



# 2023 ESG Report

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## Forward-Looking Statements

This ESG Report contains forward-looking statements within the meaning of applicable U.S. securities laws, including statements regarding: our beliefs and expectations about the impacts of climate change and other environmental risks on our business; our plans to develop and/or commit to greenhouse gas (GHG) reduction targets, perform climate scenario analysis, measure future GHG emissions and identify GHG reduction opportunities; our plans to further develop our ESG/sustainability program generally; our expectation that we will continue to report under the TCFD in the near term; our expectation that we will resume employee engagement surveys in the future; our expectation regarding additional costs we will need to incur in order to comply with regulatory requirements concerning climate change and other sustainability matters; our beliefs about the cybersecurity risks that affect us; and our hopes and expectations regarding gender diversity, employee engagement, turnover and other human capital metrics at our company. Forward-looking statements may be identified by words such as “seek”, “believe”, “plan”, “estimate”, “anticipate”, “expect”, “intend”, “continue”, “outlook”, “may”, “will”, “should”, “could”, or “might”, and other similar expressions. These forward-looking statements involve risks and uncertainties, as well as assumptions that, if they do not fully materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could materially affect our business, financial and ESG-related results include, but are not limited to: our ability to execute our business transformation plan; our ability to attract new customers and retain and expand sales to existing customers; our ability to successfully develop and market new product offerings and product enhancements; the loss of one or more large customers; difficulties enhancing and maintaining our brand recognition; competition; lengthy sales cycles; departures of senior management or other key employees; changes in customer requirements; interruptions or delays in the performance of our products and solutions; real or perceived malfunctions or errors in our products; the potential effects of technological changes; economic recession, inflation, and political instability; security breaches or cyber-attacks; and delays and disruption in global transportation and supply chains, as well as other factors described in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2023. Our filings with the Securities and Exchange Commission (the “SEC”) and other important information can be found in the Investor Relations section of our website at [investors.onespan.com](https://investors.onespan.com). Statements in this ESG Report are made as of July 2024, and the continued availability of this ESG Report after that date shall under no circumstances create an implication that the information contained herein is correct any date thereafter. We do not have any intent, and disclaim any obligation, to update the forward-looking information to reflect events that occur, circumstances that exist or changes in our expectations after the date of this presentation, except as required by law.

# Dear OneSpan Stakeholder

As a global corporation with operations, customers, and suppliers worldwide, OneSpan understands that active management of our environmental and social impacts and risks is fundamental to our long-term success. To this end, we are committed to conducting our business responsibly and to the ongoing development of our sustainability program as we continue to pursue efficient, customer-focused growth across our business.

# 2023

We issued our first annual environment, social and governance (ESG) report last year, and are now pleased to present our second. In our 2023 report, you will find information about how we approach our relationship with employees, vendors and other stakeholders, evaluate our environmental impacts, manage cybersecurity risk, and promote effective governance. The report also features a concise datasheet containing key ESG metrics on page 21.

We hope you find this report helpful, and we look forward to updating you on our progress. Thank you for your support of OneSpan.

**Victor Limongelli**  
CEO and President

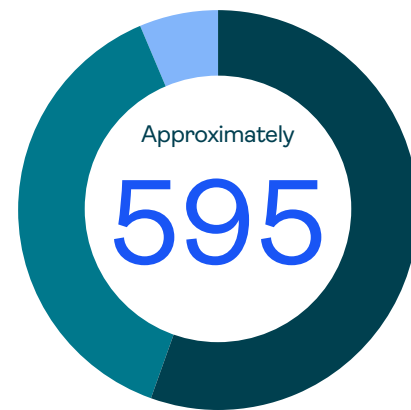
# Our People

We understand that achieving our business objectives will depend primarily on the skills, creativity, and determination of our people.

To that end, we strive to create an environment that will attract, retain and develop talented people who are motivated to find opportunities and create new possibilities for our customers, for themselves and their teams, and for OneSpan.

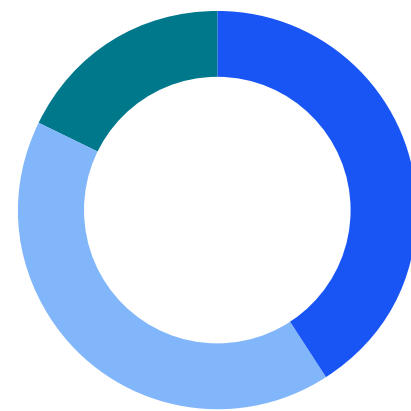
OneSpan is powered by a team of 595 employees that spans the globe

Employees by region



● The Americas	330
● Europe, Middle East and Africa	229
● Asia Pacific	36

Employees by function



● Research and development	257
● Sales and marketing	239
● General and administrative	99

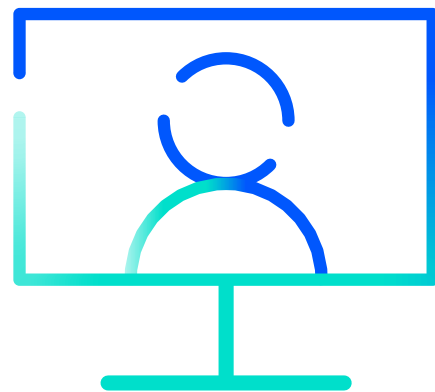
As of June 30, 2024

To achieve this goal, we focus on the areas described below.

- Competitive Compensation and Benefits.**  
 We seek to provide our employees with competitive and fair compensation and benefit offerings, and use market benchmarks to ensure external competitiveness while maintaining equity within the organization. We tie incentive compensation to both business and individual performance and provide a range of health, wellness, family leave, savings, retirement, and time-off benefits for our employees, which vary based on local regulations and norms.
- Nurturing Innovation.**  
 We strive to make OneSpan an engaging and rewarding place to work by encouraging innovation. In late 2023, we rolled out our “InnoBoost” innovation program, which consisted of a series of educational workshops about the science of innovation and “gamestorming” activities designed to spark and develop new ideas that will solve customer problems and drive growth in our business. InnoBoost culminated in a 48-hour global event where cross-functional teams collaborated to turn the most promising ideas from gamestorming sessions into concrete proposals, and three winning proposals were selected by a panel of senior executive and technical leaders. In addition to InnoBoost, we have a patent incentive program to incentivize and reward employees who develop patentable inventions.

- **Training and Development**

We promote and support employee development, compliance and organizational effectiveness by providing professional development and compliance training. All of our employees take a required annual training on the following topics: our code of conduct and ethics; cybersecurity; diversity and inclusion; and preventing sexual harassment. We also offer employees access to online professional development courses, either through company subscriptions to third-party course providers or by reimbursing employees for professional development opportunities they identify.



- **Feedback and Coaching.**

We believe regular feedback is an integral component of employee development, and that creating a culture of ongoing performance coaching is critical to our success. To that end, we conduct coaching sessions where each employee is evaluated by their personal manager at least annually and encourage more frequent performance check-ins. Employee performance is assessed in significant part based on the achievement of goals set collaboratively by the employee and their manager. We also encourage managers to provide ongoing feedback and performance coaching to their direct reports, and to solicit their teams' feedback on their own performance.

- **Creating Career Opportunities.**

In addition to regular feedback and coaching, we support the career development and goals of our employees through mentoring programs and career ladder programs. We are currently beginning the second year of a successful mentoring program for high-potential employees. The program was focused on female employees for the first year, but its scope has been expanded to all high-potential employees in its second year, and the number of mentors and mentees involved in the program has increased. We also adopted a career ladder program for our research and development employees. The goal of this program is to set out a structured and supportive career development framework that fosters continuous learning, skill development, career advancement, and organizational success.

- **Two-Way Engagement.**

We hold quarterly all-team calls where our CEO and other executive team members provide business and other updates. These calls feature a Q&A component where employees can submit questions during the meeting and get a live response. We also request employee input through employee engagement surveys. These surveys are intended to measure our progress in promoting an environment where employees are engaged, productive, and have a strong sense of belonging. As part of our commitment to acting on employee input, we also use survey results to identify areas where we can do better and expect our managers to actively work to improve those areas.

- **Hybrid Workplace Policy.**

For our employees who live near one of our offices, we have adopted a hybrid work model whereby employees generally come to the office in person once or twice per week, on a day designated by local office leadership. For the rest of the week, employees may work either remotely or from their local office. We believe this approach maintains the flexibility of remote work while also providing a regular opportunity for in-person interactions to collaborate, innovate, and build relationships with colleagues.

- **Diversity and Inclusion.**

With almost 600 employees around the world and customers in more than 100 countries, we understand the importance of diversity in perspectives, experience, backgrounds and cultures. As part of our efforts to encourage diversity and inclusion, all employees take a diversity and inclusion training annually. Upon hire, we require training on unconscious bias and psychological safety at work, which covers

ways managers and employees can promote an open, trusting and non-judgmental environment that encourages creativity and the free exchange of ideas. We also work with diversity focused job sites and candidate application platforms to increase access to diverse talent. In addition, we have an active employee resource group, Women at OneSpan, focused on providing support, mentoring and other resources for our female employees.

We monitor the gender diversity of our workforce regularly. We measure gender diversity overall, by job level, and by job family. As of December 31, 2023, approximately 31% of our employees identified as female, unchanged from the end of 2022 but up from 27% at the end of 2021.



The percentage of women by job level (executive, vice president, director, manager, supervisor and individual) improved for the vice president, manager, and supervisor job levels, remained unchanged for the individual job level, and decreased slightly in the director and executive job levels. For job families (consisting of general and administrative, research and development, sales and marketing, and Digipass), the percentage of women by job family improved slightly for sales and marketing, remained unchanged for research and development,

and declined slightly in general and administrative and Digipass. Although our gender diversity metrics may fluctuate from period to period, over the longer term, we hope and expect to see continued improvement in the representation of women across the company.

We are also proud of the strides we have made in the past two years in the diversity of our executive leadership team. More than half of our current 8-person executive team identifies as female, LGBTQ, and/or a person of color, which represents significant progress as compared to the beginning of 2022.

- **Employee Recognition.**

We regularly recognize our employees for driving business results and exemplifying our company values. We believe that this recognition helps drive strong employee performance. Employees also have access to an internal communications channel to recognize their peers for their contributions to the company.



- **Community Outreach and Support.**

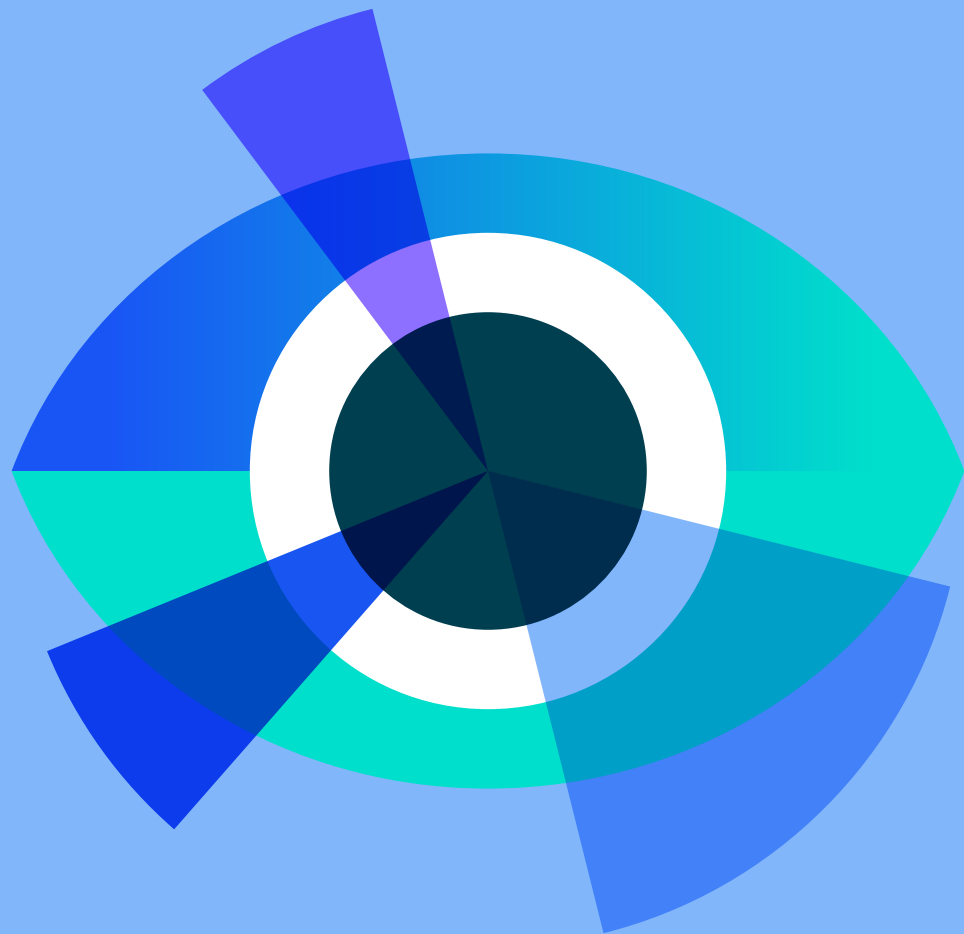
We believe it is important to promote community outreach in the areas where we live and work. To support our employees in their volunteer efforts, we provide each employee with one paid day off each year to participate in volunteer activities of their choice. In addition, our main office locations regularly participate in events such as food, pet supply and holiday children's toy drives.

- **Commitment to Human Rights and Well-Being, Near and Far.**

We maintain a variety of policies and procedures to promote positive workplace conduct, employee well-being and human rights both within OneSpan and beyond, including a code of conduct and ethics, a compliance concern reporting hotline, anti-discrimination and equal opportunity policies, human rights and anti-trafficking policies, a stress and burnout awareness training program, and a supplier code of conduct.

# Monitoring our Progress

We monitor our progress toward creating an engaging, rewarding and inclusive place to work by tracking the following metrics:

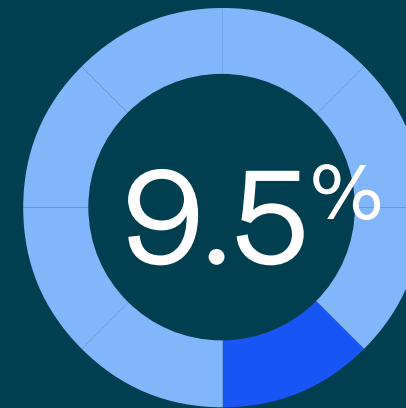


## Employee Survey Results.

As discussed above under “Engagement”, we typically conduct a comprehensive employee engagement survey annually, and compare results for each survey question from year to year. Due to a change in our executive leadership and a transition in our business strategy during 2023, we did not conduct an engagement survey in 2023, but expect to resume these surveys in the future.

## Employee Turnover.

We monitor voluntary turnover and total attrition, as a whole and by tenure, region, and by job family. Total attrition captures all reasons employees leave, including voluntary turnover and involuntary turnover due to job eliminations or performance reasons, whereas voluntary turnover is limited to elective departures by employees. Our voluntary turnover across our global employee base in 2023 was 9.5%, which we believe compares favorably with global voluntary turnover rates in the technology industry.



Our global employee base in 2023

## Diversity.

As discussed above under “Diversity and Inclusion”, we measure gender diversity at least annually overall, by geography, by job role, and by job level. We also monitor the racial and ethnic diversity of our U.S.-based employees, to the extent that our employees disclose their race and ethnicity to us.



# Our Planet

**Climate change is widely considered one of the defining issues of our time, and the scientific consensus is that humanity must act quickly to reduce carbon emissions if we are to avoid its worst effects.**

The Paris Agreement calls for participating countries to cut carbon emissions sufficiently to keep the global temperature increase in this century well below 2 degrees Celsius over pre-industrial levels, with a goal of limiting it to 1.5 degrees Celsius. Global temperature increases of 2 degrees Celsius or higher, and particularly the 4 degrees or higher scenario that would result from continuing the current level of carbon emissions, are likely to bring about irreversible negative impacts to human and nonhuman life and the ecosystems we depend on. Closely connected to climate change are other environmental issues that impact the viability and quality of life of earth, including food and water scarcity, pollution, plastic waste, ocean acidification, deforestation, desertification and biodiversity loss.

With respect to OneSpan specifically, we believe our climate change and environmental risks are relatively modest when compared to the other risks we face, such as risks pertaining to the growth of our business, our transformation plan, competition, products and technology and other risks set forth in our form 10-K filed with the U.S. Securities and Exchange Commission (SEC) on March 6, 2024. Nevertheless, over the longer term we may be impacted by climate change, both directly and indirect through impacts to

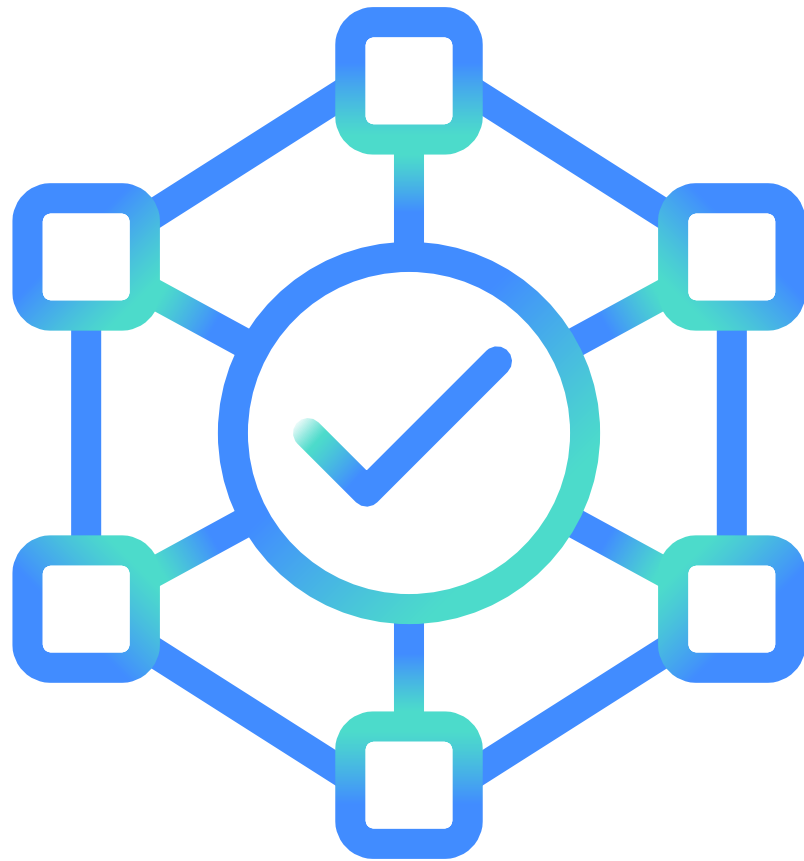
our customers, investors, employees, partners, suppliers, communities and other stakeholders. While it is difficult to predict the extent, nature and timing of these impacts, in order to build a business that will be resilient, responsive to our stakeholders, and successful in the years to come, we have begun the first stages of what we expect will be an ongoing effort to monitor and manage our own climate and environmental impacts and do our part to support global efforts to limit the impacts of climate change.

In this second annual ESG report, we are reporting on our climate change risks and opportunities in partial alignment with the recommendations of the Task Force on Climate-Related Financial Disclosure, or TCFD, beginning on page 09 of this report. Although the TCFD itself was disbanded in late 2023 due to having fulfilled its original mission, the TCFD framework remains a widely recognized framework for the reporting of climate related risks and opportunities across industries. The International Sustainability Standards Board (ISSB) will continue TCFD's work of standardizing and monitoring sustainability-related disclosures. We expect to continue to report under the TCFD for our annual ESG reports in the near term as we further evaluate ISSB standards, prepare certain of our European subsidiaries for compliance with the European Union's Corporate Sustainability Reporting Directive (CSRD), and generally build out our sustainability program.





# Task Force on Climate-Related Financial Disclosures ("TCFD") Report



## Core Elements

# Governance

## TCFD Disclosure Recommendation

- a) Describe the board's oversight of climate-related risks and opportunities.
- b) Describe management's role in assessing and managing climate-related risks and opportunities.

## Disclosure

Establishing a robust ESG program is a key priority of our Board and senior management team. The Corporate Governance and Nominating Committee (the "CGN") of our Board of Directors (the "Board") is responsible for overseeing our ESG program, including climate-related issues. In 2023, the CGN discussed ESG matters and reviewed progress in the development of our ESG program at three out of its four meetings.

At a management level, Lara Mataac, our General Counsel and Chief Compliance Officer, is responsible for OneSpan's ESG efforts. Ms. Mataac joined OneSpan in June 2022, and since then she and her team have been working with the CGN and other members of the Company's management team to advance our ESG program. Ms. Mataac's ESG and

climate responsibilities include: developing and managing our ESG program; preparing for required compliance with the European Union CSRD; working with the management team and other stakeholders to identify our climate risks and opportunities; updating the CGN and Board on ESG progress and obtaining their input on our ESG efforts; and monitoring ESG and climate-related issues generally.

We are planning to develop a framework for considering ESG issues, including climate issues, when reviewing the company's strategy and business plans. Pending development of that framework, Ms. Mataac works with internal company stakeholders to consider ESG impacts in significant company decisions such as new facility leases.

Task Force on Climate-Related Financial Disclosures (“TCFD”) Report

Core Elements

# Strategy

## TCFD Disclosure Recommendation

- (a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- (b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.
- (c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

## Disclosure

### Supply Chain and Operations

Our Digipass authenticator devices are currently manufactured by third party contract manufacturers in three factories located in Southern China and one factory located in Romania. Manufacture of the Digipass devices requires materials and components sourced from suppliers around the globe, including microprocessors, glass, liquid crystal, plastic housing, silicon, and batteries. After they are manufactured, the devices must be shipped to our Belgium warehouse or to a third-party warehouse or temporary storage location and then either to our customers, which are typically

banks and other financial institutions, or directly to our customers’ end users. We ship our devices to customers or their end users using sea, land and/or air transport, depending on the shipping destination and the preferences of the customer.

Due to the logistics involved in obtaining materials and components and in manufacturing, assembling and shipping our Digipass devices, our Digipass business is exposed to physical risks driven by climate change. The scientific consensus is that climate change may cause more intense natural

disasters and extreme weather, and that these events may become more severe in higher warming scenarios. Floods, wildfires, sea level rise, hurricanes, extreme heat waves and similar events could disrupt shipments of raw materials necessary for manufacturing or packaging of the devices, or the finished devices themselves. As a result, we may experience delays in processing customer orders, delays in revenue recognition, and higher costs for materials and shipping. In 2022, we experienced delays and increased costs in obtaining microprocessors for our Digipass devices, due in part to energy shortages affecting our China-based contract manufacturers. These energy shortages were driven by extreme heatwaves and drought.

Risks related to the transition from fossil fuels to alternative energy sources in order to mitigate climate change, or “transition risks”, could also impact our Digipass supply chain. High demand for microprocessors to power electric vehicles was another key factor in the microprocessor delays and increased costs we saw in 2022. It is possible that we may see similar supply chain dislocations as the world increasingly transitions to alternative energy, and that these dislocations will negatively affect our Digipass operations.

Our software-as-a-service (SaaS) offerings, such as our OneSpan Sign electronic signature solution, may also be vulnerable to physical risks posed by climate change. Our office facilities, our third-party data centers that host our SaaS offerings, and the locations where our employees reside may be impacted by more frequent heatwaves, flooding, drought, higher average temperatures, and changes in precipitation patterns. Most of our office facilities and employees are not located in regions that are considered highly vulnerable to climate change; however, severe weather events can nevertheless impact the physical

well-being of our employees located in any impacted areas, which could result in increased absences and loss of productivity. Although we believe our third party data center providers have well-developed business continuity and risk mitigation plans, it is possible that our data center facilities could be negatively impacted by weather events, or that rates they charge to us will increase to reflect weather-related challenges (for instance, an increase in data-center cooling costs due to higher average temperatures or droughts).



The physical and transition impacts of climate change could also present opportunities for our business, although we do not expect these impacts to be material in the short- or medium-term, and it is uncertain whether they will actually become more significant in the long-term. Our solutions enable secure virtual agreements and interactions, which may become increasingly important due to climate change. Both physical and transition factors may reduce in-person meetings. More frequent

**Task Force on Climate-Related Financial Disclosures (“TCFD”) Report**

heatwaves, floods, and other extreme weather events, as well as the impact of those events on fuel prices, may interfere with commuting to offices or traveling to meetings. Employers may also increasingly adopt “hybrid” office policies, both in response to employee preferences and in order to reduce their facilities expense and the carbon footprint of their office locations. Local or regional governments may also adopt policies encouraging remote or hybrid work as a mechanism to reduce carbon emissions, air pollution or traffic congestion. All of these factors may lead to an increase in digital interactions and transactions, which could drive additional demand for our solutions. It is also possible that the destabilizing impacts of climate change, particularly in a 2°C or greater warming scenario which features food scarcity, mass migrations, natural disasters and conflict over scarce resources, will enable further proliferation of scams, identity theft, deepfakes, and cybercrime, all of which thrive in times of crisis and disruption. While we hope that these more severe impacts can be avoided by prompt global action to limit temperature increases, we believe our solutions could play a role in maintaining security and trust in digital agreements and transactions during unpredictable times.



## Compliance

We expect to incur additional costs in order to comply with regulatory requirements designed to combat climate change.

Due to our significant operations in the European Union, one of our European holding companies and its three subsidiaries will be subject to the EU CSRD. This will require us to make, and obtain a third party audit of, extensive sustainability disclosures starting with the financial reporting cycle for 2025. The EU CSRD consists of approximately 85 disclosure topics and hundreds of data points covering a wide range of matters such as climate change, human rights, equality, diversity, water and marine resources, circular economy, pollution, biodiversity, communities and consumers. The CSRD requires that we consider not only the material ESG risks facing our own business and operations but also the material impacts of our operations on society and the environment. We will also need to disclose our plans to ensure our business model and corporate strategy are compatible with limiting global warming to 1.5°C.

In addition, the U.S. Securities and Exchange Commission, or SEC, released final climate change disclosure rules in March 2024. The SEC has stayed these rules due to various legal challenges, and their future is uncertain due to a recent U.S. Supreme Court decision. However, if enacted, these rules will require us to report and eventually obtain a third party audit of our Scope 1 and Scope 2 greenhouse gas emissions, provide financial footnote disclosure regarding any material climate impacts, and make a number of qualitative climate-related disclosures. We would also need to disclose Scope 3 GHG emissions if Scope 3 emissions are material or if we commit to a Scope 3

reduction target.

We are currently devoting, and expect to continue to devote, significant resources to compliance with sustainability regulations, particularly the EU CSRD. We anticipate that compliance with these regulations will be complementary to our efforts to meet the ESG expectations of our EU-based customers and our investors, as discussed below.

## Customers and Investors

A majority of our customers are banks and other financial institutions. Many of these organizations are subject to material climate risks, in part because their asset portfolios span a wide range of industries and geographies, including industries that will be heavily impacted by the physical and transition risks of climate change, such as agriculture, oil and gas, and mining. Banks are also subject to significant new regulations requiring reporting and mitigation of their climate-related impacts, particularly in the European Union. Since climate risks and regulations reach their entire supply chain, banks are now expecting their suppliers, including OneSpan, to measure, report and mitigate our climate related impacts.

We believe that the imperative to partner with our customers in addressing climate risk is at once a risk and an opportunity. If we are unable to demonstrate to our customers and potential customers that we are committed to measuring, monitoring and improving our own climate and ESG impact, they may be more likely to look elsewhere for their solutions. Conversely, if we can show them that we will partner with them to achieve their ESG goals, we may be more likely to win their business and retain it long-term.

Similarly, our investors and prospective investors, many of whom are subject to similar risks and regulations as our bank customers, are also increasingly requiring additional ESG information as part of their investment decisions. Developing a robust ESG program could therefore be a meaningful factor in attracting investors and other potential financing sources.



### Employee Hiring and Retention

A number of recent studies have indicated that employees are increasingly considering the ESG programs of potential employers in deciding where to work. This trend appears to be particularly notable among younger workers. Several studies have also found a correlation between a company’s focus on ESG and employee retention. Although this has not been a significant factor in our hiring efforts to date, in the medium- and long-term, it could present both a risk and opportunity for us in a competitive market for hiring and retaining high quality talent.

## Scenario Planning

We have not yet conducted a scenario analysis of our strategy based on different climate-related scenarios, including a 2°C or lower scenario, but plan to do so in the future. Generally, we believe that the severity of the all of the risks described above, particularly the supply chain risks related to our Digipass business, will be greater in higher warming scenarios.

Core Elements

# Risk Management

## TCFD Disclosure Recommendation

- (a) Describe the organization’s processes for identifying and assessing climate-related risks.
- (b) Describe the organization’s processes for managing climate risks.
- (c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

## Disclosure

In June 2024, we assessed our climate-related risks and opportunities by surveying our 9-person senior management team.

For the survey, we developed a list of 12 potential climate risks based on disclosures from comparable companies and our own business circumstances, and asked that members of senior management (i) rate both the impact and likelihood of these risks as high, medium or low and (ii) as a supplementary measure of the relative importance of these risks, stack-rank them order of significance.



For the impact and likelihood assessment, we calculated a composite score for each risk by averaging its impact and likelihood ratings from all respondents (with high, medium and low rankings corresponding to 3, 2, and 1 points respectively). Based on this calculation, the 12

climate-related risks were ranked as shown below, listed from the most significant to the least significant risk. All of these risks had a composite score between “low” and “medium” (between 1 and 2 points), except for the first risk listed, which had a “medium” composite score.

- |   |   |
|---|---|
| 1. More frequent natural disasters such as floods, hurricanes, and wildfires may cause supply chain disruptions for our Digipass devices and related components | 7. We may not be able to meet the ESG/climate standards of certain investors and lenders on the timeframes they request or require            |
| 2. Sustainability objectives or concerns on the part of our customers may encourage them to move away from using our Digipass physical authentication devices   | 8. Our competitiveness in the hiring market may be negatively affected by lack of a robust ESG/climate program                                |
| 3. We may not be able to meet the ESG/climate requirements of our customers or potential customers on the timeframes they request or require                    | 9. More frequent heat waves, wildfires, and extreme weather events may negatively impact the health, safety and productivity of our employees |
| 4. Dislocations and changes from the transition to a lower-carbon economy may impact the supply chain for our Digipass devices and related components           | 10. Higher data center cooling costs due to an increase in average temperatures may result in an increase in our data center expenses         |
| 5. More frequent natural disasters may impact our data centers, warehouses, and offices   | 11. Carbon taxes or trading schemes, if adopted in countries we operate in, may increase our operating costs                                  |
| 6. More frequent natural disasters may increase our insurance costs   | 12. Additional climate-related regulations may increase our operating costs   |

The results of the stack ranking exercise were generally consistent with the composite risk score results.

With respect to assessment of climate risks relative to other risks we face, we conducted an enterprise risk survey of 23 members of our senior management team in late 2023. Respondents were asked to rate the impact, likelihood and velocity of 20 risk categories. Respondents identified ESG risk as the lowest risk area out of those 20 categories. Supply

chain risk, which is one of our more significant climate-related risks, was rated as 16th out of the 20 categories.

We are in the midst of developing processes to monitor and manage climate risks and to better integrate climate risk management into our overall enterprise risk management framework.

Core Elements

# Metrics and Targets

## TCFD Disclosure Recommendation

- (a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- (b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
- (c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

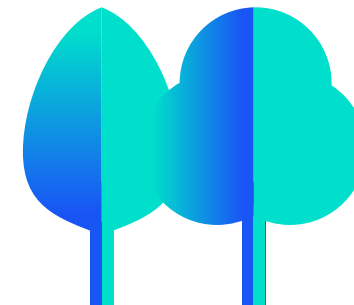


## Disclosure

We use the following metrics to assess climate-related risks and opportunities:

- Scope 1, 2, 3 and total greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol
- GHG revenue intensity
- Approximate percentage of top 50 vendors with an ESG program
- Approximate percentage of top 50 vendors committing to GHG reduction targets
- Percentage of new vendors (of any size) reporting that they have an ESG program

Please refer to “ESG Datasheet” at the end of this report for these and other metrics for 2021, 2022 and 2023.



As our ESG program develops, we are actively evaluating opportunities to reduce our GHG emissions. In early 2024, we moved into a new Belgium warehouse facility that offers a number of energy-saving features as compared with our previous warehouse facility, including: full insulation to minimize energy loss; an energy-efficient heating and cooling system; a flat roof designed to accommodate solar panels over the warehouse portion of the building; and electric vehicle charging stations.

We have not yet adopted climate-related goals or targets, but expect to do so in the future.

# Cybersecurity

**OneSpan provides security, identity, electronic signature (e-signature), and digital workflow solutions that protect and facilitate digital transactions and agreements.**

We serve global blue-chip enterprises, including highly regulated customers such as banks and other financial institutions, which requires us to maintain high standards for cybersecurity and data protection.



# Cybersecurity Risk Management and Strategy

**We maintain an enterprise cybersecurity risk management program designed to assess, identify, and manage material cybersecurity risks within our corporate information security environment and the systems we develop and operate for the benefit of our customers.**

Our cybersecurity risk management program is based upon best practices and standards for cybersecurity and information technology, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) and the International Organization Standardization (ISO) 27001 Information Security Management System Requirements.

*Policies and Training.* We maintain security policies, standards, and processes that apply across our operations and that are approved by management, communicated to our personnel, and reviewed on an annual basis. We provide a global security awareness education program that includes mandatory security and privacy awareness training for all personnel, regular phishing identification exercises, focused training opportunities for particular roles, and incident response training for key individuals.

*Risk Assessment and Safeguards.* We conduct regular assessments of risks and vulnerabilities to the confidentiality, integrity, and availability of data in our systems, and we implement safeguards to reduce these risks and vulnerabilities to a reasonable and appropriate level. For internal information systems and assets, we conduct regular internal reviews, employ continuous security monitoring, and conduct periodic independent reviews of the key components of our security program. For customer-facing products and services, in

addition to internal reviews and testing, we undergo external reviews and penetration testing using an independent third party provider. Our cloud platforms for SaaS solutions are audited annually by external independent auditors who review our platforms against the Service Organization Controls (SOC) 2 and ISO 27001, 27017 and 27018 standards, and some of our Digital Agreement products are available on a FedRAMP compliant platform. Some of our products are certified under specific technical standards or industry guidelines, such as FIPS 140-2 and FIDO. Our Digipass authentication fulfillment services are also audited annually by external independent auditors against the SOC 2 standard. We conduct self-assessment activities for those standards or regulations that are not covered by the external auditors, such as the General Data Protection Regulation in Europe. Additionally, we periodically engage third party consultants to assist with identifying, assessing, and/or managing cybersecurity threats.

*Incident Management.* We have a documented incident response plan for identifying and responding to cybersecurity incidents that focuses on isolating, containing, mitigating, and eradicating the threat as quickly as possible. In the event of a cybersecurity incident, we will follow a documented incident escalation procedure. For a discussion of whether any cybersecurity risks have, or are likely to

materially affect us, please see 1A, Risk Factors, in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 6, 2024 for a discussion of identified cybersecurity risks.

*Third Party Risk Management.* Our vendor security risk management program covers vendors that require connectivity to our systems or access to confidential information. We utilize a trust intelligence platform for managing data privacy and data governance which includes third party risk management. Security reviews are performed periodically, based on vendor criticality, to identify potential security issues with the vendor systems or practices. New vendor contracts are reviewed by our legal and security teams, as appropriate, to confirm that security and data protection are appropriately addressed.

*Material Cybersecurity Incidents.* While we have experienced several security incidents in the past, we did not experience any material cybersecurity incidents for the fiscal year ended December 31, 2023. We do not believe that there are currently any known risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company or our business strategy, results of operations or financial condition.

# Cybersecurity Governance

**Our Board is primarily responsible for overseeing the assessment and management of our risk exposure, including the balance between risk and opportunity and the totality of risk exposure across the organization.**

The Audit Committee oversees the company's cybersecurity risks and exposures. We operate our security program under a global Information Security Charter approved by the Audit Committee, and the Audit Committee receives security updates and information about cybersecurity risks from the Chief Information Officer (CIO) and Chief Information Security Officer (CISO) at least quarterly. Our Board generally reviews the company's overall risk management program at least annually, including the corporate insurance program which includes our cybersecurity insurance policy. We maintain an Information Security Steering Committee which is composed of key senior leaders who oversee the corporate information security program and our cybersecurity posture. Cybersecurity threats with the possibility of heightened criticality are escalated to a management team comprised of C-level executives and legal department representatives.



The CIO leads our global information technology organization and has nearly 30 years of information technology leadership experience, including acting as CIO at two cloud-based technology providers. The Senior Vice President of Research and Development has more than 25 years of information technology experience, including at another publicly traded technology company. Our CISO reports to the CIO and is responsible for leading our information security organization and overseeing our information security program. The CISO has over 20 years' experience in information technology and security, including serving as Chief Information Security Officer at another cloud-based technology provider. Team members who support our cybersecurity risk management program have relevant education and experience in the fields of cybersecurity, risk management, security architecture, data protection, application security, audit, compliance, incident response, identity governance and governance of enterprise information technology.



# Responsible Vendor Management



**OneSpan understands that responsible vendor management is a key component of our ESG program, and we are working towards making ESG factors an integral part of our vendor screening process.**

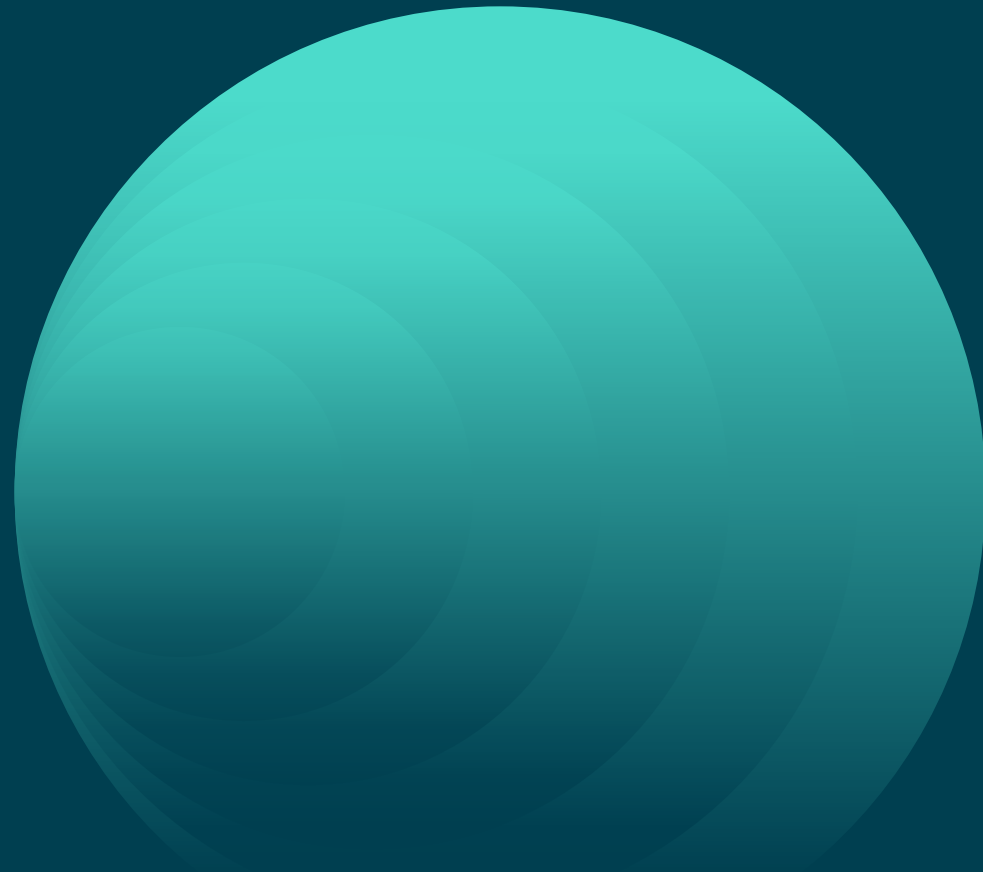
We have taken the following measures in furtherance of this goal:



- We require that our vendors either agree to our Supplier Code of Conduct or confirm that they will adhere to a substantially equivalent policy of their own. Our Supplier Code of Conduct addresses human trafficking, worker's rights, compliance with regulations, diversity, and health and safety, among other topics.
- We require that our contract manufacturing partners who manufacture our Digipass devices agree to our supplier code of conduct, represent they use no conflict minerals or forced/child labor, make commitments to responsible sourcing and sustainability, allow compliance audits, and sign annual compliance certifications.
- We conduct a security and privacy review of vendors who will have access to OneSpan systems, confidential information, or personal data.
- In 2023, we adopted a Supplier Diversity Policy that reflects our commitment to actively seek opportunities to conduct business with a competitive, diverse set of suppliers. Consistent with this policy, we have enhanced our efforts to identify and conduct business with diverse suppliers. These efforts have resulted in our spend with diverse suppliers increasing from approximately \$259,000 in 2022 to approximately \$450,000 in 2023.

# Accessibility

OneSpan is committed to providing solutions that are accessible to people of all abilities. We work on an ongoing basis to improve accessibility across our product portfolio in accordance with the Web Content Accessibility Guidelines (WCAG), Section 508 of the Rehabilitation Act of 1973, and other applicable laws.



Key features of our accessibility program include:

- OneSpan Sign, our e-signature solution, offers an Accessibility Support component that enables blind and visually impaired signers to review and click-to-sign PDF documents that are presented with a supported browser. OneSpan Sign conforms to with WCAG 2.0 Level AA and we are working toward compliance with WCAG Level 2.1 AA. We provide a Voluntary Product Accessibility Template (“VPAT”) accessibility conformance report that describes the accessibility features of OneSpan Sign and update the VPAT yearly. We also perform various types of accessibility testing regularly and perform a thorough internal review of OneSpan Sign accessibility every year. In 2023, our customers used OneSpan Sign to provide more than 3.5 million accessible transactions.



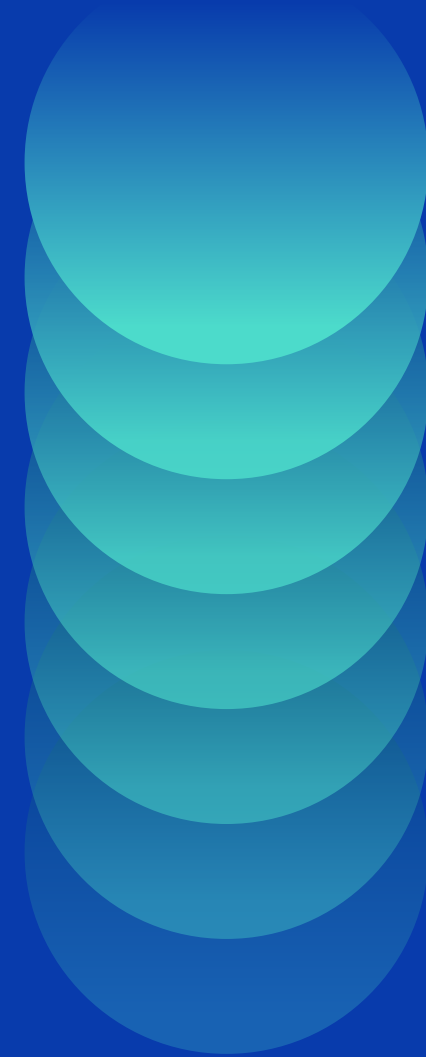
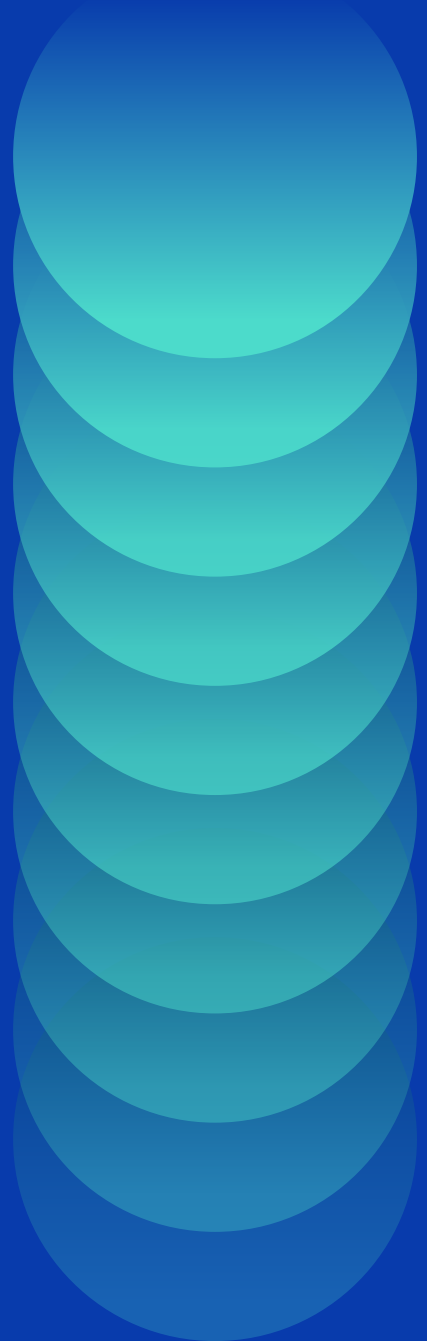
- Our Digipass family of authentication devices includes Digipass devices that are specially designed for blind or visually impaired signers. These devices include large keypads, displays, and a voice feature that can audibly speak the items displayed on the device. Since 2019, we have provided over 250,000 of these accessible Digipass devices to our customers.



# Governance

**We are committed to effective corporate governance and high ethical standards.**

We believe that strong corporate governance policies and practices strengthen the accountability of our Board and management, lead to better business performance and align the long-term interests of our management team with our stakeholders, including our stockholders, our customers and our employees.



Highlights of our current corporate governance policies and practices and features of our Board include:

### Board Composition

- ✓ All seven of our directors are independent under Nasdaq listing standards
- ✓ Separate Chair and CEO, with independent Chair
- ✓ Declassified Board
- ✓ More than one-third of our directors are female or diverse
- ✓ Disclosure of Board skills matrix
- ✓ Two female directors

### Board Governance

- ✓ Majority vote standard for uncontested director elections
- ✓ Regular executive sessions of the independent directors
- ✓ All standing Board committees consist solely of independent directors
- ✓ Active stockholder outreach program
- ✓ Regular Board self-evaluation and assessment of Board composition
- ✓ Specific key risk management functions designated to Board committees
- ✓ Annual Board review of overall risk management program
- ✓ Specific key risk management functions designated to Board committees
- ✓ Stock ownership requirements for directors, CEO and CFO
- ✓ Code of Ethics and Conduct administered by management under the supervision of our Board

### Board Leadership Structure

The current leadership structure of the Company provides for the separation of the roles of the CEO and the Chair of our Board. Alfred Nietzel serves as the independent Chair of our Board and Victor Limongelli serves as our CEO and President. At this time, in light of the Company’s size and the nature of our business, our Board believes that the separation of these roles serves the best interests of OneSpan and our stockholders. If in the future the Board decides to appoint a Chair who is not independent from management, our Board will appoint a Lead Independent Director pursuant to our Lead Independent Director Policy adopted in 2017.

### Our Board’s Role in Risk Oversight

Our Board is primarily responsible for overseeing the assessment and management of the Company’s risk exposure, including the balance between risk and opportunity and the totality of risk exposure across the organization. Our Board does so directly and through each of its committees. Our Board and its committees regularly discuss with management the Company’s major risk exposures, their likelihood, the potential financial impact such risks may have on the Company and the steps the Company takes to manage any such risks. The Audit Committee oversees the Company’s risks and exposures regarding financial reporting and legal and regulatory compliance, as well as cybersecurity risks. The Management Development and Compensation Committee oversees risks relating to our overall incentive compensation programs and succession planning, including those for senior management. The Corporate Governance and Nominating Committee oversees ESG-related risks and risks related to compliance with our Corporate Governance Guidelines and Code of Conduct and Ethics.



Our Board generally reviews the Company’s overall risk management program at least annually, including the corporate insurance program. Throughout the year, management updates our Board and relevant committees about factors that affect areas of potential significant risk. We believe that this is an effective approach for addressing the risks faced by OneSpan and that our Board’s leadership structure also supports this approach by providing additional independent risk oversight.

For more information regarding our Governance practices, please review our Proxy Statement for our 2024 Annual Meeting of Stockholders.

**ESG Datasheet**

People	2023	2022	2021
<b>Employees<sup>1</sup></b>			
Total	676	790	879
<b>By Region (No. / %)</b>			
Canada	251 / 37%	300 / 38%	323 / 37%
Europe	241 / 36%	292 / 37%	369 / 42%
United States	124 / 18%	134 / 17%	126 / 14%
Asia-Pacific	38 / 6%	37 / 5%	35 / 4%
Middle East	17 / 3%	15 / 2%	12 / 1%
Latin America	5 / < 1%	12 / 1%	14 / 2%
<b>By Gender</b>			
Women (No./ %)	207 / 31%	244 / 31%	242 / 27%
Men (No./ %)	466 / 69%	534 / 68%	633 / 72%
% Gender by Management Level – Managers (Women/Men)	29% / 71%	27% / 71%	19% / 79%
% Gender by Management Level – non-Managers (Women/Men)	31% / 68%	32% / 67%	29% / 70%
<b>Employee engagement</b>			
Voluntary Turnover Rate	10%	16%	20%
% Participation in Employee Engagement Survey <sup>2</sup>	n/a	93%	93%
Overall Employee Engagement <sup>3</sup> - % Favorable	n/a	75%	68%

1 Employee numbers are as of December 31 of the years shown.  
 2 As discussed above, we did not conduct an Employee Engagement Survey in 2023 due to our leadership transition.  
 3 Engagement is a measure of people’s connection and commitment to the Company and its goals.

Environment	2023	2022	2021
<b>Greenhouse Gas (GHG) Emissions<sup>4</sup></b>			
Direct (Scope 1) GHG emissions (tCO <sub>2</sub> e)	124	106	68
Indirect (Scope 2) GHG emissions (tCO <sub>2</sub> e)	103	207	215
Other indirect (Scope 3) GHG emissions (tCO <sub>2</sub> e)	22,134	24,757	23,237 <sup>5</sup>
Total GHG emissions (tCO <sub>2</sub> e)	22,362	25,070	23,520
GHG emissions intensity (tCO <sub>2</sub> e per USD \$1M revenue)	95	114	110
<b>Vendors</b>			
Approximate percentage of top 50 vendors with an ESG program	64%	68%	n/a
Approximate percentage of top 50 vendors committing to GHG reduction targets	46%	48%	n/a
Percentage of New Vendors with an ESG Program (Q1 2023 and Q4 2022)	20%	n/a	n/a
<b>Approximate spend with diverse suppliers<sup>6</sup></b>	<b>\$450,000</b>	<b>\$250,000</b>	<b>\$149,000</b>

4 Carbon accounting is a new and rapidly evolving field, and therefore the figures in the table above may be revised in the future based on methodology changes, data refinements, and similar developments.  
 5 Our 2021 scope 3 GHG emissions, total GHG emissions, and GHG emissions intensity figures have been revised since our 2022 ESG Report based upon updated carbon accounting methodologies using CEDA emissions factors.  
 6 We consider the following types of businesses diverse suppliers: small business, minority-owned, women-owned, disadvantaged/disabled-owned, veteran-owned, and LGBTQIA+-owned.

