

Corporate Social Responsibility and Sustainability

Our focus

In October 2019, Blancco was able to announce that it had become one of the first companies to be awarded the London Stock Exchange's Green Economy Mark accreditation. The new certification has been created by the London Stock Exchange to clearly highlight to investors those companies listed on the London Stock Exchange's main and AIM markets which generate between 50% and 100% of total annual revenues from products and services that contribute to the Green Economy. This accreditation has led to an increased commitment to enhancing our sustainability credentials in both how our solutions can reduce the quantity of e-waste for our customers but also in terms of Blancco's own Environmental, Social and Governance impact. The early stages of this project are outlined below and will evolve over time with enhanced detailed reporting in this area.

Blancco has a few key areas of focus in our sustainable approach to business.

Our primary contribution is towards supporting the lifecycle of technology and associated hardware. Our product offerings promote the recycling and repurposing of devices through diagnostics and resale and erasure and reuse. One of our principal competitors is the physical destruction of assets, driven by a gap in the knowledge of the market, which often results in hardware moving into landfill. We aim to educate the market to move away from device destruction, which promotes a positive environmental impact as our market penetration grows. Alongside this, the environmental footprint of the product is low, given the virtual nature of software transfer.

Secondly, Blancco invests in its human capital, providing opportunities and promoting human development. Our impact here is far reaching with our global presence across a number of operating locations. Customer satisfaction is also a priority for Blancco, and we remain responsive to all feedback. Finally, Blancco recognises the positive societal impact its operations have, including driving industry standards and safeguarding data.

Section 172

The Directors are fully aware of their duties under s172 of the Companies Act 2006 to promote the success of the Company for the benefit of members as a whole. The Group's stakeholder engagement activities help to inform the Board's decisions, by ensuring the Directors are aware of stakeholders' interests. Further details of how this is achieved can be found in the Company's Corporate Governance Statement on our website.

The Board and Company Directors consider:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and other stakeholders;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

Blancco maintains a continuous dialogue with its stakeholders and takes into account their views before items are put to the Board for a decision.



Stakeholder Group	Why we engage	Material ESG Issues	How we engage
INVESTORS	We understand the importance of our shareholders' role in supporting the success and direction of the business. We therefore engage in open and regular communication, to ensure shareholders are well-informed. Engagement is designed to ensure confidence and support from those that invest in, and lend to Blancco.	<ul style="list-style-type: none"> - Meeting Regulatory Requirements – GDPR etc. - Environmental impact of products and services to support circular economy movement - Emissions and emissions management - Diversity of Workforce - Supporting customers' ESG objectives - Business Model Resilience - Business ethics and compliance 	We engage with investors consistently and on request throughout the year. We host investor meetings periodically and the AGM and attend investor roadshows upon release of our financial results. We also attend investor conferences. We issue financially material updates via RNS and provide comprehensive reporting and disclosure on our website and through our investor materials.
REGULATORS	In order to maintain positive and productive relations with regulators, we ensure openness and transparency in our dialogue. Constructive engagement aims to ensure appropriate sector oversight for customers.	<ul style="list-style-type: none"> - Governance - Risk management and control systems - Data Erasure practices - Audit practices - Business ethics and compliance 	Blancco data erasure solutions have been tested, certified and approved by 15+ governing bodies and leading organisations around the world. Details of the accreditations can be viewed on https://www.blancco.com/about-us/our-certifications/ .
COMMUNITIES (INDUSTRY BODIES)	We engage with these bodies to support the development of industry standards. Working openly and progressively seeks to support the achievement of shared goals with societal benefit.	<ul style="list-style-type: none"> - Creating Industry Standards - Self-Regulation - Community engagement 	We encourage active participation of our employees in industry associations, with employees attending conferences, meetings and roundtables.

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Stakeholder Group	Why we engage	Material ESG Issues	How we engage
CUSTOMERS (PARTNERS)	Working with our partners helps us to improve the delivery of our services and meet the demands of our customers. Fostering good relationships helps Blancco to ensure it obtains the best possible value from its investments.	<ul style="list-style-type: none"> - Effectiveness of products and services - Support in implementing ESG strategies - Certification of Data Erasure Best Practice - Communication of Sustainable Impact - Data privacy and security - Customer satisfaction - Business ethics and compliance 	We maintain consistent dialogue with our customers and partners through our client service teams 24/7. Net Promoter Score surveys are sent out to customers on a recurring 90-day basis.
CUSTOMERS	Our customers are central to the success of Blancco and we maintain a relentless focus on delivering outstanding customer experience at all levels of the business. We are responsive to feedback and strive to meet their evolving needs. We want to ensure we retain our loyal customers as well as attracting new business.	<ul style="list-style-type: none"> - Trusted Solution for Data Erasure - Customer satisfaction - Business ethics and compliance 	We engage and listen to our customers through a range of customer satisfaction and market research surveys and focus groups. Their feedback is analysed by our Customer Advisory Board and used to drive product and service initiatives that will deliver the greatest value to the customer.
EMPLOYEES	To retain and attract the best talent in our industry, we want to make sure we have a motivated and engaged workforce. To this end, we foster a transparent and supportive culture at Blancco, encouraging feedback and skills development. Engagement helps Blancco attract, retain and develop a talented workforce now and for the future.	<ul style="list-style-type: none"> - Culture/Well-being/Support - Unions (only in Finland) - Benefits - Training and Development - Volunteering and Fundraising - Transparency of Executive Team - Flexible Working Hours - Health and safety - Pay equity 	Communication with employees is made using formal and informal channels which include: performance reviews, specific consultations, employee forums, internal social networks, newsletters and workshops. Employee engagement is measured in our Annual Global Employee survey which we run in September each year. We create inclusive and diverse working environments that encourage and support a high performance culture and innovative thinking.

Employees

Diversity and Inclusion

The Group operates in a diverse range of economic and cultural environments, with a lot of cross-border communications at all levels. A key aspect of developing the success of the Group is to support an open culture and encourage the mix of cultures and business practices across the Group. We continue to offer equal opportunities to our employees and actively encourage employee progression at all levels of the organisation. Blancco is committed to further improving the diversity within its workforce and leadership team in the coming years. Diversity & Inclusion is regularly discussed by the Board and will continue to be a key area of development for the Company in the years ahead.

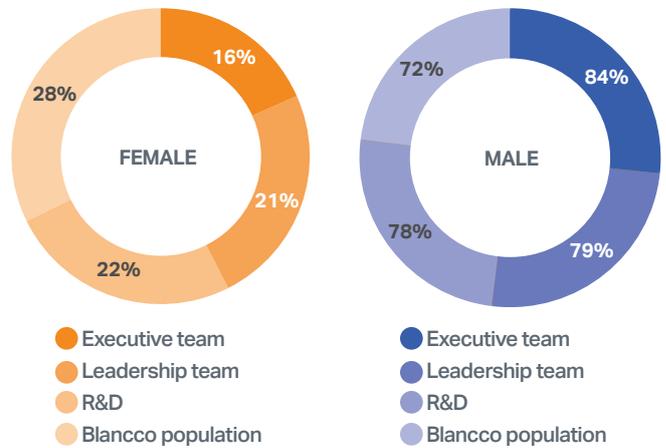
To encourage more women to enter our field we have started to work with higher education institutions in Finland. At universities we offer internships for any individuals studying the relevant subjects. This has been a successful programme, as we have hired permanent employees as a result of the internships. Additionally, Blancco attends recruitment events and conducts talks at universities and higher education colleges to raise awareness amongst students for the opportunities that we provide. We run a university partnership scheme in our development centre in Finland to encourage development of individuals leaving education, as well as relying on a number of university graduates in our India office to work on the product development and support.

At Blancco we continue to review our recruitment processes, with the aim of increasing diversity in our workforce more broadly. This includes assessing whether there are other routes we can take to market that would increase the diversity of the candidate pool, as well as carrying out internal training to support our business objectives.



KPIs: Gender representation; Number of internships offered; Number of permanent employees from internships; Number of talks at universities and high education colleges

Gender Representation



Number of internships offered

We have had five internships agreed over the last 12 months, of which one was cancelled due to COVID-19.

Number of permanent employees from internships

Two internships which ended in September 2019 resulted in both interns becoming hired permanent employees in Joensuu.

Number of talks at universities and higher educational colleges

We went to introduce Blancco at a total of three university events, one in Lappeenranta and two in Joensuu.

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Engagement and Well-being

As a result of the investment in our employee well-being we have seen an increase in employee engagement. On a day-to-day basis we promote employee engagement through training, presentations to all employees, employee surveys, appraisal and performance reviews, and the involvement of employees in setting the Group's mission, vision and values. Employee engagement is measured in our Annual Global Employee survey which we run in September each year; the engagement score for September 2019 was 77%. The survey enables employees to give feedback on their experience of working for Blancco, and we take this very seriously, taking action to implement any desirable improvements that are brought to our attention.

There is also a Global Employee Forum which has been set up with 15 employees from across different locations and areas of the business. The Forum provides an opportunity for Senior Leadership and employees to engage in two-way open communication and discussion on issues that directly impact upon working life at Blancco, in a spirit of trust and confidence. The Global Employee Forum played a key role in the development of the new Company vision, mission and values.

As we have invested a lot in our employees, our retention is high; employee turnover is currently at 9%, which is much lower than the industry average of 13%. The nature of the business offers flexibility, which works very well for people, especially for those employees with children, who benefit from the flexible hours. We also actively encourage good health for employees – ranging from providing a safe working environment to providing good health at work through provision of fruit, offering standing desks and subsidising gym membership.

Over recent months there has been a particular focus on supporting those employees who have been required to work from home due to the impact of the COVID-19 pandemic as reported in the COVID-19 section of the report below.

KPIs: EMPLOYEE ENGAGEMENT SCORE

Employee engagement September 2019: 77%

Health and Safety

Our health and safety record remains excellent, with no RIDDOR reportable (or equivalent) incidents during the year. All office-based employees receive the appropriate level of health and safety training. Every office has an established health and safety structure in place to deal with health and safety matters.

Our health and safety record continues to be good, with no RIDDOR reportable (or equivalent) incidents during the year. All our operational staff receive the appropriate level of health and safety training. Every operational site has an established structure in place to deal with health and safety matters. The Executive Directors monitor health and safety RIDDOR reportable (or local country equivalent) incidents as a key performance indicator. There have been no fatalities or reportable incidents for the previous six years.

Training and Development

We recognise the importance of our employees and actively promote their development. This helps the Group to achieve its objectives while at the same time allowing our staff to progress their own careers as well as giving them access to and opportunities to develop the technologies in which we specialise. We therefore support any individuals that want to undertake training that could benefit both themselves and the business.

Blancco has invested a great deal in the benefits process, benchmarking against other businesses. We have increased benefits to ensure that employees are cared for and recognise that they are valued and rewarded.

We are committed to recognising performance. We provide appropriate remuneration for work carried out and equal opportunities for development and career advancement.

We present employee awards. Individuals are nominated for the Spotlight Award based on something they have done in the business, receiving a £150 or equivalent prize, while the Value of the Month Award is presented to someone nominated by their colleagues against a key value which is chosen monthly, receiving an extra day of holiday.

Compliance and Integrity

Integrity is regarded by the workforce as one of our key values and as an organisation we ensure that we promote honesty, transparency and a duty of care across the entire workforce. We create an ethical working environment for our workforce.

Blancco ensures that all employees are kept up to date with the Company's governance policies. New employees are required to read Blancco's policies, including Code of Conduct Policy, Anti-bribery and Corruption Policy and Whistleblowing Policy, feedback with any questions, then sign to demonstrate that they have read and understood. This gives us the confidence that our new joiners understand the ethics and values of how the business works.

Ongoing training is carried out to cover any policy changes; these sessions act as a refresher for employees, while also providing the opportunity for people to voice any questions they many have. At Blancco, we value the transparent culture we have created, and want our staff to be reassured that, should they be faced with an ethical dilemma, they can approach us with any questions they may have.

There is a whistleblowing hotline, which is monitored by a third-party specialist call handler, compliant with the Private Security Industry Act requirements for interviewing callers. They provide a confidential and independent global service for staff to report concerns, which are escalated immediately to the CFO and Audit Committee for appropriate action.

COVID-19

For Blancco, during the coronavirus pandemic and ensuing lockdown, we wanted to ensure our employees felt supported and secure in their employment. Their health, well-being and safety was our top priority and we continue to maintain regular dialogue with all our employees. As we were already well placed to support our employees working remotely, we were able to act ahead of government guidelines, facilitating a quick and easy transition to working from home.

We instigated weekly HR Country Calls in all 12 countries where we have a material presence and global workforce calls led by the Executive Team, to maintain responsiveness and transparency. For the latter calls, the entire Executive Team are visible via video to work through the questions submitted as transparently as possible. We also continued to present our Spotlight Award and Value of the Month Awards throughout lockdown, using the calls as an opportunity to announce the winners.



Despite the challenges brought by the COVID-19 pandemic, no employees have been made redundant or furloughed during the period.

Every year we conduct employee surveys to determine how engaged employees are. This year we will introduce questions about the pandemic and how Blancco has dealt with lockdown.

"The well-being of our employees is of the upmost importance to us and we wanted to make sure that we were able to continue supporting our employees whilst they were working away from the office. The HR Country Calls were established with the purpose of checking in with our employees, giving them the opportunity to ask any questions and listening to any concerns being voiced. We also use the time to share any country specific updates to ensure we are communicating with the teams as much as we can during these uncertain times. The calls have also given employees a direct line to myself – as one of the executive team – which gives people the opportunity to provide any feedback they have for management. We are thrilled that the feedback for us so far has been fantastic."

Sarah Smith, HR Director

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Customers

As customer satisfaction is a priority for Blancco, we are responsive to feedback and strive to meet our customers' evolving needs. We measure customer satisfaction in two key ways; through our Net Promoter Score (NPS) and Win Loss Survey. The NPS score is continuing to rise, with increasing numbers of customers responding, thereby strengthening the validity of the score, and showing that we are now out in front of the industry. The Win Loss Survey poses 23 questions to our customers, covering the business, sales team, support and our website. The NPS scores have been collected since Q4 in the FY19 financial year and are summarised below.

		Q1	Q2	Q3	Q4	Full Year Results
FY19	Score	-	-	-	-9	-9 (average)
	Respondents	-	-	-	7	7 (total)
FY20	Score	41	35	46	63	48 (average)
	Respondents	17	17	22	29	85 (total)
FY21	Score	63	-	-	-	63 (YTD average)
	Respondents	40	-	-	-	40 (YTD total)

Society

Driving Best Practice

We act as a voice in driving forward initiatives that benefit both our own services and the industry as a whole. We work within the technical communities helping to establish certain standards that are used in evaluating devices. This work forms the basis of overall industry standards that can extend the useful life of those devices.

Often the focus is on industry self-regulation and how we can consistently make it better. For example, with The Asset Disposal and Information Security Alliance (ADISA), we are classifying what it means to have a device go through a complete auditable data sanitisation process by defining the three steps that make this an auditable event, as it's important to have a consistent method of valuation throughout industry.

We currently work with the CTIA, GSMA and ADISA. We also founded the International Data Sanitization Consortium which seeks to establish standards and best practice in data sanitisation.

Safeguarding Data

Recent research from GreenIT reveals that the digital world in 2019 was comprised of 34 billion IT devices for 4.1 billion users, generating 2.5 quintillion bytes of data per day. Only about 6% of all data ever created is in use today, which means 94% is redundant, obsolete or trivial (ROT) data, and organisations worldwide are sitting on vast amounts of data they don't need and that could be easily erased.

Often, this data should be erased after being saved for required retention purposes. There is an environmental cost in running drives of course, but the larger issue is the social impact; if a company's ROT data includes personal information and it gets pulled out by a data breach, that can come at a huge cost in reparations for a company. Blancco data erasure solutions have been tested, certified, approved and recommended by 15+ governing bodies and leading organisations around the world. No other data erasure software can boast this level of compliance with the rigorous requirements set by government agencies, legal authorities and independent testing laboratories.

Communities

“Through data sanitisation we are able to support the circular economy by promoting the use of second-hand devices. We are encouraging our customers to be more confident in getting involved in the trade-in economy, rather than leaving their devices sat in storage within office environments before being destroyed. We recognise the huge social impact this could have in providing devices to people who would otherwise be unable to afford them. We are proud that our software has enabled the efforts of the Dutch company DigitalForYouth to repurpose donated laptops for children who did not have sufficient access to a computer during the pandemic.”

Alan Bentley, President, Global Sales

Environment

Positive Environmental Impact

We are proud that our products promote responsible consumption through the reuse of hardware, and we therefore have an immensely positive impact on the environment. While physically destroying IT assets, when accompanied by a certificate of destruction and a full audit trail, is a valid data disposal option, it is simply bad practice. This is especially true if it is at risk of ending up in landfill or being informally recycled.

Blancco's solutions help businesses by supporting them to transition towards more sustainable circular business models and away from less environmentally friendly methods of data and device destruction. By erasing and reusing old electronics until they're no longer functional, negative impact can be substantially reduced. The typical refresh rate of certain devices is about three years; data sanitisation can double the lifetime of a product.

Blancco's work therefore reduces environmental harm by avoiding the necessity of landfill waste and drives the circular economy by enabling reuse of devices, thereby lessening the demand for more products. Research suggests that the

environmental impact of most consumer electronics is greatest during the manufacturing and distribution process. Thus, by extending the useful life of assets the potential to dissipate and slow the impact of the manufacturing process increases, reducing emissions and natural resource use, such as water and precious minerals.

Based on information gathered from customers, an estimated 75.9m kilograms of electronic equipment was securely sanitised during the year, with a pre-use carbon footprint of 5.6bn kilograms.

During the year, we commissioned research to the publication of three reports on sustainability and governance practices of corporations. These reports highlighted the adverse environmental impacts of the physical destruction of data storage devices vs the use of data erasure software.

Environmental Management

Blancco acknowledges the coming into force of the Streamlined Energy and Carbon Reporting (SECR) framework in 2020 and calculated its energy usage for its UK-based offices. The energy usage by the business falls below the 40MWh disclosure threshold and therefore Blancco has opted not to report in accordance with the SECR framework this year. Blancco intends to commence an emissions management exercise for the financial year ending 30 June 2021 for its global operating footprint which remains entirely office-based.

Sustainable Initiatives

“We have been introducing a range of environmentally friendly initiatives at our Cork office. There has been a big take up by staff of the Bike to Work scheme, which has cut down the emissions from our commutes. We have put paper recycling bins at desks, removed single use cups from water coolers, and encourage use of the dishwasher rather than individuals each doing their own washing up. This isn't where we stop; we want to continue pushing sustainable practices across the business.”

Paula Vermeulen, UI/UX Design Manager in R&D

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UN's sustainable development goals

The United Nations' Sustainable Development Goals ("Goals") were created to tackle some of the world's greatest challenges, such as inequality, climate change and environmental health. In 2016, the United Nations created 17 Goals, with 169 underlying targets and a target achievement goal of 2030.

The Goals call upon every part of society – from governments and organisations to businesses and private citizens – to play a part in achieving them in order to create a better and more sustainable future.

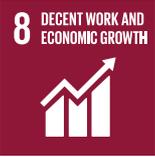
In shaping our approach to sustainability and ESG risk management, we considered these Goals and identified a series of objectives, relevant to our business, to which we can contribute. We identified Champions committed to tackling the risks that relate to achieving the specified Goals, and we continue to incorporate them into our risk management practices so that we effectively consider them in the day-to-day running of our business.

SDG	2020 APPROACH	TARGET	TARGET OUTLINE	RELEVANCE TO BLANCCO
3 Good Health and Well-being 	We actively encourage good health for employees – ranging from providing a safe working environment to providing good health at work through provision of fruit, offering standing desks and subsidising gym membership.	3.9	By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	Blancco help businesses transition to a more sustainable circular business model and away from non environmentally friendly methods of destruction.

SDG 3 CHAMPION

Sarah Smith, Human Resources Director

"It is the drive and innovation of our people that drive our business. Our colleagues are our most important asset and we endeavour to ensure they have a safe and stimulating working environment that supports both personal and business growth. Our goal is to enable businesses to transition to environmentally friendly methods of erasure."

SDG	2020 APPROACH	TARGET	TARGET OUTLINE	RELEVANCE TO BLANCCO
8 Decent Work and Economic Growth 	We run a university partnership scheme in our development centre in Finland to encourage development of individuals leaving education, as well as relying on a number of university graduates in our India office to work on the product development and support. This promotes knowledge sharing across seniority and encourages diversity in the workplace. Our Company growth generally contributes positively in the locations in which we operate – often tracking ahead of the long-term economic growth rates observed in those countries.	8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.	Blancco invest in new product developments and integrations while focusing on technical innovation.
		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.	Blancco’s products encourage reusing hardware and promotes responsible consumption.

SDG 8 CHAMPION

Adam Moloney, Chief Financial Officer

“Increasing ESG pressures are causing companies to look for alternatives for their data erasure before reusing or reselling assets. At the core of our company is technical innovation to promote responsible consumption. We seek to foster a working culture that provides the opportunities for personal growth that support our ambitions as a business.”

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SDG	2020 APPROACH	TARGET	TARGET OUTLINE	RELEVANCE TO BLANCCO
9 Industry, Innovation and Infrastructure 	<p>We promote innovation and growth as a market leader. We invest in new product developments and integrations and work closely with our customers in order to develop products to slot seamlessly into their processes.</p>	9.5	<p>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>Recently, Blancco has invested in internal Research & Development as well as having bought in external Intellectual Property and made the acquisition of Inhance. Blancco run a university partnership scheme in a development centre in Finland to encourage development of individuals leaving education, as well as relying on a number of university graduates in the India office to work on the product development and support. The investment in innovation was demonstrated by the nine new patents filed in FY20 (FY19: seven patents filed).</p>

SDG 9 CHAMPION

Russ Ernst, EVP Products and Technology

"Blancco invest heavily in research and development and we engage with universities across the globe to encourage graduates to work on the product development and support."

SDG	2020 APPROACH	TARGET	TARGET OUTLINE	RELEVANCE TO BLANCCO
12 Responsible Consumption and Production 	Our products promote responsible consumption through the reuse of hardware.	12.4	By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.	Blancco's solutions help businesses by supporting them to transition towards more sustainable circular business models and away from less environmentally friendly methods of data and device destruction.
		12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Blancco's product offerings promote the recycling and repurposing of devices through diagnostics and resell and erasure and reuse.
		12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	In this report, we are outlining how we are moving towards a more transparent way of reporting and demonstrating our commitment to a more sustainable way of operating.

SDG 12 CHAMPION

Matt Jones, CEO

"Responsible consumption and production is in our DNA. We develop and deliver industry-leading products and services that meet the exacting standards of data governance whilst simultaneously enabling our customers to and the markets in which they operate promote the " 'reduce, reuse and recycle' " principle that underpins the increasing drive towards a more circular-economy".