

[Defendable

Account of Defendable's
Due Diligence 2024

About Defendable

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01

Defendable is a Norwegian cybersecurity company. We deliver a range of security-related services: security monitoring, advisory services, incident response, and security testing. We aim to be an end-to-end security partner for our customers, while also providing single-standing advisory and security testing services.

Our company is owned by our employees and other investors. Most of our customers are Norwegian, and they consist of both large corporations as well as smaller businesses, from the private and public sector alike. While our main office is in Oslo, we also have offices in Fredrikstad, Gjøvik and Grimstad.

Defendable does not operate in regions with low protections of human and worker rights, and our services are not typical high-risk services.

Nevertheless, there are still aspects of Defendable's business which involve both direct and indirect risk regarding sustainability and human rights, including:

- As an IT organization, Defendable is dependent on consuming a wide variety of IT services, ranging from hardware and IT equipment to software, applications, and solutions. We are thus consumers of products

that are categorized as high-risk. Furthermore, data storage and the use of various systems, solutions, and platforms all require power, cumulatively resulting in high power usage.

- Consultancy is a key service of ours, where we require access to human resources with various backgrounds and skillsets. Our Incident Response service in particular puts us at risk of high use of overtime. Our on-prem advisory and testing services also entail a lot of travel, associated with pollution risk, where car and train are the most commonly used forms of transportation. Bus and airplane are also used as means of transportation.
- We promote our business in several ways, including by procuring merchandise and items for use in marketing. This does include purchasing products and materials that are categorized as high-risk.
- Our physical offices require maintenance, cleaning, and a steady supply of various products and items, including office supplies, coffee, and food. Some of the facility's items and maintenance activities (such as cleaning and office supplies) are considered services with associated risks. Our 24/7 active Cyber Defense Center consumes power continuously, thus adding to Defendable's overall power usage.



How We Organize Our Efforts for Sustainability and Corporate Social Responsibility

02

Defendable believes we can make a difference

In Defendable, we understand that change for the better happens through collective efforts. This is why we do our part to contribute to a sustainable service and product chain that respects human rights. As a cybersecurity company, Defendable relies on a variety of different suppliers and providers. By doing risk assessments on a regular basis, we believe we can detect areas where there is risk of negative impact and use our finds to make proportional efforts to prevent and mitigate unsustainable practices and violations of worker and other human rights.

Wanting to be ahead of the curve, we decided to begin our work with implementing the Norwegian Transparency Act (åpenhetsloven) a tad bit earlier than what the law requires of us. As part of the implementation process, we have anchored our responsibilities going forward in our internal policies and formalized the roles and tasks needed to ensure adherence to both åpenhetsloven's and our self-defined requirements.

Roles and routines to promote sustainable practices in Defendable

According to Defendable policy, the responsibility that Defendable operates in compliance with åpenhetsloven lies with the board of directors. The board has delegated the daily responsibility for the matter to our Chief Executive Officer. The CEO ensures that Defendable, in its daily activities, adheres to its responsibilities. This includes staying oriented on Defendable's transparency efforts and ongoing work, approving policy and routines, and considering and prioritizing risks.

It is the Compliance Department that is dedicated to performing the practical tasks related to åpenhetsloven, including carrying out due diligence assessments. The Compliance Department orients the CEO and





the board about relevant matter – such as identified risks, measures and recommendations for improvements in documentation – in the form of annual reports and as needed.

This year, the Department appointed a dedicated resource to produce drafts for necessary routines and documentation. This resource was also tasked with taking charge of carrying out a risk assessment of our supply chain and the due diligence assessment of Defendable as a whole. Resources from our People and Organization Department and our Engineering Department also assisted in that regard.

Defendable has produced multiple documents relating to our work with *öpenhetsloven*. This includes key routines and templates, as well as a policy with clearly defined roles and responsibilities.

Other important documents include:

- Ethical guidelines: Expresses Defendable's expectations for our workplace and our employees' working environment.
- Procurement of IT and non-IT products: Policies, routines and guides for procurement processes, which include considerations of human rights and sustainability.
- Personnel handbook: A digital handbook for practical and easy access to rules, rights, etc.
- Whistleblowing guide: Information on how to use either the form or the letterbox for anonymous whistleblowing, as well as information about the process and how the Health and Safety Representative can aid and support the employee.
- To reduce risk in our supply chain, we are updating and improving our procurement routines, and have already carried out a risk assessment of our suppliers.

Naturally, we also have routines and systems in place so that our employees can report nonconformities and suggest improvements within Defendable.

How Defendable Organizes and Carries Out Due Diligence Assessments

03

This is Defendable’s first report on our efforts to comply with åpenhetsloven. On an annual basis, Defendable will present a report like this of the results from our regular due diligence assessments. Such assessments are mandated by åpenhetsloven § 4. Presenting these finds in an annual report is intended to provide the public with information about how Defendable manages negative impacts on sustainability, worker and other human rights.

When carrying out these assessments, we make sure to include relevant stakeholders and resources as needed. This year, the practical task of involving stakeholders and gathering data was placed with the dedicated resource.

Firstly, we turned inward in our organization, considering relevant policies, routines, and other sources to map risk internally in Defendable. Through both formal and informal inquiries, we gathered information regarding sustainability and worker rights.

Secondly, we did a risk screening of all our suppliers, whom we have listed according to product and service type in a separate document. By using self-developed templates, we mapped and assessed apparent risk in our supply chain.

Thirdly, we have prepared for a follow-up of selected suppliers to be carried out in 2024. We intend to use a customized self-evaluation form for this, then determine whether further follow-ups or measures are needed based on the responses we receive.

Finally, we have identified and begun implementing corrective measures for risks and negative impact uncovered in the due diligence assessment.



Identified Risks and Negative Impact

The following chapter provides information on risks and actual negative impacts which Defendable has uncovered in our due diligence assessment. Unless otherwise specified, the risks and impacts occurred in the year 2023 and/or the first quarter of 2024.

Reporting and managing nonconformity

The current nonconformity system is used actively, and users generally seem to understand the different categories and how to describe nonconformity and other incidents in line with routine. However, there were some finds relating to nonconformity:

When examining the reported nonconformity of last year, it was discovered that there seemed to be a slight mismatch between report-worthy incidents known to department leaders and incidents actually reported in the system as nonconformity. For example, Defendable had no registered nonconformity regarding periodic extensive use of overtime but knows that this has occurred on at least one occasion in 2023.

Defendable therefore suspects that there is an issue where people are unsure what is to be reported as nonconformity, which could indicate a need to update existing routines.

Furthermore, there seems to be a bottleneck issue where some managers are assigned the task of handling and closing a disproportionate amount of the reported nonconformity. Looking into, dealing with and closing these takes a lot of time, which could ultimately hamper Defendable's ability to deal with nonconformity in an efficient and prioritized manner. This could potentially affect our employees and their work environment in the scenario where an HSE nonconformity fails to be addressed and resolved in due time.





Use of overtime

When security incidents occur, customers have a need for close and continuous assistance and follow-up. Depending on the resources available, this puts Defendable's Incident Response resources at risk of overtime, both in terms of the number of hours per week as well as the length of the period where overtime occurs.

Some employees might also prefer working additional hours to build up flextime hours so that they can take this time off later, which could result in a high number of hours if an incident should require overtime on top of this.

To prevent unacceptable and excessive overtime, Defendable communicates to employees on a regular basis that their health and wellbeing come first, and that it is important to be open about one's needs. This communication happens on multiple channels, including organization-wide meetings as well as individual communication between employees and their managers and employees and our People and Organization Department. Personnel leaders undergo training to ensure they are capable of communicating well with employees and follow-up their needs. Defendable's employees are compensated for long working hours in the form of extra vacation days and overtime pay.

Last year, a customer incident required intensive resources for a limited time. The intensive nature of the incident resulted in temporary sick leave for one employee. Defendable has since then begun implementing several measures to reduce the likelihood of re-occurrence.

Reported HSE nonconformity and miscellaneous

A total of 125 incidents reported in our nonconformity system between January 2023 and March 2024 were assessed. Of these, less than a dozen concerned HSE. All of them were assessed to entail either low risk or had minor consequences for employees. Suitable measures were implemented quickly and had the desired effects.

In early 2024, Defendable implemented a new policy in our recruitment and employment process to reduce the number of persons in the organization with leading and particularly independent positions (særlig uavhengig stilling). This is a position type intended for those with important tasks or whose function in an organization requires an especially high degree of independence and flexibility. The new policy was implemented to prevent incorrect use of this position type, and we work to ensure that it is used appropriately and when needed.

Defendable's Assessment of Risk in our Supply Chain

05

This year, Defendable categorized all our suppliers from September 2022 to August 2023 according to service and product type, as well as location. This was done to get a better overview of the types of purchases Defendable makes. IT products – both hardware and software – were a clear number one.

We have also created a risk-mapping matrix, which we have used to perform a basic risk assessment of Defendable’s supply chain by identifying likely risks for selected suppliers. Additionally, we have created a template for a Measure Implementation Plan to be used when Defendable follows up on and identifies risks of specific suppliers.

A key activity planned for 2024 is to use the information gained from the risk assessment to select suppliers which Defendable wishes to follow-up and examine more closely. This selection will be made based on suspected risk related to product and service type as well as the size of Defendable’s purchase.

We have also begun the process of improving our existing procurement policy and routines, to ensure that the proper considerations and risk assessments are made when procuring new products and services.



Measures Implemented

A key part of carrying out due diligence assessments is to implement suitable measures to prevent and reduce the effects of negative impacts.

As a result of the identified risks, Defendable has already begun the process of implementing measures. Each identified risk was considered separately, and each of the measures is intended to address a specific risk or a specific aspect of a risk.

We have begun implementing measures in the following areas:

Reporting nonconformity	Overtime	Risk in the supply chain
<ul style="list-style-type: none">• Examine existing nonconformity routines and clarify the different reporting systems and categories.• Communicate this information more clearly in existing forums, including organization-wide meetings.• Review the process of how nonconformity ownership and responsibility is assigned, and determine how this can be improved.	<ul style="list-style-type: none">• Keep communicating the importance of prioritizing one’s own health and communicating one’s needs in organization-wide meetings and other forums during times of high pressure.• Examine existing nonconformity routines and clarify the different reporting systems and categories and more clearly encourage the reporting of HSE nonconformity.• People and Organization will raise the issue of overtime in the management meeting and remind all managers and personnel leaders of the importance of orienting employees about their rights.	<ul style="list-style-type: none">• Perform a closer follow-up of selected suppliers assessed to be of high or notable risk, based on product type and size of Defendable’s purchase.• Implement measures as needed based on the results of the follow-up.• Improve our procurement routines to better emphasize human rights and sustainability considerations.

The Road Ahead

In Defendable, we take onto ourselves the responsibility to make sure that our business and activities are characterized by responsibility and sustainability. Our due diligence assessments and the publication of this report are among several ways we identify how Defendable can make a difference and be open about our efforts. In today's interconnected world, enhancing human rights and sustainability requires global collaboration. Defendable will do our part to bring around positive development in this regard, and will continue to raise our expectations to both ourselves and our suppliers.

This document has been electronically signed by the board of directors and CEO.

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