ethical Code of Conduct, containing the company environmental policy. We are continually evaluating our green-technology data centers and other measures to reduce our environmental impact.

ANTI-CORRUPTION**Principle 10**

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

Commitment:

Opera abstains from and works actively to combat corruption, including extortion and bribery. Corruption distorts economic decision-making, deters investment, undermines competitiveness and, ultimately, weakens economic growth.

Our actions:

There is no single, comprehensive, universally accepted definition of corruption. Therefore, each Opera employee must adhere to the existing laws and regulations in his/her country of operation. At a minimum, Opera's internal regulations apply to all employees. Controls are made to ensure that the rules are followed. The following is an extract of these guidelines.

Conflicts of interest**Economic and/or other benefits for employees**

Our employees must neither directly nor indirectly receive payment, gifts, travel, overnight stays or other benefits from the company's business partners when these are:

1. not in accordance with common and approved business-related hospitality or concern
2. not of an immodest scope in connection with value and frequency
3. not to be regarded as appropriate according to time and place
4. considered to influence the receiver's conduct on behalf of the company for some reason or other

The company's employees must neither directly nor indirectly have personal business-related contact with contractors who work within his/her area of responsibility without approval from the supervisor. No employees must work on or deal with any matter in which they themselves, their spouse, partner, co-habitant, close relative, or any other person with whom they have close relations, has a direct or indirect financial interest.

Employees must also be opposed to situations where a personal friend/relation, according to pt. 3, is put in a situation the employee him-/herself would be prevented from according to pt. 4.

If the employee or a personal friend/relation is offered a personal benefit that exceeds what is regarded as allowed above, this must be reported to the supervisor.

Further, the company's employees must avoid any conflicts between their own interests and those of the company. For that reason, no one should participate in or try to influence matters for which special conditions pertain which could diminish confidence in the person's independence or impartiality.

Conditions such as this are present when the employee him-/herself or someone close to that person has a direct or indirect interest in the matter. Anyone who is disqualified needs to personally inform his or her superior of this immediately and abstain from any involvement in the matter.

If employees know of any circumstances likely to undermine trust in his/her impartiality and integrity of work, the employee must notify Opera's Legal department.

Economic and/or other benefits for business partners, etc.

No employee shall offer or perform illegal or unauthorized economical or other benefits to or for public employees or customers' employees in order to achieve or

maintain business-related advantages for the company. Services that are allowed under pt. 4 may normally be given.

The above point entails among other things that it is illegal to make use of particular methods such as sub-delivery, purchase orders and consultant arrangements, etc., to transfer illegal or unjustified economical or other benefits for the persons mentioned.

Insider trading

Opera employees are prohibited from trading in Opera securities based on information that is material, non-public information; that is, the public does not yet have access to this information, and this information may be deemed interesting for an investor to use when deciding whether to buy or sell securities. This rule also applies to other companies, where Opera employees may have access to such nonpublic information.

Gifts

It is a normal part of business life to exchange business courtesies, such as meals, transportation, recreation, facilities or small gifts. Such an exchange of business courtesies must always follow local laws and regulations and not put any Opera employee in the position of a sense of obligation to return the favor, compromise professional judgment or create the appearance of compromise or corruption. Opera employees should always check with their manager or the HR department, if in doubt, and consider whether the exchange of business courtesy would be acceptable if it should become publicly known.

No person acting on behalf of Opera is allowed to accept any amount of cash or cash equivalents (such as gift certificates or market securities and similar), regardless of sum. Correspondingly, cash or cash equivalents may never be offered by Opera employees as a business courtesy, regardless of sum.

Money laundering

Money laundering is the process of concealing illicit sources of money. Opera employees are forbidden to engage knowingly in transactions that facilitate money laundering or result in unlawful diversion.

Bribery

No person acting on behalf of Opera shall attempt to influence someone in the conduct of their post, office or commission by offering an improper advantage. Nor shall improper advantage be offered to anyone for the purpose of influencing third parties in the conduct of their post, office, or commission.

Correspondingly, no person acting on behalf of Opera shall request, accept or receive improper advantage in connection with his/her position or assignment or for the purpose of influencing a third party.

Improper advantage can take different forms, including but not limited to money, objects, credits, discounts, travel, accommodation and other services.

Political contributions

The company must, as a main rule, not make any contributions in support of political parties. Exceptions to this rule may be made only by the company's CEO.

Measurement of outcome:

All Opera staff members must adhere to the existing laws and regulations in his/her country of operation. Staff must further obey by the internal Opera guidelines regulating anti-corruption.

There has been no report of corruption, including extortion and bribery, in the period covered by this report.