

KUDELSKI GROUP REPORT ON NON-FINANCIAL MATTERS 2023

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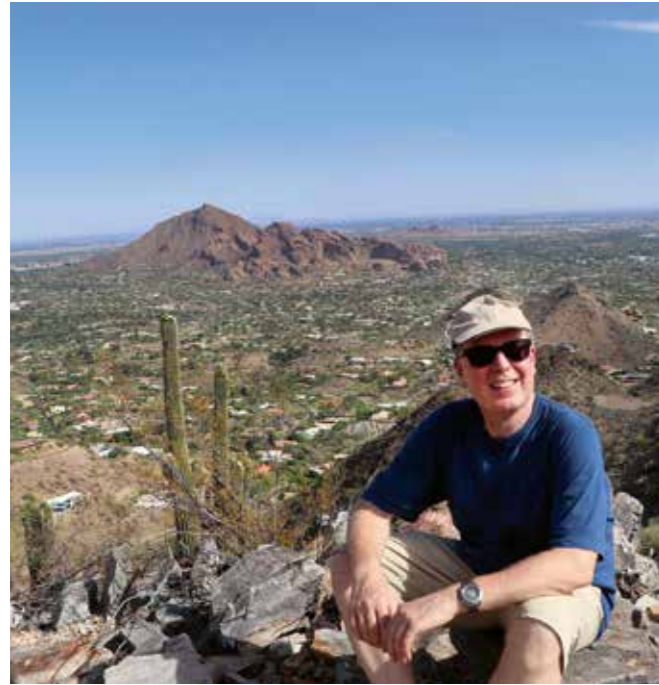
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SUSTAINABILITY AT THE KUDELSKI GROUP

ABOUT THE KUDELSKI GROUP

MESSAGE FROM ANDRÉ KUDELSKI CHAIRMAN AND CHIEF EXECUTIVE OFFICER



As we reflect on another year, we would like to highlight the Kudelski Group's continued commitment to some key principles that have helped to shape our Group's development since its foundation in 1951.

From our earliest days, sustainability has been a fundamental principle guiding our decisions and actions. Our founder, Stefan Kudelski, set the tone by prioritizing energy efficiency and social responsibility long before they were championed as business imperatives. Over our 73-year history, we have worked to optimize the environmental footprint of our products and solutions. From the design of our first Nagra recorders with low power consumption to our ongoing efforts to design and build high quality products that endure, sustainability has been an important part of our product development philosophy. It's also an important part of how we design the places in which we work, as our recent investment in solar panels for our Swiss headquarters demonstrates.

And our commitment to sustainability extends beyond environmental concerns. We also recognize the importance of promoting social matters and equal opportunities among our employees and in the communities in

which we live. Our efforts to propose employee training, apprenticeship programs and fair labor practices are examples of how we seek to encourage a more diverse, inclusive and talented workforce, not only within the Kudelski Group but also with our customers, suppliers and partners.

As a leader in digital security, we understand the power of technology to drive positive change. That is why we are dedicated to sharing our technical expertise with society, through contributions to public-private partnerships, participation in public research initiatives and strategic partnerships with leading players in our industry. We believe our technology can help address some of the critical challenges facing our world today – including protecting against cyberthreats, securing critical infrastructure and combatting piracy and theft of intellectual property, to name a few examples.

Of course, none of these efforts would be possible without a strong foundation of values and ethics at the Kudelski Group. We have implemented the policies and practices we need to ensure compliance with legal and regulatory requirements and to uphold the highest standards of ethical behavior in our business dealings. How we conduct our business has always been an important part of who we are as a company.

Looking ahead, we remain committed to advancing the efforts described in this report across all aspects of our operations. We see that the challenges facing our planet and society are complex, requiring a collaborative and multi-faceted approach. By continuing to innovate, educate and advocate for positive change, we intend to play our part in helping to build a better world for future generations.

I want to express my sincere gratitude to our employees, customers, partners and stakeholders who have supported us on this journey. Their dedication and commitment to sustainability inspire us to strive for excellence in everything we do.

OVERVIEW OF THE GROUP



Key figures

3152 employees (FTE)
33 countries
500 million daily users
USD 761.5 million revenue

Segments of activity

Digital Television
Public Access
Cybersecurity
Internet of Things



SUSTAINABILITY STRATEGY

As a leading digital security company operating in the fields of digital television, cybersecurity, public access and internet of things (IoT), we play our role in addressing sustainability while driving innovation and growth. The Group's sustainability strategy sets forth our commitments in four key areas: optimizing energy consumption, addressing social matters, sharing technical expertise, and implementing robust policies for compliance and ethics.

1. Environment

Our commitment to sustainability starts with minimizing our environmental footprint. Therefore, we aim to:

1.1. Minimize carbon footprint:

- implement energy-efficient practices across software development and data centers, and transition the field service fleet to electric vehicles when appropriate;
- invest in energy-efficient technologies for our buildings and operations, including renewable energy sources such as solar power;
- use artificial intelligence technology and smart sensors to optimize energy usage and reduce waste (smart buildings);
- monitor energy consumption and automate energy optimization; identify areas for improvement and set targets for reduction;
- support employee engagement in energy-saving initiatives through awareness campaigns; and
- sustainable partner management: select our cloud platforms and data center partners based on their technology leadership and sustainability commitments.

1.2. Product lifecycle management:

- design software and hardware with environmental considerations, such as energy efficiency;
- assisting clients and end-users in safeguarding their assets and knowledge through digital protection measures;
- fighting piracy to respect and protect content creation as well as copyrights and international regulations;
- working closely with government agencies and critical infrastructures providers to help protect against cyber-attacks that impact the general public;
- securing chipsets and devices, helping semiconductor manufacturers comply with international standards such as Matter; and
- protecting people's privacy, safeguarding consumers from cyber threats at home and empowering them to shape their Internet experience.

2. Social

Sharing technology best practice with our stakeholders:

We recognize the importance of investing in our workforce and supporting the communities where we operate. Our social sustainability initiatives include:

- promoting apprenticeship programs to provide valuable skills and employment opportunities for young people;
- collaborating with local educational institutions to develop specialized training programs in digital security and technology; and
- offering mentorship and career development opportunities for employees to foster their professional growth.

As a leader in digital security, we also understand the importance of knowledge sharing and collaboration in addressing global challenges. Our efforts include:

- hosting workshops, seminars, and webinars to share our expertise in cybersecurity, digital television, and IoT with the broader public;
- collaborating with universities, research institutions, and industry associations to advance innovation and promote best practices in digital security;
- supporting open-source initiatives and contributing to collaborative projects aimed at enhancing security; and
- engaging with policymakers and regulators to shape responsible digital governance frameworks and standards.

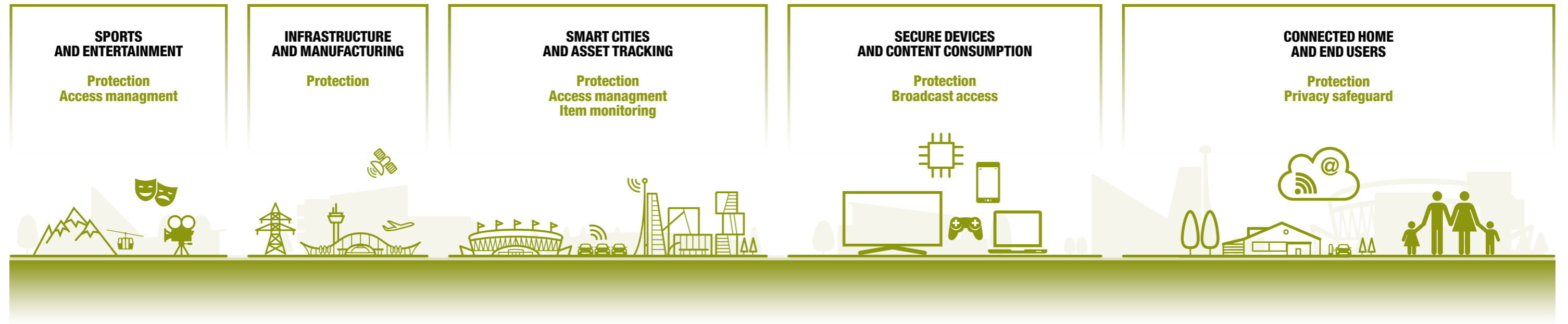
3. Governance

Implementing policies for security, compliance and ethics:

Upholding the highest standards of integrity and ethical conduct is fundamental to our sustainability strategy. Our actions include:

- extending and improving the policies and procedures of the Group to ensure compliance with relevant laws, regulations, and industry standards;
- providing regular training and awareness programs to educate employees about their ethical responsibilities;
- maintaining a zero-tolerance approach to corruption and unethical behavior, with clear channels for reporting and investigating allegations;
- regularly reviewing and updating our compliance program to address emerging risks and evolving regulatory requirements; and
- data privacy and security: adhere to high standards of data protection and cybersecurity, respecting customer privacy and integrity.

BUSINESS MODEL AND PRODUCTS

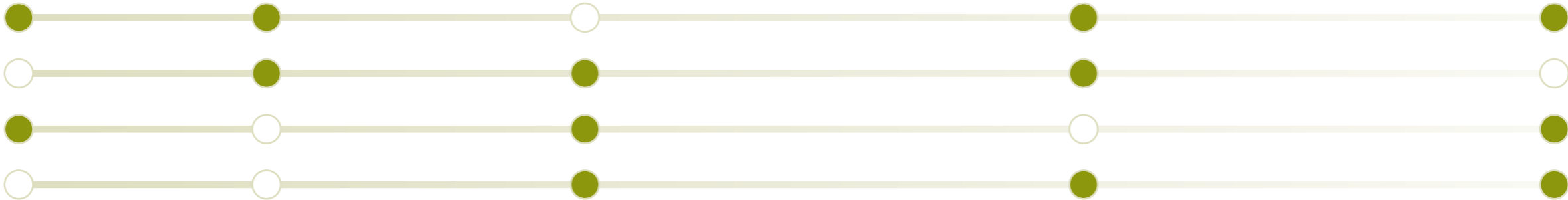


NAGRAVISION
KUDELSKI GROUP

KUDELSKI SECURITY

SKIDATA
KUDELSKI GROUP

KUDELSKI IOT THINGS



Digital Television



- Protecting creativity, copyright and content
- Fighting against piracy
- Broadcast access and security
- Protecting automated smart homes
- Protecting privacy
- Providing chip security

NAGRAVISION
KUDELSKI GROUP

Cybersecurity



- Protecting infrastructure
- Protecting IT systems
- Securing data and transactions
- Expert advice to authorities and businesses
- Developing quantum-resistant solutions
- Optimizing cloud energy consumption

KUDELSKI SECURITY

Public Access



- Safe and simple access management for people and vehicles
- Delivering mobile and contactless solutions
Reducing waste
- Developing solutions for smart cities
- Promoting electric vehicle charging stations
- Promoting inclusive solutions
- Helping businesses to diversify their activities

SKIDATA
KUDELSKI GROUP

Internet of Things

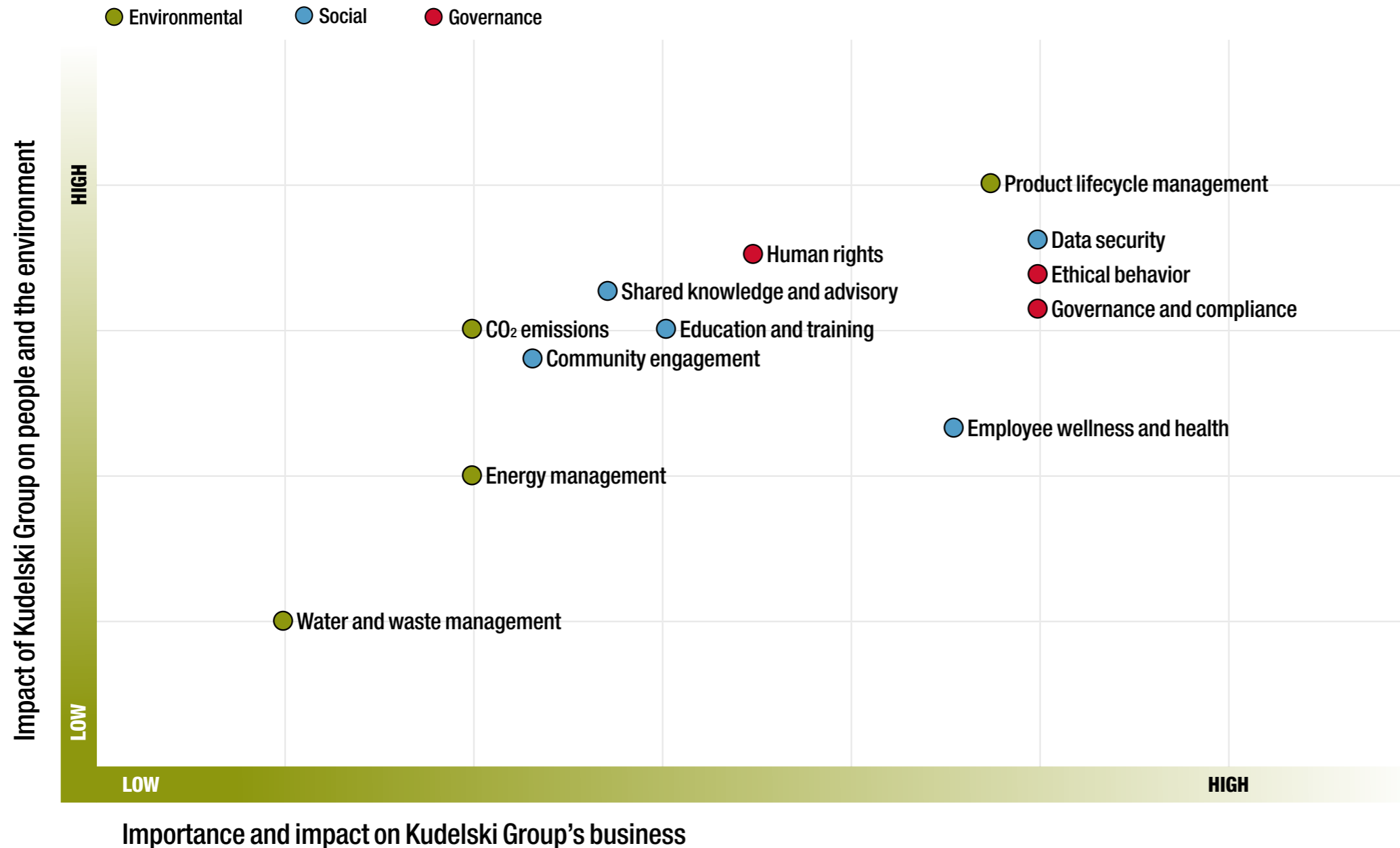


- Securing connected devices
- Securing chipset and semiconductors
- Helping people find stolen and lost assets
- Protecting infrastructure
- Developing anti-fraud solutions
- Developing quantum-resistant solutions

KUDELSKI IOT THINGS



MATERIALITY ASSESSMENT



KEY SUSTAINABILITY PRIORITIES AND OBJECTIVES

We are establishing key performance indicators (KPIs) to track progress towards our sustainability goals and regularly report on our performance to stakeholders. Our aim is to include:

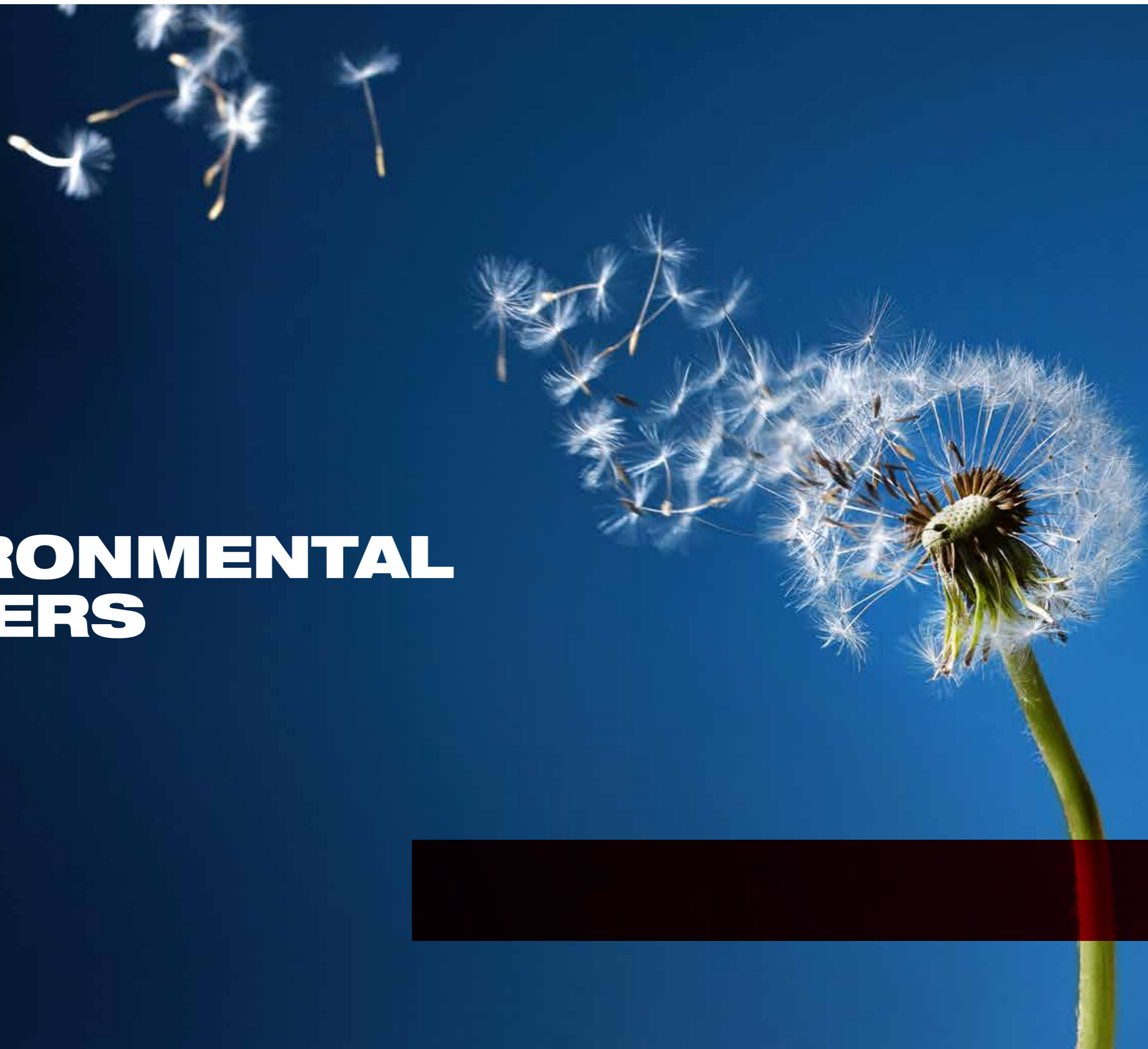
Minimize carbon footprint: year-over-year reduction in Scope 1 (direct), Scope 2 (indirect energy-related), and in a later stage, relevant Scope 3 (value chain) greenhouse gas emissions.

- Scope 1 – Owned properties: monitoring energy consumption, carbon emissions, water and waste generation to assess our environmental impact and identify opportunities for improvement.
- Scope 2 – Leased properties: percentage of landlords that meet or exceed our environmental criteria for leased properties.
- Scope 3 – Supplier environmental compliance rate: percentage of suppliers that meet or exceed our environmental criteria, including carbon footprint reporting, use of sustainable materials, and energy efficiency.

Sharing expertise/ best practices with our stakeholders:

- tracking the rate of graduation and employment of our apprentices within the targeted industry;
- measuring the impact of KPIs for our stakeholders through feedback surveys;
- documenting compliance metrics, including the number of reported incidents, investigations conducted, and corrective actions taken;
- number of alerts monitored and events tracked; and
- defining the environmental measures that can be implemented throughout the Group's operations.

ENVIRONMENTAL MATTERS



OPTIMIZING OUR OPERATIONS



In 2023, our efforts were dedicated to reducing our carbon footprint by adopting energy-efficient approaches in product development. We also furthered our commitment to secure product lifecycle management through ongoing initiatives aimed at crafting resilient software and hardware, while also aiding customers in safeguarding their data. Presented below are key highlights that exemplify our strategy in this domain.

Additionally, the Group demonstrates its dedication to responsible energy management by using renewable energy sources, including electricity production via photovoltaic panels at the Group's headquarters in Cheseaux-sur-Lausanne, Switzerland. These measures contribute to both cost savings and environmental stewardship.

Performance indicators:

The Kudelski Group's sustainability initiatives are assessed through key performance indicators (KPIs) including tracking the percentage decrease in overall energy consumption, evaluating the energy efficiency rating of heating and cooling systems, measuring the reduction in lighting energy consumption through motion sensors, and monitoring the percentage of total energy sourced from renewable sources, particularly photovoltaic panels. In Switzerland, the Group is part of an initiative led by Romande Energie, the Swiss energy utility company, which assesses our effort from one year to another via a "Rapport de suivi annuel".

Adopting responsible cloud solutions and optimization of IT resources

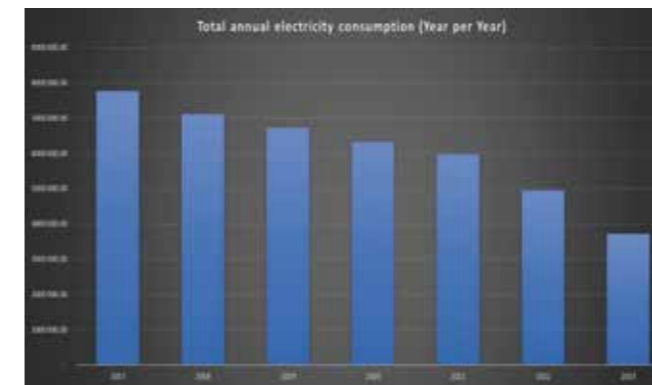
Our R&D and technology teams have prioritized the adoption of cloud-based solutions and platforms, choosing partners that offer sustainable innovation and a reduced carbon footprint. These teams also design the Kudelski Group's products and services with a view to consolidating workloads on optimized clusters, thus minimizing the overall IT resources required. The Kudelski Group's efforts to reduce its environmental impact are supported by the commitment to sustainable development of the selected partners, which have engaged in the use of renewable energy and the optimization of the use of their services.

MANAGEMENT OF ENERGY

The Kudelski Group has implemented a comprehensive strategy to manage energy consumption effectively and reduce its environmental impact. Key measures include minimizing electricity usage through initiatives like energy-efficient technologies such as low-power lighting, advanced heating and cooling systems, and motion sensors for optimized lighting.



Since the construction of its first site in Cheseaux-sur-Lausanne in the 1960s, the Group has regularly planted trees on its headquarters' property.



Swiss HQ, Cheseaux-sur-Lausanne: The overall electricity consumption of buildings was 25% lower in 2023 than in 2022. Over a period of 7 years (2017 to 2023), this represents a reduction of 52%.

Upcoming projects

- Deployment of additional photovoltaic panels on a diversified type of surfaces (roof, parking, fields...);
- discontinue obsolete and inefficient machines and installations;
- continue to replace equipment with more efficient solutions;
- raise employee's awareness of how to best reduce electricity consumption.



Photovoltaic panels produced 325,556 kWh in 2023, representing 10% of the consumption of the Kudelski Group Swiss HQ located in Cheseaux-sur-Lausanne.

CO₂ EMISSIONS

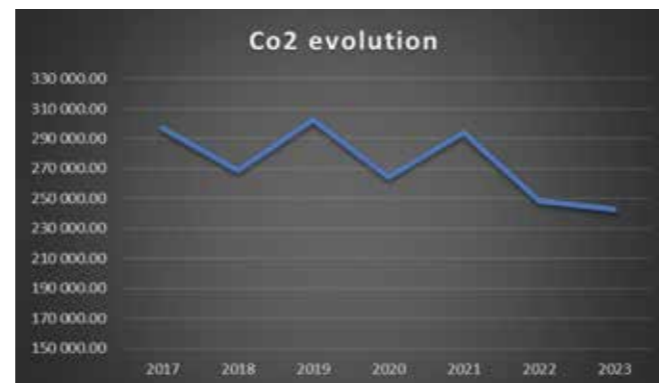
The Kudelski Group focuses on reducing CO₂ emissions within its operations by introducing measures such as building envelope insulation (roof, walls, windows, etc.) to minimize energy loss, adaptive ventilation systems optimized for off-peak hours (nights, weekends, holidays), implementation of a temperature control system for AC machine units, installation of heat pump systems to replace traditional electrical boilers and integration of eco-friendly transportation options, such as electric vehicles and hybrid fleets, to minimize the environmental impact associated with logistics (ex: SKIDATA Technicians).



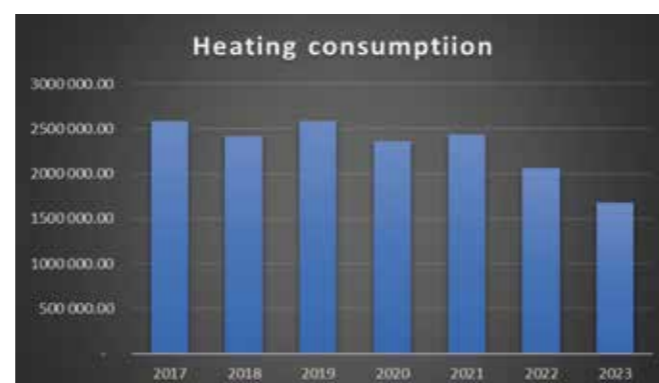
Swiss HQ, Cheseaux-sur-Lausanne: heat pump boiler installed to replace a classic electrical boiler.

Performance indicators:

The Kudelski Group will conduct regular assessments and audits to identify key areas for improvement of emissions reduction strategies. These reports will include third-party initiatives, such as the “Rapport de suivi annuel” published by Romande Energie.



Swiss HQ, Cheseaux-sur-Lausanne: Co2 consumption reduced by 5.9 tons in 2023 compared with 2022.



Swiss HQ, Cheseaux-sur-Lausanne: heating consumption reduced by 18.88% in 2023 compared with 2022.

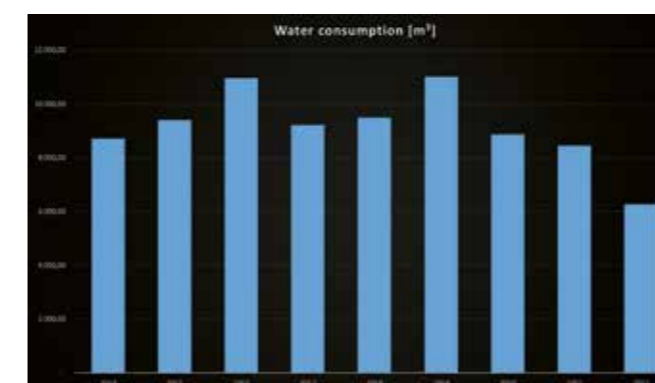
WATER AND WASTE MANAGEMENT

In alignment with its commitment to comprehensive environmental stewardship, the Kudelski Group is actively addressing water and waste management challenges. Water management initiatives encompass the installation of sensor faucets to limit water flow and hot-water consumption and the adoption of water recycling measures such as a rainwater harvesting system. Raising awareness amongst buildings users is also a key element and we use multiple means of communication to remind users of the importance of water management.

On the waste management side, reduction in packaging, composting of organic waste and selective waste sorting systems are examples of initiatives taken by the Group recently.

Performance indicators

The Kudelski Group’s efforts in waste management are carefully assessed through key performance indicators including, but not being limited to waste generation per site or hazardous waste reduction. And for the water management, water consumption, water leakage and compliance with water regulations are monitored and tracked.

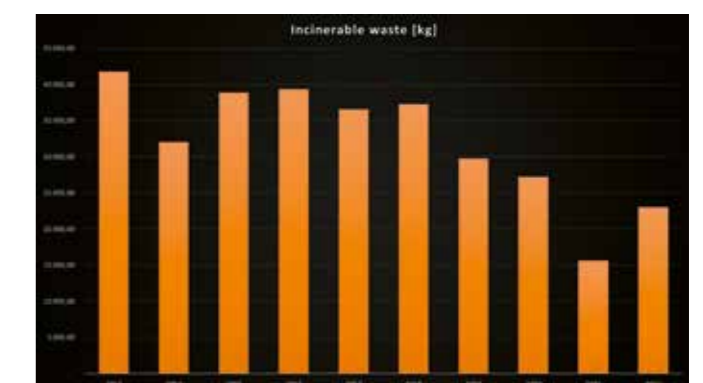


Swiss HQ, Cheseaux-sur-Lausanne: water consumption reduced by 25.81% in 2022 compared with 2021.

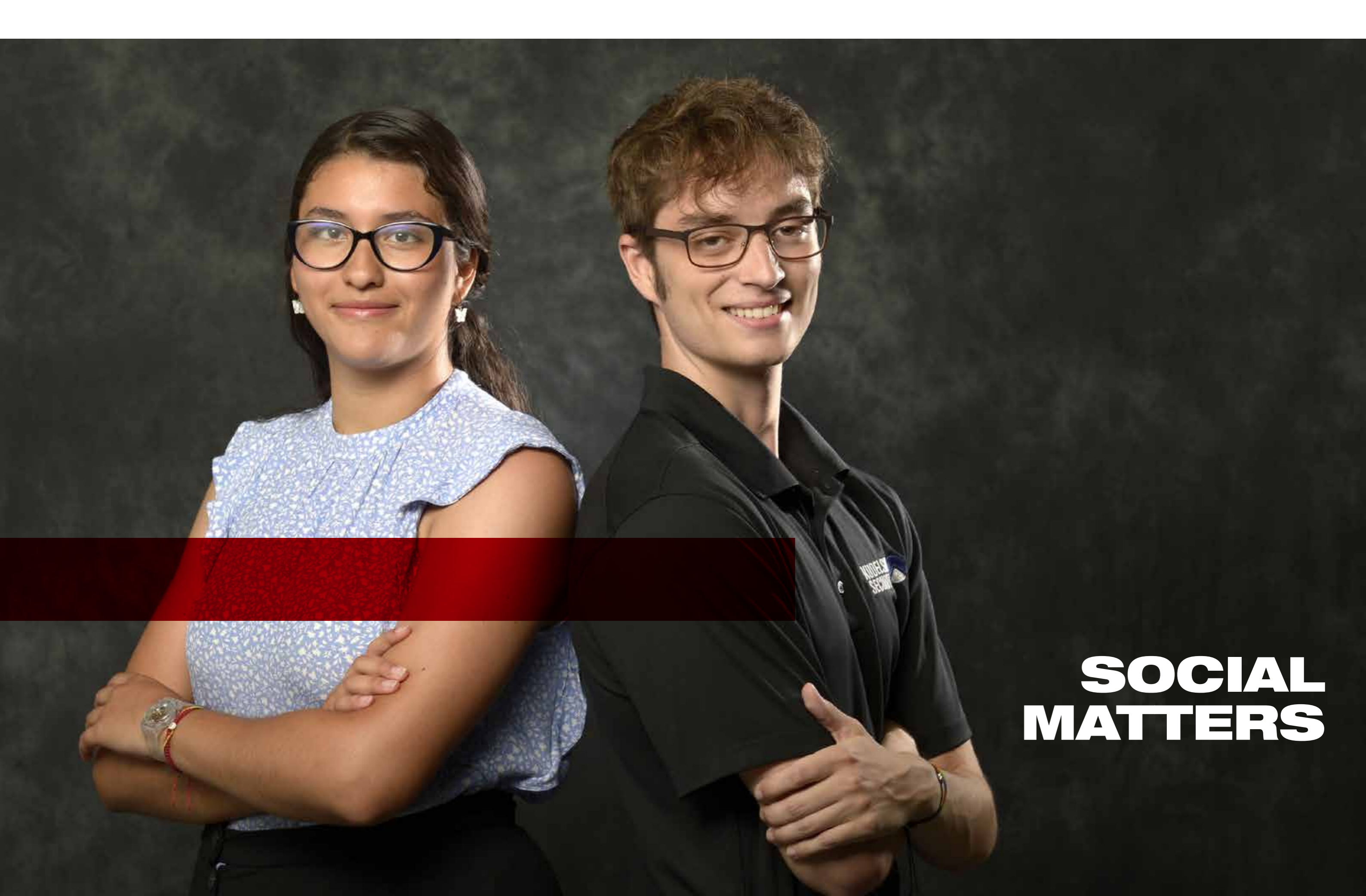
PRODUCT LIFECYCLE MANAGEMENT

Sustainability is built into the Group’s product design, enabling devices and solutions to be maintained easily over time and to have a minimal environmental footprint. For example, promoting the use of cloud-based solutions, conditional access modules and USB devices for digital television solutions guarantees a longer lifecycle, lower energy consumption and smaller quantities of materials.

The Group’s products are designed with high quality and reliability in mind as well as a secure by design approach and optimal product lifecycle, extending the limits of obsolescence. Offering maintenance and support services across its product lines, the Group also enables long-term use by customers.



Swiss HQ, Cheseaux-sur-Lausanne: waste volume reduced by 45% in 2022 compared with 2013.



SOCIAL MATTERS

COMMUNITY WELLBEING AND EQUITY



Recognizing the importance of investing in our workforce and supporting the communities where we operate, we continue our efforts on promoting apprenticeship programs and collaborating with educational institutions. We also remain committed to sharing our expert knowledge with the broader public. Below are some of our notable accomplishments in this area during 2023.

EMPLOYEES

At the Kudelski Group, responsible and sustainable business practices are intrinsic to our identity. As a family-controlled company for over 70 years, our longstanding values of integrity, excellence, and respect for all people underpin our approach.

Fostering an inclusive workplace is in our DNA. Our offices in over 30 countries embrace diversity in all its forms. People of all backgrounds and beliefs work together at the Kudelski Group.

Empowering our employees through training, development, and engagement initiatives nurtures innovation and passion. We provide dynamic career paths where unique perspectives are cultivated.

Safeguarding health and safety is an uncompromised priority. From robust training to reporting of incidents, we take a proactive stance in preventing workplace accidents and injuries.

Ethics and human rights are cornerstones in our supply chain relationships and business dealings. Through rigorous due diligence and continuous monitoring, we uphold the highest standards of integrity across our global operations.

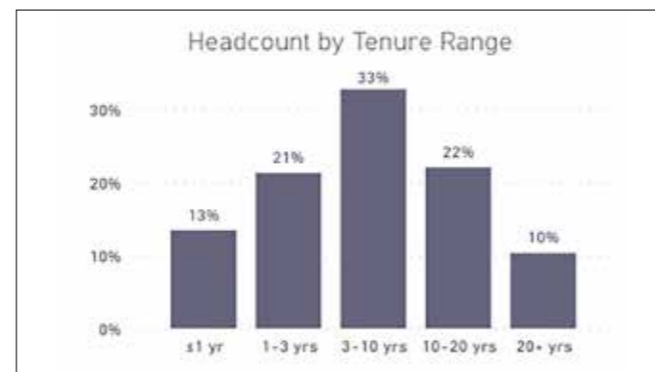
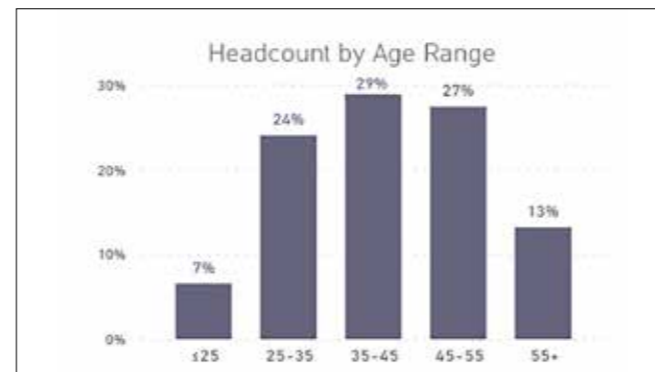
Key figures

702 women — 21% 2697 men — 79% 42 y.o. average

Commitment of our people

For the Kudelski Group, ESG factors are not just metrics to track but core values to live by each day. They manifest through the actions of our leaders, the policies of our company, and the collective responsibility of our people across the world. These convictions guide and strengthen us as we look to the future.

Our employees embody our commitment to making a positive impact in communities. Through our school renovation initiative in rural India, our people have volunteered their time and skills to transform aging school facilities. Together, they have rebuilt classrooms, updated sanitation systems, and created nurturing learning environments for children in need. It is not just financial resources we invest – it is also the passion and care of our team members. Their hands-on work forges



bonds between colleagues and fosters deeper cultural understanding. We are proud of this initiative not only for the restored infrastructure, but also for the empathy, solidarity, and purpose it has inspired within our company. The improved schools will benefit generations of students to come. Just as importantly, the spirit of service and unity sparked within our employees will propel our mission to drive change through ethical business (see pages 27-28).

APPRENTICESHIP PROGRAMS

The Group promotes apprenticeship programs in Switzerland, Austria and the USA. As Switzerland's apprenticeship system is renowned as a model in vocational training internationally, the Kudelski Group is a signatory to a Memorandum of Understanding between the Swiss Confederation and the US Department of Labor to develop apprenticeship programs in the USA.

This initiative promotes Swiss-style apprenticeships to the private sector and educational institutions as a viable approach to developing talent, and supporting workforce, economic development, professional growth and personal prosperity.



In 2023, Naomi Caballero and Parker Horejs became the two first graduates of the apprenticeship program in the Kudelski Group's headquarters in Phoenix.

By instituting a mentorship initiative and designating an apprenticeship supervisor, the Group establishes a framework for overseeing apprentices, in collaboration with the educational institutions responsible for their academic curriculum.

Promoting apprenticeship in the US

The Group's Phoenix headquarters sponsors two apprenticeship programs, the cybersecurity analyst and professional chef tracks. The cybersecurity analyst program now mentors thirteen registered apprentices in partnership with Phoenix Coding Academy and is recruiting for their sixth cohort. The professional cook program recently launched with one apprentice through a partnership with Central High School.

In 2023, the Group celebrated the graduation of Phoenix's first two apprentices from the cybersecurity analyst apprenticeship program. They are now Tier 1 Analysts in the Group's Phoenix Cyber Fusion Center while continuing their college education. To celebrate the apprentices' accomplishments, the Phoenix team hosted the Governor of Arizona and other officials to commemorate this landmark achievement.



In 2023, the Kudelski Group's headquarters in Phoenix employed 11 apprentices.



RELATIONSHIP WITH CUSTOMERS

The Group actively supports its customers and the media industry in fighting illegal media distribution that harms content creators. Through its cutting-edge anti-piracy solutions, it is committed to ensuring that their content is protected from unauthorized use or distribution. By implementing these solutions, the Group not only upholds the rights of content creators but also promotes an environment where creativity can thrive securely.

Engaging in diverse initiatives and alliances, the Group advances the cause of content protection and author rights within civil society. In doing so, it contributes to fostering a more ethical and respectful societal framework.

Together to fight piracy

The Group is a founding member of Latin America-based Alianza contra Piratería de Televisión Paga, an industry association launched in 2013 that aims to fight pay-TV piracy in Latin America. The company is also involved in several anti-piracy alliances such as IBCAP (International Broadcaster Coalition Against Piracy, USA), CAOVP (Coalition Against Online Video Piracy), CAP (Coalition Against Piracy, APAC), AAPA (Audiovisual Anti-Piracy Alliance, Europe), ABTA (Brazil), Convergence (Africa), Broadcast Satellite Anti-Piracy Coalition (MENA) and Sygnal (Poland).

The activities of these associations and the Group's involvement in their initiatives undergo regular evaluations, which are systematically documented in publications, discussed in meetings, and scrutinized during conventions. This ongoing assessment ensures transparency and accountability in their collaborative efforts. Content piracy and illegal distribution pose severe risks to society by undermining creators' livelihoods, stifling innovation, and facilitating the spread of malicious software. Additionally, these activities contribute to a culture of intellectual property infringement, eroding the ethical and legal foundations that sustain creative industries and technological advancements.

Providing an incorrect or weak response to these threats could potentially reinforce them. Therefore, the Group is dedicated to establishing a robust, coordinated and well-organized effort to combat piracy and illegal distribution.

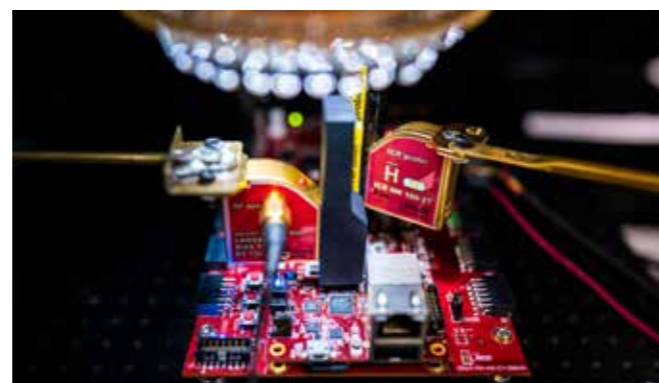
DIGITAL SECURITY

Recognizing the paramount importance of privacy and security in the digital age, the Group dedicates significant resources to develop cutting-edge solutions in data protection, chipset security, device security, and quantum-resistant technologies.

With a commitment to innovation, the Group pioneers quantum-resistant solutions that mitigate the risks associated with quantum computing advancements. By developing encryption techniques and protocols resilient to quantum attacks, the Group empowers individuals and organizations to protect sensitive information and maintain data integrity in an increasingly quantum-enabled world.

Building a secure future

The Group's dedication to quantum-resistant solutions goes beyond addressing current security challenges; it lays the foundation for a secure future. The Group plays a pivotal role in shaping a digital landscape where data privacy and security remain paramount, fostering trust and confidence in emerging technologies.



Kudelski Security Labs provide security assessments to a large number of customers.

Driving innovation in quantum-resistant solutions contributes to societal well-being by safeguarding critical infrastructure, financial transactions and personal information against critical threats. By promoting resilience in digital systems, the Group empowers individuals, businesses, and governments to embrace technological advancements with confidence, ensuring a more secure and sustainable future for all.

SHARING EXPERT KNOWLEDGE

Given its position as a technical expert and a leader in digital security, the Group plays a crucial role in shaping media discussions on these topics. The Group is regularly approached by the media to share its expert insights on digital matters and is available for interviews or discussions. Through active participation in public discourse, the Group fulfils its responsibility by disseminating valuable information to the general public, including for example information about security threats and vulnerabilities. This not only advocates for digital advancements but also raises awareness about potential risks associated with their utilization.



Kudelski Group's CEO André Kudelski is a regular speaker at the World Economic Forum Annual Meeting and other forums.

Commitment to innovation and positive change

This involves a comprehensive approach to address media needs, ensuring that interactions are thoughtfully planned and executed to effectively convey the Group's perspective and expertise on various subjects.

The Group also leverages its presence at major tradeshows, conventions and forums as a pivotal platform for engaging with the media and disseminating information regarding its primary innovations and business advancements. This approach ensures that the Group remains at the forefront of industry discourse, reinforcing its commitment to innovation and keeping stakeholders well-informed about its ongoing initiatives and progress. Engaging in communication during tradeshows, conventions and forums offers an opportunity to capitalize on the heightened public attention surrounding significant events.

As a strategic partner of the World Economic Forum, the Group actively engages in collaborative endeavors aimed at shaping a future characterized by enhanced sustainability and overall societal well-being. This participation underscores the Group's dedication to playing a central role in global initiatives that seek to address pressing challenges and promote positive change. The Group contributes its expertise, resources and innovative solutions to the collective effort in building a future that benefits communities and the planet alike.



The Kudelski Group is present at the most important tradeshows and conventions in its industry, including the CES in Las Vegas.



CYBER ADVICE TO AUTHORITIES AND SMEs

The Group serves as a consultant to authorities, providing guidance on matters related to cybersecurity and digital security. Working closely with government agencies and critical infrastructure providers, the Group helps protect against attacks that would impact the general public, hence fulfilling its role of public responsibility. The Group participates in initiatives such as the Swiss government Computer Response Team (GovCERT) to detect large scale system vulnerabilities and it collaborates on a regular basis with the Swiss National Cyber Security Centre (NCSC). It also contributes to the Swiss federal yearly MELANI report addressing important cybersecurity incidents. The Group CIO Office is in charge of implementing and monitoring the Group's policy in terms of collaboration with authorities in this field. It holds regular meetings and formulates the Group's strategy to guide optimal actions when interacting with regulatory agencies.

Helping to increase cyber resilience

Through its partnership with Trust Valley, the Group also takes part in the Trust4SME program built to help Swiss small and medium businesses to address lack of knowledge and resources to face cyber-threats. In 2023, Trust Valley published "Digital Security: A practical guide for SMEs". This guide is an independent, free and scalable reference tool to raise awareness and support Swiss SMEs in efforts to strengthen their digital security posture and increase cyber resilience. Created with the support of the National Cybersecurity Center (NCSC) and the expertise of more than 40 specialists in the field, this guide brings together advice, lessons and most efficient practices from the digital trust and cybersecurity support program.



Through its partnership with Trust Valley, the Kudelski Group helps to strengthen the digital security of Swiss SMEs.

SOCIAL RESPONSIBILITY INITIATIVES

The Group supports charitable organizations serving the communities in which it operates. It puts in place, at selected locations, volunteer time-off policies encouraging employees to be active members of their community.

These initiatives empower employees to make a positive impact on their communities, fostering a culture of civic engagement and shared responsibility for societal well-being. These efforts enable the Group to maintain close relationships with local institutions and organizations as a way to create the synergies that can lead to social improvement, help address challenges and train future talents.

School renovation in Kodagadala, India

Through a collaborative effort between its Nagravision division in Bangalore, India, and Indian NGO Utishta, the Group renovated three Government Higher Primary Schools of Kodagadala, Kodigenahalli and Hosakote, in 2023

The renovation included updating aging infrastructures and water facilities, providing new uniforms to students and planting trees on school premises. Computer labs were also established to support pupils in their learning of IT technologies, with new computers installed.

By working with a local NGO, the Group ensures a more profound integration into the community fabric, fostering a two-way understanding that transcends cultural differences. By leveraging the expertise of local organizations, the Group not only enriches its project implementation but also establishes a foundation for sustainable impact.



Inauguration of the newly renovated school in Kodagadala, India.

RELATIONS WITH LOCAL UNIVERSITIES AND SCHOOLS

The Group maintains close relationships with local universities and high schools on both the scientific and recruitment fronts, and also supports Masters and Ph.D. programs from local universities and engineering schools. Through its relationships with universities, the Group actively upholds its civic duty to contribute to quality education and advocates for the progress of scientific discourse within the public sphere.

By engaging in partnerships, the Group strives to support the local academic community and foster the broader advancement of knowledge and learning. For instance, it is one of the founding members of the Center for Digital Trust (C4DT) of École Polytechnique fédérale de Lausanne (EPFL), fostering research in trust and cybersecurity. It also participates in initiatives that promote science in public schools through its partnership with Digital Switzerland. Different teams within the Group, such as the CIO Office and Corporate Communications, engage in discussions with university entities or education state departments to coordinate events and establish or enhance partnerships.

Promoting STEM to build new talent

Through its partnership with Digital Switzerland, the Group works together with educational institutions in Switzerland to promote STEM (science, technology, engineering, math) and digital professions among young students in Switzerland. The idea behind this initiative, amongst others, is to encourage young people to embrace a professional career in these disciplines, eventually joining a tech company such as the Kudelski Group, where they will be able to develop their talent.

Teams within the Group, such as Human Resources and Corporate Communications, liaise with educational institutions and students to highlight the importance of STEM professions at organized promotion events.

This enables the Kudelski Group to attract the talent of the future by remaining as close as possible to its markets and local talent.



GOVERNANCE, ETHICS AND COMPLIANCE





Throughout 2023, we remained steadfast in upholding high standards of integrity and ethical behavior in our activities, focusing on implementing policies for security, compliance and ethics.

GOVERNANCE AND ETHICS AT THE KUDELSKI GROUP

Under the oversight of the Board of Directors and its Audit Committee, the Kudelski Group seeks to conduct its activities ethically, professionally and in full compliance with the legal and regulatory requirements of the places where it operates. Employees of the Kudelski Group are expected to behave professionally, ethically and in accordance with applicable law. The Kudelski Group also promotes fair and honest practices with its customers, suppliers and partners. The Group does not tolerate corruption or any type of fraudulent or unethical conduct.

The Kudelski Group is a global company with employees, customers, partners and operations located around the world. As a result, the Group's compliance measures must be designed to operate effectively to manage risk on a global basis. The fight against corruption, unethical behavior and unfair business practices is key for the Kudelski Group and applies to all actors, regardless of their level or role within the organization, including not only management and employees, but also third parties with whom we do business, such as our contractors, suppliers and customers. We implement this focus at the Group level by applying a common core of «Business Principles» that embody the values and principles of good conduct within the Kudelski Group. These principles are applied to our subsidiaries through codes of conduct, employee handbooks, policies and training, which are customized and localized depending on the specific nature of the business concerned and the local laws and regulations.

Pursuant to the Business Principles, Kudelski Group employees must be vigilant and never offer, promise or grant an advantage in any form that would constitute an unlawful act or a breach of obligations. Employees must also not request or accept such advantages for themselves or for third parties in connection with their role or function within the Group. Conflicts of interest, whether actual or perceived, must be avoided. Only small gifts or donations in accordance with local customs are tolerated without approval. Training programs for employees most exposed to ethical issues are used on a periodic basis to educate our employees. Such training programs are being extended throughout the Group.

The Kudelski Group has implemented an internal control system to monitor our financial reporting, including payments, purchases and expenses within the Group covering the entire value chain. In addition, the Group maintains a dedicated Internal Audit function that carries out systematic and ad hoc assessments of the Group's business units and corporate support functions. Our Internal Audit department, in collaboration with our Legal department, has the responsibility to investigate allegations of fraud, conflicts of interest, whistleblower complaints and other material issues that may be identified from time to time. Employees are encouraged to report any issues or concerns through their management hierarchy, to the Head of Internal Audit, the Legal department or the Human Resources department or anonymously through confidential reporting means.

Any employee who fails to comply with Kudelski Group policies, including the Business Principles and the relevant employee handbook, may be subject to disciplinary action, up to and including termination of employment.

GOVERNANCE AND ETHICS BY KUDELSKI GROUP SUPPLIERS

Given their importance and visibility, we recognize that our suppliers are also sensitive to ethical issues that could impact their business operations. The Kudelski Group is therefore committed to maintaining appropriate controls in this area. With the implementation and publication of its Supplier Code of Conduct as well as its Modern Slavery Statement, the Group provides its suppliers with a list of key principles and actions to follow in order to adhere to similar ethical and legal requirements. The Group mandates compliance with the Supplier Code of Conduct in all new supply contracts. Group personnel maintain regular communications with its suppliers regarding any potential compliance issues. Any failure by a supplier to comply with the Group's Supplier Code of Conduct would constitute a breach of contract.

HUMAN RIGHTS

As a technology company with a highly skilled workforce, one of our longstanding core values is respect for our employees and human rights. One of the key elements of our Business Principles is respect for the health and safety of our employees. The Group does not tolerate discrimination in hiring and employment practices. We respect all applicable laws and mandatory industry standards pertaining to wages and work hours. We do not tolerate forced or compulsory labor, human trafficking or child labor. These core principles are implemented across our Group through our employee handbooks, and employees receive periodic training on these matters. Through our Supplier Code of Conduct, we similarly require our suppliers to abide by similar principles.

The Kudelski Group also supports the local communities in which it operates by providing local employment opportunities and encouraging employees to engage in local community initiatives.

ABOUT THIS REPORT

This report is published in accordance with Art. 964a et seq. of the Swiss Code of Obligations. This is the first publication of this kind by the Kudelski Group.

Information about the company name, registered office, share capital and holdings owned by non-listed Group companies included in the scope of consolidation and covered by the report is shown on pages 158 and 170 of the Kudelski Group's 2023 financial statements.

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