



"Together we develop society." This has been KMD's DNA throughout the Company's history going back more than 40 years. We are an integral part of Denmark's public sector, and our IT systems bring us into contact with thousands of Danes every single day. We have a hand in almost one million Danes receiving their salaries, parents receiving child allowances and pensioners receiving state benefits. Our systems protect sensitive data from hackers, and we help social care workers and teachers to work more efficiently.

We therefore see it as our obligation to act responsibly toward the societies of which we are part. We are an IT company that seeks to create digital shortcuts for customers and society. In terms of work on corporate social responsibility (CSR), this means KMD wants to create digital shortcuts that contribute to a richer, safer and more sustainable society.

In 2015, we revised our CSR strategy, which reflects our use of core competencies in our work on CSR. Under the heading "Together we develop society," we focus on three main areas: health, education and security. In addition, we have clear targets for our work with our employees, climate & environment and supply chain. The various themes have been selected based on our CSR policy, which clearly states that, for KMD, CSR is about making an active contribution – rather than presenting a barrier – to social, economic and environmental sustainability.

In 2015, we focused on creating new partnerships and ensuring we uphold all our commitments and conform to all relevant requirements in terms of international and national guidelines and legislation. Our work on the four themes is described in more detail below.

KMD first made a commitment to apply the Ten Principles of the UN Global Compact in 2011. We are proud and pleased to uphold this commitment and once again supported the Global Compact with a donation of USD 5,000 in 2015.

The Global Compact provides KMD with a general framework for its CSR work. This work is coordinated by the Company's CSR Board, chaired by the CEO and otherwise comprising the Senior Vice Presidents for Innovation, Legal & Business Support, HR, Procurement and Communication & Marketing. The CSR Board defines guidelines for the Company's CSR efforts, and monitors and ensures progress on the targets set for the various focus areas. In addition, KMD's works council serves as a reference group for the development of CSR work.

KMD considers its overall CSR efforts to be satisfactory.

Best wishes

Eva Berneke  
CEO, KMD A/S

## STATUTORY REPORT

This report constitutes the statutory report on corporate social responsibility for KMD A/S pursuant to section 99a of the Danish Financial Statements Act. The report provides an overview of KMD's work as a socially responsible business. Further information about KMD's CSR efforts can be found on its website at [www.kmd.dk/csr](http://www.kmd.dk/csr). However, that additional information does not form part of the Company's reporting pursuant to section 99a.

**UN'S GLOBAL COMPACT PRINCIPLES**

**STRATEGIC CSR FOCUS AREAS FOR KMD**

UN'S GLOBAL COMPACT PRINCIPLES	STRATEGIC CSR FOCUS AREAS FOR KMD			
	TOGETHER WE DEVELOP SOCIETY	EMPLOYEES	CLIMATE & ENVIRONMENT	SUPPLY CHAIN
<p><b>PRINCIPLE 1</b> Businesses should support and respect the protection of internationally proclaimed human rights.</p>	<p><b>Article 21</b> _KMD supports Danish parliamentary election and referendum on EU opt-out – p. 11</p> <p><b>Article 22</b> _Partnership with DaneAge on IT skills for senior citizens – p. 33 _Partnership with organizations including Danish Council for Digital Security on development of CodeX, teaching material on safety online for students in years 5-6 – p. 33</p>			<p><b>Articles 2, 4, 7, 18, 19, 20, 23, 24, 25</b> _In 2015, KMD screened a number of suppliers selected on the basis of industry, geography and sales to KMD. The screening includes 21 criteria covering human rights, employee rights, environmental and climate protection, and anticorruption – p. 39 _KMD trains all new and all customer-facing employees in anticorruption and corporate compliance – p. 39 _In 2015, KMD updated its anticorruption policy and rules on gifts – p. 39 _In 2015, KMD established a whistleblower program for external reporters – p. 39 _In 2015, KMD was recertified under the ISO 14001 environmental management system, which ensures that we maintain focus on our environmental efforts and make constant improvements – p. 37 _Together with our catering contractor, Fazer Amica, we have started a project to sort bio-waste for use in energy production – p. 37 _KMD has a number of products that help customers to reduce their carbon emissions – p. 37</p>
<p><b>PRINCIPLE 2</b> Businesses should make sure that they are not complicit in human rights abuses.</p>	<p><b>Article 23</b> _KMD employees act as mentors for veterans from the Danish Armed Forces – p. 33</p> <p><b>Articles 25, 26</b> _KMD supports the Indian children's home Helpline Trust – p. 33</p> <p><b>Article 26</b> _Partnership with Homework Help Online – p. 32 _Partnership with LøkkeFonden on Khan Academy – p. 32 _Partnership with DTU on Open Innovation X – p. 32</p>	<p><b>Articles 2, 7</b> _KMD has a diversity policy that protects employees and applicants from discrimination – p. 35</p> <p><b>Articles 23, 24, 25</b> _With employees in Denmark, Norway, Sweden, Finland, Poland and India, KMD complies with all statutory requirements on working environment, pay and freedom to join a union. _Through its works council, KMD conducts constructive dialogue with the union HK/Samdata.</p>		
<p><b>PRINCIPLE 3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>				
<p><b>PRINCIPLE 4</b> Businesses should uphold the elimination of all forms of forced and compulsory labour.</p>				
<p><b>PRINCIPLE 5</b> Businesses should uphold the effective abolition of child labour.</p>				
<p><b>PRINCIPLE 6</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p>				
<p><b>PRINCIPLE 7</b> Businesses should support a precautionary approach to environmental challenges.</p>				
<p><b>PRINCIPLE 8</b> Businesses should undertake initiatives to promote greater environmental responsibility.</p>				
<p><b>PRINCIPLE 9</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>				
<p><b>PRINCIPLE 10</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>		<p>_KMD trains all new and all customer-facing employees in anti-corruption and corporate compliance matters – p. 39</p>		

The articles cited in the table refer to the UN Universal Declaration of Human Rights.

# TOGETHER WE DEVELOP SOCIETY

## RESULTS IN 2015

In 2015, KMD launched the campaign "Together we develop society." The same message is manifested in our CSR strategy and is a clear extension of our focus on digital solutions within health, education and security.

We see great opportunities in using digital solutions as a response to the demographic and financial challenges facing societyDenmark. These solutions offer many advantages but also present many challenges, which is why we need to concentrate on sharing solutions and knowledge, while remaining aware of the challenges increased digitization may present for some groups in society.

### EDUCATION

KMD maintained its focus on the education sector in 2015 and supported the following four initiatives:

#### HOMEWORK HELP ONLINE

KMD partnered with the organization Lektier Online in 2012, with employees offering help with homework from three call centers at our locations in Ballerup, Odense and Aalborg<sup>1</sup>. The main target group is children and young people from disadvantaged areas, who typically get little help with homework from their parents. Boys in particular tend not to use the physical homework cafés in their local communities<sup>2</sup>.

Since 2012, more than 120 employees have provided help on more than 3,500 occasions<sup>3</sup>. As of 31 December 2015, 27 employees were involved in the project.

#### LØKKEFONDEN AND KHAN ACADEMY

In collaboration with LøkkeFonden and with assistance from Matematik Akademiet, in March 2015 KMD launched a Danish version of the world's most used online educational resource – the internationally recognized American Khan Academy. KMD's help has made it possible to provide support for the complete mathematics syllabus Danish public school by means of translating Khan Academy from English into Danish.

Khan Academy is a platform that enables students to improve their skills. At the heart of the platform are a number of exercises, tests and instructional videos, which have previously been available only in English.

<sup>1</sup> KMD's employees are able to swap four normal working hours a month for shifts as online helpers. All of the helpers are given introductory training and are then offered further training in homework help on an ongoing basis.

<sup>2</sup> State and University Library, Study of pupils' opportunities for help with homework, 2010.

<sup>3</sup> Calculated at 31 December 2015 by Lektier Online.

Since the launch of khanacademy.dk in March 2015, a total of 12,038 users have registered on the platform<sup>4</sup>.

#### KMD EDUCATION AWARD

In 2014, KMD established the KMD Education Award as a pilot project for student teachers enrolled at a university college. In 2015, KMD awarded a national prize of DKK 25,000 for the first time. This is presented to an individual or group of teaching students who has/have taught material based on digital resources during their teaching practice. Teaching students from all seven of Denmark's university colleges are eligible. Each university college nominates its own winner, and the national winner is then chosen from the seven regional entries. The competition reflects KMD's wish to put the use of digital resources in Denmark's nine-year compulsory school system in focus and to create a positive attitude to this at the country's teacher-training colleges. In this way, we can support the training of the teachers of the future using the teaching tools of the future.

More than 70 students took part in KMD Education Award in 2015, and the winner was Mia Lynnerup Olesen from the teacher-training program at Metropolitan University College, Copenhagen.

In 2016, KMD Education Award will be renamed KMD Educa Award.

#### OPEN INNOVATION X

In 2015, KMD joined forces with the Technical University of Denmark (DTU) and IBM to develop the project Open Innovation X (OIX). This aims to facilitate open innovation between students and companies across competitor boundaries, with students being set a series of real-world challenges. KMD wants to show that innovation is a process involving an open approach in which knowledge and competency sharing across companies and students provide a richer source of inventiveness and opportunities for innovation than the traditional approach to R&D.

In 2015, a total of 65 students took part from a number of different subject areas and educational institutions.

#### HEALTH AND CARE

KMD views health and care as an important area of the welfare state where digital solutions have great potential

<sup>4</sup> Calculated at 31 December 2015 by Khan Academy.

to reduce costs and improve quality of life for both patients and the wider public.

#### DANEAGE

In 2015, KMD continued its collaboration with DaneAge – Denmark's largest organization for the elderly – on their joint e-learning program. The program targets those with limited computer literacy as part of the organization's drive to raise the general level of IT skills among senior citizens. The introduction of digital post from 1 November 2014 has made the new digital reality a challenge for many senior citizens.

The program was developed jointly by developers from KMD and volunteer IT teachers from DaneAge to give more senior citizens the chance to update their IT skills, and complements the thousands of IT courses the organization already runs each year. By the end of 2015, the program had attracted more than 76,966 unique users since its launch in 2012 and 22,231 users in 2015 alone<sup>5</sup>.

In 2015, the program was used by 48% of all DaneAge's teachers. This is a decrease of 9 percentage points from 2014, which meant KMD and DaneAge failed to achieve their target of the program being used by at least 60% of all DaneAge's teachers.

#### DANISH LUNG ASSOCIATION AND THE CHILDREN'S LUNG ASSOCIATION

In 2015, KMD continued its partnership with the Danish Lung Association and, not least, the Children's Lung Association, donating DKK 100,000 to the latter for its work with children with lung disease and their families. The money was collected by means of the Company donating DKK 5 for every kilometer swum, cycled or run by employees in KMD IRONMAN triathlons and the KMD 4:18:4.

In addition, a total of 75 lung patients, lung specialists and their families took part in the KMD 4:18:4. KMD's employees also had the chance to test their lungs at KMD's locations in Aalborg and Odense, when the Danish Lung Association carried out lung function measurements in May 2015.

#### MENTORS FOR VETERANS

In 2015, KMD teamed up with a group of other companies to help a number of veterans from the Danish Armed Forces into the civilian job market.

Two managers from KMD were mentors for two people who had previously been deployed to Afghanistan and Kosovo, and who, after ending their military career, were looking to enter the civilian job market. Both have subsequently found jobs, and KMD has decided to continue its involvement with the scheme and, among other things, will increase the number of mentor processes from two to four in 2016.

#### SAFETY ONLINE

In 2015, KMD was the main sponsor and a key partner in the development and launch of CodeX, the digital teaching material used to educate students in years 5-6 about safety online. KMD's contribution involved developing the material, coding and project management. A total of 100 school classes trialed the beta version of CodeX in 2015. The target is for 10,000 students to use the material in 2016.

CodeX is issued by the Danish Council for Digital Security in conjunction with the Danish Agency for Digitisation and the Danish IT Industry Association (ITB). Other participants include the Danish Consumer Council, the Danish Centre for Cybersecurity and a number of other partners and sponsors.

#### OTHER MEASURES

In 2015, KMD donated DKK 30,000 to the Indian organization and children's home Helpline Trust, located in Bangalore. This donation covers the entire food budget for the five employees and 45 children aged 6-18. In addition, KMD donated 10 laptops for the older children's schooling. The children also receive homework help and mentoring from employees linked to KMD's Indian operation in Bangalore. The children have visited KMD's offices in Bangalore and taken part in various other events arranged by KMD in Bangalore.

In 2015, KMD's employees had the opportunity to donate their Christmas gifts to the organization WaterNlife. A total of 239 employees chose to do so, which will provide a supply of clean water to 239 children in Kenya in 2016.

KMD considers the overall CSR work relating to "Together we develop society" to be satisfactory.

<sup>5</sup> An increase of 2,398 users on 2014. Calculated at 6 January 2015.



## GOALS FOR 2016

### EDUCATION

Homework help online: KMD will continue to offer help with homework online. The goal is for KMD's employees to provide help on at least 1,000 occasions.

KMD Educa Award: KMD will present KMD Educa Awards at all seven university colleges across Denmark before selecting a national winner in April. The goal is to attract at least 75 participants in KMD Educa Award.

Open Innovation X: KMD will continue with Open Innovation X, and the goal is for at least 120 students to take part in Open Innovation X per semester.

### CARE AND HEALTH

DaneAge: KMD and DaneAge will register at least 25,000 unique users for its e-learning program, with at least 55% of DaneAge's IT volunteers using the program in their teaching.

Mentors for veterans: KMD will act as mentor for at least four veterans.

### SAFETY ONLINE

Together with other partners in the CodeX project, KMD will work toward at least 10,000 students using the CodeX material.

# EMPLOYEES

## RESULTS IN 2015

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 believe that we will remain strong as a company if we create clear structures for our employees and give them scope for personal and professional development.

The constant competition in the IT sector places great demands on KMD's ability to develop and retain employees in a job market where there is fierce competition for the most talented employees. This is why KMD has launched a number of different initiatives intended to help ensure that KMD continues to have the right competencies going forward. Among other things, KMD has started an ambitious graduate program, which in 2015 brought in 26 new graduates in project management and business transformation and development.

KMD increased the number of employees in 2015, partly through a series of acquisitions and partly because our continuing growth in our Software Center meant we needed more employees with new competencies. This is why we have also established a new Microsoft Academy, to provide new employees with training in relevant technologies and thus ensure a competency boost that will benefit the Company for many years to come.

### DIVERSITY

Our goal is for the most promising prospective employees in the Danish labor market to choose KMD regardless of gender, ethnicity, age, disability, religion or sexual orientation. This is why KMD has a diversity policy, addressing issues such as the representation of women in Management, attracting more new graduates and increased ethnic diversity.

In 2015, we took on 26 graduates, and 17% of all new employees came direct from university or with very little professional experience.

KMD has experienced growth in the number of employees with a non-Danish ethnic background such that 2.8% of KMD's employees are now from a non-Danish ethnic background, compared with 2.1% in 2012, when the figure was last calculated. However, this remains significantly below the national average of 7.1%. Denmark is experiencing tremendous growth in the number of young people of non-Danish ethnic background studying relevant academic courses, for which reason KMD wishes to increase the proportion of

employees with a non-Danish ethnic background to reflect the national average in the period through 2020.

In 2016, three Syrian refugees will start at KMD's Microsoft Academy (33% of all admissions). KMD will also work with the Danish Red Cross on a mentoring scheme for Syrian refugees in Aalborg. KMD hopes that this collaboration will lead to work placements or permanent employment opportunities.

### HEALTHY EMPLOYEES

Average sickness absence was 2.7%, slightly below the national average for private companies with office-based activities. KMD will strive to maintain this level in 2016.

KMD has established a health insurance scheme for all employees that provides access to advice in the case of sickness absence, preventive measures, cross-disciplinary treatment, treatment insurance guaranteeing quick and efficient treatment, and, not least, initiatives to counter long-term sickness absence, and the opportunity to obtain confidential advice on everything from personal to work-related issues. The entire package is geared toward preventing long-term sickness absence, benefiting both individuals and KMD.

As the main sponsor of KMD IRONMAN and the KMD 4:18:4 triathlons, KMD is keen to make it easy for employees to exercise at whatever level. With this in mind, KMD organizes training at and outside its locations for employees who want to train for the triathlon events. In 2015, more than 450 employees took part in the KMD 4:18:4, KMD IRONMAN and KMD IRONMAN 70:3 triathlon competitions.

KMD also has a number of running and cycling clubs as well as various other sports and staff clubs.

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



## GOALS FOR 2016

### DIVERSITY

KMD will maintain a share of female managers that is proportionate to the number of women employees (27% against 33.3% as of 31 December 2015).

KMD will continue to ensure a high proportion of new graduates (17% of all new appointments in 2015 were in the "Young Professionals" category).

KMD will establish mentoring schemes for Syrian refugees with a view to work placements and/or permanent employment, and create places for Syrian refugees at our Microsoft Academy.

### HEALTHY EMPLOYEES

KMD will maintain focus on a healthy workplace based on its already successful sports clubs. Special training programs for employees wanting to take part in the KMD 4:18:4 and KMD IRONMAN triathlons will continue across the business. KMD expects more than 500 employees to take part in one of these events.

KMD will also seek to maintain low levels of sickness absence and continue health-promoting measures in the workplace, including prevention of stress-related symptoms.

# CLIMATE & ENVIRONMENT

## RESULTS IN 2015

With 3,200 employees plus large data centers and Denmark's largest print center, KMD uses a lot of energy and generates a lot of waste each year. For this reason, we are very aware of our environmental footprint and since 2013, our print and data centers have been certified under the environmental management standard ISO 14001. KMD will extend the ISO 14001 certificate to all KMD A/S locations in 2016.

In 2015, KMD launched a new strategy and policy to ensure progress in environmental work and to focus on our products' positive effect on our customers' energy consumption, based among other things on the latest report from the international think tank GeSI, which estimates that the IT industry could reduce its current carbon emissions by as much as 20%<sup>6</sup>.

### ENERGY CONSUMPTION

Since 2008, KMD has made energy savings of 8.8 million kWh, equivalent to the annual consumption of more than 1,700 detached houses<sup>7</sup> or 28.2% of our total energy consumption in 2008.

In 2015, KMD made energy savings of 183,680 kWh with total electricity consumption of 30,168,896 kWh, a slight decrease of just under 0.2 million kWh compared with 2014 (0.6%). Our offices and print center lowered consumption, while the data centers recorded a slight increase as a result of outsourcing parts of KMD's server platform to our partner Tech Mahindra. An upgrade means that we expect energy consumption in connection with outsourcing of the server park to increase in 2016. However, KMD expects to achieve savings of up to 1 million kWh a year once the upgrade is complete. In addition, our total consumption of heating rose by 535 MWh in 2015.

KMD's total carbon emissions from direct energy consumption (heating and electricity) totaled 12,441 tons, down 7.1% on 2014. The majority of this decrease was due to a reduction in our electricity consumption and in the CO<sub>2</sub>-equivalents for electricity, while there was a slight increase in heating consumption. KMD strives continuously to make its operations as energy efficient as possible, with the lowest possible carbon emissions. Since 2008, KMD has cut its carbon emissions from 17,796 to 12,441 tons, a reduction of 30.1%.

<sup>6</sup> SMARTer2030, GeSI, <http://smarter2030.gesi.org/>

<sup>7</sup> An average detached home with four inhabitants consumes 5,181 kWh per year. Source: DONG Energy.

### TRANSPORT

KMD has been working for several years to reduce carbon emissions from transport between its locations, and has achieved a reduction of 8.8% since 2013. There was a slight increase in internal transport in 2015, but this is expected to fall in 2016 with the introduction of travel-free weeks and a travel-free month in July.

### WASTE

In 2015, KMD achieved an overall recycling rate of 63.8% against 62.9% in 2014<sup>8</sup>.

61% of KMD's waste comes from its print and data centers. The proportion of waste recycled from these in 2015 was 83.9%, on par with 2014 (84%)<sup>9</sup>.

In 2015, KMD focused on increasing the recycling rate for waste from office and canteen facilities. We established sorting facilities for bio-waste in the canteens and introduced "follow me" printing, which reduces wasted prints. The full effect will be seen in 2016. KMD recycled 30.2% of its waste from offices and canteens, an improvement of 3.4 percentage points on 2014.

### PRODUCTS

2015 saw the launch of KMD Atrium, a fully integrated facility management system that can guarantee savings for our customers of up to 15% on energy consumption through improved monitoring and overview.

Efficient operation of our server parks and a constant focus on energy efficiency enable us to offer customers more energy-efficient performance than if they were to operate their own data centers. We also offer a whole series of services in the area of welfare technology, for example patients and healthcare professionals can meet virtually, thus saving on transport and reducing carbon emissions as a result.

In 2016, KMD will work to map the concrete climate effect of a number of our products and services so as to be able to demonstrate what our services can deliver.

KMD considers the CSR work relating to climate & environment to be satisfactory.

<sup>8</sup> The goal is 68% by 2017. The recycling rate excludes waste from the locations in Aalborg and Odense. The bulk of KMD's waste is generated at the location in Ballerup, Copenhagen, which is home to KMD's print and data center and just under 50% of its employees.

<sup>9</sup> In 2012, KMD set a target to improve its recycling rate by 5 percentage points from the baseline of 68.8%. This goal was achieved already in 2014.



## GOALS FOR 2016

### ENERGY

KMD will continue to focus on identifying energy savings in both data centers and offices, but still anticipates a significant increase in energy consumption due to outsourcing of the server park to our Indian partner, Tech Mahindra.

### TRANSPORT

KMD will continue to focus on reducing internal transport between locations. KMD expects to be able to reduce the Company's carbon footprint from transport by 10% by the end of 2016. Further measures are required to achieve this goal.

### WASTE

There will be continued focus on KMD's recycling rate in office buildings. KMD's goal is to increase the total proportion of waste recycled to 68% by the end of 2016.

### ENVIRONMENTAL MANAGEMENT

KMD will continue work on the ISO 14001 standard. We will extend the certificate to cover office locations in KMD A/S and to include section 4.4.3 of ISO 50001 (energy management).

### PRODUCTS

KMD will map the climate effect of selected products and present these to our customers.

# SUPPLY CHAIN

## RESULTS IN 2015

Signing the UN Global Compact has committed KMD to 10 fundamental principles relating to protection of human and labor rights, climate and environmental issues, 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 Global Compact, and sets requirements for its own suppliers that support these commitments.

### PARTNERSHIPS

In 2015, KMD worked with the screening tool developed by EcoVadis SAS. We screen all high-risk suppliers on an annual basis. Suppliers are identified based on criteria such as revenue, geography and industry. A total of 43 suppliers were screened in 2015, seven of which were asked to provide further information relating to their procedures and policies.

The screening facilitates fact-based dialogue with our suppliers about their CSR work, while placing our Supplier Code of Conduct in a concrete context. This will make it easier for us and our suppliers to reach our goal of all key suppliers working in accordance with the principles of the UN Global Compact by the end of 2017.

In 2015, KMD was made aware of a number of irregularities relating to the use of student labor at a named Chinese factory that produces servers for several of KMD's subsuppliers. KMD requested a report from those of its suppliers who had received deliveries from the named factory. The reports were forwarded to our customers, and relevant measures to rectify the irregularities have been taken by our subsuppliers. KMD will follow up these measures in 2016.

### CORPORATE COMPLIANCE

In 2015, KMD strengthened its corporate compliance setup, especially with regard to UK and US anticorruption rules, in light of KMD's ownership.

In 2015, KMD focused on revising its policy on anticorruption, including policies on gifts and entertaining. Among other things, we have standardized the rules for giving and receiving gifts to/from customers and partners in the public and private sectors, and now require employees to report gifts received over a certain triviality limit as well as participation in free-of-charge courses and events hosted by suppliers and other external partners. The reports will be subject to the audit processes in the

compliance area. The changes were implemented with effect from 1 October 2015.

All new employees are given a general introduction to the corporate compliance rules. Moreover, KMD has decided that customer-facing employees should be trained in anticorruption every other year via a compulsory e-learning program, which will be implemented in 2016. KMD has also finalized and implemented authorizations that describe in detail who may act for and enter into commitments for the Company with regard to financial undertakings. The rules were implemented with effect from 1 April 2015.

In 2015, KMD extended its whistleblower program to guarantee an alternative reporting pathway for external reporters as well as employees and members of the Executive Board and the Board of Directors. The whistleblower program can be used to report circumstances that are in breach of legislation or KMD's internal rules in relation to seven compliance areas: anticorruption, IT security, authorizations, competition law, intellectual property rights, contractual risk management and document management/storage. A total of five cases were reported and dealt with through the program in 2015. None of the cases led to a change in procedures at KMD or had a negative effect on customers or other stakeholders.

Overall responsibility for the corporate compliance program has been delegated to the Board of Directors' Audit Committee, which has a more agile approach to handling cases involving breaches of the program.

In addition, KMD works on an ongoing basis to safeguard IT security policies and programs, and support KMD's goal of secure and correct data management.

KMD is certified under the international security standard ISO 27001 and also has certificates for quality (ISO 9001) and IT service management (ISO 20000). KMD is also certified under the environmental management standard ISO 14001.

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

## GOALS FOR 2016

### PARTNERSHIPS

KMD will screen at least 75 selected suppliers and draw up relevant action plans for suppliers identified via screenings in the EcoVadis system.

### CORPORATE COMPLIANCE

KMD will continue implementation of the prioritized compliance measures, which include update and roll-out of a new anticorruption e-learning program, a general update of policies on the compliance site, and a continuous focus on "Tone from the top."