

Corporate Social Responsibility Report

ADFORM A/S, CENTRAL BUSINESS REGISTER
(CVR) NO. 26 43 48 15

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This Corporate Social Responsibility Report (the “CSR Policy”) constitutes the statutory statement of social responsibility, cf. section 99a of the Danish Financial Statements Act for the financial year 2018. The CSR Policy is an integral part of the management report in the Adform A/S’s Annual Report for 2018.

Adform apply the CSR Policy to all Adform employees, directors, officers, consultants, agents, subsidiaries and our board of directors. We expect our partners and other stakeholders to share the same standards for sound and responsible behavior.

In the CSR Policy, we have aligned the statutory requirements with some of Adform’s company values, being (i) Open & Caring, (ii) Agile and Innovative and (iii) An Ownership Mindset.

As an introduction, a short description of Adform’s history and business model is provided.

History and Business Model

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Adform is an advertising technology company established in Copenhagen in 2002. The goal of the founders was to develop a software platform capable of automating the advertising industry.

Adform consequently became early entrants in what is today referred to as the adtech industry.

Today, Adform’s main business is, in essence, to provide the software systems that buyers and sellers of digital display advertising use to automate their advertising processes.



The figure illustrates a typical way of applying adtech products: When a consumer enters a publisher’s website, the publisher registers an opportunity to sell ad inventory. Adtech products are then used to e.g. analyze the consumer profile, programmatically trade the ad inventory and ensure the right ad is displayed on the publisher’s website. This process is highly automated and happens within fractions of seconds.

Adform’s software platform consists of a number of individual products that each plays a role in the process. These products are organized into two suites: Advertiser Edge for buy-side customers (i.e. customers buying ad inventory, such as advertisers and agencies) and Publisher Edge for sell-side customers (i.e. customers selling ad inventory, such as publishers). The products in Advertiser Edge allow buy-side customers to engage in bidding for advertising space and to serve the right ads to a user’s browser based on a variety of real time data sources as well as machine learning algorithms and artificial intelligence. Similarly, Publisher Edge allows sell-side customers to sell ad inventory via real-time auctioning and to display the ads into dedicated placements on the web page. The underlying, individual products offer additional benefits when used as a suite, but are interoperable with other industry solutions and, hence, also compete on an individual basis.

The way we do business in Adform

Being a global company, operating across many jurisdictions is complex, as legislation, norms and

what is considered ordinary business is not interpreted in the same way in all parts of the world. In order to tackle this, Adform has certain policies and procedures in place as further described below.

One of the initiatives which the Company took to address the complexity was at the beginning of 2017, where it was decided to formalize preventing fraudulent behavior around generation of invalid traffic via a policy. By 31 December 2017, we had implemented an **invalid traffic policy** prohibiting all employees from any kind of participation in invalid traffic generation either directly or indirectly. During 2018, 100% of all new employees, as a part of their employment contract, signed an obligation to adhere to this policy, wherein it is stated that actions that violate these rules are impermissible and will not be tolerated by Adform.

In May 2018, Adform held a policy academy training for all its employees, where the new policies were introduced to the company. These policies (as are described below), were introduced with a combination of training videos where senior management were interviewed to describe the policies, which was then followed up by an online training for all employees in each new policy.

Ahead of the training, Adform had set the goal that 80% of all employees completed the training. At the end of it, more than 90% of all Adform employees had completed the training.

In 2019 Adform has set a goal to continue education of its employees around various initiatives to reflect Adform's values of being open and caring.

The first policy introduced was a **Code of Business Conduct**. The Code of Business Conduct set forth common ground rules for how Adform wish to run its business and treat all individuals. Examples hereof are rules around privacy and confidentiality, honest and fair dealings with business partners, health and safety, compliance with laws, diversity and non-discrimination etc.

Secondly, an **Anti-Bribery Protection Policy** was promoted. The Anti-Bribery Protection Policy describes how employees are to comply with all

applicable laws, and set forth detailed rules around which actions are prohibited when it comes to examples like facilitation payments, hospitality and entertainment of current and prospective clients and business partners and limits on both expenses and receipt of gifts. This policy enables Adform's employees to make the right decisions when faced with challenging situations.

Finally, a **Whistleblower Protection Policy** was rolled out. The Whistleblower Protection Policy also allows external stakeholders to report, as described [here](#).

An important aspect of Adform's business ethics is to promote openness. By having the Whistleblower Protection Policy, all stakeholders are offered a confidential and non-retaliatory environment where they can report items of concern (as allowed under applicable laws).

All reports or queries about breach of any policy are sent to an independently appointed law firm. Adform is committed to ensuring that reports and queries can be passed on in an anonymous and confidential manner with a non-retaliation process setup for all reports sent in good faith.

Per 31 December 2018 no complaints had been lodged via the via whistle-blower scheme.

Open & Caring

Human Rights

Diversity is about who you hire. Inclusion is about the respect and acceptance people feel.

Adform is fortunate to operate in countries which generally have lower risk for human rights violations. Further, Adform's products are technological software developments, which require highly skilled software engineers. Consequently, from a risk perspective, Adform stands out from other industries.

Adform do have some operations in countries where human rights are not at the same level as other countries, e.g. Denmark. Adform works on ensuring its employees similar human rights across all countries in which it operates and support the right to free speech, unions, etc. Adform is a global company, working in different

countries, which may include an inherent risk in respect of human rights for services delivered by its suppliers, as these might not be subject to the same statutory requirements as Danish suppliers with regard to, for example, the use of conflict minerals, child and forced labor, pay and employment conditions.

Adform continuously evaluates new suppliers in order to avoid agreements with suppliers that do not meet Adform's standards, among other things on human rights.

In 2018, there have been no situations where Adform has been forced to reject or interrupt cooperation with new or existing suppliers due to human rights violations. Due to this, Adform can focus on other areas as set forth below.

DIVERSITY

Adform promotes a diverse and inclusive environment around hiring and promotion. In this respect, Adform has a **Gender Diversity Policy**, which can be found [here](#).

As stated therein, Adform will:

- Run an open and transparent recruitment process for both internal and external candidates;
- Annually monitor the development in diversity, including gender distribution;
- Increase the focus placed on career development for female leaders who have potential to move into senior leadership roles; and
- Raise awareness of unconscious bias during the sourcing and recruitment process, focusing on gender diversity.

INCLUSIVE CULTURE

Adform believe in the definition made by [Gallup Analysis](#), where an inclusive culture is defined as:

1. Everyone treats everyone else with respect;
2. Managers appreciate the unique characteristics of everyone on their teams;

3. Leaders do what is right.

In order to focus on an inclusive environment, Adform have a large number of employees complete the **Gallup Strengths Assessment**. As of February 2019, approximately 50% of Adform employees have completed the Gallup Strengths Assessment, which presents insights into who the employee is, as well as areas where he/she may excel. Adform believe that nothing feels more welcoming than being valued for one's authentic identity and abilities.

In the calendar year 2019 we want to ensure that 60% of the organization complete the Strengths Assessment to spread a strengths culture across all global Adform offices.

Further, in the beginning of 2018, Adform set out to completed a **Career Mapping project**. The focus of the project was to align roles and titles across the organization and to make sure that each employee has a clear understanding of the expectations for her/his role and what is required to advance in her/his career. By 31 December 2018, the goal was met, as all positions were evaluated using the globally renowned Willis Towers Watson levelling system.

For the calendar year 2019, the goal is that 20% of the mapped roles have introduced learning paths.

SCALING DANISH HAPPINESS WORLDWIDE

As Adform is a global company operating across numerous jurisdictions, it is always a risk that local legislation relating to social- and employee conditions are not fully complied with. Adform does all in its power to manage these risks.

Being a global company, which has its foundation in Denmark, the culture is to spread Danish-style happiness worldwide. Danes are known for their active lifestyle, flat hierarchy culture, and always being one of the top countries when it comes to being happy.

Adform has taken an open-door approach to the next level, as we have an **Open Space Policy**.

We believe that a flat hierarchy promotes inclusion and happiness. Thus, we have the goal that a majority of the business, including senior

management, sits in an open working space with everyone else. In 2019, a goal has been set whereby 90% of Adform's employees would sit in open space to promote equality and a flat hierarchy.

Adform's offices have a tradition to **gather together for breakfast once a week and/or daily for lunch**, which creates a community feeling. In 2018, 50% of Adform's employees were invited to join a common lunch or breakfast. In 2019 the goal is that 90% of all employees come together to enjoy a meal.

In April 2018, Adform introduced the new **Adform Parental Leave Program**. The intention behind this program is to ensure that parents in all Adform's subsidiaries get to have a minimum level of paid parental leave to nurture their family in case of a newborn or adoption. Adform consider market specifics and statutory rules. As a minimum Adform ensure:

Maternity Leave – minimum of 4 months paid leave after birth or adoption;

Paternity Leave – minimum of 2 weeks paid leave after of birth or adoption.

Further, Adform aspire towards positive cultural impact and promote the health of others. For this, Adform had a **Blood Donation Day** organized in its largest office in Vilnius in 2018, where 10% of all employees donated. In 2019, the goal is that 20% of our organization donate at least once.

Further, during Christmas in 2018, Adform employees donated 50 presents to the [Children Dream project in Lithuania](#), for children in need.

Agile & Innovative

Talent in Tech Initiatives, Education

MENTORING

Adform believe in leading by example and therefore we believe strongly in mentoring. A significant effort is taking place internally where various leaders across the organization spend time to tutor and mentor colleagues. As of February 2019, Adform has 16 mentors and 21 mentees.

In addition hereto, a number of Adform employees spend time mentoring. Examples hereof include:

- [Woman Go Tech](https://www.womengotech.lt/in-Lithuania)
[https://www.womengotech.lt/in Lithuania](https://www.womengotech.lt/in-Lithuania);
- [KTU University](#) in Kaunas, Lithianua;
- [Shementor program in Sweden](#).

In 2018, 15 Adform employees were mentors with external parties. In 2019, the goal is to increase this number with 5 additional mentors, thereby creating a bigger impact.

SUPPORTING TALENT IN TECH

Promoting young talents in the tech industry is something which Adform believe is important. As examples hereof, in 2018 Adform:

- Sponsored a Lithuanian Informatic Olympics, where employees volunteered their time and Adform supported young talents with prizes.
- Adform employees volunteer in the Vilnius Coding School in Lithuania.
- Sponsored and organized four meetups for talent in the tech community.
- Hosted 10 excursions for School Kids and Students to Adform's offices.

Ownership Mindset

Environment & Climate

Adform believe that a positive impact on the environment is not only achieved through larger initiatives but also through daily acts of consciousness in our day-to-day decisions. As a technology company, Adform's largest impact on the environment and the climate stems from the energy consumption from datacentres and offices worldwide. Adform aim to globally reduce energy consumption and emissions to minimize its footprint on the environment.

We support the **Adform Environmental Policy** by having datacenters providers that share our values of safe, healthy and environmentally friendly operations. As such we expect that our datacenter providers have initiatives and policies established which include sustainable energy and

energy consumption, so our CO2 footprint is reduced.

ADFORM ON THE MOVE

Adform corporate headquarters is based in Copenhagen, Denmark, one of the cycling capitals of the world. Cycling to the office is a simple way to reduce energy consumption, and as such various initiatives are in place to promote cycling.

In 2018, 50% of Adform's offices had bicycle gates (or similar) & showers, so employees can comfortably cycle to work. We aim to keep the same percentage in 2019, which, as such, will be considered when potential new office leases are discussed.

During Adform's summer event, all cycling interested employees were encouraged to bring their bikes for group rides with colleagues.

When cycling is not possible, Adform encourage the use of public transport. In 2018 we set the goal to have 80% of our offices close to public transport, which we meet. In 2019, we aim to increase this 10%, for a total of 90%.

Finally, an Adform's hikers club was established in 2018 to promote active time in nature. A total of five hikes were organized, uniting about 50 employees. In 2019, we aim to organize a total of eight hikes.

FUNDRAISING

Adform and its employees believe that contribution to those less fortunate is important. Consequently, a number of fundraisers took place in 2018, examples of which are:

- In Poland, a total of 4,000 EUR was collected in a charity run for Empowering Children.
- One employee was awarded the 'Fundraiser of the Year Award' by the Marine conversation society in 2018. Adform was the sponsor of the 2018 event which has helped to raise money and support a drive to change policy and build awareness around plastic pollution and its impact on marine wildlife.

SMART USE OF THE PLANET'S RESOURCES

In 2018, our goal was for 40% of our offices to have energy-efficient lightbulbs, initiatives which limit the use of paper, and less usage of plastic for office events. In total, Adform succeeded herewith, as we reached a level of 50%. For 2019, Adform aim to implement similar practices, bringing this level up to 60% across all of its offices.

Further, Adform encourage our offices to secure local stamps of approval for our facilities from an environmental perspective.

Examples include:

- The Adform Italian office is certified by For Green Certificate, which guarantees sustainable energy use and production of renewable energy.
- Adform's largest office in Vilnius is BREEAM certified, which among others requires that the office has a high energy class performance (Class A) and less CO2 consumption compared to conventional buildings.