

SOLTEQ



# Statement of Non-Financial Information 2018

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## **Corporate responsibility at Solteq**

Solteq is a Nordic provider of IT services and software solutions specializing in the digitalization of business and industry-specific software. The key sectors in which the company has long term experience include retail, industry, energy and services.

Solteq's goal is to promote digitalization responsibly. The company operates in Finland, Sweden, Norway, Denmark, Poland and the UK and employs nearly 600 professionals. Responsibly produced solutions and operating with a high degree of ethics as a service provider, employer, partner and corporate citizen are a precondition for successful business and strong stakeholder relations.

Solteq's Code of Conduct is based on the company's operating principles concerning anti-bribery and corruption, human resource management, sustainable development, environmental responsibility, information security and data protection. In addition to the company's internal guidelines, the operations are guided by local legislation, regulations and instructions issued by authorities and international principles governing ethical business, human rights and social responsibility.

### **Material aspects of responsibility**

Solteq has defined the key aspects of its corporate responsibility based on the economic, social and environmental impacts of its business. The company also evaluates corporate responsibility from the perspective of industry-specific trends and phenomena.

Solteq's corporate responsibility is focused on four aspects:

- social responsibility and respecting human rights,
- data protection and information security,
- anti-corruption and bribery, and
- environmental responsibility.

Areas especially relevant to Solteq's operations are matters related to the wellbeing of personnel and ensuring the confidentiality of information, and the integrity of information systems. The company has a zero tolerance policy for bribery and corruption and its objective is to ensure the implementation of sustainable development and environmental responsibility while taking into account the extent of the company's operations.

### **Stakeholders**

Solteq's key stakeholders are the Group's personnel, customers, partners, shareholders and the authorities. The impacts of Solteq's operations on these stakeholders has been comprehensively assessed when preparing the corporate responsibility principles. Solteq engages in active dialogue with its various stakeholders regarding the realization and development of responsible operating methods.

### **Responsibility in customer relationships**

Solteq helps customers find solutions that suit their needs, are technologically up to date and offer a high level of information security. The company aims to create long-term and sustainable partnerships by ensuring that the solutions provided to customers support their business operations in the best possible manner. Customer satisfaction is actively monitored.

The principles governing quality management in customer projects are defined in Solteq's quality plan. The goal of instructions and guidelines related to quality planning, assurance, control and improvement is to ensure the high-quality execution of customer projects and the achievement of the agreed objectives.

### **Corporate citizenship**

Solteq is a responsible corporate citizen. Community orientation and social engagement are realized through various projects in the company's day-to-day operations. Cooperation with universities ensures a smooth transition to working life for students. By participating in the My Tech program of the Technology Industries of Finland, Solteq seeks to inspire schoolchildren and young people to pursue careers in ICT. Solteq also participates in charity campaigns that resonate with the company's personnel, such as a large blood donation event organized in Tampere in 2018 in cooperation with the Finnish Red Cross.

### **Risk management system**

The Group's risk management is guided by legal requirements, regulations and instructions given by authorities, other rules binding the company, business requirements set by the company's shareholders and the expectations of other stakeholders. The goal of risk management is to identify and acknowledge the risks involved in the company's operations as well as to make sure that the risks are appropriately managed when making business decisions. The company's risk management supports the achievement of strategic goals and ensures the continuity of business operations.

Risk management is aimed at ensuring that the risks affecting the company's business are identified, influenced and monitored. The key risk factors identified with relevance to the realization of corporate responsibility are as follows:

- risks pertaining to employees and working, such as risks related to discrimination, working conditions and equal pay;
- risks related to information security and privacy, particularly phishing, data breaches or other leaks of personal data;
- risks related to corruption and bribery, particularly with respect to the supply chain and customer relationships.

In 2018, Solteq launched an EFQM (European Foundation for Quality Management) project to survey and evaluate its operations and performance in various areas. As part of the EFQM project, Solteq will also develop the aspects of responsibility presented in this report.

### **Management of corporate responsibility**

Corporate responsibility issues are regularly discussed by Solteq's Executive Team and Board of Directors. The CEO is responsible for reporting on corporate responsibility.



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# Social Responsibility

## Social Responsibility

### Personnel and human rights

Highly competent, motivated and healthy employees are the foundation for Solteq's success. For this reason, the company's operations are largely built on the employees' terms, with the aim of ensuring a good employee experience that enables a positive customer experience.

ICT is a rapidly developing industry and the experts employed by Solteq want to continuously develop their skills. To this end, the company offers regular training opportunities for its personnel. In 2018, Solteq focused on Lean methodology training, the leadership skills of team leaders and technology training. Training services purchased from external providers were complemented by the organization's internal culture of knowledge sharing and the related practical measures.

Wellbeing at work is managed as part of the company's business operations. Wellbeing at work is supported by, among other things, flexible working hours as well as sports and culture initiatives both during and outside office hours. In 2018, Solteq also carried out a pilot project related to wellbeing-at-work training. The main goal of the project was to spark motivation at the individual level to look after one's own wellbeing. Among other things, the project measured the participants' workload and recovery. The participants were also provided with personal plans for improving wellbeing, individual training sessions with a coach focused on psychological or physical wellbeing as well as short information sessions related to wellbeing. The project produced good results.

Successful recruitment plays a strategically important role in a growing and developing company. In 2018, the company recruited 121 new employees. The personnel retention rate was 15% (2017: 19%). High employee mobility is typical of the job market in Solteq's industry. The most significant personnel-related risk concerns the availability of employees.

Personnel satisfaction is measured by a survey conducted three times per year. The survey results are used in assigning priorities to company-specific development projects as well as to support managerial work at the team level. In the surveys conducted in 2018, the score reflecting the employees' willingness to recommend Solteq as an employer was, on average, 4.14 on a scale of 1–5 (2017: 3.93).

Solteq strives to be a flexible employer that values equality and diversity. Employees are treated equally and without discrimination regardless of their gender, ethnicity, religious beliefs, age and other such factors. Unlike many software firms, Solteq has a wide range of ages among its personnel. The company's satisfied employees include fresh graduates as well as experienced professionals approaching retirement age. The average age of the personnel was 40.2 years (2017: 40.8 years). Women accounted for 23% of Solteq's personnel (2017: 26%).

We respect internationally recognized human rights and workers' rights. We maintain a safe and healthy work environment for all of our employees. The fundamental principles of Solteq's personnel management have been defined in the Personnel and Training Plan and the Occupational Health and Safety Plans. In our view, there are no significant risks of human rights infringements associated with our operations. Possible risks of human rights infringements are related to the supply chain of Solteq. These risks are managed by choosing the associates carefully and by obligating the associates to commit to the responsibility principles drawn by Solteq or other equivalent principles of responsible practice.



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# Data Protection and Information Security

## **Data protection and information security**

The confidentiality of data and the integrity of information systems are at the heart of Solteq's efforts related to information security. It is crucial for Solteq to ensure privacy protection and the appropriate handling of confidential data for customers.

The information security policy applied by the company specifies a basic level for all information security-related activities by the company and its subcontractors. Solteq launched an auditing process in 2018 aimed at ISO27001 information security certification and expects to have the certification of certain key business functions completed during 2019.

Personal data is processed in compliance with legislation and Solteq only collects personal data that is necessary for the current purpose. In many of its customer relationships, the company acts as a processor of personal data either in a concrete manner or as a technical processor. Solteq also gives guidance to its customers relating to appropriate technical and organizational measures, which contributes to protection of privacy in the society.

The protection of personal data became even more significant in 2018 following the entry into force of the General Data Protection Regulation (GDPR) in spring. Solteq has invested substantial resources in the development of data protection in the systems and IT projects administered by the company and provided training to personnel regarding GDPR requirements. The prevention and communication of information security threats is managed by a Security Incident Response (SIR) process, which ensures that the relevant parties are informed of potential or actual security incidents. This practice is aimed at ensuring a timely and effective response to potential threats.

Solteq's employees undergo orientation on information security during their induction training. Expanded data protection and information security training for all of the company's personnel will be introduced in spring 2019. During the calendar year, they will be incorporated into the employees' training portfolio as a mandatory training component.

Solteq's information security team monitors the data generated by key information security and data protection channels and uses the data to continuously improve the level of security in cooperation with the company's IT outsourcing partner. In 2018, a particularly significant role was played by measures related to identity protection. This work will continue in 2019.

Solteq's information security and data protection are managed by a designated IT Manager and data protection officer and the company's information security team.



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## **Anti-corruption and Bribery**

## **Anti-corruption and bribery**

Solteq does not condone bribery or corruption in any form. In all of its operations, the company requires compliance with anti-bribery principles as well as the principles of business transparency.

Solteq chooses its partners carefully and all payments are subject to appropriate approval using a pre-defined approval process involving several stages. All payments must also be recorded in the company's accounts. The company does not pay or approve of any questionable benefits. All benefits provided and received must be such that they can be openly reported to everyone. We are committed to transparency in all of our business operations.

Solteq's Board of Directors has approved the company's anti-bribery and corruption policy and the principles it includes in 2016. The policy complements Solteq's Code of Conduct and includes comprehensive guidelines concerning anti-bribery and corruption activities. Solteq also requires its suppliers to observe the company's Supplier Code of Conduct or corresponding principles pertaining to corporate responsibility.

Solteq's stakeholders are primarily international and Nordic entities. The company's business takes place in regions where the risk of corruption and bribery is low as a rule. Solteq assesses partnership risks on a case-by-case basis and requests additional accounts and clarifications when necessary based on the partnership risk assessment.

Solteq has established an internal whistleblowing channel to enable the anonymous reporting of suspected misconduct. The company is committed to processing all reports confidentially in accordance with a standard process. Ensuring the safety of whistleblowers is essential for Solteq. No suspected incidents of misconduct were reported in 2018.



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# Environmental Responsibility

## **Environmental responsibility**

Solteq takes environmental aspects into consideration in all of its operations and promotes sustainable choices. Solteq's policy of sustainable development and environmental responsibility guides the operations to take into account the environmental aspects. The company's environmental impacts mainly arise from the energy consumption of office premises and data centers. The environmental impact of travel, work equipment and office furniture is also taken into consideration in day-to-day choices and purchases.

No significant environmental risks have been identified in Solteq's business. For this reason, the company does not engage in active risk management pertaining to environmental responsibility.

### **Green choices as part of daily life at work**

Solteq strives to reduce the environmental impact of business premises and equipment as well as increase the recycling of materials. The company favors modern, energy-efficient and healthy environments in its choices of business premises. In 2018, the Jyväskylä office was renovated and a project aimed at the modernization of the Kuopio office was launched. The head office in Vantaa's Aviapolis district was built in accordance with the LEED environmental certification system and Green Building standards. The office is furnished with ISO 14001 certified furniture intended to withstand extensive long-term use.

Solteq favors sustainable choices in commuting and business travel: employees are encouraged to use active commuting options as well as eco-friendly public transport alternatives, such as trains. Centrally located offices, the use of modern communication technology and the provision of remote work opportunities are aimed at reducing the need for travel.

According to Statistics Finland, the ICT industry generates relatively low greenhouse gas emissions. A significant proportion of the industry's environmental impacts arises from hardware manufacturing. Solteq takes this into account in its purchasing by assigning significant weight in its decision-making to the energy efficiency, life cycle and reliability of hardware. Network and information system hardware and phones are mostly purchased from well-known and certified suppliers. Equipment that has reached the end of its life cycle is collected in WEEE collection containers at Solteq's offices to be recycled and used as raw material for electronics. Solteq conducts dialogue with different equipment suppliers in order to support sustainable principles.

Aspect	Principles and processes	Objective	Performance indicators	2018	(2017)	Most significant risks
Anti-corruption and bribery	Anti-corruption and bribery policy, engaging the commitment of employees and partners, whistleblowing channel	Commitment of employees and other stakeholders	Number of reported infringements	0	0	Criminal and other legal sanctions  Impacts on customer relationships and public procurement  Reputation risk
Personnel	A culture of sharing knowledge, working together and experimenting  Development of leadership and managerial work  Performance reviews and competence management  Competitive benefits  Rising trend in employee satisfaction	Solteq is a sought-after workplace with healthy and satisfied employees. The company supports competence development, provides an equal and non-discriminatory workplace community and supports individual wellbeing. Positive employee experience	Employer recommendation score	4.14/5	3.93/5	Risks related to the availability of employees
Environmental responsibility	Life Cycle Management	Re-use of workstations	Percentage of re-used workstations	100%	100%	Reputation risk

# SOLTEQ

## **Solteq Plc**

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