Sustainability Statement

A PDF optimized for printing is available for download at www.f-secure.com/en/investors

Towards sustainable security experiences

Our responsibility as a cyber security service provider is to ensure that that we protect consumers in all those digital moments in which consumers feel most vulnerable. Moments in which scams and fraud are commonplace such as messaging, browsing, shopping, banking and payments, social media, and more. Our strategy is to secure these digital moments through a simple, elegant, and non-intrusive consumer experience: combining holistic security in the most critical digital moments with an experience that makes it extremely easy for users to stay safe and feel secure.

Service Provider partners continue to provide us reach and wider adoption, which is important as it's been estimated that more than $1 trillion was stolen from 25% of the world's population last year. With the acquisition of Lookout Life in 2023, we gained a number of new Tier 1 partners, some of the most prominent Service Providers in the world. Through these partnerships hundreds of millions of consumers now have the opportunity to be protected by F-Secure and enjoy the benefits.

Similar to 2022, we have continued to develop F-Secure into the best environment for people to develop and apply their skills, competencies and experience for a great purpose – making every digital moment more secure, for everyone. We've also dedicated considerable time and effort to ensuring the smooth integration of people, competences, market knowledge and technologies of Lookout Life into the core of F-Secure strategy, processes and mode of operation. Today, our employees represent nearly 50 nationalities, and we intend to continue building a team of people from diverse backgrounds, ensuring that everyone can join our community and be who they are."

Timo Laaksonen, President and CEO

Since the launch of our ESG initiatives in 2022, we've identified that our most material contribution to society and economic progress is to secure people's digital moments, and to fight against cybercriminals and identity theft. With the number of scams and cyberthreats on the rise this year, we have stepped up our efforts to protect people through our holistic product portfolio while providing free tools and education. To further support this mission, we made a significant investment by acquiring US-based Lookout Life, which complements our product portfolio, and strengthens our skills and competences in a mobile-centric world. Through these actions we're empowering consumers to navigate the digital landscape securely, while helping to raise awareness and knowledge of the threats.

In 2023, we continued to invest in ESG-related expertise and initiatives, and increased transparency across our operations. In an industry characterized by competition for the best talent and relatively male-dominance, we embarked on a journey to reshape our talent acquisition processes and practices, actively striving to hire and attract a more diverse workforce, including participation in the Women in Tech and Pride initiatives. Diversity, Equity and Inclusion remain core values at F-Secure and we're pleased to see zero incidents of discrimination in 2023. We also recognize that our industry is demanding for our employees, and we remain committed to the health and wellbeing of our employees.

We value the opinions of our employees. That's why, starting from the first year of the company, we introduced a program where one of the Board members is chosen from among the employees – or as we call them, Fellows. This has helped the Board of Directors to better understand how our decisions impact our teams, resulting in better decision-making.

Furthermore, we completed our first carbon emission analysis, which demonstrates that as a software company, our ecological footprint is relatively small. Nevertheless, we respect the planet and are in the process of defining science-based greenhouse gas emission reduction target aligned with the Science Based Targets initiative (SBTi)."

Pertti Ervi, Chair of the Board of Directors

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General information

Establishing F-Secure sustainability foundations

Following the demerger from WithSecure in June 2022, F-Secure has been renewing its sustainability strategy, policies and guidelines. In 2023, we continued our double-materiality assessment started in 2022 and have involved key stakeholders, namely consumers, Service Provider partners, our employees, and Leadership Team into the process.

The assessment confirmed that the most material areas for F-Secure and its stakeholders are protecting people and society, our employees, cyber security, and general compliance. The sustainability strategy work culminated in the launch of our ESG Commitments as highlighted below. Additionally, recent EU legislative initiatives such as the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) have been evaluated and are already influencing the structure of F-Secure's 2023 sustainability report and the reported KPIs.

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Protecting digital moments

Today, almost everything we do as consumers is digital: we shop, exercise, work, socialize, relax and unwind, all while being connected. Our insights show that consumers now spend an average of eight hours a day online, which is a third of their lives. This is more time than most people spend sleeping.

Although digital moments are crucial in our lives, two-thirds of consumers find cyber security too complex, and over half are unsure if their devices are protected. We're also seeing an increase in various types of online scams, and a staggering 1.02 trillion US dollars was lost to scams between August 2022 and August 2023[1]. Therefore, it's no surprise that 64% of consumers think cyber risks are going to increase in 2024.[2]

This reinforces our belief that F-Secure's mission to make every digital moment more secure for everyone and deliver brilliantly simple security experiences will be in higher demand than ever before. To fulfil our mission, we will maintain our commitment to providing thorough and holistic protection against scams in digital moments. Additionally, we will strive to educate consumers and raise awareness of the threat landscape.

Together with our Service Provider partners across the globe, we're protecting consumers and increasing their confidence and trust in digital services, and thereby in society as a whole. This represents our tangible contribution to social and economic progress.

[1] Global Anti-Scam Alliance survey 2023
[2] F-Secure Living Secure survey 2023

Responsible business

Trust placed in F-Secure is earned only when actions match the words. Since the founding of F-Secure we've emphasized strong business ethics covering both how we work with consumers and Service Provider partners, as well as in how we handle their data. F-Secure Cyber Security Policies include processes to identify, mitigate and prepare for a potential business disruption, and our Code of Conduct sets a clear framework guiding our daily decision-making. At F-Secure, each employee plays a critical role in earning, building, and maintaining the trust placed in us.

When it comes to the environment, F-Secure is a low carbon emission, cloud-based consumer cyber security software company. While our greenhouse emissions are low, we respect the environment and are committed to doing the right thing for the planet as described in the section related to environment.

In 2023, F-Secure made its first submissions to rating agencies such as Ecovadis and Carbon Disclosure Project (CDP). In 2024, we will continue to increase visibility to F-Secure ESG policies, guidelines, and key performance indicators (KPIs) both directly and through external rating agencies.

We've also established F-Secure ESG Council to oversee ESG strategy creation and execution across the company as well as reporting progress to the Audit Committee. See sections on Security and privacy in our daily operations, ESG governance information and Corporate Governance for more details.

Fellow experience

Our employees or "Fellows" are the key to our success. Focus on talent development and wellbeing continued after the demerger and acquisition of Lookout Life at all levels of the organization. Our activities centered around both retaining our current Fellows and creating a positive employer brand image to attract new talent.

We also believe that true long-term success is built on diverse backgrounds, knowledge and perspectives. Therefore, we continue to ensure that F-Secure is a company that offers interesting and inclusive career paths to everyone. To further drive Diversity, Equity, and Inclusion (DEI) related activities within F-Secure a dedicated DEI Committee has been established.

Additionally, the wellbeing of our Fellows is critical for the success of F-Secure. We will continue to develop and implement an active wellbeing strategy, measuring progress while also considering the recent acquisition of Lookout Life. Similar to our Diversity, Equity, and Inclusion (DEI) efforts, we have established an F-Secure Health & Wellbeing Committee.

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"While we are a low carbon emission, cloud-based cyber security software company, we're committed to managing our environmental footprint and delivering sustainable growth."

Antero Norkio, Senior Vice President

F-Secure carbon emissions 2023

8,525 tCO_2 = ~ 315 ×

Average sized Finnish family's emissions

Sustainable security experiences

At F-Secure, we are committed to environmental responsibility in all aspects of our operations. At our core, we're a low carbon emission, cloud-based cyber security software-as-a-service company with a small environmental impact.

We conducted our first emissions inventory calculation based on the Greenhouse Gas Protocol (GHG) for financial year 2022 in April and have now conducted the same calculation for financial year 2023. The results are a testament to our small environmental footprint, with our annual emissions for financial year 2023 being the equivalent of 315 Finnish families' emissions[1]

As we want to be at the forefront of increasing climate transparency, we will continue to report on our Scope 1–3[2] emissions on an annual basis at a minimum.

2023 was marked by the acquisition of Lookout Life, and as a result, our 2023 emissions aren't directly comparable to 2022. Lookout Life's operations closely resemble ours in terms of low environmental impact and being a cloud-based software company, and the emissions increase of the consolidated entity is in line with its share of revenue within F-Secure. To make future comparisons more viable, we've included pro-forma emissions of Lookout Life for the whole year 2023, even though it was integrated into our operations starting from June 1, 2023.

[1] F-Secure management estimate based on average Finnish person and household emissions as of 2023

[2] GHG protocol defines Scope 1 as direct emissions from owned or controlled sources, Scope 2 as indirect emissions from the generation of purchased energy consumed by the company and Scope 3 all other indirect emissions that occur in a company's value chain (upstream or downstream).

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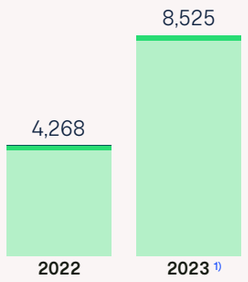
2023 laid the foundation for future environmental commitments

In 2023, as part of our sustainability strategy process, we've discussed with and gathered feedback from our partners regarding their expectations in environmental stewardship.

Based on these discussions and our sustainability strategy, we've started planning to align with the Science Based Targets initiative (SBTi) and driving towards the +1.5C climate change target during 2024. We have already decided upon and/or implemented several initiatives to reduce our emissions, such as changing our car benefit to allow only electric and hybrid vehicles, implementing a green travel policy, and ensuring proper recycling of all office and e-waste. We're excited to continue on this path and look forward to working together with all of our partners and stake-holders to further lower our already low environmental impact.

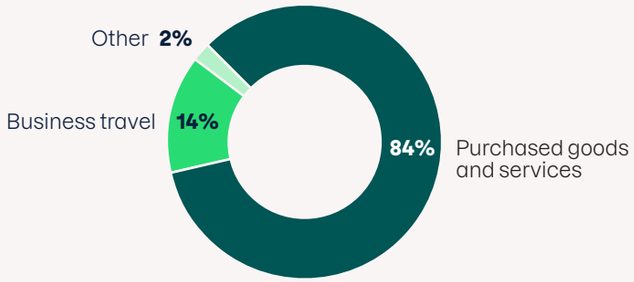
Based on our double materiality analysis, we concluded that Climate was a material topic while Water and Marine Resources, Biodiversity and Ecosystems, Resource use and Circular Economy, and Pollution were not considered material for our operations in accordance with the EFRAG standards.

Total emissions by scope (tCO_2)

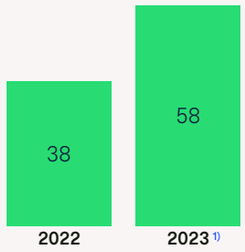


	2023	2022
Scope 1	35	26
Scope 2	187	178
Scope 3	8,303	4,064

Scope 3 emissions breakdown (%)



Emissions intensity (tCO_2/m€ revenue)



1) Pro-forma emissions for 2023. Not comparable to 2022 due to Lookout Life acquisition and aligning our emissions model with SBTi criteria and recommendations.

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Fellow experience

"Our commitment to sustainability is not just about protecting digital moments; it's about nurturing the wellbeing and potential of our greatest asset – our people. Together, we are building a sustainable future for people and society, and also fostering a workplace culture that thrives on purpose, diversity, openness and shared responsibility."

Kitta Virtavuo, Chief People Officer

F-Secure Social Information statement is aligned with our ESG Commitments and divided into three categories:

- Own workforce under "Fellow experience"
- End-customers under "Protecting digital moments"
- Cyber security under "Security and privacy in our daily operations"

Inclusive and diverse workforce

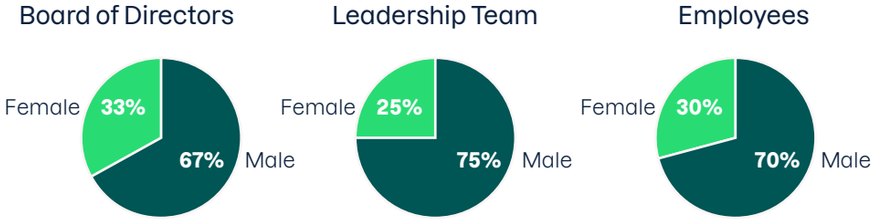
At F-Secure, our people are our greatest asset, and hiring the right individuals is one of our competitive advantages. We strive to create an inclusive work environment where everyone can be themselves, thrive and grow as professionals. We have a strong DEI ((Diversity, Equity, and Inclusion) agenda and we have established an internal DEI Committee to act as a frontline to implement DEI into our daily processes and operations. Our DEI agenda included among other things updating our recruitment process to further attract a more diverse workforce. In addition, F-Secure was supporting the annual Helsinki Pride 2023 as a partner. This sponsorship not only raised awareness internally but also solidified DEI as a core topic for us. In 2024, we will further develop metrics to measure the effectiveness of our DEI programs and initiatives.

Moreover, it is important for us that all our employees have equal access to opportunities and receive the same treatment. We firmly believe that a diverse workforce is a key driver for success, which we actively take into account in a relatively male-dominance industry. F-Secure is a genuinely diverse company with employees representing 47 different nationalities. By the end of 2023, the representation of males and females among personnel was 70% and 30% respectively. Among the leadership team, the representation was 75% and 25% respectively, and among the Board of Directors, it was 67% and 33% respectively. We are also pleased to report zero discrimination incidents at F-Secure during 2023. To further our DEI agenda, we will include a third gender option in our internal systems for employee information. This will also be reflected in our annual sustainability statement starting in 2024.

F-Secure promotes inclusion and diversity also by electing one of our employees as a full Board member with related rights and responsibilities for one year. In most companies, a personnel representative is not a full member of the Board, but a specialist with a right to participate and speak, sometimes with limited scope, and without a right to vote. At F-Secure, we wanted an employee to be a full Board member to demonstrate the importance of our Fellows, which is how we refer to our employees. This practice has been much appreciated and valued by the employees and the Board.

47
nationalities

Gender distribution



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However, as an employee of F-Secure, the chose Fellow is expected not to participate in issues on, e.g., leadership appointment (or dismissal), remuneration or other terms of employment or service, industrial action etc. that the Board of Directors may handle from time to time.

"F-Secure has been recognized in the Nordic Business Diversity Index and ranked third among the Nasdaq Helsinki Mid-Cap sized companies[1]. In addition, we create a more resilient workforce by having an inclusive culture that supports psychological safety and wellbeing. For example, we acknowledge we operate in a highly demanding industry and have an agreement with Auntie, a low-threshold mental health service that provides mental health support completely anonymously to our employees.

We believe that a great company culture makes for a stronger company. In mid-2023 we launched our culture design process called Culture Journey. The aim of our Culture Journey is to define what kind of company culture supports the strategy of F-Secure and establish the cornerstones that crystallize the desired culture of the company, also together with the Fellows joining through the Lookout Life acquisition. As part of the Culture Journey, we've been involving all levels of staff to conduct data-driven understanding of the key drivers of culture in the organization, known as culture due diligence. The next step is to finalize the desired culture definition at the beginning of 2024.

An additional focus area was to enhance the development and learning opportunities for our employees. In 2023, we have launched several programs, including Leadership Academy, DEI trainings and implemented a new Learning Management System. These programs have increased awareness and knowledge sharing around topics such as DEI, internal policies and processes, leadership, and communication skills.

Strengthening collaboration

In 2023 F-Secure was again ranked high in Universum's ranking of Finland's most attractive employers. This year F-Secure was #5 among IT students and #14 in the Professional's category. To strengthen collaboration with students we participate in initiatives such as Cyber Citizen by Aalto University and course-related project cooperation. We also facilitate student trainee and mentoring opportunities through our collaboration with Aalto international talent program.

To support a more diverse workforce we have sponsored Women in Tech and co-hosted events. We aim to broaden our agenda by starting a collaboration with the UN Women program. We have also increased diversity in our own Leadership Team through the launch of the Extended Leadership Team involving Fellows across functions that also creates new types of career paths and opportunities.

[1] Diversity of the Boards of Directors and Executive Management teams of 631 companies analyzed by Impaktly.

Discrimination incidents and fines

	2023 status
Total number of incidents of discrimination reported and resulting in financial sanctions during the year	0
Status of incident reviews	No incidents
Total amount of fines and damages for violations of equal opportunity for employees	0 €

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Encourage open discussion and adapting with change

We encourage and facilitate open dialog within F-Secure and monitor the employee Net Promoter Score (eNPS) twice per year through a Fellow survey, which is conducted to measure F-Secure's culture and the engagement of our Fellows. The results were reviewed by the Leadership team and discussed within respective functions as well as in company-wide town halls. Company level improvements have been agreed by the Leadership team as well as at the team level, where we have facilitated each team to contribute with their own improvement initiatives and plans. A summary of the survey and key action points were presented to the Board of Directors.

2023 was a year of change that affected everyone at F-Secure due to the acquisition of Lookout Life in Q2 and the change negotiations that concerned the entire workforce in Q4. With the Lookout life acquisition F-Secure grew by 68 employees, and the focus was on integrating the new employees into F-Secure processes, including HR processes such as annual goal setting and performance reviews.

The Q4/23 change negotiations were initiated as part of measures to restructure F-Secure's global operating model and personnel to align with our strategic priorities and financial targets. We recognize that this has been a difficult time for our employees. We have communicated as actively and openly as possible and have offered support to employees who are leaving. As a result of the change negotiations and other measures, 56 employments in F-Secure were terminated, of which 39 in Finland. In addition, 10 roles of which 8 in Finland, ceased e.g. through resignations. In the spirit of transparency and open communication with our Fellows, we proceeded with our Fellow survey during the change negotiations. The impact can be seen in the eNPS results, which declined from 53 at end of April to 2 at the end of 2023 due to understandable uncertainty about the future.[1] In 2024 we are committed to restoring the eNPS to its former level.

As part of our preparation for the CSRD legislation we conducted a double materiality assessment which identified "Own workforce" as one of the key areas for our business. The assessment also concluded that "Workers in value chain" and "Affected communities" are not considered material to F-Secure.

[1] NPS can range between –100 to 100, and above 0 is acceptable, >20 is favorable and above 50 is excellent

Employee Net Promoter Score

[2] H2/2023 not directly comparable as measured during the change negotiation process

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Protecting digital moments

Complexity remains one of the worst enemies of cyber security and a recent survey conducted by F-Secure showed that 66% of consumers find cyber security complex.[1] This is why F-Secure has embarked on a mission to deliver brilliantly simple security experiences and realize its vision to become the #1 security experience company.

We execute on our vision and aim to become the consumer's trusted companion through several means:

1. Holistic protection across consumers' digital moments that provides a sense of security
2. Contextual and personalized experience that makes security visible during relevant digital moments and relevant to consumer needs
3. Helping consumers be aware and empowered to stay safe online, and providing advice and support when consumers need it

"Scams are becoming more commonplace and difficult to recognize, and we continue to see consumers struggling to protect themselves and their digital moments. We're extremely pleased with the progress made 2023 to provide engaging and easy-to-use holistic scam protection to become consumers' trusted companion online."

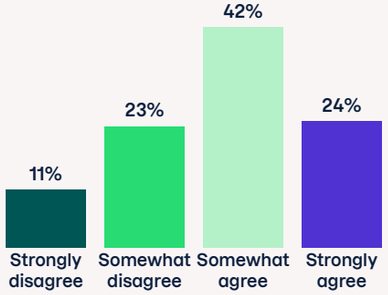
TL Viswanathan, Chief Product Business Officer

"Contrary to the popular belief, cybercriminals do not have to be technological masterminds. Today, cyber threats are both more personal and prevalent as tools for conducting cyber crime are available to anyone. At F-Secure, we dig deep into these threats to understand threat actor capabilities, tools and technologies, to develop holistic countermeasures against them."

Laura Kankaala, Threat Intelligence Lead

A need for simpler cyber security

We asked the people whether they agreed with the statement "I find cyber security too complex"



All-in-one security and privacy app

A significant milestone in the realization of our vision was the release of F-Secure Total in Q1/2023, which includes all the security, privacy and identity protection features in one single app across operating systems. We constantly monitor the success of our journey using the Net Promoter Score (NPS) and were pleased to see that the NPS for Total was 49 in 2023, an improvement from 42 in 2021 and 46 in 2022.

We expect the NPS to continue to increase in 2024 as we launch new versions of Total that enhance the customer experience and introduce new protection capabilities particularly against scams, also leveraging expertise and product assets obtained from the Lookout Life acquisition.

Simplification and wider adoption via Embedded Security

We continued to focus our efforts on simplifying the customer experience and driving consumer adoption of security and privacy solutions. The rollout of the Embedded Security portfolio capabilities that integrate with the home WiFi router similarly progressed together with our Communication Service Provider (CSP) and router manufacturer partners (F-Secure Sense).

[1] F-Secure Living Secure survey 2023

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Sense automatically protects all family members and connected devices without the need for any activity on the consumer's part creating a frictionless, secure broadband customer experience.

During the year F-Secure expanded its Embedded Security offering and launched a range of SDK and cloud API-based protection capabilities, also leveraging the assets obtained through the Lookout Life acquisition.[1]

These capabilities make it possible to easily reach Service Provider's existing end-customers as there is no need to install a separate security app. Rather, the Service Provider embeds the SDKs provided by F-Secure in their existing application or leverages similar capabilities provided via F-Secure cloud. For example, in October 2023, TNG Digital embedded F-Secure SDK capabilities into the Touch 'n Go eWallet app, making security accessible to over 21 million of its existing customers.

Protecting consumers with our Service Provider ecosystem

Service Providers like CSPs play a major role in protecting consumers from online threats. Many of our partners see security as an integral part of their offering and brand promise, and are committed to helping consumers feel safe, secure and confident online.

To help our partners deliver security to their end-customers, we have spent more than a decade building scalable expert and cloud-based services that culminate in our Security Business Platform. Through this platform, our products and services can be delivered to consumers as an integrated offering that partners can easily sell and deliver.

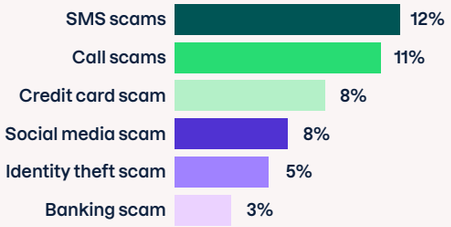
Our partners value our offering, day-to-day support and the business outcomes we deliver. We're pleased that our Partner Business Net Promoter Score remained on an excellent level being 56. In addition, we signed 15 completely new Service Provider contracts in 2023 to increase consumer security product adoption across geographies. Following the Lookout Life acquisition, F-Secure is also better positioned to serve the needs of large Tier 1 Service Providers, for example, AT&T, T-Mobile/Sprint and DoCoMo.

Research and innovation to protect against scams

Various types of scams (as shown in figure below[2]) have now become a trillion-dollar business, already affecting more than 1 out of 4 people worldwide.

These frauds can resemble traditional tech support scams where criminals pose as bank or government officials who insist that victims transfer large sums of money to various accounts for "safe" keeping. Or fake text messages received especially during the holiday season from a delivery company asking for more information that could lead to identity theft.

Types of scams faced by consumers



Also, if consumers are going to lose money to a scam, chances are that the scam will start on social media. One big reason is that these platforms are filled with advertisements for fake products with fake discounts. Our data shows that 44% of all social media fraud loss reports come from people who tried to buy something being advertised on social media. The most common shopping scams ended with the purchased goods never arriving or arriving replaced with junk.

Additionally, generative AI tools are helping scammers create more convincing narratives and fake advertisements. Cybercriminals are also likely to create more fake shopping websites and combine them with malvertising to trick victims into handing over their credit card details. With the help of generative AI to instantly aid the construction of entire ecommerce experiences and crafting professional marketing messages, these fraud sites will become even more difficult for consumers to detect and avoid.

To combat these threats, we have added Trusted Shopping capability to F-Secure Total that lets consumers know the trustworthiness of online stores and check if the store is safe to buy from. We have also made the same available as a new free tool (Online Shopping Checker) among our other free tools. To further protect consumers from scams, phishing and other threats, and as part of our evolution as an independent company after the demerger, we have been working on improving our architecture and systems, and developing our own Protection APIs dedicated to consumer-focused use cases.

[1] Software Development Kit (SDK), Application Programming Interface (API)

[2] F-Secure global consumer market survey, Jun 2023, N=4,400 and Global Anti-Scam Association survey 2023

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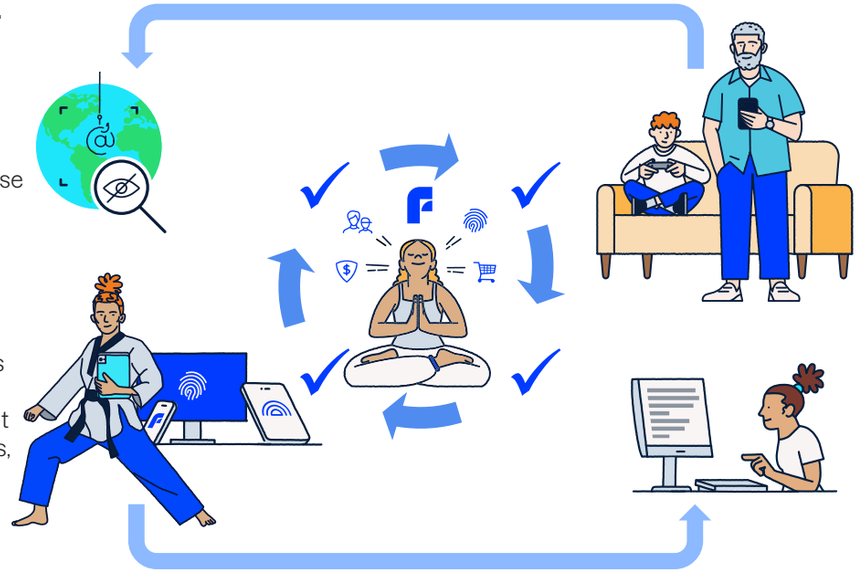
Our deployed products are undergoing a transition from the previous generation of APIs that focused on end-point protection, primarily Windows malware. Last year we reported that our customers used our previous generation APIs approximately 900 million times every day. On a fully comparable basis, that number is now approximately 750 million, as we transition to our new APIs and can also optimize the number of queries. Using our new APIs, our scam protection technology is now being used approximately 20 million times per day, a number that we expect to grow significantly in 2024 as we transition to new APIs.

In addition, now that we have completed the Transitional Services Agreements (TSAs) with WithSecure, we are redirecting our cyber security research efforts to create additional capabilities that protect consumers against various types of scams. This research and protection strategy that continues to guide us also over the long term includes four key parts:

1. Mapping the scam landscape. Cybercriminals are constantly inventing new scams. The starting point of our entire research process is building capabilities to holistically understand and respond to these threats.

2. Defense in depth. When responding to threats, we combine multiple technologies into comprehensive and holistic protection including but not limited to malware analysis, URL categorization and reputation, privacy VPN, data breach monitoring services, router security, and more.



4. Contextual holistic protection. By combining all of these, we can begin to build contextual and holistic protection. When we understand the consumer's personalized threat profile, we can provide personalized defense. In addition to the technological defense in depth it is also about our ability to advise consumers effectively offering personalized advice, which might be very different for a 20-year-old versus a 70-year-old person, and vary from country to country and more.

3. Personalized threat profile. As part of defending consumers, we also see a lot of data on how consumers behave, while respecting their right to privacy. This includes for example what threats we defend them from, where, when, and how. This rich data stream will allow us to build a personalized threat profile.

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Continued awareness creation regarding cyber threats

Increasing consumer awareness on cyber threats and providing tips, best practices and actionable information about the evolving threat landscape remained high on F-Secure agenda.

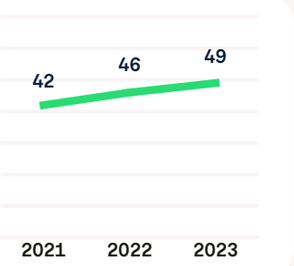
Through various campaigns and our content creation strategy, we have been able to reach 10 million consumers across the globe. This includes the publication of "F-Alert", a monthly newsletter that informs consumers about what's happening in cyber security. Even more importantly, it tells consumers why threats are happening and offers advice from F-Secure experts to help secure consumer's digital moments. Additionally, more than 40 articles, eBooks and white papers have been published on topics such as AI, how AI scams work, what is spoofing, how to avoid fake websites and more.

Note that the above does not include awareness creation activities and consumers reached through our Service Provider partners, which can be estimated to be significant.

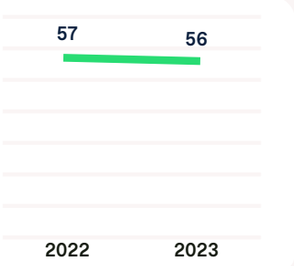
~800
million protection events daily

Reached
10
million consumers increasing cyber crime awareness

F-Secure Total NPS



F-Secure Partner Business NPS



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Security and privacy in our daily operations

"It is impossible to build sustainability without trust. We are committed to protecting this trust by developing and operating our products securely."

Johannes Kossila,
Chief Information Security Officer

F-Secure is in the business of trust. Through our products we are present in our customers' digital moments and have developed a unique understanding of the consequences of personal data breaches to individual lives. Data breaches often have financial consequences and at worst they can have a significant impact on the mental and physical wellbeing of the victim. Therefore, when we offer our products to our customers, we ask them to put their trust in us to secure their digital moments. F-Secure is committed to maintaining this trust by building cyber security and privacy into our products and operations, and by complying with the related applicable legislation in the countries where we operate.

Our approach to cyber security

F-Secure's approach to cyber security focuses on managing of information security, privacy, and software security across our products and the supporting operational processes. Our Cyber Security Policy and the related procedures define the applicable security practices in accordance with F-Secure's strategy. The Cyber Security Policy is reviewed annually and approved by our CEO.

To ensure the fulfilment of our cyber security objectives, F-Secure Chief Information Security Officer together with the Security Office leads the governance and implementation of the cyber security practices across all business functions. Security metrics and progress of security initiatives are regularly reported to the F-Secure Leadership Team. In addition, the Security Steering group consisting of the CEO, General Counsel, CTO, CFO, and Corporate Development directs strategic security work and reviews security performance on quarterly basis.

Our cyber security initiatives reflect the current threat landscape. We identify and mitigate relevant cyber security risks to prevent and prepare for potential business disruptions. Proactive security incident and business continuity management processes supported by regular drills are critical to maintaining the resilience of our products and business services.

F-Secure products are developed and operated in accordance with our comprehensive secure software

development lifecycle. Our ambition is to develop secure software and identify potential security threats early in the development process. An efficient vulnerability management process supported by our bug bounty program is the foundation for maintaining the security of our products after they are released to production.

Skilled and security-aware employees are the key to our cyber security governance. We provide our employees with the support, tools, and instructions to perform their work securely and promote security awareness in their personal lives and with their families. We are also active in various security communities and forums to promote general security awareness and the development of industry practices. For example, F-Secure is a long-standing member of The European Cyber Security Organization (ECSO).

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We continuously assess the effectiveness of our cyber security governance and adhere to industry standards to ensure high-quality security practices. Our cyber security management processes are compliant with the ISO27001 standard for information security management systems and we conduct regular internal audits to confirm that our products and business processes follow the appropriate cyber security practices.

After the demerger from WithSecure in 2022, F-Secure has been renewing its cyber security strategy, policies and guidelines and establishing new cyber security capabilities. During 2023, we conducted a complete review of our cyber security policies and updated them to reflect the new F-Secure organization and ways of working. We also started a compliance project to achieve ISO27001 certification for our cyber security management system covering the entire organization.

In accordance with our updated security policies, we renewed our annual cyber security awareness training and rolled it out to all employees. In addition, 84% of our employees are participating in our continuous phishing simulation training. With these security trainings, we saw clear improvements in our security culture during the year.

In 2023, we launched our Security Operations Center for centralized coordination and response to security incidents. Throughout the year, we faced only two major security incidents which were both responded to and mitigated in a timely manner. No customer data was affected by these or other security incidents.

Finally, we continued to improve the coverage of our automated vulnerability management tools on our products and supporting infrastructure. We improved our patching cadence and continued to work with independent security researchers to identify vulnerabilities and bugs in our products which were not identified by our tools. In 2023, we paid total of 7,200 euros through our bug bounty program to 14 reported cases, of which three were classified as high severity and the rest as low severity.

Ensuring privacy while handling our customers' personal data

F-Secure continuously assesses the impact of privacy regulations on our operations and identifies the key regulatory requirements arising from them. We will continue to maintain an up-to-date understanding of regulatory developments and changes in our business and to update our internal privacy policies and processes accordingly. F-Secure conducts regular privacy impact assessments for all significant personal data processing activities. The outcomes of privacy impact assessments are considered in the data processing implementation, thereby ensuring implementation of the principle of Privacy by Design.

In 2023, F-Secure participated in a General Data Protection Regulation (GDPR) compliance assessment by an external assessor. According to the assessment, the overall level of data protection compliance at F-Secure is high. In particular, our strong privacy culture, established processes and documentation, and the practices related to our products received positive feedback. The identified growth areas related to a lack of overview of privacy processes after the demerger in 2022, and steps have been taken to revive and clarify legacy processes. In addition, a new onboarding course on the F-Secure Learning Academy introducing privacy topics was introduced and additional live training events were organized. Finally, the privacy team is in close contact with the business and provides support, such as advising on new features.

Key cyber security and privacy initiatives for 2024

We will continue to expand the monitoring scope of our Security Operations Center and focus on introducing new tools to further support our secure software development lifecycle for products. In addition, we will conduct a review of our company-wide business continuity plans to better address system components acquired through the Lookout Life acquisition. Finally, our ambition is to complete our security compliance project and achieve ISO27001 certification during 2024.

F-Secure's privacy program will focus on three main areas in 2024. Firstly, the product privacy policies will be updated to make them more specific, transparent, and accessible. Secondly, the goal is to update the applicable privacy impact assessments to facilitate integration of the new products following the acquisition of Lookout Life to ensure a high standard of privacy and to support the ISO27001 project. Finally, the goal is for F-Secure Inc to obtain the Data Privacy Framework Certificate to facilitate EU-US transfers of personal data.

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F-Secure has established its ESG Council to facilitate the creation and execution of ESG strategy with stakeholders across the company. Furthermore, various ESG Committees have been established to own their respective areas, including employees from different functions such as Commercial, Marketing, CFO Office, Technology and People & Culture. At F-Secure, ESG strategy is not considered a separate strategy, but aligned with F-Secure's corporate strategy and direction, led by the CEO and the Leadership Team.

F-Secure's Audit Committee including the Chair of the Board reviews F-Secure's sustainability strategy and its implementation at least twice a year, and the Board of Directors at least once a year. At least one person in the Audit Committee has previous expertise in international companies and financial ESG reporting in addition to auditors attending the meeting. During 2023, plans have also been defined to ensure that the Audit Committee and the Board of Directors will have access to sustainability competence and training by 2024.

Further focus areas in 2023, following the Lookout Life acquisition, included Code of Conduct and cyber security related training across F-Secure. Furthermore, F-Secure recycling and travel policies have been updated.

As a general note and, looking ahead to 2024, the plan is to re-evaluate the ESG governance model in light of the EU legislation (CSRD/ESRS).

F-Secure Board of Directors	Approve company strategy and target setting inc. sustainability related topics
F-Secure Audit Committee	Review sustainability strategy Review sustainability related policies including but not limited to ESG reporting, Corporate Governance, Cyber Security, and Risk Management
F-Secure Leadership Team	Responsible for establishing company strategy and direction, inc. ESG strategy Risk Management review in minimum twice a year
F-Secure ESG Council	**Purpose** • Identify and assess ESG opportunities and risks • Develop and implement strategies and plans to address above • Propose targets and goals, and develop policies & procedures • Drives ESG compliance, and provides views on certifications and standards **Participants:** CFO, CPO, General Counsel, SVP Corporate Development, Group ESG lead, members from Marketing, Technology and ESG Committees (on-demand basis)

ESG Committees			ESG Function	General Counsel
DEI Reviews and sets ambition on DEI related plans. Evaluates and provides feedback on progress.	**Health & Wellbeing (H&W)** Reviews and sets ambition on H&W related plans. Evaluates and provides feedback on progress.	**Environment** ESG Council is responsible for driving environmental initiatives and achieving sustainability targets.	ESG is part of Corporate Development function leading ESG Council and facilitating ESG strategy execution and reporting. With Legal team ensures ESG activities meet regulative requirements.	Align ESG governance with the overall corporate governance and Code of Conduct and other relevant policies.

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Risk management

Sustainability related risks and opportunities are managed as part of F-Secure's risk management process as described in the Corporate Governance section.

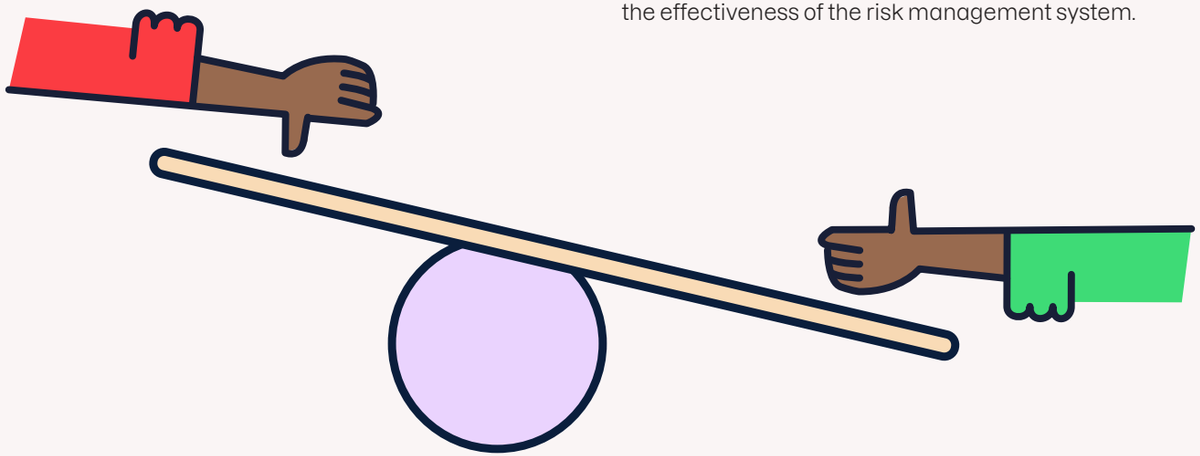
In short, the primary goal of F-Secure's risk management principles is to enable the organization to identify and manage risks more effectively. The risk management process monitors the potential negative impact and likelihood of various situations arising from the company's operations, its markets, its customers or its partners.

F-Secure encourages continuous risk assessment by the company's personnel. The relevant operational risks identified through the risk management process are regularly reviewed by each function, including the twice a year review with the President and CEO and the Leadership Team, and the Audit Committee.

Company's statutory auditor reviews risks part of each interim release (quarterly). These risks and opportunities include topics such as

- Attracting, developing, and retaining talent
- Privacy and security related to, e.g., how we use and protect consumer or partner data
- Cyber security threats related to end-customers, partners, and our operations
- Business continuity risks to our operations including suppliers, some of which may be related to civil unrest, public health, adverse effect to climate change and similar
- Non-compliance with regulations and violation of our ethical standards like the Code of Conduct

Risk management is an integrated part of F-Secure governance and management, and the risk management process is aligned with the ISO-31000:2018 guidelines. The Audit Committee regularly evaluates the effectiveness of the risk management system.



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