

CORPORATE
SOCIAL
RESPONSIBILITY

2021



UN GLOBAL COMPACT
COMMUNICATION ON
PROGRESS

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

We welcome feedback on its contents.

STRONGER TOGETHER

In BEC, we recognize and respect our environmental, social, and economic impact.

We play a key role in the Danish society, building trust and straightforward banking, making sure 20-30 percent of the Danish bank customers can safely transfer money, invest online, and use credit cards, and we provide technology for the core institutions in Denmark's financial infrastructure. We also recognize our significant societal impact as a large employer in Denmark and Poland.

Many of BEC's customers are also co-owners, and we work closely together to develop new IT solutions. This is how the BEC community ensures solutions that meet the customers' business needs as quickly and precisely as possible, and how the community makes optimal use of our total development power.

In 2021, we have updated and elaborated our CSR strategy, aligning it with our new corporate strategy, "TechUp – Winning Customers". The aspiration of BEC's corporate strategy is:



We aim to be the best scalable IT service partner, building trust and straightforward banking for the Danish society. Our trade is enabling our customers to differentiate towards their customers' needs through technology, leveraging our community.

Our corporate strategy serves as a launching pad for our CSR strategy. Building on our cooperative community, corporate social responsibility is at the core of BEC's work.

With our CSR strategy, we are committed to the following ambitions:

- Ensure a stable financial infrastructure for the Danish society
- Promote diversity, inclusion, and social equity in BEC and our communities
- Improve our environmental footprint as an operating corporation

Some examples further highlighted later in this report are:

- We play a significant role in assisting bank customers in migrating to MitID, the new national secure login solution in Denmark.
- We have laid the cornerstones for a diversity and inclusion agenda in BEC and have started measuring progress. In 2021, BEC for the first time employed three former interns with autism spectrum disorders in permanent positions in BEC.
- We have for the first time analyzed BEC's corporate carbon footprint to estimate our global warming potential in three scopes outlined by the Greenhouse Gas Protocol, and we have identified concrete actions to further lower our carbon emissions.

The ambitions for BEC's work on being a socially responsible corporation will continue in 2022 and onwards.

This is BEC's eighth separate reporting on corporate social responsibility. The report elaborates on BEC's corporate social responsibility activities in our annual report for 2021. It is at the same time BEC's statutory statements on social responsibility, data ethics, and the gender composition of the management.

Jesper Nielsen
CEO



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I joined BEC as part of the graduate program. Today, I work with creating new solutions for advisors in the banks, and right now we are developing an application to improve mortgage processing, so it becomes faster.

Weronika Smardz
Junior software engineer



BUSINESS MODEL AND SOCIETAL IMPACT

BEC is a Danish full-service IT house with more than 1,800 people in Denmark and Poland. BEC has over 50 years of experience developing and operating IT for banks and other actors in Denmark's financial sector.

BEC is a key player in Denmark's financial infrastructure and thus Denmark's financial stability. 22 percent of Danes and 31 percent of Danish companies (measured by NemKonti) have their main bank connection via one of the banks operating on BEC's IT platforms. Also, BEC operates IT systems for core institutions such as Danmarks Nationalbank (the central bank of Denmark) and Finansiell Stabilitet (an independent public company working to ensure financial stability in Denmark).

BEC's most significant impact on society is to support a safe, stable, and resilient financial infrastructure. This contributes to straightforward banking services, trust in financial institutions, and prosperity for customers in Danish banks and thus Danish society.

It is fundamental to BEC's and our customers' businesses to support that everybody in Denmark has equal rights to economic resources, appropriate new technology and financial services.

It is also fundamental to our business to ensure the necessary IT systems for the Danish financial sector to live up to Danish and European regulation on, for example, anti-money laundering, investor protection, personal data protection and financial stability.





BEC's main risks of adverse effects on society are thus that BEC's IT systems are compromised in terms of accessibility, integrity, or confidentiality. BEC has comprehensive systems, processes, and audits to address these risks.

In addition, BEC wishes to engage in socially responsible initiatives that are naturally related to BEC's business and communities.

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Since 2014, BEC has been a signatory to the UN Global Compact and abides by its 10 principles, as described in BEC's CSR policy.

BEC takes actions that advance the broader societal goals; the 17 sustainable development goals (SDGs) set by the United Nations (UN). In particular:

- **SDG #1** regarding access to technology and financial services to end poverty.
- **SDG #4** regarding quality in education.
- **SDG #5** regarding gender equality in the tech sector.
- **SDG #7** regarding clean energy and environmental footprint.
- **SDG #8** regarding decent work and securing a safe working environment.
- **SDG #10** regarding reduced inequalities while being an inclusive workplace.
- **SDG #16** regarding combating financial crime and supporting effective, accountable, and transparent institutions.



ASPIRATION

We aim to be the best scalable it service partner, building trust and straightforward banking for the Danish society. Our trade is enabling our customers to differentiate towards their customers' needs through technology, leveraging our community.

SUPPORTING THE SDGS



LONG TERM GOALS

ECONOMIC

Ensuring a stable financial infrastructure

SOCIAL

Ensuring diversity, inclusion and social equity

ENVIRONMENT

Improving our environmental footprint

FOCUS AREAS

- Supporting effective, accountable, and transparent institutions
- Combating financial crime
- Providing access to technology and financial services to end poverty

- Ensuring equality in all aspects of work
- Creating an inclusive and safe work environment
- Enhancing gender balance in the workforce
- Providing learning and development solutions to fit personal and organizational needs for growth

- Mapping our corporate carbon footprint
- Analyzing impact and efforts, and implementing initiatives to lower greenhouse gas emissions

ELABORATED CSR STRATEGY

In 2021, BEC has updated and elaborated the CSR strategy, aligning it with our new corporate strategy. The strategy is manifested in three focus areas, which are linked to the sustainable development goals and have been elaborated with both long-term goals and focus areas for 2021/2022.



CORPORATE SOCIAL RESPONSIBILITY GOVERNANCE

BEC's commitment to support, respect and protect human rights is documented in BEC's code of conduct and BEC's CSR policy.

BEC's CEO has the overall responsibility for BEC's corporate social responsibility. BEC's executive team constitutes BEC's corporate social responsibility steering committee, which is responsible for developing the overall corporate social responsibility policy and strategy, and for integrating corporate social responsibility into the business. The day-to-day work is handled by the CSR partner in BEC with reference to the steering committee.

REPORT STRUCTURE

This corporate social responsibility report is structured in five sections. These sections will navigate the relevant long-term goals and focus areas from our CSR strategy, highlighting actions in 2021 and future ambitions to further support the sustainable development goals.

1



SOCIETY

BEC's impact in our society

2



WORKPLACE

BEC's work on ensuring a safe, flexible, and inclusive workplace

3



MARKETPLACE

BEC's collaborative relationships

4



ENVIRONMENT

BEC's operations and environmental footprint

5



DATA ETHICS

BEC's ethical values and principles for handling data





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At BEC, we want to constantly develop our tech knowledge, aiming to deliver both strong IT for banks and ensure a great workplace for tech-savvy people. My job is to ensure the tech competency development for our colleagues.

Amel Pasic
Area director
Tech Competence Development





1: SOCIETY

BEC'S IMPACT IN OUR SOCIETY

SAFE, STABLE, RESILIENT FINANCIAL INFRASTRUCTURE

Safe, stable and resilient IT systems for BEC's customers – banks and other actors in the financial sector – are fundamental for the citizens of modern digital society. A reliable financial infrastructure ensures the fundamental human right to own property alone and in association with others.

At the same time, the many possibilities of digitalization entail risks of misuse, data leakage and data loss, which can compromise the right to privacy, which is also a fundamental human right.

Stable IT operations and high IT security (including protecting personal data and other confidential information) are fundamental to BEC's customers, society and BEC. Protection of the human rights to own property and to privacy is thus at the heart of BEC's work and is a key element in how we respect and adhere to human rights.

BEC is strongly committed to the right to privacy and the protection of personal data. BEC has established and implemented a personal data policy, sub-policies, business procedures, guidelines etc. for the protec-

tion of personal data. BEC has personal data responsibilities both as a data processor (handling personal data on behalf of banks and other BEC customers) and as a data controller (namely handling employee data). BEC's data protection officer (DPO) oversees and advises on matters concerning personal data protection.

BEC is investing heavily in IT development to ensure even better personal data protection and to ensure that any breaches are handled swiftly and efficiently. Read more in BEC's annual report about BEC's investments in protecting personal data compliance (GDPR).

Each month, BEC measures and reports the availability of its key systems to its customers. For each system, service goals have been defined, which thus constitute BEC's most important non-financial key performance indicators. Read more about the service goals in BEC's annual report.

BEC contributes its knowledge in the Financial Sector Forum for Operational Robustness (FSOR) established on the initiative of Danmarks Nationalbank and in the sector partnership Nordic Financial CERT.

Read more in BEC's annual report about risks and processes for IT operations and IT security.

COMBATING FINANCIAL CRIME

The UN Sustainability Development Goal #16 includes reducing illicit financial and arms flows, combating organized crime and reducing corruption. Preventing banks from being misused for money laundering and terrorist financing is the main objective of one of BEC's largest development programs in 2021 and the coming years.

In 2021, BEC has implemented a new, specialized platform to combat money laundering and terrorist financing, which will be expanded in the coming years. The solution will streamline the banks' comprehensive, ongoing screening of all customers and transactions, supporting the banks in analyzing, documenting, and reporting suspicious activity.

THE DANES' DIGITAL COMPETENCIES

As banks become more digital, their customers need increased digital skills. BEC's support is ready to handle inquiries from the banks' customers via telephone and email when they need help and guidance for, among other things, mobile and online banking. The support helps these users navigate digital self-service solutions.

The support also strengthens users' digital competencies in cyber security, such as guidance regarding secure logon for online banking or phishing emails and other signs that security may be compromised.

Denmark's new national digital identification, MitID, ensures that Danes have a modern digital signature that meets the demand for higher security when authenticating themselves digitally. In 2021, BEC has launched our solution for MitID, allowing BEC bank customers to authenticate themselves in their mobile bank and online bank. In 2021, the BEC banks has begun migrating end users onto MitID, in total about 1.8 million private users and 0.3 million business users. Furthermore, BEC's support staff is significantly increased in 2021, and will continue to do so in 2022 to assist bank customers in migrating to MitID.

ECONOMIC GROWTH AND INNOVATION

BEC's core business supports the digitization of Denmark as a catalyst for growth and innovation. BEC's work to develop digital solutions provides better customer experiences and easier access for Danes to digital solutions – in line with UN Sustainable Development Goal #8 regarding access to financial services for all sizes of enterprises.

Not least during the COVID-19 pandemic, BEC's digital solutions for employees and customers in Danish banks have been instrumental in allowing large parts of Danish society and economy to stay productive while working and collaborating from home.

BEC regularly participates in forums, individual dialogues, and collaborations with fintech companies that want to collaborate with BEC's customers via BEC's technologies to develop new, innovative fintech solutions for Danish citizens and companies. BEC is also a sponsor of Copenhagen Fintech, which aims to promote financial IT in Denmark.



BEC'S ROLE IN THE LOCAL COMMUNITIES IN WHICH WE OPERATE

BEC operates from locations in Roskilde in Denmark, Herning in Denmark, and Warsaw in Poland. BEC is the largest privately owned employer in Roskilde, Denmark.

We play an important role in the three cities and local communities, providing job opportunities and tax payments.

In addition to employing many citizens, BEC also aims to contribute to our local communities in other ways.

BEC is a member of COROlab, an NGO that brings together large and small companies in Roskilde for co-creation, aiming to create growth, identify opportunities, enter new relationships, and innovate to solve challenges in society.

BEC was in 2021 again the main sponsor for the annual event "Rabalderfestival" in the area Musicon, bringing together the community of Roskilde around music, art theatre and street sports.

In January 2021, BEC entered a collaboration with Roskilde Municipality on the care of BEC's outdoor and green areas. The collaboration supports a group of young people with various physical or mental challenges. Throughout 2021, eight young people have been a part of the collaboration. The agreement makes it possible for the young people to take a specially organized education (STU) where they acquire skills in the care of green areas.

In the BEC office in Warsaw in December 2021, employees supported the Noble Gift (Szlachetna Paczka) social scheme initiative, organised by the Wiosna Association. BEC employees prepared and packed Christmas gifts for four less fortunate families in Poland. It is the second time BEC takes part in this initiative in Poland.

As described in the following sections, our local communities also benefit from BEC's education and career initiatives for students, our support for enhancing the number of women taking on important roles the IT industry, and our focus on creating employment for young people with autism spectrum disorders.



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My job at BEC has given me a sense of security for my future. Apart from the financial aspect, it is great to have something to get out the bed for – solving tasks bigger than yourself. In addition, I have great colleagues, so that’s amazing.

Nicolai Mortensen
Junior software engineer
Former AspIT intern



2: WORKPLACE

BEC'S WORK ON ENSURING A SAFE, FLEXIBLE, AND INCLUSIVE WORKPLACE

BEC strives to be an attractive, decent, and inclusive workplace that produces opportunities for learning for everyone, creates job satisfaction and high engagement, supports our employees' freedom of organization, and respect the right to collective bargaining. BEC is committed to protecting labor rights as expressed in the human rights and the UN Sustainable Development Goal #8.

BEC is a cooperative company that pays tribute to the strength of the collective. BEC is an organized company that is a member of the Danish Employers' Association for the Financial Sector, of which BEC's CEO is also a member of the board of directors. Through the Danish Employers' Association for the Financial Sector, BEC has entered into a collective agreement with the Financial Services Union in Denmark. BEC respects and supports our well-established union representatives, works council, work environment organization and an elected employee representative in the board of directors.

The Polish department of BEC has grown significantly over the past years, and in 2022 BEC will work on establishing a European Works Council to ensure close collaboration with and consultation of our employees in both countries.

A SAFE AND HEALTHY WORK ENVIRONMENT

In BEC it is key that we can operate in a safe and healthy work environment, free of discrimination and harassment. BEC has a policy for health and well-being to reduce work related illness. The policy also outlines BEC's standards and practices regarding long-term illness, stress, senior life, and supporting a healthy lifestyle. In 2021 this policy was updated with a section on clear guidelines for workplace behaviours to prevent and handle any type of discriminatory practice, bullying, abuse, or sexual harassment.

BEC also launched a whistleblowing portal in 2021, ensuring a channel for employees and other stakeholders to easily and anonymously raise



concerns related to any misconduct. This could include discriminatory practice, harassment, suspicious financial activity, fraud, corruption, abuse of power, etc. In 2021, two cases were reported and classified as whistleblowing cases through the whistleblowing portal, both on staff-related issues, and both handled respectfully and according to the defined process.

BEC has recorded no indications of human rights violations in 2021.

Living through the second year of the COVID-19 pandemic, we demonstrated our commitment to our colleagues and communities by prioritizing health and safety. BEC closely complied with restrictions and advice from Danish and Polish authorities, asking most of our employees to work from home for long periods of time. In close cooperation with our union representatives in Denmark, we have kept strengthening the working environment for our employees to ensure a stable financial infrastructure in Denmark and Poland, while working from home.

In 2021, BEC has provided COVID-19 test centers on all locations in Poland and Denmark for employees to be safe around each other and our customers. Furthermore, BEC has offered influenza vaccines to all permanent employees on both Polish and Danish locations, supporting employee health and our community health systems.

In the Danish locations, BEC has canteens that offer a varied and healthy selection of food with many fresh ingredients, vegetables, and fish, as well as a reduction in unhealthy fat and sugar. BEC offers dietary choices to support the healthy lifestyle for our employees.

At some of the BEC locations, we offer fitness facilities, access to massage rooms, and other treatments. BEC subsidizes spinning classes as well as jogging and similar activities, such as the DHL relay race and an annual biking campaign, which in 2021 was unfortunately cancelled and very limited due to COVID-19, respectively.

BEC supports a vibrant social life between colleagues, enhancing collaboration and a good and healthy work environment. BEC subsidizes various staff associations, including a senior club for senior/retired employees and a junior club for young employees. The staff associations also provide different physical activities such as yoga classes – which in 2021 also became available virtually. COVID-19 has again in 2021 put many of the social activities on hold. Even so, the proportion of employees in Denmark being members of one of a staff association, has risen from 67 to 70 percent in 2021.

A FLEXIBLE WORKPLACE IN A HYBRID WORKING MODEL

BEC encourages a workplace with work-life flexibility and an efficient balance of working onsite and remotely.

In 2021, BEC launched a new, flexible concept for remote working making it for most employees to work from home on average 1-2 days per week. The concept is founded on a new local agreement with union representatives in Denmark, the first for a data centre under the collective agreement for the Danish financial sector. The agreement emphasizes that remote working is voluntary and requires a healthy remote working environment. To ensure flexibility for employees and for BEC, BEC has defined eight cornerstones for balancing remote and onsite work. The end goal, which we expect to be achieved in 2022, is what we call 'our flexible workplace' at BEC.

The local agreement covers BEC's employees in Denmark. BEC's employees in Poland will enjoy the same benefits as far as possible with a flexible workplace, while BEC is awaiting new Polish regulation on remote working.

With both work-life and BEC transforming into an even more flexible workplace, we need to constantly look for new and innovative ways to collaborate with each other and our customers. To make it easier for employees in BEC to collaborate remotely and on location, together with Microsoft, BEC launched the interactive whiteboard SurfaceHub at our locations in 2021. With SurfaceHub, the aim is to ensure that our employees can collaborate efficiently across teams, locations, and countries to meet our customers' demands best and to support our new modern workplace.

As part of offering a flexible workplace for all employees, BEC made it possible for employees in Denmark to order furniture for the home offices ensuring an ergonomic place to work remotely.

Supporting this, BEC also rolled out the initiative "let's move" in collaboration with Nilsen Care in 2021, with physical exercises for employees to make during the workday to boost physical health. The initiative is an element of "Healthy BEC", an internal BEC program that focuses on a healthy lifestyle for all BEC employees, covering both physical and mental health.

In BEC we believe good mental health is for everyone and is also a shared responsibility for everyone. Working remotely and keeping the right balance of work while allowing for brain breaks can be difficult to master. Throughout 2021, BEC has provided employees with tools and guidance for good mental health in a hybrid working model – and in general – such as encouraging employees to block calendar time for breaks and concentration.

A STRONG LEADERSHIP PRACTISE ENABLING GROWTH

BEC's new strategy released in 2021, "TechUp – Winning Customers", has a strong vision for the people forming BEC: We wish to be an attractive workplace with skilled managers who manage, develop, and inspire tech and finance talents. One of the most important tasks for the management is to create a thrilling, international work environment for skilled, curious people who are driven by complex, professional challenges with a huge impact on the digitalised Denmark.

Competent management during change is crucial to develop BEC and our employees. Our BEC Leadership Foundation sets the standard for culture, behaviours, and competences in BEC, highlighting leadership behaviours and values. The model is based on the principles of versatile leadership, where leaders and employees have a range of leadership skills and behaviours and adapt these to best lead in the situation.

To be professionally ambitious together, employees and their managers have annual development dialogues. In 2021, we launched BEC Path, our new performance development process and system to strengthen competent management, individual development, succession planning, transparency, and coherence across teams, management layers and geography.

People in BEC work in a development environment where sparring with others, growth, and cross-disciplinary learning are important – also when working virtually. Together with career paths in BEC and a focus on technical and professional competency development, BEC offers on-the-job training, digital learning, workshops, and courses to develop and grow employees by equipping them with the skills they need to meet new and changing requirements.

A WORKPLACE AIMING FOR HIGH ENGAGEMENT

To ensure that BEC continuously maintains and develops an attractive and healthy workplace, BEC has launched the employee engagement framework "BEC Pulse" in 2021. This provides a structured approach to collecting feedback frequently from all employees and gives BEC the opportunity to work with engagement based on data to review and define actions to increase engagement on a company, division, area, and team level.

In fourth quarter 2021, when we launched BEC Pulse, the overall engagement score was 7.2, which is 0.7 below our technology sector benchmark. This is not a satisfactory result. The result reflects a period of uncertainty due to BEC's necessary strategic transformation, which was launched in 2021 with substantial changes in our focus, priorities, and organization. Clearer career paths are another area for improvement in both Denmark and Poland to ensure that all employees see opportunities to grow in BEC. Furthermore, the COVID-19 pandemic has induced the need for flexible working opportunities and for support in maintaining a healthy working life.

As a result of the survey, BEC has decided to focus on three areas:

1. Handling transformational uncertainties
2. Creating clear paths and growth opportunities
3. Ensuring a healthy work-life

On a quarterly basis, all managers hold BEC Pulse checks with their teams, turning the data into meaningful actions at the appropriate organizational levels.

GRADUATES, STUDENT JOBS AND COLLABORATIONS

BEC supports the UN Sustainable Development Goal #4 on quality education by promoting inclusive and equitable quality education as well as lifelong learning opportunities for all.

BEC supports quality education through internships, work-study programs, graduate roles, etc., which give students earlier access to the corporate environment. We also provide employees with continuous opportunities to improve their skills for current and future employment.

From 2014 to 2021, BEC has hired a total of 128 people for our talent program. In 2021, BEC continued our successful program in Denmark and Poland. 25 recently graduated candidates were employed in Denmark and 67 talents in Poland for either IT development or business analysis roles. They were permanently employed by BEC and participated in a training program introducing them to tools, frameworks, coding languages, project management, agile approaches, and the financial sector. In 2021, BEC developed an international, Danish-Polish talent program strategy to be released in 2022.

BEC's aspires to offer student positions, internships, and MA thesis collaborations to students from relevant educational institutions. At the end of 2021, 70 people were employed in student positions. In 2021, BEC had four trainees, which is a lower number than expected. The primary reason for this was the situation caused by the COVID-19 pandemic. BEC also worked together with three final year master's students in 2021 and several other students and student groups regarding their university projects.

BEC contributes to more young people wanting and being able to train in IT through:

- Participation in education committees at **IT University of Copenhagen, MidtVest Business Academy and Roskilde University.**
- Participation in the **X-Tech Track program** run by the technical university DTU in 2021. A group of DTU students collaborated with BEC and designed a prototype for a mobile bank solution addressing how young people can gain a better overview of their finances.
- Partnerships / career focused collaborations with **IT University of Copenhagen, Technical University of Denmark, University of Copenhagen, Roskilde University** and broader career fairs.
- Collaborations with the technical vocational schools **Herningsholm in Herning** and **TEC in Ballerup** on apprenticeships for students from the infrastructure and programming course. The first trainee started at the beginning of 2021.

AN INCLUSIVE WORKPLACE WHERE DIVERSITY AND EQUALITY MATTER

Equality is a cornerstone of BEC's code of conduct: Equal rights, equal opportunities, and being respected and valued for who you are. In BEC, we support the UN Sustainable Development Goal #10 on reducing inequalities with the aim to empower and promote the inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

In 2021, we introduced a diversity and inclusion agenda, formalizing current initiatives, collaborations, and efforts. The agenda is rooted in a demographic analysis of BEC, and where we are heading based on the current trajectory.

The aspiration in the agenda is double:

- To reflect the customers we serve and the society we are part of.
- To create the best possible workplace by fostering inclusion and building teams with diverse skills, backgrounds, and experiences.

BEC's focus for diversity and inclusion in 2021 has been to:

- Create a clear understanding and prioritization of which diversity parameters we primarily focus on.
- Collect and analyze data as a baseline for measuring progress on our level of diversity, and how we perform as an inclusive workplace.
- Start introducing initiatives across the employee lifecycle according to data insights and business strategy.

MEASURING DIVERSITY AND INCLUSION

In 2021, we introduced a diversity and inclusion module to the BEC Pulse engagement survey. With an overall diversity and inclusion score of 7.9, BEC is 0.4 below technology benchmark. This is not a satisfactory result. However, 908 comments from employees on diversity and inclusion alone have brought great insights in how to improve diversity and inclusion in BEC.

Areas of focus from the survey are:

- To ensure that all employees feel as accepted members of their teams
- To upskill managers' competences in practicing inclusive leadership behavior through training and guidance

These areas will be unfolded in concrete initiatives in BEC in 2022.

In 2021, BEC has developed a new diversity dashboard, which tracks how diversity evolves in each of BEC's divisions, areas, and teams. The diversity dashboard will be launched in 2022 to support BEC's managers in improving diversity.

Until 2020, BEC has only included permanent employees in the demographic data presented in the CSR reporting. From 2021, we have decided to include Polish contractors in the demographic data since Polish contractors makes up an important and considerable part of our workforce.

A WORKFORCE EMBRACING DIFFERENT PERSPECTIVES

Multiple voices, perspectives, and personalities bouncing off one another improves decision making, problem solving and innovation. In BEC, we believe that diversity in our workforce and bringing together different perspectives, while ensuring an inclusive workplace where these differences are valued and leveraged, creates better outcomes for our customers, our people, and our company. We want to ensure fair hiring evaluations, equal opportunities for advancement into leadership positions and taking on different roles, and we aim to eliminate any possible biases in BEC.

To ensure diversity in the workforce, BEC is primarily focusing on three diversity parameters, which are equally important in BEC:



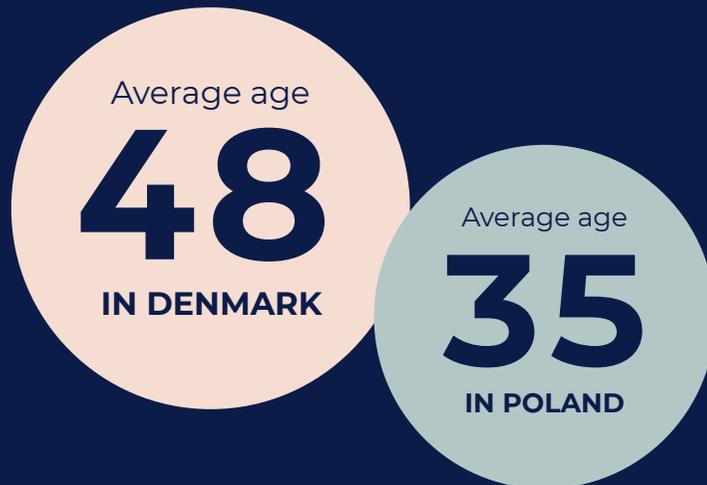
Nationality: Diverse nationalities bring a natural focus on cultural intelligence



Generation: Age diversity brings about different experiences, expectations and working styles



Gender: Gender diversity enables better problem solving, ultimately leading to superior performance in a team



GENDER BALANCE AMONG **EMPLOYEES**  



GENDER BALANCE AMONG **MANAGERS**  





NATIONALITY

In BEC, we have employees with 41 different nationalities. Adding to a diversity among employees in BEC, the 2021 talent program participants in Denmark and Poland have 10 different nationalities.



GENERATION

In BEC, we have employees covering all four age generations (baby boomers, generation X, generation Y, and generation Z). The average age is 48 among the employees in the Danish offices and the average age is 35 in the Polish office. The average age difference influences the workplace culture and employee activities at our different offices.



GENDER

BEC aims for gender equality as stated in the UN Sustainable Development Goal #5, while acknowledging that we are in a sector where there is not an equal number of females and males graduating from the tech educations.

In 2021, including Polish contractors, the gender balance among BEC's total workforce is 32 percent females versus 68 percent males.

In BEC's Danish workforce, the gender balance among employees is 36 percent females versus 64 percent males. In BEC's Polish workforce, the gender balance is 19 percent females versus 81 percent males.

According to the European Union's Gender Equality Index 2020, 20 percent of ICT specialists in Denmark are females, and 14 percent of ICT specialists in Poland are females. Thus, BEC as a company has a strong-

er gender balance among employees than industry benchmark. BEC is also employing many other professions with better gender balances. It is therefore our assessment that our workforce reflects the gender balance in the candidate pool.

In 2021, the number of females in all management levels in BEC is 31 percent. This is an increase in the percentage from 27 percent in 2020, now being very close to the general gender balance in our company.

In 2021, 62 percent of the hired employees in Denmark were males and 38 percent females, while in Poland 77 percent of the hired employees were males and 23 percent females. The total ratio of male/female hires in BEC in 2021 was 69 percent vs. 31 percent, showing that BEC as a company is recruiting a fair share from the candidate pool of both genders in the IT industry.

Among the hired employees for our talent program in Denmark, 40 percent were females, which is an increase from 33 percent females in 2020. Among hires for the program in Poland in 2021, 20 percent were females, also an increase from 16 percent being female in 2020. In both Denmark and in Poland, around 23 percent of all ICT graduates are female. However, we also hire graduates with other financial and STEM educational backgrounds. It is therefore our assessment that we are hiring a fair share of females from the candidate pool of IT students in Denmark, but less than a fair share in Poland – although moving in the right direction.

BEC aims for hiring and retaining the fair share of females from the industry, as well as keep supporting initiatives pushing for a higher gender balance in the industry – both among employees and at manager level.

TARGETS

It is the ambition to increase the proportion of the underrepresented gender in BEC's management and in BEC's board of directors.

BEC has the target of having each gender represented on BEC's board of directors with at least three board members in 2024. In 2021, BEC did not achieve the target for the board of directors, which at the end of the year consisted of eight men. The gender composition is subject to the fact that only executives in BEC member banks and one BEC employee are eligible as per BEC's articles of association.

So far, BEC has had the ambition of having each gender represented in BEC's management by at least 40 percent. With 31 percent female managers and 69 percent male managers, BEC did not achieve this goal, but have nevertheless increased the female representation in management by four percent points since 2020.

In 2021, BEC has increased the focus on tracking and promoting diversity in management. In the spring 2021, we expanded this focus from only measuring gender balance, to include nationality and generation as part of measuring diversity in management:

- **Gender diversity in division management teams:**
Both female and male managers must be represented in each division management team
- **Generation diversity in division management teams:**
All three generation brackets (generation Z and Y, generation X, and baby boomers) must be represented in each division management team
- **Nationality diversity in division management teams:**
Minimum two nationalities must be represented in each division management team

At the end of 2021, all divisions met all three measures.

Target setting for diversity in management levels will be evaluated and discussed with BEC's executive team in 2022, as part of a full target setting for diversity and inclusion in BEC.



INITIATIVES TO SUPPORT DIVERSITY AND INCLUSION

In 2021 and until spring 2022, BEC is participating in the Target Gender Equality program run by the UN Global Compact as part of strengthening our work on the UN Sustainable Development Goal #5 on gender equality.

As part of the program, BEC has conducted an analysis using a Women's Empowerment Principles (WEPs) gender gap analysis tool. The analysis identifies potential areas of improvement in terms of structural inclusion, covering policies and processes, to support gender equality

in BEC. BEC's score in the analysis was 34 percent of 100 percent, highlighting BEC to be at "improver level". Of the participating 5,412 companies across 141 countries using the tool, the majority are considered "beginners" (45 percent) and "improvers" (36 percent), while 16 percent are "achievers", and only 3 percent are "leaders". In the spring 2022, when the Target Gender Equality program ends, BEC will evaluate how concrete improvements can be made and which steps to be taken towards "achiever" level.



Structural inclusion must exist in advance for any diversity, equity and inclusion efforts to be successful, as the policies and processes affects the behaviors and norms set in the business. BEC will in 2022 review policies and processes to ensure they fully support LGBT+ people, and furthermore make efforts to ensure clear inclusion of LGBT+ people in in BEC.

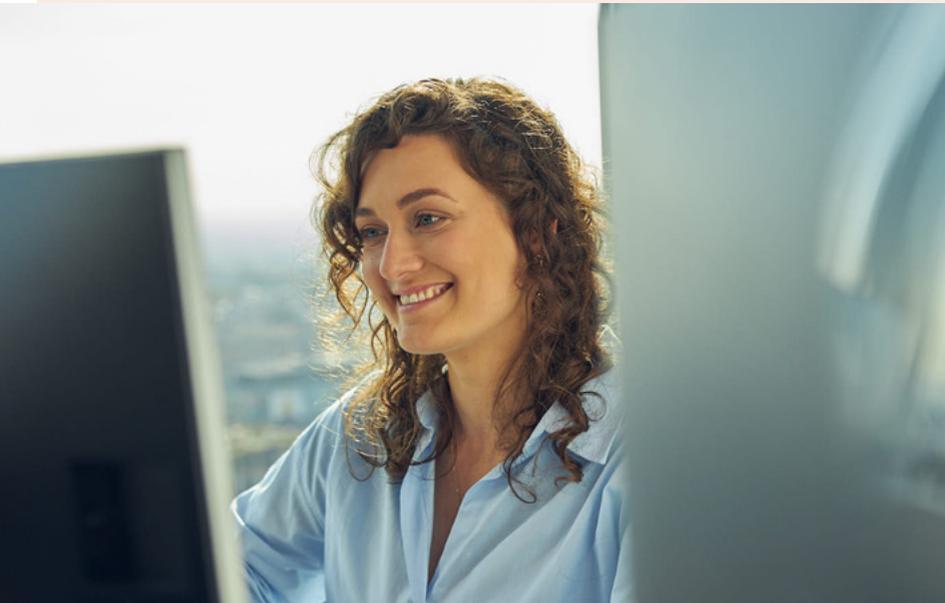
In BEC, the recruitment team in both Denmark and Poland has participated in three workshops on installing bias blockers throughout the recruitment process and has agreed on actions to implement for minimizing biases. In 2022, the team will also take part in inclusive language training.

With a varied workforce of different nationalities and working from offices in Denmark and Poland, cultural intelligence is a key discipline for BEC. Almost 300 employees in BEC have participated in cultural intelligence training in 2021, upgrading skills for working efficiently and respectfully across cultures.

Language courses in English, Danish and Polish are organised to promote a common understanding and break down language barriers. In 2021, more than 80 employees have taken language classes, especially learning Danish.

In BEC, we also support other areas of diversity, such as neurodiversity (e.g., autism spectrum disorder, ADHD or learning disabilities). Since 2019, BEC has collaborated with AspIT in Denmark, a three-year IT educational course for people with autism spectrum disorders. In 2021, BEC for the first time employed three former AspIT interns in permanent positions. In 2022, BEC is taking in more interns from several local AspIT branches.

In 2021 BEC also rolled out a program for dyslexia support, consisting of a teaching program for Danish employees in collaboration with VUC (Danish general adult education scheme). Four employees have participated in the program in late 2021 in combination with English language training. BEC also provides guides and articles to support employees in both Denmark and Poland with dyslexia.



BEC has also engaged in other diversity and inclusion activities in 2021:

- BEC participated in the student event **“DTU Diversity Day”**, engaging in a diversity card game with on how to increase gender balance and a better cultural inclusion in STEM (science, technology, engineering, and math).
- BEC has in 2021 entered a collaboration with **Foundation Digital University**, driving development and educational programs aimed at young women (age 17-24) from disadvantaged communities in Poland. BEC hosted an all-day educational event in the office in Warsaw with 22 curious and tech-savvy women taking part in the 2021 edition of the University of Success by Digital University.
- BEC continued the collaboration with **Women in Tech** in 2021, to inspire women to aspire for tech careers.
- BEC has a collaboration with Naturvidenskabernes Hus (The House of Natural Sciences) for **‘Girls Day in Science’**, to inspire and motivate young female students at the end of elementary and high school to choose education and careers within IT. In 2021, BEC invited young female students in for a day of fun coding and insights to BEC’s tech work within the financial sector.



”

I am implementing BEC's anti-money laundering solution, which supports the banks in the fight against financial crime. What's most interesting to me, is making our customers' different needs and processes meet in a common technical solution.

Vibeke Schmidt
Senior business analyst





3: MARKETPLACE

BEC'S COLLABORATIVE RELATIONSHIPS

Trust and accountability are fundamental values for BEC: How we at BEC go to work and act towards customers, suppliers, competitors, and partners.

CODE OF CONDUCT

BEC has implemented social, ethical, and environmental principles for good conduct for BEC's employees – a so-called code of conduct. The principles describe, among other things, the security and confidentiality that customers and partners can expect from BEC, and how BEC handles insider knowledge.

ANTI-CORRUPTION

BEC's anti-corruption policy establishes that BEC's employees must always perform their work following BEC's – and not personal – interests: Employees may not accept gifts or invitations that can affect how work at BEC is conducted. Employees must always discuss such situations with their immediate managers, who may also involve BEC's legal department.

All concerns regarding potential corruption are investigated by BEC's legal department, and the result of the investigation is presented to BEC's executive management. In 2021, no cases were identified in which the anti-corruption policy was violated.

BEC regularly assesses its anti-corruption policy to ensure that it provides correct guidance on the issues that employees typically encounter.

CONFIDENTIALITY AND COMPETITION LAW

BEC has a confidentiality and competition law policy that constitutes the overall framework for BEC's facilitation of and participation in cooperation between financial institutions that are mutual competitors.

The policy describes the basic rules for meetings, including requirements for the agenda, minutes of meetings, what categories of information may be discussed, and which may not be discussed.

Competition rules, and in particular the prohibition of entering into anti-competitive agreements, must ensure effective competition for the benefit of Danish society. However, an anti-competitive agreement may be legitimate and necessary if, among other things, it contributes to socio-economic efficiency, and consumers receive a fair share thereof. This is the case, for example, with the financial institutions' IT cooperation through data centers.

The competition law policy was in 2021 expanded with confidentiality as a new subject. A key point to remember for all BEC employees is to depersonalize, aggregate and/or generalize information before sharing. This is to ensure confidentiality and compliance with competition law. In 2021 it has been mandatory for all new employees to participate in awareness training. In 2022, BEC plans to expand the awareness to BEC's customers in some of the meeting fora in BEC's customer faced governance.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

A couple of years back, BEC has conducted a survey among selected suppliers, which generally showed great support for United Nations Global Compact among BEC's suppliers. In 2020, BEC implemented new provisions in BEC's supplier agreement paradigms in which the supplier warrants to abide by the ten principles of the United Nations Global Compact ("CSR provisions"). In 2021, as part of the renegotiation with all BEC suppliers covered by the new Danish executive order no. 877 of June 12th, 2020 on outsourcing for credit institutions etc., BEC will negotiate the CSR provisions to include these in the new contracts. This will entail the contracts with several of BEC's main subcontractors.

INVESTMENTS

BEC's board of directors approves BEC's investment policy annually, including BEC's total holdings and locations. The investment policy does not include BEC's capital shares in the subsidiary BEC Ejendomsselskab. The selected risk profile in the investment policy means that BEC only invests in Danish listed government and mortgage bonds, where BEC does not see ethical challenges.





I work with internal IT and enjoy implementing solutions within finance and project operations to improve the internal business processes. A flexible workplace and great work environment give you inspiration and joy of work in BEC.

Yurii Danylin
IT architect





4: ENVIRONMENT

BEC'S ENVIRONMENTAL FOOTPRINT

CORPORATE CARBON FOOTPRINT ANALYSIS

In 2021, BEC participated in the program “Climate Ambition Accelerator” by the UN Global Compact as part of strengthening our work on the UN Sustainable Development Goal #7 on clean energy. Through the program, BEC has gained more insights in managing greenhouse gas emissions and implementing different emission reduction strategies to meet ambitions to lower our greenhouse gas emissions as a company.

In 2021, an external partner has for the first time analyzed BEC's corporate carbon footprint to estimate our global warming potential in three scopes outlined by the Greenhouse Gas Protocol. The global warming potential estimates are based on a consequential life cycle assessment (C-LCA) approach.

The analysis is based on activities for BEC Financial Technologies for 2020, as a full overview of the total energy consumption is not known until summer each year.

The report is based on an analysis of all BEC's own activities (scope 1-3), and a screening of JN Data scope 1-3 because BEC owns more than 24.5 percent of JN Data. Data from JN Data are included in BEC's scope 3 emissions, as defined in the Greenhouse Gas Protocol regarding companies or facilities of which we do not have operational control.

Both JN Data and BEC use sub suppliers. Their climate footprint is not fully included in the analysis. In the future, BEC aims to include all significant sub suppliers in our scope 3 emissions.



SCOPE 1: 0.5%

OF BEC'S TOTAL EMISSIONS

The direct emissions in scope 1 originate from sources that are controlled or owned by BEC, e.g., leasing of company vehicles.

SCOPE 3: 96.4%

OF BEC'S TOTAL EMISSIONS

The indirect emissions in scope 3 originate from all sub-contractor purchases of products and services. External transport such as air travel and auto leasing are considered purchased services.

52.6 percent of scope 3 emissions originate from computer licenses and IT equipment.

14.3 percent of scope 3 emissions originate from JN Data. The primary contributor is electricity, which JN Data in 2021 has compensated by wind certificates. From 2023, BEC's scope 3 electricity consumption in JN Data will be matched by power production in a new solar park built for JN Data and partners.

2.7 percent of scope 3 emissions originate from air transport (primarily travels between Denmark and Poland) and 4.1 percent from other travel related activities (hotels, restaurants, etc.).

SCOPE 2: 3.1%

OF BEC'S TOTAL EMISSIONS

The indirect emissions in scope 2 originate from the consumption of electricity and district heating that is produced outside of BEC's control or ownership.

72.6 percent of BEC's scope 2 emissions originate from heating, and 27.4 percent originate from location-based electricity. The impact from electricity is reduced by purchased wind power certificates. BEC has purchased Danish wind certificates covering the full consumption in both Denmark and Poland.

In line with the Greenhouse Gas Protocol, purchased electricity is divided into location-based and market-based electricity. The market-based emission represents the emissions from the consumption of electricity in general. The location-based emissions are corrected for green certificates and trades with electricity. Both emissions factors have been calculated for 2020 in the official declarations published by Energinet.dk (Energinet, 2021). The reason for the higher emissions from the market-based electricity is that when no green certificates are subtracted, this leaves an electricity mix with a higher percentage of black energy.

- Emissions data for location-based electricity ("miljødeklarationen"): 125g CO2 equivalents per kWh
- Emissions data for market-based electricity ("eldeklarationen"): 368g CO2 equivalents per kWh

TOTAL EMISSIONS

The total amount of emission in the three scopes, based on the available data for 2020, was **33,600 ton CO2** equivalents.

LOWERING THE CARBON EMISSIONS

In BEC, our primary risk of further negative impact on climate and the environment is increased activity in our company, leading to increased CO2 emissions.

Today, BEC have current efforts in place to improve our environmental footprint:

- Since 2015, BEC has been ReFood certified by Daka ReFood. This means that BEC focuses on the prevention, sorting, and recycling of food waste. BEC is also working to increase the proportion of organic food in the canteens. BEC's food waste is used for bioethanol, organic fertilizer, renewable energy, and climate-friendly heating.
- BEC has a focus on circular economy, in the recycling and refurbishment of IT equipment and through Atea, who passes these on to their subcontractor Refurb. Refurb purchases used IT equipment from public organizations and companies for refurbishment and recycling by restoring used IT. In 2021 BEC sent 606 PCs to Atea, and more than 500 of these PCs were refurbished.
- BEC has established eight charging stations for electric cars at BEC's parking lot on Havsteensvej. The installations have been prepared for future expansion to accommodate more electric-powered cars when needed.
- BEC focuses on operating our buildings efficiently and sustainably, and new installations are chosen with a focus on contributing to the green transition.
- BEC also has a precautionary approach to cleaning agents. In Roskilde, we use an automatic dosing system that saves 20-30 percent on cleaning agents. In both Herning, Langebjerg, Roskilde and in Warsaw, we use an external supplier who has been chosen based on the supplier's use of eco-labeled cleaning products.

The results from the corporate carbon footprint analysis in BEC shows several areas for improvements to be made, which BEC will be focusing on in 2022:

- **COMPUTER LICENSES AND DEPRECIATION OF IT:**
50.5 percent of total emissions come from computer licenses and depreciation of IT. Since BEC is a tech company, licenses are a precondition to operate, but reducing emissions will be investigated.
- **REAL ESTATE AND BUILDING SERVICES:**
9.9 percent of total emissions come from BEC's own building mass in Roskilde. BEC will investigate how energy consumption can be reduced by replacing current installations with more sustainable technologies.
- **AIRPLANE AND THE CONNECTED ACTIVITIES:**
7.1 percent of total emissions come from air travel and connected activities. Being a company in Denmark and Poland, some travel is necessary, but it will be investigated to what extent air travel can be minimized.

In BEC, we recognize our impact on climate change as described above and as incorporated in our CSR policy. Therefore, we do not have a separate environment policy.



5: DATA ETHICS

BEC'S ETHICAL VALUES AND PRINCIPLES FOR HANDLING DATA

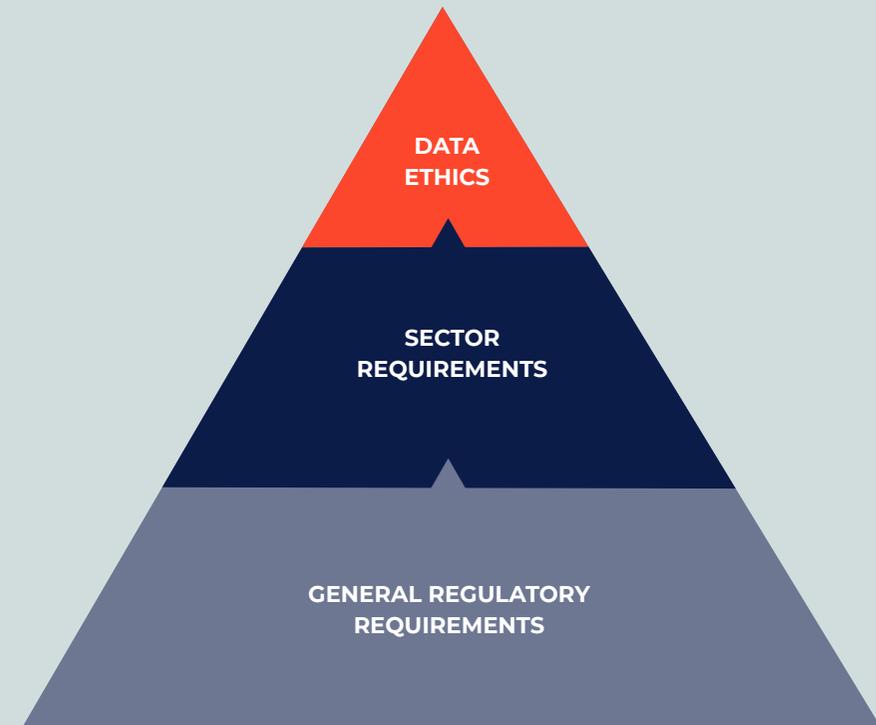
Data is at the heart of digitization. New, seemingly endless possibilities are emerging in both society and business, utilizing new technologies and big data. In the midst of this data revolution, customers, employees, and society must feel confident that data are always processed ethically by banks, BEC, partners, and vendors.

In 2021, BEC has adopted a new data ethics policy, outlining our values and ethics in how we handle and process data.

BEC promotes transparency and propriety in how we handle and process data for BEC's customers as well as our own internal data, not least employee data. In BEC, data ethics policy covers everything from data collection to data storage and data usage. It applies to all data and goes beyond personal data.

Data is regulated at multiple levels for BEC and banks, including GDPR and sector specific national and international standards and regulation. The policy on data ethics is BEC's own guidelines, adding to society standards and regulation.

BEC's policy on data ethics is approved and promoted by BEC's executive team, and the responsibility is assigned to BEC's chief data officer.



BEC'S SIX DATA ETHICS VALUES

Data ethics in BEC is based on six core values. These values are aligned with the original values proposed by the expert group who wrote the recommendation behind the Danish Financial Statements Act §99d on data ethics reporting.

For each of these values, BEC has defined a set of principles that serve as operational guides in our daily business. The focus is on BEC as data processor for financial institutions, but all values and some of the principles also apply to BEC as data owner of, e.g., employee data.

1

SELF-DETERMINATION People must retain as much control as possible over their own data and be able to choose what data they want to share and with whom. Self-determination is prioritized in all data processes.

2

DIGNITY People are treated with dignity in all data processes. Focus is on financial analysis – often based on statistical patterns. Aspects such as ethnicity, religion and sexual orientation are not factors. Services and products are offered based on the bank customer's needs.

3

RESPONSIBILITY All parties involved must be responsible for the consequences of their technological solutions and how they collect, store, use, and share data. Unless BEC is obliged to share data with third parties due to regulatory requirements or bank instructions (such as PSD2), BEC will not share data with third parties without performing due diligence on the part of the recipient of data, including why and how they intend to use which data.

4

EQUALITY AND JUSTICE BEC's technologies are not allowed to discriminate, and algorithms and artificial intelligence are designed to work on objective data. BEC aspires to avoid unintentional bias in analysis and data processing. Computer-generated decisions must be transparent and explainable from data and decision criteria. BEC continuously strives to capture trends in and improve user experiences and accessibility.

5

PROGRESSIVENESS BEC's data processing should contribute to progress for bank customers, banks, and society. BEC strives to ensure updated and trustworthy data for both operations and analysis. BEC promotes a transparent corporate culture, where openness about errors, irregularities or breaches is valued and leads to improvements.

6

DIVERSITY It matters who is involved in designing and developing IT solutions. BEC continuously strives to work with diversity and inclusion as described earlier in this CSR report.

DATA ETHICS IMPLEMENTATION

Everyone in BEC must read and understand all BEC policies, including the data ethics policy. BEC's chief data officer is responsible for implementation and internal awareness of the data ethics values and principles and the one to go to if observing non-compliance. Her team will also assist the organisation with data ethics questions and decisions. Also, more specialised training and workshops will be held where needed.

BEC will continue to mature the data ethics implementation, monitor market trends, and collaborate with BEC banks to ensure that BEC as data processor is aligned with their data ethics values.

Data ethics requirements will be integrated into existing design documentation, and they will be controlled in the related governance. This includes ensuring data ethics considerations and requirements when designing systems and data handling, and before new technologies are implemented.





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