



SOLITA OY

# Communication on Progress

July 2021

COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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## 1 STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

1 July 2021

I am pleased to confirm that Solita Oy reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Ossi Lindroos

President and CEO

## 2 DESCRIPTION OF ACTIONS

Solita joined the UN Global Compact in April 2019. During the first reporting period we initiated a number of actions aimed at promoting ethical and responsible business practises and ensuring that we have a good foundation to launch more ambitious actions in the future. As an example, we published the Solita Code of Conduct, which sums up our existing principles of operating responsibly into one document and covers all the ten principles of the UN Global Compact. We also launched an anonymous whistleblower channel to enable reporting of any breaches, shortcomings, misconduct or defects.

In the second reporting period, which we are reporting now, we took a next step in our sustainability journey and participated in the SDG Ambition program arranged by the UN Global Compact. The SDG Ambition is an accelerator initiative supporting companies in setting ambitious targets and integrating Sustainable Development Goals (SDGs) into their core business management. The program took place in H1/2021 and helped us take a structured and systematic approach to the sustainability topic, which is quite broad and can be discussed from many perspectives: business, people and society & environment.



## 2.1 Building impact that lasts for a sustainable future

Solita and Solitans are all about creating impact that lasts for a better tomorrow. We and the technology industry have an important and growing role in building a more sustainable future for our planet.

The world is not 'ready' yet, neither are we - we are in the beginning of understanding and accelerating on our sustainability journey. There are numerous global and industry-specific challenges to be tackled. Climate change challenges the whole planet, and the diversity situation of our industry leaves a lot to hope for. On a global scale, data security and data privacy are crucial concerns when it comes to building data-driven companies and societies benefitting from the newest technologies and digitalisation.

It is our responsibility to start tackling these fundamental issues. Sustainable growth is a fundamental theme to not only our current and future employees, but also the future of our customers and all of society. Caring is our core value and creating impact that lasts is our mission. Who should set an example, if not us?

Followed by the SDG Ambition program, we created a comprehensive document and game plan that presents Solita's approach to sustainability and summarizes our sustainability commitments and goals to make the world a better place, while continuing to grow responsibly. Our sustainability work is about complementing our strong foundation – creating impact that lasts – and already existing practices by three specific focus areas: **diversity & gender equality** (supporting SDG 5, Gender equality), **environmental sustainability** (supporting SDG 13, Climate action), and **responsible business** (supporting the Ten Principles of the UN Global Compact).

In the next chapters we have shortly summarized our actions from the last reporting period under the areas of Human Rights, Labour, Environment and Anti-Corruption.

## 3 HUMAN RIGHTS

**Principle 1** *Businesses should support and respect the protection of internationally proclaimed human rights; and*

**Principle 2** *make sure that they are not complicit in human rights abuses.*

Acting responsibly lies deeply in our culture, values and the ways we run our operations. It is a topic that requires constant evaluation and development - things are never ready and settled. Risks and threats increase and reshape along with our bigger size and extended operational and geographical coverage.

Our vision is to create long-lasting value by conducting our business in an ethical way and with the highest integrity and ensuring that our employees and partners are aware of and committed to an ethical way of working.



**As a company, we respect human rights and strongly condemn all activities that are against the law or violate human rights.** We respect the privacy of our employees and we have an employee privacy policy in place.

When using partners that act on behalf of Solita, we always ensure that they meet the obligations based on the Act on the Contractor's Obligations and Liability. As an example, we make sure that the partner fulfills their statutory obligations as an employer, such as pays taxes and salaries.

We comply with applicable national and international legislation as well as other regulations and require the same from our partners acting on behalf of Solita.

### 3.1 Example actions during the reporting period

We defined responsible business as one of our sustainability focus areas. For us, responsible business is among other topics about ethical business conduct in line with laws and regulations and the Ten Principles of the UN Global Compact, screening and selecting customers and partners we want to work with, and the responsible use and design of data and digital services.

We established an internal working group for discussing and promoting the matter, and defined our approach, targets, and actions.

To improve the supplier selection and screening process, we decided to document the partner screening and selection process in writing, including the selection criteria. We will also write a separate Supplier Code of Conduct to be used with partners. We will also define and implement a customer screening and selection process in writing, including the selection criteria. We are considering adding certain checkpoints and requirements that must be filled to start a cooperation with a customer, e.g. checking that the customer is not found on the sanctions list. This work is still in progress and to be completed by the end of 2021.

In 2022 we are planning to implement a light self-assessment questionnaire that we can use to evaluate the performance of our suppliers regarding different sustainability and governance perspectives.

## 4 LABOUR

***Principle 3*** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

***Principle 4*** the elimination of all forms of forced and compulsory labour;

***Principle 5*** the effective abolition of child labour; and

***Principle 6*** the elimination of discrimination in respect of employment and occupation



Solita provides work and livinghood for over 1100 own employees and hundreds of partners. The company has grown consistently, profitably and responsibly for over 25 years. Even during the pandemic year 2020, when many companies in the industry stopped recruiting, Solita hired 200 new employees.

As one of the most desired employers of the industry, we do everything we can to safeguard the safety, health and well-being of our people. We want to lead the way with our modern, people-centric and family-friendly working and leadership culture as a workplace. We understand that one cannot separate the work life and the personal life - they go hand in hand.

**As a company, we do not accept the use of child labour or human trafficking. All employees have the freedom to join, belong to or be a member of legal associations and be involved in their activities.**

**We treat each other, our customers and partners in an equal and nondiscriminatory manner** regardless of one's background, gender, gender identity, gender expression, age, origin, nationality, language, religion, beliefs, opinions, political activity, trade union activity, family relationships, state of health, disability, sexual orientation, or other personal characteristics. **We have a zero-tolerance policy towards psychological harassment, inappropriate behavior and sexual or gender-based harassment.** We make all decisions regarding our personnel, for example in terms of recruitment, pay determination, promotions and filling of open positions, on the basis of an individual's expertise and abilities. The above-mentioned personal characteristics should not affect our decisions.

At Solita, everybody should feel comfortable to be themselves, 'with all their perfections'. Diversity of all kinds is our strength; be it skills, nationality, beliefs, gender or sexual orientation. It is embedded in our everyday culture, our core values and our employer promise. We care about each other, people and society as a whole. We focus on changing the world, not people.

#### **4.1 Example actions during the reporting period**

We defined diversity and gender equality as one of our sustainability focus areas, established an internal working group for discussing the matter, and defined our approach and actions to foster equality, diversity and inclusion in different areas, e.g. in recruiting, marketing and communications. In addition, diversity is one of the key themes for the company this year, and thereby heavily on the management's agenda.

We started measuring how people feel about diversity and equality on a continuous basis instead of yearly surveys and added related questions to our bi-weekly employee engagement survey. This gives us visibility into the current situation and enables us to take corrective actions faster.

We continue to investigate and balance out potential salary inequalities between males and females in similar roles and positions if there should be any. Next salary/gender gap analysis will be done early autumn 2021.



We decided to open the upcoming internal leadership positions for all Solitans. To increase transparency, we started sharing diversity data and status monthly for employees.

At the beginning of 2021, we launched the diversity targets for 2023. Diversity means many other things than gender. Our initial targets in the diversity and gender equality work are to increase the number of women in all our business units and no longer have all-male panels in leadership teams. We also aim to increase cultural diversity by increasing the number of different nationalities annually. The specific targets are:

- Gender balance goal of 30%/70% by the end of 2023 for the whole Solita Group
- No all-male panels in leadership teams after 2021
- Increasing cultural diversity by 20% every year

Early 2021, we founded a Solita Women FWD community which aims to raise the gender equality matters forward and help make our community an even better one for women working here.

There is no diversity without inclusion, but those go hand in hand. Building an inclusive and equal workplace is everyone's responsibility. To foster this, we piloted diversity, equality and inclusion (DEI) training for the People Lead roles in Finland. By the end of 2021, diversity, equality and inclusion (DEI) training will be available to all employees. It will be extended to cover our onboarding process.

Diversity is not only about gender balance. Going forward, we will focus especially on hiring juniors who are still early in their career to learn from our community of senior experts. In 2021, we boosted the collaboration with universities and activated cooperation with juniors and graduates by e.g. offering thesis topics.

## 5 ENVIRONMENT

**Principle 7** *Businesses should support a precautionary approach to environmental challenges;*

**Principle 8** *undertake initiatives to promote greater environmental responsibility; and*

**Principle 9** *encourage the development and diffusion of environmentally friendly technologies.*

Climate change is one of the biggest global challenges. The ICT industry and its electricity consumption cause carbon emissions, and digital technologies provide possibilities to accelerate decarbonisation or increase carbon emissions, depending on how they are used. It's our responsibility to start tackling climate change and building the world to a place we all want to live in.

As a service-oriented company, who has no production facilities, company-owned vehicles or own office properties, our direct emissions are rather limited. Our



environmental burden consists of the GHG emissions caused by our own internal operations and indirectly in the value chain by the goods and services we buy and through the digital services we build for the customers.

We are committed to developing increasingly sustainable solutions together with our customers and digitalisation plays a key role in this. As a company, we use natural resources responsibly and actively develop our operations to make them more environmentally friendly. As an example, we have always encouraged our employees to prefer public transport when travelling and selected the location of our offices so that they are easily accessible using public transport.

## 5.1 Example actions during the reporting period

We defined environmental sustainability as one of our sustainability focus areas, established an internal working group for discussing and promoting the matter, and defined our approach, commitments, objectives and actions to foster environmental sustainability.

We launched our sustainability-focused offering. Our role is essential in helping customers become more environmentally sustainable by designing and implementing digital services where environmental sustainability has been considered in the architectural and technology choices taking the whole lifecycle into account. Data plays a crucial role and can be used to optimise existing processes or create entirely new services. Digital solutions and data will help customers and society improve their resource efficiency and productivity.

We defined our ambition level for environmental sustainability and made following commitments, which were approved by the management in June 2021:

1. **We commit to foster environmental sustainability in our operations.** We comply with all compliance obligations.
2. **We will decrease our carbon footprint and become carbon neutral to help fight climate change.** We're committed to the science-based emissions reduction in line with a 1.5°C pathway.
  - a. We are committed to join the Business Ambition for 1.5°C campaign of the Science Based Targets initiative in 2021. In H2/2021 we are participating in the Climate Ambition Accelerator by the UN Global Compact.
  - b. From 2022 onwards, we will start measuring our emissions on a group level yearly, after which we can set science-based emission reduction targets. Because of the pandemic, the years 2020-2021 do not give a trustworthy picture of our carbon footprint, as people are working remotely and the amount of travel has been very limited. Also the year 2019 was exceptional, as we joined forces with two companies in Sweden.





- c. To become carbon neutral, we're committed to compensating for the emissions we are not able to avoid.
  - d. We aim to find a trustworthy & truly effective compensation method during 2022. The selected compensation method should meet the following criteria: additionality, permanence, verifiability, transparency, and take into consideration other impacts, such as impacts on human rights or biodiversity. We recognise that the compensation scheme, related research and different compensation options evolve continuously, and will regularly re-evaluate the method
  - e. In 2023, the emissions from the year 2022 will be compensated based on the results of our carbon footprint calculations. From 2023 onwards, this will be done annually.
3. **We are committed to continuous improvement of our environmental work** and to take accountability for the effectiveness of the environmental management system. As proof of this, we are aiming for ISO 14001 certification during 2022. In 2021, we have started preparing for it.
4. We will continue to increase awareness among our employees about environmental sustainability topics to support our environmental goals and reduce the carbon footprint of Solitans.

## 6 ANTI-CORRUPTION

***Principle 10*** *Work against corruption in all its forms, including extortion and bribery.*

As a company, we are committed to complying with the anti-money laundering legislation. Bribery, including any kind of facilitation payments, and acceptance of bribery is strictly forbidden in all our activities.

We do not accept or give valuable gifts or gifts that exceed reasonable hospitality as part of normal business. We never accept monetary gifts, including cash and securities. We never accept or give gifts that could damage Solita's reputation or general confidence in Solita or Solita's employees. Furthermore, we do not accept repeated gifts from the same people or organisations.

### 6.1 Example actions during the reporting period

We defined responsible business as one of our sustainability focus areas, established an internal working group for discussing the matter, and defined our approach and actions to foster it. In the chapter 3.1. above we have described related actions.

In 2021, we published a separate anti-corruption policy to complement the Solita Code of Conduct, where anti-corruption is also covered.



## 7 MEASUREMENT OF OUTCOMES

During the reporting period, our target was to 1) create a sustainability framework, 2) define KPIs and target levels, and 3) start measuring different indicators regularly.

We created the sustainability framework and defined our approach and specific focus areas - **diversity & gender equality**, **environmental sustainability**, and **responsible business**, including specific commitments, targets and actions. This is a clear improvement and a very good starting point for our ambitious sustainability journey going forward.

Our aim in the next reporting period is to communicate about our sustainability work both internally and externally, publish the document we have drafted, arrange trainings and info sessions for our employees, and implement actions we have defined. In addition, we aim to start reporting the results on a regular basis.