



ELEVATE

Sustainability Report 2017



Industry
specific



Data
driven



Comprehensive
information

Our purpose and mission

We believe in sustainable, balanced and inclusive economic growth. We believe in an economic model that collectively activates business and other stakeholders to improve people’s lives and preserve the planet. This requires a commitment to transparency, visibility and the thoughtful management of risk and performance. It requires a commitment to business driven sustainability.

To achieve this purpose, we engage, we innovate, we inspire, we ELEVATE.

Our unique place in the industry

ELEVATE is the leading business risk and sustainability solutions provider. We deliver improved organizational performance through sustainability and supply chain assessment, consulting, program management and analytics.

ELEVATE is the only independent sustainability and supply chain services provider with global reach, local expertise and a beyond audit assessment and improvement service portfolio. We combine this model with unique insights derived from quality data and that fuel program effectiveness and impact.

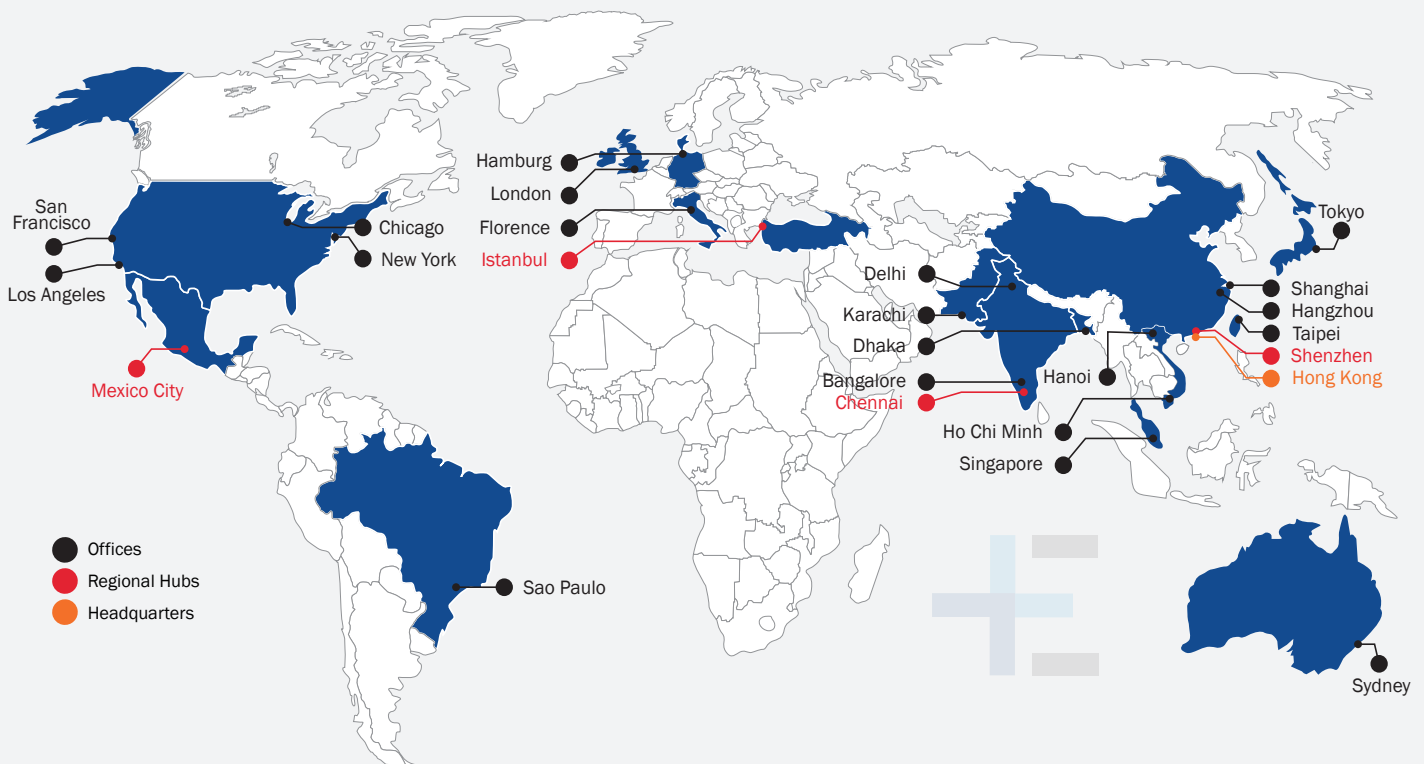
In 2017, we conducted over 12,000 assessments and audits with a geographic reach to 100 countries. But our model is not only about performing audits to high standards of quality and integrity. As industry leaders of the beyond audit model, we also institute processes before audits, during facility visits, and solutions separate from audits that deliver scalable and sustainable improvements for businesses and workers.

Our business-minded perspective and relentless focus on integrity, transparency, innovation, sustainability and measurable impact across the full value chain deliver lasting positive change for companies, brands and retailers, suppliers, factories and workers.

This positioning gives ELEVATE a unique viewpoint on the challenges and opportunities to improve program design and inform the development of our industry. This report shares some of these insights and experiences as we work to elevate our own contribution and sustainability journey.

<http://www.elevatelimited.com/>

Figure 1: Countries and locations of our operational, delivery and client services teams



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A message from our CEO

The industry of sustainability and supply chain risk management is highly dynamic and continually influenced by major geopolitical and economic forces. Keeping pace with these changes requires innovation and transformation regardless of the sector or geography in which one operates. It requires continued examination of one's business practices and their impact on people and the planet. At ELEVATE, we are committed to leading the industry by evolving our own practices and guiding others through their own journey of transformation to address emerging social and environmental trends.

In 2016, ELEVATE formalized its support and became a signatory of the United Nations (UN) Global Compact. This is our first report as a signatory of the UN Global Compact. It covers the 2017 calendar year. This report also marks a clear milestone in our own history as we work consciously to integrate the ten principles of the Global Compact into our business strategy and operations. This first report focuses mainly on establishing our framework for analysis and reporting. It includes a number of policy statements and recognizes the additional structural changes that will follow in 2018. Future reports will include more on targets and Key Performance Indicators (KPIs) relevant to each principle so we can monitor and communicate our progress annually. This first report is delivered via PDF but we expect future reports to be delivered online with quarterly KPI updates.

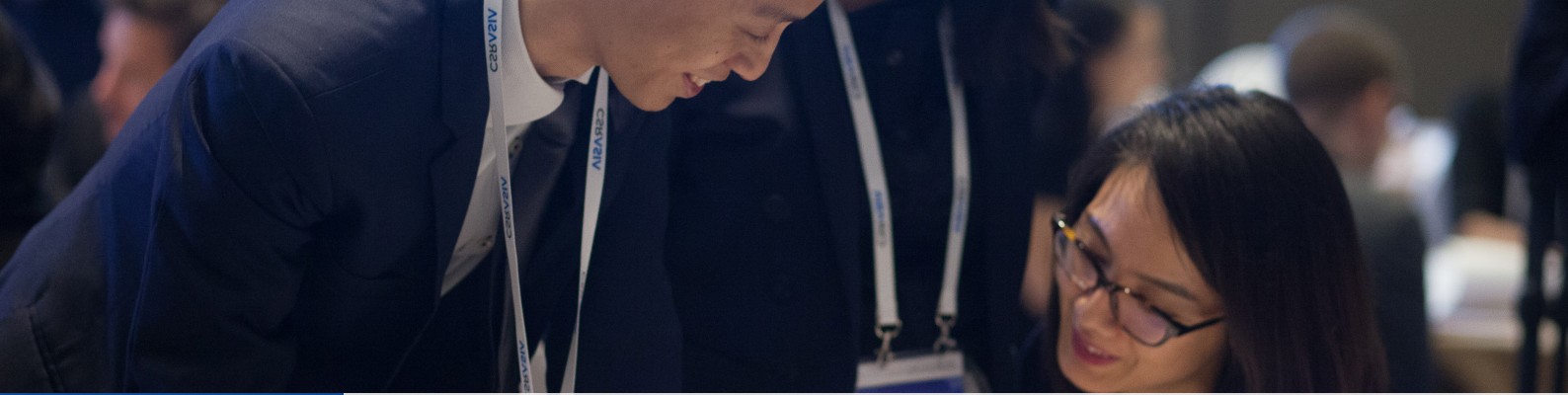
In 2017, we started an internal transformation to expand our product offering in response to emerging trends, client demand and to re-affirm

our commitment to beyond-audit. We announced the acquisition of two like-minded companies: CSR Asia, a leading corporate sustainability consulting firm in Asia, and Laborlink, an innovative world-leading worker engagement business. We also re-invigorated our efforts to scale assessment in new geographies and share analytics solutions with our clients, stakeholders and the wider industry. To achieve these outcomes, we have invested to create new and expanded internal teams and put in place a number of initiatives that safeguard and further develop our most precious assets; namely our people, our integrity and our quality.

This growth brings new and exciting opportunities to build even stronger partnerships with our clients as we enter new geographies, sectors and service lines. It also presents both anticipated and unanticipated challenges. At the core of our response to these challenges is our unwavering commitment to our people, to excellence and to integrity in all we do. This same commitment motivates our involvement as a founding and active member of the Association for Professional Social Compliance Auditors (APSCA). It continues to set us apart.

Like any company, we are learning, and as we learn, we will continue to improve our internal protocols and systems in ways that enable mindful growth and proactive communication. This report forms part of our effort to disclose and share our performance and evidence our commitment to continuous improvement. We invite you to join us on this journey...

Sincerely,
Ian Spaulding, Chief Executive Officer, ELEVATE



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About this report

2.1 Understanding our impact

ELEVATE was formed by the founders of mission-driven companies who share a passion for innovation and impact. We believe in sustainable, balanced and economic growth. We believe in an economic model that collectively activates business and other stakeholders to improve people's lives and preserve the planet. This requires a commitment to transparency, visibility and the thoughtful management of risk and performance. For more than 10 years our teams have delivered sustainability services for multinationals, suppliers and factories. This work has helped shape an industry. It has helped transform business and improve lives.

Our first sustainability report covers the 2017 calendar year. This report marks a series of next steps in our story and vision; namely to actively embed the principles of sustainability into our own business, and to initiate data-driven analysis of our impact. It provides information about governance, structure, our mission and vision. As a signatory to the UN Global Compact, this report also includes practical actions we are taking as a company to implement the Ten Principles within the four areas of human rights, labor, environment and anti-corruption.

2.2 Materiality assessment

This first report is intended to identify and then evidence our engagement to address the most material issues. For ELEVATE this reflects a combination of our business goals, those sustainability issues most relevant to our stakeholders and the EQT responsible investment reporting criteria (see Section 3).

2.2.1 Stakeholder engagement

In 2017, we invited stakeholders to participate in an online sustainability survey. The survey asked our stakeholders to identify and rate what sustainability issues they perceived as being most relevant and material to our business. More than 100 stakeholders from all key ELEVATE geographies participated. This included our employees, board members, clients, academics and thought leaders within the industry. All submissions were anonymous in order to support an open and transparent dialogue. The results of this sustainability survey will also be combined with our annual employee survey to enable a richer understanding of improvement areas and engagement in 2018 and beyond.

Figure 2: Stakeholder distribution

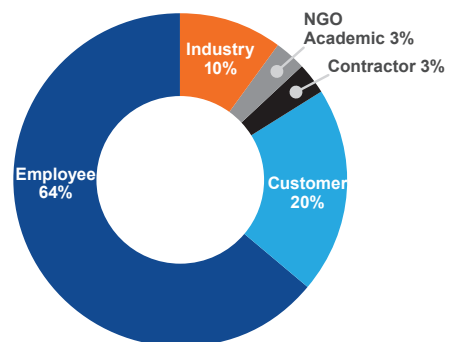
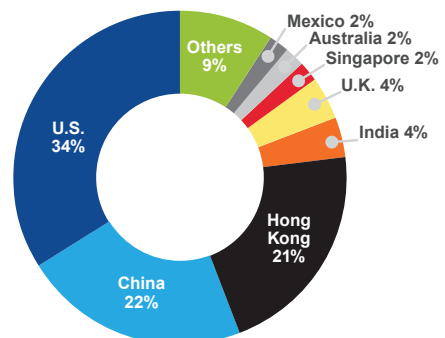


Figure 3: Geographic distribution



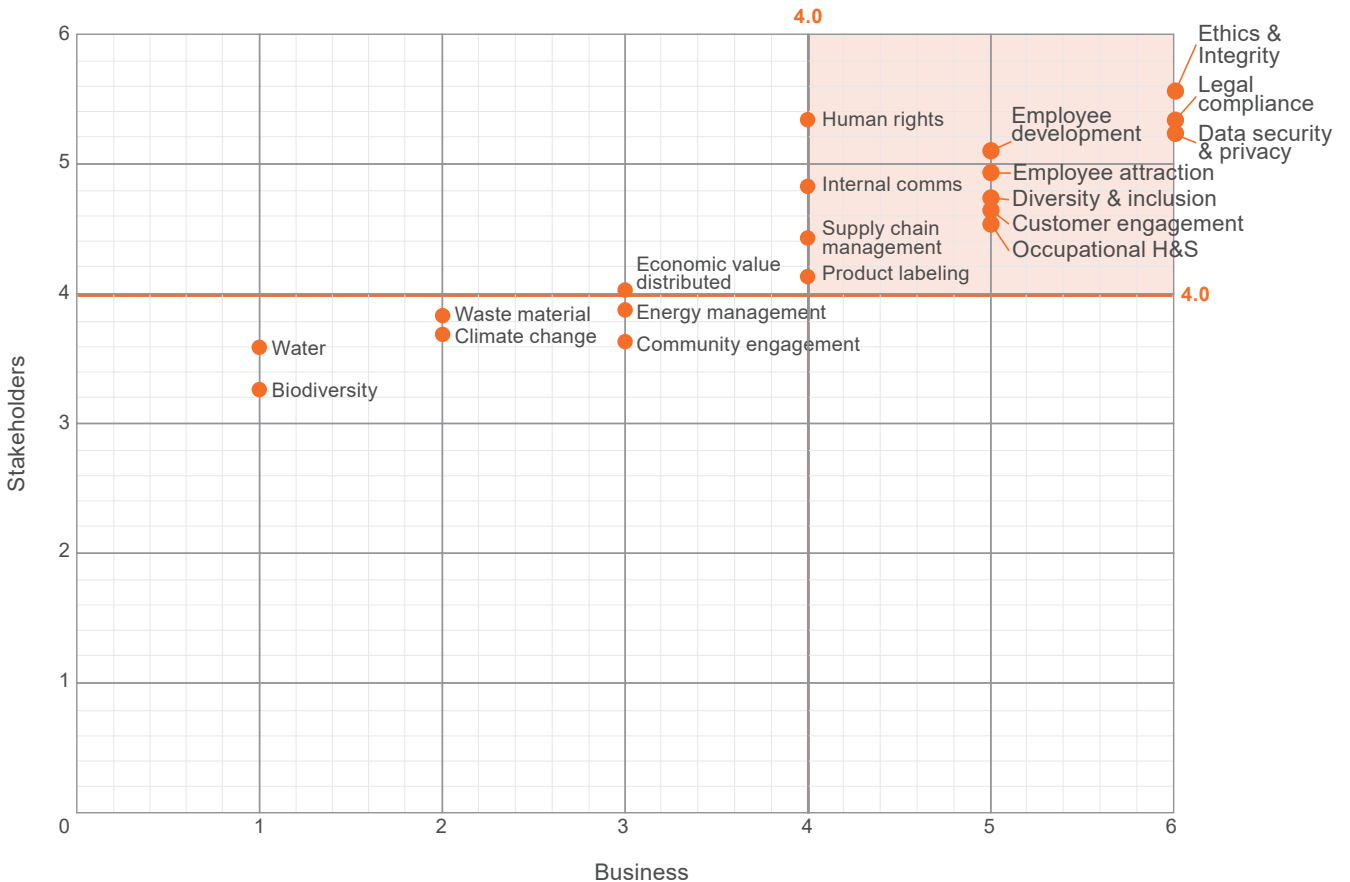
2.2.2 The materiality matrix

The provision set of our most material sustainability issues were then determined by considering the importance of each issue to both the above stakeholders and our business. Together these are presented in Figure 4 where the top ten most material issues are:

1. Ethics and integrity
2. Compliance with laws and regulations
3. Data security and privacy
4. Employee development
5. Employee attraction and retention
6. Diversity and inclusion
7. Client engagement
8. Occupational health and safety
9. Human rights
10. Internal communication

These ten most material issues form the framework for our sustainability efforts. They reflect both where we should focus inside ELEVATE and also how we can work with our customers to effect sustainability impact(s) in their supply chain and thus in our wider sphere of influence. This report provides our first initial disclosure, progress and improvement intentions against each of these areas. It focuses more on what we are doing inside ELEVATE to transform our business. Future reports will focus more on the metrics and impact of our activities on the supply chains of our clients.

Figure 4: Matrix of importance to stakeholders and business



Stakeholder viewpoints >>



“Much of ELEVATE’s sustainability impact depends on us successfully leading the industry and influencing and advising our clients to adopt better practices in the factories and communities in which they operate and on their environmental footprint. Client engagement is therefore not just one of our material issues but also is crucial to our way of working as a catalyst for business driven sustainability.”

Mark Jones, Senior Vice President, Customer

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Our governance, structure and growth

3.1 Ownership model

In 2016, EQT acquired a majority stake in ELEVATE. The founders and management of ELEVATE remain significant shareholders alongside EQT. As a portfolio company in the EQT Mid Market Fund, ELEVATE complies with EQT's Responsible Investment (RI) Policy. This requires us to produce an annual EQT Responsible Investor (RI) Transparency Report that covers factors such as the environment, labor and human rights and ethics. EQT is a signatory to the United Nations-supported Principles for Responsible Investment (PRI) Initiative and works actively with its portfolio under the premise of responsible ownership.

3.2 Board of Directors

Our board of directors meets quarterly as part of the company's governance procedures to review strategy, business growth, and to ensure the company is operating in alignment with its values. As the majority shareholder in ELEVATE, EQT holds three of the five ELEVATE board positions.

<http://www.elevatelimited.com/about/our-people>

Members of the ELEVATE board include:



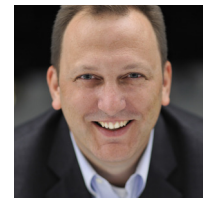
Per Setterberg,
EQT, Chair



Tak Wai Chung,
EQT, Partner



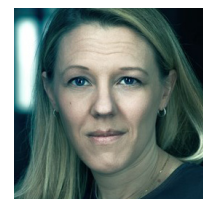
Michael Hauge Sørensen,
EQT, Industrial Advisor



Ian Spaulding,
ELEVATE, CEO



Mark Jones,
ELEVATE, Senior Vice
President, Customer



Therése Lennehag,
EQT, Advisor to the board

Stakeholder viewpoints >>



"ELEVATE's approach to sustainable supply chains is about helping companies "future-proof" their operations. ELEVATE was clearly ahead of its competitors with services it was providing, but what ultimately attracted us was the company's entrepreneurial mindset and culture of innovation. Both companies have a strong belief that genuine management of environmental, social and corporate governance (ESG) factors is fundamental to business success and strong financial performance."

Tak Wai Chung, Partner at EQT Partners, Investment Advisor to the EQT Mid Market fund

Independent financial review

As part of ELEVATE's operational procedures, the company hires an independent third-party organization to complete a financial audit as part of its annual financial audit and due diligence process.

3.3 Our leadership team

In 2017, we implemented a number of structural and organizational changes to position ELEVATE for beyond audit through both organic and inorganic growth. This included the establishment of four clear pillars: assessment, consulting, program management and analytics. Our leadership team includes senior leaders for each of these four delivery teams as well as their associated geographies and services. It also includes leaders from our corporate and shared services teams such as finance, human resources, marketing and information technology.

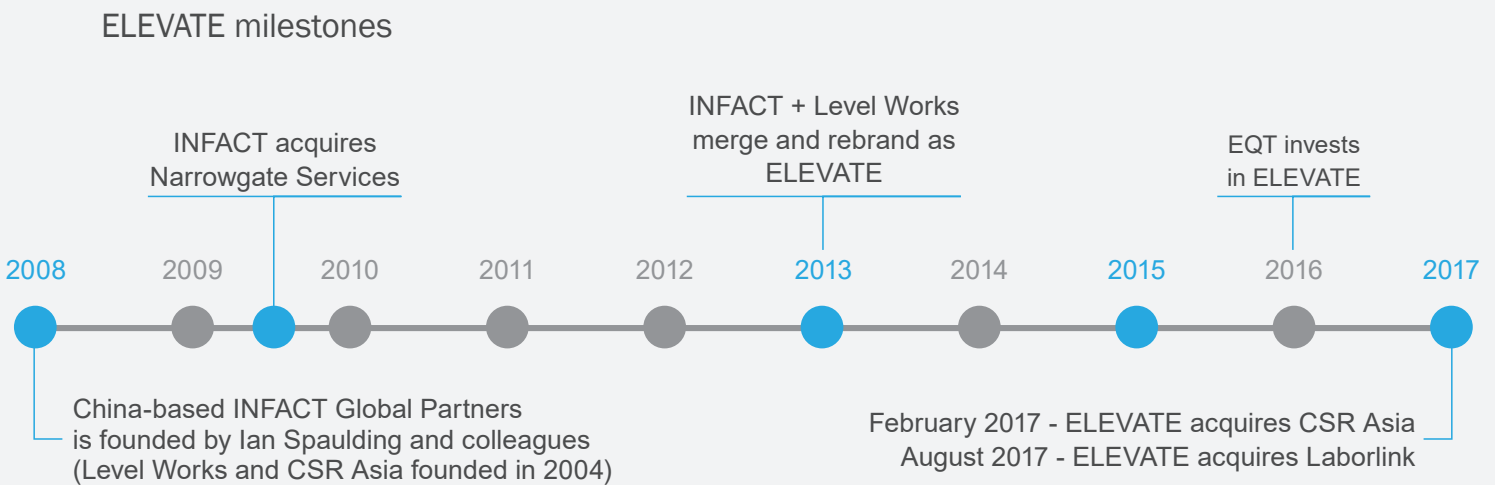
3.4 Growing the ELEVATE family

EQT acquired a majority stake in ELEVATE in 2016. As the majority shareholder in ELEVATE, EQT holds three of the five ELEVATE Board of Directors positions. The founders and management of ELEVATE remain significant shareholders alongside EQT.

EQT invests in good companies across the world with a mission to help them develop into great and sustainable businesses. EQT is a signatory to the United Nations-supported Principles for Responsible Investment (PRI) Initiative and works actively with its portfolio under the premise of responsible ownership. As a portfolio company in the EQT Mid Market Fund, ELEVATE complies with EQT’s Responsible Investment (RI) Policy. This requires us to produce an annual EQT Responsible Investor (RI) Transparency Report that covers factors such as the environment, labor and human rights and ethics.

In 2017 we expanded the ELEVATE family through the acquisition of CSR Asia and Laborlink. These investments form part of our consulting organization and extend our services to cover new areas of sustainability consulting, reporting and technology-driven worker engagement. They support our continued focus on innovation and disrupting industry norms to improve both sustainability and supply chain performance.

Figure 5: Important events in ELEVATE history - 2008-2017



3.4.1 CSR Asia

CSR Asia was founded in 2004 in Hong Kong on a belief that business can be a positive force for change. It has grown to become a trusted expert on sustainability across Asia with staff based in Hong Kong, Singapore, Bangkok, Sydney and Japan. As an Asia-based company, CSR Asia is uniquely positioned to work alongside companies in the region, helping them to embrace sustainability at every level of the organization and with a real understanding of local challenges. Acquiring CSR Asia expands our footprint into new geographies and sectors such as construction, finance, telecoms and transport. It also expands our corporate consulting activity beyond responsible sourcing to include wider Environmental, Social and Governance (ESG) strategy and sustainability reporting, research, advisory, community investment and strategic / community investment and networks.

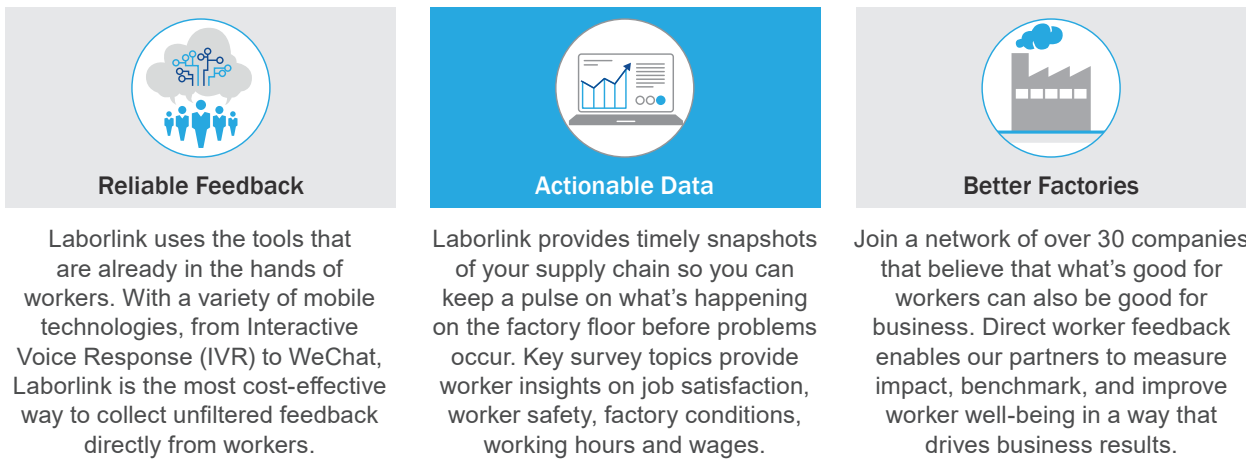
<http://www.csr-asia.com>

3.4.2 Laborlink

Since 2010, ELEVATE has been at the forefront of worker engagement solutions. The acquisition of Laborlink supports our joint vision to scale worker engagement globally by embedding technology-enabled surveys with the annual auditing cycle and as part of our self-assessment, capacity building and supplier ownership processes. Laborlink is a mobile platform that establishes a two-way communication channel for workers to share their viewpoints in real-time, and for organizations to obtain clear visibility of worker well-being in their supply chains. Since 2010, Laborlink technology has been deployed in 16 countries and has reached over 1,000,000 workers. Laborlink goes beyond audit by capturing the direct viewpoints of workers. This empowers us to facilitate dialogue across all layers of the supply chain i.e. from factory workers, to factory management, suppliers and brands / retailers.

<http://mylaborlink.com>

Figure 6: Laborlink offers clients an unfiltered view of their supply chains



Stakeholder viewpoints >>



“CSR Asia’s mission-driven purpose to support responsible, inclusive and sustainable business is a great fit with ELEVATE’s focus on integrated supply chain solutions for brands, retailers, suppliers, factories and workers.”

Richard Welford, Chairman of CSR Asia



“No one else in the industry has a deeper commitment to transparent audits or a broader set of tools to drive worker impact than ELEVATE. For that reason, we integrated Laborlink into ELEVATE’s products and services. This integration is essential to realizing our vision of a world where every worker is heard.”

Heather Canon (Franzese), Co-founder of Laborlink and Vice President, Worker Engagement

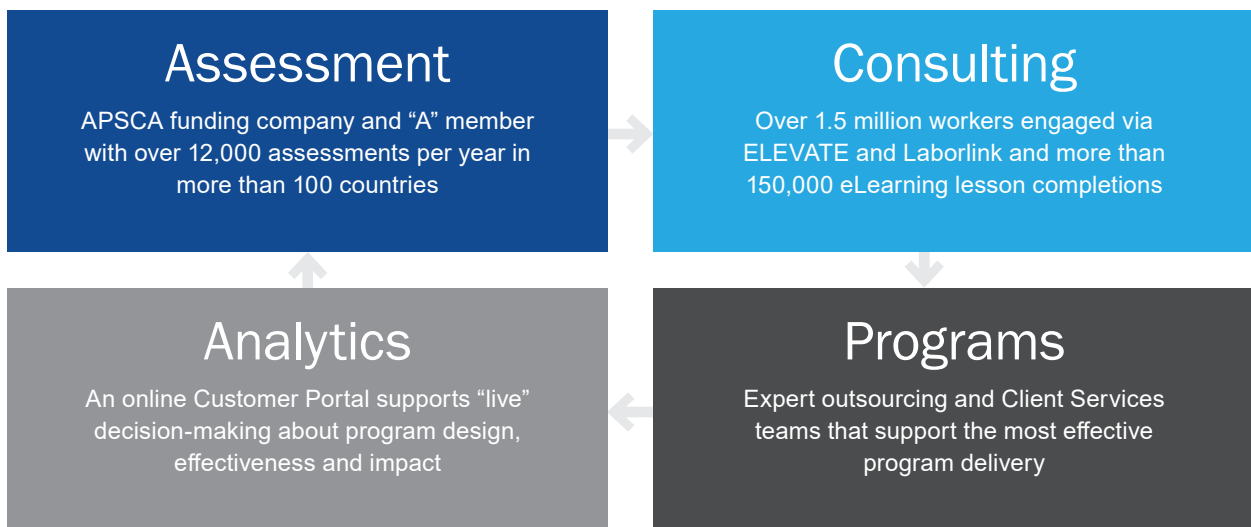


4 Our products and services

Our products and services are explicitly structured to support our clients in their management of business, sustainability and supply chain risks. This includes our assessment, consulting, program management and analytics services. These four pillars collectively enable us to engage, influence and activate all stakeholders

in the value chain around the common intention of business driven sustainability; by evidencing how sustainability solutions can drive improved business performance. Delivering these programs for our clients is an important part of our business and of our contribution to the United Nations Global Compact principles.

Figure 7: Our unique service portfolio fuels a virtuous cycle of continuous improvement



Stakeholder viewpoints >>



“The ELEVATE product portfolio enables its clients to (a) benchmark supplier performance via assessments (b) implement consulting solutions that enable improvement and capacity building (c) manage these together as a cohesive and integrated program, using (d) analytics to report and improve on performance over time.”

Kevin Franklin, Senior Vice President, Product

4.1 Assessment

Robust, ethical and transparent assessments and audits require more than a tick-the-box approach. They form part of a program designed to enable impact, continuous improvement and sustained change for brands, retailers, suppliers, factories, workers and communities alike. ELEVATE is acknowledged throughout the industry for enabling this change through our unwavering commitment to quality, integrity and a unique understanding of international best practice as well as on-the-ground conditions and cultural and local practices.

Our current assessment and audit services include labor and social compliance, environmental impact, supply chain security and building structural, electrical and fire systems.

We are approved to work with brands, retailers, suppliers and factories to conduct assessments representing a range of industry initiatives, including Business Social Compliance Initiative (BSCI), the Responsible Business Alliance (formerly the Electronic Industry Citizenship

Coalition), Fair Labor Association, ICTI Ethical Toy Program, Sustainable Apparel Coalition (SAC) Higg Verification and Sedex Members Ethical Trade Audit (SMETA) 2-and 4-pillar.

In 2017 we conducted over 12,000 social and environmental audits in over 100 countries. This covered industries such as apparel, electronics, food and beverage, consumer goods, retail and more. ELEVATE also became one of the largest global verification providers for the SAC Higg Index Facility Environment Module (FEM) 2.0 to assess and verify environmental performance at apparel and footwear facilities.

In 2017, we also released our own ELEVATE Responsible Sourcing Assessment (ERSA) standard. ERSA is informed by a robust benchmarking against international standards and industry programs, including Global Social Compliance Programme (GSCP), Ethical Trading Initiative (ETI), International Labor Organization (ILO) and many more. Starting in 2018, all ELEVATE Responsible Sourcing Assessments (ERSA) will include a worker sentiment survey; first in China and then as part of our global assessment services.

<http://www.elevatelimited.com/ersa>



Stakeholder viewpoints >>



“Our assessment business is one of the foundations for ELEVATE’s supply chain services. Assessment allows us to more effectively identify and address emerging risks and improve responsibility at all levels of the global supply chain. We are committed to continuous improvement within our assessment business creating greater transparency and worker insights to help transform supply chains.”

Darren Cunliffe, Senior Vice President of Operations

4.2 Consulting

ELEVATE is explicitly designed as a beyond audit business. We support clients at all parts of the global supply chain via a wide variety of services including strategy and program design, risk assessment and segmentation, due diligence, capacity building, impact evaluation and reporting. Together these services support our clients through all parts of their continuous improvement process. This includes for corporate multinational brands, suppliers, factories and even workers.

4.2.1 Corporate advisory

Our advisory team supports the attainment of sustainability outcomes by blending a unique mix of subject matter expertise, industry insight as well as deep regional and in-field experience. This includes in the areas of responsible sourcing strategy, risk assessment, code of conduct and program design as well as due diligence support. We also produce independent and high quality research including country, region and industry trend reports, white papers and briefs that inform strategy and build visibility on supply chains and other aspects of sustainability such as inclusive business, shared value, climate change and disaster preparedness.

The acquisition of CSR Asia in 2017 added new depth to the ELEVATE advisory portfolio. As one of Asia's leading sustainability consultancies, CSR Asia brings new services relating to sustainability strategy, human rights due diligence, reporting, community investment and research. It also expands ELEVATE's geographic footprint to include Singapore, Japan, Malaysia, Thailand and Australia. These complement our existing responsible sourcing and supply chain services and extend our ability to support clients beyond the United States, Europe and Australasia.

4.2.2 Factory services

ELEVATE has a long history of supplier and factory capacity building. Our approach to capacity building is different to other service providers. We believe that high-impact capacity building requires ongoing contact and engagement that leverages multiple different tools including in-person training, group-work and deep in-factory engagement as well as eLearning. These services are combined together in ways that support "constant contact" and experiential learning. They are designed to build management systems and deliver sustained and lasting improvement(s) in the most challenging social and labor issues.

Our Factory Improvement Services (FIS) work aims to build a partnership-based capacity building program that embeds business driven sustainability into the DNA of factories. ELEVATE teams empower factory and line managers to understand and evaluate the relationship between social compliance and improved business performance. This requires engagement with the core business teams including factory managers, line managers or nominated discipline leads (human resources, finance, etc.) as well as workers themselves.

The acquisition of Laborlink in 2017 accelerated our ability to attain and scale meaningful bottom-up insight on worker perceptions and identify gaps in current management practice. Worker engagement results provide valuable insight that can help inform a training strategy and content development. It also supports our ability to maximize and measure the impact of capacity building on working conditions, human rights and the environment.

Stakeholder viewpoints >>



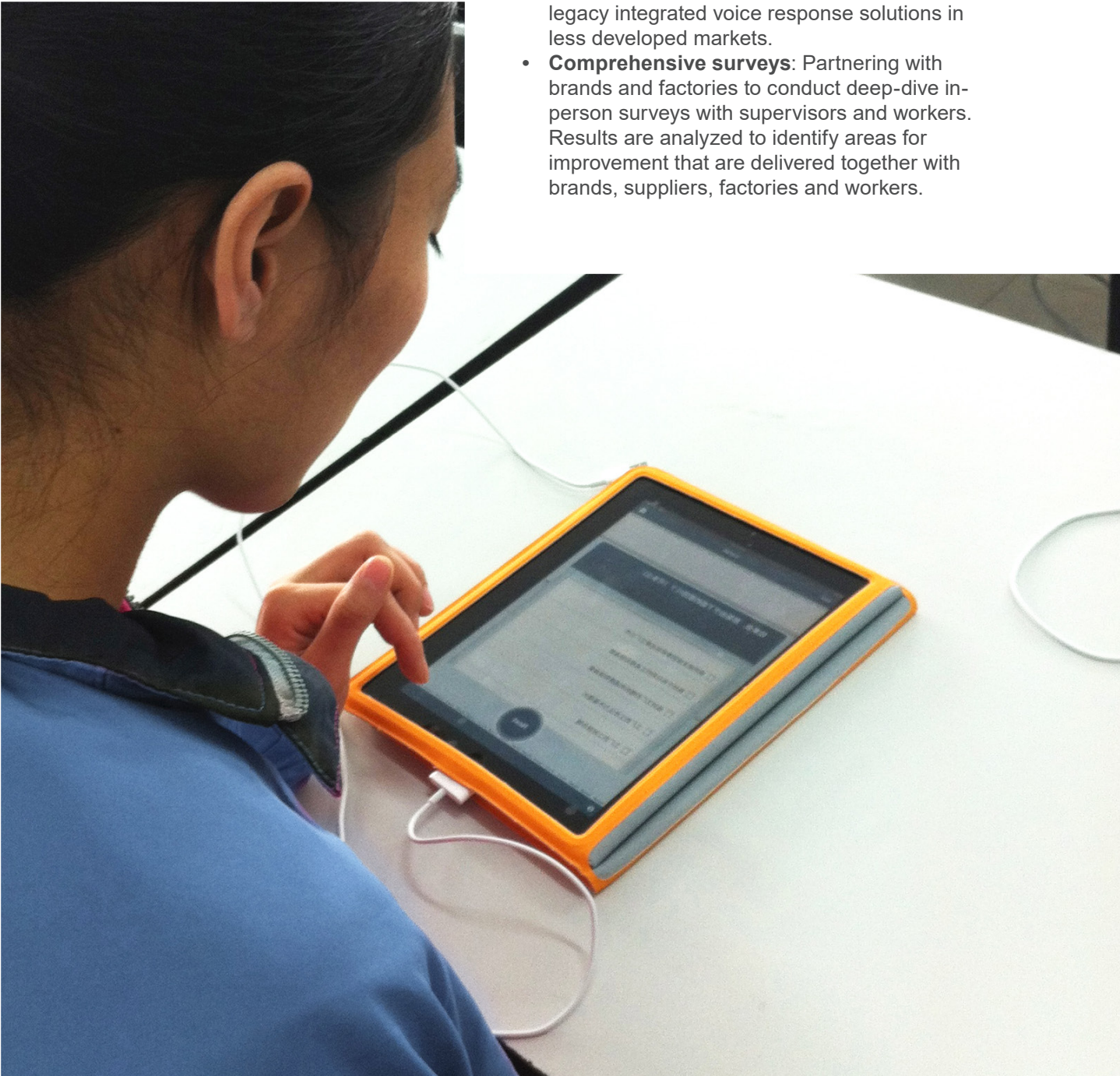
"At ELEVATE we help develop strategies that embed sustainability into business practices, enhance performance and profitability, and drive greater positive environmental and social impact. From board level conversations on strategy and risk management, right down to the detailed analysis of performance metrics, to internal capacity building and stakeholder engagement, we provide holistic support for those looking to be in business for the long term."
Samantha Woods, Director, Hong Kong, CSR Asia

4.2.3 Worker engagement

ELEVATE worker engagement solutions leverage technology, training, worker voice, and worker-management dialogue to drive impact and improve business performance as well as worker well-being. They capture the viewpoints and grievances of workers in ways that audits alone cannot achieve by providing a safe, anonymous and independent platform free of recrimination. The addition of Laborlink technology has been instrumental in our ability to scale and expand our existing worker survey capabilities.

We are now able to engage workers in three ways beyond audit:

- **Integrated assessments** with Worker Sentiment Surveys: Incorporating worker surveys into traditional assessments and audits to help clients gauge worker well-being based on direct worker feedback.
- **Standalone-focused surveys:** Capturing worker feedback about specific topics to help brands measure the impact of current programs and assess potential areas of improvement through short, focused technology-enabled surveys. This includes using WeChat, Facebook Messenger and other user-preferred platforms in addition to legacy integrated voice response solutions in less developed markets.
- **Comprehensive surveys:** Partnering with brands and factories to conduct deep-dive in-person surveys with supervisors and workers. Results are analyzed to identify areas for improvement that are delivered together with brands, suppliers, factories and workers.



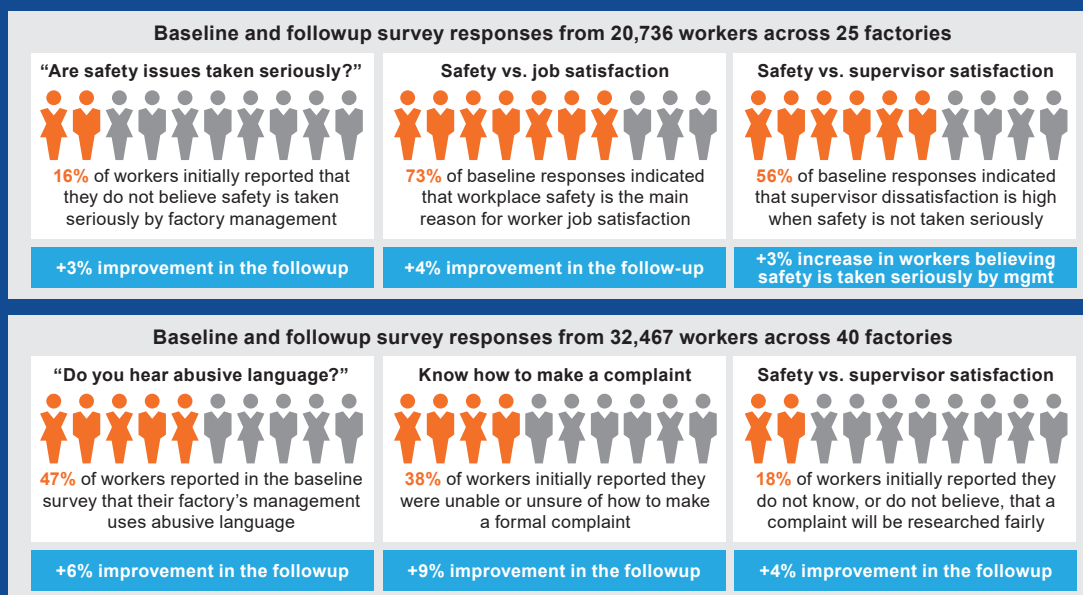
Laborlink Bangladesh collaborative program

Between July 2015 and August 2017, Laborlink implemented a two-year, multi-brand collaborative program to better understand and address some of the underlying causes for poor working conditions in Bangladesh's garment factories. The Laborlink Bangladesh Collaborative (LBC) program was delivered with financial support from the C&A Foundation. It used mobile technology to collect anonymous feedback from over 53,000 workers across two separate survey modules: Workplace Safety and Workplace Communications. Nearly 130 baseline and follow-up surveys were completed across 40 factories that supply American and European brands and retailers.

The program identified four key recommendations for turning worker insights into action:

- 1. Workplace Communications:** Implement more trainings and eLearnings to improve worker-management relationships and reduce the prevalence of abusive language in factories.
- 2. Grievance Mechanisms:** Build awareness on how to use factory grievance mechanisms and communicate all follow-up actions to inform workers of how complaints are being addressed.
- 3. Workplace Safety:** Increase safety protocol communications so workers understand what actions are being taken by management to create safe and healthy working conditions.
- 4. Worker Engagement:** Continue engaging with workers to identify new improvement opportunities, and leverage their feedback when designing, implementing, and measuring improvement actions.

Figure 8: Insight from the Bangladesh collaborative enabled significant improvement from 2015-2017



Review the Laborlink Bangladesh Collaborative Report for program results, factory case studies, and more detailed recommendations for brands and suppliers.

<http://www.elevatelimited.com/bangladesh-report>

<https://www.candafoundation.org>

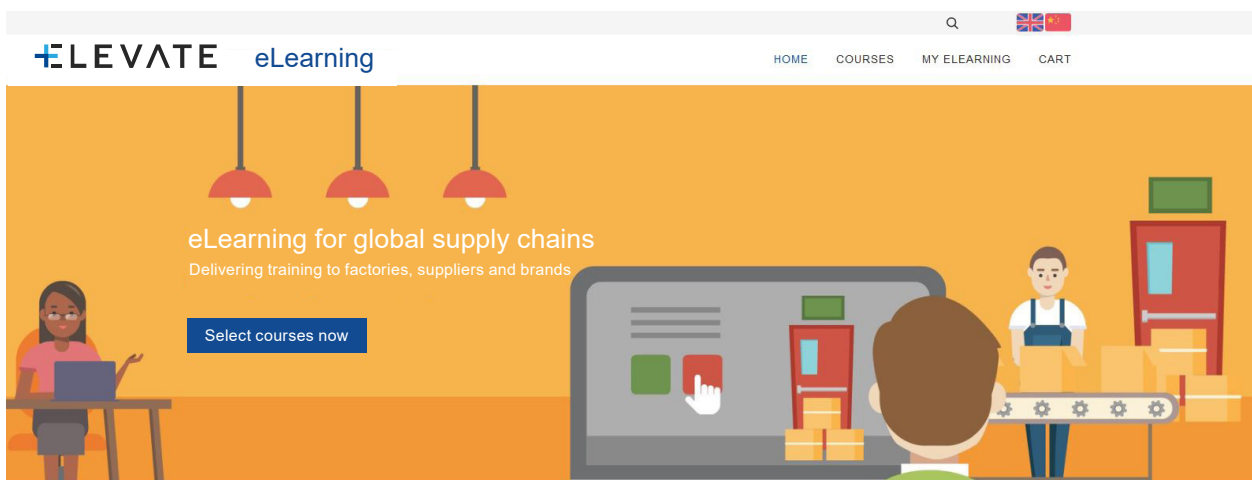
4.2.4 eLearning

ELEVATE has developed over 50 eLearning lessons and hundreds of client lessons to raise awareness and knowledge on various supply chain sustainability topics including workplace recruitment practices, environment management, and forced labor laws. By the end of 2017, our eLearning users have completed over 150,000 lessons. In 2017, there was a 47% increase in our eLearning lesson completions compared to 2016. All aspects of the lesson production process are handled in-house, which enables us to pull from our industry-leading experience in supply chain sustainability and deep knowledge of factories to develop relevant and compelling learning tools.

4.2.5 Events and training

ELEVATE’s content development teams are at the forefront of the latest insights into trends in sustainability and supply chain social, environmental, technical and business performance. We combine their expertise with our events and training logistics team to provide a full suite of services from content development, sourcing speakers, marketing materials, registration, onsite support and post-event communications. Each year, we organize on behalf of brands and retailers a series of supplier summits, industry association conferences, and classroom and webinar trainings for all levels of the supply chain. We conduct regular training on topics such as aligning business strategy with the SDGs, sustainability strategy and reporting, and community investment impact measurement.

Figure 9: eLearning lessons designed for brands, suppliers and factories for a shared understanding of sustainability.



The ELEVATE approach to eLearning

ELEVATE eLearning provides a scalable, standardized approach for delivering introductory social and environmental performance training to factories, suppliers and brands. Our courses use fully animated video with interactive exercises, making complex topics simple, and all training can be tracked through our intuitive learning management system.



We engage thousands of industry stakeholders every year...

In 2017, ELEVATE engaged thousands of industry stakeholders around the shared objective of business driven sustainability. These include multinationals, suppliers, factories, not-for-profits and even workers at factories and farms. The impact of these engagements is significant. They improve our collective understanding of key issues, support the sharing of best practices and empower participants via experiential and reinforced learning.

Examples of our engagements in 2017 include:

- More than 50 companies and NGOs participate in our Strategic Partner program that engages members on key issues relating to sustainable development, supports the sharing of best practices and challenges and connects members with peers in their industry
- Over 20 consultation sessions were held with our Community Investment Round Table (CIRT) members to help enhance their community investment strategies. These sessions form part of the suite of services delivered to CIRT members in order to help them stay informed of the latest development trends, best practices, as well as provide networking and stakeholder engagement opportunities with the NGO sector
- 500+ individuals representing a mix of business, NGOs, government and academia from 30 countries participated in the CSR Asia Summit to further the dialogue on future proofing sustainable business through strategy, community investment, supply chain management, stakeholder dialogue and more
- Hosting four ELEVATE Leadership Series events in Stockholm, New York, Hong Kong and London to facilitate thoughtful and solutions-oriented discussions around ethical and responsible sourcing practices with over 300 supply chain industry influencers
- Delivering 11 webinars on emerging risks and trends in supply chains facilitated by our internal subject matter experts on topics like factory-level grievance mechanisms, human rights due diligence, predictive analytics and country-specific social compliance trends
- Engaged thousands more via our independent, evidence-based and trusted publications including the CSR Asia's weekly newsletter as well as four high impact publications
 - **Tracking the Trends:** CSR Asia's annual expert stakeholder research report provides a snapshot of what issues and trends likely to emerge and how stakeholders expect businesses to respond
 - **The Role of ICT in Realising Education for All by 2030:** Focusing on the role that technology can play in helping achieve United Nations Sustainable Development Goal (SDG) 4, this report encourages prioritisation of equitable access to quality education for all ages and to fill gaps in education systems worldwide
 - **Agribusiness and the SDGs:** How the Agribusiness Sector in ASEAN can embrace the Sustainable Development Goals: A tool to help companies assess which SDGs are most relevant to their businesses, especially on issues such as smallholder inclusion and gender inequality, while also scoping opportunities to incorporate the SDGs into their own strategies
 - **Agribusiness in ASEAN:** Making the Case for Smallholder Inclusion: A profile of ten agricultural companies from across Southeast Asia demonstrating that despite social, environmental and political challenges the private sector has the ability to create change and cultivate company growth through diversity and inclusiveness

Stakeholder viewpoints >>



"Our Strategic Partner program creates a distinctive space for leaders in sustainability to convene, co-create and accelerate their impact. We curate content, events and training for members, and the company representatives themselves drive best practice in sustainability solutions as part of the network."

Mabel Wong, Director, CSR Asia

4.3 Programs

ELEVATE is recognized for managing complex, industry-wide initiatives and programs. We have a demonstrated ability to extend the reach of projects by leveraging our extensive private sector network. Our track record also shows evidence of bringing major projects online in compressed timeframes, managing multi-stakeholder projects, and extensive experience in assessment and capacity building. We excel in bringing strong financial management, budgeting, and business impact measures to social programs. We also manage local compliance programs for leading brands and retailers as part of our program support services.

4.3.1 Alliance for Bangladesh Worker Safety

The Alliance for Bangladesh Worker Safety was founded by a group of North American apparel companies and retailers and brands following the Rana Plaza building collapse that tragically claimed the lives of 1,134 workers and left thousands injured.

Since October 2013, ELEVATE has been responsible for developing the local operation and managing the inspections, remediation and support activities of the Alliance in Bangladesh.

As the project manager, ELEVATE built a team of 65 dedicated staff that has:

- Managed structural / electrical / fire safety assessments and remediation in more than **850 factories**
- Developed and implemented a training program for **1.4 million workers and 19,000 security guards** on fire and building safety issues
- Implemented the Amader Kotha (“Our Voice”) helpline with Laborlink that tracks and manages more than **30,000 calls annually** and is available in over **950 factories**
- Organized and hosted the annual Fire & Building Safety Expo’s in Bangladesh with over **5,000 attendees**

<http://www.bangladeshworkersafety.org>



4.3.2 Supplier Ownership

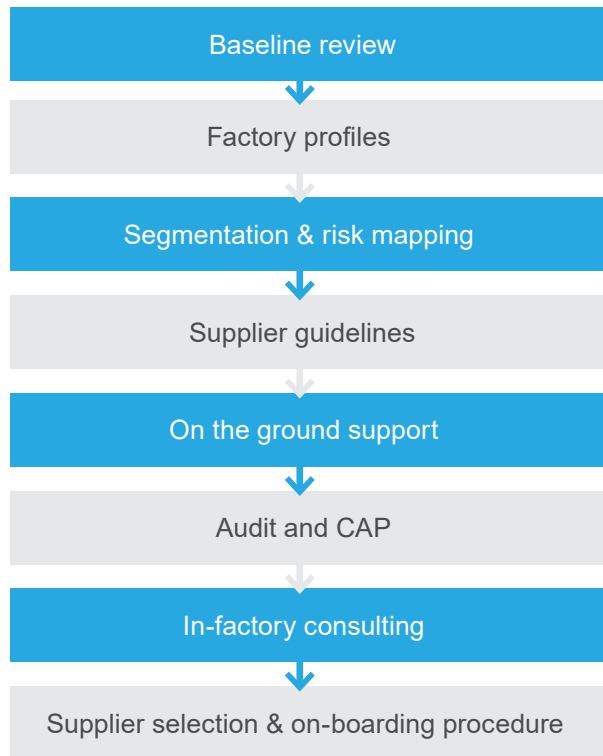
Suppliers and vendors are taking greater ownership to manage and improve working conditions in the supply chain.

In the past brands and retailers would bypass their suppliers and vendors by going directly to the factories they sourced from and auditing them without supplier engagement. Suppliers / vendors tended to wait for the audits and then react to any non-compliance issues found. This is changing.

ELEVATE now works actively with engaged suppliers to see the potential business value of investing in their own responsible sourcing programs. This includes building guidelines, policies and a graduation path.

ELEVATE will continue to work with vendors in 2018 as we collectively build and refine the business case for developing cost-effective social responsibility programs.

Figure 10: Our supplier ownership activities improve knowledge and relationships with factories and brands





Winner of “Most Innovative New Program” Sedex Awards 2017

ELEVATE and the Responsible Business Alliance (RBA) received the “Most Innovative New Program” award by Sedex in 2017 for their joint Workplace of Choice program. RBA partnered with ELEVATE to develop a unique 32-month program called Workplace of Choice. This impact-focused program strengthens the sustainability of Malaysia’s vital electronics sector by drawing on worker engagement to promote safe and fair labor practices for foreign migrant workers; and implementing innovative educational and capacity building practices that support remediation.

The objectives of this program have been to:

- Understand how workers are recruited, screened and contracted in home and host countries. It achieved this through direct engagement via worker surveys,
- Educate factory owners and senior management on changes in Codes of Conduct / requirements from brands / retailers, governments, and other stakeholders,
- Support factories to identify gaps in their current practices and management systems with the updated requirements (e.g. recruitment process, contract preparation, passport retention, and internal communication mechanism),
- Provide training and education directly to workers and factories on worker management dialogue, grievance mechanisms, and foreign migrant worker issues,
- Establish an independent, external third-party helpline that provides workers with an accessible and timely avenue to raise concerns or inquiries.

The Workplace of Choice program was developed and implemented in collaboration with the RBA organization, individual RBA members, Humanity United, Malaysian factories, local and foreign workers, ELEVATE, and NGOs.

Key findings from the program include:

- 23 electronics factories enrolled covering 46,000 workers, with 50% being foreign migrant workers from 12 different countries in Asia
- 78% of factories have reimbursed excessive recruitment fees or developed internal policies to prevent these practices; 79% of factories have made progress on passport retention
- 2,700 workers surveyed, 68% of whom are foreign workers and with all findings providing valuable insights to worker perspectives on the recruitment, hiring and employment management process.

ELEVATE expects this work to continue in 2018 due to a new grant from the Walmart Foundation and the RBA Foundation. The new Responsible Workplace Program engagement will continue until 2020 as we expand beyond electronics to all sectors in Malaysia, add direct foreign migrant worker engagement, and introduce training and certification for recruitment agents to transform the market for ethical business practices.

<https://humanityunited.org>

<http://www.responsiblebusiness.org/media/docs/RWP-RRP.pdf>

4.4 Analytics

Our vast repository of assessment, worker survey and eLearning results allows us to surface unique insights that help our clients drive lasting sustainability interventions in factories and economies globally. This propriety intelligence is categorized, tagged and uploaded to our data warehouse where it feeds our Tableau platform.

From this information, our consultants and client services teams empower clients to build more impactful programs.

In 2018, we will further enhance our analytic support through the launch of a new customer portal including risk indices and visualizations that support supply chain segmentation, benchmarking and equivalency.

Figure 11: Global risk maps

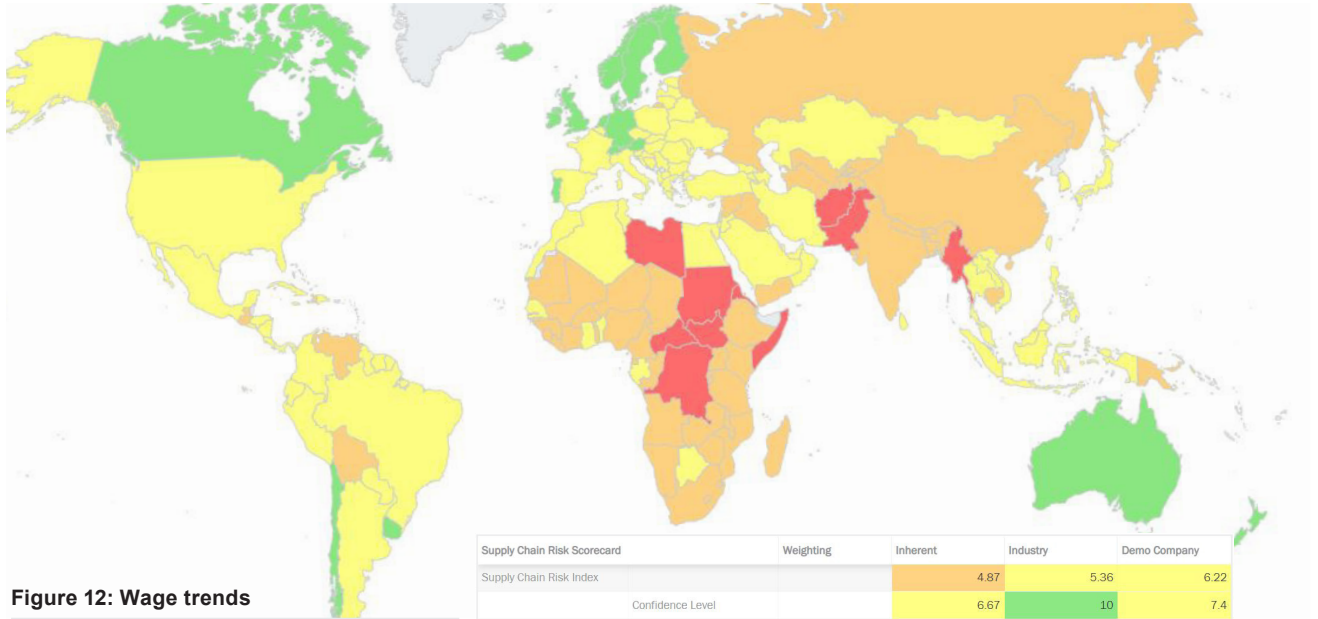
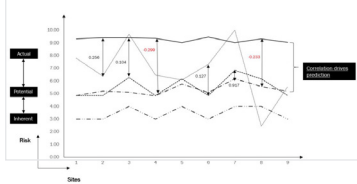


Figure 12: Wage trends



Figure 13: Predictive modelling



Supply Chain Risk Scorecard	Weighting	Inherent	Industry	Demo Company
Supply Chain Risk Index		4.87	5.36	6.22
Confidence Level		6.67	10	7.4
Management Index	10%	4.72	5.07	5.33
Transparency Index	50%	4	5.97	5.53
Management Systems Index	50%	4.72	4.17	5.13
Compliance Findings Index	60%	4.87	5.72	6.43
Health and Safety Index	20%	4.87	5.04	6.47
Labor Standards Index	20%	4.3	3.26	3.37
Business Ethics Index	20%	4.87	9.37	9.21
Environment Index	40%	4.84	7.66	9.7
Emerging Issues Index	30%	5.59	4.75	6.12
Wages Index	30%	5.59	8.34	9.21
Working Hours Index	60%	5.59	3.47	5.46
Migrant Workers Index	10%	5.59	5	5

Figure 14: Supply chain risk scorecard

Stakeholder viewpoints >>



“We work closely with our clients to integrate data insights and analytics into program strategy designs that are risk-based and leverage driven. Through this segmentation work, businesses are better informed and more empowered to proactively manage complex supply chains in a thoughtful and impactful way.”

Yun Zheng, Senior Sustainability Consultant



“Our “beyond audit” vision is about shifting from a reactive to predictive approach using risk analytics to design client-specific, targeted solutions. At ELEVATE, we leverage data from on-site experts, who conduct factory assessments, capture worker sentiment through interviews and surveys, to produce over a million data points annually. This unique position enables us to blend our data with credible public domain sources to generate live supply chain risk insights with greater levels of granularity.”

Vignesh Venkataraman, Associate Consultant, Data Analytics and Sustainability

5

Our commitment to ethics and integrity

5.1 Compliance with laws and regulations

We believe part of acting ethically and with integrity is complying with all applicable laws, regulations and other legal requirements in the countries where we do business. Our operations, human resource and compliance functions work together to maintain fair and consistent labor, employment and operational policies.

As part of our onboarding process, all employees and contractors are informed of ELEVATE's employment policies. Employees receive additional materials covering benefits and compensation in greater detail. In addition, our assessment team is provided with training and guidance to help avoid situations that could compromise the integrity of an audit.

5.2 Ethics and integrity

At ELEVATE, we pride ourselves on our high standards of integrity, ethical conduct and professionalism. This includes our engagements with internal teams, clients, factories, workers and the communities where we operate. ELEVATE employees are often placed in positions of trust and power which must not be abused, disrespected or dishonored.

We are committed to maintaining the highest standards of corporate governance and ethical conduct. These ethical standards are set-out in our employee handbooks and global policy framework. Perceived breaches of these requirements are reported to our Chief Executive Officer and investigated by our Vice President, Global Quality and Integrity. This section outlines a number of these policies and how they function.

5.2.1 Our Code of Ethics

Corruption remains one of the world's biggest challenges. It also poses serious legal, commercial and reputational risks to our business. Our employment policy explicitly prohibits employees from offering or accepting bribes or participating in corrupt activities. This is reinforced in our Code of Ethics that applies to all ELEVATE employees and contractors. The Code is designed to support the effective and transparent delivery of all products and services globally. All employees and contractors are expected to understand and comply. Violations are not tolerated. Any ELEVATE employee found to be soliciting or accepting any commission, payment, gift, service, favor or any other benefit related to their work from a client will be in breach of contract under terms of gross misconduct. This is grounds for immediate dismissal within the confines of the law. 100% of our employees have signed the Code of Ethics.

Stakeholder viewpoints >>



"Our clients trust ELEVATE as counselors to outsource their responsible sourcing program, evaluate and make recommendations on supply chain risk, or assess social /environmental compliance through assessments. We recognize the significance of this, which is why we are expanding our Quality & Integrity program to ensure we exceed expectations while enhancing worker well-being globally."

Davis Guan, Vice President, Global Quality & Integrity

<http://www.elevatelimited.com/about/policies>



5.2.2 EthicsPoint hotline

Our EthicsPoint hotline is a confidential, reporting tool, available to anyone (including employees and clients such as factories, suppliers and brands) to report any perceived illegal, unethical or improper conduct involving ELEVATE teams. Reporting is carried out through a secure website or a toll-free multilingual hotline. We are committed to protecting the anonymity of anyone who brings forward a claim. We do not tolerate any retaliation against the individual as outlined in the Grievance Mechanism and Remediation Statement within our Employment Policy.

All allegations are taken with the utmost sincerity and reviewed using a defined internal process to create consistency across our global operations in how we handle and address all issues.

Areas of improvement for 2018:

Continue to expand our corporate quality and integrity teams to address the needs of our business. In 2018, one of our goals is to strengthen best practices within our assessment services and to expand this to our consulting teams. We will also conduct additional outreach and training on EthicsPoint with our employees and strengthen our whistleblower processes.

5.2.3 Conflicts of interest

ELEVATE provides assessment, improvement and consulting services to factories. The improvement and consulting part of our business represents a relatively small portion of ELEVATE's turnover. We understand this service may present a potential conflict of interest with our assessment business.

ELEVATE has established a firewall between assessment services and improvement services at project inception to address this issue. A detailed work instruction identifies those factories that have engaged our improvement or consulting services and exempts them from our assessment services for a period of 12 months or longer depending on client-specific requirements. This is further safeguarded by the clear segregation of responsibilities between delivery and business development teams in our organizational structure. Exceptions must be approved by the client in writing.

Our commitment to integrity aims to reduce and eliminate all conflicts of interest which could undermine ELEVATE's work and services. We encourage employees to reflect on all work and projects they are assigned to and identify and communicate any potential issues to our Vice President, Global Quality and Integrity for investigation and ultimate sign-off by our executive leadership team.

5.2.4 Impartiality statement

When assigning service teams, ELEVATE ensures each service team member (including assessors, consultants and contractors) is free from any interests that might compromise impartiality during service delivery. Each service team member is obligated to disclose all real or potential conflicts of interest at the time the conflicts are apparent, and to disclose any existing or perceived relationship between themselves and the organization for whom the service will be provided; any exceptions must be reviewed and written approved by Vice President, Global Quality and Integrity.

<http://www.elevatelimited.com/about/quality-and-integrity>

5.2.5 Employee training and awareness

To reinforce ethics and integrity as an integral part of ELEVATE culture, we will continue to expand awareness of our Code and related policies through the ELEVATE Academy to all employees. All employees and contractors are required to review and sign our Code annually as part of our Ethics & Integrity Awareness activities.

Areas of improvement for 2018:

To further support our clients in upholding the highest ethical standards in a situation of crisis in their supply chain management we are developing additional crisis communication and management guidance. This is currently implicit in our Data Security and Confidentiality Procedure and will be developed into a separate document during 2018.

5.2.6 Influencing the audit industry

We are committed to building cross-sector industry capacity. As a recognized, global top-tier assessment provider, we believe we have a responsibility to influence and shape the integrity of the audit industry. We are proud to be a founding member of the Association of Professional Social Compliance Auditors (APSCA) and to participate in the Executive Board. ELEVATE was an active supporter of the APSCA auditor certification pilots conducted in Turkey in November 2017. We look forward to further engagement and participation in the certification roll-outs in 2018.

APSCA was created to enhance the consistency and credibility of individual auditors and organizations performing independent social compliance audits, and to promote the use of independent social compliance audits as a tool to advance conditions for workers globally.

APSCA's certification process will ensure auditors have consistent training, education, background checks, and demonstrated competencies which are standard requirements in comparable professional auditor associations.

www.theapsca.org

Stakeholder viewpoints >>



“ELEVATE presents a unique opportunity to build technology-based solutions that deliver supply chain insights and value-added services for our clients that improve their sourcing and risk management while also enhancing the productivity of our associates.”

Rohit Kamat, Senior Vice President, Information Technology

5.3 Business risks and resilience

In 2017, we instigated a formal Business Risk Committee including representatives from all business lines. This Committee supports the proactive identification of emerging ethics and integrity issues and works with our internal teams to ensure they are remediated. It also governs the annual review of local and company-wide business risks with an initial focus on the most material business units, namely our assessment and corporate functions.

Areas of improvement for 2018:

As part of our plans for transformational growth across key industries and geographies, we will further prioritize our business resilience strategy in 2018. We will conduct regional risk reviews to identify business risks. We will also develop a resilience plan for each significant business risk identified in order to maintain business continuity.

5.4 Data security and privacy

Data security and privacy concerns are increasingly material to both ELEVATE and our stakeholders. We are proactively managing these concerns through a number of different activities. This includes the use of world-class third-party suppliers with strong data security protocols. We also engaged an independent third-party assurance provider to conduct a review of our own information and systems security protocols. Initial outcomes from this work identified the need for further controls on both technologies / platforms themselves as well as our policies and ways of working. An extensive remediation project has been initiated and will be implemented throughout 2018. In addition, we are expanding our information technology function, tools and processes to deliver efficiencies and enhanced collaboration to support our growing business.

Areas of improvement for 2018:

We are committed to protecting client and stakeholder personal information. We have continued to strengthen and clarify our privacy policy in preparation for the European Union General Data Protection Regulation (GDPR) which goes into effect in May 2018.

5.5 Occupational health & safety

We prioritize the health and safety of our employees working across the world and are committed to doing our best to safeguard their well-being. As experts in assessing occupational health and safety in our clients entire value chain, our focus will always be on trying to improve conditions at production sites. However, we recognize there are different risk profiles across our organization depending on job responsibilities and geographic locations.

Areas of improvement for 2018:

We have plans in place to manage any type of significant health and safety incident, but we acknowledge there are opportunities to improve our overall health and safety protocols. We anticipate these improvements will occur in 2018 as part of our planned organizational resiliency initiative. In 2018, we will also implement a series of protocols to track employee injuries and near misses as part of our occupational health and safety procedures and notifications. We will also roll-out an alcohol and drugs policy.

Internally, we are committed to:

- Bringing value to the communities in which we live and operate while respecting people's culture and heritage.
- Behaving in a manner that respects the human rights of those affected by our operations and remediate individuals and communities adversely impacted by our operations.

In addition, we are committed to treating our employees and contractors with respect and dignity and ensuring all labor is voluntary. There were no known instances of forced labor nor any breaches of fundamental human rights at any of our operations in 2017. More information related to our policies relating to human rights is available within our employment and sustainability policies.

Areas of improvement for 2018:

As part of our investments in regional teams and predictive analytics we have developed a new approach to detecting forced labor and preventing human rights abuses and exploitation in global supply chains. For 2018, we will be rolling out and scaling up our award-winning approach to protect vulnerable workers.

5.6 Human rights

Respecting and leading on human rights issues is a defining part of ELEVATE's purpose as a business; and will continue to define our future strategy and growth. We do that through advising our clients and leading our industry to improve labor and environmental practices in global supply chains.





6

Our people and business processes

The purpose-driven dedication, expertise and passion of our people sets us apart from others in the industry. From our assessors, to our consultants to our operational support, every ELEVATE employee is focused on enabling the company to deliver high quality, insightful and innovative solutions that fully support business driven sustainability.

We believe corporate sustainability starts with a company's value system and a principled approach to doing business. We are actively working to ensure our operational strategy, policies, procedures and culture reflect and align with the ten principles of the UN Global Compact.

6.1 Sustainability policy

In 2017, ELEVATE introduced its sustainability policy. This policy defines our commitment to responsible business practices emphasizing the environment, health and safety, employment and supply chains and community issues that our operations affect. The policy applies to all ELEVATE-owned operations.

Given the global reach and diversity of ELEVATE's operating footprint, implementation of the policy may vary by country. Accountability for adhering to this policy and aligning our operational and

business strategies with it is a core responsibility of the ELEVATE leadership team and is assessed annually by the board of directors and as part of ELEVATE's reporting to EQT for its annual Responsible Investor (RI) Transparency Report.

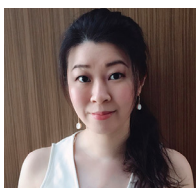
6.2 Employee development

As a professional services organization our people are our most valuable asset. We are actively working to expand our talent development program and to providing all teams with the tools and support they need to be effective in their work. In 2017, ELEVATE implemented its first global talent review process to improve transparency and gain consistency in how employees are evaluated. This talent review and appraisal process allows our management teams to work with employees to build development plans that help them achieve their professional goals while continuing to improve our professional bench strength.

Areas of improvement for 2018:

As part of our broader talent and employee development strategy, we will identify opportunities for active talent management initiatives based on insights from the 2017 talent review. This will help further refine and develop employee skillsets to better support our business growth and operational strategies.

Stakeholder viewpoints >>



"ELEVATE attracts purpose-driven, highly-skilled professionals. They are committed to producing the highest quality possible for our clients, and we are equally committed to providing them with opportunities to grow in their careers and expand their skillsets."

Amy Lee, Director, Global Human Resources

6.3 Employee attraction and retention

Promoting from within when possible is a key part of our employee attraction and retention efforts. We are proud to share that 21 employees were promoted within 2017 and that we retained more than 80% of our total staff.

As we continue to grow our business, our recruitment efforts have increased significantly. We recognize our own employees are a great resource for us to identify the right candidates to join the ELEVATE family; which is why we implemented an employee referral program to reward employees financially for helping successfully recruit qualified candidates. More than 25 candidates have been referred since the program launched during the third quarter of 2017, leading to the successful onboarding of over ten new employees.

As part of our retention strategy, we conduct an annual employee engagement survey to understand what issues are most important to our employees and how we can better support them. We believe active listening and responding to employee feedback is directly tied to increased productivity and employee satisfaction.

Areas of improvement for 2018:

Plans are in place for a strengthened employee survey in 2018 that will provide a constructive environment for ELEVATE employees to engage in this period of rapid growth. We look forward to the outcomes from this engagement; from which we will develop and deliver regional and service specific improvement plans. Adopting new communication channels, such as Yammer, will also improve employee engagement.

6.4 Diversity and inclusion

Diversity and inclusion is fundamental to creating and maintaining our strong, innovative culture. We believe diversity extends to the unique styles, experiences, identities, ideas and opinions of our employees, and is a key part of our ability to develop and accelerate high-performing teams.

Stakeholder viewpoints >>

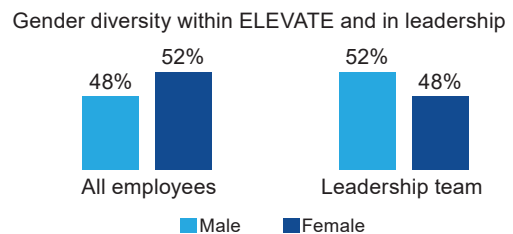


“We see clear, informative and two-way internal communication as one of the keys to building an even stronger community at ELEVATE. Leveraging technology such as Yammer will generate company-wide conversations – peer to peer across our geographies, adding a great dynamic to established employee – supervisor communications.”
 Bronwyn Alexander, Director, Marketing and Communications

At the end of 2017, ELEVATE had over 400 full-time employees located in 18 different countries. Around 84% of these employees are located in Asia, 11% in the Americas, 5% in Europe and the remainder in strategic growth markets. Around 55% of the total number of employees are in our assessment division, with 16% in consulting and 15% in our programs division. The remaining 15% of ELEVATE employees are located in our corporate team including the finance, legal, human resources, information technology, sales, client services and marketing functions.

ELEVATE believes strongly in the need for local recruitment, development and empowerment. Our emphasis on local expertise, local legal and language fluency is a key differentiator across all of our service lines. Around 96% of all ELEVATE employees are recruited and employed locally. As an equal opportunities employer, ELEVATE is committed to treating our employees and contractors with respect and dignity as outlined in our employment policy. This position is reflected in different ways across the ELEVATE organization at all levels of the business. ELEVATE teams perform relatively well on gender diversity but we recognize the need for more women in the most senior and executive roles. At the end of 2017, 48% of the ELEVATE leadership team were women (vs. 52% of the entire employee base).

Figure 15: Gender diversity at ELEVATE in 2017



Areas of improvement for 2018:

ELEVATE is currently in a period of significant organic and inorganic growth. Changes to our employee base as a result of any acquisition or partnership may have an impact on our 2018 diversity figures. ELEVATE is currently evaluating the development of a separate diversity and inclusion policy in order to support diversity further at senior and executive levels.

7

Appendix: United Nations Global Compact

This table supports our communication on progress by correlating the content of this report against each of the UN Global Compact's ten principles.

Principal	Report section or page number
Principle 1: Support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> • Our products and services 4 • Laborlink Bangladesh Collaborative Program p.14 • Human rights 5.6 • Sustainability policy 6.1
Principle 2: Make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> • Our products and services 4 • Compliance with laws and regulations 5.1 • EthicsPoint hotline 5.2.2 • Human rights 5.6 • Sustainability policy 6.1
Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> • Compliance with laws and regulations 5.1 • Internal communication 2.2.2 • Human rights 5.6 • Sustainability policy 6.1
Principle 4: The elimination of all forms of forced and compulsory labor.	<ul style="list-style-type: none"> • Our products and services 4 • eLearning 4.2.4 • "Most Innovative New Program" 2017 Sedex p.19 • Compliance with laws and regulations 5.1 • Sustainability policy 6.1
Principle 5: The effective abolition of child labor.	<ul style="list-style-type: none"> • Our products and services 4 • Compliance with laws and regulations 5.1 • Sustainability policy 6.1
Principle 6: The elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> • Compliance with laws and regulations 5.1 • Sustainability policy 6.1 • Diversity and inclusion 6.4
Principle 7: Support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> • Sustainability policy 6.1
Principle 8: Undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> • Sustainability policy 6.1 • Our environmental footprint 5.6
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> • Sustainability policy 6.1 • Our environmental footprint 5.6
Principle 10: Work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> • Ethics and integrity 5.2 • Our Code of Ethics 5.2.1 • EthicsPoint hotline 5.2.2 • Conflicts of Interest 5.2.3 • Impartiality statement 5.2.4 • Employee development 5.2.5

ELEVATE Sustainability Report 2017

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