Benefit Corporation Report 2024

Critical
software

Contents

Message from the Chairman and CEO

2024 was once again a year of great challenges. Despite the positive results in the fight against inflation in Europe and the United States and their impact on the macroeconomic situation, the fragile economic situation in geographies that are important to Critical, such as Germany and the United Kingdom, the unstable political context on both sides of the Atlantic, the prolongation of the war in Ukraine and the eruption of another, equally devastating war in the Middle East, brought additional concerns and challenges to our management teams.

Despite all this, we have achieved results that leave us satisfied. Critical Software's turnover grew to € 117 m (from € 98 m in 2023), and EBT to € 29.5 m.

In this context, the importance of a practice that has been commonplace at Critical Software and which we repeated in 2024 becomes even more evident: sharing a significant part of the wealth generated by our people - approximately 25 % of pre-tax profits.

This was also the year in which we realised beyond any doubt that the accelerated transformation of the world around us, the dizzying production of knowledge, the emergence of new technologies and the development of powerful tools will profoundly and very quickly affect the way we develop software and, consequently, our business. It was also the year in which Critical, starting from this realisation, embarked on a path of transformation, perhaps re-founding, which will be very demanding and challenging, and which has to be done at great speed.

In fact, the use of Artificial Intelligence in our software development methodologies and the maximisation of automation in code production are strategic priorities for 2025 - and an excellent challenge to

our innovative capacity, creativity and agility. Other priorities and challenges for 2025 are the realisation of an M&A operation (in Germany or the United States) and the strong and ambitious development of our business in the United States, which includes the opening of a new office on its east coast.

It is worth emphasising the enthusiasm and energy with which everyone is once again embracing challenges that are as important as they are demanding. The governance model that we have been gradually developing - the Triple P, or Triple Bottom Line model - will certainly contribute to this, as it states that generating wealth, or the P for Profit, is not the only thing that matters to us. We also care about the P of People and the P of Planet, or, in short, our contribution to building a better and safer world. This makes us closer, more united, more complicit, a better team.

In short, it promotes our collective intelligence, which has, after all, been our main weapon in reinventing ourselves for over a quarter of a century.

As a consequence of this model, of our way of being, it is worth emphasising once again our commitment to sharing 5 % of the wealth we generate in support of the community around us. This ongoing effort, which has matured over time, can be seen in the impact of projects such as Companhia do Estudo, the Neurodiversity Programme, the TUMO Coimbra school, The_PIANO project and the RAOK project.

We are confident that the solid culture, the sense of belonging and the sense of purpose on which Critical Software is based are the guarantee that we will be able to continue, at very good speed, on a path full of challenges and earning the trust of our customers.

Critical journey

Critical Software stands out as a company specialized in developing software solutions and engineering services, dedicated to supporting security-orientated, 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)

2024: CSW's Neurodiversity Programme receives an international distinction from the **MindForward Alliance** in London (May 2024) for promoting equity, diversity and inclusion in the workplace.Group) and silver medal (CSW UK)
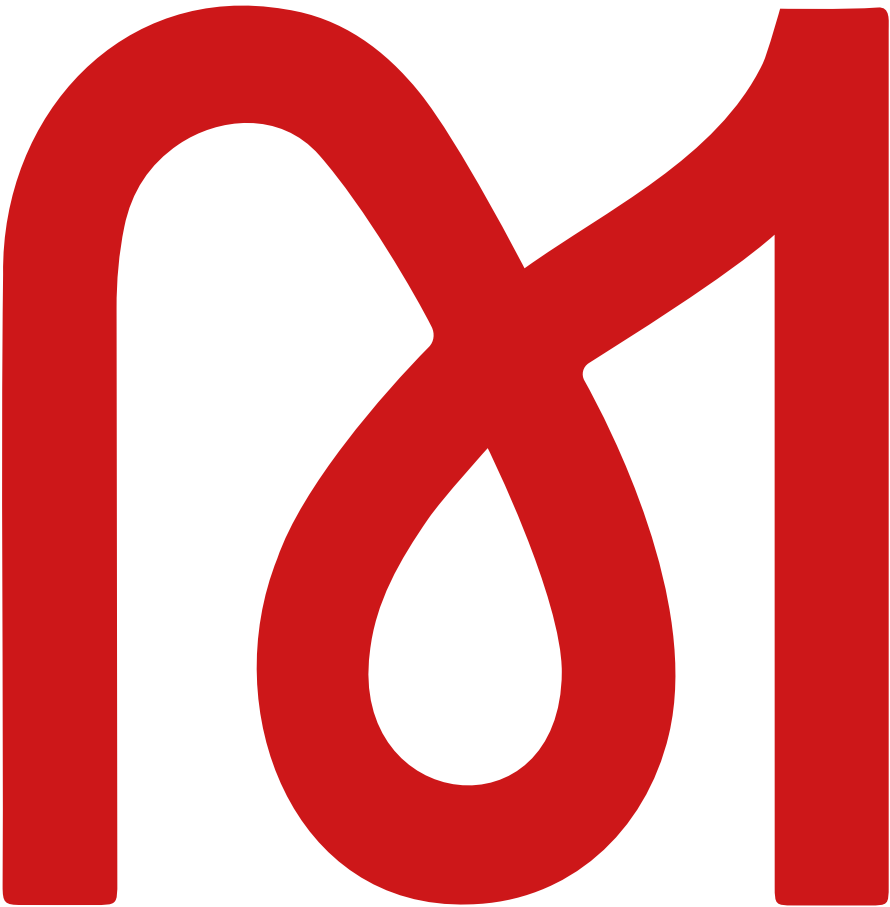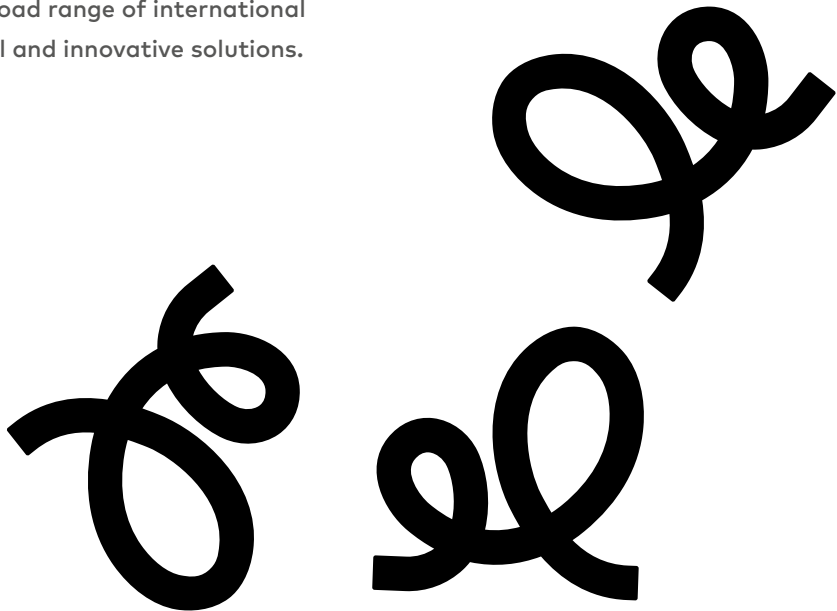
Benefit Corporation: a company with purpose

Critical Software's (CSW) purpose is the force that drives every action and gives meaning to everything it does. Driven by the ambition to build a better and safer world for everyone, the company is committed to using the transformative power of technology to benefit its customers, its communities, its employees and the planet, promoting a more sustainable and efficient future.

Throughout its 26-year history, CSW has followed a path faithful to its mission, having set itself up as a **Benefit Corporation**[1], placing itself at the forefront of the **Triple P - People, Planet & Profit**, using the power of business and technology as a force for good, today and in the future.

On its journey towards sustainability, CSW learns and grows every day, with goals that challenge it to be better: to create innovative technologies, to adopt new ways of working and to promote ever more inclusive communities.

The company is excited about a future where talent and technology come together to generate profound and lasting change, creating a positive impact on the world.

A BETTER AND SAFER WORLD

BENEFIT CORPORATION

PEOPLE, PLANET & PROFIT

For all of the above reasons, CSW is proud to make the following commitments:

• **Commitment 5 %**
It earmarks 5 % of its annual profits to positively impact the communities around it.

• **Factor 10**
The difference between the highest and lowest salary in the company cannot exceed a factor of 10.

• **Diversity, Equity and Inclusion**
It promotes diversity, inclusion and equal opportunities, creating a more inclusive and creative working environment.

• **Education**
It works to reduce inequalities in access to education and supports retraining, skills development and digital inclusion.

• **Internal Social Responsibility**
It guarantees a supportive, healthy and challenging workplace centred on community spirit, promoting a balance between personal and professional life.

• **Environmental sustainability**
It is committed to reducing its carbon footprint and leaving a positive impact on the planet.

To ensure that its sustainability and impact objectives remain relevant, it aligns its commitments with the UN Sustainable Development Goals (SDGs), identifying the most pertinent ones.

The SDGs most relevant to CSW are:
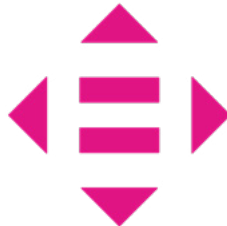

4 QUALITY EDUCATION

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

People

At CSW, people and their talent are the organisation's true driving force. The company believes that it is essential to hire the best talent at the right time, promote their growth and development, and ensure that they feel committed and aligned with CSW's values.

CSW operates in various sectors and does not depend on any specific value chain or business sector. As a B2B company, CSW does not work directly with consumers or end customers. Its "own workforce" includes employees, service providers and workers supplied by third parties, mainly involved in the company's core activities. CSW ensures fair working conditions, equal treatment and opportunities for all employees, guaranteeing access to training environments and skills development.

In 2024, the CSW team continued to grow, with 194 more employees hired, mostly for the offices in Portugal, with Coimbra receiving the largest number of new employees, but also with hires for offices in Germany and the United Kingdom.

As for turnover, in 2024 CSW saw 138 employees leave, an increase on the previous year. Retaining employees, especially those who are aligned with the company's values, is considered central to the organisation's success and prosperity. The commitment to training, development and the well-being of the CSW community are crucial elements for this goal, as detailed in the following sections.

In 2024, CSW took the decision to close the offices in Tomar and Vila Real, due to the limited growth of these teams in recent years. Employees from these locations were integrated into the main offices nearby (Coimbra, Porto or Viseu), with a hybrid working policy adapted to their travelling needs. To support this transition, the Vila Real and Tomar offices were transformed into coworking spaces managed by third parties in order to optimise their logistical management, given the reduced staff associated with these locations. In order to minimise travel, employees in Tomar and Viseu will be able to continue using the workspaces they already know.

2024 was also the year that the hybrid working model policy was clarified and fully implemented. At CSW, it is believed that a hybrid model, which combines working days in the office (for collaboration and involvement) with working days at home (for greater concentration), favours productivity and the well-being of the community, while also promoting a healthy work-life balance.

The company values a working environment based on trust and autonomy, where teams and individuals have the flexibility to make decisions within defined limits, with a focus on results and deliverables. It is believed that transparency generates trust, which in turn builds collaboration. Collaboration, in turn, promotes creativity, innovation, critical thinking and problem-solving - key factors for the company's success.

CSW believes that teams are the central and most important unit of the organisation and that teamwork is the company's greatest asset. This principle shapes the organisation and ways of working at CSW. Employees feel deeply connected to the company's purpose and values, and it is everyone's responsibility to maintain and nurture this culture, through daily actions, interactions with the community, mentoring new members and supporting colleagues in challenges.

Why the hybrid model?

CSW is enthusiastic about the hybrid working model and believes that it combines the best of both worlds, and does not advocate the fully remote model, since human interaction is fundamental to the company's success, as it assures:

- The best context and conditions for serving customers with excellence, responding to their needs promptly and providing high-quality services.

- The promotion of collaboration, creativity and knowledge building, enabling the company to face complex engineering challenges.

- The cultivation of genuine companionship and a strong sense of community, where the company's values and culture are not only embraced, but rooted.

- The stimulation of the entrepreneurial spirit, driving growth and creating opportunities for teaching, learning, inspiration and mutual empowerment.

- Prioritising the well-being, confidence and general health of all employees, offering care and support.

- The flexibility needed to harmoniously balance the personal and professional lives of all team members.
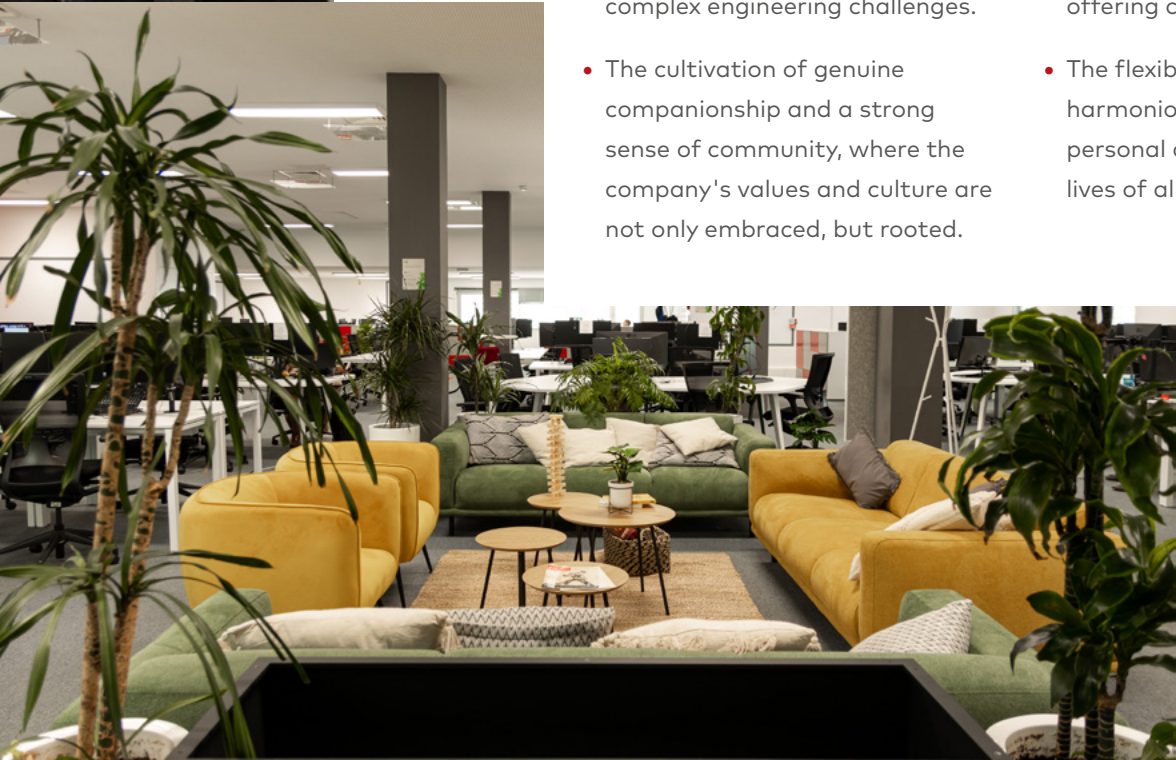
Diversity, equity and inclusion

Promoting diversity, inclusion and equal opportunities in the workplace and in the wider community.

At CSW, it is believed that promoting Diversity, Equity and Inclusion (DEI) is not only an ethical issue, but also essential to the success of the business. The company recognises that by embracing differences and creating a more inclusive working environment, it is possible not only to improve the services provided to customers, but also to have a positive impact on society in general.

Creativity and knowledge are two of CSW's fundamental pillars. It is with this focus that the company works every day to remove barriers, increase the diversity of its teams, guarantee fairness and opportunities for all, and foster a strong sense of inclusion and belonging in the employee community.

CSW recognises that promoting diversity and inclusion is an ongoing journey and is committed to creating an environment where individuals from all backgrounds feel welcomed, understood, listened to and encouraged to contribute their ideas. In 2023, the company publicly made this commitment in its Diversity, Equity and Inclusion Man

Neurodiversity Talent Programme

In 2021, CSW, in partnership with Specialisterne, launched an innovative initiative to recruit, train and integrate professionals with Autism Spectrum Disorder (ASD) into our software engineering teams.

This initiative, unprecedented in Portugal, reflects CSW's strong commitment to promoting a diverse and inclusive workplace, reinforcing our commitment to recruiting talent for our teams. The approach is multifaceted and the key elements of the Neurodiversity Programme methodology include:

• **Adapting the Recruitment Process:** Respecting the diversity inherent in the autism condition, CSW ensures a barrier-free assessment, allowing candidates to show their skills and potential.

• **Support and Specialised Training:** The company provides ongoing training with the aim of promoting an inclusive working environment, guaranteeing successful long-term integrations, where the diversity of cognitive styles is valued in the teams.

• **Personalised Accommodation:** CSW recognises that each autistic professional has unique strengths and challenges. Therefore, for each individual, adaptations are made to task assignments, communication methods and the work environment, with the guidance of a professional specialised in autism. This approach ensures that each person's specific needs are met, promoting full and prosperous integration.

Critical Software's Neurodiversity Programme
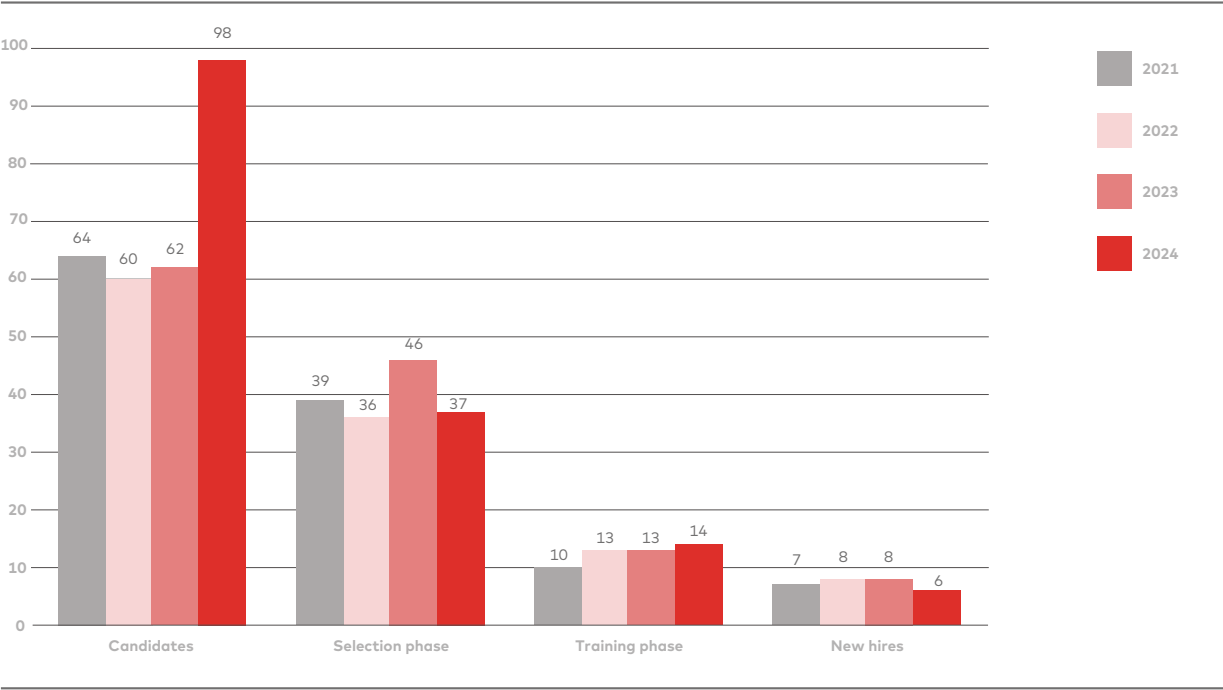
Since the programme was launched in May 2021, CSW has hired and trained more than 50 people, 15 of whom are currently working in the company, integrated and actively contributing to the engineering projects they are involved in. The programme has been extended to other IT companies with the aim of increasing the employability levels of people with autism in Portugal: Critical Techworks joined the programme in 2022 and, in 2024, CSW was delighted to welcome the first major IT company outside the Critical Software Group to the programme: NOS SGPS.

The impact of this collective effort goes beyond attracting talent and professional integration. It promotes a culture of understanding, breaks down stereotypes about autism and celebrates diversity in all its dimensions (such as thinking, problem-solving and communication). Teams have become more robust, cohesive and innovative, demonstrating the value of embracing neurodiversity in the workplace.

This initiative's contribution to inclusive employment has been recognised by associations, psychologists and relatives of people with autism, and more and more IT companies are showing interest in joining the programme.

In 2024, the Neurodiversity Talent Programme was distinguished by the Global Thriving at Work Awards 2024 in the category of Promoting Equity, Diversity and Inclusion. Receiving this international recognition in London was an important validation of the work carried out in Portugal to promote equity, diversity and inclusion in the technology industry.

CSW is proud of the progress made and is excited to share its experiences and learnings, actively contributing to a broader conversation about mental health and diversity in the workplace.

Hiring professionals in vulnerable situations

CSW continues to strengthen its solidarity in the face of worsening humanitarian crises, including those caused by global conflicts or natural disasters. In 2024, the company maintained the extra incentive to hire people with refugee status.

CSW also remains steadfast in its commitment to retraining programmes to hire people who are unemployed or in precarious employment. These professionals start their new career at CSW after acquiring the necessary technical skills through a specific training programme focused on the technological areas in which the company operates.

These initiatives not only reinforce the promotion of social inclusion, but also boost the diversity of engineering teams, a factor considered essential for the competitiveness of a company like CSW.

Women in technology

As part of CSW's efforts to increase the presence of women in the company, both in engineering and leadership roles, the company continues to support various women in technological contexts, both inside and outside the organisation.

In 2024, CSW joined a Web Summit initiative aimed at increasing the number of women attending the annual conference held in Lisbon. For the ninth time, Portugal opened the doors to the Web Summit for its 16th edition and, as part of its commitment to a more inclusive technology community, CSW offered six women - five of them from engineering and one from shared services, QUALIS - the opportunity to take part in the event.

The participants were invited to share their thoughts on the value of women in the technology industry, their personal connection to the cause of women in technology and their motivation to participate and bring value to this year's Web Summit.

Employee empowerment, well-being and involvement

Promoting an open, participatory and supportive environment that fosters professional and personal development and well-being.

The corporate world evolves rapidly, with new technologies, methodologies and trends, which is why CSW considers it essential to encourage the continuous development and training of employees.

CSW believes that training its people, involving higher education institutions or other institutions whenever necessary, is not only a strategy for improving organisational performance, but also a way of giving employees the tools they need to maintain a balanced life, both professionally and personally. It's a bet on building a sustainable, high-performance work environment with a future, where employees can be more motivated and perform more efficiently, boosting the competitiveness of teams and projects.

Master's Degree Support Programme

The specialisation of knowledge has the power to leverage professional development, especially in the technological context in which CSW operates. To this end, the company maintains the Master's Degree Support Programme, aimed at employees who, for economic or other reasons, did not have the opportunity to complete a master's degree before starting work at CSW. In 2024, a further 6 employees were supported who showed strong motivation and commitment to completing this stage of their academic training. CSW's support consists of paying half of the tuition fee, allowing them to use paid time from their working day to dedicate to their master's degree.

Sabbatical Leave Programme

Following the same strategy, CSW announced a Sabbatical Leave Programme in 2024. This initiative aims to provide an opportunity for long-term employees to have experiences outside the company, exposing them to different realities and promoting professional and personal growth and fulfilment.

CSW sabbaticals can be of two different types: the first is focused on personal growth and development, while the second also covers business and ecosystem development. It is hoped that this additional initiative will be an important step in building a more qualified, empathetic and committed community.

Continuous training

In the dynamic and competitive business environment in which CSW operates, continuous learning and evolution are essential in order to remain competitive and achieve sustainable growth. Training courses are defined in accordance with the company's strategic objectives (acquiring skills for the organisation's main priorities and objectives), reflecting the real needs of projects or areas and individual career plans or career development.

CSW's training management area is centred on the following objectives:

- Equipping employees with the skills and knowledge they need to carry out their duties effectively.

- Increasing workers' productivity and efficiency by improving their work-related skills.

- Encouraging the professional and personal development of employees.

- Promoting a culture of continuous learning within the organisation.

In 2024, CSW continued its commitment to employee development, improving their skills through a variety of training programmes. Investment in activities related to employee training and development totalled €1.3 million, representing an increase of more than 1 % on the previous year.

These efforts were made to improve employees' knowledge and skills in various areas critical to CSW's strategic objectives and organisational values, demonstrating the company's commitment to contributing to a skilled and resilient workforce capable of overcoming challenges and driving the organisation forward.

The 3 main focus areas for training in 2024 were:

- Leadership and Project Management.
- Software Development Processes and Tools.
- Critical Systems and Security.

2024 was a productive year for CSW's training and development initiatives. The company contributed to improving the skills of its workforce, both in terms of individual growth and learning and the overall success of the organisation. CSW hopes to continue this trend in the coming years, with a focus on innovative and impactful training programmes, namely contributing to the dissemination of Artificial Intelligence tools, the benefits of which the company aims to maximise.

Employee Empowerment Programme (EEP)

This programme is a set of tools that helps employees to better manage their careers and professional aspirations. Its main aim is to empower each member of our team so that they can become the driving force behind their own development, their own career. The EEP is made up of four strands illustrated in the attached diagram which, viewed independently, have their own value but are designed to work effectively together. During 2024, the percentage of employees receiving regular performance appraisals and career development was increased to 99.6 %. This improvement was particularly effective in younger roles (category 1).

PULSO - Personal Assistance Service (PAS)

CSW is committed to positively impacting the well-being of its employees. As part of the strategy to promote physical, social and mental health, CSW has implemented some work-life balance principles, as well as providing specialised services to support employees in dealing with professional or personal challenges.

A positive work-life balance reduces stress and anxiety, improves the quality of connections and relationships, and increases the community's happiness, sense of belonging and productivity. That's why a set of principles has been created to guide and support our decisions when it comes to maintaining a healthy work-life balance throughout our community.
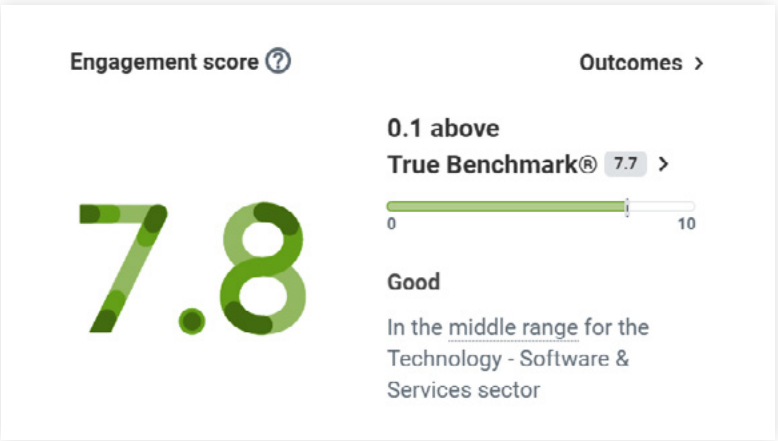
CSW also offers a Personal Assistance Service (PAS) to support all employees in dealing with personal and professional difficulties that can negatively affect their general well-being. The PAS includes preventive support, short-term counselling and various referral services for employees and their households, such as:

Psychological consultations (child education, family conflicts, stress, anxiety, bereavement, etc.);

- Nutrition consultations (healthy eating, weight control, nutritional coaching, diet plans);

- Financial/fiscal counselling sessions (debt, tax issues, family budgets) - exclusive to Portuguese tax rules;

- Psychosocial support (subsidies, support for the elderly, schools and kindergartens) - exclusive to Portugal;

- A 24/7 hotline ready to help you solve any of the above problems.

- An exclusive Wellness portal with articles and information to help you in your personal and professional life.

PEAKON

Since 2022, CSW has adopted the Peakon platform to continuously measure levels of team satisfaction and commitment, ensuring transparency in communication and promoting the necessary adjustments to build a healthy working environment in line with the organisation's values. The score achieved at the end of 2024 in terms of commitment, perception of health and well-being was 7.8.

Engagement score ⑦   Outcomes ›

0.1 above
True Benchmark® 7.7 ›

7.8   0 ▬▬▬▬▬▬ 10

Good

In the middle range for the
Technology - Software &
Services sector

Internal Social Responsibility

Difficulties are often felt within our community. For various reasons, sometimes it's those closest to us who need our help. For this reason, in 2022 we created the employee support programme - a fund that will allow us to supplement the income of employees on long-term sick leave or contribute to the payment of home support services for colleagues who are working as informal carers.

At CSW, it is recognised that returning to work after a prolonged absence (of 30 days or more) can be a positive step, but also a challenge. To support employees at this stage, Gradual Return to Work was introduced.

This initiative was created to facilitate reintegration by allowing a reduced timetable, which will be progressively increased over time. The aim is to provide a smoother transition, helping each person to adjust at their own pace and better balance their professional and personal lives. The percentage of allocation will be defined between the employee, their manager and the People team, guaranteeing flexibility to respond to different needs. The reduced regime can last up to two months.
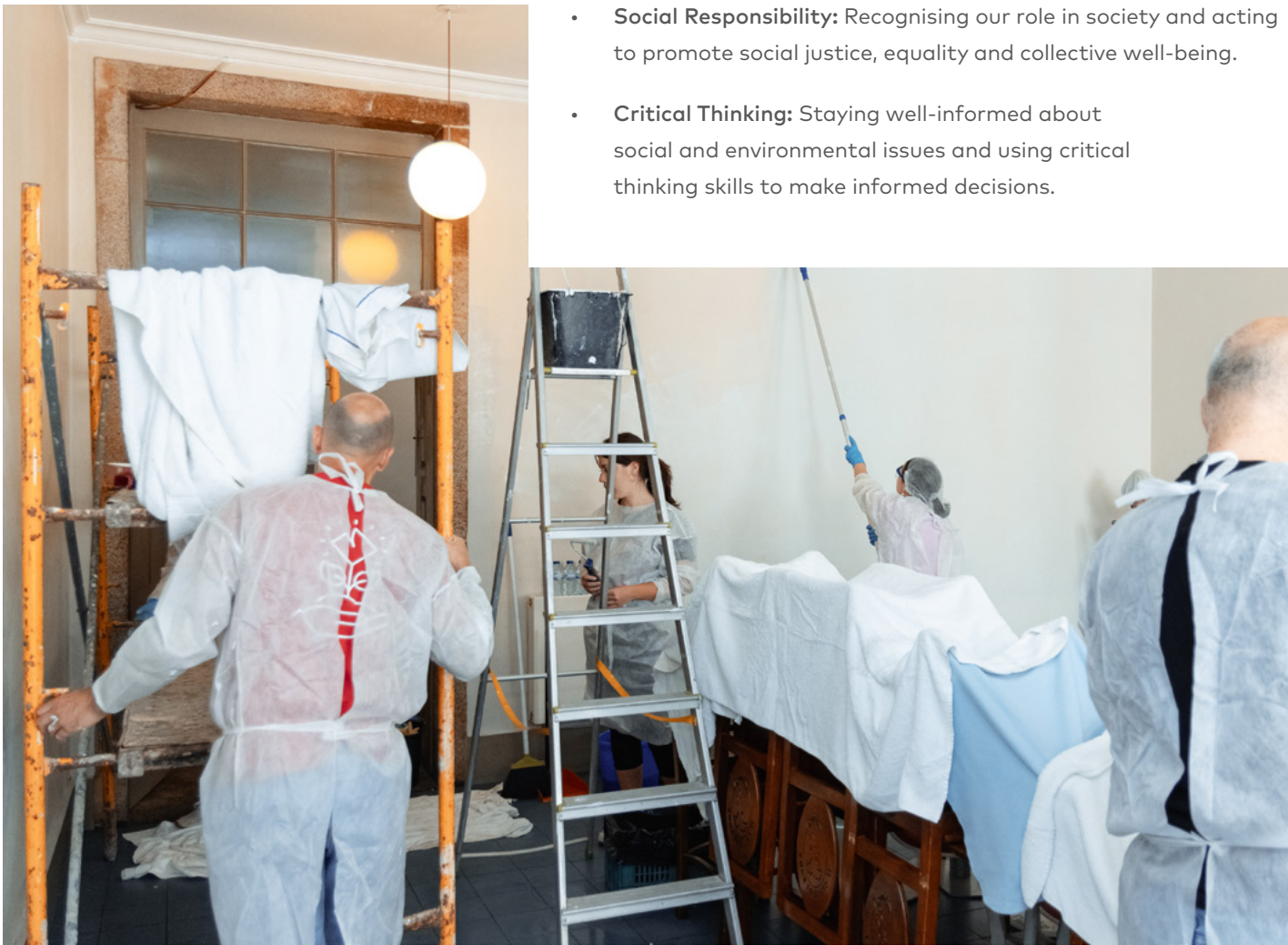
Matter - corporate citizenship

Committed to its mission as a Benefit Corporation, CSW is dedicated to promoting a spirit of active citizenship in its community. So, in 2023, it launched its first corporate volunteering programme, allowing employees up to 3 working days a year to volunteer. Whether it's supporting underprivileged children to succeed in education or contributing to the preservation of biodiversity, the company presents a variety of activities every year that allow its community to get involved and dedicate time to the causes they care about most.

In 2024, 334 employees got involved in volunteering activities, totalling more than 1,100 hours dedicated to their favourite causes. Volunteering is not only a way of contributing to building a better world, it also promotes a sense of purpose and the development of essential skills for a more supportive, empathetic and resilient society.

This commitment manifests itself through:

- **Civic Involvement:** Taking an active part in community initiatives, volunteering and joining local organisations.

- **Activism:** Defending relevant causes and issues, raising awareness and actively striving for positive change.

- **Social Responsibility:** Recognising our role in society and acting to promote social justice, equality and collective well-being.

- **Critical Thinking:** Staying well-informed about social and environmental issues and using critical thinking skills to make informed decisions.
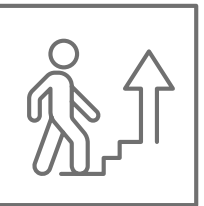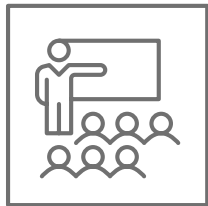
matter

The impact on the external community:

600 trees planted

+30 supported organizations

+300 hours of mentoring

+400 children learning programming skills

Talent and the Future of Work

Promoting new career opportunities in society by improving skills, retraining and digital inclusion.

Summer Camp

CSW's annual Summer Camp continues to grow and surprise.

During the summer of 2024, 38 young people got a first taste of what it's like to work at CSW and took part in various technical workshops, facing real challenges and developing new skills.

CSW's Summer Camp once again provided a platform for young technology enthusiasts to put their IT knowledge to the test. In the 2024 edition we had 38 eager campers - 10 more than the previous year - joining the two main initiatives: Innovation Experience and Summer Internship.

	2022	2023	2024	
Innovation Experience	15	14	15	
Summer Internship	15	15	23	
	30	29	38	**97**

Innovation Experience

In July 2024, 15 university students from all over the country gathered in Coimbra to take part in the Innovation Experience, the first phase of the Summer Camp. These students, from various STEAM areas (Science, Technology, Engineering, Arts and Maths), had the unique opportunity to work directly with CSW engineers. Their objective? To discuss, plan and develop cutting-edge prototypes that combine robotics, the Internet of Things (IoT) and Artificial Intelligence (AI).

Under the guidance of experienced CSW engineers, the students deepened their knowledge of innovation and technology. The result was a series of impressive prototypes that demonstrated these young people's ability to think creatively and solve complex problems. The experience not only allowed the participants to improve their technical skills but also gave them an opportunity to experience the real working context of a technology company.

Summer internship

This four-week immersion took place in Coimbra, Lisbon and Porto, offering a wider range of students the chance to experience day-to-day life at CSW. During this time, the campers took part in practical workshops, solved real challenges and acquired new skills that are crucial for a career in software and engineering services.

In addition to the technical experience, this year's programme introduced new activities, including an afternoon dedicated to volunteering with local charities such as CASA Lisboa, Casa do Vale Porto and OPSDC - Obra de Promoção Social do Distrito de Coimbra.These initiatives are part of CSW's strategy of engaging with the external community, joining forces to promote a better and safer world.

Requalification programmes

Education is one of the main social drivers and for this reason it has always been very important to CSW's identity, which is why the company has always considered itself an engineering school. CSW's retraining programmes, Set the Course, Bet on You and Switch, exemplify the company's commitment to social responsibility and sustainable employment. These programmes offer comprehensive training in IT and engineering, ensuring that participants make a smooth transition to new careers within CSW or companies in the IT sector, thus addressing unemployment and promoting long-term professional stability. Since 2013, these programmes have trained more than 585 people, 125 of whom did internships at CSW, most of whom are still part of the CSW family. The company is proud that colleagues from the retraining programmes now make up more than 7 % of its engineering workforce, actively contributing to the projects in which they are involved.

Education as a Social Elevator

CSW has reduced inequalities in access to education and supported retraining, skills development and digital inclusion.

The company believes that education is one of the fundamental pillars for creating opportunities and reducing social inequalities. That's why it invests in initiatives that promote equal access to knowledge, professional retraining and digital inclusion. Through programmes such as TUMO and Companhia do Estudo, CSW trains young people from different socio-economic backgrounds, helping them to develop essential skills for the future and expand their horizons.

TUMO Coimbra

TUMO is a free educational programme that empowers young people aged 12 to 18 to develop their technological and creative skills. Created in 2011 in Armenia, it has proven to be extremely successful by putting young learners in control of their own learning journey.

The first TUMO center for digital and creative technologies in Portugal opened in 2023. Located in the iconic Coimbra Post, Telephone, and Telegraph building, it offers around 1,500 students an exciting new way to access STEAM education. Students learn through self-learning activities, workshops, project labs, and more, in areas such as technology, animation, game development, and music.

In 2024, TUMO begins a new chapter in Portugal with the launch of TUMO Lisbon, located in the Beato Innovation District in Lisbon. The center is supported by founding partners including BPI | "la Caixa" Foundation, Claude and Sofia Marion Foundation, Galp Foundation, José de Mello, and Vanguard Properties. Additional partners include the PHC Foundation, Santander Portugal Foundation, Hovione, MEO, and Worten, with more partnerships to be announced soon.

Companhia do Estudo (The Study Company)

Created in 2021 with the support of four companies (Critical Techworks, Bluepharma, Nest Collective and Present Technologies), Companhia do Estudo has been growing as a corporate volunteering programme. With the addition of new partners such as LTPlabs in 2023 and MSG Insur:it and Critical Manufacturing in 2024, CdE is reinforcing its commitment to fighting social inequalities, promoting equal access to education and the holistic development of children and young people from disadvantaged backgrounds.

The Companhia do Estudo was born with the mission of:

- Promoting equitable access to education, combating school failure and dropout.

- Inspiring, motivating and developing skills, opening up horizons for children and young people.

- Supporting educational communities with resources and initiatives that complement the efforts of teachers, parents and schools.

Through collaboration between corporate volunteers and partner organisations, CdE offers individualised support, closely monitoring the children and young people who need it most, ensuring that they don't fall behind in their academic career.

Companhia do Estudo operates through the following strategic pillars:

Mentoring (INSPIRE, MOTIVATE, MOTIVATE+):

- Developing skills such as motivation, safety, communication and organisation.

- Inspiring children and young people to believe in their abilities and to aspire to a promising future.

- Launching inclusive initiatives, such as the MOTIVATE+ programme, which welcomes non-Portuguese-speaking volunteers, reinforcing cultural diversity.

DEVELOP:

- Empowering young people with key technological skills for the future.

- Combating gender inequalities in STEM areas by promoting training in tools such as Scratch, which foster self-confidence and critical thinking.

EXPAND:

- Providing transformative educational experiences through workshops in corporate environments, promoting practical learning in real work contexts.

CdE's success lies in the strong alliance between business innovation and the pedagogical expertise of renowned technical organisations such as FPCEUP, WOW Study Clínica da Educação, NewMind and CASPAE. This union creates a solid platform for the development of effective educational solutions adapted to the needs of each child.

Over the years, Companhia do Estudo has shown that companies are not just economic agents, but also drivers of social transformation. United in this mission, partner companies leverage their know-how and resources to combat social inequalities through education, building a fairer and more inclusive future for all.

The Study Company projects itself as:

- **A benchmark in corporate volunteering:** Inspiring other companies to get involved in social impact initiatives.

- **Transforming lives:** Creating educational opportunities that push young people to reach their potential.

- **Expanding ecosystem:** Growing in number of partners, volunteers and geographies.

Inspire children (6 to 12 years old)

29 Volunteers
31 Children
21 Institutions

Motivate young people and students (13 to +18 years old)

54 Volunteers
66 Children
19 Institutions

Develop digital skills (8 to +10 years old)

28 Volunteers
383 Children
10 Institutions

Expand horizons (8 to +18 years old)

21 Opendays
18 Workshops
549 Students
18 Teachers

Give Back - Giving back to the community

The Piano

At the end of 2023, in the spirit of Giving Back - the motto adopted for CSW's 25th anniversary celebrations - the company gave a piano to Entrecampos station in Lisbon as a way of thanking the community for its support. In April 2024, this melody of generosity travelled north, bringing a second piano, this time to Trindade station in Porto.

The pianos, which are free to use and accessible to all, invite passers-by to pause, play or simply listen, allowing music to make their day better. In this way, CSW has transformed its 25 years of learning and growth into a way of sharing joy with others.

The Entrecampos piano came to life thanks to a partnership with Infraestruturas de Portugal, while the Trindade piano was made possible with the support of Metro do Porto.

Since its installation, the community spirit around pianos has grown, especially in Entrecampos, where more than 100 pianists have come together to create music and share their passion with passers-by.

Critical's 'The Piano' initiative will soon also reach Coimbra, the city where CSW was born and where the company's headquarters are located.

One more note in our mission to make the world a better and safer place.
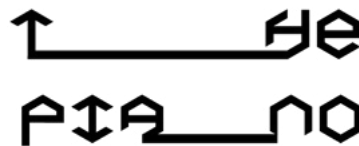
Random Acts of Kindness (RAOK)

The concept of random acts of kindness has ancient roots and is not attributed to a specific individual or culture . More recently, the expression random acts of kindness gained popularity through Anne Herbert's book Random Acts of Kindness, published in 1993. The book inspired a movement that encourages people to perform small, unexpected acts of kindness towards others, without any specific reason or expectation of retribution.

In 1995, the Random Acts of Kindness Foundation was created to promote the positive impact that kindness can have on individuals and society.

In 2024, CSW embraced this movement and launched its own internal campaign to encourage people to do more for others and to 'Give Back' - the motto of our 25th anniversary celebrations at CSW.

Initially, murals were created in the offices with different suggestions for acts of kindness, each symbolising a 'seed'. The idea was that each person would choose an act, carry it out and then pass it on to someone else to continue the gesture.

The initiative later expanded beyond CSW's borders with the launch of the CSW RAOK website, where people are encouraged to do one act of kindness a day: https://raok.criticalsoftware.com/.

With this initiative, another step has been taken towards strengthening the community and creating a movement to build a better and safer world.

FIKA A Brincar

Fika a Brincar is an initiative that has been promoted at CSW since 2019. It's about putting the collective intelligence and generosity of the CSW community to work in favour of the community. Promoted by the Innovation Team, the challenge is to adapt toys so that they are accessible to children with different types of limitations or disabilities.

In 2024, Fika a Brincar was promoted in 4 of our offices (Lisbon, Coimbra, Porto and Viseu), mobilising more than 50 employees who voluntarily invested a few hours of their day in putting more accessible switches into colourful and fun electronic toys. This way, even children with limited fine motor skills can activate the adapted toy using different parts of their body (head, shoulder, elbow, foot, among others). Having the autonomy to play and being able to give a simple instruction to a toy is fundamental for children's development. Unfortunately, most toys on the market are inaccessible to children with greater physical or cognitive limitations. Being able to give more children the right to play is a project that honours and gratifies us, in which we intend to continue investing, a small contribution to a better and more inclusive world.

The toys adapted by the CSW team were given to the users of 4 partner associations of this initiative precisely on the occasion of 20 November, Universal Children's Rights Day:

- **CIRE** - Centro de Integração e Reabilitação de Tomar (Integration and Rehabilitation Centre of Tomar).

- **APPC** - (Associação do Porto de Paralisia Cerebral) Cerebral Palsy Association of Porto.

- **APCL** - (Associação de Paralisia Cerebral de Lisboa) Cerebral Palsy Association of Lisbon.

- **APCV** - (Associação de Paralisia Cerebral de Viseu) Cerebral Palsy Association of Viseu

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Play is a right recognised in the Universal Declaration of the Rights of the Child, approved by the United Nations (UN) in 1959.

Critical Fit

The Critical Fit programme is an opportunity for employees to stay strong and healthy while supporting sustainability causes. Every month, a new goal is set in terms of hours of training to be achieved. Any type of exercise counts - from walking outdoors to cycling in the gym. Whenever the monthly target is reached, CSW makes a donation to the organisations nominated and voted for by employees. In 2024, more than 25,700 hours of exercise were completed and 24,000 euros were donated to 24 good causes.

Match Up!

Match-Up! campaigns combine the generosity of CSW employees with company contributions to support those who need it most. These campaigns are organised to respond to urgent humanitarian crises and other social challenges by channelling donations to key organisations.

In a context marked by the ongoing and devastating war in Palestine, which is exacerbating the humanitarian crisis and affecting millions of lives, the urgency of acting with solidarity and social responsibility becomes even more pressing. CSW, aware of the gravity of the situation and the impact that violence and conflict have on communities, launched the Match-Up! campaign with the aim of providing essential support to children and families affected by the crisis in Gaza.

Through this initiative, donations made by employees and partners were matched by CSW, demonstrating the power of collective effort to create a tangible and positive impact. For example, in Germany, a donation of € 250 was matched with € 750, totalling € 1,000; in Portugal, a contribution of € 8,497 was matched with € 25,491, reaching € 33,988; and in the UK, a donation of £ 170 was matched with £ 510, totalling £ 680.

This action reinforces CSW's commitment to promoting a more inclusive and resilient future, working in partnership with leading humanitarian organisations such as UNICEF, which plays a crucial role in providing impartial and effective assistance in conflict zones. The company is deeply grateful to everyone who got involved in this initiative, demonstrating that through solidarity and working together it is possible to turn challenges into opportunities to build a more sustainable and compassionate world.

Month	Cause	Organization
January	Children and Family	Crescer Ser - Associação Portuguesa para o Direito dos Menores e Família
	Inclusion and Diversity	APSA - Associação Portuguesa de Síndrome de Asperger
February	Physical Health	Cancer Research UK
		Crescer
March	Environmental sustainability	Oceanum Liberandum
		REFOOD
April	Inclusion and Diversity	Vencer Autismo
		Sociedade Portuguesa de Esclerose Múltipla
May	Children and Family	Casa do Gaiato de Coimbra
		Ninho dos Pequenitos
June	Equality	Frauenhilfe München
		Rede Ex Aequo
July	Migration and Refugees	AMI - Assistência Médica Internacional
		Adolescere
August	Animals in Danger	Abrigo de Carinho
		Associação Midas
September	Education	Academia do Johnson
		Semear
October	Mental Health	Fundação Romão de Sousa
		OLHAR
November	Culture	Associação Cultural Moinho da Juventude
		Casa do Artista
December	Homeless	AMURT Portugal (Cozinha Solidária)
		Associação Apoiar

Planet

Building a sustainable future requires preserving the planet, a finite resource facing critical environmental challenges. Ensuring a better world for generations to come implies a significant reduction in the carbon footprint, a commitment that has guided Critical Software's actions over the years.

The company has been transforming its offices into more sustainable spaces, favouring renewable energy sources wherever possible and reducing the use of polluting consumables, replacing them with biodegradable materials. Applying the principles of Reduce, Reuse and Recycle is a constant practice, but the ambition goes beyond that: the aim is to leave a positive mark and evolve into a carbon negative company.

Critical Software reinforces this commitment through responsible environmental management and the adoption of sustainable practices, as set out in its Environment, Health and Safety Statement and Code of Conduct, which guide its environmental policies:

- Minimising air, soil and water pollution.

- Reducing waste and promoting recycling.

- Using renewable energies and reductio greenhouse gas (GHG) emissions.

- Purchasing environmentally responsible products and services.

- Involving employees in environmental initiatives.

#GoGreen: Making Our Offices More Sustainable

GoGreen is an initiative aimed at preserving natural resources and promoting ecological and sustainable solutions, minimising environmental impact. Its aim is to sensitise and involve all Critical Software employees, fostering a culture of environmental responsibility and commitment to sustainability.

Elimination of single-use plastics: We have eliminated plastic cups and disposable bottles in the offices, replacing them with glass cups and reusable bottles. We implemented collective separation bins,

Water flow reducers: we have installed water flow reducers in all the offices

Selection of EU Ecolabel products: we prioritise products with the European Ecolabel.

Occupancy sensors: Installation of sensors to optimise energy use.

Photovoltaic panels: Installation of solar panels on the company's Coimbra A and B buildings to generate renewable energy for self-consumption.

Consumables: Reusable coffee cups and water bottles for all employees.

Renewable energy: In the spaces where we have autonomy (Coimbra, Lisbon, Porto), we contract renewable energy, which means that more than 85 % of the energy we consume comes from renewable sources. In addition, at our headquarters in Coimbra, we generate 25 % of the energy we consume through photovoltaic panels

Recycling and Waste Management: All CSW offices are equipped with recycling bins for sorting: Plastic, Cardboard, Glass, Caps, Batteries

Carbon Dashboard

In recent years, CSW has been mapping our CO2 emissions in scopes 1, 2 and 3, with the aim of fully measuring our carbon footprint and preparing a decarbonisation plan in line with the Science-Based Targets initiative (SBTi). The current focus is on monitoring energy consumption and business travel, which account for the majority of our emissions.

In scope 1, which includes direct emissions from sources controlled by the organisation, emissions are insignificant, since the energy that powers our offices and air conditioning systems has zero or residual GHG emissions. In scope 2, which covers indirect emissions associated with purchased electricity, CSW has been monitoring energy consumption by automatically reading the electricity bills in the offices where we have autonomy. This analysis provides a detailed overview of the energy impact of our operations.

In scope 3, which includes other indirect emissions along the value chain, the priority in 2024 has been to measure business travel. To this end, updates have been made to our travel expenses submission process, ensuring the collection of relevant data such as the type of vehicle used, distances travelled and fuel consumption. In addition, a data model is being developed that will allow us to obtain a more accurate perception of the emissions associated with these journeys.

By strengthening the measurement of our carbon footprint, we are laying the foundations for defining effective emission reduction strategies and boosting our journey towards decarbonisation.

Renewable Energies and Virtual Energy Communities

Reducing our carbon footprint also involves the choice of energy supply in CSW's offices. In Portugal, where we have autonomy over the energy supplier (Coimbra, Vila Real, Porto and Lisbon), it is possible to guarantee a supply based on green energy. With the exception of Lisbon, where around 51 % of electricity still comes from fossil fuels, the rest of the offices use 100 % renewable energy.

In the Tomar, Viseu, Munich and Southampton offices, the energy supply is managed by the condominium, which prevents us from directly guaranteeing the origin of the electricity. In these cases, consumption and CO_2 emissions are estimated based on historical data and methodologies recognised by the Greenhouse Gas Protocol (GHG Protocol).

Since the spring of 2024, Building No. 4 at Southampton Science Park, where our offices are located, has had solar panels on the roof. Although this infrastructure contributes to the production of renewable electricity in the park, we don't have visibility over the specific percentage that offsets our consumption, since we operate with our own meters and the solar system is integrated into a separate contract. In addition, other buildings in the park are moving forward with solar panel installation projects, reinforcing the community's commitment to the energy transition.

Renewable Energy Production

The investment in solar panels for self-consumption made in previous years will continue to have a significant impact on our energy footprint in 2024. At the Coimbra offices, this infrastructure makes it possible to supply 25 % of our energy needs, reducing our dependence on the electricity grid and reinforcing our commitment to sustainability.

With a total of 345 solar panels installed, the estimated annual production is 7,263 kWh, distributed as follows:

- **"Coimbra A" building:** 115 panels, producing around 2.41 MWh/year
- **"Coimbra B" building:** 230 panels, producing around 2.42 MWh/year

This project continues to play an essential role in reducing our carbon emissions, contributing to a more efficient and sustainable operation.

Renewable Energy Virtual Community

In 2024, CSW launched its Virtual Renewable Energy Community (VREC) in partnership with Cleanwatts, reinforcing its commitment to sustainability and the energy transition.

VRECs enable the sharing of locally produced clean energy, reducing costs and promoting more efficient consumption. Through VREC, company buildings and employees' homes can integrate nearby energy communities, benefiting from renewable electricity without the need to invest in infrastructure.

This model not only enables a reduction in energy bills, but also actively contributes to decarbonisation. By encouraging the consumption of clean, local energy, CSW is taking another step towards mitigating its carbon footprint as a community, aligning itself with the Sustainable Development Goals and global climate neutrality targets.

Be One With Nature

In 2022, CSW began a partnership with MONTIS, giving rise to its first corporate environmental volunteering programme. It adopted the Carvalhal de Vermilhas, in Viseu, and involved around 100 volunteers in preserving biodiversity, clearing land and planting more than 400 native trees.

In 2023, it expanded the impact of the initiative, bringing in new partners such as Quinta das Águias and SilveiraTech.

In 2024, it expanded the scope of its actions even further, involving communities in reforestation teambuilding activities, which enabled more than 600 trees to be planted over the course of the year.

Profit

For more than 26 years, CSW has invested in research, development, social responsibility and technology, with the aim of making a positive impact on the world. It prides itself on its talents and engineering excellence that defies limits, ensuring the development of technology for good. It is committed to using its profits to promote sustainable, entrepreneurial and resilient societies, boosting local economies and contributing to social progress in the communities where it operates.

Lisbon Critical Hub

The Lisbon Critical Hub is designed to foster synergies and boost innovative businesses and ideas, serving as a meeting point for innovation, creativity and the development of sustainable technological solutions for the community. In an important step, the Greenhub at Unicorn Factory Lisboa, which is part of our hub, was launched on 29 October. This innovation space was created in partnership with the Brisa Group, Mota-Engil Renewing, Cleantech for Iberia and Lisbon City Council. The focus of this new Hub is to promote innovation in the areas of sustainability and mobility, with coworking spaces, nine private rooms and a lounge for events, networking and workshops. The aim is to expand the concept of a sustainable and innovative hub, making it accessible at all CSW locations in Portugal.

Toastmasters Club

The Dojo Hub in Lisbon hosts weekly sessions of the Business Speakers Toastmasters Club, a learning space dedicated to improving communication, persuasion and critical thinking. Open to everyone, this programme encourages the continuous development of our talents in a supportive and growing environment.

Techstars Startup Weekend

In 2024, CSW joined forces with the 351 Association to boost entrepreneurship and innovation. It has pledged to support Techstars Startup Weekends, with a special focus on the cities where it is present. These events bring together entrepreneurs, mentors and investors to turn innovative ideas into viable businesses in an intensive weekend of collaboration. The first support materialised at the event held in Porto.

Ethics, Compliance and Governance

CSW is wholeheartedly dedicated to excellence in everything it does, making this dedication its brand image. It maintains its ambition to overcome the world's most demanding technological challenges, while adhering to the highest standards of sustainability.

Founded in 1998, CSW has been providing software systems and services for safety, mission and business-critical applications ever since. It helps its customers meet the strictest quality standards in software security, performance and reliability. Its data management solutions provide essential information for the efficient management of assets and processes, enabling better business performance.

With successful projects that have had a real impact on the lives and businesses of millions of people, CSW remains focused on internationalisation and building a promising, global future. It works every day to overcome barriers, create an impact on people's daily lives and make the world a safer place. It is proud of the work it does, believing that any company can reinvent or create products, but few can claim to have given their employees the opportunity to make history.

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to shareholders, who have their rightful place on the Board of Directors.

The entrepreneurial nature and history of CSW has determined that currently, as of 2020, the founders and key shareholders continue to be deeply involved in the operations of the company and the Board of Directors. However, the company is committed to establishing a policy, as soon as possible, to separate shareholders and family members from the company's Board of Directors.

In this context, shareholders are defined as individuals who directly or indirectly own more than 5 % of CSW shares and exclude management-related share incentive plans.

The conflicts of interest described in the previous section involving a member of the Executive Board, Board of Directors, other statutory bodies, or any officer of the company ("Top Positions"), are subject to a stricter policy. CSW believes that the nature of these positions, their level of responsibility and visibility to the rest of the company make them particularly accountable to higher standards, outlined as follows:

Corporate Governance

In terms of corporate governance, it has always sought the best standards of governance based on ethics, independence and transparency. CSW adopts a governance model based on a Board of Directors made up of three members, a Supervisory Board and a Statutory Auditor, seeking to guarantee a governance model adjusted to the needs and size of the company. The members of the Supervisory Board are all independent.

CSW is committed to liaising with all internal and external entities according to the highest standards of ethics and transparency. It is also committed to paying fair taxes in the countries where it operates and adopts a zero-tolerance approach to facilitating tax evasion.

CSW has a Code of Conduct and an independent ombudsman published on its website, as well as how to contact the ombudsman and the anonymous reporting form.

Any employee who believes that he or she has been unfairly discriminated against because of a Protected Characteristic or for reasons related to the fact that he or she has a Protected Characteristic, or for any other type of reason (e.g. conflict of interest, harassment or bullying), can use the online confidential and anonymous grievance procedure.

The same goes for any outsider who witnesses or is involved in any practice considered to be unlawful or in breach of CSW's code of conduct, who can also use the public and anonymous complaints procedure.
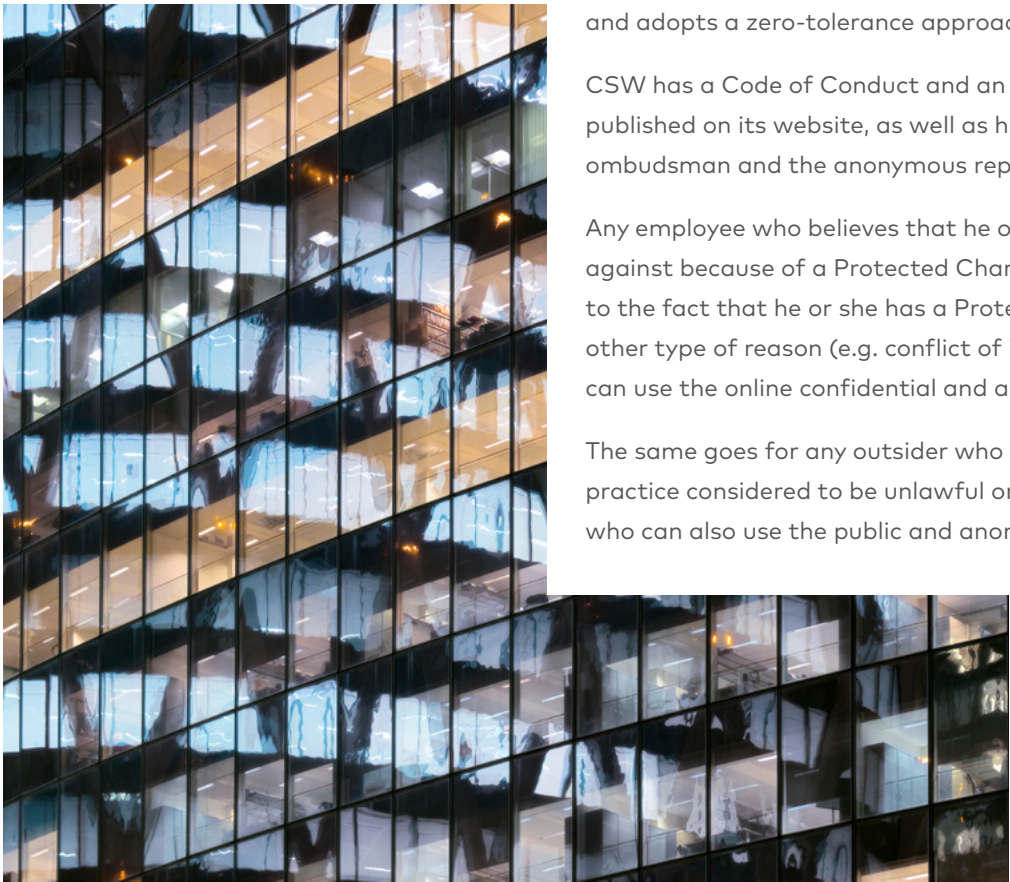
Associations

• Católica Porto Business School Ethics Forum

• GRACE Associate Member Grace – Responsible Business

• MindAlliance

• Lisboa Sustentável Empresas

• Pacto do Porto para o Clima

About the report

The 2024 Benefit Corporation 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 impact as based on input from stakeholders and progress in our sustainability strategy. The report includes activities of Critical Software, S.A, (Portugal), Critical Software Limited (United Kingdom), Critical Software Limited (USA), Critical Software GmbH (Germany). It also aligns with the principles of the Sustainable Development Goals.

EcoVadis

CSW is firmly committed to sustainability. The EcoVadis assessment assures its customers that the company adheres to high standards in the areas of Environment, Human and Labour Rights, Ethics and Sustainable Purchasing. The silver medal and honourable mention awarded to it represent public and impartial recognition of its commitment to sustainable excellence.

CRITICAL SOFTWARE TECHNOLOGIES LTD

CRITICAL SOFTWARE SA

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