

# REPORT ON CORPORATE SOCIAL RESPONSIBILITY

This is KMD's statutory report on corporate social responsibility pursuant to Section 99a of the Danish Financial Statements Act. The report provides an overview of KMD's work as a socially responsible company. A broader overview of KMD's CSR efforts can be accessed at [www.kmd.dk/csr](http://www.kmd.dk/csr). This does not, however, form part of the reporting pursuant to Section 99a.

Over the last 40 years KMD has provided digital support to Denmark's public sector. KMD is therefore a highly integrated part of Denmark's welfare state, and this forms the starting point for KMD's work on CSR.

In 2012 KMD has focused on implementing the strategy for working on CSR introduced by the company in 2011. This was done in conjunction with committing KMD to the 10 principles of the UN Global Compact.

The strategy comprised five general themes: Welfare, Digital Denmark, Employees, Climate & Environment and Supply chain. The strategy was tightened further in 2012 and now covers only four themes: Digital welfare, Employees, Climate & Environment and Supply chain. Efforts in relation to each of these themes are described in more depth below.

Together with the 10 principles of the UN Global Compact and KMD's CSR policy, the strategy forms the basis for KMD's work on corporate social responsibility. For KMD, this means that we as a company do not represent a barrier to but instead make a contribution to social, economic and environmental sustainability.

This entails starting from KMD's position as an IT company with a vision of creating digital shortcuts for customers and society. In terms of CSR, this means that KMD will create digital shortcuts that contribute to a richer, safer and more sustainable society.

Work on corporate social responsibility in KMD is coordinated by the company's CSR Board, chaired by CEO Lars Monrad-Gyllum and comprising the Senior Vice Presidents for Business Development, Sales and Marketing, Facility Management, Law, and HR and Communication. The CSR Board issues guidelines for the company's CSR efforts, and monitors and ensures progress on the targets set for the various priorities. KMD's works council also serves as a reference group for the development of CSR work.

KMD considers the overall achievements in relation to the company's corporate social responsibility to be satisfactory.

# DIGITAL WELFARE

## RESULTS ACHIEVED

In 2012 KMD has chosen to focus on Digital welfare in terms of citizen-focused service areas in the public sector: education and the health and care sector. KMD sees great opportunities for Denmark as a society to find digital solutions to the demographic and economic challenges facing the welfare model we have established. As one of Denmark's largest IT providers, KMD seeks to support this in a responsible manner. We are therefore focusing on extending solutions and sharing knowledge, but are aware of the challenges increased digitization may present for individual groups in society.

### LEKTIER ONLINE

KMD has entered into a partnership with the State and University Library in Aarhus to establish three online "homework cafés" at KMD's sites in Ballerup, Odense and Aalborg. The "Lektier Online" [homework online] project involves up to 48 KMD employees providing online help with homework via the website [www.lektier-online.dk](http://www.lektier-online.dk). The homework cafés opened in April 2012.

KMD's employees are able to swap their normal working hours for shifts as online helpers. A total of 53 employees have now completed an introductory course from Lektier Online to become trained helpers, and further training is offered on an ongoing basis.

The target group is primarily children and young people from disadvantaged areas. This target group typically has no opportunity to get help with homework from parents, and boys in particular do not use the physical homework cafés in their local communities<sup>3</sup>.

KMD decided to get involved in the project because it is a very clear example of how digital aids can increase disadvantaged children's chances of completing their schooling and going on to further education.

In 2012 online help with homework was provided on over 8,000 occasions, and more than 3,500 pupils created a profile, taking the number of profiles on [lektier-online.dk](http://lektier-online.dk) to almost 10,000. In October 2012 Lektier Online and KMD were presented with the prize for "Partnership of the Year" at Volunteering Day in Copenhagen.

To build on the partnership, in September 2012 KMD entered into an agreement with the State and University Library in Aarhus to further develop the digital platform for Lektier Online. KMD will work with the State and University Library to expand the target group for online homework help. The first pilot studies involving upper-secondary schools are planned for the first half of 2013.

Read more about Lektier Online at [www.statsbiblioteket.dk/lektier-online](http://www.statsbiblioteket.dk/lektier-online) (in Danish).

### LØKKEFONDEN AND THE KHAN ACADEMY

In June 2012, KMD joined forces with LøkkeFonden – a charity with the mission "to bring boys back from the edge to become useful members of society" – in announcing the intention to provide a Danish version of the much-praised US online teaching universe, Khan Academy.

Khan Academy brings together several thousand teaching videos that enable pupils to practice their skills, primarily in the natural sciences. The videos and the accompanying exercises have to date only been available in English, but the videos will now be made available to all students in Denmark in Danish thanks to a collaboration between KMD and LøkkeFonden, founded by former Danish Prime Minister Lars Løkke Rasmussen.

By the end of December 2012, a total of 35 mathematics videos had been recorded and uploaded to Khan Academy's Danish YouTube channel, and more than 100 videos had been translated, which have not yet been recorded.

Read more at [www.loekkefonden.dk](http://www.loekkefonden.dk) (in Danish).

<sup>3</sup> The State and University Library in Aarhus, study of pupils' opportunities for help with homework, 2010.

### ÆLDRE SAGEN

In May 2012, KMD joined forces with Ældre Sagen – Denmark’s largest organization for the elderly – to launch the e-learning program “Bliv dus med din computer” [make friends with your computer]. The program is targeted at senior citizens with limited IT knowledge and is intended to be used as part of the organization’s work to raise the general level of IT skills among senior citizens.

Through this collaboration, KMD seeks to highlight the fact that almost 400,000 senior citizens have never been online and the big social challenge this represents when 80% of communication between citizens and the public sector will be digital by the end of 2015.

The program has been jointly developed by developers from KMD and volunteer IT teachers from Ældre Sagen and is used as a complement to the thousands of IT courses the organization already runs each year. The goal is for at least 10,000 senior citizens to have used the course by the end of 2013. At the end of 2012 the program had already been used 14,970 times<sup>4</sup>.

Read more about the partnership at [www.aeldresagen.dk/dus-med-pc](http://www.aeldresagen.dk/dus-med-pc) (in Danish).

### KNOWLEDGE-SHARING

In 2012 KMD has focused on creating and sharing knowledge of the solutions that will be required to realize the political ambitions for digitization of the public sector, as well as working to bring about vigorous debate on how we want to use IT in both the public and private sectors.

KMD’s analytical unit, KMD Analyse, has published three reports on digitization in 2012: two on digitization of the municipal primary and lower-secondary school and one on Danish people’s attitudes to welfare technology. The reports all focused on digitization of society and prompted broad debate.

Furthermore, in his capacity as a member of the Digital Council alongside the CEOs of TDC and Microsoft, CEO Lars Monrad-Gylling has co-developed a self-evaluation tool to enable school heads to assess their own schools’ level of digital maturity.

As part of ongoing efforts to engage with the Company’s stakeholders at all levels, in 2012 KMD once again co-hosted Welfare Innovation Day with the independent think tank Mandag Morgen and a number of other players.

Along the same lines, in 2012 KMD set up two communities that use the social media Facebook, LinkedIn and Tumblr to engage stakeholders and encourage debate and knowledge-sharing on digitization of the health and education sectors under the names “Sundhed med udsigt” [health with outlook] and “Læring med udsigt” [learning with outlook]. The two communities have 2,160 and 4,620 followers respectively on Facebook<sup>5</sup>.

### WORK EXPERIENCE WEEK

In 2012, for the fifth time, KMD participated in the Danish IT Industry Association’s work experience week, welcoming 43 pupils in year 9 from across the country for a week of work experience and giving them the opportunity to grapple with the development of IT for schools. By doing this, KMD is helping make IT an exciting and contemporary subject with many possibilities. IT will be one of the key areas in the coming years in overcoming many of the challenges that Denmark faces as a welfare state. By opening its doors, KMD hopes to help stimulate interest in IT and KMD in the longer term.

<sup>4</sup> As at 18 December 2012.

<sup>5</sup> As at 19 December 2012.

#### DONATION OF PCs

In 2012 KMD donated old PCs to three different projects. The largest was the collaboration with NordVirk, an organization based in northern Jutland, Denmark, that aims to give young people with autism spectrum disorders the opportunity to get a job where they can make a positive contribution to an organization or a company's bottom line. In 2012 NordVirk received more than 400 old PCs from KMD, which have been equipped with new software and sold via NordVirk's website.

In addition, KMD donated two sets of 10 PCs to Danish Red Cross Youth – Denmark's largest humanitarian youth organization – for use in a project involving disadvantaged young people, and Lysholmskolen, a special school for children with various diagnoses and disabilities.

KMD considers the overall CSR work relating to Digital welfare to be very satisfactory.

## GOALS FOR 2013

#### EDUCATION

Lektier Online: KMD will continue the partnership with Lektier Online in 2013. The goal is for a minimum of 45 employees to be involved in the project on a continuous basis during the year. KMD will also work with Lektier Online to launch a new version of the digital platform.

Khan Academy: In 2013 KMD will work with Løkke-Fonden to open a Danish version of Khan Academy. The Danish version of Khan Academy will contain a minimum of 400 videos by the end of 2013.

Partnerships in the education sector: KMD will develop a partnership with University College Copenhagen (UCC) on use of Tech-Tutors – a group of students particularly interested in IT, which will support the expansion of digital tools in teaching at UCC.

#### CARE AND HEALTH

Ældre Sagen: KMD and Ældre Sagen have set a target of having 20,000 users of the e-learning program "Bliv dus med din computer" [make friends with your computer] by the end of 2013. In addition, KMD and Ældre Sagen will jointly evaluate the product and assess whether to carry out further development.

Collaboration with patient organizations: In 2013 KMD will establish a collaboration with one or more patient organizations concerning improvements to patients' conditions in connection with implementing more digital solutions in the care and health sector.

#### KNOWLEDGE-SHARING

In 2013 KMD will publish a minimum of three analyses from KMD Analyse, continue its work on the Digital Council, co-host Welfare Innovation Day and increase the dialogue in our online communities on the social media.



## Lektier Online provides help with homework for children and young people

In 2012 KMD has collaborated with Lektier Online [homework online] to establish its own online "homework cafes," manned by KMD employees. Employees are able to swap their normal working hours for shifts as online helpers. KMD decided to get involved in the project because it is a very clear example of how digital aids can increase disadvantaged children's chances of completing their schooling and going on to further education.

# EMPLOYEES

## RESULTS ACHIEVED

KMD wants to be an attractive workplace where employees are proud of the contribution we make to society – by virtue of both our products and our behavior and knowledge.

We also believe that if KMD as a company is to remain strong, we will need to create clear frameworks for our employees, providing them with scope for personal and professional development and flexibility in their working life. We believe that we as a company must have room for differences and have big ambitions, giving employees the personal freedom to achieve the common goals and optimizing our opportunities for success. And be somewhere that employees can do this irrespective of their gender, age, religion, disability or sexual orientation.

### PRIDE

KMD's annual employee satisfaction survey for 2011 revealed a downturn compared with 2010. KMD therefore appointed four working groups, comprising 80 employees and managers, which worked on four general themes: job satisfaction and pride, management and communication, skills and tools, and procedures and processes.

Each of the groups included a union representative, a health and safety representative, an HR representative and a member of the Executive Board as chair. All the groups completed their work by recommending to the Executive Board selected measures that can help to make KMD a better place to work. A total of 10 concrete measures were selected for further attention within the areas: Cutting-edge technology, Prioritizing competency development and Visible leadership.

In combination with a campaign focusing on KMD's overall contribution to Danish society, these measures succeeded in raising the general level of employee satisfaction from 80% to 84%, with the sense of pride in KMD's contribution to Danish society increasing from 80% to 88%.

In connection with the collaboration with Lektier Online (see Digital welfare), KMD set up a scheme that makes it possible for employees to record the time they spend on projects such as Lektier Online as working hours. In this way, KMD allows employees to swap their working hours for hours spent as volunteer homework helpers, for example. The scheme is restricted to selected projects with a corporate social responsibility aspect chosen by KMD's CSR Board.

### HEALTHY EMPLOYEES

In 2012 KMD carried out a workplace assessment; this did not reveal any major problems in terms of either the physical or psychological working environment. Fewer than 1% of KMD's employees designated the psychological working environment as very unsatisfactory. Follow-up of the individual employees concerned was carried out and efforts made to resolve the respective issues.

Where the physical working environment is concerned, the workplace assessment revealed, among other things, particular problems in relation to neck tension and other ergonomic challenges. Efforts will be made to address this in 2013 by means of a special scheme involving on-site physiotherapists with whom employees can book an appointment for advice and guidance on working posture.

There has also been a particular focus in 2012 on promoting the company's health scheme. This has led to an increase in use from 30% of the sum assigned in 2011 to 75% in 2012, thus nipping several potential health problems in the bud.

In 2012 average sickness absence at KMD was 6.01 days – 11% below the national average for private companies. This is on par with 2011 (6.0) and is something that KMD will work to maintain in 2013.

In 2011 KMD became the main sponsor for the triathlon events KMD Challenge Copenhagen and KMD Challenge Aarhus, and a KMD 4:18:4 triathlon was also introduced, covering one-tenth of the full Ironman distances of a 3.8 km swim, 180 km bike ride and a marathon. In 2012 organized training was initiated at KMD's sites, and more than 400 KMD employees took part in the summer 4:18:4 and KMD Challenge. A total of 830 KMD employees also took part in the DHL relay race.

#### DIVERSITY

In 2012 KMD carried out a baseline analysis of KMD's performance within the classic diversity parameters. This analysis will be translated into concrete policy and strategy in the area in 2013, and in this way KMD will strive to ensure that the best talents among potential employees on the Danish labor market choose KMD, irrespective of their gender, ethnicity, age, religion or sexual orientation.

In 2012 KMD continued its partnership with the Specialist People Foundation, which employs and trains young people with autism spectrum disorders. Among other things KMD has employed young people from the Foundation for tasks such as migrating electronic HR records and in this connection also took on four trainees from the Foundation for work ability testing.

KMD considers the overall CSR work relating to Employees to be satisfactory.

## GOALS FOR 2013

#### PRIDE

In 2013 KMD will continue to allow employees to swap working hours for voluntary work on selected projects with a CSR aspect. KMD's goal is to spend at least 2,000 hours on such projects in 2013.

#### DIVERSITY

By the end of 2013 KMD will establish a diversity policy and associated initiatives.

#### HEALTHY EMPLOYEES

KMD will maintain the focus on a healthy workplace based on its already successful sports clubs. Special training teams for employees wanting to participate in KMD 4:18:4 or KMD Challenge will continue across the company.

In 2013 KMD will introduce a scheme to enable individual employees to get onsite instruction from a physiotherapist in connection with work-related physical problems.

KMD will introduce a keyhole scheme to ensure compliance with the requirements of KMD's healthy eating policy, providing employees with a lunch primarily based on high-quality ingredients (ideally organic), to promote the consumption of fruit, vegetables and fish, and reduce the intake of fat, salt and sugar.

# CLIMATE & ENVIRONMENT

## RESULTS ACHIEVED

In 2012 KMD adopted a new environmental policy and strategy comprising new targets intended to further KMD's ambitious approach to its work on climate and the environment. Going forward, KMD will concentrate on making its energy consumption as efficient as possible. In addition, KMD will focus on recycling more of its waste – both paper and electronic waste. At the same time we will reap the rewards of a structured approach to environmental efforts in KMD and take the next step toward ISO 14001 certification in 2013.

Since the initial targets for energy efficiency improvements were set in 2009, KMD has managed to find energy savings equivalent to an overall saving of 18.5% of our total energy consumption in 2008 (target 17%).

KMD has also been CO<sub>2</sub>-neutral since 2009, when KMD entered into a Climate partnership with DONG Energy to purchase electricity from the Horns Rev 2 offshore wind farm corresponding to the Group's total direct energy consumption.

### CO<sub>2</sub> EMISSIONS

In 2012 KMD achieved energy savings totaling 883,047 kWh. This means that since 2008 KMD has achieved overall energy-savings of 6,910,074 kWh – equivalent to the annual consumption of more than 1,000 detached houses. This corresponds to 18.5% of the total energy consumption in 2008, and means KMD has achieved its overall target (17%) for energy savings set in 2010.

The energy savings are complemented by the purchase of electricity from offshore wind farms corresponding to KMD's total direct energy consumption, plus CO<sub>2</sub> quotas equivalent to KMD's total emissions from heating consumption. The purchase of electricity is part of KMD's Climate partnership with DONG Energy, in which DONG Energy has also undertaken to help to identify and verify energy-saving projects in KMD.

Despite the many energy-saving projects, KMD's total electricity consumption has risen by 253,320 kWh, an increase of just under 0.8% compared with 2011. This can be attributed to some degree to the growth in KMD's outsourcing business and the resulting 10% increase in capacity in the data centers. KMD has also added another office building at the head office in Ballerup following the acquisition of Rambøll Informatik in 2011.

Part of the explanation for the relatively small increase can be found in an employee-directed campaign carried out by KMD in 2012. This focused on making visible the energy consumption per employee in KMD's office buildings across Denmark. Employees were able to use klima.kmd.dk and a smartphone app, KMD Klima [climate], to follow the consumption and get useful tips on reducing their personal consumption. This has contributed to a drop of more than 30 kWh in average energy consumption per employee in the office buildings, which is very satisfactory.

KMD's total CO<sub>2</sub> emissions fell in 2012, continuing the trend from 2011. Whereas the decrease in 2011 was attributed to KMD's switch to district heating that year, the decrease in 2012 can be attributed to the fact that the equivalent used to convert kWh to CO<sub>2</sub> in relation to electricity consumption is less CO<sub>2</sub>-heavy than previously, as the overall electricity mix in Denmark has become more environmentally friendly. However, the long, cold winter of 2012 meant an increase in heating consumption of just over 844 MWh. This means that total CO<sub>2</sub> emissions ended the year at 13,026 tons – a fall of 12.6% compared with 2011. This is compensated, as mentioned previously, through the purchase of REC certificates and CO<sub>2</sub> quotas.

KMD expects a slight increase in total energy consumption in 2013, primarily as a result of a continued increase in the customer base for outsourcing and hosting agreements.

In terms of CO<sub>2</sub> emissions from transport, KMD had a target of reducing the carbon footprint from transport by 10% in 2012 from a 2010 baseline. This target was not achieved. KMD's emissions from transport fell by only 1.82% in the period.

This relatively small decrease can largely be attributed to increased transport between KMD sites, which is why in 2013 and 2014 there will be a special focus on cutting transport between KMD's own sites with a target of reducing this by 10% by the end of 2014.

One of the methods employed will be making greater use of electric cars – both for transport between sites and for transport to customers. To this end KMD has purchased three electric cars from Better Place that use replaceable batteries and charging at stands. The cars

are located in Ballerup, where there are the most customers within a reachable radius as well as the possibility of reaching the sites in both Herlev and Odense without changing battery too many times. In addition, KMD will make increasing use of video-conferencing, unified communications solutions and car-pooling to reduce the total burden from transport.

KMD's total CO<sub>2</sub> emissions from transport in 2012 were 2,921.5 tons against 2,975 tons in 2011.

#### WASTE

Another area of focus for KMD in 2012 was print consumption in the office buildings. In total, each year KMD prints more than 13 million pages, 3 million of

which are "cover pages" that are printed to enable employees to find their own printouts among all the others in the communal print rooms. This practice was reduced in 2012 with the introduction of "follow-me printing," which requires employees to scan their ID card in order to print and thus does not generate cover pages.

#### ENVIRONMENTAL MANAGEMENT

In 2012 KMD carried out a satisfactory preliminary audit in relation to introduction of the environmental management system ISO 14001.

KMD considers the overall results relating to environmental efforts to be satisfactory.

## GOALS FOR 2013

#### CO<sub>2</sub> EMISSIONS

In 2013 KMD will continue to focus on finding energy savings in both data centers and office areas, but expects a slight increase in energy consumption as a result of an ever-increasing customer base.

In 2013 KMD will continue to focus on reducing employees' transport between sites. KMD expects to be able to reduce the Company's carbon footprint from transport by 10% by the end of 2014. Further steps will be needed to achieve this, which is why in 2013 KMD will implement a series of new measures focusing on a more climate-friendly meeting culture in the company. As well as introducing electric cars, steps will be taken to increase opportunities for car-pooling, and there will also be a focus on increased use of video communication between KMD's sites and use of unified communications, which will reduce the need for physical meetings and hence transport.

In addition, KMD will continue to offer employees "commuter cards" to reduce the price of public transport, as well as offering electric cars on particularly attractive terms and setting up a special bicycle-servicing facility for employees.

#### WASTE

In addition, there will be a continued focus in 2013 on KMD's print consumption in office buildings. The breakthrough of "follow-me printing" will be followed up by campaigns directly targeting employees and their print consumption. KMD's target is to increase the total proportion of waste recycled by 5% by the end of 2014.

#### ENVIRONMENTAL MANAGEMENT

KMD will implement ISO 14001 certification in 2013. This will enhance the quality of KMD's data in the environmental area, and reassure our customers and partners of KMD's continued commitment in relation to climate and the environment.

# SUPPLY CHAIN

## RESULTS ACHIEVED

Signing the UN Global Compact committed KMD to 10 fundamental principles relating to protection of human and labor rights, climate and environmental considerations, and anticorruption measures. This provides KMD with a concrete framework for the requirements the company makes of itself and its suppliers. At the same time, KMD wants to keep tight control of its own processes to ensure that the company complies with relevant legislation and its commitments under the UN Global Compact, and makes requirements of its own suppliers that support these commitments.

### PARTNERSHIPS

In 2012 KMD introduced a new code of conduct for suppliers based on the 10 principles of the UN Global Compact. This will be introduced for all KMD's suppliers and must be signed when concluding contracts between KMD and the supplier. The code of conduct is intended to send out a clear signal that breaches of the principles of the UN Global Compact will not be tolerated. The code of conduct is also the starting point for dialogue, which KMD will use to achieve the overall goal of supply chain management, namely for all KMD's key suppliers to be working with the principles of the UN Global Compact by the end of 2015.

KMD also had a goal of developing a concept for suppliers on the take-back of electronic hardware, but this was postponed until 2013 as a result of implementation of the key supplier management concept.

### CORPORATE COMPLIANCE

2012 was the first full year of implementation of KMD's ethical code, which sets clear guidelines for employees' conduct in the seven focus areas covered by its corporate compliance program: anticorruption, information security, competition law, contractual risk management, intellectual property rights, authorizations and document management/storage. The corporate compliance program is being rolled out to existing and new employees by means of a compulsory e-learning course. Additionally, a corporate compliance subsite has been created on the company's intranet.

KMD also introduced a whistleblower scheme, after the Danish Data Protection Agency finally authorized KMD's application in April 2012. The whistleblower scheme makes it possible for KMD's employees, including the Executive Board and the Board of Directors, to report irregularities in any of the seven aforementioned focus areas either to KMD's own corporate compliance team or to an independent external lawyer. Two matters were reported to the whistleblower scheme in 2012.

KMD considers the overall CSR work relating to supply chain to be satisfactory.

## GOALS FOR 2013

### PARTNERSHIPS

In 2013 KMD's code of conduct for suppliers based on the 10 principles of the UN Global Compact will be rolled out to key suppliers.

In addition, KMD will work to establish partnerships with suppliers, for example on take-back of electronic hardware.

### CORPORATE COMPLIANCE

KMD will continue the implementation of KMD's ethical code, including policies and processes for each of the seven focus areas, for new employees and maintain the focus on the Company's corporate compliance program.



## Make friends with your computer

In 2012 KMD joined forces with Ældre Sagen to launch a new e-learning program that will support the organization's work to teach senior citizens to use IT. The program has been developed in a collaboration between KMD and Ældre Sagen, with KMD having overall responsibility for the development, while Ældre Sagen was responsible for identifying the topics senior citizens should be taught.