

# 2024 ESG REPORT

# Introduction

Since 1993, we have believed that by leveraging innovation and geospatial technology, we create long-term value for our clients, employees, and partners. In the spirit of thoughtful growth guided by autonomy and well-being, Korem has evolved to become a leader in the geospatial sector.

Every day, several large North American companies rely on Korem to make informed decisions and increase their efficiency. Through a unique and reinvented customer experience, we accelerate the adoption of geospatial technology while reducing risk. Our talented and multidisciplinary team of experts shares unique business perspectives and unbiased recommendations, helping pave the way for our client’s future.

Seeking to ensure long-term success for its ecosystem, while acknowledging the daily challenges our world faces, we have integrated the various ESG (Environmental, Social, Governance) pillars at the core of our strategy and priorities. Considering that an increasing number of investors, clients, suppliers, employees, partners, and others now incorporate ESG concepts into their decision-making criteria and priorities, Korem’s leadership places a high priority on these, including embedding ESG principles at the heart of our values and corporate responsibility.

Thus, this report presents the main initiatives implemented by Korem in terms of ESG over the years.

## ECOVADIS SCORE AND 2024 BRONZE MEDAL OBJECTIVE

In July 2023, Korem achieved a 48% score on EcoVadis, recognizing our efforts in ESG practices, positioning the organization within the 43rd percentile. EcoVadis is a globally recognized platform that monitors sustainability performance across various industry sectors.

For 2024, our leadership aims to achieve the bronze medal, which would place Korem among the top 35% (65th percentile) of companies in our sector. This evaluation considers 21 sustainability criteria related to the environment, labour practices, human rights, ethics, and sustainable procurement.



# Environment

The environmental score of an ESG rating considers several factors that impact the natural environment, such as greenhouse gas emissions, natural resource usage, energy efficiency, waste management, and raw material sourcing. Considering that Korem is an information technology company, our environmental impact primarily stems from greenhouse gas emissions and organizational energy consumption. Although we do not have physical production, it's essential to monitor and reduce these aspects to minimize our carbon footprint and contribute to environmental sustainability.

## Energy and Greenhouse Gas Emissions

### Energy Consumption at Korem's Headquarters and Hydroelectricity


Korem's headquarters, located in Québec, benefits from clean, competitive, and environmentally friendly energy thanks to Québec's hydroelectric power. As a result, the electricity consumed by our headquarters comes from a clean and renewable energy source, produced with sustainability in mind. On average, it emits 35 times less greenhouse gases than natural gas power plants and approximately 70 times less than coal-fired power plants.


Québec ranks as the fourth-largest global producer of hydroelectricity, deriving over 97% of its net electricity production from hydroelectric sources. The province plays a crucial role in combating climate change and reducing air pollutants in the northeastern part of the continent. Additionally, hydroelectric power is a mature, safe, and predictable technology that provides long-term energy supply. Québec's energy transmission network adheres to strict standards, and hydroelectric projects undergo rigorous environmental assessments.




### Energy Consumption of External Data Centres

Given that data centre operations are relatively energy-intensive, we have chosen to partner with a provider that has integrated ESG goals at the core of its strategy and priorities. Our external data centre provider, Cologix, has set carbon neutrality objectives for 2030 and has implemented several environmental measures, such as:

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 High-Efficiency Cooling Systems, including water-cooled magnetic levitation chillers with cutting-edge technological performance. TurboCor compressors are also used, which are 50% more energy-efficient than traditional chillers.

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 Free Cooling: Leveraging ambient outdoor air, which is often cooler than indoor air in data centres, to reduce reliance on mechanical cooling.

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 LED Lighting: All new installations use LED lighting, and existing installations are upgraded to LED during maintenance.

Finally, since the data centre provided by Cologix is located in Drummondville and therefore also in Québec, the electricity consumed by its infrastructure is clean, renewable, and sourced from the same hydroelectric power.

### Migration of client solutions and energy consumption by cloud service providers

By gradually encouraging some of our clients to migrate their solutions that are currently hosted in our two data centres to Microsoft Azure services since 2019, Korem ensures that it does not increase its carbon footprint in terms of energy consumption.

Microsoft Azure, which is Korem’s primary cloud service provider, has been carbon-neutral since 2012 and aims to be carbon-negative by 2030. In fact, its cloud services are up to 93% more energy-efficient and up to 98% more carbon-efficient than traditional company data centres.

### Teleworking

Korem benefits from a hybrid work model and has been allowing employees the freedom to work from home since 2020. This approach significantly reduces daily commuting by car to the offices. In Québec, where many workers drive to their workplaces, this reduction in commuting has directly contributed to Korem’s decrease in indirect greenhouse gas emissions in recent years.

Additionally, Korem’s offices are located in downtown Québec City, a strategically positioned area well-served by public transportation, which facilitates and encourages the use of public transit.

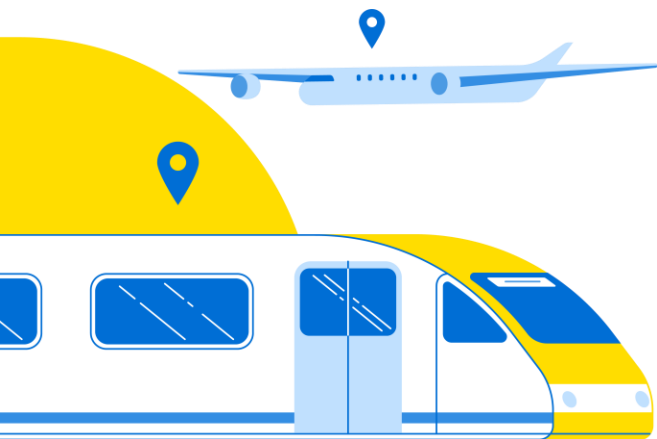
Korem also reimburses monthly public transportation passes or bike-sharing memberships for employees who choose eco-friendly commuting options when necessary.

For employees located outside Québec City, they have access to coworking spaces on an as-needed basis. Most of these employees work remotely from their homes.



### Business Travel

For any local business travel, we encourage the use of public transportation, such as trains or buses. For long-distance trips that require air travel, we are considering the possibility of purchasing carbon credits for subsequent years. Our goal is to offset a certain percentage of the kilometres travelled. This option is currently being evaluated by the executive team.



### Waste Management

Within our office spaces, waste sorting facilities are available in the cafeteria to raise awareness among employees, encourage good habits, and ensure proper management of our household waste. Additionally, a sustainability committee has been established, which, through various initiatives, educates employees about several environmental issues.

For electronic waste, we prioritize reusing equipment whenever possible. If IT equipment is deemed obsolete and needs to be disposed of, we ensure responsible and secure recycling through an external firm specializing in electronic waste recovery and recycling. Furthermore, in 2023, we also donated 15 laptops to a local nonprofit organization.

### Responsible Purchasing

Korem aims to encourage the local economy by promoting, whenever possible, the selection of local suppliers for our corporate purchases. By incorporating these choices into our actions, we strengthen our ties with the local community, necessarily reduce our environmental footprint, and achieve better supply chain risk management.



# Social

We continuously strive to provide a safe, pleasant, and flexible work environment where work-life balance is prioritized. Our goal is to ensure that our employees have the necessary resources to succeed in their careers within a culture that is safe, diverse, equitable, inclusive, and fosters a strong sense of belonging and openness at Korem.

## Diversity, Equity and Inclusion

Korem is also committed to promoting, developing, and preserving a culture focused on diversity, equity, and inclusion. We believe that each employee must have the opportunity to thrive, contribute, and reach their full potential. The reflection of employee diversity in our collective and individual values is crucial to Korem’s success. For 2024, an annual calendar has been established by the Equity, Diversity, and Inclusion (EDI) committee, where several initiatives will be implemented throughout the year.

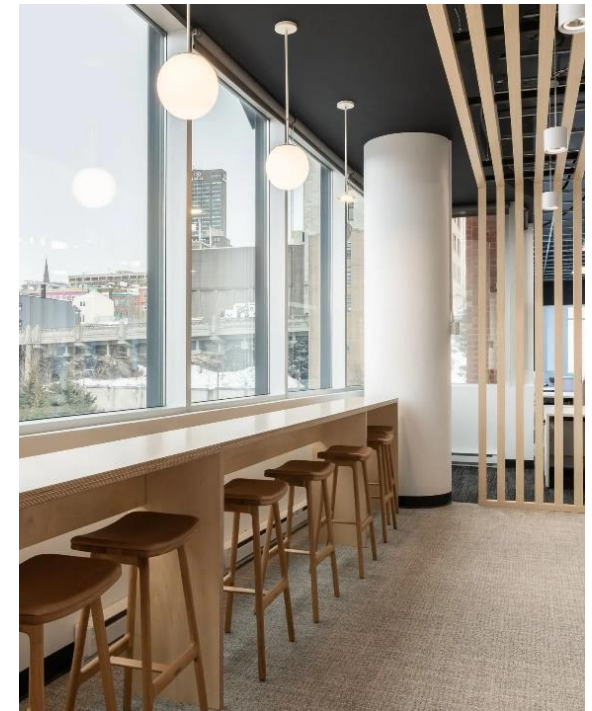
## Health and Safety

In order to ensure a safe work environment for all its employees, Korem takes the necessary measures to protect them. This includes ensuring that facilities and equipment meet safety standards and that the workplace is free from any form of harassment and discrimination. Korem has also trained a team of first aid responders,

with at least one member always present at the workplace to assist in emergencies and other needs if required.



*Workspace in Québec City, renovated in 2022*



*Workspace in Québec City, renovated in 2022*

## Employee Well-Being

Korem, always at the forefront of innovative practices, is proud to have implemented a four-day workweek without reducing salaries. With this project, we enhance the level of flexibility and work-life balance offered to our employees.

various ways. We even offer a service for direct delivery of free-range chicken eggs to our offices.

Furthermore, a calendar of initiatives aimed at promoting employee well-being has been established for 2024. This includes activities such as stress management conferences, training sessions, and sharing tools to better equip employees and enhance their overall well-being.



Various programs also contribute to employee well-being, including a comprehensive insurance program, an employer-contributed retirement plan, telemedicine services, 4 weeks of annual vacation, several holidays, and a lifestyle program where employees receive a discretionary amount that can be used in



*Korem Machines get together for a feast at La Chope gabeline*



*Nine Korem Machines take on the Sun Life "Pentathlon des neiges" challenge*



*VIP experience at the Festival d'été de Québec*

## Employee Recognition

Employee recognition within an organization is crucial for fostering a positive and productive work environment. At Korem, we continuously promote and encourage various recognition initiatives. Employee achievements are highlighted in multiple contexts, such as team meetings or even during the Korem Awards—an exclusive recognition event dedicated to celebrating employees who stand out over the years. Additionally, we have a recognition gala specifically designed to acknowledge and thank employees with more than 5 years of service in the organization. In a remote work environment, these moments of recognition become even more important to ensure that our employees feel acknowledged and supported on a daily basis.







2022 Recognition Gala



Korem 30th anniversary party



2022 Recognition Gala



Korem 30th anniversary party



Korem Awards 2022

## Social and Community Implications of Korem

Since Korem was created in 1993, we have always believed that a company actively involved in the well-being of its community gains support, loyalty, and esteem. Over the years, we continuously invest time and money in supporting the St-Roch community, where our headquarters are located.

Additionally, we engage in various social initiatives within the Québec IT community, including partnerships with *42 Québec*, *Mon Avenir TI*, *Sherpas Élite*, and our participation on the boards of the *Lauberivière Foundation* and the *AQT*. The time invested in these organizations allows us to foster the next generation of IT professionals and share our expertise while supporting local communities.




Educational TechnoBranché project with Mon Avenir TI




Get-together for students from 42 Québec after a Korem conference

## Distinctions & certifications



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★★★★☆




LAURÉATE

2023

PRIX RECONNAISSANCE RH  
PME de l'année



88<sup>e</sup>



Entreprise Lauréate

2022-2023

Santé et mieux-être au travail

# Governance

Considering that a strong, transparent, and ethical governance framework is the foundation of an inclusive, sustainable, and enduring approach, Korem has sought to maintain a qualified, diversified, and transparent decision-making structure. This, combined with clear processes, ensures that our management practices are ethical and responsible while fostering trust within our ecosystem and contributing to our long-term success.

## Corporate culture and Values

We believe that each individual plays an essential role in maintaining robust governance, which translates into the integration of our corporate values into daily operations. These values also form the bedrock of our organizational culture and corporate policies.



### Collaboration

We work together towards a common goal



### Excellence

We give the best of ourselves in everything we do



### Courage

We combine strength, energy and zeal in our actions



### Professionalism

We offer a work ethic

## Governance and Risk Management

Given that proactive management of corporate risks is a hallmark of strong governance, we ensure its integration within our corporate policies, decision-making processes, and internal management methods. By having established, communicated, and accessible corporate policies, along with a qualified and experienced executive team, we ensure compliance with all applicable laws and regulations while adopting ethical practices in our daily operations. Ethics-related topics, such as combating corruption, fraud, and conflicts of interest, are integrated into our policies, which are essential for maintaining sound and transparent governance.

## Client Confidentiality and Information Security

Information security is a priority for Korem and is consistently at the core of our corporate decisions and objectives. As an ISO 27001 certified organization, we have the assurance that the actions, documentation, and measures implemented to ensure the confidentiality, integrity, and availability of our ecosystem's data comply with international standards. We thereby safeguard not only our reputation but also that of our clients and partners.





**korem** | THE  
GEOSPATIAL  
EXPERT SHOP