



## CRYPTOMATHIC'S ANNUAL SUSTAINABILITY REPORT

Cryptomathic takes the environment very seriously and even though we are a company that digitalises the world and indirectly reduces thousands of tonnes of CO2 emissions, we still need to know how much we emit, how we can reduce our emissions and what we can do to offset the rest. Beyond pollution and CO2, sustainability is also about the environment of the company, its employees and the wider community. This report gives insight into Cryptomathic's approach to sustainability with regards to our staff, the community and the environment as a whole.



|    |                            |
|----|----------------------------|
| 01 | Index                      |
| 02 | Introduction               |
| 03 | Internal environment       |
| 04 | External environment       |
| 05 | Carbon footprint           |
| 13 | Key performance indicators |
| 14 | Efficiency policy          |
| 15 | Targets                    |
| 16 | Summary: 2020              |
| 17 | Sources and attestation    |



### An Introduction from us

Welcome to our latest sustainability report. Following on from 2017 we have captured, measured, reported and communicated our actions, and have offset our emissions since 2018.

This Report once again demonstrates how we act responsibly in relation to our employees, the communities that we operate in and the environment. We have compared our actions to previous targets and set new ones as we further develop our sustainability strategy. These will in turn be compared against our previous report in order to gauge our progress and expand our ambition.

We feel it is important to engage with stakeholders, customers and partners; accordingly, we welcome any comments on our performance and suggestions for targets from anyone who reads this Report. We would also like to encourage other companies to start the process of sustainability reporting.

### About Cryptomathic

Founded in 1986, Cryptomathic has become one of the world's leading providers of secure solutions based on crypto across a wide range of industry sectors.

We pride ourselves on strong technical expertise and unique market knowledge, with 2 out of 3 employees working in R&D, including an international team of security experts and a number of world renowned cryptographers. At the leading edge of security provision within key markets, Cryptomathic closely supports its global customer base, with many multinationals as longstanding clients.

Cryptomathic's strong focus on research and new inventions has aided in Cryptomathic becoming a market maker, establishing new technologies, all of which are centred around digitalization, bringing convenience, mobility and ease of use while greatly reducing the need for travel and shipping. Examples include the secure electronic signing server, secure electronic bills of lading, automated remote key management, mobile security and much more.

Following our acquisition of Aconite Technology Limited in 2019, we are working across 5 offices in Europe and the United States to develop; sell; deliver; maintain and support the most secure and efficient off-the-shelf and customized commercial crypto solutions.

### KEY FACTS

Total Number of Staff: 85  
Our Offices:  
Aarhus, Denmark  
Cambridge, UK  
London, UK  
Munich, Germany  
San Jose, USA



Men: 70  
Women: 15



### Staff

The following section describes what actions we take towards investing in our employees.

#### Investment in training for all staff

The environment in which our employees work is vital to their wellbeing and productivity, so Cryptomathic does not use open plan desk environments, but instead we provide individual and shared offices, with plenty of natural light through large window areas and workstations featuring electric height-adjustable desks.

Commitment to provide professional training for all staff:

We provide professional training and we encourage our staff to continually progress their professional training and development. Over the year we have provided courses for staff across our locations to develop their professional skills and competencies.

All of our offices have been effected by Covid-related closures and lock downs. While the business has continued to operate successfully, increased working from home has reduced movement and external training for staff. A range of training programs has been prepared for 2021 subject to any Covid restrictions at the time.

#### Staff benefits

In addition to professional training, we provide a variety of in-house benefits for our staff, as summarised below, and look forward to adding to these post-Covid.

Aarhus office - as our Head Office, with the largest number of staff, we offer a popular bike to work scheme, subsidised lunch, an open pantry, a weekly visiting all-day massage therapist, plus a games room with fussball and a pool table.

Cambridge office - free use of the in-office gymnasium, table tennis room and bar.

San Jose office - free membership of the building's gymnasium.



### Charitable giving and sponsorships

Educated staff form the core of Cryptomathic, which values the importance of education everywhere. As a result, Cryptomathic aims to contribute to the communities in which it is based and actively supports local charities as well as educational institutions.

#### Educational support

\$10,000 annual donation to The University of Chicago for 5 years 2016-2020

£2,000 donation to Churchill College, University of Cambridge

\$5,000 contribution to the Real World Crypto Symposium

DKK 5,000 IT Camp for Girls  
(Cancelled due to Covid)

DKK 20,000 Baltik Way Mathematics competition  
(Cancelled due to Covid)

THE UNIVERSITY OF CHICAGO

UNIVERSITY OF CAMBRIDGE

RCW

#### Charitable giving

Aarhus office supports the Danish Red Cross and the Danish Cancer Society

Society for Children with Cancer

£3,000 donation to Hunger in Africa

£1,000 donation to New Hope Academy, Tanzania

DANISH RED CROSS

Danish Cancer Society

Society for Children with Cancer



### How we establish our carbon footprint

The impact of Covid on our operations over 2020 has been significant, in particular on office occupancy with several of our sites closed at least partially during the year. This has affected how we calculate our emissions, requiring us to use more estimated data. Where this has been the case, we have chosen to use prior year's data and pro-rate using our increased headcount based on full occupancy. This is in line with best practice and will ensure we do not underestimate our emissions (and our offsetting actions).

In order to reach accurate and comparable results, we use the best practice guidelines laid down by Defra (Department for Environment, Food & Rural Affairs). These enable us to measure and estimate the emissions we generate from primary sources.

We have used the GHG (Greenhouse Gas) Protocol for our GHG estimation as this is the most widely adopted international accounting tool in the world. It serves as the foundation for nearly every GHG standard and program in the world - from the International Standards Organization to The Climate Registry - as well as thousands of GHG inventories prepared by individual companies.

### The Scope definitions

#### SCOPE 1 EMISSIONS :

Emissions from activities owned or controlled by CRYPTOMATHIC. Scope 1 emissions include emissions from combustion in vehicles; emissions from production in owned or controlled process equipment.



#### SCOPE 2 EMISSIONS :

Emissions released into the atmosphere associated with CRYPTOMATHIC's consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of our organisation's energy use but which occur at sources we do not own or control.



#### SCOPE 3 EMISSIONS :

Emissions that are a consequence of our actions, which occur at sources which we do not own or control and which are not classed as Scope 2 emissions. An example of this is taking business flights.





### Boundaries and exclusions

In calculating our GHG inventory, we have established that the most relevant boundaries for our business relate to emissions within an operational control boundary, comprising electricity usage and business travel. We have opted to further incorporate all vehicle use, including employee commuting under our Scope 3 emissions to provide a broader view of the impacts of our business.

Emissions resulting from heating and cooling are not specifically itemised, as their emissions in our calculations are based on energy use.

### Homeworking impacts

In the past, we have chosen not to disclose homeworking emissions due to difficulties in sourcing data on which to base emissions calculations and a previously justifiable assumption that this would not be as material as other elements, such as staff work predominantly from the company offices.

It will be difficult to maintain this assertion, following the significant shift to homeworking that has occurred for many in 2020.

Currently there is no GHG Protocol defined methodology to disclose these emissions but this is expected to change. While recognising that this shift to home-based emissions has happened, we will follow best practice in reporting office emissions at the same level as previous years to ensure we do not under-report our overall emissions, even though the actual emissions may well be less.

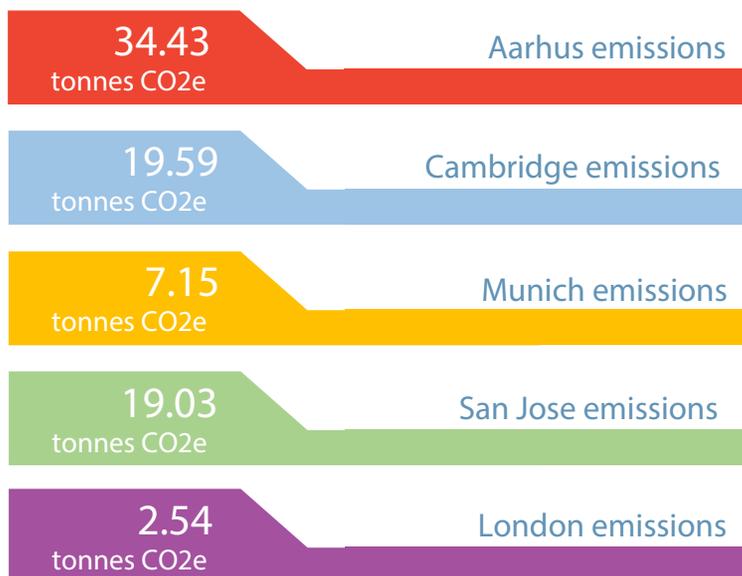
In 2020, apart from the Aarhus office we have not found a notable change in Scope 1 and 2 emissions from operations where colleagues have been working remotely as the business is desktop based and not an industrial activity.



Total group emissions summary



Emissions breakdown by office





## Aarhus emissions breakdown

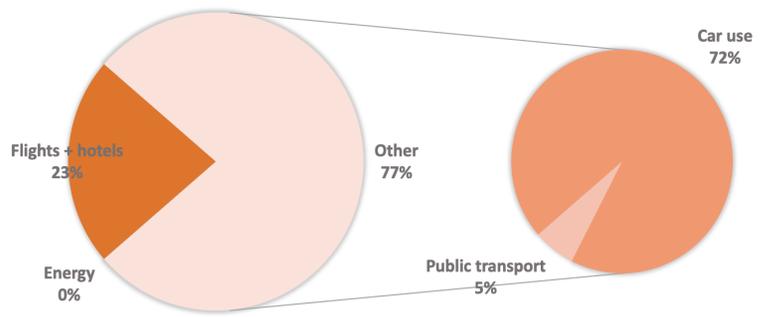
### Scope 1 emissions

Scope 1 emissions refer to emissions caused from combusted fuels at company facilities. In the case of the Cryptomathic office, no fuels are burned on site therefore Scope 1 emissions do not exist.

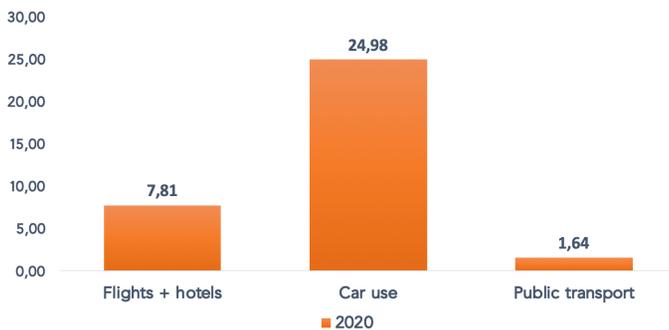
### Scope 2 emissions

Scope 2 emissions were reduced to zero by the use of local Guarantees of Origin which certify fully carbon-free electricity provision over the reporting period.

### Total emissions by type



### Scope 3 emissions



**Aarhus total emissions** 34.43 tonnes CO<sub>2</sub>e

### Emission factor calculation data sources

|                                  |  |              |  |
|----------------------------------|--|--------------|--|
| Electricity                      | CO <sub>2</sub> emissions per generated kWh of electricity in Denmark based on the Key Figures and Energy Maps Report for Danish electricity by the Danish Energy Agency. ( <a href="http://www.ens.dk/">http://www.ens.dk/</a> )          | Mass transit | Defra/DECC (2020). UK Government conversion factors for greenhouse gas reporting. Department of Environment Food and Rural Affairs/Department for Energy and Climate Change, London. The same data source provides data points for both bus and train emissions (measured in kg CO <sub>2</sub> e per Passenger Kilometer) |
| Flights                          | Source: 2020 UK Government GHG Conversion Factors for Company Reporting. Based on average consumption data for typical short-haul and long-haul aeroplanes and flight class. Radiative forcing (RF) impact is included in the calculations | Lodging      | The hotel conversion factors are from the Hotel Footprinting Tool, produced by the International Tourism Partnership and Greenview, which have been derived from the Cornell Hotel Sustainability Benchmarking Index   |
| Vehicle use (Passenger vehicles) | Source: 2020 UK Government GHG Conversion Factors for Company Reporting. Vehicle emissions based on car type and size. (measured in kg CO <sub>2</sub> e per Passenger Kilometer)  |              |  |

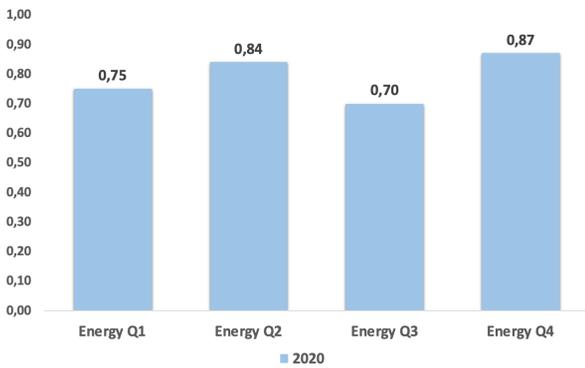


**Cambridge emissions breakdown**

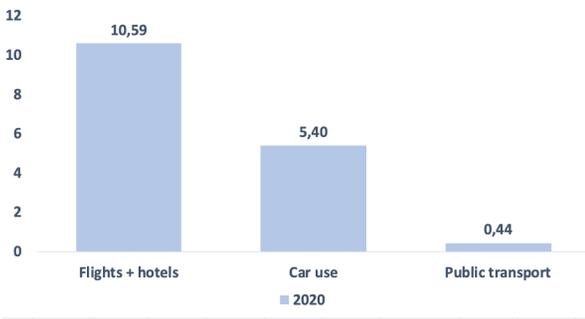
**Scope 1 emissions**

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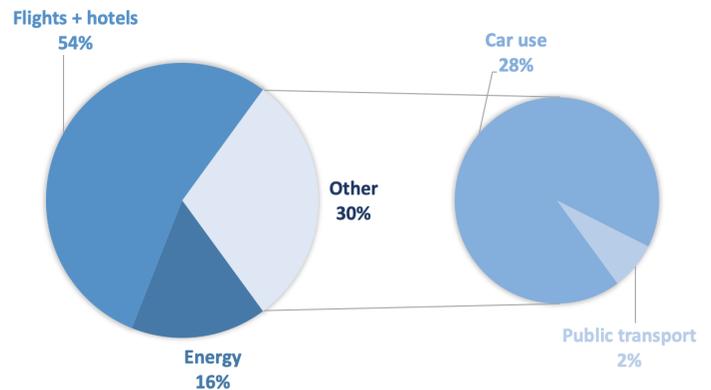
**Scope 2 emissions**



**Scope 3 emissions**



**Total emissions by type**



**Cambridge total emissions 19.59 tonnes CO<sub>2</sub>e**

**Emission factor calculation data sources**

|             |   |                                  |  |
|-------------|---|----------------------------------|--|
| Electricity | Defra/DECC (2020). UK Government conversion factors for greenhouse gas reporting. Resulting from Electricity generated and Transmission & Distribution for UK electricity. Total measured in kg CO <sub>2</sub> e consisting of totals of kg CO <sub>2</sub> , kg CH <sub>4</sub> and kg N <sub>2</sub> O | Mass transit                     | Defra/DECC (2020). UK Government conversion factors for greenhouse gas reporting. Department of Environment Food and Rural Affairs/Department for Energy and Climate Change. The same data source provides data points for both bus and train emissions (measured in kg CO <sub>2</sub> e per Passenger Kilometer) |
| Flights     | Source: 2020 UK Government GHG Conversion Factors for Company Reporting. Based on average consumption data for typical short-haul and long-haul aeroplanes and flight class. Radiative forcing (RF) impact is included in the calculations  | Vehicle use (Passenger vehicles) | Source: 2020 UK Government GHG Conversion Factors for Company Reporting. Vehicle emissions based on car type and size. (measured in kg CO <sub>2</sub> e per Passenger Kilometer)  |
|             |   | Lodging                          | The hotel conversion factors are from the Hotel Footprinting Tool, produced by the International Tourism Partnership and Greenview, which have been derived from the Cornell Hotel Sustainability Benchmarking Index   |

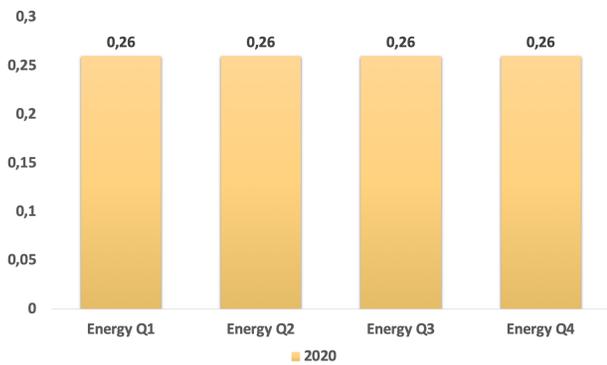


## Munich emissions breakdown

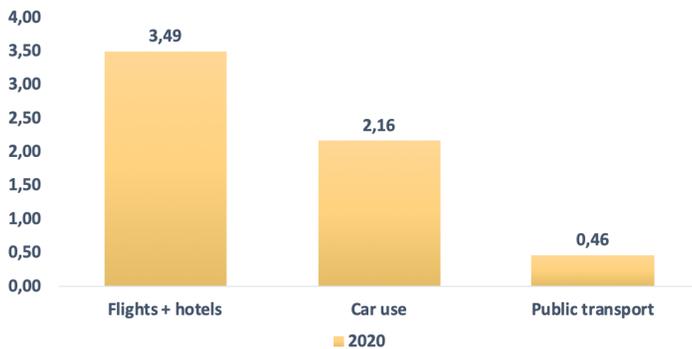
### Scope 1 emissions

Scope 1 emissions refer to emissions caused from combusted fuels at company facilities. In the case of the Cryptomathic office, no fuels are burned on site therefore Scope 1 emissions do not exist.

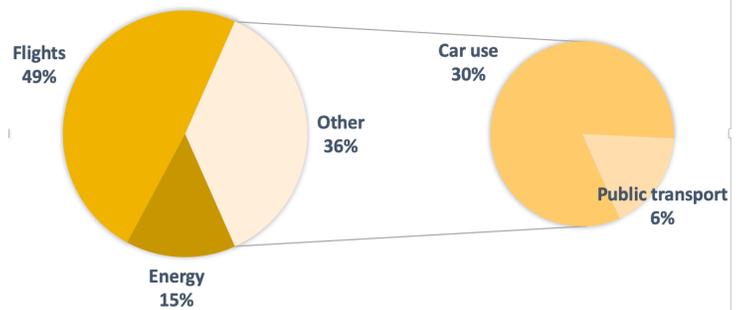
### Scope 2 emissions\*



### Scope 3 emissions



### Total emissions by type



Munich total emissions 7.15 tonnes CO<sub>2</sub>e

\*Based on an average annual consumption

### Emission factor calculation data sources

|                                  |  |              |  |
|----------------------------------|--|--------------|--|
| Electricity                      | Electricity map data for 2020 emissions for Germany. <a href="https://www.carbonfootprint.com/docs/2020_07_emissions_factors_sources_for_2020_electricity_v1_3.pdf">https://www.carbonfootprint.com/docs/2020_07_emissions_factors_sources_for_2020_electricity_v1_3.pdf</a> | Mass transit | Defra/DECC (2020). UK Government conversion factors for greenhouse gas reporting. Department of Environment Food and Rural Affairs/Department for Energy and Climate Change, London. The same data source provides data points for both bus and train emissions (measured in kg CO <sub>2</sub> e per Passenger Kilometer) |
| District heat                    | District heating customers comply with the Renewable Energies Heating Act (EEWärmeG) as Federal government gives heat from highly efficient combined heat and power plants the same status as renewable energies.  | Flights      | Source: 2020 UK Government GHG Conversion Factors for Company Reporting. Based on average consumption data for typical short-haul and long-haul aeroplanes and flight class. Radiative forcing (RF) impact is included in the calculations   |
| Vehicle use (Passenger vehicles) | Source: 2020 UK Government GHG Conversion Factors for Company Reporting. Vehicle emissions based on car type and size. (measured in kg CO <sub>2</sub> e per Passenger Kilometer)  | Lodging      | The hotel conversion factors are from the Hotel Footprinting Tool, produced by the International Tourism Partnership and Greenview,  |

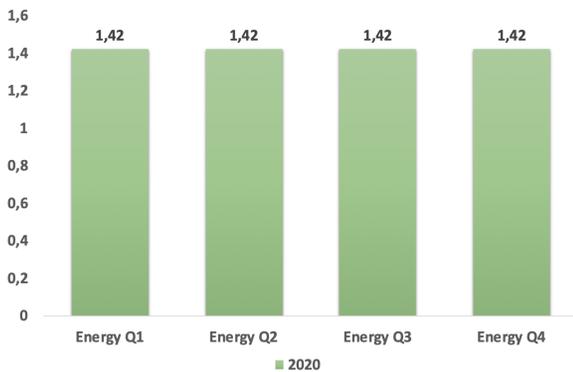


## San Jose emissions breakdown

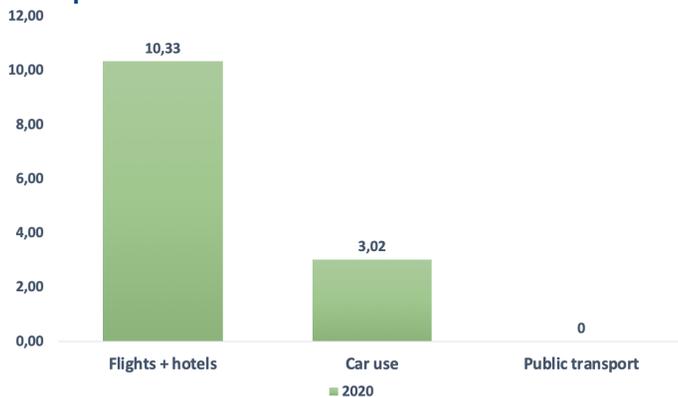
### Scope 1 emissions

Scope 1 emissions refer to emissions caused from combusted fuels at company facilities. In the case of the Cryptomathic office, no fuels are burned on site therefore Scope 1 emissions do not exist.

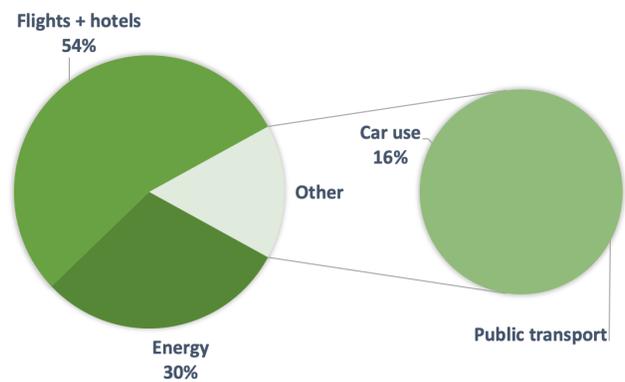
### Scope 2 emissions\*



### Scope 3 emissions



### Total emissions by type



San Jose total emissions 19.03 tonnes CO<sub>2</sub>e

\*Based on an average annual consumption

### Emission factor calculation data sources

|                                  |  |              |  |
|----------------------------------|--|--------------|--|
| Electricity                      | Based on eGRID Summary Tables 2019. Latest available data. Total measured in kg CO <sub>2</sub> e consisting of totals of kg CO <sub>2</sub> , kg CH <sub>4</sub> and kg N <sub>2</sub> O  | Mass transit | Defra/DECC (2020). UK Government conversion factors for greenhouse gas reporting. Department of Environment Food and Rural Affairs/Department for Energy and Climate Change, London. The same data source provides data points for both bus and train emissions (measured in kg CO <sub>2</sub> e per Passenger Kilometer) |
| Flights                          | Source: 2020 UK Government GHG Conversion Factors for Company Reporting. Based on average consumption data for typical short-haul and long-haul aeroplanes and flight class. Radiative forcing (RF) impact is included in the calculations | Lodging      | The hotel conversion factors are from the Hotel Footprinting Tool, produced by the International Tourism Partnership and Greenview, which have been derived from the Cornell Hotel Sustainability Benchmarking Index   |
| Vehicle use (Passenger vehicles) | Source: 2020 UK Government GHG Conversion Factors for Company Reporting. Vehicle emissions based on car type and size. (measured in kg CO <sub>2</sub> e per Passenger Kilometer)  |              |  |

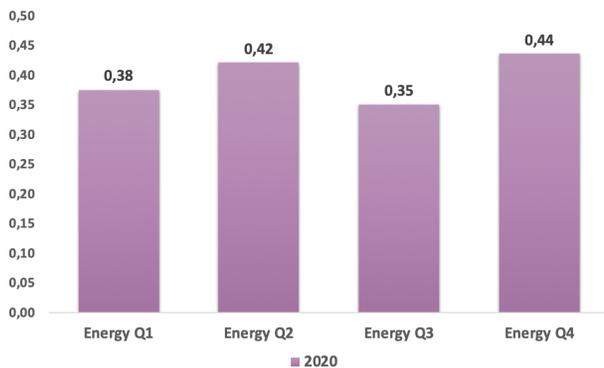


London breakdown

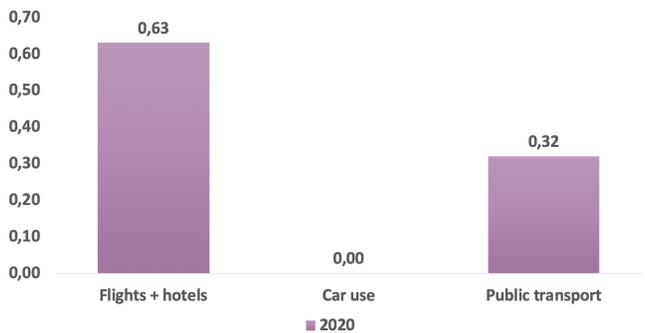
Scope 1 emissions

Scope 1 emissions refer to emissions caused from combusted fuels at company facilities. In the case of the Cryptomathic office, no fuels are burned on site therefore Scope 1 emissions do not exist.

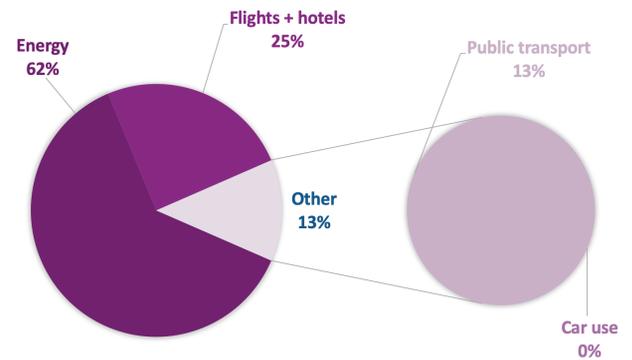
Scope 2 emissions



Scope 3 emissions



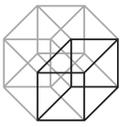
Total emissions by type



London total emissions 2.54 tonnes CO<sub>2</sub>e

Emission factor calculation data sources

|             |  |                                  |  |
|-------------|--|----------------------------------|--|
| Electricity | Defra/DECC (2020). UK Government conversion *factors for greenhouse gas reporting. Resulting from Electricity generated and Transmission & Distribution for UK electricity. Total measured in kg CO <sub>2</sub> e consisting of totals of kg CO <sub>2</sub> , kg CH <sub>4</sub> and kg N <sub>2</sub> O | Mass transit                     | Defra/DECC (2020). UK Government conversion factors for greenhouse gas reporting. Department of Environment Food and Rural Affairs/Department for Energy and Climate Change. The same data source provides data points for both bus and train emissions (measured in kg CO <sub>2</sub> e per Passenger Kilometer) |
| Flights     | Source: 2020 UK Government GHG Conversion Factors for Company Reporting. Based on average consumption data for typical short-haul and long-haul aeroplanes and flight class. Radiative forcing (RF) impact is included in the calculations   | Vehicle use (Passenger vehicles) | Source: 2020 UK Government GHG Conversion Factors for Company Reporting. Vehicle emissions based on car type and size. (measured in kg CO <sub>2</sub> e per Passenger Kilometer)  |
|             |  | Lodging                          | The hotel conversion factors are from the Hotel Footprinting Tool, produced by the International Tourism Partnership and Greenview, which have been derived from the Cornell Hotel Sustainability Benchmarking Index   |



### USE OF KPIS

Performance indicators or 'KPIs' are a concise, standardised way to describe our performance. They enable comparison between reporting years and can take account of changes within the business such as growth in headcount.

### OVERALL GROUP EMISSIONS INTENSITY

The overall emissions intensity per capita sets a group benchmark considering all of the company's offices as a whole. This allows us to measure and compare the overall environmental KPI of our organisation.



The Aarhus office has managed to reduce emissions intensity to well below 1 tonne of CO<sub>2</sub>e per person, partly due to switching to renewable energy.

### EMISSIONS INTENSITY breakdown by office



By breaking down the emissions between the offices, we can see that while the overall emissions in the largest office are closer to double those in the other locations, the emissions intensity is actually better. This is due to efficiencies resulting from having more personnel operating from the same location.

This is also attributed to the office housing more administrative and technical, rather than sales staff who typically generate higher emissions due to travel.



### Efficiency policy

The company aims to travel as efficiently as possible. While we cannot eliminate flying altogether, we are aware of the environmental impact and use alternative modes, where possible. Our European offices use rail travel widely and all offices have videoconferencing facilities which we use to further reduce our travel emissions.

We recognise that there is more to do to reduce travel related emissions and we will be using the data gathered from this Report to enable us to analyse and develop new policies. Furthermore we hope to reduce CO2 emissions over time, though with our business growing, the demand for travel increases resulting in more CO2 emissions. For 2020, travel was reduced by an estimated 75% as a result of Covid.



Aarhus



Cambridge



Munich



San Jose



London





### TARGETS FOR 2021 AND BEYOND

Sustainability impacts all sectors of our business. To continually improve our performance requires us to set ourselves targets. Using our previous data as a baseline, we have chosen the following targets for 2020 after consultation with our staff. These will be reviewed in our 2021 Sustainability Report.





### PERFORMANCE AGAINST TARGETS

|  |                            |
|--|----------------------------|
| Reduce emissions from electricity consumption by 8-10% per capita                          | PARTIALLY ACHIEVED         |
| Update and re-issue Environmental Policy   | ACHIEVED                   |
| Measure, reduce and offset all aggregated emissions  | ACHIEVED                   |
| Continue existing programme of charitable donations  | ACHIEVED                   |
| Continue to support an international social impact & carbon offset project                 | ACHIEVED                   |
| Continue to provide professional training and CPD for all staff                            | PARTIALLY ACHIEVED (Covid) |
| Present and promote the previous Sustainability Report to all staff                        | ACHIEVED                   |
| Invite and consider 3 x staff generated sustainability ideas for the next reporting period | NOT ACHIEVED - ONGOING     |
| Identify and consider two low energy investment opportunities in Cryptomathic operations   | PARTIALLY ACHIEVED         |

### NEXT YEAR

The addition of the London office and the switching of the Aarhus office's electricity supply to 100% GOO certified green energy will provide a new benchmark for future performance comparison.



### REPORTING PARTNER

This report has been compiled with the assistance of our reporting partner, Tessera Limited.

Tessera Limited is a Sustainability Reporting specialist with over 10 years of experience in the UK and European environmental markets.

For more information see: [www.tessera-ltd.com](http://www.tessera-ltd.com)



**Tessera Limited**

### METHODOLOGY AND REPORTING PERIOD UTILISED

We do not have responsibility for any emission sources that are not included in our consolidated statement. Due to Covid impacting office attendance, we have estimated emissions based on previous year's actual data, pro-rated by updated staff numbers.

We have used the GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), one of the standards approved for reporting by the Defra Environmental Reporting Guidelines.

All emissions calculations, unless otherwise stated, have been conducted using the latest greenhouse conversion factors published by Department for Energy and Climate Change (DECC) and Defra. The emissions have been calculated for the period: 1. Jan 2020 until 31. Dec. 2020.

### REPORT SIGN-OFF

Report attestation by:

|                      |   |
|----------------------|---|
| Date of Compilation: | 31/03/2021  |
| Issued by:           | Grattan MacGiffin   |
| Email:               | <a href="mailto:gmg@tessera-ltd.com">gmg@tessera-ltd.com</a>        |
| Registered Address:  | Tessera Limited,<br>29 High Street, Harston,<br>Cambridge, CB22 7PX |