



**WithSecure**

# Sustainability Report 2022

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# Sustainability Report 2022

## Maximizing Net Impact – introduction to W/Sustainability

For 35 years, WithSecure has existed to build and sustain trust in digital society. Companies are moving from ground to the cloud and embracing new ecosystem-driven digital platforms. Remote work is here to stay, and anything-as-a-service economy is on the rise. Businesses are intelligent and data-driven – and more vulnerable. This is where WithSecure steps in.

In 2022, we have re-assessed our ways of working on sustainability. What is the role of a cyber security software and services company in protecting the planet, people, and society? We carried out interviews with our customers, investors, and leaders, to understand the perception on areas where we can and should make a change. We conducted a survey, to give our employees a chance to express their opinions on what sustainability means for them. All feedback was analyzed through a materiality assessment framework. Our **W/Sustainability** program is built on the results of these important discussions.

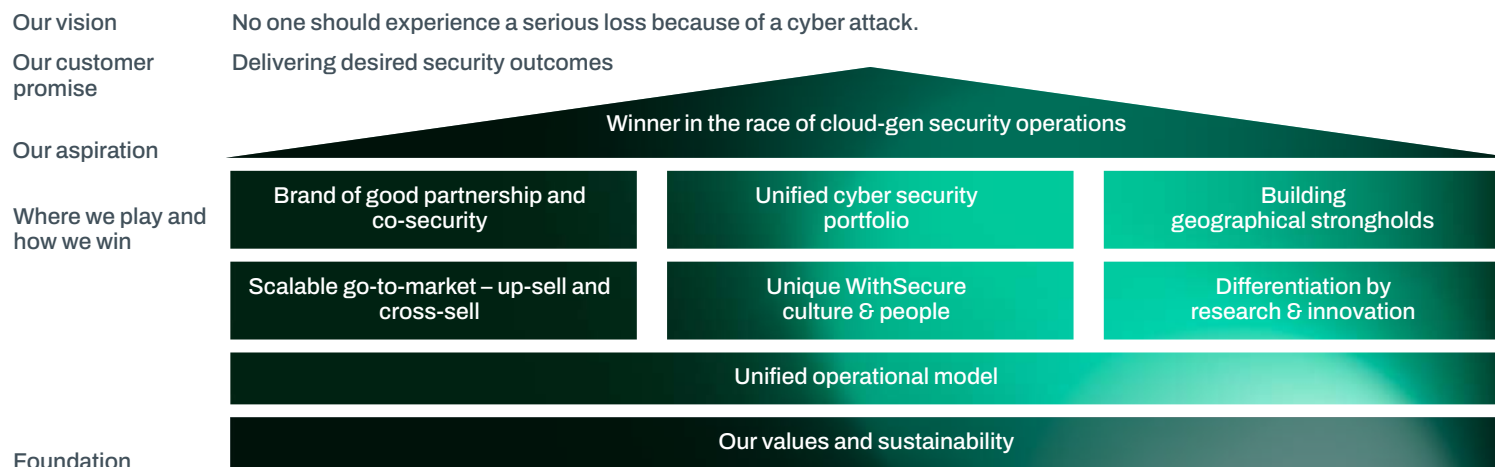
### Please note

*In this and other reports, WithSecure™ refers to the brand name and trademark of WithSecure Corporation, whether registered or unregistered. WithSecure refers to the parent company WithSecure Corporation or its affiliates, or to the entire WithSecure group.*



## WithSecure strategy 2023–25

Sustainability is, together with the WithSecure values, forming the basis of our revised strategy of the coming years.



### Foundation of trust

WithSecure purpose is to build and sustain trust in the digital society. Trust is based on our company values, Integrity, Excellence, Experimentation and Care. Each value has a set of key behaviors and leadership principles linked to them.

#### Integrity – “We do the right things and for the right reasons”

Integrity is crucial to cultivating trust. Integrity to us means that we do the right things and for the right reasons; that we are considering the impact of our work in “building and sustaining trust in our digital society”, not just the profits we make. It means that we try our best to act in the best interests of our customers, colleagues, and partners; that we can rely on each other’s support to make the hard but right decisions, stand by our commitments, and follow through with them. We are open and transparent with each other.

#### Excellence – “We are passionate about quality and impact”

Another part of being trustworthy to each other and to our customers is our commitment to delivering high quality work (together). It is about challenging ourselves and each other to create meaningful impact. For us, excellence is achieved through collaboration, good partnerships, continuous improvement, and customer-centricity. The impact we are especially passionate about is building and sustaining trust in the digital society.

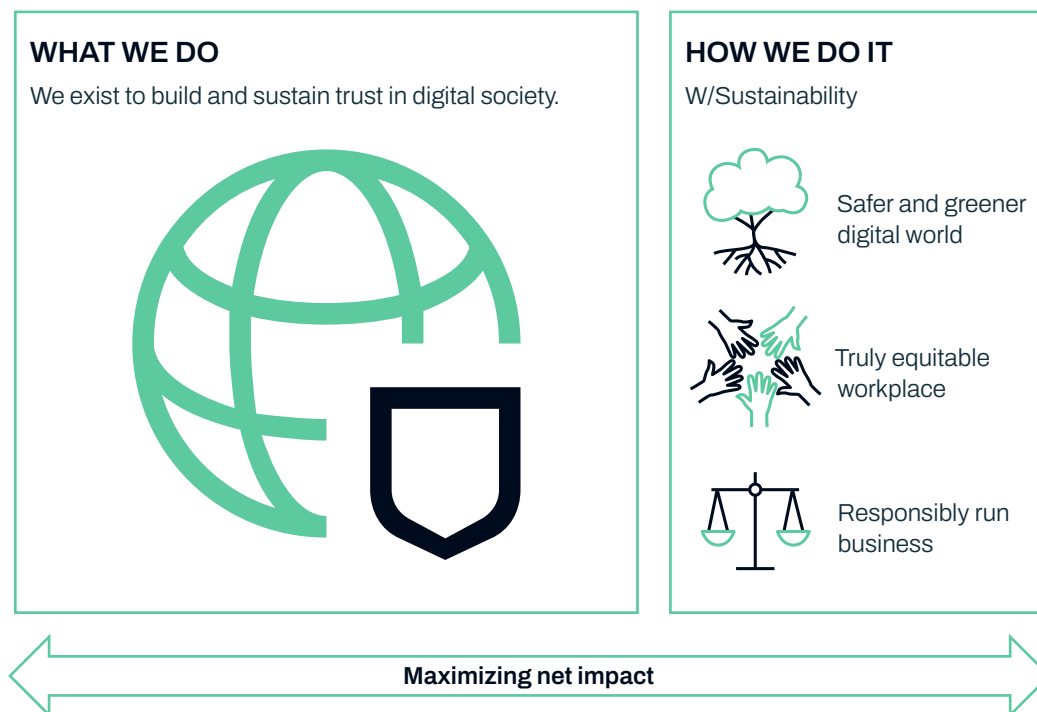
#### Experimentation – “We drive for growth & continuous improvement”

Complementary to our commitment to excellence is experimentation: we are disciplined with our direction and quality, and agile and autonomous on our way there. We test our assumptions and seek evidence on how to move forward through action-orientation and experimentation. For us, experimentation is a process that helps us to strive for excellence and a mindset that allows us to accept failures as opportunities to learn and grow – we want to experiment & learn, and not get stuck in analysis over the fear of failure, and we want to cultivate curiosity, over having ready answers to everything.

#### Care – “We’re in this together”

We care for our customers, partners, and clients through our commitment to their security. We care about how our words and actions impact our colleagues, our partners, and our society. Care is also central to our togetherness and belonging. We assume good intentions from each other; we are on the same team. We appreciate and respect each other; we care about each other’s wellbeing, and it is important to us that our colleagues feel included, respected, and free to be who they are. We show up for our colleagues when life happens and help each other to succeed. It is this connection and sense of togetherness that makes us unique and our bonds strong.

## Our view on sustainability:



Our role of protecting the digital society and preventing damages and losses caused by cybercrime is our most important contribution to a more sustainable world. With this role, our activities will always generate a significant positive impact on society.

However, we do not want to stop there. We also want to ensure that our activities are carried out in the best possible way regarding planet, people and society around us. We want to share our knowledge and support parties who cannot always defend themselves. As a software and services company, our carbon footprint is not high, but we think we must do our part in minimizing the environmental impacts of products as well as our own activities. We employ highly skilled experts around the world and want to support their wellbeing and growth opportunities. Our internal operations must always follow highest ethical standards.

Leading guideline of W/Sustainability program will be Maximizing Net Impact – on the planet, people and society. The objective of the program is to ensure that sustainability is embedded in all our decisions. We also want to ensure full transparency of our activities to the users of our reporting.

### Materiality assessment leading to W/Sustainability

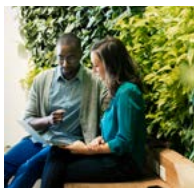
We started our materiality assessment on sustainability by discussing with a large base of stakeholders: company leadership team, board members, customers and investors of what areas of sustainability they see as relevant for WithSecure. In addition, the employees were able to express their opinions through a survey. Approximately 17% of our employees participated and gave valuable feedback on the priority areas.

The results were assessed through a materiality matrix, where the significance of economic, environmental & social impacts of each topic was estimated. As a second dimension, the topic's influence on the stakeholder's assessment of decision-making was estimated. Topics with high relevance in both dimensions formed the basis of our new sustainability program **W/Sustainability**.



## W/Sustainability themes and topics

The W/Sustainability program is structured around three themes:



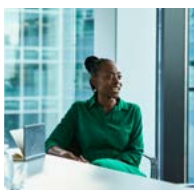
### Safer and greener digital world

We keep our customers safe. Our ambition is to minimize the energy consumed by our products, without compromising the results and quality of our work. We are an active global citizen, providing our expertise to those who need it. Our customers' data is always in safe hands with us.



### Truly equitable workplace

Driven by the novel and hardest cybersecurity challenges, our diverse workforce is there when it matters most. We make sure all our employees feel like they can bring their best and true self to work and enjoy the inspiring opportunities to learn and grow. We believe that by having our employees' wellbeing in the center of our business we can succeed.



### Responsibly run business

We set the highest standards on how we operate every day. We conduct our business ethically, choose our partners responsibly, and strive to minimize the environmental footprint everywhere we can.



Each of these themes is structured around topics, presented in more detail in this report. We have mapped each of the themes to the relevant UN Sustainable Development Goals and present the most important metrics and objectives to understand the magnitude and impact of the theme. Our objective is to report in full compliance with the EU Corporate Sustainability Reporting Directive and the related standards when they become applicable.

The net impact of WithSecure activities has been quantified by Upright Project, an external firm, using a net impact quantification model that uses machine-learning-based technology, to process the knowledge contained in scientific articles, and resulting a net impact ratio that is comparable between companies. The results, supporting our Maximizing Net Impact approach, are presented in their own section of this report.

We have, for the first time, calculated the carbon footprint of WithSecure activities, to enable defining our path to zero emissions. The results are presented in their own section of this report.

We have conducted an analysis of our activities under the Taxonomy Regulation (2020/852) of the European Union. Results of the analysis are presented in their own section of this report.

The governance structure of W/Sustainability program and the related activities is described in its own section at the end of this report.

# Safer and greener digital world

We keep our customers safe. Our ambition is to minimize the energy consumed by our products, without compromising the results and quality of our work. We are an active global citizen, providing our expertise to those who need it. Our customers' data is always in safe hands with us.

## Safer and greener digital world

	Topic	What good looks like	Target
Sustainable Development Goals   	Co-securing outcomes	None of our customers has suffered from serious loss due to a cyber attack	Measurable target to be set in 2023
	W/You – giving back to society	We are an active global citizen, sharing our cyber security knowledge to those who need it and participating in local communities	1,000 days of work done by our employees on selected projects with partners
	Product lifecycle – all we need is less	We are actively reducing the carbon footprint caused by our products – both in the cloud and the customer endpoints	Measurable target to be set in 2023
	A secure security company	We are a Secure by design organization	No serious cyber security incident of WithSecure operation

## Safer and greener digital world

# Co-securing outcomes

We envision a future where no one should experience a serious loss or be put out of business because of cyber-attack or crime. To walk the talk, we want to follow up and publish key metrics on how successful we have been with our customers and end users in protecting them from serious cyber-attacks.

Today, being digital is just a price of admission, but no longer a competitive advantage. Everything that can be automated and autonomously run will be. Algorithms will make more routine decisions than human beings do. Companies are moving from the ground to the cloud and embracing new ecosystem-driven digital platforms. Remote work is here to stay, and anything-as-a-service economy is on the rise.

The digital arms race has created a maze of complex, uncoordinated, and insecure systems. In 2022, approximately USD 175 bn was spent globally on cyber security and security teams will be busier than ever. But companies do not have nearly enough time, talent, or budget to stay secured. We need to rethink.

WithSecure's co-security approach is built on the first-hand knowledge that no one, or no one thing can solve every cyber security problem alone. Together, we are the solution. This commitment fuels us as we work to create a future where no one will experience a serious loss from a cyber-attack. In practice, co-security starts from the willingness to partner, expanding own knowledge, resources, and capabilities through collaboration across technology leaders, service partners, and the entire information security community.

While co-security describes how we are working, we deliver value through a focus on providing security outcomes. Outcome-based security rejects the traditional mentality, where cyber security is all about saying "no." It replaces negativity and fear with a fresh thinking that makes cyber security an asset, not liability. We collaborate with our partners and customers to produce security outcomes that are connected to business goals and deliver measurable results that improve their cyber resilience. We also want to bring security outcomes to the entire information security community by providing expertise, research, and innovation to solve today's challenges in a connected world.

Everything we do is about good partnership. That is why the proof of our worth starts and ends with what people say about working with us. We thrive when our co-securing outcomes approach manifests in concrete results.

Continuous high partner satisfaction:  
Net promoter score of

# 76

(2021: 72)

Partners agree that WithSecure is committed  
to build long-term partnerships:

# 4.5/5

points (2021: n.a.)

# 84%

of our customers say that they haven't  
experienced a serious loss due to a cyber-  
attack while working with us (2021: n.a.)



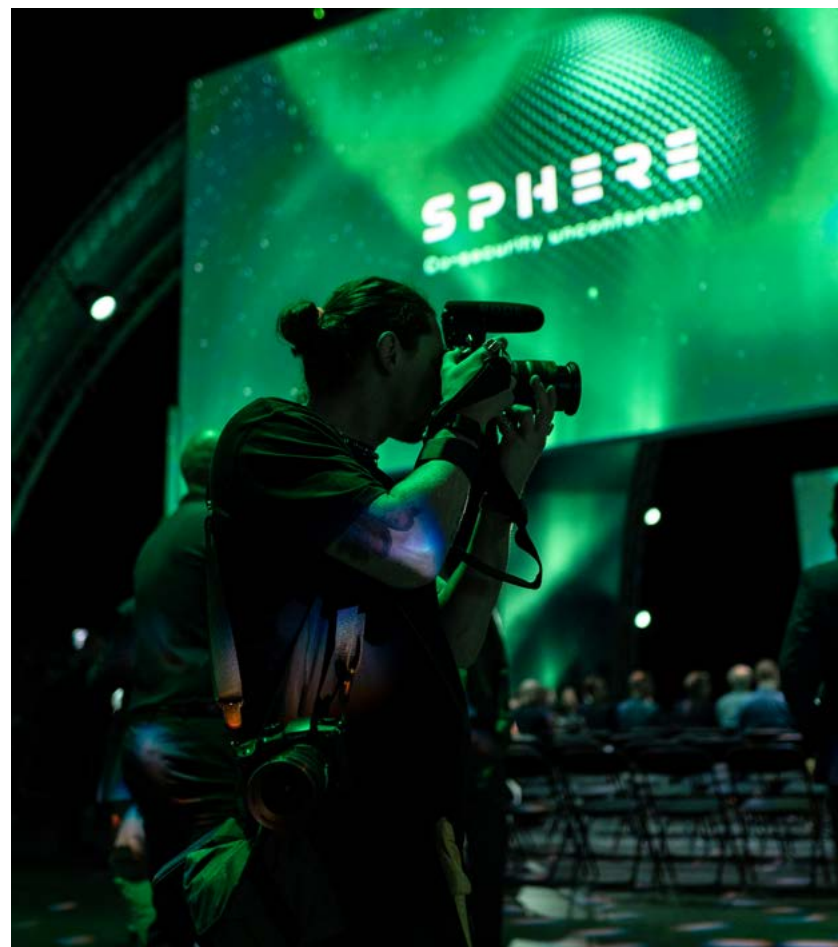
To co-create a safer and more exciting future, WithSecure launched in 2022 its new Co-Security community program. We know that partnership is crucial to tackle the cyber security challenges business and society face together. That's why we're teaming up with some of the world's most inspiring minds to co-create a better future.

At our annual co-security unconference in June in Helsinki, we put co-creation in action and developed with the attendees "SPHERE22 Co-security Manifesto". During the two-day event, participants were invited to give comments, opinions, and feedback on what co-security is about. The result can be found at <https://thesphere.org/manifesto>.

The WithSecure™ Co-Security Community exists to demonstrate how collaboration helps us unlocking fresh perspectives, share brilliant ideas, remove obstacles that hinder innovation and produce positive change through dialogue. WithSecure™ Co-Creators are athletes, artists, activists, entrepreneurs, thought leaders and innovators and known for elevating their entire field with inspirational results.

In 2022 we have worked amongst others with:

- **Matilda Castrén** is the most successful Finnish female golf professional ever and a rising star on the LPGA Tour, the world's biggest golf tour. Matilda's unprecedented achievements have been made possible by a relentless dream, an unbreakable focus and her love for the game. Her belief, and that teamwork and long-term cooperation based on trust are invaluable, has been proven by her success.
- **Yuko Misonoi** is an innovative wagashi confectioner creating unconventional delicacies using traditional techniques. Yuko's customers are known for coming back to her store because they want something that they can't find anywhere else, creating a shared mission that drives Yuko and her team to make wagashi with all their heart.
- **Santi Fox** is a Finnish-American creative entrepreneur respected around the globe making content for artists, athletes, brands, media companies, and advertising agencies. His mission is to inspire, educate, and guide the next generation of creative dreamers to do new and extraordinary work.
- **Marcus John Henry Brown** is a performance artist splitting his time between performance art, mentoring young creatives and creating exciting virtual event experiences. He has created a series of critically acclaimed performances that look at the relationships between and impact of technology, culture and commerce on society.





## Safer and greener digital world

# W/You – giving back to society

Every employee at WithSecure plays a role in our commitment to build and sustain trust in a digital society. For more than 30 years, WithSecure has been committed to helping private and corporate foundations as well as individuals around the world who are at the cutting edge of some of the most challenging societal questions of our time. We know we're not just securing networks, devices, or clouds – we're securing everything society does together. And we love working with those who share this commitment and want to provide our partners the resources what they need to safeguard the data and digital environment of already vulnerable populations.

In 2022, WithSecure has teamed up with different institutions and joined alliances to prevent counter attacks against vulnerable communities. The potential societal harm of cyber-attacks against critical services around the world puts people's lives at risk. By investigating confirmed and suspected compromises for those in need, we are fulfilling our role as responsible cyber security professionals.

## Partnerships

To counter attacks against vulnerable communities WithSecure has teamed up with Switzerland-based [CyberPeace Institute](#), an independent non-governmental organization whose mission is to protect the security, dignity, and equity of people in cyberspace.

Through the collaboration with CMI – Martti Ahtisaari Peace Foundation, WithSecure aims to develop awareness of the important role technology plays in peacemaking and helps providing security. Digital technologies are becoming increasingly important for making and maintaining peace. In this way digital tools can support in the creation of peace processes that lead to sustainable peace. And as NGOs, foundations or non-profits share the same cyber security concerns as businesses WithSecure has also facilitated a series of workshops with the goal of uplifting CMI's cyber security practices and governance maturity. This work covered all major elements that make up an effective cyber security management ranging from cyber risk management practices to elements like vendor management and technical capabilities. This work will continue with more in-depth implementations in 2023.

After Russia invaded Ukraine in February 2022, WithSecure launched a series of support activities to contribute to the relief efforts, including

- Supporting our employees, especially those most directly affected by the crisis
- Offering F-Secure Freedom VPN in Ukraine free of charge
- Donating 100,000 € through Unicef, SOS Children's Village and Polish Humanitarian Action helping the families and children fleeing the country
- Providing refugees in Poland with our old cleaned, unused laptops to be used for studies or work
- Supporting our employees across our European locations in their volunteer activities with flexible time off
- Advertisizing our open positions in Poland and Finland for the refugees – with relocation support

WithSecure's partnership with Cloud Security Alliance aims to help define and raise awareness of best practices that will support a secure cloud computing environment. Working with the Cloud Security Alliance allows us to join forces with other security-minded providers of cloud services and collectively raise the bar for security on software-as-a-service, infrastructure-as-a-service, and platform-as-a-service offerings. It also offers the opportunity for joint research which amplifies our reach to educate users on the advantages and challenges in the cloud that they need to be aware of.

When charities, hospitals, and other institutions that our digital society depends on face cyber threats that jeopardize their work, our Mission Invisible Team is ready. Our experts step in to offer an unseen hand when it matters most. From security strategy to incident response, we aim to do our part to serve those who serve us all.

To make the future generation aware about cyber security challenges we are executing programs to educate children and their parents and teachers to help keep younger people safe online. Our experts are also lecturing at universities to raise the profile of cybersecurity as an attractive career and are running in-house cyber security academies to train the next cyber responders' elite.

### **Research work – WithSecure™ Labs**

WithSecure has published 150+ advisories, on our WithSecure™ Labs website which receives 30,000 views per month. We regularly share around 25 articles and whitepapers each year to benefit the wider industry and present at prestigious security conferences worldwide. To improve the cyber-security industry, we make publicly available tools we have developed through our security research, many of which have been made publicly available on sites like GitHub at no charge. Many of these tools have since been adopted industry wide. We enable our clients to be socially responsible by protecting the IT that allows their employees to work more flexibly.

[Home | WithSecure™ Labs](#)

## Product lifecycle – all we need is less

With the progressing digitalization, energy efficiency of software is becoming an increasingly relevant aspect. Through the principles of “green coding”, significant differences in the energy consumption of both cloud capacity and endpoint energy can be obtained. As part of our responsibility for an energy efficient world, we are following up and optimizing the energy consumption of our products, without compromising the protection results and keeping track on data processing practices. Almost in full, it takes place in cloud environments, while share of own or leased data centers is becoming negligible (for more, see Carbon footprint section of this report).

# 98%

of data processed in  
cloud environments

# 35%

reduction of carbon footprint from  
cloud usage from 2021 to 2022

### Optimizing cloud capacity

Processing data in a public cloud consumes energy and creates greenhouse gas emissions. While the cloud operators are working on making the data centers carbon-free, our objective as a significant public cloud user is to become more responsible in using the cloud capacity.

The cyber security products, by default, require massive amounts of processing power. The data sets that need to be collected, processed, enriched, and analyzed are only getting larger with the developing digitalization. At the same time, the cyberattacks are getting more complex. WithSecure has made significant efforts and investments in optimizing the cloud usage and reducing cloud hosting costs during 2022. This has enabled us to significantly reduce the cloud usage and the related carbon emissions during 2022.

In our work, the event counts and backend efficiency were identified as main drivers for cloud capacity usage. Event count reductions were implemented e.g., through automatic filtering of events by rate, limiting and deduplicating mostly on the edge. We also improved manual filtering, reducing the event counts before the heavy processing of data. To improve the backend efficiency, we have carefully reviewed the data retention periods, as well as the reserved

instance utilization. Through architectural improvements, such as minimizing more expensive traffic and storage classes, further optimizations of energy consumption and cost were reached. As a result of these measures, the cost of 1M events dropped by approximately 26% in 2022.

### Optimizing the use of availability zones

We are actively following the cloud service providers' attempts of moving to renewable energy sources in their data centers. Most of our data is currently processed in data centers located in Europe or the US, where usage of renewable energy sources is already very advanced. In cases where the data processing cannot be moved to a more energy-efficient location (for example due to data residency aspects), WithSecure expects its suppliers to progress in transforming their operations towards renewable energy.

### Releasing greener software

In addition to reducing our own energy consumption, we want to optimize our end customers' energy efficiency. In 2022, WithSecure built capacity for measuring the endpoint energy consumption in a standardized environment,

## Safer and greener digital world

# A secure security company

to enable comparisons between newer and older software releases. We will start regular measurements of the release versions, and comparisons to the 2022 baseline. We expect significant effects of scale with the approximately 6 million endpoints that we influence. The programmers will also be trained on “green coding” practices, to ensure collective learning and improvements of the products. Our target is to create measurable metrics for the endpoint energy usage during 2023.

Further, it will be crucial to have all the agents and deployed software to be automatically upgraded (through channel upgrades). This way WithSecure customers avoid long tail of machines using legacy versions of the software. Energy savings will be generated by no need to maintain backend systems running to support old versions but also pushing better energy-wise versions of agent software to protected devices.

We would also like to actively participate in promoting the energy efficiency standardization through the software industry. The company already started approaching government agency to encourage work on independent energy efficiency standards for software and computing.

Throughout the years, we have continuously worked to elevate our internal cybersecurity posture while helping our customers elevate theirs through the products and services we offer. This is externally evidenced by the acquisition of ISO 27001 certification and in getting the ISAE 3000 standard in 2022.

For 8 years, we have been committed to fixing vulnerabilities in our products that security researchers have identified. From 2015 to 2022, we have paid out approximately 200,000 euros in Bug Bounty payments for 247 vulnerabilities that have been discovered in our products. The aim of the Bug Bounty program is to encourage security researchers to report the issues to us so we could fix them before they are discovered and exploited by attackers.

As far back as the organization's memory and documentation goes, WithSecure (previously F-Secure), has not suffered any cybersecurity incident that has a material impact to the organization. In order to protect the organization even further, WithSecure has acquired cyber insurance since 2019.

The cyber risk consciousness of the organization also extends to the risk governance of the Board of Directors. The Chief Information Security Officer (CISO) presents cybersecurity risk updates to either the Audit Committee or the whole Board of Directors 3–4 times annually.

Even with the above achievements, we cannot rest. An organization can never achieve a state of being completely digitally secure. Attackers are continuously finding ways to get into the assets that an organization has, and these threat actors may find valuable. Cybersecurity is all about continuously raising the bar and one of the most sustainable ways of doing this is to build an organization that is secure by design. An organization that bakes cybersecurity into its processes, systems, and ways of working – where cybersecurity is not an add-on, but an integral foundation for the different processes of the organization. Our aim is to be a secure by design organization, and to demonstrate how others can be the same.

CISO's need strong support from the company leadership in a secure by design organization. Since security is part of the design, CISO's need to be part of the decision making as early as possible. This is a challenge when the CISO is under several organizational layers from the CEO. To give our internal cybersecurity a stronger voice in the organization, we elevated the CISO role to be a company leadership role. Starting 2023, the CISO becomes part of the global leadership team. And as a first order of business, representatives across the different units and functions have been identified to be part of a virtual team



that works directly with the CISO function to identify and help elevate cyber hygiene in their own respective areas.

### **Privacy as an integral part of Data Security**

As part of our measures on security, privacy is a high priority to us. We ensure that our customers' personal data is protected and safe, while maximizing our protection capabilities and providing world class cyber security. To ensure our customers' security and privacy WithSecure applies strict security measures to protect the personal data in our solutions. We are continuously assessing our privacy processes, to ensure that our employees are aware of the importance of, and able to take the right decisions in privacy-related matters.

We seek to protect our customers' privacy, not to sell it. All WithSecure solutions are produced independent of governmental direction. We recognize that there is an imbalance between the defenders of fair practices and human rights, and online criminality and the offensive capabilities of nation state threat actors. To level the playing field, WithSecure refuses to introduce backdoors in our products and will detect malware no matter what the source is.

### **Privacy Principles**

We know that our customers care how WithSecure collects, uses, and shares their personal data, and we work hard to earn and maintain our customers' trust. Across all our solutions, our approach to privacy begins with being respectful of our customers' data privacy, being transparent about our personal data processing activities, and maintaining strict security measures. We inform our customers of our privacy principles, practices, and processing activities in our privacy policies. Our regularly reviewed group-wide privacy strategy and personal data policy strengthens and further develops our privacy posture. All new WithSecure employees take mandatory privacy and cybersecurity trainings.

WithSecure privacy policies [Privacy | WithSecure™](#)

### **Privacy and cybersecurity oversight**

WithSecure's Audit committee receives reports from management and reports to the Board at least annually on privacy and cybersecurity matters. This committee also reviews the measures implemented by WithSecure to identify and mitigate privacy and cybersecurity risks.

## **ISO27001 and ISAE3000**

certifications for cyber security

## **Cyber insurance**

in place since 2019

## **We have never**

suffered a material cyber incident

# A truly equitable workplace

Driven by the novel and hardest cybersecurity challenges, our diverse workforce is there when it matters most. We make sure all our employees feel like they can bring their best and true self to work and enjoy the inspiring opportunities to learn and grow. We believe that by having our employees' wellbeing in the center of our business we can succeed.

## Truly equitable workplace

	Topic	What good looks like	Target
Sustainable Development Goals   	Living WIDE every day	Our employees are satisfied with their overall well-being	Measurable target to be set in 2023
		Our employees feel they can be themselves at work	Measurable target to be set in 2023
	Equal and inspiring opportunities to learn and grow	Right systems, processes, and partnerships are in place to create a workplace where people can thrive no matter of their background	> 70% of employees agree or strongly agree with: "I have good opportunities to learn and grow at WithSecure"

## A truly equitable workplace

# Living WIDE every day

Our purpose is to build and sustain trust in a digital society. Every single human “out there” is part of the digital society, in one way or the other. Therefore, if we want to be successful, we must be as diverse as the society we wish to serve. We deliver outcome-based security, through our diverse workforce and by making sure all our employees feel like they can bring their best and true self to work.

Our commitment to Wellbeing, Inclusivity, Diversity and Equity (WIDE) is not because it is considered as the “right thing to do”, nor is it a box ticking exercise. Our commitment allows us to benefit from wider perspectives, experiences, and skills. This in turn enhances our creativity and ability to innovate, enriches our approach to problem-solving, and expands our ability to experiment.

Our commitment is guided by our values of Integrity, Care, Excellence and Experimentation, and is built on our foundation of Trust.

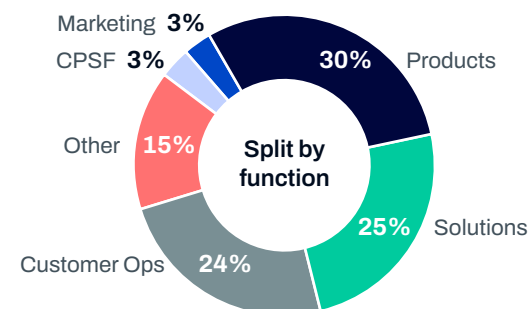
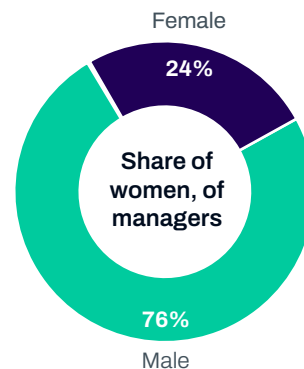
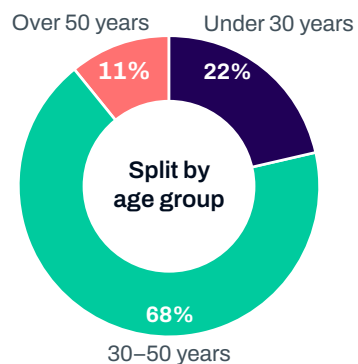
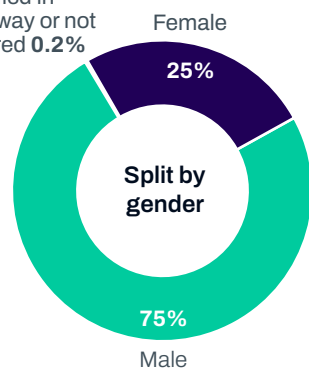
Our objectives are:

- 1) We ensure our employees' wellbeing comes first
- 2) We create an inclusive culture built on trust
- 3) We value diversity in everything we do
- 4) We are committed to advancing equal access to opportunities taking into consideration individual needs

We are at the start of our WIDE journey; the program was introduced in late 2022, as part of our People & Culture strategy. In 2023, we will launch a WIDE Forum inviting employees to shape the WIDE agenda. We will also focus on learning more about the topic, raising awareness, listening to our employees and we aim to set more measurable goals and targets for Wellbeing and Diversity by the end of 2023. We will take our time to ensure we understand our current landscape both internally and externally and plan to partner up with external Inclusion Specialists to support us on our journey.

## Our employees, %

Identified in other way or not declared **0.2%**



## Our WIDE Strategy



We monitor our employee's wellbeing and opinions on WIDE topics by a pulse survey 3–4 times a year. Employees are asked about their satisfaction with their overall wellbeing and to monitor inclusivity, they are also asked their opinion of how they feel they can be themselves at work. According to the latest results (December 2022) 74% of our employees rate their wellbeing at work as good or extremely good. According to the same survey, 89% of them agree or strongly agree that they can be themselves at work.

"During Pride month, there's a lot to be grateful for. Especially when one lives in a country which recognizes marriage equality and works in an organization that does not tolerate discrimination. Being able to get married and have a family with a range of benefits and support from both the government and WithSecure is something my younger self couldn't even imagine.

I have hopes that what is now true for selected countries and organizations will become a global norm one day. But for now, we continue to march and raise the flag to actively push for and celebrate equality."

**Christine Bejerasco, CISO**



We have launched a 'WIDE Forum' and invited employees to come together and collectively work on this initiative. The purpose of the forum is to create a safe space for people to discuss issues, topics, ideas important for them, to help the company improve its diversity and to identify areas where the company can enhance employee wellbeing more and help line managers make all employees feel included. The Forum can also be used as sounding board for new ideas, products, and other business initiatives. The Forum will start its activities in January 2023.

We have identified a need for awareness raising in general and in addition to already existing training initiatives like *Mental health training* for line managers and our *Values based leadership* development programme which are open to all our people leaders, we plan to focus our efforts in supporting our leaders further in topics such as inclusive recruitment and assessment, cultural awareness, wellbeing, remote working and performance management.

**1,295**  
employees

In  
**18**  
different countries

**72**  
nationalities

**74%**  
of employees rate their wellbeing at work somewhat or extremely good

**89%**  
of employees agree or strongly agree that they can be themselves at work

## A truly equitable workplace

# Equal and inspiring opportunities to learn and grow

WithSecure employs approximately 1,300 experts in cyber security product research and development, consulting, sales and marketing, and in other areas around the world. Our experts strive to stay a step ahead of the competition and, more importantly, the criminals. One of the moonshot goals in our strategy is to be the most beloved place to work in cyber security. The increasing complexity and challenges of the industry have led to a global shortage of competence, and the companies in the industry must find new ways of attracting and retaining talent.

As part of our daily operations, we are responsible for growing the next generation of cyber security professionals.

## Internships and Associates

WithSecure's award-winning internship program is designed to find and develop the next generation of Security Consultants. After receiving the Princess Royal Training Award in 2018 in recognition of the quality of the internship program, WithSecure has continued to build on the program's strengths to ensure our interns develop abilities that would enable them to break into the industry.

Interns at WithSecure complete practical training courses in areas including application security, network security, reverse engineering, and cryptography to provide them with the core technical skills required by penetration testers around the globe. Upon completion of the training, interns work side by side with WithSecure's world renowned researchers to investigate a chosen area. Past research topics have included cloud security, the Windows kernel, machine learning applications to security, malware characteristics and detection, and global cyber security strategies.

In addition to the award-winning internship program, WithSecure has a Consulting Associate Scheme, designed to give entry-level consultants the best foundation for a rewarding and meaningful career in cyber security. With this training program we offer young talents with full-time roles as part of our consulting teams, assigned time for their self-development, and dedicated mentoring support.

In our main markets, we have hired approximately 50 new associates during 2022, who are currently on their way of becoming the future cyber security experts. They have the advantage of working with our frontline experts and dedicating time for their own research work to benefit the worldwide cyber security community.

## Professional development

Our objective is that all our people feel they are fully supported in their professional development at WithSecure.

Growth mindset and experimentation culture are key themes that we specifically want to develop in 2023. Experimentation being one of our values means that we are fostering a culture of continuous development and improving and evolving through experimentation to deliver even better impacts on society, customers, and wellbeing of our employees.

We believe that feedback is a critical component in continuous development of our people and business. In 2022, feedback was integrated even more strongly into our core processes: talent development discussions, leadership development, and our everyday operations. We started training our line managers on how to give feedback, how to have meaningful development conversations with their teams, and how to speak about our values and expected behaviours and leadership principles with their teams.

In late 2022, we launched a tool and campaign for our employees to encourage them and give guidance on how to create meaningful Personal Development Plans. The aim of this is to support our people in identifying long- and short-term development goals, designing an action plan to address the identified development needs and to reach their goals, and providing them with a structure to have meaningful conversations with their line managers about personal growth and their career plans.

Providing our employees with inspiring learning and growth opportunities is in the core of personal development.

We aim to ensure that all employees can benefit from excellent on-the-job learning possibilities. In 2022, we published a new on-the-job learning guide. In this guide, we talk more about what learning on the job means in practice and we give some practical tools for enhancing learning on the job. We also have an in-house volunteer initiative to complement other mentoring programs and to remove silos, support the employees' personal growth and to have fun together.

## Leadership in fostering the values

Our leaders have a key role in fostering living by our values. In 2022, we launched a new values-based leadership development program called “Core – Values-based Leadership”. The program focuses on our core – our values. It supports our leaders to live and lead by our values. It fosters the continuous leadership development and growth and strengthens the social networks and collaboration within the company.

Three cohorts of people leaders completed the program in 2022, and there are several cohorts already planned for 2023. Through this program we are heavily investing in building our leadership competencies.

# 22%

of line managers completed values-based leadership training during the first year of the program (2022)

# 60%

of employees completed a Personal Development Plan and defined development goals for themselves

# 714 €

– average external training spend per employee (per headcount)


# 69%

of employees agree or strongly agree with “I have good opportunities to learn and grow at WithSecure”

# Responsibly run business

We set the highest standards on how we operate every day. We conduct our business ethically, choose our partners responsibly, and strive to minimize the environmental footprint everywhere we can.

## Responsibly run business

	Topic	What good looks like	Target
	Doing the right thing	All employees, suppliers and contractors act according to the WithSecure Code of Conduct	> 95% of new employees have completed WithSecure Code of Conduct training
	Chasing zero – in, out and between offices		
	Sustainable ways of working	We make our workplace as sustainable as we can	Green Office pledge is fully implemented in WithSecure offices by end of 2024
	Sustainable travel	Our employees know the choices they make on CO <sub>2</sub> emissions when travelling on business	Reduction of CO <sub>2</sub> emissions from business flights – measurable target to be set in 2023



## Responsibly run business

# Doing the right thing

WithSecure exists to build and sustain trust in the digital society. At WithSecure, we want to do what is right. Trust ensures we will succeed in our mission. Trust is earned when action matches words. Everyone working for WithSecure has a critical role in building and maintaining the trust in the eyes of each other and earning the trust of our customers.

## Code of Conduct

We foster a culture that supports the highest standards of ethical conduct. The foundation of all activities is our Code of Conduct; it guides everything we do. Also, WithSecure suppliers and partners are expected to act responsibly and comply with the principles set in the Code of Conduct. WithSecure Code of Conduct covers the following areas:

- Building trust in society
- Responsible working with malware and offensive techniques
- Intellectual property rights and confidentiality
- Equality and diversity
- Protecting human rights
- Respecting the environment
- No bribery or corruption
- Preventing conflicts of Interest
- Securities markets compliance
- Trade compliance
- Fair competition

WithSecure's Code of Conduct reflects the company's business culture for highest standards of ethical conduct, sets clear expectations on the business conduct and provides guidance for critical risk areas. It guides us on everything we do. All new employees complete the mandatory Code of Conduct training as part of their induction. Code of Conduct and the related training were updated during 2022 to reflect the new strategy and brand. Additionally, the training

was updated to better recognize the different roles at WithSecure and to place more emphasis on sustainability aspects as to raise awareness about the Whistleblowing Channel.

WithSecure has also various role-based compliance trainings, as well as guidelines and policies to support the decision-making in different situations.

Policies, public:	Policies, internal:
Code of Conduct	Insider Policy
Remuneration Policy	Corporate Procurement Policy
Disclosure Policy	Background Check Policy
Modern Slavery Statement	Anti-Bribery Policy
Whistleblowing Policy	Export Control Policy
	Competition Law Instructions

## Anti-bribery / Gifts and hospitality

WithSecure has issued an Anti-Bribery Policy that applies to all employees. It defines the rules to be applied related to gifts, hospitality, travelling and accommodation, specific terms concerning governmental officials, as well as the process for escalation as needed. Ethical business practices are emphasized in contracts and the company engages in continuing dialogue with relevant stakeholders.

Everyone at WithSecure must apply the highest standards of ethical conduct.

- We do not make or accept any bribes or other improper payments.
- We never engage in fraudulent practices.
- We do not give or accept gifts or hospitality over the appropriate limits.
- We do not endorse or provide financial support to individual political parties.
- When conducting business with any governmental body, we carefully abide by all applicable regulations and ethical standards.

We do not tolerate any form of bribery, corruption or fraudulent practices by our partners or any parties acting on our behalf.

## Whistleblowing

At WithSecure everyone has a professional responsibility to speak up, report any possible corrupt, illegal or other undesirable conduct and take required actions after such conduct is discovered.

To enable this, WithSecure provides an effective, objective, confidential and secure Whistleblowing Channel which allows both WithSecure employees and other stakeholders to express their concerns or suspicions openly and safely. WithSecure Whistleblowing Channel was launched to all stakeholders during 2022, following its internal launch at the end of 2021. The Whistleblowing Channel is available to all stakeholders 24/7. It is maintained by impartial and independent service provider to ensure objective and timely handling of reports.

## Export control

At WithSecure we are relentlessly fighting against criminals and disruptive forces. Our products, solutions and consulting services are meant to protect human rights, individuals, entities, and the society by defending them from malicious actors. In line with this mission, we are equally committed to ensuring that malicious actors do not obtain any advantages by gaining access to or utilizing WithSecure's innovative cyber security technology and services. Our actions are three-fold:

- We control that WithSecure's technology and solutions are exported and classified according to the applicable export control regulations
- We do not deliver our technology or solutions to individuals, entities or governments that are targeted by relevant sanctions laws
- We require that our distributors and other partners adhere to the equivalent standards of compliance and ethics.

The war in Ukraine has significantly increased the uncertainty in the world and the risk of unexpected disruptions of the world economy. Any such events might also impact the WithSecure business. The war has increased the awareness of the importance of cyber security, especially for companies, and it will continue impacting the corporate cyber security market.

For corporate responsibility reasons, WithSecure is not conducting business with any Russian or Belarussian parties, even in cases where it would be permitted by the export control regulations.

## Internal control and risk management

WithSecure's internal control and risk management processes support the management of sustainability and seek to ensure that risks related to the business operations of the company are properly identified, evaluated, monitored and reported in compliance with the applicable regulations.

Additional information on the company's internal control and risk management processes, is disclosed in the annual Corporate Governance Statement.

Code of conduct training completed by

# 95.61%

(305/319) of new employees

## Whistleblowing channel

fully rolled out in 2022

## Responsibly run business

# Chasing zero – in, out and between offices

We are a software and services company, and the environmental footprint of our operations is not very large. However, it is important for us to do our share in reducing the amount of waste and emissions produced by our operations.

## Offices

WithSecure has offices in 18 cities around the world. Majority of the operations are concentrated in Helsinki (Finland), London (UK), Kuala Lumpur (Malaysia) and Poznan (Poland). WithSecure operates in leased premises, and therefore cannot always fully control the decisions taken by landlords on the energy efficiency of the buildings. We are following up with the landlords that all available measures are taken to optimize heating, cooling, lighting, and waste management at our office premises. We are establishing “Green office pledge” guidelines for our own activities in the offices and investigating possible changes in rental premises. In 2023–2024, our plan is to ensure that the guidelines are implemented in our offices that are not yet fully compliant.

We support green commuting of the employees through various measures. In three of our locations, we offer a bicycle benefit for the employees, to encourage cycling to work. In three locations, we provide commuting allowances to support use of public transportation.

## Business travel

In 2022, the WithSecure travel policy was updated with considerations regarding sustainability. Our business, involving many multi-location teams, will always require some travelling, but our target is to travel only when needed, and utilize all methods of digital collaboration for other occasions. We also support the environmentally friendly ways of travelling and will set targets for reducing flight-related CO<sub>2</sub> emissions.

**18** office sites

**18** countries

**646 MWh**  
of energy consumed by offices in 2022

**1,084 tonnes**  
of CO<sub>2</sub> emissions from business flights in 2022



**IN NOVEMBER 2022**, the foundation stone of the last building of Wood City, the wooden quarter in Helsinki, was laid. The building will house the headquarters of the companies WithSecure and F-Secure. The building is one of the first projects in Finland to comply with EU taxonomy. The project aims to have a positive environmental impact, i.e., a large “carbon handprint”. The new premises will be taken into use during 2024. The first floor, basement and elevator/stairwell shafts of the office building will be made of concrete, and floors 2–7 will be made of wood. Engineered wood like CLT (cross-laminated timber) has a range of environmental benefits, including being much lighter than many building materials, so less heavy machinery and energy is needed during construction. Buildings can also be quicker to complete since there is no drying phase as there is with concrete. Wooden buildings also remove more carbon dioxide from the atmosphere than they emit; they can retain carbon that is absorbed from the atmosphere by trees for five to six decades. “Wood City is a true example of wood construction and office building skills, combining design and sustainable development. We are creating a lifecycle-wise city by building from renewable material that binds carbon dioxide and making the premises first-class energy efficient.” says **Saku Kosonen**, unit director of construction company SRV’s business premises in the Helsinki metropolitan area.

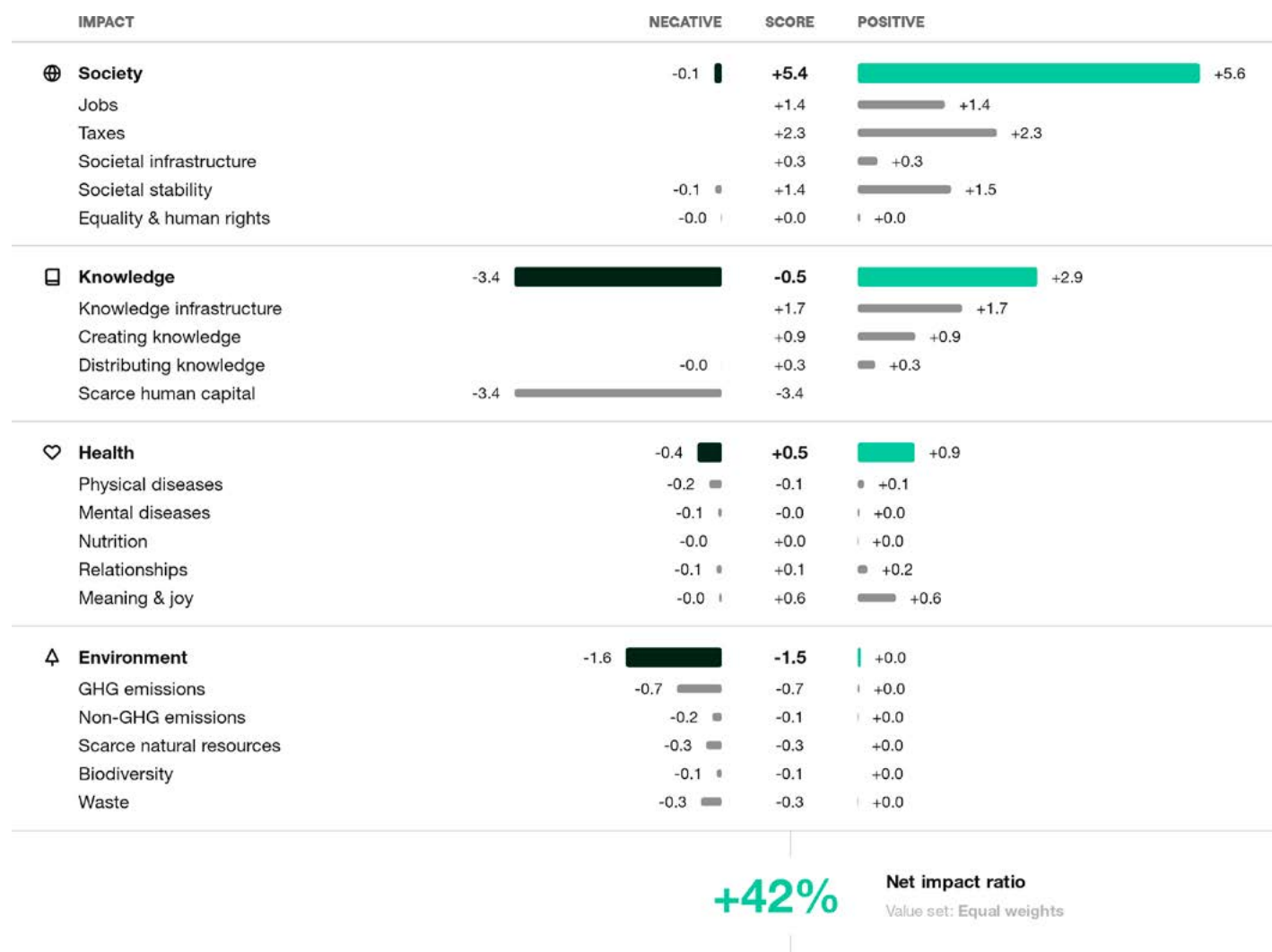
(Sources: SRV and BBC)

# Upright Project – estimating net impact

The net impact profile is a bird's eye view of the holistic net impact created by WithSecure's business. The analysis is based on WithSecure's core business, meaning the products and services offered, and it takes into consideration the entire value chain of those services – from the materials needed to produce the hardware required all the way to the customer industries WithSecure serves. The profile has been calculated and produced by the Upright Project's net

impact quantification model, which uses machine-learning-based technology to process the knowledge contained in millions of scientific articles.

WithSecure's net impact ratio of +42% is clearly positive, i.e., WithSecure creates more value compared to the resources it uses. WithSecure's main positive impacts are on society and knowledge and the biggest resources used are scarce human capital and environmental resources.





## Society

Like all companies, WithSecure has a positive impact on society by creating jobs and paying taxes and thus contributing to the joint resources of society. The taxes impact consists of corporate taxes and value-added taxes.

WithSecure's positive impact on societal infrastructure mainly stems from downstream, i.e., the customers. By producing cybersecurity software for example energy and finance sectors, which are considered the basic infrastructure needed by our modern society to function, WithSecure contributes to protecting and enabling this infrastructure.

The positive impact on societal stability is one of WithSecure's major impacts. All WithSecure's products and services inherently have a very positive impact on societal stability, since they are targeted towards preventing and fighting cybercrime and attacks, which destabilize society.

## Knowledge

Knowledge infrastructure is the infrastructure that enables the effective and safe creation, distribution, and maintenance of knowledge, information, and data. WithSecure's products are an essential component for this kind of infrastructure leading to a very positive impact.

WithSecure's positive knowledge creation happens mainly through consultative products and services, like for example external asset mapping or penetration tests, where potential cybersecurity threats and vulnerabilities are analyzed, and new knowledge is created.

The positive impact on distributing knowledge mainly stems from cybersecurity training, where knowledge is communicated to larger audiences. Some small impacts are also inherited through downstream industries such as information and communications.

This impact measures the opportunity cost of scarcely available human resources. The assessment includes the level and scarcity of the required education needed to produce the products and services offered.

WithSecure employs highly educated coders and cybersecurity specialists who are scarcely available leading to a prominent impact. This is WithSecure's main resource used. This is very typical for software companies and this resource is used to create all the positive impacts.

## Health

Safety creates long-term feelings of happiness and well-being. WithSecure directly impacts this by protecting cyber safety in various industries with all its products.

The small positive and negative impacts are inherited through downstream industries, mainly the arts, entertainment, and recreation industry and the information and communications industry, which include activities that promote a sedentary lifestyle that has adverse health effects. On the other hand, many of these industries also enable means of communication and improved health.

The environmental impacts of WithSecure are modest. Upright's model considers all parts of the value chain, so in addition to internal impacts also upstream (e.g., production of hardware used) and downstream (industries served).

## Environment

WithSecure's main source of greenhouse gas (GHG) emissions is the electricity used to run the software. Small portions of the GHG emissions also stem from downstream, from industries such as manufacturing and energy. Also, small impacts are inherited from upstream through the emissions emitted when the hardware needed is manufactured.

This impact measures the consumption of rare natural resources. The rare earth elements required for electrical components and consequently required for the hardware used by WithSecure are the main cause of this impact.

Impact stems mainly from the electronic waste created by the hardware needed to maintain WithSecures systems, i.e., hardware used internally but also hardware needed by services WithSecure uses, such as cloud computing.

# Carbon footprint

We have, for the first time, calculated our carbon footprint in 2022.

We partnered up with external sustainability consultants to ensure the most comprehensive and accurate estimation of our carbon footprint. We followed the [Greenhouse Gas \(GHG\) Protocol](#), which is the most widely used guideline for greenhouse gas accounting in the world. By calculating a baseline for the year 2022, WithSecure is now equipped with concrete knowledge to focus on chasing zero emissions. We aim to set a timeline for reduction targets in 2023.

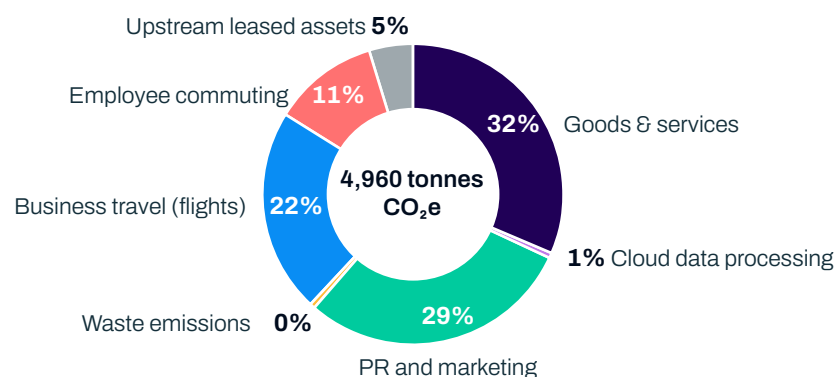
WithSecure's total 2022 emissions amounted to 4,960 tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e). This number is an equivalent of 1,078 typical petrol passenger cars' emissions per year.

We did not identify any emissions in Scope 1 (from owned offices, vehicles, and fugitive emissions).

Similarly, since we lease our office buildings in each of our global locations, we did not identify Scope 2 emissions for WithSecure.

According to a typical nature of software and service companies, the bulk of our emissions were identified as Scope 3 indirect emissions. We were able to identify five main categories in which WithSecure produced emissions in 2022 as presented in the attached graph.

## CO<sub>2</sub> emissions (tonnes), % in 2022



### Category 1 – Goods and services

The biggest emission category for WithSecure was the purchasing of goods and services, amounting to 62% of our total emissions in 2022. Emissions from purchased goods and services (excluding cloud data processing) were calculated with GHG Protocol's spend-based method, where we collected the economic value of goods and services purchased and applied a relevant secondary emission factor (sourced from [EXIOBASE v3](#)). The cloud data processing is reported separately, using carbon footprint data received from the data center service providers. We also separate the emissions from PR and marketing, as this is one of the largest single identifiable groups within the goods and services category, amounting to 29% of our total emissions.

### Category 5 – Waste emissions

Waste emissions (0.4%) were calculated using the GHG Protocol's average-data method, where average annual waste produced per capita was determined and the amount of waste by estimated treatment method was calculated. The applicable emission factor (sourced from [DEFRA](#)) was then utilized for each waste amount by treatment type. The waste treatment methods considered were landfill, combustion, and open-loop recycling.

### Category 6 – Business travel (flights)

The second biggest emission category was business travel, which amounted to 22% of the total emissions for WithSecure in 2022. The business travel category represents only flights booked during the year 2022. Due to data limitations, other elements of business travel (for instance hotels and restaurant expenses) were included in category 1. The emissions from flights were calculated using the GHG Protocol's distance-based method, where the flight distance was determined and the appropriate emission factor (here from [DEFRA](#) and [EPA](#)) was used. The data for flight distances was sourced from internal travel data and third-party data provided by travel agencies.

### Category 7 – Employee commuting

Employee commuting (11%) was calculated using the GHG Protocol's distance-based method, where distance per each travel method (air, train, bus, cycling and walking) was determined and the relevant emission factor for the method (sourced from [DEFRA](#)) was applied. Calculations accounted for the estimated split of travel method per country, average distance to work and estimated office days per week. Employee benefits, such as bicycle, car or public transportation benefits were included in the calculations and used to inform estimates of travel mode per country.

## EU taxonomy

### Category 8 – Upstream leased assets

We captured our emissions associated with electricity consumption (5%) in Scope 3 category 8. We report our electricity emissions using the location-based method from the GHG Protocol. This method attributes electricity consumption by location and by the appropriate emission factor that represents the carbon intensity of the electricity supply in that location. In locations where electricity consumption data was not available, we used the average consumption of our offices per square meter to estimate the consumption. Furthermore, in situations where WithSecure shares office space with external parties, the office electricity consumption corresponds with WithSecure's proportion of each office.

The emission calculations were carried out with a team consisting of our internal subject matter experts and external sustainability consultants. To get an accurate estimation of our greenhouse emissions as possible, we first familiarized ourselves with the GHG protocol and identified the relevant scopes and categories for WithSecure. After this exercise, we identified methods of gathering data wherever applicable, and worked together with the consultants to turn the raw data into comparable emissions. This was the first iteration of the carbon footprint calculation for WithSecure. Now that we have a baseline, our intention is to continue developing the process of capturing our carbon footprint in the future. We will closely follow the further developments of the carbon footprint reporting requirements and complete the assessments when new legislation is published, or new information regarding its application becomes available.

WithSecure has performed an analysis of the EU Taxonomy Regulation (2020/852), Commission Delegated Regulation (2021/2139) on Taxonomy screening criteria, Commission Delegated Regulation (2021/2178) on Taxonomy disclosures and other related guidance from the European Commission, on reporting the activities that qualify as contributing substantially to climate change mitigation or climate change adaptation, i.e., being taxonomy aligned.

The analysis has been performed in collaboration between the WithSecure product team, financial controlling and sustainability team and an external sustainability consultant.

Cyber security software, while supporting a wide range of activities in becoming digital and therefore reducing the need of physical materials and transportations of goods and people, as well as reducing the incremental cost of cybercrime to the society, is not an activity addressed by the current climate change mitigation and climate change adaptation taxonomy, hence it is not taxonomy eligible.

According to the European Commission, the purpose of the current Taxonomy Climate Delegated Act is to include the sectors producing the largest emissions. As a company operating in a low-emission sector, WithSecure business activities are not listed in the current EU Taxonomy and therefore they are not considered to be taxonomy eligible.

We will closely follow the further developments of the taxonomy reporting requirements and complete the assessments when new legislation is published, or new information regarding its application becomes available. New activities, with new environmental targets in future versions of the taxonomy might be more relevant for WithSecure and trigger a need of re-assessing both eligibility and alignment.

## Taxonomy-eligible turnover

Taxonomy-eligible turnover is defined as the proportion of net turnover derived from products or services, including intangibles, associated with Taxonomy-eligible economic activities.

Based on the analysis of the current economic activities listed in taxonomy, WithSecure business activities belong to Activity 8.2 Computer programming, consultancy and related activities (NACE J 62) of the Commission Delegated Regulation (2021/2139). Within the Taxonomy, Activity 8.2 is not defined as enabling, which following the definition of turnover in Annex I of the Commission

Delegated Regulation (2021/2178), cannot be defined as eligible or aligned. Additionally, Activity 8.2 is defined within the Taxonomy as an 'adapted' activity, which according to the technical screening criteria cannot be considered eligible unless the reporting entity can demonstrate that a climate risk and vulnerability assessment has been performed and that an expenditure plan has been set up to implement adaptation solutions that reduce the activity's most significant physical climate risks as set out in Appendix A to Annex II of the Delegated Regulation (2021/2139). As a result, WithSecure reports 0% of eligible its revenue to be taxonomy eligible and therefore no technical screening criteria apply, meaning the revenue cannot be taxonomy aligned.

**Table – Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022**

Economic activities (1)				Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)											
	Code(s) (2)	Absolute turnover (3), MEUR	Proportion of turnover (4), %	Climate change mitigation (5), %	Climate change adaptation (6), %	Water and marine resources (7), %	Circular economy (8), %	Pollution (9), %	Biodiversity and ecosystems (10), %	Climate change mitigation (11), Y/N	Climate change adaptation (12), Y/N	Water and marine resources (13), Y/N	Circular economy (14), Y/N	Pollution (15), Y/N	Biodiversity and ecosystems (16), Y/N	Minimum safeguards (17), Y/N	Taxonomy-aligned proportion of turnover, year 2022 (18), Percent	Taxonomy – aligned proportion of turnover, year (19), Percent	Category (enabling activity or) (20), E	Category ‘(transitional activity)’ (21), T	
A. TAXONOMY-ELIGIBLE ACTIVITIES			%																		
Turnover of environmentally sustainable activities (Taxonomy- aligned) (A.1)		0	0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	n.a.	n.a.	n.a.	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																		
Total (A.1 + A.2)		0	0%															%		%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non- eligible activities (B)		134.7	100%																		
Total (A + B)		134.7	100%																		

## Operating expenses

The Operating expenses included in the taxonomy assessment are defined as direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets (2021/2178).

In the WithSecure calculation, operating expenses related to rental of premises (including depreciations for leased premises accounted for under IFRS 16 standard), maintenance of premises as well as other expenses related to the functioning of the leased and owned property, plant and equipment are included in the taxonomy assessment.

WithSecure has transitioned to third-party cloud platforms of Amazon Web Services (AWS) and Microsoft Azure for majority of its operations. Cloud hosting costs are not included in the Operating expense subject to taxonomy assessment.

Small number of transactions is still processed through co-located data center facilities. Most of the processing will transfer to cloud platforms during 2023 and the existing facilities will be decommissioned. The most recent advice from the EU Commission regarding materiality of the OPEX KPI (Second Draft Commission Notice, dated 19 December 2022) states where operating expense is considered as 'not material' for the business model for a non-financial undertaking, the reporting entity is exempted from the calculation of the numerator of the operating expense KPI and can disclose that numerator as being equal to zero. WithSecure has assessed that the operating expense associated with the co-located data center facilities is not material and therefore reports a taxonomy eligible operating expense of 0%.

**Table – Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022**

Economic activities (1)	Code(s) (2)	Absolute turnover (3), MEUR	Proportion of turnover (4), %	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17), Y/N	Taxonomy-aligned proportion of turnover, year 2022 (18), Percent	Taxonomy – aligned proportion of turnover, year (19), Percent	Category (enabling activity or) (20), E	Category ‘transitional activity’ (21), T
				Climate change mitigation (5), %	Climate change adaptation (6), %	Water and marine resources (7), %	Circular economy (8), %	Pollution (9), %	Biodiversity and ecosystems (10), %	Climate change mitigation (11), Y/N	Climate change adaptation (12), Y/N	Water and marine resources (13), Y/N	Circular economy (14), Y/N	Pollution (15), Y/N	Biodiversity and ecosystems (16), Y/N					
A. TAXONOMY-ELIGIBLE ACTIVITIES			%																	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0%	n.a.		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																	
Total (A.1 + A.2)		0	0%														%		%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		6.63	100%																	
Total (A + B)		6.63	100%																	



## Capital expenses

The Capital expenses included in the taxonomy assessment are defined as additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes (2021/2178).

WithSecure capital expenses (MEUR 4.77) include capitalizations of long-term IT projects and development expenditure on new products or product versions with significant new features, according to IAS 38 accounting standard. A minor part of capital expenses relates to capitalization of employee laptops and other hardware, as well as office renovation expenses.

According to the Delegated Regulation (2021/2178), the capital expenses to be considered as eligible must be any of the following:

- (a) related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development;

- (b) part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe

- (c) related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

Research work relates to developing the current activities that are considered as non-eligible for taxonomy reporting (see paragraph Taxonomy-eligible turnover above). Taxonomy eligibility of WithSecure capital expense is therefore 0%.

**Table – Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022**

Economic activities (1)				Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)										
	Code(s) (2)	Absolute turnover (3), MEUR	Proportion of turnover (4), %	Climate change mitigation (5), %	Climate change adaptation (6), %	Water and marine resources (7), %	Circular economy (8), %	Pollution (9), %	Biodiversity and ecosystems (10), %	Climate change mitigation (11), Y/N	Climate change adaptation (12), Y/N	Water and marine resources (13), Y/N	Circular economy (14), Y/N	Pollution (15), Y/N	Biodiversity and ecosystems (16), Y/N	Minimum safeguards (17), Y/N	Taxonomy-aligned proportion of turnover, year 2022 (18), Percent	Taxonomy – aligned proportion of turnover, year (19), Percent	Category (enabling activity or) (20), E	Category ‘(transitional activity)’ (21), T
A. TAXONOMY-ELIGIBLE ACTIVITIES			%																	
CapEx of environmentally sustainable activities (Taxonomy- aligned) (A.1)		0	0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	%	n.a.		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																	
Total (A.1 + A.2)		0	0%														%		%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non- eligible activities (B)		4.77	100%																	
Total (A + B)		4.77	100%																	

# Sustainability governance in WithSecure

WithSecure has established governance principles of its sustainability program as part of the work done in 2022. The objective is to formalize these principles in a Sustainability policy during 2023.

WithSecure Board of Directors approves the program-level priorities and objectives on sustainability. Both Non-financial information included in the Board of Directors' report and the separate Sustainability Report are approved by the Board of Directors, as part of the Annual report approvals. Audit Committee of the Board reviews the progress and key results of the program.

Global Leadership Team (GLT) is responsible for the implementation of the strategy, including sustainability. WithSecure Chief Financial Officer oversees the sustainability coordination and ensures that the program is appropriately resourced and working on the right areas, supporting the program priorities. Each program topic has a "home team" who execute the program as part of their other work. GLT owner of each home team is responsible for the achievement of the sustainability objectives in their area. Any sustainability-specific topics are CFO's responsibility.

Home teams are represented in a cross-functional sustainability team, regularly reviewing the program progress and designing sustainability-specific activities. Investor relations director, reporting to the CFO, coordinates the work of the team.

WithSecure's target is to continue implementing the sustainability program into the company activities, increasing awareness, and enabling full compliance with the Corporate Sustainability Reporting Directive of the European Union and the related standards, when they become applicable.