



Corporate Social Responsibility

2021/2022

SYSTEMATIC



A Word from the CEO

This document is part of the management commentary for 2021/2022, and part of the mandatory CSR report in accordance with Section 99a of the Danish Financial Statements Act (Årsregnskabsloven).

The 2021/2022 financial year has indeed been a turbulent one looking out on the world. Russia's brutal invasion of Ukraine in February 2022 was a tough wake-up call for most of us – except perhaps for the Ukrainians, who were prepared to defend their freedom and independence and stand up for democracy. What some hoped would be a singular act of aggression has become a full-scale conflict, promoting instability and security fears across Europe and beyond.

The recent sabotage of the Nordstream gas pipeline has only added to that – and for a company based in Denmark, it is uncomfortably close to home.

For our colleagues in the nearshore outsourcing company Conscensia in Lviv, Ukraine, the war is a constant threat and impacts their everyday lives. Naturally, Systematic's owners and employees wanted to show their support, and raised DKK 650,000 to help the people and our colleagues in Ukraine.

If there is anything positive to be said about the situation, it is that the international community, NATO countries and allies in the democratic world have come together to support Ukraine's

legitimate self-defence, improve the humanitarian situation while increasing the pressure on Russia through hard sanctions.

In connection with Russia's invasion of Ukraine, we have asked our subcontractors to verify that their deliveries do not support Russian interests, just as we do not have any engagements there.

In December 2021, we were surprised to become the subject of a police investigation based on claims stated in the Danish media that we have tried to circumvent Danish restrictions on exports to the United Arab Emirates via our UK subsidiary.

In November 2022, the public prosecutor in Denmark decided to close the investigation after concluding that there was no basis for building a case against Systematic.

The decision was based on the police investigation, which has been going on for about a year.

We have been transparent and submitted the correct information to the authorities and thereby secured the relevant permits which our exports require.

Throughout FY2021/2022, we have worked with risk assessment, governance scope and impact on human rights, labour rights, the environment and anti-corruption. To ensure progress, we have established a CSR Governance Board to focus on and set the direction for future initiatives concerning corporate social responsibility. In addition, we have established a new Compliance & Audit team which has updated and will continue to monitor our compliance and due diligence procedures.

Systematic's presence in the global market is growing.

In FY2021/2022, 55% of our order intake came from countries outside Denmark. This means we are delivering on our strategic initiative to become 'Truly international – proudly Danish'. While most of our employees are Danish, we currently employ 28 different nationalities. For us, diversity is a business driver. We aim to be an inclusive organisation where widely differing perspectives, values and knowledge enable growth and innovation.

The IT labour market is short of qualified employees, in particular women with IT profiles. This is one of the reasons we have embarked on a mission to encourage more women to pursue a career in IT.

To increase the general talent pool of candidates in the IT industry, we have created programmes for our interns who acquire useful knowledge about software development and the particular field they specialise in – but we are also both challenged and inspired by their questions, suggestions and enthusiasm. It is a win-win solution – especially as more than 90% of our interns become full-time employees after completing their studies.



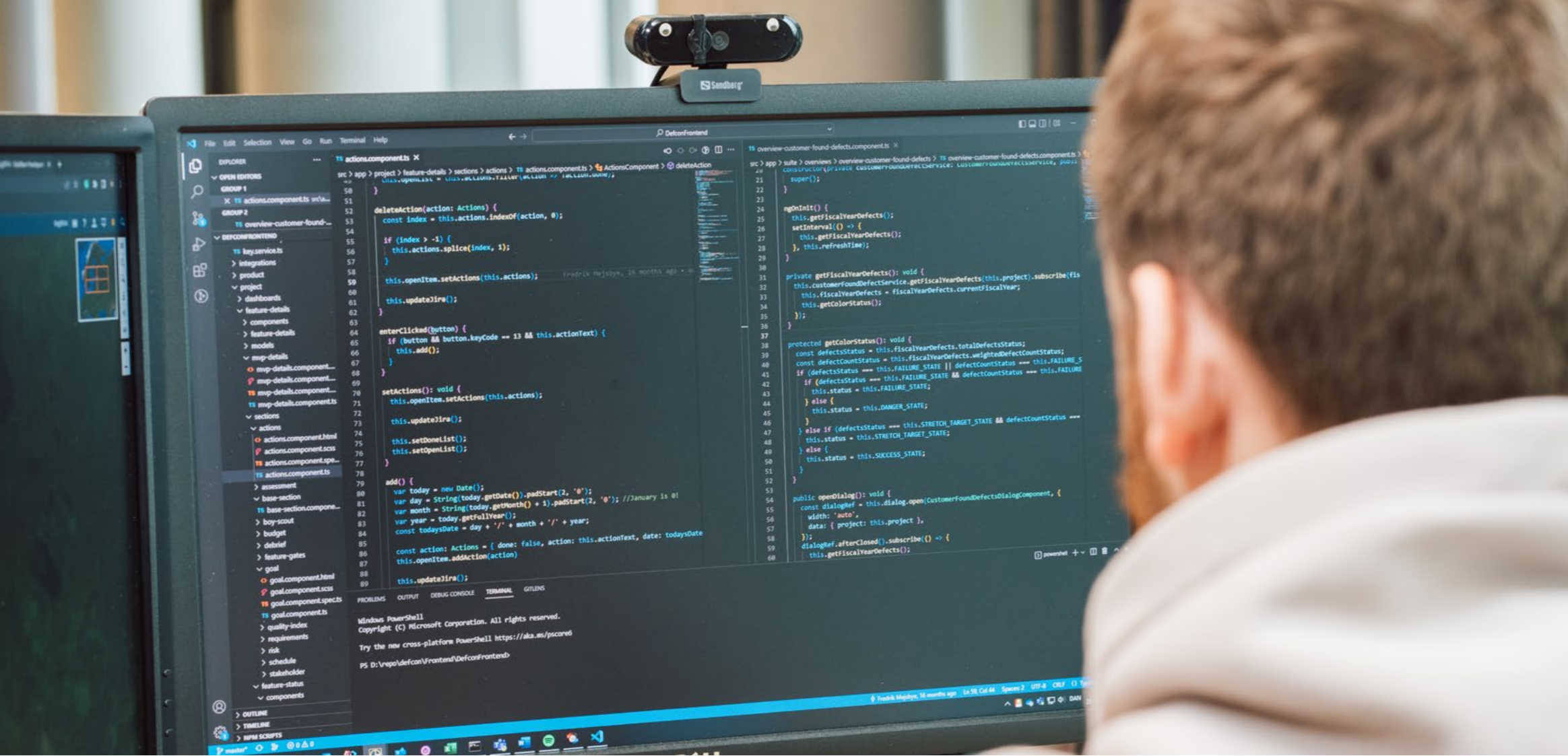
To increase the general talent pool of candidates in the IT industry, we have created programmes for our interns who acquire useful knowledge about software development and the particular field they specialise in – but we are also both challenged and inspired by their questions, suggestions and enthusiasm.

To ensure that we are able to offer an outstanding workplace no matter where in the world people are employed, we conduct a workplace assessment every three years to evaluate the physical and psychological work environment. This is required by law in Denmark, but we have decided to include all our offices around the globe to make sure they all meet the same high standards.

Every month we ask all our employees about their commitment and job satisfaction. We actively use these results to implement continuous improvements. Our aim is a score of min. 78 out of 100. In FY2021/2022, the score stood at an average of 81.

Investing in employees is money well spent – because without them, there would not be a Systematic. I would like to thank everyone for taking part in Systematic's journey and for supporting our mission to make a difference with excellent software.

Michael Holm
CEO Systematic



Digitalisation is transforming the world by making work easier, increasing our knowledge and helping us to make better use of resources. This is what we are working for at Systematic.

This is Systematic

Systematic develops software solutions for society's critical sectors – including defence, healthcare, police and public and private organisations. Our solutions are sold globally, and the company is currently represented by offices in 11 countries.

Digitalisation is transforming the world by making work easier, increasing our knowledge and helping us to make better use of resources. This is what we are working for at Systematic.

Moving the world in a better direction – one solution at a time

A company is defined by its actions. By what it does and how it acts. At Systematic, we are driven by our passion and the opportunity to truly make a difference – where it matters most.

We serve some of the most critical sectors in society, and our contributions have a direct impact on the world around us. From defence and healthcare – where the right solutions can ultimately mean the difference between life and death – to digital transformation in business and the smarter digitalisation of the wind and water sectors to further the world's green transition.

Our mission is to build and deliver exceptional software, and we want to move the world in a better direction. One solution at a time – one sector at a time.

Providing situational awareness to NATO members and allies

The defence sector is Systematic's oldest and largest business area. Today, we are a leading provider of C4ISR solutions, delivering superior technology and innovation to NATO members and allies across the world. Our solutions simplify critical decision-making and safeguard allied forces across multi-domain warfare and at every level of command.

Our software solutions help soldiers achieve mission success and enable our customers to gain an operational advantage across traditional warfare, humanitarian assistance and disaster relief missions.

Enabling the continuum of care

As life expectancy rises globally and the healthcare sector faces a shortfall of critical staff, software plays a crucial role in securing high-quality care. Our software solutions help

healthcare personnel at all levels spend more time on what really matters, helping citizens in need of medical attention and care.

By building open and collaborative software solutions, we help promote a continuum of care across hospitals, communities and private homes to form one healthcare journey and provide the best possible care and service throughout a citizen's life.

Using data to drive the world in a greener direction

Software plays an increasingly important role in the world's transition to green energy – and in ensuring the efficient and sustainable use of the Earth's natural resources. From helping the world's largest wind energy companies manage and support their offshore logistics – to supporting the water sector in using data to solve some of its most pressing challenges and drive new business.

Through the intelligent use of data and turnkey software solutions, we are using our experience and expertise from other critical sectors to help drive the world in a greener direction.



Thomas Jesper Hansen
Chief Technology Officer

As a software development company delivering vital infrastructure to critical sectors in society, we maintain a high level of security in our systems and at our locations as well as a strong focus on processing and protecting personal, commercial and controlled information.

Business





This financial year

- CSR Governance Board and Compliance & Audit team established
- No whistle-blower cases reported
- No anti-corruption cases reported
- Increased focus on trade and GDPR compliance
- Achieved several cyber security certifications, e.g. ISO 27001 information security management and the US NIST 800-53 security compliance standard

Sustainable governance

To help drive Systematic in a more sustainable direction, we have established a CSR Governance Board that will meet every quarter to work with CSR initiatives.

So far, the board has met to establish our governance scope and to work with human rights. To ensure a unified direction and long-term focus, the board will hold a CSR workshop to assess the key areas for our CSR agenda for the coming years and to ensure alignment with UN Global Compact and its principles regarding human rights, labour rights, the environment and anti-corruption as well as new standards and regulations in the pipeline.

Following the workshop, the focus areas will be incorporated into our overall strategy – based on our ambitions and current baseline.

This year, to ensure the closest possible compliance with a wide range of international standards and country-specific legislation, we have merged our compliance team and international audit function to form the Compliance & Audit team. This new constellation enables greater knowledge generation and higher efficiency for the benefit of Systematic, our employees, partners and customers.

To further support our compliance efforts and overall governance, we launched a whistle-blower scheme – ‘Tell Us’ – in 2020, which is available to both employees and external users via our website. In FY2021/2022, the external auditor who handles the scheme did not receive any enquiries.

Respecting human rights

At Systematic, we are committed to respecting and upholding all human rights wherever we operate in respect of activities which are under the full and direct control of Systematic. This is essential to how we conduct our business and how we treat each other. This commitment applies to all our employees, the Board of Directors of the Systematic Group and others who represent or act on our behalf. It is also for this reason that human rights are embedded in our Code of Conduct and other global policies. In addition, we have formulated a Human Rights Statement.

The CSR board has conducted a human rights impact assessment (HRIA) which is mainly centred on Systematic employees across all Systematic’s entities and the potential impacts on their human rights.

In the coming years, we will continue our HRIA, look at potential mitigating initiatives and continue to raise awareness of human rights in our organisation.



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Ensuring trade compliance

In connection with our defence business, it is particularly important that trade regulations are respected.

To ensure that our offices around the world receive the support they need efficiently, our Compliance & Audit team focuses on international standards as well as local rules and legislation. The team ensures that we hold the necessary permits for all our transfers. Systematic enjoys good cooperation with the export authorities who is responsible for issuing the different licences for our transfers.

Furthermore, the team conducts ongoing follow-ups, reporting and sanctions screening while implementing continuous improvements in all key trade compliance areas, including export controls.

Systematic continues to prioritise increasing its employees’ general awareness of these rules. All our Defence employees and other relevant employees receive onboarding training in international export rules and regulations, and the training is updated on an ongoing basis.

In FY2021/2022, Systematic received external export control audits conducted by the authorities in both Romania and Germany. In both instances no deviations from local export control rules were identified.

Depending on the business, market and country in which we operate, we conduct sanctions screening and various due diligence procedures.

In connection with Russia’s invasion of Ukraine, we have asked all our subcontractors to verify that their deliveries in no way support Russian interests.

We have updated and will continue to update our due diligence procedures to improve our general governance in the coming years.



13 offices in **11** countries around the globe.

Zero tolerance for corruption

In dealing with customers and partners in various countries, we need to focus on how we can avoid bribery or corruption in any form. While we primarily do business in countries where there is a low risk of corruption, we are still very aware of the risk. Avoiding bribery and corruption is essential for Systematic. Good business practices and maintaining a high level of integrity are of crucial importance for our customers, for the company's reputation and for our ability to attract and retain employees. At Systematic, we do not accept corruption or bribery in any form – neither among employees nor our partners.

Through risk assessments on the different markets in which we operate, we are continuously looking to improve our training and behaviour to eliminate any form of corruption. As part of this effort, we have established a new training programme for our employees, and will soon be finalising the enrolment procedure.

Our Code of Conduct and our anti-corruption policy specify what employees must do and, more specifically, what they must not do while employed with the company. In addition, we have a gift policy with principles for receiving gifts and food from customers, partners and suppliers. In general, employees at Systematic are not allowed to give gifts in connection with business activities – if they are given in exceptional, one-off cases, it requires management approval.

Systematic has never had any corruption cases.

Building a secure business

As a software development company delivering vital infrastructure to critical sectors in society, we maintain a high level of security in our systems and at our locations as well as a strong focus on processing and protecting personal, commercial and controlled information.

At Systematic, we are committed to always being abreast of the threats and risk of attack from cybercriminals.



Our goal is to continue to involve both the business, employees and partners in developing policies and security solutions to achieve a true safety-first culture. In connection with cyber security, people are often the weakest link, so all our employees have been enrolled in regular cyber security awareness training sessions that cover different topics.

All employees have been instructed and trained in how to avoid cyberattacks and protect Systematic as part of their onboarding. Frequent information updates and stories published on our intranet combined with the online training programme ensure that cyber security is an integral part of working life at Systematic.

Systematic representatives also participate in various security conferences and forums such as Dansk IT's Cyber Security Conference and the Digital Tech Summit. In doing so, we hope that others can benefit from our expertise and help create a stronger software security culture overall. Besides inspiring others, it helps to keep our employees up to date on security.

We have continued to focus on requirements and certifications in a global market. Among other things, we have renewed our ISO 27001 information security management certification, which covers all Systematic's development projects and administration.

In order to meet the standards on the US market, we have completed a self-assessment according to the US standard Cyber Maturity Model Certification (CMMC) and the US NIST 800-53 security compliance standard. Our UK customers demand Cyber Essential Plus certification, which we have now achieved for the fourth consecutive year.

Our process library, which supports Systematic's CMMI Maturity Level 5 certification, ensures we have the processes and controls that are required to continuously improve our data protection as well as the right framework for handling sets of data in secure data flows. Furthermore, an internal audit programme ensures compliance with both information security and data protection requirements.



Zero whistleblower cases reported in FY2021/2022.



To further promote our safety-first culture, we have improved our current GDPR programme, and appointed employees in all administrative functions and business units who have been enrolled in special training sessions to give them a deep understanding of the GDPR rules and how they should be implemented at Systematic in connection with their daily work.

Working with AI

Systematic recognises the importance of data ethics, and is committed to ensuring that data is used in a responsible and sustainable manner within its business and in relation to its stakeholders.

Data is an inherent aspect of developing our software solutions, and may include artificial intelligence (AI). Our approach to AI and machine learning is to develop intelligent solutions that are safe and in line with our ethics and business policies, as well as complying with national and international laws and regulations. Wherever this technology is being used in autonomous solutions, human monitoring is always in place to provide additional security. However, working with these

technologies inevitably raises ethical questions, to which we give careful consideration as well as participating in debates and workshop on this topic.

We will continue to follow the newest trends and regulations within this area, as we want to ensure complete compliance in how we use AI.



Nikolaj Holm Bramsen
Group Senior Vice President
People and Culture

Networking is an important form of learning because it builds competencies, promotes knowledge sharing, and creates a sense of community all at the same time. We encourage all employees to be part of a knowledge network to continuously raise our overall level of knowledge and skills.

People





Employee satisfaction rate: **81** out of **100**.



380 people engaged in **12** knowledge networks.

Number of employees

Number of employees over the last three financial years as well as hires, rehires in % and employee turnover in %.

	FY2019/ 2020	FY2020/ 2021	FY2021/ 2022
Employees	948	1,059	1,046
Hires*	123	223	187
Percentage of rehires in Denmark	4%	12.5%	8.7%
Employee turnover	11%	14.5%	12.6%

*Excl. interns and student workers.

Focus on staff well-being

We want our employees to thrive – professionally, physically and mentally. Working at Systematic should be a meaningful and rewarding experience, and this includes a healthy work-life balance for both managers and employees. One of our core values is people-centricity. We show trust in our employees from day one, and focus on each employee’s development and well-being. This is crucial to Systematic. We depend on the motivation and ability of our employees to deliver outstanding results, and we risk losing employees who are not satisfied, as their skills are also in high demand elsewhere.

High job satisfaction prevents employee turnover, boosts performance and ensures a positive working environment. To this end, we ask all employees about how committed and satisfied they feel every month. The results are actively used by all as a tool for improvement. To ensure a high degree of job satisfaction, scores should be no less than 78 points out of 100. In FY2021/2022, we improved our average score by two points, and it now stands at 81.

Our turnover percentage has also improved, decreasing to 12.6% at the end of FY2021/2022. It is still above target of 10%, so we will continue to focus more on this area. Every time an employee leaves us, we conduct exit interviews to try and understand which improvements should be prioritised to increase the retention rate.

We register sick leave on a monthly basis to help prevent and alleviate illness and stress among our employees – both proactively and reactively. While the level of sick leave is very low at Systematic, we continue to focus on our employees’ health.

Our goal is that sick leave (including long-term illness) is less than 2.5%. In FY2021/2022, the figure increased from 2.3% to 2.8%. This also includes sick leave due to Covid-19.

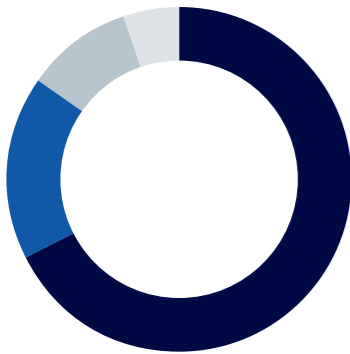
“The average level of sick leave in Danish companies is 4.6%, according to the Confederation of Danish Employers (DA), so our goal is set very low. Consequently, we are not alarmed by this small increase compared to last year. We believe that the best way to mitigate and prevent employee sickness is to make sure that people managers are aware of and focused on the well-being of individual team members, but also by ensuring that we, as a company, are able to offer the necessary help and support if a team member is struggling,” says Nikolaj Holm Bramsen, Group Senior Vice President, People & Culture.





Seniority among employees

The distribution of all employees' seniority in percentage as of September 2022.



- ≤5 years
- 6-10 years
- 11-20 years
- 21+ years

Seniority

A clear sign that our employees are satisfied with Systematic as a workplace is that they stay with us for a long time, with 15% of employees having been employed for more than 11 years. In a fast-changing world, this is something to be very proud of. It was for this reason that we launched our 'Wall of Fame', which celebrates our long-tenured employees.

We also strive to maintain close links with our alumni, and in FY2021/2022, almost 9% of hires in Denmark were former Systematic employees.

Increasing employee satisfaction above and beyond

Every three years, all Danish companies are required to complete a workplace assessment, which evaluates the physical and psychological work environment. We have now gone beyond the requirements, and assessed the workplace environments at all of our offices in the world. The response rate was 85%, and the overall engagement score was 4.2 out of 5, which is 0.1 points higher than last time.

In connection with our focus on creating an attractive workplace, the UndeLucram platform ranked Systematic as the 10th most desirable workplace in the Romanian IT industry in 2022 – out of more than 100 international IT companies. The ranking was based on feedback from both current and former employees. According to the survey, Systematic stood out from other IT companies because of its focus on the workplace environment, work-life balance, training and development opportunities.

Moreover, Systematic ranked 11th in a 2022 annual image analysis conducted by Danish IT media Computerworld. The position places us as the second-best rated IT company in Denmark, and moves us up five positions compared to last year.

“To us, trust is crucial. Our customers depend on us to deliver society-critical software with no room for error. In today's challenging job market, it is business-critical for us to be viewed as a great workplace in order to attract the talent that will develop tomorrow's best solutions,” says Michael Holm, CEO.

Never stop developing

We believe skills development is the best investment a company can make. At Systematic, employee development is a joint venture in which our employees take responsibility for their own development while Systematic provides the right framework and opportunities.

To support ongoing development, we have held seminars with all our managers to ensure that we prioritise and develop our employees, just as we have allocated central funding for education and knowledge networks. These networks are created around a specific role, challenge, technology or method which are business-critical to us – and our customers.

The networks are employee-driven, and anyone can form a new network. The landscape of the knowledge networks is thus ever-changing. This year, about 380 employees have been engaged in one or more of the 12 active knowledge networks, and which are run during working hours.

“Networking is an important form of learning because it builds competencies, promotes knowledge-sharing and creates a sense of community all at the same time. We encourage all our employees to join a knowledge network in order to continuously raise our overall level of knowledge and skills,” says Nikolaj Holm Bramsen, Group Senior Vice President, People & Culture.

28 different nationalities represented in Systematic.

Diversity is a business driver

We want to be an inclusive and diverse workplace. There is a risk that our employees could feel discriminated or harassed and therefore we want to do ours to protect our employees' human rights. Our Code of Conduct describes how we expect our staff to act in a socially responsible way. We do not tolerate any form of discrimination related to ethnicity, political conviction, age, gender, disability, religion, sexual orientation or trade union membership.

In 2021, we signed the Confederation of Danish Industry's Gender Diversity Pledge, in which we committed to developing policies that support the corporate community. The goal is to achieve a 40/60 (female/male) gender balance by 2030. As at the end of this financial year, 31% of all employees were female, so we still have some way to go. We do focus on and welcome equal opportunity for all employees, and have as many female managers with HR responsibilities as we have female employees in the company (31%). Almost 20% of our senior managers are female. We will further consider how we can achieve our target in the coming year.

Just like the rest of the IT industry, we face an immense challenge: a labour market which is short of qualified employees – especially women with IT profiles. To address this, we are actively working to encourage more women to pursue a career in IT. As an example, to celebrate International Women's Day, we ran a campaign throughout March 2022 that showcased female IT profiles at Systematic in order to inspire more women to pursue a career in this industry.

“Men and women are equally likely to become great software engineers, so it really is a waste of talent if only half of them are realising their potential because of unfortunate gender barriers,” says Nanna Ravn Rasmussen, Senior Business Intelligence Consultant.

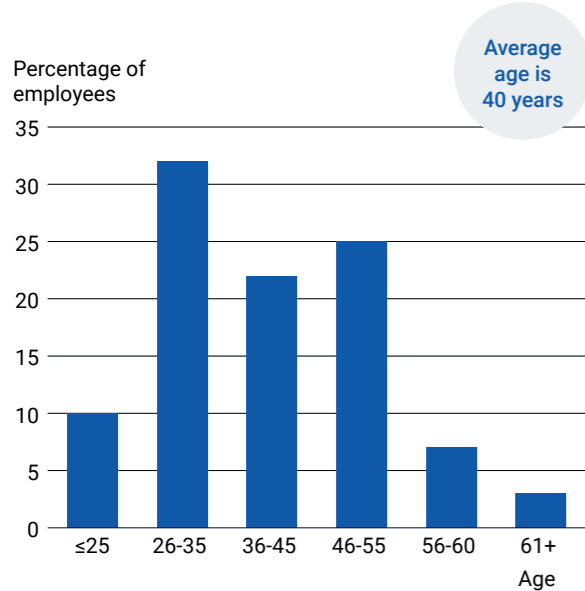
Furthermore, we sponsored IT Camp for Girls, an event hosted by Aarhus University where upper secondary school girls attend a three-day camp, engage in various tech activities and talk with female representatives from local IT companies.

Next year, we plan to expand our engagement further by inviting the IT Camp for Girls to our head office so the girls can learn more about life in the IT industry. Also, we will be collaborating with the House of Natural Sciences (Naturvidenskabernes Hus) about the event Girls' Day in Science.



Average age

The distribution of age as a percentage of all employees (excl. employees from the US) as of September 2022. The average age is 40 years.



Number of employees

The distribution of women in percentage in all of Systematic, in the Board of Directors, in the senior management (including CEO, Senior Vice Presidents, Vice Presidents and Directors) as well as managers with HR responsibilities for the last three financial years.

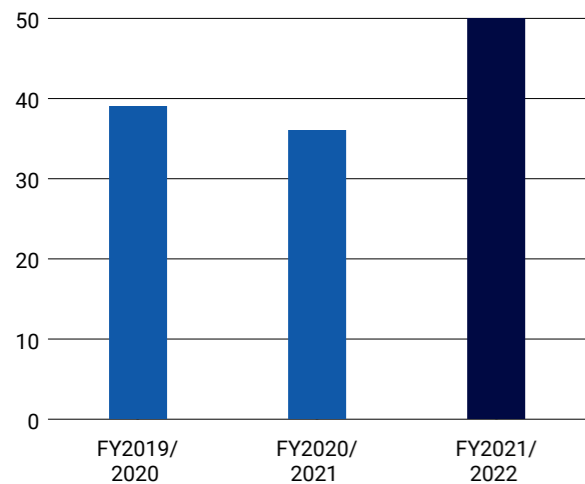
	FY2019/2020	FY2020/2021	FY2021/2022
Percentage of female in the company	31%	30%	31%
Percentage of female Board members	29%	29%	33%
Percentage of female senior managers	-	-	19%
Percentage of female managers with HR responsibilities	29%	30%	31%





The number of interns

The number of hired interns over the last three financial years.



Truly international – proudly Danish

Systematic has launched a new strategy for 2022-2025, and one of the five themes is working towards being ‘Truly international – proudly Danish’ as opposed to being ‘truly Danish’. We are striving to be international in every respect, and that also includes hiring more international candidates. The aim is to ensure a broader and more inclusive organisation, where different perspectives, values and knowledge can be brought into play as Systematic grows in different parts of the world.

While most of our employees are Danish, our growing international presence is reflected in the fact that we currently employ 28 different nationalities.

In Denmark, we actively work to make Aarhus an attractive place for international students to study and work. One way is by supporting Destination AARhus, a professional business network of leading companies which are aiming to make Greater Aarhus the most attractive career destination for Danish and international IT talents. As a result of this engage-

ment, Systematic has hired four new international Master’s students this year, bringing the number of EU student workers at our Aarhus office up to 25. In comparison, we only had one in 2017. In addition, 11 of the interns in Denmark were international students.

Developing the talents of tomorrow

If we want to hire talented employees, we must also do our bit to nurture the IT industry’s talent pool. Therefore, we go out of our way to create exceptional intern programmes for all our interns.

“Our experience of hiring interns is extremely positive. They prove to be bright, engaged and skilled new colleagues who thrive at Systematic. As part of our general growth strategy, we have hired even more interns to accommodate the future need for talent. More than 90% of our interns become full-time employees on completing their studies,” says Senior Manager of People Attraction, Lone Bryder.

In FY2021/2022, six of our interns were based in our Romanian office. This is the first time that Systematic has had interns outside Denmark.

“Our internship programme is unique in the Romanian internship market as the interns can develop in a cross-cultural environment and travel to Systematic’s headquarters in Denmark for onboarding and knowledge-sharing sessions. The overall satisfaction rate among the interns was 5 out of 5. This reflects the passion and commitment of everyone involved in making this programme one of the most sought-after internship programmes in Romania,” says Lucian Maican, General Manager of Systematic’s Romanian office.

For work to be fulfilling, it needs to be fun

Every year, the Systematic Employee Club (SEC) hosts several events and activities for Systematic’s employees around the world, and we continue to sponsor these.

From running clubs and an annual convention for games and role-playing to family events, theme parties and every-day office treats, the Systematic Employee Club offers events designed to make work more fun and create stronger bonds between our employees.

Systematic Employee Club started in Aarhus, Denmark more than 30 years ago and now have more than 900 members across the world. In FY2021/FY2022, Systematic sponsored more than DKK 1,300,000 (EUR 175,000) to the employee clubs that hosted over 100 activities and competitions.



Society

Systematic donated **€ 335.980** to charity and through sponsorships.

Supporting the people of Ukraine

Systematic owns a 25% stake in Conscensia, a nearshore outsourcing company with operations in Poland and Ukraine. Naturally, our Conscensia colleagues in Ukraine have been affected greatly by the Russian invasion, and both Systematic and our employees wanted to show our support.

To help the people of Ukraine and our colleagues through this challenging time, Systematic employees raised and donated DKK 250,000 (EUR 33,618) to UNICEF. Systematic matched the employee donation so that it totalled DKK 500,000 (EUR 67,236).

Conscensia set up a relief fund to directly help their employees with relocation, medical support etc., to which Systematic's three shareholders have donated a total of DKK 150,000 (EUR 20,170).

Helping those who help us all

We are invested in helping ex-servicemen and women and their relatives. In our view, those who risk the most should always receive the support they need.

Therefore, we supported the Danish ENGAGE Festival, a series of music concerts that benefit veterans. The concerts are organised by ex-servicemen and women, and provide an important opportunity to inform the public about their activities, support the veteran community and raise money for initiatives aimed at supporting activities for veterans.

In Australia, reservists are a fundamental part of the Australian Defence Force (ADF), and make a considerable contribution to the security and national interests of Australia through their part-time military service. To support team members serving as defence reservists, we implemented two weeks of paid Defence Reserve Support leave for reservists at our offices in Australia. This is our way of recognising the importance of their efforts as well as acknowledging how we benefit from the skills and experiences they gain as defence personnel.

The initiative resulted in Systematic being nominated for the ACT and south-east New South Wales (NSW) Employer Support Awards 2022, recognising our commitment to and support for Australia's Defence Force Reserves.

As part of our efforts, we also sponsored a local Australian fund-raiser organised by the Commando Welfare Trust, an organisation that helps current and former soldiers of the Australian Commando Regiments and their families through hardship by providing education, mentoring and community ties.

In the UK, we have signed the Armed Forces Covenant, demonstrating that we acknowledge and understand that those who serve or who have served in the armed forces as well as their families should be treated fairly and with respect in the communities, economy and society they serve with their lives.

Systematic and Danish veterans form meaningful mentorships

The Danish 'VELKOMMEN HJEM' organisation helps ex-servicemen and women make a positive and realistic transition from life in the armed forces to the civilian labour market. The organisation offers a programme with a six-month mentor scheme to which Systematic contributes with motivated mentors.

"For many years, our veterans have performed a vital task for society. The business community has an obligation to build bridges and help veterans move forward. Many companies are crying out for experienced employees, and the veterans can bring strong competencies with them, so we see it as pure win-win," says Henrik Messell, Group Senior Vice President for Systematic's Defence Operations and one of the five Systematic mentors.

We also participated in a VELKOMMEN HJEM event in Copenhagen, Denmark. There, Systematic domain experts met with soldiers and veterans to offer advice on how to transition from defence to a career in the business community. Our CEO, Michael Holm, contributed to the event by joining a panel debate to inspire the veterans who were attending.

Nurturing local learning communities

The IT industry is full of exciting job opportunities, but for many companies, being able to attract enough qualified people is a challenge. In light of this, we aim to strengthen the education communities in the markets in which we operate. In Romania, we established several education-focused initiatives in FY 2021/2022.

Several of our Romanian project managers have participated in a school mentoring programme, sharing their knowledge with school principals from rural parts of the country to enhance the focus on IT skills.

In addition, Systematic has partnered with several technical universities in Romania. The aim is to focus the study programmes and the students' mindsets so they are prepared for the tasks and challenges in the IT industry.

Lastly, we have sponsored various events related to the Romanian educational system, helping to increase the general educational level and promote the many possibilities within software technology.

Sharing our success

It is rooted in Systematic's DNA that we try to change the world for the better. Our success has allowed us to contribute to society by sponsoring organisations, events and causes that are close to our hearts.

In addition to the donations to Ukraine, Systematic contributed more than DKK 1,850,000 (EUR 248,574) to various social causes through donations and sponsorships.

A selection is listed here:

- TrygFondens Family House (DK)
- Macmillian Cancer support (GB)
- Charity bike race (DK)
- Red Cross (DK)
- Reden Aarhus, drop-in centre for women (DK)
- VELKOMMEN HJEM, programme that support veterans (DK)
- Veteranfonden, foundation supporting veterans (DK)
- Commando Welfare Trust (AU)
- Destination AARhus (DK)
- Partnerships with student associations and technical universities (DK, RO)
- AGF, Aarhus football club (DK)
- Musikhuset Aarhus, concert hall in Aarhus (DK)
- AroS, art museum in Aarhus (DK)



Lone Hedegaard Kristensen
Group Senior Vice President
Digital Transformation

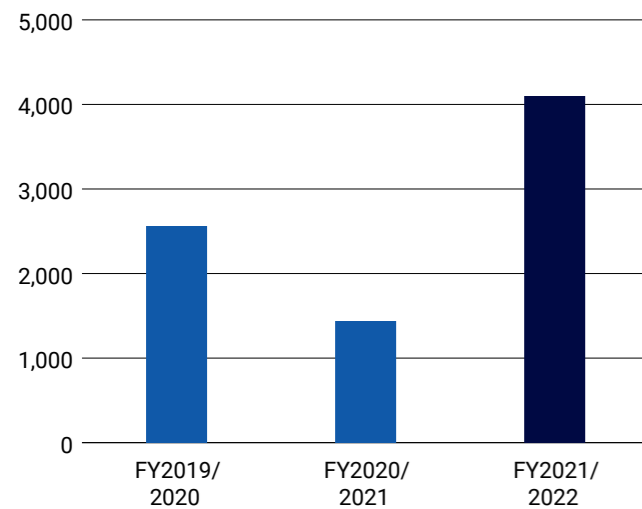
It has become easier and more acceptable to participate online in meetings. It saves me travel and time, which allows me to stay focused on the tasks at hand. I recognise the importance of meeting face to face, but it's not necessary when you are frequently meeting with the same team who all know each other well.

Environment



Travel days

The number of travel days over the last three financial years.



Environmentally conscious

Energy consumption contributes to climate change and there are high risks for global and long-term consequences for the world in which we live. For this reason, we are continuously striving to minimise our environmental impact by reducing CO₂ emissions as well as our total consumption of water, energy and consumer goods. In addition to the direct risks, we might face financial and reputational risks if our employees and business partners are dissatisfied with our green efforts.

As a software company, we do not have any energy-intensive production processes, which is why the company's environmental initiatives are primarily reflected in our office buildings and our transport and travel policy. In addition, we have implemented a sustainable vehicle policy and acquired electric and hybrid vehicles for internal use.

This year, we opened our new office in Brisbane, Australia. This was an opportunity to get off on the right foot and choose greener facilities. The National Australian Built Environment Rating System (NABERS) awarded the office a 5 out of 6-star rating, which puts it in the 'excellent' category. The rating

highlights excellent building efficiency across energy, water, waste and the indoor environment.

Due to Covid-19, we travelled far less in 2020 and 2021 than in previous years. After the pandemic, we have had to catch up with our international contacts, hence the increase in business trips as we value meeting face to face with customers, colleagues and partners in different parts of the world. On the other hand, we have learned that it is possible to work together efficiently online, which we will continue to do in the future.

"Instead of going to Copenhagen for a two-hour internal meeting, it has become acceptable to participate online. It saves me a lot of travel and time, which allows me to stay focused on the tasks at hand. I recognise the importance of meeting face to face, but it's not necessary when you are frequently meeting with the same team who all know each other well," says Lone Hedegaard Kristensen, Group Senior Vice President.

Waste and consumption

Our graphs cover waste and consumption in Denmark and Romania, and cover 90% of our employees and are therefore representative of the company.

We are continuously striving to improve our waste sorting. Therefore, we are happy to see that we now recycle more electronics and glass. In addition, the residual waste in Denmark has decreased. However, there is still room for improvement. In FY2022/2023, we will investigate how we can reduce our residual waste and expand our waste separation system.

In addition to the waste fractions shown in the graph, the kitchen at our Aarhus office sorts all organic waste which is then collected and used in the production of biogas. To keep waste to a minimum, leftover food from the canteen is collected by a local NGO that supports socially vulnerable people.

Waste from our offices

The amount of waste in kg distributed between the different waste categories for the last two financial years. The figures include waste from our offices in Aarhus and Romania.

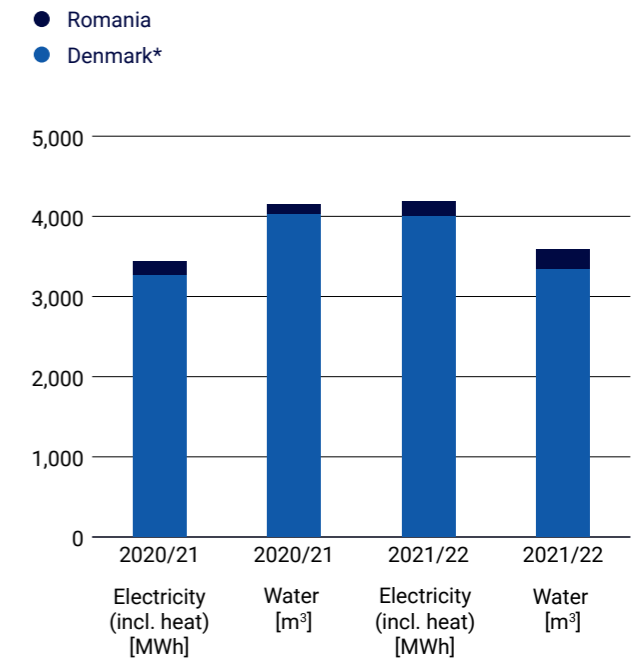
Waste categories all in units of kg	FY2020/2021		FY2021/2022	
	Denmark	Romania	Denmark	Romania
Cardboard and paper	6,470	504	3,720	940
Glass	1,384	26	2,015	120
Electronic	167	-	1,225	-
Plastic	-	79	-	174
Metal	-	10	-	25
Residual waste	13,360	1,294	8,900	8,573
Total per country	21,381	1,913	15,860	9,831
Total	23,294		25,691	



Consumption of electricity and water

Electricity consumption incl. heating in MWh and water in m³ over the last two financial years. The figures include consumption from all locations in Denmark and our office in Romania.

*The figures are not completely comparable, since we changed locations and electricity supplier in Denmark in FY2020/2021.



All electricity in Denmark is sourced from sustainable energy when they are available.

In Denmark, all electricity is sourced from sustainable energy sources when they are available. As shown in the graph, Systematic's energy consumption in Denmark and Romania has risen since FY2020/2021. This is hard to mitigate when a company is growing. Also, last year, many employees were working from home due to Covid-19, and therefore consumption was lower. Nonetheless, we continue to be conscious of our consumption and are careful not to use unnecessary resources.

Tiny changes towards a greener world

As we continue to reduce our footprint, both large-scale and small changes are necessary. When put together, even tiny changes can make a significant difference. It is an ongoing waste reduction exercise.

- We acquired new coffee machines and ensured drinkable tap water in our Australian offices. Employees say that this minimises their reliance on disposable coffee cups and water bottles.
- The canteen at our head office in Aarhus has removed all plastic tableware.

- When we refurbished our UK office in 2021, the spare furniture was given a new lease of life through Anaphylaxis UK, a charitable organisation that supports people with serious allergies.
- At our head office, we reduced the heating level to 21°C, and the ventilation system now only runs during workdays from 6 am to 10 pm.

Cycling for the climate

Every year in May, Systematic Denmark takes part in the Danish Cyclists' Federation's initiative 'Systematic bikes to Work'. Employees compete for prizes for those who cycle the most kilometres and the most days to and from work. This year, Systematic employees travelled 23,527.48 km.

- A total of 1,672 cycling days were logged by 129 riders, which is approx. 1,000 days more than last year.
- We averaged 12.96 km per active competitor, which is 0.32 km more than last year.

In September 2022, we joined the initiative 'We Cycle for the Climate'. We made it a global event with 122 employees participating from Aarhus, Copenhagen, Stockholm and Bucharest. In one day, they saved 1,375 km driven by car, and when using the Danish Energy Agency's factors for emissions, it equated to saving 189 kg CO₂.

The code for a greener tomorrow

Every year in Romania, Systematic hosts DevHacks, which is two days of intensive coding for anyone interested in software development. This year's theme was Climate Change, and the hackathon was arranged in partnership with the World Wildlife Fund (WWF). The idea was to bring together a diverse range of perspectives to spark innovation, and the participants came up with solutions for waste management, agriculture and sustainable food as well as smart cities.

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