



2022 UN Global Compact

## Communication on Progress

Klappir Green Solutions Ltd.

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## Statement of Continued Support

To avoid wide-scale environmental degradation, catastrophic climate change, loss of biodiversity and social injustice, we must fundamentally shift our global economic systems towards more sustainable trajectories within a precious and limited time. Our society must come to terms with a desperate need for increased sustainability awareness and a partnership fuelled by frontier digital technologies. We believe that universal human rights are fundamental to social sustainability, and to realize our vision of leading coordinated, data-driven sustainability efforts, it is vital that we emphasize all pillars of sustainability.

Comprehensive cooperation and data sharing are the keys to success. We provide technologies and experience of the necessary quality along with a proven track record that supports these crucial elements. Monitoring and interconnecting activities in a global sustainability accounting system like Klappir will be an indispensable element of organizations' competitive, legal, and regulatory strategies, as well as for governments at every level.

Increased sustainability awareness is a social and economic imperative. Companies will need, and want, to respond to existing environmental, social and governance rules and regulations, anticipate the legislative agenda and be prepared to comply, quickly and efficiently. We all have a social compact to make the world more liveable.

Increased sustainability awareness is an economic fact; companies must respond to existing environmental, social and governance rules and regulations, anticipate what is coming up on the legislative agenda and make themselves able to comply as fast and efficiently as possible. Sustainability will not be viewed as a painful cost of doing business; companies will work with sustainability at the core of their business and therefore build bridges between their sustainability processes and operational improvements.

Among the many benefits for organizations using the Klappir Digital Platform for Sustainability are:



- Reduction of the ESG impact of their operations by getting precise and reliable information on sustainability performance. Meet new reduction targets for further improvements.
- Reduction of the operational cost of consuming energy and/or creation of waste through more prudent and disciplined operational practices.
- Reduction of sustainability risk by increasing transparency of the ESG impact of business operations, providing reliable and thorough ESG accounts along with communication of sustainability information and successes to relevant stakeholders in accordance with the company's policies.

Klappir's digital sustainability ecosystem in Iceland and its organic growth beyond Iceland's shores are unique in the world today. The company has shown that it is possible to support the sustainability effort of a whole society with digital technology if it is cost-effective and provides a framework that is internationally approved. We aim to further develop our digital sustainability solutions. It will require not only utilization of new sources of data, but also an enhanced ability to combine data on the environment with relevant economic and social data.

The Klappir ecosystem is tightly linked to the SDG17 (Partnerships for the Goals), where all users in the ecosystem work together toward common goals, including the United Nations Global Compact and the UNGC Ten Principles.

We reaffirm our full support for the United Nations Global Compact and the UNGC Ten Principles. Our commitment to upholding and implementing these principles is unwavering.

Sincerely yours,

*Jon Agust Thorsteinsson, Klappir CEO*

For further information see: [Klappir Annual Integrated Sustainability Report 2021](#)



## About Klappir

Klappir has worked systematically towards building a powerful digital infrastructure to create a sustainability ecosystem.

Since 2014, we have been continuously improving our Sustainability Platform and the Platform Extensions. We focus on robust and transparent data recording, data management, asset management and digital twin technology, analytics, insights, accounting and disclosure of sustainability statements. We also focus on our customers' ability to cooperate in one digital sustainability ecosystem by sharing sustainability data and information with each other.

From having 50 customers in 2015, we now have more than 700 customers utilizing some or all of our Platform features. These customers are from a range of industries such as aviation, shipping, banking, financial, retail and real estate. Klappir therefore has an extensive knowledge of the challenges these industries are facing and has the tools and methodology to support its customers as they progress towards a more sustainable future.

We focus on society and try our utmost to enable people to cooperate and support each other based on SDG 17. No one can solve the challenges alone; only through cooperation can we support our society's effort to become more sustainable. We work closely with our customers to enhance their user experience. We aim to provide our customers with solid support and assistance while working with our software.

The company is Icelandic in origin and Iceland is our home market. Over the years we have developed close relations with the industries and municipalities in Iceland. This collaboration applies to both technical and methodological development, where ideas are shared, and good proposals find their way into our roadmap.

After a number of years of operation, the idea emerged of inviting the public to have an impact, through Klappir, on the development of society towards greater sustainability. Therefore, we listed Klappir in 2017 on Iceland Nasdaq, First North market.



## Human Rights and Labour

At Klappir, we are determined to respect human rights within our operations as well as support them through our work. We believe that universal human rights are fundamental to social sustainability, and to realize our vision of leading coordinated, data-driven sustainability efforts, it is vital that we emphasize all pillars of sustainability.

Klappir's human rights policy underpins Klappir's commitment to respect human rights within the company and throughout our core operations. The policy states that Klappir adheres to national law and regulation in each market in which it operates. The working conditions of our workers are in compliance with Icelandic law and internationally recognized labour standards in the countries we operate in. This includes the Icelandic Constitution, which stresses that everyone shall be equal before the law and enjoy human rights without regard to gender, religion, beliefs, ethnic origin, race, colour, economic status, descent, or any other status. The same article further states that all genders should enjoy equal rights in all respects.

This policy will be updated annually or more often if necessary. Klappir has adopted an adaptable approach to corporate social responsibility, and we encourage feedback from our employees and other stakeholders. We have established mechanisms for communications on relevant topics, such as our anonymous employee survey where we gauge employees' views bi-monthly. Our human rights policy is publicly available on our website, as well as being presented to employees annually as well as to all new employees.

Klappir's commitment to supporting human rights reaches beyond our own operations, as we are determined to only work with suppliers that adhere to the standards of our procurement policy, agree to remedy shortcomings, and drive continuous improvement. Furthermore, we will work with our partners and suppliers to influence the elimination of modern slavery, forced labour, and human trafficking. We use our own value chain management solution for our software platform to proactively engage



with our supply chain and measure compliance and performance on topics related to human rights.

One of the main challenges within technology industries regarding equality is the gender ratio, which tends to lean significantly towards men. We continuously strive to increase the ratio of other genders working at the company and hire people of all genders. To do this, we make sure that Klappir's job advertisements are not biased toward gender and that salaries, in comparable jobs, in the company are equal regardless of gender.

With our value chain assessment solution, we provide our customers with an adequate tool to proactively monitor their value chain and communicate expectations on material sustainability topics, including human rights and labour, and make informed purchasing and investment decisions based on data.



## Environment

As a technology company with a relatively small operational footprint, our most significant impact comes from the products and services we provide. We focus on developing new software products and services, spreading new ideas, and leading collaborative efforts with our customers, businesses, universities, and civil partners to develop a sustainable future.

We want to grow our business in a sustainable way and decouple our growth from our environmental impact. This is one of the main reasons we are expanding our business through an international network of strategic regional offices and global-industrial partners.

Our product strategy is to develop software solutions, services, and methodologies that enable our customers to build a sustainable future by ensuring legal compliance, increased energy efficiency, and minimal waste of resources.

Our sustainability experts discuss climate-related issues and help our customers to identify and determine the most sustainable solutions and paths to explore in relation to the development and implementation of new products. We strive to develop infrastructure which will be resilient to physical risks posed by climate change, legal risks presented by stricter new legislation and regulation on climate-related issues, and market or reputational risks resulting from the transition to a low-carbon economy.

We consistently monitor our environmental performance in ESG metrics on our platform and report on those metrics annually through our sustainability statement and integrated reporting. Klappir's board of directors is responsible for discussing the company's ESG aspects, risks in the company's operations, and effects in accordance with the company's green financial framework.



## Anti-Corruption

Klappir complies with international standards on bribery and corruption and has adopted a zero-tolerance approach to corrupt activities.

Through our value chain assessment, we monitor our partners' commitments to anti-bribery.

In 2022, we aim to finalize and publish a new code of conduct including a policy on anti-corruption and anti-bribery expectations for company employees and representatives.