



Corporate Responsibility Report

Communication On Progress (COP)

2008-2009

Date: 21.09.2000
Author: WIS@Key SA
World Trade Center II
29 Route de Pré-Bois – CP 885
1215 Genève 15
Switzerland

Table of Contents

1	CORPORATE AND SOCIAL RESPONSIBILITY	3
2	MESSAGE FROM CARLOS MOREIRA	4
3	WISEKEY SA	5
4	WISEKEY AND THE GLOBAL COMPACT.....	7
5	BASIC PRINCIPLES OF THE GLOBAL COMPACT	10

1 Corporate and Social Responsibility - Tackling the global challenge

Since WISEKey joined the Global Compact (GC), our company is fully committed to the ten basic principles of the UN initiative. Our Corporate and Social Responsibility (CSR) program currently reflects these principles and features on our long-term agenda.

WISEKey's commitment to the Global Compact constitutes an effort of transparency and open communications towards our stakeholders and customers. This commitment must be considered as an investment towards a better future for the global society.

At the company creation in 1999, we decided to work proactively to meet our ideals of Corporate and Social Responsibility in full and not to expect commercial benefits from this development project.

WISEKey has demonstrated its expertise in securing and putting at the foremost of our priorities the protection of digital Identities and data since its establishment.

WISEKey produces and store reliable eID related data, which are the cornerstone of all short- and long-term trust relationships between people and organizations.

As a result, we do not only exercise our power on behalf of our immediate stakeholders for the benefit of society and the world at large. But, we have also maintained this while improving our ability to enhance performance and profitability and, by establishing the Organisation Internationale pour la Sécurité des Transactions Electroniques (OISTE) foundation which, aim to develop a self-regulated digital identity trust framework.

Finally, the 2009 Corporate and Social Responsibility Report aims to cover our performance and our efforts in ensuring WISEKey lives up to its good reputation as well as some notable activities during this period of time.

Contact Person

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

www.wisekey.com



2 Message from Carlos Moreira



WISeKey is one of the first companies worldwide that has developed an individual trusted model in the digital identity sphere aiming to empower citizens with their identity.

Our strong commitment to human values and corporate responsibility has led us to join the UN Global Compact Initiative in 2003 and adopt its ten basic principles.

In 2007, we were able to improve our strategic market positioning in the Digital Identification and Public Key Infrastructure (PKI) markets through important investments in the development of our company's strategy and visibility in new market segments. We also entered new geographical markets through the opening of new locations via Joint Ventures, via partners and distributors or directly by establishing a worldwide presence.

Corporate and Social Responsibility has served as a framework in WISeKey long-term development.

This is particularly highlighted by our close

Sincerely,

Carlos Moreira

Co-Founder and President

WISeKey SA

partnership with the OISTE Foundation, which aims to develop a global trust framework for digital identities regulated by participating members federated through a Policy Approval Authority.

As a global Information Technologies player, we are and will be committed to initiatives that aim at bridging the digital divide, enhancing local expertise, but in particular to protect global digital citizenship data and define the role of corporations in this endeavor.

WISeKey has achieved its commitments for the benefit of our company, staff, stakeholders and the broader community. We also wish to retain and improve our good reputation and remain a leading and responsible Swiss employer in the high-tech industry. As a result, in 2008 and 2009 the World Economic Forum selected WISeKey as one of the New Champions of innovation.

WISeKey addresses its business with strong consideration for green technologies, satisfied staff, smart cities and empowered citizens. Our 2009 CSR Report aims to reflect that there is no choice between business and corporate responsibility, but that they need to be associated.

We now look to the future to generate lucrative and new opportunities that will provide increased benefits for all involved without forgetting our responsibilities to the UNGC initiative.

3 WISEKEY SA

WISeKey is a privately owned company headquartered in Geneva, Switzerland. Since 1999, it has become the world's leader of the most trusted secure identity infrastructure and PKI service provider and security identity management trust services. Building on a long experience, WISeKey contributes to a better quality of life by providing a comprehensive range of innovative products and services.

Through its development of a geo-politically 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 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 that 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 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.

In 2008, we upgraded the original WISeKey vision with the aim of defining a strong future vision, as follows:

- Lead the secure digital identities market, building on important values such as integrity, respect for privacy, excellence, customer safety and a passion for technology and innovation;
- Lead the next generation (eID 2.0) market, whereby traditional PKI technology can be used with emerging business models;
- Leverage the SwissTrustmodel through country affiliates, together with OISTE and the ITU.

Finally, we intend to truly fulfill our Corporate Responsibility role as a global IT player. Over the years, the 'Digital Divide' risks becoming an 'Identity Divide' and emerging economies expect from us that we help contribute to closing this gap for the benefit of all by fighting against the "Identity Divide" in disadvantaged areas of the world.

Among of our Main assets:

Our Trust Model - Building International Trust is Key.

OISTE was the first international non-for-profit foundation in the world to create a neutral cryptographic Root in collaboration with the International Telecommunications Union (ITU), the standard body for the X509 protocol. WISeKey was designated as the Root Key operator.

OISTE, a Geneva based Foundation, is governed by its by-laws and by the Swiss Civil Code. 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's main objectives are the promotion of trust, security and confidence among countries and corporations. These objectives are sought by facilitating self-governing participation in the determination of international e-communications security, the use of technical and legal certification standards applicable to e-transactions and communications worldwide as well as the Global PKI and the issuance of certification authorities and registration.

OISTE's 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 developing countries and other disadvantaged areas of the world.

Our Global Presence - The Affiliates Program

WISeKey's Affiliates Program was 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 local 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 expand its business globally therefore, however our first subsidiaries are based in: Switzerland, China, Bulgaria, Spain and United States, Brazil, Mexico and Saudi Arabia. Our customer-base is found 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 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, Avengoa, Telvent and others. 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.

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 and the UN Global Compact.

WISeKey has also been the initiator of important projects such as Youtourist.Net with the UN

World Tourism Organization, the Geneva Security Forum with the Government of Geneva, Switzerland, the Mediterranean Citizen Platform with the local Government of Malaga and the EU and the Immigrant Service Platform with the Governments of Spain and Morocco.

Our Staff

WISeKey values its staff, their talent and commitments. We strive to work in a global and multi-national spirit and encourage our employees to meet their full potential.

WISeKey is a prospering company, and our growth continues to create new opportunities for our staff. Finally, we want to show our stakeholders and customers that we conduct all our business in an equally responsible way.

WISeKey strives to be the best in the sector in all its endeavors. We wish to be acknowledged as a great company to work for. It is clear that WISeKey's favorable work environment and satisfied employees has provided us with an extremely competent staff that is dedicated to develop high-level technology, long-term customer relationships and excellent know-how.

4 WISeKey and the Global Compact

4.1 The Global Compact Initiative

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 in 2003 and plans to strengthen efforts to fulfill our commitments in due time.

WISeKey has adhered to the ten Global Compact principles in the areas of human rights, labour, environmental protection and fight against corruption.

The Global Compact Initiative has helped us to orient our business activities according to the global principles and work towards sustainable development on the basis of partnership.

We are proud to support the principles of Global Compact and we commit to promote these values to our stakeholders.

4.2 Some Current Accomplishments

WISeKey expanded its services and clients during this period.

In 2008, we carried out a brand exercise to find out how to better support the new strategic focus with branding to determine the inner essence of our brand and conceived a new look to face a world-wide economic crisis as a business opportunity rather than as uncertainty, whilst respecting the company's long history and good reputation built over the years.

This Corporate and Social Responsibility Reports have given us an opportunity to look into our organization from a new perspective.; Therefore, WISeKey is committed to continuous CSR reporting during the years to come, with optimism and dynamism. Also, WISeKey's success highly depends on professional and capable staff with an innovative mindset, multicultural employees rich in culture, languages and enduring field knowledge and curiosity to solve problems. As a result, we have collected innovative ideas – a basis of new development for the future.

4.3 Goals Defined for 2008-2009

At WISeKey, the year 2009 was characterized by change. We refocused our strategy to serve best our clients. Following these strategic changes, a re-organization was conducted in the company to redefine our brand to reflect what we stand for.

We launched new Corporate and Social Responsibility initiatives to emphasize our inner values, e.g. an Immigrant Service and an e-Identity Platform addressed to Mediterranean citizens based on the management of digital identities and managed by municipalities. The plan was to start with the local Governments of Spain and Morocco

WISeKey's Strategy Committee launched strategic and operational activities leading to a profitable development of the company that should result in a sustainable growth. Our business is further developing towards improving the profitability of all segments while respecting the ten global principles

of the UN Global Compact to which we have adhered.

WiSeKey remains faithful to its business activities, but because of its dynamism and attachment to CSR and business ethics, we have also extended our scope to other types of activities.

For further details see paragraph 5.

4.3 New Goals Defined for 2009-2010

For this new period, we plan to identify new challenges in the information security sector that is able to impact the every-day life of people and conduct awareness campaigns through social networks, media, conferences, events, media and the UNGC.

WiSeKey has set new milestones for this period:

The protection of information and privacy as well as making individuals and trade partners accountable for their actions requires “secure digital identities”. The industry and public authorities have come to the conclusion that consumers and citizens do not want to be tagged with a “single universal identity.”

The overwhelming number of solutions in the market that are widely deployed and used however, a number of challenges still remain unresolved or require complex solutions that are incompatible with widespread applications or counterparties.

Given the ease of storing, distributing, and sharing information, users, corporations and public organisations are still searching for non-complex and interoperable solutions that:

- Protect them against data leakage while sharing data through the web and intranets
- Seal information against unintended readers
- Distinguish forgeries from authentic sources

Given the ease of creating bank accounts and email addresses that correspond to identities in general, these customers are also in search for non-complex and interoperable solutions that:

- Protect them against identity theft while buying and paying on the web
- Maintain privacy while voting and contributing content on the web
- Make people accountable on the web

Finally, WiSeKey aims to continue working with the initiatives launched in 2008-2009.

5 PRINCIPLES OF THE GLOBAL COMPACT

Progress to Date

We have focused on a few priorities during 2008-2009 as follows:

Principle	Progress to date
<p>Human Rights</p> <p>Businesses should</p> <ol style="list-style-type: none"> 1. Support and respect the protection of internationally proclaimed human rights within their sphere of influence; and 2. Make sure that they are not complicit in human rights abuses. 	<p>Human rights, occupational health and safety policies were already incorporated into WISeKey's Corporate Governance.</p> <p>Proactively sought to identify human rights issues, HQ and regional offices in order to address them to our management.</p> <p>Actions involving human rights protection were included in training programs at every staff meeting during this period of time.</p> <p>We had the confirmation from all our Branches and Affiliates that contracts with suppliers and partners are reflecting the requirements of this principle.</p> <p>Annual controls and audit assessments require today more transparency on this principle (HQ and regional offices).</p>

Principle	Progress to date
<p>Labor standards</p> <p>Businesses should</p> <ol style="list-style-type: none"> 3. Uphold the freedom of association and the effective recognition of the right to collective bargaining. 	<p>Business is performed in full compliance with this principle and in our obligation to consult openly with representative forums. Annual controls and audit assessments require today more transparency on this principle (HQ and regional offices).</p>

<p>4. The elimination of all forms of forced and compulsory labour;</p> <p>5. The effective abolition of child labour; and</p> <p>6. Eliminate discrimination in respect of employment and occupation.</p>	<p>Annual controls and audit assessments require today more transparency on this principle (HQ and regional offices).</p> <p>Embedded in the Code of conduct according to local legislations and as specified by the International Labour Organisation legislation.</p> <p>Employees data are stored locally, within the limits of legal legislation to ensure compliance with data protection standards (EU and others).</p> <p>Women and disabled people are encouraged in our regional offices which otherwise would deny them their rights and would limit their opportunities to play a constructive role in their respective communities.</p> <p>These principles are covered by our Code of Conduct. No violations reported to date.</p>
--	---

Principle	Progress to date
<p>Environment</p> <p>Businesses should:</p> <p>7. Support a precautionary approach to environmental challenges;</p> <p>8. Undertake initiatives to promote greater</p>	<p>WISeKey has committed to constructing safe and durable Data Center buildings (highly secure rooms, restricted passageways and multi-person access controls) respecting full environmental requirements. These buildings were designed to avoid the limitation of the environmental footprint through specific construction techniques and equipment. They provide a unique combination of security conscious institutions and companies that understand that the location for hosting systems is a key element for the security of their data.</p> <p>Finally, life-cycle assessment on key equipments/services to assess environmental impact has been recently implemented.</p> <p>WISeKey and regional offices implemented the</p>

<p>environmental responsibility; and</p> <p>9. Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>following measures to increase the efficiency and savings of the company:</p> <p>a) Recycle used paper;</p> <p>b) Reduction of photocopies and print paper;</p> <p>c) Re-use recycled paper for printing;</p> <p>d) Energy saving (disconnect lights and machines when not in use).</p> <p>Note: the measurable impact will be provided in the following report.</p> <p>WISeKey highly encourages dematerialization process and avoiding usage of paper-based documentation while ensuring integrity and authenticity of documents for regional offices and customers.</p> <p>WISeKey/OISTE developed for this commitment the NETeID Social Network. The 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 assistance and intervention. NETeID is currently operational. We expect to develop marketing campaigns for the less developed countries to join this initiative.</p> <p>These principles are covered by our Code of Conduct. No violations reported to date.</p>
--	---

Principle	Progress to date
<p>Corruption</p> <p>Business should</p> <p>10. Work against all forms of corruption, including extortion and bribery.</p>	<p>‘Transparency creates Trust’.</p> <p>WISeKey is determined that all contracts and legal documents reflect our commitment to this principle and related ethical business. This will ensure that we are not directly or indirectly involved through customers and suppliers in any form of corruption practices such as bribes or extortion. This principle is covered by our Code of Conduct and anti-corruption policy.</p>