



Lokalise ESG Report

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Intro and Leadership Statement

While still pursuing our business objectives as an ambitious growth scale-up, we at Lokalise made investments in 2022 into the environment, society and governance where we operate.

Lokalise is a translation and localization platform that helps businesses streamline their localization processes. Our vision is for a world where choice isn't limited by language, where a company's limits will be defined by their ambitions, not the reach of their language. We want to contribute to a more connected and environmentally conscious global community in which the sharing of ideas across borders can lead to more sustainable practices.

In our first annual Sustainability Report we look back at what we've accomplished so far. It covers the breadth of initiatives that we undertook to ensure that our contribution to the world is more than the business value we provide. A company is never too young or too small to take responsibility for the world we operate in. And in turn, a healthier world provides more opportunities for Lokalise to thrive.

We started the year with a [Carbon Neutrality pledge](#) to immediately reduce our carbon footprint to zero because of the ongoing and worsening climate crisis. And throughout the year, we expanded our scope to cover more causes that are near and dear to our hearts.

All of our initiatives were selected and executed by Lokalisers who are deeply passionate about our impact in the world, with the full support of the founders and senior leadership team. The job is never done when it comes to sustainability, and we'll continue the effort in 2023.

Elliot Kim,
Vice President of Engineering

Environmental

In 2021, a group of Lokalisers interested in sustainability initiatives gathered together to discuss how to become a more environmentally sustainable company. Within weeks, a group spread across nine countries organized their efforts to research the topic, interviewed sustainability experts, and calculated our carbon footprint. The work gave us the confidence to create a plan for a carbon-neutral Lokalise, which we pitched to our founders and the rest of the management team.

Many companies make these pledges for 2025 or 2030. The feedback from our pitch was, “Why couldn’t we do this today?” So we did it, today. One of our company values is, “*Take ownership. Optimize for impact.*” The journey to carbon neutrality is just one example of how our team lives our values.

Environmental benefits of being a fully remote company

Lokalise is proud to be a fully remote company. Many employees prefer the remote way of working due to the flexibility, saving time from commuting and being able to work in an environment that fits each individual. Furthermore, remote work might have a positive impact on the environment.

Here are some of the environmental benefits:

- Lower power consumption - It is no secret that offices require a significant amount of energy consumption such as, but not limited to, heating, cooling, lights, computers, and other electronic equipment. A remote working structure changes that. When employees work from home, their personal energy consumption may increase, but the overall power consumption goes down. In addition, employees may be more inclined to power-saving habits when they are using their own power sources.¹
- Reduced greenhouse gas emissions - working from home does not only save

time but also transportation costs and CO₂ footprint from a daily commute to work.²

- Better air quality - reduced gas emissions mean cleaner air.
- Less paper usage - while in the office we tend to use more paper than actually required, remote work forces us to embrace paperless ways of working and to read and share documents online, using virtual collaboration tools.
- Less use of plastic - plastic cutlery, cups and packaging are something common in the office environment. Work-from-home employees use their reusable inventory on a daily basis.

Carbon footprint

Although Lokalise is a fully remote company, which leads to multiple environmental benefits (related but not limited to day-to-day commute), we still gather for offsites, team events, workshops and strategic meetings. Like every tech company, we use a number of servers to store and run our tech, which leads to significant energy consumption.

In 2021, Lokalise decided to monitor and offset our overall carbon footprint. Since then, we have calculated our carbon footprint on a quarterly basis and offset our environmental impact on an annual basis.

Travel carbon footprint

Here is our 2022 carbon footprint related to travel, calculated for both air and train travel:

- Q1: 18,991.76 kg CO₂
- Q2: 19,082.20 kg CO₂
- Q3: 178,236.03 kg CO₂ - significantly more, since Lokalise had an offsite gathering in Portugal
- Q4: 13,413.7 kg CO₂

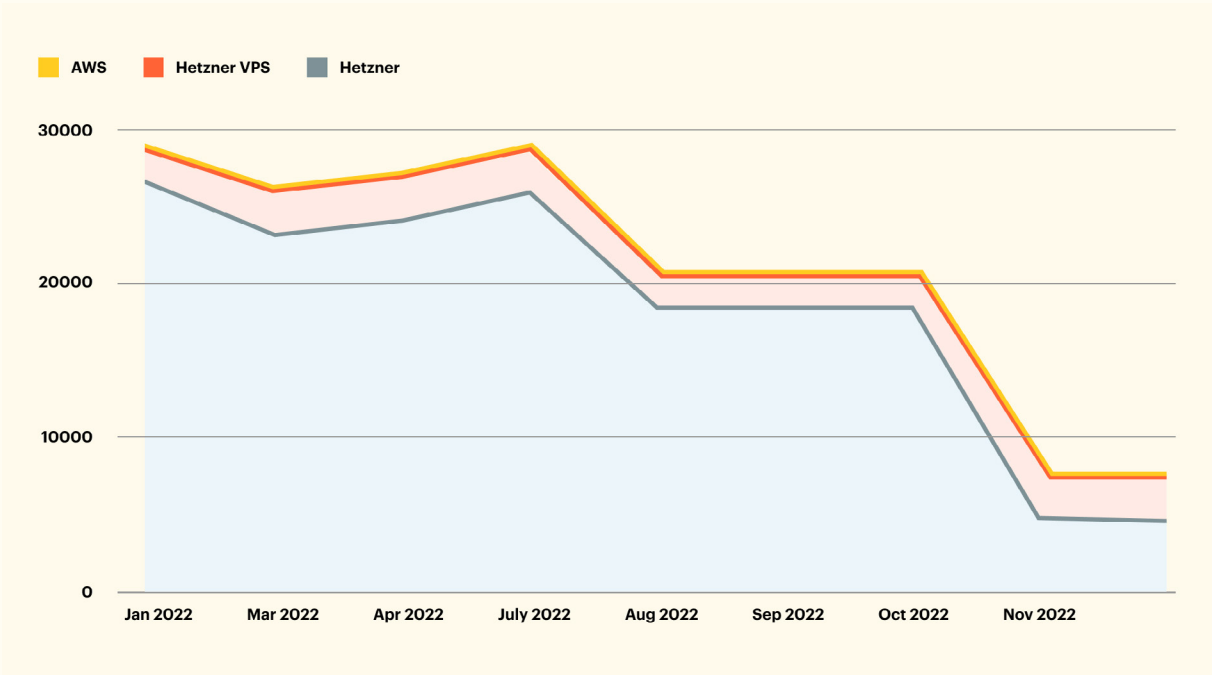
This represents a total of 229,723.69 kg CO₂ for travel.

Energy Lokalise used for servers

Lokalise operates with 64 servers (both cloud and on-premise). Twenty-nine of them operate on green energy. The carbon footprint of the servers is as follows:

- Cloud server using 100% green electricity: 160 kg CO₂e / year and server
- Cloud server using non-green electricity: 458 kg CO₂e / year and server
- On-premise or data center-server using 100% green electricity: 320 kg CO₂e / year and server
- On-premise or data center-server using non-green electricity: 916 kg CO₂e / year and server

Total CO2e



Carbon Removal Using Stripe Climate

To prevent the most catastrophic effects of climate change, the world will likely need to both radically reduce the new emissions we put into the air, and remove carbon already in the atmosphere.³ Lokalise is the first major translation management platform to go carbon neutral by joining the Stripe Climate

initiative. Stripe Climate works with Frontier, Stripe’s in-house team of science and commercial experts committed to carbon removal technologies and making carbon removal purchases. Lokalise contributed approximately \$150,000 in 2022 to the Stripe Climate initiative, which accounts for the removal of approximately 987 tons of CO₂ from the atmosphere.

Veganuary at Lokalise

We love data at Lokalise, so here’s some from our friends at the Vegetarian Society.



Eating a veggie diet means 2.5x less carbon emissions than a meat diet.*⁴



A chicken breast takes over 735 litres of water to produce. That could fill up your bathtub 4.6 times!*⁵



By eating vegetarian food for a year you save the same amount of emissions as a family taking a small car off the road for 6 months.*⁶

We all know that a green diet leads to a green planet, but how can we help our colleagues to make healthier and greener food choices? Luckily, we have some passionate food and environment lovers at Lokalise that took time in January to share yummy food recipes with their colleagues. Amandine Hiraclides launched the Veganuary series of posts, videos and recipes that helped more Lokalisers to access meat-free meals. Let us share one of her posts with you.

“It’s me again, the one who loves plants. I know you’re thinking: ‘Amandine, this Veganuary thing is cute, but there’s no way we’ll stop eating meat for a whole month!’

I hear you, and I'll actually let you in on a scandalous truth: I'm not actually vegan myself. Wait... WHAT?!

Yeah, I'm a 'flexitarian.' I cook vegan when cooking for myself, and I order vegan at the restaurant when I have the option to do so. The point that I am trying to make here is that eating vegan doesn't have to be an 'all in' or 'all out.' It's all about defining achievable goals. So, let's brainstorm on what we can do to reduce our intake of meat, even by a little bit, this month.

Achievable goal #1: cooking your favorite meals with a lower meat-to-vegetables ratio

You've probably heard that a healthy plate should contain 50% vegetables, 25% carbs, and 25% protein. So, think about the meals that you love cooking and ask yourself how you can get closer to this ratio. Some meals already have vegetables in them, and it's all about adding more of those and less of the rest. For other meals, adding a salad or a soup on the side is a good way to get those veggies in.

Achievable goal #2 : Look for meals that might already be vegan (or could easily become it) in your current diet

There is still so many ways to cook meals from all around the world without including meat:

-  curry
-  samosas
-  risotto
-  pizza
-  pad Thai
-  burritos
-  nachos
-  galettes
-  stuffed tomatoes

(Disclaimer: I apologize if any of the flags don't reflect the real food origin, this is done purely from what I was raised to believe!)

If you manage to cook one or two vegan recipes this month, it will already be a success!

Achievable goal #3: come cook with me!

As part of Veganuary, I'll organize a online cooking session on Wednesday, January 25th, where I'll show you how I cook one of my vegan meals! If there's one from my last post or from the list above that you'd like to see, let me know!"

Social

Effort to support Lokalisers at the beginning of the war in Ukraine

On the 24th of February 2022, the world awoke to the Russian invasion of Ukraine. The war in Ukraine shook many, with some having friends and colleagues impacted.

Lokalise had a number of employees in both Russia and Ukraine, and our company's first priority was to provide a prompt response to our colleagues in the affected regions. On February 25th, our CEO Nick Ustinov messaged the company confirming that we were fully committed to supporting our team members and their families, not only those in Ukraine but everyone who may be affected by this disaster.

The support measures we immediately put in place included:

- Supporting emergency relocations of all Ukrainian, Russian and Belarussian employees.
- Advising employees to change their payment details to try and secure continuous payment to all.
- Allowing advance payments to any employee that requests financial assistance.
- Supporting direct family members with relocation and financial support (even if employees themselves cannot cross borders).

In the following weeks, Lokalise donated \$500,000 to various causes listed on helpukrainewin.org, and many of our colleagues individually made donations to different organizations. The efforts made by individuals and our company didn't stop there. Our team was swift to action by:

- Creating an emergency response group to organize Ukrainian team members and their families to safety
- Lokalisers from neighboring countries provided shelter and local tips for our colleagues trying to navigate travel

- Every department took ownership of various tasks
- Ensuring our recruitment process was available to job boards and sites for refugees
- Partnering with LSPs (Language Service Providers) to provide translations into Ukrainian free of charge
- Offering our products for free to affected communities
- Supporting our customer, [Bunq](#), with translating their entire mobile app into Ukrainian to provide banking services
- Pausing all business relationships with customers out of Russia until the invasion ends

Here is an example of the impact our team's actions had on one of our many customers, DepositPhotos.

"The letter from Nick and all the support from your team are very encouraging. Thank you for standing with us despite losing money from Russian clients. This solidarity is priceless. I shared Nick's post with our team to boost morale."

Our Team: Diversity Promotion and Management

Lokalise's team was built with the goal of promoting diversity. Our aim has always been to onboard teammates globally, from different cultures and backgrounds, and regardless of gender identity, ethnicity, sexual orientation, religion, civil or family status, age, disability, or race.

Diversity in the workplace has been proven to bring a number of benefits, from increased productivity to more creativity, increased market opportunities and a better reputation. At Lokalise, diversity is also the most effective hiring strategy. As a fully remote company, we are able to hire from anywhere, giving our team the flexibility to choose where they want to work from.

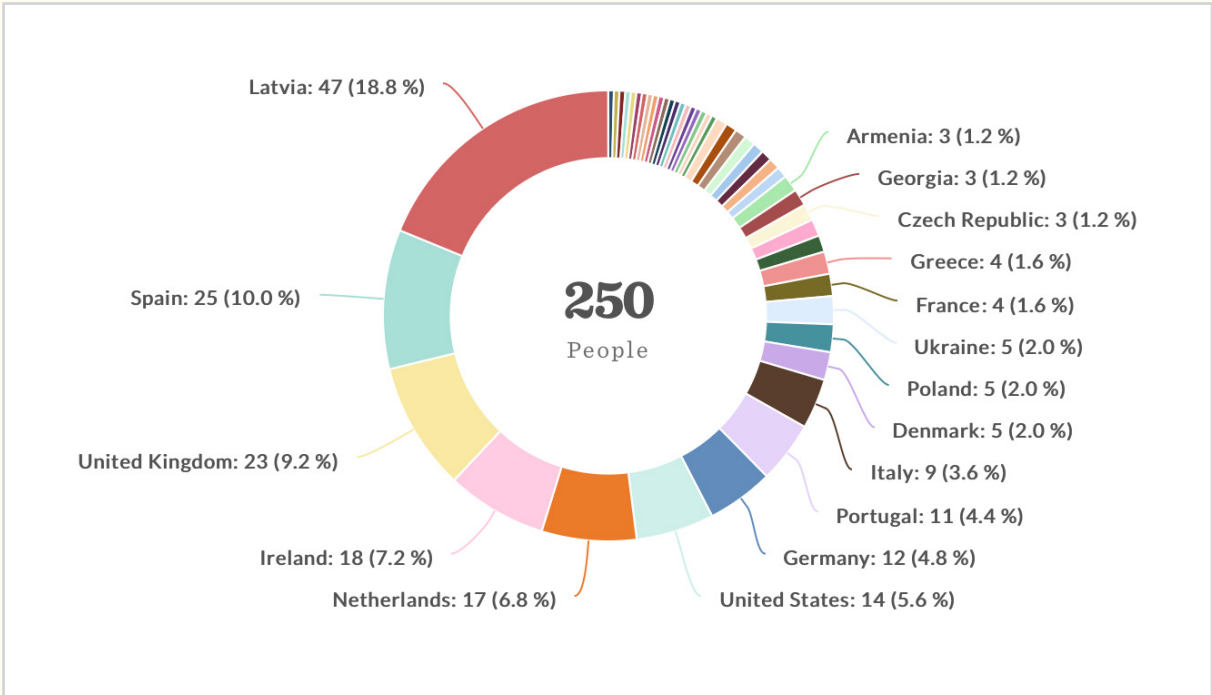
We monitor how people feel about diversity and inclusion in our engagement survey, which is run twice a year. We have continuously reported some of the

highest scores in the engagement survey around diversity and inclusion, with 90% of our colleagues feeling positive about the following statement: “At Lokalise everyone is treated equally, regardless of their gender, cultural background, heritage or other personal dimensions.”

The Lokalisers’ Point of View

Jacob Wheeler, Senior Customer Success Manager

Lokalise is truly a place where you can come as you are. The leadership and individual team members celebrate diversity not only from a geographical standpoint but also race, gender identity, and beliefs. It’s been freeing to be in a company where I can choose to respectfully share about my background as an adoptee and also hear from others about their unique story. Lokalise allows people to honor individuals while making sure we focus on being an inclusive safe place to work cohesively.



Countries

While most Lokalisers are based in Europe, the diversity of backgrounds is striking, with all continents except Antarctica represented. Currently, we have colleagues with a registered base in more than **44 countries** around the world, not only in all corners of Europe, but also in many diverse places in Asia as well as South, Central, and North America.

Languages spoken

Nothing opens your mind to diverse perspectives, and lets you empathize with other cultures and paradigms than learning a new language. There are 33 different languages spoken at Lokalise. Even more astonishing, more than half of Lokalisers speak 3 languages or more (125), **18%** Lokalisers speak 4 languages or more (43), and **8%** (18) of us speak 5 languages or more.

Age

- 3.5% unknown
- 8.7% 18-26
- 58.3% 27-35
- 24.8% 36-45
- 3.94% 46-55
- 0.38% 56-64
- 0.39% over 65

Gender

- 64.17% man
- 33.86% woman
- 0.79% transgender man
- 1.18% unknown

Diversity celebration and awareness

In July 2022, Lokalisers met in person in Portugal for the company's annual offsite. This was the first time all our 250+ team members got together to get to know each other over workshops and team-building activities. The agenda rotated around our company values, with each day dedicated to a different topic.

"Support one another. Thrive together" is one of the five Lokalise's values. To support one another effectively, we believe it's paramount to understand each other's cultural backgrounds and communication preferences. Two activities were organized to support our team in learning about each other's cultural backgrounds and preferences.

Organization of the Global Village

On Monday evening, we wanted to celebrate our inspiring diversity and allow each culture's heritage to be showcased in the form of traditional dress, local food, music and songs.

We called the activity *Global Village*, and Lokalisers spent four hours in the venue's garden, where about 30 tables had been set up. Each table represented a different country, and our team got so creative in representing their cultures during the event. A BBQ dinner was organized in the garden at the same time, but trust us when we say that Lokalisers went above and beyond by bringing so much local food and drinks that we could have all been fed even without the dinner! The most amazing part was seeing people networking between tables, asking questions about traditional dress or music with that same passion and curiosity of a child visiting a new country for the first time.

The Lokalisers' Point of View

Amandine Hiraclides and Eleonora Ferrero, organizers of the Global Village

"While working on our company offsite, I knew I wanted to

organize an activity to celebrate our team's cultural diversity," says Eleonora, Lead Business Operations Manager. "I was looking for ideas to create an interactive and fun celebration of our different cultures, and I remembered an initiative I attended while being a student volunteering at AIESEC - a global platform for young people to develop their potential through practical international work and volunteering experiences." Eleonora teamed up with another former AIESEC volunteer, Amandine, Data Analyst in the Revenue Insights team.

"Organizing a global village in Lokalise was very dear to my heart," says Amandine. "When I was a student working in AIESEC, I never believed that I would one day find a company that celebrated cultural diversity as wholeheartedly. Being part once again of such an initiative is something that I am grateful for. When you walk around the tables of a global village, you can feel the pride that people have as they talk about the food and drinks that they brought from home. I love to see that passion and curiosity about others' traditions!"

"The Global Village was one of my favourite moments of the entire offsite!" concludes Eleonora. "I simply loved seeing everyone so engaged and proud of sharing their own traditions with others. We connected at a deeper level with one another. Not just as colleagues, but as human beings."

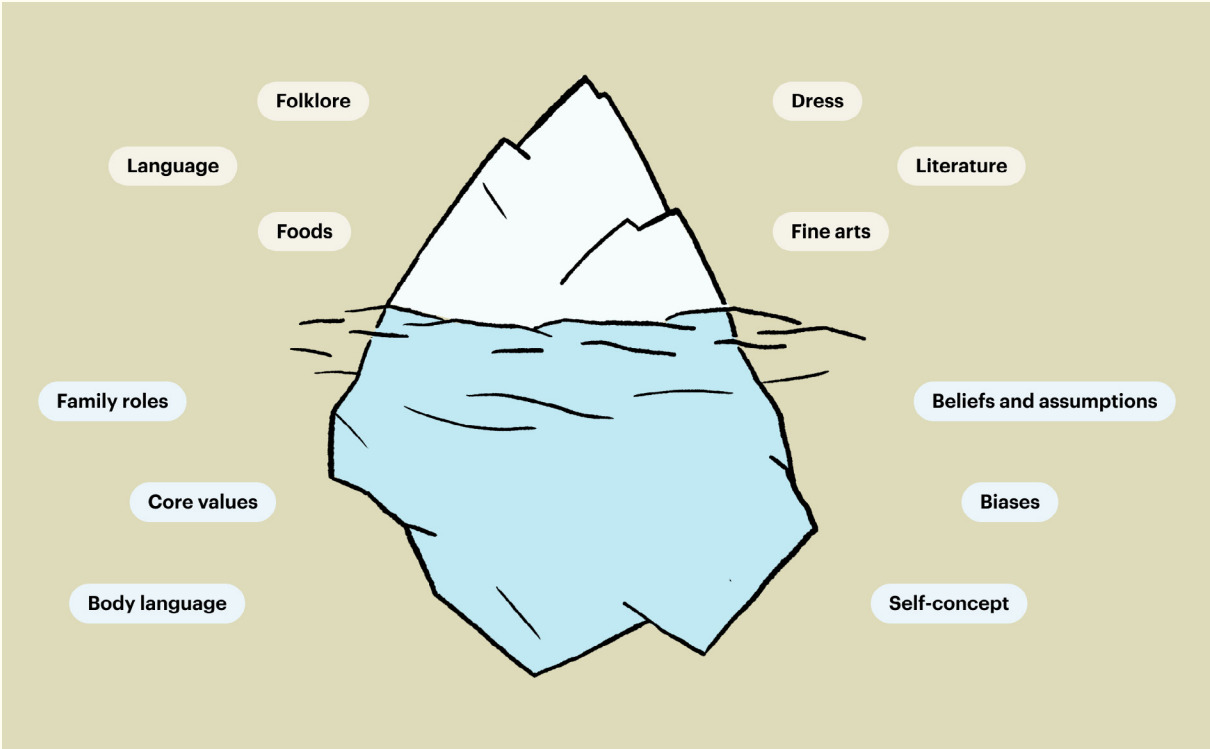
Cultural environments and profiles workshop

During the offsite, a number of workshops were organized on both soft and hard skills. A rich agenda allowed our team members to choose between parallel tracks with more than 15 workshop options available.

One of the workshops covered how cultural environments and profiles can influence interpersonal interaction, including communication, planning and execution. The two-hour session saw participants exploring the meaning of culture and their cultural preferences with a key tenet being that culture is a collective programming of the mind that distinguishes the members of one human group from another.

The culture iceberg helped our team to identify all those elements that, consciously or unconsciously, impact how we perceive and interact with one another.

Culture iceberg



An introspective activity was run using the Lewis Model, which divides the world's

cultures into three groups: Reactive, Multi-Active and Linear-Active. Every person was asked to take a quiz to identify their individual belonging to one of these three groups. Many team members discovered that their individual preferences did not conform to their nationality, and that their communication patterns or values were more similar to a different world's culture. Divided into small groups, Lokalisers had some time to brainstorm and share the strengths and weaknesses of their cultural approach, as well as recognize the impact of personality and human nature on their cultural preferences.

Mental Health

Mental health at work is a pressing issue for all businesses. In startups, burnout is an even greater risk due to long hours, fast change and demanding targets. This poses a real challenge when it comes to building a positive work environment and retaining talent.

We believe startups and scaleups have a real duty of care to the teams that make their success possible. We're people above all else, and we all need a supportive, safe working environment in which we can challenge and learn from each other.

At Lokalise, we recognize mental health as a top priority. That's why in 2022 we teamed up with Plumm to offer our colleagues comprehensive, confidential workplace support throughout the year.

Through the Plumm mobile app and platform, Lokalisers have free access to:

- One-on-one video therapy sessions with accredited therapists
- Unlimited chat therapy
- A growing library of therapist-led digital well-being courses
- Guided meditation sessions
- Monthly live workshops
- Mental health first aid training

Many Lokalisers took advantage of our partnership with Plumm, with the overall 2022 usage summarized below.

- ~ 2.000 chat sessions
- ~ 600 video sessions
- ~ 500 courses taken
- ~ 200 meditation sessions

The Lokalisers' Point of View

Elliot Kim, VP of Engineering

I feel incredibly privileged that our company recognizes the importance of mental health and invests in resources like Plumm to support the well-being of our employees. Having benefitted first-hand from working with a professional therapist through Plumm, I now encourage others to do the same! Taking care of the body is only half of the equation, and the mind is the other half.

In 2023, we renewed our partnership with Plumm and also launched the Mental Health First Aiders (MFHA) programme.

Together with Plumm, we organized training about how to support other Lokalisers with their mental health. The MFHA course aimed to equip our team members to identify signs of mental health distress and help guide teammates to the proper resources. Participation in the training was optional. The course did not teach people to be counselors or to diagnose. Instead, it prepared them to act as a point of contact, reassure a person who may be experiencing poor mental health, and signpost them to professional support.

We will keep working to create a safe environment, and we will continue to monitor how people feel about their well-being in our engagement survey. During our latest survey, 90% of our colleagues reported feeling positive about their manager and colleagues genuinely caring about their well-being.

Mental health is a journey and, as we move forward and grow as a company, we want to also grow the knowledge and tools available to the team to ensure that everyone feels supported.

Governance

Procurement: the case of our sustainable SWAG

At Lokalise, we love to treat our team and customers and make them feel part of something special. In 2022, we decided to produce a new set of swag (branded promotional items or merchandise) and send it to all our employees.

When embarking on this new project, one of our top concerns was the environmental impact of the merchandise. Therefore, collaborating with the right provider was key to having good quality products and high sustainability standards.

We spent three weeks interviewing different providers and understanding their approach to quality and sustainability. We did not want to work with a supplier if we couldn't trace the environmental impact of our purchase.

That's how we decide to work with Mula. One of Mula's main pillars is sustainability, and it's their mission to change how merchandise is produced and used by people. Mula moved away from cheap plastic giveaways, and focuses instead on long-lasting products that can be used for years to come. They're committed to using organic, compostable and recycled materials in the production of the merchandise and apparel. Remarkably, Mula also shares the same goal as Lokalise of becoming 100% carbon neutral, and the company collaborates with a number of social projects in Kenya, Turkey and the Congo Basin.

Open reporting on our performance and financial status

At Lokalise, we use Objectives and Key Results (OKRs) to plan and monitor our performance. OKRs are a strategy execution tool widely used in technological companies. The idea is that we create a set of Objectives aligned with our strategy,

and each Objective has a set of Key Results that represent concrete measures of success. The use of OKRs implies constant monitoring, pushing the team to be more data-driven and transparent in communicating our performance across all levels of the organization.

Each month, we update our team and company-level OKRs and publish updates on our management tool, Jira. Key performance highlights are shared during the all-company Town Hall meeting, which always includes an open Q&A session where our colleagues can challenge, debate and share concerns or ideas.

Once a month, we also share our financial performance with up-to-date data on our revenue, costs, and burn multiple. We have discovered the importance of assuring that the team has access to a continuous flow of updated information. While our intent has never been to hide figures, not having an accessible dashboard and continuous flow of data actively stops our team from understanding our company's performance. We hire incredibly smart and motivated individuals: Lokalise needs all of their brainpower and input to succeed!

Communication policy on Slack

Slack is the main communication channel for Lokalisers. We use it to ensure information is available to the entire team. Whenever possible, channels are public so that engineers can see what happens in marketing, and sales representatives are updated on product news. To avoid burnout from the continuous flow of information, we have a 24-hour response policy, meaning that our teammates are not expected to immediately respond to messages. Instead, we encourage the use of status and emojis to let others know when they are in focus time, away from the laptop, etc.

Closing Remarks

Looking to the future

Why does a tech scaleup want to report on its ESG performance? At Lokalise, we believe in a world where companies are responsible for their overall impact beyond the product or service provided. We are still small, but we value accountability and impact. Reporting helps us to keep the focus high on what matters and our role in society.

This report highlighted what has been done, and showed that there's still so much that we can do to be a more sustainable and responsible company.

So, what's coming next?

First, we maintain the commitment to offsetting our carbon footprint and to being 100% carbon neutral.

From a social perspective, we want to give more opportunities to Lokalisers to make an impact. To do so, we are organizing the Volunteer Month Initiative. The idea is quite simple: promote a specific month where Lokalisers will spend a working day volunteering in their local community.

While we are a diverse company by nature, there's a lot we can do to improve our conscious management of diversity and improve equal access to opportunities both across the company and in the market. Our People team is at work, and we are excited to report the progress made in twelve months' time.

Finally, we will launch a brainstorming session to develop new ideas for projects that the Sustainability Team can run throughout the rest of 2023 and beyond. Expect more impactful ideas and initiatives!

While this is not a comprehensive action plan, and some of our areas of focus might

change, we aim to continue our journey toward being a more sustainable and responsible company.

Thanks to you for keeping us accountable.

Lokalise Sustainability Team

Resources

¹ Adi Gaskell, How Eco-Friendly Is Remote Working?, Forbes, October 21st, 2021. Retrieved from: <https://www.forbes.com/sites/adigaskell/2021/10/21/how-eco-friendly-is-remote-working/?sh=62366dc71864>

² Ganga Shreedhar, Kate Laffan, and Laura M. Giurge, Is Remote Work Actually Better for the Environment?, Harvard Business Review, March 07, 2022. Retrieved from: <https://hbr.org/2022/03/is-remote-work-actually-better-for-the-environment>

³ Stripe Climate Initiative. Retrieved from: <https://stripe.com/en-gb-gr/climate>

⁴ Vegetarian Society, Retrieved from <https://vegsoc.org/info-hub/why-go-veggie/environment/>

⁵ Vegetarian Society, Retrieved from <https://vegsoc.org/info-hub/why-go-veggie/environment/>

⁶ Vegetarian Society, Retrieved from <https://vegsoc.org/info-hub/why-go-veggie/environment/>

