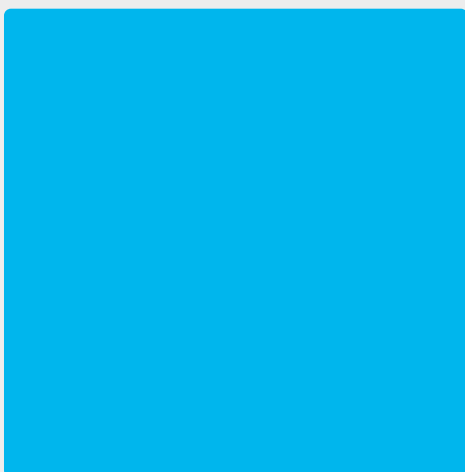
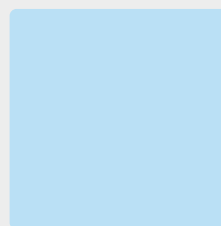
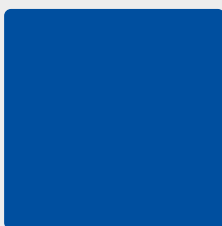
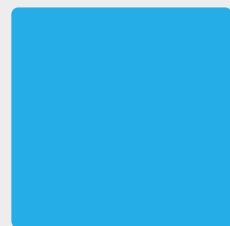


# 2021

## Zalaris Sustainability Report



Simplify work life. Achieve more.

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# 01.

Letter from the CEO



**We want to outline  
the road ahead on our  
journey to measure,  
document, and improve  
our sustainability work  
for ourselves and our  
customers**

Zalaris' primary task is to help our customers keep their employees happy and paid. We believe that by building functionality into our products that create awareness of our impact on the world we live in, we can move sustainability topics up to become second nature in running our businesses and daily lives. We commit both internally and for customers to adapt our products to allow for measuring, monitoring, and reporting on our employees' environmental, social, and governance impact. Maybe even more important, we want the same products to help employees and managers make more sustainable decisions based on the data collected and facts uncovered.

Zalaris has, from its inception, aimed at creating a business based on Nordic values. We have always believed in long-term thinking and treating people as Human Capital. We have communicated our commitments in various policies, such as Code of Conduct, Corporate Social Responsibility, Whistleblowing etc.

In 2021, we launched a strategic initiative to build ESG into all our products and services. As we are predominantly an office-based business, our environmental footprint is mainly limited to travel, energy consumption related to the powering of our IT solutions and securing a good working environment for our people. To support creating awareness of how we can influence our personal and organizational footprint, we started developing an app as part of

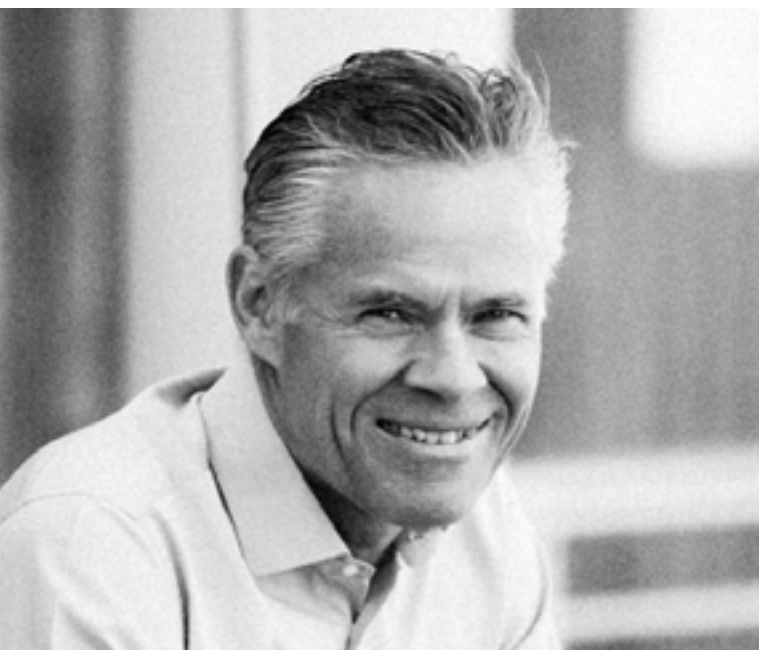
PeopleHub, to help track and visualize our CO2 footprint from commuting and business travel. This was launched in early 2022.

As we have an essential position in providing solutions to help our customers manage their workforce with cloud-based HR and payroll solutions, we are in an excellent place to support reporting and visualize and target performance related to diversity, equity, and inclusion. We have created our first analytics and reporting solution for internal use that we will start marketing to customers in 2022.

We are now consolidating our efforts in a group function reporting to the CEO, responsible for Sustainability/ESG in Zalaris. With this sustainability report, we want to outline the road ahead on our journey to measure, document, and improve our sustainability work for ourselves and our customers. We are committed to target setting and reporting our results on an ongoing basis. It is a short, straightforward take on why ESG is important to Zalaris and what is in it for us! No small talk, no greenwashing, just besting ourselves in small steps and giant leaps.



Hans-Petter Mellerud  
Chief Executive Officer, Zalaris



# 02.

## ESG in Zalaris

Zalaris aspires to achieve sustainable development by striking a good balance between financial results, value creation, sustainability, and corporate social responsibility





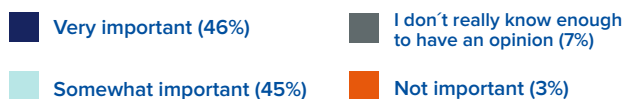
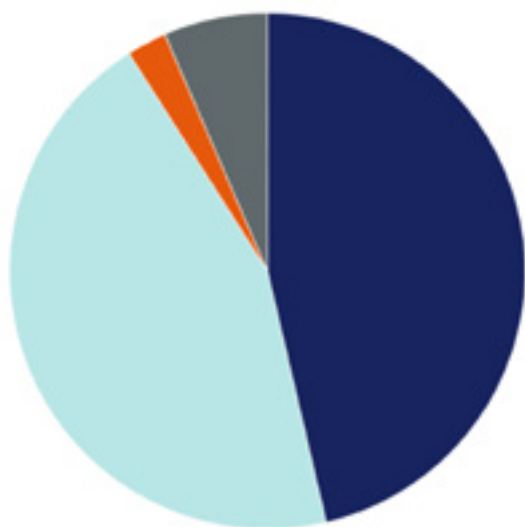
## Highlights from 2021

The management team and board committed to making sustainability a priority. Zalaris aspires to achieve sustainable development by striking a good balance between financial results, value creation, sustainability, and corporate social responsibility (CSR). The Company's objective is to minimize Zalaris' impact on the environment and to maximize the positive impact the Company has on working conditions, society and customer satisfaction.

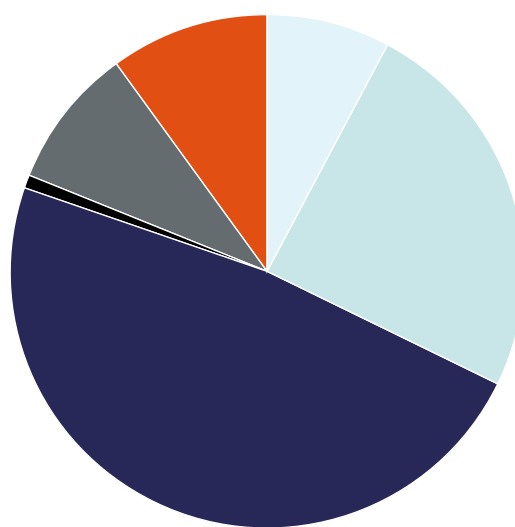
- Product development presented a Beta version of My Carbon Footprint, the first "sustainability support" product embedded in Zalaris People Hub.
- A group function reporting to the CEO, responsible for Sustainability/ESG, was in place at year's end.
- When asked: "How important is it to you that Zalaris takes a clear stand on Sustainability" 91% of the Zalaris workforce replied that it was very or somewhat important.



How important is it to you that Zalaris takes a clear stand on sustainability?



What is your normal mode of travel to work?

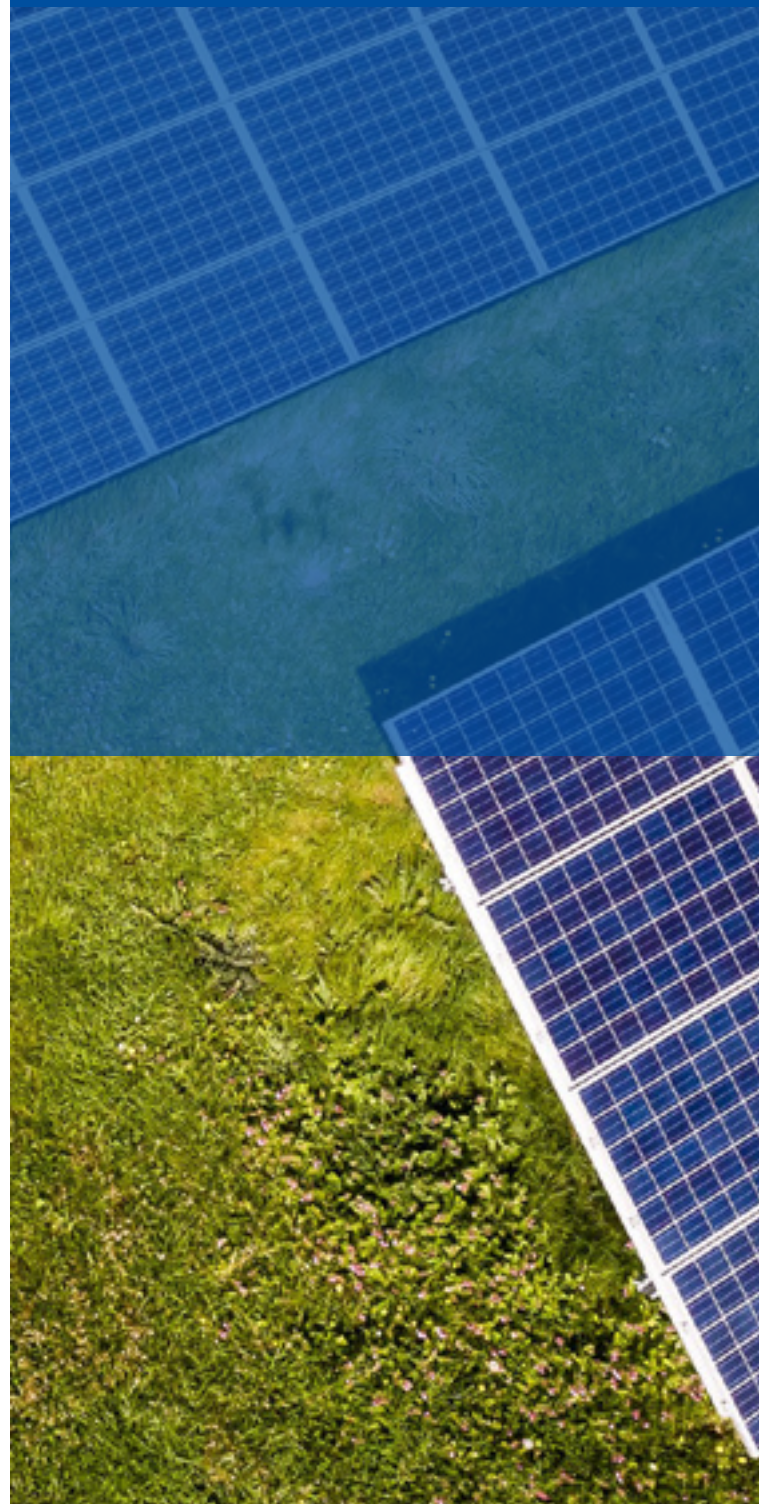


# 03.

## Environment

The IT software and consulting industry is perceived as having a low environmental footprint. Even so, we are not exempt from having emissions.

Climate emissions  
Climate risk



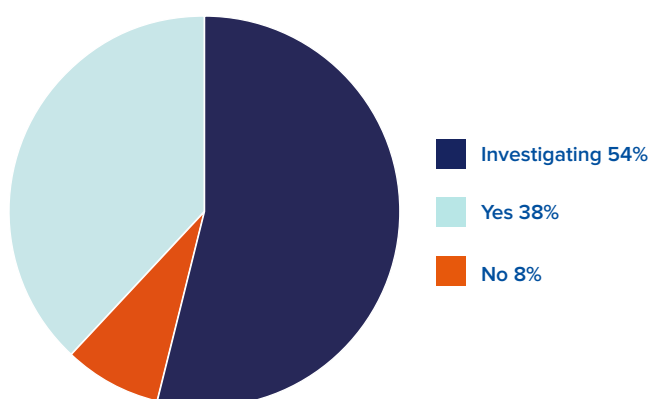
## Climate emissions

The IT software and consulting industry is perceived as having a low environmental footprint. Even so, we are not exempt from having emissions. Business travel, offices, heating & cooling and data centers have significant footprints.

We know that the data centers our hosting providers use, primarily are run on renewable power. We understand that the same goes for our provider of PC/LAN infrastructure. We have some other smaller solutions hosted elsewhere, and we need to investigate these to learn more.

We know that 5 of our office locations run entirely on renewable power. We will follow up the rest with ambitions of the same in 2022.

**Zalaris locations currently on renewable power.**



Business travel was due to COVID limited in 2021. We expect this to increase some in 2022. We learnt a lot in the COVID period and do expect that it should be easier to limit business travel moving forward.

Moving into 2022, we will start mapping our emissions according to the Greenhouse Gas Protocol. Results of the mapping will be reported in the 2022 sustainability report. Areas where we in the mapping process see that we can improve immediately, will be addressed accordingly.

On a broader scale, we expect that the sustainability features that we add to our product portfolio will contribute to our customer's abilities to reduce their emissions.

## Climate risk

Greenhouse gas emissions are changing our climate at a rapid pace. These changes come with some risks. Flooding, heat waves and wind may influence and affect operations. But it may also affect how we run our business moving forward.

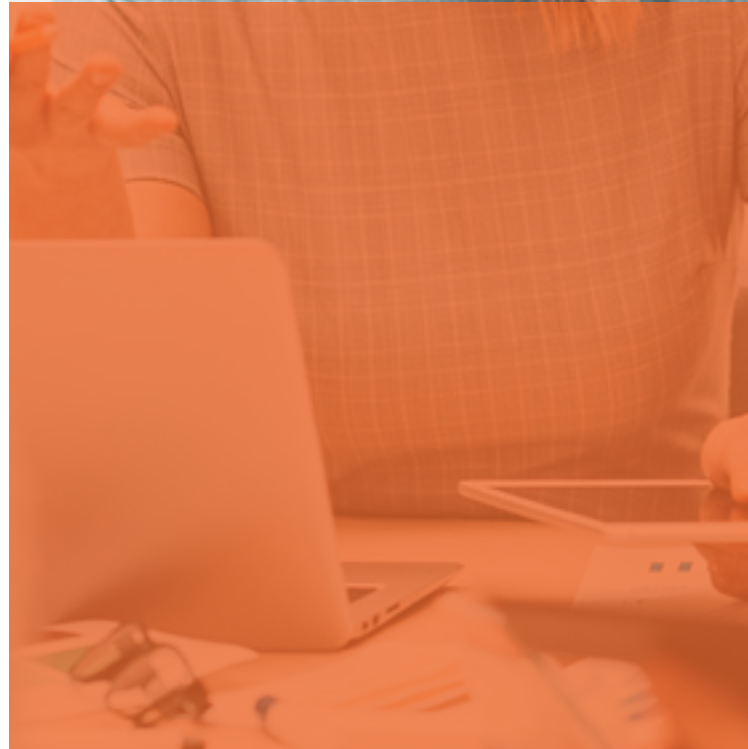
## Zalaris is committed to:

1. Plan and secure operations in a way that makes us more resilient to climate risk.
2. In 2022 set our emission target to secure that our footprint is in line with key initiatives to limit global warming. This could be Science Based Targets or similar.



# 04.

## Social



Human resource development  
Human rights  
Statement on Equality  
Absenteeism and injury  
Life-Work balance

**Zalaris aims to be a workplace free from discrimination. No direct or indirect discrimination shall occur based on race, colour, gender, sexual orientation, age, disability, language, religion, employee representation, political or other opinions**

## Human resource development

Zalaris aspires to achieve sustainable development by striking a good balance between financial results, value creation, sustainability, and corporate social responsibility (CSR). The Company's objective is to minimize Zalaris' impact on the environment and to maximize the positive impact the Company has on working conditions, society and customer satisfaction. At the same time, the Company aims to support its customers by visualizing, driving and documenting the same.

## Human rights

Corporate ethics are about how we behave towards each other and the world around us. It relates to human rights, employee rights and social matters, the external environment, the prevention of corruption, the working environment, equal treatment discrimination, and environmental impact. Everyone associated with Zalaris shall comply with the rules and guidelines that build on Zalaris' basic values. At Zalaris, we want everyone to contribute to a good corporate culture. Zalaris has defined a Code of Conduct which is the foundation of our corporate culture and defines the core principles and ethical standards by which we create value in our Company.

The Code of Conduct valid for the Company and its subsidiaries is available on our website.

## Statement on Equality

### Part 1 Gender equality status

At Zalaris, we work to make sure that we have an inclusive culture where everyone is treated equally and with respect. We must acknowledge our employees' knowledge, competencies and strengths, regardless of gender, pregnancy, leave of absence for childbirth or adoption, care responsibilities, ethnicity, religion, beliefs, functional impairment, sexual orientation, gender identity and gender expression, and combinations of the above.

We want to reiterate the statements of one of Zalaris' values, 'Everyone Matters': "Because at Zalaris, we believe that no one person is better than another. How you look and who you love does not matter. What matters most is your competence, drive and your willingness to #bestingmyself together with the team!"

Zalaris had 876 employees across 11 countries at the end of 2021 with 21 nationalities, and women are well represented in all the Group's companies and units comprising 60% of the workforce and 44% of the managers.



**60%**  
Female workforce

The key figures the Group's gender composition as of 31 December 2021 are found below:

Gender split (number of employees)		Gender split managers		Temporarily employees		Part-time employees		Parental leave (avg. number of weeks)	
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
528 (60%)	348 (40%)	52 44%	67 56%	17 61%	11 39%	71 805	18 20%	30.8	3.1

Zalaris aims to provide a flexible and attractive work environment, adjusted to the needs of individual employees, both when it comes to flexible work-hours, place of work and part-time work adjusted to their current life situation. Employees are as normally hired in full-time positions. As of 31 December 2021, 10% of our employees worked part-time. Zalaris has an annual process where employees are asked to update their wishes for full-time/part-time work in our global HR system, both if they want to work more or less than today. No involuntary part-time positions have been registered in 2021.

The key figures the Group's gender composition as of 31 December 2021 are found below:

Level	Gender split	
	Female	Male
Group 1 (main management)	9	24
Group 2 (seniors and specialists)	93	109
Group 3 (juniors, trainees and assistants)	99	99
Group 4 (other)	327	116

Group 1: Consists of corporate and regional executive management, and vice presidents and country managers.

The gender equality measuring show strong equality both on managerial level and senior/specialist level, with 46% women on managerial level.

Our strategy is to attract and train juniors to grow their career with Zalaris. In 2022, we recruited three times more women in junior and trainee position than men.

Zalaris does recognize the potential and importance of growing women executives – through Zalaris' Women Leadership Grow Program to be established, with the goal of at least 40% women in Top Management. Many of Zalaris' core solutions and offerings support customers in target setting, ensuring and documenting

compliance with CSR targets. Our recruiting solution allows for standardized, effective, anonymized gender and race-related recruiting and evaluation processes. Our global HR master data solutions ensure that personnel master data is documented according to customer's requirements. Zalaris' payroll solutions ensure compliance with all local tax and other reporting requirements. With multi-country payroll in one common IT solution and master data being maintained in one global HR solution – data can be compared and benchmarked independent of location. Zalaris Analytics and Data Management solutions helps customers visualize personnel data and document compliance. Visualizing workforce composition helps to identify any potential issues related to equal rights, such as race, gender and pay levels, so that these can be addressed.

## Part 2 – Work to promote equality and combat discrimination

### Principles, procedures and standards for equality and anti-discrimination

At Zalaris, we work to make sure that we have a good, inclusive corporate culture where everyone is treated equally and with respect. We wish to develop an organization in which diversity characterizes our activities and generates new ideas and perspectives. It should be possible for all our employees to balance their work and personal life, and we want to make arrangements to help them achieve this. We expect all employees to be respectful and considerate and to display common courtesy in relation to colleagues, competitors, customers and others. We believe that we make each other better by being inclusive and engaged. We have zero tolerance for discrimination and harassment, and anyone who feels that they are being discriminated or harassed/bullied shall be taken seriously. We have well established guidelines to prevent unwanted sexual attention, including regular measuring and clear reporting structure. Our principles and procedures for equality and anti-discrimination are aligned with the company's HR strategy and the pertaining guidelines, personnel policy and ethical rules (Code of Conduct) for all parts of the employment.

### *Our efforts to ensure equality and non-discrimination in practice and identify risks*

Discrimination or harassment/bullying surveys are conducted regularly, as a part of our engagement survey, and our external whistleblowing channel is promoted regularly to secure that an anonymous reporting alternative is available.

Any reported cases are strongly followed with action plans in cooperation with the local employee representatives. A particular awareness campaign and training on harassment/bullying was conducted during 2021 for all employees.

Zalaris has during 2021 fully digitalized all HR processes, securing transparent processing and equal treatment of all employees.

Specific analyses are done in front of our yearly salary review process, to reveal and take action of possible discrimination (gender, age, seniority).

#teamZalaris Engagement Panel, involving employee representatives from all countries in our engagement work, has been active during whole 2021. In 2022 we will extend the employee involvement also in our equality and diversity focus and work extending our employee Panel – #teamZalaris Engagement & Diversity Panel.



The board consist of:  
**50% 50%**  
Males Females

**2.7%**

**Absence due to sick leave in 2021**

**Zero**

**Incidents of injury or accidents in the workplace during 2021.**

## Absenteeism and injury reporting

The long-term business success of Zalaris depends on our ability to live up to our values of "Service Excellence, Quality-Focused Processes and Employees – our key assets." The Company wants to continuously improve the quality of its services while contributing to a positive working environment for its people.

Zalaris requires the active commitment to, and accountability for, health and safety from all employees and contractors. Line management has a leadership role in the communication and implementation of, and ensuring compliance with, these policies and standards. We are committed to:

- Protect and strive for the improvement of health, safety and security of our people at all times to eliminate "health and safety" (HS)-related accidents
- Set HS performance objectives, measure results, assess and continually improve processes, services and product quality through the use of an effective management system
- Work with management, employees and employee representatives to create a positive physical and psychological work environment that maximizes the motivation and teamwork of all impacted people
- Plan for, respond to, and recover from any emergency, crisis and/or business disruption
- Develop services that can help our customers monitor and act upon HS issues
- Communicate openly with stakeholders and ensure an understanding of our HS policies, standards, programs and performance.

Absence due to sick leave averaged 2.7% (2.7%) in 2021. No incidents of injury or accidents in the workplace were reported during 2021.



## Life-Work balance

Zalaris strives to make it possible for employees of either gender to combine their work and private life and therefore offers leave arrangements, home office solutions and part-time positions and other flexible work arrangements to support this objective.

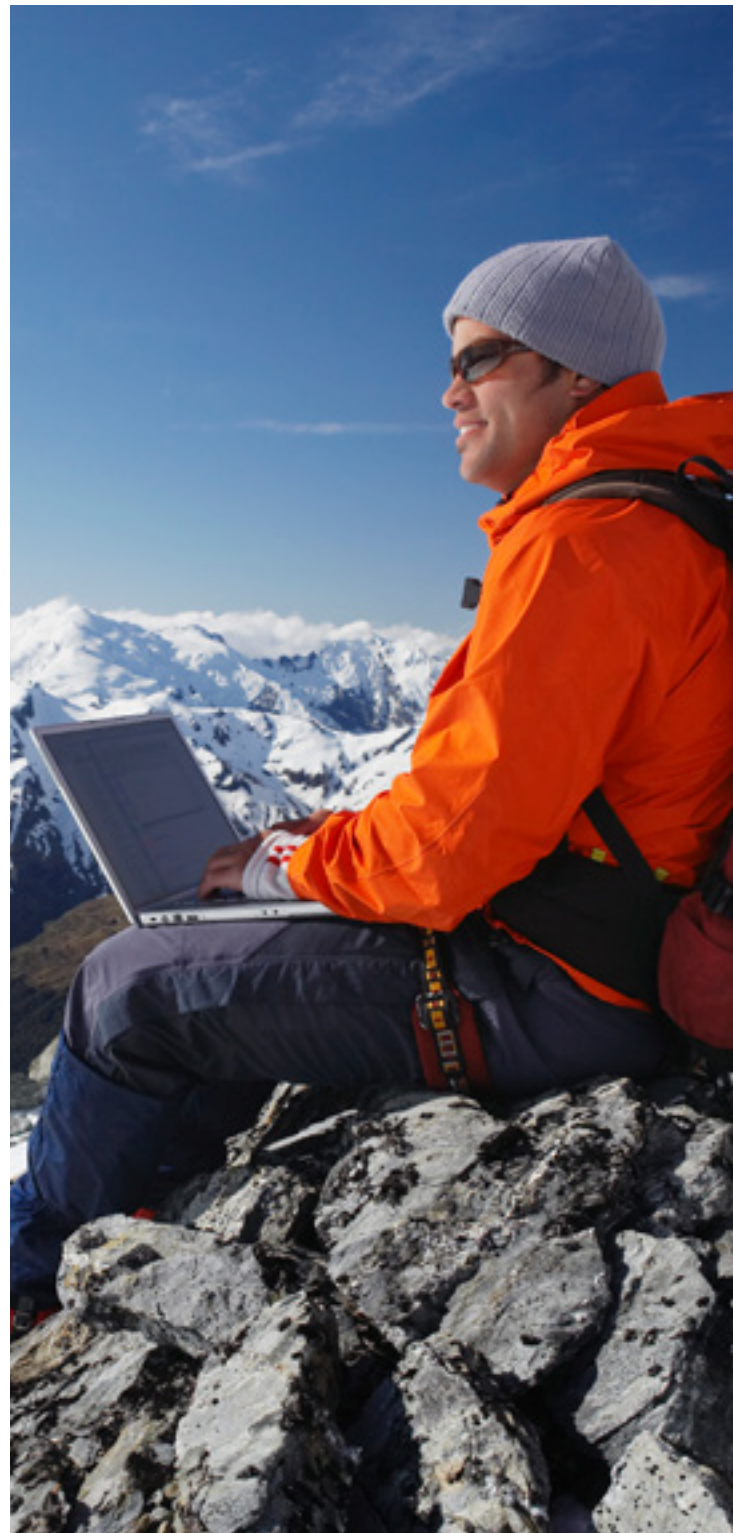
The Company organizes programs to motivate its employees to stay physically active while ensuring the availability of healthy food in our canteens.

Zalaris' solution helps customers and their employees easily track work hours, overtime and leave through effective mobile-based solutions. Our workforce planning solutions are being used to secure optimal staffing over the year – building the foundation for a sound life-work balance.

Our analytics solutions for reporting and analyzing absence and sick leave allow for early detection of potential issues and documentation of management's responsibility in getting colleagues with health issues back to work.

Our mobile and portal-based solutions delivering wholly digital payroll and HR processes fully support flexible work arrangements and working from home. This has become particularly evident during 2020 and 2021, with the Covid-19 pandemic, where a majority of the workforce has been working from home for a large part of the year. Our efforts in managing the Covid-19 pandemic are being recognized by our employees, resulting in high employee engagement scores across all countries.

Zalaris believes that by locating our service centers outside high-pressure areas – where our presence is noticed and welcomed – we can combine good business with good environmental practice enabling people to work where they want to live. Our secure, centralized IT infrastructure enables us to rapidly establish cost-effective service centers independent of where the end customer is located.





# 05.

## Governance

**Zalaris ASA is committed to an environment where open, honest communications are the expectation, not the exception**

Code of Conduct  
Reporting standard - ESG  
Materiality assessment  
Risk  
Suppliers  
Modern Slavery  
Whistleblowing Channel



## Code of Conduct

Code of Conduct is an integral part of the formal governance regime in Zalaris. This Code defines the core principles and ethical standards that form the basis of how we create value in Zalaris. Such principles and standards are further incorporated in other governing documents as appropriate. This Code shall apply to Zalaris ASA and any subsidiary in which Zalaris, directly or indirectly, owns more than 50% of the voting shares. Code of Conduct applies to members of the board of directors, managers and other employees as well as those acting on behalf of the Company.

This Code does not apply directly to the Company's business partners. However, Zalaris does not want to be associated with business partners that do not have appropriate ethical standards.

Everybody associated with Zalaris shall comply with the rules and guidelines. Whereas failure to perform can be excused, we can never compromise our integrity. This is the way we shall conduct business in Zalaris and the way we shall create value for our customers, investors, staff and anyone benefiting from the services we provide.

The Code influences how we think about our actions and what we should and should not do. Every employee shall have an understanding of how this Code influences their daily work and the ways to act accordingly. It is the personal responsibility of each employee to adhere to the applicable standards.

Line managers shall have an understanding of this Code as a platform for business decisions. They shall also have an understanding of their own role in implementing, overseeing, assessing and following up that an ethical atmosphere is created consistent with the requirements of this Code.

We shall comply with applicable laws and regulations. In the event that there are differences between such laws and regulations and the standards set out in our Code of Conduct, the highest standard consistent with applicable local laws shall be applied.

Although the scope of this Code has been set to cover relevant ethical areas of conduct, there will be situations where this Code does not provide explicit guidance. In such situations, the guiding principles shall be to act in the best interests of Zalaris and to consult with your leader when you are in doubt as to how to act.

Any questions on how this Code shall be interpreted or applied shall be addressed with your leader or applicable staff functions. Any unresolved questions shall be addressed to Zalaris' Group Compliance Officer.

[Read about our Community policy](#)

[Read about our Relationships policy](#)

[Read about our Assets policy](#)

[Read about our Handling infringements policy](#)



## Reporting standard - ESG

Zalaris will, in the course of 2022, implement the GRI (Global Reporting Initiative) framework as a reporting standard and basis for the 2022 sustainability report. GRI is an independent, international organization that helps businesses, governments, and other organizations understand and communicate their sustainability impacts. GRI provides one of the world's most widely used standards for sustainability reporting.

As the provider of the world's most widely used framework for sustainability reporting, GRI has a wide range of guidance, information and support. The GRI framework will enable investors, customers and other stakeholders to evaluate our sustainability efforts better.

## Materiality assessment

As part of implementing the GRI reporting standard, we will, in 2022, conduct a materiality assessment in Zalaris.

The priorities of our stakeholders are constantly changing, and it's essential that we continually evolve to meet expectations. A prioritized material topics list will be created through meetings and surveys with internal and external stakeholders. The material topics list will be a key part of mapping the Zalaris sustainability journey moving forward.

## Risk

Risk management is at the core of the IT operations and development in Zalaris. The below aims to explain on a high level the main approach to risk management. The objective when performing a risk assessment is to evaluate the alignment and coordination of risk management and internal control activities and their effectiveness in mitigating the key business risks impacting Zalaris' ability to achieve its business objectives

- assist management with the identification and assessment of key business risks
- provide executive management with a prioritized view of their evolving risk profile
- identify and prioritize the risk areas of primary focus for improvement and monitor activities

Effective governance is achieved by, among other elements, knowing the organization's risks and by governing thereafter – hence, effective risk management is very important in order to achieve strategic goals and should therefore be an integrated part of the management's decision-making processes.

## ISO 9001:2015

Although not directly related to information security – the Zalaris Quality systems are still a crucial part of Zalaris' efforts to adhere to best practices, policies, and procedures.

## ISO/IEC 27001

ISO/IEC 27001 is an information security standard, part of the ISO/IEC 27000 family of standards. ISO/IEC 27001 specifies a management system that is intended to bring information security under management control and gives specific requirements. Organizations that meet the requirements may be certified by an accredited certification body following the successful completion



## Suppliers

Our suppliers are essential to our ability to operate and provide products and services to our customers. As Zalaris will be associated with its suppliers, their conduct may have an impact on Zalaris' reputation.

Suppliers shall be treated fairly and equally. Suppliers in competition for contracts with Zalaris shall be able to trust Zalaris' selection processes. Suppliers to Zalaris shall adhere to Zalaris' principles for supplier conduct.

When selecting suppliers, we shall follow the established guidelines and procedures. We shall help our suppliers understand Zalaris' principles for supplier conduct. We shall also be alert to activity by suppliers that may be in breach of our principles for supplier conduct and report accordingly.

## Modern Slavery

Zalaris holds a zero-tolerance approach to modern slavery and is fully committed to preventing slavery and human trafficking in our operations and supply chain. We have taken concrete steps to tackle modern slavery, as outlined in our statement. This statement sets out the actions that we have taken to understand all potential modern slavery risks related to our business and to implement steps to prevent slavery and human trafficking.

We establish a relationship of trust and integrity with all our suppliers, which is built upon mutually beneficial factors. Our supplier selection and on-boarding procedures include due diligence in reviewing the supplier's reputation, respect for the law, compliance with health, safety and environmental standards, and references. We have not been made aware of any allegations of human trafficking/slavery activities against any of our suppliers, but if we were, then we would act immediately against the supplier and report it to the authorities.

## Whistleblowing Channel

The Zalaris Whistleblowing Channel is hosted on EthicsPoint's secure servers and is not part of the Zalaris ASA website or intranet.

### Our Commitment

Zalaris ASA is committed to an environment where open, honest communications are the expectation, not the exception. Zalaris wants all employees to feel comfortable in approaching their supervisor or management in instances where they believe violations of policies or standards have occurred.

In situations where employees prefer to place an anonymous report in confidence, the information provided will be sent to Zalaris by EthicsPoint on a totally confidential and anonymous basis. Zalaris guarantees that all comments will be heard.

[The Zalaris Whistleblowing Channel can be found here.](#)





# 06.

## ESG Product Focus

In Zalaris, we are committed to building and adding functionality to our products in a way that will enable our customers and us to incentivize "right choices" and track and report on sustainability factors related to the workforce

ESG Product Focus  
My Carbon Footprint  
In the pipeline





## ESG Product Focus

Sustainable development is expected to capitalize greatly on digitalization. Digitalization plays a significant role in achieving our sustainability targets.

In Zalaris, we are committed to building and adding functionality to our products in a way that will enable our customers and us to incentivize "right choices" and track and report on sustainability factors related to the workforce.

Throughout 2022 we will add several ESG monitoring features to our SAP-based platform PeopleHub.

## My Carbon Footprint

The intention of our My Carbon Footprint app is to enable each of us to monitor our carbon footprint related to our work-life. Transportation is a significant driver of greenhouse gas emissions. Commuting emissions come from travel between home and the workplace via personal vehicles, public transport, and other vehicles. These emissions are part of the Company's other indirect CO<sub>2</sub> emissions.

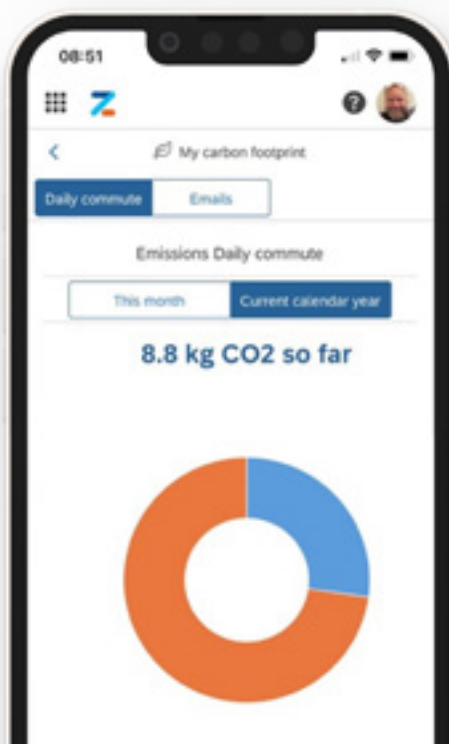
On a personal level measuring a trip footprint makes all of us more aware of the choices we make when travelling. On a corporate level, it will show patterns

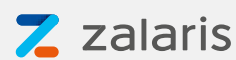
and trends, hence allowing an organization to better understand where and how the footprints are made. As important is that the aggregated data will allow organizations to better plan for reductions of the CO<sub>2</sub> footprint.

The My Footprint App also contains a calculator doing the math on an employee's email usage. Often perceived as free and clean, an email does have a footprint. Every email we send uses electricity to display it, and the network connection uses electricity while the email is being transferred. For a standard text email, this electricity is responsible for 4g of CO<sub>2</sub> emissions. If it has a picture attachment, the carbon footprint rises to an average of 50g. Sending 42 emails is roughly equivalent to driving 1km in a medium car (diesel).

## In the pipeline

Moving into 2022, we aim to have extended the My Footprint App to also cover business travel. The Zalaris HR & Payroll solution already manages the base data, travel mode, distance, hotels, etc. Using these data to automate a CO<sub>2</sub> footprint report for each business travel will improve the level of accuracy when reporting on business travel. And we are certain that the increased awareness will influence how and how often business travel is done.





<b>Postal Address</b>	PO Box 1053 Hoff NO-0218 Oslo, Norway
<b>Visiting Address</b>	Hoffsveien 4 NO-0275 Oslo
<b>Telephone</b>	+47 4000 3300
<b>Website</b>	<a href="http://www.zalaris.com">www.zalaris.com</a>
<b>eMail</b>	<a href="mailto:info@zalaris.com">info@zalaris.com</a>

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