



# ESG Policy

Fall 2023

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# Introduction

In the rapidly evolving digital landscape, our responsibility extends beyond providing innovative IT solutions and cloud services. At Micrologic, we recognize the imperative role we play in fostering a sustainable and responsible future for both our industry and the planet. Our commitment to Environmental, Social, and Governance (ESG) principles reflects our dedication to creating lasting positive impacts within our communities, our environment, and our business operations.

The ESG policy presented herein is a commitment to integrate sustainable and ethical practices throughout our corporate fabric. By defining our strategic approach towards environmental stewardship, social responsibility, and robust governance, we aim to drive sustainable growth, empower our stakeholders, and establish Micrologic as a leading example of corporate responsibility in the IT and cloud sector.

## 1. Overview

### 1.1. Purpose of the ESG Policy

The Environmental, Social, and Governance (ESG) Policy of Micrologic serves as a guiding framework, outlining our commitment to aligning our business operations and strategies with globally accepted best practices for sustainability, social welfare, and corporate governance. As a leader in the IT technology and cloud industry, we recognize the significant impact and influence we possess, and this policy is an embodiment of our commitment to leverage this position for the greater good.

### 1.2. Scope and Applicability

This policy applies to all business segments, units, and entities under the umbrella of Micrologic. It encompasses all our activities, products, services, and interactions with stakeholders, ensuring that we uphold the highest standards of responsibility and ethics across the board. Whether it be our core IT solutions, cloud services, or the management practices we employ, each facet of Micrologic's operations will reflect the principles laid out in this ESG policy.

### 1.3. ESG Policy Review and Updates

The dynamic nature of our industry, coupled with evolving global ESG standards, necessitates that our ESG policy remains adaptable and current. To this end, Micrologic is committed to reviewing and updating this policy on an annual basis. Feedback from internal and external stakeholders, along with emerging global trends and standards, will be integral to this review process. All updates will be communicated promptly to all relevant stakeholders and will be made available on our official corporate website.

## 2. Environmental Stewardship

Environmental protection and sustainable operations are central tenets of Micrologic's vision for a prosperous future. We acknowledge the impacts of the IT and cloud sector on the environment, and we are devoted to mitigating these effects through innovative solutions, responsible practices, and a proactive approach.

### 2.1. Energy Efficiency and Carbon Footprint Reduction

- **Objective:** Minimize our energy consumption and greenhouse gas emissions throughout our operations, infrastructure, and service offerings.
- **Initiatives:**
  - Transition to energy-efficient hardware and software solutions.
  - Opt for renewable energy sources for our data centers and facilities.
  - Opt for data centers with a level of cooling efficiency over the average over their competitors in their regions.
  - When possible opt for a carbonneutral data centers or carbon stockage technologies.
  - Implement a partnership with data centers that recycles heat to power greenhouse as a method of carbon capture.
  - Participation in the Zero-Carbon Committed from VmWare aiming to power our cloud infrastructure using 100% renewable energy.
  - Implement remote work and teleconferencing to reduce carbon footprint associated with commuting and business travel.

### 2.2. Waste Management and Recycling

- **Objective:** Adopt and promote a circular economy model, emphasizing waste reduction, recycling, and environmentally-friendly disposal methods.
- **Initiatives:**
  - Implement a company-wide recycling program.
  - Partner with local recycling partners for disposal and repurpose of obsolete electronic equipment.
  - Encourage paperless workflows and digital operations.

### 2.3.Sustainable Procurement and Supply Chain Management

- **Objective:** Ensure that our supply chain reflects our environmental commitments, emphasizing sustainability, ethical sourcing, and transparency.
- **Initiatives:**
  - Collaborate with suppliers who adhere to recognized environmental standards and certifications.

- Integrate environmental criteria into our procurement decision-making processes.
- Implement a purchasing preference for local, recyclable or compostable packaging for drinks and lunches.
- Encourage suppliers who are reducing packaging and opt for eco-friendly materials where possible.

## 2.4. Green IT Initiatives and Infrastructure

- **Objective:** Leverage our technological expertise to design and implement IT solutions that prioritize energy efficiency and minimal environmental impact.
- **Initiatives:**
  - Develop and promote cloud solutions that optimize energy use.
  - Design software and applications with energy-efficient algorithms and processes.
  - Invest in research and development for sustainable IT innovations.

## 3. Social Responsibility

At Micrologic we understand that our responsibilities extend beyond business performance. The diversity and inclusion within our workforce, along with our unwavering support for charities, exemplify our commitment to uplifting the communities we operate in and fostering a corporate culture built on fairness, respect, and philanthropy.

### 3.1. Employee Well-Being and Development, Diversity, Equity

- **Objective:** To cultivate a workplace that encourages growth, diversity, and the well-being of every member of our team
- **Initiatives:**
  - **Fair Hiring Policies:** Our comprehensive set of policies guarantees a hiring process free from any form of discrimination, ensuring everyone has an equal opportunity to join our team.
  - **Diverse Workforce:** We proudly host over 25 nationalities among our staff, celebrating the richness of ideas, perspectives, and cultures that they bring to our company.
  - **Continuous Learning:** Offer regular training sessions and workshops to facilitate personal and professional growth, ensuring our employees are always at the forefront of the industry.

### 3.2. Inclusion and Management Accessibility

- **Objective:** To foster an inclusive and diverse workplace environment that respects and values everyone's differences.

- **Initiatives:**

- **Employment Equity Program:** In accordance with Quebec laws, we have established an Employment Equity Program aimed at ensuring and maintaining a diversified and inclusive workforce. This program commits us to uphold the principles of equity and to comply with applicable laws related to non-discrimination and equal employment opportunities regardless of ethnicity, gender or any other differentiators.
- **Accessibility to Management and Leadership Roles:** We strongly believe that competence should be the primary criterion for leadership roles. Therefore, we are committed to making management and leadership positions accessible to individuals of all backgrounds, genders, or other specificities, based solely on demonstrated competencies.

### 3.3. Community Engagement and Philanthropy

- **Objective:** To make meaningful contributions to society, particularly focusing on the well-being and development of children.
- **Initiatives:**
  - **Fondation du CHU (Pediatric unit):** Each year, we fund a dedicated project for the pediatric unit of CHU (University hospital in Québec City) to acquire new equipment, ensuring it becomes a standard part of their treatment protocols for the kids. This investment illustrates our commitment to improving healthcare standards for the younger generation.
  - **Support for Several Kids Oriented Charities:** We actively support numerous children-centric charities, particularly those aimed at bolstering self-esteem and helping them reach their full potential. Through financial contributions, volunteering, and awareness campaigns, we aspire to make a lasting difference in the lives of countless children.

### 3.4. Customer Privacy and Data Protection

- **Objective:** To safeguard the privacy and data of our customers, upholding the trust they place in our solutions and services.
- **Initiatives:**
  - **Data Protection Protocols:** Implement robust data protection measures, ensuring customer data remains confidential and secure.
  - **Awareness Programs:** Regularly educate our staff and customers about the importance of data privacy and the practices we employ to maintain it.
  - **PII oriented controls:** Micrologic complies with every applicable law and regulation regarding the safeguarding of personal identifiable data. Micrologic's extensive program of certifications compliance audit ensures that every PII is correctly classified, protected and accounted for. The annual audits part of our ISO 27001: 2022, 27027: 2015, 27018: 2019 and SOC 2 Type II are conducted annually by external certification bodies.

## 4. Gouvernance

At Micro Logic, we believe that robust corporate governance serves as the foundations for sustainable growth and stakeholder trust. Our governance structures and practices are defined not just by compliance with laws and regulations, but also by adherence to international standards and our foundational values. This combination ensures that we maintain the highest level of integrity and accountability in all our dealings.

### 4.1. Corporate Ethics and Integrity

- **Objective:** Uphold the highest standards of ethical behavior, professionalism, and honesty across all levels of our organization.
- **Initiatives:**
  - **Code of Conduct:** Our formal Code of Conduct serves as a guiding document for employees, defining our expectations regarding behavior, ethics, and professional standards. This document is rooted in our fundamental values: Integrity, Solidarity, Pride, Collaboration, and Respect.
  - **Training & Awareness:** Regular training sessions are conducted to ensure that all employees are familiar with our Code of Conduct and its implications in daily operations.
  - **Whistleblower Mechanism:** An established mechanism where employees can safely report unethical behavior or practices is documented in our Code of Conduct, ensuring transparency and accountability.

### 4.2. Compliance and Regulatory Adherence

- **Objective:** Adhere to all relevant local, national, and international regulations and standards, reflecting our commitment to operational excellence and stakeholder trust.
- **Initiatives:**
  - **ISO Certifications:** As a testament to our dedication to quality management and information security, Micrologic proudly holds ISO 9001: 2015 and ISO 27001: 2022 (including 27017: 2015 and 27018: 2019) certifications. These certifications mandate regular audits and reviews, ensuring our continual alignment with best practices.
  - **SOC 2 Type II Compliance:** : Our SOC 2 Type II certification further emphasizes our commitment to security, availability, processing integrity, confidentiality, and privacy of customer data.
  - **Internal Audits:** Regular internal audits are conducted to assess and ensure compliance with all certifications, standards, and regulations.

### 4.3. Stakeholder Engagement and Communication

- **Objective:** Establish open, transparent, and effective communication channels with all stakeholders, fostering trust and collaboration.

- **Initiatives:**
  - **Feedback Mechanisms:** Implement a platform for stakeholders to voice concerns, suggestions, or feedback, ensuring their perspectives are valued and addressed.
  - **Stakeholder Meetings:** Organize regular meetings with major stakeholders, including investors, customers, employees, and partners, to discuss strategic decisions, performance metrics, and future initiatives.

#### 4.4. Risk Management and Oversight

- **Objective:** Enhance our risk management practices to identify, evaluate, and mitigate potential threats to our business operations and reputation outside of the scope covered by our compliance scope.
- **Initiatives:**
  - **Risk Assessment:** Periodic assessments to identify potential risks related to financials, operations, technology, and reputation.
  - **Risk Mitigation Plans:** For each identified risk, dedicated mitigation strategies are devised and implemented.
  - **Oversight Committees:** Establishment of committees comprising senior executives to monitor risk management practices and ensure their effectiveness.

#### 4.5. Human Rights and Responsible Sourcing

- **Objective:** Uphold the highest standards of human rights throughout our operations and ensure that our entire supply chain aligns with these principles.
- **Initiatives :**
  - **Annual Human Rights Declaration:** Annually, our partnership with major vendors requires Micrologic to declare our adherence to global human rights standards. This commitment reflects our unwavering dedication to ensuring the well-being and rights of every individual associated with Micrologic.
  - **Supply Chain Oversight:** Recognizing the extensive reach and influence of our operations, we continuously monitor our supply chain. This ensures that every entity involved with us—be it suppliers, partners, or contractors—respects and enforces the same human rights standards we hold ourselves to. Any deviations are addressed promptly, ensuring the integrity of our supply chain and the well-being of all its participants.

#### 4.6. Data Sobriety and Responsible IT Governance

- **Objective:** Adopt a sustainable and responsible approach to data management, ensuring that we collect, process, and store only essential data.

- **Initiatives :**

- **Selective Data Collection:** We're committed to the principle of data sobriety, ensuring that we gather only the information necessary for our operations and services, thereby minimizing digital clutter and respecting user privacy.
- **Sustainable Data Storage:** By practicing data sobriety, we also reduce our digital footprint. This, in turn, decreases the energy consumed by data centers and storage facilities, contributing to our environmental objectives.
- **Regular Data Audits:** Periodic reviews of our data repositories to identify and safely purge redundant or non-essential data, ensuring that our storage practices remain lean and purpose-driven.
- **Employee Training:** Continuous training sessions for our staff, emphasizing the importance of data sobriety, its benefits, and practical methods to implement it in daily operations.
- **Confidentiality Policy:** Micrologic has a formal Confidentiality Policy publicly available on our website reaffirming the data sobriety stance.

## 5. Implementation and Monitoring

To ensure that Micrologic's ESG commitments translate into tangible actions and results, we employ a robust system of implementation and monitoring. While our certifications come with their own set of compliance audits, our ESG policy requires its distinct measurement and evaluation mechanisms.

### 5.1. ESG Performance Metrics and Reporting

- **Objective:** Establish quantifiable benchmarks for our ESG initiatives, allowing for consistent measurement, analysis, and transparent reporting.
- **Initiatives :**
  - **KPI Development:** Formulate specific Key Performance Indicators (KPIs) for every component of our ESG policy.
  - **Quarterly Assessments:** Internally review our progress concerning these KPIs on a quarterly basis, ensuring timely adjustments where needed.

### 5.2. Dedicated ESG Review and Evaluation

- **Objective:** Periodically review and evaluate the effectiveness and impact of our ESG initiatives independently of our standard certification audits.
- **Initiatives:**
  - **Internal ESG Review Teams:** Establish dedicated teams or committees responsible for the periodic review of ESG policy adherence and effectiveness.
  - **Feedback Integration:** Incorporate recommendations from our internal into our ESG strategy for continuous enhancement.

### 5.3. ESG Training and Awareness

- **Objective:** Cultivate a deep-rooted understanding of our ESG goals and strategies across the company, ensuring cohesive and informed implementation.
- **Initiatives :**
  - **Employee Onboarding:** Embed ESG policy awareness within the onboarding curriculum for all new hires.
  - **Continuous Training:** Organize regular training sessions and discussions, ensuring all staff members remain updated and aligned with our evolving ESG goals.
  - **Stakeholder Engagement:** Continually interact with other stakeholders, such as partners and clients, disseminating our ESG commitments and fostering collaboration on mutual objectives.
  - **Regular Training sessions to managers:** Micrologic has implemented regular management training ensuring the continuity of the value chain and the managerial style from top to bottom throughout the company..

## 6. Conclusion and Way Forward

At Micrologic, our ESG policy isn't merely a declaration of our commitment to environmental, social, and governance standards; it's a representation of our company's fundamental values and a demonstration of our proactive approach to addressing broader social issues. As we navigate the evolving landscape of the IT technology and cloud industry, this policy will serve as our compass, guiding our actions and ensuring we remain a force for positive change.

The journey towards true sustainability and societal impact is ongoing. Our ESG policy, while comprehensive, will undergo periodic reviews and refinements to adapt to new challenges, stakeholder expectations, and industry advancements. As we move forward, collaboration, transparency, and accountability will be our guiding principles, ensuring that Micrologic not only sets but also achieves new benchmarks in ESG excellence. This document lists elements that are already in place at Micrologic, but also others that relate to objectives, mechanisms to be put in place, or initiatives to be developed.

## 7. Appendices

### 7.1. Liste des groupes de parties prenantes

Here is a list of the major Stakeholder identified related to the ESG Policy with their expectations regarding this Policy.

Stakeholders	Expectations
Owner	Financial Growth Business Vision and Direction Risk Management Operational Efficiency Reputation protection
Investors	Rendement du capital investi TrReturn on Investment Transparency Sustainable Growth Ethical Operations
Customers	Ethical Considerations Data Protection Environment Protection
Employees	Fair Compensation Job Security Growth Opportunities Work-Life Balance Respectful Work Environment
Partners	Reliability Shared Risks and Rewards Ethical Operations Transparency Respect and Trust Alignment of Values and Objectives
Certifications Bodies	Compliance Regular Reporting Transparency Continuous Improvements Ethical Operations



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