



Sustainability Report

Advania 2019



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About this Communication On Progress (COP) report

This Sustainability Report is prepared in accordance with the requirements of Communication On Progress by the UN Global Compact. It is the first joint Sustainability Report published by Advania AB (hereinafter Advania Group). The aim is to report on how the Advania Group complies with the ten principles of the UN Global Compact. The report covers the financial year of 2019 which is also the base year for the data used.

The focus of this first report is to gain an overview of the sustainability work of the Advania companies in Iceland, Norway and Sweden with some basic data from Advania Finland. The future ambition is to encompass the sustainability work throughout the Group, which would involve fully including the operations in Denmark and Finland, that were new to the Group in 2019.

At the national level, more detailed information on the sustainability work of the local Advania companies can be obtained. In Advania Sweden, for example, an annual Sustainability Report has been published in accordance with the GRI Standard level Core since 2016.

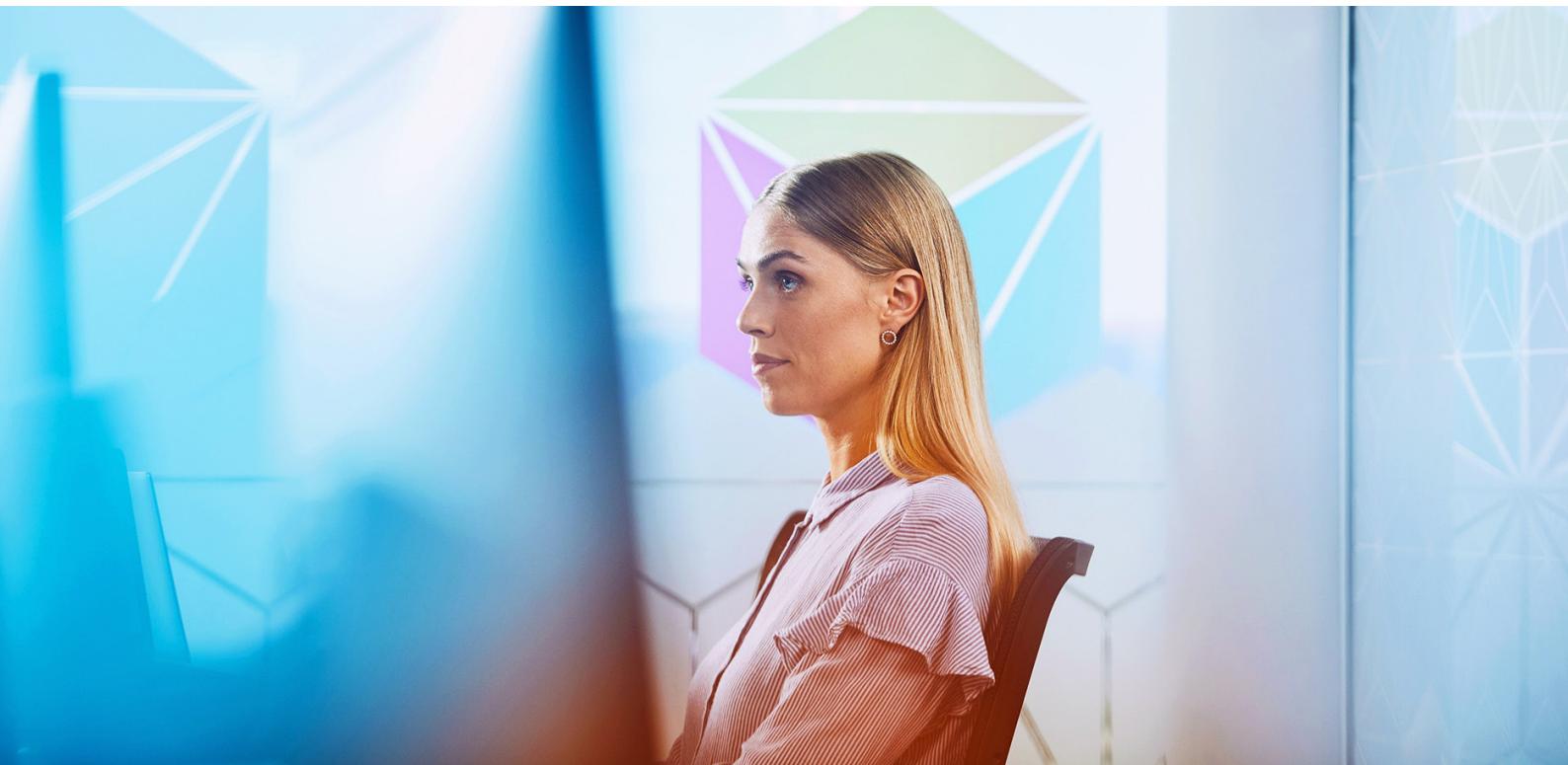
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Highlights 2019



2019

Advania joins the UN Global Compact

In January, the entire Advania Group joined the UN Global Compact, the world's largest sustainability initiative. The Global Compact membership complements the work already done in the areas of the ten UN Global Compact principles by Advania Sweden, Norway and Iceland.

JANUARY

Eco-lighthouse certification in Norway

In February, Advania Norway received the Eco-lighthouse certification, which is the country's most established certificate for companies to document their environmental and social responsibility work. The certification requires a systematic integration of sustainability topics into the organisation's day to day activities.

FEBRUARY

RBA membership

In September, the Advania Group joined the Responsible Business Alliance (RBA), which is a premier coalition for sustainable IT businesses. Advania is one of the few Nordic organisations that are members of the alliance.

AUGUST

Developing for the future in Advania Sweden

In 2019, Advania Sweden continued its ongoing business shift – from focusing on selling hardware and services to productising services. The shift is driven by the fact that customers are increasingly seeing greater value in buying a service rather than owning the products themselves.

SEPTEMBER

Advania expands operations to Finland

Advania Group acquired the Finnish company Vintor in January that employs 20 people and offers specialised digital customer engagement solutions in 25 countries. The acquisition strengthened Advania's presence in the Nordics and marked the company's entry into the Finnish market.

DECEMBER

Advania School Partner in Norway

The Advania School Partner initiative has been established as part of Advania's offering in Norway by building on the success in Sweden since 2010 to provide education, products and services to contribute to digitalisation in the classroom. The initiative complements Advania's commitment to be an enabler of quality education.

Advania Norway sells ERP business to Columbus

In December 2019, the ERP business of Advania Norway was sold to Columbus, a Danish-listed IT services and business applications company. This divestment will enable Advania Norway to focus on IT infrastructure services, Contact Centre solutions and strengthen its position as an independent software vendor. Following the deal in December 2019, 45 employees transferred from Advania to Columbus in January 2020.

Advania in brief

Our offerings

Managed Services

Advania offers a variety of managed services where clients can outsource specific IT operations. This may involve Advania assuming ongoing responsibility for operating, administrating, monitoring and managing selected IT systems, services and functions. In each case, Advania adjusts the service level agreements to the customer's needs.

IT Infrastructure & Integration

Advania offers solutions for IT infrastructure, integration projects, consultancy and product support. Advania has data centre solutions, IT platform projects, virtualisation solutions, solutions focused on identity and access, as well as development, integration, and support of both software and hardware. Highly experienced IT architects and consultants make Advania the Nordic region's most experienced provider of IT infrastructure and integration services.

Professional Services

Advania provides a broad array of consulting services, software development, eBusiness services and infrastructure solutions for private and public bodies, local and international customers. In the most demanding situations, Advania Professional Services delivers the results needed for successful IT operation.

Our mission

Advania offers a wide range of IT services and support to thousands of companies and organisations, in both the private and public sector. Our mission is to help our customers simplify their IT infrastructure by improving their functionality while reducing costs. We are in the business of making life easier for our clients and aid them in creating value. We believe that IT is a people business, where value is created by people for people, and long-term customer-provider relationships, mutual trust, and common goals are a critical success factor.

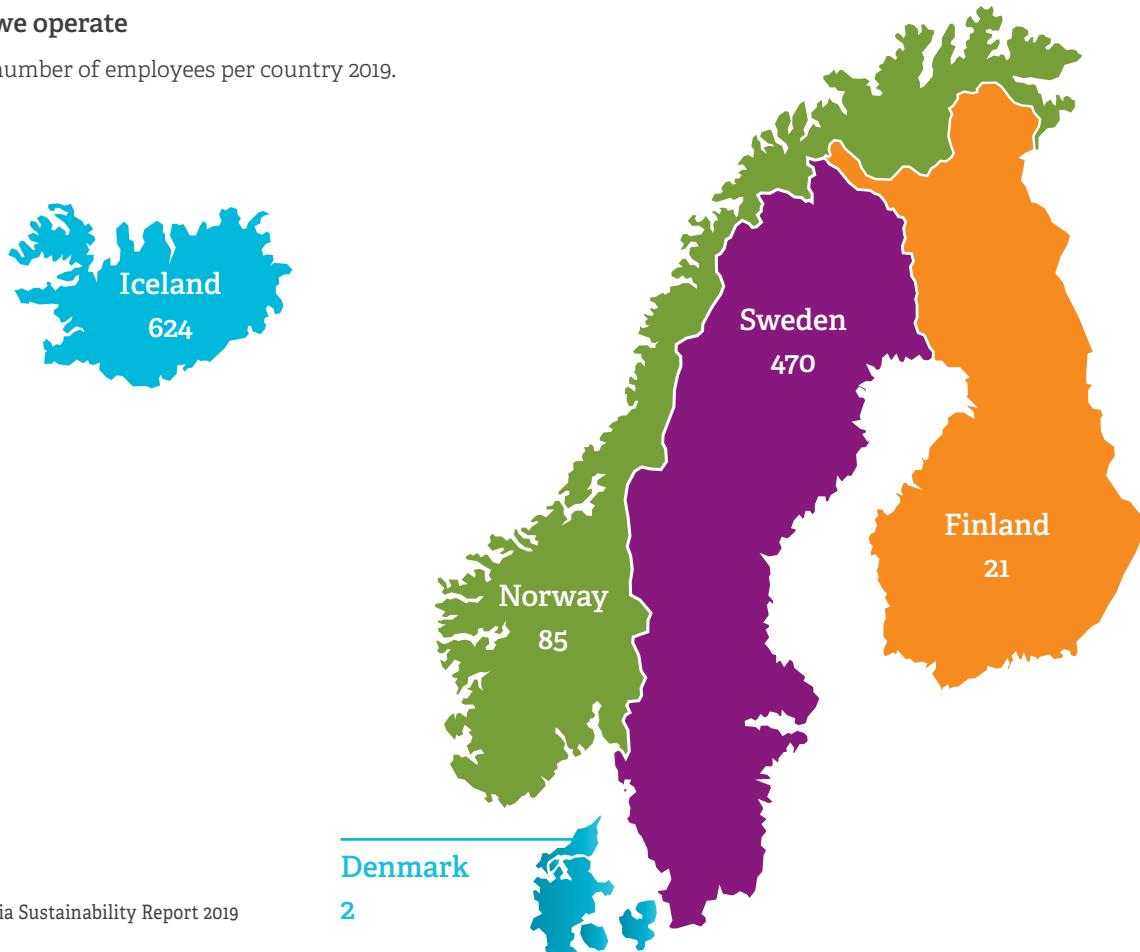
Our DNA: customer satisfaction in focus

The objectives to ensure customer satisfaction and to never lose a customer are deeply engrained in our DNA. We focus on providing the best possible customer solutions, built on our competent employees and strategic partnerships with leading manufacturers. We provide responsive high-quality customer support and thrive on long-term customer relationships. We measure our results in customer satisfaction through the 'Customer retention rate', the proportion of returning customers. In 2019, we were satisfied with the customer retention rate in all our countries.

Top 200 customers			
Country	2017	2018	2019
Sweden	94 %	95 %	96 %
Finland	76 %	83 %	91 %
Iceland	96 %	95 %	98 %
Norway	81 %	75 %	77 %

Where we operate

Average number of employees per country 2019.



Customer quotes:



We believe that digitalisation will fundamentally change our industry and that Advania Sweden's solution will enable us to develop our business. The solution is even better than industry best practice and we are confident that the collaboration will be a success. Advania Sweden is the perfect partner.

Ylva Berg, CIO, Tyréns



It had started to become too much work for one IT system manager to keep our systems up and running. When emergencies arose, the manager had to get external help from different IT specialists, which didn't really work. Then the idea emerged of asking an external service provider to handle everything in terms running our IT systems and servicing them as well. We aren't specialised in IT and we wanted to focus on what we do best. We put all of our trust into Advania Iceland and trust that we will receive the best possible service. Advania Iceland has risen to the challenge and we are very happy with the collaboration.

Haukur Hlíðkvist Ómarsson at VSÓ Ráðgjöf



Advania Norway is a professional business partner. The company always has the customer in focus, and is always solution-oriented, helpful and attentive. On several occasions, Advania has delivered beyond what one would expect from a supplier. I think this highlights their 'Customer in focus' approach. In cases where 'mistakes' occur, Advania is rarely the cause of the problem. In fact, I would argue that the level of service is excellent. If we send a query on an evening or weekend, we get a response almost immediately. This is far beyond what one would expect from a supplier. The selection of Advania as our primary supplier for the purchase of ICT hardware was based on a long tendering process where we evaluated, held meetings and negotiations in accordance with the current public procurement regulations.

Lars Øyyvind Sannes at Bane NOR SF

CEO foreword

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Going forward, we will also place even more focus on integrating sustainability into our offerings and showing our customers how IT and digitalisation can be a major part of the solution...



Advania is one of the Nordic region's leading businesses within IT and digitalisation, and we take our responsibility to contribute to sustainable development seriously. In recent years, we have seen a significantly increased interest in our sustainability performance from both investors and customers. Evidence suggests that our sustainability efforts strengthen our competitiveness, business development and profitability. In other words, our sustainability work plays a central role in our business – both for now and in the long term.

At the same time, we face several major challenges, such as environmental and social risks in our supply chain and a negative climate change impact from the IT sector that we must solve together. As a major player in the Nordic market, we have a responsibility to help society overcome these global challenges, which is why we chose to sign the UN Global Compact's ten principles in early 2019. Together with the UN Sustainable Development Goals (SDGs), the Global Compact principles form the basis for our Group-wide Sustainability Policy and this report is the Advania Group's first joint Sustainability Report.

Following the Board's decision of the Group-wide policy, the cooperation between our companies has intensified. We have already seen that we can create an even greater effect from our sustainability work by drawing on good practice in our different companies and learning from each other.

A good example of how we can achieve more together as a Group is when we were accepted as a Regular level member of the international organisation Responsible Business Alliance (RBA) during the autumn. Within RBA, Advania is now working with many of our partners and the wider IT industry to set requirements on environmental and social responsibility in the global electronics manufacturing supply chain.

We had a great deal to celebrate in 2019, but we also face challenges that we need to focus on going forward to continue our success. It is particularly gratifying that our 2019 employee survey showed a large proportion of satisfied employees in all countries and we also have low levels of both short and long-term sick leave.

A major challenge for our industry is the large consumption of energy and materials in the production of IT products, which is where we have great responsibility to help society transition towards more circular material flows. For example, we need to be even better at extending the life of hardware by providing advice to customers around lifecycle management and offering services that promote the repair, reuse and recycling of equipment in all our markets.

Going forward, we will also place even more focus on integrating sustainability into our offerings and showing our customers how IT and digitalisation can be a major part of the solution to many of the sustainability challenges we face. Not least, the digitalisation of society offers great potential to be able to reduce climate emissions at the rate the world needs.

At the time of writing, the management of the Covid-19 pandemic is the focus for society globally, making the near future difficult to navigate and future prospects uncertain. With great humility for the challenges society now faces to overcome the pandemic; in these early stages of the pandemic our industry has proven that it plays a crucial role in providing digital solutions that enable efficient working methods in the new reality we are faced with.

Companies and organisations have quickly become compelled to adopt new technologies and review their working methods given the conditions and restrictions that the pandemic has led to.

The pandemic is in every way undesirable, but we must all try to find glimmers of hope. For example, the widespread adoption of digital solutions for collaboration and remote meetings has benefited the environment by reducing the need for travel. It is likely that the greater use of such solutions will continue to have a positive environmental impact even after the pandemic.

Advania's financial position remains strong and we are determined to continue to develop the Group into the obvious choice for all customers that want to become more sustainable through IT.

Finally, I am grateful to the commitment of all our employees during the year – your efforts make everything possible. I am looking forward to another exciting year for Advania!

Mikael Noaksson, CEO Advania AB

Sustainability focus

Advania applies an approach to sustainability that holistically reaches the economic, social and environmental aspects considered to be most critical for the business. The Advania companies are all actively integrating sustainability into their operations. The work is governed locally, but our companies are at different stages of maturity and have goals that are adapted to local circumstances. This report brings together the Group's overall results and enables us to learn from each other and continue to move forward in becoming more sustainable as a Group.

Our most relevant sustainability topics

The sustainability topics most relevant to our business were identified through a materiality analysis conducted in 2019. The analysis was based on dialogue with key stakeholders and workshops held with the local management teams. This analysis is the foundation on which our Group sustainability strategy, policy and prioritised topics are built on.

Our Focus Areas & Sustainable Aspects



The prioritised sustainability topics are gathered into three Focus Areas 'Sustainable Advania', 'Sustainable offerings', and 'Sustainable supply chain'. These Focus Areas form the basis for our Group-level sustainability approach and are presented as the structure for the report.

The Sustainable Development Goals (SDGs)

Underlying our Sustainability Focus Areas are the UN Sustainable Development Goals (SDGs). The SDGs are the blueprint to achieve a better and more sustainable future, they address the challenges our global community faces and are all interconnected. The goals are a useful tool to guide sustainability work and are a helpful reminder of what we are working towards. Advania is a part of the global community and has a responsibility to act accordingly. The Advania business strategy supports all the SDGs but we have identified nine goals that are most relevant to our business.

Our Focus Areas & Sustainable Development Goals

Focus area	Sustainable Advania	Sustainable Offerings	Sustainable Supply Chain
SDG			
4 <small>QUALITY EDUCATION</small> 	All the Advania companies systematically collaborate with schools and universities. The industry we operate in is highly dependent on higher education and knowledge. We must continuously provide our employees with learning opportunities to keep up with the rapid development of IT.	One of the major customer segments in several of our companies is 'public and private schools'. Besides delivering IT solutions for schools, we are also deeply involved in educating teachers in using digital tools in their teaching methods.	
5 <small>GENDER EQUALITY</small> 	There is an imbalance in gender equality in the overall IT industry. Advania is no different, but all Advania companies are working to increase the involvement of women in the industry and retaining the women that we already employ. Advania's policy is to provide equal opportunities for career development and equal pay for equal work regardless of gender.		
7 <small>AFFORDABLE AND CLEAN ENERGY</small> 	Advania is highly dependent on electricity and power, where possible we always choose to source renewable energy. Advania aims to increase the use of renewable energy in its operations through different projects, such as increasing the use of electric cars and sourcing renewable energy for our data centres.		
8 <small>DECENT WORK AND ECONOMIC GROWTH</small> 	A prerequisite for Advania to be a sustainable company is that we run a profitable business and contribute to economic growth. This is a fundamental condition for providing employment in society. Advania strives to be an attractive workplace and provide employees with a healthy and balanced work environment.	Our services aspire to promote economic productivity among our customers through digitalisation and innovation.	Within our Supply Chain, Advania systematically assesses the risks and takes measures to improve the working conditions such as by eradicating forced labour, modern slavery and child labour.
9 <small>INDUSTRY, INNOVATION AND INFRASTRUCTURE</small> 		Advania is an IT service provider and contributes to developing a secure, sustainable, resilient and innovative digital infrastructure. Our operations revolve around being an enabler for digital transformation and supporting our customers' journey to digitalisation.	
12 <small>RESPONSIBLE CONSUMPTION AND PRODUCTION</small> 			We aim to reduce the carbon footprint from our services and have introduced product lifecycle management for part of our business. Through the Responsible Business Alliance, we have better access to evaluating our suppliers and their production practices.
13 <small>CLIMATE ACTION</small> 	Advania can play a key role in combatting climate change. Advania is a member of the UN Global Compact and most Advania companies track their operational emissions and take measures to reduce them.	Through digitalisation, Advania helps customers in all sectors of society to use IT as a catalyst to enable them to reduce emissions from their own operations.	As a member of RBA we have implement requirements on GHG emission reductions in our supply chain.
16 <small>PEACE, JUSTICE AND STRONG INSTITUTIONS</small> 	Advania has implemented a Code of Conduct that entails a zero-tolerance policy to corruption, harassment and violence. We have a human resources team within every Advania company and an active third-party whistleblowing function.		Our Code of Conduct for suppliers places high expectations on our supply chain partners in terms of ethical behaviour and transparency.
17 <small>PARTNERSHIPS FOR THE GOALS</small> 			Advania is a member of the UN Global Compact and the Responsible Business Alliance. Both organisations are dedicated to changing the way business is conducted and increasing transparency. Advania companies participate in various partnerships at a local level that support the SDGs.

Sustainability Governance

The Advania Group joined the UN Global Compact at the beginning of 2019. Within the Advania Group, there is now an established working group with representatives from Norway, Sweden, Iceland and Finland focusing on the implementation of the principles from the UN Global Compact.

Sustainability responsibilities

Advania's CEO has overall responsibility for sustainability throughout the Group. Our locally appointed Sustainability co-ordinators are responsible for the strategies and projects concerning our sustainability work at country level. They also represent the local country in the Nordic sustainability working group. The working group reports to the Group Management Team.

The Sustainability co-ordinators also work with the local CFOs, HR Managers, Security Managers, Data Protection Officers and DPOs, who all have specific responsibility areas. For example, the CFO oversees the proactive anti-corruption work, HR Managers are responsible for their company's work in relations to employment law, working environment, equality and diversity-related matters. Information Security Managers,

Security Managers or IT-managers oversee the local management system for security and integrity matters.

Advania's sustainable IT products and digital offerings are managed by the respective Business Area Managers. The work to achieve a Sustainable Supply Chain is based on the Group membership in the Responsible Business Alliance (RBA) and the working group with representatives from Sweden, Norway and Iceland co-ordinate the work.

Group Sustainability Policy and Code of Conducts

The Group Sustainability Policy clarifies our position on the UN Global Compact's ten principles regarding human rights, working conditions, the environment and anti-corruption. The policy also describes the focus areas our sustainability strategy identifies as the most material – Sustainable Advania, Sustainable offerings and Sustainable Supply chain. The Sustainability Policy, together with a Group wide Policy on Anti-Corruption, is decided by the Group board.

As a complement to the Group policies, each local Advania company has developed a local Code of Conduct that describes the rights and obligations that each employee and supplier has regarding human rights, labour, the environment and anti-corruption. The code also describes compliance and the accompanying local policies and procedures.





FOCUS AREA I

Sustainable Advania

Besides achieving our financial goals, we have a range of environmental and social objectives that enhance our competitiveness while promoting societal benefit.

Attractive workplace

Our employees are our most valuable asset. Their competence and creativity are key indicators of our future success and work towards digital transformation for a sustainable economy.

The competence gap

With technology evolving at a rapid pace, there is already a lack of competence in the IT sector. In Sweden it is estimated that by 2022, around 70,000 people will be needed to fill the competence gap and the situation is similar in all Nordic countries. Difficulties in employing people with the right skillset poses a serious risk to IT companies. For Advania, attracting and retaining qualified employees with the right competences is a priority to ensure our continued success.

Advania – a preferred employer

Advania offers good employment terms, challenging assignments that support employee development and a healthy, engaging and inclusive work environment. This helps us to be a preferred employer in our industry.

Work-life balance

IT projects can involve intensive workloads and tight deadlines that expose employees to stressful working conditions. Advania aims to create a company culture that promotes a healthy work-life balance for its employees. For example, we encourage all employees with children to use their right to birth and parental leave and do not discriminate employees that do.

We have comprehensive Work Environment Policies based on local legislation and proactively aim to offer a healthy and secure work environment. We have implemented different preventative measures to prevent health issues with our employees. Our approach to managing the Advania work environment is risk-based, that way we can systematically detect and prevent various work-related accidents and illnesses.

Promoting a healthy working environment

We work to mitigate the risks associated with sedentary computer work, such as poor ergonomics and strain injuries. We ensure that all employees have access to height-adjustable work desks, and adjustable computer screens, and we continuously evaluate and ensure adequate lighting, noise levels and ventilation.

As part of our preventive efforts to ensure a healthy workplace, we encourage people to exercise and be physically active, both on their own initiative and through shared initiatives. Every employee has a wellness allowance to subsidise exercise activities. We also organise local activities, for example by promoting a cycling culture and organised sports competitions.

We measure employee satisfaction through an annual employee survey carried out by Gallup. The anonymous survey includes questions on employee job satisfaction and productivity.

The responses enable us to promote a healthier and more attractive workplace with more satisfied employees.

Local HR Managers in each company have the overall responsibility for our employee working environment. Although, all managers receive training in detecting, and proactively responding to, work-related risks.

	Sweden	Iceland	Norway	Finland
Employee turnover 2019				
Average number of permanent employees	470	624	85	21
Employee turnover (%)	14	17	17	5
Employee turnover women (%)	23	21	10	0
Employee turnover men (%)	12	17	22	5
Period of employment 2019				
Percentage of employees < 3 years employment (%)	44	38	34	19
Percentage of employees 3-5 years employment (%)	18	13	19	19
Percentage of employees 6-10 years employment (%)	17	17	12	38
Percentage of employees 11-15 years employment (%)	9	11	14	24
Percentage of employees > 15 years employment (%)	12	21	21	N/A
Sick leave 2019				
Percentage total sick leave (%)	2.3	3.2	3.5	-
Percentage total sick leave women (%)	3.3	3.8	6.3	-
Percentage total sick leave men (%)	2.1	2.9	2.3	-
Percentage of total sick leave being long term (>60 days) (%)	29	2.1	60	-
Percentage of total sick leave being long term (>60 days), women (%)	38	6.3	67	-
Percentage of total sick leave being long term (>60 days), men (%)	26	0.0	51	-
Number of work-related accidents	0	2	0	-
Employee Satisfaction 2019				
Employee satisfaction 'Commitment' *	4.42	4.39	4.35	-
Employee satisfaction 'Engagement' *	4.35	4.27	4.18	-

*Employees respond with scores on a scale of 1-5, in the areas of 'Commitment' and 'Engagement'. All results above 4.2 are considered to promote a healthy workplace. 'Commitment' is an index of how satisfied employees are with their jobs, and how well the company's orientation and activities reinforce the importance of their work and their pride in being able to work at Advania. 'Engagement' is an index of employees' engagement, energy and passion, and of how strong a connection they feel to the company. A strong level of engagement promotes innovation and moves the company forward.

The data shows that our employee turnover compares favourably with the IT sector in general, but we aim to reduce it further.

In Advania Sweden, there is a concern that the turnover for women is higher than for men and local diversity targets have been implemented to decrease the difference in turnover between men and women.

For Advania Iceland, the turnover for women is also higher than for men and the company has begun systematically tracking the retention of women and their development within the company.

In Advania Norway, the turnover is the opposite with a greater portion of men leaving the company than women.

The sick leave is relatively low for all three companies compared to other companies within our industry. Women seem to be at a higher risk for long-term sick leave compared to men.

We are proud that our employee satisfaction exceeds 4.2 in all three countries, which is the level Gallup identifies as a healthy workplace.

Group goal Attractive workplace 2020:

The joint Advania Group goal is to maintain a high level of employee satisfaction.

GOAL Employee Satisfaction

Maintain the level of Engagement and Commitment above 4.2



Diversity, gender balance and inclusion

A lack of diversity and gender imbalance are major issues within the IT industry, yet there is evidence that more diverse companies prove to be more profitable.

Advania believes that recruiting and retaining employees from different cultures, genders and backgrounds is a key factor to maintain and strengthen our competence and capacity for innovation, as well as to match the diversity of our customers.

The gender balance in the Advania Group varies between the local countries but matches the overall imbalance in the wider IT industry. Therefore, one of our top priorities for our diversity plan moving forward are diversity and gender balance.

Examples of local initiatives:

- In recent years, Advania Sweden has systematically improved its recruitment processes, including the way vacancies are advertised, to increase the proportion of applications from women.
- Advania Sweden performs an equal pay analysis each year in accordance with Swedish law to ensure that they do not discriminate based on gender when it comes to salary. The differences in salary that exists can be attributed to differences in roles, experience and length of employment.
- Advania Iceland proactively works towards gender balance and received an equal pay certification in December 2018. The purpose of the certification is to eliminate discriminatory practices based on gender and to ensure that women and men within the company are paid equal wages and enjoy equal terms of employment for the same type of job or jobs of equal value. Once a year, Advania Iceland's Equal Pay System, compensation structure and all compensation decisions undergo extensive auditing. Since its implementation, the system has met all the requirements of the Equal

Pay Standard. Advania Iceland has measured no gender related difference in the compensation structure since implementing the system (with a margin of error of +/-2%).

- Advania Iceland hired its first employee dedicated to sustainability, equality and quality management in December 2019. The employee has been delegated the responsibility of mapping out projects focused on improving gender equality and inclusion in accordance with the equality policy.

Diversity, gender balance and inclusion are managed by our local HR Managers (CHROs).

Diversity 2019	Sweden	Iceland	Norway	Finland
Average number of permanent employees total	470	624	85	21
Percentage permanent employees women (%)	17	27	37	2
Percentage permanent employees men (%)	83	73	63	98
Percentage of permanent employees working full time (%)	99	95	92	100
Percentage of women in administration (%)	62	49	64	100
Percentage of women in operation (sales + consultants) (%)	11	32	31	0
Percentage women managers (%)	19	28	50	50
Percentage of women C-level managers (%)	0	33	33	0
Percentage of average salary women to average salary men - total (%)	83	99	95	98
Number of contractors total	59	35	6	1

Women are in a minority throughout Advania but with some country variations. Norway has the best gender balance with 37% women – compared with only 17% in Sweden. The highest proportion of women can typically be found in administrative roles and a lower proportion of women in operational roles, which is common throughout the entire IT industry.

The proportion of women managers is representative of the overall proportion of women in the company, which indicates that there is no discrimination of women when it comes to career development. The percentage of permanent and full-time employees is high for both genders, indicating that discrimination in employment based on gender is not an issue within Advania.

Diversity Advania board	Group
Percentage of women on the Advania Group Board (%)	0
Percentage of employees <30 years on the Advania Group Board (%)	0
Percentage of employees 30-50 years on the Advania Group Board (%)	40
Percentage of employees > 50 years on the Advania Group Board (%)	60

Group goal Gender balance:

The Advania Group goal is to achieve more diverse C-level management teams in all countries.

GOAL Gender balance

At least 30% women in each local C-level management team by 2025



CASE STORY

Inclusive communication

Magnus Wemby, HR Manager at Advania Sweden opted to invest in training all managers in inclusive leadership and communication in 2019.

Can you tell us more about what you have done Magnus?

At Advania Sweden, we have very satisfied employees and the business is going really well. However, if we are to succeed in achieving our growth targets and seriously challenge the really big players in our industry, we need to

retain existing talent and at the same time attract the best talent in the labour market.

We therefore need to continuously develop our ability to communicate and promote inclusiveness in order to tap into talent from other sections of society than those where we already have good access to. In addition, we clearly see that more diverse teams are more efficient and innovative than more homogeneous teams.

In 2016, we began focusing on increasing the proportion of women in positions at the company where women were under-represented, primarily in executive and operational positions.

In June 2019, within the framework of the Advania Academy, we began management training in inclusive communication and leadership. The training, which consists of two parts, is compulsory and is led by an external partner. The training aims to give our managers greater understanding, knowledge and confidence in the area of equality and to develop their ability to create inclusive and effective teams. By the end of the year, virtually all managers had completed the training. The training will also be available to new managers and offer more steps for those who have already completed it.

Gender equality is not easy to achieve and will take time. But for us, it is business critical and crucial for us to succeed in achieving our growth targets. We have a long-term approach and are determined to succeed!

Magnus Wemby, proud HR Manager

Business ethics and transparency



There is a growing trend of customers demanding companies to operate in an ethical and transparent way throughout their supply chain. This poses a risk for companies and forces them to minimise the risk associated with their supply chain unlike ever before. Advania expects further demands from customers regarding ethics and transparency. We therefore take these issues very seriously to ensure we are well positioned to deal with increased future requirements.

Advania against corruption

We aim to ensure that our operations follow the principles set out in the UN Global Compact, including anti-corruption. Our zero-tolerance policy towards corruption is firmly established in our local Code of Conducts for Employees and Code of Conducts for Suppliers.

We encourage all employees to report any suspected violations of the law or our policies, either directly to their supervisor, a trusted colleague or anonymously via our third-party whistleblowing function. In 2020, our whistleblowing routines are being harmonised throughout the Group by linking local websites to a centralised service on the Group website.

Each local Advania CFO is responsible for the work covered by the Group Anti-Corruption Policy. However, every Advania employee has a responsibility to avoid participating in any form of corruption by abiding by our Code of Conduct and our Group Anti-Corruption Policy.

Group goal Ethics and transparency 2020:

The Advania Group goal is to ensure that all employees are trained in Business ethics.

GOAL Business Ethics

All new employees are trained in the local Code of Conduct within the first 60 days of employment



Climate-smart operations



Climate change is one of the most important issues and business risks of our time, and all companies must play their part in reducing emissions. Digitalisation has an important role to play in the transition to a climate-smart society, while IT companies have a responsibility to minimise the negative climate impact that the use of IT entails.

Climate-smart and profitable operations

The effort to reduce emissions generated by our business activities does not only influence our environmental impact but reducing the use of resources also makes our business more profitable. We focus on taking responsibility for our own operations as well as influencing customers to make more sustainable choices.

Examples of local initiatives:

- Advania Sweden has been certified in accordance with ISO 14001:2015 since 2017. Within the management system, climate emissions are identified as a major environmental aspect both directly in Advania's operations and indirectly throughout the entire lifecycle of the IT-hardware sold on the Nordic market. Since 2016, Advania Sweden's emissions in scope I, II and part of scope III have been tracked and reported against its local target to continuously reduce emissions per employee. Until 2019, they have reduced their emissions by just over 20% per employee compared to 2016.

• In 2019, Advania Iceland began tracking emissions through EnviroMaster, an environmental management solution based on the Greenhouse Gas Protocol. The system allows Advania Iceland to collect, process and track emissions and energy use to gain a comprehensive overview of operational emissions.

• Advania Norway was certified in accordance with the local Eco-Lighthouse in 2019. The same year they started measuring emissions from business trips, mainly air travel, and in 2020 the model will be supplemented with other emissions in accordance with the scope I, II and III of the GHG protocol.

The emission measurements made in Sweden and Iceland are based on the Greenhouse Gas Protocol international standard using the operational control criteria. The scope of the measurement is:

- Scope I – Advania's direct climate emissions from the operation of company cars, service cars and our employees' private cars used for business trips.
- Scope II – Advania's indirect climate emissions from energy use in our offices and the electricity consumption in our data centres*.
- Scope III – other indirect emissions such as business trips by air, train and taxi.

*electricity consumption in data centres is measured only in Advania Sweden due to the principle of operational control.



CASE STORY

Eco-Lighthouse certification in Norway

Espen Hartz,
CEO of Advania Norway

In 2019, Advania Norway received the Eco-Lighthouse certification, which is Norway's most widely used certification scheme for businesses seeking to work with environmental and social responsibility. The certification involves systematically working with environmental management and the promotion of a good working environment for employees.

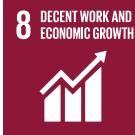
"In the transition to a more sustainable society, no one can do everything – but everyone can do something!" says Espen Hartz, CEO of Advania Norway. "Everyone must contribute to creating a low-emission society, including companies such as Advania. Eco-Lighthouse certification provides us with specific tools to work purposefully to improve our environmental performance in terms of waste management, energy consumption, procurement, transport and working environment."

Eco-Lighthouse is Norway's most widely used certificate for businesses that want to mitigate their environmental impacts. The organisation has certified over 5,800 Norwegian businesses to date. The Eco-Lighthouse certification is approved for tenders and public procurement and is the first national scheme in Europe to be recognised by the EU.

Greenhouse Gas Emissions 2019	Sweden	Iceland
Scope I (tonnes CO ₂ e)	159	174
Scope II (tonnes CO ₂ e)	71	40
Scope III (tonnes CO ₂ e) ¹	1064	425
Total emissions per employee (tonnes CO ₂ e per person)	2.75	1.02

Like most service companies without any production operations, both Advania Sweden and Advania Iceland have their highest emissions in scope III. Advania Iceland's good access to renewable energy is the reason for their lower emissions in scope II compared to Advania Sweden. Advania Sweden's higher scope III emissions are due to the company's higher number of business trips, which in turn reflects where their customers are located.

Responsible financial management



As a financially stable company, we benefit society over the long term by securing jobs and paying taxes in the countries where we operate. The generation of profits and returns for our owners is a prerequisite for us to remain in the market and continue to provide employment, pay taxes and thereby contribute to societal development.

Profitable and sustainable business development

A stable and profitable company makes it easier to attract and retain competent staff and, thanks to our continued growth, we can expand and recruit more employees. The stability is also beneficial for our customers that can be reassured that we are a reliable long-term partner that will be here for them today, tomorrow and the years to come.

Our long-term financial perspective supports sustainable business development as it helps make the case for long-term investments, which make the best use of resources. At the same time, we are convinced that ambitious sustainability efforts today will be necessary for any company wanting to remain successful in the long term.

We pay taxes in all the countries in which we operate and do not undertake any kind of tax planning that aims to reduce the amount of tax we pay. In fact, we see our tax contributions as an important part of our societal contribution. Responsible financial management is overseen by our local CFOs in the markets in which we operate.

The Advania Group reporting is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Individual entities either prepare their reporting based on IFRS (only Advania Iceland and the Advania Group) or in accordance with the generally accepted accounting principles in each country (GAAP). When Group reporting is prepared, local GAAP is adjusted in accordance with IFRS.

Financial metrics 2019	Sweden	Iceland	Norway	Finland
Turnover (MSEK)	2 591	1 189	545	47
Cost of operation (MSEK)	1 776	470	430	19
Employees salary (MSEK)	480	606	95	19
Interests and other financial costs (MSEK)	2	8	6	0.05
Tax (MSEK)	11	10	4	0.7
Investments in society (MSEK)	0.8	1.0	0.0	0.0
Result before depreciation (MSEK)	335	112	19	4
Profit operating (based on EBITDA) (%)	12.9	9.5	4.0	8.0





FOCUS AREA II

Sustainable offerings

The greatest opportunity we have, to contribute towards a more sustainable society is through the products and services we offer our customers. We deliver resource-efficient and sustainable IT solutions that help our customers navigate the digital transition while ensuring the highest levels of integrity and security.



Integrity and information security

As an IT supplier, it is essential that our customers feel confident that their data is processed securely and that we will protect their privacy. As part of the ongoing digitalisation process, we need to take responsibility for ensuring a sustainable societal transition, which includes reducing risk around information security and integrity.

Data handling

Our services often involve handling customer data, including personal data. Increased regulation, such as the General Data Protection Regulation (GDPR), the Network and Information Security (NIS) Directive, and a greater general awareness of data privacy, has made data handling a business-critical factor. Data security is an essential part of our operations and we have implemented strict security measures and management systems to manage data in a correct manner. Another considerable challenge is the development of cybercrime, which poses a risk for both individuals and companies.

Information Security metrics 2019	Sweden	Iceland	Norway	Finland
Number of Identified information leakages	3*	1	0	0
Number of employees trained in security	120	129	0**	N/A
Number of internal risk analyses within the field of information security	10	28	0	N/A
Number of risk analyses with customers within the field of information security	6	0	0	N/A

* The incidents reported by Advania Sweden are not defined within GDPR as leakage that needs to be reported to the authorities but are still handled like information leakages by our internal processes.

** In Norway, a policy for information security is under development in which employees will be trained in 2020.

Examples of local initiatives:

- Parts of Advania Iceland have been certified according to the international management system for information security, ISO 27001, since 2009. Maintenance audits are carried out by BSI annually and re-certification audits every 3 years. Advania Iceland believes the market calls for suppliers that consider security as an integral part of their service provisioning. Advania Iceland is gradually extending the certification scope with the aim of having all Advania operations in Iceland within the scope by 2022.
- Advania Sweden has made a major shift from a reactive to a more proactive and risk-driven approach when it comes to information security. Because the security threats and risks are constantly changing, while requirements for compliance are increasing, the risk management is becoming increasingly important to securely and predictably manage the changes they face. In 2019, Advania Sweden began work to certify its operations to ISO 27001 and are aiming to become certified during 2020.



CASE STORY

Sourced by Sweden – data storage in Sweden

Within 'Managed Services', Advania Sweden has expanded its range of services to include an optional geographical limitation. Customers in Sweden can customise their services based on the regulations they

want the service to obey. In practice this means that Advania can offer services that are entirely produced and managed in Sweden. The advantage for the customer is that Advania can guarantee that all data is managed exclusively within Sweden's borders and governed by Swedish law.

These services were developed in response to the various privacy laws that have been enforced in recent years and that lead to challenges in managing risks around data stored in US cloud services under the Cloud Act and at the same time comply with European GDPR legislation. Furthermore, there are statements from several Swedish authorities that describe the risks of managing sensitive data in US cloud services.

Advania Sweden believes that it is entirely possible to use these services, if a thorough risk analysis of the data is performed first. However, there are certain types of data that should never leave Sweden. Many customers believe that the risk of moving data to US-based cloud services is too great, Advania Sweden has therefore chosen to offer a complete delivery within Sweden's borders and with entirely Swedish staff. That way our customers can be completely reassured that their data is processed in accordance with the current legislation.

Responsibility for security at Advania is the local CISO (Chief Information Security Officer), the CSO (Chief Security Officer) or IT Manager.

Group goals Information security and integrity

The Advania Group goal is to ensure a high competence and awareness of information security among all employees.

GOAL Information Security

All employees are trained in information security in 2020



Sustainable IT

We offer climate and eco-smart products that help our customers reduce their environmental impact. More sustainable IT hardware can help reduce energy and material use and promote more circular business models.

Promoting more circular business models

Advania can support its customers throughout the entire lifecycle of an IT investment – from making the best long-term purchasing decisions through operation, support, usage, and finally reuse and recycling. The circular use of resources in the IT sector is essential due to the large amounts of energy

and finite resources used and environmental impacts caused during the manufacture of hardware.

Examples of local initiatives:

- Advania Sweden has a well-established model for taking back customers' used hardware and ensuring that information is erased to allow equipment to be resold where possible. In 2019, as much as 95% of all the hardware Advania Sweden took back was sold to a new customer to enable a second life.
- To help ensure that customer IT products have a long service life, Advania Sweden and Iceland have their own service workshop where they can take care of and repair products from all brands.



CASE STORY

Collaboration with Dell on hardware reuse

Guðmundur Steinar Zebitz,
Sales Manager at Advania
Iceland

Since 2017, Advania Iceland has proactively worked on informing customers and stakeholders about the sustainability performance of its vendors, with a focus on its largest vendor Dell. "By informing how products and packaging can be recycled for example promotes transparency and helps our customers make informed purchasing decisions – not only based on the financial cost of a product, but also its lifecycle environmental impacts," explains Guðmundur Steinar Zebitz, Sales Manager at Advania Iceland.

Advania Iceland assists customers to extend the usable lifespan of hardware, and to reuse and recycle old equipment in a way that ensures that equipment is taken care of in an environmentally responsible manner. It also gives customers peace of mind that sensitive data will not fall into the wrong hands and guarantees the maximum value for their old hardware.

Ambition to be a sustainability leader

"Many companies still have huge potential to improve their approach to reusing and recycling old hardware, so we still have a lot of work to do," says Zebitz. "But our aim is clear: we want to offer a simple and smart service that helps our customers to either reuse and redeploy or retire their old IT equipment in the most sustainable manner."

Digitalisation for a sustainable society



Advania can contribute to customers' transformation into a more sustainable business since we are convinced that digitalisation is an important enabler. According to a report from the Stockholm Resilience Centre, digitalisation can reduce emissions by 30% directly by 2030 and thereby contribute to achieving the goals of the Paris Agreement. The digitalisation services that enable a more sustainable society are integrated into our business. Our employees play their part in offering customers sustainable IT solutions and raising awareness of the benefits of digitalisation.

Examples of local initiatives:

- In our efforts to contribute to sustainability through digitalisation, Advania Sweden participates in the roadmap for digitalisation consultants within the framework of the Swedish government's 'Fossil-free Sweden' initiative. Examples of goals in the roadmap include educating employees in sustainable digitalisation and developing models

for measuring emissions. In particular, the shared method for measuring 'avoided emissions', i.e. greenhouse gas emissions that are avoided because a new specific product or service functions in the same way but with lower emissions.

- Advania Iceland has introduced 'Signet' to the Icelandic market, which is a cloud-based solution for individuals and companies to digitally sign documents. Signet can process loans, contracts, prenuptial agreements or anything that needs to be signed as long as the document is a PDF or XML file. The benefits of using Signet are multiple as the system simplifies the process of signing documents in a time efficient manner that significantly reduces paper use.



CASE STORY

Electronic invoicing for the Icelandic Government

Gestur Traustason, Oracle EBS consultant at Advania Iceland

Advania Iceland has worked with the Icelandic government since 2007 to gradually enable them to send out and receive invoices electronically. The first e-invoices were used in 2007 and in 2020 it is expected that around 95% of invoices will be e-invoices.

"We developed a robust system to manage e-invoices by directing them to the correct government institution and using an accounting processor to record their details," explains Gestur Traustason, Oracle EBS consultant at Advania. "The system applies AI to evaluate e-invoices that cannot immediately be processed by looking at how similar invoices have been processed in the past."

The system has significantly reduced processing time – from several weeks to same day processing – as well as ensuring more precise accounting and reduced processing costs. E-invoicing also reduces the amount of paper used for accounting. It is expected that in the year 2020 the total number of invoices entered will exceed one million. This reduces the environmental impacts of processing over one million invoices in terms of the use of paper, envelopes, transport, photocopying and waste that would be associated with physical processing.

"Our experience shows that such projects require a strong technical base, as well as a sound plan for implementation and getting the vendors and users on-board," says Traustason. "We believe we have succeeded in this with the Icelandic government."

Partnerships

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS



Regardless of which aspect of our sustainability policy we work with, it is evident that long-term partnerships are becoming increasingly important.

Collaborating within the Advania Group, and with customers, partners and colleagues in the industry to find common tools, platforms or solutions is essential. Most sustainability aspects are complex and require new forms of collaboration – and sometimes even new business models – to be solved.

In Advania's Sustainability Policy, partnerships are highlighted as a key sustainability aspect. Therefore, in 2019, a decision was made to involve the entire Advania Group in two major international initiatives – the UN Global Compact and the Responsible Business Alliance.

UN Global Compact

In January 2019, the entire Advania Group signed up to the UN Global Compact. The principles of the Global Compact form the basis for our overall sustainability work and our common Sustainability Policy. This Sustainability Report is the Group's first joint account of our sustainability work.

Responsible Business Alliance, RBA

During the autumn of 2019, the Advania Group became a Regular level member of the RBA, which will help us to work together with our global partners for a more sustainable supply chain. Read more about our work in supply chain management within RBA on page 24.

There are also several established partnerships where local Advania companies have chosen to engage on important sustainability issues.

Fossilfritt Sverige (Fossil-free Sweden) – the digitalisation consultants' roadmap

In March 2019, Advania Sweden, together with some thirty other companies in the IT consulting industry, submitted a proposal for a joint roadmap for a fossil-free Sweden to the government. The roadmap shows the shared ambition of the digitalisation consulting industry to help Sweden achieve the objective of a fossil-free society by 2045.

Work on implementing the roadmap began in 2019 and is an excellent example of how we can more easily create solutions to common challenges in the industry through collaboration.

Advania Iceland Vertonet – Diversity

Advania Iceland is an official sponsor of Vertonet, an organisation that supports women in technology. The organisation is set on empowering women currently working in technology through networking and education. Vertonet connects companies in the IT sector, schools and other organisations to provide women that are interested in technology with a platform for development. Advania collaborates with Vertonet to raise the profile of women in IT and to create opportunities for networking by taking part in Advania events such as the annual New Year Celebration and the Autumn Conference.





FOCUS AREA III

Sustainable supply chain

Our customers are demanding increasing transparency in how we comply with global initiatives on human rights, working conditions, environmental protection and anti-corruption.

Sustainable supply chain



Supply chain management

Advania is part of a complex global supply chain, which exposes us to associated risks such as corruption, inadequate working conditions, child labour and a negative environmental impact. All of these issues are against our values and can have a negative effect on our brand image if present in our supply chain.

The importance of transparency

Transparency in the IT products supply chain is being increasingly demanded by our customers in their procurements. However, the complexity of the global network of suppliers of raw materials, components and hardware assemblies makes full transparency a challenge.

Advania is a relatively small player in the global IT product supply chain, but by collaborating with industry partners we can drive positive change in the global supply chain. Therefore, we decided to join the Responsible Business Alliance (RBA) network in 2019. Since Advania is the only IT-supplier with operations in all of the Nordic countries, our decision to join RBA will have a positive impact on the entire Nordic market.

Examples of local initiatives

Advania Sweden has for several years communicated requirements to its suppliers through a Code of Conduct compliant with the principles of the UN Global Compact. An annual

evaluation is conducted based on an initial risk assessment, an in-depth self-assessment questionnaire and through direct dialogue with our suppliers. Through the membership in RBA, we can now gather the entire Group behind the same requirements for suppliers and have a significantly greater influence on the conditions in our supply chain.

Group sustainable supply chain goal:

The Advania Group goal is to comply with the membership requirements within RBA.

GOAL Sustainable Supply Chain

In 2020 assess compliance with the RBA CoC for at least 80 % of our Major Suppliers, measured on an aggregated brand level by spend in the Group



CASE STORY

Responsible Business Alliance Helena Nordin, Sustainability Manager at Advania Sweden

In September 2019, Advania joined the Responsible Business Alliance (RBA), which is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. Advania's membership is part of the company's long-term work to drive continuous positive change in the IT industry supply chain.

"Our main negative social and environmental impacts are deep in our supply chain," says Helena Nordin, Sustainability Manager at Advania Sweden. "This is why we work systematically to ensure that our suppliers are working to become more sustainable."

Collaboration to drive positive change

The over 150 RBA members share their knowledge and experience and collaborate to create a more sustainable supply chain. With a common Code of Conduct, tools for risk assessment, follow-up of suppliers and by sharing information in a transparent way, the RBA has become one of the most important players in improving working conditions in the global manufacturing chain.

"Our membership gives the Advania Group an excellent platform to work together to overcome supply chain challenges," says Mikael Noaksson, CEO at Advania. "RBA will be an increasingly important platform for improving the IT supply chain – not only for Advania, but for the entire industry."

Appendices

GHG Measurement according to GHG Protocol, operational control approach.

Advania Sweden

Scope	Activity	Data collection	Source for emission factor
Scope I	Journeys with branded company car.	Fuelled with fuel card.	Company car supplier, GWP for CO ₂ , methane and nitrous oxide. IVL Miljöfaktahandboken.
	Journeys with personal company car.	Reported mileage.	Internal accounting system. Assumed vehicle fuel consumption according to information from the car manufacturer. GWP for CO ₂ , methane and nitrous oxide. IVL Miljöfaktahandboken.
	Journeys with private cars used for business travel.	Reported mileage.	Internal accounting system. Adoption of Sweden's vehicle fleet 2019 (www.trafa.se/vehicle) and consumption for new cars in Sweden 2015 (www.trafikverket.ineko.se). GWP for CO ₂ , methane and nitrous oxide. IVL Miljöfaktahandboken.
Scope II	Electricity consumption office and data centre.	Measured electricity consumption in offices where Advania has its own electricity contract combined with electricity consumption reports per square metre in offices and invoiced electricity consumption in data centres.	Electricity supplier. Landlords and data centre suppliers. Swedish Energy Markets Inspectorate.
	District heating office.	Reports from property measurements on heat consumption per square metre or energy consumption template per square meter for premises.	Swedish District Heating: Local environmental values 2019, or national average for district heating in Sweden.
	District cooling office.	Property owner reports on district cooling consumption per square metre.	Data from local district cooling supplier or national average Swedish district heating.
Scope III	Business trips by air, train, taxi.	Travel miles and emissions reported from travel agencies as well as information on travel costs from financial systems.	NTM (Network for Transport Measures). IPCC. RFI 2.7.

Advania Iceland

Scope	Activity	Data collection	Source for emission factor
Scope I	Journeys with cars leased/ owned by Advania Iceland.	Fuel bought with company fuel card.	Data extracted directly from fuel operators and converted in EnviroMaster. UK Government GHG conversion factors for company reporting. IPCC AR4.
Scope II	Electricity consumption in our offices.	Measured electricity consumption with readings from electricity meters, invoices from service providers. Assumption for electricity consumption per square meter for offices located in combined office buildings with other companies.	Data extracted directly from electricity suppliers and converted in EnviroMaster. Landlords. Icelandic National Inventory Report.
	Heating in offices.	Service providers for hot water, readings from hot water meters. Assumption for hot water per square meter for offices located in combined office buildings with other companies.	Data extracted directly from water suppliers and converted in EnviroMaster. Landlords. Icelandic National Inventory Report.
Scope III	Business trips by air and taxi.	Travel miles and emissions reported from Icelandair, bought flights by travel agent as well as information on travel costs from financial systems.	Icelandair. Internal travel agent. UK Government GHG conversion factors for company reporting. IPCC AR4. RFI 2.7.

*The data was collected directly from service providers where applicable. All data was gathered into the environmental management solution, EnviroMaster by Klappir. The emission calculations were provided by Klappir Green Solutions.

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