



KMD CSR report 2019

01.04.2019 - 31.03.2020





KMD CSR REPORT 2019

This report is a part of the management review and constitutes KMD A/S statutory reporting on corporate social responsibility pursuant to section 99(a) of the Danish Financial Statements Act and on gender distribution in the executive board pursuant to section 99(b). The report also constitutes KMD's Communication on Progress in relation to implementing the principles of the UN Global Compact.

Contents

Foreword: A year of rapid changes	4
Clear strategy and ambitions	6
Theme: Climate and environment	10
Theme: Business ethics	14
Theme: Cyber and information security	18
Theme: Data protection and privacy	20
Theme: Our people	22
Solutions for society: We are making a difference	26
Overview ESG key figures	36

READERS GUIDE:

This report covers the fiscal year 01.04.2019-31.03.2020. This means that in the following, any figure referring to 2019, refers to the fiscal period 01.04.2019-31.03.2020 unless otherwise stated. The report also represents the KMD subsidiary Edlund A/S' statutory reporting on corporate social responsibility pursuant to section 99(a) of the Danish Financial Statements Act.

FOREWORD:

A year of rapid change

Commitment from CEO Eva Berneke

Digitization is changing the world – it affects the fundamental ways in which we work and interact with each other. Technology is developing fast – often faster than culture and society. This year, we experienced an abrupt global societal shift. COVID-19 locked down societies one by one in order to mitigate transmission. During this crisis, digitization demonstrated its value to society. In KMD, we mitigated infection by working remotely from home. KMD was able to transform into a digital, remote workforce overnight, and maintained the high performance and customer service that keeps the critical digital infrastructure of the Danish society.

During the lock down

- KMD solutions continuously supported the digital communication from the health authorities to the Danish citizens regarding COVID-19 restrictions.
- KMD solutions supported continuous communication between school children and teachers and supported online teaching.
- KMD health care solutions provided online platform for health care professionals to communicate with citizens and offered use of the online video platform free of charge.
- KMD solutions continued to ensure the payment of salary to more than one million employees, and the payment of housing benefits, sickness benefit and a large variety of other public payments.

2019 has been a transformational year for KMD. It was our first year as a member of the NEC-family, which has brought many synergies and benefits within new technology, knowledge, culture and sustainability. One of NEC's sustainability priorities is to integrate climate change into management decision-making. NEC has set a target for zero CO₂ emissions from business activities by 2050.

Climate change and environmental stewardship have been priorities for KMD for years. We have worked to reduce our own footprint, as well as support our customers with digital solutions for energy efficiency, education and health.

This year, KMD contributed to the Danish Government's 2030 climate goal of reaching 70 pct. reduction in carbon emission. CEO Eva Berneke led the Climate partnership of the Service, it and counselling sector, an important work that will continue in the coming years. We believe that digital technologies play a vital role in the green transition. World Economic Forum estimates that digital technologies can reduce carbon emissions by 15 percent globally. As we see it, the digital technologies play multiple roles in the green transition. One role is to substitute emissions using digital transformation – converting letters to digital post, reducing transport to meetings with online video conferences etc. KMD also use data to create a smarter society – supporting a smarter powergrid, smarter traffic, smarter waste management, smarter lightning in cities. In KMD we invest in developing smart solutions to support sustainable development, especially in the areas of data driven solutions that support the energy and utility sector and energy optimization.



Eva Berneke, CEO

As society slowly reopens after COVID-19, we must learn from the experience and support the further development of a digital society towards a new normal. At the same time, digital technologies and data bring forth new issues and concerns such as data security and privacy. KMD is committed to developing digital technologies in a responsible manner, in support of sustainable development. We express our core values in three actions: We understand your business – We create value – We act responsibly. We remain committed to the UN Global Compact and to support the sustainable development goals and this is our communication on progress.

Clear strategy and ambitions

In times of change, a clear strategy is crucial to progress and success. Our purpose is to deliver the benefits of technology to help our customers succeed and make a difference in society, business, and everyday life.

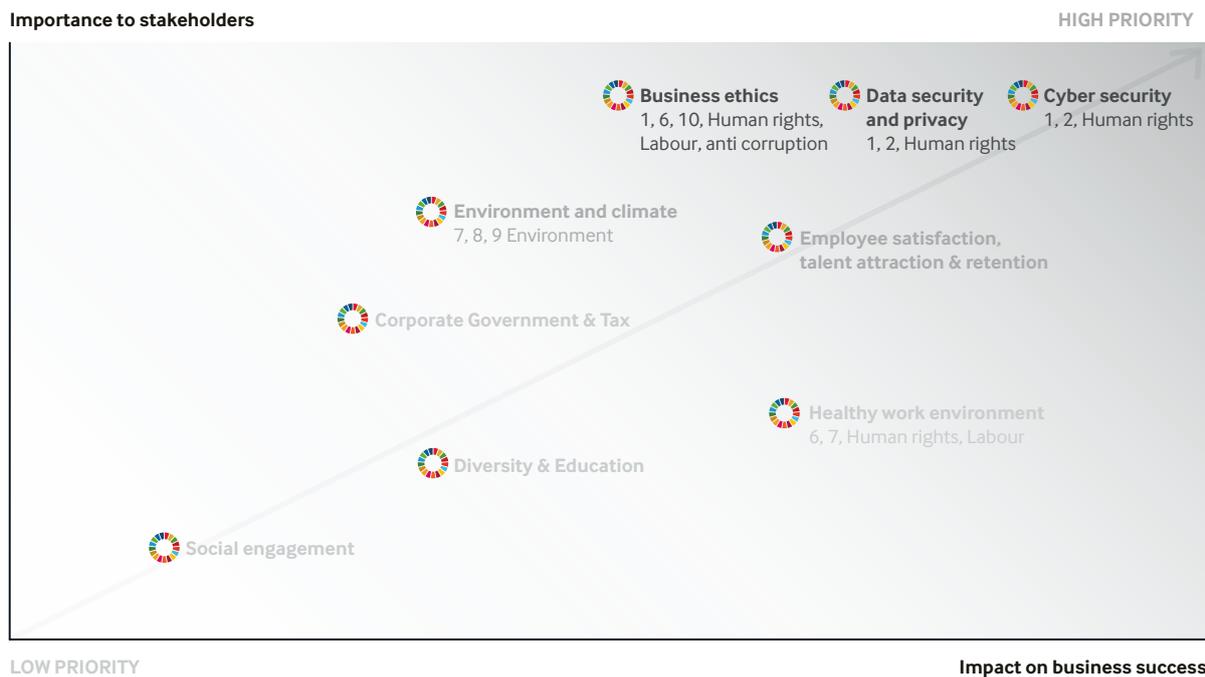
The government provides crucial services and improves the lives of people. KMD supports this through our solutions to the municipal and regional market for both administrative solutions and citizen-based services, within health care, employment, education, social benefits, salary, tax, etc. For private companies, KMD continues to develop, design and operate business-critical digital solutions to the energy and utility sector and the financial sector to support the sustainable development within these sectors.

To KMD, responsibility to society means that we are contributors to further social, economic and environmental sustainability. We recognize that working responsibly is a continuous journey. This is why we continue to integrate sustainability in the development of our products, services, and business as a whole. We believe we have a special obligation to make our knowledge and our skills available and support the development of Danish society. Our business is to build sustainable and responsible digital solutions. To support this journey, we have selected two strategic sustainability themes that are supported by our business development, partnerships and philanthropic initiatives. We call the themes Future competencies and Digital climate action.

Future competencies deals with preparing our competencies for the digital future of society. It includes inspiring young children to work with digital technologies to support technologic education of the coming generation, supporting gender equality in digital work areas, and helping the elder generation adapt to the growing digitization of society. Digital climate action refers to the effort we put into developing sustainable solutions, inspiring school children in climate action and the industry networks and research projects we participate in to improve our own industry's climate footprint.

Materiality assessment

This report focuses on five CSR themes, identified through KMD's materiality assessment, combining input from internal and external stakeholders. We define our main stakeholders as owners, management, employees, business partners, authorities, NGO's and the public. Inputs are assessed in a materiality matrix that reflects the impact on the business and the importance to stakeholders.



The materiality matrix visualizes the assessment of sustainability issues measured on the importances to KMD's stakeholders and the impact on our business success.

We compile the prioritized topics in five themes:

1

Environment and climate

Climate and environment action are becoming increasingly more important in the IT and data industry, as on the one hand powering datacenters are becoming a big worldwide contributor to carbon-emission. On the other hand, the IT sector can be an important part of the solution to the climate challenge.

2

Business ethics

KMD has a fundamental goal to operate responsibly and on fair and equitable terms. The business ethics theme describes the initiatives we have launched in relation to anti-corruption, competition law, tax and responsible supplier management.

3

Cyber and information security

Our Cyber and information security is of paramount importance for KMD, as our solutions often contain company and personal data, the latter of which is a matter of protecting privacy.

4

Data protection and privacy

The use and sharing of data can provide good value for our public and private customers. At the same time, we are aware of citizens' rights to privacy, which we must protect, as a human right.

5

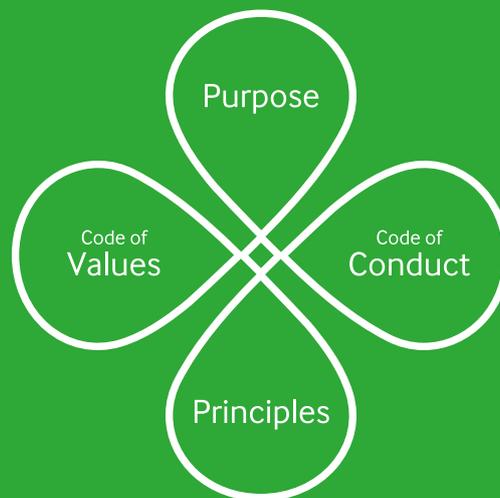
Our people

KMD's employees and managers are the platform for our ongoing success and growth. KMD is therefore focused on being a workplace that can attract, retain and develop the right competencies. This theme includes diversity and our report on gender distribution in the executive board.

The NEC – way

The NEC Way is the corporate philosophy of the NEC Group. It is the overall purpose of NEC to orchestrate a brighter world. Within the NEC Way, the purpose and underlying principles represents why and how all members of the NEC Group must conduct business, whilst the Code of Values and Code of Conduct embodies the values and behaviors that we must demonstrate. In KMD, the NEC Way is reflected through our purpose, vision and values. Our rules of conduct are aligned to the ones of the NEC Group, including our Code of Conduct.

You can read more about the NEC Way [HERE](#)



KMD supports the UN Sustainable Development Goals

During the past 40 years, KMD has played a central role in building the digital foundation that are the pillars of the digitized Danish society today. We have supported Danish society with business-critical digital solutions and today, we are an integral part of the Danish society. This is something we are very proud of, and it is on this foundation that we pursue our work with sustainability and social responsibility.

The UN Global Goals address the great challenges of the global community – but they also embrace the challenges of our domestic society – for example, in the field of education and supporting strong institutions.

We are proud to contribute to promote a positive development. We prioritize our approach to the SDGs based on an assessment of the strategic business relevance and our potential impact.



All SDGs are important, but we have bigger impact on some than others. We assess our ability to impact the SDGs and the relevance to our business in this matrix.

THEME:

Climate and environment

Climate change is one of the biggest global challenges of our time. KMD works systematically to reduce our climate and environmental impact, which primarily comes from our datacenters, offices and our employees' travel. By far our largest climate and environmental impact is linked to our IT operations. We also strive to be a responsible climate and environment partner for our customers.

KMD's overall climate target is zero CO₂ emissions from our own business activities in 2050, aligned with our mother company NEC. Furthermore, KMD have committed ourselves to the target of zero CO₂ emissions from our own business activities by 2030.

We are working systematically to optimize our operations in terms of reduction of energy spend and CO₂ emission. At the same time, we know that digital solutions can reduce traffic and paper consumption, create an overview of energy consumption and optimize operations for our customers.

We, therefore, also see our products as one of the biggest levers in the work to give customers a greener footprint. It is our goal to develop fact sheets on our products' potential to reduce the environmental and climate impact of our customers. Our goal is to present the first CO₂ emission product fact sheet in our Energy and Utility portfolio in 2020. In 2019, we reduced our waste production by 14 pct. and increased our recycling of waste by 2 percentage points.

We routinely monitor our own energy consumption and environmental impact, including waste management. If we identify opportunities for optimization of energy reduction, waste recycling, and transport reduction in areas that are assessed as important, prioritized actions are agreed upon.

In 2019, we have increased our share of certificates of origin on renewable energy in order to reduce our carbon footprint. In 2020, we expand the certificates to cover our entire energy spend with certificates of origin on renewable energy from Norwegian hydropower in order to further reduce our carbon footprint.

Our focus is continuously on reducing our energy consumption. We continuously monitor the environmental impact of our employees' transport and seek to minimize it by introducing better tools for online meetings, car-sharing, optimization of public transport to our locations and optimization of conditions for those who bike to work.

In 2018, KMD implemented a new travel reporting system that has improved the accuracy of the 2019 data significantly. At the same time, average CO₂-emissions from petrol cars is calculated to be 3.1 % higher than 2018 and for diesel cars 10.9 % higher than 2019 according to the NEDC-method. These factors increase KMD's carbon footprint from transportation – but the new tools also provide us with better data to help us reduce our emission in the future.

What we have done

- _ Upheld the environmental management standard ISO 14001:2015
- _ Upheld high standards of waste sorting
- _ Continuous implementation of Energy Key, which ensures better monitoring of energy consumption and a better basis for environment-friendly decision-making
- _ Conducted extensive renewal of electric installations in the Danish locations to comply with the current regulation
- _ Continuous work to improve datacenter efficiency
- _ Introduced the car sharing app NABO-go
- _ Provided better tools for remote team work and online meetings by corporate implementation of Microsoft Teams by Group IT



CLIMATE PARTNERSHIP

In November 2019, our CEO Eva Berneke was appointed by the Danish Government to lead the climate partnership for the service, IT and counselling industry. In March 2020, the partnership delivered a report to the Danish Minister for Industry, Business and Financial affairs containing 13 suggestions on how the industry can support the Danish Government in reaching the goal of 70 % reduction in carbon emissions by 2030 from a 1990 baseline. The work continues during the next two years in the 'Green business forum' headed by the Minister for Industry, Business and Financial affairs and the Minister for Climate, Energy and Utilities with the 13 partnership leaders participating.

Learn more about the climate partnership [HERE](#)

KMD's carbon footprint

At KMD, we have traditionally reported on the areas of emissions closest to our business, namely transport data and energy consumption and waste, mainly defined as scope 1 and 2, but also including elements of Scope 3.



Scope 1 Company cars



Scope 2 Energy consumption



Scope 3 Business travel, car mileage reimbursement and waste management (not included purchased goods, services and commute travel). It is our goal to slowly build up the reporting on scope 3.

Environmental data	Target 2020	2019	2018	2017	Ton CO ₂ Emission /employee 2019
Energy consumption kWh	31,340,000	31,291,013	31,874,155	32,645,841	-
Ton CO ₂ from energy (scope 2)	zero	9,512	12,112	7,313	4.88
Waste					
Waste production ton	400	444	518	688	-
Waste recycling degree in %	75	74.4	72	72.5	-
Transportation					
Ton CO ₂ emission (scope 1)	334 (2030: zero)	431	-	-	-
Ton CO ₂ emission (scope 3)	1,300	1,655	-	-	-
Ton CO ₂ emission (scope 1 & 3)	1,634	2,086	1,630	1,922	1.07
Total CO₂ emission					
Total	1,634*	11,598	13,742	9,235	-

*Target includes only energy and transport. In 2020 it is our goal to include more sources in scope 3.



THEME:

Business ethics

In 2019, KMD was welcomed into the NEC Group. Following the acquisition, relevant parts of the organization were aligned with the requirements and values of the NEC Group. This also included the area of business ethics and compliance governance. Integrity, compliance and ethical principles continue to be our focus areas. As an example, we have introduced a new Code of Conduct for employees which is aligned with the one that applies to the rest of the NEC Group. In addition, a number of our policies and procedures have been adapted to reflect that we now belong to an even bigger family. Our approach to ethics remains the same – it is still vital that integrity is at the heart of our activities in KMD and that it is reflected in the conduct of our managers and employees. KMD's work with business ethics continues to be risk-based with a particular focus on information security, data protection, anti-corruption and competition law. Our Corporate Compliance Program has 7 focus areas where ownership and prioritization is embedded in our top management.

Corporate compliance programs include policies within these areas:

- _ Anti-corruption
- _ Competition law
- _ Intellectual property (IP) rights
- _ Document management and storage
- _ Information security
- _ Contractual risk management
- _ Chart of Authority

You can find more information about policies within sustainability and corporate compliance at <https://www.kmd.net/sustainability-compliance>

Competition law

At KMD, we believe in healthy competition in the market where the players compete on merits. We therefore have processes in place to make sure that we comply with competition law. As an example, we guide and conduct mandatory training for our employees in the principles of competition law to nurture a solid understanding of how to conduct our business activities across the organization in line with our values and legal requirements.

Anti-corruption

In 2019, Denmark was again ranked the least corrupt country in the world on the 2019 Transparency International Corruption Perception Index. KMD takes note of this when assessing the risk of corruption within our scope of influence - however, the media has shed light on a number of Danish corruption scandals during the past year which shows that efforts to combat corruption must not be put at rest. KMD believes this is an important aspect and have therefore maintained a risk based anti-corruption compliance program since 2010.

Anti-corruption compliance is embedded in the conduct of KMD employees and our business partners. There is a zero tolerance policy towards corruption, bribery and facilitation payments and this continues to be our mantra to support our work to prevent it from happening. We continuously review and develop our program to ensure that it is updated for relevant risks.

Whistleblower program

It is essential to KMD that people can report breaches and violations easily and without having to worry about confidentiality or retaliation. If an employee or business partner becomes aware of conduct which is not in compliance with our Code of Conduct or policies, we encourage the person to report anonymously via the whistleblower system. The whistleblower system is available to employees, business partners, IT professionals and ordinary citizens. Since 2019, when security weaknesses were included as a subject that can be reported on, the majority of whistleblower cases have been related to this area.

Number of whistleblower cases

2018 and Q1 2019: 5 cases

2019 and Q1 2020: 7 cases

What we have done

- Evaluated KMD's risks in relation to corruption on an ongoing basis
- Aligned KMD's anti-corruption program with NEC, including update of the KMD Anti-Corruption Policy
- Trained all new employees in corporate compliance, either face-to-face as part of the KMD Introduction Day and via e-learning
- Trained relevant employees on specific subjects within anti-corruption, e.g. fraud detection
- Introduced a KMD Compliance Day where Eva Berneke, our CEO, shared her view on integrity on compliance and emphasized the importance of compliance
- Implemented additional processes and procedures to mature KMD's anti-corruption program to meet current risk of the organization and recommendations from ISO 37001
- Carried out regular controls to ensure compliance with internal policies and legislation
- In 2020, we will ensure that there is a continuous assessment of KMD's corruption risks, strengthen KMD's control register on anti-corruption and further develop training programs within corporate compliance, anti-corruption and competition law adapted to role-based needs.

Tax

All Danish Group companies' taxation is subject to Danish taxation and joint taxation rules, and it is KMD's policy to comply with these rules. KMD's policy for Danish corporation tax is thus independent of our ownership. For the past five financial years, KMD has made total tax payments of DKK 303.8 million.

KMD has established a Tax Policy as well as Transfer Pricing Policy that accords with the arm's length principle as described in the OECD Transfer Pricing Guidelines for Multinational Enterprises. KMD also follows the tax guidelines set by NEC Corporation. This ensures that the KMD Group's internal trading complies with applicable rules. Profits or losses are thus not moved across borders to minimize tax payments. KMD pays corporation tax in the countries where we have operations.

Supplier management

KMD extends our CSR standards to our suppliers, working with them to improve performance. Our Supplier Code of Conduct sets out the requirements that we expect to be met in our supplier chain. The code represents an important element of our procurement agreements. We expect our suppliers to meet our requirements within:

- _ Human and labor rights
- _ Health and safety
- _ Environmental protection
- _ Business ethics

We carry out an annual risk-based screening of our suppliers and conduct on-site audit visits. This ensures that our suppliers meet our minimum requirements for corporate social responsibility. The majority of KMD's purchases are from Danish companies, and we generally experience a high level of CSR compliance with our suppliers. If there are inconsistencies between our code and the supplier's ability to comply, we first try to work with the supplier to resolve the issue. If we cannot accept a risk inherent in such an inconsistency, we can reject or cancel an agreement. In 2020, we will further implement our updated supplier screening procedure which has been integrated with the procurement procedure.

What we have done:

- _ Continuously screened our suppliers
- _ Implemented an updated supplier screening procedure

We expect our suppliers to meet our requirements within



Human and labor rights



Health and safety



Environmental protection



Business ethics

THEME:

Cyber and information security

At KMD, we continuously improve dynamic areas of IT that rapidly change due to societal shifts. One of these areas is cyber- and information security. It is a prioritized area due to the potential impact it may have on our customers and our business. Two activities stand out in the Group Security Year 2019 as ways of putting security on the agenda, both internally by awareness training of KMD employees and externally by participating in an IT Hackathon to continue to contribute with knowledge and development of skills within the IT-security community in Denmark.

Security is a part of KMD's DNA, and it is a prerequisite for our ability to function and be competitive as a company. The ISO 27001 standard on information security is a guideline for our work. Since 2014, KMD has been certified in accordance with that standard and it remains the focal point for our risk-based work with information security.

KMD Security awareness and training

KMD Group Security is responsible for the Security Awareness Program launched for the entire company. Most of it is dedicated to KMD employees, e.g. phishing campaigns, e-learning, intranet articles and posts. The program is evaluated year after year to fit the development in society.

During 2019, two phishing campaigns were launched to all employees in KMD. A centralized platform was used, which also provides additional educational security e-learning programs for all KMD employees. Implementing this platform will help Group Security to get more knowledge of KMD employees on different security measurements.

In June 2019, the KMD Warsaw office organized a Security Day. It was one of the biggest events in the Warsaw office ever, with four different security topics hosted by Group Security. The main star of the event was Adam Haertle, until recently Chief Security Officer of a large Polish telecommunications company, currently editor in chief of an infosec portal, journalist, researcher, lecturer and trainer. The event gathered 120 security enthusiasts from different departments of KMD.

Further, KMD organized the STEAM technology 1-day event, which gathered more than 2,000 participants on April 10th. KMD Security participated with a security track that brought together scholars and security practitioners from different strata's of Danish society under the headline "Assume Breach, are we in a Controlled State?"

KMD's contribution to close the global cyber security skills gap

As digitalization accelerates, so do security threats. With the increase in the number of attacks, companies across the globe face increasing demand for relevant talent and filling cyber security related roles. One of the key elements to address the shortage of skills on the market is education of young people. KMD decided to contribute to this effort by supporting Hack IT 2019, security related hackathon organized yearly in Copenhagen by Dansk IT.

Over the weekend on 15th - 16th of November 2019 teams consisting of young people under 30 competed to solve various security related challenges and riddles. Those included such areas as web application hacking, privilege escalation, cryptography, reverse engineering, forensics and many more.

KMD sponsored the event and prepared challenges for the participants and supported them during the tournament.

What have we done:

- _ Implemented a new Governance, Risk and Compliance tool as well as completed training and onboarding of KMD business units
- _ Updated policies and processes
- _ Upheld ISO27001 certificate
- _ Performed RedTeam testing
- _ Conducted Awareness and Phishing campaigns



THEME:

Data protection and privacy

As a data processor for public authorities and private companies, KMD has a tremendous responsibility to protect personal data. It is our responsibility to safeguard the human right to privacy in our work with digital solutions.

2019 has been the first full calendar year of the operation of the GDPR for KMD and our customers. KMD has continuously focused on improving our processes, adjusting them to new legal guidelines and rulings, embedding even more accountable data practices across the organization and assisting our customers, the data controllers, in fulfilling their obligations.

In 2019, this has, among other initiatives, resulted in adjustments in our data breach process as well as in our support processes. To manage the increased volumes of work, KMD has continued to hire additional, dedicated privacy specialists and now has a full Data Protection Team.

As one of Denmark's leading IT and software companies and specialists in IT solutions and services for the public and private sector, we have an inherent responsibility to protect personal data. This includes responding to inspections, inquiries and investigations by the Danish Data Protection Agency, Datatilsynet.

What we have done in 2019

- _ Ensured material and documented compliance with technical and organizational security requirements as data processor and data controller.
- _ Cooperated with the Danish Data Protection Agency in conducting inspections of data processing activities.
- _ Performed inspection and specialized training of KMD's service desks
- _ Responded to all data subject's requests within 30 days.



Sometimes we fail

KMD processes and safeguards great amounts of data on behalf of the Danish public authorities – and has done so proudly for more than 40 years. But sometimes we fail. In 2019, KMD received a critical remark from the Danish Data Protection Agency regarding a case of violation of Article 32 in the Data Protection Regulation.

In the case, the Data Protection Agency criticized the fact that KMD had not applied appropriate security measures on a server that was acquired in connection with a business acquisition (before the GDPR came into effect). When KMD acquired the company, the particular server was not assessed to contain personal data or other confidential information, and the security measures were based on that assumption. Unfortunately, we detected that for a very short period in 2019 the server was unlawfully used to “extract” the Bitcoin crypto currency. When our investigations showed that the server contained personal data, we informed all data controllers without undue delay.

We are not proud of this incident – but we acknowledge our responsibility and learn from our mistakes. We have initiated several initiatives on the basis of this case, including improved processes and specialized training.

THEME:

Our people

KMD's core business is to provide critical IT solutions to our customers in the public and private sector. The responsibility for large parts of Denmark's critical digital infrastructure makes the professional development of employees and managers a top priority.

Current rapid technological development creates a need for KMD to constantly develop the competencies of its employees and managers. At the same time, the company operates a great part of Denmark's critical digital infrastructure – some if it based on older technologies. This challenge fosters a need for diverse competencies. We are addressing this challenge in part through our transparent career model for upskilling and retaining employees to undertake the various development tasks. Our career model has three 'families' – delivery, sales and business support, all in a framework that supports development and career progression.

We work actively to attract the smartest, best-qualified new graduates from Danish and international universities. It is our goal to ensure the right competencies for the tasks of both today and tomorrow. KMD strives to be a diverse and attractive workplace, and it is important for us that all employees – regardless of gender, ethnicity, age, religion and sexual orientation – are treated equally and have the same conditions to do their job. We strive to make employees and managers feel well and thrive at work. We support the elimination of all forms of forced and compulsory labor, child labor and the we support elimination of discrimination in respect of employment and occupation.

KMD commits to ensuring a safe and comfortable working environment. In accordance with the Danish Working Environment Act, KMD also conducts a workplace assessment every three years.



KMD has a uniquely broad use of technology, and we can thereby offer a perfect "playground" for employees and managers with a passion for digitization and technology, who want to make a difference for society.

Our new ownership by NEC – one of the world's leading technology companies – provides us with access to even more innovative and groundbreaking technologies.

Click and learn more about KMD people [→](#) [→](#)

What we have done

- Ran KMD Graduate – a two-year program in which new graduates develop their talent through assignments, instruction, mentor meetings and a new graduate network, facilitated professional communities – networking, inspiration and professional sparring across the organization within selected technologies and domains
- Used continuous measuring of employee satisfaction and well-being through quarterly satisfaction surveys
- Implemented our Leadership Development Program at all levels
- Turned the spotlight on health and well-being via well-functioning social clubs and sports clubs and via participation in big events such as We cycle to work, KMD IRONMAN, and KMD 4:18:4
- Conducted STEAM – an internal education and inspiration conference with more than 1,000 employees participating
- Maintain use of KOMPIS – a health app that helps employees improve health and well-being with different exercises
- Maintained KMD’s health scheme in which employees can benefit from free health treatments at work, for example using trained “stress spotters” who are able to make an early intervention against stress
- Supported the internal women’s network initiative

By providing a healthy working environment and implementing a range of health-promoting initiatives, we are continually working to reduce sickness absence and prevent stress-related illness. In 2019, KMD’s average sickness percentage was 3.2 % – a deterioration compared to the 2018 figure of 3.0 %. However, it is most likely that the COVID-19 pandemic had a huge impact on this, since the figure of February is extraordinarily high (7,8 % against 3,4 % in February 2019). Excluding February 2020, the average of the other eleven months is 2.9 %.

The target is to reach the national average for private businesses, which is 2.8 %. For many years, KMD has been reorganizing the company and its employees to meet future needs. Employee satisfaction is a top priority in KMD. We have come a long way along the right path, but we need to do even better. In 2019, we succeeded in improving the employee satisfaction score in our yearly survey by an average of 1 index point compared to 2018.





A recruitment campaign on International Women's Day sending the message that we are looking for more women to join KMD as women are only 1 of 3 employees.

Women at KMD

At KMD, we believe that diversity is a strength which provides us with different perspectives, ideas and skills, allowing us to develop the company in a positive direction. KMD presents many female leaders as role models. The proportion of women at KMD is currently 31 %, which is one point lower than 2018. By comparison, women make up 24 % of the industry as a whole. Compared with the business community in general and the IT industry in particular, women are relatively well-represented at KMD's top management level.

In the group management, there were only 36 % women by the end of the fiscal year – a status quo from the previous year.

In 2019, women made up 24 % of all managers – status quo compared to 2018.

In 2019, one woman out of five members was elected by the general meeting on KMD's Board of Directors. Our goal is to have two women on the Board of Directors, out of six total members, by 2020.

KMD has set a goal for the share of female managers to be 30 % by 2022. To further workplace diversity, we consult with our employees, and together with our managers they are invited to propose improvements. As of 2019, a diversity task force has been established with the intent of assessing ongoing diversity initiatives and proposing new initiatives, policies and targets to promote greater diversity. KMD is committed to implementing targets every year, focusing on fair and representative gender demographics. In that way, the gender distribution must constantly improve.



Gender diversity on the agenda

At KMD, we do our best to put gender diversity on the agenda. We highlight our female leaders as role models, engage in the public debate on gender diversity and female leadership, and participate in networks and cross boards like HK Privat's IT-women's committee.

[Learn more about CEO Eva Berneke's thoughts on female leadership](#)

[Learn more about General Counsel, Vice President Anne-Lykke Mau's thoughts on gender diversity](#)

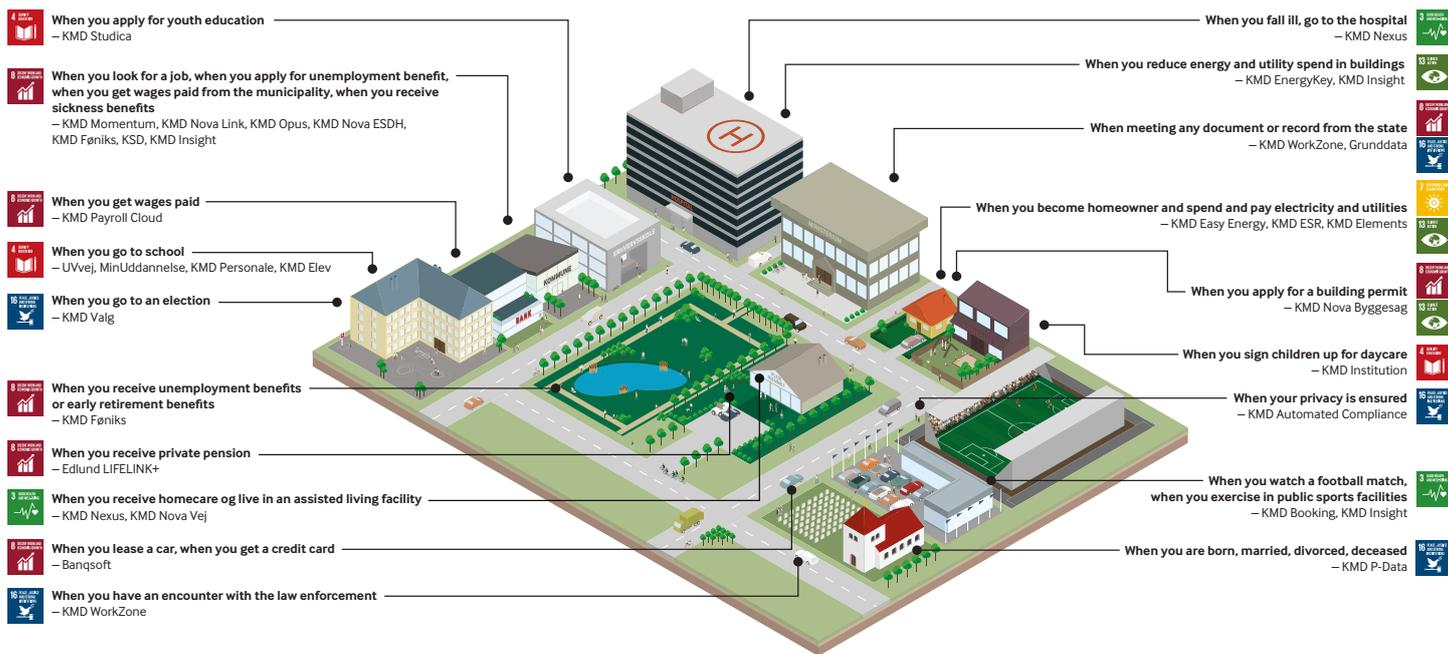
[Learn more about Executive Vice President Ruth Wisborg's thoughts on female role models](#)

SOLUTIONS FOR SOCIETY

We are making a difference

At KMD, we believe that with new technology and digitalization we can make a difference and positively affect many people’s lives. For us, digitalization is about how to turn technological development into value for the people it affects. It is value for the families who through our solution can be assured that their close relatives have received the necessary care and treatment. It is about creating value in the pension savings, where our industry solutions ensure cost-effective operations. It is about creating value for the over 4 million Danes who can safely hand over their ballot papers at the next parliamentary election with the certainty that their vote will count. It is about creating value for those citizens who receive a highly qualified treatment of their cases on the basis of qualified decisions supported by machine learning.

In the following, you can read a few examples of how KMD’s solutions supports sustainable development goals.



The KMD Village illustrates the many touch points where Danish citizens meet KMD solutions in their everyday life. Citizens benefit from KMD’s solutions probably without noticing it. They meet our solutions in all life phases and places: at birth, when starting school, at work, in the bank, at home, when they retire and finally at death.

SDG 3

Good health and well-being



Ensuring a healthy life for everyone and promoting well-being is work that is constantly changing. The challenges are different depending on where in the world you are, but the overall objectives of promoting well-being for all age groups are as relevant in Denmark as they are anywhere else in the world. As an example, KMD's healthcare solution supports the coherence and dialogue between healthcare professionals and citizens. The full digital care platform KMD Nexus is currently used by 60 municipalities and 2 regions, where 120 different professions work together every day via the platform. More than 70,000 professional users log in to the system on a weekly basis.

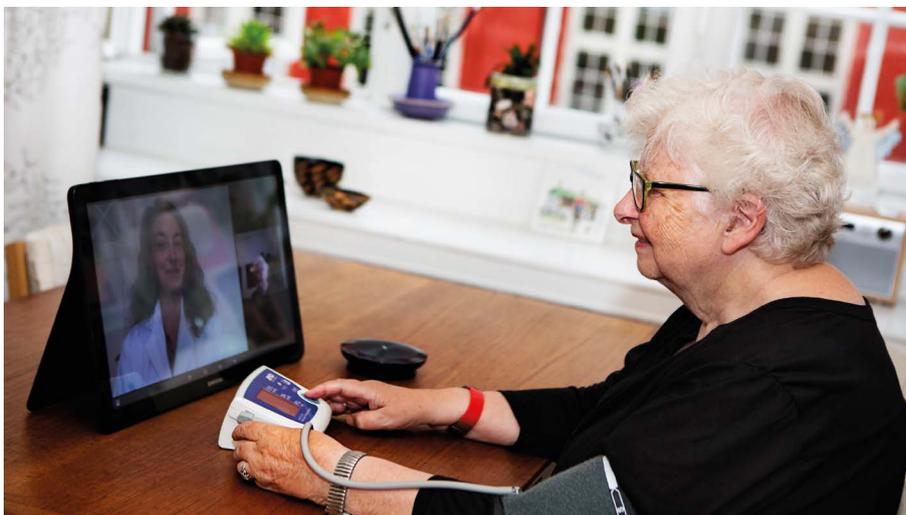
Due to the extraordinary COVID-19 pandemic, KMD has chosen to offer all KMD Nexus customers free use of KMD Nexus Video from April to July 2020. 29 municipalities have opted to do so, to ensure digital dialogue between healthcare professionals and citizens.

It is also KMD solutions that supports the booking of the sports hall for the local badminton club – and it is KMD solutions that ensures the best utilization of the booking – and by this we support citizens pursue of an active and healthy lifestyle.

PLAY ON THE LINE

The Danish Cancer Society has developed the movement concept "Play on the line", which is to help prevent obesity and promote physical activity and health. Factors that in the long term can help prevent cancer. In order to spread awareness of the movement concept, the Danish Cancer Society has entered into a collaboration with KMD so that it is now possible to find the material in the learning platform MinUddannelse.

Learn more about "Play on the line" [HERE](#)



SDG 4

Quality Education



We must ensure that all girls and boys get a high-quality inclusive education leading to relevant and effective learning outcomes (target 4.1).

The goal is that by 2030, all young people will have the necessary competencies to engage in society and the proportion of young people and adults who have relevant business skills (sub-goals 4.4 and 4.6) should be increased. All young people must have the opportunity to take an active part in society.

KMD contributes to the children’s development through both administrative and professional pedagogical solutions. KMD’s digital learning platform is central to delivering the best possible education in the most effective way. Each student is given clear learning goals, thereby supporting the individual to achieve relevant and effective learning outcomes.

The digital learning platform is used by more than 740 schools with approximately 65,000 potential users among teachers and educational staff and more than 665,000 students. More than 6,000,000 courses have been produced in the platform. KMD has developed a new system for youth education programs in close collaboration with selected educational institutions. The solution ensures that vocational schools, technical and general colleges have a secure, data-protected, user-friendly administration and smart user processes.

SOCIAL ENGAGEMENT: CODING CLASS

Together with the IT industry association (IT Branchen) and the Danish municipalities, KMD contributes via Coding Class to teaching coding in the Danish primary school. Coding Class is offered as a training course to 6th grade school classes and the courses conclude with visits to a company. KMD is a partner in Coding Class and has ongoing classes on company visits. The aim of Coding Class is primarily to make children interested in IT and technology and to give them a better understanding of the world that surrounds them now and in the future.

Learn more about Coding Class [HERE](#)



SDG 7 & 13

Affordable and clean energy and climate action



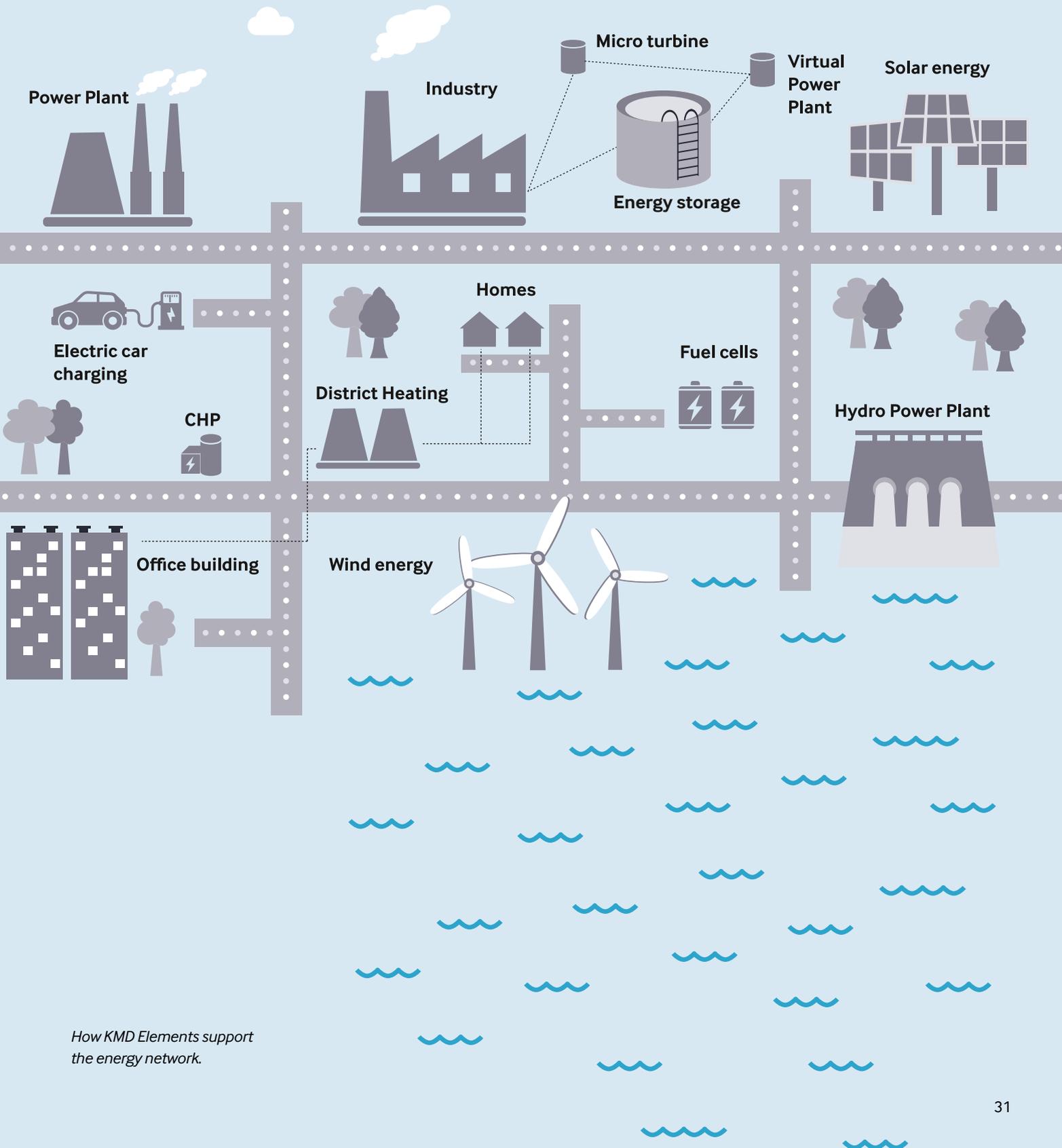
An important part of ensuring sustainable, reliable and modern energy for all, is reducing and optimizing our energy consumption. KMD operates a number of solutions that help companies and public institutions optimize energy consumption and thus also with the aim of promoting, particularly SDG 7.2, which states that the proportion of renewable energy in the global energy mix must be increased significantly, and target 7.3 on improving energy efficiency two-fold by 2030. In the Danish context, the government has a goal that Denmark should be independent of coal, oil and gas in 2050. Energy efficiency improvements are a central part of this energy policy. KMD handles data from more than 3 million meters across Denmark. We help our customers with energy savings in the order of 15-25% by showing consumption in a transparent manner and through collaboration with energy advisors.

KMD supports the central processes of Danish energy and utility companies – from the collection and processing of meter data for billing to customer service. KMD also helps energy consumers optimize their resource use and save both money and CO₂.

Via KMD Insight projects and KMD Energy Key, we support the target 13.3 by making relevant data and knowledge accessible.



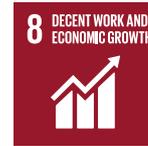
Examples of the Coding class pupils work. Here, they developed games to motivate more KMD employees to bike to work.



How KMD Elements support the energy network.

SDG 8

Decent work and economic growth



Economic growth, full and productive employment, and decent work for all are important conditions for sustainable development. The goal defined by the UN is to achieve full and productive employment and decent jobs for all women and men in 2030. There must be a significant reduction in the proportion of young people who are not in employment or under education (target 8.6). KMD's digital contribution is based on the individual situations of those who are unemployed and their competencies, and thus we support an effective way of getting a new job faster. We do this in close cooperation with the job centers, which are a central focal point for helping the unemployed into a decent job. KMD's solutions create an overview of the citizen's plan, conversations and activities, and it strengthens the goal-oriented employment effort with an overview of the effect of your efforts.

KMD also supports communication both internally within the municipality and externally with companies, business partners and the unemployed. Our solutions also supports target 8.2 and 8.6 by enabling financial customers to be at the forefront with new legislation and compliance as well as automation and self-service solutions.

Furthermore, KMD solutions support numerous different public payments, including sickness benefit refunds for employers and sickness benefit payments for employees, and payment of salaries to both public and private employees.



Helene Djursø, Welcome Home

Welcome Home

As a partner in Welcome Home, KMD makes company mentors available to veterans who, after serving in the Danish Defense, seek a path towards a civilian career.

Learn more about the Welcome Home initiative [HERE](#)

VELKOMMEN
HJLM

93,000

government employees in the state and municipalities today use our solutions that contribute to accountability and transparency in public administration



SDG 16

Peace, justice and strong institutions



Strengthening the constitutional state and effective and transparent governance are important conditions for sustainable development. It seems obvious in Denmark and the Nordic countries that "Peace, Justice and Strong Institutions" are a matter of course – and therefore not a challenge. Behind the obvious, however, there is a machine room where processes must be established, implemented and operated. Today, these processes are often digital, and they ensure that institutions at all levels can be effective, responsible and transparent (target 16.6). Over the past 25 years, KMD has worked with transparency and efficiency through digital securing of compliance with the Public Act and the Public Administration Act. The two acts are constitutional and legal guarantees for public access to information and for fair treatment of citizens' cases. Within this area, KMD's solutions within Electronic Case and Document Management (ESDH) have established strong standards on how to process, register, store and provide insight into the authorities' work. 93,000 government employees in the state and municipalities today use our solutions that contribute to accountability and transparency in public administration. In many ways, Denmark is a pioneer in transparency, most recently with the decision to make all public basic data available to both citizens and businesses through the Basic Data Program (Grunddata). KMD develops and operates the basic technology to secure this goal through the Data Distributor program (Datafordeleren).

SDG 17

Partnerships for goals



KMD supports partnerships by target 17.17 by our strong heritage of partnerships with both public organizations, private companies and civil society partners. We engage in business partnerships to develop sustainable solutions, we participate in research partnerships with universities and public institutions and we team up with civil organizations, unions and trade organizations as well as the Danish government to support a sustainable development.

ESG key data	Unit	Target 2020	2019	2018	2017
Environment					
Energy consumption	kWh	31,340,008	31,291,013	31,874,155	32,645,841
Share of renewable energy	%	100	33	-	-
Waste production	Ton	400	444	518	668
Waste recycling degree	%	75	74.4	72	72.5
CO ₂ e, Scope 1	Ton	334 (2030: zero)	431	-	-
CO ₂ e, Scope 2*	Ton	Zero	9,512	12,112	7,313
CO ₂ e, Scope 3**	Ton	1,300	1,655	-	-
Social					
Gender diversity	%	32	31	32	34
Gender diversity – all management levels	%	30 (2022)	24	24	-
Sickness absence	%	2,8	3.2	3.0	3.1
Governance					
Gender diversity on board of directors	%	33	20	20	0

* Market-based method Greenhouse Gas protocol

** 2019 only includes transport data in Scope 3