



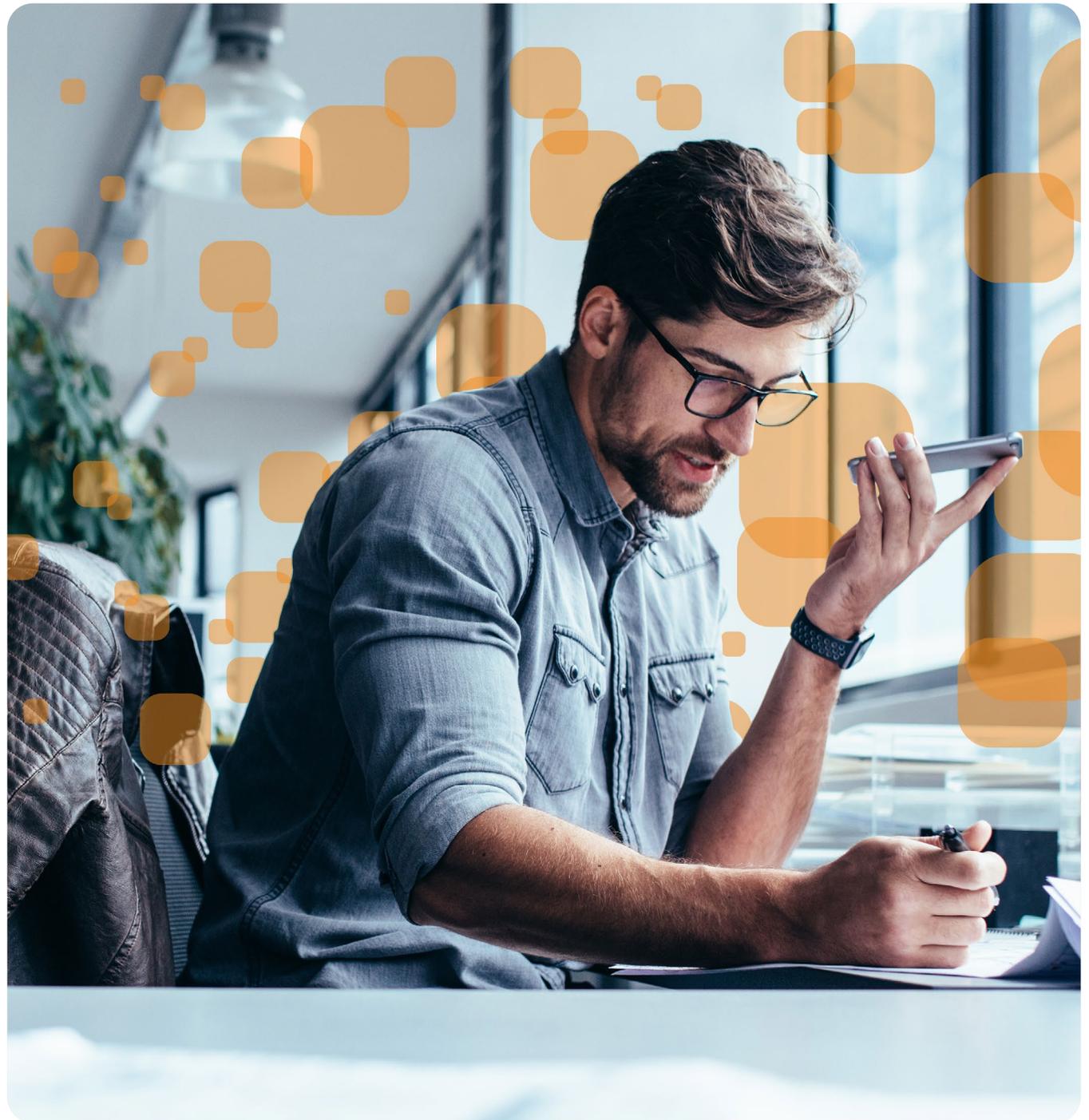
2022

Environmental,
Social and
Governance
Report



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About this report

In disclosing our ESG management and performance, we are guided once again by the Sustainability Accounting Standards Board (SASB) in reporting upon the most financially material information.

Material metrics and discussion points identified by SASB for the Software & IT Services industry have been included in our data tables and the body of our report, whilst we have also indicated which metrics and discussion points identified are not material to Blancco and as such have not disclosed against them.

Whilst it is not a mandatory requirement for the Group to report against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we are committed to assessing the potential impact of climate-related risks and opportunities on the business and providing clarity and transparency on these matters for our stakeholders.

This year we announced our membership of the United Nations Global Compact (UNGC), a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices. We also continue to assess our impact in support of the UN Sustainable Development Goals.

We speak with investors, as well as other stakeholders, following the publication of our annual ESG Reports to receive feedback and understand how they want to see our reporting progress. This investor input is another consideration in our reporting and has informed developments in this year's report.

As our ESG reporting is now assessed by MSCI ESG Ratings, we have included a reference table in the appendix to indicate where the relevant information can be found throughout the report.

As this is our third year of detailed ESG reporting, we now have three years of data for many metrics, enabling assessment of progress and demonstrating our positive direction of travel.



ESG highlights

OBJECTIVE

Enable the reduction of global e-waste

NEW AND ONGOING INITIATIVES

- Facilitating the secure erasure of electronic devices, negating the need for physical destruction and sending to landfill
- Marketing our products as an opportunity for our customers to reduce their own carbon footprints

OUTCOME

Securely sanitised 74m kg worth of devices
(FY 2021: 68.2 million kg)

Reduce the environmental impact of our operations

- Conducted a comprehensive carbon assessment to set our baseline emissions footprint
- Offset all our emissions for CY 2021 through the purchase of carbon credits in renewable energy projects
- Set our first decarbonisation targets

Achieved carbon neutrality

Provide sustainable solutions that support the circular economy

- Continuing to innovate our offering and introduce new solutions that support environmental objectives

Won 2 industry awards for sustainable innovation

Increase the diversity of our workforce

- Reviewed and updated our recruitment practices to ensure we are accessing the widest pool of candidates possible
- Launched our new Global D&I Policy
- Conducting Group-wide data collection exercise to assess performance on D&I

21% women in management
(FY 2021: 20%)

Ensure our colleagues are motivated, engaged and supported

- Introduced new benefits and benchmarking our offering on an ongoing basis
- Increased focus on mental health and wellbeing, hosting a range of events throughout the year
- Offering a wide variety of training opportunities and providing the development opportunities to maintain a strong pipeline of talent for the future

Employee engagement score of 84% (FY 2021: 80%)

Utilise our products and expertise to improve access to technology

- Partnered with several charities around the globe that support underprivileged groups, providing free data erasure licences to securely wipe donated laptops, enabling greater access to technology

Shortlisted for 4 'Tech for Good' awards

Support our customers in data security and achieving their own ESG objectives

- Ongoing communications with customers through multiple channels to facilitate feedback
- Continued innovation of our offering to meet customers' evolving needs

Net Promoter Score of 62.5
(FY 2021: 57.5)

Maintain our industry-leading IT security practices and ensure security of the limited customer data we have access to

- Upholding strict data privacy and security practices
- Continually improving awareness among and providing training for employees on IT and data security best practice
- Continuous improvement in IT security practices

Zero data breaches
(FY 2021: Zero)

Become industry leaders in ESG

- Maintaining strong oversight of all ESG matters at Board and Executive level
- Sharing our expertise through membership of multiple industry associations around the globe and producing of research papers
- Sharing our ESG expertise and experience on ESG focused events, webinars, and podcasts

Announced membership of UN Global Compact



ENVIRONMENTAL



SOCIAL



GOVERNANCE

CEO's letter

Sustainability sits at the core of Blancco's business proposition, as our data erasure software enables the reuse of unwanted IT hardware, promoting the circular economy.

The value of this offering is only being strengthened as we see more companies setting emissions reductions targets and interrogating their resource use and supply chains. The innovations we are making in our products and services further bolster our ability to support customers in achieving their own ESG objectives, and in the past year Blancco has won two industry awards for sustainable innovation.

Alongside the growth of Blancco's impact story, our approach to ESG risk management internally has continued to mature. This year we completed our first comprehensive greenhouse gas (GHG) emissions baseline assessment. We made the decision to offset our entire footprint for 2021 and achieved carbon neutral status following the purchase of carbon credits for two renewable energy projects.

Our ultimate goal is to become a net zero business. Armed with a greater understanding of our own carbon footprint, we have been able to set our first decarbonisation targets, and we will reassess the effectiveness of these targets on an annual basis as we identify areas in which we can reduce our emissions.

Consistent with our commitment to sustainable growth and future-proofing our business, and from listening to our investors and stakeholders, we have progressed our alignment to the recommendations of the Task Force on Climate-related Financial Disclosures.

This year we conducted a qualitative scenario analysis to establish the Group's exposure to climate-related risks and opportunities, and we have continued to embed climate change considerations into our thinking at Board and Management level.

It is the dedication and hard work of people that drives our business. Making sure our colleagues remain motivated and engaged is therefore integral to our continued success, and we endeavour to listen to and meet their expectations whenever possible.

This past year we have increased our focus on mental health and wellbeing, ensuring everyone is getting the support they require. By introducing a hybrid working model, we have been able to accommodate employees who need flexibility in their schedules, but not at the cost of engagement; I am very pleased that our employee engagement score of 84% presents another increase on the previous year.

Attracting the best candidates and nurturing talent internally remains a key facet of our recruitment approach, and ongoing training and development opportunities are available across the Group to ensure colleagues can get the most out of their roles. At the same time, diversity and inclusion is a focus area for the business, especially being in an industry where women in particular are underrepresented.

When recruiting new talent, we are keen to access the most diverse pools of candidates available, to promote diversity of thought in our business, and this year we have seen an increase in the number of women in management roles.

Our products and expertise mean we are well placed to support individuals beyond Blancco as well. We have partnered with several charities around the globe to bridge the digital divide for many underprivileged groups by facilitating much-needed access to electronic devices, as well as providing skills training.

We also recognise our responsibility to support progress in our industry, and share our expertise through membership of industry associations, speaking on data erasure and sustainability on webinars and at events, and publication of research.

At Blancco there is absolute recognition for the value of operating responsibly, and this is exemplified by the announcement of our membership of the UN Global Compact this year. We are engaged with ESG risk management at the highest level of the business, with our CFO continuing to drive forwards our agenda with the support of our external ESG and carbon consultants.

I am pleased to present our third annual ESG Report and welcome feedback from all our stakeholders.

Matt Jones
Chief Executive Officer

ESG accreditations

COUNTRY	ACCREDITATION	DESCRIPTION	YEAR AWARDED
UK		MSCI ESG Rating MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. In 2021, Blancco Technology Group retained a rating of 'A' in the MSCI ESG Ratings assessment, which was originally awarded in 2020.	2021
US		HIPAA Seal of Compliance The HIPAA Seal of Compliance from Compliancy Group verifies and assures our customers that Blancco has undergone a HIPAA Data Privacy and Information Security risk assessment and that Blancco has established and implemented policies and procedures to ensure meeting HIPAA Privacy, Security, and Breach Notification Rules.	2022
Global		ISO 27001 This accreditation highlights how we operate an excellent Information Security Management System. Recipients of this certification must demonstrate their organisation's strategy and practices in protecting sensitive information within a management system. Blancco's dedication to information security is built into its Enterprise DNA; safeguarding data is at the core of its product offering.	2018
Global		ISO 9001 ISO 9001 certifies that Blancco's core functions meet specific requirements for a quality management system and provides proof that Blancco consistently offers products and services that meet stringent regulatory requirements and satisfy customer demands. It is the only standard in the ISO 9000 series that can be certified.	2018
Global	 United Nations Global Compact	UN Global Compact Launched in 2000, the UN Global Compact is the largest corporate sustainability initiative in the world, with more than 12,000 companies and 3,500 non-business signatories based in over 160 countries, and 69 Local Networks. The UN Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals (SDGs). Blancco's Communication on Progress, detailing efforts made to embed the ten principles, will be published in February 2023.	2022

UN Sustainable Development Goals

The ten universally accepted principles of the UN Global Compact, in the areas of human rights, labour, environment, and anti-corruption, underpin Blancco's approach and we will continue to uphold these values in our operations.

The Global Compact also implores companies to tackle global challenges and advance the objectives of the SDGs.

The 17 SDGs and their underlying targets were created to tackle some of the world's most pressing challenges, including inequality and climate change.

We continue to disclose our progress against the goals which we have the most significant impact upon.

SDG

TARGETS

RELEVANCE TO BLANCCO

8 DECENT WORK AND ECONOMIC GROWTH



8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

In expanding our recruitment channels, running an internship programme, and providing a wide-ranging training and development offering, we are continuing to create employment opportunities and nurture our talented employees, driving ongoing progress and innovation in the business. See pages 23-24 for more information about our training and development opportunities.

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10 Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.

Our products and services encourage the reuse of IT equipment. We promote this responsible consumption to our customers, highlighting the benefits of our offering in enabling businesses to reduce their environmental impact and operate more sustainably.



In supporting sustainable economic growth, we are endeavouring to change attitudes towards device management and encourage greater environmental consideration in value chains. Recruiting, retaining and developing talent is critical to our continued growth and ability to further advance this message."

SDG 8 Champion

Adam Moloney, Chief Financial Officer

UN Sustainable Development Goals

SDG	TARGETS	RELEVANCE TO BLANCCO
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.</p> <p>9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States.</p>	<p>We continue to invest in R&D, listen to our customers about their evolving needs, and expand our offering by developing additional products and services that can support sustainable consumption and reduce environmental impact. For more information about our expanded product offering see pages 10-11.</p> <p>Our partnerships with charities around the globe are enabling us to support greater access to technology for underprivileged groups, including disadvantaged schools in sub-Saharan Africa. By providing licences to these organisations, we enable the secure data erasure of donated devices, and encourage reuse of hardware, thereby supporting the circular economy. See pages 28-29 for more information about our charity partnerships.</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p>	<p>As an equal opportunity employer, we are committed to fostering an inclusive working environment. We have been reviewing our recruiting practices to make sure we are accessing the most diverse pool of talent, as well as assessing our internal practices to ensure they are inclusive for all. For more information about Blancco's approach to diversity and inclusion see pages 21-22.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.</p> <p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p>	<p>By securely erasing hardware, our products extend the useful life of devices, supporting the circular economy of reuse and repurposing, and negating the need for physical destruction and sending to landfill.</p> <p>We continue to promote the sustainable benefits of our products to our customers and share our expertise externally through our membership of industry associations, speaking at events and on webinars about data erasure and sustainability, and producing research papers on the value of data erasure. Page 41 has more information about our participation in industry associations.</p>



We are not complacent in our approach but continue to innovate. While data erasure is our core offering, we are continually assessing how we can fulfil other requirements for our clients and introduce new applications for our technology that produces efficiencies for the customer."

SDG 9 Champion

Russ Ernst, VP of Products and Technology



Ensuring we have a diverse pipeline of talent for the future is critical to our continued success as a business, as it is in diversity of thought and ideas that we can continue to innovate and progress."

SDG 10 Champion

Sarah Smith, SVP Human Resources



With an estimated 50 million metric tonnes of e-waste being produced worldwide every year, the means to tackle this issue have never been more critical. It is our continued objective to educate businesses about this issue and promote the solution that our data erasure technology provides."

SDG 12 Champion

Matt Jones, Chief Executive Officer

Environmental





METRIC	UNIT OF MEASURE	CY 2019	CY 2020	CY 2021	SASB CODE	
Scope 1 and 2 emissions		152.95	104.05	198.50		
Scope 3 emissions		-	-	3,422.80		
Total Scope 1, 2 and 3 emissions		-	-	3,621.30		
(1) Total energy consumed:	Scope 1 and 2 (kWh)	kWh	-	-	291,664	TC-SI-130a.1
	Scope 1 and 2 (GJ)	GJ	-	-	1,050	
(2) Percentage grid electricity	Percentage (%)	-	-		As part of our decarbonisation plan, we are engaging with landlords to explore whether we can move to renewable energy. However, all of our offices are shared facilities where we do not have the power to decide on suppliers unilaterally.	
(3) Percentage renewable	Percentage (%)	-	-	0%		
Total emissions offset through carbon credits	tCO ₂ e	-	-	3,621.30		

Please note that GHG emissions and energy consumption are reported according to the calendar year, not financial.

Following a comprehensive carbon assessment conducted for calendar year 2021 we now have a more complete understanding of our GHG emissions profile. As such, 2021 will serve as our baseline year for Scope 1, 2 and 3 emissions and energy usage, rather than previous years' data which did not represent a full picture of emissions and energy usage.

METRIC	UNIT OF MEASURE	FY 2020	FY 2021	FY 2022	SASB CODE
Discussion of the integration of environmental considerations into strategic planning for data centre needs	Discussion and analysis	We have considered this metric and believe it not to be relevant to the Blancco business model as we do not construct data centres ourselves. Nevertheless, our data centre needs are provided by AWS, which has exceptionally high standards.			TC-SI-130a.3
(1) Total water withdrawn	Thousand cubic metres (m ³)	Our water usage is limited to personal consumption by our employees within our offices. We therefore do not consider water extraction to be a material risk to our business and therefore do not track consumption.			TC-SI-130a.2
(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Percentage (%)				
Number of assets securely erased	Laptops	Number	8,740,783	9,481,656	11,680,651
	Desktops	Number	3,072,256	3,219,164	3,653,953
	Servers	Number	661,132	805,819	592,990
	Loose drives	Number	3,160,472	3,291,126	2,720,011
	Smart phones	Number	20,068,977	35,590,979	32,143,156
	Tablets	Number	502,816	2,153,191	1,996,272
	Total	Number	36,206,435	54,541,935	52,787,034
Landfill waste prevented	Weight of devices securely sanitised	Kilograms	60.7 million	68.2 million	74.0 million
	Pre-use carbon footprint of devices securely sanitised	Kilograms of CO ₂	4.6 billion	5.6 billion	6.1 billion

Environmental

At Blancco we are firmly committed to operating in a sustainable manner, with consideration for the resources we use and the impact we have on the environment.

Our product and service offering has a firmly positive environmental impact story, as secure data erasure enables unwanted devices to be reused or put into the circular economy rather than being physically destroyed and sent to landfill.

At the same time, we are also placing greater scrutiny on our own environmental footprint. As such, we are pursuing routes to reduce our GHG emissions and to define a net zero strategy.

This year, following a comprehensive carbon analysis, we announced we had achieved carbon neutrality through the purchase of carbon credits, verified to the Verified Carbon Standard, in two renewable energy projects.

We were able to set interim decarbonisation targets and will continue to work to reduce emissions wherever possible across our operations. We have also developed our disclosure on our approach to climate-related matters in line with the TCFD, including conducting a qualitative scenario analysis.

PRODUCT OFFERING

'Our core technologies are focused on data erasure and device diagnostics – but that is kind of a linchpin technology that enables use cases that provide sustainability improvement, whether it is cutting down on travel, keeping items out of landfill, or getting devices into the circular economy.'

RUSS ERNST, VP OF PRODUCTS AND TECHNOLOGY

52.8 million

NUMBER OF DEVICES SECURELY ERASED

Globally, e-waste generated on an annual basis is estimated to be upwards of 50 million metric tonnes, with that set to rise to around 75 million by the end of the decade.

It is therefore critical that businesses consider other means of disposing of unwanted hardware. By providing a data erasure solution that negates the need to physically destroy and send to landfill electronic devices that they have no further use for, Blancco's software is supporting companies to make more sustainable choices. Instead, these devices, now securely erased of all data, can be reused, sold, or donated, supporting a transition towards the circular economy.

Furthermore, the storage of data in data centres requires a huge amount of energy. When we consider that a large portion of the data being stored is ROT (redundant, obsolete or trivial), it further emphasises the importance of data erasure: our solutions can prevent wasted energy consumption through the unnecessary storage of data.

As businesses around the world feel more pressure to meet their own internal ESG objectives, our solutions present a means for more sustainable operations and better management, not only data security, but also the useful lives of their IT assets.

During FY 2022, Blancco's software enabled the secure data sanitisation of 52.8 million devices, the pre-use carbon footprint of which was 6.1 billion kg. This represents a huge proportion of devices that can be reused, rather than sent to landfill.

This year we completed the initial development of our ESG Dashboard which calculates these figures. In FY 2023 we will launch phase 2 of this process, which will show customers their own performance regarding these data points, and will further bolster our ESG proposition.

Whilst data erasure is at the core of our product and service offering, we continue to improve and innovate. By both implementing efficiencies within existing products, as well as introducing new diagnostic solutions, we have expanded our offering by providing sustainable solutions for more customers and a greater variety of use cases.

Environmental

PRODUCT OFFERING (CONTINUED)



Enterprise



Introducing our ServiceNow plug-in to support Enterprise Endpoint Erasure use cases adds the data erasure step into existing workflows for companies, enabling integration of the solution and therefore greater ease of use.



Implementing our high-volume Data Centre Erasure solution allowed access to a market where the alternative is physically destroying their servers, and therefore supports those customers in avoiding a significant negative environmental impact in their operations.



Delivering the Blancco Cloud Storage Eraser proof-of concept was a critical step when we consider the power taken to drive centres and that much of that data is ROT (redundant, obsolete or trivial).



Mobile



Through Buy-Back/Trade-In, enabling users who want to sell their device to send it to a retailer to run our diagnostics and screen crack detection application remotely. The retailer then runs a valuation algorithm to tell the user how much the device is worth, all without having to incur the cost (both financial and environmental) of shipping the device for such a valuation.



When a user has a problem with a device and wants to return it, retailers can utilise our Fault Management software and have the user run our diagnostics to assess whether there is in fact an issue with the device, instead of necessitating the device being shipped to a warehouse to be processed, for there to be no fault found.



With the increase in the number of companies leasing mobile phones for their employees rather than buying them outright, once the lease is up on those devices, the residual value in them needs to be established in order to warrant them being collected and resold. Our remote diagnostics solution gives an accurate state of the devices and removes the risk around charge backs, whilst we also enable the remote erasure on those devices when they are collected.



ITAD



Releasing latest generation of our driver erasure technology enables high-volume remote erasure.



Delivering Intelligent Business Routing – a business process management solution – which focuses on how we can integrate into other systems that our customers are using and enable greater automation.



Introducing Chromebook erasure and Blancco Eraser for Apple devices has allowed the processing of more types of devices. This is very valuable given both the uptick in the number of Chromebooks coming through ITADs, and that, for the ITADs, they need to process the device in the shortest time possible for there to be value in erasing the device at all.

CASE STUDY: AN AWARD-WINNING APPROACH

The impact of our products and services in supporting the circular economy and reducing e-waste has earned Blancco recognition in the industry.

The SEAL Awards (Sustainability, Environmental Achievement and Leadership) honour companies' leadership, innovation, and commitment to sustainable business practices. In December Blancco were announced as SEAL Sustainable Service Award winners, for innovative services that set a new standard for sustainability.

In May 2022, Blancco won Sustainability Innovator of the Year at the US MSP Innovation Awards. These awards 'celebrate dynamic companies who are serving as extraordinary examples of success in the American managed services market'.

We are immensely proud of these wins as they demonstrate our commitment to supporting sustainable innovation.

Environmental

OUR CARBON FOOTPRINT

In 2021 we engaged a consultancy to assess and calculate our carbon footprint. (Please note that GHG emissions and energy consumption are reported according to the calendar year, not financial.) This covered the Group's entire value chain GHG emissions, including Scope 1, 2 and 3.

Whilst this was a comprehensive analysis of the Group's GHG emissions, impacts of the pandemic such as travel restrictions were still being felt, and thus we expect to see shifting behaviours in 2022 contribute to a larger carbon footprint.

By gaining this fuller understanding of our emissions, we have been able to take significant steps in reducing our environmental impact.

3,621.30 tCO₂e

TOTAL EMISSIONS OFFSET
THROUGH CARBON CREDITS

Foremost, acknowledging that reducing our emissions will take time, we were still keen to offset that footprint in the first instance. We therefore took the decision to purchase carbon offset credits and were able to achieve carbon neutral status.

In exploring the options for projects to purchase credits from, we wanted it to be meaningful to our colleagues and the places in which we operate.

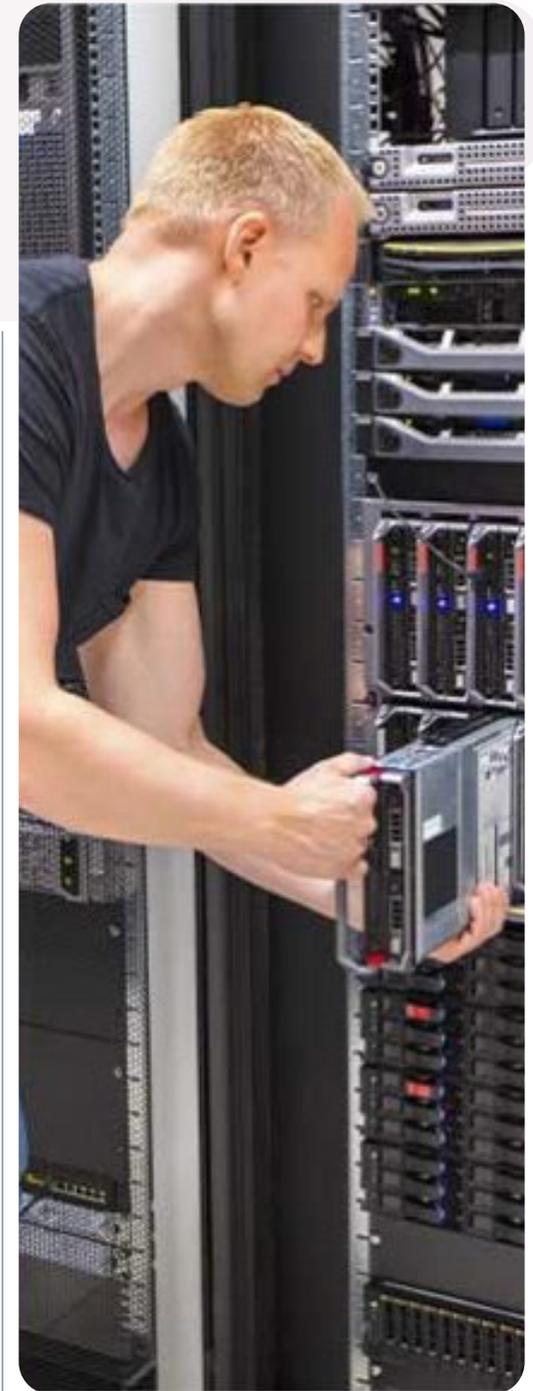
We presented several options and invited all employees to vote for the projects that they wanted to support.

'For the past couple of years I have taken on the responsibility around sustainability and all things ESG within the organisation. I have been really enjoying it; the ESG part of the business over the last two to three years has become a bigger and bigger focus for our customers, which has caused us to look internally at our own sustainability and motivated us to achieve carbon neutrality.'

ADAM MOLONEY, CHIEF FINANCIAL OFFICER

As a result, we purchased credits in two projects, both in India where a significant portion of our workforce are based. Both projects are designed to install grid-connected wind power and anticipated to reduce local reliance on energy-derived fossil fuel sources, preventing future emissions.

The 3,622 credits purchased are verified in line with the Verified Carbon Standard (VCS), one of the world's leading verification standards.



Environmental

OUR CARBON FOOTPRINT

Whilst offsetting our footprint presents a short-term solution, our broader objective is to reduce our emissions and define a net zero strategy. Commensurate with this, and enabled by greater insight into our footprint, we have set our first interim, annual decarbonisation targets.

We have calculated three intensity metrics which reflect key emissions drivers: emissions per square metre of office space, emissions per employee, and emissions per £1 million revenue, and will attempt to decrease each by at least 1% by the end of 2022.

To sustain this positive momentum and ensure accountability, progress against these targets will be reported to management and the Board on a regular basis. Furthermore, we have tied ESG performance, including climate-related performance, to the compensation of all employees, management, and the Executive.

In order to achieve these reductions, we must tackle our largest source of emissions, that of purchased goods and services. We acknowledge the importance of working with suppliers to enhance efficiency and reduce carbon intensity.

The Group will seek to source from businesses with strong environmental credentials – and carbon neutral businesses where possible – by increasing the scrutiny of such factors in our due diligence process.

The business must also build consciousness of good environmental behaviours amongst our colleagues to drive more considerate decision making, such as in business travel.

Investing in our e-learning platform, for example, has enabled employees to access a huge range of training courses without having to travel, which has resulted in a carbon saving.

We will work with the landlords of our office buildings as well to seek efficiency improvements in emissions, water use and waste management, and the energy efficiency of potential new office sites has been incorporated into the screening process.

Beyond 2022, we will review these targets annually and set targets in step with our net zero ambitions.

This is an ongoing process, but having gained greater insight into our footprint, we are well placed to begin initiating reductions, and we look forward to updating our stakeholders as we progress.

INTENSITY – BASED DECARBONISATION TARGETS



1.4

tCO₂e/M²



15.8

tCO₂e/FTE



143.9

tCO₂e/£1 MILLION IN REVENUE



TARGET



TARGET



TARGET

Environmental

APPROACH TO CLIMATE-RELATED ISSUES

Whilst reporting upon our approach to climate-related matters is not mandatory for the Group, through engagement with stakeholders, and in particular investors, we recognise the desire for clear information and discussion on climate change and business resilience.

On this basis we have aligned our disclosures to the four pillars of the TCFD: Governance, Strategy, Risk Management, and Metrics and Targets.

GOVERNANCE

Board oversight

To ensure effective governance of climate-related issues in the business, it is important that there is oversight of these matters at the very top of the Group. The Board of Directors is informed about climate-related risks and opportunities via the Audit Committee, which holds responsibility for oversight of all climate-related matters and reports to the Board frequently throughout the year.

Further, the Board, which meets eight times per annum, is kept apprised of progress on all climate-related matters through the CFO, who is a Board member. The Board will be responsible for assessing progress of decarbonisation targets.

The Group recognises climate change as a relevant risk, and the Board updated the risk register to include climate risk, but presently the Group considers it to be of low risk to the business over the short, medium, and long term (time horizons defined below).

Concurrently, climate change presents a clear opportunity for the business to support customers as they tackle their own emissions. By enabling the secure erasure of data from hardware, our products negate the need for physical destruction and sending to landfill of IT equipment and encourage reuse or reselling.

E-waste is a significant source of emissions, and as office-based companies become more aware of their emissions footprint, Blancco's product and service offering for sustainable disposal of equipment will be a positive for the Group.

Climate-related issues are considered in reviewing the Group's annual budgets; we contracted consultants to baseline our Scope 1, 2 and 3 emissions profile, and purchased carbon credits to attain carbon neutrality status. Group performance on ESG metrics, including those relating to climate, are linked to all employee remuneration.

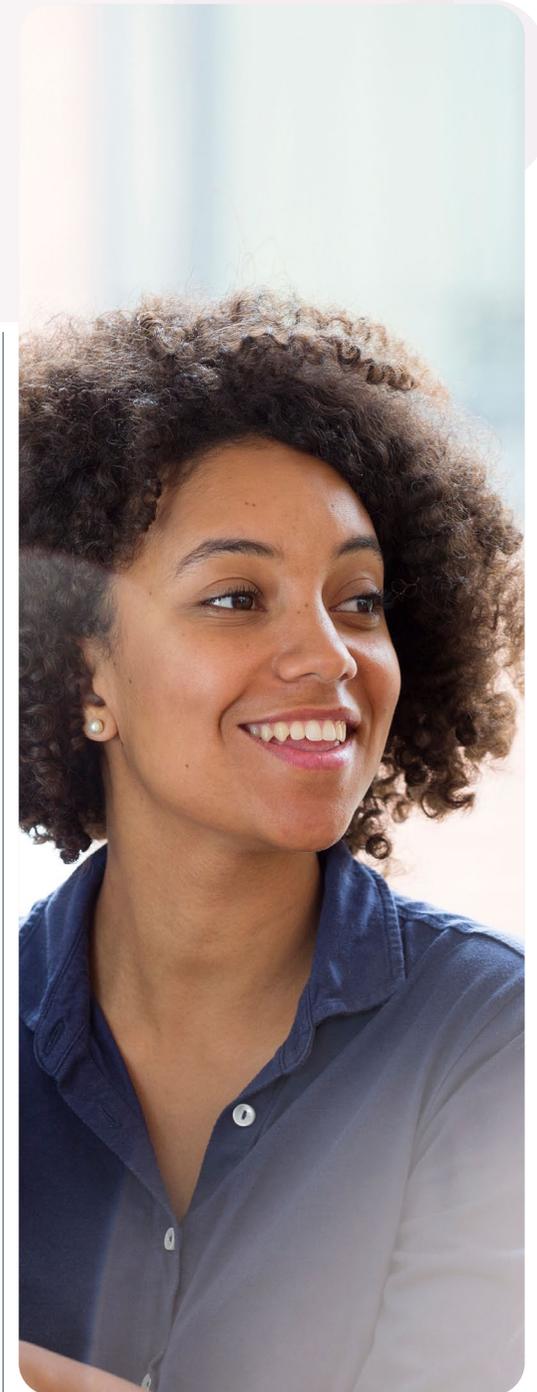
As we maintain the firm belief that Blancco's products and services have a role to play in managing e-waste and supporting the circular economy, climate-related opportunities are clearly factored into business strategy.

By attaining carbon neutrality status, we are able to market the business in a new light. Conscious that many of our clients are defining their own net zero pathways, we want to demonstrate our commitment to this action and believe this will support the marketing and business development activities of the Group.

Management's role

The CEO and the CFO, both of whom sit on the Board, take management responsibility for climate-related and ESG matters. The CEO is responsible for the strategic direction of the business, of which climate change is an influencing factor, whilst the CFO is responsible for overseeing all ESG-related activity, including managing relationships with Blancco's ESG and carbon consultants.

Management is informed about and actively monitors climate-related issues through materials, meetings, seminars, and presentations via Blancco's various corporate advisors. These advisors include climate, ESG, broking, legal, accounting, UNGC, and property management, and management frequently engages with Buchanan, the Group's retained ESG advisor.



Environmental

STRATEGY

The TCFD recommends considering climate-related risks and opportunities over three time horizons. Blancco has established the following: short term, 1–3 years; medium term, 3–10 years; and long term, over 10 years. These time horizons take into account the useful life of the Group's assets, key being our IT equipment which is invested in over a 3–5-year cycle.

Whilst climate risk to the Group is considered low, Blancco has a presence in 15 countries around the world, which presents the risk of disruptive weather events potentially causing difficulties for the business.

Blancco participates in industry associations across the globe, in the jurisdictions where it has a strong presence. Whilst many of these associations recognise e-waste as a global issue that requires action, not all have a public position on climate change. Those that do – and Tech UK and the Research Institute of Innovative Technology for the Earth (RITE) are leaders in this regard – have a clear view and support the findings of the Paris Agreement and that action by all is required.

Blancco is in agreement with these views and, as a founding member of the International Data Sanitization Consortium (IDSC), co-wrote an open letter to the President of COP26 imploring that more consideration be afforded to tackling the issue of e-waste.

The impact of climate-related risks and opportunities on the business, strategy and financial planning have been outlined below as part of our scenario analysis. We find that climate-related risks would have no material financial impact on the Group.

There has been adjustment in the Group's strategy to accommodate greater recognition of climate risk and how it is assessed, resourced, and communicated to stakeholders. The Board, Executive and working groups will continue to monitor climate-related matters.

Scenario analysis

The focus of Blancco's Decarbonisation Strategy is on ensuring that the Group plays its part in delivering the carbon reductions that are needed to mitigate the worst consequences of climate change. The net zero by 2050 target, capturing Scope 1, 2 and 3 emissions, is in line with the IPCC scenario intended to keep global warming to below 1.5°C.

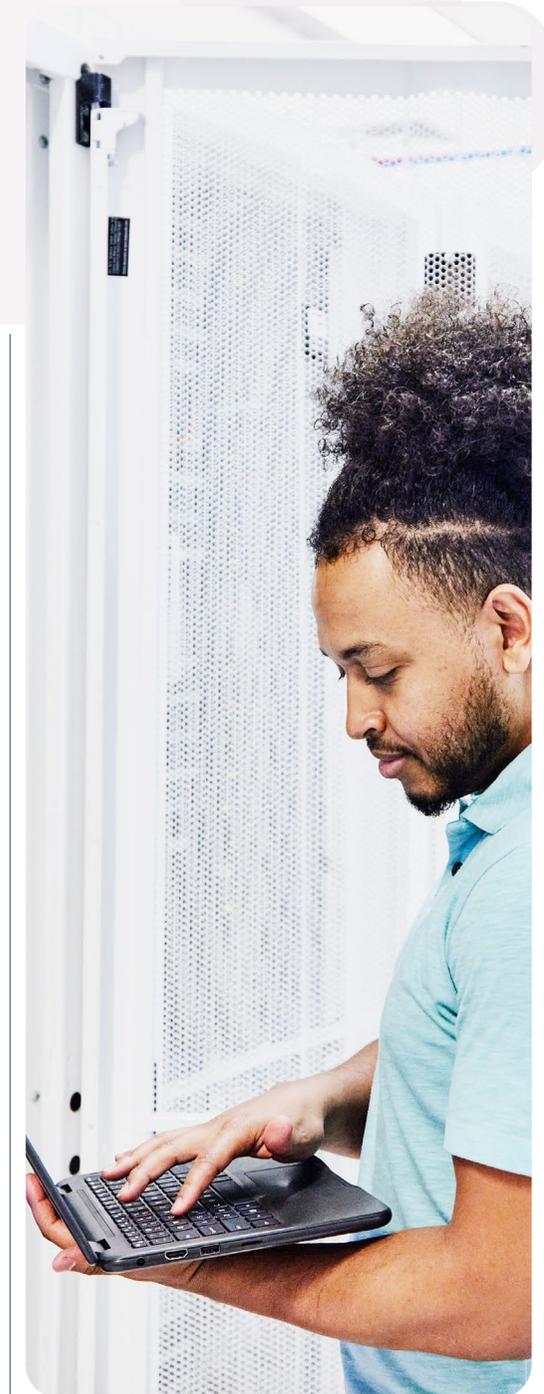
In terms of the resilience of Blancco's Decarbonisation Strategy, the scenario analysis that has been undertaken so far, taking into account a 2°C or lower scenario, suggests that the Group's carbon reduction programme should serve to mitigate many of the 'transitional risks' associated with climate change (for example, increasing legislative, financial and reputational pressure on businesses to reduce carbon emissions).

The physical risks associated with climate change are focused on our office locations around the globe, with the incremental changes and sudden disruptions from extreme weather (from flooding to excessive heating or cooling) being fully integrated into our risk identification, assessment and management processes.

As the experience and understanding in this area matures, the scenarios employed to test the resilience of Blancco's Decarbonisation Strategy will shift to take a more systematic and quantitative approach.

This will further enable us to appraise the effects of climate-related physical and transitional risks on our operations.

The annual review of performance will further provide the Group with decision-useful information against which its strategy may be modified.





The less than 2°C scenario

The less than 2°C scenario assumes that we act responsibly, in line with business and society globally, to reduce GHG emissions. This may include the introduction of carbon pricing by national governments.

In this scenario, we expect that transition risks pose the biggest threat to our business, with only a limited and manageable impact on our operations from physical risks.

Risks

SHORT TERM

- Higher transition risks associated with moving to a low-carbon economy
- Reputational risk with investors, customers and employees, if we do not adequately address climate change.
 - Compliance risk if we fail to meet regulatory requirements, including emissions reporting obligations.
 - Increased cost of climate-related levies/increased pricing of greenhouse gas (GHG) emissions.
 - Travel curbs.

MEDIUM TERM

- Higher transition risks associated with moving to a low-carbon economy
- Increasing reputational risk with investors, customers and employees, if we do not adequately address climate change.
 - Continuing compliance risk if we fail to meet regulatory requirements, including emissions reporting obligations.
 - A continuation of the risks under the short-term time horizon.

LONG TERM

- Less significant increase in physical risks under this scenario, but still present
- Continued isolated extreme weather events causing manageable direct business disruptions to office locations, and impacts to suppliers in our moderate supply chain.
 - Higher summer temperatures and rapid changes in temperature and humidity causing challenges for data centre cooling, and increases in energy costs to control office environments.

Opportunities

- OEMs, driven by regulation, to increase recycled materials for the production of hardware.
- EU-led regulation driving increased management and reduction of e-waste that will likely impact global legislation, particularly in our key markets.
- Customer awareness and development of circularity strategies to reduce e-waste will drive increased focus on Blancco's product and service offering.
- Customer awareness over energy costs linked to data centre usage may encourage stricter policy development regarding data storage, management and erasure, also driving demand for our product.
- To enable hybrid working practices, customers may increase investment and management of their IT infrastructure to support carbon reduction efforts. We believe this will drive demand for higher quality IT and data management to ensure mobile devices are secure.

- OEMs, driven by regulation, to further increase recycled materials for the production of hardware.
- EU-led regulation driving further increased management and reduction of e-waste that will likely impact global legislation, particularly in our key markets.
- A continuation of the opportunities under the short-term time horizon.

- Our ability to provide Circular Services by ourselves will help us to differentiate, as customers will expect these services to be integrated into more of the technology products and services they procure.
- Customers will require our advice on the selection and deployment of technology products, to help them achieve their carbon reduction strategies.
- A continuation of the opportunities under the short and medium term time horizons.



The more than 2°C scenario

The more than 2°C scenario assumes climate policy is less effective and emissions cause climate change above that envisaged in the Paris Agreement.

Under this scenario, we would expect physical risks to become much more apparent in the longer term.

Risks

SHORT TERM

- Slight increase in transition and physical risks in the short term
- Isolated and manageable business disruptions caused by extreme weather events, such as flooding or drought.
- Ad-hoc supply chain interruptions.
- Increased insurance costs due to natural disasters.
- Slowed growth rates as market does not set demand for Blancco products and services.

MEDIUM TERM

- Increasing physical risks due to a failure to adequately transition to a low-carbon economy
- Flooding due to increased sea level (no strategic locations are at material risk).

LONG TERM

- Increasing physical risks due to a failure to adequately transition to a low-carbon economy
- Flooding due to increased sea level (no strategic locations are at material risk).
- Pandemics due to new diseases caused by climate and population changes.
- Population changes – controls on population growth, increasing migration, the need for automation etc.

Opportunities

- Our ability to supply our products locally in multiple regions (UK, EU, North America and APAC) will help large international customers to reduce shipment costs and the associated carbon footprint. This international coverage will also increase our resilience and help us provide greater supply chain resilience to our customers.

- Our opportunities are the same as under the short-term time horizon but would be slower in adoption.

Environmental

RISK MANAGEMENT

Climate change has been included as a risk in the Group's risk register and undergoes the same level of scrutiny as all other risks. The risk register is reviewed on a quarterly basis by the Executive Management Team and every six months by the Board, with updates made as necessary.

Material risks are scored for the likelihood and impact of each being the greatest risk to the company. The Group describes on the register the warning mechanism in place should any of the risks materialise and the mitigating action that is currently being taken to prevent the risk from arising. For further details on how the Group assesses risk presented by climate change, please see the scenario analysis above.

METRICS AND TARGETS

Measuring our performance

Climate-related issues are not considered material at this point in time. Blancco believes that it has a firm appreciation of the transition risks that may impact the business and that it has the right controls, risk management oversight, and support from its external advisory network.

Physical risks do not presently impact the business, nor have they impacted the supply chain.

Given the nature of our business and services provided by key actors within our supply chain, we do not perceive a major risk in the short or medium term.

Nevertheless, we are committed to running our business responsibly and creating a culture across the organisation that values our planet and the resources we use every day. We have therefore linked ESG metrics, including those relating to climate, to all employee remuneration.

Regarding climate-related opportunities, we track our positive impact through the number of devices we securely erase and the weight in hardware that does not need to be physically destroyed and sent to landfill.

In FY 2022 we completed the initial development preview of our ESG Dashboard, which calculates the number of devices we have enabled the secure erasure of (and will include customer-specific data when phase 2 is launched in FY 2023).

METRIC	CY 2021
Scope 1 and 2 emissions	198.50
Scope 3 emissions	3,422.80
Total Scope 1, 2 and 3 emissions	3,621.30

Please note that GHG emissions and energy consumption are reported according to the calendar year, not financial.

In 2022 we engaged a carbon consultant, Avieco, to conduct a baseline assessment of our GHG emissions. Through this exercise, Avieco were also able to externally verify our Scope 1, 2 and 3 emissions.

(For a full list of data see page 9.)

Setting targets

It is the intention of the business to set a net zero target, in line with or in advance of the aims of the Paris Agreement. In FY 2022, we undertook a number of steps on the journey to setting the target.

The calendar year of 2021 marks the first year of Blancco measuring its Scope 1, 2 and 3 emissions footprint. This was, however, an abnormal year in that the travel restrictions that resulted from the COVID-19 pandemic were still prevalent.

As such, the emissions profile for Blancco in 2022 is likely to shift in several ways: business travel and employee commuting are expected to increase from 4.2% and 0.9% of total emissions respectively whilst home working emissions may decrease from 2.6%.

As we begin to understand what emissions look like over a typical year, the business will set interim, annual decarbonisation targets that focus on improving its emissions intensity.

Presently the Group is seeking a 1% reduction in intensity of Scope 1, 2 and 3 emissions on an annualised basis through incremental gains.

We have calculated three intensity metrics which reflect key emissions drivers: emissions per square metre of office space, emissions per employee and emissions per £1 million revenue. Blancco will explore new decarbonisation targets for 2023 and beyond.

Concurrently, the Group is working to devise a more robust decarbonisation programme, which will require input from a variety of external parties, including landlords and suppliers. The objective is to set quantifiable targets in 2024 once a full year of post-pandemic trading has taken place.

To facilitate the reduction of carbon emissions across our operations, we have established the following decarbonisation plans:

- Engage with landlords to improve data quality and explore sustainable technologies such as rainwater harvesting and renewable energy tariffs
- Encourage less carbon-intensive forms of business travel and commuting practices
- Engage with the top 15 goods and services suppliers to improve reporting accuracy and explore more sustainable solutions
- Explore emissions performance at Board level, with overall responsibility to sit with the CFO

Social



 Social

METRIC		UNIT OF MEASURE	FY 2020	FY 2021	FY 2022	SASB CODE
Percentage of employees that are	(1) foreign nationals	Percentage (%)	–	None of our UK team our foreign nationals	None	TC-SI-330a.1
	(2) located offshore	Percentage (%)	–	40 working in the UK, 285 outside the UK – 87.7%	41 working in the UK, 304 outside the UK – 88%	
Number of employees		Number	–	–	345 globally	
Employee engagement		Percentage (%)	77%	80%	84%	TC-SI-330a.2
Percentage of gender representation for	(1) management	Percentage (%)	–	20% women	21% women	TC-SI-330a.3
	(2) technical staff	Percentage (%)	–	21% women	21% women	
	(3) all other employees	Percentage (%)	–	42% women	42% women	
Percentage of racial/ethnic representation for	(1) management	Percentage (%)	–	95% White, 5% Asian	95% White, 5% Asian	
	(2) technical staff	Percentage (%)	–	50% Asian, 49.5% White, 0.5% Caribbean	51% White, 48% Asian, 0.5% Black, 0.5% Caribbean	
	(3) all other employees	Percentage (%)	–	64% White, 32% Asian, 2% Black, 1% African, 1% Hispanic	66% White, 31% Asian, 1.2% Black, 1.2% Hispanic, 0.5% African	
Rate of sign up to SAYE scheme (in territories it was offered)		Percentage (%)	–	47% of eligible employees	48%	
Number of internships offered		Number	5	4	4	
Number of permanent employees from internships		Number	2	2	3	
Number of talks at universities and higher educational colleges		Number	3	2	7	
Number of RIDDOR reportable (or equivalent) incidents during the year		Number	0	0	0	
Total amount of charitable donations		Reporting currency		~£1638.71	£2,277.22	
Blanco Learning savings/benefits	Commute hours saved	Number	–	92 (Jan–April)	496	
	Trainings savings	Reporting currency	–	\$10.65K (Jan–April)	\$57.56k	
	Number of better skilled people	Number	–	92 (Jan–April)	317	
	Reduced environmental impact	MgCO ₂	–	(-)1.49MgCO ₂ (Jan–April)	(-)8.02MgCO ₂	

Social

DIVERSITY AND INCLUSION

'Upholding inclusivity is essential to our business, as we really want to make sure we have the most diverse level of thinking. And to achieve this, we need to be accessing a candidate pool that is as diverse as possible. We have been doing a lot to address inclusivity in our recruitment practices, and diversity is a constant consideration when we are hiring new talent.'

MATT JONES, CHIEF EXECUTIVE OFFICER

Increasing diversity and inclusion (D&I) at Blancco is a key focus for the business. As an equal opportunity employer, we are committed to maintaining open and supportive working environments for all our colleagues around the world. This commitment starts at Board level, with D&I initiatives being led and championed by our CEO.

Over the past two years we have introduced a host of initiatives and conducted reviews of existing practices with the objective of improving diversity and ensuring inclusivity. As such, we are pleased to see these efforts beginning to come to fruition.

We have seen a small increase in the number of women in management positions across the Group this year and we will continue to enable and strive for a more diverse and inclusive workforce.

BROADENING RECRUITMENT

Last year we began implementing changes in our recruitment practices to ensure that we are accessing the widest pool of candidates for available positions. This started with a review of all job descriptions from an unconscious bias perspective.

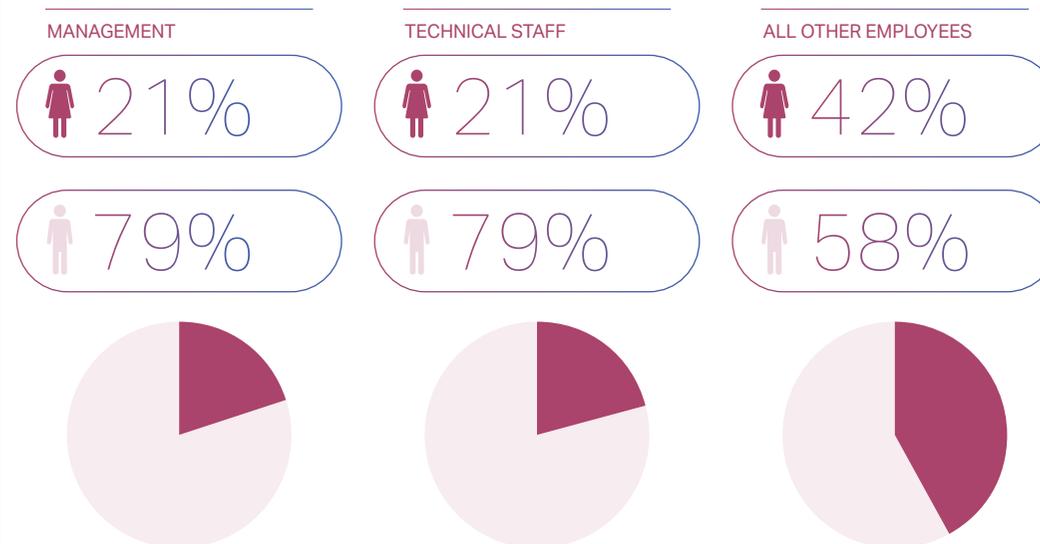
We now advertise jobs under the title of remote, hybrid, and flexible, so that we attract individuals who require more flexibility in their roles, such as working parents.

We have seen success in this strategy, having recently hired two candidates who were returning to work after maternity leave and decided to join Blancco rather than return to their previous workplaces.

We have also engaged frequently with our D&I Champions (employees from across the Group who represent their colleagues through the Global Employee Forum) throughout the year to hear their thoughts on how we can best access diverse talent.

A key piece of feedback was ensuring that we put forward a diverse panel that truly represents our workforce when interviewing prospective candidates.

We have also scrutinised the channels through which we are advertising job opportunities; we are now utilising LinkedIn more, advertising on regional job boards, and our office in Finland has partnered with an organisation that recruits individuals from across Europe.



Social

REVIEWING OUR PRACTICES

In addition to ensuring inclusivity in our hiring practices, we are keen that our internal practices are subjected to the same level of scrutiny. As we shared in our last ESG Report, we conducted our first D&I training for managers in FY 2021.

To further embed inclusivity into our business and ensure all new managers are aware of the expectations regarding D&I, we will be integrating this training into our manager onboarding programme.

In producing company documentation or developing our policies, we are conscious of the language we use and make sure that everything written correctly represents our D&I values.

This year we launched our new Global Diversity and Inclusion Policy which talks about how we define D&I and the responsibilities of line managers and employees in upholding our principles. For more information, please find the full policy on our [website](#).

As part of our commitment to increase representation across the Group, we require the data to measure this and track our performance. In FY 2021 we conducted our first Group-wide data collection exercise to establish a baseline for D&I, and we repeated the exercise this year.

Our SVP Human Resources took time during our All Hands Call to explain why this data is being requested and reinforce that it is kept secure and anonymous.

NEXT STEPS

Our next area of focus is making sure we have a diverse pipeline of talent for the future. As such, we want individuals that have been identified as having leadership potential to be given the support and training they need, so that when the opportunity presents itself, they are best placed to be promoted to that new role.

In FY 2023 we will launch a new mentoring scheme to provide this support to women and colleagues from ethnic minority backgrounds.

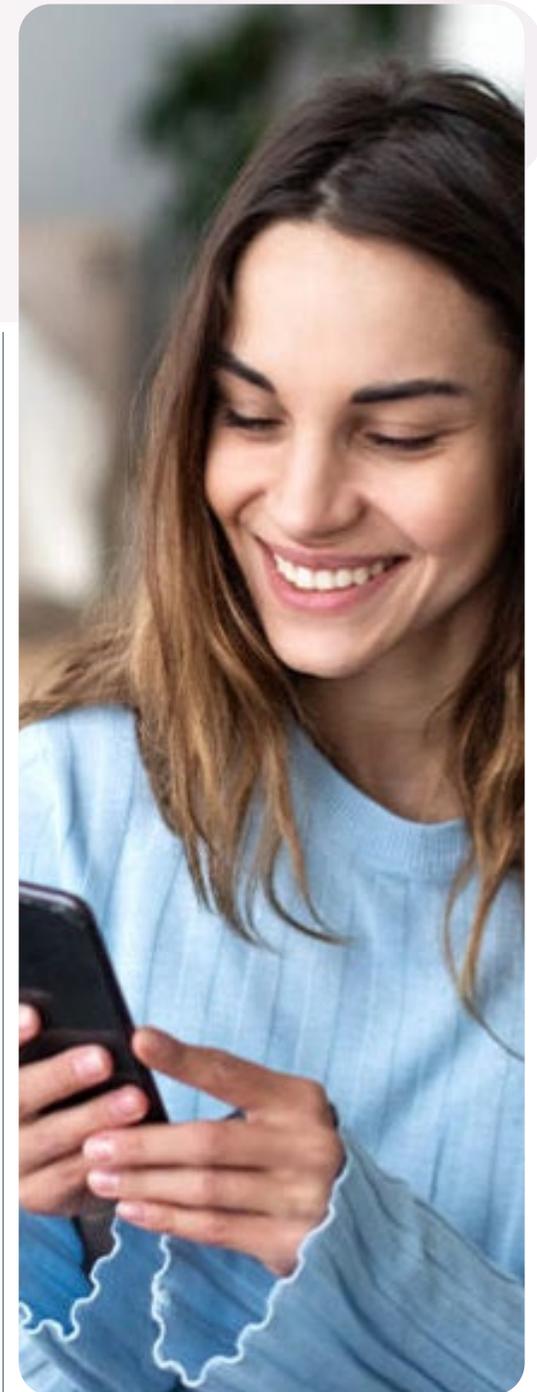
CASE STUDY: CRN'S 2022 WOMEN OF THE CHANNEL AWARDS

In 2022, Christina Walker, Global Director of Channel, was recognised at CRN's 2022 Women of the Channel Awards, which honoured women for their channel expertise and vision.

Christina, who is based in Denver, earned a bachelor's degree in international business from the University of Colorado. She began her channel sales career in the telecom industry. Her focus was ensuring channel partner support, and she created several programs for direct and indirect groups during her tenure in the telecom sector. Christina then moved to a more software-focused industry, working and living at different times in North America, EMEA and APAC.

This global experience gave her an understanding of regional needs and helped her transform a global direct model company into an indirect model company.

She is responsible for creating the channel and service provider programs at Blancco Technology Group, where she has signed more than 100 strategically aligned partners in the past five years including the latest expansion with Global System Integrators. Christina now heads a global channel team for Blancco.



Social

EMPLOYEE TRAINING AND DEVELOPMENT

We continue to enhance our training and development offering for employees, as we are focused not only on attracting and retaining talented individuals, but also providing them with the opportunity to thrive in their roles and expand their skillsets. As such we provide a wide range of training opportunities for our colleagues at all levels of the business.

EMPLOYEE DEVELOPMENT

At Blancco, we aim to create an environment where employees take shared responsibility for their own individual effectiveness and personal and career development.

Our e-learning platform, Blancco Learning, acts as a hub for our training opportunities. While we run our mandatory compliance and cybersecurity training through the platform, we have also added around 60 modules to the system this year; there are now around 500 courses for employees to choose from to voluntarily undertake. We have had a strong take up of courses in FY 2022.

Commensurate with our Global Learning and Development Policy, we offer employees the opportunity to undertake external training from short courses through to full programmes that lead to the attainment of specific qualifications.

We support any certifications if we feel they will benefit the employee and the business. The most common are Certified Scrum Master training and Certified Scrum Product Owner

training but we also support a number of AWS qualifications too.

We have a formal procedure through which employees can request to undertake external training.

Performance assessments are conducted on an annual basis. First, employees and their manager complete a feedback process; once submitted they can view each other's comments. Following this, managers conduct discussions with employees on their performance and agree on goals to set for the coming year.

As part of this process, managers will signpost individuals to modules on Blancco Learning, and if necessary, request specific external training for members of their team if they feel there is an opportunity for improvement following the performance assessment.

MANAGER TRAINING

To improve the employee experience, we need to make sure our managers are equipped with the right tools and understanding to lead and support their teams. A key topic from our employee survey in FY 2021 was that employees felt their feedback during performance assessments could provide more direction, rather than just focusing on what they had done well.

In response, we ran sessions for managers on how to give effective feedback and why this will help employees gain more from their roles.

As we are in the process of changing our onboarding process, we are also providing training to managers on the expectations around this new process.

This year we introduced a Management Development Programme. The programme consists of six modules and so far we have delivered it to three cohorts of managers from our locations across the globe.

The course begins by addressing the critical impact managing can have on both people and the larger business and how to manage a team well, it then delves into topics such as coaching, delegating, and receiving feedback.

The course has been excellent for both developing the confidence of new managers and building upon the existing knowledge of more experienced managers.

'Excellent coach and content. I really appreciated the level of detail provided. Furthermore, the actionable next steps to apply will help make an immediate impact to the business.'

MANAGEMENT DEVELOPMENT PROGRAMME ATTENDEE

SUCCESSION PLANNING

In order to assure the continued success of our business, we need to consider our future leaders. Last year, we increased our focus on succession planning, identifying key roles across the business.

This year, we have continued to use our nine box exercises as a valuable tool to identify individuals with high performance and potential, for whom we can provide appropriate training to support their career pathway.

Where gaps remain, we are having discussions about filling particular roles, both considering what support an existing employee might need to reach that level, as well as factoring this into the hiring process in ascertaining a candidate's potential to progress in the business.

In the coming year, we will be launching a new competency framework for our employees, through which we can assess competency levels, with particular focus on our R&D technical staff. This will further strengthen our Group-wide succession planning.

92%

PERCENTAGE OF WORKFORCE THAT HAVE UNDERTAKEN TRAINING ON BLANCCO LEARNING

Social

RECRUITING TALENT

To ensure we are accessing the widest candidate pools when we are hiring, we work with universities at our different locations. In Finland, we have a year-round programme of engagement with universities.

We go to the universities to speak and attend recruitment events, which raises awareness for our business and the broader industry. In India, we also attend recruitment days to hire graduates in order to fill positions.

Our internship programme, which we run in Finland, India, and Ireland, continues to prove an effective means of recruitment. Students in Finland will come to Blancco during their summer holidays or join for six-month placements following their graduation.

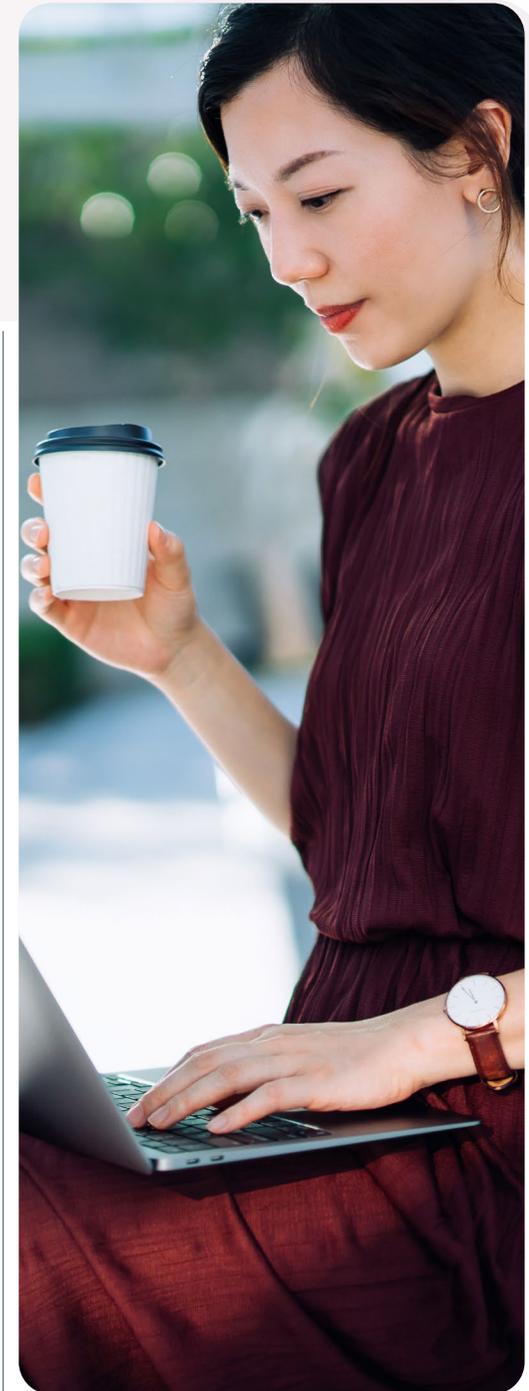
Successful internships have led to permanent hires across the Group.

'I started my internship in August 2020 as a Research Trainee. It was great to spend time with the teams and receive training sessions that enabled me to develop basic knowledge of our products. Whenever I had any queries, I received the support and guidance from my colleagues. I also appreciated the recognition I received for my contributions even though I was an intern. Following my internship, I was hired as a full-time employee and I have been involved in many interesting projects that have given me opportunity to learn more about advanced technologies.'

MANAGEMENT DEVELOPMENT PROGRAMME ATTENDEE

As well as the efforts we have made to embed D&I into our recruitment practices, we have also delivered a lot of training with our hiring managers to progress their interviewing techniques.

The training focused on how to sell the business to prospective candidates and how to conduct an interview such that it is an interactive process.



Social

EMPLOYEE ENGAGEMENT

'We speak with our colleagues all the time! We're constantly engaging with them around different aspects of the employee experience, whether it be wellbeing, benefits or, this year, our new Volunteer Day programme. I think we have created an environment where employees feel able to approach our Leadership Team about anything, and we are really proud to have been able to cultivate this relationship.'

SARAH SMITH, SVP HUMAN RESOURCES

As we moved beyond pandemic restrictions in the past year, the way we communicate with our colleagues evolved to suit our current working practices.

With many employees embracing hybrid working, we have staff both in our office locations and working remotely. As such, while we continue to host our HR Country Calls, they are less frequent, as colleagues are more often able to speak with their HR representatives in person. At the same time, we are maintaining the frequency of our All Hands Calls, which include the global workforce and give employees the opportunity to see all the Executive team members on camera and to ask any questions.

A significant change from FY 2021 is our ability to host many more in-person social events this year. From team lunches to welcome drinks, team building days out to summer parties, it has been fantastic to see the enthusiasm from colleagues for getting together and enjoying being able to meet face-to-face.

We continue to present our employee awards programme to recognise the dedication and effort our colleagues put into their work. The Value of the Month Award is presented to an individual who has performed well against a key value chosen on a monthly basis, and receives a monetary prize along with an engraved trophy.

The Spotlight Award programme is designed to recognise employee excellence both individually and for team contributions in line with our Vision, Mission and Values. The award winners and nominees continue to be announced on our All Hands Calls so that colleagues can receive that global recognition.

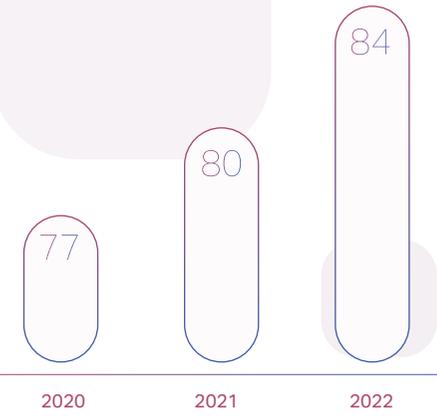
The Global Employee Forum comprises a group of enthusiastic individuals from across the business. Their meetings are hosted by the CEO and the SVP Human Resources to enable a direct line of communication between employees and the Executive Team.

The group has been an excellent way to gain a greater understanding of colleagues' views on various issues; they were consulted on working from home when the Group was first assessing the possibility of a hybrid model, and this year were able to share their thoughts on D&I and how we can make improvements.

In FY 2023 the Executive Team are looking forward to engaging the group on climate change and their thoughts on where Blancco can implement changes to reduce its environmental impact.

Our annual employee engagement survey is our key measure of employee satisfaction across the Group. We are very proud to have seen another significant increase in the engagement score, which was 84% for FY 2022.

EMPLOYEE ENGAGEMENT (%)



Social

WELLBEING AND BENEFITS

With the pandemic and lockdown restrictions sharpening societal focus on mental health and wellbeing, we are keen that this is reflected within our organisation as well.

In FY 2022 we launched our new reward, recognition and wellbeing platform, the Hub, through which we not only host our benefits offering, but also promote our wellbeing resources.

Concurrently, we have run a number of mental health-focused events to provide more touchpoints for employees to receive support and reach out with any concerns.

REWARD AND RECOGNITION

The Hub provides a wide variety of discounts and offers for retail stores that employees can utilise. From a recognition perspective, people can now send 'thank you' or 'congratulations' e-cards to their colleagues, and managers are designated a pot of money which allows them to give their team members a monetary reward that can be spent through the Hub.

Employees are also now able to nominate their colleagues for the Spotlight and Value of the Month awards through the Hub, automating the process.

'The e-cards are brilliant – employees love the fact that they get the cards from people across the business as a thank you. So, it's been a really big engagement piece for us recently on bridging the gap, because when you're not in the office, you can still say thank you and congratulations to people, even if you're not sat face-to-face.'

JANE HOCKEY, HR DIRECTOR

We introduced our Save As You Earn (SAYE) share option scheme in FY 2021 to all locations with ten or more employees. Last year this included seven locations (Finland, Germany, India, Ireland, Japan, UK, and US), and in FY 2022 we were able to roll this out in France as well.

There has been a fantastic subscription rate amongst the workforce, with nearly half of all eligible employees signing up.

To ensure that we are best placed to attract and retain employees, we continue to conduct regular benchmarking, assessing what other companies are offering and whether there is anything we need to be adjusting in our approach.

The non-salary benefits we offer are available to all Blancco employees, whether they are full-time or part-time.

48%

RATE OF SIGN UP TO SAYE SCHEME

MENTAL HEALTH AND WELLBEING

Another great feature of the Hub is the wellbeing resources available. Advice and topics range from nutrition, to financial stress, to broader mental health issues, and there are instructional videos on meditation, yoga, and other exercises.

To emphasise the usefulness and availability of these resources, we invite employees who have completed a module or exercise to write a blog about it that can be shared on the Hub.

Last year we rolled out training for managers focused on wellbeing and what signs to look out for and how to approach colleagues that may be struggling.

This has resulted in greater awareness among managers; those managers who have identified that a team member may require support are now more proactive in asking HR where best to signpost those employees to receive further help.

We have conducted a number of one-to-ones with managers on this basis to equip them with the understanding to best support their teams.

Social

MENTAL HEALTH AND WELLBEING

Through our Employee Assistance Programme (EAP) colleagues can access a 24-hour confidential hotline to receive support or coaching.

An important step forward for the Group this year was extending the EAP offering to our offices in India. Mental health is not openly talked about in all cultures, and there is some stigma around the topic in India; it was therefore important to us that there was a support system in place for employees who are in need of it.

Commensurate with our objective to raise awareness about mental health, this year we held a number of mental health events.

In February, we hosted a number of virtual sessions to celebrate Time To Talk Day, which is all about creating supportive communities by having conversations with family, friends, and work colleagues about mental health, reducing the stigma, and empowering each other to seek help when needed.

During March, in honour of International Women's Day, we held a session with an external provider on women's mental health.

Following this, in May we hosted a week-long programme of events for Mental Health Awareness Week, including running a session on men's mental health and addressing the stigmas around the topic.

CASE STUDY: CELEBRATING MENTAL HEALTH AWARENESS WEEK

In celebration of Mental Health Awareness Week this year we were keen to run a variety of events at all our locations, to make the week as accessible to everyone as possible. The aim was not just to have serious conversations, but also to have employees join in with fun activities both in person and online.

We ran a host of interactive sessions on a variety of topics including learned optimism, self-motivation, the importance of laughter, and coping sessions.

Our working parents' discussion group was particularly pertinent to us as we are very supportive of employees looking to find balance between their personal and professional lives.

Similarly, tackling men's mental health in a discussion group was important due to the stigmatisation of the subject in places such as Finland and India; it was fantastic to see around 60 attendees for that session.

A key part of the week was encouraging colleagues get outside and do an activity together. As such, we organised outdoor events at all our locations, including white water rafting in Finland, a cricket tournament in India, and golf football in the UK.

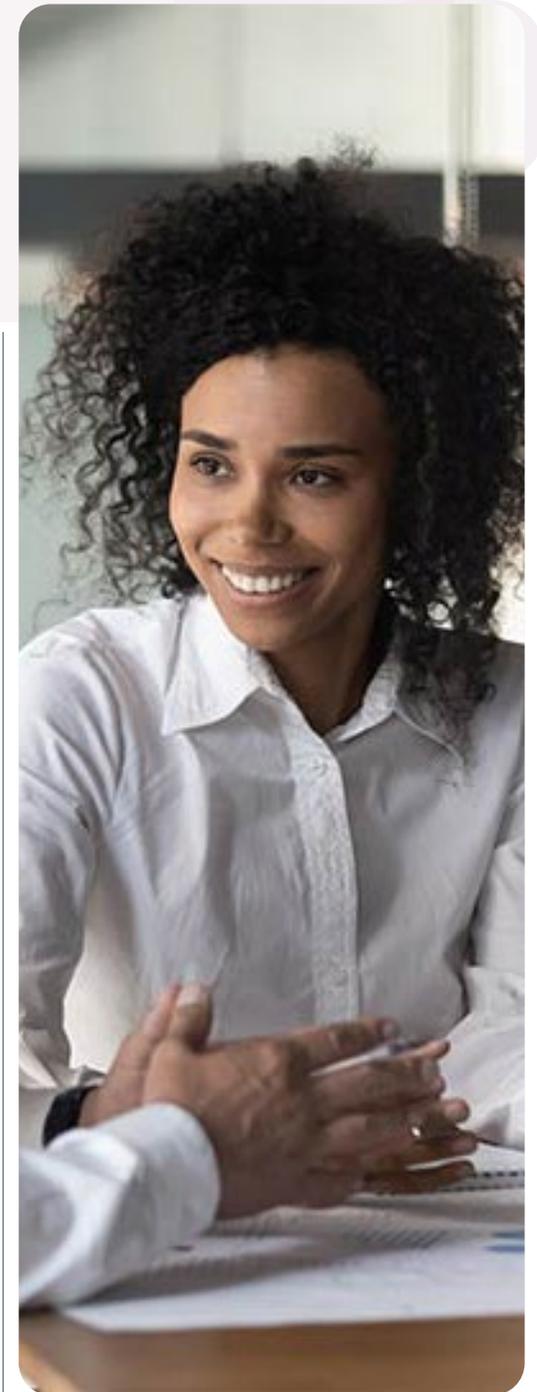
The positive response we had from employees reinforced the importance of running these events.

'Thank you for sharing challenges and solutions in such detail for working parents.'

WORKING PARENTS' GROUP ATTENDEE

'Thank you, by far the most useful presentation I've seen around this topic!'

MENTAL HEALTH AT WORK SESSION, FINLAND ATTENDEE





Social

COMMUNITY ENGAGEMENT

As a responsible business, we want to give back to the communities where we operate. We also want to make sure that we are providing support in the most effective way possible, utilising our products and skillsets. We partner with several organisations across the globe to improve access to technology for underprivileged groups.

To encourage our employees to get involved in community activities and be able to champion causes personal to them, we launched a new Volunteer Day programme this year as well.

CHARITABLE PARTNERSHIPS

The requirement for technology to facilitate online work and education was very apparent during the pandemic. While for some members of society this was an easy transition to make, for those who lacked IT devices, digital skills, or adequate connectivity, this rapid digital transformation put families, their children, elderly people, and those entering the workforce at great risk of being disadvantaged.

We partnered with several organisations to target this disparity and care for those most deeply affected by it.

Blancco-donated software licences and skills training has allowed organisations to provide thousands of fully functional, data-free computers to disadvantaged populations on four continents.

Our approach has gained recognition from the industry as we have been nominated for several 'Tech for Good' awards. In FY 2022, Blancco was shortlisted at the CRN Tech Impact Awards, Better Society Awards, The Stack's Tech for Good Awards, and the Global Business Tech Awards.

'Laptops for All'

Soon after COVID-19 disrupted traditional schooling, it emerged that forty per cent of Northern England schools lacked the digital devices to educate children at home. To help tackle this issue we supported software company, WANdisco, as part of their 'Laptops for All' charity initiative, with free data erasure software licences.

Once sanitised and refurbished, WANdisco distributed donated computers and laptops to schools and families. Blancco and WANdisco also trained college students on data sanitisation processes, providing students with valuable work experience.

Today, more than 2,500 devices have been processed using Blancco software, and the program has been extended to several cities and socio-economic groups.

Ethan Indigenous

We partnered with Ethan Indigenous to provide equal opportunities to young Indigenous Australians, fostering economic independence through education and employment in the IT industry.

Blancco's data erasure licences are provided at a reduced fee to ensure that refurbished devices are safely and securely donated to schools and communities to upskill young people for professional career pathways in IT.

Blancco and Ethan Indigenous will also upskill Indigenous cadets to help with the refurbishment process, with training on how to perform certified data erasure on donated devices.

Dariu Foundation

An estimated 4 million children in Vietnam lack the computing devices needed to adapt to online schooling. To meet this need, increase digital literacy, and facilitate online education, we joined forces with the Dariu Foundation.

This particular project provided 70 rural schools and 2,000 disadvantaged children with free-of-charge rentals of donated laptops and desktops that had first been securely erased of data using Blancco's software.

Social

CASE STUDY: OUR PARTNERSHIP WITH THE TURING TRUST

This year we began a partnership with The Turing Trust, a UK charity that provides IT resources and training to schools in sub-Saharan Africa. The charity, which launched in 2015, operates its biggest project in Malawi where it works with 160 schools. When work began on that project in 2016, just 3% of Malawian schools had access to an IT lab.

Now, 81% of schools in the country have access to devices that support the IT curriculum primarily for children in secondary education. Outside of Malawi, the charity has delivered containers of computers to children in Liberia, South Sudan, Kenya, Ghana, and The Gambia. The Turing Trust also provides support for Ukrainian refugees in the UK with devices to allow them to continue participating virtually in Ukraine's education programme.

Blancco supports the initiative with free licences of its drive eraser software. This enables the charity to securely refurbish donated IT equipment (desktops, laptops, smart phones, and tablets) that is given to schools across Africa to improve children's access to computer technology and digital skills training.

Donations of Blancco's software have been instrumental in accelerating the project's capabilities to refurbish donated devices at speed and scale.

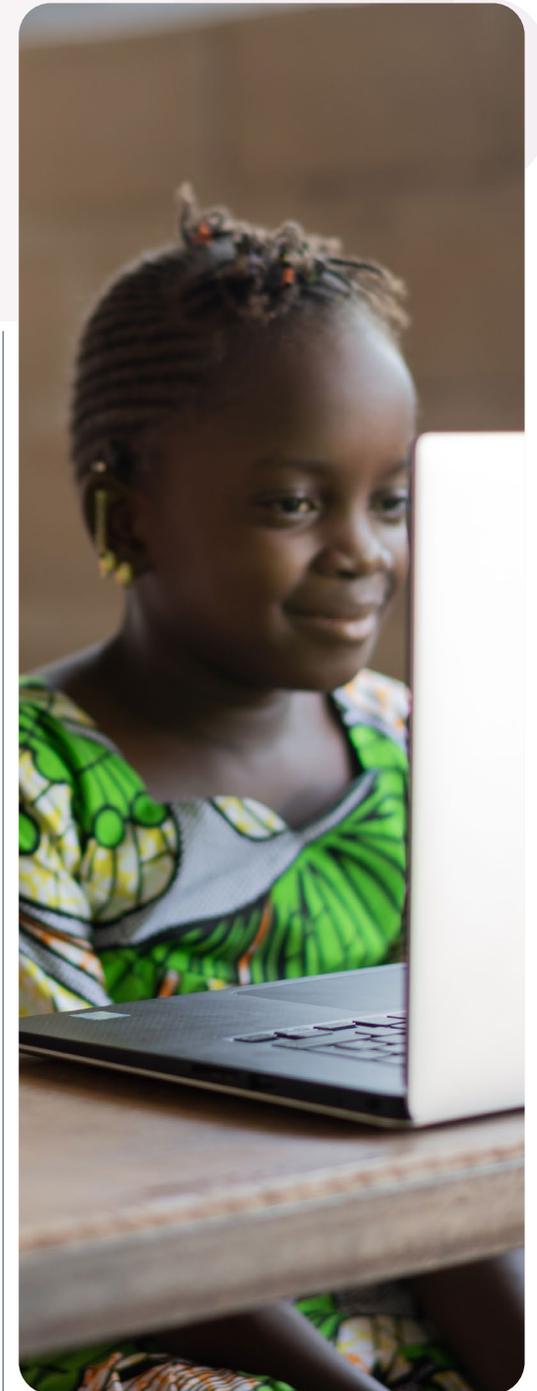
'Our vision is to ensure everyone in the world gets equal opportunities to learn how to use a computer. By focusing our efforts on Malawi, we have shown just how much progress can be made with support from organisations and communities looking to donate their devices and give them a new lease of life. We're incredibly pleased to have partnered with Blancco, thereby strengthening the security of our processes to encourage more organisations to come forward with donations.'

JAMES TURING, CEO, THE TURING TRUST

The secure erasure process guarantees the complete removal of data from a data bearing asset, readying it for reuse. To date, Blancco has securely erased over 2,500 donated devices in collaboration with the charity.

The collaboration between Blancco and The Turing Trust is an excellent example of how organisations can work together to promote the circular economy, facilitating the reuse of devices that would otherwise be prematurely destroyed and contribute to rising levels of e-waste.

The Turing Trust reports that in 2020 it refurbished 45 tonnes of PCs, equivalent to 954 tonnes in carbon savings. The environmental impact of the project also offset the embodied energy required to power 233 UK homes for a year.



Social

VOLUNTEER DAY

In FY 2022 we launched our new Volunteer Day programme. This enables employees to take a paid day off every year to do voluntary work of their choice.

A number of employees have taken advantage of this opportunity so far, using the day to support initiatives that are close to their heart, and we will continue to promote this offering in the coming year.

CASE STUDY: COLLEAGUE VOLUNTEERING

Feed Cork was established in May 2017 to help prevent homelessness and food poverty. The organisation now has over 200 volunteers and has handed out over 500,000 meals to over 5,000 people.

Feed Cork operates from four locations and also opened three school programs to help young children and families in need.

Paul and Aidan from our Cork office volunteered with the charity this year.

They took in and sorted food donated by local supermarkets, and then helped those people who had come to the centre to receive donations to pack around four days-worth of food into their bags.

Throughout the day Paul and Aidan handed out over 200 meals to around 50 people in need.

'Paul and I had a great day volunteering for Feed Cork. We had a fantastic time meeting and speaking to people from all walks of life and we look forward to returning next year to help those in need.'



Governance





Governance

METRIC	UNIT OF MEASURE	FY 2020	FY 2021	FY 2022	SASB CODE	
Number of users whose information is used for secondary purposes	Number	–	0	0	TC-SI-220a.2	
Total amount of monetary losses as a result of legal proceedings associated with user privacy	Reporting currency	–	0 GDP	0 GDP	TC-SI-220a.3	
(1) Number of law enforcement requests for user information	Number	–	0	0	TC-SI-220a.4	
(2) Number of users whose information was requested	Number	–	0	0		
(3) Percentage resulting in disclosure	Percentage (%)	–	0	0		
List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Discussion and Analysis	–	Zero. For China, Blancco has no direct business activities and engages a distributor. No incident of monitoring, blocking, content filtering, or censoring has occurred. In addition, Blancco is predominantly a B2B company, and therefore does not engage with private individuals/consumers, nor does it process any private individual/consumer data.		TC-SI-220a.5	
(1) Number of data breaches	Number	–	0	0	TC-SI-230a.1	
(2) Percentage involving personally identifiable information (PII)	Percentage (%)	–	0	0		
(3) Number of users affected	Number	–	0 in regard to PII, as no PII was breached	0		
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Reporting currency	–	No material losses	0	TC-SI-520a.1	
Number of	(1) performance issues	Number	–	3	4	TC-SI-550a.1
	(2) service disruptions	Number	–	1	2	
	(3) total customer downtime	Number	–	7 minutes	6hrs (partial customers) ¹	
Women on the Board	Percentage (%)	–	14%	17% ²		



Governance

METRIC		UNIT OF MEASURE	FY 2020	FY 2021	FY 2022	SASB CODE
Customer Net Promoter Score (NPS)	Q1	Score	41	60	60	
	Q1 Number of respondents	Number	17	55	77	
	Q2	Score	35	60	68	
	Q2 Number of respondents	Number	17	78	75	
	Q3	Score	46	60	64	
	Q3 Number of respondents	Number	22	75	107	
	Q4	Score	63	50	58	
	Q4 Number of respondents	Number	29	75	84	
	FY	Score	48	57.5	62.5	
	FY Number of respondents	Number	85	283	343	
Number of customers ³	Enterprise and data centre	Number	1427	1648	1,770	
	ITAD	Number	482	552	594	
	Mobile	Number	196	200	222	
	Total	Number	2,105	2400	2,586	
(1) Number of licences or subscriptions		Number	42,908,334 ⁴	54,905,792	53,201,498	TC-SI-000.A
(2) Percentage cloud-based		Percentage (%)	–	–	not applicable	
(1) Data processing capacity			–	CPU: 469.3 GHz, Mem: 1.78 TB	CPU:504.95 GHz, Mem: 2.17 TB	TC-SI-000.B
(2) Percentage outsourced			–	9.30%	40.49% ⁵	
(1) Amount of data storage		Terabytes	–	65 TB	78.65 TB	TC-SI-000.C
(2) Percentage outsourced		Percentage (%)	–	22.70%	23.72%	

¹ Total customer downtime' is representative of a subset of customers affected based on operational region (~15-20% of total customers), resulted from a licensing system that was down due to building power failure.

² The increase in this data point from FY 2021 is indicative of a reduction in the number of directors, rather than an increase in the number of women on the Board.

³ We are restating the number of customers for FY 2021 to ensure consistency in the methodology used to calculate these data points.

⁴ We are restating the number of licences for FY 2020 to ensure consistency in the methodology used to calculate these data points.

⁵ Increases in 'Outsourced % for Processing Capacity' is the result of our shift to leverage Cloud technologies (primarily AWS) to augment our Business Continuity and Disaster Recovery Plans.

Governance

ESG GOVERNANCE

'The Board is entirely engaged with our ESG programme and the progress that it is yielding. It is a core theme for the company. And I think we all see that while our ESG approach is about doing the right things for the right reasons, there is also a real enhancement to the value of the business by doing what we are doing.'

ROB WOODWARD, CHAIRMAN

The Company's ESG reporting and management is owned by the Board of Directors and the Board is united in its understanding that advancing Blancco's ESG agenda is the correct and necessary course of action.

Adam Moloney, Chief Financial Officer and Executive Director, leads the Company's ESG strategy and ESG matters are an integral part of his report in Board meetings. Matt Jones, Chief Executive Officer, has led the charge on championing D&I initiatives within the Group.

The CEO and CFO have executive responsibility for ESG management and information flows to the Board so they are regularly updated. The Group engages with third-party advisors to consider Blancco's ESG approach and strategy.

CORPORATE GOVERNANCE

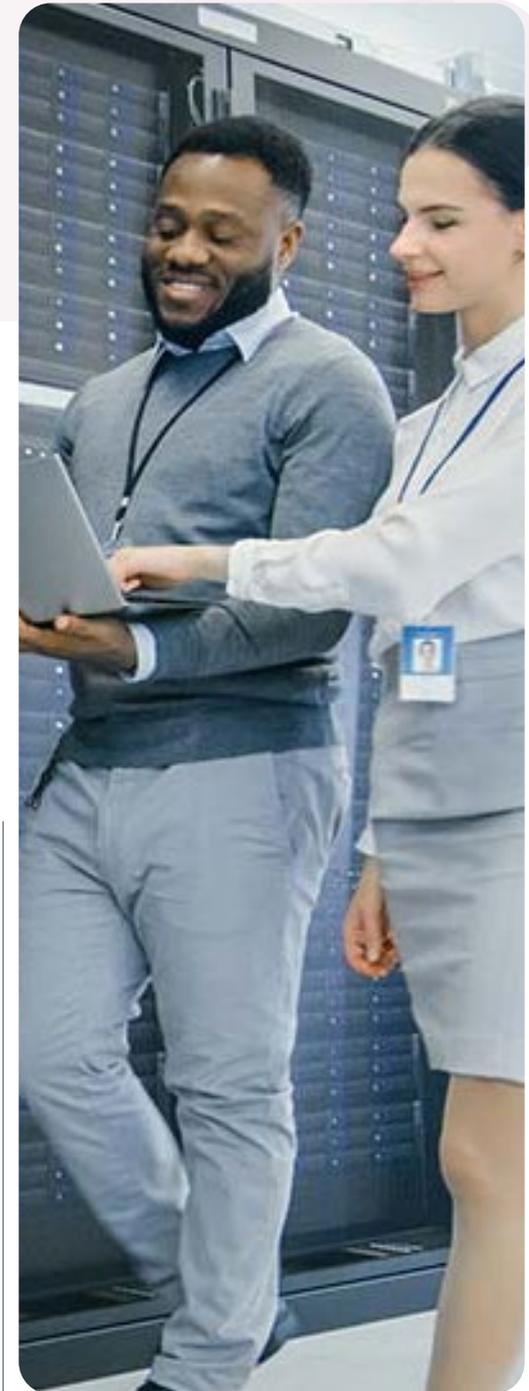
The Board is responsible for determining the nature and extent of the risks it is willing to take in delivering Blancco's strategic objectives and manages these risks through the Blancco Risk Management Framework. The strategic risk appetite for the business is reviewed annually by the Board. The Audit Committee is asked to assess whether risks are within the Group's risk appetite.

The Board carries out a regular (usually annual) effectiveness review using questionnaires. The review includes an evaluation of the Board's own effectiveness and that of its committees and individual directors. The questions are updated each year.

As part of the review the Chair meets with each of the directors and the Company Secretary to discuss performance, Board composition, and succession planning.

The most recent review was held at the beginning of 2022 and details are in the corporate governance statement. The overall conclusion was that the Board, committees, and directors were performing well and there were no major concerns.

The Board adopted the Quoted Companies Alliance Corporate Governance Code in 2018 (the Code). Information about how the Company has applied the ten principles from the Code can be found in the Annual Report and on the website.





Governance

BUSINESS ETHICS

To ensure effective governance of ethics issues, there are multiple layers of oversight. This includes the Board of Directors (in particular the CFO), the Audit Committee, and the legal department.

Our policies lay out the expectations and responsibilities for all personnel and reflect the high standards of ethical behaviour that the Group sets.

The policies we have in place apply for all employees, including part-time staff and contractors (and apply to all WipeDrive employees following our acquisition of the company this year), to ensure that everyone is held to the same expectations.

Training on Group policies is mandatory for all employees, including part-time employees and contractors. We provide training to all new joiners and we conduct refresher training for employees every two years for our Code of Business Conduct, Anti-corruption and Bribery Policy, Whistleblowing Policy, Modern Slavery Policy, and Data Protection Policy.

For Information Security, we conduct annual training via short webinars, awareness campaigns and frequent notices. We utilise our online platform Blancco Learning to deliver this training.

Audits of all (core) operations occur at least once every three years, through the ISO 9001 and 27001 audit schedules.

In Q1 FY 2023 we will be conducting a full audit and either a review or refresh of all policies and processes, considering whether they are working well and are concise and easily understandable.

Code of Business Conduct: Ethical practice is about ensuring that regardless of where and how people interact with Blancco, they will be treated in the same way – with integrity, honesty, and respect. Our Code of Business Conduct outlines our expectations for all employees in terms of maintaining the highest standards of ethical behaviour, complying with the Code and the law wherever you are, reporting any working practice that is not ethical or safe, and, as a manager, creating an environment where employees feel comfortable in raising concerns. The Code was last reviewed in FY 2022.

Anti-corruption and Bribery Policy: We take a zero-tolerance approach to bribery and corruption at Blancco and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, and implementing and enforcing effective systems to counter bribery and corruption.

Our Anti-corruption and Bribery Policy sets out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption, and provides information and guidance to those working for us on how to recognise and deal with bribery and corruption issues. The Policy was last reviewed and updated in FY 2022.

Whistleblowing Policy: Our Whistleblowing Policy affirms our commitment to enabling employees to raise any genuine concerns without risk of losing their job or suffering any form of retribution as a result. The Policy lays out the different channels through which employees can report a concern, whether that be internally through their line manager or a Senior Executive, or externally through an independent third party that allows reports to be submitted anonymously and confidentially. The hotlines are available 24 hours a day, 7 days a week and are available in the local languages of the countries in which we operate.

The Policy was last reviewed in FY 2022 and contact details of escalation contact persons were updated as part of this review.

Human Rights: Our Social Responsibility Statement and Code of Business Conduct incorporates our commitment to human rights. We ensure that our activities support human rights with respect to all our groups of interest in Blancco; employees, customers and business partners, and the community at large. The Policies were last updated together with adding our Modern Slavery Policy in FY 2022.

Modern Slavery Policy: FY 2022 was the first year Blancco fell under the scope of the Modern Slavery Act, and as such we developed a policy in line with our commitment to preventing slavery and human trafficking in the Group's corporate activities, and to ensuring that our supply chains are free from slavery and human trafficking.

Information Security Policy: Blancco is committed to safeguarding the confidentiality, integrity and availability of information, through the application of effective policies, and the implementation and continual improvement of an Information Security Management System in conformance to ISO 27001:2013. The Information Security Policy outlines the Group's approach to upholding this commitment through the procedures in place and the roles and responsibilities of individuals across the Group. The Policy was last updated in FY 2021 in accordance with the ISO 27001 standard's requirements.

Data Protection Policy: Our Data Protection Policy sets out the principles and requirements to ensure compliance with laws and regulations applicable to the collection, use, storage, treatment, and transmission of Personal Data throughout the world.

Due to difference between the jurisdictions in which Blancco operates, we have adopted this Policy which creates a common core of values, policies, and procedures intended to achieve nearly universal compliance, supplemented with alternative or additional policies or implementation procedures applicable in those jurisdictions with unique requirements.

The (internal) Policy was last updated in FY 2019 and is due to be updated in September 2022. We updated our external Data Privacy/Protection Notice in FY 2022.



Governance

DATA PRIVACY AND IT SECURITY

Our approach to security of data and IT infrastructure is one of continuous improvement. We are conscious of the scope and volume of any personal data we receive and are always looking to mitigate our own and our customers' risks.

We benchmark our performance against our peers and implement improvements on an ongoing basis where appropriate. Our General Counsel leads on data privacy, whilst our VP of IT Operations is the Head of Information Security. They work closely together to ensure continued oversight of data and IT security across the Group. They meet regularly to discuss possible gaps in security and data privacy, what may need addressing and what areas could be improved.

BLANCCO'S PRODUCT AND DATA PRIVACY AND SECURITY
SASB TC-SI-220A.1

Blancco is the industry standard in data erasure, being globally approved, recommended, and certified by governing and industry bodies around the world. We sell data erasure software to businesses, who utilise our technology to securely sanitise their electronic devices.

Blancco itself does not handle any of the end user data, and only holds minimal data on the businesses we sell to.

Nevertheless, we place the highest importance on respecting and protecting the privacy and confidentiality of the information that our customers share with us. Maintaining our target of zero data breaches in FY 2022 speaks to the robust policies and processes we have in place.

'Given the nature of our product, we do not intake any end user personal information, rather we give the software to a customer, and they do the diagnostics or the erasure. However, we still maintain robust processes for data privacy and security and ensure all Blancco employees are well informed on best practice of handling customer data.'

GEORGE JANSSEN, GENERAL COUNSEL

Our Privacy Policy Statement is reviewed annually; it is publicly available on our website and is applicable to all relevant business lines and subsidiaries.

Through our Privacy Policy Statement, we inform our customers and third parties about the type of information that is collected through our websites and how we collect, use, share, and protect their PII.

We inform our customers about the choices they can make regarding the way their information is collected online, how we use demographic data for secondary purposes and how to limit the sharing of their personal information.

We may use the information collected online to communicate with our customers and provide our website users with a requested service or product, special offers, or additional information, as requested.

Unless required to be disclosed in response to a legal process or to a law enforcement agency's request, we will not share the collected information with third parties other than as set out in our Privacy Policy Statement, nor will we keep PII longer than necessary, except as otherwise required by law.

We may, however, share personally identifiable information in order to carry out our daily operations.

For more information, the Privacy Policy is available on our website [here](#). Right of access, rectification, and deletion of individuals' data has been implemented in Blancco's privacy program and processes. Specifically, this applies to marketing/sales activities and right of access/rectification/deletion of individual's data is made available.

As we are not a data processing company and engage with businesses and not consumers, we generally have very few requests from customers for their data to be removed, as the main driver for such requests is to be removed from marketing emails.

Blancco applies both Privacy by Design and Data Minimisation throughout its development process and sales activities.

As a result, Blancco generally seeks to avoid processing customers' personal data and if this cannot be avoided or if the data is required to use the features of the Blancco products and/or services, we take mitigating measures where possible, including data anonymisation and/or data encryption among other InfoSec measures.

Zero

NUMBER OF DATA BREACHES



Governance

DATA PRIVACY AND IT SECURITY (CONTINUED)

IT SECURITY
SASB TC-SI-230A.2

'The overall strategy that is used involves a layered system featuring 'best-of-breed' technologies in the industry – any time we are looking to add a new technology, we carefully review whether it is a good fit for Blancco.'

GEORGE JANSSEN, GENERAL COUNSEL

Security systems and procedures

We have a layered best practice approach to IT security, following ISO 27001 standards we use various technologies aimed to protect our IT infrastructure and data.

Blancco utilises endpoint detection and response (EDR), and then uses the network layers and the host-based Intrusion Detection Systems (IDS) and Intrusion Prevention System (IPS).

We have security controls in place for all assets across our operations. In each of our 14 locations around the globe we utilise asset software that enables identification of when and how employees connect to the system. We extend those protections to mobile devices which have access to company data.

Using mobile device management (MDM), if an employee loses a device we can remotely log in and wipe it of sensitive information. Endpoint devices' data storage is fully encrypted, using the operating system's built-in features to encrypt disks.

We use patching and scanning software to assess our systems and identify any vulnerabilities. The results of these assessments are received by our DevOps IT and IT Operations Teams who control the patching. We support three different operating systems and action new patches on an ongoing basis as they are released.

Our system has network alerts built in. If there is high traffic or any other unusual activity that would indicate an issue, the teams are sent an alert and will investigate.

A key focus last year was on improving the software and approach in the event of a system being affected, and assessing how we are notified and respond.

Managing risks related to disruptions of operations SASB TC-SI-550A.2

There are multiple risks potentially impacting various types of operational processes and these risks are scored based on likelihood and impact. Mitigation plans are put in place and reviewed regularly with departmental owners and stakeholders. There are three main categories of risk:

Tier 1: Mission-critical applications/functions

Tier 2: Business-critical applications/functions

Tier 3: Non-critical applications/functions

The greatest risk to our business is the availability and performance of our Blancco Cloud, which supports a high percentage of our global customer base.

We have proactive controls in place which allow our DevOps IT Team to recognise performance issues and remediate before there is any impact on our customers.

In FY 2022 total customer downtime was six hours for partial customers; this is representative of a subset of customers affected based on operational region (~15–20% of total customers), resulting from a licensing system that was down due to building power failure.

We leverage a redundant AWS hybrid Cloud model, with multiple alerting mechanisms in place to correct performance issues before they occur.

To ensure we are prepared for ransomware attacks, we have a detailed runbook that documents every person that would be affected by an attack, every process that we would operationalise, and all the communication channels and detection mechanisms we have in place.

This runbook covers the initial detection of an attack, right through to the back-up systems.

We segment the business to limit damage should an attack occur, and we have disaster recovery and back-ups so that the system can be recovered. Our back-ups are geolocation-, ransomware- and accidental deletion-protected.

Governance

DATA PRIVACY AND IT SECURITY (CONTINUED)

IT SECURITY (CONTINUED)

Our Business Continuity Plan covers all locations' operations and functions globally. It includes all services, tools, and infrastructure used to support critical Blancco business activities.

This plan refers to a coordinated strategy involving a plan, procedures, and technical measures that enable the recovery of process during and after disruption.

Preparation for, response to, and recovery from a disaster affecting the operations requires the cooperative efforts of many recovery teams comprising of members from support groups and the functional areas supporting the operations, represented in the Business Continuity Plan.

Every function maintains business continuity-specific issues and risks, mission-critical applications for business continuity, and function-wide contingency plans, which results in well-prepared RPO and RTO values.

Employee awareness

The best defence we have for ensuring security of our systems and data is our user base, as it is against employees that malicious attacks are launched.

As such we place a great emphasis upon education of everyone in the Group and all employees (including part-time and contractors) must complete training through Blancco Learning.

In FY 2022 all existing and new employees were required to complete the following modules: The Danger of Viruses and Malware, The Risks of Ransomware, Phishing and Spam, and Blancco Group Data Privacy Training.

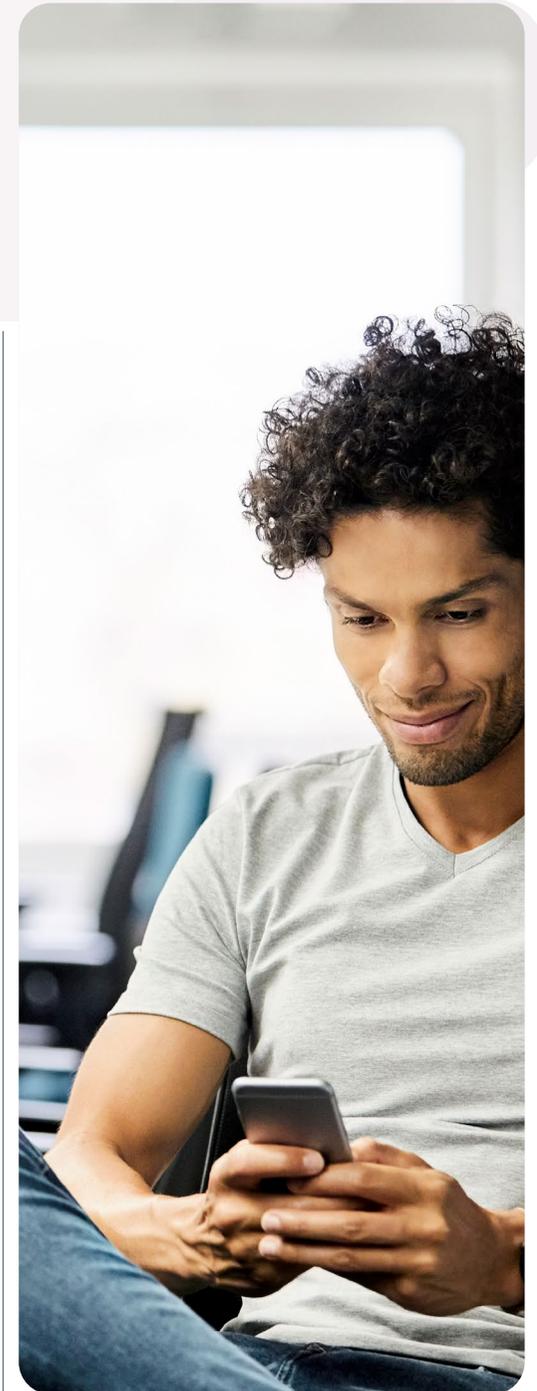
This training covered what to do, what not to do, and how to report issues to our IT teams, and employees must complete a test at the end of the training. We review the training materials on an annual basis, updating content as required.

To measure awareness within our user base, we have conducted two test scenarios during FY 2022. In September we sent a gift card phishing email to employees, and of the 382 recipients, only 14% clicked on the link.

The next test was a fake HR email which contained an attachment, and of the same number of recipients, only 5% opened the attachment. (If an employee failed the test, a pop-up indicated why they failed and suggested precautions they should take.)

These figures indicate strong cybersecurity awareness among Blancco employees and certainly surpass other leading companies in the industry against whom we have benchmarked our performance.

However, we recognise that improvements can always be made and ongoing awareness campaigns are required to keep IT security at the forefront of everyone's minds.



Governance

DELIVERING FOR OUR CUSTOMERS

We are continually striving to meet our customers' evolving needs and deliver the highest quality service. Through ongoing customer engagement across multiple channels we are able to understand what those interests are, to then improve and innovate our product offering as required.

The strength of our offering and the quality of our solutions is evident in the awards we have won and continue to be nominated for.

CUSTOMER ENGAGEMENT

We engage with our customers on an ongoing basis. Through our sales engineers, account managers, and regional leaders we speak to our customers frequently to understand what they need.

These interactions drive many innovations we implement in our existing products and solutions, and we continue to innovate based on direct feedback.

Our Customer Advisory Board (CAB), meanwhile, helps to refine our strategy and focus. We adapted our CAB meeting format this year, conducting one-to-one hour-long interviews with selected customers.

This allowed us to be very targeted in our questions rather than having generalised conversations with numerous participants, and we sent the questions to individuals ahead of our discussions in order to get the most detailed and informed responses when we spoke.

The interviews were conducted by either our President of Global Sales, VP of Enterprise & Cloud Erasure Solutions, or VP of Products & Technology. We had a cross section of Enterprise, Mobile and ITAD customers, and geographical representation from AMER, APAC and EMEA.

To support customers if they have questions about our products and solutions, we have an online support portal. The portal has a host of articles and troubleshooting solutions. If a customer cannot find an answer to their question, they can simply click a button to create a support ticket which will be flagged internally.

We have a comprehensive end-to-end reporting cycle, which tracks the tickets from the initial customer request, to defect identification, feature request, or support fix, to updating the customer once the ticket is resolved and the case is closed out.

Customers purchase support plans which have a Service Level Agreement (SLA) for first response times, and we exceeded our target for meeting those SLAs in FY 2022.

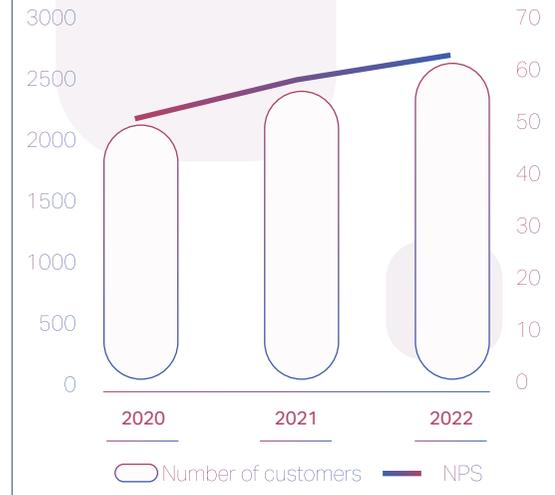
CUSTOMER SATISFACTION

Our primary measure of customer satisfaction is the Net Promoter Score (NPS), which is just one question, asking customers the likelihood of them recommending our business.

This year, we saw a five-point increase in our NPS alongside a rise in respondent numbers, demonstrating sustainable growth of the business, as we are meeting customer demand whilst expanding.

On the occasions when we receive scores from customers that are below a six, we immediately follow up with those individuals to understand what resulted in that rating and whether we can action any improvement.

NPS AGAINST NUMBER OF CUSTOMERS





Governance

DELIVERING FOR OUR CUSTOMERS (CONTINUED)

Another measure of customer satisfaction is the Win Loss Survey. We offer any new clients or lost prospects the opportunity to complete this more extensive survey which covers the whole spectrum of the business, including our products, sales team, support, and website. We assess the scores given against 23 questions and, where possible, we have a follow up call with customers who have completed the survey to receive further direct feedback.

On a quarterly basis, we deliver a business area-specific report, pulling the top and bottom comments from the Win Loss Survey, and delivering the report to the Executive and Leadership Teams and the relevant individuals within the business. This enables continual assessment of our practices, looking at what we are doing well and what can be improved across our operations.

Automating our processes in Customer Relationship Management has enabled better oversight. Account managers are now able to see whether a customer has completed either survey and the profile links to their responses so the manager can more easily review feedback and quickly understand whether there is anything to be addressed.

To attract the greatest number of respondents and maximise the potential of these feedback channels, we review both surveys on an annual basis, discussing whether improvements could be made and benchmarking our incentive offering for completing the surveys.

To improve the customer experience, we launched our new website in FY 2022. There has been a lot of positive feedback on the look and feel of the site, especially regarding user navigation and interactivity, the visibility of trials, the organisation of content, and the new colours and branding.

INNOVATING OUR OFFERING

Our technology not only supports the circular economy and negates the need for physical destruction, but it also enables our customers to meet their own sustainability objectives.

Our erasure software ensures that our customers' data is secure and enables compliance with information security standards such as the GDPR, whilst also allowing customers to redistribute or donate securely wiped devices and avoid sending hardware to landfill, supporting social and environmental goals.

The focus on companies' sustainability credentials is only continuing to increase; ITADs are receiving more questions from their customers on sustainability and in the Enterprise they are experiencing a ramp up in terms of their own audit requirements.

As more Boards and Executive Teams scrutinise where they can reduce carbon emissions in their supply chain, Blancco's products provide a solution.

In FY 2023 we will launch the second phase of our ESG Dashboard. While the initial development phase has allowed us to demonstrate the number of devices Blancco's software has securely erased, the next phase will include customer-specific data.

We hear from customers that they would like to see more impact data, so this brand-new functionality will support customers with their sustainability reporting by demonstrating the environmental impact they are offsetting by using Blancco products.

As detailed above, while data erasure remains our core offering, our solutions can reduce environmental impact for other use cases, by providing remote diagnostics that avoid the need for transportation and other solutions that facilitate reuse or reselling.

Additionally, the development of machine learning technology that detects cracked glass on devices has enabled us to support large insurance providers to validate the state of a device for an after-sale insurance policy and thereby prevent fraud. This presents another way we have broadened our offering to meet evolving customer requirements.

Finally, our acquisition of WipeDrive, towards the end of FY 2022, further expands our offering.

During the process of integrating the new company we are doing everything we can to support their existing customers and minimise disruption, whilst also engaging those customers to understand their reasoning for selecting WipeDrive above Blancco, to ensure we maintain that offering and integrate it into the wider Group.



Governance

INDUSTRY PARTICIPATION

For continued industry progress, both from a technological advancement and a sustainability perspective, we must share our expertise. Blancco continues to hold memberships in industry organisations around the world. Our contribution to these organisations varies from submitting content for their websites and newsletters, to attending in-person and virtual events, and (in the case of IDSC) overseeing the direction and vision of the organisation. Below is a list of the organisations we are members of:

- Japan Agency for Local Authority Information System – Japan
- Japan Reuse Affairs Association – Japan
- Reuse Mobile Japan – Japan
- RITEA (Japan ITAD Association) – Japan
- SWEEE (Recycling of Small Waste Electrical and Electronic Equipment Association) – Japan
- GovSpend – USA
- TERRA (The Electronics Reuse & Recycling Alliance) – North America
- Tech UK – UK
- ADISA (The Asset Disposal and Information Security Alliance) – Europe
- RLA (Reverse Logistics Association) – Global
- NAID and Prism – Global
- ASCDI (Association of Service, Communications, Data & ITAD Providers) – Global
- IDSC (International Data Sanitization Consortium) – Global (founded by Blancco)

Being recognised for our expertise in data erasure and mobile lifecycle solutions, we are often called upon to speak on the subject.

For the twenty-fifth anniversary of the Information Technology Agreement in September, our President of Global Sales was invited by the World Trade Organization to speak on 'The use of data protection technology in an ICT circular economy'.

We are also increasingly being asked to share our perspective on sustainability, both in the products and solutions we offer and through the initiatives we have launched internally and externally.

This year alone, our CFO, who drives the ESG agenda at Blancco, has been invited to speak on numerous webinars addressing ESG, including Business in the Community (BITC) East of England Senior Leaders Climate Action Round Table, Investec ESG Strategy Deep Dive, Investec ESG Conference: The Human Factor, and Peel Hunt TMT conference: Navigating the Circular Economy.

He also joined the [Telecom Reseller](#) podcast to discuss Blancco achieving carbon neutrality.

CASE STUDY: INTERVIEW WITH DIRECTOR OF IDSC, FRED FORSLUND

What was the idea behind founding IDSC?

There are many challenges around data lifecycle management and providing good solutions for end-of-life data. The goal in founding IDSC was to increase awareness around data sanitisation as an important technology for information security, as well as providing standardisation of terminology and an understanding of best practice.

Further, we wanted to highlight the value of data sanitisation in reducing e-waste by avoiding the need for physically destroying hardware and then sending it to landfill.

Our strategic board of advisors have a wealth of knowledge and experience, and by sharing this expertise IDSC is helping to tackle challenges around data management and e-waste.

As well as acting as information hub for relevant regulation, policies, and standards, we also provide templates, research, news updates, and thought leadership.

What initiatives has IDSC been driving in the industry?

We have been working on a whole range of activities, all with the underlying objective of raising awareness for data sanitisation.

Key has been consolidating industry feedback into new standards initiatives.

We have also been supporting the writing of a book about data sanitisation, we actively advise organisations that seek our support, and we continue to network, participate in industry events and panels, and publish relevant information.

How has Blancco been able to support progress and innovation in the industry through IDSC?

The company is actively investing time and resources into enabling and supporting all IDSC's initiatives.

As VP Enterprise & Cloud Erasure Solutions at Blancco, and having over 20 years' experience in IT security, I am well placed to provide direction for IDSC. I also receive support from other Blancco colleagues who participate in meetings and share their expertise.

How is sustainability beginning to drive conversations around data sanitisation?

Very much indeed! And having that sustainable perspective is often helping to further challenge existing processes which favour physical destruction, supporting our argument for secure data sanitisation.

Appendix

MSCI TABLE

Since 2020 Blancco's ESG Reporting has been assessed by MSCI ESG Ratings, which seeks to measure a company's management of its material ESG issues.

We have included the following table, based upon the last MSCI report the Group received, to ensure the rating agency is directed to the most up-to-date and relevant information.

BUSINESS ETHICS POLICIES AND PRACTICES	
INDICATORS	DISCLOSURE
Oversight for Ethics Issues	Page 35
Bribery and Anti-Corruption Policy	Page 35
Regular Audits of Ethical Standards	Page 35
Whistleblower Protection	Page 35
Employee Training on Ethical Standards	Page 35
HUMAN CAPITAL DEVELOPMENT	
INDICATORS	DISCLOSURE
Scope of support for degree programs and certifications	Page 23
Extent of grievance reporting or escalation procedures	Page 35
Engagement surveys to monitor employee satisfaction	Page 25
Formal talent pipeline development strategy (forecasts hiring needs, actively develops new pools of talent)	Page 23
Graduate traineeship/apprenticeship program	Page 24
Scope of employee stock ownership plan (ESOP) or employee stock purchase plan (ESPP)	Page 26
Non-salary benefits and work/life balance	Page 26
Regular performance appraisals and feedback processes	Page 23
Job-specific development training programs	Page 23
Evidence of managerial/leadership development training	Page 23

Appendix

PRIVACY AND DATA SECURITY

INDICATORS	DISCLOSURE
Scope of company's publicly available Data Protection Policy	Page 36
Rights provided to individuals regarding the control of their data	Page 36
Information Security Policies and Systems audit frequency	Page 35
Company's executive body responsible for Privacy and Data security	Page 36
Scope of employee training on data security and/or privacy-related risks & procedures	Page 38

CARBON EMISSIONS

INDICATORS	DISCLOSURE
Aggressiveness of the company's reduction target in the context of its current performance	Pages 9-18 cover the Group's approach to reducing its carbon footprint, the decarbonisation targets that have been put in place, and the achievement of carbon neutrality.
Strength of Greenhouse Gas Mitigation Strategy (0-10 score, 0=worst, 10=best)	
Use of cleaner sources of energy	
Energy consumption management and operational efficiency enhancements	
CDP disclosure	

OPPORTUNITIES IN CLEAN TECH

INDICATORS	DISCLOSURE
Strategic focus on clean technology development	Whilst Blancco recognises that the services and products we offer do have strong sustainability attributes, we do not view ourselves as a clean tech company as certain market commentators perceive us to be.
Targets to increase investment in clean tech	

