



Sustainability Report

2020

A greater focus on sustainability

Staying focused on our goals – even in these turbulent times

Last year was one of the most tumultuous years we have seen for a very long time. What started out as a local infection far away from Sweden quickly turned into a pandemic that has impacted every country in the world. We have had to learn new words and behaviours, and above all we discovered that experts often disagree on what the right solution should be.

Although the pandemic has quite remarkably had a positive impact on some sustainability issues, it is quite natural for people's focus to shift from the long term to what is happening right now when faced with these kinds of tumultuous events. However, we are pleased to report that we have stayed focused on our long-term goals, even though we have had to reprioritise certain aspects of our plans.

Cooperation in the Digitalisation Industry

We are keenly aware that the sustainability challenges we face cannot be solved by individual people, organisations or even countries. This is why it was natural for us to become part of the joint initiative, "The Digitalisation Consultancy Industry's roadmap for a fossil-free Sweden", which was set up in 2019 and developed over the past year.

We now taking the next step as an industry by creating a non-profit association called "Digitaliseringskonsulterna" (The Digitalisation Consultants), whose mission is to accelerate the work to achieve a smart and fossil-free society. It is also great to see that our own Sustainability Coordinator, Sofia Ouahchi, will sit on the Board of this new association.

Creating the right conditions through knowledge

During the autumn we produced a brand new internal Sustainability course. We are convinced that as many people as possible need to be both informed and engaged in this work if we are going to get the maximum out of our initiatives. This new course is ambitious, looking at all sustainability work, and provides a solid background to what is happening in society. The course includes a knowledge test to make sure the information is being received in the right way; but we believe that what makes the biggest difference is the interest that is generated when people are given more information.

The importance of GoodTech is clearer when social structures are tested

We have been using the concept "GoodTech – Technology that benefits society" as a benchmark and inspiration for us and our operations for some time now. During the Coronavirus pandemic, we have seen the pressure that healthcare in particular, but also other sectors of society have been under. This includes higher unemployment and healthcare services that have had to take a back seat to Covid-19.

In our day-to-day operations, we have been working to make sure that 1177 has enough call lines and using new technology to relieve the pressure off administrators at the unemployment insurance funds. We have also been helping the organisation "Together Against Diabetes 1" to develop a mobile app that offers professional, quality-assured information and functionality to make life with and around T1D a little safer and a little easier. This is really what GoodTech means to us!

Per Adolfsson
CEO



Working with our stakeholders creates significant sustainability benefits

Five stakeholder groups

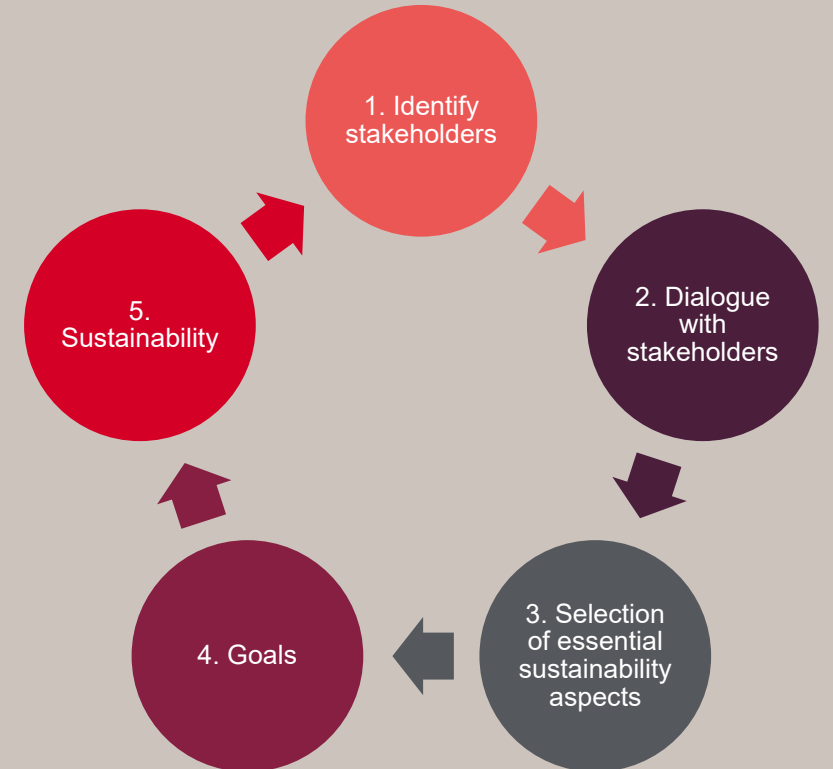
We have identified both existing and potential customers, employees, owners, suppliers and partners, as well as society in general as stakeholders. These have been selected on the basis of the stakeholder groups that are important as they have an impact or are impacted by our operations.

Six essential aspects of sustainability

Within the framework of our process for selecting essential aspects of sustainability, we have identified six aspects in which Softronic's sustainability work is undertaken as a primary interest. In dialogue with our stakeholders, these aspects have been selected based on our business orientation and the Global Goals set in Agenda 2030.

- » Sustainability benefit in our deliveries
- » Sustainability expertise among our employees
- » Diversity and equality
- » Financial stability
- » Security
- » Responsible resource utilisation

We conducted a materiality analysis covering all 169 targets in Agenda 2030. The work was conducted by our sustainability organisation, which represents all business areas in Softronic. The analysis confirmed that we are concentrating our sustainability work in the right areas.



Important issues for us and our stakeholders

The table below summarises the way we conduct dialogue with our stakeholders and the issues that are considered important when dealing with each stakeholder group.

Stakeholders (current and potential)	Channels for dialogue	Important questions
Customers	In our daily business operations, customer surveys, cooperation meetings, sustainability benefit analyses, evaluations, social media, trade fairs	Offering, quality, security, sustainability benefit, working conditions
Employees	In our daily business operations, employee surveys, performance appraisals, skills forum, status meetings, interviews	Environment, diversity and gender equality, skills development, security, sustainability benefit.
Suppliers and partners	In our daily business operations, procurement, supplier interviews	Environmental and sustainability requirements
Owners	Annual General Meeting, Board work, investor meetings, interviews	Profitability, sustainable, business development
Society	Social media, employer organisations, industry associations, aid organisations	Environment, working conditions, human rights



Sustainability expertise among our employees

If we are going to create sustainability benefits, we need to take on even greater responsibility for training our employees to give advice to our customers. We see increased involvement with our current and potential employees. Many employees appreciate a sustainable employer and also the opportunity to influence the attitude of our customers when it comes to sustainability. This work is supervised by our environmental organisation.

Goals and results 2020: All employees should have completed Softronic's new sustainability course and the industry's course on the effects of digitalisation on the climate and sustainability.

Softronic's sustainability course was only launched at the beginning of 2021 and our employees are currently doing this course. The industry's course on the effects of digitalisation on the climate and sustainability was put on hold in 2020, which meant we were not able to reach our goal.

The goal for 2021 is for all employees to have completed Softronic's sustainability course and completed the sections that will be launched for the in-depth course on the effects of digitalisation on the climate and sustainability.



Sustainability benefits in our deliveries and responsible resource utilisation

Sustainability benefits in our deliveries

The business operations and services of Softronic's customers often have a significant sustainability impact. We want to jointly challenge ourselves and our customers to maximise the sustainability benefits of the solutions that we create together. The work is carried out within the framework of our steering group work and in our teams.

The goal for 2020 was to perform 15 sustainability benefit analyses or sustainability case studies. This goal was achieved and we are aiming to do just as well in 2021.

Responsible resource utilisation

Our sustainability work is governed by our management system and regulates, for example, our travel arrangements and our purchases. We are certified in line with ISO14001 and are conducting an active improvement process. We continue to make active choices that take sustainability into account. This work is supervised by our purchasing function.

Our goal is to achieve a reduction in energy consumption at our units (at external data centres) of an average of 35 per cent per virtual server between 2018 and 2021. By the end of the year we had achieved a reduction of 30.6 per cent per virtual server.

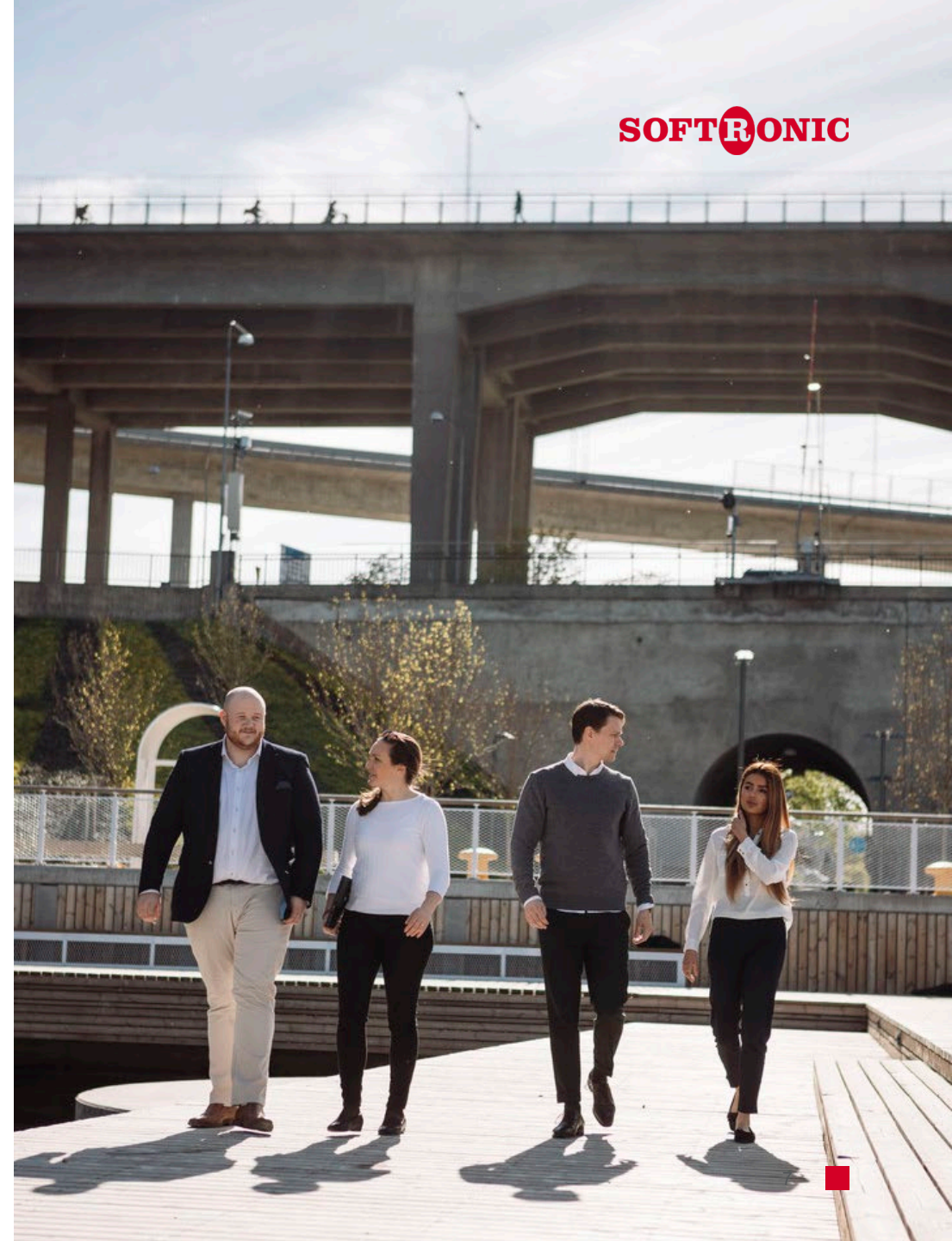


Diversity and equality

We promote diversity and equality, and work to achieve a more even gender distribution at the workplace. One extremely important part of this work is to develop a culture that supports the opportunities for women and men to combine their private lives with an interesting and challenging work life. The goal is for Softronic's employees to reflect the diversity in society. This work is supervised by the management team along with our HR function.

The goal for 2020 was for the new recruitment rate for women in senior executive roles to be a minimum of 30 per cent, but the result was 28.5 per cent. This shows us that we have to work harder on these issues. We have also set a number of long-term goals.

- » In 2025 the percentage of women will be at least 33 per cent.
- » In 2030 the percentage of women and men will be 40/60 per cent respectively.
- » In 2025 the percentage of women and men in management/leadership roles will be a minimum of 40/60 per cent respectively.
- » In 2030 the percentage of women and men in Softronic's management team will be at least 40/60 per cent respectively.

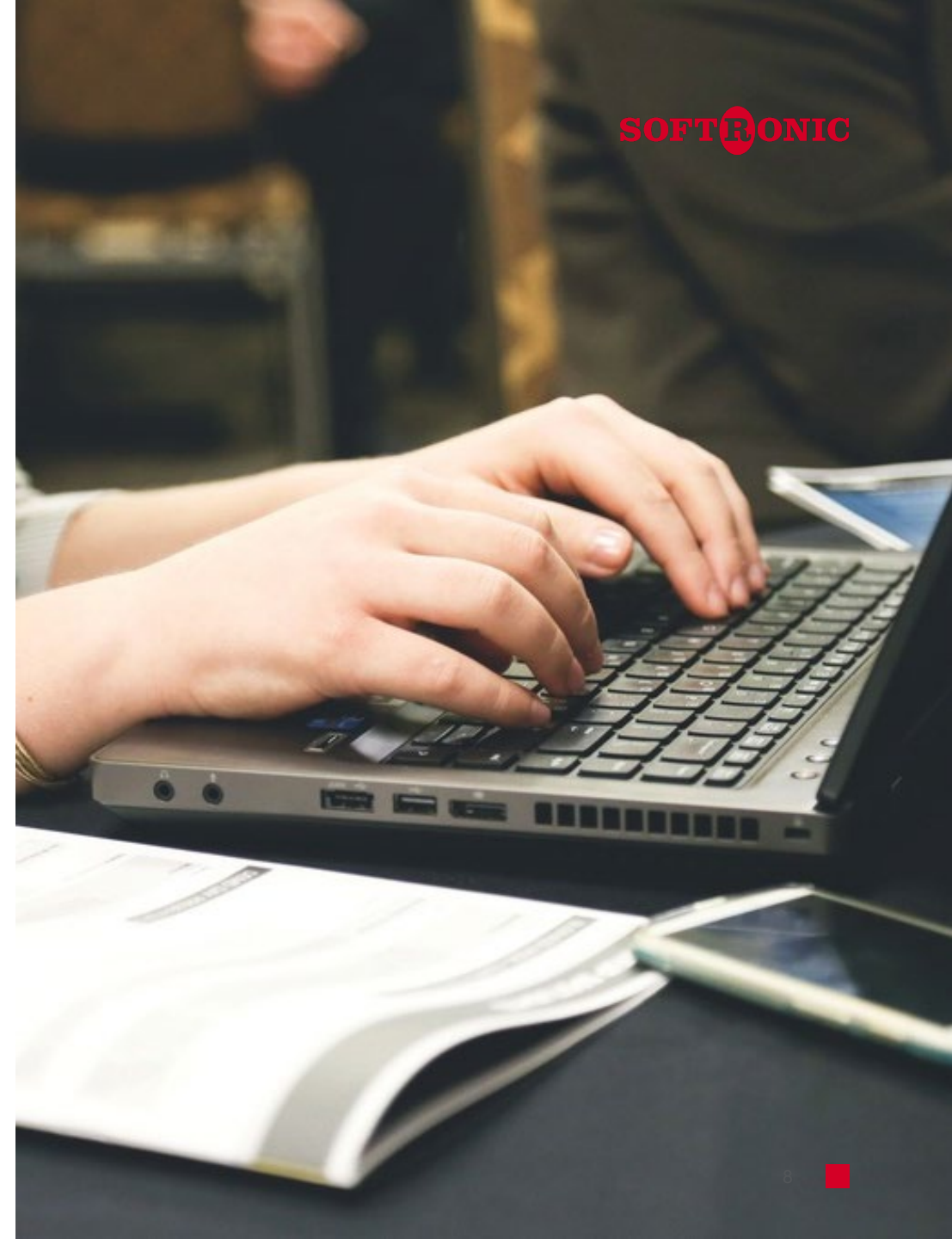


Security

The challenges for information and IT security are increasing as a result of society's digitalisation. Working systematically with information and IT security is essential in creating a sustainable society. This work involves dealing with vulnerabilities in the IT infrastructure, obstructing and preventing related criminality in all its forms, and identifying and averting attacks against all sections of society. Softronic works actively to develop services in this area, by providing sound advice to our customers and enshrining this perspective in everything we do. The work of creating awareness and insight among our employees and customers is high on the agenda within the framework of our ISO27001-certified security work.

The goal for 2020 was for Softronic's operations to have achieved the basic level in Softronic's information security strategy, where the focus is on risk management and risk awareness, and for our employees to have completed our internal information security course. During the year we achieved greater awareness of information and IT security, as more documented risk analyses were performed in certified areas. Other initiatives that were started include programmes to highlight security frameworks, steering documents and the harmonisation of Softronic's various management systems.

The goal for 2021 is for Softronic to have implemented and rolled out a new information security course. Before the end of the year, all employees will have completed and passed this course. This is part of a broader awareness programme that aims to further increase Softronic's security awareness.



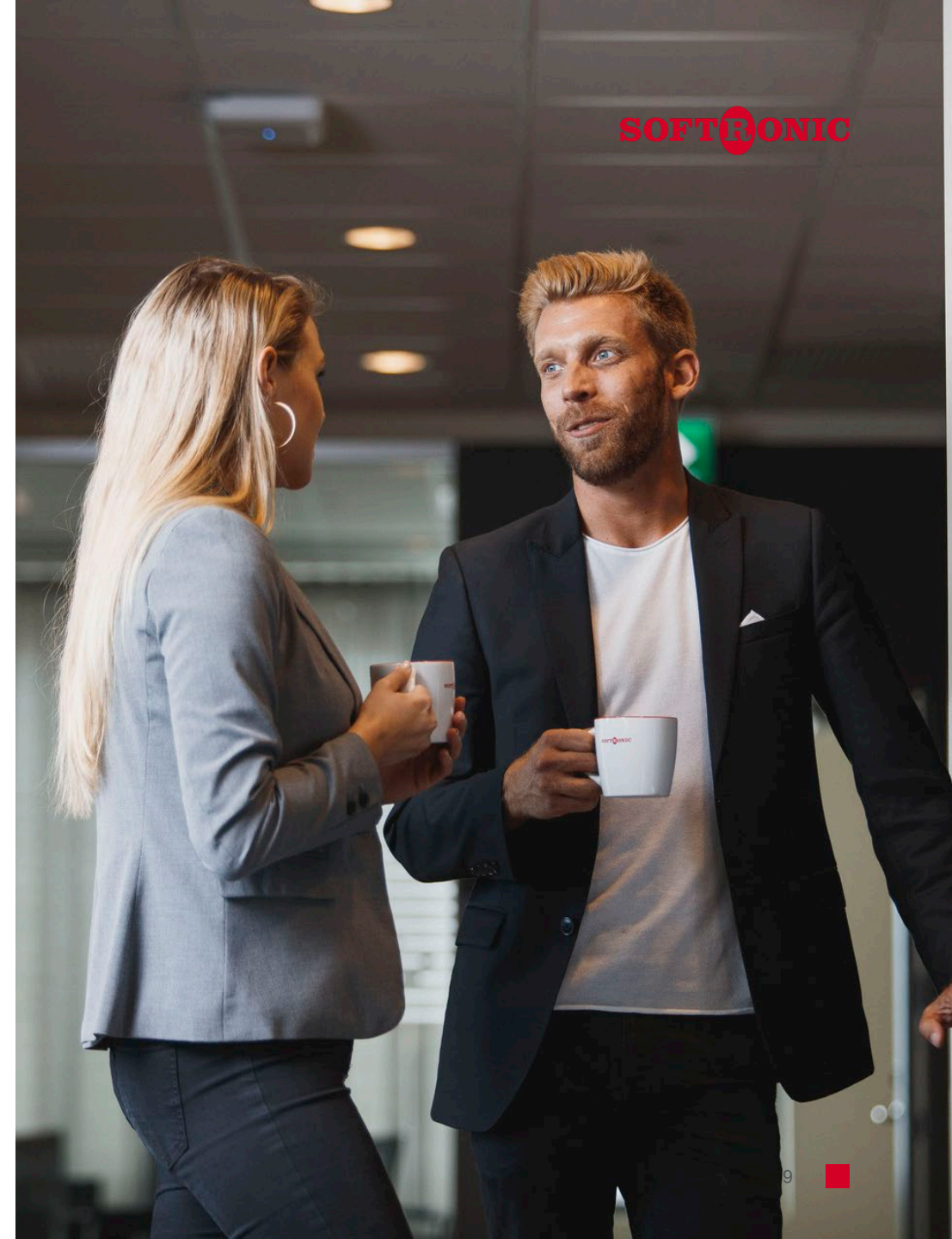
Goals and results

Financial stability

Softronic will work for lasting, inclusive and sustainable economic growth, and full and productive employment with decent working conditions. The way in which Softronic works when it comes to human rights, the environment, staff, social factors and combating corruption is governed by Softronic's Code of Conduct. The Code of Conduct combined with the explicit goals that have been set for the key sustainability aspects creates the conditions for structured sustainability work.

Our profit is very strong with an 11.8 % profit margin, giving us a sustainable platform to work from. If Softronic is going to remain a sustainable company financially in the long term, we need to deliver good and stable profitability.

It is also important for the company to grow more quickly than its competitors and this growth must primarily come from Softronic's core business: consulting, management, operation and SaaS services.



Softronic's Code of Conduct – a summary

Softronic's Code of Conduct forms the basis for our company's commercial behaviour and our responsibility towards colleagues, customers, suppliers, shareholders and authorities. We can only live up to our responsibility as a company if we comply with our ethics rules and detailed guidelines.

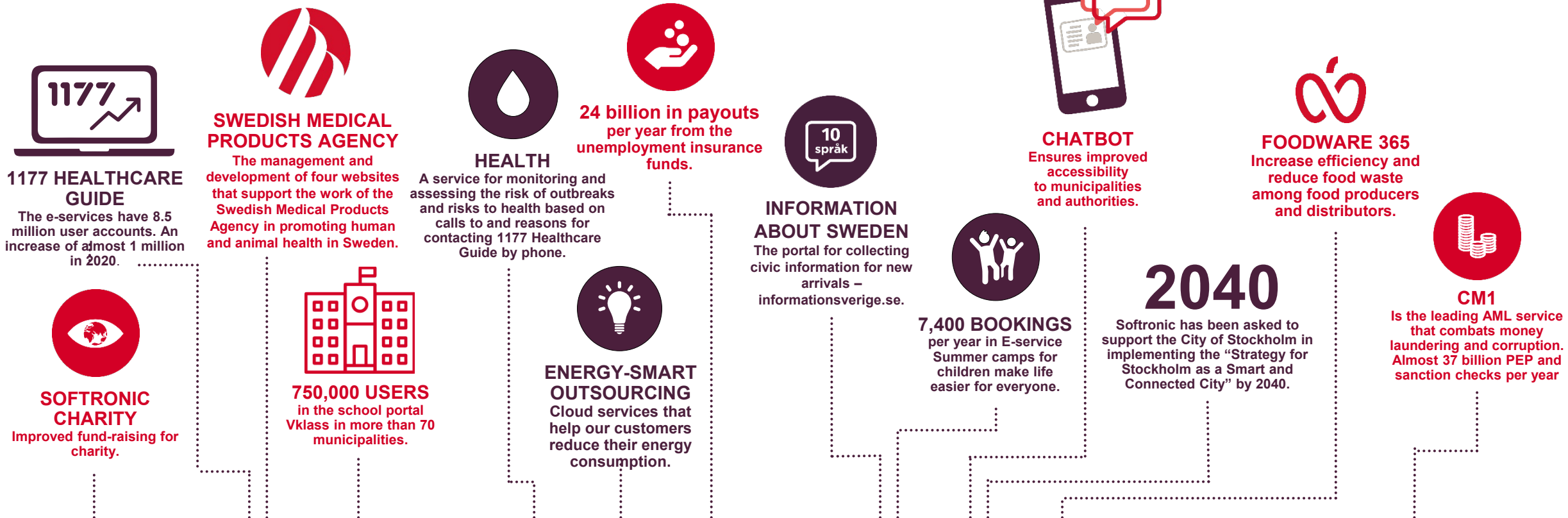
The Code of Conduct has a clear focus on sustainability. It explains, for example, that Softronic must contribute to positive social development by assuming social, environmental and financial responsibility. This means that all our purchases must be made based on sound ethical principles with a high level of integrity. This is also why we are committed to diversity, equality and programmes such as the UN Global Compact, whose principles we adhere to on human rights, employment law, environmental issues and anti-corruption.

Our active work to reduce Softronic's environmental footprint mostly involves setting requirements for suppliers and also making conscious choices internally at the company. It also means that we highlight the entire sustainability perspective in our customer assignments. This is particularly true of our deliveries of IT services, which improve our customers' working methods and business. The technology that we deliver boasts good environmental performance, including a high proportion of cloud services and other solutions for greener IT. This enables us to help our customers comply with the stricter requirements for sustainability in their business operations.

Read the Code of Conduct in full here: softronic.se/om-oss/etik



Our customers are challenging us to work with them to create sustainable solutions



- 1 INGEN FATTIGDOM
- 2 INGEN HUNGER
- 3 GOD HÄLSA OCH VALBETINNANDE
- 4 GOD UTBILDNING FÖR ALLA
- 5 JÄMSTÄLLDHET
- 6 RENT VATTEN OCH SANITET FÖR ALLA
- 7 HÅLLBAR ENERGI FÖR ALLA
- 8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT
- 9 HÅLLBAR INDUSTRI, INNOVATIONER OCH INFRASTRUKTUR
- 10 MINSKAD OJÄMLIKHET
- 11 HÅLLBARA STÄDER OCH SAMHÄLLEN
- 12 HÅLLBAR KONSUMTION OCH PRODUKTION
- 13 BEKÄMPA KLIMATFÖRÄNDRINGARNA
- 14 HAV OCH MARINA RESURSER
- 15 EKOSYSTEM OCH BIOLOGISK MÅNGFOLD
- 16 FREDLIGA OCH INKLUDERANDE SAMHÄLLEN
- 17 GENOMFÖRANDE OCH GLOBALT PARTNERSKAP

Sustainability expertise among our employees

We started 2020 by inviting all our employees to a sustainability lunch. At this lunch we talked about sustainability goals, our focus areas and examples of how our solutions, products and services contribute to sustainable development. We also discussed the commitment we made with our colleagues in the digitalisation consultancy industry through our joint roadmap for fossil-free competitiveness.

In the autumn of 2020 and the start of 2021 we worked on developing Softronic's new sustainability course. The aims of this course include providing all employees with basic knowledge of how Softronic's operations affect sustainable development, our sustainability work and the Global Goals. This sustainability course replaces our current environmental course and was launched at the start of 2021.

In 2020 Softronic introduced a new platform for internal communication. This new platform is more effective at reaching a wider audience with information and knowledge about sustainability and our sustainability work. We hope this will enable us to involve more employees and increase engagement around out sustainability work as we provide information and spread knowledge.



Gender equality and diversity

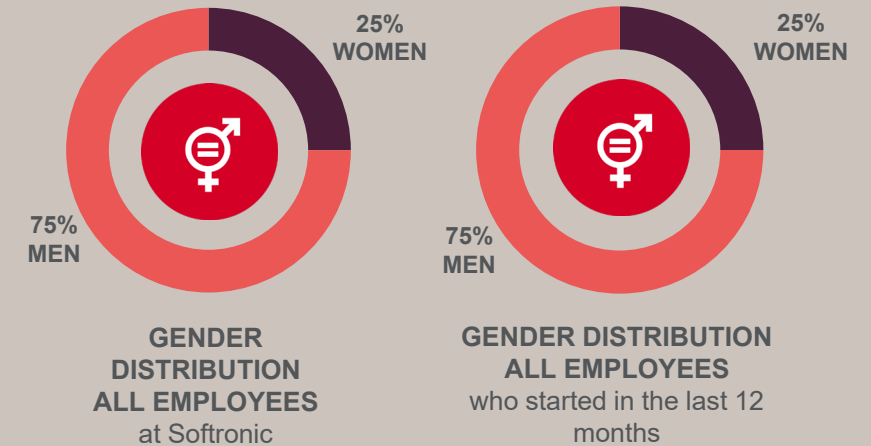
At Softronic we understand that diversity is something that enriches us, which is why we focus on this in our day-to-day work. We remain resolute in our work in this area, maintaining and strengthening an inclusive culture, and promoting diversity in recruitment. The basic goal for our diversity work has always been to create and develop a workplace that accommodates and welcomes everyone.

We have established routines and policies in place to provide our employees with information and training about our diversity work and how to treat each other as fellow human beings. Everyone at Softronic has a shared responsibility for acting against discrimination, victimisation and harassment/sexual harassment. Everyone also has a responsibility to contribute to a good work environment where everyone is happy and thrives, and has equal opportunities irrespective of cultural background sex, transgender identity, age or sexual orientation.

Our annual employee surveys have so far proven that we are a sustainable workplace, giving every employee as much potential and as many opportunities as possible. The employees specifically state that they have an exceptionally collegial and humane work environment and are given a lot of freedom within their responsibilities, which promotes a healthy work-life balance. We also received top marks in terms of discrimination, harassment and victimisation.

We are working continually on gender equality, but this has not always given us the results we have wanted, despite our hard work. In 2020 we mostly maintained the same distribution between men and women, even though our ambition was to increase the percentage of female employees. We recognise that this is a major challenge and will take time. However, we are happy to report that we do have a gender-equal Board of Directors.

We have a clear path ahead of us. We need to intensify our work on increasing the percentage of women and several activities are planned for skills development, recruitment and external communication.



Requirements for us and our suppliers

We need to set requirements on ourselves and on our suppliers if we are going to take responsibility for how resources are used. At Softronic we set requirements on our suppliers and the goods and services that we buy. Priority is given to suppliers that are certified in accordance with established environmental standards or that can show that they have structured environmental/sustainability work. We are focusing specifically on electricity consumption in our offices and data centres. Softronic has five offices in Sweden and four of them use renewable electricity. The electricity used in all our data centres is renewable.

Software has had a meeting and travel policy in place for many years to help our employees make environmentally-conscious decisions. We should only travel if necessary and we should travel in an environmentally-conscious way. For example, meetings should be organised in such a way that participants can travel to them by public transport and train. Employees may not travel by plane for distances shorter than 500 km, unless they have special approval. So if an employee is travelling between Stockholm and Gothenburg, they should normally travel by train.



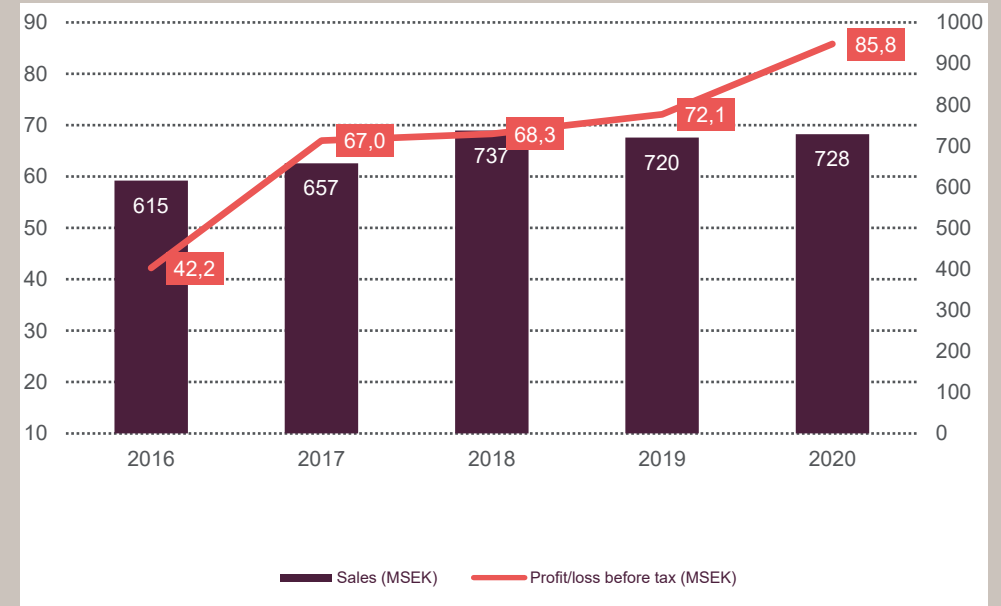
A stable, long-term industry is essential for a sustainable society

At Softronic, social responsibility is not only about sustainability. We also work for a better society and a better environment by aiming to grow financially based on ethical principles.

If Softronic is going to remain a sustainable company financially in the long term, we need to deliver good and stable profitability. It is also important for the company to grow more quickly than its competitors and this growth must primarily come from Softronic's core business: consulting, management, operation and SaaS services.

Despite the Covid pandemic, we managed to achieve growth in 2020 and rebalanced our sales towards more agreement-based services. This growth is completely organic; Softronic did not make any acquisitions during the year. Our profit is very strong with an 11.8 % profit margin, giving us a sustainable platform to work from.

The Board of Directors has delegated responsibility to the Group management team to lay the foundation for sustainability work, for example by identifying stakeholders and monitoring the sustainability process.



	2016	2017	2018	2019	2020
Sales, MSEK	614.7	657.0	737.2	720.0	728.5
EBITDA, MSEK	50.0	75.5	75.0	97.0	110.7
Profit/loss before tax, MSEK	42.2	67.0	68.3	72.1	85.8
Profit margin, %	6.9	10.2	9.3	10.0	11.8
Number of employees at year-end	432	445	438	437	422

Support for charity fundraising

Softronic's CRM system Charity was born out of the need for fund-raising organisations to develop their relationship with donors and have a user-friendly system to handle time-consuming administration. The system is a bespoke, turnkey solution that provides fund-raising organisations with excellent opportunities to focus on their work with donors and increase the number and average value of donations.

Softronic Charity provides the fund-raising organisation provides the fund-raising organisation with full control over the entire range of fund-raising activities and a better understanding of the target groups. It gives them the opportunity to adapt communication channels and get better results in their campaigns. When time-consuming administration is made more efficient, organisations can dedicate more resources to the principal task of getting more people to help in the fight against poverty and increase support for people in need of help.

All event-driven activities can be entered and managed by Softronic Charity, including things like thank-you notes, deed of gifts, reports for honorary persons and welcome letters in connection with direct debits. The results can then be analysed using the system's analysis tools. The budget and the accounting connected with the campaigns can also be managed directly in Softronic Charity.

At Softronic, we are immensely proud to be able to offer Softronic Charity to aid organisations, and as a result help them succeed in their hugely important work.



“Where water is scarce, Läkarmissionen digs wells. Water saves lives. Good hygiene is always important, but particularly now with the coronavirus.”

Monika Frieberg, Database and Head of IT,
Läkarmissionen

System support for combating money laundering

It cannot have escaped many people's attention that money laundering is a widespread criminal activity. Money laundering is used by drug dealers, human traffickers and gambling syndicates, but also by terrorists. It is essential to combat money laundering in order to secure a safe, peaceful and sustainable society.

Over time money launderers are becoming more skilful, while the consequences of money laundering are becoming more serious. It is also becoming more difficult to monitor what is happening in the world, providing them with more opportunities to launder money. Combating money laundering is therefore not easy and it requires support from smart solutions, such as Softronic's solution CM1.

CM1 is a system for combating money laundering, supporting compliance with laws on measures to combat money laundering and the financing of terrorism. CM1 is being continually developed based on customer needs and to comply with current laws and regulations. CM1 is offered as a service and it is introduced in close collaboration with the customer to meet the customer's specific needs and operations.

Trust helps business If companies do not comply with legislation, they can face millions in fines and customers will leave them. At Softronic we are, of course, proud to be able to help our customers comply with the regulations and help society with this incredibly important issue.



SOFTRONIC

“CM1 has been on the market since 2009 and we are extremely good at continually improving our service so that our customers can combat money laundering. Working on such an important social issue is incredibly motivating and gives us the energy to keep on improving.”

Tommy Paanola, Business Manager, Softronic AB

Digital care services free up time for physical appointments

1177 Healthcare Guide has developed in recent years into a portal for e-services that makes communication easier between patients and healthcare providers. From 2018 every healthcare provider in Sweden must offer services through this website. One of the reasons for this is to increase the accessibility of physical care for people who really need it.

The site where patients and healthcare providers meet is called 1177.se. This site brings together personal e-services and is a place where everyone can contact healthcare in a simple way and get an overview of their own health and healthcare. For example, to renew prescriptions. To book an appointment. To get results. To look at their records. And many other services.

As the use of e-services at 1177.se increases, it is becoming even clearer that it is a win-win situation. The patient avoids waiting in a telephone queue and in many cases also avoids having to go to a health centre or hospital. It reduces the costs for the county councils as a case that can be resolved online costs much less than advice by phone and physical appointments. And just as important is the fact that it reduces the amount of travelling, which is good for the environment.

Softronic's assignment involves managing and developing the website's e-services to ensure that the architecture and technical solutions comply with national directives for e-health as well as other laws and regulations. We also ensure that 1177 Healthcare Guide is integrated with the National Service Platform – a technical platform that optimises the exchange of information between various IT systems in healthcare.



“We’ve been working with Softronic for many years to digitalise Sweden in e-health. The services have gradually grown to become one of the most used e-services in Sweden, and they retain their accessibility and stability. We are very happy.”

**Carl-Gunnar Höglund,
Head of Management and Support
1177 Healthcare Guide**

The T1D app, a completely unique type 1 diabetes app

Together Against Diabetes1 (T.A.D.1) was established in the autumn of 2016 to make a change and to make a difference. The founder Elin has type 1 diabetes herself and wants to spread knowledge and information about type 1 diabetes and help raise more money for research.

T.A.D.1 started a project to develop an app that makes a real difference to everyone living with and around type 1 diabetes. Softronic was commissioned to develop the T1D app for iOS and Android, and has worked closely with the client. We have supplied a team with a project manager, an app developer, a UX designer, a requirements analyst and a tester. This has been an important project for Softronic and we wanted to support it with the skills we have at the company. The result is a unified platform that is accessible 24/7!

The T1D app provides a unified platform for everyone who has a connection to type 1 diabetes in some way. There are two sections in the app – an information section and a functional section. The information is aimed at the target group, with, for example, information articles, news, checklists and quizzes. It also has an easy-to-use carbohydrate calculator, making it simple to calculate how many carbohydrates are in a meal. In 2021 the aim is to launch an insulin dose calculator, which Softronic has developed.

The T1D app is completely free to download and use. For more information, visit <https://t1dapp.se/>.



“It’s been so enjoyable, exciting and educational to work with Softronic’s team on this project. But what I’ve appreciated the most is the incredible level of engagement you’ve shown. I don’t know how many late nights and weekends we spent sending emails, messages and talking so that we could meet all our deadlines!”

Elin Cederbrant, founder of T.A.D.1

GRI-index

CONTENT	STANDARD DISCLOSURES	PAGE/NOTE
102-1	Name of the organisation	Softronic AB
102- 2	Activities, brands, products, and services	Annual Accounts, note 20
102-3	Location of head office	Annual Accounts, note 20
102-4	Location of operations	Softronic is primarily active in Sweden
102-5	Ownership and legal form	OMX NASDAQ Stockholm since 1998
102-6	Markets served	Softronic has offices in Stockholm, Gothenburg, Malmö, Sundsvall and Arjeplog. The customers are predominantly in Sweden.
102-8	Information on employees and other workers	p. 13, the annual report p. 4 and the annual accounts note 3
102-9	Supply chain	p. 10 and p. 14
102-13	Membership of associations	Softronic is a member of Almega IT & Telecom companies
102-14	Statement from the CEO	page 2
102-15	Key impacts, risks and opportunities	p. 3-9
102-16	The organisations values and codes of conduct	Softronic has a Code of Conduct that is approved by the Board of Directors and is revised annually. For more information, see page 8. The Code of Conduct is reviewed with employees as part of the on-boarding process. Employees take e-learning courses on the environment and information security.
102-17	Mechanism for ethics, values and complaints	page 10 and page 15
102-19	Delegation	page 15

GRI-index

CONTENT	STANDARD DISCLOSURES	PAGE/NOTE
102-40	List of stakeholder groups	p. 3-4
102-42	Identifying and selecting stakeholders	p. 3-4
102-43	Approach to stakeholder engagement	p. 3-4
102-44	Key topics and concerns raised	pp. 3-15
102-45	Entities included in the report	All companies are included in the sustainability report, annual accounts note 9
102-47	List of material topics	p. 3-15
102-48	Restatements of information	No adjustments
102-50	Reporting period	The sustainability report is for the 2020 calendar year
102-51	Date of previous report	2 April 2020
102-52	Reporting cycle	Annually at the same time as the Annual Accounts
102-53	Contact point for questions regarding the report	Joachim Lundberg, Chief of Staff or sustainability@softronic.se
102-54	Claims of reporting in accordance with the GRI Standards	This report refers to GRI Standards GRI 102: General disclosures 2016; GRI 103: Management approach 2016 and GRI 205 Anti-corruption 2016.
102-55	GRI index	p. 20 and p. 21
102-56	External assurance	The report has not been reviewed by an external party
103-1	Explanation of the material topic and its boundary	p. 3-15
205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption

Auditor's statement



Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Till bolagsstämman i Softronic AB (publ), org.nr 556249-0192

Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för hållbarhetsrapporten för år 2020 och för att den är upprättad i enlighet med årsredovisningslagen.

Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 12 *Revisorns yttrande om den lagstadgade hållbarhetsrapporten*. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

Uttalande

En hållbarhetsrapport har upprättats.

Stockholm den 19 mars 2021
PricewaterhouseCoopers AB

Nicklas Kullberg
Auktoriserad revisor

