Pegamento & Social Responsibility

CSR Report 2023

Our Human Lead in corporate social responsibility

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Inhoudsopgave

Pegamento creates a digital workplace that enables every employee to gain the right insights and to collaborate optimally with colleagues, suppliers, and customers, with or without machines, and the organisation to best serve their customers. We make contact flows smarter and easier. Smarter and faster, but with high quality and more personal attention. We do this by deploying robotisation, knowledge management, image recognition, artificial intelligence, and omnichannel solutions.

People are at the heart of everything we do. In our vision, we enhance people's senses using technology. For example, an extra pair of hands with RPA for completing administrative tasks. Or an extra pair of eyes with image recognition for production control. For us, the most important sense here is 'human intuition', something technology does not possess. Intuition, in our view, is not about selecting the right answer. It is about instinctively understanding what information is most relevant and acting accordingly. This uniquely human skill is actually also a type of sense. The 'sixth sense' perhaps. At Pegamento, we call this the Human Lead. All our services and products and all innovations are aimed at improving the Human Lead.

In this fast-growing technological world, energy transitions, and the importance of equal opportunities for all, we are taking the Human Lead to take our share and responsibility in this regard. Social responsibility for our impact on our colleagues, the environment, and society is firmly embedded in our business operations. We not only go for innovation in contact, but we also innovate

in corporate social responsibility (CSR).

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Pegamento's CSR strategy is based on four guiding principles that are aligned with the UN Sustainable Development Goals, or SDG's. These are '**Minimising environmental impact**', '**Taking social responsibility**', '**Fair and transparent business practices**' and '**Increasing economic impact**'. To this end, we are working on transformations and innovations in our markets and operating areas to contribute to SDGs 3, 4, 8, 10 and 13 (www.sdgnederland.nl).

3: Good Health and Well-being
4: Quality Education
8: Decent Work and Economic Growth
10: Reduced Inequality
13: Climate Action

Creating value for our employees, customers, partners, and suppliers is important to Pegamento. In 2023, we aligned goals within and outside Pegamento and set a CSR agenda. Strategic focus areas are:

- minimising the impact of our activities on the environment;
- taking social responsibility by providing equal opportunities for all and creating a healthy learning/working environment for our employees;
- ensuring fair and transparent business practices. Here we mean ensuring information security for our customers, employees, and suppliers/partners;
- increasing our economic impact by improving our business processes for greater customer value, knowledge sharing, and collaboration with relevant partners.

We practice good governance and ensure that Pegamento grows responsibly and sustainably. We do this by setting clear and measurable goals that we report on transparently.

	UN Sustainable Development Goals 3, 4, 8, 10, 13: 'Good health and well-being', 'Quality education', 'Decent work and economic growth', 'Reduced inequality', 'Climate action'			
STRATEGIC	**Minimising environmental impact** Reducing our energy consumption and the C02 emissions from our operations	**Taking social responsibility** Together, we all contribute to a successful society	**Fair & transparant business practices** 'Information security' is a critical issue for us	**Increasing economic impact** Striving for economic growth for our customers, partners, suppliers
OPERATIONAL	• Responsible business operations and product development • Green data centres & energy-efficient devices • Refurbish & Recycle • Responsible business operations & transport	• Learning makes us stronger • Diversity & opportunity • Employee engagement and well-being	• Safety for customers	• Adding customer value • Collaboration and knowledge sharing
GOALS	• By the end of 2025, every lease car to be electric	• Offering healthy lunches, sports activities, Pega Academy • Reducing absence due to illness • Actively offering internships • In 2024, running an internship project with Icarus	• Certified to ISO26000 performance level 5 by the end of 2026	• Giving guest lectures and hosting workshops for scholars/students

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Minimising environmental impact

We aim to reduce the energy consumption and C02 emissions of our operations. All of the products we develop at Pegamento use IT cloud services. It is therefore an obvious step to further assess this part of the process for risks and opportunities. This does not preclude us from also taking the necessary measures inside and outside our office environment to work in an environmentally friendly and energy efficient way.

Responsible business operations and product development

In developing and compiling our product portfolio, we focus on business-to-business communication or communication between customers and suppliers. This communication takes place physically or on location less and less frequently. Our communication platforms and communication software are precisely designed to allow this communication to also take place virtually. This reduces the amount of travel and thus saves energy and the environment. By continuously developing the software and making it more user-friendly, we lower the threshold to use it, and Teams sessions become more and more efficient in terms of productivity and results.

Green data centres & energy-efficient devices

Pegamento is committed to sustainability. This is why we use only green energy in our data centres. For us, this means wind energy, solar energy, or a combination of the two.

The DC19 data centre in Venlo was developed on the basis of a PUE < 1.2. This very low PUE value was achieved, among other things, by using highly innovative cooling technology, free air cooling. This cooling technology is provided by a German company that won the "German Data Centre Innovation Award" for their concept. Currently, this concept is widely used by the German government. The data centre in Venlo is the first in the Netherlands to be built in this innovative way. Residual heat is also made suitable for reuse. The power supply is based on green electricity.

Our emergency power supply is also built according to a unique concept. The emergency power supply (generator) is based on a new development of MAN engines. This type of engine is capable of using liquefied natural gas (GTL) and, if necessary, diesel, which can be used interchangeably. It is also called a hybrid engine. Liquefied natural gas is used as standard, resulting in minimal CO2 emissions. This keeps the data centre running on free-air cooling even in emergency situations. Diesel is used only when the regular supply of liquefied natural gas is not possible.

Structural features are based on 100% recycling. For example, the roofing is made of white plastic, which results in lower indoor temperatures (=less cooling). The indoor climate is equipped with heat pumps and the systems are constructed in modular fashion to minimise losses.

Refurbish & recycle

There is a huge shortage of natural resources and the need for the use rather than the consumption of raw materials is now more important than ever. All the used equipment that we replace for our customers, we offer in the chain of partners such as SNEW. Pegamento then donates the proceeds to the Bartimeus Fund (https://www. pegamento.nl/bartimeus-fonds).

Used equipment is refurbished wherever possible and given a second life. And, of course, all data is securely erased. Where technical and cosmetic refurbishment is not possible, usable parts are salvaged for reuse. They can then be used to maximise the life of IT and telecoms equipment. In this way we are able to kill two birds with one stone.

Responsible business operations and transport

Within our own organisation, we also use our own software and infrastructure to significantly reduce the need for physical visits. For example, we use our own software and technology solutions to effectively enable people to work from home. This has enabled us to reduce commuting by at least 50%, even after the corona pandemic. Employees who regularly need to visit customer sites are encouraged to do so in a carbon neutral way.

We, and our colleagues, live all over the country (and beyond). Only 12.5% of our team lives within a 25-kilometre radius. Yet 20% of all employees travel by public transport. And 10% travel by bicycle.

Currently, 15 of the 21 leased cars are hybrid or electric. New employees are offered a mobility allowance rather than a leased car. In fact, experience has shown that among current employees who already receive a mobility allowance, 50% choose not to go for a car but spend the money on an (electric) bicycle or a train subscription. Those who really need a car can choose an electric car.

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Taking social responsibility

Everyone is welcome at our company. Together, we all contribute to the creation of a successful society. At Pegamento, we employ many different types of people, each with their own unique characteristics, but most importantly, each with their own qualities that make the organisation successful. We promote and strive for a healthy and safe working and learning environment, where employees can build a culture of engagement and top performance.

Learning makes us stronger

We aim to create a working environment where employees can continue to learn and develop if they want to do so. We do this to continue to grow as an organisation, as well as to give employees the chance to take advantage of growth opportunities at Pegamento or elsewhere.

We encourage our employees to continue learning in their respective fields. During the annual PDP (personal development plan) interviews, we look at their development together. What is going well? How does the employee feel in the job? And how can we work together to help the employee grow further?

Employees can already take part in training upon request. But we want to make it more demonstrable for them and give them better insight into what is available. We are in the process of launching the Pega Academy and aim to have it live later this year. This will show what is possible in terms of training and courses that can be taken from within Pegamento.

We also enjoy learning from one another. Every month, we organise internal "From Grains to Brains sessions". During these sessions, an employee or several employees talk about a project in progress or discuss the work they are doing. These interactive sessions take place while we enjoy a healthy lunch. This way, we learn about healthy lunch options, as well as from one another.

Young generations are our future, just like the rapidly evolving technology that Pegamento works with. This is why we offer internships and apprenticeships for every level. For Pegamento, it means sharing knowledge, training, and gaining new insights. For the students, it means getting the room they need to develop and learn. For this reason, we are a recognised learning company with both SBB and ELHBO. These organisations are the link between MBO (secondary vocational education), HBO (higher professional education), and WO (university education) students and us. In particular, they ensure that students do their internships at organisations that meet certain requirements, such as a good learning and working environment, internship remuneration, and supervision.

Diversity and opportunities

Last year, we started a collaboration with the Icarus Foundation: educational daytime activities in IT. They wanted more experience in IT solutions and are therefore helping us with various projects. Among other things, they have helped us with an AI assignment in our Vision department. We have agreed to continue the cooperation to help each other with further projects.

Discussions are currently taking place between UWV (Employee Insurance Agency), WSP (Employer Service Point) and us. We want to work towards closer cooperation with these parties. We are convinced that, despite the tight labour market, we can find the right people for our vacancies by looking more widely. For example, a vacancy for a software tester can easily be filled by someone who is not a native speaker, or we can train someone who does not have the means to go to school to become a good software developer.

In addition to the Employer Service Point Zeist and UWV, the ICT Network - Samen voor Zeist (Together for Zeist), of which we are a member, is also very helpful in finding the right new employees. In particular, they help us find new employees who are less likely to come to us through the normal recruitment process.

Together with Everyday Heroes, we are looking at how we can create more diversity within Pegamento. Everyday Heroes is committed to bringing people with a distance to the labour market into commercial companies like Pegamento. This collaboration started in the first quarter of 2023, and we want to continue it so that we can eventually help more people find a job that suits them. In this way, we can put the right people in the right jobs & learn from more diverse people.

Employee engagement and well-being

Energetic and healthy employees and a safe working environment reduce absenteeism, create a more productive working atmosphere, and promote job satisfaction.

Since 2021, we have offered our employees running sessions led by a certified running coach. Many employees find running a great way to exercise. It is not only the training itself, but also the exercise together with colleagues that makes it a success.

We have also created an internal Pega Fit team. This team is made up of 5 employees who are passionate about healthy eating and exercise, and about feeling mentally and physically fit. They focus on creating a vital and healthy work environment in terms of exercise, nutrition, workplace, mentality, and commuting.

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Fair & transparent business practices

At the heart of our solutions and services is technology & software. It probably hasn't escaped your notice that there has been an increase in the number of cyber-attacks, such as phishing emails, and that there are more and more stringent requirements for information security. Security is a key area of focus for us. We believe it is important to be honest and transparent about it, both inside and outside Pegamento.

Safety for customers

Privacy is always high on the agenda at Pegamento, especially with the growing number of cyber-attacks. We not only take responsibility for the services we deliver to our customers: the information of our customers' customers must also be secure. Hence, we have received ISO 27001 certification. This ISO certification focuses on the information security of our organisation. To this end, an Information Security Management System (ISMS) has been set up to ensure the information security of our customers and their clients, suppliers, and our employees.

The system is set up to prevent cyber-attacks and, if they do occur, to take immediate action to counter them. We have also set up a communication system to ensure that the right people get the right information and take the right action if a cyber attack does occur. We believe that transparency and honesty are essential in this regard.

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Increasing economic impact

We strive for economic growth for our customers and partners and are happy to contribute to this growth with our solutions. Therefore, we find it important to maximise our impact by adding more customer value through customer research and collaborating with partners to exchange knowledge, as well as by giving guest lectures on technology to the generation of the future.

Adding customer value

With our products and services, we increase our customers' economic value by making contact flows easier and smarter. Our goal is for customers to see a difference not only in financial terms, but also in work efficiency and increased customer satisfaction.

We want to continuously improve this mission for our customers. The only way we can do this is by asking the customers themselves. Because we want to create more value for our customers, we conduct an annual customer survey. As part of this survey, we first present our customers with a questionnaire. It is not only our "big" customers that are valuable in this process. We want to know from every customer what they are satisfied with and, more importantly, what they are dissatisfied with. Based on the customer survey, we conduct in-depth interviews. How can we make our customers happier? We then evaluate the results and see where we can improve processes, services and/or products to deliver more value to our customers.

As part of creating added value for our customers, we were certified for ISO 9001 in 2022. ISO 9001 is the international standard for quality management systems. With this certification, we demonstrate that our processes are of a certain quality and that we want to continuously improve our processes. We attach great importance to customer requirements, quality, and continuous improvement.

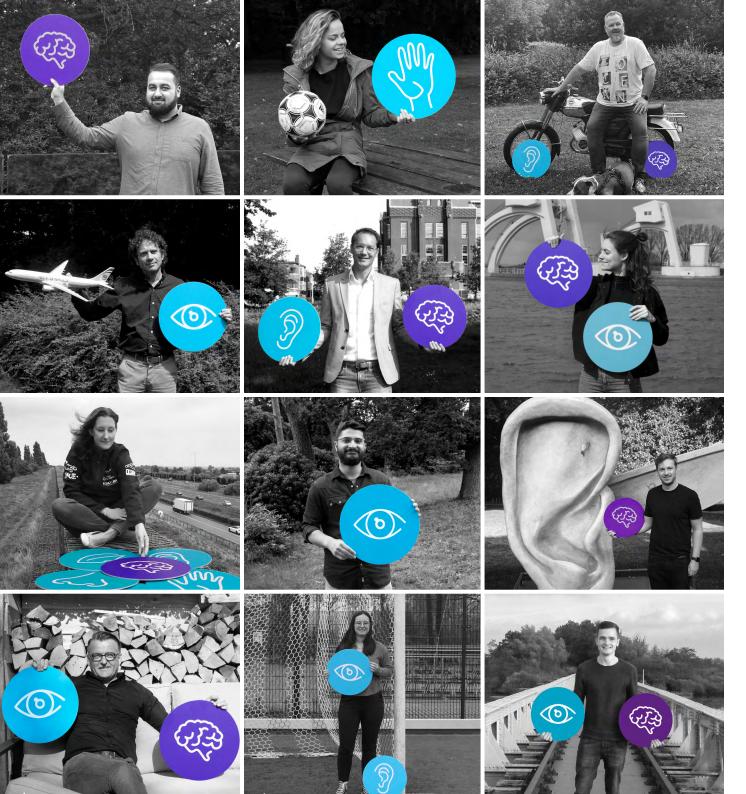## Collaboration and knowledge sharing

Developments and trends in the world of technology are moving at lightning speed. ChatGPT emerged and since then we have been discovering all kinds of possibilities with artificial intelligence. Software in itself is part of our daily work: facial recognition, applications, CRM systems, chatbots or virtual assistants like Siri or Google Home. Often, technology is still 'unknown', creating a form of 'fear' on the one hand. On the other hand, words like AI and RPA are becoming buzzwords without substance.

We believe it is important to share our knowledge about these topics with the world. What exactly is the technology and what can you do with it? Thus, in the first quarter of 2023, we were at the PvKO Winter Festival and UiPath meetup. We also enjoy sharing knowledge from our beautiful office, like we did during the M.O.O.I. event and like we do during meetings of our partner the Customer Service Federation (KSF). We are affiliated with the KSF, Klantcontact.nl, and iTanks to share knowledge with people in the industry and to represent the interests of the great sector we are in.

Students are the new developers, the new employees, or perhaps the new customers. In any case, they are the future. This is why we enjoy giving guest lectures at various schools. In 2023, we have already been welcome to visit MBO Regio Midden, Hogeschool Utrecht, and Erasmus Rotterdam. And fortunately, the year is far from over.

As we mentioned in the introduction, we offer technology that enhances the human senses. For example, an extra pair of eyes for production control. But not everyone can simply access information through all their senses, which means that the ability to do things is not always a given. We want to enable visually impaired people to make the most of life with the senses that work well for them. That is why we raise money for the Bartiméus Fund during our events and runs. The Bartiméus Fund makes it possible to set up innovative projects and provide solutions for people who are blind or visually impaired.

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Stronger together

At Pegamento, we believe it is important that we stand together behind our CSR policy and work towards goals that everyone at Pegamento wants to contribute to. That is why, together with Everyday Heroes, we are launching the Pega Sticky Wall project. This sticky wall is a physical wall that will be placed in the canteen. On it, our colleagues can indicate which charities or projects they would like to work on and support in the coming year. They can support projects by getting involved, collaborating or sharing with others. This creates an easy and accessible overview from which we can make targeted choices. In addition, each year during our internal 'From Grain to Brains' meetings, we discuss the goals we have achieved in the previous year and together we set new goals to work on.

In this way, we involve our employees in corporate social responsibility and make Pegamento a little better every day.

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