



# FY2022 Diligent Social Impact & Sustainability Report



# About This Report

The following social impact and sustainability report (“the Report”) was prepared by Diligent Corporation (Diligent) solely for the purpose of describing Diligent’s practices involving the consideration of environmental, social and governance (“ESG”) factors, along with non-ESG factors, in Diligent’s course of business.

The preparation of the Report was not planned or executed in contemplation of the considerations of any third party or any specific investor, and items of specific interest to the recipient may not have been specifically addressed in the Report.

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# A Message from our CEO:

Welcome to Diligent's very first social impact and sustainability report! Our vision as a company is to create a world where every leader is empowered to build successful, equitable and sustainable organizations. So, it's only fitting that we also hold ourselves accountable for the impact we make on the world around us.

In 2020, we formally began our ESG journey to develop a strategy that drives value for the business, our employees, and the communities where we live and work — all while aligning with our corporate mission and stakeholder expectations. As part of that journey, we set an ambitious

target to achieve Net Zero by 2040 — a goal we're actively striving to beat; completed an organizational assessment; created an ESG-focused reporting structure; hired a dedicated team member to oversee our programming; and now, we're publishing our first report.

While evaluating our reporting framework, we were able to truly understand our priorities and identify the focus areas that allow us to create the greatest impact. This report, and our overall ESG efforts, concentrates on the three categories that align to our priorities as an organization: People, Planet and Purpose.

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Our **PEOPLE** Pillar focuses not only on the success of our company, but on the development and diversity of our team and the communities around us. After all, a diverse workforce means nothing if we don't have a culture where diverse opinions and backgrounds are welcomed and encouraged.

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Our **PLANET** Pillar focuses on behavioral and operational changes we can make in our business to prioritize environmental sustainability. By using Diligent's ESG solutions, we can better calculate our carbon footprint and identify areas of improvement and opportunity throughout the organization.

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Our **PURPOSE** Pillar closely aligns to the mission and vision of our organization. It calls for added transparency and accountability in integrating sustainable practices into our products, solutions and services.

At Diligent, we're committed to being a purpose-driven organization that continuously improves our efforts in hopes of creating a greater impact on the world. The governance of our social impact and sustainability efforts is equally as important as the [governance, risk, compliance, audit](#) and [ESG](#) solutions we provide to our customers, and that's why we review our initiatives annually with our board of directors to ensure we're meeting and being held accountable for achieving our ESG goals.

I hope this is the first of many sustainability and social impact reports that showcases how we are making daily improvements to create a more sustainable and equitable future.

Thank you for being a part of this journey.



**Brian Stafford**  
President & CEO, Diligent

# PEOPLE: Values at Diligent

Our vision at Diligent is to create a world where every leader is empowered to build successful, equitable and sustainable organizations. We also firmly believe our pursuit of that vision starts right here with our employees.

Recognizing that our greatest value comes from the success of our teams, our ESG strategy prioritizes the PEOPLE Pillar to ensure not only the success of our company, but that of our workforce. Building better sustainability habits and championing social causes that impact our communities starts with empowering and supporting our employees across the globe.

The PEOPLE section of the report gives insight into how Diligent is doing this through our Diversity, Equity, Inclusion & Intersectionality (DEI&I) initiatives; employee engagement and wellness efforts; our annual Global Day of Service and our charitable efforts.

**This section includes the following information:**

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## I. Workforce Metrics

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## II. Diversity, Equity, Inclusion & Intersectionality at Diligent

### a) Spotlight: Diligent Academy

### b) DEI&I Initiatives

#### i. Diversifying Talent at Diligent

#### ii. DEI&I Trainings at Diligent

#### iii. Diligent's DEI&I Taskforce

#### iv. ERGs at Diligent

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## III. Employee Wellness

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## IV. Social Impact at Diligent

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## V. Director Network

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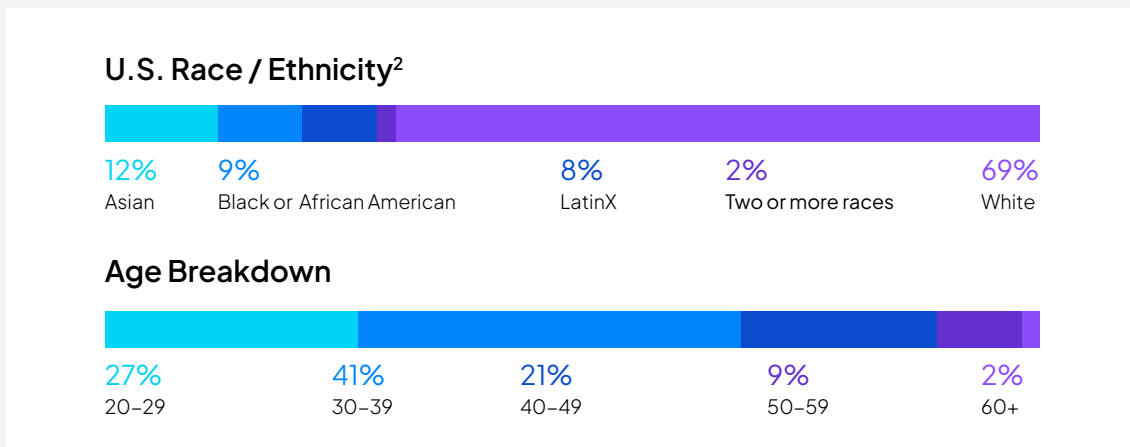
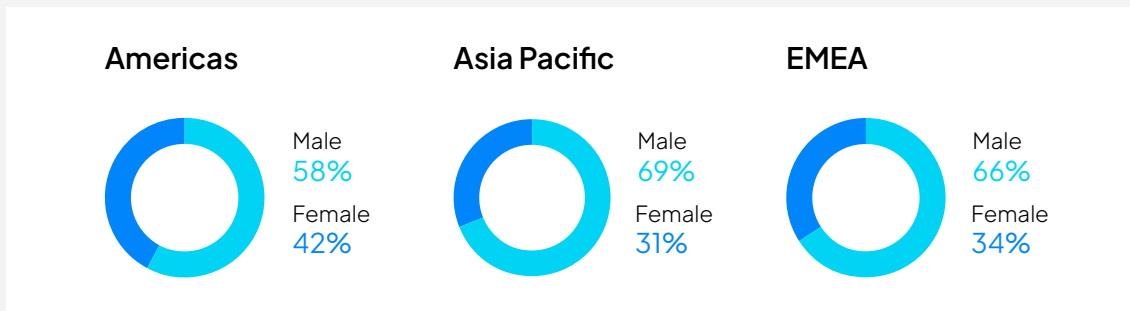
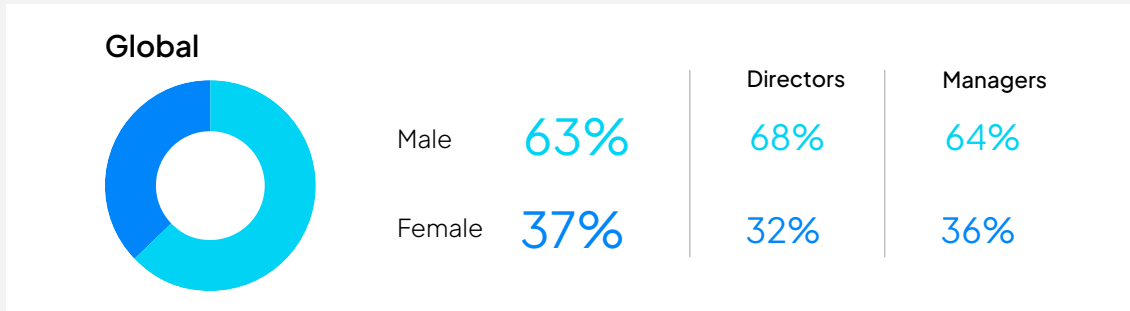
## VI. Next Steps

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# I. Workforce Metrics

## FY22 Employee Representation Data



### What the numbers show:

Comparatively speaking, Diligent aligns with employee representation seen in other companies in our industry.

<sup>1</sup> Data includes Diligent employees as of December 31, 2022

<sup>2</sup> Race and ethnicity data is collected in the U.S. only and not available in other regions.

But at Diligent, we know there's still work to do. The rest of this section details the improvements we've made in the last year, our achievements, and our hopes to build and improve on our DEI&I efforts.

## II. Diversity, Equity, Inclusion & Intersectionality at Diligent

As a company, we're committed to fostering, cultivating and preserving a culture that celebrates and values diversity, equity, inclusion and intersectionality (DEI&I). Our DEI&I program accelerates progress, with education being a critical component. For example, Paradigm Reach, a training platform with courses, microlearning and resources, aims to build a shared vocabulary, develop new skills and encourage collaboration to create a more inclusive organization.

In 2022, we announced the launch of [Diligent Academy](#) with the goal of creating high-paying, entry-level jobs in tech sales and customer success in Baltimore. Diligent Academy provides career-ready technical and

professional skills for underrepresented job seekers and developing a pipeline of talent for Diligent and Baltimore's burgeoning tech communities.

We also support a number of Employee Resource Groups (ERGs). These groups fast-track DEI&I education and create a safe place for growth, understanding, compassion and empathy.

Last but not least, we believe that diverse leadership is an essential part of modern governance and remain committed to exploring new opportunities to diversify our C-suite.



We believe that diverse leadership is an essential part of **modern governance** and remain committed to exploring new opportunities to diversify our C-suite.

# IIA. Spotlight: Diligent Academy

Established in 2022, Diligent Academy was created in partnership with [SV Academy](#), the largest learning community of diverse sales professionals. Approximately 100 Baltimore area residents were accepted into the program and 22 graduates from the first cohort were matched with entry-level jobs in tech sales and customer success at Diligent.

Nearly 80,000 tech jobs were added to the United States in 2021, yet access to these roles has been limited, especially for women and people of color. SV Academy's goal is to democratize access to the tech industry by working with leading software companies like Diligent to place graduates in high-growth careers.

Our inaugural class of graduates came to the Academy with varying levels of work experience and education levels. Participants in the bespoke enablement program learned both soft and technical skills during the four-month program, in which the curriculum was structured into three different career tracks: sales development, customer success and customer support.

The launch of the training program builds on Diligent's continued efforts to invest in the development of go-to-market talent and further increase diversity. No degree or relevant work experience were required to enter the training program, and part-time training options were

available to accommodate caregivers and those with existing job schedules. All graduates receive one year of job coaching from SV Academy and those not selected to join Diligent Academy were eligible for up to six months of job search support.

Through Diligent Academy, we will add capacity to our teams, increase our investment in people and enhance diversity across the technology industry.



SV Academy is on a mission to create \$100B of wealth expansion for under-represented jobseekers. Founded in 2017, SV Academy supports over 400 SaaS employers with a highly connected community of rigorously trained, high-performing sales and customer success talent. The company's platform offers skills building, mentoring, job placement assistance and post-hiring support such as networking events and coaching, with 60% of its graduates being promoted in the first year. SV Academy was named #2 Most Innovative Education Program by Fast Company and is supported by OWL Ventures, Uprising, Bloomberg Beta, Kapor Capital and ReThink Education, as well as Ashton Kutcher and Guy Oseary's Sound Ventures. To learn more, visit [sv.academy.com](https://sv.academy.com)



# IIB. DEI&I Initiatives

As a modern governance company, Diligent takes its responsibility to enhance diversity and inclusion at all levels of the organization very seriously. But a diverse workforce means nothing if we don't have a culture where diverse opinions — a major part of innovation — are fully welcomed and openly sourced.

In June 2021, Diligent held our first DEI&I-focused town hall to share company-wide diversity statistics and generate long-term ideas to drive lasting change.

We've been focused on boosting our diversity practices to build a more inclusive workplace, where everyone can truly be themselves and thrive, including implementing several campaigns and initiatives to help us achieve just that. We've also continued to share annual updates to our Diversity Metrics and updates on mission-critical DEI&I initiatives. Our core focus areas are:



Recruiting and retaining diverse talent



Expanding DEI&I education and training



Identifying areas of opportunity through an employee-led DEI&I taskforce



Strengthening our ERGs





# IIB. Talent Acquisition — Changing How We Recruit Great and Diverse Talent

We recognize that the barriers to a diverse workforce begin with our pipeline. We are continuously reviewing and assessing our talent programs to ensure they foster inclusivity and equity, meet clearly established KPIs, and push us to implement any necessary policy changes to recruit top talent, including the following:

## The Implementation of a Structured Hiring Process

- In 2022, Diligent implemented Greenhouse, an applicant tracking system that helps us address unconscious bias throughout the hiring process through:
  - More robust reporting features based on U.S. Equal Employment Opportunity Commission (EEOC) data
  - Prompts and triggers to encourage developing unbiased job descriptions and hiring decisions
  - Opportunity for applicants to provide preferred pronouns and name pronunciation
  - Hidden scorecards to reduce bias from interview to interview

## A Redesigned Hiring Manager/ Interview Training program

- We crafted a structured/repeatable interview experience focused not just on what a candidate has done and will bring to Diligent but — in assessing candidates using our success traits — how a candidate gets things done.
- We redesigned our interview training, which includes a grounding in Diligent’s recruiting philosophy, emphasizing that “building a diverse Diligent team is fundamental to our success.” Our interview training program also provides a deep dive on:
  - How to craft job descriptions that are welcoming and inclusive
  - Learning to recognize — and mitigate — different forms of bias when we are assessing candidates
  - The importance of creating a structured interview experience

## Other opportunities for us to build out a diverse team included:

- An Expanded Internship Program — Our 2022 class of 18 interns was 65% diverse. Methods for attracting underrepresented talent included:
  - Targeting outreach to schools with large populations of underrepresented talent (e.g., HBCUs, HSIs, etc.)
  - Increasing our outreach (via Handshake) and posting jobs at schools not already in our pipeline
  - Due to the increase in applications, we made a conscientious effort to make sure our hiring managers had a diverse pool of applicants in the interview process
- Our Diligent Academy investment further increased the diversity of our talented SDR/CS teams
- Enhanced CIRCA Partnership increased Diligent’s exposure to Specialized Diversity Job Boards reaching more diverse students

# IIB. DEI&I Training: Paradigm REACH Platform

Established in 2021, DEI&I education is foundational to our talent retention efforts. In 2022, we launched our global DEI&I training program via the Paradigm REACH platform to support the education of our global team, facilitate dialogue and develop a shared language around — and understanding of — these important topics. REACH is an innovative, scalable platform that provides a blended

learning approach including courses, micro-learnings, literary resources and live training options, which has empowered us to fast-track our DEI&I training efforts in service of building a more inclusive organization.

While we continue to expand our course offerings, our pilot program focused on the following trainings:



Inclusion at Work: Managing Unconscious Bias



Creating an Inclusive Culture



Inclusive Hiring for People Managers



Practicing Allyship



Inclusive Performance Management for People Managers



## IIB. DEI&I Taskforce

Diligent's DEI&I Taskforce serves as the voice of our employees, ensuring that our initiatives represent the diverse perspectives essential for meeting the needs of our growing team. Partnering closely with the DEI&I team, their work is centered around four pillars:

1. **Education and awareness:** Creating ongoing educational and awareness programs
2. **Communities:** Identifying new ways to help our local communities
3. **Policies and programs:** Instituting new policies and programs
4. **Taskforce governance:** Enhancing and operationalizing the role of the DEI&I Taskforce in our ongoing efforts

In 2022, the Taskforce identified several main priorities aimed at strengthening, enhancing and embedding equity and inclusion within the business. These mission-critical efforts allow us to not only track, measure and report on progress, but also continuously improve how we approach diversity at Diligent.

### Our 2022 priorities included:

1. **Self-identification campaign for people data:** Due to the global nature of Diligent's business and team, we do not collect applicants' and employees' diversity information for tracking purposes, as these efforts

may be grounds for litigation due to data privacy violations and discrimination claims outside of the United States. Instead, we are exploring an anonymous and completely voluntary Self-ID campaign, which will stress that any data collected will be anonymized and will transparently state (via a privacy policy/data privacy notice) the purpose of the campaign.

2. **Diversity data platform:** Diligent has partnered with Dandi, the analytics platform for DEI&I to help track, measure and report our workforce data in real time. The ability to deep dive into these numbers will allow us to better identify patterns that emerge, view how different company DEI&I and people program initiatives impact our employee population, and learn how we can better support our diverse team across the globe.
3. **Policies to promote inclusivity:** This ongoing effort will inform and adopt the use of tracking metrics to identify new priorities, pinpoint areas of opportunity, and improve DEI&I and ESG reporting.
4. **DEI&I discussions company-wide:** To further cultivate and promote inclusive learning and work environments that encourage and support DEI&I initiatives, the Taskforce designed a program to help facilitate and guide conversations around DEI&I issues and efforts by leveraging the Paradigm REACH platform.



“We established a DEI&I employee task force to create an environment where employees feel they have a forum for their ideas to be heard.”

Greg Vargas, VP, Talent and DEI&I



# IIB. Employee Resource Groups: Highlights from Diligent's ERG activations and events

Employee Resource Groups (ERGs) at Diligent celebrated one year in July 2022! The ERGs' focus is to build community, positively influence culture and amplify employee voices.

Our ERGs play an important role in creating a sense of community and providing an opportunity for our Diligent colleagues to discuss and raise the profile of DEI&I topics across the organization. As of September 2022, more than a quarter of our employees have been involved with our ERGs in one way or another — an especially encouraging number given that our program was created during the COVID-19 pandemic when the majority of our 2,000+ team members were working remotely. ERGs play a key role in helping us celebrate and observe important moments throughout the year, including Black History Month, Women's History Month and Pride Month, and weigh in on product development, people policy and programs, work norms and more.

## **In the first year, we established eight ERGs where membership ranged from 25 to 150 people:**

1. Black at Diligent focuses on increasing engagement of Black employees, while supporting and encouraging the career development of Black employees across the Diligent organization.
2. The Generational ERG provides networking and mentoring opportunities, in addition to sharing skills across generations to boost professional productivity and personal advancement.
3. Mental Health at Diligent provides an opportunity to advance mental health well-being within our global community.
4. Our multicultural ERG, Together, aims to increase awareness of the cultural diversity inside and outside of the company, by promoting and celebrating the ethnicity of our employees.
5. The Village group serves as a support network for employees who are juggling their careers with caregiving responsibilities.
6. Pride at Diligent engages with LGBTQIA+ employees and allies in meaningful and relevant activities while providing information that promotes equality through education and participation.
7. The Remote/Work from Home ERG connects employees across the globe through the innovation and ingenuity of skill sharing, tool testing and embracing flexibility.
8. Finally, Women in Tech strives to close the gender gap in technology-focused roles while supporting and encouraging the career development of women across the business.

## IIB. Employee Resource Groups: Highlights from Diligent's ERG activations and events

### ERG Highlights from 2022

- 1. Global Pride Month Activations —** The Pride ERG influences Diligent offices across the Americas, APAC and EMEA regions to host programming in celebration of Pride month. This celebration allowed members and allies of the LGBTQ community to come together where they live and work.
- 2. Fireside Chat with Yvette Hollingsworth Clark and MarKeith Allen —** Fireside Chat with Yvette Hollingsworth Clark and MarKeith Allen — Diligent Board member Yvette Hollingsworth Clark was interviewed by Diligent's Head of Mission-Driven Organizations, MarKeith Allen where the two shared their personal and professional stories in celebration of Black History Month. Moderated by Anika Fisher, the program touched the entire company and preceded the announcement of the eighth ERG at Diligent: Black at Diligent.
- 3. Self-Advocacy Workshop Series by the Black at Diligent ERG and Women in Tech ERG —** a collaborative event born out of the combination of content from our Juneteenth programming on self-advocacy and the Level Up to Scale Up women's leadership program through our partnership with Insight Partners.



# III. Employee-focused initiatives

Employee-focused initiatives help promote engagement and well-being, improve retention and reduce burnout. In 2022, we introduced a number of different activities and programs to support healthy behaviors at work for the year, including:

- 1. Recharge Weeks:** For two separate weeks in 2022, Diligent paused our non-essential business operations, collectively giving employees time to disconnect, rest and recharge. These Recharge Weeks were paid and were over-and-above annual paid time off for employees.
- 2. Internal Meeting-Free Days:** One day a month, Diligent called for no internal meetings to help facilitate workload management for our employees. An MIT Sloan Management study has shown that meeting-free days improve autonomy, communication, engagement and satisfaction, resulting in an increase in productivity.
- 3. Employee Assistance Program (EAP):** Diligent has a global Employee Assistance Program offering 24/7 access to counseling support, legal and financial consultations, work-life assistance and crisis intervention services, including referrals to local experts. This program is free for employees and their household family members for up to five issues each year.
- 4. Gym Reimbursement Program:** Diligent recognizes the significant benefits a healthy mind and body have on the livelihood of our employees and advocate for regular exercise and physical fitness for employees. Eligible programs include the annual or monthly cost associated with an individual membership at a health club or wellness center, fitness subscription service, online fitness or wellness program app.



# IV. Social Impact at Diligent

Building further on our ESG commitments, we developed and adopted a social impact strategy that drives value for the business, our employees, and the communities where we live and work. In 2022, our multi-pronged strategy included:

- Demonstrating our commitment to modern governance and leading with purpose
- Establishing and formalizing a framework for corporate philanthropic efforts across our business
- Acting as a responsible organization for all our stakeholders, including our employees and their communities

Our social impact strategy enabled several initiatives throughout the year, including:

1. **Global Day of Service:** Since 2021, Diligent employees across the globe have spent one day each year giving back to their local communities through a range of volunteer activities. Team members volunteer with a charity, non-profit or community group of their choosing, either through organized activities or individually.

On May 12, 2022, Diligent employees spent almost 800 hours volunteering. From helping at an orphanage in India to picking up trash in Vancouver to collecting food for the vulnerable in New York to donating blood in Budapest, colleagues really stepped up this past year!



## IV. Social Impact at Diligent

2. **Giving at Diligent:** Diligent has a robust history of charitable donations, employee-led initiatives and crisis response. In 2022, Diligent donated to 31 different organizations, including:
  - Covenant House BC Vancouver
  - Cope Galway
  - S.O.M.E. Charity
  - RU OK Charity
  - CPNYC Charity
  - No Kid Hungry Charity
  - Baltimore Urban Baseball Charity
  - Enthuse.com Charity
  
3. **Crisis Response:** During times of environmental disaster or social unrest, Diligent empowers and facilitates proactive, effective and efficient responses to the communities where we live and work. In 2022, the invasion of Ukraine unfolded on the global stage and many individuals, governments and companies responded to the crisis, including Diligent.

To show support and solidarity with the people affected, Diligent donated to The International Committee of the Red Cross, which provided emergency assistance such as food, water and other essential items to those affected.

As the number of displaced Ukrainians continued to rise, Diligent recognized the devastating human impact of the conflict and was determined to find more ways to help. So, we launched a fast-track recruitment program in our Hungary office to provide employment for Ukrainian tech professionals across engineering, product and UX/UI roles.

### This fast-track program included:

- Prioritizing resume reviews and interview process for Ukrainian citizens
- Offering additional financial support for those hired to cover displacement expenses such as the cost of accommodation and relocation
- Providing support on visa requirements

# V. Diligent Institute's Director Network

We believe that diverse leadership is an essential part of modern governance and remain committed to exploring new opportunities to diversify our C-suites and boardrooms. Through Diligent's Modern Leadership Initiative, we launched the [Director Network](#) — the largest and most diverse global network of corporate directors. The Director Network helps fill open board and top executive roles with qualified candidates across the spectrum of race, ethnicity, nationality, LGBTQIA+ status, gender, age and expertise.

Director Network makes it easy to champion diverse talent with a variety of search criteria to source the right talent for open roles. It also offers members access to thought leadership and a global forum to share best practices. In 2022 and beyond, our teams are tirelessly committed to further enhancing the Director Network experience, expanding the number of candidates, search firms, and other board members who use the platform to post, apply to, and fill board seats.

[Diligent Institute](#) works with Director Network partner organizations outside of championing their members in the platform itself. In addition to the benefits of joining Director Network, Diligent Institute collaborates with diversity partners on research – supplying rich data intelligence and insights on boardroom composition and diversity, and amplifying partners' findings across our vast network of customers and clients.

Diligent Institute also offers competitive pricing and discounts on our newly launched [certificate programs](#) for members of Director Network partner organizations, allowing diverse talent to upskill on new and emerging issues being elevated to the boardroom and making them that much more competitive and prepared for open roles.





# VI. Next Steps

Our people are our greatest asset and Diligent is excited to continue to build on the efforts we've established in 2022.

- Our DEI&I ambitions continue to grow as we expand our business and our ongoing efforts. We will continue to:
  - Strengthen Diligent Academy as a talent development pipeline. We are actively exploring additional partnerships in 2023 that will assist us in identifying, recruiting and training underrepresented talent.
  - Leverage DEI&I data from our diversity data platform. With the ability to see and manipulate our workforce metrics in real time, our people team is dedicated to developing and implementing data-driven and intentional diversity initiatives.
  - Launch Self-ID campaign. Our hope is to achieve a 70% participation level, which will enable us to build a more robust picture of our team demographics to better direct our DEI&I priorities.
  - Conduct an audit of our 2022 Paradigm course participation to better inform our curriculum. These courses are part of our global DEI&I training program, which aims to build a shared vocabulary, develop new skills and work together to develop a more inclusive organization. DEI&I training is required for all employees.
- We are continually evaluating our employee wellness programs and looking for ways to promote the health and happiness of our teammates while maintaining our best-in-class business operations. To that end, we are committed to expanding our employee wellness offerings to include at least one new program by the end of this year.
- Laying the foundation of our social impact strategy enables us to give back in more meaningful and deliberate ways. Diligent is committed to investing in our communities and championing our values and thus, will adopt a corporate social impact cause with a long-term commitment as well as measurable impact for the company in 2023.
- A key priority for our people team is ensuring that we retain and grow our talent. It is important that our employees have clarity in their roles and understand how to grow their careers at Diligent. We are committed to providing this through a number of avenues this year, including:
  - Clear pathways for internal mobility
  - Quarterly career seminars to highlight employees who have successfully built their careers at Diligent
  - Expanded access to LinkedIn Learning for hard and soft skills development
  - An enriched people manager development program

# PLANET: Environmental Stewardship & Sustainability

We firmly believe that organizations have a responsibility to the next generation to leave the world better than they found it. That means leading by example and being ambitious — with the right leadership in place, our dedicated ESG team and the willingness to adapt — we are striving to accelerate our timeline and achieve Net Zero by 2040.

But our Net Zero pledge is only one piece of our larger global strategy. The PLANET Pillar of Diligent's ESG program encompasses the company's commitment to minimizing our environmental impact, promoting sustainability and contributing to a more sustainable future. This includes efforts to reduce greenhouse gas (GHG) emissions, conserve natural resources and promote eco-friendly practices throughout our operations by focusing on adapting our business practices to prioritize environmental sustainability and challenging our stakeholders to do the same.



In 2022, our two primary focus areas for our PLANET Pillar were:

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I. Climate and Energy

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II. Building Operations

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Also included in this section:

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III. Next steps

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# I. Climate and Energy: Calculating Our Carbon Footprint

2022 was a year of firsts for us for many reasons, including calculating our carbon footprint. Over the course of the year, our environmental sustainability strategy set our scope, collected data and defined processes to better understand where our emissions come from and how we can reduce them.

For many companies, taking that first step can be daunting. Using [Diligent's Carbon Accounting software](#),

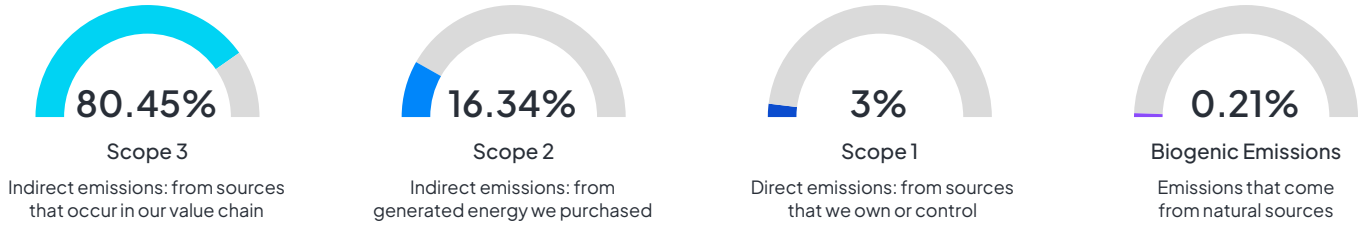
we calculated our Scope 1, Scope 2 and Scope 3 emissions from 2022 as well as compared them to data points from 2021.

Our software also allowed us to identify areas of opportunity and improvement. Using the granularity of information provided through the platform, we can create and implement meaningful policies and programs to optimize our energy consumption.

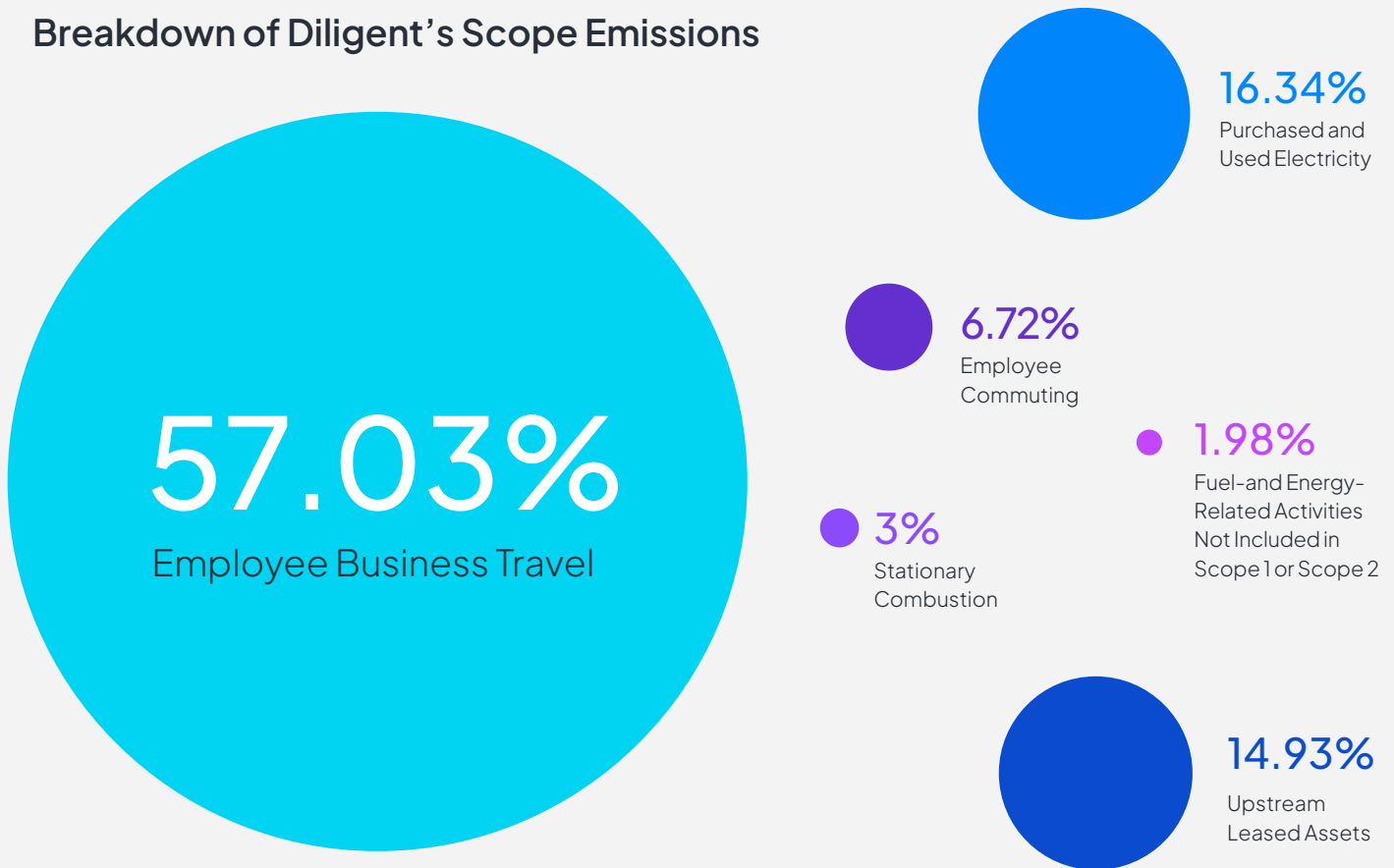




# FY2022 Carbon Footprint



## Breakdown of Diligent's Scope Emissions



**In Scope:**  
Jan 1, 2022 -  
Dec 31, 2022

**Diligent gathered data on energy consumption in 2022 across all of our major offices including:**

- New York, New York
- Washington, DC
- Vancouver, Canada
- Galway, Ireland
- Edinburgh, UK
- London, UK
- Budapest, Hungary
- Bangalore, India

Also included in our scope were **all active data centers in 2022**

Business travel including **flights, car rentals, hotels**

Our commuter survey captured the **commuting habits of 72% of our employees in 2022**

Based on our analysis, business travel contributes the most to our overall carbon emissions. As a software company, we recognize that we are in a low-impact sector and industry benchmarks continue to be a challenge; however, we are committed to using this initial footprint to pursue carbon-reduction programs where we see the biggest opportunities.

## II. Building Operations

For Diligent, being good environmental stewards starts in our offices. Four of our major offices across the globe meet LEED or equivalent standards, and to further our commitment to sustainability, we adopted new office sustainability guidelines that promote environmentally friendly practices last year. A few highlights include:

- Replacing all single-use plastic, paper utensils and drinkware with reusable materials
- Switching to recycled printing paper and recycled paper products for all supplies
- Providing environmentally friendly cleaning supplies for employees

These changes will be implemented over the course of 2023, and we will continue to monitor and enhance our practices through an annual sustainability audit.



# III. Next Steps

As we chart the course of Diligent's next steps against climate change, we look forward to championing sustainability in the office and beyond.

We remain committed to addressing our environmental impact and achieving net zero emissions by 2040. We recognize that reducing business travel can be challenging, especially as a company with a global footprint that serves industries that rely on in-person meetings and events. However, we will be taking steps to reduce and offset our carbon footprint through various initiatives, including exploring avenues such as investing in renewable energy and incentivizing our employees to prioritize sustainable transportation options, such as public transit and electric vehicles, whenever possible. By acknowledging the challenges and committing to action, we are moving our empathy and concern for the environment into action toward a more sustainable future.

We'll be implementing these changes and initiatives over the coming years to create "A Greener Diligent" suite of programming. Our goals are ambitious, but our roadmap to success builds on our efforts over time.

## **Over the next year, we are committed to:**

- Drafting and adopting a travel policy to continue to reduce our carbon footprint informed by our Greenhouse Gas emissions analysis
- Encouraging and enabling employee sustainability habits through guidelines and practices
- Conducting a sustainability audit of our suppliers to lay the groundwork for a sustainable supplier policy and database
- Piloting a waste management program in our New York office to help track, measure and divert waste

## **Long term, our PLANET Pillar milestones will include:**

- Identifying and pursuing credible carbon-reduction programs to accelerate our goal of Net Zero to 2040
- Continued development of sustainability policies and practices throughout the company
- Continued trend analysis of our carbon footprint



# PURPOSE:

## Governance and Leadership

Our third pillar, PURPOSE, helps ground our work. Built on the values we hold as a company — to drive client impact, champion modern governance and be diligent — this pillar aims to integrate and embed the foundational elements of good ESG practices throughout the company.

Our technology enables some of the world's largest organizations to make better decisions for stronger governance. By maintaining a strong corporate purpose, we practice good governance by integrating and embedding ESG considerations including diversity into our decision-making from the top all the way down. Whether it's research and education for existing and future leaders, consistent and clear communication to our employees, sharing our ESG journey with the market, or championing diversity and inclusion at the board level, we are committed to ensuring all of our stakeholders can rely on us.

This section includes the following information:

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I. Research and education

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II. Client impact

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III. Transparency and accountability

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IV. Governance

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V. Next Steps

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# I. Research and Education

Founded in 2018, [Diligent Institute](#) acts independently as the global research arm and think tank of Diligent. The Institute's mission is to inform, educate and connect leaders to champion modern governance by providing:

- Original, cutting-edge research on the most pressing issues in corporate governance
- Certifications and educational programs that equip leaders with the knowledge and credentials needed to guide their organizations through existential challenges
- Networks that convene directors and corporate executives to share best practices and insights
- Awards and recognition programs that celebrate the accomplishments of those who champion modern governance

**INFORM:** The Institute produces original research both independently and in collaboration with partners, including institutions of higher education and other thought leaders in the corporate governance space on important topics related to board governance, risk, strategy, ESG, diversity, compensation, activism, ethics and compliance, audit and more.

In 2022, Diligent Institute published several research reports on ESG, including:

- The inaugural [Board Diversity Gaps](#) report, which provided a global, comprehensive look at boardroom composition and diversity statistics
- The 2022 Global Modern Leadership Report, authored by [Diligent Institute](#), using data sets from [Diligent Governance Intelligence](#) and [Insightia](#), which provided in-depth insights into how diversity is progressing on boards worldwide. And while progress continues to be made to drive gender diversity on boards, other diversity measures like race, ethnicity and LGBTQIA+ representation fall significantly behind worldwide.

- The Institute's most ambitious and comprehensive ESG report, [Sustainability in the Spotlight](#), in partnership with Spencer Stuart, sought to learn more about how boards are structuring oversight of ESG issues and how they are preparing directors to fulfill their responsibilities as they evolve and expand.
- Surveying 590 corporate directors to get their insights, the report highlights how boards are addressing ESG, how they've adjusted to address ESG topics, and what they are doing to increase their overall board competency around ESG.
- The Institute of Directors in Ireland and the Diligent Institute were delighted to partner once again on [The State of ESG Strategy in Irish Boardrooms](#) report.
- The report looked at the importance of ESG, including board oversight and structure; strategy, risk and boardroom practices; skills; and EU legislation; as well as analyzing the differences between private and public companies as well as sectoral differences.
- In collaboration with the Esade Centre for Corporate Governance, the Diligent Institute produced [Modern Governance and ESG: Connecting Board Effectiveness and ESG Maturity](#), looking at how board effectiveness is related to progress on environmental and social goals.
- The report seeks to address the correlation between the metrics used to measure board effectiveness and the metrics used to rate Environmental and Social (E&S) performance; which expertise and skill-set backgrounds at the board level are correlated with board effectiveness; and whether companies with Sustainability Committees are also likely to have higher E&S scores.

# I. Research and Education

**EDUCATE:** As the world faces increasing challenges from climate change and shifts toward a more equitable future, the demand for leaders who understand the importance of ESG issues has never been greater.

Recognizing the need to upskill the leaders of today and equip the boards of tomorrow on best practices, Diligent Institute launched two new certificate programs in 2022 to give corporate leaders the confidence and insights they need to meet the challenges related to climate and ESG. Each certificate is a virtual eLearning program featuring industry experts, academics, and board-level executives sharing insight and strategies:

- The Climate Leadership Certification, a 2022 Silver Stevie Winner for Achievement in Sustainability, covers all aspects of climate leadership, including sustainability, renewable energy and carbon markets. The curriculum is taught by industry experts and is designed to provide a hands-on, practical learning experience.
  - In 2022, 96 participants, including 24 Diligent employees, graduated from the program with a deep understanding of the current climate landscape and the ability to make informed decisions about mitigating the impact of climate change.
- The ESG Leadership Certificate covers all aspects of environmental, social and governance, including sustainability, stakeholder engagement and responsible investment. Launched in July 2022, the curriculum, created in partnership with Competent Boards, features over 50 faculty members and is designed specifically for corporate directors, executives and other modern leaders.
  - By the end of 2022, 11 leaders completed the course, gaining better understanding and fully embracing their role in providing strategic direction and oversight of ESG.

**CONNECT:** [Diligent Forum](#), the latest offering from Diligent Institute, is a series of private, invitation-only groups for elite board leaders to share best practices with each other and engage with key stakeholders in

a confidential setting. The Forum draws on decades of governance experience, the expertise of like-minded strategic partners, and data and insights from Diligent. Developed with input from board leaders from the largest global companies, the Forum creates an atmosphere of trust among a small group of true peers.

- Part of the Diligent Forum, the [Next Generation Board Leaders](#) was created in response to the digital complexities and shifting demographics impacting today's companies. The program is designed to highlight the value that a younger generation of board members can bring to emerging areas of board oversight such as digital transformation, cyber risk, talent strategy, sustainability and climate risk.

**CHAMPION:** Diligent Institute recognizes the important contributions of leading professionals through [the Modern Governance 100](#) and the Modern Boards 25. The Modern Governance 100 is an annual recognition program that highlights the top 100 leaders across governance, risk, compliance, ESG and audit. Diligent Institute partners with FORTUNE Media to create the [Modern Board 25](#), a list of the 25 most innovative boards of public companies.

To learn more about how the Institute propelled its mission to inform, educate and connect leaders to champion modern governance, check out their [Year in Review](#).



**Insightia**, a Diligent brand since January 2022, is a market-leading SaaS company formed in 2020 through the merger of Activist Insight and Proxy Insight. Insightia provides unrivalled coverage of shareholder activism, investor voting, and corporate governance. Through its new web application, Insightia One, clients can access the most complete solution for listed company intelligence on the market, with broader and deeper insights than ever before.



# II. Client Impact

One million users and more than 700,000 board members and leaders rely on our software to connect insights across governance, risk, compliance, audit and ESG to drive greater impact and lead with purpose.

In 2022, Diligent helped more than 25,000 businesses and public-sector entities increase their governance, mitigate risk, and ensure compliance with our [platform and solutions](#).

## 2022 Year in Review – By the numbers

Connected Risk, Compliance & Audit for stronger governance



1,000,000

Board members, executives, and professionals from across the globe



303

New features

### Governance



465,000

Votes cast



1 million+

Books created



5.4 million+

Documents approved

### Audit & Risk



971

Storyboards created



2,600

Impact reports generated



13,000

Unique issues remediated



44,000

Unique controls tested

### Compliance



34,000+

Due diligence investigations conducted



50,000+

Training materials downloaded from Compliance & Ethics Training



1.3 million+

Third party profiles created in EU and US

# III. Transparency & Accountability

Transparency and accountability are not just buzzwords, but fundamental principles that guide our operations and decision-making. By embracing these values, we build trust and credibility with our stakeholders and create sustainable value over the long term.

Reliable and regular [communication to our leadership](#), employees, clients and peers ensures that we always have a sense of duty beyond day-to-day business because it's essential to our mission of empowering better governance. The how, why, what and where is something we take very seriously in our communications

— striving for consistency and clarity ensures that we maintain and measure progress responsibly.

When we're transparent about our ESG performance and accountable for achieving our ESG goals, it sends a clear signal that environmental sustainability and social impact are a top priority for us. By holding ourselves accountable for establishing ESG targets and addressing ESG risks, we help ensure that environmental and social considerations are integrated into all areas of the business, from strategy and operations to risk management and reporting.

**Employees:** We are committed to being open and honest with our employees about our business practices, policies and decisions, as well as providing them with opportunities to provide feedback and contribute to the company's success. Last year, we provided regular updates on company-wide initiatives, shared information around employee benefits, and were transparent about important business decisions.

- **Monthly Town Halls:** Over the course of last year, we held 12 town halls that provided an opportunity for employees to hear directly from senior leaders, ask questions, and share feedback on company initiatives, policies and culture. By hosting these town halls regularly, executive leadership kept employees informed about important developments and fostered a sense of community and engagement across the organization. Ultimately, this increased transparency helps to build trust and alignment between leadership and employees.
- **Diligent Digest:** Every two weeks, our internal newsletter, the Diligent Digest, is sent out to all employees, serving as a communication channel for important announcements, upcoming events and employee recognition that affect the organization as a whole. The newsletter helps to ensure that all employees feel connected to the broader goals and objectives of the company by promoting company culture and fostering a sense of community within the organization.

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**Clients:** We're committed to providing effective tools for promoting sustainability, responsible governance and stakeholder value across the corporate landscape. In 2022, we sought to increase transparency and value to our clients through different forms of media.

- **ESG Blog Series:** Last year, we launched a collection of articles aimed at providing insights into [our internal ESG journey](#) while also [sharing valuable lessons learned](#), [best practices and other resources](#) to help companies navigate the complexities of the ever-evolving ESG landscape.

# III. Transparency & Accountability

The blog series is designed to engage our audience in an ongoing conversation about the importance of ESG and the role that we can play in helping organizations to achieve their sustainability goals. By sharing our own ESG journey, we're helping to drive positive change and create a more sustainable future for all stakeholders.

- **The Corporate Director Podcast:** In the Corporate Director Podcast, Diligent leaders discuss the experiences and ideas behind what's working in corporate board governance in our digital-tech-fueled world. The podcast features interviews with board members, corporate leaders, governance professionals and researchers who have compelling stories to share. Listen on: [Apple Podcasts](#), [Spotify](#) and [Stitcher](#).
- **ESG-Related Webinars:** Last year, during Earth Month, we hosted three seminars that provided insights and best practices for organizations looking to improve their ESG performance. These webinars were hosted by experts in the ESG field, including Diligent's own ESG leaders, and covered a range of topics related to sustainability, responsible governance and stakeholder value. The webinars were designed to be interactive and engaging, and often included opportunities for participants to ask questions, share insights and network with peers. Topics covered in these webinars included ESG reporting and disclosure, climate risk management, social impact investing, board diversity and inclusion, and more.

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**Leadership:** Keeping our leadership informed and up to date on our sustainability and social impact strategy and initiatives allowed us to demonstrate our commitment to ESG, build trust and meet stakeholder expectations, all while building a strong reputation and positioning ourselves for long-term success.

- **Investor Surveys:** We completed six ESG surveys for our investors last year, providing valuable insight into our environmental, social and governance performance. By analyzing ESG data, investors can better understand a company's risk exposure, potential for long-term growth, and impact on society and the environment. Leveraging our responses to these surveys allowed us to identify areas of strength and improvement in our ESG performance, and make more strategic decisions based on these insights.
- **Board Updates:** We held five board meetings last year, which typically covered a range of topics, including financial performance, commercial performance, risk management and corporate governance as well as our ESG strategy. By incorporating ESG considerations into our board discussions, our members better understood the risks and opportunities associated with environmental, social and governance factors, helping them make more intentional decisions that support the long-term interests of the company and our stakeholders.
- **ESG Updates to Senior Leadership:** In the first year, our ESG program shared regular updates with our senior leadership. These updates were important for ensuring accountability, informing strategic decision-making, demonstrating progress and identifying areas for improvement. By keeping senior leadership informed, we can ensure that ESG considerations are integrated into all areas of Diligent's business.



# IV. Governance

## Diligent’s Board of Directors:

Our Board of Directors help steer our (rocket) ship and make decisions for Diligent on larger governance issues while also providing cultural, reputational and strategic guidance to our executive team. One of the reasons we champion diversity in the board room is because good governance starts and ends there. Our board ensures we’re forward-looking, practical and responsible.



In 2022, we were pleased to invite Christine Anderson, Global Head of External Relations at Blackstone, to join our board of directors, to further our commitment to ESG and guide our environmental and social impact on our communities.

8 total board members

37.5% of Diligent’s Board of Directors are female

25% of the Board identifies as belonging to a racial or ethnic minority

## Governance Trainings:

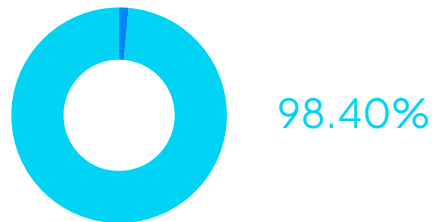
Part of good governance is remaining diligent. It’s our namesake for a reason. Offering best-in-class governance, risk and compliance solutions means we train our employees to have comprehensive knowledge to practice transparency and accountability, identify and mitigate risks, and remain vigilant.

1. Ethics & Compliance Training<sup>1</sup>: 96.2%
2. Anti-Bribery & Corruption<sup>2</sup>: 96.2%
3. Cybersecurity Training: 96.2%

<sup>1</sup>The Ethics & Compliance Course is part of our Business Code of Conduct Training Program

<sup>2</sup>The Anti-Bribery & Corruption Course is part of our Business Code of Conduct Training Program

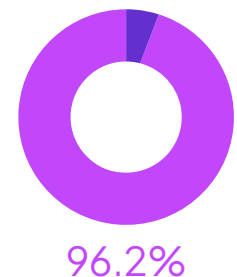
### Security Awareness Training



### Ethics & Compliance and Anti-Bribery & Corruption



### Cybersecurity Training



# V. Next Steps

Throughout this report, we've detailed next steps for each of our pillars. For our PURPOSE pillar, our 2023 endeavors are aimed at developing and implementing strong ESG goals and policies across the company.

That begins with a robust goal and policy governance process to establish achievable yet ambitious KPIs, standardized definitions, tracking and reporting mechanisms, and internal controls.

	FY23	FY24
People	<p><b>DEI&amp;I</b> Launch Self-ID campaign with a <b>goal of 70% participation</b> rate to enable us to better our DEI&amp;I priorities by the end of FY23</p> <hr/> <p>Conduct an <b>audit of our 2022 Paradigm course</b> participation to better inform our curriculum by Q3FY23</p> <hr/> <p><b>EMPLOYEE WELLNESS</b> Expand our current employee wellness offerings to include at least <b>one new program</b> by the end of FY23</p> <hr/> <p><b>SOCIAL IMPACT</b> Adopt a <b>corporate social cause with a long-term commitment</b> and develop a measurable impact goal by the end of FY23</p>	<p><b>DEI&amp;I</b> The DEI&amp;I Taskforce will continue to reevaluate priorities and establish long-term commitments</p> <hr/> <p><b>SOCIAL IMPACT</b> Explore ways to expand our employee engagement and social impact programs including new volunteer policies and choice-enabled giving.</p>
Planet	<p><b>CLIMATE</b> Further our commitment to going Net Zero by <b>drafting and adopting a travel policy</b> to reduce our carbon footprint by the end of FY23</p> <hr/> <p><b>BUILDING OPERATIONS</b> Implement office sustainability guidelines across all of our major offices by Q3FY23</p> <hr/> <p><b>Pilot a waste management program</b> in our New York office to help track, measure and divert waste by Q3FY23</p>	<p><b>CLIMATE</b> Increase our commuter survey participation rate to an <b>80% completion rate</b> for FY23</p> <hr/> <p>Complete trend analysis of our carbon footprint <b>based on two years of complete data</b></p>
Purpose	<p><b>RESEARCH &amp; EDUCATION</b> Diligent Institute is planning to <b>produce the second edition of the ESG Board Oversight report</b>, including a more global view and more partners for 2023.</p>	<p><b>RESEARCH &amp; EDUCATION</b> The Institute will also be <b>repeating the Board Diversity Gaps report in 2024</b>, with the goal of adding more partners, regions and data on other types of boardroom diversity.</p>

## Ongoing

### CLIENT IMPACT

Continue to provide **best-in-class service to our clients** through our platform and solutions along with resources like our webinars.

### TRANSPARENCY & ACCOUNTABILITY

Continue to **provide regular updates to all stakeholders** regarding our environmental and social governance strategies and programming

Thank you for joining us on our path towards becoming a more sustainable and equitable company. To learn more about how our products can help your organization's ESG journey, please visit [diligent.com](https://www.diligent.com).