



acolad.

Environmental, Social and Governance (ESG) Report

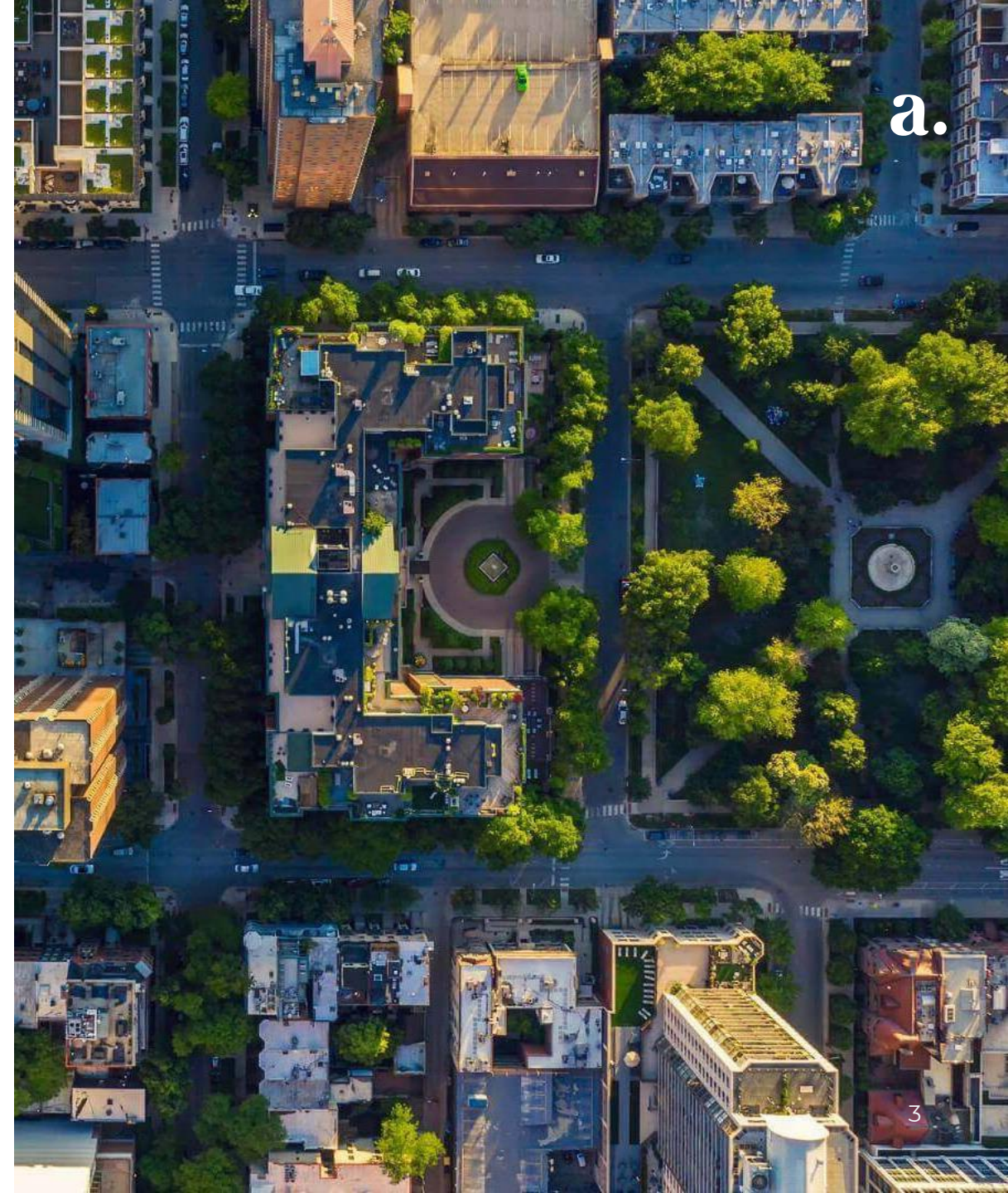
Shaping Sustainable Success

August 2023

acolad.

Agenda

- 01 Our ESG Vision
- 02 Environment
- 03 Social Responsibility
- 04 Governance



An aerial photograph of a city street grid. The streets are dark grey, and the buildings are various colors and heights. In the center, there is a large green park area with a circular path and a baseball field. The overall scene is brightly lit, suggesting a sunny day.

Our ESG Vision

01

Message from our CEO



At Acolad, we provide high-quality content & language services to our clients worldwide supported by an extensive community of translators and content creators, while actively seeking opportunities to minimize our environmental impact, contribute positively to society, prioritize data privacy, and uphold ethical business practices. We are committed to operating in a manner that aligns with the principles of sustainability, social responsibility, and transparency.

Embarking on our ESG journey, we have significantly strengthened our policies and daily practices. We are very proud of the great progress achieved, which gives us confidence in our capacity to accomplish even more. 2023 is poised to be a year of redefining our purpose, vision, and values, uniting all stakeholders as we POWER UP to confront the forthcoming challenges of our dynamic industry!

Bertrand Gstalder

2024

Our Vision

A company committed to long-lasting impact

Acolad holds ESG responsibilities, aligning business practices with sustainable and ethical principles that drive **positive-change, benefit local communities and deliver on long-term value for stakeholders.**

Environment Protection

Business Operations
Reduction of carbon emissions
Waste processing & circular economy
Energy and water savings

Social Responsibility

People
Employee Value proposition

Communities
Local community impact
Philanthropy and Charitable actions

Ethical Governance

Market
Ethical sourcing & Diverse Supply chain
Stakeholder Management

People
Equal opportunity & anti-discrimination (whistleblowing)
Inclusive diversity & gender equality
Bridging diversity gaps & promoting multiculturalism

Business operations and infrastructure
Risk policy and Crisis action plan
Cybersecurity and data protection
Ethical business practices (anti-bribery; anti-corruption; anti-money laundering)

Our ESG policy is guided by Universal Frameworks

Member of United Nations Global Compact (UNGC) since 2010

We were the first in our industry to subscribe to the **UN Global Compact** and to integrate its **Sustainable Development Goals** into our strategies and operations.

Throughout the years, the UNGC has been our framework to contribute to the United Nations' broader agenda of sustainable development and the achievement of the Sustainable Development Goals (SDGs).



EcoVadis silver rating since 2021

Today, Acolad has a Global Compact compliance mechanism in place that is yearly assessed by independent sustainability rating agency EcoVadis.

In 2021 Acolad was awarded the Silver rating – a testament to our strong dedication to sustainability and responsible business practices.



UN Global Compact

Our contribution to the SDGs

a.

We act for our **Employees**



At Acolad, gender equality naturally permeates every aspect of our lives and interactions. We strive every day to make it a reality for everyone, and at every level of the company.

We act for the **Planet**



Environmental responsibility is at the core of Acolad's operations. We are committed to minimizing our environmental footprint and fostering eco-friendly practices across our value chain.

We act for strong **Governance**



Acolad focuses on building resilient infrastructures for our value chain and foster sustainable innovation.



Through Acolad's Code of Conduct, we ensure professional integrity, including aspects like respecting all human rights and strict anti-trafficking, anti-discrimination and anti-harassment policies.



Acolad signed and abides by a responsible purchase charter. We strive every day to improve the sustainability of our production and consumption.

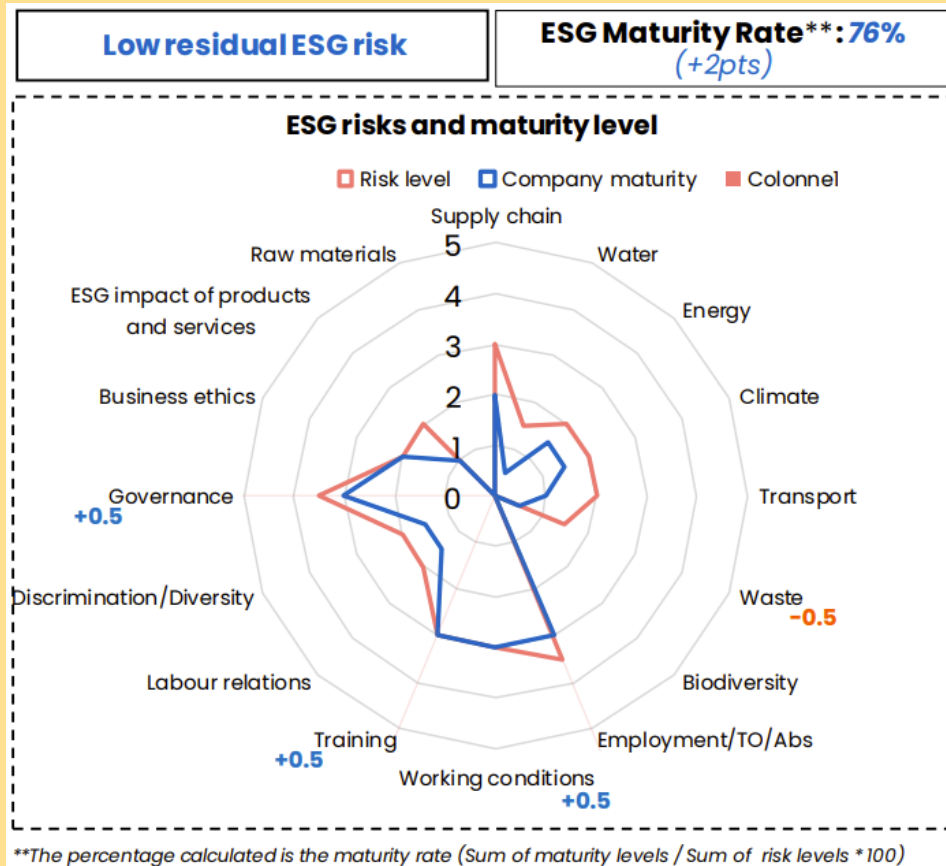


Through Acolad's Code of Conduct, we apply a strict anti-corruption, anti-money laundering, anti-bribery policy with a strong whistleblowing mechanism.

2023 ESG Maturity Rate and Core Risk Areas

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Materiality Analysis



Through its main shareholder, Qualium Investissement, Acolad is yearly audited on ESG topics by independent sustainability consultancy, Sirsa. The results obtained in 2023 from the materiality analysis highlight a **low residual ESG risk and a 76% maturity rate**, highlighting 3 core risk areas:

- ✓ **Data Management and information system security**
- ✓ **Employment and training, reliant on the ability to attract and retain talent.**
- ✓ **Reputational and operational risks rising from the dependance on our vendors**

2023 ESG Focus

With a long track record of M&A processes across the group, Acolad now steers its focus to consolidating and streamlining on redefining its business priorities, as well as providing greater visibility to all stakeholders regarding our ESG initiatives.

01

Strengthen internal awareness on Acolad's mission and purpose

02

Reduce carbon emissions across locations

03

Assess employee engagement

04

Strengthen our ESG approach

An aerial photograph of a city street grid. The streets are dark grey, and the buildings are various colors and heights. In the center, there is a large, rectangular green courtyard area with a circular path and a small field. The overall scene is a dense urban environment with a central green space.

Environment

02

Our Environmental Policy

Acolad is committed to towards Environmental stewardship, encompasses the three core areas: minimizing its carbon footprint and promoting eco-friendly practices across its entire value chain. Our commitment



Efficient management of water and energy resources and circular economy principles (pillars 2 and 3)



- ✓ Implement clearly labelled recycling stations in all kitchens & workplaces
- ✓ Implement recycle bins for toners & recycling IT equipment in all entities (100% achieved)
- ✓ Lighting and air conditioning turned off outside of office hours
- ✓ Reduce the automatic heating temperature in the facilities
- ✓ Monitor the paper consumption and systematic black and white, double-sided printing
- ✓ Promote the use of non-plastic cups

Reducing our Carbon Footprint (i)

A first assessment of our Greenhouse Gas emissions

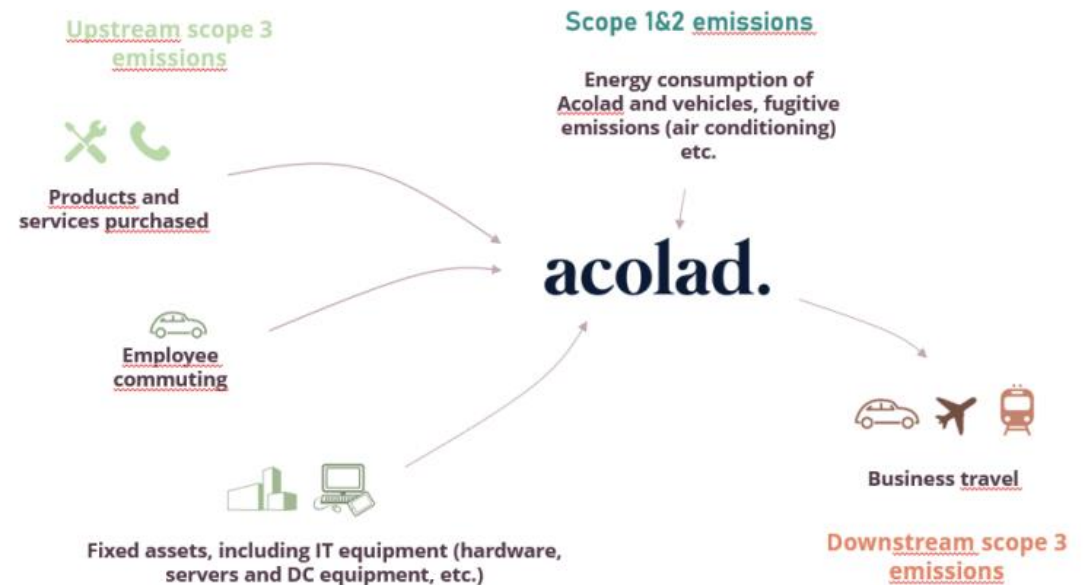
In 2023, Acolad has completed a first GHG assessment to understand the company's current carbon footprint and identify areas for improvement and mitigation strategies.

Methodology

Acolad's carbon footprint assessment was run by external service provider I Care, based on 2022 data and in accordance with the GHG Protocol that foresees 3 different scope of emissions:

- **Scope 1 emissions** encompass direct GHG emissions from sources that are owned or controlled by Acolad.
- **Scope 2 emissions** refer to indirect GHG emissions resulting from the generation of purchased electricity, heat, or steam consumed. These emissions occur at the source of energy generation.
- **Scope 3 emissions** include all other indirect GHG emissions that occur as a result of the Acolad's activities. These emissions are often the most challenging to quantify as they occur throughout the organization's value chain, both upstream and downstream.

Illustration of Acolad's emissions



I Care Report, 2023

Reducing our Carbon Footprint (ii)

A first assessment of our Greenhouse Gas emissions

The group selected a relatively restricted scope to understand the requirements of the exercise and adopt scalable actions. The findings were in line with the expected carbon footprint emission of a low-risk business profile such as ours.

Scope

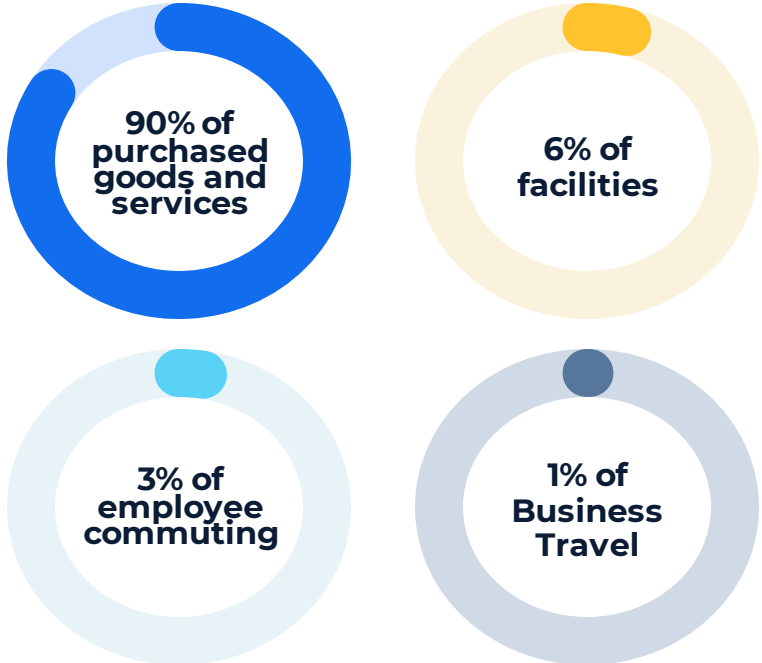
This first assessment was limited to Acolad’s two major business units: Boulogne (our main HQ in France and Business facility) and Paço de Arcos (our second HQ and Production hub in Portugal). We aim to complete a full scope GHG Assessment in 2024, based on 2023 fiscal year information.

The GHG emissions were estimated based on activity data: number of IT equipment, amount of energy consumed, etc. converted into GHG emissions using coefficients called emission factors:



Findings

Based on this methodology, the assessment found **a level of carbon emissions of 3,181 tCO₂ equivalent, 10 tCO₂ equivalent per FTE, unevenly distributed between:**



Reducing our Carbon Footprint by increasing Work Flexibility (iii)

a.



24 Countries
55 Offices

Acolad has pioneered work flexibility for its employees, having implemented strong hybrid work charters and policies.

In 2021, a close examination of our post-Covid office occupancy rates led us to **optimize the office footprint to reflect the actual needs of our teams** and significantly reduce our Carbon emissions.

In 2022, **10 out of the 65 offices were closed, reducing our physical footprint in 15%, thus** significantly contributing to the reduction of electricity and gas consumption in 2022 (-16%), while at the same time focusing on increasing employee retention and securing greater work-life balance for our employees.

Thanks to these initiatives, **Acolad has managed to decrease its electricity and gas consumption by 16% between 2021 and 2022.**

Electricity and Gas consumption (Kilowatt/hour):	2,432,826 (2021)	2,035,364 (2022)	-16%
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An aerial photograph of a city street grid. The image shows a mix of modern and older buildings, green trees, and a network of roads. The lighting suggests a bright, sunny day. The text 'Social Responsibility' is overlaid in the center in a large, white, bold font.

Social Responsibility

03

EMPLOYEES

Our commitment to our workforce

Our commitment to our workforce

Employee Value Proposition

01

A feedback-positive culture that fosters collaboration and teamwork

02

A culture of transparency and active listening through internal surveys, global town halls, greater proximity to leadership teams.

03

Long term employment: A focus on developing a career plan for employees, with growth opportunities and internal mobility programs.

04

Strong focus on **training and development** starting with the onboarding program tailored to each function and experience level.

05

A modern and digital-focused work environment, with hybrid work practices.



Employee Value Proposition

Boosting Learning and Development at all levels

Identified as a core need in 2022 assessment, Acolad has launched 3 development programs in 2023 for capacity building and upskilling of the teams

In 2022, training of internal employees increased by 42% vs. 2021.

Leadership Program

A development plan for our middle managers to help them through change and everyday management challenges.



Sales Academy

An extensive training plan for all levels of sales teams, with a strong focus on routines, service and tools playbooks and RFP hunting.



Production Center of Excellence

A strong production training plan to support the migrations to our new TMS, harmonize processes and upskill our teams.



Fostering Diversity and Inclusion

Acolad believes in an equitable workplace where all employees can thrive and contribute to the organization's success.

We are strong advocates for Multiculturalism as a key factor driving business performance and innovation.

Advocacy for Multiculturalism and the ethical treatment of the workforce

Acolad employs a diverse and heterogeneous workforce (60+ nationalities) and stands firmly on its commitment to inclusion. It is proud to employ among its ranks people from all walks of life, affiliation, creed, minority expression and underrepresented groups.

The code of conduct governs internal relations and is primarily guided by the **UN Charter on Human Rights**, focusing on:

- A **zero-tolerance policy towards any form of discrimination** or bias, protecting minorities or underrepresented groups
- Promotion of a **safe environment, free of harassment** in any form, allowing employees to carry out their work with integrity
- Fostering **transparency and accountability** at all levels as well as strong monitoring mechanisms to secure ethical standards are upheld at all instances (whistleblowing mechanism)
- Securing the **Rule of Law in governing Labor relations**, focusing on active listening of groups of interest

a.

A focus on Gender Equality at all levels

a.

Gender parity is one area of intervention, where gaps have been largely reduced across the group, through:

- A greater gender balance in Leadership/management
- Pay Equity at all levels and functions
- Unbiased hiring, promotion and employee development
- Inclusive company culture and creation of collective consciousness through internal awareness campaigns



Gender Equality Index

A gender-equality index was implemented as part of the French labor law in 2019 to promote transparency and accountability in addressing gender pay gaps and other inequalities in the workplace.

Acolad is proud to have received an outstanding score of 99/100 for 2023.



Statistics

Acolad acts to promote gender equality at all levels of the group. We take pride in the strong % of female in key positions and are committed to yet improve our statistics on this matter.

2022	Male	Female
Employees	31%	59%
Leadership Team (GMs and dept. Directors)	46%	54%
Executive Team (C-levels)	60%	40%

COMMUNITY

Our commitment to social action

Social return

Acolad takes part in social action towards the development of local communities.

Though its efforts are mainly focused on addressing local needs, the group does participate to selected number of global initiatives primarily focusing on immediate assistance or crisis relief.

a.

2023 Global Actions

Translators without Borders

Acolad volunteered experienced Project Manager resources for the Translators Without Borders' program. They support local organizations and larger NGOs with translation of vital documentation for crisis scenarios

Supporting Ukraine

As a company, Acolad advocates for inclusion, peace and security. Upon the outbreak of the war in Ukraine, Acolad offered to double its employees' donations to the United Nations High Commissioner for Refugees (UNHCR). Nearly 150 people participated in this initiative, a total of 11.970,00€ was raised by individual contributors, a value that was then matched by Acolad in a corporate donation

2022-2023 Local Actions

Sports and Education

Helsinki teams ran to support in helping children access sporting activities at the Yritys Maraton Viesti

Healthcare & Women's Rights

Team in Spain took part in Carrera de la Mujer (Women's Race) to raise funds in support of research for Women's Breast and Gynecological cancers.

Childhood and Infancy

For 2022, the Krakow office did more than just replying to the letters addressed to Santa by the children of the Polczyn Zdroj orphanage, and actually made sure some of them received their dreamed present.

Circular Economy

Donating stationery and IT equipment to local school in the scope of agreement with local municipality of Oeiras.

An aerial photograph of a city street grid. The streets are dark grey, and the buildings are various colors and heights. In the center, there is a large green courtyard area with a circular path and a small field. The overall scene is brightly lit, suggesting a sunny day.

Governance

04



Business Ethics & Governance Principles

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Acolad is committed to the highest level of ethical standards and expects the pursuit of business to be aligned with its Code of Conduct.

Through the Code of Conduct, Acolad ensures that professional integrity is covered in aspects such as anti-corruption, anti-money laundering, anti-bribery, fraud, human rights and human trafficking, antidiscrimination, anti-harassment and whistleblowing, among others.

Our Code of Conduct sets clear expectation on our business conduct and provides useful guidance for all Acolad stakeholders on critical risk areas: relations with our stakeholders, operations, safety & security and reporting concerns. Acolad's Code of Conduct was updated in March 2023, and is available to its stakeholders, upon request

Governance Principles and Policies

- 01 Code of Conduct
- 02 Human Rights Policy
- 03 Anti-Bribery and Corruption Measure
- 04 Whistleblowing Mechanism
- 05 ESG Policy
- 06 Information Security Policy

A low-risk business. Where can we really have an impact? **a.**

As a language service company, we have a low ESG-risk profile, thus our direct influence on global emissions may be rather limited. However, we recognize that every small action counts and are committed to taking meaningful steps to minimize our carbon footprint and promote sustainability.



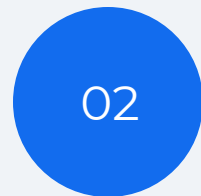
Science-Based Target Initiatives

Following this first assessment, we aim to extend the scope, improve the data quality, develop an in-depth knowledge of the calculation methodology and understand where we can make a difference in reducing our GHG emissions. **Our next step will be to set SBTi targets in 2024.**



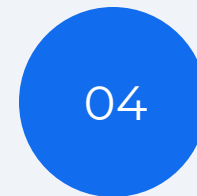
Repurposing our IT Infrastructure

Acolad has engaged in a plan for data center optimization. Since 2021, we moved from 9 to 1 provider to be able to reduce no. of servers from 920 to 675 (-27%). In 2023, we have made efficient use of obsolete IT equipment by repurposing it, and/or donating it to the community.



Supply Chain Compliance

In 2023, we aim to evaluate our current IT suppliers to understand their environmental practices and carbon footprint based on factors such as energy efficiency, use of renewable energy, waste management, and commitment to sustainability.



Sustainability at our Facilities

In 2023, the group will investigate the following axes of further improvement: (i) consolidation and optimization (ii) energy efficiency upgrades and renewable energy transition, and (iii) collaborative workplace solutions.

Engaging Market Stakeholders

a.

Majority of business principles applicable to internal ruling of operations and employee behavior described before, also apply to the way we engage with external market stakeholders, from Investors to Customers, to outsourced services and vendors.

Engaging Stakeholders to benchmark our 2024 ESG Plan

To reshuffle its ESG Goals for 2024, Acolad will engage all its stakeholders in a critical exercise to identify new risks, map current opportunities and attend to the reported needs.

Investors

Acolad is committed to transparency towards its investors, reporting frequently before them on current results, strategic direction of operations, identified investment needs and business challenges. Acolad stands fully accountable before its investors.

Employees

Acolad governs the relationship with its international workforce through the highest ethical standards, fostering a sound and positive work environment, providing good working conditions, focusing on well being and work flexibility.

Engaging with our customers entails thorough knowledge of applicable anti-bribery and anti-corruption principles. Acolad is adamant about upholding sound business relations with its customers and partners.

Customers & Business Partners

Our suppliers and global vendors need to abide by the UN Charter of Human Rights and commit to high standards of business practice. Our vendors are mostly local SMEs. Acolad is committed with diversity of its supply chain and focused on reduction of payment terms.

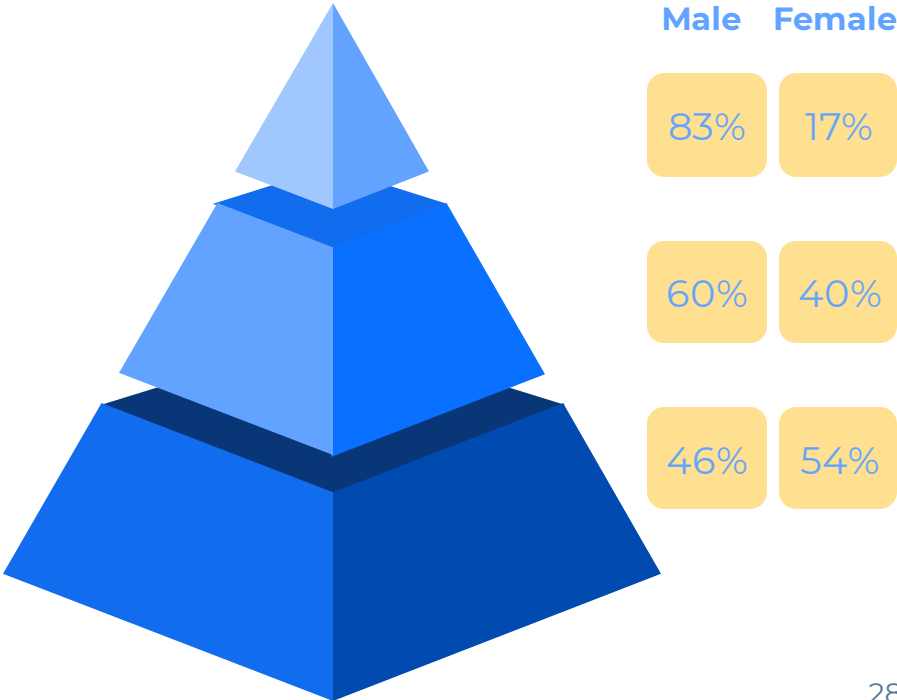
Suppliers & Vendors

Gender Parity in Management

Several changes occurred in 2023, notably the nomination of Bertrand Gstalder, as CEO of Acolad and Executive member of the BoD. In accordance with high standards of governance, Acolad applies a separation of powers between the Chairman of the Board, Boris Podevin, Partner at Qualium Investissements, and the CEO.

Grainne Maycock was also appointed as Chief Revenue Officer, improving the **female to male ratio of the Executive team to 40%**. Our governance framework presented below fuels the leadership and agility required to drive the growth and transformation process of the Group, at all levels of Acolad.

- **Board of Directors – 6 members**
 Responsible for providing guidance, approving strategic plans, ensuring the company operates in the best interest of shareholders and stakeholders, and making decisions that drive long-term success.
- **Executive Committee – 10 members**
 Responsible for providing leadership and guidance to employees throughout the organization, executing the company's vision, setting and achieving business objectives, and driving overall success.
- **Leadership Team – 41 members**
 General Managers and Support Function Directors - Responsible for executing and operationalizing the strategic direction of Acolad on a day-to-day basis in close collaboration with the Executive Team.



Cybersecurity

a.

We are committed to implementing measures and strategies to ensure the confidentiality, integrity, and availability of information and information systems as defined by **Acolad's Information Security Policy**.

Acolad constantly monitors its public network exposure, **with a 25% improvement of our rating in H1 2023.**

Acolad successfully **renewed its ISO 27001 certification** that establishes the robustness of our systematic approach to managing cybersecurity risks, protecting information and maintaining a strong information security framework.



Identified as one of our major ESG risks in 2021, the reinforcement of cybersecurity was set as a priority for further improvement. The team formalized a **comprehensive phishing test** in 2022 with the following results:

- ✓ Excellent delivery rate: 97% out of 2122 tested over 2 phases
- ✓ Promising results: 14% of users were compromised and 18% of users reported the phishing
- ✓ Action Plan in place for 2023:
 - Higher focus on awareness of social engineering
 - Monitoring of training effectiveness
 - Improvement of SE incident response and escalation matrix

a.

Your World. Every Language.

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Thank You