

2022 ANNUAL ESG REPORT

LABELIUM GROUP

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LABELIUM GROUP AT A GLANCE

Labelium is a **Global Digital Performance Agency specializing in e-retail, media and consumer performance**. Founded in 2001 and headquartered in Paris, Labelium hosts 25 offices across 17 countries, with a presence in Europe, APAC and the Americas.

700+

TALENTS

\$82M

REVENUE

25

OFFICES

A global network dedicated to performance.

The Labelium group is composed of a unique set of expert agencies across every aspect of digital marketing.

8 Expert Hubs

All working under one P&L and supporting all offices: Search Marketing, Programmatic, Gaming, Amazon & Marketplace, Feed Management, Video & Social Media, Data, Marketing Intelligence



940

CLIENTS ACCOUNTS

Trust us across the Luxury, Beauty, Fashion, Retail, Travel & Consumer Goods industries.

15+

EXPERTISE

Across the fields of Digital Advertising, Data Marketing, Marketing Intelligence and E-Commerce Management.

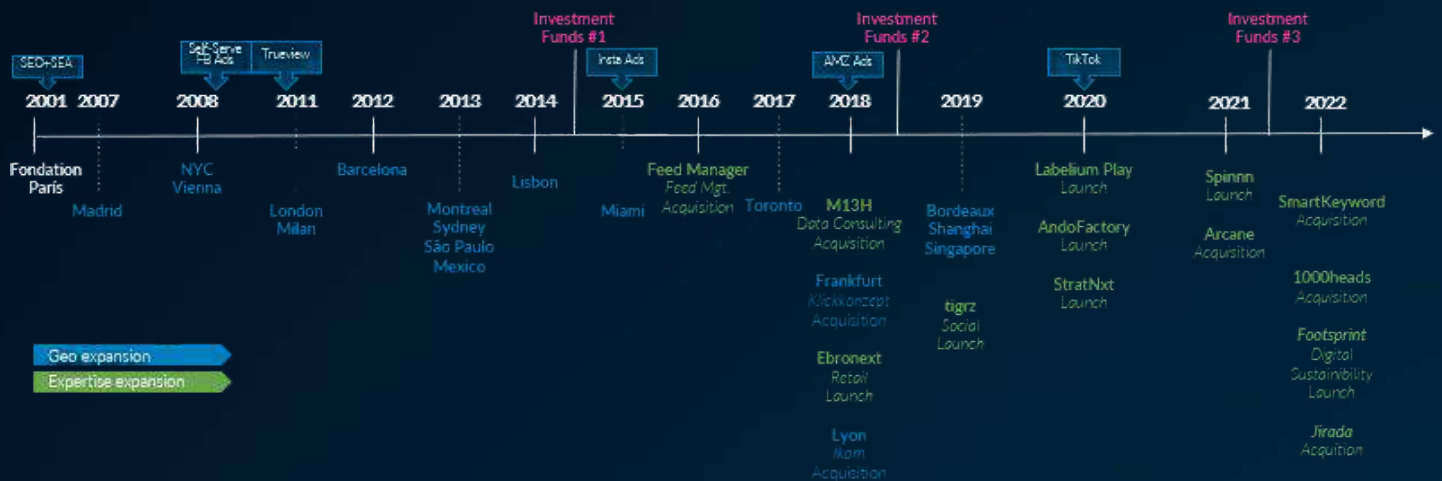
22

YEARS

Founded in 2001, Labelium is a digital native agency with more than 22 years of experience in the digital marketing space.

LABELIUM, A BRIEF HISTORY

Labelium encompasses several international agencies, both independent and private, that operate at the highest level. Since it was founded in Paris in 2001, the group has known remarkable growth and solidified its position as a leader in the digital performance industry.



Powered by a network of specialists and experts

Labelium is our "Master brand" that regroups a unique set of expert agencies across every aspect of digital marketing.

We are - and have always been - data driven, obsessed with marketing effectiveness.

Media is at the core of our offering, with clear processes and unique management principles, which have continuously supported our growth over the past 20 years.



A WORD FROM OUR PRESIDENT

We are excited to disclose our first consolidated ESG report at group level, highlighting the efforts we have made to integrate sustainability, social impact, and ethical governance into our operations.



Stéphane Levy
Founder & President
Labelium Group

This report serves as a starting point for us to measure and communicate on our progress, learn from our challenges, and identify opportunities for further growth and consistent improvement in our daily operations. I call upon each and every one of you to embrace our collective responsibility and invite you to explore our ESG report and learn more about how we are working towards a sustainable and inclusive digital future.

We acknowledge that ESG is a continuous journey, and we are determined to continuously improve and evolve our practices. Our Group operates across the world, and we have numerous subsidiaries that play an integral role in our overall operations. As we embark on this journey towards sustainability, it is imperative that we align our practices across all subsidiaries, ensuring a cohesive and unified approach.

2022 was a year of significant milestones on the sustainability front for our group, including:

- The launch of a new entity, Footsprint, an agency 100% dedicated to digital sustainability and whose aim is to accelerate the digital industry's decarbonization by empowering companies in reducing their carbon emissions through responsible & sustainable digital marketing efforts;
- The first group-wide GHG inventory and our commitment to the Science Based Target Initiative (SBTI) ;
- Obtaining the Ecovadis Gold Medal for our French subsidiary and moving towards a Group-wide certification in 2023;
- Bolstering our team efforts to support ESG compliance. Labelium recognizes the importance of compliance with ESG standards and regulations and has focused on strengthening its teams to support compliance efforts. Compliance teams play a crucial role in monitoring and reporting on ESG practices, implementing relevant policies and procedures, and ensuring transparency and accountability within the company.

We are proud of the progress we have made in incorporating ESG principles into our daily business operations, and are deeply convinced that our commitment to sustainability will not only strengthen our business but also contribute to the greater well-being of our planet and society. Most importantly, we are proud of our people's spirit, their generosity and values, which helped our organization step up and accomplish key milestones. We are in motion.

Thank you, dear colleagues, stakeholders, investors, clients, and partners for your commitment and dedication to our organization's success and for joining us on this transformative path!

OUR CORE VALUES

EMPATHY

Empathy lies at the core of our corporate culture, defining how we operate both with our clients and within our team. For our clients, empathy means dedicating the time to actively listen and understand their goals, challenges, and expectations, which allows us to offer personalized experiences. Within our organization, we foster empathy by encouraging open communication, active listening, and respect among our collaborators.

KINDNESS

"To be tough on problems and easy on people". Building long-term relationships based on trust and empathy with our teams and our business ecosystem is essential to us. Kindness is at the core of our interactions, to create a positive and supportive environment that fosters mutual respect and collaboration.

RESPONSIBILITY

We prioritize the fulfillment of our responsibilities to ensure exceptional outcomes in all aspects of our work. We take ownership of our offerings, striving for excellence in quality and service. We believe in empowering our team members by providing opportunities for autonomy and encouraging individual and collective responsibility.

RESPECT

We strive to create an inclusive work environment that respects and celebrates individual differences, fostering a culture of diversity and equality and promote constantly an open dialogue whether in our relations with clients, partners, or Labelium teams.

CURIOSITY

Curiosity is a driving force within our corporate culture, encouraging an inquisitive, open-minded, and eager-to-learn mindset among our talents. Our commitment to curiosity extends beyond individual growth, to the constant seeking of new ideas, technologies, or solutions to empower our clients and teams.

OUR APPROACH TO ESG

2021/22 saw the foundational build of our ESG strategy at group level. In 2022, the appointment of our ESG committee by the Supervisory Board enabled us to formalize our strategic approach to sustainability. In this section, we will outline the key elements that dictated this approach.

Materiality Assessment

We conducted a materiality assessment using the GRI standards as guidance to help us identify and understand the relative importance of specific ESG and sustainability topics for our organization, looking at both potential impacts on our organization and importance to stakeholders.

Developing governance

In 2022 we formalized an official ESG governance structure, involving all levels of collaborators within the company. We will continually review this structure to ensure our ESG efforts receive the appropriate level of challenge, oversight, and adequate resources.

Strategy Design

By focusing on our material issues, we create a strategy that meets our stakeholder's expectations and includes quantitative targets against which we can be held accountable. In 2022, our focus was to establish a first baseline against which we can measure for improvement.

Embedding our Values

Ensuring that we behave in an ethical way, in accordance with our values and our business policies, underpins all that we do. In 2022 we focused on the formalization of our values and business code of conduct to share with all of our collaborators and stakeholders.

STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement is crucial to ensure we understand our stakeholders' expectations when it comes to ESG performance, and are able to deliver on these expectations. Stakeholder engagement should be a continuous process, so that we can better adapt to our fast-paced environment and identify opportunities for improvement.

Stakeholder group	How we engage and communicate	How stakeholders' interest have influenced decision-making on ESG strategy
Our collaborators	Opportunity to join committees: collaborators from the group are able to join specific committees dedicated to the advancement of our ESG efforts (D&I, Green, Pro-bono, etc.). In 2023 we plan to hold more regular ESG updates to ensure our ESG program is well-known to all collaborators.	Our teams are an integral part of the establishment of our ESG strategy. Through their participation in our committees, they voice their views and help us draft our priorities.
Our customers	As part of our customer success program, our managing directors conduct regular satisfaction assessments with our clients' management teams. This is a key moment for us to gather feedback on our performance and how we can improve. Dedicated ESG meetings: for some of our clients with high levels of ESG maturity, we host dedicated meetings regarding their ESG roadmap and expectations to ensure our priorities align.	Development of new services: conversations with our clients regarding specific ESG topics have led to the incubation and development of a new line of services dedicated to digital sustainability. ESG auditing compliance: part of our ESG governance mission is to ensure compliance with the various ESG audits required by our clients throughout the year.
Our suppliers	Supplier sustainability commitments: through this documentation, we communicate to our suppliers our commitments to sustainability and our expectations that they are able to align with our practices.	In collaboration with our suppliers, our focus is on delivering to our teams reconditioned or recycled equipment to reduce our Scope 3 emissions.
Our investors (individual shareholders and equity investors)	Board-level engagement: Updates with shareholders are provided to the Board as appropriate. During the year, our Executive team shares ESG status and performance during meeting boards.	In 2022 Labelium established an ESG committee and appointed an ESG officer. These strategic decisions marked a crucial turning point, highlighting the Group Labelium's commitment to addressing environmental, social, and governance issues. Our investors regularly review ESG performance via their dedicated platform and a feedback loop is in place to communicate investor expectations and priorities.

DISCLOSURE GUIDED BY THE GLOBAL REPORTING INITIATIVE

This report follows the Global Reporting Initiative (GRI) guidance to assess the issues that can be considered important when reflecting our economic, environmental, and social impacts, or influencing the decisions of our stakeholders.

Five key pillars stand out when reflecting on our impact: the environment, our people, our communities, the economy, and our governance. We have mapped our material issues under these five pillars, following GRI practices.

In this report, we will detail each of these material issues, following the GRI 200, 300, and 400 disclosure requirements. The complete GRI content index will be found in the Appendix section of this report.

The Environment	Our People	Our Communities	The Economy	Our Governance
Energy consumption (GRI 302)	Employee wellness & wellbeing (GRI 401)	Supporting local community empowerment	Economic contribution (GRI 201)	Role & Responsibilities
Water consumption (303)	Skills development (GRI 404)			Business ethics, corruption & conflict of interest
Impacts on biodiversity (304)	Diversity, Equity & inclusion (GRI 405-406)			
GHG emissions (GRI 305)				
Waste (GRI 306)				

Figure 1: Material issues for GRI reporting purposes:

OUR ESG STRATEGY

Our ESG strategy is shaped by our stakeholders' expectations and the materiality analysis we conducted following the GRI standard. We have grouped key stakes under five pillars, and have set annual commitments for each of these pillars starting from the year 2022.

OUR COMMUNITIES

Our organization is committed to acting as a responsible citizen within our communities of operation and ensuring we give back our know-how to empower local organizations, working towards achieving Sustainable Development Goals.

THE ENVIRONMENT

We have established a first assessment of our GHG emissions following the GHG Protocol, which we will use as a baseline for the years to come to set emissions reduction targets and measure our improvement.

OUR PEOPLE

While continuing to ensure our teams are safe, healthy, and that working conditions meet their expectations, we are stepping up our efforts to cultivate a truly inclusive culture while focusing more than ever on training and career development.



THE ECONOMY

We are continuing our growth across our different markets, investing in innovation that benefits our customers and wider society on the path towards digital sustainability and responsible performance.

OUR GOVERNANCE

Our governance structure will ensure we hold ourselves accountable for the commitments made and provide clear metrics to report on our progress, while ensuring stakeholder voices continue to be heard at the highest level and that they influence our approach.

2022 AWARDS & RECOGNITIONS

The recognition gained in 2022 serves as a testament to the dedication, hard work, and commitment demonstrated by our teams. We acknowledge that we have a long way to go, and we see each recognition as a stepping stone on our journey to sustainability.



Achieved Gold rating for our French office in the Ecovadis supplier sustainability assessment, placing us in the top 5% of companies assessed by Ecovadis.



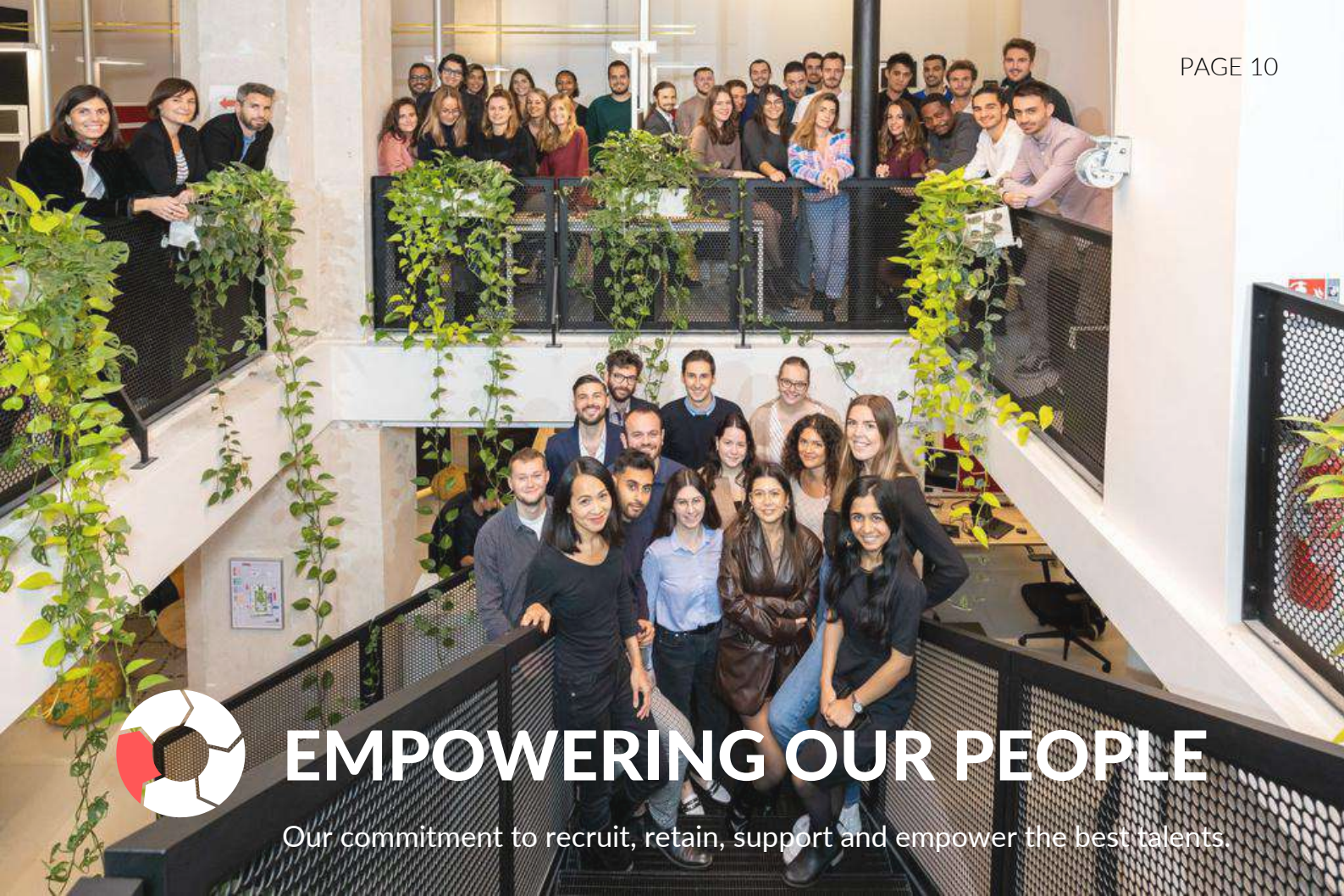
Achieved Bronze rating for our Labelium Americas offices regrouping Canada, USA, Brazil, and Mexico.



Certified #HappyIndexAtWork by ChooseMyCompany with a global rating of 4.37 / 5.



Certified a Carbon Neutral® Company in accordance with the Carbon Neutral Protocol, the leading global framework for carbon neutrality.



INTRODUCTION & VISION

Throughout the entire year, we have focused on applying an equity lens across every stage of the Labelium lifecycle: recruitment, onboarding, everyday collaboration, learning, and development. Our continuous focus is to cultivate a truly inclusive environment across our teams and our regions, while ensuring employee health & wellbeing. While we are very aware of the fact that we still have a lot of work ahead, we are proud of our 2022 advancements, and will continue to commit to our people with all our energy and passion.

Our global headcount grew in 2022:



~250

PEOPLE JOINED THE
LABELIUM GROUP

In 2022, we welcomed 3 talented teams into
our organization:



WORKING AT LABELIUM



We employ 700+ people across the world and they are the lifblood of our business. We are reliant on our teams to deliver success for the business and our stakeholders, and we aim to attract and retain the best talents and be recognized as an employer of choice.

PERFORMANCE & DEVELOPMENT OPPORTUNITIES

True to our core value of progress, we are dedicated to our teams' development and progression in their expertise and beyond. In 2022, we are particularly proud of the way our management team stepped up to the challenge of providing personalized and adapted training to our talents with a wide range of seniority levels, all while in a hybrid back-to-work fashion. Both managers and teams showed consistent commitment requiring resilience, creativity, and unfailing enthusiasm.



48.5

HOURS OF TRAINING PER
COLLABORATOR IN 2022



3

DISTINCT TRAINING
PROGRAMS

100%

OF OUR TEAM MEMBERS HAD ANNUAL PERFORMANCE REVIEWS

In 2022, **100%** of our collaborators received an annual performance review and have access to personalized career development opportunities. Additionally, **50%** of our offices have adopted bi-annual performance reviews, and **25%** of our offices have adopted quarterly OKR performance reviews with their teams.



3

DISTINCT TRAINING PROGRAMS

For a training path tailored to our talents' levels of seniority and career paths

LABELIUM ACADEMY

In 2022, we launched our e-learning platform, the Labelium Academy, to affirm our ability to train our teams and provide them with a tailored training program that aligns with their skill levels. This platform aims to integrate all our internal training programs while combining theoretical and practical aspects.

INTERNAL OPERATIONAL TRAINING & TRAINING WITH OUR BUSINESS PARTNERS

Trainings put in place by our Expertise Directors to support our operational teams in overcoming technical issues, working on innovations, and strengthening their core skills. Digital certifications such as the Google Skillshop, Facebook Meta Training, etc. as well as specific training sessions on advanced topics with key partners, are regularly held.

LUNCH & LEARN

Dedicated workshops were held on a monthly, bi-weekly, or weekly basis on diverse topics linked to our industry, for all levels of seniority in the company: from new media partner presentations to dedicated sessions on advanced topics.

Encouraging Dialogue

We encourage thorough dialogue between our people and Labelium's leadership, and we engage our teams formally at the office, regional, and global levels through staff meetings and town halls. We regularly survey several of our offices to give our teams an opportunity to provide feedback on their experiences.



Talent Mobility

Our people are motivated and provided with various job mobility opportunities for their personal growth. Within our group, which spans over 25 offices worldwide, internal mobility is a crucial aspect. Offering career paths that incorporate geographical and/or functional mobility is a strategic focus and one of our company's key strengths. Labelium facilitates multiple collaboration options across different expertise fields, particularly when various business units work together for a shared client. This enables us to foster and enhance internal mobility dynamics, providing our teams with customized career paths while continuously improving and strengthening our client relationships.

Affiliation & Fun

Part of our commitment to providing a best-in-class experience involves providing opportunities to have fun and meet colleagues outside normal business interactions. In 2022, as market conditions allowed, we resumed in-person events such as holiday parties, retreats, and seminars, giving our staff opportunities to connect and build and renew friendships.



A FOCUS ON DIVERSITY, EQUITY & INCLUSION

At Labelium, we believe in fostering an inclusive work environment to harness the collective power of diverse perspectives, experiences, and talents to drive success. While we acknowledge that there is always room for improvement, we are proud that women make up 49% of our workforce and hold over 47% of leadership positions. We will continue to prioritize these principles as we strive to create an even more inclusive and diverse organization.

49%

GLOBAL WOMEN REPRESENTATION

Women represent 49% of our workforce globally.

47.1%

WOMEN IN LEADERSHIP ROLES

Defined here as any role with a management aspect with one or more direct reports.

2022 in Numbers

	C-LEVEL	SR. DIRECTOR	DIRECTOR	A. DIRECTOR	MANAGER	ANALYST
Women representation	32%	43%	43%	33%	54%	52%
Age group: Under 30 yo	8.1%	11.7%	37.5%	58.3%	64.4%	79%
Age group: 30-50 yo	89.2%	86.6%	60.7%	41.7%	35.6%	21%
Age group: Above 50 yo	2.7%	1.7%	1.8%	-	-	-

Wellness & Wellbeing

Our teams' health and wellness are fundamental pillars of our ESG strategy. We are committed to creating a work environment that prioritizes the physical, mental, and emotional well-being of our talents. To that end, we offer high-quality benefits, and we strive to continuously integrate new initiatives stemming from our teams' feedback.

BENEFITS

In addition to standard full-time benefits, we have introduced access for full-time collaborators in some of our pilot markets to several benefits aimed at promoting sustainable commuting to work, such as 100% coverage of public transportation, or sustainable mobility subscriptions for our teams. These initiatives reflect our broader sustainability goals, and we will work to extend their reach in the future.

PARENTAL LEAVE

In 2022 all full-time collaborators were entitled to parental leave, with no exception. Supporting our talents in this important stage of their lives is very important to us. We are striving to more authentically recognize the reality of childbearing and parenthood, and we have been working for several months on improving our parental leave benefits to make it more inclusive, irrespective of parent gender.

PROMOTING HOLISTIC WELLBEING

Whether through partnerships with nearby gyms, yoga and fitness classes, team runs and half marathons, we strive to support our teams in their physical well-being and in managing their energy. In several offices, initiatives such as the daily delivery of fresh fruits have also been implemented and also weekly breakfasts. Supporting our teams in managing their stress is a priority for us due to the nature of our business, which is fast-paced in a dynamic environment. As such, local offices have implemented dedicated measures for their teams, such as putting in place Wellness committees, having dedicated workshops to help raise awareness about Mental Health, or a dedicated Life@Lab newsletter addressing topics such as sleep quality, mental health, or stress management.



LOOKING TO THE FUTURE

Our efforts in 2022 have enabled us to establish a baseline against which we will measure our progress in the years to come. Below are some of the specific commitments towards continuing to improve and reduce our impact on the environment.

DIVERSITY, EQUITY & INCLUSION:

We will continue our program of training to build awareness of cultural differences and understanding the importance of diversity, and the necessity of achieving equity and inclusion.

We will maintain and increase awareness of diversity within our organization, monitor progress, and adjust if necessary training strategies based on feedback and evolving needs.

Diversity, equity, and inclusion will be one of the most important pillars of our global new code of Ethics which will be rolled out in 2023.

HEALTH & WELLNESS

As we continue our focus on collaborator wellness and policy revisions in 2023, we will be continuously evaluating and assessing the benefits provided to help support both physical and mental health. In addition to creating and improving our overall benefits, impacting healthcare and wellness opportunities, we are hoping to improve the overall satisfaction of Labelium as a place to work. Additionally, in 2023 we aim to continue providing trainings and raising awareness on Mental Health across all of our offices.

LEARNING & DEVELOPMENT:

DEVELOPING OUR 2ND GENERATION LEADERS

As we continue to build on our foundation of technical expertise, our focus in 2023 will be on continuing to develop our talent beyond skill mastery, identifying our 2nd generation leaders, and providing them with a Development journey. This will include a module in Self-Discovery/Understanding, Management & Leadership, and Entrepreneurship. Learning will happen through various modalities: Video-on-demand (through our Learning Management Platform), Live in-person, via Mentorship, Committee Leadership, and Experiential.



SUPPORTING OUR COMMUNITIES

Our commitment to giving back and having a positive impact

INTRODUCTION & VISION

Labelium management and team members have always had the heart to give back to the communities in which we operate. In each office, teams are empowered to pursue local initiatives in their community. Whether it's volunteering their time for local charities, organizing fundraising events, or volunteering their digital skillset, our teams are dedicated to making a meaningful difference. Our commitment to having a positive impact extends beyond our business operations, as we believe that by working together, we can create lasting change and contribute to the overall well-being and prosperity of the communities we serve.

7+

LOCAL PROGRAMS RAN IN 2022 BY OUR OFFICES

10

NON-PROFITS

Supported on a yearly basis through our Digital Give Back Program



LABELIUM AMERICAS

DIGITAL GIVE BACK PROGRAM

Empowering our communities with digital know-how

THE PROGRAM

Launched in 2020 in North America, our Digital Give Back Program grew from a small initiative to a multi-country program involving volunteers across the US, Canada, Brazil and Mexico, focused on supporting organizations in achieving their digital goals or transformation. Their unfailing generosity and commitment have made our Digital Give Back efforts a source of pride for our collaborators, and an incentive for Labelium prospects in the region.

OUR IMPACT

136 hours volunteered in 2022



WITH



Introducing a Skill-based philanthropy program

THE PROGRAM

Since October 2022, the Arcane team has launched a skill sponsorship program via the Vendredi organization, dedicating 2 days a year for all collaborators to give back. Through Vendredi, Arcane volunteers are able to contribute their digital know-how to over 2,500 nonprofits all over the world.



WITH



Empowering our community through sports

THE EVENT

The Label'Run project had a big ambition: to create a running team that brings together collaborators from Labelium's 10 French entities for the Paris half-marathon on March 6, 2022. The objective was to raise support for the association "Dans Ma Rue", directly chosen by the teams through the creation of a crowdfunding campaign and various support activities.

OUR IMPACT

41 participants ; €2,280 raised

LABELIUM

WITH



"Être utile": Collecting Essentials in Partnership with Microsoft and Secours Populaire

THE PARTNERSHIP

In July 2022, we leveraged the existing partnership between Microsoft and Le Secours Populaire Français to collect clothing, food, hygiene essentials, school supplies, and toys for our community.



PROTECTING OUR PLANET

Initiating our journey towards net-zero

Introduction & Vision

Acknowledging the need to mitigate the impacts of climate change, we embarked on a path in 2022 to measure and reduce our carbon emissions. Our first milestone was to develop our greenhouse gas emissions inventory at group level, offsetting our impacts by supporting initiatives that tackle multiple SDGs. With the goal to take the lead in transitioning to a net-zero economy, we further demonstrated our determination by submitting a letter of commitment to the Science-Based Targets initiative. We are actively working on formulating emissions reduction targets based on scientific evidence and building policies to achieve them.

Our Measured Impacts

Our environmental performance is shaped by our operations, activities, and value chain impacts. In early 2023 Labelium assessed its total GHG emissions. The results below account for the emissions associated with our operations over the reporting period January 1st - December 31st 2022. Emissions for the reporting period were verified and offset, and carbon neutrality was reached for the group.

951
tCO₂e

Total GHG emissions measured for the reporting period across all locations.

1.4
tCO₂e/FTE

Average GHG emissions measured per FTE over the reporting period across all locations.

Our Management Approach

Our owned emissions were deemed a material topic by several of our stakeholders, making it a strategic priority for our company. As a strategic partner to our clients, our emissions have an impact not only on our environmental performance but also on our clients' Scope 3 emissions.

Lowering our GHG emissions has also been deemed a strategic priority by all of our internal stakeholders, from investors to all levels of collaborators, stemming from a shared conviction that digital advertising has a critical role to play in our environmental transition.

Our ambition is to establish and work on reaching science-based targets as validated by the SBTi.

In addition to reducing our emissions through the development of environmental policies and a gradual set of internal measures, we are supporting several forestry and resource recovery initiatives to offset impacts in the areas of our business that still leave room for improvement. These projects are independently verified to assure that emissions reduction is additional. While recognizing that offsetting cannot serve as a substitute for actual emissions reductions, offsetting our emissions while actively working towards reducing them ensures the highest environmental integrity in our work to have an immediate, positive impact on the climate. As we improve our environmental performance, we strive to make positive change across our value chain, building expertise and services to help our clients measure and reduce their digital climate impacts.

Environmental performance is reported to our board on a yearly basis, and quarterly status meetings are held with the ESG Committee to report on roadmap progress and align priorities. Business units are also embedding new initiatives to reduce emissions into their strategic priorities.

CERTIFIED CARBON NEUTRAL® COMPANY

In 2022 we are proud to have become certified a Carbon Neutral® Company in accordance with the Carbon Neutral Protocol, the leading global framework for carbon neutrality. For us, this is a great complement to our emissions reduction targets our journey towards building a better future.



OUR PROGRESS

Our efforts in 2022 have laid the groundwork for us to embark on a transformative path towards becoming an organization that operates in balance with our planet's boundaries, driving positive change not only internally but also with our clients and other stakeholders. We are now prepared to confront the task of addressing climate change head-on.

STARTING OUR NET-ZERO JOURNEY

Committing to build science-based emissions reduction targets:

We signed our commitment letter to SBTi in June 2022 to establish emission reduction targets no later than July 2024. Short and Long-term targets will be consistent with scientific requirements to keep global warming under 1.5 - 2 degrees.

Measuring and compensating our GHG emissions:

To align our emissions reduction targets with SBTi criteria, we measured our emissions for the first time, identifying key sources of emissions which will inform the development of our environmental policies. We compensated our emissions by supporting meaningful projects across the world.

EMPOWERING OUR COLLABORATORS

Pilot initiatives:

Getting ahead of the environmental policies, several individual offices have already started implementing initiatives related to water usage, energy efficiency, or recycling and composting. Their experience and example will be a valuable input for the roll-out of solutions at group level.

Team training:

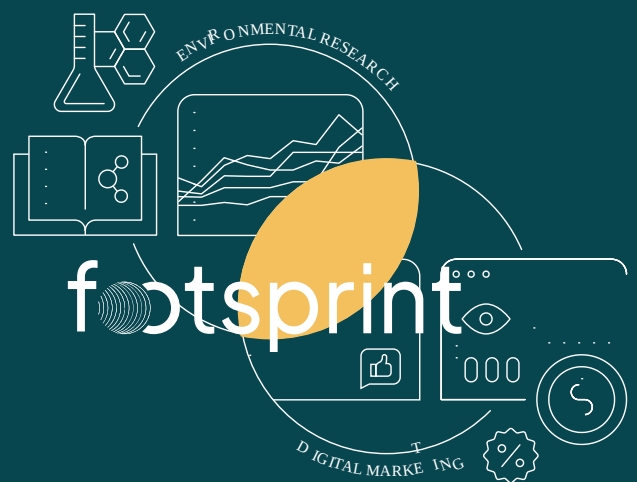
We have trained more than 360 collaborators over 15 sessions addressing environmental topics, focused on digital sustainability and climate change. Raising awareness on those issues is key to involve and empower our teams to drive effective internal changes.

EMPOWERING OUR BUSINESS ECOSYSTEM

Showing the commitment to drive positive change across our full value chain, in 2022 Labelium founded Footsprint, an agency dedicated to digital sustainability

Reconciling digital performance and sustainability

Composed of seasoned environmental and digital experts, Footsprint's mission is to empower the Labelium group's clients in the decarbonization of their digital efforts across the full value chain of digital advertising. Over the reporting year, sustainable digital services have been included in 20% of the group's RFPs.



Participating in the elaboration of sustainability industry standards:

With the determination of driving a positive impact in our industry, Footsprint has also actively participated in the research and elaboration of digital GHG measurement methodologies. Our contribution to the work of the Syndicat des Régies Internet (SRI) in France, or the international initiative World Wide Web Consortium (W3C) is a testament to our commitment.

Rising awareness on digital sustainability:

Footsprint has also been active in raising awareness on digital sustainability within our industry and the wider public through blogs and other publications. By consistently publishing informative and engaging content on the subject, the agency is actively driving the conversation around the importance of sustainable practices in the digital realm.

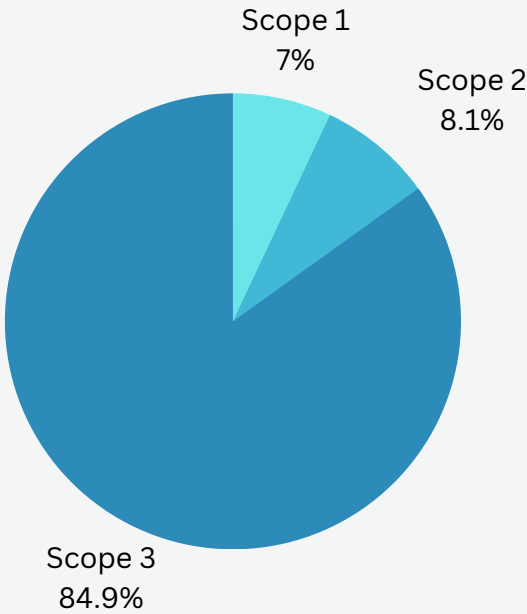
GHG INVENTORY

Our first inventory cover activities carried out during 2022 for all our entities except those acquired over the reporting year. Six emission sources account for over 80% of the total impact and will be the focus of our environmental policies and plans. The main one is business travel, 32.48% of total emissions. The second largest source is the purchase of laptops and other IT equipment, which accounts for 15.83% of the total impact. The next four are staff commuting (13.99%), homeworking emissions (12.16%), waste (7.47%), and electricity consumption in the offices (5.98%).



Labelium’s emissions take place mostly in Scope 3 (807 tCO₂e), while Scopes 1 (67 tCO₂e) and 2 (77 tCO₂e) have similar contributions to our total impact. Given the importance of Scope 3 in the overall carbon footprint, the highest opportunities for emissions reductions will be found within Scope 3 sources. No biogenic CO₂ emissions have been identified.

While reporting and developing targets for Scope 3 is optional for organizations with higher contributions from Scopes 1 and 2, we will measure and define targets for our indirect emissions given their contribution to our overall climate impacts.

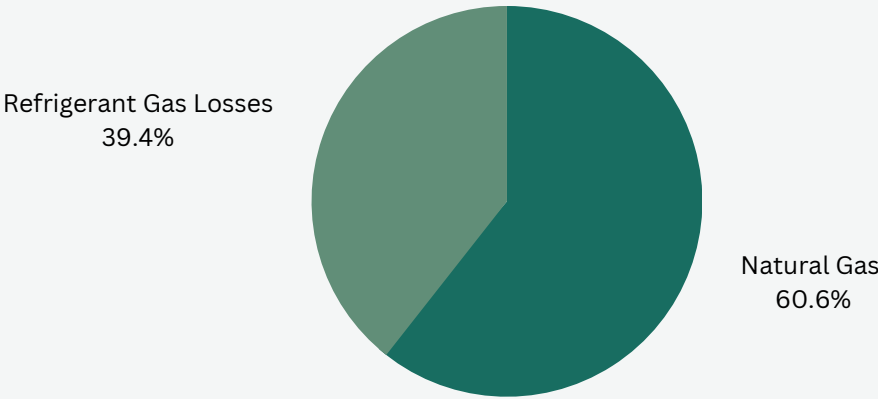


GHG INVENTORY

EMISSIONS BY SCOPE - DEEP DIVE

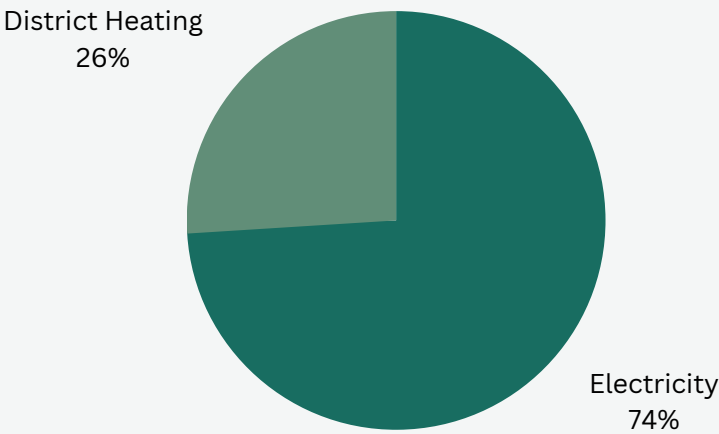
SCOPE 1

Labelium’s Scope 1 emissions account for 7% of our total emissions and are a result of the direct burning of fossil fuels, such as natural gas, for heating and cooling the organization's offices, and refrigerant gas leaks. The distribution of these emissions is as follows: natural gas consumption accounts for 60.6% and refrigerant gas losses account for 39.4%.



SCOPE 2

Scope 2 refers to emissions that are generated from the use of purchased electricity, heat, or steam. In our case, these emissions account for **8.2%** of the total emissions reported. Those emissions vary significantly depending on the grid’s carbon intensity and heating fuel source in each jurisdiction, so reducing emissions from electricity consumption will have different levels of priority depending on the office. Electricity emissions are even higher accounting for WTT impacts.



GHG INVENTORY

EMISSIONS BY SCOPE - DEEP DIVE

SCOPE 3

Scope 3 emissions account for 84.8% of our total impact, distributed as follows:

Business travel (38.3%): This is the single highest source of emissions in the organization, mostly due to our business flights.

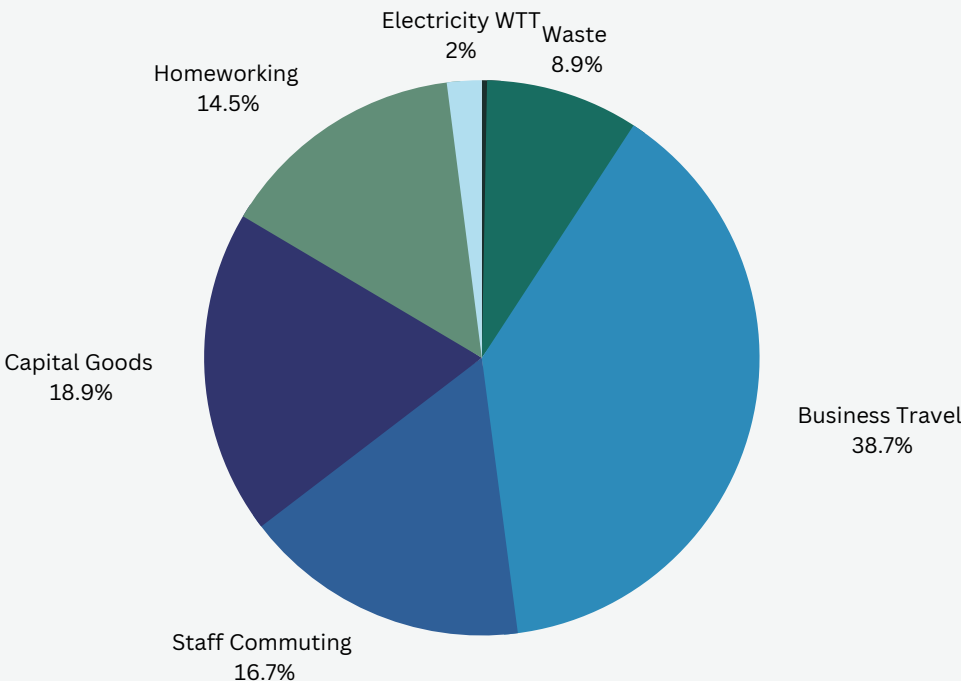
Capital goods purchases (18.7%): Emissions from this source are the product of our purchases of IT equipment, mostly laptops, and screens.

Staff commuting (16.5%): This source of emissions varies significantly among offices, and will be part of tailored climate programs where its impact is more substantial.

Homeworking (14.3%): Since the pandemic, working from home has become a more relevant source of emissions for the organization. The impact of homeworking is also variable and its priority will be addressed is a case-by-case basis.

Waste (8.8%): Waste emissions combine landfill waste, recycling, and composting.

Water and wastewater (0.3%): Water consumption in our offices is the lowest source of emissions in our inventory. Having said that, we recognize that GHG inventories don't properly capture the importance of water consumption and will dedicate a specific chapter to the topic.



GHG EMISSIONS REDUCTION

Over 2022, we have implemented pilot initiatives in several offices aimed at energy efficiency, water consumption reduction, waste management, and sustainable procurement practices. While these initiatives have not yet been quantified in terms of emissions reductions, our goal is to expand our interventions in the coming reporting years and effectively measure their impacts.

Some of our offices have undertaken energy efficiency measures to optimize energy consumption. These measures included upgrading lighting systems, centralizing electricity consumption activation, cooling and heating efficiency, and installing energy-efficient appliances. These initiatives demonstrate our commitment to improving energy efficiency within our operations.

Another pilot initiative in place is the support of sustainable commuting, providing teams with the reimbursement of 100% of their public transit tickets.

Regarding sustainable procurement, as part of our commitment to sustainability, Labelium has started purchasing refurbished capital goods, such as laptops in some of our jurisdictions. This practice reduces the demand for new manufacturing and associated emissions.

In addition to our internal initiatives, our new digital sustainability agency is already generating emissions reductions in our products and services. By offering sustainable solutions and guidance, we aim to create a positive ripple effect that extends beyond our organization. As we continue to expand our offerings and measure the impact of our initiatives, we are confident in our ability to drive meaningful change and contribute to building a sustainable digital advertising ecosystem.

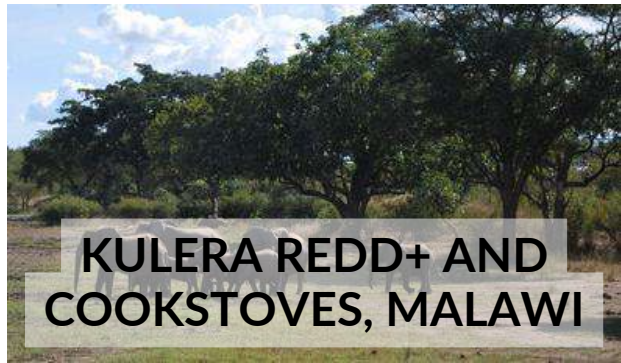
As previously mentioned, while the specific emissions reductions resulting from these initiatives have not yet been quantified, we intend to strengthen and expand these solutions while ensuring consistency with our soon-to-be-developed Science-Based Targets (SBTi). We recognize the importance of setting ambitious and measurable targets to drive meaningful change and align with global sustainability standards. Labelium remains dedicated to advancing our sustainability practices, quantifying our impact, and reporting progress in future reporting cycles.

OUR VERIFIED CARBON OFFSETS

We have neutralized our 2022 emissions by selecting projects based on the following criteria:

- **Quality and credibility of the carbon credit standard:** We pick projects that follow rigorous assessment criteria in order to be certified, this will ensure the additionality of those credits and that our investment has a real positive impact.
- **Location:** We prioritize investing in regions of the world where economic conditions make it harder to take into consideration environmental issues.
- **Co-benefits:** We prioritize projects that offer benefits to local communities beyond carbon emissions reduction. This can be evaluated based on the number of sustainable development goals supported by those projects.

Through the combination of forest protection and the distribution of clean cookstoves, the project is using carbon finance to deliver significant emissions reductions, protect an important area of biodiversity value, and address the health risks of indoor air pollution. The project is working with 45,000 households to reduce fuelwood use and protect 170,000 hectares of forest. **STANDARD: CCB, VCS**



The project works with local farmers to restore degraded forest reserves in Ghana in areas affected by overexploitation, bushfires, and conversion to agriculture. the aim is to expand around 1,000 hectares per year, adding new project areas and improving livelihoods through reforestation. **STANDARD: VCS**



WASTE GENERATION, ENERGY & WATER CONSUMPTION

We also assess our environmental impact and progress toward sustainable practices by estimating our waste generation, and energy and water consumption. Those impacts are already reflected in our GHG inventory, but it is valuable to explore them independently to have a better understanding of our performance, since variables like changes in electricity grids' carbon intensity impact our emissions, but are beyond our scope of influence.



3,610
m³



2,689,881
MJ



161.7
Tonnes

More detailed information about our waste generation, water and energy consumption in the Appendix.

REPORTING STANDARDS

GHG assessments are generally carried out in accordance with one of two recognized standards for accounting and reporting corporate GHG emissions. The best-known is the “Greenhouse Gas Protocol Corporate Accounting and Reporting Standard” (GHG Protocol, 2011) developed in partnership with the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI). We have chosen an operational control for this inventory.

The International Organization for Standardization (ISO) also produced the ISO14064 specification series, detailing specifications and guidance for the organization and project levels, as well as for the validation and verification of emissions.

The current quantification has been developed in accordance with The CarbonNeutral® Protocol, developed by Natural Capital Partners (NCP), which is an additional layer on top of the GHG Protocol and describes the requirements for achieving specific CarbonNeutral® compliant certifications (i.e., CarbonNeutral® ‘Company’, ‘Product’, ‘Event’ etc.).

More information about our use of the standards, methodologies, etc. in the Appendix.

LOOKING TO THE FUTURE

Our efforts in 2022 have enabled us to establish a baseline against which we will measure our progress in the years to come. Below are some of the specific commitments towards continuing to improve and reduce our impact on the environment.

ESTABLISH SCIENCE-BASED EMISSIONS REDUCTION TARGETS

After signing our commitment letter to SBTi in June 2022, 2023 we will set on the path of establishing a Science-Based target for emissions reduction for Labelium. We aim to present our official target for validation to SBTi by July 2024.

EXPANDING THE BOUNDARIES OF OUR IMPACT MEASUREMENT

While we strive to align our emissions reduction target with SBTi criteria, we will continue to refine our inventory, expanding the boundary to address an element critical to our activities: our digital emissions.

ENVIRONMENTAL POLICIES

Strong with our 2022 carbon assessment by region and by office, we aim to create a set of environmental policies regarding waste management, sustainable procurement, energy efficiency, and any other topic deemed essential to the reduction of our emissions.

SUSTAINABLE SERVICES

We will keep integrating a climate lens into our strategy, products, and services. Our goal is to include sustainable services in 80% of our RFPs. In association with our clients, we will make sure that digital advertising minimizes its impacts and becomes a driver for positive change.

TRAINING

We will continue our awareness & training sessions in each office to inform our team members about the environmental issues that may affect their work and to encourage them to work in an environmentally responsible manner. Our goal is to train 100% of the management level on climate change and digital sustainability.

STARTING OUR REDUCTION JOURNEY

With a clear assessment of our impacts thanks to our GHG inventory, combined with the tools to reduce them through our environmental policies and SBTi targets, we will start building specific impact reduction plans tailored to each office's specific circumstances.



SUPPORTING OUR ECONOMY

Our commitment to creating positive impact through responsible performance

Introduction & Vision

Our economic contribution to society comes primarily through delivering digital performance. We help our clients accelerate their businesses by delivering digital services while meeting our standards in terms of ethics and excellence. But our contribution as a responsible business goes further - as we are continuing our growth trajectory, we are continuously investing in innovation that benefits our customers and wider society on the path towards digital sustainability.

Our Management Approach

As a leading digital agency with a broad portfolio of clients across several industries, our company played a role in helping businesses (local and international) adapt their business models to the post-pandemic world. Digital insights are more than ever an essential component of our clients' agility and capacity to adapt to the ever-changing context, and we are proud to have been counted as a key partner in supporting our clients through their digital acceleration. Our teams keep working hand in hand with our clients to build proactive contingency plans and real-time strategy optimizations in order to facilitate this navigation. We engage with our clients very frequently to ensure we can help them uncover trends and changes in the market context, and to be agile in adapting their strategies accordingly.

Responsible Business Practices

When it comes to professional and ethical conduct, we are committed to the highest standards, with no tolerance for bribery or corruption. Our Business Ethics policy provides a framework for making ethical decisions, including anti-corruption, conflict of interest, anti-harassment, competition & fair dealing and information security policies. The Group Labelium is moving ahead with the roll-out of its Group Code of Ethics in 2023, setting out its essential principles. Developing a code of conduct at a group level and harmonizing practices across different business units will be an important step in ensuring consistent ethical behavior and adherence to company values.

Pioneering Digital Sustainability

In 2021, our evaluation brought to light an important concern regarding our sustainability efforts. We realized that while our digital operations were a significant source of emissions, there was a lack of established methods to measure and assess these digital emissions within existing ESG standards. This discovery presented us with a unique set of challenges and opportunities. On one hand, it posed a risk to our sustainability goals. On the other hand, it opened the door for us to pioneer innovative solutions and incorporate digital ESG standards, creating a pathway for growth and improvement in our operations and digital services.

In 2021 we therefore initiated research and development into building a methodology for auditing and reducing the carbon emissions of our digital products and services. This led to the creation of Footsprint, the Labelium group agency dedicated to digital sustainability. Composed of seasoned environmental and digital experts, Footsprint's core mission is to accelerate the decarbonization of the digital advertising industry while empowering our clients towards sustainable marketing practices. In 2022, Footsprint services have been included in 20% of the group's RFP, with an objective to reach 80% by 2023.

LOOKING TO THE FUTURE

We are committed to continuously improving our practices and becoming a more sustainable business and, in particular, to fulfill our objective to be at the heart of the transition of our industry, by investing in innovation while maintaining the highest standard of supplier compliance.

SUPPLIER ESG COMPLIANCE

As a trusted partner and supplier, we commit to complying with our clients' ESG auditing requirements and sharing with them our ESG milestones, initiatives, and key results. We are proud of our clients' engagement and dedication to ESG objectives and are committed to working closely with them on this front, to build on mutual knowledge and promote best practices in the industry. Furthermore, we are committed to tracking the yearly progression of our ESG performance via Ecovadis independent assessment, taking the appropriate corrective action plans, and sharing our yearly scorecards with all stakeholders that require it.

In 2023, we will also move forward and deploy a supplier code of conduct in which Labelium encourages Suppliers and partners to go beyond mere legal compliance and to draw upon best practices globally in terms of business ethics and social and environmental responsibilities.

BUSINESS INNOVATION & NEW SERVICE DEVELOPMENT

Further than compliance, we are committed to continuing our research and development focus on building new services focused on digital sustainability. Our ambition is to pioneer in this field by being at the forefront of sustainability research and scientific standards, so that we can support our clients in transitioning towards more sustainable digital practices and dictate new best practices in the industry.



OUR GOVERNANCE

Ensuring that our governance mechanisms reflect our commitments

Introduction & Vision

In 2022 we have developed a specific ESG governance structure to ensure the appropriate level of resources, challenge, and oversight can be dedicated to this crucial pillar of our strategy. We are continuously adapting our governance policies and reporting to reflect and support our ESG commitments and ambitions.

Our Management Approach

From transparency to culture, we are committed to the highest standards of corporate governance and making sure we apply best practices. The Labelium board of directors is collectively responsible for the effective oversight of the company and its business. It determines the company's strategic direction, its objectives, viability, and governance structure to help achieve long-term success and deliver sustainable shareholder value. The board also plays a major role in setting the company's sustainability goals, and ESG is a recurrent agenda topic in board meetings.

Overseeing ESG

Collaborators are engaged in overseeing ESG initiatives at all levels of the company, including the board of directors, chief operating officer, and the executive committee. By creating an ESG committee in 2022, Group Labelium demonstrated its commitment to integrating sustainability and responsible practices into its overall business strategy.

Our Governance

Labelium Group is a private company, French "société par actions simplifiée", owned in majority by Private Equity firm Charterhouse Capital Partners since 2021. Labelium is still managed by its original founders and Mr Stéphane Levy, President and founder of the group, presides over board meetings of both the parent company and its subsidiaries, ensuring effective communications between board members and executives, and articulating the organization's long-term vision and strategic goals. He is appointed by the Supervisory Board for an unlimited term of office.

Labelium's Managing Directors and Executive Committee, elected by the Supervisory Board, are empowered to set the firm's strategy, vision and direction with regard to policy, growth, business mix, people and investments. As CEO of Labelium Group, Mr Sylvain Bonnevide is also the legal representative, through his personal holding SYVAC MANAGEMENT SL, of Labelium's subsidiaries, ensuring that decisions voted by the Parent company including ESG considerations are integrated in the local entities' decision making and operations.

The Executive Committee assists the President and the Managing Directors in the operational management of the Group. It participates in the development and implementation of Labelium's strategic plans. It provides input, guidance, and oversight to ensure that Labelium's goals and objectives are aligned with its mission and vision. It also serves as a liaison between the Labelium and its stakeholders. The Executive Committee members are jointly appointed by the President and the Managing Directors, with the approval of the Supervisory Board. Each Executive Committee Member shall be appointed for an unlimited term of office.

The Supervisory Board is in charge of the general supervision of the Labelium Group Companies' management and may, for this purpose:

- examine any question that affects the sound operation, management and/or administration of the Group; and
- control and oversee the duties of the President and the Managing Directors;
- carry out the verifications it deems appropriate. For example some strategic decisions or measures shall not be made, taken, implemented or voted at the level of any subsidiaries without the Supervisory Board's formal prior approval.

The Supervisory Board is also responsible for reviewing and approving the annual ESG report previously prepared under the direction of the ESG committee and validated by the CEO. This review and approval by the Supervisory Board ensures that the information aligns with Labelium's strategic objectives, accurately reflects its performance, and meets any legal or regulatory requirements in this matter.

ESG Committee

The ESG committee is ultimately responsible for efforts related to ESG, including our assessment of key ESG risks and opportunities, under the oversight of the Group ESG Director. The committee's responsibilities include the oversight of Labelium's policies, code of ethics, practices and performance regarding ESG matters, supplier compliance and audit assessment, as well as the implementation of dedicated awareness and training programs related to ESG matters. The ESG committee has five members, 80% of whom are women.

Corporate & Social Responsibility Manager

Appointed for the first time in 2022, responsibilities for the Corporate and Social Responsibility Manager of Labelium Group include:

- Collaboration and communication with all stakeholders
- Evaluation of potential ESG efforts presented to management
- Tracking of internal ESG data to ensure compliance and drafting of disclosures
- Interacting with stakeholders to communicate ESG objectives, accomplishments and roadmap
- Creating and updating policies and guidelines that outline the organization's commitment to CSR and sustainability.

Ethical Conduct

When it comes to professional and ethical conduct, we are committed to the highest standards, with no tolerance for bribery or corruption. Our Business Ethics policy will endorse a framework for making ethical decisions, including anti-corruption, conflict of interest, anti-harassment, competition & fair dealing and information security policies. The Group Labelium is moving ahead with the roll-out of its Group Code of Ethics in 2023, setting out its essential principles.

LOOKING TO THE FUTURE

In 2023 and for the years to come we commit to continuously review and adapt our governance policies to reflect and support our ambitions. We aim for our ESG initiatives to differentiate us as an employer and as a responsible business partner.

FIRST GROUP-WIDE CODE OF ETHICS & DISCLOSURE

Our main objective in 2023 is to roll out our first Group Code of Ethics. We recognize the importance of ensuring consistency and alignment of ethical principles across all our subsidiaries. It is essential that our organization, as a whole, operates under a unified ethical framework to maintain our reputation, build trust with stakeholders, and promote a strong ethical culture. This document will serve as a guideline for all collaborators to understand and adhere to our global ethical principles. It will be essential for every member of our organization to familiarize themselves with this code and integrate its principles into their daily actions and decisions.

ANNUAL ESG REPORT & DISCLOSURE

2022 marks the first consolidated ESG annual report for Labelium Group, establishing baselines against which we will measure future performance. Our commitment moving forward is to maintain this reporting frequency guided by the Global Reporting Initiative (GRI) and to transparently report on the evolution of performance year over year. Should new topics come to be included in our materiality assessment, these will be disclosed in the GRI content index each year. It also allows Labelium to get up and running with the CSR European directive for 2026.

LOOKING TO THE FUTURE

COMPLIANCE TRAINING AWARENESS COURSES

In 2023, we will propose to our all collaborators ESG awareness training in order to educate them about the rules, regulations, policies, and ethical standards that govern their behavior in the workplace. These courses aim to promote a culture of compliance, and enhance their understanding of sustainability issues and their impact on the company and the wider community.

IT SECURITY PROGRAM

In 2023, we will conduct a cyber program across all of our subsidiaries in order to:

- Conduct a comprehensive risk assessment to identify potential new vulnerabilities, threats, and risks within our organization. This assessment will serve as a foundation for developing a robust cybersecurity program
- Update our cybersecurity policies and procedures worldwide
- Educate our collaborators on cybersecurity best practices
- Obtain an ISO 27001 certification
- Deploy an international Cyber Insurance program across all the subsidiaries

WHISTLEBLOWING PLATFORM

In 2023, we will also release our new whistleblowing procedure and policy for Labelium's subsidiaries in the US, and ready to be rolled out for Labelium SAS, which provides a secure channel for our teams to report any concern or misconduct they may encounter.

REPORTING PRINCIPLES

DATA COLLECTION

Our Managing Directors and Corporate and Social Responsibility Manager are responsible for reporting the sustainability data by June 30th, 2023. In doing so they have established objective reporting criteria for measuring performance following the guidelines provided by the GRI standards.

REPORTING METHODOLOGY

This report has been developed following the GRI Standard, and in line with its methodology. Although the report is not fully developed in accordance with the GRI Standards, we intend on improving our data collection & disclosure process year over year in order to reach GRI standard compliance. The GRI content index can be found in the Appendices of this report.

DATA REPRESENTATION

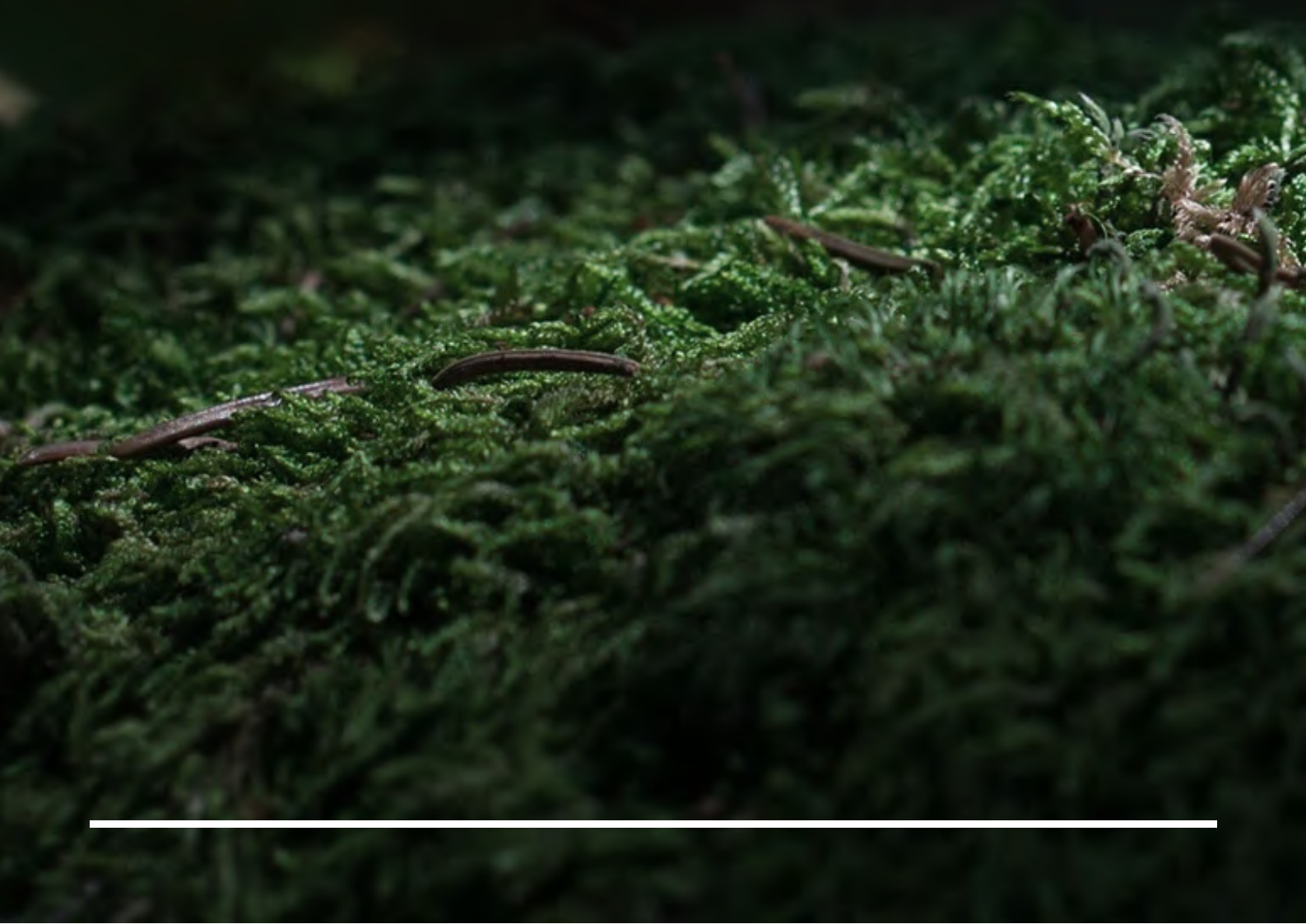
Our team commits to have presented the data in a manner that provides relevant and reliable information, that will be comparable to further reports on the topic (as 2022 was the baseline). We have aimed to make our report sufficiently detailed to meet most of our GRI requirements (see GRI content index), yet accessible to all readers.

DEFINING REPORT CONTENT & QUALITY

The report section on materiality (page 7) and stakeholder engagement (page 6) indicate how we identified the topics to report on in this first ESG report. The fundamental principle of this first ESG report for the group is that of comparability, laying the foundations for our greenhouse gas assessment methodology (pages 30 and 42-43) and detailing each KPI used and the context around it. Any change in the boundaries of our following reports will be disclosed on a case-by-case basis.

LABELIUM

APPENDICES



Scope	Emissions source	Total emissions (tCO ₂ e)	% of total emissions
Scope 1	Refrigerant gas losses	26.41	2.78%
	Natural gas	40.63	4.27%
	Total Scope 1	67.04	7.05%
Scope 2	District heating	20.01	2.10%
	Electricity	56.91	5.98%
	Total Scope 2	76.91	8.09%
Scope 3	Natural gas WTT	5.28	0.56%
	Electricity WTT	15.76	1.66%
	District heating WTT	3.01	0.32%
	Water consumption	1.24	0.13%
	Wastewater	2.56	0.27%
	Waste – landfill	70.67	7.43%
	Waste – recycling	0.13	0.01%
	Waste – composting	0.23	0.02%
	Business travel	308.91	32.48%
	Staff commuting	133.08	13.99%
	Capital goods	150.57	15.83%
	Homeworking	115.64	12.16%
	Total Scope 3	807.08	84.86%
Total emissions		951.04	100.00%

THE KYOTO PROTOCOL GHGs

GHG assessments quantify the Kyoto Protocol greenhouse gases, as applicable, and are measured in terms of tonnes of carbon dioxide (CO₂) equivalence, or tCO₂e, where equivalence means having the same warming effect as CO₂ over 100 years.

The 6 Kyoto Protocol gas groups are CO₂, methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF₆) and perfluorocarbons (PFCs). The global warming potential (GWP) of each is presented in Table 2:

Table 2: Kyoto Protocol GHGs and their global warming potential (GWP)

Greenhouse gas/group	Chemical formula	GWP (CO ₂ e)
Carbon dioxide	CO ₂	1
Methane	CH ₄	25
Nitrous oxide	N ₂ O	298
Hydrofluorocarbons	HFCs	Depends on specific gas
Sulphur hexafluoride	SF ₆	22,800
Perfluorocarbons	PFCs	Depends on specific gas

CALCULATING EMISSIONS

Our GHG assessments use activity data (e.g., kWh of electricity or liters of fuel used), from which GHG emissions estimates are quantified by applying the most relevant emission factor(s) from published reputable sources (in our case, Defra, IPCC, and other suggested by the GHG Protocol). Those factors were applied for fuel carbon intensity, waste emissions, etc. For each office, jurisdiction-specific baseline energy intensity consumption and specific grid EFs were selected. Finally, the methodology selected to estimate the incremental electricity and natural gas consumption for home working collaborators was elaborated by Anthesis, selected because it provides multipliers at global level.

BASE YEAR

The 2022 inventory will be our base year. Following guidance from the GHG protocol, base year emissions will be retroactively recalculated to reflect changes in the company that would otherwise compromise the consistency and relevance of the reported GHG emissions information. Labelium will recalculate its base year emissions if new information or additional emissions sources have an impact over 5% of the current base year's emissions.

DATA QUALITY AND ACCURACY

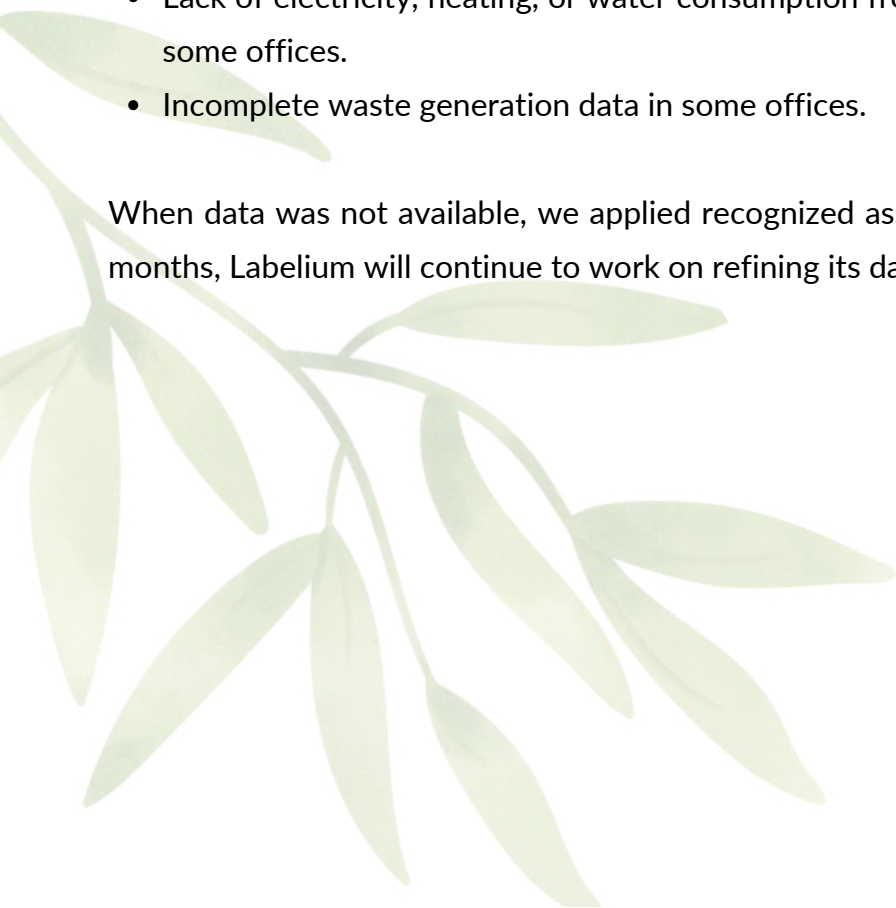
The accuracy of a GHG assessment is directly related to the quality of the activity data provided. Primary data is always used where available, which denotes actual activities which occurred during the reporting period such as metered electricity consumption). It is accepted that secondary data (such as estimates, extrapolations, benchmarks, and proxy data such as distance traveled) is used when primary data is not available. Assessments based largely on secondary data should only be viewed as an estimate of GHG emissions impact, and actual emissions may vary significantly.

Having accurate and comprehensive data is crucial for tracking the impact of environmental plans and making informed decisions about how to reduce a company's greenhouse gas (GHG) emissions. Without good data, it can be difficult to identify areas where a company can make the most impact and measure progress over time.

In Labelium's case, data gaps have been identified as associated with several factors, as usually happens with organizations that measure their carbon footprint for the first time, the data-gathering process has been challenging for many offices for several reasons. The three main challenges have been:

- Access to business trips data.
- Lack of electricity, heating, or water consumption from the landlords or co-working spaces in some offices.
- Incomplete waste generation data in some offices.

When data was not available, we applied recognized assumptions and multipliers, in the coming months, Labelium will continue to work on refining its data-gathering methods.



ENERGY CONSUMPTION

We also assess our environmental impact and progress toward sustainable practices by estimating our energy consumption. Those impacts are already reflected in our GHG inventory, but it is valuable to explore them independently to have a better understanding of our performance, since variables like changes in electricity grids' carbon intensity impact our emissions, but are beyond our scope of influence.

Total Energy Consumption: The total direct energy consumption in our offices for the reporting period is 2,689,880.84 MJ. This value represents the combined energy usage across all our office locations.

Heating: Heating constitutes a significant portion of our energy consumption. The primary energy source for heating in our offices is natural gas, accounting for 795,534.85 MJ. An additional 417,240 MJ is consumed through district energy heating systems.

Electricity: Electricity consumption is another crucial aspect of our direct energy usage. During the reporting period, our offices consumed a total of 1,477,105.99 MJ of electricity.

Renewable Energy: As of the reporting period, we have not procured any additional power from renewable sources. However, it is important to note that the electricity mix in each of our offices varies, with a higher proportion of renewable generation in locations like Montreal.

We also pay attention to the energy consumption outside the organization, focused on the impact of our teams working from home, given that it has become a habitual practice since the COVID-19 pandemic.

During the reporting period, the **electricity consumption** associated with working from home was estimated to be 1,283,318 MJ. This value represents the additional energy consumed by our collaborators as a result of their remote work activities.

In addition to electricity consumption, remote working from home also impacted **natural gas consumption** in our team's homes. The estimated additional natural gas consumption due to remote work activities was 1,306,080 MJ.

Combining consumption within and outside the organization, Labelium's energy intensity over 2022 was 7,867 MJ per FTE.

Pilot initiatives in some of our offices have resulted in the reduction of energy consumption, but this hasn't been quantified for the reporting year.

Regarding energy requirements of our products and services, while reductions have started to take place as a consequence of activities from our new digital sustainability agency, no baseline has been established, we intend to address this variable over 2023 and report on said reductions in the future.

WATER CONSUMPTION

At Labelium, water consumption is primarily related to office and remote work activities, while water discharges are managed by municipal water management systems.

Water Consumption: Water consumption at Labelium is solely attributed to its use in offices and for remote work activities. No water consumption is associated with specific products or services. The total water consumption for the reporting period is estimated to be 3,609.80 m³ or 3.6 megaliters. Given the nature of our activities, water consumption is considered negligible.

Water Discharge: Water discharges from our offices and remote work activities are managed and processed by municipal water management systems. These discharges are a result of normal water consumption in offices and homes. The quantity of water discharged is estimated to be equivalent to the water consumption, which is 3,609.80 m³ or 3.6 megaliters. While the levels of treatment vary across different jurisdictions where Labelium offices are located, no significant impacts on receiving waterbodies are expected.

Water Quality and Impact: No specific analysis has been carried out to assess water quality within our facilities. However, considering our normal water use in offices and homes, no specific negative impacts are anticipated. The treatment of water discharges primarily occurs in municipal water treatment plants, where the quality and technology may vary depending on the location of Labelium units.

Water Stress: No specific analysis has been conducted to identify which Labelium facilities are situated in areas with high levels of water stress. While this information is currently not available, we acknowledge the importance of understanding water stress and its potential implications for our operations. We remain committed to assessing and managing water resources responsibly as part of our ongoing sustainability efforts.

In conclusion, no significant negative impacts have been identified, and the treatment of water discharges varies across jurisdictions. Although specific analysis regarding water quality and water stress is yet to be conducted, we are committed to responsible water management practices as we strive to minimize our environmental footprint.

WASTE GENERATION

Labelium recognizes the importance of building a circular economy and strives to minimize its impact on waste generation. This is an overview of waste generated within our offices, our current waste management practices, and our plans for future improvements.

Waste Generation: Waste at Labelium is primarily generated through the activities of our collaborators within our offices. We have conducted waste generation surveys in each office, tracking waste production for a week and extrapolating the results to estimate the annual waste generation. The total waste generated accounts for 161.7 tonnes (0.24 tonnes/FTE).

Waste Management Practices: Of the total waste generated, a portion has been recycled, composted, and disposed of. Specifically, 6.2 tonnes have been recycled, 1.2 tonnes have been composted, and 154.3 tonnes have been disposed of. Recycling and composting activities are primarily handled by the municipalities in which our offices are located. However, not all offices currently have recycling and composting practices in place. Labelium aims to expand these practices across all offices in the coming years.

Waste Composition: While we have information on the types of waste (recyclable, compostable, other), we currently lack detailed data on waste composition. This limits our ability to identify specific areas for waste reduction or further recycling opportunities. In some instances, waste management is handled by the building, reducing our control over good practices or final disposition.

Disposal and Landfill: The final disposition of waste directed to disposal is subject to municipal waste management practices in each jurisdiction where our offices are located. At present, we assume that all waste directed to disposal is sent to landfills. However, we acknowledge the need for additional research on this topic to better understand the environmental impact and explore alternative waste management strategies.

Toxic Waste and Batteries: Labelium generates a minimal amount of toxic waste, which has not been quantified. However, some of our offices offer a battery collection program for teams.

to ensure proper disposal. This initiative helps mitigate potential environmental harm caused by improperly disposed batteries.

Labelium is committed to improving waste management practices and reducing its environmental footprint. We aim to expand recycling and composting practices across all offices in the coming years. Furthermore, we recognize the importance of conducting additional research on waste composition, disposal methods, and exploring strategies to minimize toxic waste.

OTHER ENVIRONMENTAL IMPACTS

In addition to GHG emissions, water, and energy consumption, this report addresses other environmental impacts associated with Labelium's operations. Since our offices are located in urban centers and our operations are focused on providing digital services, no other impacts are expected:

Based on our assessment, no ozone-depleting substances (ODS), Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions have been generated as a direct consequence of our activities.

During the reporting period, no operational sites were owned, leased, managed in, or adjacent to protected areas or areas of high biodiversity value outside protected areas. Likewise, no IUCN Red List species and national conservation list species were affected by our operations

Through our activities, products, and services, we strive to avoid any significant negative impacts on biodiversity. The assessment of our operations indicates that no significant impacts on biodiversity have been identified during the reporting period. While our activities don't have a significant impact on biodiversity, we acknowledge that capital goods needed to offer our services, such as laptops or other IT equipment, have an impact on resource depletion and biodiversity losses in different parts of the world. We haven't quantified said impacts but strive to reduce them through sustainable procurement practices such as purchasing refurbished equipment and implementing solutions to increase the lifetime usage of our devices.

NOTE ON MATERIALS USE

Since Labelium provides digital services, there is no need to report information on materials used, recycled, or reclaimed related to our products.

SUPERVISORY BOARD

The Supervisory Board is composed by :

Six Members:

- Monsieur Cédric BARTHELEMY
- Monsieur Stéphane LEVY
- Monsieur Vincent PAUTET
- Madame Sophie-Miyuki DELVALLET
- Madame Elya HASSON
- Monsieur Sylvain BONNEVIDE

and **two censors** :

- Monsieur Pierre MARTINI
- ATALANTE company

They are appointed by the General meeting of shareholders for an indefinite period of time among:

- candidates designated by the Financial Investor,
- candidates designated by the Tier 1 Managers
- independent Member who have no material business relationship with the Group Labelium which would impair or compromise such persons' ability to exercise independent judgment with respect to the Group's management and supervision thereof.

EXECUTIVE COMMITTEE

The Executive Committee shall assist the President and the Managing Directors in the operational management of the Group. It participates in the development and implementation of the Labelium's strategic plans. It provides input, guidance, and oversight to ensure that the Labelium's goals and objectives are aligned with its mission and vision. It also serves as a liaison between the Labelium and its stakeholders. The Executive Committee members shall be jointly appointed by the President and the Managing Directors, after information of the Supervisory Board. Each Executive Committee Member shall be appointed for an unlimited term of office.

The Executive Committee is composed by:

- Mr. Stéphane Levy (as President)
- SYVAC MANAGEMENT SL, represented by Mr. Sylvain Bonnevide (as Managing Director)
- Mr. Sébastien Etorre
- Mr. Maxime Doreau
- Mr. Jérôme Keloghlanian
- Mr. Michael Beresin
- Mr. Jean Kerboul
- Ms. Anne Bougel
- Mr. Sébastien Litou

GRI Index

GRI Indicator	Description	Answer and/or Reference
102-1	Name of organization	Labelium Group
102-2	Activities, brands, products & services	2022 ESG Report > Pages 1-3
102-3	Location of headquarters	Labelium Group headquarters are located in Paris, France
102-4	Location of operations	2022 ESG Report > Page 1
102-5	Ownership & legal form	Labelium is a private company, French "société par actions simplifiée" owned in majority by Private Equity firm Charterhouse Capital Partners since 2021
102-6	Markets served	2022 ESG Report > Page 1
102-7	Scale of the organization	2022 ESG Report > Page 1
102-8	Information on employees and other workers	2022 ESG Report > Page 1
102-9	Supply chain	
102-10	Significant changes to the organization and its supply chain	n/a
102-11	Precautionary principle or approach	n/a
102-12	External initiatives	In 2022 we verified our GHG emissions with Natural Capital Partners and intend to comply with SBTI verified objectives
102-13	Memberships of associations	

GRI Index

GRI Indicator	Description	Reference
102-14	Statement from senior decision maker	2022 ESG Report > Page 3
102-15	Key impacts, risks and opportunities	2022 ESG Report > Pages 9, 31, 33-34
102-16	Values, principles, standards & norms of behavior	2022 ESG Report > Page 4
102-17	Mechanisms for advice & concerns about ethics	2022 ESG Report > Pages 34-38
102-18	Governance structure	2022 ESG Report > Pages 34-38
102-19	Delegating authority	2022 ESG Report > Pages 34 - 38
102-20	Executive level responsibility for economic, environmental & social topics	2022 ESG Report > Pages 34 -38
102-21	Consulting stakeholders	2022 ESG Report > Page 6
102-26	Role of the highest governance body in setting purpose, values and strategy	2022 ESG Report > Pages 6, 34-38
102-27	Collective knowledge of highest governance body	2022 ESG Report > Page 6
102-28	Evaluating the highest governance body's performance	
102-29	Identifying and managing economic environmental & social impacts	2022 ESG Report > Page 6

GRI Index

GRI Indicator	Description	Reference
102-31	Review of economic, environmental & social topics	2022 ESG Report > Page 6
102-32	Highest governance body's role in sustainability reporting	Final approval for this first ESG report will be given by Labelium CEO and sent to the Supervisory Board of Labelium Group
102-33	Communicating critical concerns	Our CEO directly reports to the board on critical concerns and attends regular meetings regarding all concerns, feedbacks and actions taken
102-40	List of stakeholder groups	2022 ESG Report > Page 6
102-41	Collective bargaining agreements	n/a
102-42	Identifying and selecting stakeholders	2022 ESG Report > Page 6
102-43	Approach to stakeholder engagement	2022 ESG Report > Page 6
102-44	Key topics and concerns raised	2022 ESG Report > Pages 6-7
102-45	Entities included in the consolidated financial statements	This report includes data for all legal entities under Labelium parent company, except those acquired in 2022
102-46	Defining report content & topic boundaries	2022 ESG Report > Pages 7 and 41
102-47	List or material topics	2022 ESG Report > Page 7

GRI Index

GRI Indicator	Description	Reference
102-49	Changes in reporting	This is Labelium's first consolidated ESG Report at a Group Level
102-50	Reporting period	Data is reported for the year to December 2022, unless otherwise stated
102-51	Date of most recent report	2022 ESG report published on June 8th 2023
102-52	Reporting cycle	The 2022 ESG Report represents the first report in an annual cycle
102-53	Contact point for questions regarding the report	Labelium CEO Mr Sylvain Bonnevide sylvain.bonnevide@labelium.com
102-54	Claims of reporting in accordance with GRI Standards	This report has been prepared with reference to the GRI Standards
102-55	GRI Content Index	This is the GRI Content Index

GRI Index

GRI Indicator	Description	Reference
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GRI 200 - ECONOMIC STANDARDS

201 - 1	Direct economic value generated & distributed	
201 - 2	Financial implications and other risks and opportunities due to climate change	2022 ESG Report > Pages 30, 32
205-1	Ethical behavior: anti-bribery & corruption	2022 ESG Report > Pages 36-38

GRI 300 - ENVIRONMENTAL STANDARDS

301-1	Materials used	2022 ESG Report > Page 47
301-2	Recycled input materials used	2022 ESG Report > Page 47
301-3	Reclaimed products and their packaging materials	2022 ESG Report > Page 47
302-1	Energy consumption within the organization	2022 ESG Report > Page 44
302-2	Energy consumption outside of the organization	2022 ESG Report > Page 44
302-3	Energy intensity	2022 ESG Report > Page 44
302-4	Reduction of energy consumption	2022 ESG Report > Page 45
302-5	Reductions in energy requirements of products and services	2022 ESG Report > Page 45

GRI Index

GRI Indicator	Description	Reference
303-1	Interactions with water as a shared resource	2022 ESG Report > Page 45
303-2	Management of water discharge and related impacts	2022 ESG Report > Page 45
303-3	Water withdrawal	2022 ESG Report > Page 45
303-4	Water discharge	2022 ESG Report > Page 45
303-5	Water consumption	2022 ESG Report > Page 45
304-1	Operational sites and protected areas	2022 ESG Report > Page 47
304-2	Significant impacts of activities, products and services on biodiversity	2022 ESG Report > Page 47
304-3	Habitats protected or restored	2022 ESG Report > Page 29
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	2022 ESG Report > Page 47
305-1	Direct (Scope 1) GHG emissions	2022 ESG Report > Pages 25-26 Pages 41-43
305-2	Indirect Energy (Scope 2) GHG Emissions	2022 ESG Report > Pages 25-26 Pages 41-43
305-3	Other indirect (Scope 3) GHG Emissions	2022 ESG Report > Pages 25-27 Pages 41-43
305-4	GHG Emissions Intensity	2022 ESG Report > Page 21
305-5	Reduction of GHG Emissions	2022 ESG Report > Page 28
305-6	Emissions of ozone-depleting substances (ODS)	2022 ESG Report > Page 46
305-6	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2022 ESG Report > Page 46

GRI Index

GRI Indicator	Description	Reference
306-1	Waste generation and significant waste-related impacts	2022 ESG Report > Pages 45-46
306-2	Management of significant waste related impacts	2022 ESG Report > Pages 45-46
306-3	Waste generated	2022 ESG Report > Pages 45-46
306-4	Waste diverted from disposal	2022 ESG Report > Pages 45-46
306-5	Waste directed to disposal	2022 ESG Report > Pages 45-46

GRI 400 - SOCIAL STANDARDS

401-1	New employee hires & employee turnover	2022 ESG Report > Page 42
401-2	Benefits provided to full-time employees that are not provided to part-time employees	2022 ESG Report > Page 16
401-3	Parental leave	2022 ESG Report > Page 16
404-1	Average hours of training per year per employee	2022 ESG Report > Page 11-12
404-2	Programs for upgrading employee skills and transition assistance program	2022 ESG Report > Pages 12-13, 18
404-3	Percentage of employees receiving regular performance and career development reviews	2022 ESG Report > Page 12
405-1	Diversity of governance bodies and employees	2022 ESG Report > Page 14
405-2	Ratio of basic salary & remuneration of women to men	2022 ESG Report > Page 15
413	Local communities	2022 ESG Report > Pages 19-20