THE GLOBAL COMPACT

Communication
On Progress
2006-2007

Date: 22.08.2007
Authors: WISeKey SA
World Trade Center II
29 Route de Pré-Bois – CP 885
1215 Genève 15
Switzerland

Table of Contents

1 Corporate and Social Responsibility

WISeKey has always recognized its ethical obligation to act responsibly towards society.

At the company creation in 1999, we decided to work proactively to meet our ideals of Corporate Responsibility in full.

As a result, we established the OISTE foundation which aims to develop a self-regulated digital identity trust framework.

As a result, we not only exercise our power on behalf of our immediate stakeholders but also for the benefit of society and the world at large.

And we have maintained this while improving our ability to enhance performance and profitability.

Contact Person

Rosa M Delgado
Phone: +41 22 594 3008
Fax: +41 22 594 3001
E-Mail: rdelgado@wisekey.com

2 Message from Carlos Moreira

WISeKey is one the first companies worldwide to have developed an individual trusted model in the digital identity sphere aiming to empower individuals with its identity while the Internet development during the 90's had pushed towards anonymity.

Our strong commitment to human values and corporate social responsibility led us to join the UN Global Compact Initiative in 2003. WISeKey SA has adhered to the ten Global Compact principles in the areas of conduct in human rights, labour, environmental protection and fight against corruption.

WISeKey became one of the signatories to this initiative which has successfully engaged more than a thousand companies, organizations and academic institutions worldwide in considering their responsibilities in this initiative.

Corporate Social responsibility has served as a framework in WISeKey development. This is particularly highlighted by the close partnership with the OISTE Foundation (Organisation Internationale pour la Sécurité des Transactions Electroniques) which aims to develop a global trust framework for digital identity regulated by participating members federated through a Policy Approval Authority.

WISeKey enables technology to support developed and emerging technology markets, respects its partnerships commitments, and uses local expertise for the benefit of the specific regions and corporation as a whole. As a global Information Technologies player, we are and will be committed to initiatives which aim at bridging the digital divide, in particular to define global citizenship and the role of corporations in this endeavor.

WISeKey, based in Geneva, has achieved its commitments which have been for the benefit of our company, its staff, stakeholders and broader community.

Sincerely,

Carlos Moreira
Co-Founder and President
WISeKey SA

4

3 WISEKEY SA

WISeKey is a privately-owned company headquartered in Geneva, Switzerland. Since 1999 it has become the world's most trusted secure identity infrastructure and service provider of PKI and security identity management trust services.

Through its development of a geopolitically neutral, decentralized and globally accessible services infrastructure, WISeKey has positioned itself to deliver neutral and high-level electronic security at fees that are affordable to the most disadvantaged regions of the world. Unlike most current security methods, WISeKey offers a virtually fail-safe infrastructure that not only enables governments and enterprises to establish and maintain their own identity management infrastructures to issue and manage secure electronic identities, but also provides them with other related electronic identification methods such as biometrics.

Trust in the digital world is a fundamental element enabled by WISeKey in conjunction with the unprecedented OISTE relationship which is focused around the axis of security, neutrality and political know-how.

WISeKey has invested considerable resources and know-how to position Switzerland and Geneva in particular, as the most secure location in the world to host and manage Digital ID projects. The WISeKey Root certificate, owned by OISTE, was located in the Swiss Alps Secure Data Centre facility in 1999.

WISeKey is one example of a company deploying an efficient and cost effective Public Key Infrastructure (PKI) to enable secure e-business. Through a combination of hardware, software practices and procedures, users unknown to each other can now communicate with confidence via a trusted chain.

WISeKey intends to truly fulfill our Corporate Social Responsibility as a global IT player. In the years to come, the "Digital Divide" will expand to the "Identity Divide" and emerging economies expect from us that we contribute to close the gap for the benefit of everyone. This includes fight against the Identity Divide in disadvantaged areas of the world.

Our Trust Model

Building International Trust is Key.

OISTE was the first international non-for-profit entity in the world to create a neutral cryptographic Root in collaboration of the international telecommunications Union (ITU), the standard body for the X509 protocol.

WISeKey is the Root Key operator.

Trust, Security and Confidence are essential to underpin any sustainable growth and development in the global community. OISTE is a not-for-profit foundation which is governed by the present by-laws and by article 80 et seq. of the Swiss Civil Code, based in Geneva, Switzerland. It was founded in 1999 with the objective of promoting the

adoption of international standards to secure electronic transactions, expand the use of digital certification, and ensure global interoperability of certification authorities in e-transaction systems.

OISTE main objectives are the promotion of trust, security and confidence among countries and corporations. The objective is sought by facilitating self-governing participation in the determination of international e-communications security and the use of technical and legal certification standards applicable to e-transactions and communications worldwide as well as the Global Public Key Infrastructure and the issuance of certification authorities and registration.

OISTE main responsibilities include the custody of a Global Common Root for Certifications Authorities on behalf of organizations and governments, and the establishment of a secure Internet in disadvantaged areas of the world – developing countries.

Our Global Presence - The Affiliates Program

The WISeKey's affiliates program started to be deployed in 2006, enabling the development of trusted digital identity services and expanding the use of secure electronic communications worldwide.

This program allows them to sell value added solutions and services targeting their territorial customers.

Knowledge of the local market combined with high-quality services and products and moreover, support from head office provides efficient localized solutions. Localized client relationships with a proactive global communication channel and market research will insure subsidiary venture success.

WISeKey is planning to be everywhere and its first subsidiaries are in: Switzerland, Bulgaria, Spain and United States, Brazil, Mexico and Saudi Arabia.

WISeKey has clients in various business sectors as well as with governments such as Hawaii, Switzerland, Vietnam, Peru, Colombia, Venezuela, China, Mauritius, Senegal and Angola to name a few

Our Partners

Since its founding in 1999, WISeKey has delivered projects in partnership with major IT companies, including Microsoft, Verisign, Sun Microsystems and Hewlett-Packard. Consequently, it has entered formal global strategic partnerships with Microsoft and Hewlett-Packard and actively works with other global partners such as EDS.

The company has also established a respected profile among international trade groups, such as the International Chamber of Commerce, UN Economic Commission for Europe (ECA), UN Commission on International Trade Law, International Migration Organization (IMO) and the Solidarity Fund.

6

As part of its positioning, product offering and trust model, WISeKey has established partnerships with public and private sector organizations which include ITU, OASIS, Liberty Alliance, the World Trade Organization, the Clinton Global Initiative, the International Criminal Court in the Hague.

WISeKey has also been the initiator of important projects such as Youtourist.Net with the UN World Tourism Organization and the Geneva Security Forum, with the Government of Geneva, Switzerland.

4 WISeKey and the Global Compact

Global Compact

WISeKey considers that internal and external engagements highly contribute to the integration of this commitment into the day-to-day business processes. Moreover, Global Compact Initiative has helped us to orient our business activities according to the ten global principles and work towards sustainable development on the basis of partnership.

As a global operating technology and service enterprise, active participation in national and international bodies and the provision of information concerning sustainability at public events, which is aimed at raising awareness levels, naturally constitute part of our corporate communications.

In order to guarantee that human rights, non-discriminative attitudes, work standards and environmental protection regulations are observed and that economic development has the required capacity, WISeKey was among the first Swiss companies to support the UN Global Compact Initiative and plans to strengthen efforts to fulfill our commitments in due time.

New Goals Defined for 2006-2007

In 2006, a new Strategy Committee was constituted by our Board of Directors which has set the goal of significantly improving the profitability of all segments, but respecting the ten global principles of the UN Global Compact to which we have adhered.

WISeKey believes that our current strategic and operational activities are leading to a profitable development of the company, stakeholders and affiliates which should result in a sustainable development.

WISeKey remains faithful to its business activities but because of its dynamism and attachment to corporate social responsibility and business ethics, we have also extended our scope to others type of activities.

Therefore, WISeKey has set new milestones for the period 2006-2007 which includes initiatives that are a clear example of best practices.

- Firstly, WISeKey was invited to adhere to the Clinton Global Initiative (CGI) and to participate in President Clinton's call to global action. This initiative inspired 255 commitments which will benefit well over 500 organizations helping people in more than 100 countries. WISeKey's commitment consists in reducing the gap between the Digital Identification Divide in emerging economies aiming to contribute to the eradication of poverty.

  Through a new identity management and transaction platform, WISekey is enabling a new approach of cash flow management which helps to reduce operations costs, intermediaries and other sources of financial loss when remittances are sent to developing countries. This technology also encourages micro-credit initiatives and increases the awareness and control capability of the countries which provide the funds. WISeKey and the OISTE Foundation developed for this commitment the NETeID Social

8

Network. The NETeID System was designed as a set of online tools intended to empower poor and excluded people around the world to access via their digital identities different sources of assistances and interventions.

- Secondly, WISeKey became one of the Alinghi Sponsors, Defender of the 32nd America's Cup 2007 in Valencia. Environmental awareness is very important to Alinghi. The latter is financing several projects in Valencia in this area to give something back to the city which has been their home since 2004.

  The Alinghi team is also involved in natural reserve protection where it contributed to the renovation of the Exhibition House at Albufera (South of Valencia). This exhibition shows a history of the park, description of the flora and fauna and the history of the area. Moreover, the values of the Alinghi team are present in all of Alinghi's operations: advanced technology, search for excellence, environmental protection and dynamic management are consistently put forward to convey its corporate and social responsibility and business ethics.

- Thirdly, WISeKey would like to reinforce the use of digital certificates and encrypted emails among the UN Global Compact partners.

  To this end, we propose encrypting emails to keep hackers away from intercepting and reading our confidential communications. Using a personal email certificate can digitally sign your email so that recipients can verify that it's really from you as well as encrypt your messages so that only the intended recipients are allowed to view it.

  Encrypted emails need a public and a private key so that you, and only you, will have and use your private key. Your public key is handed out to anyone you choose or even made publicly available. By obtaining and using a personal certificate to digitally sign email messages you can help to stop spam being distributed in your name. If someone wants to send you a message that is meant only for you, they would encrypt it using your public key. Your private key is required to decrypt such a message, so even if someone intercepted the email it would be useless gibberish to them.

  When you send an email to someone else, you can use your private key to digitally sign the message so that the recipient can be sure that it is really from you.

  WISeKey has set up a system that allows you to get your own FREE WISeKey personal email certificate. For further information, please click here:

  https://secure.certifyid.com/certifyid/eid/eidcreate.aspx?tp=wis&returnappurl=http://www.wisekey.com/

5 BASIC PRINCIPLES OF THE GLOBAL COMPACT

Progress to Date

We have focused on a few priorities to accelerate the progress during 2006-2007, as follows:

Principle	Progress to date
Human Rights Businesses should 1. Support and respect the protection of internationally proclaimed human rights within their sphere of influence; and	Human rights, occupational health and safety policies were already incorporated into WISeKey's Corporate Governance rules adopted by the Board of Director in 2005. We had proactively seeked to identify potential human rights issues, in order to address them to our management since some Affiliates and Branches in different regions will be joining the WISekey Group during the period of 2006-2007. We also have included actions involving human rights protection in training programs for our employees and clients.
2. Make sure that they are not complicit in human rights abuses.	We had the confirmation from all our Branches and Affiliates that contracts with suppliers and partners are reflecting the requirements of this principle.

Principle	Progress to date
Labor standards Businesses should 3. Uphold the freedom of association and the effective recognition of the right to collective bargaining	Changes to businesses and ways of working have been executed in compliance with this principle and in fulfilment of our obligation to consult openly with representative forums. We had required more transparency and trust on collective bargaining from all our Branches and Affiliates. This has discretely been included in the

10

Principle	Progress to date
	annual control and audit assessment process.
4. The elimination of all forms of forced and compulsory labour;	We had the confirmation from all our Branches and Affiliates that this has discretely included in the annual control and audit assessment process.
5. The effective abolition of child labour; and	We had the confirmation that our suppliers, Branches and Affiliates have adopted the standard that they should not employ anyone under the age of 15 (14 in developing countries specified by the International Labour Organisation) or higher if stipulated by local law.
6. Eliminate discrimination in respect of employment and occupation.	Employment data are recorded locally, within the limits of legal restrictions, to ensure compliance. We had the confirmation from all Branches and Affiliates that they encourage the employment of women and disabled people where possible. , Otherwise, this would deny them their rights and would limit their opportunities to play a constructive role in their communities.

Principle	Progress to date
Environment Businesses should:	
7. Support a precautionary approach to environmental challenges;	WISeKey launched in 2004 the deployment of Secure Data Centers in various countries. A special focus has been given to avoid the limitation of the environmental footprint through specific construction techniques and material. These Centers provide a unique combination for security conscious institutions and companies which understand that location for hosting systems is a key element for the security of their data. Several new prospects have been initiated in countries such Spain, Brazil and Mexico. WISeKey has put special emphasis to ensure our branches construct safe and urable buildings (highly secure rooms, restricted passageways and multi-person access controls) respecting our full requirements.

Principle	Progress to date
8. Undertake initiatives to promote greater environmental responsibility; and	We had the confirmation that WISeKey SA and all Branches and Affiliates are implementing the following measures, to increase the efficiency and savings of the company and that the impact will be easily measurable such as: Staff is encouraged to: (a) Recycle used paper (b) Reduce the number of photocopies and print paper in offices (c) Use of recycled paper for printing and (d) Save energy by disconnecting all machines and lights that are not necessary overnight
9. Encourage the development and diffusion of environmentally friendly technologies.	We had the confirmation that WISeKey and all Branches and Affiliates had supported several companies and Afffiliates in their dematerialization process, avoiding usage of paper-based documentation while ensuring integrity and authenticity of documents.

Principle	Progress to date
Corruption Business should 10. Work against all forms of corruption, including extortion and bribery	***"Transparency creates Trust"*** We had the confirmation from WISeKey and all our Branches and Affiliates that agreements and other legal documents reflect our commitment to this principle which includes other ethical business practices too. This will ensure that we are are not directly or indirectly involved through suppliers or clients in any form of corruption practices such as bribes or extortion.

END