


CSR Report 2019

About the 2019 report: GlobalConnect and IP-Only



This is the first corporate social responsibility report as a group since GlobalConnect and IP-Only were merged in the beginning of 2020 to form the leading integrated digital infrastructure provider in Northern Europe.

On September 21, 2020, GlobalConnect became the name of our entire group and the brand under which we deliver to businesses and organisations in Denmark, Germany, Finland, Norway, and Sweden. In addition, we deliver services to consumers through our brands Homenet in Norway and IP-Only in Sweden.

The purpose of the report is to provide insights into the efforts done by GlobalConnect. The report focuses on activities in Denmark, Sweden and Norway. Throughout the 2019 financial year, GlobalConnect and the Swedish organization were separate companies until the merger in February 2020. This means, that this report also marks the beginning of an integrated strategy on group level, anchoring the focus on social responsibility consistently in everything we do.

Starting next year, the report will represent the new integrated strategy and how GlobalConnect Group works with social responsibility consistently in all core business areas and across the region in all the countries we operate in.

Overview of content

Introduction	1
Letter from Our CEO	3
Environmental responsibility	4
Social responsibility	7
Work environment, health and safety	9
Diversity and equality	11
Anti-corruption	13
Customer Integrity	15

CSR Report 2019

We live in a connected world. Access to digital solutions is essential for businesses and individuals who aspire to be part of modern society. Increased connectivity and access to digital solutions can solve many challenges in society – today and in the future – by enabling innovation, paving the way for productivity and flexibility in our work lives, and contributing to smaller carbon footprints. It also has the potential to improve quality of life and reduce loneliness and exclusion by enabling us to stay connected with each other.

GlobalConnect is one of the leading providers of ever-evolving connectivity solutions and digital infrastructure to organisations and individuals in Northern Europe. We deliver end-to-end solutions from fiber to cloud based on our own infrastructure and we use the technology of tomorrow to empower society through digitization. Through our assets, our technology and our people, we strongly believe that we make a difference.

Our business and offerings are closely linked to our corporate social responsibility strategy. To truly make an impact, it is essential that we leverage our key competences to build a more sustainable connected society and help businesses do the same.

Towards this goal, these are our three key objectives:

1

To expand our fiber network. We believe that connectivity can contribute to reducing inequality and improving education, health, and well-being by enabling people to have access to technology and conform to the rapid increase and change of digitalization in the society.

2

To empower our customers to become more sustainable, while at the same time work to reduce our own climate footprint. We see it as our responsibility to enable customers to develop and grow in a hyperconnected world. Digital infrastructure is an essential foundation for developing sustainable businesses and thereby sustainable societies.

3

To set standards for diversity and equality in our industry and create a healthy, safe, and diverse workplace, thereby improving the well-being of our employees and hopefully, society in general.

Our corporate social responsibility strategy and actions are based on 10 out of 17 selected goals in UN's Agenda 2030 for Sustainable Development that can be linked to our existence and operations. These are:



GlobalConnect in numbers

1.700

Employees

74.500

Kilometers of fiber network

22

Data centers with a total of
27.000 m² in Northern Europe

27.000

m² in data centers

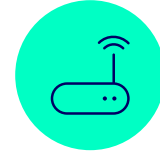
28.000

B2B customers

302.000

Private customers

Services



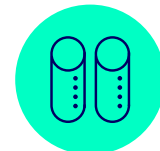
Internet



IT-security



Network



Data centre



IT outsourcing



Unified Communications

Letter from our CEO



Welcome to the first sustainability report for GlobalConnect.

We are one of the leading digital infrastructure providers in Northern Europe. This is a position that comes with great responsibility, and it is key to our existence to empower a sustainable society through digitisation, starting with the way we run our business.

We serve businesses, public entities and private consumers with comprehensive national and cross-border fiber networks and associated services, as well as operate data centres. It goes without saying that sustainability is expected by our customers, investors, owners, employees, and by society in general – exactly as it should be.

Throughout 2019, and prior to becoming one joint group, both IP-Only and GlobalConnect have conducted remarkable efforts towards improving the sustainability of our own business as well as empowering a more sustainable society. It is my personal goal to anchor social responsibility consistently in the integrated strategy in our new GlobalConnect Group. This also means that we must continue to contribute to a better world by empowering society with connectivity.

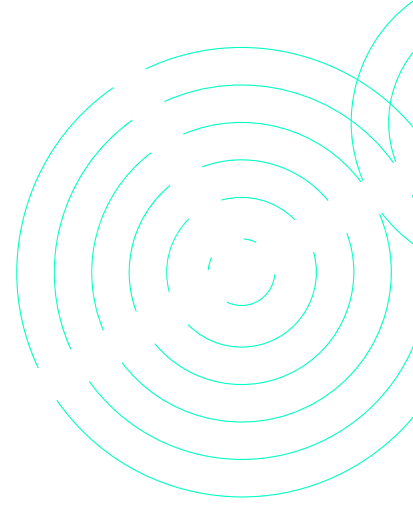
So far, 2020 has been an extraordinary year due to the COVID-19 pandemic. It has affected us all and changed the way we live our lives, privately and professionally. At GlobalConnect, we have done our utmost to ease the shift to digitization, and at a time when our network has been more crucial to society than ever, it has proven stable and robust. I am proud to be a part of a company which is forming modern life, is empowering society and which is having an impact on an endless number of processes we take for granted. Just to give an example, we ensure that modern hospitals can operate the newest technologies. Also, all stores, banks and businesses in general are dependent on a strong digital infrastructure to do something as fundamental as transferring money. This is for me, what makes our work so truly meaningful.

The shift to a truly digital society with equal opportunities for all is a long-term process, and at GlobalConnect we are committed to continue our contribution. I am proud to be part of this important journey and look forward to further enhancing our corporate social responsibility going forward.

Martin Lippert
Group CEO, GlobalConnect



Environmental responsibility



Acting with environmental responsibility is integral to the way we do business. Based on the following UN sustainable development goals, we actively focus on how to contribute to greener technology and lower energy consumption in society through sustainable digitization: *Affordable and clean energy (7), sustainable cities and communities (11), responsible consumption and production (12) and climate action (13).*

Overall objectives and strategy

We believe it is our natural responsibility to reduce our own environmental footprint as well as participate in leading the way to a more environmentally friendly industry. This includes continuously working on improving and developing our products and services to minimise the negative environmental impact, particularly reduce the emission of greenhouse gasses.

To achieve the objectives, we consider environmental issues throughout the whole supply chain and when developing new technological solutions for our customers. We explore how new technologies can reduce our own energy consumption and use energy efficient components for all parts of our infrastructure. All our major nodes and data centres are supplied with green electricity that comes from natural, renewable energy sources. We use free cooling as the main cooling method wherever possible, and we aim to use eco-labelled products and work to reduce the amount of electronic waste through re-use and recycling.

We also strive to lower the environmental impact caused by travelling by meeting online and encourage our customers to do the same by providing the digital solutions that make online meetings an attractive solution. Needless to say, we comply with current laws and regulations and respect our duty of care. In addition, we qualify suppliers on their ability to meet environmental certification standards as well as our Code of Conduct.

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Key actions and results

Through a consistent strategic focus on environmental responsibility, we have conducted impactful activities and obtained positive results and acknowledgement for initiatives throughout 2019. These are highlighted examples:

The Eco-Lighthouse certification

In Norway, GlobalConnect continues to be qualified according to the prestigious Eco-Lighthouse certification (Miljøfyrtårn), Norway's most widely used certification scheme for enterprises seeking to document their environmental efforts.

The certification sets high standards for work environment, purchase, energy, transportation, disposal, and spill, while we also ensure that as much of our power consumption as possible is guaranteed to be clean by the providers (guarantee of origin).

The first datacentre provider to obtain highest energy rating

Approximately 50% of Denmark's internet traffic passes through GlobalConnect's data centres, so it is our natural responsibility to reduce the climate footprint of our infrastructure. In 2019, GlobalConnect was the first data centre provider on the Danish market to obtain the Energy Efficiency Certificate with an A-rating, a certificate based on EU's "Code of Conduct on Energy Efficiency on Data Centres". The A-rating was awarded by third-party eOptimo, the only non-partisan Scandinavian endorser of the EU code of conduct.

This acknowledgement is an official seal of approval of our investments in an extensive energy optimisation of our danish data centres, resulting in major environmental savings. We use free cooling, in-row-cooling, and cube division to ensure energy-efficient cooling and we continuously work with recycling surplus heat. The initiative has so far reduced the amount of CO₂ emissions with 572 tons and saved 2.776.214 kWh per year.

572 tons

Reduced amount of CO₂ emissions

2 776 214 kWh

Saved per year

Energy survey of data centres

In collaboration with a third-party expert, we conduct an energy survey of our data centres, sites, and offices in Sweden every three years. The most recent survey showed that our data centres and nerve centres account for 90.5% of our total energy consumption in Sweden. We also carry out annual analyses of the negative environmental impact caused by cooling our data centres and nerve centres and reducing the energy consumption is a strong focus for the entire GlobalConnect Group in the years to come.

GO-COLOR

In 2019, we began the roll-out of an ambitious project; GO-COLOR. It is a high-speed and high-capacity cross-border optical fiber network that will run through the southern parts of Norway and Sweden, cover large parts of Denmark, and run all the way to Frankfurt and Amsterdam.

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Environmental considerations lie at the heart of the project: The network uses the latest DWDM (Dense Wavelength Division Multiplexing) technology, an optical multiplexing technology used to increase bandwidth over existing fiber networks. This reduces the need to excavate new fiber significantly, saving resources and energy. The network can carry many high-speed optical channels in the same cable and is also ready to support higher capacities in the future.

When selecting technology and equipment for the project, energy consumption was a key selection criterion. Also, the choice of turnkey vendor was highly based on their environmental program focusing on reducing CO2-emission and increasing recycling. In general, we request vendors to include power consumption on all tenders.

ISO14001:2015 certification

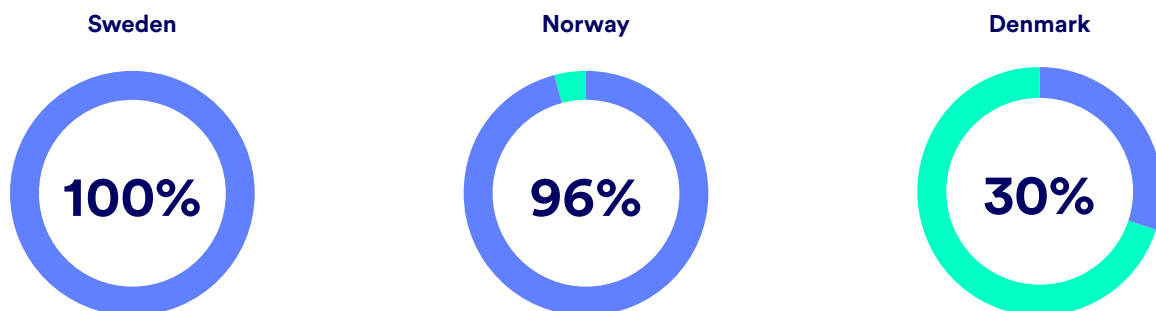
In Sweden, IP-Only is certified with the most recognised international standard for environmental management systems, ISO14001. The certification provides a framework through which an organisation can deliver environmental performance improvement in line with its environmental policy commitments. In 2019, the certification was upgraded to the new standards of ISO14001:2015.

Renewable energy

All large (>5kW) Swedish data centres and nodes built in 2019 use free cooling as the main cooling method at temperatures below +10 degrees. 100% of the electricity consumption in our data centres in Sweden comes from renewable energy. Sweden also successfully implemented a greener car policy in 2019.

In 2019, 96% of the electricity consumption in our data centres in Norway came from renewable energy, mostly derived from the movement of water, i.e. hydropower. During 2020, we are investigating the opportunity to connect our Norwegian data centres to the heating station Fortum, to recycle the surplus heat generated by our data centres. In Denmark, 30% of data centre power consumption comes from renewable energy, a percentage we are focusing on increasing.

Renewable energy at our data centers





Social responsibility

To be connected is fundamental to modern society. Connecting people, organisations, and society lies at the very core of our business, and by expanding and developing our infrastructure, we contribute to a more sustainable hyper-connected world.

Our social responsibility strategy contributes to the following sustainable development goals of UN Agenda 2030: *Good health and well-being (3), quality education (4), industry, innovation and infrastructure (9), reduced inequalities (10) and sustainable cities and communities (11).*

Overall objectives and strategy

The overall goal of our social responsibility focus is to leverage the core of our business to provide as many people as possible with a robust and future-proof fiber connection, empowering them to use all the digital services essential to live and work in a modern society.

GlobalConnect is one of the few the only providers able to meet the growing demand from enterprises and public institutions for stable and secure fiber and end-to-end connectivity solutions across borders in Northern Europe. To deliver on this demand, we are continuously expanding our infrastructure. Constructing fiber networks outside urban areas, however, is not entirely straightforward. This is mainly due to challenges with lengthy licensing processes with the authorities and the process of collecting and negotiating land agreements with private landowners, so we continually focus on improving our internal process for addressing these challenges.

In addition to expanding our infrastructure, we always aim to act responsibly in our own business conduct. We cooperate with local and foreign suppliers and subcontractors, and we require that they all live up to the standards set in our Code of Conduct for suppliers, including respect of human rights, proper working conditions, and zero tolerance for child labour. If a supplier or subcontractor fails to meet our expectations, we will choose another supplier who does.

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Key actions and results

In 2019, we have delivered several projects contributing to expanding and developing our infrastructure, to contribute to a more sustainable hyper-connected world. The following are two selected larger projects:

Fiber connections in rural areas

In 2019, we have expanded our fiber network with 770 kilometres in Denmark. In Norway, our network has been expanded with 110 kilometres and we have connected 14.000 private homes with fiber, many in rural areas in the northern part of the country. We have also built structural metro fiber carrier networks in Norwegian rural areas, delivering resilient transportation to local access players including mobile operators and their base stations. In Sweden, we have delivered on a specific goal to be the national player to build the most fiber connections in rural areas. In total, 40,000 Swedish homes were connected during 2019 with a 13% annual increase of connections in rural areas.

We have also streamlined our internal processes for addressing challenges in relation to fiber expansion, and we have become even better and more efficient in the preparatory work.

+880_{km}

Expanded fiber network in Denmark and Norway.

↗13%

Annual increase of connections in rural areas in Sweden.

Code of Conduct for suppliers

In Sweden, a policy for supplier relations is included in the Code of Conduct. In Denmark and Norway, a specific Code of Conduct for suppliers has been formulated and the process of implementation has begun in. The aim is to secure that suppliers live up to our standards and expectations by including HES (health, environment and safety) compliance requirements in supplier contracts and performing audits on status and fulfilment.



Work environment, health and safety

Our goals and efforts towards ensuring a good work environment and the health and safety of our employees are related to the following sustainable development goals: *Good health and well-being (3), decent work and economic growth (8) and gender equality (5).*

Overall objectives and strategy

It is our defined ambition to be the 'preferred place to work' in our industry. We believe healthy employees and a safe working environment are fundamental to any sustainable business, as well as an empowering and inclusive culture which increases well-being and allows talent to grow.

Key to becoming the preferred place to work is to spot, grow, and develop talents within the group. We wish to motivate our employees to seek career opportunities internally, and we focus on offering the necessary tools for our employees to reach their personal goals. We also enjoy working with apprentices to give young talents a chance to kickstart their careers and develop within our organisation.

The foundation for any efforts to secure a healthy and safe work environment starts with complying with local labour legislation and collective agreements. We have zero tolerance for any form of harassment. We measure our employees' perception of harassment at the workplace ongoingly to make sure we are able take action should perceptions of harassment occur despite our preventing efforts.

There are many risks associated with building and working on fiber networks. The work is often carried out in many different places and several different tasks can take place at the same time. Thus, although the responsibility for rectifying and managing incidents

lies with the contractors, we perform quality and safety controls of our hired contractors, and we take responsibility to collect, document, and follow up on any incidents. Furthermore, we set high requirements to our contractors for incident avoidance and management.

It is important to ensure that our efforts have the desired results. We have regularly conducted anonymous employee surveys which identified initiatives and focus areas to continuously improve the work environment. Going forward, we will measure engagement in the entire group using the same tool, Peakon. The tool contributes to track trends and develop active conversations with employees, ensuring that our employees' voices are heard and supporting our leaders in making people-related decisions.



Key actions and results

Below is an outline of selected activities and results which have been part of our focus on work environment, health, and safety.

Attractive domiciles

We have prioritised efforts improving our work environment to attract talent. Key to building an attractive workplace is the physical working conditions, so in 2019, our Oslo office moved into a new modern domicile, and the same has taken place in Sweden in 2018/2019. In late 2020, our Danish headquarters will also move to a brand new and environmentally friendly domicile. The latter relocation will also merge two offices to strengthen the culture in our Danish organisation.

Employee engagement

We regularly measure employee engagement to ensure that our efforts are successful. In Sweden, we have conducted annual surveys based on eNPS, and all other countries have used the tool Peakon to conduct bi-weekly surveys for a real-time snapshot of employee satisfaction and engagement.

We regularly measure employee engagement.

In the Danish and Norwegian organisation, the goal for 2019 was an engagement score of 7.0, and the result was 7.1. The aimed scores were also reached for the focus areas goal setting and meaningful work and almost reached for the focus area strategy (score at 7.0 compared to aim of 7.8).

Work environment surveys were conducted during 2019, and the next work environment survey will be conducted no later than 2022.



Employee engagement in the Danish and Norwegian organisation.

Illness and accidents

Our efforts have reduced absence due to illness. In Sweden, the 2019 absence-level due to illness was measured at 2,62%, delivering on an aim of less than 3%. All employees in Sweden, Denmark and Norway are covered by a health insurance, and in Denmark and Norway, all employees have been offered flu vaccines, which we are currently working on implementing in Sweden as well.

No deaths or serious accidents were registered in 2019.



Thee absence-level due to illness in Sweden, 2019.



Diversity and Equality

As part of our focus on creating a good, healthy, and safe work environment, it is a high priority to promote diversity and ensure equal opportunities for all, regardless of gender, ethnic origin, religious beliefs or the like. Our efforts in this area contribute to the sustainable development goals *gender equality (5)* and *reduced inequalities (10)*.

Overall objectives and strategy

It is our aim to ensure equality and diversity in our organisation as well as in our industry. We want to avoid any discrimination due to reduced functional ability as well as any gender discrimination concerning salary, promotion, and opportunities in general. It is important to us to avoid any gender discrimination when hiring and we make sure that both women and men are represented among the final candidates.

As a growth company, it is essential to us to attract the right talents, both men and women. Furthermore, the work environment in GlobalConnect should always be guided by equality and respect, and we have no tolerance for discrimination or harassment.

Today, the gender distribution in the GlobalConnect Group is 77,1% men and 22,9% women, so to achieve our objectives, we are further increasing our focus on equal opportunities and gender balance throughout our organisation. For a start, we are very proud to have 3 strong female CEO's to lead each of our main operating countries.

Preliminary work starts in 2020 to implement a diversity inclusion strategy for the group, including designing the physical working conditions in such a manner that as many as possible can access and contribute to our various functions.

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A high ethical standard is an important compass for our daily business practices.

Key actions and results

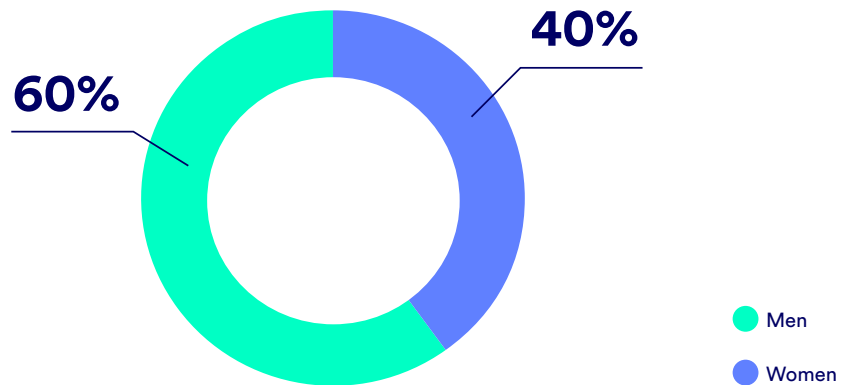
Both GlobalConnect and IP-Only have worked on improving diversity and ensuring equal opportunities for all throughout 2019.

There are selected examples:

Internal guidelines

We have implemented a Code of Conduct with guidelines for a healthy workplace. In Sweden, we have an additional diversity and equal opportunity policy and conduct an annual employee survey focusing on gender equality. The aim is to identify how our employees experience diversity and equal treatment and to put in place improvement measures accordingly.

Gender distribution



The 2019 gender distribution in top management was 60% men and 40% women.

The gender distribution for leaders in Denmark and Norway was 27,7% women and 72,3% men and the vision is to achieve a 50/50 gender distribution in our management. The 2019 proportion of women in the Swedish management team was 40%, and the proportion of female leaders was 30%, delivering on the goals set for the year.



50/50

Our vision is to achieve a 50/50 gender distribution in our management.

Anti-corruption

We are committed to act with integrity in everything we do and a high ethical standard is an important compass for our daily business practices. This goal relates to the following goals within Agenda 2030: *Decent work and economic growth (6)* and *responsible consumption and production (12)*.

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A high ethical standard is an important compass for our daily business practices.



Overall objectives and strategy

We work to ensure that all employees as well as suppliers live up to the standards stated in our anti-bribery policy and Code of Conduct, and preliminary work has been started to implement a procurement policy applicable on group level.

Our Code of Conduct states that employees must never offer or accept gifts, compensation, or other private advantages if it can reasonably be assumed that they serve to influence business decisions. In addition, employees must not make use of agreements with intermediaries to channel payment to a third party in a way that can be suspected of having colluded in corruption. The GlobalConnect Group does not condone any form of corruption or money laundering and we work to prevent economic transactions within the company from being misused by others as a means to money laundering.

It is equally important that our employees have methods for identifying and acting upon violations, and a whistleblower routine will be implemented in Norway, Sweden, and Denmark. The group promotes responsible notification of censurable conditions, which includes both internal and external notifications. All employees can make notifications if they suspect criminal acts or breach of internal guidelines or general ethical standards on which there is broad consensus in society.

Key actions and results

In 2019, both GlobalConnect and IP-Only have worked on enhancing their shield against corruption, and these are some highlighted actions:

Code of Conduct and anti-bribery policy

We comply with all national anti-bribery legislation and conduct our own anti-corruption program to combat bribery and corruption, including clear guidelines for selecting suppliers and partners. Anti-bribery is part of our Code of Conduct in Denmark and Norway, and Sweden has a separate anti-bribery policy.

Internal training

It is our responsibility to secure that all employees are familiar with and understand our Code of Conduct. The policy for anti-corruption, money laundering, and anti-bribery is part of the mandatory introduction program in Denmark and Norway. In Sweden, the separate anti-bribery policy has been communicated to all employees and an internal training was conducted in 2019 in the shape of an e-learning course for all Swedish employees.



Customer integrity

The final area of focus in our corporate social responsibility is to remain a trusted company amongst our stakeholders. The work towards this goal relates to the following UN sustainable development goals: *Decent work and economic growth (8), industry, innovation and infrastructure (9) and responsible consumption and production (12)*.

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It is our responsibility to protect our customers' data in accordance with applicable customer privacy and personal data retention laws.

Overall objectives and strategy

As society becomes more digitized, the quantity of personal data being processed and transferred increases. It is our responsibility to protect our customers' data in accordance with applicable customer privacy and personal data retention laws. Thus, our customers can rely on us to protect and respect their privacy and only collect, store, and use their data for defined business purposes.

It is our clear ambition to comply with GDPR and additional local regulation regarding personal data protection. Our GDPR compliance efforts are continuously revisited and updated.



Key actions and results

New GDPR rules have increased the importance of handling customer data safely and responsibly. Throughout 2019, both GlobalConnect and IP-Only have conducted various activities towards this goal, these are selected initiatives:

Internal guidelines

To ensure that our employees are aware of the guidelines for processing personal data, they are included in both our Code of Conduct and Information Security Manual in Norway and Denmark. Code of Conduct is sent out with employment contracts and Information Security Manual must be signed by all employees when starting employment in the company.

Routines

We use e-signature when signing personal documentation and to an increasing extent when signing supplier contracts.

Suppliers and sub-contractors

When implementing new systems that include personal data, we require our suppliers and sub-contractors to have a clear GDPR-policy, and new standards for this procedure have been implemented within our Human Resources division.

