

CORPORATE
SOCIAL
RESPONSIBILITY

2022



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.

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CODE.
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DELIVERING ON OUR CSR AMBITIONS

CSR expectations and requirements continue to rise. In society, in the financial sector and in BEC.

Organized as a corporate association, social responsibility is by nature at the core of BEC's business and strategy. Owned by 18 small, mid-sized and large Danish banks, the BEC community develops and provides IT for small local as well as large national banks and financial institutions – contributing to safe, stable and resilient banking. Furthermore, we recognize our societal impact as a large employer in Denmark and Poland.

We continue to expand our CSR ambitions to reflect the importance through concrete actions.

Among our CSR efforts in 2022 are:

- Delivered IT solutions to support BEC banks within sustainable finance, which is a rapidly evolving area of interest with increasing expectations and regulation.
- Preparations made for installing solar panels at our largest location at Havsteensvej in Roskilde. Also, from January 2023 our primary IT operations, handled by JN Data, are running on electricity from a new solar park co-financed by JN Data's commitment.

- Ensuring a diverse and inclusive workplace where every employee can be who they are. Among the activities are our participation in the Copenhagen Pride, cultural awareness training, and leadership training.
- Analyzing and reporting BEC's corporate carbon footprint as outlined by the Greenhouse Gas Protocol to track and reduce BEC's climate impact.
- Assisting 308.011 bank customers through our customer support with migrating to MitID, the new national secure login solution in Denmark.

This is BEC's ninth separate reporting on corporate social responsibility. The report elaborates BEC's corporate social responsibility activities mentioned in our annual report for 2022. It constitutes at the same time BEC's statutory reports on social responsibility, gender composition of the management and data ethics, according to the section in the Annual Accounts Act 99a, 99b and 99d.

JESPER NIELSEN
CEO

2.

CSR IN BEC

BUSINESS MODEL

BEC is a Danish full-service IT house with more than 1,700 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.

As an a.m.b.a cooperative association, owned by 18 small, mid-sized and large Danish banks, the BEC community provides IT for small local as well as large national banks.

BEC is a key player in Denmark's financial infrastructure and thus Denmark's financial stability. 23 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 Finansiel Stabilitet (an independent public company working to ensure financial stability in Denmark).

BEC's most significant impact 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.

As a mean to integrate and structure CSR into BEC's business, BEC has adopted the UN Global Compact principles into our CSR Policy.



HUMAN RIGHTS

1. BEC should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that BEC is not complicit in human rights abuses.



LABOR RIGHTS

3. BEC should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. Support the elimination of all forms of forced and compulsory labor;
5. Support the effective abolition of child labor; and
6. Eliminate of discrimination in respect of employment and occupation.



ENVIRONMENT

7. BEC should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

10. BEC should work against corruption in all its forms, including extortion and bribery.



BEC's CSR strategy is aligned with the corporate strategy and 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.

The figure shows the current framing and guiding of our sustainability work, which will be elaborated further in the coming years. New legislation is arising within

the ESG area, and BEC needs to continuously keep on top of these requirements to live up to the expectations of society, our customers, employees, and other key stakeholders. To ensure compliance with these requirements, a double materiality assessment is being planned. This assessment will be conducted in 2023 in partnership with an external supplier to secure readiness for future legislative requirements within the ESG area.

CORPORATE SOCIAL RESPONSIBILITY GOVERNANCE

BEC's commitment to work with corporate social responsibility includes employee matters, environmental and climate matters, anti-corruption and to support, respect and protect human rights, which 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.

3. ECONOMIC:

HOW BEC'S BUSINESS IMPACTS DANISH SOCIETY



OUR COMMITMENT:

Ensure a stable financial infrastructure for the Danish society.

A SAFE, STABLE, AND 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 a modern, digital society.

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. These risks have BEC comprehensive systems, processes, and audits to address and mitigate. A reliable financial infrastructure ensures the fundamental human right to own property alone and in association with

others. At the same time, a digital society entails risks of misuse, data leakage and data loss, which can compromise the right to privacy, which is also a fundamental human right.

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 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 protection 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.

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.

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 ongoing development programs; a new, specialized platform to combat money laundering and terrorist financing, which was implemented in 2021, expanded in 2022, and will be further expanded in the coming years. The solution is streamlining the banks' comprehensive, ongoing screening of all customers and transactions, supporting the banks in analyzing, documenting, and reporting suspicious activity.

- [Read more in BEC's annual report about our activities related to anti-money laundering](#)

Read more in
**BEC'S
ANNUAL REPORT**



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 decent work and economic growth.

As banks become more digital, their customers need increased digital skills. BEC's customer 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 which meets the demand for higher security when authenticating themselves digitally. In 2021-2022, BEC and the BEC banks have in total migrated 1,609,902 private users and 161,084 business users to MitID. Furthermore, BEC's support staff has in 2022 alone handled 308,011 support calls regarding bank customers migrating to MitID.

DEVELOPING SOLUTIONS TO SUPPORT SUSTAINABLE FINANCE

In these years EU is introducing extensive legislation within the overall sustainability agenda. EU's purpose for the financial sector is, first and foremost, to influence the moving of funds into the green transition and, at the same time, secure that the financial sector itself is living up to the requirements for the green transition. Furthermore, the financial sector needs to be more resilient to the risks posted to ESG risks e.g., climate change, environment degradation and transition risks.

Among the latest requirements is the Corporate Sustainability Reporting Directive (CSRD), which was adopted by the Council of the European Union end of November 2022. This directive sets new require-

ments for detailed sustainability reporting on a wide range of parameters, which the banks themselves are subject to, and which they must apply, e.g., in connection with providing loans for bank customers. As an example, banks must disclose their share of 'green loans'.

With several other draft standards and changes to current regulations in the pipeline, this is expected to continue in the coming years, and will also affect BEC's customers and their requirements for data and IT systems. BEC is together with member banks participating in collaborations in the sector to follow the many new requirements.

In 2022, BEC developed and delivered the first IT solutions for sustainable investment

and reporting. In addition, with the MiFID II directive, it is now required for financial institutions to have sustainability preferences integrated when advising customers about their investments. BEC has delivered complex new IT solutions for mapping sustainability preferences of investment customers', for calculating the bank's CO2 emissions from investments, and for reporting on the bank's sustainable investment products.

We have only seen the top of the iceberg within this area, and sustainability requirements will without any doubt evolve significantly and introduce many, complex and new obligations, and concepts to the sector over the coming years.



MITID IDENTIFICATION FOR DANISH BANK CUSTOMERS

In 2022 BEC continued migrating bank customers to MitID. In the beginning of the year this caused high pressure and long waiting time at our customer service. Quickly, BEC increased capacity by staffing up to support the high number of calls from bank customers who needed support for the migration to the new national digital identification. The length of calls and the waiting time were reduced and as a consequence, the measured customer satisfaction improved and even exceeded the defined service goals.



4. ENVIRONMENT:

REDUCING OUR FOOTPRINT



OUR COMMITMENT:



Improve our environmental footprint as an operating corporation.

CORPORATE CARBON FOOTPRINT ANALYSIS

BEC has again in 2022 contracted a technical greenhouses gas report to assess BEC total emissions.

The analysis is conducted in line with the Greenhouse Gas Protocol (GHG) standard and accounts for emissions from scope 1, 2 and 3. The quantification, calculation, and reporting are based on the reference

year 2021, as the marked based emission factor was not known until summer 2022.

The result from the report for the year 2020 has not been compared to the 2021 report as there has been a change in the methodology and change in the evaluation of what data was in scope and what was excluded. In the 2020 report some of the data included was billed through BEC scope to end customers but not relevant to the operations of BEC. This has been corrected in this year's report.

The report is based on an analysis of all BEC's own activities, and a screening of JN Data scope 1-3 because BEC in 2021 owned 24.5 percent of JN Data who provides IT operations and infrastructure to BEC. Data from JN Data is included in BEC's scope 3 emissions, as defined in the Greenhouse Gas Protocol, as they are part of our value chain and BEC's scope 3.

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



POLICIES AND OBLIGATIONS

BEC's environment work is guided by our CSR Policy, for which reason we do not have a separate environment policy.

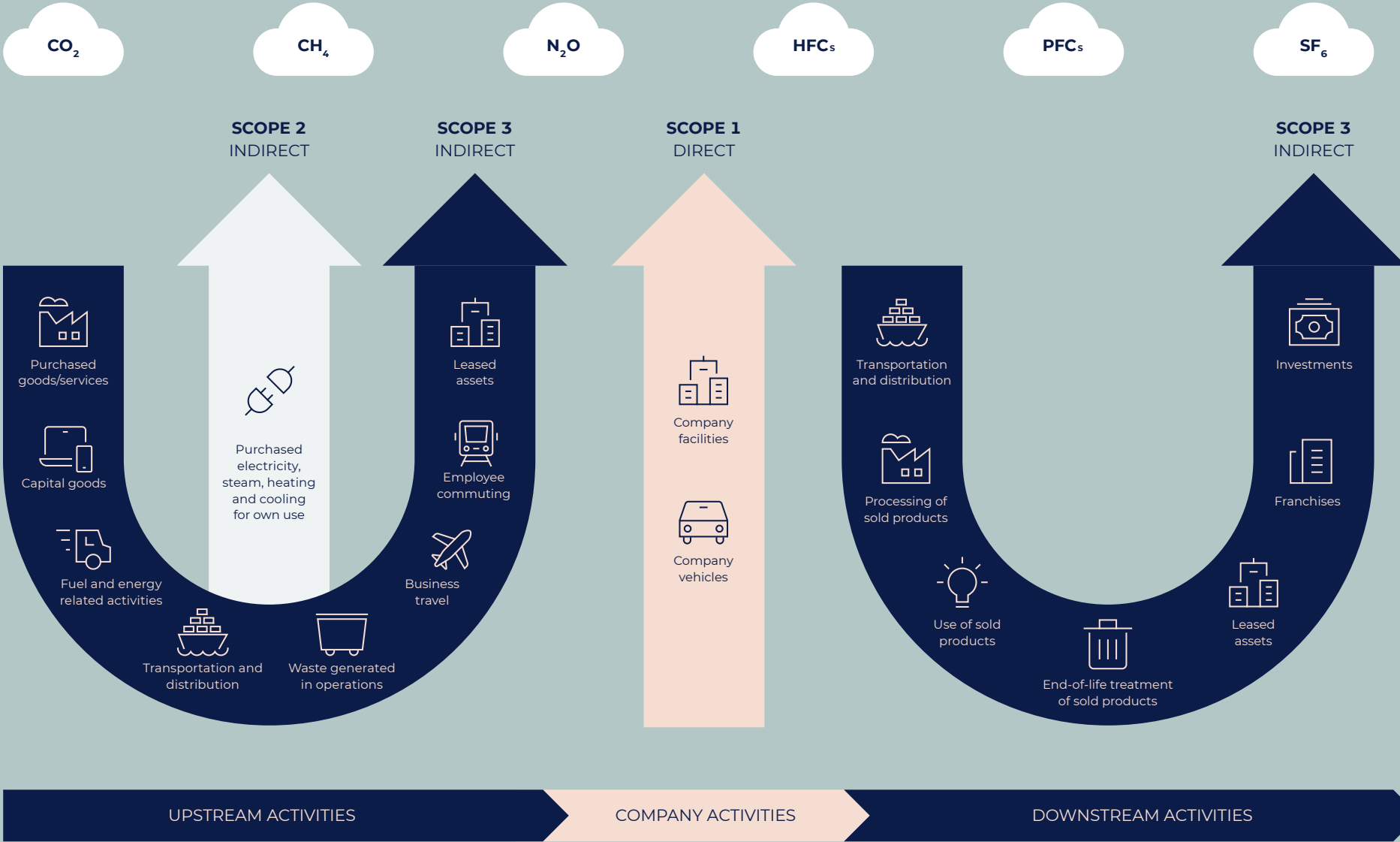


RISK

The primary risk of a further negative impact on the climate and environment is increased business activity in our company, leading to increased CO2 emissions. To mitigate this risk and as described below, BEC will continuously assess and implement initiatives to reduce our CO2 emissions.

The Greenhouse Gas Protocol (GHG), is a recognized international standard that calculates the emission of greenhouse gases converted into CO2 equivalents, divided into three scopes.

BEC's calculated emissions is based on this standard.





TOTAL EMISSIONS

The total amount of emissions in the three scopes, based on the available data for 2021, was:

Total location-based: 16,665 ton CO2 equivalents

Total market-based: 16,266 ton CO2 equivalents

SCOPE 1 IN BEC

The direct emissions in scope 1 originate from 10 leased company vehicles. Low-emission cars are being considered every-time a leasing period expires.

Scope 1 accounts for **0.3 percent** of BEC's total emissions.

SCOPE 2 IN BEC

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.

Scope 2 accounts for **3.5 percent** of BEC's total emissions.

31.6 percent of BEC's scope 2 emissions originate from heating.

68.4 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.

SCOPE 3 IN BEC

The indirect emissions in scope 3 are a consequence of BEC's activities but occur at sources owned or controlled by another company.

Scope 3 accounts for **96.2 percent** of BEC's total emissions.



1. Purchased goods/services



2. Capital goods



3. Fuel and energy related activities



4. Transportation and distribution



5. Waste generated in operations



6. Business travel



8. Leased assets



15. Investments

SCOPE 3 UPSTREAM

SCOPE 3 DOWNSTREAM



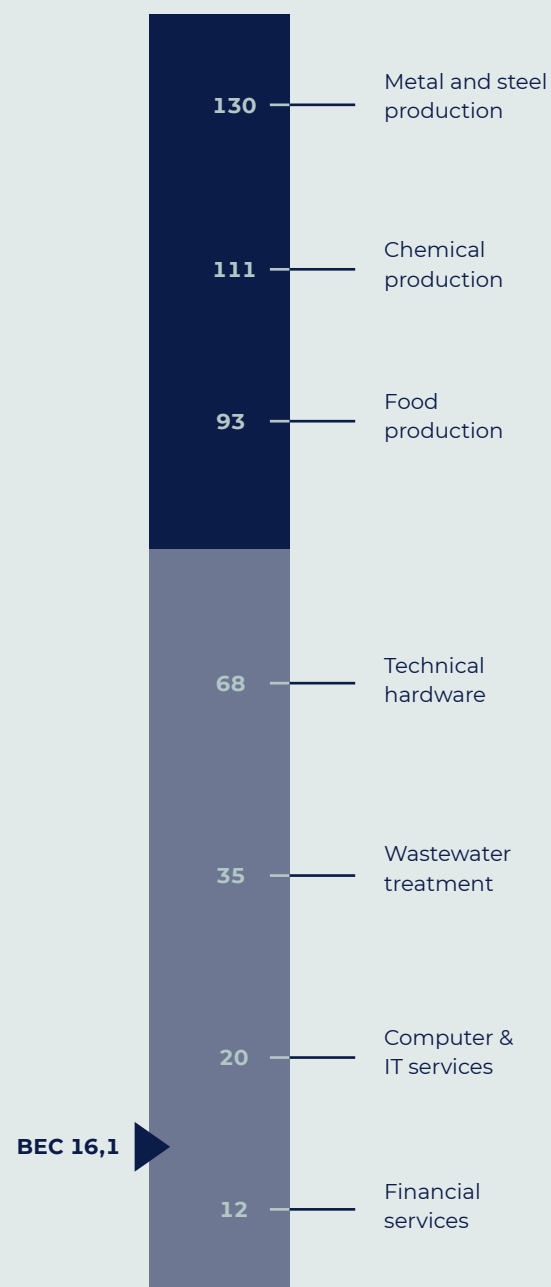
SCOPE 3 DOWNSTREAM

BEC's scope 3 downstream originates from JN Data, in which BEC in 2021 owned 24.5 percent and who runs most of BEC's IT operations. The primary contributor here is electricity. In 2022, JN Data made an agreement to use electricity produced in a solar park to cover their electricity consumption, starting January 1st, 2023. If it turns out that the committed amount of electricity from the solar park does not cover JN Data's actual usage, the rest will be covered by a wind turbine, securing that all electricity will be green. As co-owner of JN Data this will benefit BEC as our IT operations in JN Data will be covered by green electricity.

INTENSITY RESULTS

The financial reported revenue in 2021 – excluding licenses not consumed by BEC – and BEC's GHG emission of 16,665 ton CO2 equivalents for 2021, gives an intensity of 16.1 ton CO2 equivalents per million Danish kroner revenue.

A visualization comparing BEC emissions with the level of different sectors:





MARKET-BASED power corresponds to the electricity declaration (in Denmark "eldekla-rationen") and is the electricity a company buy financially. When a company buys elec-trical power certificates, it is market-based green (wind, solar, water), but location-based the company still has a CO2 emission. The company simply has compensated the po-wer consumption to zero emissions through an individual declaration ensures green electricity.



LOCATION-BASED power calculates emis-sions based on the average emission intensi-ty that the electricity grid physically delivers where the company uses the electricity. Location based (in Denmark "miljødeklara-tionen") corresponds to the environmental declaration i.e., the power that is physically delivered in the network.

	POLISH ELECTRIC POWER GRID 2021	DANISH ELECTRIC POWER GRID 2021	SOURCE
Market-based power		0.412 kg CO2-eq per kWh	www.energinet.dk (eldekla-rationen)
Location-based power	0.861* kg CO2-eq per kWh	0.135 kg CO2-eq per kWh	www.energinet.dk (miljødeklara-tionen) *Polish power emissions data from www.IEA.org
Total annual electric power consumption	196,270 kWh	1,701,812 kWh	

ACTIVITIES TO SUPPORT OUR ENVIRONMENTAL
COMMITMENT

Examples of the efforts BEC already has in place to im-prove our environmental footprint:

- BEC has a focus on circular economy, in the recycling and refurbishment of IT equipment and through our supplier 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 2022 BEC sent 132 PCs to Atea, and 56 of these PCs were possible to refurbish. The rest was scrapped, and the parts sorted as much as possible.
- BEC has established eight charging stations for electric cars at BEC's parking lot on Havsteensvej. The installa-tions have been prepared for future expansion to ac-commodate more electric-powered cars when needed.

- No chemistry is used for our outdoor maintenance at Havsteens-vej. Wildflowers are only removed with handcraft or garden tools.
- In our Roskilde office, we use an automatic dosing system that saves 20-30 percent on cleaning agents. In both Herning, Langebjerg, Roskilde and Warsaw, we use a supplier who among other requirements has been chosen based on the supplier's use of Nordic Swan eco-labeled cleaning products.

Specific efforts made in 2022 which have further improved our environmental footprint:

- Reduced energy consumption by lowering the temperature to 21 degrees Celsius in office buildings and have night lowering on the ventilation system.
- BEC's travel policy has been updated emphasizing that the employees should always carefully consider whether a trip is necessary.

- Analysis has been made and below initiatives will be implemented in 2023:

1. Installing LED lighting at Havsteensvej.
2. Installing solar panels at Havsteensvej expected to produce up to 200,000 kwh.
3. Replacing of V-belts in ventilation systems to lower energy consumption.

In 2023, BEC will continue with above initiatives as well as let the corporate carbon footprint analysis guide us in where to put our efforts.

5. SOCIAL:

OUR WORKPLACE AND LOCAL COMMUNITIES



OUR COMMITMENT:

” Promote diversity, inclusion and social equity in BEC and our communities.

BEC aims to create social impact where it matters the most by considering human rights, labor rights, employment, equality, and inclusion. In addition, BEC wishes to engage in socially responsible initiatives that are naturally related to BEC's business and local communities.

We continuously seek and obtain feed-back from employees and implement measures to ensure we live up to our ambition of being an attractive and inclusive workplace. Here we describe measures that BEC has implemented to continuously monitor and develop in this area.

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

BEC strives to be an attractive 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 councils, work environment organization and an elected employee representative in the board of directors.

The Polish branch of BEC has grown significantly over the past years. A BEC Poland Works Council has been agreed upon in 2022 and will be established in 2023. In 2022, BEC has also decided to establish a European Works Council in 2023 to ensure close collaboration with and consultation of our employees in both countries.



POLICIES AND OBLIGATIONS

- Code of Conduct
- Policy of equality
- Policy for health and well-being
- Policy for hybrid-working model
- Collective bargaining agreement
- Business procedure for works council



RISK

It is essential for BEC to attract, retain and develop a market-leading workforce with the capacity and capabilities required to deliver on BEC's short- and long-term business strategy and hereby contribute to a safe, stable, and resilient financial infrastructure in Denmark.

BEC strives to continuously offer our employees an attractive workplace where policies and procedures are implemented to limit risks for employees related to, e.g., health, safety, discrimination, harassment, and other violations of labor rights.



BEC collaborates with Roskilde municipality on projects for vulnerable young people. An example is within maintenance of green areas where the participants are working at BEC with establishing beehives on the location at Havsteensvej.

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, harassment and any other type of discriminatory practice, bullying, abuse, or sexual harassment. This is an ongoing focus area for BEC and will be secured by handling health and sickness cases, and providing training, assistance, support, and actions where needed.

COVID-19 has also in 2022 had an impact on our society and hereby also on BEC. In the beginning of the year, BEC continued providing test centers on all locations in Poland and Denmark. Influenza and COVID-19 vaccines have also been offered to all employees on both Polish and Danish locations. Restrictions and advice from Danish and Polish authorities were complied with to secure health and safety for all.

BEC's canteens in Denmark offer a varied and healthy selection of food. In Poland similar services was introduced to the employees in 2022. Some BEC locations furthermore offers fitness facilities, access to massage rooms, and other treatments. Furthermore, in 2022 we have renovated older BEC office areas in Denmark for a more modern work environment.

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, a junior club for young employees and sports clubs.

Also, the physical as well as mental health is supported by BEC if employees need it. Various sickness and health services are offered to all employees via local external partners.



FLEXIBILITY IN A HYBRID WORKING MODEL

We wish to be an attractive workplace where people appreciate being together and be part of a community. In 2022, BEC launched an updated policy for hybrid-working with the purpose of setting up a permanent framework to support the teams' goals and efficiency.

Working remote has after COVID-19 become popular, and something BEC wants to support to secure flexibility for the employees. At the same time, we wish to ensure the best conditions for onboarding, knowledge sharing, and collaboration. By spending time together in our teams at the office locations, we can increase the mental well-being of our employees by increasing our collaboration, inspiring each other, learning from each other, and growing our relations. At the same time, we will increase the coherence, sense of belonging and purpose which positively affect our employees' well-being.

Based on experiences from the time during corona, BEC has developed a concept for a hybrid workplace that rests on a local agreement under the Danish financial agreement: We spend most of our working time at the workplace to ensure knowledge sharing, collegiality and belonging, while it in most teams is also possible to work from home on average up to 1-2 days a week.

A WORKPLACE AIMING FOR HIGH ENGAGEMENT

To ensure that BEC continuously maintains and develops an attractive and healthy workplace, BEC on a regular basis conducts the employee engagement survey "BEC Pulse", launched 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. With this tool we review and define targeted actions to increase engagement on a company, division, area, and team level. BEC is also able to benchmark the results with peers via a technology industry benchmark.

Over the past year, BEC has managed to improve its overall engagement score from 7.2 end-of-year 2021 to 7.4

end-of-year 2022, which is however below the technology industry benchmark of 7.9. BEC has experienced improved scores on all parameters included in the survey except for 'autonomy', which seems to be due to a more fixed framework for hybrid-work in BEC.

Many factors influence the engagement score, and it is important to highlight that BEC's extensive organizational changes, updated business strategy and changes in the way we work have expectedly affected the result negatively during the period. By providing management attention and implementing relevant initiatives, we expect an improvement in the score in 2023. BEC's ambition is to match or be above benchmark before end of 2023.



BEC in Warsaw supports Szlachetna Paczka (Noble Gift). In December 2022, BEC colleagues were providing help, material support and presents for families in need.

To increase the engagement score, BEC will in 2023:

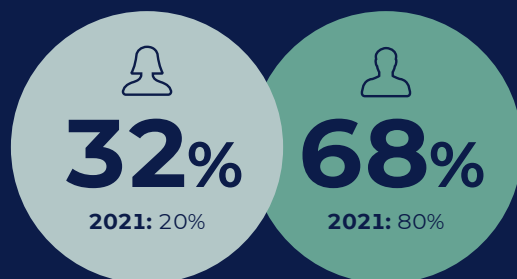
- Strengthen our leadership competences
- Strengthening employees' sense of belonging to BEC
- Increase focus on providing employees with opportunities for personal and professional growth

On a quarterly basis, all managers conduct BEC Pulse checks with their teams discussing the results and turning the data into concrete actions at the appropriate organizational levels.

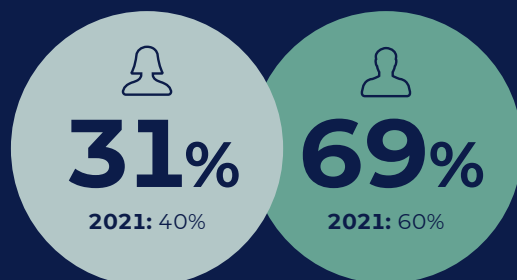
We also expect that the significant number of resources BEC invests in leadership training will positively impact the employee satisfaction and engagement in 2023. The development will continuously be monitored via the engagement survey.

GENDER BALANCE IN HIRES TO THE TALENT PROGRAM

POLAND 2022



DENMARK 2022



GRADUATES, STUDENT JOBS AND COLLABORATIONS

BEC supports the UN Sustainable Development Goal #4 on quality education through internships, work-study programs, graduate roles, etc., which give students earlier access to the corporate environment.

In 2022, BEC continued our successful talent program in Denmark and Poland. In Denmark 13 recently graduated candidates were employed, and 56 candidates in Poland, for either IT development or business analyst positions. 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.

BEC employed 56 student workers by year end 2022. This number decreased compared to 2021, mainly due to the reason that BEC in 2021 hired a significant number of temporary student workers to support the MitID migration project.

Besides employing students and newly graduated employees, BEC also contributes to more young people aspiring for a career in IT and being able to train within this field through:

- Participation in education committees at IT University of Copenhagen, MidtVest Business Academy and Roskilde University.
- Partnerships and career focused collaborations with IT University of Copenhagen, Technical University of Denmark, University of Copenhagen, Roskilde University, University of Southern Denmark, and University of Politechnika Warszawska.
- Guest lectures at universities and conferences in Denmark and Poland.
- Internships and project collaboration with students.
- Sponsor for "Women in Tech" and host of an event as part of "Girls Day in Science".



Again in 2022 BEC welcomed over 30 girls for Girls' Day in Science. Here the girls get to meet female BEC it-developers who work with future solutions for the financial sector.



In 2022 BEC attended Copenhagen Pride.

DIVERSITY AND INCLUSION IN BEC

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.

The aspiration in BEC's diversity and inclusion 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

To be able to get an understanding of our employees experience and perception of BEC's focus and maturity within this area, we have implemented a diversity and inclusion module within the BEC Pulse engagement survey. With an overall score by the end of 2022 of 8.3, BEC is matching the technology industry benchmark in this area. This is an improvement of 0.4 since last year, which we consider a very satisfactory development. In 2022 the employees in BEC provided 1,701 comments related to the topic of diversity and inclusion alone. This continuously brings us valuable insights regarding how to improve diversity and inclusion in BEC.

A WORKFORCE EMBRACING DIFFERENT PERSPECTIVES

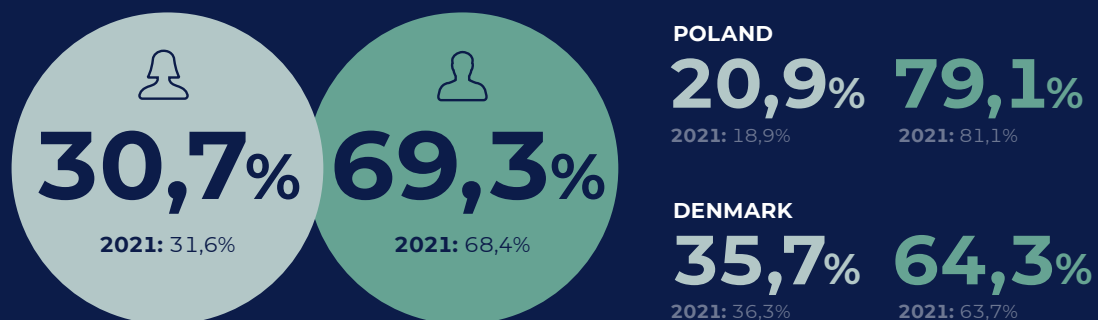
In BEC, we believe that diversity in our workforce and bringing together different perspectives, while ensuring an inclusive workplace where these differences are valued and leveraged, creates better outcomes for our customers, our employees, and our company. We want to ensure fair hiring evaluations, equal opportunities for advancement into leadership positions and taking on different roles, and we aim to address and handle any possible biases in BEC.

In 2022 the gender balance among BEC's total workforce was 30.7 percent females versus 69.3 percent males. In 2021 the balance was 31.6 percent females versus 68.4 percent males. BEC's growth in the number of employees in Poland and proportionate decrease of employees in Denmark in 2022 is the primary reason for BEC's overall change in the gender balance. The market ratio of female IT specialists in Poland is below the market ratio in Denmark, and even though BEC with 20.9 percent female employees in Poland is above the local benchmark for IT-labor, it remains to have a negative impact on BEC's overall gender balance in 2022.

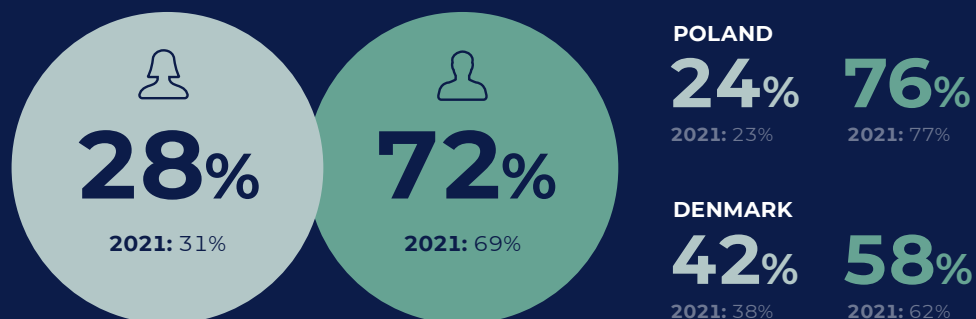
According to the European Union's Gender Equality Index 2020, 20 percent of ICT specialists in Denmark are females, and 14 percent of ICT specialists in Poland are females. Thus, BEC as a company has a stronger gender balance among employees than industry benchmark.

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.

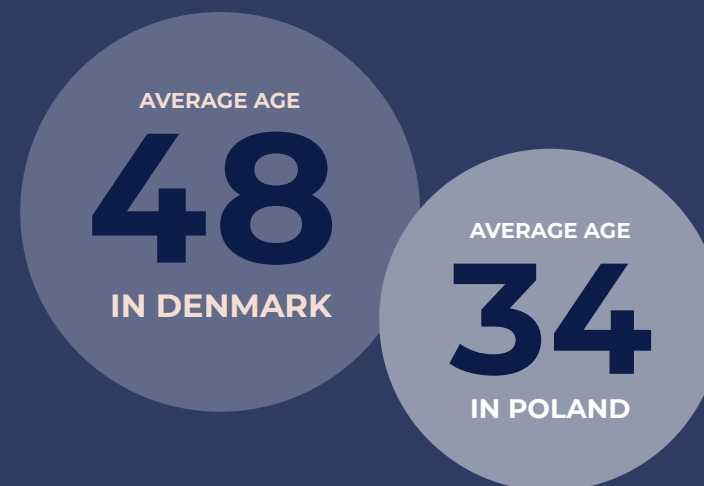
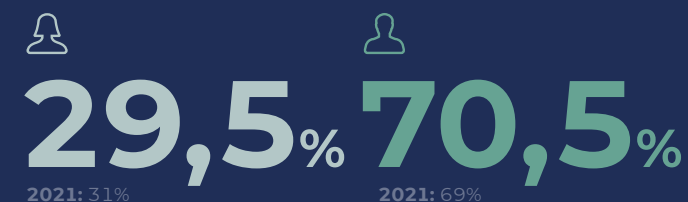
♀ GENDER BALANCE IN BEC 2022



♀ GENDER BALANCE - NEWLY HIRED 2022



♀ GENDER BALANCE MANAGERS 2022



TARGETS AND GENDER DIVERSITY FOR BOARD OF DIRECTORS AND BEC'S MANAGEMENT

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 a target to have each gender represented on BEC's board of directors. The target for 2024 is to have at least two board members of the underrepresented gender if the board consists of seven members, and at least three board members of the underrepresented gender if the board consists of eight members. At year-end 2022, the board of directors consisted of six men and one woman. This is an improvement compared to the end of year 2021, where the board consisted of eight men. The gender composition of the board 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.

BEC has the ambition of having each gender represented in BEC's management levels by at least 35 percent in 2024 and by 40 percent in 2030. With 29.5 percent female managers in 2022, these targets have been considered ambitious yet realistic. To implement our policy on diversity for the other management levels and support the achievement of the targets, different initiatives to promote diversity and avoid bias is developed, e.g., in the recruitment process and when promoting managers.

Due to new legislation effective from 2023 related to gender balance on BEC's 1st and 2nd management levels, short-term and long-term targets have been established. In BEC the respective management levels will include the Executive board (CEO and deputy CEO) and managers reporting to them.

In 2022 the gender balance on BEC's 1st and 2nd management levels was 91 percent men and 9 percent woman. The ambition for BEC is to achieve a balance of

minimum 17 percent of the underrepresented gender in 2024 and minimum 33 percent by 2030.

In addition to measuring gender diversity, also generation and nationality diversity are factors being measured in the divisions management teams:

- **Gender diversity in division management teams:**
Both female and male managers must be represented in each division management team by minimum 35 percent in 2024 and 40 percent in 2030.
- **Generation diversity in division management teams:**
Three generations (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 each representing minimum 30 percent in 2024.

INITIATIVES TO SUPPORT DIVERSITY AND INCLUSION

In 2022, BEC marked and participated in the Copenhagen Pride for the first time. An event which overall purpose is anchored in supporting human rights, equality, and the right for all human beings to be who they truly are. 60 colleagues and family members joined the parade to celebrate diversity, equality and inclusiveness in our workplace and society. In Poland, an event was held in the Warsaw office to kick-start dialogues on the importance of diversity and inclusiveness. BEC plans to attend both Copenhagen Pride and Warsaw Equality Parade in 2023.

BEC supports 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. During 2022, BEC employed five AspIT interns, and three interns were offered permanent employment in BEC during the year. The collaboration with AspIT will continue in 2023.

BEC has also engaged in several other external diversity and inclusion activities in 2022. We have, e.g., participated in the student event "DTU Diversity Day", collaborated with Foundation Digital University in Warsaw and hosted an event for girls in primary school classes via the initiative 'Girls Day in Science'.

To promote diversity and inclusion internally, BEC has:

- Launched a video with BEC's executive team communicating clear commitment to the diversity and inclusion agenda.
- Conducted workshops with the recruitment team regarding how to install bias blockers throughout the recruitment process.
- Continued our ambition of ensuring a 'one BEC' culture across nationalities and locations. During 2022, initially 88 BEC employees have participated in cultural intelligence training, upgrading skills for working efficiently and respectfully across cultures.
- D&I Lunch & Learn sessions were introduced and offered to all employees. The sessions cover different topics within the diversity and inclusion agenda. A total of five sessions taking the participants through the topics of the basics of diversity, inclusion, bias, bias blockers, psychological safety, and inclusive language.

The D&I lunch and learn sessions will be followed up by dilemma discussions in all BEC teams in 2023 focused on inclusion, anti-harassment, and discrimination.



BEC'S ROLE IN OUR LOCAL COMMUNITIES

As a cooperative association (a.m.b.a.) owned by 18 Danish banks, the BEC community provides IT for our owners and other local, regional and national banks of all sizes. The BEC community thus supports a diverse Danish banking sector with varying community relations, ownerships and business models, providing high digitalization even for small banks that would otherwise be unable to meet the requirements of a modern digital society.

BEC operates from locations in Roskilde in Denmark – where we are the largest privately owned employer – Herning in Denmark, and Warsaw in Poland. As a pilot project BEC has in 2022 also established an office in Lublin in Poland. In these communities we play an important role, providing jobs and tax payments from employees, as well as contributing to the local communities in other ways. For example:

- BEC is a member of COROlab, an NGO that brings together large and small companies in Roskilde for co-creation.
- BEC is a main sponsor for the annual event “Rabalder Festival” in the area Musicon, Roskilde.
- We collaborate 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.
- In Warsaw BEC supports the Noble Gift (Szlachetna Paczka) social scheme initiative, organized by the Wiosna Association. Here BEC employees prepare and packed Christmas gifts for three less fortunate families in Poland.



#STANDWITHUKRAINE

The tragic events which have unfolded in Ukraine since the beginning of 2022 has also affected BEC and the employees. BEC promptly focused on facilitating support and collections with a humanitarian focus, which included the initiatives:

- Fast-track recruitment process for those who had lost their jobs in Ukraine and were looking for work in Denmark or Poland. Two local fast-tracks were implemented, with the intention to help those affected by the war.
- Fundraising in both Denmark and Poland, where BEC doubled the funds collected among employees. The funds were transferred directly to Red Cross in Denmark and Polish Medical Mission.
- In Warsaw a collection of material aid was organized. In Denmark colleagues was due to logistical reasons encouraged to donate funds instead.
- Possibility for employees to volunteer 1-2 days in initiatives coordinated by e.g. Red Cross or authorities in both Denmark and Poland.
- Psychological advisory service in both Denmark and Poland for employees affected by the war.

6. BEC GOVERNANCE

RESPONSIBLE BUSINESS CONDUCT

To be able to execute on the sustainable agenda in our CSR strategy a strong governance needs to be in place.

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.

If any concerns arise regarding potential corruption this will be investigated by BEC's legal department, and the result of the investigation will be presented to BEC's executive management. In 2022, 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. This will also be performed in 2023.

CODE OF CONDUCT

BEC has implemented social, ethical, and environmental principles for good conduct for BEC's employees. The principles describe, among others, the security and confidentiality that customers and partners can expect from BEC, and how BEC handles insider knowledge.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Throughout 2022, in connection with renegotiation of outsourcing agreements due to other legislative

requirements, the vast majority of these agreements now have incorporated BEC's standard CSR provisions. In these CSR provisions, the supplier warrants to abide by the ten principles of the United Nations Global Compact.

In addition, all BEC standard supplier contract templates now have the CSR provisions embedded within them, and all new contracts are therefore negotiated with these provisions as part of the contracting effort. Where contracting is done on a vendor's template, the provisions will nevertheless seek to be incorporated as part of BEC's negotiation with the vendor.

As part of BEC work with our suppliers the human rights area will in 2023 get more attention, as part of securing the ten principles in the United Nations Global Compact. In 2022 BEC has not recorded any indications of human rights violations.

WHISTLEBLOWER

BEC launched a whistleblowing portal in 2021, ensuring a channel for employees and other stakeholders to BEC 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 2022, 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.



POLICIES AND OBLIGATIONS

- Anti-corruption policy
- Code of Conduct
- Compliance policy
- Information security policy
- Policy on data ethics
- Insider trading policy
- IT risk management policy
- Personal data policy
- Policy for security conduct
- Risk management policy
- Whistleblowing policy



RISK

The efforts under responsible business practices constitute the foundation of our work with social responsibility. We have identified that the risk of corruption may lie in relation to our suppliers and/or business partners particularly around gifts or invitations to events. Thus, we ensure the policy to be implemented and all levels of the organization must act responsibly and secure to address risks if discovered. If BEC does not live up to our obligations and responsibilities due to ineffective business conduct, employees, customers, and other stakeholders will lose trust in us.



CONFIDENTIALITY AND COMPETITION LAW

BEC has a confidentiality and competition law policy. The policy includes BEC confidentiality obligations and constitutes the overall framework for BEC's facilitation of and participation in cooperation between competitors.

All BEC employees shall observe confidentiality about customer data and business information. A key point is to depersonalize, aggregate and/or generalize information before sharing.

The overall framework applies to collaboration between banks, BEC, other IT vendors, and general collaboration in the sector. Further, it describes the basic rules for meetings, including requirements for the agenda, minutes of meetings, which 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 banks' cooperation in IT communities such as BEC.

All relevant employees are required to attend training about confidentiality and competition law. In 2023, BEC plans to expand with follow-up awareness training.

ENTERPRISE RISK MANAGEMENT

Since the launch of the 'TechUp – Winning Customers' strategy in 2021, solid work has been conducted to increase risk management capabilities in BEC. At first, building and scaling a proper 2nd line-of-defense organization with knowledge and competencies to navigate the current regulation has been essential. Secondly, it has been vital to build a suitable risk management framework to continuously support BEC's capabilities of providing a safe, stable and resilient financial infrastructure. As part of our leadership academy, all managers are being trained in BEC's approach to enterprise risk management and their responsibilities as managers.

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.

OUR DATA ETHICS POLICY

Increased digitization and increased amount of available data provide new opportunities for solutions and products of our customers. At the same time, it is becoming still more important to consider the extent to which it is ethically acceptable to use available data. Customers, employees, and society must feel confident that data is always processed in an ethically correct way.

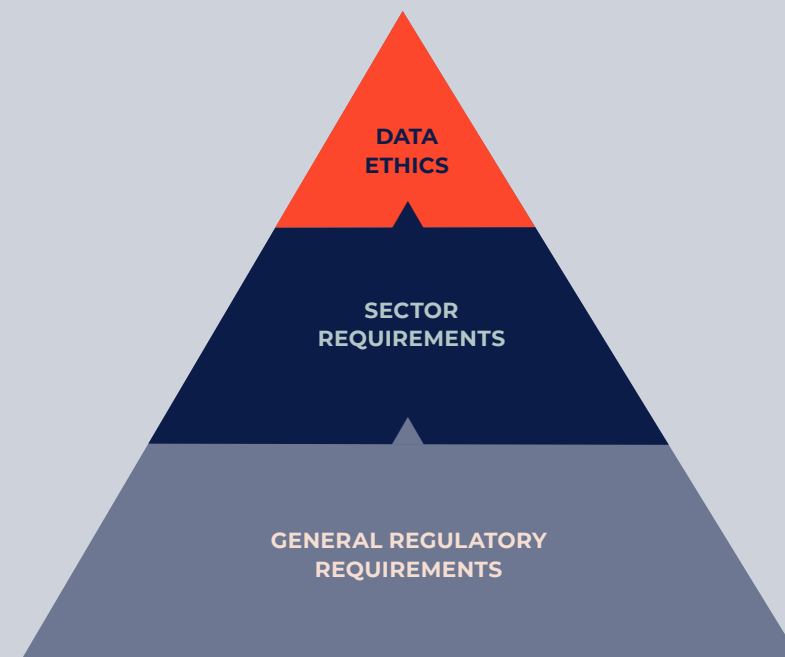
In 2021, BEC adopted a data ethics policy, outlining our values and ethics in how we handle and process data. Processing data is a part of BEC's core business and BEC strives to handle and process data in a fair and transparent manner and with an ethical mindset.

Working with data ethics is both a short and long term effort. BEC has now taken steps within specific tasks on data ethics awareness and integration into existing documentation and governance, so that BEC is ready to respond to potential data ethics dilemmas.

In 2022 BEC has continued making the data ethics policy, its values, and principles more tangible for all employees. Data stewards across BEC are formally introduced to data ethics via an onboarding program, and data ethical thinking is being embedded into architecture development and ways of working. BEC has established a joint effort with some BEC banks on data ethics to discuss and exchange ideas, touching on common denominators and implementation experience within data ethics.

Everyone in BEC must read and understand BEC's policies, including the data ethics policy. The policy on data ethics is BEC's own guidelines, adding to society standards and regulation. 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 organization with data ethical questions and decisions.

BEC will continue to mature the data ethics implementation and monitor market trends (i.e., 'D-mærket').



7.

SELECTED ESG FIGURES AND REPORTING PRINCIPLE

	UNIT	2022	2021
ENVIRONMENT			
CO2e (scope 1)	tCO2eq	– *	53
CO2e (scope 2)	tCO2eq	– *	583
CO2e (scope 3)	tCO2eq	– *	16,029
Energy consumption	kWh	– *	1,898,082
Share of renewable energy	%	– *	100%
Water consumption	m3	– *	9,372
SOCIAL			
Head count	No.	1,728	1,819
Full time workforce	FTE	1,335	1,296
Gender diversity in BEC	%	30.7% F / 69.3% M	31.6% F / 68.4% M
Gender diversity in management	%	29.5% F / 70.5% M	31% F / 69% M
Attrition	%	22 %	18%
Employee satisfaction (engagement)	BEC Pulse score	7.4	7.2
GOVERNANCE			
Gender diversity in board of directors	%	14% F / 86% M	0% F / 100% M

* Figures not available yet, as both the market-based emission factor and the full overview of BEC consumption is not known until summer 2023.

REPORTING PRINCIPLE

ENVIRONMENT

CO2e (scope 1)	All direct emissions directly related to BEC activities. This includes technical installations and mobile installations at BEC. Calculated according to the GHG Protocol.
CO2e (scope 2)	All indirect Green House Gas emissions related to the consumption of energy. In our case this mainly includes purchase of electricity and heat. Calculated according to the GHG Protocol.
CO2e (scope 3)	All other emissions not accounted for in scope 1 and 2 and sums up all indirect emissions related to the activity of BEC. Calculated according to the GHG Protocol.
Energy consumption	Electricity used in all three Danish locations and in Warsaw office. Part of scope 2 calculations.
Share of renewable energy	If the energy consumption used (kwh) is covered by bought certificates or renewable energy sources – the share of renewable energy is 100%.
Water consumption	The sum of all water drawn into BEC from all sources (surface water, ground water, rainwater, and municipal water supply). Water consumption is the gross amount of consumption and covers all three Danish locations and in Warsaw office. Part of scope 3 calculation.

SOCIAL

Head count	Head count includes permanently employed, hourly paid and external contractors in Denmark, and in Poland permanently employed and B2B contractors.
Full time workforce	In Denmark permanently employees count for 1 FTE unless on reduced time, and hourly paid employees count for 0.4 FTE. Danish contractors: FTE = work hours invoiced in month/norm time of 1,650 hours. In Poland all staff counts for 1 FTE.
Gender diversity in BEC	Gender diversity measured among all employees in Denmark excl. external consultants and all employees and consultants working in Poland, excl. employees and consultants allocated directly to individual customers. Data calculated per year-end.
Gender diversity in management	Including all managers in BEC with direct personnel responsibility. Data calculated per year-end.
Attrition	Includes all employees in Denmark excl. external consultants, and all employees and consultants in Poland, excl. employees and consultants allocated directly to individual customers. The attrition rates include attrition due to resignations, dismissals, and natural leave. Data calculated per year-end.
Employee satisfaction (engagement)	Employee satisfaction and engagement (BEC Pulse) is measured via a solution provided by an external supplier. This also makes it possible to benchmark BEC's results with peers in the technology industry.

GOVERNANCE

Gender diversity in board of directors	The gender composition in the board of directors including the employee representative.
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BEC Financial Technologies a.m.b.a.

Havsteensvej 4, 4000 Roskilde

www.bec.dk | bec@bec.dk

46 38 24 00

CVR/VAT: 13 08 88 10

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