Building Software for a more Sustainable World

CSR REPORT 2020

cBRAIN

Building Software for a more Sustainable World

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LETTER FROM THE CEO

For us, corporate social responsibility goes hand in hand with our business model, our software platform, the services we provide to our customers, and finally the impact our combined efforts have on key areas of the global sustainability agenda.

Solutions that increase transparency, reduce corruption, and build stronger institutions – we call this digital bureaucracy. Our ambition is to rebuild trust in democracy and government services through digitization. And the evidence suggests that we are having a positive impact in this area.

Over the past 15 years, more than 75 government entities have implemented our standard software.

During the COVID-19 pandemic, we have worked closely with the government to ensure a seamless transition to remote and virtual work, while maintaining high-quality public service delivery. Denmark was again ranked number one in the world in the 2020 UN GovTech survey. And as a company, we want to play an active part in the development of a digital society – in Denmark and globally. Previously, we have focused solely on SDG 16, but we believe that we can take this a step further. Building on SDG 16 and the digital bureaucracy, we want to apply our software to SDG 13 and SDG 17 to further leverage our impact for a more sustainable world. In this "Decade of Action," we will focus on technology transfer in partnership with government institutions, as stipulated in SDG 17.

In close collaboration with the Danish government, we have developed a model and standard software for digital bureaucracy.

We believe partnerships and technology transfer will play a key role in helping society 'build back better' in the wake of the challenges imposed by COVID-19. Furthermore, we believe in the power of software in the fight to reduce climate change and manage natural resources sustainably, in keeping with SDG 13.

cBrain is an active member of the UN Global Compact. We support the 10 principles on human rights, labor rights, the environment, and anti-corruption.

We are confident that we have the technology to make an impact in the coming years.

Enjoy reading!

I hereby renew our commitment to The UN Global Compact meaning that we continue to act ethically, transparently, and with integrity, in line with the Ten Principles of The UN Global Compact, and contribute towards the UN Sustainable Development Goals (SDGs).

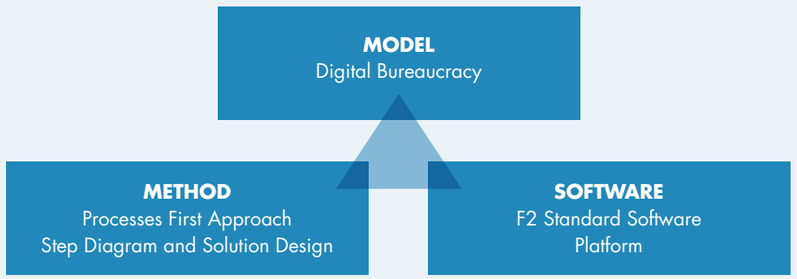
Per Tejs Knudsen, CEO

Our Business Model

Our mission is to help governments transform from paper-based bureaucracies to digitized working environments, thereby contributing to create efficient, accountable, and transparent public institutions. The transformation towards a digitized democracy is a core part of working towards the United Nations Sustainable Development Goals, as it will help institutions take action towards meeting the goals effectively. The work of government is based on bureaucracy. Yet the classic bureaucracy is now challenged by a shift from paper-based to digitized information. Based on Danish public-private partnership and extensive research, we have developed a fundamentally new approach to government digitization based on formalized methods and standards. Digitizing all types of work processes and services, from internal to citizen facing, is based on executable process libraries and a new combined process-driven and data-centric software architecture designed for digital bureaucracy.

The approach is based on three elements

A formalized model and implementation method for government work (Digital Bureaucracy), both totally independent of technology, and standard software called F2, which supports the model and method. Based on the new approach and F2, we offer government institutions a fast track to transform themselves into next generation, highly efficient, and digitally based institutions.



DIGITAL BUREAUCRACY

Max Weber described the bureaucracy as the ideal system for a democratic government in 1920. We believe government work is still based on the fundamental principles of the bureaucracy. Applying technology to bureaucracy, cBrain invented a model called the Digital Bureaucracy, as the new foundation for government work, offering transparency, significant productivity gains, and more efficient and secure service delivery towards citizens.

METHOD

A government authority has the legitimate right and responsibility to deliver a set of services, which mirror a set of decisions that the authority has the right to exercise and administrate. Decisions therefore become the index of the authority library of standard operating procedures (SOP). The Digital Bureaucracy model is based on a single case principle, where any unique type of decision has a corresponding case type. For any case type, work is modeled/described by processes and resources, and organized into four dimensions: Responsibility, procedure, data, and organization. The design process we call a step-diagram workshop.

SOFTWARE

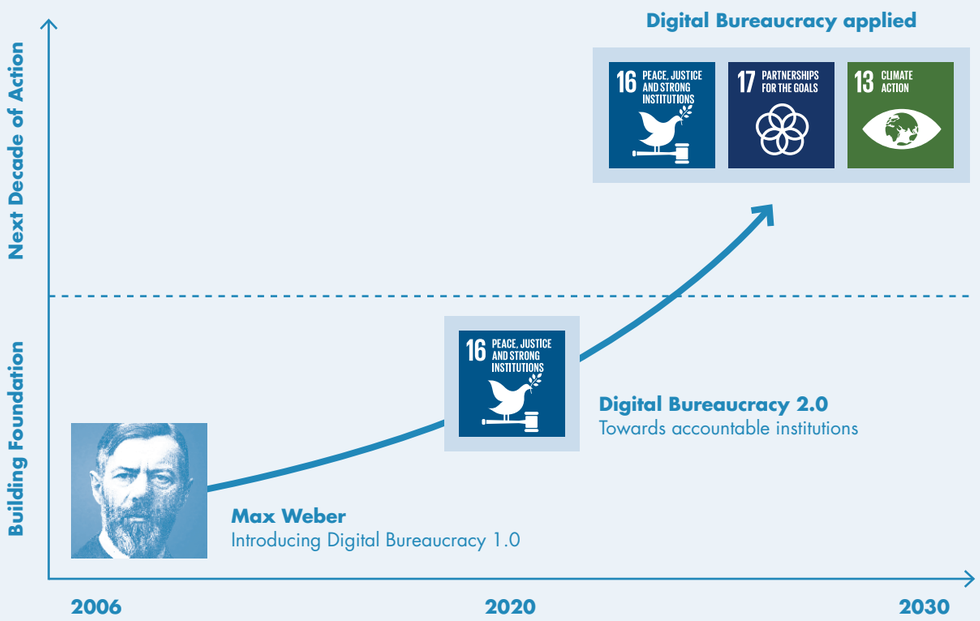
The F2 Digital Platform is a 100% standard software platform that, based on the principles of Digital Bureaucracy, is designed to support all corporate or governmental working routines and knowledge production, informal as well as formal collaboration and communication. As a platform, it provides the following product model groups: A CORE, which includes all of the F2 core platform functionality, databases and APIs. EXTENSIONS, which includes a library of add-on modules, from where a customer can extend the functionality of their F2 solution. Extensions can also add a specific business process to the F2 solution, such as Grant Management or Fraud Management. Finally, CONFIGURATION is a set of wizards and files by which the core, the add-ons, and a set of process templates can be tailored to the customers way of working.

Our SDG Contribution

The Sustainable Development Goals are a robust global plan to achieve a better and more sustainable future for all. At cBrain, we believe technology is one of the main vehicles to reach the goals. We understand the critical role technology plays when building a more sustainable society, and we promote sustainability by deploying our software into government institutions in Denmark to accelerate the transition from paper-based to digital administration. This was also the case before CSR and SDGs were the talk of the town. Understanding the nature of how governments work and then applying the right technology has been at the core of cBrain's business model from the beginning.

Since 2006, we have digitized government workflows through our standard technology platform, in Denmark and internationally. As we enter 2021 and "the Decade of Action" to reach the SDG 2030 goals, we find it natural that we align our yearly goals to an ambitious 2030 target in this report and report on our yearly progress in relation to our 2030 targets. The SDGs are closely linked, and we know that we have an influence on all of them through our general business practices and commitments, as defined in our Code of Conduct. We also find that our impact today has surpassed that of prioritizing SDG 16 and our commitment to the digital bureaucracy being the foundation for building stronger and more transparent government institutions. Going forward, we will therefore expand our SDG commitment beyond SDG 16 and apply it to SDG 17 and 13 in relation to how our software is used by our clients and the impact it provides, as well as how we ourselves internally are working on our corporate social responsibility.

cBrain's SDG Journey



SDGs in a Digital Context. Our Work and Priorities

Goal 16 relates among other issues to the development of effective, accountable, and transparent institutions at all levels. Implementing E-government services is difficult and uptake among citizens can be slow. Denmark is the number one ranked country in online service delivery in 2018 and 2020 according to the 2020 UN E-Government Survey "Digital Government in the Decade of Action for Sustainable Development with addendum on COVID-19 Response". 89% of Danish residents use e-services. But many other countries are still in the earlier stages of digital development. In Egypt, for example, uptake of e-services is just 2%. The nature of government is also complex and deeply rooted in the interactions among social, political, economic, organizational, and global systems.

With F2, cBrain has proven what only few could imagine. In close collaboration with a number of Danish ministries, cBrain has designed and developed a fully integrated platform that contains all the functions that the authority needs in the administration. Ready for operation, without the need for a lot of consulting work to adapt the solution and to write special code. It is thus an extremely agile platform that defines the next generation digital government. It has been a success in the Danish central administration, currently ranked the most transparent country in the world and the least corrupt. More than 75+ government institutions run on the standard software showing cost reductions of up to 30% of an entire agency, efficiency gains of 5-10 percent per employee, and a high degree of employee and citizen satisfaction due to more transparency in the service delivery and decision-making process. In relation to SDG 16, we prioritize the following 3 targets:

- **16.5** Substantially reduce corruption and bribery in all their forms.
- **16.6** Develop effective, accountable, and transparent institutions at all levels.
- **16.10** Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

Goal 13 aims to "take urgent action to combat climate change and its impact", while acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum. More specifically, the associated targets of SDG 13 focus on the integration of climate change measures into national policies, the improvement of education, awareness-raising, and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warnings.

In cBrain, our software is deployed in – among others – the Danish Ministry of Environment and the underlying agency for environmental protection and the Danish Environmental Portal. Here our software supports and strengthens the scientific and technological capacity to move towards more sustainable patterns of consumption and production and building the institutional capacity of the government to monitor, control, manage, permit, and govern the use of natural resources. This includes the automation of many different services in the agency towards citizens or businesses including management of grants for land conservation, subsidies for rehabilitation of land, chemical usage control, certificates for import, and export of endangered species etc. Besides the specific process automation, data collection, compliance, and control mechanism in the agency regarding the environment, the overall digital workflow in the Danish ministries and agencies (more than 75 institutions) has reduced the consumption of paper and water significantly. In the Ministry of Energy alone, more than 12 million cases have been digitized since our software was installed, saving tons of paper and millions of liters of water. In relation to SDG 13, we prioritize the following 4 targets:

- **13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- **13.2** Integrate climate change measures into national policies, strategies, and planning.
- **13.3** Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.
- **13.5** Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing states, including focusing on women, youth, local, and marginalized communities.

Goal 17 relates to the encouragement and the promotion of effective public-private partnerships. Coming from a country where the digital journey of the government has been driven by public-private partnerships, we see this as essential to reach the SDGs. A major factor contributing to the failure of most digital government efforts in countries has been the traditional project management approach. For too long, government and donors in relation to the global south have seen the introduction of digital services as a stand-alone "technical engineering" problem, separate from government policy and internal government processes. While digital government has important technical aspects, change also depends on "culture change" – a long and difficult process that requires public servants to engage with new technologies. And change relies very much on the participation of the private sector. The private sector is in our view vital for a national digital transformation to succeed. Countries cannot truly embrace digital transformation without leadership from the private sector. We therefore strongly believe in public-private partnerships crafting a national digital strategy – a shared vision for the future – that recognizes both parties' central role and position in the transformation. In relation to SDG 17, our commitment is mirrored in the following 2 targets:

- **17.7** Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.
- **17.8** Enhance capacity-building support to developing countries, including for least developed countries and small island developing states, to increase significantly the availability of high-quality, timely, and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location, and other characteristics relevant in national contexts.

Building Software for a more Sustainable World

Since cBrain's founding, we have developed a platform for digital public administration, supporting governments in creating efficient, accountable, and transparent institutions towards a more sustainable society. Today, nearly every aspect of our world runs on software. Yet at the same time, energy-intensive data centers and computing technologies contribute to climate pollution. Reducing technology in our future world is unlikely. But technology providers can act responsibly and reduce the carbon footprint of their hardware and software solutions.

cBrain is committed to our responsibility. With this platform, we are now ready to take the next step for climate action. Not only in terms of solutions supporting government climate action, but also actively seeking ways to reduce energy on the inner lines of the platform itself. For example, F2 is designed not to send e-mails between users when communication is internal. If a user writes an e-mail and sends it to 10 colleagues, they will only receive a pointer in their inbox for the e-mail sent. The e-mail/record exists in one copy only, unlike a normal e-mail communication platform where an e-mail sent to 10 recipients will be on 11 employees' computers and on the server.

As the F2 platform evolves, cBrain continues to develop functionalities supporting a more sustainable world. Take a look at the F2 transformation journey.

PLATFORM MILESTONES

SOLUTION HIGHLIGHTS

2005 — **Integrated F2 Platform** built on the principles of bureaucracy. Inventing the Digital Bureaucracy 1.0 for paperless government work and a design method modeled on 4 dimensions of government work; responsibility, procedure, data, and organization.

2005 — F2 established as a digital system for case and document management. **Introducing chat to replace e-mail** for informal and internal communication. Result is a significant reduction in data.

2005 — **Introducing principles of privacy by design**, ensuring protection of citizens' data.

2006 — The platform becomes **standard software**, enabling recycle (reuse) of software, minimizing resources spent on maintaining and delivering the platform.

2006 — **Introducing the F2 Platform for Digital Public Administration**, transforming processes like an approval or a request from a large number of e-mails into an automated and secure process.

2010 — F2 Platform, now **applied Process Layer** and APIs. A development focus on government work adding process flows for case management. Further applying citizen services end-to-end, supporting governments and cities in building "the sustainable society".

2012 — With **F2 Manager**, government officials can work fully digitally and have executives make all requests and approvals on iPads.

2013 — Applying **Citizen services end-to-end**. From self-service to case processing and archiving as a game changer. Citizens no longer need to visit a public office, nor do they need to fill out a printed application.

2014 — F2 Platform & Process Layer, now **applied Process Extensions**, introducing collaboration across and between government entities. Additional focus on citizens' digital rights and safety.

2014 — **Applied GDPR module**, ensuring citizens' rights in the use of their personal data.

2015 — F2 Cloud solution – based on **green data storage**.

2015 — **MyCases** as a standardized concept, giving citizens full transparency in their case progress and status.

2016 — Introducing **"accessibility"** to enable disabled users to work in F2.

2017 — F2 is a 100% standard platform, now considered a disruptive technology and a game-changing approach to digital public administration. Introducing a "next generation platform" called **Digital Bureaucracy 2.0**.

2019 — **Integration to local identity hubs**, allowing citizens to securely share their data via their personal digital ID-authentication with government institutions.

2019 — **Two-factor authentication** in financial matters introduced to reduce risk of fraud and corruption.

2020 — **First digital climate support platform** with multiple solutions for the Danish Environmental Protection Agency.

CASE EXAMPLE

Enabling Digital Bureaucracy and the Paperless Government

SDG 16. Building on two decades of collaboration with governments in several countries, we can clearly see a pattern in how governments work in 2020. As the German sociologist Max Weber described 100 years ago, government is like a production system based on bureaucracy. This implies that there is a generic model for how governments operate. Building on this premise, our research and initial work with two Danish ministries in 2006 led us to define a generic model and best practice for how a government institution work, independent of technology, entitled "Digital Bureaucracy".

As government work shifts from a paper-based to a digital-based administration, it has become more and more clear that governments lose control of their data and their processes. Our research focused on studying the processes and resources enabling government service delivery, as well as understanding the nature of government work and thus the underlying concept of the bureaucracy. Based on our experience since 2006 and our current work with 75+ government institutions, we have developed a fundamentally new business model to government digitization based on formalized methods and standard software. Based on our business model, we are able to offer government institutions a fast-track software platform to transform themselves into next generation, highly efficient, and digitally based governments at a significantly lower cost than traditional IT solutions and at a significantly higher speed. While minimizing risks and reducing costs, it changes digitization projects from being IT-centric to business-centric. Reclaiming control is managed in two steps. Firstly, regaining control of work descriptions, as this is now independent of systems. Secondly, regaining control of production systems. As the description is formal, i.e. based on mathematics and thereby readable by software, government can now demand vendors to deliver software that can interpret and execute the process description.

Case Example on SDG 16.6

The Danish Tax Authority wanted to reduce instances of fraud and error in processing dividend tax refunds. In particular, there were concerns about the process for providing refunds to foreign organizations that owned shares in Danish companies. In August 2015, the Tax Authority reported suspicions of criminal activity to commit fraud and paused payment of dividend tax refunds until March 2016. The previous process had a lot of manual controls with a lot of paper-based documentation being provided which made the risk of fraud or error much greater. The solution was to provide a digital process with end-to-end case management and quality control checklists. The incoming claims are processed via two channels – applications from financial institutions and banks applying on behalf of others and smaller volume applications coming from individuals. The process is now managed from receipt of the application through to being ready for payment. Case workers receiving the claims follow a standard operating procedure described in a checklist to ensure that all the right actions are taken. Additional decision support has been provided – the system checks for unusual patterns or patterns that are known to be indicative of fraud or error. Entitlement checks are also in place to validate ownership of the shares and that tax has been withheld. The Tax Authority used the F2 case management system as the core software, and on top of that configured specific checklists to manage the workflow. But there was also a need to build specific calculation services and integrations to legacy systems in order to manage the complexity of the refund process. The delivery approach focused on running beta pilots to ensure the process checks were in place and accurate, and then to build iteratively on the processes based on the experience of using the system on real cases. Production dashboards were put in place to allow real-time operational views of case volumes and status.

Case Example on SDG 16.5

The Ministry of Transport, the Ministry of Climate and Energy, and the Municipality of Gentofte are a few examples of public entities who decided to use F2 Office Suite and F2 Manager to change their workflows. F2 Office Suite and F2 Manager together facilitate a completely digital and transparent executive working environment. From case management, collaboration, knowledge sharing, document management, archiving, and data management to decision making and voting, everything is manageable. With this solution, a minister, council member, or executive board member can now work and take collective decisions digitally and remote for that matter. The F2 Manager completely reduces the use of paper documents, as well as allows all users to access all information about different cases from the same integrated data repository.

F2 Manager fully integrates with the F2 Archive, and all data can be found on its latest version as well. You can track who last saw the document or who is working on it. F2 Manager differs from other meeting facilitators because of an advanced security model that supports the high security requirements of public authorities, as the F2 Manager does not require the storage of documents in the cloud, because it assesses all information through F2. All data congregated on the F2 platform is therefore accessible through the integrated app, F2 Manager.

CASE EXAMPLE

Building Public-Private Partnerships and Technology Transfer

SDG 17. Democracy is the foundation of our society. Therefore, it is alarming to realize how democracy is under pressure across the world. Both in the Western world as well as in the developing countries, citizen dissatisfaction with democracy has risen significantly over recent decades and reached an all-time high in 2019. According to the American think tank Freedom House, we have seen a statistical increase in the number of democracies, but the quality of democracies is deteriorating, among other things driven by uneven digital development. The institute also concludes that the largest share of weak democracies with little governance exist in Africa. This development is furthermore fueled by rising expectations from citizens for the government to provide digital services on a par with the service standards of the private sector.

At cBrain, we believe that new digital technologies bring opportunities for low- and middle-income countries to build new industries, deliver better government services, strengthen institutions, improve markets, and, most importantly, enhance people's lives. We also acknowledge that the technological revolution at hand is not simply about technology or 'digital policy' in isolation: this transition involves optimizing social, political, and economic conditions for inclusive growth. Technology alone, no matter how innovative, will not guarantee success. Development will come from deploying technologies in a conducive environment, alongside profitable business models, and with the necessary protections in place. Therefore, making technology a force in development requires empowering local partners with the skills to configure, deploy, and administrate the technology to ensure that digital benefits reach everyone.

At cBrain, we believe that the adoption of standard technology will be transformational for ensuring successful and equitable public sector digitization in least developed countries. The advantages of standard software make it ideally suited to the specific needs of emerging markets in terms of lower cost, faster implementation timelines, ease of configuration to adapt to future legislation, robust quality and testing compared to one-off custom solutions, interoperability with other data systems, and feasibility of training local resources to operate and maintain the software. However, this transformation cannot be driven from abroad in the Western world. Thus, the conclusion is to adopt standard software and to build local ownerships around the technology transfer working with in-country partners.

Often the digital divide is perceived as a lack of infrastructure. But in reality, 80% of people in developing countries live under a cellular internet signal; the challenge is that only 30% have ever used the internet. No amount of infrastructure construction will make internet access affordable to someone in poverty. Instead, increasing up-take will require new business models to serve the poorest. Addressing this fundamental access challenge is a prerequisite to providing digital public services to citizens in least developed countries. Once citizens have internet access, even just from a phone, a range of services that enhance economic and social development become possible: applying for an identification card, healthcare benefits, marriage or divorce certificate, driver's license, or registering a small business.

Case Example on SDG 17.7

At cBrain, we attend several conferences and webinars every year as well as host a number of delegations from different countries sharing our experiences of being a service provider to the Danish government and how we in Denmark have developed a strong public-private partnership when executing our public digitization journey. One of the returning events cBrain speaks at is the UN General Assembly where we share our experiences. In 2020, it was a digital event in light of COVID-19 debating the potential technology has to boost government efficiency, transparency, responsiveness, and citizen trust, but also acknowledging that the capacity to leverage technology for public sector transformation is uneven and challenged by the digital divide. The webinar showed cases from the UN E-Government Survey 2020, including cases by cBrain, and discussed how technology and the digital transformation can support the public sector and the achievement of the SDGs around the world. The webinar was co-hosted by cBrain, the Danish consulate in New York, the World Bank, the UN Foundation and also had the participation of the Government of Ghana and the Global Partnership for Sustainable Development Data (GPSDD). Vincenzo Aquaro, Chief of Digital Government, UN DESA – kicked off the debate by presenting the results of the UN E-Government Survey 2020.

CASE EXAMPLE

Digital Climate and Sustainable Software Applications

SDG 13. One of the agencies in Denmark that has fully embraced the concept of using the standard software platform F2 to undertake the entire digital transformation of its internal and external processes is the Danish Environmental Protection Agency. Working with F2 administration processes in three main areas, such as subsidies, inspections, and approvals. The overall aim has been to secure one system for ease of administration that could handle all of the 250+ business processes that the agency has planned to digitize. Secondly, the ambition was to meet targets with good governance and efficiency such as better document management for decisions, quality assurance in case management, and four-eyes principle. Also, dashboard and workflow oversight for managers and employees, joint leadership information on case production and productivity, efficiency in case management, and decision flow in all cases. And lastly, increased automation and efficiency gains of estimated 20% per case, more streamlined and systematic governance and documentation and effective archiving, and easy collaboration on cases (i.e. chat).

Case Example on SDG 13.1

One of the first processes deployed in the Danish Environment Protection Agency was the Washington Convention (CITES) on import/export of endangered species which governs the international trade of protected animals and plants. Experience from this solution proved that it was possible to quickly set up and configure complex case flows in the F2 standard system; fully integrated with self-service, integration with external indexes, and an automated step-by-step case management supporting the CITES EU decree through built-in checklists and a rules engine. This solution supports the sustainable harvesting and trade in flora and fauna. This paved the way to an understanding of a generic model for process automation in the way the agencies worked in its approval process. And through this standard model – first of a kind process – other processes within the agency are analyzed with the aim of COPY and ADAPT the workflow based on the generic model. The agency and cBrain has subsequently been able to automate a process and onboard it in the standard software in 4-6 weeks This methodology also gave way for administration of processes with a minor scope and volume to be supported by templates in standard F2 rather than implementing a fully digital solution that was not cost effective.

Case Example on SDG 13.2

The Danish Environmental Agency manages 35 different grant programs; parts of which are digitally supported by e.g. work procedures via e-mail or PDF, website forms, specialized software as well as an older EDRMS solution. This resulted in an urgent need for the agency to both streamline and automate their internal case procedures, to increase transparency, improve documentation and security, and to simplify the application processes. The solution elements include the agency's case administration processes, the F2 GIS solution, and the registration of area responsibilities. Consequently, the Environmental Agency has chosen as their basis the F2 standard software, while also adopting it as a general EDRMS and using it to digitize their administrative case procedures. Their aim is to ensure a fast implementation while minimizing risk and limiting costs.

The Danish Environmental Agency initially tested F2 as support for the Habitats in Natura 2000 Areas grant program. The Environmental Agency has proceeded to support other programs by reapplying the process library from the Joint Habitats in Natura 2000 Areas project. F2 Grant Administration is built directly in F2 by configuring and adding new case procedures to F2's process library. This means that it is fast and easy to reconfigure the solution for use with other grant management programs, either by variance control or by copying a given process and adapting it to a new solution.

F2 Grant Administration consists of three fundamental processes corresponding to three case types. For the citizen, a grant related to Natura 2000 is divided into two phases. First, a citizen applies and then the citizen requests a payout. The Natura 2000 solution is therefore supported in F2 by the three fundamental processes: Approval, Payout, and Funds Management. Each is described and stored as a process template in F2's process library. The Environmental Agency initiates a new round by creating a new funds case in which the funding framework is established. This case also sets the deadline for citizens' applications. The funds case, then, controls each round and provides a general overview. When a round is opened, citizens can apply for a grant through the website. The applicant is guided through each step of the process, and for each application, F2 creates an approval case. Applications go through a number of steps. These include screening, sorting, and prioritization, which result in an approval or a rejection for each case. The funds case is updated automatically during the process to let the authority maintain an overview of all applications and approvals.
When an application is approved, requests and payouts become available. These are also accessed through the website, which guides the citizen through the process.

Our 2030 Direction

Where do we come from and where do we go next?

The time for big IT and custom-made software solutions in government are over. But the challenge is that often government is not in control of its own processes. Since the introduction of e-mail communication, which often serves as the primary document management system, government agencies have lost control of their administrative, process-based DNA. Instead, governments in 2020 have a spaghetti bowl of IT systems that very few know how to update or configure let alone integrate to other systems without spending endless amounts of time and money.

We do not need to reinvent how government works, we just need to have government reclaim control of how they work and then deploy standard software that supports it. On this backdrop of thinking, we want to grow the understanding in governments that standard software – as the case is in many other mature industries – is the most cost-efficient and effective tool. Looking into 2030, we want to continue building a profitable company, but we also want to make sure that we make an impact. We have therefore set ourselves some goals to be reached in 2030. Goals that will have a positive impact on our planet, our people, and our profit.

We have described our 2030 directional goals in the illustration below. The ambition is to grow our market position and impact. And we believe that governments are both ready and capable to move away from big IT and custom built to standard software. We have seen this with the 75 public organizations in Denmark and around the world who are running on our software. As well as the 16 out of 19 departments in the Danish Government, including Prime Minister's Office, Ministry of Foreign Affairs, Ministry of Business Affairs, and Ministry of Finance, running on F2 in a highly effective, accountable, and transparent production environment. The adaptation of our software in the Danish administration and abroad demonstrates a tendency that governments can reuse standard software across borders and build better, faster, and cheaper digital solutions. We look forward to taking our software and innovations to the next level in the next 10 years.

cBrain's 2030 Direction

By 2030 we have executed more than 250 processes running on our software significantly reducing corruption and case handling time.

By 2030 we have our software deployed in 20 countries creating more accountable and transparent institutions.

By 2030 our main software platform F2 have all relevant functionalities being accessible by disabled users.

By 2030 we have established our digital bureaucracy model as a global "best practices" approach to government digitization.

YEAR 2020 → **YEAR 2030**

Our Policies to ensure Responsible Business

At cBrain, we do our utmost to be trustworthy, responsible, and ambitious in all business activities that we undertake.

Integrity is essential if we want to make a positive impact on the world. This part of the report, therefore, assesses how we conduct responsible business. For us, the very basis of conducting responsible business is to comply with all applicable national and international laws. Furthermore, it is important for us to contribute positively to both our internal and external environments beyond what is required from us by law. Our policies, which are based on the UN Ten Principles and cBrain's core values, reflect this responsibility.

To make sure that we continue to be ambitious, we have established an SDG committee with dedicated resources led by the CEO and monitored by the CFO. The board of cBrain will oversee the activities of this committee to ensure that cBrain continues to act responsibly and pursue a business strategy, which is in line with the goal of SDG 16, 17, and 13.

United Nations Global Compact

The Ten Principles of the UN Global Compact offers guidelines for how companies can conduct responsible business. The principles are split into four sub-areas, which are human rights, labor rights, environment, and anti-corruption.

We have incorporated these sub-areas into our way of doing business, and this is reflected below.

HUMAN RIGHTS

Risks

We strongly believe that diversity contributes to ensuring quality and innovation in all of our activities. The company has almost tripled its size measured in headcount in 4 years, and we acknowledge that this demands a strong leadership and management focus to strengthen and promote diversity in relation to gender, ethnicity, and cultural differences. We will, therefore, work to incorporate high levels of diversity in our operations.

As our products are dealing with citizens' data, it is important that we focus on protecting these individuals from having their data misused or leaked to third parties. This risk is central for our operations, as public institutions need to be able to trust our products and services. To ensure quality we constantly allocate substantial resources to product development.

Policy

cBrain fully supports and respects all parts of The Universal Declaration of Human Rights. This means that all internal, external, direct, and indirect activities performed by cBrain must be in alignment with the declaration.

cBrain acts in line with The Universal Declaration of Human Rights and, therefore, treats all stakeholders fairly and does not engage in any discriminatory behavior. cBrain will only engage with suppliers who comply with The Universal Declaration of Human Rights.

ANTI-CORRUPTION

Risks

We are working to help governmental institutions deliver value to their citizens. It is, therefore, important that we have high standards for how to act with integrity. Since 2007, Denmark has ranked as either number one or two on the Corruption Perceptions Index performed by Transparency International. This means that we operate within a context where the threat of corruption is at its lowest. However, it does not mean that we should underestimate the importance of ensuring that we are not complicit in any forms of corruption.

As we constantly expand our activities to new markets, we are operating within new contexts and cultures, where we cannot automatically expect the same level or high standard, and thus, we need to be aware and continuously take measures to ensure our integrity.

Policy

We distance ourselves in all of our activities from any form of corruption. We will not be complicit in either direct or indirect corruption.

We will not be involved in bribery or any other form of activities that will unfairly benefit us or any other actors.

We do not perform activities that undermine market competition. We do not perform aggressive tax calculations or use transfer pricing to avoid paying taxes in any country.

LABOUR RIGHTS

Risks

Our point of departure is Denmark where legal requirements for employee rights are high, and the cultural context both values and demands fair treatment. This means that all of our activities and internal processes are designed to fulfil these requirements and expectations. The cultural context has enabled us to adopt a value-based leadership style which empowers our employees to act independently. Furthermore, we mainly hire highly educated personnel, and this means that we need to offer competitive pay, benefits, and working conditions to be able to attract the talent that we need to deliver high-quality services and products.

The main risk concerning labor rights is that we fail to uphold our high standards when we hire personnel or engage with external stakeholders outside of Denmark's borders. The level of this risk will increase as we continue to explore new geographical markets in line with our business strategy. Up until now, we have had few employees and partners operating abroad, but we expect that this number will increase significantly in the coming years.

Policy

cBrain will neither directly or indirectly be complicit in treatment of labor which is not in line with principle 3, 4, 5, and 6 of The Ten Principles of the UN Global Compact.

We commit ourselves to give our employees the best possible working conditions by continuously evaluating work processes and following industry trends for employee benefits.

We are actively working towards promoting a culture in cBrain that embraces a healthy balance between work and private life. We believe that we are only able to develop and deliver innovative products and services of high quality if all our employees are motivated.

To create a culture of creativity and innovation, all employees must feel confident in raising their ideas and concerns. We have, therefore, adopted a flat company structure where it is the quality of the argument rather than the title of the position that counts.

ENVIRONMENT

Risks

Our risk of affecting the environment negatively is relatively low due to the nature of our products and services.

Helping public sector to operate the bureaucracy and citizens to engage and interact with the public sector by digital means, can reduce the need for travelling to public offices.

Digitization limits paper usage in work processes and our products, thereby contributing to a positive development in reducing resource consumption.

Policy

We commit ourselves to having the minimum possible impact on the environment. In all of our business activities, the environmental impact of our actions should be recognized and minimized.

At cBrain, we support a precautionary approach to environmental challenges. We do not conduct cost-saving initiatives which compromise environmental responsibility.

We are raising awareness about environmental challenges through committing our suppliers to act in line with principles 7, 8, and 9 of The Ten Principles of the UN Global Compact. We are committed to delivering a product of high quality that creates transparent and accountable organizations. This is the very basis of ensuring an environmental development, since without transparency or accountability no actors can be held responsible for their actions.

Achievements and Goals

2020 ACHIEVEMENTS

2021 GOALS

ACTING RESPONSIBLE

Human Rights
Labour Rights
Anti-corruption

Supplier Code of Conduct
Code of Supplier incorporated in the vendor selection process.

Full implementation of the Supplier Code of Conduct with 91 % compliance.

F2 usability
cBrain has invested significantly in resources in securing that F2 can be used by disabled people. This has been recognized in Germany, where F2 now has been approved by the "Mitarbeiterratt".

Security
ISO 27001 certification has been renewed and processes enhanced.

ISAE 3000 and ISAE 3402 programs extended and the yearly assessment passed with only few not critical comments.

Cyber Risk Program extended.

Financial Management
We have deployed a solution with the government in the United Arab Emirates that facilitates their work with combating profit shifting and base erosion of their tax system. The solution is securing economic substance reporting by all registered companies according to the overall OECD guidelines in the field.

Tech for good:
Anti-corruption and transparency
We have increased our focus on Africa, South America, and Eastern Europe to promote building accountable, anti-corrupt, and transparent institutions by the use of digitization based on the Digital Bureaucracy Model.

- Dialogue with different authorities from South America, Eastern Europe, and Africa about government digitization.
- We have been working on forming a model on how to transfer our solutions and embed it in a local context in Africa.
- Relation building in Ukraine and Romania.
- We have sent a project proposal to officials in Djibouti with 25 concrete initiatives in cooperation with an NGO and the World Bank.
- We have undertaken several seminars and webinars in 10+ developing countries to share our experiences of gov tech in Denmark.

Supplier Code of Conduct
Further strengthening of the program as we continue the growth to new geographical areas.

F2 usability
cBrain will further improve its usability across our solutions.

Security
Cyber risk program to be evaluated.

ISO 27001, ISAE 3000, and 3402 programs to be further developed.

Financial Management
We will continue to deploy solutions internationally within financial management and combating fraud.

Tech for good:
Anti-corruption and transparency
We will continue to promote our solutions globally to build stronger and more sustainable government institutions.

We will engage in new countries and we will have deployed our solutions in new jurisdictions working towards more transparency and good governance.

ENVIRONMENTAL CARE

Environment

Promoting paperless work
F2 is designed to support paperless work and in 2020 we have:

- Strengthened the focus on this dimension in our implementation models.
- Recommended and supported customers in working towards replacing paper-based forms with digital self-service sites.

Internal use of paper
We have taken steps to further reduce our own use of paper by extended use of F2, data collection at the source, and automatizing the administration.

Food waste and environment
We have enhanced the existing arrangement to combat food waste by:

- Systemizing and supporting the process and tools.
- Use of bio-degradable take away boxes avoid the use of plastic.

Climate Action
- Deployed and developed solutions for the Danish Environmental Protection Agency covering a range of processes within environmental resource management.
- Shared our experiences and best practices with automating the process of import/export of endangered species under the CITIS Convention in Africa and South America enabling a better and more sustainable management of flora and fauna.
- New solution for the Danish Environmental Portal gathering all relevant environmental data.

Improving environment impact
In the planning for a new domicile for cBrain Headquarter in 2022-23, integration of demands for environment protection play an important role in the requirements.

Climate Action
Continue to expand our climate action solutions in Denmark and internationally to further impact a more sustainable world.

EMPLOYMENT CONDITIONS

Labour Rights
Human Rights

cUniversity and Academy
We strengthened our training platform – cUniversity – helping onboarding customers, employees, and partners to cBrains methods and making sure that the power of the F2 universe is released.

Further development primarily focusing on:

- Consolidating a professional and consistent onboarding training process for employees and partners.
- Expanding the volume of virtual training sessions and self-training materials as well as organizing and improving digital platforms for training.

Work environment
We have worked towards improving our headquarter office space to provide a better indoor climate and to reduce noise by:

- Adding partition walls
- Updating ventilation systems

Established new office in Berlin improving the physical and social condition and taking care of employee needs.

COVID-19 measures and initiatives to absorb the impact: health and social wise.

Vacation/days off payed by the company has been extended.

Employee Engagement
Employee Engagement Survey (EES) will be conducted in H1 to collect data for prioritization of HR and leadership focus areas.

Develop and adapt HR to post COVID-19 reality
Based on our learnings from EES and the different working conditions due to COVID-19, our HR policies and initiatives will be revised and adjusted in order to support a "new normal" of working conditions.

Work Environment
In the planning for a new domicile for cBrain Headquarter in 2022-23, working environment is key in order to create optimal conditions for employees and the company as a whole (space, air, light, health, social, creativity etc).

KNOWLEDGE SHARING

Building Sustainable Society

Taking responsibility
We have continued to take active participation in advisory boards and continued the development of norms and standards within digitization through political work and knowledge sharing. We have been engaged in:

- The Confederation of Danish Industry.
- The Danish IT association.
- Webinar as part of the United Nations General Assembly about digitization in the Decade of Action.
- Guest speaker in OECD webinar about Israel (Countries in Shock).
- Gov tech in Paris – guest speaker at a roundtable with officials from multiple countries concerning European public digitization.
- Knowledge sharing seminar in Canada about Danish experiences with digitization.
- UK seminar about Danish robustness and digitization platforms.
- Dialogue with officials from Romania on how the EU rescue package can be executed.
- Lectures in different countries across the globe on "The Digital Bureaucracy Model" and how Denmark has become a leader in public sector digitization and how our commitment to SDG 13, 16 and 17 can help to create strong public institutions.
- Participated in DANSK IT's thorough analysis of the Danish state's procurement practices regarding complex digital services and preparation of recommendations for increasing the value of digital investments.

Taking responsibility
We will take active participation in advisory boards at universities.

We will continue the development of norms and standards within digitization through knowledge sharing and dialogue with politicians, industry organizations, and professional membership organizations.

Internal Assessment based on the ESG Standards

	ESG STANDARD	2020	2019	2018	REFERENCES
ENVIRONMENT (E)					
E1	**GHG Emissions** Annual amount of GhG emissions at headquarters (tons CO2)	94.3	94.7	98.6	
E2	**Emissions Intensity** Annual amount of GhG emissions per million euro of revenue produced (tons/MEUR)	5.9	7.4	8.9	
E3	**Energy Usage** Total amount of energy consumed at headquaters (MWh)	529.1	532.6	584.8	
E4	**Energy Intensity** Total direct energy usage per output scaling factor	N/A	N/A	N/A	
E5	**Energy Mix** By quantifying the specific energy sources most directly used by the company	N/A	N/A	N/A	
E6	**Water Usage** Annual amount of water consumed at headquarters (m^3)	723.2	858.6	599.9	
	Annual amount of water reclaimed at headquarters (m^3)	0	0	0	
E7	**Environmental Operations** Does the company follow a formal Environmental Policy?	Yes	Yes	Yes	www.cbrain.com/about/csr/policies (Environmental Policy)
	Does the company follow specific waste, water, energy, and/or recycling polices?	No	No	No	
	Does the company use a recognized energy management system?	No	No	No	
E8	**Climate Oversight / Board** Does the Board of Directors oversee and/or manage climate-related risks?	No	No	No	
E9	**Climate Oversight / Management** Does the Senior Management Team oversee and/or manage climate-related risks?	No	No	No	
E10	**Climate Risk Mitigation** Annual investment in climate-related infrastructure, resilience and product development	–	–	–	
SOCIAL (S)					
S1	**CEO Pay Ratio** CEO total compensation to median FTE total compensation	4.55 : 1	3.67 : 1	5.02 : 1 *	* *Average FTE total compensation was used in 2018*
	Does the company report this metric in regulatory filings?	No	No	No	
S2	**Gender Pay Ratio** Median male salary to median female salary	1.30 : 1	1.32 : 1	1.48 : 1 **	** *Average male and female was used in 2018*
S3	**Employee Turnover** Full-time employees turnover ratio (%)	12	14	19	
	Part-time employees turnover ratio (%)	40	40	–	
	Contractors/consultants turnover ratio (%)	14	17	–	
S4	**Gender Diversity** Total enterprise headcount held by women (%)	40	38	34	
	Entry- and midlevel positions held by women (%)	42	40	–	
	Senior- and executive-level positions held by women (%)	30	25	–	
S5	**Temporary Worker Ratio** Total enterprise headcount held by part-time employees (%)	8	9	–	
	Total enterprise headcount held by contractors and/or consultants (%)	5	5	–	
S6	**Non-Discrimination** Does the company follow a sexual harassment and/or non-discrimination policy?	Yes	Yes	Yes	www.cbrain.com/about/csr/policies (Diversity Policy/Fair Labour Practices Policy)

	ESG STANDARD	2020	2019	2018	REFERENCES
S7	**Injury Rate** Total number of injuries and fatalities, relative to the total workforce (%)	0	0	0	
S8	**Global Health & Safety** Does the company follow an occupational health and/or global health & safety policy?	Yes	Yes	Yes	www.cbrain.com/about/csr/policies (Health Policy)
S9	**Child & Forced Labor** Does the company follow a child and/or forced labor policy?	Yes	Yes	Yes	www.cbrain.com/about/csr/policies (Fair Labour Practices Policy)
	Does the company's child and/or forced labor policy also cover suppliers and vendors?	Yes	Yes	–	
S10	**Human Rights** Does the company follow a human rights policy?	Yes	Yes	Yes	www.cbrain.com/about/csr/policies (Human Rights Policy)
	Does the company's human rights policy also cover suppliers and vendors?	Yes	Yes	–	
CORPORATE GOVERNANCE (G)					
G1	**Board Diversity** Total board seats occupied by women (%)	20	20	0	
	Commitee chairs occupied by women (%)	25	50	0	
G2	**Board Independence** Does company prohibit CEO from serving as board chair?	Yes	Yes	Yes	
	Total board seats occupied by independents (%)	40	40	60	
G3	**Incentivized Pay** Are company executives formally incentivized to perform on ESG metrics?	No	No	No	
G4	**Collective Bargaining** Total enterprise headcount covered by collective bargaining agreement(s) (%)	0	0	0	
G5	**Supplier Code of Conduct** Are the company's vendors or suppliers required to follow a Code of Conduct?	Yes	Yes	No	www.cbrain.com/csr (Supplier Code of Conduct)
	What percentage of the company's suppliers have formally certified their compliance with the code? (%)	91	50	–	
G6	**Ethics & Anti-Corruption** Does the company follow an Ethics and/or Anti-Corruption policy?	Yes	Yes	Yes	www.cbrain.com/about/csr/policies (Bribery and Anti-corruption Policy)
	What percentage of the company's workforce has formally certified their compliance with the policy? (%)	97	79	–	
G7	**Data Privacy** Does the company follow a Data Privacy policy?	Yes	Yes	Yes	
	Has the company taken steps to comply with GDPR rules?	Yes	Yes	Yes	
G8	**ESG Reporting** Does the company publish a sustainability report?	Yes	Yes	Yes	This report is our sustainability report of 2020
	Is sustainability data included in the company's regulatory filings?	Yes	Yes	Yes	
G9	**Disclosure Practices** Does the company provide sustainability data to sustainability reporting frameworks?	Yes	Yes	Yes	The UNGC framework is reflected in this report
	Does the company focus on specific UN Sustainable Development Goals (SDGs)?	Yes	Yes	Yes	
	Does the company set targets and report progress on the UN SDGs?	Yes	No	No	
G10	**External Assurance** Are the company's ESG disclosures assured or validated by a third party?	No	No	No	

Work and Welfare at cBrain

The Implication of COVID-19 on Well-being

In March 2020, all employees at cBrain HQ experienced a fundamental shift. A national lockdown was declared, and all employees were asked to work from home if possible. In the following months, dining tables transformed into work desks, and colleagues became distant faces on a screen. Whilst cBrain's productivity remained practically unchanged, social distancing affected our employees and began challenging their well-being.

Traditionally, the concept or abstraction of a person's 'well-being' has been measured by objective or social indicators such as educational level or household income. However, there has been increasing recognition that such indicators cannot capture the breadth and complexity of human well-being. Thus, it remains important to respect and care for the state of a person's life: Their well-being.

Therefore, cBrain decided to implement certain activities that would support our employees during these difficult circumstances. The challenge was to create a new normal which considered the needs of the individual, benefitted the company as a whole, and followed the guidelines set forth by the government. cBrain implemented a holistic approach which sought to put people first and find balance in the midst of uncertainty.

We considered how quarantine measures, social distancing, and working from home would affect the human psyche and our physical bodies. To maintain the mindset of being connected, we immediately established virtual morning meetings every Tuesday which brought all employees together. Months later as the pandemic continued, we designed an array of social activities which could all be executed with the proper measures related to health and safety. Weekly sessions of mindfulness or yoga focused on the physical body and diluting stress. Short virtual quizzes created laughter and joy. "Walk'n'talks" became a responsible opportunity to meet other co-workers.

Originally a 3-month trial run, feedback from our colleagues assured us that we should continue our project to focus on human well-being and implement even more social activities. Although we may not recreate the effect of physical human interaction, we have learned that our measures managed to make a difference. As we continue, we hope to better understand the needs of our co-workers and thereby improve the offered activities.

Whilst the pandemic created an array of problems, it also became a moment of clarity. Some employees prefer the tranquility of working from home, where others missed the busy atmosphere of a workplace. The needs of every individual are different, and we strive to give each employee more freedom to decide for themselves in the future. Although the pandemic will end, the learnings it inspired will continue to be relevant.

Cultural Diversity

Since 2019, cBrain's internationalization focus has also added to our cultural diversity, rewarding us with cultural insights and a wider range of skills. Not only through our local offices in the USA, UAE, France, and Germany, but also through welcoming more nationalities at cBrain´s headquarters in Denmark. Speaking Danish is no longer a requirement when working at cBrain. Today, cBrain is a pack of 12 different nationalities, working in Denmark and across the world.

The Process Company

Building software for a more Sustainable World

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