Public Benefit Corporation Report 2023

Critical
software

Contents

CEO and Chairman message

The year 2023 was another important year for Critical Software (CSW). Not only did the company celebrate its twenty-fifth anniversary, but also, despite a very unfavorable context – uncontrolled inflation around the world, restrictive macroeconomic policies, or the barbarity of war that never ceases to surprise us – CSW not only grew but did so while maintaining robust performance indicators. This contrasts, incidentally, with what has happened generally in the IT sector, which is going through a less favorable period.

To elaborate a bit more, Critical Software's turnover increased significantly to €98 million (compared to €79 million in 2022), with an EBITDA of €22 million and an EBT of €21 million. The company maintains a strong export profile, focusing on the markets of Europe and the United States, and, as has been the case for several years now, a significant part of the wealth generated will be shared with employees – approximately 25% of the EBT.

The celebration of our first quarter-century was another opportunity to reaffirm what drives us – the construction of a better world, more prosperous, socially just, and better equipped to deal with the enormous environmental challenge we face. Therefore, the investment made in a set of actions that affirm our gratitude for all that the world around us has given us on the path so far deserves special mention – such as the launch of the TUMO Coimbra school, The_PIANO project, or the RAOK (Random Acts of Kindness) project.

For this reason, too, our continued commitment to the development of a governance model known as Triple P, or Triple Bottom-line – not only the generation of wealth, or the P for Profit, but also the P for People and the P for Planet – is noteworthy.

The celebration of our 25th anniversary was also another opportunity for a strategic reflection that matters to us. A path as long as the one we have taken so far has only been possible because we knew how to change a lot, many times. We are aware that to be successful in the next quarter-century, we will have to be able to change even more, and more frequently.

We need our collective intelligence more than ever to serve our customers, partners, and the world around us well. We need to give space to the younger generation so that, with the experience of the older ones, we can be the right partner for our clients and partners to face and take advantage of the impressive technological revolution that looms ahead of us. In summary, and more than ever, we need the recipe that defined our first steps 25 years ago – a lot of sharing and collaboration, sprinkled with ambition and boldness, and immersed in honesty, transparency, and ethics.

The solid culture, sense of belonging, and sense of purpose on which Critical Software is based guarantee that we will continue to deserve the trust of our customers.

Twenty-five years The Critical journey

Critical Software stands out as a company specialized in developing software solutions and engineering services, dedicated to supporting security-oriented, mission-critical, and business-focused systems. Since its foundation in 1998, with the honor of counting NASA as one of its first clients, the company has evolved significantly. Currently, Critical Software operates in various markets, encompassing not only sectors such as aerospace but also others like energy, transportation, finance, medical devices, e-commerce, and defense. Its operation is not limited geographically, serving a wide variety of industries worldwide. The company places quality standards at the center of all its activities. A notable achievement is the classification of its Waterfall and Agile methods at Level 5 of the CMMI standard, the strictest of this global norm. For Critical, the pursuit of excellence is not limited solely to technical aspects; there is also a marked emphasis on promoting corporate culture and values, which guide its practices and relationships with clients and employees daily. As a global company, Critical has clients worldwide, maintaining its headquarters in Coimbra and offices scattered across Lisbon, Porto, Tomar, Vila Real, and Viseu. Furthermore, it extends its international presence with branches in key centers, including Southampton (UK), Silicon Valley (California, USA), and Munich (Germany). Over the years, we have witnessed a remarkable advancement in Critical's performance metrics. Turnover has seen significant growth, and customer satisfaction indices remain very high. These results reflect the company's solid ability to provide world-class engineering services and innovation to a broad range of international industries, especially those requiring critical and innovative solutions.

COMPANY OVERVIEW

Foundation year: 1998

Headquarters: Coimbra, Portugal

Global offices: Lisbon, Porto, Tomar, Vila Real, Viseu (Portugal), Southampton (UK), Silicon Valley (California, USA), Munich (Germany)

Key sectors: Aerospace, Energy, Transportation, Finance, Medical Devices, E-commerce, Defense

Quality standards: CMMI-DEV Maturity Level 5 (Waterfall and Agile methods), ISO 27001, ISO 9001, EN 9100 and NATO AQAP 2210 & 2110 standards
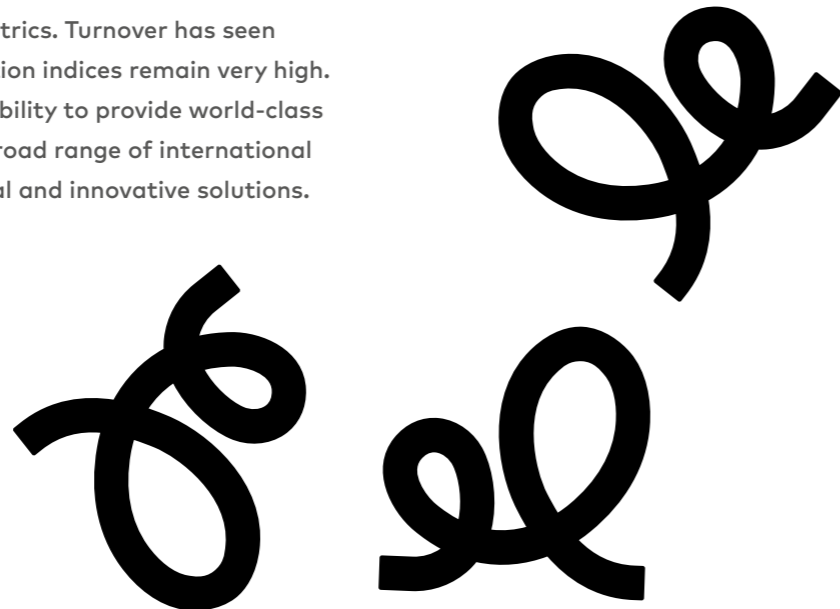
1998: Critical Software launches with NASA

1999: Unveils Xception™ software, opens first subsidiary in San Jose, California.

2000: Earns innovation recognition from various organizations.

2003: ISO 9001:2000 TickIT quality certified, expands to new locations.

2005: Secures CMMI-SE/ SW Level 3 certification.

2006: Achieves NATO/AQAP 2110 and AQAP 150 certification.

2007: Selected as ESA's EarthCARE main tester, expands to Mozambique and Romania.

2009: Attains CMMI-SE/SW Level 5 certification, launches spin-off companies, forms Critical Software Group.

**2012:** Joint venture with Sauter Controls (Verticalla) and opening a subsidiary in Germany.

2018: Joint venture Critical Techworks established with BMW.

2020: Focus on sustainability and developing a new sustainability plan.

2021: Achieves B Corporation certification, receives Investors in People Gold medal

2022: Better and Safer world booklet (our Sustainability Strategy) A Better and Safer World (criticalsoftware.com)

2023: Critical Software is constituted as Benefit Corporation. Achieves EcoVadis bronze medal (CSW Group) and silver medal (CSW UK)
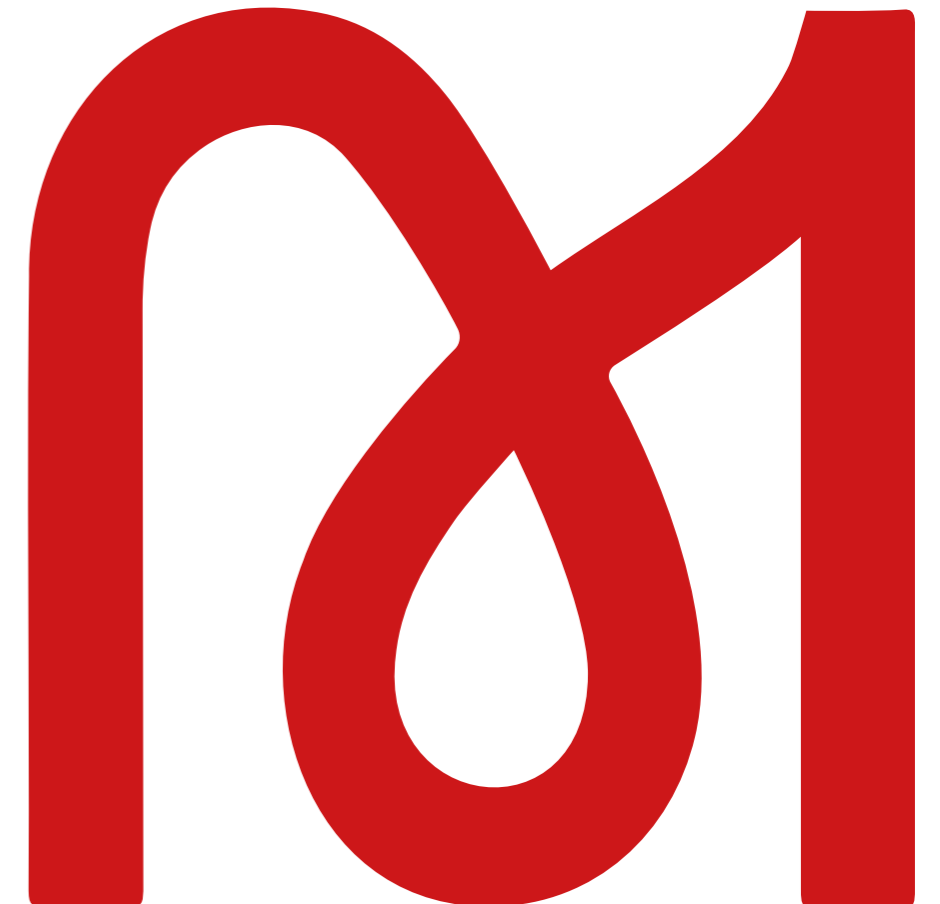
Our purpose

Our purpose drives what we do and why we do it. We are committed to using the power of technology to help our customers, our communities, our employees and the planet around us – thereby contributing to more sustainable ways of working.

During the 25 years of our existence, we have been following a path aligned with our mission: to contribute to a better and safer world.

As a **Benefit Corporation**[1], our goal goes beyond simple profit. Our business model is designed to have a positive impact on society, employees, the community and the environment. We position ourselves to act at the level of Triple P - People, Planet & Profit. This commitment is part of our vision to use business and technology as a force for good — both today and in the future.

Along our path to sustainability, we learn and grow every day. Our goals challenge us to constantly improve: better technologies, better ways of working, and more inclusive communities.

We are excited about a future where talent and technology meet to create positive change.

BENEFIT CORPORATION
PEOPLE, PLANET & PROFIT

For the reasons set out above, we have publicly made the following commitments:

• We direct 5% of our annual profits to impact the communities around us.

• We have made a commitment that we call "Ten Times", according to which the difference between the highest and lowest salaries in the company cannot exceed the factor of 10.

• We are strong advocates of reskilling programs and fully committed to hiring employees from diverse academic backgrounds for engineering roles.

• We are pioneers in the integration of neurodiverse young people into the IT workforce in Portugal.

• We support our families through extended, fully paid parental leave.

• We support better education for children and young people from vulnerable backgrounds within the framework of the Companhia do Estudo project.

• We supported and funded the first TUMO Academy in Portugal.

• We are committed to become a carbon neutral company and leave a positive environmental impact.

To ensure we keep our sustainability and impact goals relevant, we cross-referenced them with the UN's own 2030 Sustainable Development Goals (SDGs) to identify which were most relevant. The UN's 17 SDGs are a well-recognised, international framework setting a positive transformation agenda for governments and businesses across the world.

The SDGs most relevant to Critical are:

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

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1. A B-Corporation or Benefit Corporation differs from a standard corporation (C-Corporation): It is a for-profit business entity, legally defined in the U.S. and other jurisdictions, whose legally defined objectives include positive impact on society, workers, the community, and the environment, in addition to profit.

People

Diversity, equity and inclusion

**Foster diversity, inclusion, and equal opportunities
in the workplace and the community at large**

Neurodiversity Talent Programme

In 2021, Critical Software, in partnership with Specialisterne, launched an innovative initiative to recruit, train, and onboard professionals with Autism Spectrum Disorder (ASD) into its software engineering teams.

This initiative, a first in Portugal, reflects Critical Software's strong commitment to promoting a diverse and inclusive workplace by continuing to recruit talent for our teams. Our approach is multifaceted and key elements of the Neurodiversity Talent Programme methodology include:

1. Adaptation of the Recruitment Process: Respecting the diversity of the ASD and ensuring a barrier-free path that allows candidates to highlight their competencies and potential.

2. Specialized Support and Training: Provide continuous training with the aim of promoting an inclusive work environment, with successful long-term integrations, where different cognitive styles are valued within teams.

3. Personalized accommodations: We understand that each professional with autism has unique strengths and challenges. For this reason, we implement adaptations in task assignments, communication methods and the work environment under the guidance of a professional specialized in autism. This ensures that everyone's unique needs are met, contributing to a full and prosperous integration.

Neurodiversity Talent Programme
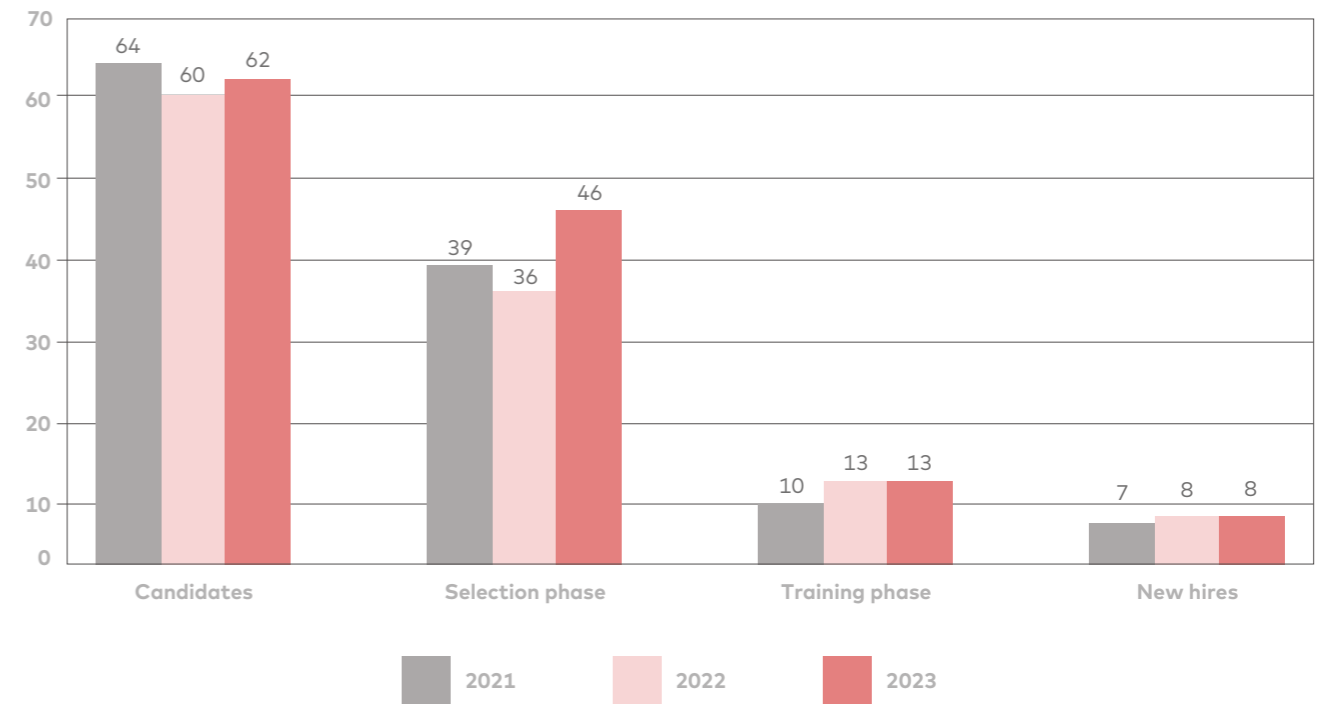
Since the launch of the program in May 2021, we have hired and trained 23 people, 16 of whom currently work at Critical Software, integrated and actively contributing to our engineering projects in which they are inserted. We have extended the program to other IT companies to raise the employability levels of people with autism in Portugal.

The impact of our initiative goes beyond pure talent acquisition and professional integration. It fosters a culture of understanding, breaks stereotypes about autism, and celebrates diversity in all its dimensions (e.g., thinking, problem-solving, communication). Our teams have become more robust, cohesive, and innovative, demonstrating the value of embracing neurodiversity in the workplace.

The work developed in the context of this initiative has been recognised by associations, psychologists, and family members of people with autism, and more and more IT companies are interested in joining the program. The many words of encouragement leave us determined to continue to diversify the type of talent in the IT sector, contributing to inclusion and employability, a goal that we will continue to pursue in a determined way.

Our commitment to this initiative is unwavering, and we believe it contributes significantly to promoting equity, diversity, and inclusion in the tech industry. We see our Neurodiversity Talent Programme not only to integrate talent into our teams, but as a step towards a more inclusive and empathetic society. We are proud of the strides we have made and excited to share our experiences and learnings, actively contributing to a broader conversation about mental health and diversity in the workplace.

DEI manifesto

At Critical Software, we are confident that promoting Diversity, Equity, and Inclusion (DEI) is not only doing the right thing, but also essential to the success of our business. We recognize that by embracing differences and creating a more inclusive workplace, we can not only improve the services we provide to our clients but also have a positive impact on society at large.
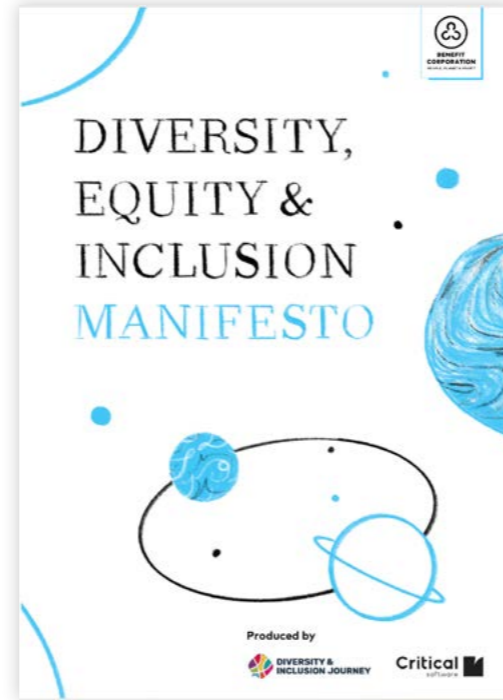
Creativity and knowledge are two fundamental pillars for Critical. That's why we work daily to remove barriers, increase the diversity of our teams, ensure equity and opportunities for all, fostering a strong sense of inclusion and belonging.

In 2023, it was the year we publicly assumed our Diversity, Equity, and Inclusion commitments: we built and published Critical Software's DEI MANIFESTO. The vision outlined in this document reflects our community, as it arose from actively listening to the perspectives and challenges raised by our employees.

To help achieve our DEI goals, we have implemented several initiatives, organized into three main axes:

• Training and awareness-raising on DEI-related topics
• Inclusion programmes with impact
• Promoting gender balance in technology

We recognize that promoting diversity and inclusion is an ongoing journey, and we are committed to continuing to foster an environment where individuals of all backgrounds feel welcomed, understood, and encouraged to contribute their ideas.

Hiring professionals in vulnerable situations

Critical Software continues to strengthen its solidarity in the face of worsening humanitarian crises, including those caused by global conflicts. In 2023, we maintained the extra incentive to hire people with refugee status, which allowed us to integrate several colleagues who now reside in one of the cities with CSW offices.

We also maintain our continued commitment to requalification programs, integrating annually +12 colleagues who, being in a situation of unemployment or precarious employment, do a retraining program for the technological area, starting their professional career at Critical in this new context.

These initiatives not only reinforce the promotion of social inclusion but also enhance the diversity of engineering teams, a factor that we consider essential for the competitiveness of a company like Critical.

Employee empowerment, wellbeing and engagement

Promote an open, participatory, and caring environment that drives professional and personal development and wellbeing.

Random Acts of Kindness

In a world that often feels fast paced and disconnected, it is easy to lose sight of the acts of kindness that can brighten someone's day and, in turn, make the world a better place.

Embracing kindness does not just involve giving; It is about receiving the warmth of human connection and contributing to the well-being of others.

With World Kindness Day as a starting point, we launched a campaign of good deeds, and challenged our community to spread kindness and make a difference in the lives of those around us, including colleagues, family, friends and the community at large.

A series of video testimonies were collected from our own team members, individuals whose lives have been deeply touched by random acts of kindness. These stories serve as powerful reminders of the profound impact that small gestures of generosity can have.

Matter - corporate citizenship

Committed to our mission as a Benefit Corporation, we aim to foster a spirit of citizenship within our community. In 2023, we launched our first corporate volunteering program, offering up to three working days per year for volunteering. Whether assisting disadvantaged children in their education or contributing to biodiversity preservation, Critical Software provides a variety of activities for our community to engage in or allows them to dedicate this time to causes they care about most.

Initiative	Partner organization	Description	Number of activities	Volunteers	SDGs
Be One With Nature	Montis Quinta das Águias	The "Be One With Nature" Initiative promotes initiatives with a positive environmental impact, contributing to a better world.	3	49	13 | 15
Ride4Good	Fundação Arca da Aliança	During the "Ride4Good" initiative, Critical motorcyclists paid a visit to the Fundação Arca da Aliança. In this meeting, they had the opportunity to be with some of the children and adolescents who live in the institution, sharing a snack and presenting the young people with vouchers for the purchase of clothes and accessories.	1	10	1 | 10
Beach Clean Up	N/A	In the "Beach Clean Up" activities, volunteers contribute to a world with cleaner beaches.	1	2	13 | 14
International Volunteer Day	Caritas Portugal CASA	On International Volunteer Day, we join Caritas and CASA and help people in situations of social vulnerability in different ways.	8	21	1 | 2 | 10
Another Matter	N/A	In the case of "Another Matter", employees are invited to use the hours offered by Critical to develop the volunteer activities they already conduct in their personal time.	7	7	1 | 2 | 4 | 10 | 13
Help Stamp Out Hunger & Poverty	CASA REFOOD	Through the "Help Stamp Out Hunger & Poverty" initiative, employees collaborate with organizations to help suppress hunger in socially vulnerable communities.	2	3	1 | 2 | 10
Tech4Good	AVP – Associação Vegetariana Cozinha com Alma EAPN	Through the "Tech4Good" initiative, employees collaborate at a technological level with (E)NGOs.	3	4	10

Table 1: MATTER - Volunteering activities 2023

Internal social responsibility

Often, difficulties are felt within our community. For various reasons, sometimes it is those closest to us who need our help. For this reason, in 2022 we created the employee support program – a fund that allows you to supplement the income of employees on long-term leave or contribute to the payment of home support services for colleagues who are working as informal caregivers.

Our commitment to our people is unwavering, so in 2023, in the face of extraordinary critical situations, the reinforcement of this support was implemented immediately.

Talent and the future of work

Foster new career opportunities in society through upskilling, reskilling and digital inclusion.

Education is one of the main social uplifts and therefore has always had a great relevance in our identity, so we have always considered ourselves as an engineering school. Critical Software's reskilling programs, "Acertar o Rumo", "Apostar em ti" and "Switch," exemplify the company's commitment to social responsibility and sustainable employment. These programs offer comprehensive IT and engineering training, ensuring participants transition smoothly into new careers within Critical Software or IT sector companies, thus addressing unemployment and promoting long-term career stability. Since 2013, these programs have trained over +500 people of which 113 are still part of our Critical family, representing 9% of our workforce.

TUMO Coimbra

TUMO is a free educational program that allows young people between the ages of 12 and 18 to develop their technological and creative skills. Created in 2011 in Armenia, it has proven to be extremely successful in putting young people in control of their own learning.

The first TUMO digital and creative technology center in Portugal, located in Coimbra's iconic Post, Telephone and Telegraph building, will provide 1,500 students with an exciting new way to access STEAM education. They will learn through self-learning activities, workshops, project labs, and more, in areas such as technology, animation, game development, and music.

Critical has teamed up with other patrons such as Paulo Marques and Pedro Bizarro (founders of Feedzai), Licor Beirão, Oxy Capital, the Municipality of Coimbra, Altice Portugal, BPI \| ''la Caixa'' Foundation, the Santander Foundation and the Calouste Gulbenkian Foundation.

Licor Beirão, Oxy Capital, Coimbra City Council, Altice Portugal, la Caixa Foundation, Santander Foundation and Calouste Gulbenkian Foundation to help make the new center a reality.

Companhia do Estudo (The Study Company)

Established in 2021 through a collaboration with Critical Techworks, Bluepharma, Nest Collective, and Present Technologies, Companhia do Estudo (CdE) empowers employees to volunteer their expertise and time to mentor and guide children from disadvantaged socioeconomic backgrounds.

In 2023, we were thrilled to welcome two new partners, LTPlabs and Msg Insur:it, and to celebrate the launch of our first class for non-Portuguese-speaking volunteers (MOTIVATE+).

CdE's mission is to ensure equitable access to education, reduce school failure and dropout rates, broaden horizons, and inspire and develop skills in all children and young people, especially those from socio-economically disadvantaged backgrounds.

With the support of volunteers and partner organizations, CdE provides individualized mentoring sessions to the children and young people who need it most and ensures access to necessary resources to keep them on track in their educational journey.

By closely collaborating with educational, cultural, sports, scientific, and business communities, CdE organizes and supports a variety of initiatives that complement the school curriculum and enhance the efforts of teachers and parents.

Through our mentoring pillars INSPIRAR, MOTIVAR, and MOTIVATE+, CdE aims to foster motivation, safety, self-confidence, communication, organization, study methods, and content comprehension in children and young people. Our goal is to help them believe in themselves, maintain their ambition, and strive to reach their full potential.

Through the DESENVOLVER pillar, we aim to develop technological skills in our children and tackle gender inequality in STEM professions. Scratch training is specially conceived for young children and contributes to the development of their analytical and metacognitive skills, which in turn promotes their self-confidence.

Through the EXPANDIR pillar, we aim to provide transformative experiences and learning in a non-formal context, such as workshops in a work environment within the offices of partner companies.

Inspire children
(6 to 12 y.o.)

29 Volunteers
31 Children
21 Institutions

Motivate young students
(13 to +20 y.o.)

54 Volunteers
66 Children
19 Institutions

Develop digital competences
(8 to +10 y.o.)

28 Volunteers
383 Children
10 Institutions

Expand horizons
(8 to 20 y.o.)

21 Opendays
18 Workshops
532 Students
18 Teachers

MAGRID

Without using verbal language and in a completely intuitive manner, MAGRID enables Kindergarten and 1st-grade students to learn mathematics through play, fostering their logical-mathematical skills from an early age. In a pilot project, Critical Software supported 86 children in 2021/2022, and in 2022/2023, we reached all 356 children at this education level in the Coimbra Centro Group. By training teachers and providing free licenses, we facilitate skill acquisition in a playful way, allowing us to support children with special educational needs, as well as foreign and bilingual students (including Portuguese Sign Language users).

Report — Magrid usage 2023

29 Total number of teachers	**356** Total number of children
111,285 Total time spent (minutes)	**1,855** Total time spent (hours)
Activities **8,414** Learning Activities	Lessons **196** Unique Lessons

Sports social scholarships

The practice of sports has a structuring role in the harmonious development of children and young people – it allows not only the development of multidimensional skills but also reinforces their self-esteem and social integration. In 2022, we launched the sports social scholarship, with the aim of allowing young athletes from more fragile socioeconomic backgrounds to practice sports such as ballet, basketball, football and sailing.

The Sports Social Scholarship initiative has seen significant growth and impact since its launch. In its inaugural year of 2021/2022, only 3 scholarships were awarded to ballet students at AMC. However, by the 2022/2023 period, the program expanded considerably, providing 32 scholarships across various sports disciplines, including basketball, sailing, and football. This trend continued into 2023/2024, with a total of 44 scholarships granted, reflecting the increasing reach and importance of the program in supporting young athletes from diverse socioeconomic backgrounds. The steady increase in awarded scholarships underscores the program's success in promoting sports participation among youth in need.

University scholarships

To reach the fringe of students who, by a minimal margin, are not supported by the University Scholarships awarded by the Social Action Services of the Universities, Critical has teamed up with the Academic Association of Coimbra, Stand4Good (University of Porto) and the Embassy of Portugal in Berlin to award an annual scholarship of 1,000 euros to a total of 11 university students.

Ethics and trust

Operate to our code of conduct and foster trust in our technologies and our relationships with stakeholders.

We promote a caring, healthy and challenging workplace centered on community spirit, and focused on helping **build a better and safer world** (for everyone!)

Trust is at the heart of Critical Software. We pride ourselves not just on what we do, but how we do it. We set ambitious standards for transparency, integrity, ethics, safety and wellbeing, and we expect all our community to uphold the commitments outlined in our Code of Conduct.

Critical Software's whistleblowing service is an anonymous mechanism that allows our community to report any serious concerns around misconduct, or anything that is not in line with our values and policies. The whistleblowing service provides a way of helping to guarantee that our standards of conduct remain high, ensuring all our stakeholders have confidence in how we do things.

In 2023, two complaints were addressed. The first was dismissed due to lack of evidence, as it replicated a previous unfounded claim. The second involved a potential case of workplace discrimination, requiring multiple meetings with various employees, including the complainant. Following thorough investigation, this complaint was also dismissed.
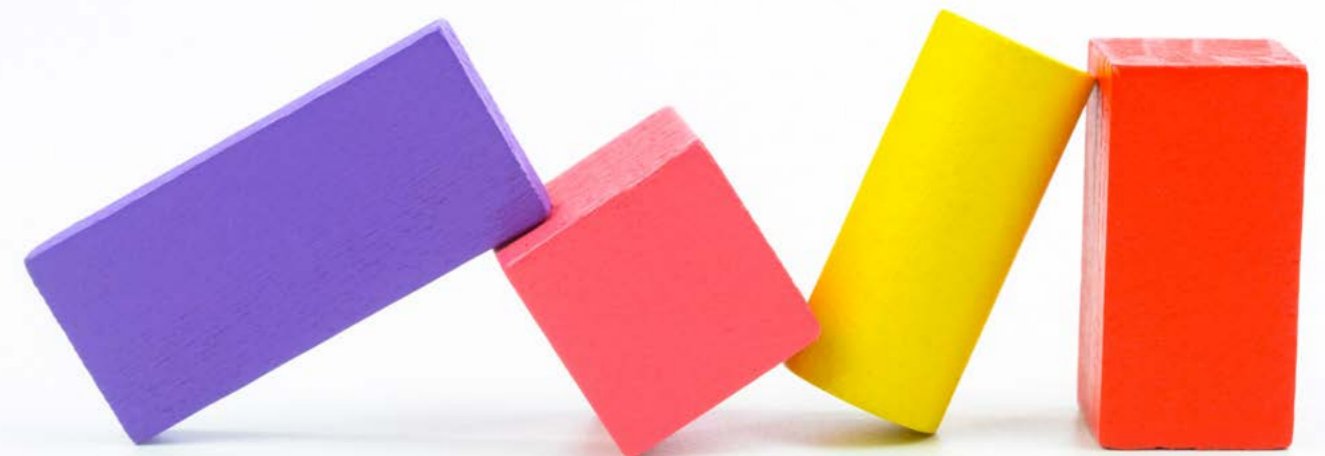
Planet

The construction of a better world necessarily involves the preservation of the place we call home. This pale blue dot that we inhabit has reached its overload. Building a better world for future generations means drastically reducing our carbon footprint. This is a goal that has always been with us, and, over the years, we have been transforming our offices into more sustainable spaces, using renewable energy sources whenever possible, investing in the reduction of polluting consumables, and replacing them with biodegradable materials. Reduce, Reuse, and Recycle are watchwords in our offices, but we want to go further; we want to leave a positive mark on the world and become a carbon-negative company.

We are dedicated to measuring our carbon footprint by mapping our CO_2 emissions across Scope 1, 2, and 3. Our objectives for 2024 include calculating our carbon footprint and developing a Science-Based Targets initiative (SBTi) decarbonization plan, with the aim of achieving carbon neutrality by 2030.

In 2022, we joined MONTIS to launch the first corporate environmental volunteering program. Critical Software has been sponsoring the reforestation of Carvalhal de Vermilhas in Viseu, and every year, we invite our community to contribute to a greener planet, taking care of the biodiversity of our forests. In 2023, with the support of about 100 volunteers, we cleaned, cared for, and planted more than 400 new native trees. Planting these 400 trees is equivalent to an approximate carbon reduction of 176 tons of CO_2 over 20 years. We also raised more partners to contribute to the preservation of biodiversity, such as Quinta das Águias and SilveiraTech.

Climate and the environment

Reduce our energy consumption and GHG emissions, use renewable energy sources and implement ecologically sustainable practices.

Renewable energy in facilities

Critical Software is dedicated to diminishing our carbon footprint and operating within our planet's limits. Through an array of initiatives and actions, we strive to efficiently manage resources, shift to renewable energy, and promote sustainable mobility.

In all offices where we have autonomy (Coimbra, Lisbon, Porto, Vila Real), we hire renewable energy. At our main office in Coimbra, we generate 25% of our energy needs using photovoltaic panels installed:

• Building "Coimbra A": 115 panels > 2.41 MWh
• Building "Coimbra B": 230 panels > 2.42 MWh

Total renewable energy consumption: 451,561 kWh
(84% of total energy consumption)

Energy production: 7,263 kWh

CO_2 Emissions (estimated): 107 tons CO2e.

Mobility pact and pool cars

In our mobility policy, we developed a three-level approach to advise our employees. At the first level, we prioritize public transportation like trains, buses, or subways. At the second level, we provide a pool of cars that can be reserved for commuting in Coimbra, Porto, and Lisbon offices when public transport is not adequate. At the third level, employees can choose a rent-a-car service when the previous options are not viable.

Sustainable supply chain initiatives

Promote a circular economy - reduce, reuse, recycle

At Critical Software, we are dedicated to promoting a circular economy through robust initiatives aimed at reducing, reusing, and recycling materials. Our comprehensive water, waste, and plastic reduction strategies include eliminating plastic coffee cups and water bottles since 2020, removing individual bins in favor of collective sorting bins, and replacing plastic-wrapped vending products. Additionally, we have switched to paper coffee cups, provided water dispensers and durable personal water bottles, installed water flow reducers, opted for EU Ecolabel products, and achieved a 100% recycling process. These efforts demonstrate our commitment to sustainable practices and environmental stewardship.

Reduce

Our sustainability commitment extends to reducing our environmental impact across all operations. We prioritize purchasing Lenovo laptops through Lenovo's CO2 Offset Program, offsetting 621.5 tons of CO_2e between January 2022 and December 2023 via environmental projects such as biomass power plants, geothermal projects, and wind power plants. Additionally, we mitigate the carbon footprint of our materials transportation by partnering with DHL's GoGreen program. In 2023, this collaboration resulted in a carbon offset of 3.61 tons CO_2e, reinforcing our dedication to reducing emissions throughout our supply chain.

Carbon reduction initiative	Details	Carbon reduction (tons CO_2e)
Lenovo CO2 Offset Program	Offset through various projects such as biomass power plants, geothermal projects, and wind power plants.	621.5 (2022-23)
DHL GoGreen Program	Purchase of carbon offsets for mitigating emissions from materials transportation.	3.61 (2023)

Total carbon reduction

- Total carbon reduction from Lenovo's CO2 Offset Program: 621.5 tons CO_2e

- Total carbon reduction from DHL GoGreen Program: 3.61 tons CO_2e

- Total carbon reduction from Reforestation Project: 8.8 tons CO_2e (annual reduction for 2023)

Total carbon reduction in 2023:
310.75 (Lenovo) + 3.61 (DHL) + 8.8 (Reforestation) = 323.16 tons CO_2e = 323.16 tons CO_2e

Reuse

We maximize the lifespan of our equipment through our Asset Decommission and IT Hardware Asset Management policies, prioritizing reuse, upgrades, and repairs. When equipment remains in good condition, we offer it to employees for purchase or donate it to local organizations, ensuring it continues to be useful and avoids unnecessary waste.

Through our commitment to reuse and sustainability, we successfully donated a variety of IT equipment and furniture to 24 local organizations. In total, 61 laptops were redistributed, with educational institutions like "Agrupamento de Escolas Coimbra Centro" and "Agrupamento de Escolas Coimbra Oeste – EB23 de Taveiro" receiving the largest shares. Additionally, 16 pieces of furniture and 7 monitors were allocated to various beneficiaries, including "Cáritas Diocesana de Coimbra," which received 4 pieces of furniture. This initiative not only extends the life of our equipment but also supports local communities by providing essential resources to schools, charities, and cultural organizations.

Recycle

When reuse is no longer an option, we ensure environmentally responsible disposal through certified agents. Our 100% recycling process includes the proper removal of data and the use of collective sorting bins for effective waste management. By focusing on recycling, we minimize the environmental impact of our waste and support the circular economy.

Equipment Donation

Monitors	7
Laptops	61
Furniture	16
TV	1

Profit

**Grow our local economies and participate
in the social flourishing of our communities.**

Annually, we return 5% of our profits to the community to make a positive impact through our initiatives, projects, and partnerships. Sustainability is a collaborative journey, and we aim to ensure that our wealth is distributed with fairness, transparency, and rigor. Our efforts reflect our core values, strategic objectives, and the concerns and causes of our community.

Philanthropic support is a central strategic activity within our company's Sustainability action plan, aimed at building a better and safer world. Recognizing the valuable work that many organizations are doing in our three Ps: People, Planet, and Profit, we seek meaningful ways to support them.

In 2023, we distributed more than 150,000 euros to support good causes through our philanthropic initiatives.

Give back – 25 Years

2023 is a year full of fond memories – we celebrate our 25th Anniversary – for 25 years we've been striving to make the world a little better and safer place. The motto of the celebration is "Give Back": to give back more than we receive, and to contribute so that the people around us can also aspire to be part of this mission. Changing the world we live in is not the work of an individual, but a collective effort. We decided, therefore, to present our community with a voucher worth €25 to invest in sustainability projects through GoParity. Around 1,200 vouchers were awarded that could transform the world in several ways:

The Piano

In the year our company celebrated 25 years of activity, we made a strong investment in external campaigns centered on the motto of giving back. "The Piano" initiative is the pinnacle of this celebration, symbolizing our gratitude to the society that helped us create a significant impact in the technological field, both in Portugal and abroad.

Lisbon's Entrecampos train station has become a vibrant hub of live music sessions, featuring performances by professional artists, amateurs, and curious enthusiasts. This initiative transforms the station into a canvas of creative expression, showcasing the power of unity through music.

"The Piano" is part of our "Give Back" campaign, marking our 25th anniversary—a year full of fond memories. For 25 years, we've strived to make the world a better and safer place. Our celebration motto, "Give Back," emphasizes our commitment to giving more than we receive and inspiring those around us to join this mission. We believe changing the world is a collective effort.

We extend our heartfelt thanks to IP - Infraestruturas de Portugal and Metro do Porto for their enthusiastic support, filling these spaces with the talent, creativity, and initiative of many who walk anonymously.

GoParity

To reaffirm our dedication to creating positive environmental and social impact. As part of this campaign, we presented our community with a €25 voucher to invest in sustainability projects through GoParity, an investment platform that focuses on funding sustainable projects.

Through GoParity, individuals can invest in projects that promote renewable energy, energy efficiency, sustainable agriculture, and social inclusion, among other impactful areas. By distributing approximately 1,200 vouchers, we empowered our community members to make a direct contribution to these meaningful initiatives.

This initiative not only celebrates our 25-year journey but also encourages our community to actively participate in sustainable development, fostering a collective effort towards a greener and more equitable world. The "Give Back - 25 Years" campaign is a testament to our ongoing commitment to environmental stewardship and social responsibility, inspiring others to pursue their dreams and surpass their limits, all while contributing to the global sustainability agenda.

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Philanthropic support

Critical Fit

The Critical Fit program is an opportunity for our employees to stay strong and healthy while supporting sustainability causes. Every month, a new goal is set in terms of training hours that employees are expected to achieve. Any exercise counts – from walking outdoors to biking at the gym. Whenever the monthly goal is reached, Critical makes its donation to the institutions indicated and voted by the employees. In 2023, more than 15,000 hours of exercise were completed, and 24,000 euros donated to 24 good causes.

Area of intervention	Organization
Migration and refugees	CPR - Portuguese Council for Refugees
	Jesuit Refugee Service
Physical health	Nariz Vermelho - Associação de Apoio à Criança
	Associação Existências
Forest protection	Plantar uma Árvore
	Bombeiros Voluntários de Penafiel
Inclusion & diversity	Angel
	Cavalo Azul
Children & family	Associação a Terra dos Homens – Centro de Acolhimento Temporário
	Pais em Rede
DEI	ILGA
	AMPLOS
Culture	APCC - 5º Punkada
	APCC - Associação para a promoção cultural da criança
Animals in danger	Pata D'Açúcar
	Amore
Environmental sustainability	MilVoz
	Good Food Institute
Mental health	Encontrar-se
	Quebrar o Silêncio
Intergeneration	55+
	Associação Apojovi
Social vulnerability	Comunidade Vida e Paz
	Banco Alimentar

Match Up!

Since 2021, Critical Software has been committed to addressing critical societal issues through its Match-Up campaigns, which combine the generosity of our employees with company-matched contributions to support those in need. These campaigns are designed to respond to urgent humanitarian crises and other significant social challenges by channeling donations to key organizations, thereby amplifying the impact of every contribution.

In 2023, we launched two major Match-Up campaigns that reflected our collective values and shared humanity:

- 1st Match-Up Campaign (February 2023): In response to the devastating humanitarian crisis in Turkey and Syria, Critical Software rallied to provide essential aid to those affected by the catastrophe. Employees were invited to donate to organizations such as UNHCR, Médicos sem Fronteiras, and Save the Children, with Critical Software matching each contribution. This campaign underscored our commitment to helping people in times of dire need, providing much-needed support to the victims of this tragic event.

- 2nd Match-Up Campaign (September 2023): As the new school year approached, we launched the "Cultivating Learning Opportunities" campaign to ease the financial burden of back-to-school expenses for families. This initiative supported organizations like Caritas München, Cáritas Portuguesa, and the Children's Literacy Charity in the UK, ensuring that students had access to the necessary school supplies and educational resources. Through this campaign, we aimed to pave the way for a successful academic year for all children, regardless of their financial background.

Through the combined efforts of our employees and the company, the 2023 Match-Up campaigns raised a substantial amount of funds to support these crucial causes. Employees donated over 5,544 euros and 235 pounds across both campaigns. These donations were matched by Critical Software, resulting in a total contribution of over 11,088 euros and 470 pounds. This collaborative effort exemplifies how we can come together to make a meaningful difference in the lives of those who need it most.

Solidary campaigns

The Solidary campaigns are an initiative that takes place on a quarterly basis, with the aim of giving the opportunity to entities that are on the waiting list to be helped and that have not been the target of financial support. Through these Campaigns, our community can make in-kind donations to an entity chosen by office.

Area of intervention	Initiative	Organization	Donation
Environment – animal rights	Solidary Campaign! Paws for a cause	Cantinho dos Animais Abandonados de Viseu	Dog and cat food Toiletries for animals
		Associação Protetora dos Animais de Tomar	
		Santuário Simba	
		Condeixa Pa'tudos	
		Plataforma Proanimal	
		Cantinho do Tareco	
Social vulnerability	Solidary Campaign! A brighter christmas for all	Roda Pedaleira	Food Hygiene products Baby products
		Fundação Maria Droste	
		Liga Nacional Renascer	
		Junta de Freguesia de São João Baptista e Santa Maria dos Olivais	
		Câmara Municipal Vila Real	
		Câmara Municipal de Viseu	

Ad-hoc requests for philanthropic support

Throughout 2023, Critical Software responded to various ad-hoc requests for philanthropic support across multiple areas of intervention, demonstrating our commitment to making a positive impact in diverse sectors. In the realm of Education, we contributed a total of 7,334€, supporting initiatives like Helpo, The Children's Literacy Charity, and local educational institutions. The Culture sector received 3,000€, with donations directed to Fundação Bissaya-Barreto and Associação Cultural Quebra Costas. Our efforts in Inclusion and Diversity amounted to 6,100€, benefiting organizations such as ARCIL and Lar Julio Alcântara Botelho. Finally, in the area of Social Vulnerability, we provided 5,630€ to various organizations, including Ajuda de Mãe and the Associação Humanitária Bombeiros Voluntários de Estremoz. These contributions reflect our dedication to addressing the needs of different communities and promoting positive change through targeted support.

Social investments and social entrepreneurship

Through our financial resources, we always seek to create the greatest possible impact, which is why we invest in initiatives that have proven the merit of their mission and the level of innovation that guides their intervention.

In 2023, we strategically allocated funds to initiatives that demonstrate significant mission merit and innovative approaches across various sectors:

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1. Education

Native Scientists
Native Scientists is a pioneering initiative dedicated to inspiring young minds in science education. Through interactive workshops and mentorship programs, Native Scientists connects primary school students with STEM professionals from diverse cultural backgrounds. This innovative approach not only enriches science education but also fosters cultural exchange and empowers students to explore and pursue careers in STEM fields. By bridging the gap between academia and local communities, Native Scientists aims to ignite curiosity, promote diversity, and cultivate the next generation of scientific leaders.

Our participation as social investors supported two science workshops that involved **106 children** from Escola Básica de Castro Daire and Centro Escolar de Valpaços.

Bagos D'Ouro
Bagos D'Ouro is a heartfelt initiative aimed at enriching the lives of underprivileged children in Douro region through educational support and holistic development. This program provides essential

resources, mentorship, and extracurricular activities to nurture the academic and personal growth of young individuals. By fostering a supportive environment, Bagos D'Ouro empowers children to overcome challenges and build a brighter future. Through community engagement and dedicated efforts, Bagos D'Ouro strives to make a meaningful impact in the lives of children, promoting equality and opportunity for all.

Our participation as social investors supported the mentoring of **25 children or young students in Mesão Frio.**

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2. Culture

Núcleo Museológico de Informática do DEI.UC
The Núcleo Museológico de Informática, part of the University of Coimbra in Portugal, stands as a testament to the rich cultural and scientific heritage of the institution. Dedicated to preserving and showcasing the history of technology and innovation, the museum offers visitors a captivating journey through various exhibits that highlight the evolution of engineering and computer sciences. From historical artifacts to interactive displays, Museu DEI invites exploration into the pioneering achievements that have shaped modern

technological advancements. As a hub of knowledge and discovery, the museum not only celebrates the University's legacy but also inspires future generations to appreciate the intersection of science, engineering, and culture.

Museu LOAD ZX Spectrum
LOAD ZX is a specialized museum dedicated to preserving and celebrating the legacy of the ZX Spectrum computer, an iconic piece of technology that revolutionized the home computing industry during the 1980s. Located in Portugal, LOAD ZX offers enthusiasts and visitors a nostalgic journey through exhibits showcasing a wide array of ZX Spectrum models, peripherals, software, and memorabilia. The museum's interactive displays and comprehensive collections not only highlight the historical significance of the ZX Spectrum but also provide insights into its impact on gaming, programming, and digital culture. By offering educational workshops, events, and a platform for community engagement, LOAD ZX continues to foster appreciation for retro computing while inspiring innovation and creativity in the digital age.

3. Inclusion and diversity

ColorADD
ColorADD is an innovative program designed to enhance accessibility and inclusivity in education and communication. Founded on a unique color-coded system, ColorADD enables individuals, particularly those with color vision deficiency, to interpret colors through simple symbols. This approach facilitates easier understanding and participation in various contexts, including educational settings and everyday interactions. By implementing ColorADD, we aim to break down barriers to communication and learning, promoting equal access and engagement for all individuals, regardless of color perception abilities.

Our participation as social investors will support the implementation of the ColorADD Program across multiple regions, spanning a 24-month initiative in the North (CIM do Cávado), a 36-month effort in the Central region (CIM da Beira Baixa and CIM do Médio Tejo). In total, this program will reach 291 primary schools and engage 5,978 third-grade students, with activities including 365 school throughout these regions.

EKUI
EKUI is a non-profit association currently applying for the Portugal 2030 program with a maximum duration of 30 months. They specialize in identifying and eliminating barriers in learning and communication. Since 2015, EKUI has implemented a multisensory

and inclusive literacy methodology in schools, which has received national and international recognition.

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4. Social entrepreneurship

Aldeia da Inovação Social 23
The Aldeia da Inovação Social is a pioneering social innovation project supported by Portugal 2020, aiming to foster sustainable development and community resilience. Located in Portugal, Aldeia da Inovação Social serves as a hub for creativity and collaboration, bringing together diverse stakeholders to address local challenges through innovative solutions. By promoting entrepreneurship, education, and social inclusion, the project empowers communities to leverage their strengths and resources effectively. Aldeia da Inovação Social is committed to creating a supportive ecosystem where ideas thrive, initiatives flourish, and sustainable development goals are achieved, contributing to a brighter future for all.

ShiftHappens
ShiftHappens is a dynamic social enterprise based in Portugal, committed to fostering positive change through innovative projects and initiatives. With a focus on sustainability, social impact, and community engagement, ShiftHappens collaborates with diverse stakeholders to tackle pressing societal and environmental challenges. The enterprise operates at the intersection of business, technology, and social responsibility, aiming to drive meaningful transformations in areas such as renewable energy, environmental conservation, and social inclusion.

Through its strategic partnerships and participatory approach, ShiftHappens empowers communities, promotes sustainable practices, and advocates for a more equitable and resilient future.

In 2023, Critical Software made targeted investments in education, culture, inclusion & diversity, and social entrepreneurship. These investments supported innovative initiatives and organizations that contribute to positive societal change, reflecting our commitment to fostering sustainable development and empowering communities.

Membership associations

- Católica Porto Business School Ethics Forum

- GRACE Associate Member Grace – Responsible Business

- MindAlliance

- Lisboa Sustentável Empresas

- Pacto do Porto para o Clima

External assessments

EcoVadis

Our customers are demanding and we want to assure them that we are in compliance with the highest precepts in Sustainability. It is important for us to obtain a certification that gives that credibility to those who seek our services. EcoVadis is a certification of sustainable performance of companies. The EcoVadis rating methodology aims to assess the quality of a company's sustainability management system through 3 management pillars: Policies, Actions and Results, in the following areas: Environment, Human and Labor Rights, Ethics and Sustainable Procurement.

In 2023, we renewed our silver medal for our branch in the United Kingdom and obtained the bronze medal for the entire group for the first time.

A Year of Impact and Commitment

In 2023, Critical Software reaffirmed its dedication to making a meaningful impact, with a total investment of €847,640.79 across various transformative initiatives. This year was marked by our 25th anniversary and launched our "Give Back" campaign. We proudly directed our resources to education, culture, inclusion and diversity, social vulnerability, entrepreneurship, and environmental stewardship. This commitment reflects our belief in promoting the economic, social and environmental flourishing of our communities. Our efforts ranged from substantial projects like TUMO or "The Piano", to encouraging small acts of kindness that brightened individual lives and strengthened community bonds

Challenges often arise close to home, and at times, those within our own community need our support the most. Recognizing this, we launched the employee support program in 2022, a fund designed to provide financial assistance to employees on long-term leave and to contribute towards home support services for colleagues who serve as informal caregivers. Our commitment to our people is steadfast, and in 2023, we responded to extraordinary circumstances by significantly reinforcing our internal social responsibility support. This substantial investment highlights our unwavering dedication to fostering a culture of care, ensuring that both our employees and the communities we are part of continue to thrive.

Our commitment to our purpose remains steadfast. With ongoing investment in our sustainability strategy, we continued to embed sustainability into the fabric of our operations. By focusing on collaborative team efforts and strategic initiatives, we are paving the way for a future where sustainability is at the heart of everything we do.

Together, we can build a better and safer world for all.

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About the report

The 2023 Public Benefit Report by Critical Software S.A., also
known as Critical Software or CSW, highlights the company's
contribution to sustainable development. It covers economic,
environmental, and social impacts based on input from
stakeholders and progress in our sustainability strategy. The
report includes activities of Critical Software, S.A (Portugal),
Critical Software Technologies Limited (United Kingdom),
and Critical Software GmbH (Germany). It also aligns with
the principles of the Sustainable Development Goals.