



# ESG Impact Report 2021 (SASB Index)



DIGIMARC



# SASB Index

The Sustainability Accounting Standards Board (SASB) provides a collection of industry-specific standards to help measure and communicate performance on ESG topics. We have included the following Index based on the SASB standards for the Software & IT Services sector. All data presented here is for the fiscal year ended December 31, 2021 unless otherwise noted. Inclusion of information in this Index should not be construed as a characterization of the materiality or financial impact of that information.

| Dimension   | Metric  | 2019   | 2020     | 2021     | SASB Indicator | More information in this report      |
|-------------|---|--|----------|----------|----------------|--------------------------------------|
| Environment | The total amount of energy consumed as an aggregate figure, in gigajoules (GJ)  | 6,120.14                                       | 5,816.02 | 5,502.38 | TC-SI-130a.1   | <a href="#">Resource Consumption</a> |
|             | The percentage of energy consumed that was supplied from grid electricity   | 100%   | 100%     | 100%     | TC-SI-130a.1   | <a href="#">Resource Consumption</a> |
|             | The percentage of energy consumed that is renewable energy  | 17%  | 92%      | 100%     | TC-SI-130a.1   | <a href="#">Resource Consumption</a> |
|             | The amount of water that was withdrawn from all sources, in thousands of cubic meters                                       | 3.89   | 2.57     | 3.13     | TC-SI-130a.2   | <a href="#">Resource Consumption</a> |
|             | The amount of water that was consumed in operations in thousands of cubic meters  | We do not track this information at this time. |          |          | TC-SI-130a.2   |                                      |
|             | Water withdrawn in locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn | 0%   | 0%       | 0%       | TC-SI-130a.2   | <a href="#">Resource Consumption</a> |
|             | Water consumed in locations with High or Extremely High Baseline Water Stress as a percentage of the total water consumed   | We do not track this information at this time. |          |          | TC-SI-130a.2   |                                      |

|                |  |   |     |     |              |   |
|----------------|--|---|-----|-----|--------------|---|
| Environment    | Discussion of the integration of environmental considerations into strategic planning for data center needs                                | Digimarc does not have a formal policy in place to govern our ecological impacts or other environmental considerations in the siting of third-party data centers and servers. However, our <a href="#">Environmental and Climate Change Policy</a> outlines our commitment to protecting the environment in our operations and through our products and services. We intend to review our existing relationships with third-party data center and server providers to gather data on our full value chain ecological and biodiversity impacts, in addition to climate impacts and water management practices. This will guide next steps in the development of a comprehensive biodiversity and ecological impact policy. |     |     | TC-SI-130a.3 | <a href="#">Climate Change Management</a><br><a href="#">Resource Consumption</a> |
| Social Capital | Description of policies and practices relating to behavioral advertising and user privacy  | As a technology company, Digimarc recognizes the vital role it plays in protecting the data of customers and end-users that it collects and processes. The solutions we provide to our customers are the main avenue through which we come into contact with personal data.<br><br>Personal data processing is ancillary to Digimarc's business activities, and our <a href="#">Privacy Policy</a> provides users with clarity and addresses what we will and will not do with user data that we process.<br><br>See Customer Privacy section of this report for more information.  |     |     | TC-SI-220a.1 | <a href="#">Customer Privacy</a>  |
|                | Number of users whose information is used for secondary purposes   | We do not track this information at this time. All users' information is used in accordance with Digimarc's published <a href="#">Privacy Policy</a> , which is available on our website.   |     |     | TC-SI-220a.2 | <a href="#">Customer Privacy</a>  |
|                | Total amount of monetary losses as a result of legal proceedings associated with user privacy, in USD                                      | 0   | 0   | 0   | TC-SI-220a.3 | <a href="#">Customer Privacy</a>  |
|                | Number of law enforcement requests for user information  | 0   | 0   | 0   | TC-SI-220a.4 | <a href="#">Customer Privacy</a>  |
|                | Number of users whose information was requested by law enforcement   | N/a   | N/a | N/a | TC-SI-220a.4 |   |
|                | Percentage of law enforcement requests for user information resulting in disclosure  | N/a   | N/a | N/a | TC-SI-220a.4 |   |
|                | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring | No Digimarc products or services in particular are subject to monitoring, blocking, content filtering, or censoring, to our knowledge. Digimarc is subject to federal laws prohibiting provision of goods and services to embargoed and sanctioned countries, i.e., Cuba, Iran, Syria, Crimea Region of Ukraine, Iraq, North Korea, and the Russian industry sector.  |     |     | TC-SI-220a.5 |   |

|                |  |   |                                     |  |              |   |
|----------------|--|---|-------------------------------------|--|--------------|---|
| Social Capital | Total number of data breaches identified during the reporting period   | 0   | 0                                   | 0  | TC-SI-230a.1 | <a href="#">The Foundation - Governance</a> |
|                | The percentage of data breaches in which personally identifiable information (PII) was subject to the data breach  | N/a   | N/a                                 | N/a  | TC-SI-230a.1 |   |
|                | The total number of unique users who were affected by data breaches, which includes all those whose personal data was compromised in a data breach                       | N/a   | N/a                                 | N/a  | TC-SI-230a.1 |   |
|                | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards, behavioral training, technical programs | Data and information security represent key risks to our business. As a technology company, we take these extremely seriously and have instated a variety of systems and controls to manage these risks. These include, besides technical safeguards and security controls, employee training and policies governing data handling, use of company equipment, information management, as well as escalation and response policies. Digimarc also engages external service providers to validate our data security performance and approaches. |                                     |  | TC-SI-230a.2 | <a href="#">The Foundation - Governance</a> |
| Human Capital  | The percentage of employees that are foreign nationals   | We do not disclose this information at this time.   |                                     |  | TC-SI-330a.1 | <a href="#">Human Capital Management</a>    |
|                | The percentage of employees that are located offshore from the entity's country of domicile, by region   | No comparable data available.   | EU: 2%<br>Asia: 0.5%<br>Total: 2.5% | EU: 1.8%<br>UK: 0.4%<br>Asia: 0.4%<br>Other regions: 0.4%<br>Total: 3.1% | TC-SI-330a.1 | <a href="#">Human Capital Management</a>    |
|                | Employee engagement as a percentage*   | No comparable data available.   | No comparable data available.       | 74%  | TC-SI-330a.2 | <a href="#">Human Capital Management</a>    |

\*This figure represents the participation rate in an Employee Survey from November 2021, where 96% of respondents answered “Yes” or “Somewhat” to four engagement- and satisfaction-related questions. This survey was conducted prior to the acquisition of EVRYTHNG Ltd., and we will continue to prioritize employee engagement and the integration of our globally distributed employee base post-acquisition.

| Human Capital                            | Percentage of gender and racial/ethnic group representation for management, technical staff, and other employees                    | <p>Diversity, equity, and inclusion are material to our business because strong DEI practices can help us attract and retain quality talent by, for example, benefiting from previously underrepresented talent pools. Ensuring the representation of diverse backgrounds and perspectives can help us avoid siloed thinking and enhance our ability to innovate. The benefits of DEI also intersect with our employee engagement efforts and their outcomes. As a result, improving our performance on DEI is critical to our long-term business success. The tables below provide a summary of our workforce demographics as of December 31, 2021. Please see the Diversity, Equity, and Inclusion section of this report for more information.</p> <table><tr><th colspan="5">Gender Identity of Global Employees</th></tr><tr><td></td><td>Female</td><td>Male</td><td>Non-binary</td><td>N/A</td></tr><tr><td>All employees</td><td>29.8%</td><td>70.2%</td><td>0%</td><td>0%</td></tr></table><br><table><tr><th colspan="7">Demographic Background of U.S. Employees</th></tr><tr><td></td><td>Asian</td><td>Black or African American</td><td>Hispanic or Latino</td><td>White</td><td>Other</td><td>N/A</td></tr><tr><td>All employees</td><td>12.2%</td><td>1.8%</td><td>2.7%</td><td>79.2%</td><td>3.6%</td><td>0.5%</td></tr></table> |                               |       |              |      | Gender Identity of Global Employees |  |  |  |  |  | Female | Male | Non-binary | N/A | All employees | 29.8% | 70.2% | 0% | 0% | Demographic Background of U.S. Employees |  |  |  |  |  |  |  | Asian | Black or African American | Hispanic or Latino | White | Other | N/A | All employees | 12.2% | 1.8% | 2.7% | 79.2% | 3.6% | 0.5% | TC-SI-330a.3 | <a href="#">Diversity, Equity, and Inclusion</a> |
|--|---|---|-------------------------------|-------|--------------|------|-------------------------------------|--|--|--|--|--|--------|------|------------|-----|---------------|-------|-------|----|----|--|--|--|--|--|--|--|--|-------|---------------------------|--------------------|-------|-------|-----|---------------|-------|------|------|-------|------|------|--------------|--|
| Gender Identity of Global Employees      |   |   |                               |       |              |      |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |
|  | Female  | Male  | Non-binary                    | N/A   |              |      |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |
| All employees                            | 29.8%   | 70.2%   | 0%                            | 0%    |              |      |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |
| Demographic Background of U.S. Employees |   |   |                               |       |              |      |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |
|  | Asian   | Black or African American   | Hispanic or Latino            | White | Other        | N/A  |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |
| All employees                            | 12.2%   | 1.8%  | 2.7%                          | 79.2% | 3.6%         | 0.5% |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |
| Leadership & Governance                  | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations, in USD       | 0   | 0                             | 0     | TC-SI-520a.1 |      |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |
|  | The number of performance issues in software and information technology (IT) services provided to customers                         | No comparable data available.   | No comparable data available. | 2     | TC-SI-550a.1 |      |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |
|  | The number of service disruptions in software and IT services provided to customers   | No comparable data available.   | No comparable data available. | 0     | TC-SI-550a.1 |      |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |
|  | The total customer downtime related to performance issues and service disruptions in software and IT services provided to customers | We do not disclose this information at this time.   |                               |       | TC-SI-550a.1 |      |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |
|  | Description of business continuity risks related to disruptions of operations   | We may experience outages and disruptions of our infrastructure that may harm our business, prospects, financial condition, and results of operations. We may be subject to outages or disruptions of our infrastructure, including information technology system failures and network disruptions. We use third-party cloud service providers, which are also susceptible to outages and disruptions. System redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities. For more information, please refer to Digimarc's <a href="#">Annual Report</a> on Form 10-K.   |                               |       | TC-SI-550a.2 |      |                                     |  |  |  |  |  |        |      |            |     |               |       |       |    |    |  |  |  |  |  |  |  |  |       |                           |                    |       |       |     |               |       |      |      |       |      |      |              |  |





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