

SUSTAINABILITY REPORT 2019

# MAKERS OF TOMORROW



## MILESTONES

### 1995

- Cybercom is founded in Stockholm by a group of IT consultants.

### 2004

- Cybercom implements its first Code of Business Ethics and Conduct.

### 2009

- Cybercom stops giving gifts to employees and clients and allocates the funds to supporting SOS Children's Villages.

### 2010

- Cybercom begins reporting according to the Global Reporting Initiative.
- Cybercom's first group of sustainability ambassadors is appointed.
- Cybercom begins measuring its CO<sub>2</sub> emissions.

### 2011

- Cybercom signs the UN Global Compact and commits to the 10 principles.

### 2013

- Cybercom begins analysing assignments for the 10 largest clients with regard to possible sustainability impacts.

### 2014

- UN Secretary-General Ban Ki-moon visits Cybercom in Stockholm to be inspired by its work with diversity, inclusion and migration of international workers.

### 2015

- UN Secretary-General Ban Ki-moon invites Cybercom and CEO Niklas Flyborg to the UN Global Compact Private Sector Forum in connection with adoption of the 17 UN Sustainable Development Goals (SDGs). The goals are to be met by 2030. Cybercom decides to work actively to support the goals and Agenda 2030.

### 2016

- Cybercom is the first in its industry to create an offering that includes the 17 SDGs.
- Cybercom becomes a main sponsor of the charitable NGO Hello World!

### 2018

- Cybercom heads up the digitalisation consultancy industry's Roadmap for a Fossil Free Sweden 2045.

### 2019

- Cybercom signs on to the Science Based Targets Initiative.
- World Finance names Cybercom the most sustainable company in the ICT industry in 2019, and in Sweden we are nominated for the Corporate Citizen of the Year award.
- The UN Global Compact names Cybercom an Ambitious Climate Leader.
- The digitalisation consultancy industry's Roadmap for Fossil Free Competitiveness is presented to the Swedish government.
- In partnership with the Swedish Royal Institute of Technology (KTH), Cybercom develops a training course in digital sustainability for all employees at Cybercom.

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### WE SUPPORT



The annual sustainability report of Cybercom Intressenter AB, reg. no. 559184-2447, is hereby presented by the board of directors. This is the Group's tenth Sustainability Report. The previous report was published in April 2019. The Sustainability Report constitutes Cybercom's statutory sustainability report as required under the Swedish Annual Accounts Act. This report has been prepared in accordance with the GRI Standards: Core option. The Sustainability Report also serves as Cybercom's annual report to the UN Global Compact. A complete list of disclosures under GRI and the Global Compact is provided on page 38–39. The auditor's opinion on the statutory sustainability report is on page 37. The sustainability report has not been externally reviewed.



# MAKERS OF TOMORROW

Cybercom helps clients succeed in the connected world and contribute to a sustainable future.

We combine technical expertise and business insight to create innovative, secure and sustainable solutions that help our clients capture the opportunities of digitalisation. We are Makers of tomorrow.



## Cybercom

Cybercom is an innovative consultancy firm that leverages technical expertise and good business insight to help businesses and organisations capture the opportunities of digitalisation and create the sustainable solutions of tomorrow.

Driven by sustainability and innovation, we specialise in system development, cloud services and IT security, improving business efficiency and designing digital business models.

Our more than 1,300 employees work on an international basis with everything from driverless cars, smart industrial robots and connected cranes to national eIDs, health apps, public sector e-services, information security and cloud-based data management.

We have employees Sweden, Finland, Denmark, Poland and India and assignments in about 20 countries.

### Vision

We are making a sustainable tomorrow and are our clients' most trusted business partner in the connected world.

### Business concept

We help you capture the opportunities of the connected world. By combining technical edge with strong business insights we provide solutions that are innovative and enhance sustainability.

## Values



### Passion

We are driven by a passion to change things for the better and are proud of our achievements.



### Innovation

We are innovative and contribute with new ways of thinking, business models and solutions.



### Trust

We build trust through honesty, transparency and respect.

**1,752.8**

SALES  
(SEKM)

**102.8**

PROFIT AFTER  
AMORTISATION  
(SEKM)

**66%**

BUSINESS WITH  
SUSTAINABILITY  
EFFECTS

**1,334**

EMPLOYEES

**45**

NATIONALITIES

## Highlights in 2019

- The UN Global Compact named Cybercom an **Ambitious Climate Leader**.
- The Municipality of Jönköping nominated Cybercom as **"Initiative of the Year"** to highlight activities that are promoting sustainability and transparency.
- The **Half Earth Project**, a proponent of biodiversity, named Cybercom a Future Company.
- Cybercom joined the **Science Based Target** initiative.
- Cybercom was awarded the status of **Amazon Web Services Premier Consulting Partner**.
- Cybercom presented the Digitalisation Consultancy Industry's Roadmap for a **Fossil Free Sweden** to Swedish Minister for Environment and Climate (Green Party) and Swedish Minister for Business, Industry and Innovation Ibrahim Baylan (Social Democratic Party).
- Cybercom's clients gave Cybercom **record-high scores** in this year's client survey. The Customer Satisfaction Index was 80: 14 points above the industry average.
- CEO Niklas Flyborg participated in the **UN Global Compact Sweden Round Table** on sustainable development.
- Cybercom's Gothenburg office was recognised as **Office of the Year** by Newst, which is owned by SF Invest.
- Cybercom was named the **most sustainable firm in the ICT sector** by World Finance for its transparent and comprehensive sustainability reporting, commitment to 1.5°C, science-based emissions targets and its work with the UN SDGs.
- Cybercom is nominated as the **Social Actor of the Year** in Sweden.

## Business 2019

- **Houdini** sought out Cybercom to help the company identify attractive lifestyle solutions with the potential to reduce the consumption of resources.
- Cloud services from Cybercom are generating new assignments from customers such as the:
  - multimedia and online firm **Schibsted**
  - a world-leading and innovative toy company
- **Business incubator Lead** selected Cybercom as its partner to pick up the pace within sustainability.
- **Valmet**, the leading global developer and supplier of process technologies, automation and services for the pulp, paper and energy industries, awarded Cybercom an important Managed Service Contract for Amazon Web Services.
- Cybercom's IT security experts are trusted by **E.on, the Swedish Police Authority, the Swedish Migration Agency and the Swedish Public Employment Service**.
- Cybercom is entrusted with the installation of the CIAM (Customer Identity Access Management) security solution platform at the **Swedish Public Employment Service**.
- Cybercom is awarded numerous framework agreements with customers including:
  - **City of Gothenburg**
  - **Kraftringen**
  - **Swedish Agency for Digital Government**

## New majority shareholder is investing in sustainable companies

Formica Capital became the new majority shareholder of Cybercom in February 2019, with a 51 percent equity interest. Cybercom's position in digitalisation and sustainability was the deciding factor in the investment. Formica is owned by the Olsson Eriksson family and makes influential investments in companies that combine profitable business with a clear commitment to promoting a sustainable future.

The other major shareholders in Cybercom are JCE Group with 41 percent, Tequity with about 6 percent and CEO Niklas Flyborg with about 2 percent.

"We are convinced that the potential for long-term growth and profitability can only be found in sustainable companies and we consider Cybercom a prime example."

**OLOF CATO**  
CEO, Formica Capital

### Five-year review

<b>Operational performance and key figures</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Operating income, SEKm	1,752.8	1,678.1	1,463.0	1,353.9	1,259.6
Operating profit after depreciation and amortisation, SEKm <sup>1)</sup>	102.8	142.3	112.5	67.8	38.3
Total assets, SEKm	2,092.2	1,102.9	978.4	895.0	879.4
Average number of employees	1,271	1,223	1,157	1,110	1,150
Number of employees at end of year	1,334	1,290	1,262	1,203	1,218
Operating margin, % <sup>1)</sup>	5.9	8.5	7.7	5.0	3.0
Equity/assets ratio, %	49	57	53	48	44

<sup>1)</sup> Operating profit after depreciation and amortisation pertains to profit before impairment of goodwill and a capital loss on the sale of a subsidiary. Depreciation and amortisation rose by SEK 33m in 2019, related to changes in the ownership structure during the year.

### Our offering

- Sustainability and business design
- Product and service development
- IT security
- Cloud services
- Business efficiency





## From best practice to next practice

As we enter a new decade, we can proudly recap not only 2019 but ten years of strong commitment to sustainability. We have deliberately accelerated our work to identify sustainability effects in our business, we have educated ourselves and gathered colleagues in the industry to make a joint shift and contribute to solutions for Agenda 2030. Cybercom supports the UN Global Compact and its 10 key principles on human rights, labour rights, the environment and anti-corruption. Our goal is to be net-positive. As a consultancy firm, we select assignments where we can add business value, social benefit and positive impact on the environment. Technology and digitalisation entail an agenda of transformation and our focus is to assure positive effects. We are taking this message into social debate and cooperative organisational fora.

### Strategic directions

2019 was the starting year for a new three-year plan for Cybercom. Our strategic directions are specialisation, innovation and sustainability. IT security and cloud services are our strong growth areas along with a number of centres

of excellence in key service areas. Technology is advancing at blinding speed and we are choosing our areas of focus to bring clarity to our employees and clients.

Innovation is the nerve centre of our business and our innovative capacity drew even closer to the client this year by means of bundled business offerings. Sustainability is our mission, which will become part of our business to an increasing extent, and we are winning more sustainability-related advisory assignments in the energy and industrial sectors. Our Sustainability Ambassadors partnered with KTH Executive School to design a course in digital sustainability that all Cybercom employees will take in order to gain knowledge and insight into the challenges the world is facing and the impacts we can and want to achieve.

We carefully scrutinise our offerings from a sustainability perspective. As of 2019, all quotations are evaluated based on their contributions to the global SDGs before they are submitted to clients. We have been analysing sustainability effects in our deliveries to larger clients since 2013. We can proudly note a positive trend and we now evaluate all business. A full 66 percent

of all the business we won in 2019 provide a positive contribution to one or more of the 17 SDGs. We are seeing a positive correlation to our financial performance, as we have – for yet another year – delivered growth and profitability while creating social benefit and enabling environmental gains.

The challenge is maintaining credibility and transparency, which is why we are working with international organisations to jointly draft a standard for how sustainable business should be measured. During the year, we made a formal commitment to preparing climate-related targets in 2020 that meet the standards of the Science Based Targets initiative (SBTi).

Current and future skills shortages are another challenge for us and the industry. We must arouse interest among children and young people, ensure attractive academic programmes and, like our free trade agreements, also maintain valuable exchanges of skills across national borders. This will require input from social actors, politicians, academia and the business community. Internally, we have identified activities to improve ourselves. We also realise that we can achieve better results in

## “Cybercom has positioned itself as an agent of change and solutions. Sustainability is our business.”

partnership with others. Accordingly, we have for example supported HelloWorld! since the beginning and have been a main partner to Women in Tech for many years, as we were once again in 2019. The industry needs more women. Women make up 20 percent of our people at Cybercom. That is not good enough, and our target is a minimum of 30 percent women employees. I will continue to push initiatives until we succeed.

### Value-creating business

Cybercom's client list is outstanding. Every single day, we are doing good at companies and organisations that want to develop and make the world a better place. Kone, Valmet, Schibsted, the Public Employment Service and Zenuity are a few of the clients where we have made new and exciting advances. As a digitalisation consultant, we are enhancing the innovativeness of government agencies and local authorities that are becoming more efficient and delivering services in new and smart ways. I would especially like to draw attention to our agile development teams, whose tasks include helping the Swedish Tax Agency implement the EU DAC6 directive. The aim is to increase transparency in cross-border tax arrangements. This strengthens competition on equal terms for businesses and has a clear connection to SDG 16 Peace, Justice and Strong Institutions. In the same spirit, we are using AI (artificial intelli-

gence) to improve Finnish social services. In Poland, we suggest to government agencies automate routine checks of water quality to achieve faster results through a network of sensors, machine learning and data analysis. In addition to minimising health risks, this saves time and money.

We are leveraging innovation and ML (machine learning) to create solutions that prevent crime in partnership with the Swedish Enforcement Authority. Innovation is also the key word in our work with Skellefteå Municipality to create a new digital assistive device that gives structure to daily activities to support citizens with disabilities. We are introducing data-driven predictive maintenance of the Öresund Bridge through ML. This involves replacing time-based activities and reducing corrective maintenance, which results in longer sustainability, reduced use of finite resources and lower costs. We are using cloud-based services to cost effectively and securely streamline data management for manufacturing industries in Denmark, Sweden and Finland.

We are contributing to IT security at the European level by assisting DIGIT (Directorate-General for Informatics). Our Signport signature service is gaining ground with Swedish government agencies, such as the Swedish National Courts Administration and the Swedish National Export Credits Guarantee Board, that want to simplify application processes for citizens. This is saving paper, time and money.

Our ambition is to ensure and demonstrate good sustainability effects in all assignments. Towards that end, we launched the sustainability course that all employees will complete in order to contribute to Cybercom's business. We take a holistic view and see beyond the technology to ensure a sustainable tomorrow.

### Awards and recognition

I am delighted with all of the outstanding awards and recognition we received in 2019. In fine company, we were named an Ambitious Climate Leader by the UN Global Compact, the Most Sustainable Company in the ICT Sector and one of the top three Swedish social actors. We have also celebrated with clients who have won awards for user experience and innovations. Cybercom's position as an important social actor is growing stronger and we are being invited to share our experiences and points of view. Strong employee engagement has made us a part of internationally sustainable business. I would like to extend heartfelt thanks to all of my colleagues at Cybercom who are driving progress within our company, with our clients and in society at large. Together we are #Makersoftomorrow, which comes with a responsibility we are happy to take on.

### NIKLAS FLYBORG

President, CEO and Maker of tomorrow

### Women In Tech

As an aspect of our ambition to attract more women to the tech industry and to Cybercom, we are main partners in 2019, and also 2020, along with Accenture, Ericsson and EY, to Women in Tech, the largest inspiration and networking event for women in the Nordics.

FOTOGRAF: HILDA ARNEBACK





## An era of intensive change

We are living in an era of intensive change. The digital revolution, globalisation and the demands for transition to sustainable business imposed by the climate crisis are altering the conditions of modern society. Cybercom's business is based on this insight, and the underlying social trends are benefiting our industry.

Digitalisation can be an engine of change towards a more sustainable society, particularly through tools that reduce the use of resources and emissions. That means the world needs specialists who can link business insight with technical expertise.

### **The climate crisis demands swift transition**

According to the annual Global Carbon Budget report, global carbon emissions rose during 2019 by 0.6 percent. Clear changes in every part of society are necessary if we are going to achieve the Paris Agreement target of limiting global warming to 1.5 degrees – and there is no time to waste.

Worry about climate change has transformed in the last year to become a more or less collective awareness that we are in the midst of a global climate crisis. The pace of business initiatives for a sustainable future must accelerate – and this is a business opportunity for Cybercom.

The widespread support of the UN Sustainable Development Goals and Agenda 2030 is a clear sign of the willingness of business to make a positive contribution to sustainable social development. We believe our sector can contribute to all SDGs, especially 3, 4, 5, 9, 11 and 13. Cybercom is driven primarily by the quest to create solutions that use digital technology to help shrink our clients' climate footprint. We have been systematically following up client

projects since 2019 to determine which have a sustainability aspect and which of the UN SDGs have the strongest links to our business. Turn to page 16 to find out more about Cybercom's contributions.

### **Digitalisation – the Fourth Industrial Revolution**

The scope and significance of digitalisation are vast – we are in the midst of a Fourth Industrial Revolution that affects us all.

This is not merely a technical shift. It is a total transformation of how we interact with each other, including how we do business. The impact is great – according to the IDC report FutureScape 2019, more than 60 percent of



global GDP will be digitalised within two years. Businesses that fail to grasp the opportunities of digitalisation will be left behind.

IT is no longer merely a support function. It is often the core of a business and the mechanism of production. Collection and analysis of big real-time data makes it possible to streamline both production and use. Servitisation is becoming increasingly widespread – consumers and businesses are no longer buying products alone, but often complex solutions that include digital services.

Relationships are changing; it is no longer obvious who is the owner, producer or user. One example is the smart home, which often incorporates connected services from multiple providers, such as energy management or single-use door codes for home deliveries.

Digital solutions are also improving the efficiency of public management and contributing to the democratic process.

**5G is redrawing the map**

The rollout of 5G began in earnest in 2019. 5G is going to connect the world considerably faster and more reliably, with fewer lags. The technology will be the most powerful technological leap in the mobile industry thus far, create new conditions for large segments of business and industry and pave the way for machine-to-machine communication in the Internet of Things (IoT). 5G will also be a crucial technological boost in giving humanity a chance to meet the Paris Agreement target of limiting the rise in global temperature.

Communication for self-driving cars, sensors that say when a robot needs service, weather information linked to traffic planning, con-

nected patients in rural areas, early detection of water leaks and energy-smart homes are just a few examples of how 5G can be used.

5G will also accelerate the development and use of artificial intelligence (AI) and machine learning, leading to higher efficiency, more automation and better decision input. According to the Danske Bank IT Update published in 2019, nearly 60 percent of Nordic companies are already using AI and 30 percent are planning to do so.

IDC predicts that a third of all screen-based apps will be replaced by AI technology by 2024 and that 30 percent of companies will be using conversational speech tech for customer engagement within two years.

**Cloud services are the new black**

More than 60 percent of Nordic companies bought cloud services in 2018 according to the Danske Bank Market Update 2019. The percentage is also rising in Europe, but from a lower level – about a quarter of companies in Europe bought cloud services last year.

Users now expect to have constant and mobile access to information, documents, systems and apps. Consequently, major changes need to be made within many organisations. When they use cloud services, companies pay for and manage only the services they need, without having to store and own them. Security, the user experience and flexibility can be higher.

In the FutureScape 2019 report, IDC predicts that 75 percent of all IT spending will be related to 3rd platform technologies, where data is stored in the cloud instead of on local servers to enable constant access.

Cloud services are one of Cybercom’s service areas, where we offer everything from advisory to operational services. We are primarily specialised in cloud services from AWS and Azure and achieved AWS Premier Consulting Partner status during the year.

**Security is an increasingly important aspect**

Digitalisation also brings new risks. Inadequate security can have serious consequences, from disruption or breakdown of vital public operations like energy supply to threats to personal privacy and identity.

Physical assets can also be affected. Secure and resilient systems are essential to making optimal use of technology, along with the ability to assess risks and opportunities and take action in the right direction. Information security is a priority service area for Cybercom, where we are using experience, tools, skilled consultants and agile methods to help clients in various industries create the right level of security and ensure regulatory compliance.

**Shortage of qualified labour**

The Nordic digitalisation consultancy industry is growing steadily and thus benefits from strong underlying trends. But there are also challenges, including a shortage of qualified workers. The inability to recruit and retain the right employees is the main obstacle to growth. That also applies to Cybercom, which is meeting the challenge in various ways, including concentration on innovation and sustainability – two areas that are very attractive to younger employees. Read more about Cybercom as a workplace on page 22.

**AI**



**35%**

With annual growth of 35 percent in AI spending in the Nordics, the market will surpass EUR 1 billion by 2022. Additional uses are being identified and adoption of AI applications is growing.

Source: IDC Nordic Digital Insights 2019

**IT security**



**284%**

More than 7,000 known data breaches exposed more than 15 billion records in 2019, a 284 percent increase from 2018.

Source: Risk Based Security 2019 Year End Data Breach Report

**Cloud**



**75%**

75 percent of all IT spending in 2023 will be related to the 3rd platform – the cloud.

Source: IDC FutureScape 2019

# Business insight and digital expertise

Cybercom’s vision is to make a sustainable tomorrow and be our clients’ preferred business partner in the connected world. Our strategy to 2021 is clearly focused on innovation and sustainability and is based on the insight that digitalisation and advances in technology are catalysts of global sustainability.

**The cornerstones of Cybercom’s strategy to 2021:**

**1. Sustainability, innovation and connectivity** are our core skills and are what make us the leading digitalisation consultancy firm. Connectivity is our home playing field and sustainability will be developed into an increasingly important component of the business. We are developing solutions to reduce climate impact and monitoring how our solutions are promoting attainment of the 17 UN Sustainable Development Goals. We are carrying the banner of leadership in the industry and are striving towards net positive impact. We are continuously exploring new and better methods. We are finding new paths and building new skills through groundbreaking client projects and our Innovation Zones.

**2. Greater specialisation** We specialise in our core skills and service areas. Groupwide Centres of Excellence are accelerating specialisation and becoming guarantees that we will always be on the leading edge.

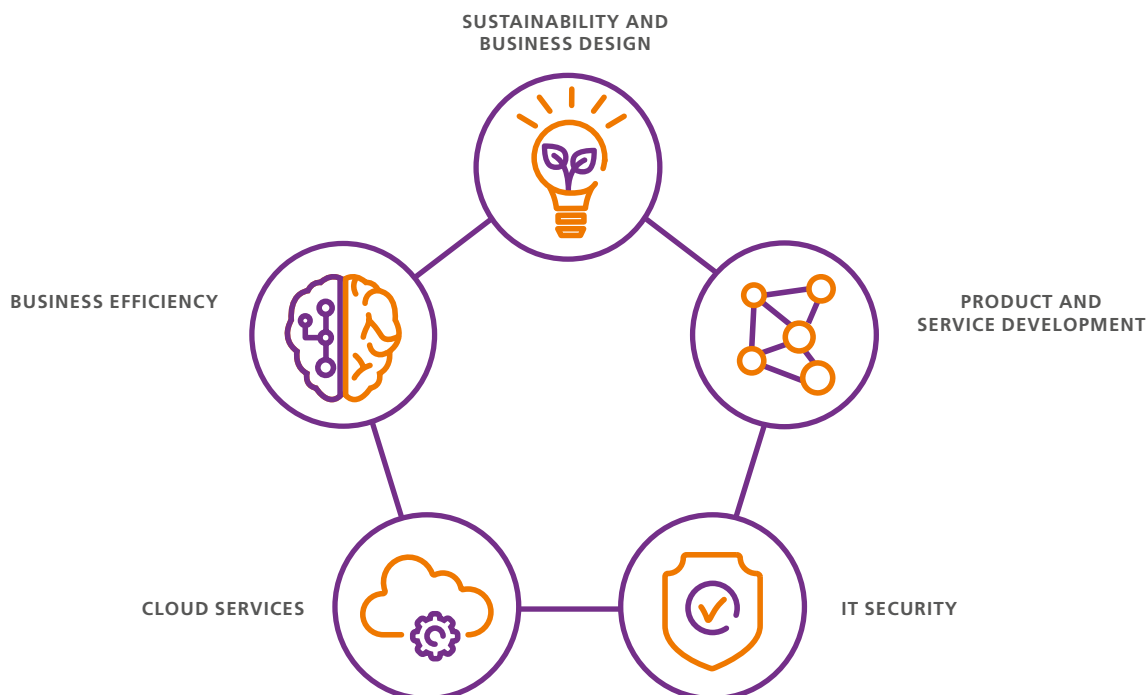
**3. Makers of tomorrow** is our mission and our identity. We are moving from words to action, cross-pollinating technical expertise with business insight and creating innovative solutions for a sustainable future. We are focusing on profitable areas and investing in thought leadership and targeted skills development in order to grow faster than the market. We inspire colleagues, share insights, are change-driven, work in teams, reinforce our leadership capabilities and are the best workplace for Makers of tomorrow.

**4. Expanded client base:** We are focusing on clients for whom Cybercom’s knowledge and services create the most value. We will enter into solid partnerships with more clients that have an express ambition in one of our specialist areas.

**5. Value-based growth** We are generating growth by servitising and prioritising solutions that generate high value for our clients while enabling growth without having to increase the workforce.



# Our offering



Cybercom offers services and solutions in areas including business advisory, development of digital, sustainable business models and system development, cloud services and IT security.

## IT security

Cybercom helps businesses and organisations formulate IT security strategies and identify the right level of security. This involves legal and regulatory compliance, for example, and mitigating the risks of data breaches and cyber attacks. Services include risk analysis, compliance, e-signature, security management and further development of already secure systems.

## Sustainability and business design

We help our clients rapidly develop and launch successful and sustainable business ideas, concepts or digital apps that are based on insights into user needs. Time-to market is cut in product development and quality, functionality and the user experience are improved.

## Cloud services

Using cloud services is more or less standard in business today and the cloud enables digital transformation, efficiency and cost savings. Cybercom is a qualified cloud service partner and offers the full range from advisory to operational services. We work with cloud services, security issues and migration, implementation and ongoing management, among else. Cybercom's consultants are mainly specialised in services from Amazon Web Service (AWS) and Microsoft Azure.

## Product and service development

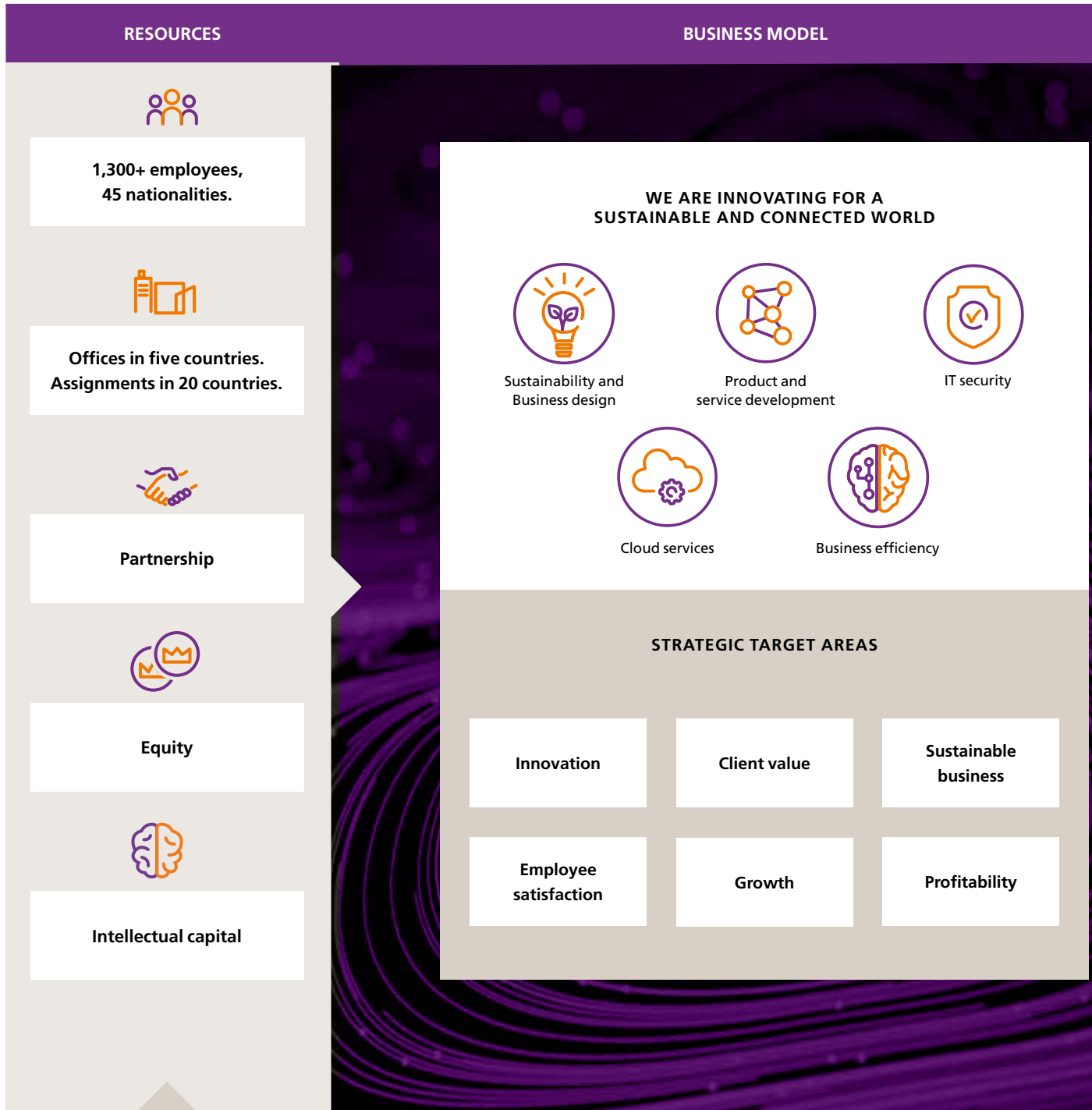
Cybercom offers efficient teams of qualified consultants who deliver modern, agile development of products, systems and services. We develop sustainable digital solutions that make clients more competitive and innovative. This might, for example, include improving and implementing large systems in the public sector or developing websites, mobile apps and software apps.

## Business efficiency

In Business Efficiency, we offer strategic business advisory where we help clients evaluate and design business strategies, organisational structures and digital maturity. We identify and analyse assets, strengths, conditions, challenges and opportunities. A plan is drawn up thereafter that includes strategic initiatives to future-proof the organisation's competitiveness and market relevance.

# How Cybercom creates value

Cybercom is driven by the insight that digitalisation is a catalyst of global sustainability. We create value for clients, employees, society and owners by helping clients succeed in the connected world and contribute to a sustainable future.







# The targets that govern our business

In its strategy for 2019–2021, Cybercom has identified the target areas of client value, specialisation (profitability), innovation, sustainable business, Makers of tomorrow (employee satisfaction) and One Cybercom (growth). These are critical and steer our operations and day-to-day activities in the right direction.

TARGET AREA	TARGET	OUTCOME 2019	COMMENTS
<b>CLIENT VALUE</b>	The Customer Satisfaction Index (CSI) will improve every year.	<p>80% 2019, 72% 2018</p>	Via the annual client survey, Cybercom measures perceptions of the company as a strategic partner and our performance in the areas of value creation and on-time delivery.
<b>SPECIALISATION (PROFITABILITY)</b>	The operating margin* for the Cybercom Group will be above 13 percent and above 15 percent for the growth areas of IT security, cloud services and certain Centres of Excellence by the end of 2021. <small>* Operating margin excluding acquisition-related amortisation.</small>	<p>9.1 2019, 9.7 2018</p>	Profitability shows how we are developing towards greater specialisation with more value-add services. High profitability means we are investing in areas that create value for our clients.
<b>INNOVATION</b>	80 percent of employees will have spent more than 40 hours on projects within an Innovation Zone as of 2021.	16%	Systematic innovation efforts are moving us towards the position of innovation consultants.
<b>SUSTAINABLE BUSINESS</b>	80 percent of all assignments will contribute to the UN SDGs.	66%	Sustainability will be integrated into our assignments, offerings and culture. All assignments are registered in the CRM system with regard to how they contribute to the global SDGs.
<b>EMPLOYEE SATISFACTION – MAKERS OF TOMORROW</b>	The employee net promoter score (eNPS) will increase annually from the baseline score of 18 in 2019.	18	Strategy, leadership and career development opportunities promote employee satisfaction. Measured via aggregated “pulse checks”.
<b>ONE CYBERCOM (GROWTH)</b>	The Cybercom Group will grow by 30 percent in the period of 2019–2021. Growth will top 50 percent for the growth areas of IT security, cloud services and certain Centres of Excellence.	<p>4.5% Cybercom Group</p> <p>21.0% Growth areas</p>	Uniform and repeatable processes will support a culture of collaboration and knowledge sharing. We use the same model for investing in and developing offerings and solutions in all Cybercom regions, enabling exponential growth in addition to the number of employees. The groupwide perspective increases internal collaboration and helps us reach our full potential.



# MAKING OF TOMORROW

Cybercom's solutions mean that our clients can make a positive impact on the market. And on the planet. An assignment cannot get any more important than that.

Working closely with our clients is second nature to us. Ideally, we want to be considered a partner and engine of value creation in their business.

We earn that trust only by staying one step ahead and constantly sharpening our specialist skills.

# Ambitious sustainability agenda

At Cybercom, we regard sustainability as part of our raison d'être. Contributing to attainment of the UN global SDGs is one of our main goals.

## Science-based targets for net positive impact

The company's contributions to a sustainable tomorrow are being made on several levels, and we categorise the work in three areas:

- Our Clients
- Our Employees
- Our Business

Cybercom is also shaping opinion and blazing trails by means including leading the digitalisation consultancy industry's Roadmap for a Fossil Free Sweden, joining the Science Based Targets initiative and being proactive within the UN Global Compact.

Our company culture encourages individual sustainability initiatives and we seek external partnerships to contribute to the global SDGs. In 2019, Cybercom committed to ambitious,

science based climate targets within the framework of the Science Based Targets initiative (SBTi). The ambition is to make sure we do what we can in our internal operations to prevent global warming from exceeding 1.5 degrees – while acting as a role model for others.

The SBTi began with an open letter from a large assembly of companies, UN leaders and social actors. They addressed a challenge to business leaders to draft business-related climate targets that are in line with what science demands if we are to achieve the Paris Agreement target to limit global warming.

The world needs to create a healthy economy with net zero emissions by 2050. This is going to take swift and comprehensive changes in society, which requires both leadership and substantial investments. At Cybercom, we want to contribute in every way we can.

During 2020, Cybercom will prepare and adopt long-term climate targets and activities to become climate-neutral.

In partnership with the KTH Executive School, Cybercom Sustainability Ambassadors and the Head of Sustainability and Communications designed a Digital Sustainability course. The course is provided via an e-learning platform and contains 14 modules covering topics including the UN SDGs, social challenges, the role of the IT and digitalisation industry in overcoming environmental challenges, sustainable value propositions, circular business models, positive and rebound effects, sustainable coding principles, transformative challenges and financial evaluations. The course also summarises Cybercom's sustainability programme and the company's frameworks, actions and governance aimed at attaining its goals.

## SUSTAINABILITY AGENDA

Take climate action with maintained profitability  
 Net positive impact by 2030  
 Fossil free in our own operations by 2045



### OUR CLIENTS

- Client satisfaction
- Sustainable and climate-positive assignments
- Innovation
- One Cybercom



### OUR EMPLOYEES

- Employee satisfaction – Makers of tomorrow
- Diversity and inclusion
- Training in sustainability and the potential contributions of digitalisation
- Academies and Innovation Zones



### OUR BUSINESS

- Reduced environmental and climate impact
- High ethics
- Active anti-corruption work
- Information security and data protection
- Responsible purchasing



## Cybercom: Leading the industry towards a Fossil Free Sweden.

**During 2019, Cybercom initiated** and was the project manager for the digitalisation consultancy industry's roadmap for a fossil free future within the framework of Fossil Free Sweden. Thirty-three companies signed the roadmap, which calls the government to action and shows how digital solutions can accelerate progress towards a fossil-free future.

"We have to work on several fronts to optimise current systems and accelerate initiatives as well as to transform business and society by developing entirely new system solutions and business models. Digitalisation consultancies will play a critical role in bringing this about", said Niklas Flyborg, President and CEO of Cybercom, when the roadmap was presented to Swedish Minister for Business, Industry and Innovation Ibrahim Baylan and Swedish Minister for Environment and Climate Isabella Lövin.

### The digitalisation consultancies' key commitments

- By 2030, cut energy use in the industry by at least half and be climate-neutral by 2045.
- Train employees on the impacts of digitalisation from a climate and sustainability perspective.
- Agree a framework to report positive and negative contributions (Scope 1–4, including avoided emissions).
- Launch a web platform containing educational materials, methods and case reports including climate impacts.

Working groups were established in the autumn of 2019 to develop and agree on future efforts.

### The digitalisation consultancies challenge the Swedish government to take seven actions:

- Appoint a digital transformation committee with international ambitions.
- Update appropriation directions with requirements for digital low energy strategies.
- Encourage reporting of Scope 4 (Next scope)/avoided emissions that unpack the potential of digitalisation to help companies become suppliers of fossil free solutions.
- Appoint a fast-track inquiry into open data that supports global sustainability.
- Clarify the responsibility for digitalisation and sustainability within all government ministries.
- Allocate resources for a national knowledge boost.
- Establish Testbed Zones for sustainable digital transformation.



# Client assignments with sustainability filters

Cybercom adds a sustainability filter to all client assignments and records their sustainability so that we can track how we are contributing to social development. When we use innovative thinking and established methods to promote information security, business design for net positive impact and innovative service design, for instance, the potential for clients is huge.

## Advisory for climate positive impact

The opportunities of digitalisation and the challenges of the climate crisis leave no doubt: the entire business sector needs to think again. Cybercom supports its clients at every step of the way towards net positive impact (NPI). This involves reaching a level where the positive contribution to the environment is higher than the climate footprint left by the activity.

We help our clients shift focus from internal sustainability problems to external business opportunities. Including the NPI approach gives companies and organisations the courage to think bigger and in new paths. This leads to innovative services and new revenue streams.

Our digital sustainability offering can be divided into two phases. In the strategy phase,

we work closely with the client to explore potential new business models and value propositions that transform global sustainability challenges into business opportunities. We help the client create a sustainable business strategy that revolves around the opportunities of digitalisation. We define how the work should be organised, map out the risks and how they can be avoided and contribute innovation and the production of prototypes and action plans.

Once we have defined what is to be achieved, we move into the delivery phase. This is where we develop, test and manage digital solutions based on user insight while promoting a sustainable future. We identify needs and behaviours and design services that are more sustainable, faster, more convenient, more human,

more fun and more efficient. This attracts users and makes life simpler or better for users.

## Development and innovative thinking via Innovation Zones

Innovation Zones are hubs for development and innovation found at all Cybercom offices. This is where employees, clients and other partners can test ideas, try new technologies and develop prototypes in a creative environment. The teams are cross-functional and the process can best be described as empirical innovation.

Innovation Zone started in 2013 and developed over the years and in 2016 became a strategic, groupwide concept that boosts Cybercom's competitiveness as a supplier and as an employer.

*“It feels like they have a good understanding of the world and thus give good answers and do not miss a thing. Cybercom feels modern.”*

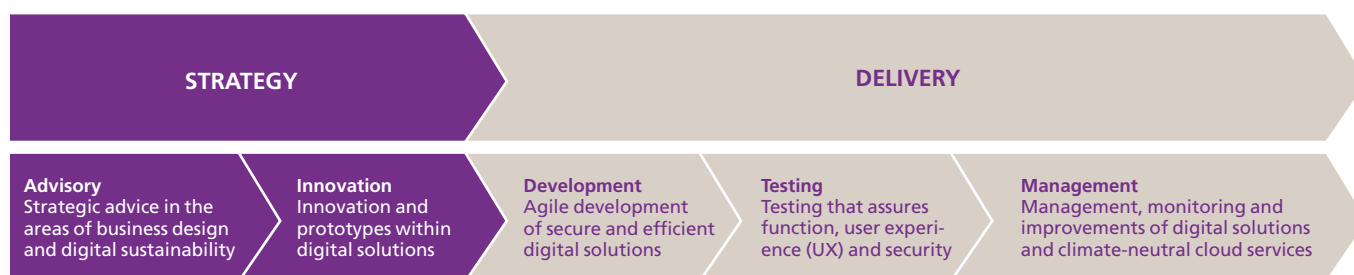
CLIENT TESTIMONIAL

The 2019 client survey beat all previous scores with a CSI of 80 on the Kantar Sifo index, compared to the average of 66 for tech and IT firms in northern Europe. Our consultants rank the highest and our brand position has been significantly enhanced in a strong trend that has accelerated since 2014. The biggest positive changes are found in the scores for our employees, who provide sustainable advice, understand the client's business and challenges, are honest and

deliver outstanding service. Clients perceive Cybercom as a trustworthy supplier that provides services that reflect their needs. The areas in which our scores have increased most are strengthening client competitiveness and delivering on budget.

- 10 out of 10 would do business with us again
- 9 out of 10 are happy to recommend us
- 4 out of 10 see clear sustainability effects from the solutions we deliver.

## Digital sustainability offerings



## A selection of clients

ASSA ABLOY, Ericsson, the Finnish Digital and Population Data Services Agency, Finnish National Agency for Education, Husqvarna, IKEA, KONE, MTV Finland, Posti Group, S Group, SKF, Stockholm County Council, Swedish Public Employment Service, Swedish Tax Agency, TDC and Volvo Cars.



# Helping our clients become net positive



## From Best Practices to Next Practices

Cybercom aims to use new technology, digitalisation and innovation to help clients design business solutions that have positive social impact. The global Sustainable Development Goals (SDGs) are the focus. Cybercom has developed leading-edge skills in the climate area and Low Energy Demand solutions. The social consequences of the client’s product or service are what we call the “climate handprint”. The process includes calculating the reduction of emissions and even avoiding emissions in the community where the client’s products and services are used. Cybercom’s goal is net positive impact. This happens when the positive carbon handprint outweighs the negative carbon footprint.

## Carbon handprint

The carbon handprint includes the consequences that arise in society when technology, products, services, or business models are used by customers and citizens. A carbon handprint gives the company an opportunity to make a positive contribution to society. When companies and organisations focus on studying the handprint, they are able to develop “Next Practices” – the solutions that enable system modifications that have significant positive climate

impact. In this way, they become a part of the solution to the climate challenge we are facing.

The types of solutions that are positive from a social perspective can generate entirely new green revenues and promote growth and competitiveness. If the carbon handprint is bigger than the carbon footprint, this growth becomes climate positive. This approach aligns with the increasing demands on the capacity of business to contribute to key political objectives like the EU Green Deal.

**Next Practices** are the future solutions that contribute a positive carbon handprint with higher growth and competitiveness. They are the technologies, products, services and business models that can replace current solutions and deliver net positive social impacts from a climate perspective. Functionality and user experience are key elements of the solution. It must also be scalable, so that the positive social consequences spread across the entire world as more people adopt the solution. Methods for calculating the carbon handprint are beginning to be established, but there is no standard yet.

## Carbon footprint

A company’s carbon footprint is based on the company as a source of emissions and includes the climate impact of the business across the value chain. The established framework for calculating the emissions was developed by Green House Gas Protocol (GHG Protocol).

### Scope 1 | Direct GHG emissions

- Emissions from sources owned or controlled by the company, for example, emissions from owned or controlled oil-fired boilers or vehicles that run on fossil fuels.

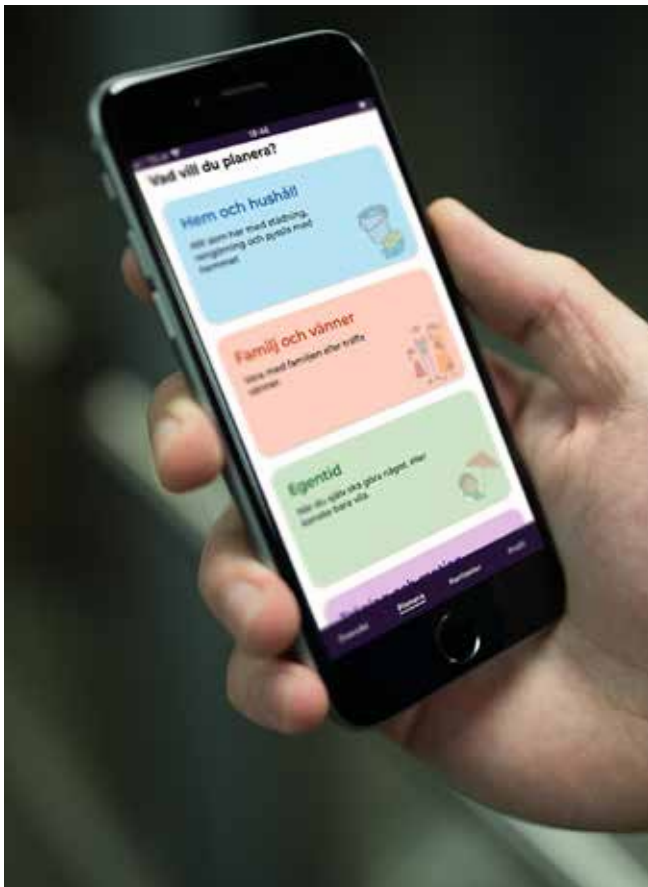
### Scope 2 | Indirect GHG emissions

- Indirect emissions from the use of grid-distributed energy (from purchased electricity, district heating, district cooling, steam).

### Scope 3 | Other indirect GHG emissions

- Other indirect emissions (for example, from purchased transportation, business travel, goods, materials and services).

**Best Practices** refers to when companies apply the best current solutions to reduce their business’s climate footprint. Focus is on optimising operations to reduce the company’s emissions, risks and associated costs. Standards have been established that cover well-established methods of compliance and reporting.



## THE APP THAT HELPS EVERYONE'S LIVES WORK

For most people, mundane chores like cooking, cleaning and laundry are routine and require limited effort, but it is not that way for everyone. For some people, planning is a hardship. Being dependent upon others for structure in everyday life can feel frustrating and difficult.

Todej (pronounced "Today") is a mobile app that helps people plan their time better and conserve their energy. The app, which Cybercom developed in partnership with Skellefteå Municipality, was created mainly for people with cognitive difficulties, but can also be useful for other people who want to get things done in an entertaining way. There are also elements of gamification that motivate people to use the app.

"Residents of the municipality who have cognitive impairments will now have the opportunity to live like other people do, to live more independently. Many are dependent on personal assistance to manage various everyday tasks," says Carina Norman, an organisational developer at Support and Service, Skellefteå Municipality.



**SDG 10:**  
REDUCED INEQUALITIES

## HELPING FIGHT CRIME AND CLEAR DEBT

The Swedish Enforcement Authority seizes money and property from criminal activities every year worth millions of kronor - an effort that demands efficient methods. Cash, cars, watches, bitcoin and works of art are just a few examples of the items seized by the agency. The Enforcement Authority sells the property at auction to clear debts and pay damages to victims of crime. This also prevents the money being invested in further criminal enterprises, such as the purchase of drugs or weapons.

In its crime prevention work, the Enforcement Authority took the initiative in 2019 to explore the effects of coordination among employees, artificial intelligence and smart processes within the agency. This was the starting shot of the Harpoon project. As an aspect of the work to develop and test new and innovative methods, Cybercom was involved in creating prototypes that were subsequently further developed for several initiatives within various agency activities.

"Since the beginning of the year, we have worked with our colleagues in special collections who work with serious organised crime focused on crime prevention by combining law and up-to-the-minute technology in machine learning. Thus far, the project has resulted in 15 Minimum Viable Products (MVPs) that we plan to produce within the near future," says Nicklas Burman, IT strategist at the Swedish Enforcement Authority.



**SDG 16: PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES (TARGET 16.4 SIGNIFICANTLY REDUCE ILLICIT FINANCIAL AND ARMS FLOWS, STRENGTHEN THE RECOVERY AND RETURN OF STOLEN ASSETS AND COMBAT ALL FORMS OF ORGANISED CRIME).**



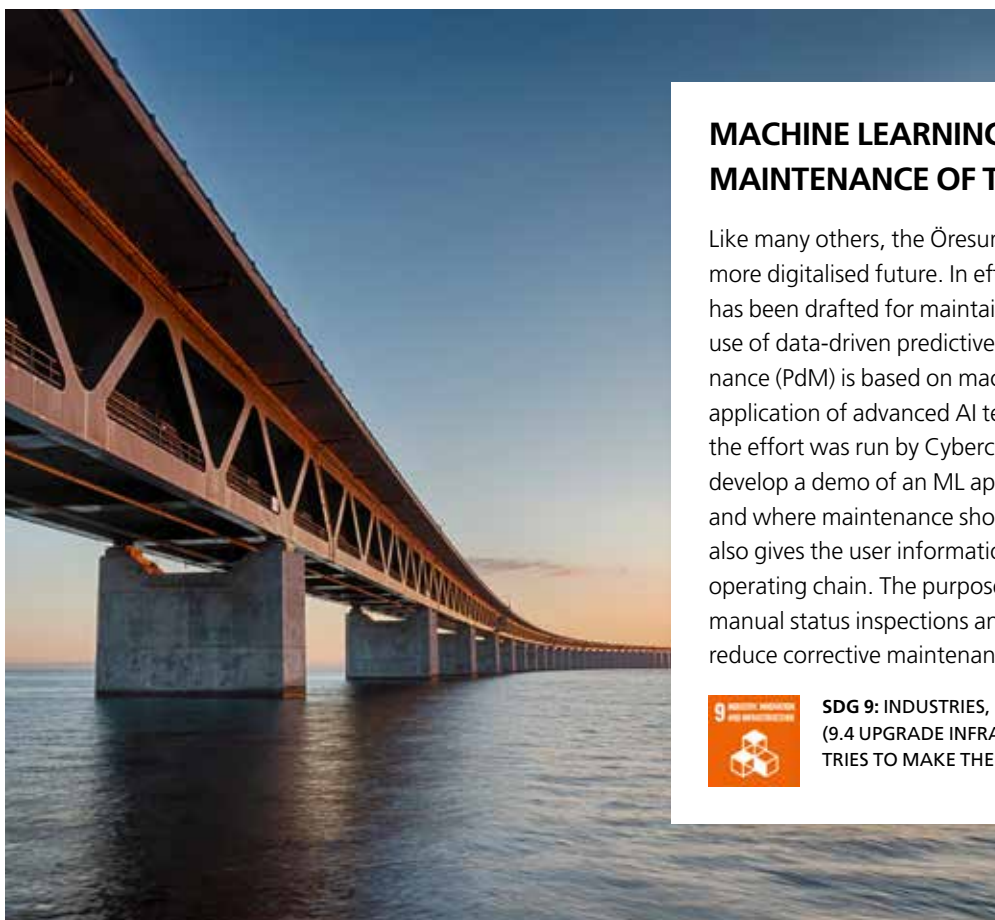
## IOT IS ASSURING WATER QUALITY IN POLAND

Water is the most essential element in our lives, where supply and quality are critical to a functioning society. In order to ensure good quality in our drinking water, regular tests are performed and are followed up with evaluations. It can take days to get the results of water sampling, which means that any deterioration in water quality can impact many people before corrective measures can be taken.

On the other hand, it is possible to prevent people becoming ill from polluted water by automating and shortening the response time for test results. In this project, aimed at assuring water quality more efficiently, Cybercom was involved in developing sensors that continuously analyse parameters including temperature, pH value, flow, cloudiness and odour. The method makes it possible to rapidly identify and localise changes in the water that indicate the growth of pathogenic microorganisms.



**SDG 6: CLEAN WATER AND SANITATION**



## MACHINE LEARNING PREDICTS MAINTENANCE OF THE ÖRESUND BRIDGE

Like many others, the Öresund Bridge is on the brink of a more digitalised future. In efforts related to this, a strategy has been drafted for maintaining the bridge by increasing the use of data-driven predictive maintenance. Predictive Maintenance (PdM) is based on machine learning (ML) and is an application of advanced AI technology. The initial project in the effort was run by Cybercom, which was assigned to develop a demo of an ML application that can predict when and where maintenance should be performed. The method also gives the user information about vulnerabilities in the operating chain. The purpose of data-driven PdM is to replace manual status inspections and time-based activities and reduce corrective maintenance.



**SDG 9: INDUSTRIES, INNOVATION AND INFRASTRUCTURE (9.4 UPGRADE INFRASTRUCTURE AND RETROFIT INDUSTRIES TO MAKE THEM SUSTAINABLE)**





Learn more:  
[www.half-earthproject.org/discover-half-earth/](http://www.half-earthproject.org/discover-half-earth/)

### INNOVATIVE INITIATIVE CONTRIBUTES TO A MORE SUSTAINABLE APPAREL INDUSTRY

Outdoor gear company Houdini partnered with Cybercom in 2019 to study the positive and negative environmental impacts to which an apparel company contributes, with particular focus on how a sustainable lifestyle can be promoted on a global level. The work included in the two-year Regenerate Lifestyle Initiative project includes a report intended to inspire dialogue among apparel companies all over the world. The goal of the initiative is to show how attractive lifestyle solutions could take humanity towards the far-reaching Half-Earth ambition. The report is the first step in the process of studying various strategic opportunities for a sustainable future.

“This is exactly the kind of innovative attitude with a positive vision that we need if we are going to have a chance to reverse the negative sustainability trends of today. Through this initiative, Houdini will strengthen its position as one of the first companies in the world among the third-generation sustainability leaders that are focusing on the positive contributions of business to society”, says Dennis Pamlin, Accelerator Net Positive and Digital Sustainability Business at Cybercom.

The Half Earth project unites deep scientific research, leadership and commitment with the idea that if half the area of the Earth is protected, 85 percent or more of all species will also be protected.



**SDG 12: RESPONSIBLE PRODUCTION AND CONSUMPTION**



### MUNICIPALITY DIGITALISES GENERAL DEVELOPMENT PLAN

A general development plan is something that every municipality in Sweden prepares to indicate the direction of long-term development of the physical environment. It is governed mainly by the Swedish Planning and Building Act and the Environmental Code and is meant to show which areas that are suitable for different purposes.

Luleå Municipality contacted Cybercom about its need to digitalise its general development plan and integrate it with an interactive map to make it more user-friendly and available on their website. In the past, the general development plan comprised downloadable PDFs. The target groups included officials with Luleå Municipality, officials at government agencies, architectural firms and residents of the municipality.



**SDG 11: SUSTAINABLE CITIES AND COMMUNITIES**

The aim of the project was to create a dynamic, easy to use tool. The new maps makes the work of officials and architects easier, while citizens can more conveniently access municipal guidelines for future areas for development and preservation of land and water use. The digital general development plan was launched on Luleå Municipality’s website during spring 2019.



## CYBER SECURITY IN SOUTH AFRICA

In an increasingly digitalised world, the need for cyber security has also grown at the individual level, organisational and societal levels. A research partnership between Sweden and South Africa began in 2019 to study the role of cyber security in our interactions with the world and how that understanding can contribute to greater global sustainability. Scientists in each country attended meetings during the year and began forming networks to reinforce their international perspectives on the subject. Efforts include a clear plan for skills transfer between the countries.

### The project is divided into three themes:

- **Societal level** – cyber security and the UN SDGs
  - Within this theme, the researchers are studying the definition of global sustainability with cyber security taken into account. The next stage of the work will involve how cyber security should be managed in each of the 17 global SDGs.
- **Organisational level** – sustainable management of information security
  - This theme deals with how we can sustainably manage information security in organisations. The focus is on identifying needs for new management methods that rely on human behaviour and motivation rather than micromanagement.
- **Individual level** – cyber resilient citizens
  - This involves studying citizens’ understanding of cyber security in order to identify new research directions in the subject.

Fredrik Blix, Principal, Cybercom Group and senior lecturer at Stockholm University, is running the project jointly with colleagues from Rhodes University, University of Cape Town, Stockholm University and Örebro University.



**SDG 17: PARTNERSHIPS FOR THE GOALS**

## AGILE CLOUD MANAGEMENT MODEL ACCELERATES BUSINESS DEVELOPMENT

The increasingly digitalised society is putting huge demands on capacity in legacy and complex IT solutions. Systems that were once efficient now need to be modernised to meet changing business needs. For a corporate group that does business in multiple sectors, this can entail an even greater challenge to assure the life cycle of IT systems, accelerate the implementation of new system modifications and build new services. This was the case for Paulig – the biggest coffee and food company in Finland.

Paulig contacted Cybercom to discuss their need to migrate legacy systems to a cloud environment. The outcome was a business-oriented and sustainable cloud management model. The management model defines, for instance, how Paulig can continue building its cloud services internally and how the company can develop the cloud project, in concrete terms, within the organisation. This makes it possible to develop and modernise existing and new services for customers in a much more efficient way, as well as to strengthen and assure responsible business processes.



**SDG 12: RESPONSIBLE PRODUCTION AND CONSUMPTION**







# Working at Cybercom

We call ourselves *Makers of tomorrow*. Makers because we are making digitalisation happen and moving rapidly from idea to action. Tomorrow, because we want to create a better tomorrow and because digital development should always equate to sustainable development. We learn from experience, benefit from our collective capabilities and are creative in how we apply technology.

## Boundless innovation

Within digitalisation, there are no boundaries between countries, cultures, genders, social backgrounds, age or religion. Diversity is the prime ingredient for developing innovative solutions for a more sustainable future. We know that at Cybercom. At Cybercom, we are the same and we are different. We have a few things in common: our down-to-earth approach and genuine interest in sustainable development and our eagerness to help clients capture the opportunities of digitalisation. We share Cybercom's values of passion, innovation and trust. We are also a diverse mix of personalities, profiles and specialists.

Our employees come from 45 different countries. The youngest is 20 and the oldest is 69. Twenty percent are women. We are working actively to increase diversity and have been measuring employees' perceptions of diversity and inclusion within the company since 2019.

Change happens fast these days and no one can predict exactly what expertise is going to be needed. Knowing that, we have an agile approach and methods capable of handling change. We are fast learners, flexible and inclined towards development, all key skills at Cybercom.

## A skills arena for people aiming to grow and develop

Cybercom is a healthy workplace that devotes a great deal of energy to attracting, developing and retaining skilled and creative colleagues. Colleagues and culture are essential parts of the company's strategy, with focus on skills, innovation and long-term leadership.

The company is an arena of skills. Here at Cybercom, employees gain experience from different industries, companies and organisations. They also have opportunities to work across the entire field of IT and develop in various roles. Above all, they learn in client assignments – every single day, we are working in the thick of the digital revolution. That is why the breadth and development potential that Cybercom can offer are very special indeed.

Each employee ultimately owns their development. Cybercom shows the way by creating clear development paths and offering a care-



fully chosen range of skills-enhancing activities in our specialist areas.

## Internal academies ensure skills development

There are some 20 internal academies at Cybercom devoted to subjects including cloud technologies, innovation, machine learning, programming languages, agile testing, leadership and technical advisory. Some of the courses lead to certification.

The overall ambition is to secure skills provision and contribute to continuous learning and internal exchanges of experience. There are many specialists within Cybercom who are thought leaders in the industry and their skills are an extraordinary resource for the entire company.

Cybercom worked in 2019 to improve the quality of the academies and the eligibility requirements have been more clearly defined. About 20 academies were active during the year and a total of about 230 employees participated in one or more of them. Efforts to structure targets, outcomes and eligibility requirements will continue in 2020.

## Innovation zones for creative development

There are Innovation Zones at all Cybercom offices – creative hubs where ideas are born, technologies tested, pilot projects launched and prototypes developed. The innovation teams are cross-functional and the process can be described as empirical innovation.

Started in 2013, the Innovation Zone concept has evolved from a limited format aimed

at skills development for employees between assignments into a strategic, groupwide concept that boosts Cybercom's competitiveness as an employer and as a supplier.

A great deal of energy was devoted to spreading the culture of innovation and the methodology within the group during the year. The goal is to increase the percentage of employees who participate in innovation-driven client projects. The target is for 80 percent of employees to work at least 40 hours per year with innovation projects by 2021. The figure for 2019 was 16 percent. Increasing the number of employees who participate in innovation projects, and not only the total number of hours spent, is an important aspect of the goal.

Each office has a dedicated Innovation Leader who leads the work and there is a Head of Innovation at the group level who coordinates the projects of each office and encourages greater collaboration among offices.

## Courageous and secure leaders

Courageous and secure leaders focused on sustainability and business will take Cybercom into the future.

We believe strongly in a cross-functional approach and are always seeking new ways to collaborate. Being a leader at Cybercom involves boosting employees, promoting collaboration and diversity and facilitating business that creates value for the client, Cybercom and a sustainable future.

Cybercom's leadership index is 8.0, outperforming the industry average of 7.8.

# High ethics and environmental awareness



High ethics, environmental awareness and responsible business characterise every aspect of Cybercom's business and operations. We are committed to being net positive by 2030 and fossil free by 2045. A code of conduct governs how we behave towards others and each other.

## Internal environmental work and smart use of resources

Internally, Cybercom has made good progress in the environmental area. But the biggest difference we can make is to help clients implement solutions to reduce their negative environmental impact and increase their positive impact.

Our ambition is to attain net positive impact by 2030, meaning that Cybercom's solutions and client assignments will have more positive impacts when they are used than they require in development. They should thus add more social or environmental benefit when they are used than the finite resources they require in production.

By 2045, we will be fossil free in our own operations, meaning that Cybercom's business travel must be fossil free and our offices heated using renewable energy. Our purchases will be limited to products that are fossil-free in usage and production.

Environmental aspects are included in Cybercom's Code of Business Ethics and Conduct. The company's negative environmental impact will be reduced, the business will act according to the precautionary principle and contribute

through technological progress. As a complement to the Code of Business Ethics and Conduct, Cybercom has an environmental policy oriented towards sustainable business.

Cybercom has an environmental management system. The Swedish part of the system is certified under ISO 14001. The environmental programme is based on the company's environmental policy, environmental targets and action plans.

Each office adjusts the general environmental targets and action plans to their specific circumstances. LED lighting and time-controlled lighting are being installed where possible and sorting and recycling waste are standard operating procedure at all offices.

As a service company, Cybercom does not have much direct environmental impact, but is committed to reducing emissions from business travel and commuting, for example. The various IT solutions employees use for communication with clients and internally are helping us succeed in these initiatives. This has not only reduced travel, it has helped streamline collaboration.

Employees and clients are informed about how Cybercom's offices can be reached by pub-

lic transport. In another example, all offices have showers and dressing rooms to make it easier for people to run or cycle to work.

Cybercom has identified business travel as the most material key figure where the company can have the most impact. Travel is measured, regulated and monitored.

Business travel has been reduced and we travel more often by train, as opposed to flying. Cybercom has almost no company cars. During 2019, Cybercom sourced and awarded a contract to a new travel provider to provide better opportunities to measure and monitor business travel.

## Legal and appropriate conduct

High ethics must characterise every aspect of Cybercom's business and operations. Cybercom's Code of Business Ethics and Conduct guides employee conduct and business ethics are a standing item on the executive team's agenda.

Cybercom respects human rights. Respect for the individual's privacy and dignity is fundamental to all relationships, both within Cybercom and with clients, partners and other external stakeholders.



Naturally, Cybercom has particular responsibility for its own employees. All sustainability-related principles and positions are specified in the company's Code of Business Ethics and Conduct, which governs how employees are meant to act.

All employees complete web-based training sessions aimed at preventing corruption. The training is based on our Code of Business Ethics and Conduct and contains various possible dilemmas on which employees must take a position.

We also implemented a whistle-blower channel in 2019 for anonymous reporting of violations of the Cybercom Code of Business Ethics and Conduct. Reports are dealt with by an external party. There were no cases of corrupt conduct or discrimination reported during the year.

**Information security and data protection**

Work related to information security and data protection involves ensuring the confidentiality, accuracy and accessibility of all information assets. Information management must always

be carried out with respect for and protection of personal privacy.

Cybercom works systematically with information security based on the company's information security and data protection policy. The work is aimed at protecting the company against intentional and unintentional threats and complying with applicable laws, regulations and the requirements and the expectations of employees and clients.

Defining the right level of security involves establishing acceptable risk exposure, performing an analysis and describing on that basis the organisational and technical security measures required.

When GDPR went into full effect in 2018, Cybercom implemented a new security organisation and new policies and instructions to ensure compliance and raise the level of protection.

Skills transfer and the exchange of experience among our internal security organisation and our IT secure business area were reinforced during the year and are creating added value for Cybercom and our clients.

Cybercom had no cases of loss of client data in 2019.

**Responsible purchasing**

All Cybercom suppliers must sign our Supplier's Code of Conduct, which aligns with the Cybercom Code of Business Ethics and Conduct in all material respects, including environmental guidelines. We have replaced our own data centres with cloud service providers to cover our own needs and in our business, which has dramatically reduced our emissions.

We are coordinating other purchases for offices and employees by concentrating them to fewer suppliers to ensure good environmental effects. Products must be made with the least possible environmental impact. This includes the manufacturing process, choice of materials, transport and working conditions. We rely on the supplier's disclosures concerning environmental impact and work environment. We do not perform our own audits of suppliers. We also seek to select products that are sustainable over time in that, for example, all or part of the product can be reused.





Nicklas Burman, IT strategist at the Swedish Enforcement Authority  
Niklas Flyborg CEO Cybercom



# MAKING PROGRESS

What gets measured gets done. That is why we have goals and targets for both financial performance and sustainability that keep us on the right track.

The thing is, our clients, owners and employees do not care only what we do, but also how we do it. We deliver the right results, the right way.

# Management approach

The management approach to sustainability at Cybercom is based on the company’s vision, values, Code of Business Ethics and Conduct and other policy documents. Sustainability is integrated with the business and the company’s executive leadership team is responsible for strategic and operational control of the company’s sustainability work and for monitoring the results. Sustainability aspects are prioritised based on a materiality analysis.

The latest materiality analysis was completed in 2018 and essentially confirmed earlier assessments of the company’s most material sustainability aspects. Aspects related to offerings, clients and employees should be the highest priorities. Sustainable products and services are Cybercom’s most material sustainability aspect, an assessment that was further reinforced in the 2018 materiality analysis.

The right to equal treatment is another aspect that stakeholders – employees in particular – considered more important.

The analysis thus strengthens the understanding that aspects related to offerings, clients and employees should be Cybercom’s top priorities.

As regards employees, the study illustrates the importance of culture, leadership and behaviour. The most highly prioritised aspects in this dimension are equal rights, equal treatment and equal opportunity, along with skills development.

The analysis shows that Cybercom also needs to address a number of aspects related to responsibility and compliance.

The materiality analysis is based on mapping aspects in two dimensions. First, the impact of various sustainability aspects on the external world was assessed. Second, the analysis identified the importance of sustainability aspects to Cybercom’s stakeholders (in this case, employees and clients) when they make decisions linked to the business.

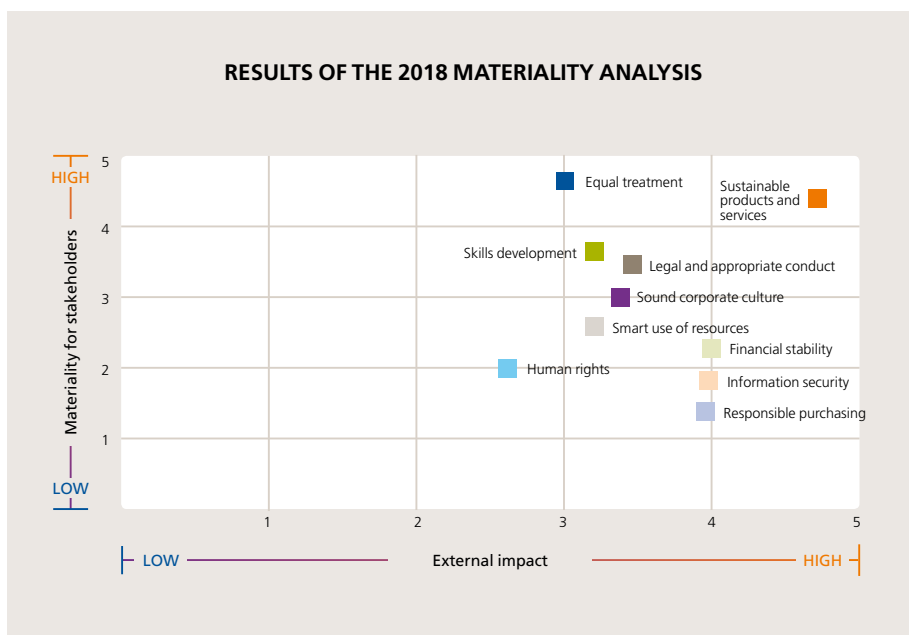
### HIGH-PRIORITY ASPECTS



Sustainable products and services



Equal treatment



### STAKEHOLDERS AND ENGAGEMENT

Cybercom’s key stakeholders are employees and the union organisations that represent them, clients, owners and suppliers. The table below presents the aspects that are usually the subject of Cybercom’s engagement with each group of stakeholders, the communication and engagement methods used and how engagement affects Cybercom’s operations.

Stakeholder group	Topics	Communication & engagement	How engagement affects Cybercom’s operations
<b>Clients</b>	<ul style="list-style-type: none"> <li>• Offering</li> <li>• Quality</li> <li>• Delivery performance</li> <li>• Privacy and security</li> <li>• Business ethics</li> <li>• Working conditions</li> <li>• Climate performance</li> <li>• Procurement procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing dialogue via Cybercom’s key account managers and other sales representatives and consultants</li> <li>• Client surveys</li> <li>• Interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Development of offerings and solutions</li> <li>• Sales training</li> <li>• Quality, environment and information security and management systems</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Skills development</li> <li>• Work environment</li> <li>• Corporate culture</li> <li>• Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Biweekly “pulse checks”</li> <li>• Interviews</li> <li>• Ongoing engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Managerial conferences</li> <li>• Employee events and vision and values meetings</li> </ul>
<b>Investors and owners</b>	<ul style="list-style-type: none"> <li>• Profitability and growth</li> <li>• Responsible business</li> <li>• Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Board work</li> <li>• Interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Business Ethics and Conduct, sustainability report</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Suppliers’ environmental work</li> </ul>	<ul style="list-style-type: none"> <li>• Suppliers’ Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Suppliers’ Code of Conduct</li> </ul>



# Corporate governance



The general meeting is the company's supreme governing body. It is at the general meeting that shareholders are able to exert their influence. The board is responsible for the Group's organisation and governance under the Swedish Companies Act. Established procedure dictates divisions of responsibility between the board and the CEO.

## Board of directors

The board addressed matters during the year such as strategy, the business plan and budget, the company's financing and industry trends. The board of directors monitors the work of management through monthly reports on matters including financial performance, key data and progress in prioritised activities. This also includes following up sustainability and innovation work.

## Sustainability organisation

The executive leadership team is responsible for strategic and operational control of the company's sustainability work and for monitoring outcomes. Sustainability work is led and coordinated by the company's Head of Sustainability and Communications. Cybercom does not have a separate sustainability organisation, as sustainability work is integrated in all aspects of

operations. Several functions and roles in the business areas and support functions are involved in sustainability work.

Cybercom's marketing forum and the company's recruiters also contribute to Cybercom's sustainability initiatives. Finally, Sustainability Ambassadors from various parts of the organisation support the work of the Head of Sustainability and Communications by running various projects. These projects in 2019 involved things like production of the sustainability training course provided to the entire organisation in early 2020.

## Code of Business Ethics and Conduct

The company's Code of Business Ethics and Conduct constitutes Cybercom's main sustainability policy. The Code of Business Ethics and Conduct is based on the UN Global Compact and its principles on human rights, labour rights, the environment and anti-corruption. It was written in 2004 and was most recently updated in 2016. The Code of Business Ethics and Conduct applies to all employees and sets standards for employee professionalism and integrity to ensure that everyone acts legally and appropriately in relation to Cybercom's stakeholders.

Cybercom also has a Suppliers' Code of Conduct. The Suppliers' Code of Conduct covers the same areas as Cybercom's internal Code of Business Ethics and Conduct, except for financial reporting and external communication. Cybercom's internal Code of Business Ethics and Conduct and the Suppliers' Code of Conduct are available on [cybercom.com](http://cybercom.com).

In brief, the Cybercom Code of Business Ethics and Conduct covers the following areas:

**Legal and regulatory compliance** All Cybercom employees are responsible for acting in compliance with laws and regulations applicable to Cybercom's operations and deliveries. When necessary, legal advice should be sought. Cybercom applies the Swedish Code of Corporate Governance. Cybercom reports and presents corporate information in compliance with applicable laws and regulations.

**Human rights** Cybercom respects human rights as laid down in the UN Universal Declaration of Human Rights. Everyone must show respect for individuals and their privacy and dignity. Cybercom will not in any way contribute to violations of human rights.

**Labour law and working conditions.** Cybercom supports freedom of association and the right to collective bargaining. Cybercom does not permit child labour.

Cybercom does not tolerate any forms of discrimination. All employees have equal rights and must never be subjected to unjust treatment due to gender, sexual orientation, ethnic origin, religion, beliefs, political affiliation or disability. All employees must show respect for each other and for Cybercom's business partners and take personal responsibility for combating discrimination.

Cybercom offers pay that complies with national minimum wage legislation. All employment contracts must be correctly drawn up. Cybercom also ensures that working hours are compliant with local legislation.

All employees must have time for rest and relaxation. Cybercom shall not in any way utilise forced labour and will always ensure that the working relationship between Cybercom and the employee is at the employee's own free will.

**Health and safety** Cybercom shall provide a healthy and safe workplace in compliance with internationally acknowledged standards. Cybercom works proactively to prevent accidents and work-related illnesses. All employees are offered health and safety training as required.

**Environment** Cybercom shall minimise the company's negative environmental impact. Cybercom respects the precautionary principle and seeks to actively contribute to reducing negative environmental impact through responsible measures and technological advancement. Cybercom acts in compliance with laws and internationally recognised directives.

**Corruption and other prohibited business practices** Cybercom complies with the Swedish Anti-Corruption Institute's Code of Gifts, Rewards and other Benefits in Business, and works actively to combat corruption and unethical practices. Employees must not give or receive gifts, benefits or bribes that constitute a breach of this code. Cybercom is opposed to any form of money laundering and has taken the relevant measures to prevent financial transactions that are of criminal intent. Cybercom is politically independent and does not sponsor political organisations.

**Financial information and other external communication** Cybercom shall be transparent and provide relevant information when so required. This means that the company shall always provide fair and correct information. Cybercom's goal is for communication to contribute to a stronger brand.

**The company's assets and confidential information.** All business decisions shall be made with the good of the company in mind. Employees will be professional in their relationship with Cybercom and will not pursue competitive activities. Client trust is of vital importance to Cybercom. All employees will treat client information in complete confidentiality. Information about Cybercom's clients may only be used in the implementation of the project in question. This confidentiality remains in force even after the project has been completed. There is a clear policy for handling confidential information. According to Cybercom's security policy, all employees sign non-disclosure agreements. There are clear rules for the handling of, and access to, materials belonging to Cybercom.

**Professionalism.** Freedom with accountability and focus on the individual are important contributory factors in Cybercom being able to attract highly skilled staff. Cybercom seeks to offer all employees the opportunity for personal and professional development. A workplace that is open, creative and flexible sets the course for being able to offer clients professional and attractive products and services. To sum up, Cybercom shall always conduct itself ethically in its dealings with all its stakeholders.





**Management of employee aspects**

Employee aspects are managed at the group level. Aims and goals are essentially the same throughout Cybercom, although execution may vary from country to country.

Work with employee aspects was further developed in 2019 in several ways, including:

- A new HR strategy was launched at a leadership conference with 150 participants.
- HR processes were further streamlined by improving data-driven tools in areas including headhunting, recruitment and employee measurements.
- Digital signatures of all employee contracts have been implemented in Sweden and will also be implemented in Poland, Denmark and Finland.
- The previous annual employee survey has been replaced by biweekly "pulse checks". The four indices tracked are: Inclusion and Diversity, Employee dialogue, Efficiency and Collective Intelligence.
- Monitoring of the Diversity and Inclusion index was introduced.

There is a skills shortage in the industry and Cybercom is therefore working actively to be an attractive workplace and maintain the capacity to attract the right skills.

**Employee career development is continuously monitored through**

- An annual Professional Development Inventory with the employee's line manager.
- Quarterly follow-up

**We develop our leaders and mine the collective intelligence of the Cybercom Group by means including:**

- A groupwide long-term leadership development programme
- Methods for collective intelligence developed by researchers at the Stockholm School of Economics

**Offering conditions that attract the right employees is essential and those offered by Cybercom include:**

- Highly flexible and individualised terms of employment
- Competitive compensation and generous, relevant benefits
- Social security benefits
- Insurance policies with various arrangements in different countries
- Collective agreements in Sweden and Finland that include benefits related to pensions and parental leave supplement, for example
- Attractive, centrally located offices with good access to public transport links
- Offices that are inviting meeting places for creativity and innovation
- A good working environment that promotes health and well-being
- Variation and development on the job and help matching the right person to the right task
- Solutions that make life easier on the job and encourage a good life/work balance
- Various types of workplaces to ensure flexibility and comfort while encouraging movement, for example by the opportunity to play table tennis at the offices.

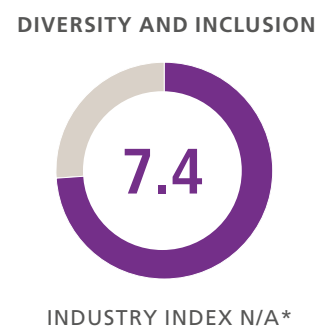
**We are working on several fronts to ensure an attractive employer brand and to find new employees:**

- We use a wide variety of recruitment channels and cast the net widely both within and outside Europe.
- We manage the process of applying for work permits for foreign colleagues ourselves, and we offer language instruction and cultural orientation classes.
- We are aware that diversity strengthens our creative and problem-solving capacities and are careful not to reject (or favour) anyone on the wrong grounds – discrimination is prohibited.
- More equal gender distribution is one of the company's main goals. The current target is for the proportion of women to be 30 percent. (We are meeting the target at the board and executive level, but still fall somewhat short overall, as the distribution at the end of the year was 20 percent women and 80 percent men.)
- We are partners to the Women in Tech network and event arena and the non-profit organisation Hello World! that is dedicated to spreading knowledge and commitment to science, technology innovation and art using digital tools.
- We continuously develop the Cybercom culture to ensure a working environment where the company benefits from everyone's perspective and skills.

**The key policies upon which Cybercom's management of employee aspects are:**

- Code of Business Ethics and Conduct
- Health and Safety Policy and Procedures
- Diversity and Inclusion Policy
- Equal Opportunity Plan
- Procedure for Dealing with Discrimination

**OUR SCORES AS AN EMPLOYER**



\* Although there is no industry index, we still wish to measure and monitor our progress.

# Risks and opportunities

Like all companies, Cybercom is exposed to a number of risks that could affect the Group's business, earnings and financial position. In response, ongoing risk assessments are performed that identify risks and initiate the actions required to manage them.

Market and operational risks	Description	Action
<b>Skills provision</b>	Cybercom's business is dependent upon its capacity to attract and recruit skilled employees and upon its employees maintaining their skills, continuing to develop and staying motivated. There is high demand for qualified labour and the company may have difficulty recruiting employees to a sufficient extent. High employee turnover or loss of key people could therefore have negative impact on the company.	Cybercom works continuously with working conditions, company culture, leadership and skills development to ensure that the company is an attractive employer and has the right skills available. There are about 20 internal academies for skills development within the company. Innovation Zones are found at all of the company's offices to provide for skills transfer, explore new technology and benefit from the drive and creativity of employees. Cybercom works with brand-building activities and recruitment through, for example, participating in conferences, seminars and courses. The company invites university students to write degree papers within Cybercom's operations. Skills provision to the Nordic markets is augmented with capacity from the centres of excellence in Cybercom's Polish and Indian operations. The company recruits globally and offers flexible and individualised terms of employment and centrally located offices to attract the right employees. See also the Our Employees section on page 22.
<b>The economy</b>	The Nordic IT and consultant services market for digitalisation consultancy services is affected by the general economy. Deterioration of the general business climate could therefore affect demand for the company's services.	The company has developed areas of expertise where market demand is expected to remain strong for decades. In addition, the company further develops skills in new areas on an ongoing basis and monitors national and global market trends. Operations are based on the global megatrends of digitalisation and sustainability, which creates some resilience against economic fluctuations.
<b>Client concentration</b>	Cybercom's ten largest clients account for 48 percent of the company's sales and the largest client accounts for 22 percent of sales. Cybercom aims to establish long-term client relationships. Several organisations have been Cybercom clients for many years.	Cybercom often has many different, mutually independent projects in progress for its larger clients. The company strives to maintain a good balance among clients from different industries and geographies to mitigate risk exposure. Cybercom's target is for the ten largest clients to account for 50 percent of sales while no individual client accounts for more than 15 percent of the company's revenues. The strategy for 2019–2021 is to reduce the dependency on large clients and increase the share of strategic partnerships.
<b>Capacity utilisation risk</b>	Cybercom's revenues are highly dependent upon the number of consultant hours sold. Reduced demand for consultant hours affects capacity utilisation and may be caused by any number of factors, including economic downturns and/or lacking the right consultant skills. Moreover, there is risk that clients may in some cases discontinue projects at short notice, which in turn may prevent Cybercom from immediately occupying the consultants involved in other assignments.	Cybercom is developing its business and deepening expertise in areas where demand is growing and is expected to continue growing for many years ahead. The company's services cover the entire project life cycle and consultants are equipped to successfully take on various roles. Employees are continuously further developed. The office-based Innovation Zones are helping ensure that the company has knowledge and expertise in the latest technologies. The company also works with a large number of sub-consultants so that capacity can be adjusted to the current state of the economy and variations arising from our clients. The strategy for 2019–2021 is to increase sales of bundled solutions that are scalable and value-based rather than sold per hour.
<b>Price level and client commitments</b>	The level of prices charged to clients are a key component of the company's earnings. When prices are negotiated with the client on an ongoing basis, earnings are affected immediately if market prices fall. Fixed price assignments and other commitments to clients, where Cybercom promises to provide a solution or service at a price agreed in advance constitute another type of price risk. The company thus bears the risk that the cost of delivering the assignment might be incorrectly estimated.	Cybercom's strategy calls for the company to work actively with sales outreach and offer more advisory services by engaging in dialogue with multiple stakeholders on the client side (operations, purchasing and IT) and moving higher up the value chain. The company continuously further develops its procedures for assessing and controlling risks in client assignments. For that portion of sales generated by clients with which the company has made general agreements, Cybercom is not affected by changes in the price level unless the general agreement is renegotiated, which entails lower risk. The strategy for 2019–2021 is to increase sales of bundled solutions that are scalable and value-based rather than sold per hour.



Market and operational risks	Description	Action
<b>Ethical risks</b>	Ethical risks include employee failure to comply with national regulations, Cybercom's Code of Business Ethics and Conduct or employee involvement in corruption, bribery or other irregularities. Such actions may damage the brand or lead to legal sanctions and fines.	All Cybercom new employees are required to sign the company's Code of Business Ethics and Conduct. This is also mandatory for the company's sub-consultants. Preventive actions are taken at all levels of the company by means of communication, training and dilemma exercises.
<b>Environment and climate-related risks</b>	As a service company, Cybercom has relatively little environmental and climate impact. Environment and climate-related risks have been assessed as low, and are connected to office operations and related purchasing, business travel and employee commuting.	Cybercom's environmental programme is based on the company's environmental policy, targets and action plans. Linked to the target of a fossil-free Cybercom by 2045, the company is working towards fossil-free business travel and heating offices with renewable energy.
<b>Health and safety risks</b>	Cybercom's greatest health and safety risks are repetitive strain injuries and stress-related disorders.	The company's premises are designed to encourage physical movement and variation in working posture. Aimed at minimising stress, Cybercom strives to maintain an open, communicative, reassuring and transparent culture. The company's employees are provided occupational health services according to their individual needs, as well as tools and equipment to prevent repetitive strain injuries, for example.
<b>Human rights</b>	Cybercom's business is heavily dependent on human resources. This entails risk linked to discrimination based on gender, sexual orientation, ethnic origin, religious identity, political affiliation, disability or age.	Cybercom's management works continuously to ensure that all operations follow the company's Code of Conduct and Business Ethics. Everyone must show respect for the individual and their privacy and dignity.
<b>Bank and client agreements</b>	There are clauses in the company's loan agreements as well as certain client agreements that give the other party the option to terminate the agreement if major changes to the ownership structure occur. If an agreement is terminated, it may have negative impact on the company.	Cybercom's financial structure is good and the company strives to maintain a stable financial base that provides favourable conditions for dialogue with banks. The company has many different client agreements, assignments and several large clients.
<b>Financial risks</b>	Cybercom is exposed to several financial risks, such as liquidity risks, interest rate risks, currency risks and credit risks.	These risks are described in Cybercom's annual report for 2019.



# Economics

## Generated economic value

The table shows Cybercom's generated direct economic value and how this is distributed to various stakeholder groups.

SEKk	2019	2018	2017	2016	2015
<b>Generated direct economic value</b>					
Revenues	1,752,829	1,678,203	1,463,498	1,353,925	1,259,598
<b>Distributed economic value</b>					
Employee benefits	-901,452	-851,299	-785,184	-766,570	-782,933
Other external expenses	-624,171	-645,037	-522,884	-480,000	-408,590
Charitable donations <sup>1)</sup>	-802	-663	-989	-549	-575
<b>EBITDA</b>	<b>226,403</b>	<b>181,204</b>	<b>154,440</b>	<b>106,806</b>	<b>67,500</b>
Investment activities	-66,276	-19,197	-24,580	-23,363	-23,873
Net finance income/expense	-10,326	-3,291	-2,592	-5,588	-2,621
Dividends	-115,000	0	0	0	0
<b>Corporation tax paid by country<sup>2)</sup></b>					
Denmark	-941	-1,970	-1,062	0	0
Finland	-6,894	-8,965	-7,368	-3,503	-925
India	-428	-1,058	-2,138	-754	-573
Italy	0	0	0	0	-1
China	-42				
Poland	-3,929	-1,322	-1,314	-2,730	-1,755
Rwanda	0	0	0	-187	0
Singapore	0	0	0	-466	185
Sweden	-16,962	-15,616	-13,008	-4,215	-1
South Korea	-645	0	-1,316	-1,163	-809
Taiwan	-36	-87	-114	-126	-121
Tanzania	0	0	-404	-431	-802
Chad	0	0	0	-583	-546
Germany	0	0	0	-10	0
<b>Retained economic value</b>	<b>4,923</b>	<b>129,700</b>	<b>100,545</b>	<b>63,687</b>	<b>35,658</b>

<sup>1)</sup> As of 2017, the value of pro bono work has been included in the "Charity" item.

<sup>2)</sup> In some cases where the company delivers products or services to another country, withholding tax is deducted from the payment to Cybercom. In countries where the company has paid withholding tax during the year, the amounts were included in total tax paid.

IFRS 16 Leases was implemented from the 2019 close of books. The effect of the accounting standard was a reduction of other external expenses by SEK 48.7m and a corresponding increase in EBITDA, while investing activities increased by SEK 45.4m.

## Consolidated income statement

SEKk	2019	2018
Net sales	1,723,042	1,663,761
Other operating income	29,745	14,318
Employee benefits	-923,055	-878,475
Other external expenses	-603,329	-618,399
Depreciation and amortisation	-123,597	-38,878
<b>Operating profit</b>	<b>102,806</b>	<b>142,326</b>
Financial income	1,788	1,262
Financial expenses	-12,115	-4,552
<b>Profit before tax</b>	<b>92,479</b>	<b>139,036</b>
Taxes	-20,466	-32,574
<b>Profit for the year</b>	<b>72,014</b>	<b>106,462</b>

Cybercom Holding AB was acquired by Cybercom Intressenter AB in February 2019. The consolidated financial statements were prepared in the new principal company, Cybercom Intressenter AB, in operation as of February 2019. The income statement has been prepared pro forma so that Cybercom's operations in January are included in the consolidated financial statements in order to provide a fair view of operations in this report. The 2019 balance sheet pertains to the Cybercom Intressenter Group. The comparative figures for 2018 year pertain to the Cybercom Holding Group. The acquisition has affected the consolidated financial statements in the form of higher amortisation of allocated acquisition-related assets in the amount of SEK 33m in 2019, an increase in goodwill of SEK 640m and an increase in intangible assets by SEK 385m compared to Cybercom Holding at 31 December 2018.

IFRS 16 Leases was implemented from the 2019 close of books. The accounting standard reduced other external expenses by SEK 48.7m, increased depreciation and amortisation by SEK 45.4m and financial expenses by SEK 1.8m. Profit after tax increased by SEK 2.2m. Right-of-use assets recognised in the balance sheet rose by SEK 143m and lease liabilities rose by the same amount.

## Consolidated balance sheet

SEKk	31 Dec 2019	31 Dec 2018
<b>Assets</b>		
<b>Noncurrent assets</b>		
Goodwill	974,795	335,040
Other intangible assets	375,207	45,994
Property, plant and equipment	26,840	33,557
Right-of-use assets	143,759	–
Financial assets	438	856
Deferred tax assets	8,630	4,811
<b>Total noncurrent assets</b>	<b>1,529,669</b>	<b>420,258</b>
<b>Current assets</b>		
Trade receivables	436,301	481,310
Tax assets	760	221
Other receivables	11,235	25,973
Prepaid expenses	20,047	18,731
Cash and cash equivalents	94,173	156,444
<b>Total current assets</b>	<b>562,517</b>	<b>682,679</b>
<b>Total assets</b>	<b>2,092,186</b>	<b>1,102,936</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	98	50
Other contributed capital	972,222	391,558
Provisions	2,851	19,256
Retained earnings including profit for the year	55,056	223,292
<b>Equity attributable to owners of the parent</b>	<b>1,030,227</b>	<b>634,157</b>
<b>Total equity</b>	<b>1,030,227</b>	<b>634,157</b>
<b>Noncurrent liabilities</b>		
Deferred tax liability	94,303	21,178
Liabilities to credit institutions	400,134	193
Lease liabilities	99,666	–
Other noncurrent liabilities	1,477	1,230
<b>Total noncurrent liabilities</b>	<b>595,580</b>	<b>22,600</b>
<b>Current liabilities</b>		
Advances from clients	17,107	27,205
Provisions for restructuring measures	2,496	842
Trade payables	151,583	169,446
Tax liabilities	4,190	13,404
Liabilities to credit institutions	73,929	82,611
Lease liabilities	46,481	–
Other current liabilities	41,258	34,314
Accrued expenses and prepaid income	129,334	118,357
<b>Total current liabilities</b>	<b>466,378</b>	<b>446,179</b>
<b>Total equity and liabilities</b>	<b>2,092,186</b>	<b>1,102,936</b>

## Consolidated statement of cash flow

SEKk	2019	2018
<b>Operating activities</b>		
Profit before tax	102,806	139,036
Adjustment for non-cash items	113,760	27,922
<b>Cash flow from operations</b>	<b>216,566</b>	<b>166,958</b>
Income tax paid	–40,548	–32,681
<b>Cash flow from operating activities before changes in working capital</b>	<b>176,017</b>	<b>134,276</b>
Change in trade receivables	46,513	–39,938
Change in other current receivables	15,449	–18,905
Change in trade payables	–18,334	37,602
Change in other current liabilities	5,381	5,685
<b>Cash flow from operating activities</b>	<b>225,027</b>	<b>118,720</b>
<b>Investing activities</b>		
Investments in intangible assets	–2,991	–78
Investments in property, plant and equipment	–9,840	–17,188
Sale of financial assets	446	429
Sale/acquisition of subsidiaries, net effect on cash and cash equivalents	–1,479,445	10,157
<b>Cash flow from investing activities</b>	<b>–1,491,831</b>	<b>–6,680</b>
<b>Financing activities</b>		
Shareholder contribution	496,969	–
Share issue	475,352	–
Dividends	–115,000	–
Borrowings	512,500	–
Change in other non-current liabilities	–46,150	–35
Repayment of debt	–120,856	–20,000
<b>Cash flow from financing activities</b>	<b>1,202,815</b>	<b>–20,035</b>
<b>Cash flow for the year</b>	<b>–63,989</b>	<b>92,005</b>
Cash and cash equivalents at the beginning of the year	156,443	61,319
Exchange rate differences in cash and cash equivalents	1,719	3,119
<b>Cash and cash equivalents at the end of the year</b>	<b>94,173</b>	<b>156,443</b>

## Environmental and climate outcomes

Electricity usage	2019	2018	2017
Electricity usage (MWh) <sup>1)</sup>	935	2,195	2,037
Electricity usage (MWh/SEKm in sales)	0.5	1.3	1.4

<sup>1)</sup> Refers to offices and own data centres.

Carbon emissions, metric tons	2019	2018	2017	2016
Energy use, Scope 2 <sup>1)</sup>	136	293	290	321
Business travel, Scope 3 <sup>2)</sup>	203	204	277	182
<b>Total</b>	<b>339</b>	<b>497</b>	<b>567</b>	<b>503</b>
Emissions (metric tons/SEKm in sales)	0.19	0.30	0.39	0.37

<sup>1)</sup> Excluding energy use and carbon emissions from operations in India. The reduction in carbon emissions between 2018 and 2019 were achieved through the sale of a data centre in Finland in late 2018. The conversion factors used are the average country factors.

<sup>2)</sup> Refers to Cybercom's business travel by air. The data were provided by the travel agents Cybercom uses in each country.

## Social outcomes

Age and gender distribution	2019		2018		2017	
	Number	Women, %	Number	Women, %	Number	Women, %
<b>Board of directors</b>	<b>8</b>	<b>50</b>	<b>8</b>	<b>50</b>	<b>9</b>	<b>33</b>
<30	0	0	0	0	0	0
30–50	5	40	5	40	6	17
>50	3	67	3	67	3	67
<b>Managers</b>	<b>125</b>	<b>27</b>	<b>121</b>	<b>30</b>	<b>121</b>	<b>26</b>
<30	7	43	6	17	3	33
30–50	100	25	96	26	91	19
>50	18	39	19	47	27	52
<b>Other employees</b>	<b>1,209</b>	<b>20</b>	<b>1,169</b>	<b>19</b>	<b>1,141</b>	<b>19</b>
<30	354	18	374	20	338	22
30–50	697	20	657	19	664	19
>50	158	20	138	21	139	21

Employed by Cybercom	2019		2018		2017	
	Number	Women, %	Number	Women, %	Number	Women, %
<b>Under indefinite contract</b>	<b>1,333</b>	<b>20</b>	<b>1,285</b>	<b>20</b>	<b>1,251</b>	<b>20</b>
– Full-time	1,288	20	1,249	20	1,231	20
– Part-time	45	29	36	25	20	40
<i>No. of temporary employees</i>	<i>1</i>	<i>0</i>	<i>5</i>	<i>20</i>	<i>11</i>	<i>73</i>
<b>Total</b>	<b>1,334</b>	<b>20</b>	<b>1,290</b>	<b>20</b>	<b>1,262</b>	<b>19</b>

Employees by country	2019		2018		2017	
	Number	Women, %	Number	Women, %	Number	Women, %
Sweden	809	21	785	22	775	22
Finland	188	13	179	15	171	12
Poland	300	22	289	21	277	21
India	23	13	24	17	21	14
Denmark	14	14	13	15	18	39
<b>Total</b>	<b>1,334</b>	<b>20</b>	<b>1,290</b>	<b>20</b>	<b>1,262</b>	<b>20</b>

Training hours per employee	2019	2018	2017
	Women	32	32
Men	27	38	19
<b>Total</b>	<b>28</b>	<b>37</b>	<b>19</b>

Development reviews	2019	2018	2017
	Percentage of employees given development reviews		
Women	100	95	94
Men	100	94	90
<b>Total</b>	<b>100</b>	<b>95</b>	<b>91</b>

Collective bargaining agreements	2019	2018	2017
	Percentage of total employees covered by collective bargaining agreements, %	74	74

Absenteeism, %	2019	2018	2017
	Sweden	2.9	2.9
Finland	2.7	3.0	2.4
Poland	2.4	3.1	2.5
Denmark	2.3	1.5	3.2
<b>Average</b>	<b>2.7</b>	<b>3.0</b>	<b>2.8</b>

HR key figures	2019	2018	2017
	Percentage of employees with university degrees, %	85	86
Average experience, years	11	10	11
Average term of employment, years	3.6	3.6	4.0
Average age, years	37	36	37

Change in workforce	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>New hires</b>			<b>405</b>			<b>399</b>			<b>425</b>
<30	35	124	159	34	140	174	44	141	185
30–50	45	178	223	51	155	206	45	177	222
>50	8	15	23	5	14	19	7	11	18
<i>New hires as a percentage of the total number of employees</i>			<i>31%</i>			<i>31%</i>			<i>35%</i>
<b>Employees who have left Cybercom</b>			<b>361</b>			<b>364</b>			<b>372</b>
<30	22	75	97	25	77	102	25	85	110
30–50	45	182	227	45	187	232	28	204	232
>50	14	23	37	9	21	30	8	22	30
<i>Percentage of employees who have left of the total number of employees</i>			<i>28%</i>			<i>29%</i>			<i>30%</i>

# Management

## Niklas Flyborg

President and CEO, Cybercom Group  
Born 1962

Degree in Economics and Business Administration, Stockholm School of Economics  
With Cybercom since: 2012  
Previous: Mandator, Cell Network, Observer/Cision, Capgemini

## Camilla Öberg

CFO Cybercom Group  
Born 1964

Degree in Economics and Business Administration, Stockholm School of Economics  
With Cybercom since: 2012  
Previous: Logica, WM-data, SEB, Lexicon and Swegro group

## Annika Nordlander

Head of Connectivity Sweden  
Born 1959  
Systems Engineering, Mid Sweden University  
With Cybercom since: 2014  
Previous: Ericsson, Fujitsu, Merkantidata, DFind IT, Proffice.

## Tapio Koivisto

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B. Sc. Media Technology, Metropolia Helsinki  
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## Jan Matulewicz

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## Ebbe Bo Hansen

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Born 1973  
Huthwaite International, ETS Assessment and Development, Technical Foundation Year (KTH)  
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LL.M. Stockholm University  
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## Kristina Cato

Head of Sustainability and Communications  
Cybercom Group  
Born 1968  
M.A, Uppsala University  
With Cybercom since: 1999  
Previous: Linköping University Hospital



# Auditor's opinion regarding the statutory sustainability report

To the general meeting of shareholders in  
Cybercom Intressenter AB, reg. no. 559184-2447

## Engagement and responsibility

The board of directors is responsible for the 2019 statutory sustainability report and for its preparation in accordance with the Annual Accounts Act.

## Scope and orientation of the examination

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

## Opinion

A statutory sustainability report has been prepared.

Stockholm, 27 March 2020  
KPMG AB

Helena Arvidsson Älgne  
Authorised Public Accountant

## Board of directors' signatures

Stockholm, 25 March 2020

Board of Directors

# Index for Global Reporting Initiative and the UN Global Compact

The following index provides page references to where GRI disclosures can be found in our sustainability report. The index also includes references to the principles of the UN Global Compact (UNGC) ([www.unglobalcompact.org](http://www.unglobalcompact.org)).

GRI STANDARDS 2016		Page reference	Remarks	UNGC
<b>GRI 102: GENERAL DISCLOSURES 2016</b>				
<b>Organizational profile</b>				
102-1	The name of the organisation	Inside cover		
102-2	Activities, brands, products and services	2, 8–9		
102-3	Location of headquarters	2		
102-4	Location of operations	2, back cover		
102-5	Ownership and legal form	3		
102-6	Markets served	2, back cover		
102-7	Scale of the organisation, including number of employees, entities, sales, equity	33–35		
102-8	Information on employees and other workers	35		Principle 10
102-9	Supply chain	24–27		
102-10	Significant changes to the organisation and its supply chain	3		
102-11	Precautionary principle or approach	28		
102-12	External initiatives	8, 14		
102-13	Membership of associations	14, 15		
<b>Strategy</b>				
102-14	Statement from senior decision-maker	4–5		
<b>Ethics and integrity</b>				
102-16	Values, principles, standards, and norms of behavior	27		Principle 10
<b>Governance</b>				
102-18	Governance structure	27		
<b>Stakeholder engagement</b>				
102-40	List of stakeholder groups	26		
102-41	Collective bargaining agreements	35		Principle 3
102-42	Identifying and selecting stakeholders	26		
102-43	Approach to stakeholder engagement	26		
102-44	Key topics and concerns raised	26		
<b>Reporting practice</b>				
102-45	Entities included in the consolidated financial statements	38	All entities unless otherwise stated	
102-46	Defining report content and topic Boundaries	26		
102-47	List of material topics	26		
102-48	Restatements of information	38	No corrections have been made	
102-49	Changes in reporting	26		
102-50	Reporting period	Inside cover		
102-51	Date of most recent report	Inside cover		
102-52	Reporting cycle	Inside cover		
102-53	Contact point for questions regarding the report	41		
102-54	Claims of reporting in accordance with GRI	Inside cover		
102-55	GRI content index	38–39		
102-56	External assurance	37		

**GRI 103: MANAGEMENT APPROACH 2016**

103-1	Explanation of the material topic and its boundary	26	
103-2	The management approach and its components	27–29	
103-3	Evaluation of the management approach	23–24, 28–30	

**SPECIFIC DISCLOSURES****GRI 200: ECONOMIC 2016****GRI 201: Economic performance 2016**

201-1	Direct economic value generated and distributed	2, 33–34	
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**GRI 205: Anti-corruption 2016**

205-1	Operations assessed for risks related to corruption	32	Principle 10
205-2	Communication and training about anti-corruption policies and procedures	24	Principle 10
205-3	Confirmed incidents of corruption and actions taken	24	Principle 10

**GRI 300: ENVIRONMENTAL 2016****GRI 302: Energy 2016**

302-1	Energy consumption within the organisation	35	Principles 7, 8
302-3	Energy intensity	35	Principle 8

**GRI 305: Emissions 2016**

305-2	Energy indirect (Scope 2) GHG emissions	17, 35	Principles 7, 8
305-3	Other indirect (Scope 3) GHG emissions	17, 35	Principles 7, 8
305-4	GHG emissions intensity	17, 35	Principle 8

**GRI 400: SOCIAL 2016****GRI 401: Employment 2016**

401-1	New employee hires and employee turnover	35	Principle 6
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**GRI 403: Occupational Health 2016**

403-2	Types of injury and rates of injury, occupational diseases, lost days. Absenteeism and number of work-related fatalities.	35	In view of the nature of the business, Cybercom has elected to report only absenteeism.
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**GRI 404: Training and education 2016**

404-1	Average hours of training per year per employee	35	Principle 6
404-3	Percentage of employees receiving regular performance and career development reviews	35	Principle 6

**GRI 405: Diversity and equal opportunity 2016**

405-1	Diversity of governance bodies and employees	35	Principle 6
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**GRI 406 Incidents and discrimination and corrective actions taken 2016**

406-1	Incidents of discrimination and corrective actions taken	24	Principle 6
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**GRI 407: Freedom of association and collective bargaining 2016**

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	39	Cybercom reports the percentage of employees covered by collective bargaining agreements. Other employees are covered by the right to collective bargaining with the employer. Principles 1, 2, 3, 4, 5, 6
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**GRI 418: Customer Privacy 2016**

418-1	Substantiated complaints concerning breaches of client privacy and loss of client data	24	
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## **MAKING TOMORROW**

Cybercom's solutions mean that our clients can make a positive impression on the market. And on the planet. An assignment cannot not get any more important than that.

Working closely with our clients is second nature to us. Ideally, we want to be considered a partner and engine of value creation in their business. We earn that trust only by staying one step ahead and constantly sharpening our specialist skills.



Would you like to know more about  
Cybercom's sustainability work?

**Niklas Flyborg**  
President and CEO

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**Production:**

Cybercom in partnership  
with Hallvarsson & Halvarsson

**Photo:**

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