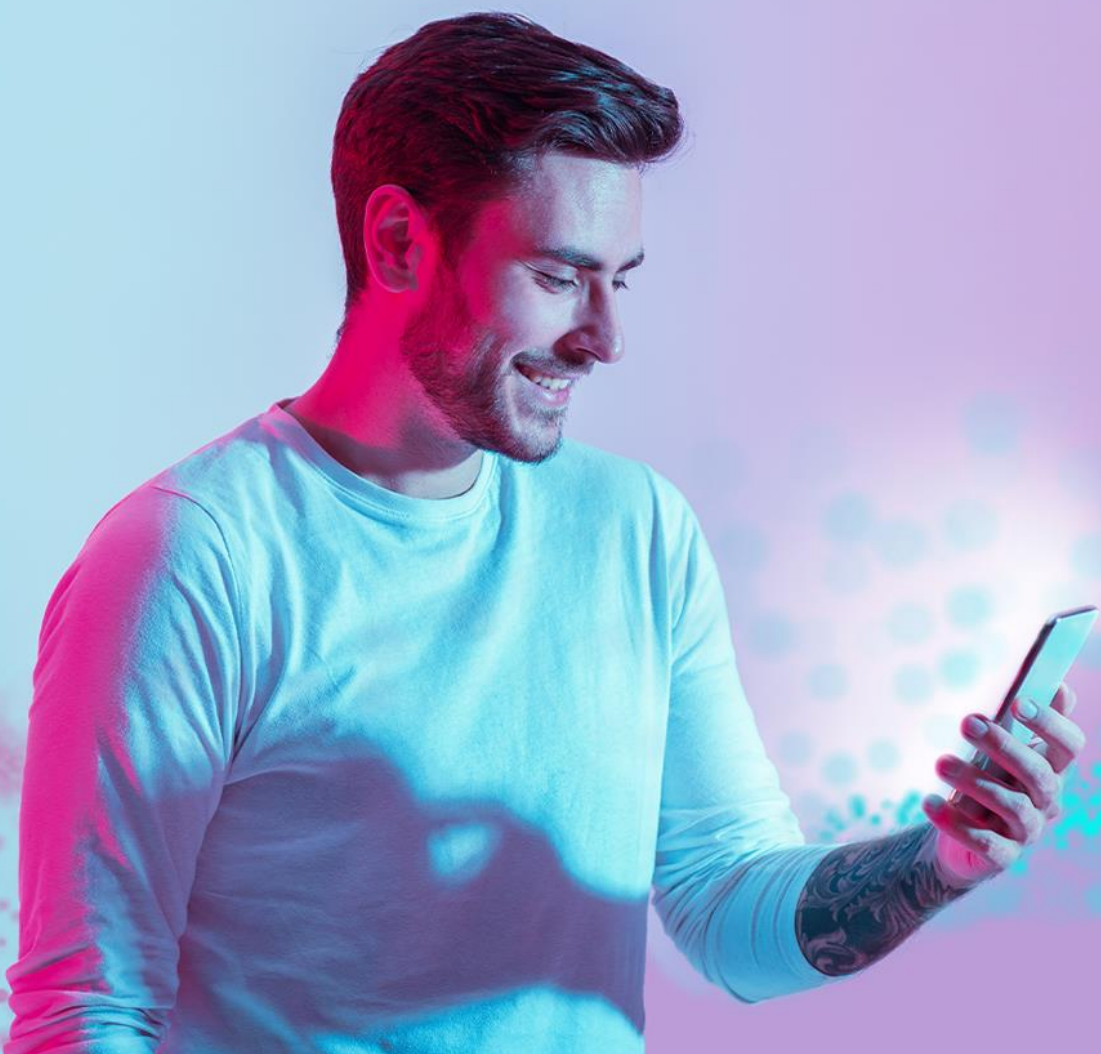


March 2023

# **Teleperformance response to restore “Truth and Trust”.**

**(2022 November events)**



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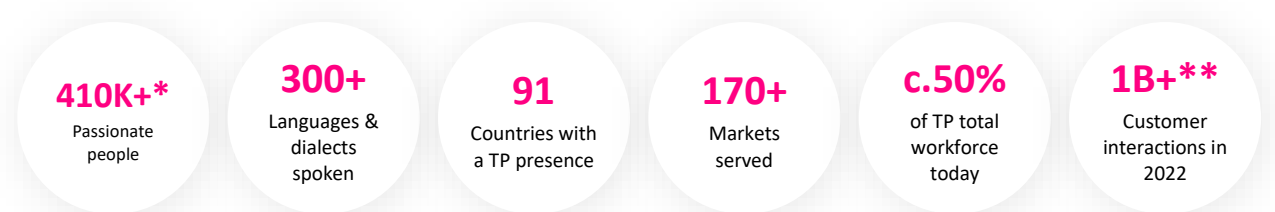
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# 1 About Teleperformance

Teleperformance (TP) is the worldwide outsourcing leader for customer and citizen experience. The group is now becoming a global leader in digital integrated business services, as it partners with its clients on their digital transformation journey and specializes in designing and executing tailor-made outsourcing solutions. With 45 years of deep, industry-specific expertise and services innovation, TP offers the market's most comprehensive service portfolio.

Founded in 1978 in France with the aim of revolutionizing customer experience, over time Teleperformance has expanded its services and now excels in intelligent, integrated and industry specific, digital operations.

Teleperformance developed an integrated offer combining the following services: customer services (front office), business services and back-office operations, sales operations, vertical specific services and digital services. The group serves nearly 1,200 businesses and governments, and its clientele includes more than two-third of the Forbes top 25 public companies in the world.



*\*As of 31 12 2022 \*\* excluding automated interactions*

**Teleperformance services a well-diversified mix of industry verticals**, including governments, banking, financial services and insurance, travel & hospitality, transportation, healthcare, retail, e-commerce, energy, social media, entertainment, gaming, technology and telecommunications.

In 2022, Teleperformance recorded a revenue of 8,154 million euros and a net profit of 645 million euros.

Globally, the Business Process Outsourcing (BPO) industry is estimated to be about \$450Bn in 2022. Teleperformance accounts for only about 2% of the global BPO market. Even in the more narrowly defined outsourced CX BPO industry (estimated to be c.\$109-1011Bn in 2022 by Everest), Teleperformance's market share is only about 7%. So, there is a big room of the Group to grow its share further in the industry.

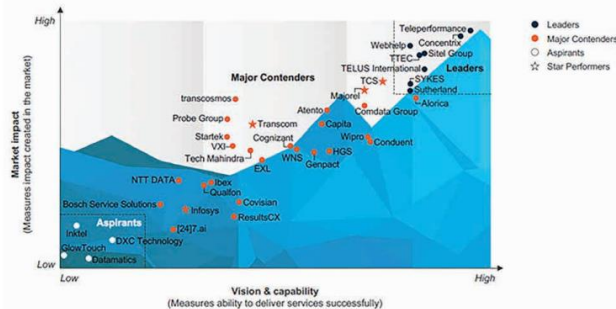
Teleperformance has been consistently ranked by industry analysts such as Everest Group, Nelson Hall and Frost & Sullivan as the world leader in CX BPO, both at an aggregate level, as well as across the countries and verticals it serves.

📌 PEAK Matrix 2022® assessment of US outsourced customer experience management companies



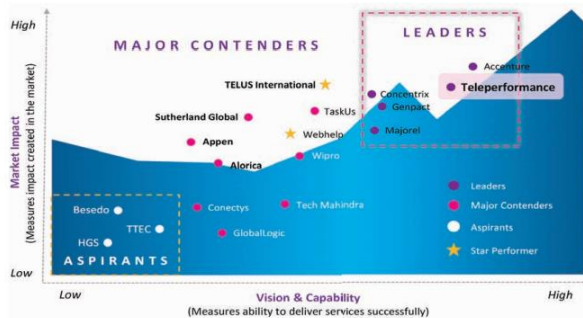
Source: Everest (2022).

📌 PEAK Matrix 2021® assessment of outsourced customer experience management companies



Source: Everest (2021).

📌 PEAK Matrix 2022® assessment of content moderation actors

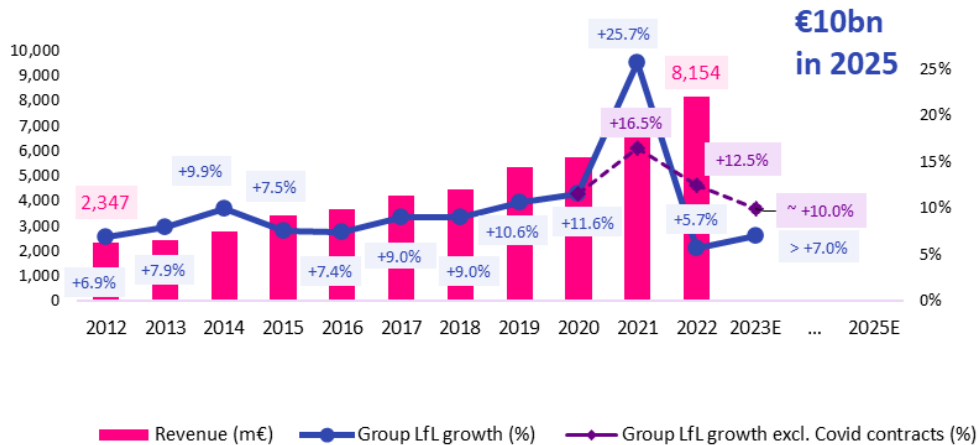


Source: Everest (2022).

## 2 Key Facts and Figures

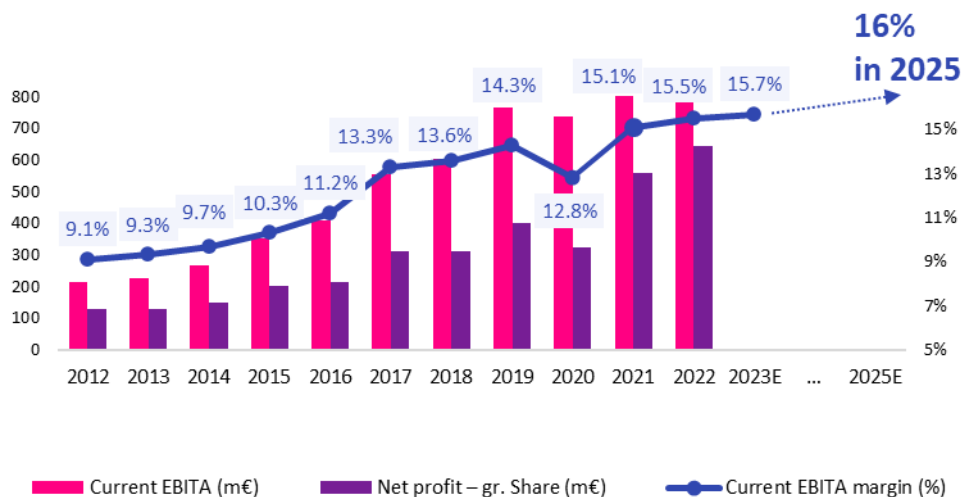
### 2.1 Financial Metrics

#### 2.1.1 Strong growth over the last decade



Despite the competitive BPO environment, Teleperformance has delivered an above average growth rates for 44 consecutive quarters. Average annual like-for-like growth is **> +10%**, compared to an **average +4% industry growth rate**.

#### 2.1.2 Steady increase in profitability over the last decade



## 2.2 Employee Metrics

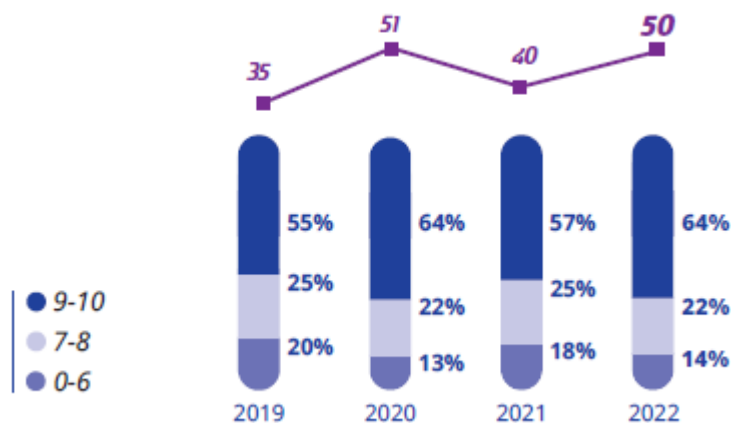
Teleperformance has consistently been rated the best (or close to the best) in the industry in every internal and external HR benchmark.

### 2.2.1 Employee Satisfaction (ESAT)

Teleperformance has a strong employee-listening culture, and it initiated internal employee satisfaction surveys in the early 2000s.

- **2022 NPS (Net Promoter Score<sup>1</sup>) of 50** from more than 220,000 responses. Within this high overall NPS score, the NPS for Trust and Safety staff is 61, the best NPS among all Teleperformance lines of business.

A high level of employee' satisfaction (Net Promoter Score):



- Teleperformance obtained a **Trust Index score of 79% by employees**, well above the minimum requirement of 65% to be certified as a Best Workplace.
- Teleperformance has adopted a continuous listening approach to have a clear view of how its people feel, including a daily sentiment, pulse survey, culture audit, ESAT. To date, the Group has collected **more than 2.2 Mn feedback interactions**.

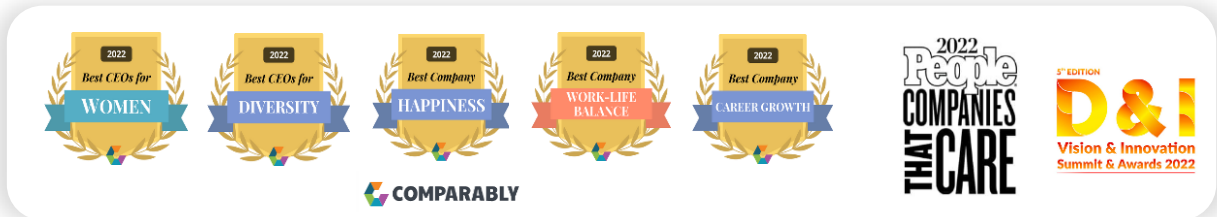
### 2.2.2 Internal Promotion

Teleperformance has always encouraged internal promotion. For 2022, the Group posted an **internal promotion rate of 63%**, meaning that nearly two-thirds of supervisor, manager and director positions are filled internally.

<sup>1</sup> The eNPS is a concept that makes it possible to assess the likelihood of an employee recommending their company. It is calculated by subtracting the percentage of detractors (employees assigning a satisfaction score of between 0 and 6) from the percentage of promoters (employees assigning a satisfaction score of 9 or 10).

### 2.2.3 Great Place to Work (GPTW)

64 Countries GPTW Certified, an increase of 4 countries from 2021. These 64 countries account for over 97% of TP's worldwide staff.

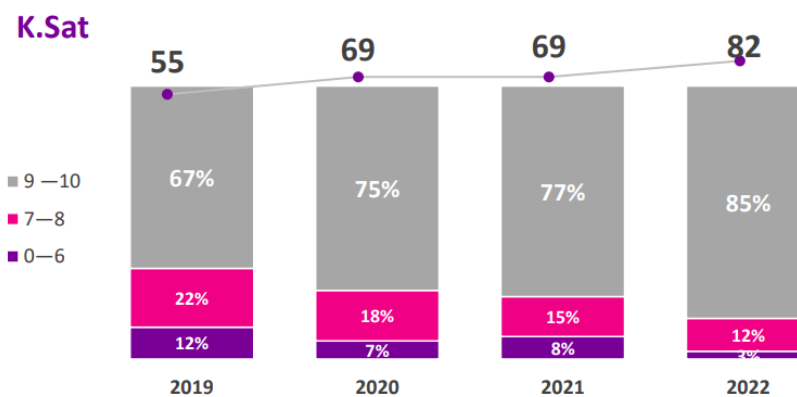


\*Out of 10,000+ companies

- **Glassdoor Ratings:** Teleperformance has a score of 4.2 (out of 5) with close to 37k reviews. The Group is **ranked 2<sup>nd</sup>** compared to its competitors. The only company from the BPO industry that has slightly higher Glassdoor score than Teleperformance has less than one-tenth the staff of the Group.

### 2.2.4 Customer Satisfaction (KSAT)

Teleperformance customer satisfaction (NPS) scores have consistently improved year after year, through its increased client proximity and setting up of a dedicated global client services organization.



**2022: 679 responses covering 83% of Core business revenue**

## 2.2.5 Environment, Social, Governance (ESG)

Teleperformance was possibly the very first in its industry to promote ESG commitment within the company, long before it was identified as a fundamental factor by the wider corporate and investment community: through its **Citizen of the World (COTW)** and **Citizen of the Planet (COTP)** initiatives in 2006 and 2008 respectively. Teleperformance also signed the United Nations Global Compact in 2011 and has had partnerships with UNICEF, the Red Cross, Feed the Children, and multiple NGOs in the countries in which it operates in.

Today, Teleperformance has a comprehensive ESG program that has been validated by external agencies and inclusion in ESG indices:

- ESG ratings agency **MSCI AA rating**, in the first 25% of its sector
- Included in the Euronext Vigeo Eurozone 120 Index since December 2015
- Included in the **CAC 40 ESG index** in September 2022
- Teleperformance was included in the Euronext Equileap Gender Equality Eurozone 100 Index and the Euronext Equileap Gender Equality France 40 in November 2022
- **Verego Enterprise-wide Social Responsibility Standard (SRS) certification** obtained for the 9<sup>th</sup> time in a row in five areas covering all facilities.
- “Prime” badge from ISS ESG
- EcoVadis renewed its golden medal award to TP France and awarded a silver medal to TP Portugal and a bronze medal to TP Italy.
- **Enlightened Growth Leadership Award from Frost & Sullivan in 2021 and 2022** – for its sustained and concerted efforts to innovate and develop in a sustainable manner.

| Citizen of the World                                                                                                    | Citizen of the Planet                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Donation in 2022: €11 Mn</li> <li>• Volunteer hours in 2022: 98,900</li> </ul> | <ul style="list-style-type: none"> <li>• Carbon footprint per FTE<sup>2</sup> (scopes 1 and 2): 0.387</li> <li>• Carbon footprint reduction per FTE (scopes 1 and 2): -49% vs. 2019 and -9% vs. 2021</li> <li>• Share of renewable energy out of total energy consumption: 28%</li> </ul> |

<sup>2</sup> Full-time equivalent

## 3 Trust and Safety

### 3.1 What is it?

Trust and Safety staff (also often referred to as content moderators but their remit goes beyond content moderation on the social media) are the essential first responders and sentinels of the digital world.

- Trust and Safety refers to the process of ensuring that **digital content upholds platform-specific guidelines and rules**.
- It is a widely recognized essential first-responder service to protect the populations in the digital world. Global brands, governments and lawmakers worldwide are trying to find solutions to make social media safer at multiple levels without creating censorship: **in business integrity, IP protection, fake news, scams, hate and egregious content**.
- According to Everest Group's 2022 assessment, besides Teleperformance, other leaders in Trust and Safety/ content moderation services include Accenture, Concentrix, Genpact and Majorel.

### 3.2 Why it is critical for the society?

- An increasing user base, especially children and young adults, as a result of the proliferation of the internet across the globe, as well as enhanced regulatory and media scrutiny, makes Trust and Safety services a necessity.
- Social media users generate quintillion bytes of content every day – it is the job of trust and Safety staff to keep social media platforms free from unwanted content.
- Trust and Safety is an essential “first responder” service to the public from bad actors in the digital world.

### 3.3 Who does Teleperformance do this work for and how does it care for its Trust and Safety staff?

- Teleperformance provides Trust and Safety services to 33 clients in multiple industry verticals, including leaders in social media.
- Trust and Safety represents c.7% of TP's yearly revenues and less than 5% of its workforce.
- While up to 97% of the egregious content is automatically removed via AI technology, the remaining **3% needs to be reviewed** by humans because of **contextualization** issues.
- Human moderators are extremely rarely exposed to highly egregious content. In fact, at Teleperformance, on an aggregate level, highly egregious content is **less than 0.07%** of the total content reviewed by the Group's staff.
- Teleperformance takes special care of its moderators:
  - Better wages and benefits
  - A more relaxed work environment with more frequent breaks

- A tailored hiring process, including assessment for resiliency and background verification (including for any criminal record)
- A specialized training and education program for all moderators
- Wellness check-ins, and on-demand counseling by third-party counselors
- Paid wellness breaks
- Complete transparency for ensuring wellbeing of our content moderation workforce:
  - Independent review of Group's operations processes and practices in countries where content moderation services are delivered by a globally renowned standards and compliance audit firm – starting with Colombia: Teleperformance received on December 2022 from Bureau Veritas the independent assurance about the use and inclusion of International Standard ISO 26000 – Guidance on Social Responsibility in its operations. In February 2023, Teleperformance has obtained the same assurance in six additional countries where the Group has significant Trust & Safety operations: Greece, India, Indonesia, Malaysia, Portugal and the USA.
  - An independent study conducted by Korn Ferry, a leading global HR consulting firm, concluded that the quality of the employee experience in Teleperformance's Trust & Safety content moderation activities is well above that in the peer sample.

## 4 What triggered the 2022 November events?

**On Aug 4, 2022**, Forbes ran a story asserting that Teleperformance USA is storing egregious CSAM (Child Sexual Abuse Material) images and videos to train content moderators on policy guidelines for a social media client.

In their statement to Forbes, 2 ex-employees stressed on the nature of content they were exposed to, during training; questioning the need to view such material in the first place.

Following this story, Teleperformance received an **inquiry from two US senators** seeking details on the allegations, to which TP responded immediately and continued working with Trust & Safety experts, industry & policy leaders.

**On Oct 20, 2022**, Time.com published an article highlighting the statements of nine TikTok moderators in Colombia interviewed by the Bureau of Investigative Journalism, outlining the adverse working conditions, as stated by the ex-employees. Key issues highlighted included widespread occupational trauma, inadequate psychological support, demanding or impossible performance targets, punitive salary deductions and extensive surveillance faced by the content moderators.

**On Nov 9, 2022**, Vice Minister of Labor Relations of Colombia, Edwin Palma Egea tweeted his intent to initiate an investigation against Teleperformance Colombia. He invited all the workers and trade unions for providing legal evidence on alleged violations of labor regulations against TP Colombia.

Post Edwin's first tweet on Nov 9, the **local media actively started** covering details on this story.

## 5 Teleperformance: Quick to review and action

### 5.1 Action plan at Teleperformance USA

#### 5.1.1 Internal Audit

Upon learning of the issues raised in the Forbes article in August, Teleperformance's Group Compliance team immediately initiated an **internal review of our content moderation materials** used in the US, as per the International Internal Audit (IIA) standards.

After an extensive investigation, Teleperformance found the following:

- **No CSAM content** in company-provided ongoing education materials or guidance documents, such as the Daily Required Reading (DRR), in Teleperformance's sites in El Paso or Boise.
- Contrary to the assertion in the article, **CSAM work is not even moderated by our** teams in **El Paso**, Texas, as Teleperformance does not have this queue in this location.
- **Teleperformance does not store anything on its systems**; any reports and tools mentioned in the Forbes story are housed on a client system.

#### 5.1.2 External Audit

Teleperformance **engaged a nationally recognized consulting firm** to review and assess Teleperformance USA's compliance with its contractual obligations to the client and to examine all Teleperformance's content moderation operational standards and processes eventually. **None of the findings** from the external assessment were inconsistent with the conclusions from Teleperformance USA's internal audit.

**Non-disclosure agreement terms of the contract** signed between Teleperformance USA lawyers and the US consulting firm made any external publication of the full review report and disclosure of the name of the consulting firm impossible.

#### 5.1.3 Employee Reporting

Through its various internal employee reporting channels, Teleperformance has not received any reports claiming that ongoing education or guidance materials for Teleperformance USA contained evident CSAM.

### 5.2 Action plan at Teleperformance Colombia

After concerns were raised around the content moderation practices, wage & labor practices, and poor working conditions at **Teleperformance Colombia**, the Group was swift to respond:

- Proactively scheduled a meeting between Teleperformance Colombia and the country's Ministry of Labor (held Nov 29, 2022), to engage and collaboratively discuss its operations. Since then, **number of constructive meetings with the Colombian government led to positive outcome.**

- **November 24, 2022:** **Global Audit team was engaged by Group's executive committee to perform a review on employee wages**, shifts/breaks, Employee Assistance Program (EAP) and wellness practices at Teleperformance Colombia. The audit did not find any issue for majority of the items. Minor issues observed for workplace and workplace safety compliance such as a missing handrail for a handicap ramp, elevator out of service, missing evacuation route signage, missing signage on a cleaning tank, inadequate temperature control in training rooms were identified.
- **December 13, 2022:** Based on an intensive review over two weeks, **Bureau Veritas audit issued on Teleperformance Colombia** concluded "nothing has come to our attention that causes us to believe that the use of International Standard ISO 26000 does not adhere to the recommendations and guidelines there included. Likewise, nothing makes or has made us think that information analyzed during this assurance exercise is somehow incorrect or misleading".

### 5.3 Global action plan

- **November 17, 2022:** **Exited highly egregious content**, considering consistent feedback received from a vast majority of shareholders and the financial community regarding the perception of its trust and safety business. With this, we will further strengthen our focus on employee safety and well-being. The Group will not take any new business of this type but is partnering with clients to work out suitable alternatives for its current business in the field.
- **December 1, 2022:** **Teleperformance signs a global agreement with UNI Global Union** to strengthen shared commitments to workers' rights to form trade unions and engage in collective bargaining. The pact covers Teleperformance 410,000+ employees worldwide. Initially, UNI, its member trade unions and Teleperformance management will begin to implement the agreement in Colombia, Poland, Jamaica, El Salvador and Romania.
- **January 17 and 24, 2023:** **Teleperformance opened doors to over 60 analysts and investors** to "see and touch" the reality of the Group, and to judge it on facts, and not rely on a "tweet". They visited Teleperformance locations in six countries on four continents representing over 40% of the Group workforce: Albania, Greece, Portugal, United States, Colombia and India. Site visits took place over a full day, featuring presentations by local management and experts, free and unscripted focus group discussions with agents and moderators, and visits to client programs.
- **January 31, 2023:** **An independent study conducted by Korn Ferry**, a leading global HR consulting firm, **concluded that the quality of the employee experience in Teleperformance's Trust & Safety content moderation activities is well above that in the benchmarked average for 600+ companies.**
- **February 14, 2023:** After Colombia, Teleperformance received independent assurance from Bureau Veritas regarding use and inclusion of ISO 26000 guidelines in **six additional countries** where Teleperformance has significant Trust & Safety operations: Greece, India, Indonesia, Malaysia, Portugal and the USA.

## 6 Additional background and context

**Trust, safety, and online content moderation service is an essential first-responder service that protects the wider society** but is easily prone to be misunderstood. Governments and lawmakers across the globe are trying to find solutions to make the social media safer at multiple levels.

**Being the leader in Content Moderation, Teleperformance follows all applicable laws, rules, and regulations** before providing these services anywhere it operates. Teleperformance USA follows its clients' policies for tagging and reporting to the client any content containing suspected child abuse/CSAM, so that the client can take all necessary action, including, if appropriate, reporting to the applicable authorities.

### Change of Government in Colombia in August 2022

The presidential elections held in August 2022, instated Gustavo Petro as Colombia's first-ever leftist President.

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each interaction matters