



# **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT**

Adform A/S

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# Table of contents

- 1. Introduction ..... 3
- 2. Adform’s History and Business Model ..... 3
- 3. Global Business Policies ..... 3
  - 3.1 Trainings ..... 5
- 4. Diversity, Equality and Respect ..... 6
  - 4.1 Diversity ..... 6
  - 4.2 Inclusive Culture ..... 7
  - 4.3 Human Rights ..... 7
  - 4.4 Social Responsibility ..... 8
- 5. Environment & Climate ..... 10
  - 5.1 Data Centers ..... 10
  - 5.2 Offices ..... 10
- 6. Initiatives to support talent in Tech end Education ..... 12
  - 6.1 Mentoring ..... 12
  - 6.2 Supporting Talent in Tech ..... 12



## 1. Introduction

This Environmental, Social and Governance Report (the “**ESG Report**”) is an integral part of the management report in Adform A/S's Annual Report for the calendar year 2022. The ESG Report constitutes the statutory statement of social responsibility, cf. section 99a of the Danish Financial Statements Act for the financial year 2022.

Adform's ESG Report is applicable to all Adform employees, directors, officers, consultants, agents, subsidiaries and our board of directors.

Similarly, Adform expects our partners and other stakeholders to share the same standards for sound and responsible behavior, and Adform looks forward to the continuing journey in the ESG landscape in the years to come.

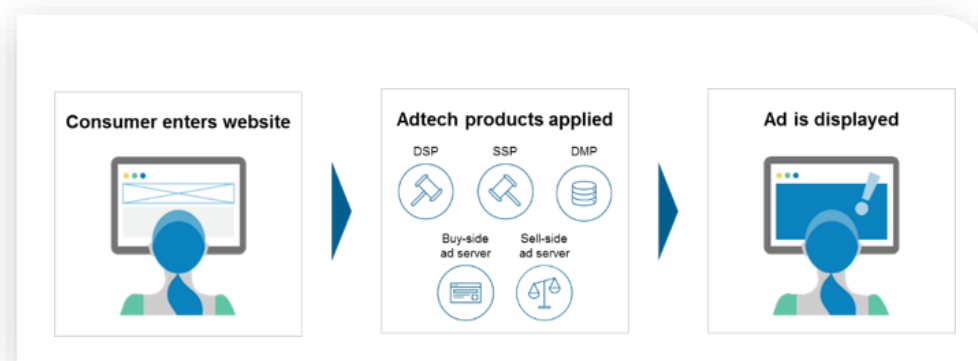
In 2022, Adform has continued to implement and live by our seven (7) guiding principles, as introduced in 2021 that reflect Adform's core beliefs and our aspirations in respect to diversity, equality and respect.

## 2. Adform's History and Business Model

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

Today, Adform's main business is to provide the software systems that buyers and sellers of digital display advertising use to transact ad inventory and automate their advertising processes.

The figure below 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 products that each play a role in the buying and selling of ad inventory.



## 3. Global Business Policies

Adform operates on a global scale with a sizeable sales and operations footprint with 27 offices in 24 countries.



### 3. Global Business Policies

In order to pre-empt the risk of corruption, and to ensure we approach our business in a decent and transparent way, Adform has various policies in place that employees are trained to make sure they understand and follow them in their daily work. We do this because we want to ensure that the same standards are used in our global operations and to address any local deviances in what is considered good practice..

One of the initiatives which have been in place since 2017, is to ensure that a formal approach is in place to prevent fraudulent online behavior including generation of invalid traffic. By 31 December 2017, Adform had implemented an invalid traffic policy prohibiting all employees from any kind of participation in invalid traffic generation either directly or indirectly. Since then, 100% of all new employees, as a part of their employment contract, have 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.

Adform has various company policies. The company policies are updated annually, most recently in March 2022. One of the policies is **Adform's Code of Business Conduct**. This policy sets common ground rules for how Adform wishes to run its business and treat all individuals without any discrimination or threat of harassment of any sort. Examples are rules around privacy and confidentiality, honest and fair dealings with business partners, health and safety, compliance with laws, diversity, and non-discrimination related to e.g. gender, race, skin color, beliefs, political convictions, sexual orientation or national, social or ethnic origins, disability or any other characteristics. The Code of Business Conduct also explains how complaints can be made to management and/or via Adform's Whistleblower Protection Policy (as described below).

Secondly, Adform has an **Anti-Bribery Policy**. The Anti-Bribery Policy describes how employees are to comply with all applicable laws, and 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. The Anti-Bribery Policy enables Adform's employees to make the right decisions when faced with challenging situations, and know who to reach out to, when in doubt.

Further, since August 2018, Adform has been operating a **Whistleblower Protection Policy**. In December 2021 Adform's Whistleblower Protection Policy was updated to accommodate the recent changes in the EU directive in this regard. A copy of the Whistleblower Protection Policy can be found [HERE](#). A link to the externally managed reporting portal can be found [HERE](#) which allows reporting for both employees and external parties.

It is an important aspect of Adform's business ethics to promote openness and transparency, and the Whistleblower Protection Policy ensures that stakeholders' and employees 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 under the Whistleblower Protection 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.

**The Anti-Bribery Policy enables Adform's employees to make the right decisions when faced with challenging situations, and know who to reach out to, when in doubt.**

**Adform's Code of Business Conduct sets common ground rules for how Adform wishes to run its business and treat all individuals without any discrimination or threat of harassment of any sort.**



### 3. Global Business Policies

Since Adform's latest ESG Report in March 2022, one compliant had been submitted. Though, the individual submitting the claim did not describe his/her claim in any way and although Adform's external law firm followed up with the whistleblower multiple times requesting more information, they never replied.

Adform has had a comprehensive and detailed **Privacy Center** on our website since 2018 that can be accessed [HERE](#). The Privacy Center describes in detail Adform's policies and processes of our platform related to all applicable GDPR and Privacy rules. The Privacy Center has detailed descriptions for end users about how to exercise their "right to information, "right to be forgotten" and "right to withdraw consent" as laid out in the GDPR. Further, the Privacy Center contains detailed descriptions about our corporate data privacy, job applicant privacy handling and our physical, organizational and IT security measures. Finally, the website privacy setup is explained to users of [www.site.adform.com](http://www.site.adform.com). Adform's legal and privacy department update the Privacy Center on a recurring basis, as needed to comply with the ever-changing legal landscape.

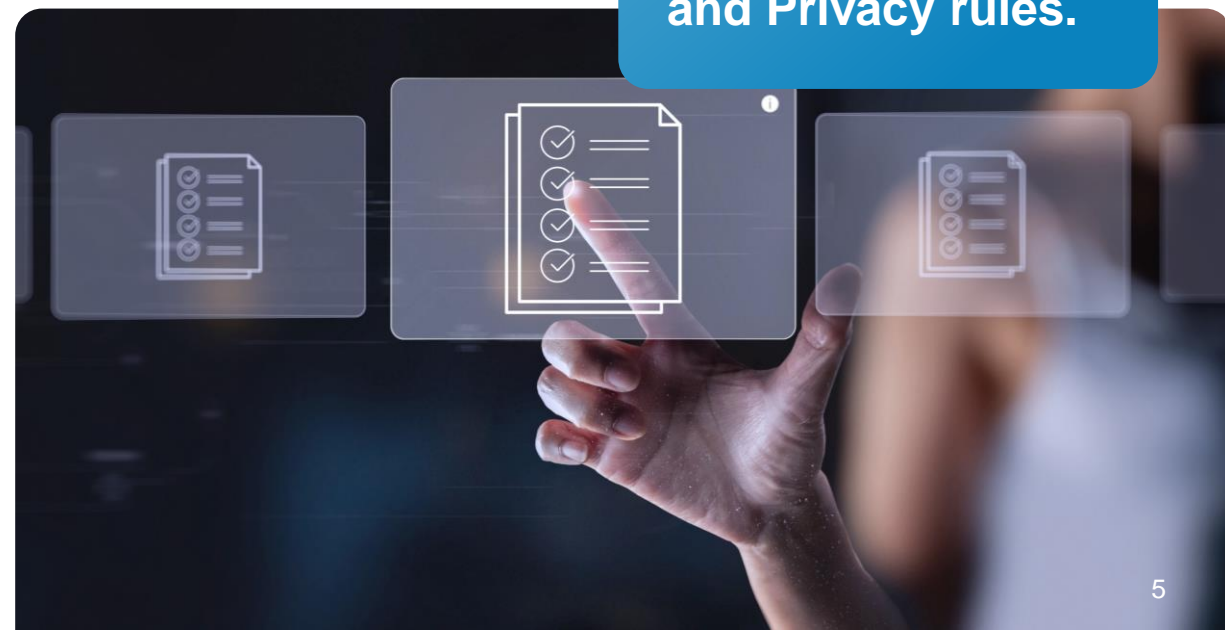
As a new initiative, in 2022 Adform has launched a **Vendor Code of Conduct** which can be found [HERE](#). The goal of the Vendor Code of Conduct is to educate Adform's suppliers about what we expect from them in respect to complying with applicable laws, human and labor rights, business ethics, confidentiality, data privacy and security management and environmental responsibility. Upon reviewing new vendors, Adform's legal department will ensure that the principles from Adform's Vendor Code of Conduct are built into the vendor contracts, to ensure that focus is put on Adform's supply chain in respect of these important areas.

#### 3.1 Trainings

In 2022, a number of global employee training programs have been rolled out across the Adform group. The trainings have focused on important aspects like a comprehensive GDPR and Privacy program, with trainings rolled out in Q2 of 2022, to various deep-dives into the previously mentioned Code of Business Conduct, Anti-Bribery Policy and Adform's Whistleblower Policy from Q4, 2022.

The training courses are mandatory for all employees to complete, and since Adform has made them available via Adform's internal training system (LearnAdform), all employees can participate in an easy and scalable manner. In addition, to ensure the new employees also get familiar with the various policies, a process has been setup with Adform's HR department to ensure that when new employees join the Adform group they will all be required to complete the trainings within the first three months of their employment.

**The Privacy Center** describes in detail Adform's policies and processes of our platform related to all applicable **GDPR** and Privacy rules.



## 4. Diversity, Equality and Respect

Adform has seven (7) **guiding principles** to guide our behavior. Three of them are related to diversity, equality and respect:



Number 2 is **BEHAVE WITH DECENCY**. For us that means that we are respectful, fair, and act with integrity towards our clients, suppliers, and colleagues.

Number 4 is **CARE**. That means we are engaged and we engage others. We are motivated and we motivate others. We care and we take responsibility for the well-being of our colleagues. We nurture an informal and fun environment. Everyone has equal opportunity.

Number 5 is **We ARE TEAM PLAYERS**. Teamwork is based on trust and together we achieve more. We help each other in order to create better results and we understand that we are part of a team. "How can I help" is our mantra. We embrace diversity of opinions.

### 4.1 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](#).

In 2022 Adform had set the ambition of having the number of women in leadership positions reflect the overall gender ratio across the organization. The goal has been met as of the date of this policy, as 37% of all leadership positions within Adform are held by females, and females account for 37% of the overall work force.

As a part of Adform's diversity, Adform is committed to:

- Run an open and transparent recruitment process for both internal and external candidates;
- Annually monitor the development in diversity, including gender distribution;
- Continue the various internal career development programs;
- Continue the recruitment and promotion process to include personality assessment and thereby reduce unconscious bias during the sourcing and recruitment process;
- Ensure that minimum 40% of the participants Adform's internal leadership potential program will be female, with a distribution of the participants being based in Adform's various global offices.



## 4. Diversity, Equality and Respect

### 4.2 INCLUSIVE CULTURE

Adform defines an inclusive culture 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;
4. Everyone understands people's differences and personalities.

The awareness of these aspects is an integral part of **Adform's Leadership Academy** which is our basic leadership education for all leaders. Since the Leadership Academy's launch in May 2021 until 31 December 2022, a total of 90 Adform leaders and potential leaders have started the training. In 2023, Adform has a goal that a minimum of 35 leaders across the Adform group will complete additional leadership training.

In both 2021 and 2022, Adform was proud to be ranked within the **Financial Times Annual Diversity Leaders Ranking** within the EU.

In the Adtech industry there is in general a lack of diversity in respect of division between male and females e.g. there is a significant lack of women in tech. Adform supports initiatives to change this over the long term – but this change might take decades if not prioritized politically.

### 4.3 HUMAN RIGHTS

Adform is fortunate to predominately operate in countries which generally have lower risk for human rights violations. Adform does have some operations in countries where human rights are not at the same level as in Denmark.

Adform is dedicated to ensuring its employees have similar human rights across all countries in which it operates and supports the right to free speech, unions, etc.

As mentioned above, in 2022, Adform launched a Vendor Code of Conduct which is to be used when evaluating new suppliers in order to avoid agreements with suppliers that do not meet Adform's standards, among other things on human rights.

In 2021, 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. Though, within days of Russia starting its unwarranted aggression upon Ukraine, Adform decided on its own accord to immediately cease all operations with clients based in both Russian and Belarus.

This meant that Adform does not allow its technology to be used by any business which are based in Russia and Belarus, to ensure that Adform's technology, neither directly nor indirectly, is used to generate revenue for publishers in these countries nor to help provide stimulus to these economies by offering advertisers the ability to leverage Adform's technology to promote its brand and/or goods.

Adform continuously takes steps to ensure that it is not engaging in agreement with people or companies which are under sanctions by the United Nations, EU and the USA. This happens via a designated process where Adform's deal desk function flags and reports potential new customers from countries where sanctions are normally existing, and where Adform's legal department then completes a sanctions check, before such new customer receives a customer contract.

**Within days of Russia starting its unwarranted aggression upon Ukraine, Adform decided on its own accord to immediately cease all operations with clients based in both Russian and Belarus.**

## 4. Diversity, Equality and Respect

### 4.4 SOCIAL RESPONSIBILITY

Adform believes in giving back in the places where we are able to make an impact in our local communities.

Since Adform's latest ESG Report, a number of key social responsible actions have been taken across the group. The most significant of these efforts made on a group level, has been two Adform organized collections in February and December 2022, respectively, to **raise funds for charity organizations who provide vital support to the people of Ukraine** after the Russian aggression. From these two organized collections, Adform's employees have donated a three-digit EUR amount in 2022, where Adform has more than doubled those contributions. Consequently, the aggregated contribution stemming from the collections organized by Adform amounted to **high five-digit EUR number**.

Other local initiatives have taken place across a number of offices to support Ukraine (e.g. making candles to the Ukrainian front line at our Kaunas location, to a local collection effort raising EUR 2,000 to be used for sanitary and medical supplies which was subsequently shipped to Ukraine).

In Poland, employees have helped Ukrainians in need, by donating food, cleaning supplies, educational materials, toys and kitchen machinery to a family who had to leave the Ukraine. Further, a fundraiser was organized for the education of young people from the Ukraine affected by the war, where a total of PLN 1,500 was raised, and the efforts lead to the opportunity for one student to continue to study in Poland.

A similar effort was undertaken in Lithuania, where employees in the group helped a Lithuanian based Ukrainian national to get the employee's family out of the Ukraine, with everything from transportation from the Ukrainian/Romanian border to Vilnius, including an employee initiative to pay for the airfare, and subsequently help the family with essential needs such as clothes, books, furniture etc.

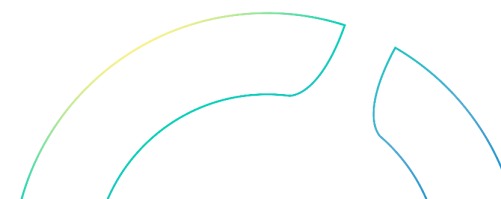
In the United Kingdom, our employees took part in the Miles for Refugees collection program, where every employee raised money by walking, running or cycling in the month of June 2022. The efforts raised a total of GBP 3,996.

In various other countries, e.g. Norway, Finland, Lithuania, Denmark and Turkey, collection and donating activities also took place, for instance by donating money to local charity organizations instead of giving a traditional christmas gifts to clients, or as a donation when asking stakeholders to participate in surveys.

In Czech Republic, Adform provided free aderving for the charity organization <https://www.zdravotniklaun.cz/> which is a part of the multinational movement RED NOSES International (RNI). The association helps bring joy to kids admitted to hospitals throughout the world. As the only organization from the Czech Republic, the local Adform affiliate is also a member of the European Federation of Hospital Clowning Organizations (EFHCO).

In 2023, Adform will continue to support and raise money for various global and local organizations who make an impact based on objective pre-defined criteria to be defined in a approach.

By raising money for various local organizations, there is a risk that the organizations receiving the funds are not spending a sufficient amount on the actual cause, but that the money might be used towards administration costs for the foundation or otherwise.





## 4. Diversity, Equality and Respect

### 4.4 SOCIAL RESPONSIBILITY

In Australia, Adform actively acknowledges the traditional owners of Australian land. Aboriginal and Torres Strait Islander peoples have experienced a long history of exclusion from Australian history books, the Australian flag, the Australian anthem and for many years, Australian democracy. Adform includes recognition of Aboriginal and Torres Strait Islander peoples at Adform events, meetings and in e-mail communication, which contributes to ending the exclusion. These acknowledgement protocols at events and in written communication, recognize Aboriginal and Torres Strait Islander peoples as the Traditional Owners of land and shows respect. Further, Adform has also introduced flexibility for Australian staff for the Australia Day Public Holiday. This public holiday is scheduled annually on 26<sup>th</sup> January, which is a controversial date as it is the anniversary of the British invasion of Australia. It is a significant point of sensitivity for many Australians that as a nation this date is 'celebrated' as the country's national day. Along with many other organizations across Australia, Adform is providing staff the option to use this public holiday entitlement on an alternative date. This is in line with Adform values of respect and reiterates that Adform is a socially sensitive and progressive organization. In practice, this means that the 26<sup>th</sup> January is no longer marked as a public holiday in Adform systems. Instead, the annual leave entitlement for Australian employees has increased to include an additional day per year.

**Adform's employees have donated a five-digit EUR amount in 2022, where Adform has more than doubled those contributions.**



## 5. Environment & Climate

Adform believes that a positive impact on the environment is not only achieved through larger initiatives but also through 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 datacenters and our offices worldwide. Adform aims to globally reduce energy consumption and emissions to minimize its footprint on the environment.

### 5.1 Data Centers

Adform's datacenters providers share our values of safe, healthy and environmentally friendly operations. As such, Adform expects that our datacenter providers have initiatives and policies established which include sustainable energy and energy consumption, so our CO2 footprint is reduced. For the calendar year 2022, **100% of all energy used in Adform's European data centers stem from sustainable energy**, and on a global level, **97.8% of Adform's energy consumption from our data centers stems from sustainable energy**.

When looking at potential new data centers, environmental impact and the environmental plan by such potential new providers is taken into consideration as a part of the selection process.

In 2022, Adform also ensured that our old servers used in the Danish data centers were re-used using Danoffice IT's reuse program, that ensure optimal reuse of IT equipment and components, as well as disposal in an environmentally correct manner, in accordance with the ISO 14001 standards.

### 5.2 Offices

Adform has a total of 27 offices across the globe. Some offices are large, with a high number of people, whilst others are smaller "co-working" spaces with a small number of people. In all of the large offices, where Adform has a direct contract with the landlord, we are able to track our energy consumption, and reach out to the utility provider to get insights into the energy type used in the respective office. After assessing 2022, Adform is pleased that our offices in Hamburg (Germany), Dusseldorf (Germany), Kaunas (Lithuania), Milano (Italy), Oslo (Norway) and Stockholm (Sweden) run 100% on renewable energy, and that in offices in Madrid (Spain) and Vilnius (Lithuania) more than half of the energy consumption comes from renewable energy.

Adform encourages our local offices to ask our landlords to obtain accreditations of our facilities from an environmental perspective.

Examples hereof include:

- Adform's office in Milano (Italy) is certified by For Green Certificate, which guarantees sustainable energy use and production of renewable energy;
- Adform's largest office, which is in Vilnius (Lithuania) is BREEAM certified, which require that the office has a high energy class performance (Class A) among other requirements.
- Adform's office in Stockholm (Sweden) has received the Gold Standard by the Leed Green Building Rating System for building operations and maintenance.
- Adform's office in Bucharest (Romania) has received the Platinum Standard by the Leed Green Building Rating System for building operations and maintenance.

**For the calendar year 2022, 100% of all energy used in Adform's European data centers stem from sustainable energy, and on a global level, 97.8% of Adform's energy consumption from our data centers stems from sustainable energy.**



## 5. Environment & Climate

In 2023, Adform aims to look at its business, and find ways to provide solutions to the modern marketer, such that Adform's platform enables more sustainable choices for Adform's customers. As of the date of this policy, Adform has already embarked on this journey by entering into a partnership with [Scope3](#), where Adform is the first global DSP to integrate with Scope3 to aim to reduce carbon emissions in the programmatic supply chain. See more about this partnership [HERE](#).

Another goal for 2023 is to ensure that a clear strategy and scalable process is developed, so that Adform is ready to meet the expectations from our current and existing customers, partner and employees, and to ensure we can comply with the soon-to-arrive legal reporting obligations (e.g. the CSRD directive).

Consequently, Adform's board of directors have in 2022 agreed to prioritize ESG at a board session. Adform has subsequently in 2022 appointed a member from its Senior Leadership Team to manage the ESG strategy across the organization and have established a Steering Committee consisting of Adform's Chief Executive Officer, Chief Operating Officer and Chief Human Resource Officer to ensure that ESG gets embedded into the overall company strategy.

**Adform has entered into a partnership with [Scope3](#), where Adform is the first global DSP to integrate with Scope3 to aim to reduce carbon emissions in the programmatic supply chain.**





## 6. Initiatives to support talent in Tech and Education

### 6.1 MENTORING

Adform believes in leading by example and therefore Adform believes in mentoring. An effort is taking place internally where various leaders across the organization spend time to tutor and mentor colleagues.

As of the date of this policy, Adform had 20 mentors and over 20 mentees across various tracks within Product Management, Development & IT, Business Support, HR, etc.

For 2023, Adform aims to have 20 mentors and 20 mentees – primarily focused on helping talented young people understand what their successful career path could be.

In addition, a number of Adform employees spend time on external mentoring efforts connected to Adform. Examples hereof include [Woman Go Tech](https://www.womengotech.lt) <https://www.womengotech.lt> in Lithuania.

### 6.2 SUPPORTING TALENT IN TECH

Promoting young talents in the tech industry is something which Adform believes is important. As examples hereof, in 2022 Adform has:

- Set-up a tech day for school-aged girls in Vilnius, where Adform introduced the tech profession, Adform's people and prepared a workshop/simulation and a lecture to ensure diversity in the IT-section;
- Run a Women in Technology Barometer as a new initiative that aims to capture the changing gender proportions of IT students in Lithuania and regularly measure this change, while highlighting the importance of diversity in the IT sector.
- Adform has invited a total of 20 trainees (located in Poland and Lithuania) to participate in two academies related to .net training and scale training, where the training took place for a period of 3 months. Following the academies, Adform hired a large majority of the trainees, and these individuals are now full-time employees in the Adform Group.
- In 2023, Adform plans to have at least the same number of initiatives to continue to help guide the discussion regarding diversity within the technology space.

