



SUSTAINABILITY REPORT



2022



CRYPTOMATHIC



ABOUT THIS REPORT

This report summarizes the corporate environmental, social and governance responsibility of Cryptomathic within the ESG Framework with the goal to capture the non-financial risks and opportunities inherent to the company's day to day activities.

ESG reporting has been formally carried out for two years and where data is available and retraceable up to four years development is displayed.

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A WORD FROM OUR CEO

Dear readers,

Doing what is right for the environment, for our corporate social responsibility and ethical business governance, is more than just one small decision – it's hundreds of them. And making real change happen begins with each of us and the choices we make every day.

With the UN Sustainable Development Goals as the compass guiding our decisions and actions, Cryptomathic has continued making efforts to improve. In this report, you will read about why we prioritize sustainability, where we are now with our ambitions and where we want to go in the future.

In all of the steps we've taken, acting ethically and with integrity while respecting people and caring for the planet was at the center of our decisions. Because it is both the right thing to do, and it is how we make an impact that matters for our people, customers, partners and society.

While I am proud of how far we've come, there's still more work to do for us to set and achieve more ambitious goals. By continuing to work together and prioritizing sustainability, we will do our part to ensure a more promising tomorrow for future generations to come.

Laurent Lafargue

CEO, Cryptomathic





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THE WAY WE WORK

The ambition of Cryptomathic is to be the preferred security partner for accelerating digital transformation globally and especially within the financial, insurance, pharmaceutical, automotive and government sectors. By living our purpose of protecting digital assets, we enable our clients to deliver their software services in a trustful and secure way.

Cryptomathic was founded in 1986 in Denmark by renowned cryptographers and was one of the first companies in the world to commercialize cryptographic algorithms. Over the years Cryptomathic has evolved extensively to remain at the forefront of security technology and to pre-empt new security requirements brought about by emerging technologies or regulatory decisions and to react to specific and individual client and industry needs.





EMBRACING CORPORATE ESG RESPONSIBILITY

The UN Sustainable Development Goals (SDGs) provide guidance for our Environmental, Social and Governance (ESG) responsibility approach. We are particularly inspired by SGD 4, 5, 8 and 9.



Quality Education: Ensure inclusive and quality education for all and promote lifelong learning.

Cryptomathic originated from the academic world and continuously depends on a highly educated workforce. The world equally prospers from quality education as a source for reducing poverty and driving innovation to mitigate current crisis and meet the demands of tomorrow.

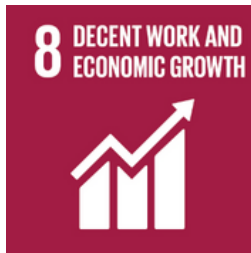


Gender Equality: To achieve gender equality and empower all women and girls.

The tech industry is still predominantly occupied by men and thereby missing out on well-known benefits of gender diversity. Levelling the gender splits in any industry is enabled by driving general gender equality – especially in the education system.



ESG RESPONSIBILITY



Decent Work and Economic Growth: Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all.

Being a great place to work is one of the fundamental values of Cryptomathic because we believe that employees who thrive at work and feel psychologically safe enable economic growth.



Industry, Innovation, and Infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation by 2030.

It is inherent in our purpose and vision to innovate and build resilient digital infrastructure.

Cyber-attacks and security breaches increasingly threaten and destroy critical societal infrastructure and this threat must be met by innovative solutions.



ENVIRONMENT

IMPACT ASSESSMENT

Cryptomathic strives to be an environmentally sustainable company both in terms of our own footprint and that of our solutions. We commit to minimize the environmental impact of our operations.

Our core business is focused on accelerating the digital transformation, which reduces thousands of tons of CO2 emissions each year.

Our impact is both in terms of moving transactions from physical to digital reducing a lot of physical transport, but also from on-premises solutions to cloud-based solutions reducing the need for local hardware.

Nevertheless, Cryptomathic emits CO2 (like any other company) in way of employee business travel, commuting, computers, electricity, gas, water, etc.



POLICIES, VISION AND MISSION

Cryptomathic has established a vision and mission for our business activities supporting the overall impact.

It is our vision to be the preferred security partner for accelerating digital transformation driven by our mission to protect digital assets.

In addition, we have a global travel policy in place which guides the use of online meetings before considering travel. Similarly, our working-from-home flexibility reduces employee commuting. Finally, we have procedures in place for waste handling and equipment re-cycling.

ACTIONS AND RESULTS

In 2022, Cryptomathic initiated the development of its first cloud-based solution, Bring Your Own Key, which is the first step to moving into more cloud-based solutions reducing the need for local hardware.

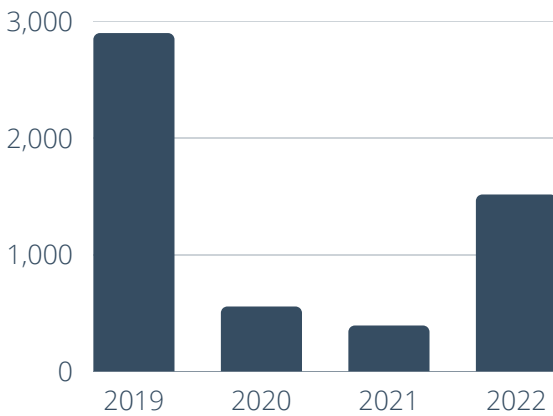


ENVIRONMENT

2022 also continued to be a year of low travel activity following years of exceptionally low travel activity due to the global pandemic. Being forced to practice online meetings and business interaction has had a positive impact on the extent to which travel to physical meetings is considered needed and re-enforcing our policy.

We also benefit from our offices being centrally situated with excellent public transportation options and in addition to that having many employees biking to work.

Figure 1. Travel cost per employee (€)



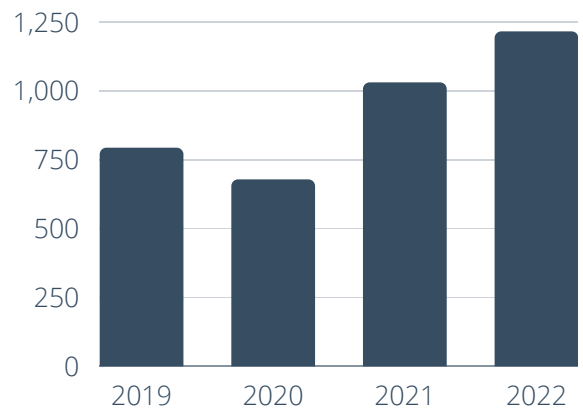
We have several initiatives to help reduce waste and increase recycling although no structured measures are in place.

Cryptomathic offices are all placed in rented office buildings, which means reduced autonomy in terms of choosing and influencing utility providers, however, we monitor our utility consumption in our efforts to be consumption conscious.

Figure 2. Electricity consumption per employee (KwH)



Figure 3. Heating consumption per employee (KwH)



ENVIRONMENT





TARGETS FOR 2023

For 2023, we have set four specific targets for our environmental responsibility approach. These reflect the need for us to become more targeted in our efforts:

- By 2023, we will have established a global guide on energy saving.
- By 2023, we will have established a global guide for the reuse of computers and equipment.
- In 2023, in dialogues with our landlords we will investigate the opportunity to buy/use renewable energy.
- In 2023, we will investigate how to offset our CO2 emissions starting from 2024.

ENVIRONMENT

A decorative image at the bottom of the page showing a small green seedling with two leaves growing out of a bed of dark brown mulch. The image is partially overlaid by a dark blue semi-transparent rectangle.



SOCIAL

IMPACT ASSESSMENT

In Cryptomathic, we believe that the ability to understand, embrace and operate in a globalized world is critical to our work.

Our culture and values support an equitable, diverse, and inclusive workplace, where there is opportunity for life-long learning. And our ambition is to support the same in the community surrounding us and for the future generations.

We recruit and retain people with a variety of skills, backgrounds, and nationalities, while ensuring focus on personal qualifications for the job. And we strive to be an organization, where people thrive, perform, and develop.

Due to the increasing diversity of employees in Cryptomathic we are aware of our responsibility to ensure an inclusive working environment and strive to offer similar working conditions and equal development opportunities across all entities.

POLICIES AND GUIDELINES

Cryptomathic values positive working relationships consistent with the Cryptomathic values and does not tolerate any kind of harassment, bullying, victimization or discrimination occurring in the workplace or in any work-related setting outside the workplace.

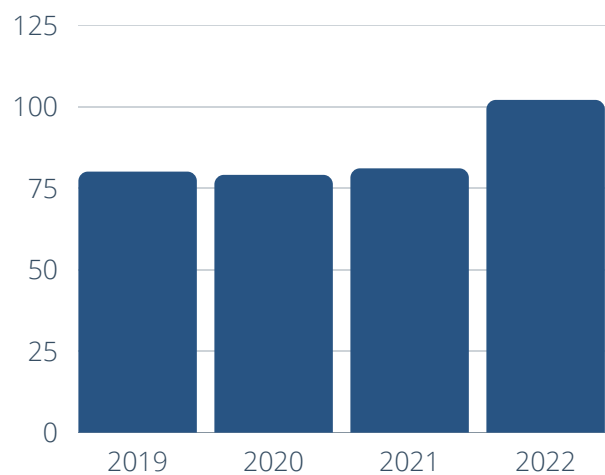
To accomplish this Cryptomathic has in place an anti-harassment policy to ensure employees can work without prejudice or harassment in a professional atmosphere that promotes equal employment opportunities and prohibits discrimination.

To support this further, we also have in place Code-of-Conduct, Recruitment and Diversity & Equal Opportunity policies as well as guidance on grievances procedures. Finally, we provide guidance for employee training and development.

ACTIONS AND RESULTS

2022 was a year of high growth in staff. By 31st December, Cryptomathic had 102 full-time equivalent (FTE) employees and a 109 head count.

Figure 4. Development in FTEs

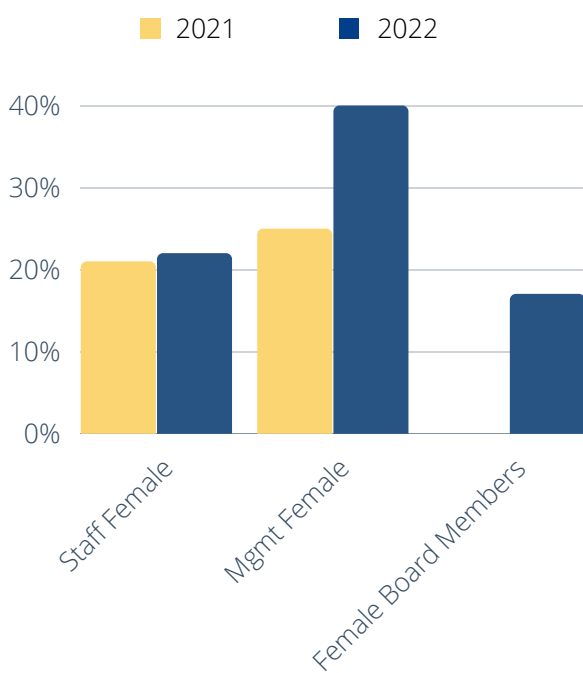


SOCIAL



The 109 employees at Cryptomathic on 31 December 2022, were spread across 9 different nationalities. Of the 109 employees the Management Team represented 6 people, 4 men and 2 women, and the remaining employees comprised 77 men and 26 women. The Board of Directors of Cryptomathic Holding comprises 5 men and 1 woman.

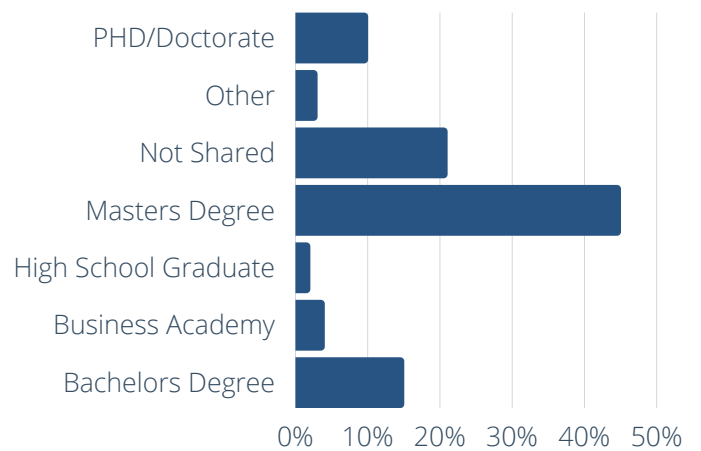
Figure 5. Gender diversity among staff, management, and Board represented by the female part.



Diversity is important to Cryptomathic and supported by equal opportunities. One measure of gender equality, which we follow closely is the gender pay gap. In 2022 overall gender pay gap was 7.21% in favour of the male segment of the company.

Diversity is also reflected in the educational background of employees, which allows us to tap into a wealth of knowledge and life experience improving our day-to-day decision making.

Figure 6. Educational backgrounds of employees



Striving to be an organization where people thrive, perform, and develop requires frequent appraisal and development dialogues. Such dialogues have taken place in Cryptomathic headquarters since 2019 applying a common framework. Investment in the development of employees has increased in the past years.

We have a high tenure across the organization and have managed to attract highly qualified employees to grow the organization, while at the same time keeping employee turnover at an acceptable level in a highly competitive job market

Figure 7. Investment in Learning & Development per employee (€)

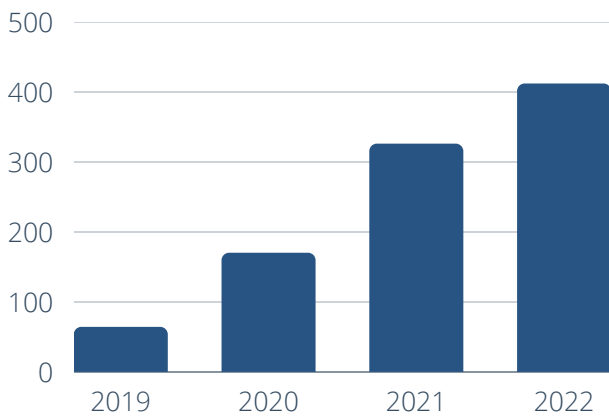


Figure 8. Employee tenure

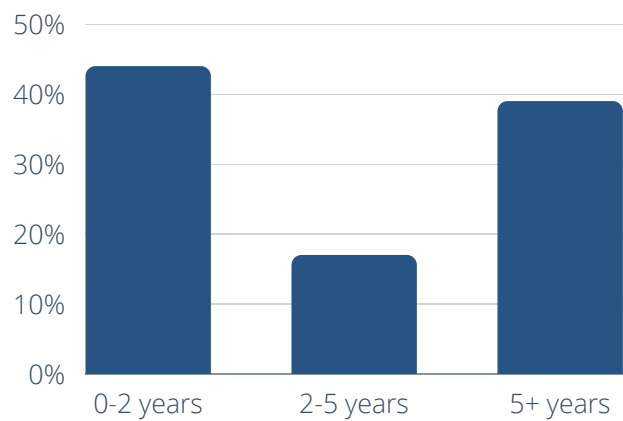
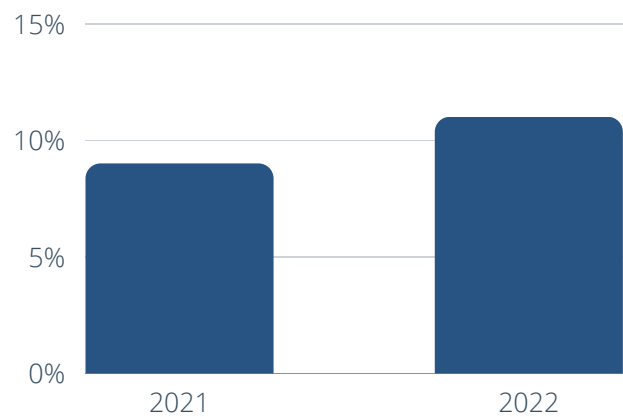


Figure 9. Employee turnover



In 2022, Cryptomathic decided to invest additional resources in achieving our ambitions of being a socially responsible company and improving employee development and labor practices. In October the new Head of People & Culture joined the company as well as additional part-time resources in Finance to help reporting on ESG.

Following the on-boarding, extensive work has been undergoing to establish global people policies and guidelines across the entities.

With regards to our social responsibility towards the wider community, we strive to apply our efforts and make a positive impact on gender diversity in the Technology space. We do this by promoting STEM for girls and young people and specifically sponsoring two projects.

The first is "Girls in IT", which is an annual three-day event giving girls the opportunity to be inspired by different aspects of IT related educations and meet role models from both studies and businesses. The second project is the annual Aarhus University Career Day, where we prioritize to also have female employees represented to speak with the Science students and potential future employees.



SOCIAL



TARGETS FOR 2023

For 2023, we have set four specific targets for our social responsibility. These targets build on the foundation already in place with the aim of strengthening our approach:

- In 2023, we will deploy the employee appraisal and development framework globally embracing all employees across different entities.
- By 2023, we will have conducted the first global Employee Engagement and Satisfaction survey to help us identify strengths and areas for improvements.
- In 2023, we will establish measurements of company-wide learning and development with regards to time invested. This will provide us with better transparency in the way we prioritize and allocate time for learning and development, since many development activities are not associated with financial payment.



SOCIAL



GOVERNANCE

IMPACT ASSESSMENT

We want to grow our business sustainably and responsibly – providing innovative solutions and resilient infrastructure to clients meeting the cyber security challenges of today and tomorrow – which is supported by our high business ethics and code-of-conduct.

Cryptomathic operates across various countries and in industries with very high security standards, which drives a continuous focus on applying the appropriate governance – both to span different national and international legislation as well as acknowledged international standards.

Cryptomathic has long established policies in place to ensure responsible governance. These policies include our Code-of-Conduct policy, our Third-Party Supplier policy, IT Security policy, Grievances policy, Anti-Bribery policy, Electronic Information and Communication Systems Policy, GDPR, and Business Continuity Management policy.

In addition to the policies, Cryptomathic is a member of and/or conforms to the following standards:

- CEN
- EMV Co
- ETSI
- GlobalPlatform
- Microsoft Partner Network
- MULTOS Consortium
- NIST
- OATH
- OASIS
- PCI Security Standards Council
- PKCS
- Smart Card Alliance
- Trusted Computing Group

Creating a compliant working environment that enables the employees and stakeholders to focus on achieving the objectives of the organization is the desire of companies. To prevent breaches and potentially mitigate incidents, Cryptomathic has engaged a third-party vendor to operate our Whistleblower system ensuring a safe channel to report misconduct as a supplement to our normal channels of reporting.

Ensuring accountability and transparency, we have also defined clear delegation authorities across all business areas.

In 2022, Cryptomathic were audited by customers and official auditing bodies resulting in audit reports all being actioned accordingly. 16 customers carried out audits by us in 2022 covering various areas such as:

- IT Compliance
- Cyberattack analysis
- GDPR
- Code of conduct

In 2022, both our Finance and Compliance teams were upgraded with additional resources to accommodate and uphold our policies, certifications, and standards.



GOVERNANCE

TARGETS FOR 2023

Though we are satisfied with our current policies on the matter as well as our vetting processes, we will continuously monitor and evaluate the adequacy of our policies, audits and other measures taken.

In addition to this we have set two specific targets for 2023:

- By end of 2023, we will have conducted a Risk & Asset assessment workshop with the Board of Directors
- Based on this assessment, we will establish a risk mitigation plan for implementation in 2024.



ENDING REMARKS

ESG is important to Cryptomathic, and a journey recently embarked upon.

The Management Team and the Board are committed to increasing our focus and efforts in the years to come. Therefore 2023 will also include activities to establish the more long-term ambitions and goals for the company's impact on the Environment, the Social agenda and our Governance set-up.

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