OUR ENVIRONMENT: OPERATIONAL ESG AT SPHERA®

Sphera's Interim Sustainability Report

Sphera®

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Message From the CEO

2020 was like no year anyone had seen in more than a century.

COVID-19 brought a level of uncertainty, hardship and, yes, illness and loss of life on a scale that we haven't seen since the flu pandemic of 1918. It's now 2022 and we're nearly two years into the pandemic as of this writing, and we're still not out of the woods yet. But we are optimistic about efforts to address the situation.

Although the pandemic has been such a key concern for all of us, we haven't ignored other dilemmas in our lives. The world continues to focus its attention on another important issue: climate change. In recent years, we have seen increased support as the world transitions to a more sustainable economy. Companies and governments have been lining up to declare net-zero emissions, and there is an increased focus on decreasing emissions as well. Businesses play a critical role in helping to meet the International Panel on Climate Change's recommendations on limiting global warming. With our software, data and consulting services, Sphera has been

supporting our customers during this important transition period by helping to turn their science-based targets and strategies into realities.

With the potential for costly regulatory penalties, inefficiencies and reputational damage among other considerations, more companies understand that sustainable business practices aren't just the right thing to do; they're the smart thing to do as well.

We are also seeing investors increasingly consider and integrate Environmental, Social and Governance (ESG) principles into their assessment and management of investment risks. With our expertise, we are helping our customers navigate through the world of ESG in a measurable, auditable and transparent way.

By partnering with Sphera, businesses can get unprecedented insights into their ESG programs and develop these programs further to include establishing targets and goals, like science-based targets and net-zero emissions. These initiatives benefit not only the individual organizations but also the communities in which these companies do business.
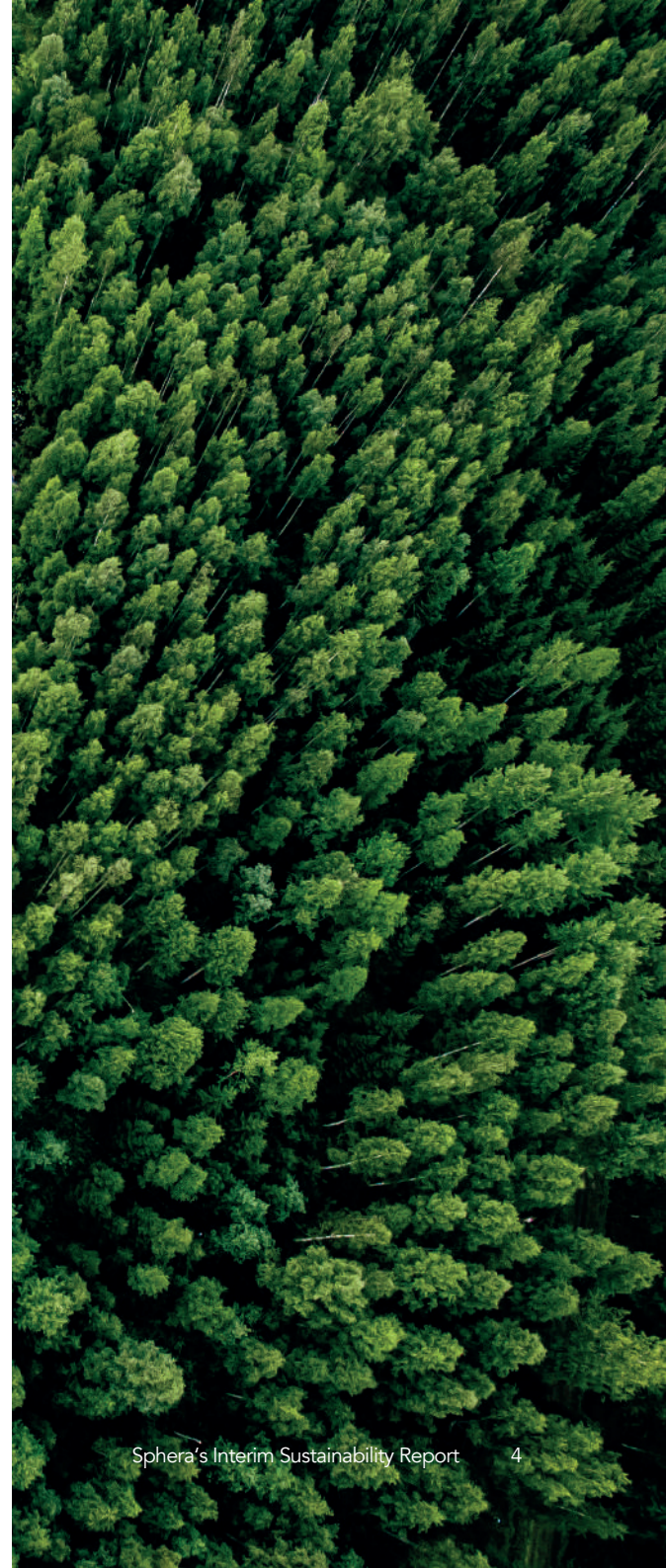
The continual impact of the COVID-19 pandemic serves as a reminder of how interconnected the world really is. It has also shown us how resourceful we can be if we work together as a global community to do amazing things.

Looking Forward

Shortly before this report was released, Blackstone, one of the world's leading investment firms, made a significant investment in Sphera in September 2021. Blackstone's support and investment in Sphera are accelerating our next phase of growth in the ESG space. Like Sphera, Blackstone believes that ESG principles are crucial to developing strong, resilient companies and assets that deliver long-term value for investors.

This serves as an interim report to show our progress in creating a better world for our customers, employees, stakeholders and the communities in which they do business, which all Spherions are committed to. Sphera looks forward to sharing our first ESG report later this year, which will show how Sphera is managing our ESG impacts.

I want to offer my thanks to our customers who have partnered with Sphera along our common journeys and share the same vision that we have for the world.

Finally, I would like to recognize the efforts of the Sphera Sustainability Team for their contribution to this report and to all Spherions who continue to inspire with their work and dedication to our mission of creating a safer, more sustainable and productive world.

Paul Marushka,
Founding CEO & President

The Purpose of This Report

Sphera will release its first ESG report in 2022 to communicate further information on our impacts on the key ESG issues and how we aim to manage them. In the meanwhile, this interim sustainability report provides preliminary insight into our organization, which we will build upon in our first report later this year.

The Scope of This Report

At Sphera, we understand the urgent need in combating the climate crisis. The shift in our planet's climate is having devastating long-term repercussions on our communities. In 2020 alone, we saw the worst ever bushfire season in Australia and the most active hurricane season in the United States where 30 named tropical cyclones formed. Sphera is committed to supporting our global community in tackling this crisis through our collaboration with our customers and managing our own environmental impact.

This interim report is an overview of **Sphera Solutions Inc. ("Sphera")** and all its entities for the reporting period between Jan. 1, 2020, and Dec. 31, 2020. Sphera is headquartered in Chicago, Illinois, in the United States of America.

As a leading ESG performance and risk management software and consulting services organization, we believe sharing our own sustainability information is vital to living our mission when it comes to sustainable best practices. This interim report is designed to inform the public as well as colleagues, investors and other key stakeholders about our current sustainability status and areas where we believe we need to improve.

We collected and analyzed all the quantitative data presented in this report using our **SpheraCloud Corporate Sustainability (SCCS)** software. GHG calculations were performed in accordance with the **Greenhouse Gas (GHG) Protocol** requirements. Sphera is calculating its emissions based on operational control; data collected from

all activities controlled by Sphera are included. Sphera used a combination of 2020 **Sphera Sustainability Databases (GaBi)**, **Department for Environmental, Food and Rural Affairs (DEFRA)**, and **Reliable Disclosure Systems for Europe (Re-Diss)** factors to calculate GHG emissions. All emissions data presented is shown as carbon dioxide equivalent (CO_2e) and includes all seven **Kyoto Protocol Gases** (according to **IPCC AR5 GWP 100 excluding biogenic**), as required by **Global Reporting Initiative (GRI) Standards** and GHG Protocol. The methodologies used to collect, calculate and, in some cases, estimate are documented within our **Sustainability Reporting Protocol**. This protocol will be adhered to for future reporting initiatives.

 Learn more about Product Sustainability factors.

Sphera has determined that our baseline year for GHG emissions is 2019. Because of the significant reduction in travel caused by COVID-19, we wanted to use a more-typical baseline year for our sustainability report rather than focus on 2020, which, as we know, was an anomaly in terms of emissions. This report will consist of our Scope 1 and Scope 2 emissions. Sphera is in the process of calculating our Scope 3 emissions and we look forward to sharing this in detail in our ESG report due out later this year. Emissions from Scope 3 will be added to the 2019 baseline prior to Sphera setting targets. For further information on target-setting, please refer to the **What's Next section**.

At Sphera, we support a precautionary approach to environmental challenges and the development and diffusion of environmentally friendly technologies

In preparing this interim report, we have gained a greater insight into our organization, and we are confident that these insights will be reflected in our future practices and reports, including our upcoming ESG report.

Prior to the release of this interim report, Sphera became a signatory participant of the **U.N. Global Compact (UNGC)**, the world's largest corporate sustainability initiative. We address the 10 principles of the UNGC initiative in this report as a part of our commitment to these principles and our dedication to communicating our progress transparently with all our stakeholders.

In addition, Sphera joined the **Science Based Targets initiative (SBTi)** and will be working toward setting our science-based targets soon.

Sphera looks forward to sharing its first ESG report later this year, which will build upon this interim report. It will also include our 2021 data and our management of our material topics.

Disclaimer: While Sphera has taken steps to ensure the information provided in this report is correct at the date of publication, it cannot guarantee the information remains correct after publication. The information in this report is provided for informational purposes only.

WHO
WE ARE

Overview

Sphera is a leading provider of Environmental, Social and Governance (ESG) performance and risk management software, data and consulting services. Through our cloud and on-premise solutions, proprietary data and consulting services, Sphera's experts work with organizations around the world to help them capture, manage and mitigate risk with a focus on Environment, Health, Safety & Sustainability (EHS&S), Operational Risk Management and Product Stewardship.

Sphera was formed in 2016 when **Paul Marushka**, Sphera's founding CEO and president, partnered with **Genstar Capital**, a leading middle-market private equity firm, to acquire **IHS Inc.'s Operational Excellence and Risk Management (OERM)** business. Since then, Sphera has acquired five companies: **Rivo Software**, **Petrotechnics**, **sparesFinder**, **SiteHawk** and **thinkstep**. With every acquisition, we have deepened our expertise in our areas of focus. In 2021, **Blackstone** acquired Sphera from Genstar Capital.

Figure 1: Location of Sphera Operations

Note: Map shows key office locations only.

914 Colleagues[1]   **26** offices   **11** countries[2]

Figure 2: Sphera at a Glance, 2020

[1] *Average number of colleagues (rounded), 2020*

[2] *Identifies office locations and does not include countries where we have remote workers. Sphera is headquartered in the United States and has offices in Canada, Denmark, Germany, India, Italy, Japan, the Netherlands, Switzerland, the United Arab Emirates, and the United Kingdom*

Our Logo

The Sphera logo is anchored by the Sphera "Embrace" symbol, which is designed to represent Sphera's protection of people, environment and communities, while also incorporating the letter "S" from "Sphera." The meaning behind this symbol demonstrates the intersection of our data, software and consulting services with ESG performance and risk management.

Our Embrace Symbol

Our Reach

3,000+ customers   **1 million** individual users   **80+** countries

Figure 3: Our Reach, 2020

Our Mission

Sphera believes leading by example is essential. By establishing sustainability best practices for Sphera's colleagues and as a company, Sphera can ensure we are living up to our mission of creating a safer, more sustainable and productive world through our investments and commitments. More importantly, Sphera is helping companies around the world on their journeys to become sustainability leaders in their respective industries.

We are committed to meeting high standards of performance by applying our core values in our work. Sphera's values are being customer-centric, action-oriented, collaborative, accountable, and innovative.

Our Values

Customer-Centric

Meets and exceeds customer expectations

Action-Oriented

Is resilient and adapts quickly to changes required to meet business needs

Collaborative

Models and encourages cooperation and teamwork

Accountable

Sets clear and high expectations and ensures their achievement

Innovative

Promotes our values through a focus on solutions and encourages the use of new technology, ideas and methods when developing solutions

Figure 4: Sphera Values

Our Portfolio and Expertise

Sphera works with private and public companies, industry associations and governmental bodies, such as the European Commission, to help those organizations meet their ESG goals. Sphera works with many sectors, including Chemicals and Life Sciences, Consumer Services and Technology, Industrials and Manufacturing, Oil & Gas and Government.

Having successfully completed more than 5,000 projects for its customers over the years, Sphera is continuously providing support and updates to thousands of users of our software products, databases and consulting services.

Our ESG Solutions

We serve our customers at all levels of their organization—from plant floor to field operations and beyond—with our SpheraCloud (Environment, Health, Safety & Sustainability), Product Stewardship and Operational Risk Management software. We help companies analyze and operationalize their data. This data feeds into our Corporate Sustainability reporting software, where we help to identify actionable insights that are supported by our sustainability consultants throughout organizations' sustainability maturity journeys.

The combination of our data, software, and consulting insights enables customers to make better business decisions and to enhance their product compliance and environmental footprint data and more. Sphera's ESG solutions and consulting services are focused on three key areas: safety, sustainability and productivity, which are key elements of ESG initiatives.

Figure 5: Our Products and Services

Projects Delivered

Sustainability Focus

Global risks from climate change can threaten our well-being as a global community. We want to take steps now to avert the mounting crisis, including threats to humanity, biodiversity and other adverse environmental impacts. The challenge to meet the **Paris Agreement** objective of keeping global warming below 1.5°C above preindustrial levels is enormous, and businesses must lead the way. Sphera's data, software and consulting services help companies around the world set and meet their environmental sustainability targets and emissions reduction objectives in line with the latest science.

Sphera's Solution Portfolio: Corporate Sustainability, Product Sustainability, Environmental Accounting, and Sustainability Consulting

Driving Decarbonization at Mercedes-Benz

Find out how Mercedes-Benz is tapping into Sphera's consulting expertise to help the auto giant meet its ambitious Ambition 2039 carbon-neutrality goals.

Safety Focus

Risk is everywhere regardless of an organization's size. Whether it's sparks flying from a welding job, corrosive chemicals, electrical hazards, loose gaskets or a risk pathway that develops from an older piece of pipe that fails, risk is omnipresent throughout the supply chain—and incidents and near-misses can occur anywhere and at any time.

Sphera's Solution Portfolio: Advanced Risk Assessment, Chemical Management, Health & Safety Management

Shell's Drive to Goal Zero

Learn how SpheraCloud allows Shell and its contractors to capture real-time event data to help mitigate risk through a streamlined, intuitive event management process that offers an efficient way to capture quality ESG data.

Productivity Focus

Demand to grow profitably has never been higher, and every minute of downtime is costly. Still, companies must never sacrifice the safety of their people and assets or the sustainability of their products and operations to increase productivity.

Sphera's Solution Portfolio: Control of Work, Master Data Management, Product Compliance and Operational Compliance

The Sweet Smell of Productivity at Drom Fragrances

Find out how Drom Fragrances was able to consolidate seven systems into one, standardizing material safety data and simplifying data management while increasing productivity.

Customer Support

Thousands of people from around the globe rely on Sphera's software solutions and consulting services to help them make smarter, more precise business decisions related to safety, sustainability and productivity. Sphera prides itself on ensuring the user experience meets customers' needs. That's why we encourage our customers to share their feedback and user experiences with us, and we offer customer support 24 hours a day, seven days a week.

Feedback can come from our day-to-day interactions with our customers, periodic focus groups and user group meetings (most of which took place virtually in 2020). Also, the **Sphera Customer Network (SCN)** plays an important role in interacting with our customers and understanding any pressing issues. In addition to being a portal where customers can access resources, submit service tickets and view training videos, the SCN is also an area where our customers can go to provide feedback and enhancement requests.

The information we receive from our customers plays an important role in defining the roadmap and new features that our software developers continuously work on year-round. The SCN allows our consultants to file work requests and enhancements on behalf of our customers. We offer click-to-chat functionality that has allowed our customers to connect with **Sphera's Customer Care** in a fast and easy way.

Sphera® Customer Network

122,275
Number of SCN logins by Sphera's Customers (2020)[1]

8,239
Number of clicks to chat (2020)[2]

Figure 6: SCN Logins and Click to Chat, 2020

[1] Majority of the SCN Logins are related to customer support and work being done on the behalf of the customer, including logins by customers who went through the SCN to access product help.

[2] Projected growth for 2021: 12,400 approximately

Partnerships and Collaborations

Through the **Sphera Alliance Program**, we work with partners to train and support them to help meet our customers' needs. Today, our partners support customer projects in a number of ways, including sales and delivery, technology and innovation, training and managed services, which complements and expands our capabilities for existing and new customers.

Our Partners

Digital EHS Service Providers

Sphera partners with Digital EHS Service Providers giving expertise to customers in decision-making, consulting and value-added implementation services.

Reseller and Referral

Sphera has a strong referral network of industry partners who introduce new customers to us. Sphera also partners with companies that are authorized to distribute software and services to end users.

Global System Integrators

Sphera works with global system integrator organizations to create complex information systems that may include designing or building a customized architecture or application, integrating it with new or existing hardware, and packaging it with custom software and communications for a mutual client.

Technology and Content

Sphera partners with leading technology and content firms to augment Sphera's expansive capabilities to deliver "best of breed" solutions.

Figure 7: Our Partners

Collaborations

In addition to our own work on sustainability, we actively participate or cooperate with many organizations to ensure we contribute to the development of leading standards as well as internationally accepted best practices and global methodologies. Detailed below are a few examples of the work we are doing in collaboration with other organizations:

Environmental Footprint

We have developed and delivered the largest part of the official Environmental Footprint (EF) initiative database. The EF is part of the European Commission. We have developed several Product Environmental Footprint Category Rules (PEFCRs) and Organisation Environmental Footprint Sector Rules (OEFSRs). Additionally, Sphera has been providing support to the European Commission as the help desk during the Transition Phase.

Product Declarations

Sphera develops and supports the harmonization of Environmental Product Declaration (EPD) standards, and has done so for more than 20 years. Sphera is a member of national standardization bodies for sustainable buildings and EPDs and currently is the convenor of European CEN/TC350 WG3 responsible for the EN 15804 standard (Sustainability of construction works Environmental Product Declarations—Core rules for the product category of construction products).

ECO Member

Sphera is a member of the ECO Platform, the umbrella organization of European EPD Program Operators.

Building Certification

Sphera is a member of sustainable building certification schemes including Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB).

Construction Focus

Sphera is involved in the development of ILCD+EPD format and governmental databases for building and construction such as Ökobaudat.

Sphera & CDP

Sphera is a silver accredited provider for CDP with our SCCS software.
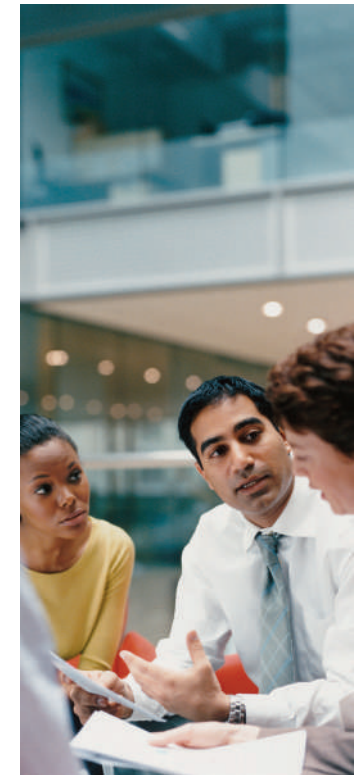
Certified for GRI

Sphera is a community member and a certified software and tools provider for GRI with our SCCS software. GRI verifies whether GRI content has been correctly applied.

OUR SUSTAINABILITY APPROACH

Materiality Assessment

It is important to identify which sustainability topics will have the greatest impact on our commitment to our stakeholders - including colleagues, clients, business partners and thought leaders - as well as on our mission of keeping the world safer, more sustainable, and productive.

We listened to our stakeholders who are most interested in or are directly impacted by our operations. We conducted an in-depth quantitative survey, held 1:1 interviews, and used customer scorecards relating to relevant sustainability topics to identify these material themes (pictured, right), which we believe will continue to be essential to our business.

In 2021, as a majority investor in Sphera, Blackstone has been identified as a key stakeholder. With this significant change in our stakeholders, Sphera will be conducting a new materiality assessment to re-evaluate and confirm the key material topics that relate to our organization.

1 Thought Leadership

2 Sustainable Growth

3 Products & Services

4 Sustainability Commitment/ Strategy

5 Employees/ Labor

6 Energy & Carbon

Figure 8: Materiality Assessment

The results of this materiality assessment indicate an alignment between our business practices and the sustainability topics identified as having the highest relevance for both external and internal stakeholders.

1 **Thought Leadership** is recognized as a topic of high interest at Sphera. We inspire our customers with innovative ideas, help them advance their sustainability journeys, establish strong partnerships and develop a culture of knowledge-sharing.

2 We strive for **Sustainable Growth** (revenue growth) that maximizes shareholder value and aims to prevent destructive economic and environmental problems for future generations. Sphera measures this by the number of customers we support. Through our collaboration with our customers and our thought leadership activities, we can have a larger impact that extends beyond the boundaries of our organization. For more

information on our client collaboration and thought leadership at Sphera, see the **Projects Delivered** and **Thought Leadership** sections.

3 Sphera's **Products and Services** help our customers' Environment, Health, Safety & Sustainability (EHS&S), Operational Risk Management and Product Stewardship performance. For more information on our products and services, see the **Our Portfolio and Expertise** section.

4 **Sphera's Sustainability Commitment and Strategy** goes beyond just identifying the priorities of our sustainability strategy; it's about how we measure them and hold ourselves accountable. We will be setting sustainable goals and targets (including key performance indicators [KPIs]) and practices. By closely measuring, monitoring and reviewing our own sustainability performance, we can improve over time. For more information regarding sustainability at Sphera, see the **Managing Sustainability at Sphera** section.

5 Our **Colleagues** are an integral part of what makes Sphera what we are today. Talented, committed and innovative colleagues help us deliver change to our customers, the communities in which we live and work, and society in general. Spherions are a vital part of our long-term success. Sphera aspires to be an employer of choice by creating an inclusive workplace that attracts and retains the best talent in our industry. For more information regarding our colleagues, refer to the **Our People** section.

6 **Energy Consumption and Carbon Emissions** is a topic of utmost importance at Sphera in relation to our impact on the environment. We are actively measuring and tracking energy consumption and carbon emissions throughout our operations. For more information regarding our energy and carbon footprint, refer to the **Our Environmental Impact** section.

Managing Sustainability at Sphera

In 2020, Sphera initiated its sustainability program to understand, measure and, ultimately, positively impact our sustainability footprint. The program aims to drive positive change using our data and insights to make smart and insightful actions and decisions. The program is managed by the **Sphera Sustainability Team** and supported by our executive sponsor, **Mark Stach**.

As we continue to advance our program, we are continually looking for ways to improve our sustainable practices. That's why the Sphera Sustainability Team meets regularly to exchange ideas and act on relevant sustainability topics that include organizing colleague engagement campaigns, gathering and reporting sustainability data from our offices around the world, and ensuring that the 10 principles of the **U.N. Global Compact** are properly implemented throughout the company with our **SpheraCloud Corporate Sustainability Software (SCCS)**.

All data in this report was calculated by our SCCS software as we continue to look for ways to enhance our sustainability practices at Sphera. The Sphera Sustainability Team obtained its data from several sources including our office site leads and various departments, including human resources, finance and marketing. Sphera collects the necessary information for our report in an annual data collection campaign and enters the information into the SCCS software.

For more information about this report, please contact:

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OUR ENVIRONMENTAL IMPACT

Collaborating With Customers

We work with hundreds of companies every year that are on a journey to reduce their environmental impact, improve their safety performance and manage their regulatory compliance obligations. Using our software, companies can capture and calculate their data, evaluate the integrity of the assets in their plants, take control of their chemical management and more. Companies can gather granular information, down to the emissions from a boiler or the GHG footprint of a particular product and aggregate it to calculate total GHG emissions. Companies can also enhance their data by combining it with ours. They can also monitor any risk pathways developing in their organizations. With Sphera's software, data

and expertise, customers are better able to understand their environmental footprint by conducting **Life Cycle Assessments (LCAs)**, which allows organizations to quantify the environmental impact of their products and services throughout their entire life cycle, identify hotspots and achieve emissions reductions. Armed with this powerful information, Sphera's expert consultants work with customers to help them reduce the environmental footprint of their products, services and operations. For more information on our comprehensive suite of ESG offerings, see the **Our Portfolio and Expertise** section.

Energy/Carbon Management

Sphera uses its SCCS software to collect, calculate and report energy and GHG emissions data. Sphera gathers our energy consumption information in the software and calculates the corresponding carbon emissions. We gather our data from our offices around the world in a yearly data-collection campaign in which site leads enter data into the software. The moment we enter data, our energy consumption and carbon footprint values are automatically updated on the dashboards.

Sphera performed all emission calculations in accordance with GHG Protocol methodology. For Scope 1 calculations, we used a combination of Product Sustainability and DEFRA emission factors, and for Scope 2 we used a combination of Product Sustainability and Re-Diss factors. In addition, we are using Product Sustainability and DEFRA emission factors to calculate our Scope 3 fuel- and energy-related activity emission. The software is updated regularly with emission factor information from several emission factor bodies, which allows the most

recent emission factors to be applied to data seamlessly. The information relating to the emission factors used in the calculations are documented in the system in an audit-proof way.

Sphera has determined 2019 as its baseline year for carbon emissions target setting. This is because COVID-19 had a major impact on our emissions in 2020 and, in turn, was not a true reflection of what business as usual looks like.

For 2019 and 2020, office locations that were less than 25 square meters (about 270 square feet) were considered de minimis and excluded from data collection for office energy. The associated emissions from these offices were considered to be less than 1%. Sphera has extrapolated and estimated the missing energy

consumption data from the previous years' available information. Where there is no previous year's data, Sphera has applied it **energy-estimation methodology** based on floor-space intensity (average office energy per floor space). Sphera has applied an estimation method to determine our refrigerants data.

In 2020, Sphera adopted an alternative method to account for Sphera's offices, many of which were temporarily closed because of COVID-19. An intensity figure was calculated based on the offices that have data for 2019 and 2020. We were able to determine the percentage reduction in consumption per floor area and apply this percentage reduction to the 2019 consumption values to estimate the energy usage in 2020 for offices that were unable to obtain actual data. This percentage was calculated at a country, region and global level. The office location would utilize the country-based percentage first if there were one available; if not, it would take the region and so forth.

Office Energy and Company Vehicles (Scope 1 and Scope 2)

The majority of our office energy comes from the use of natural gas and electricity. This contributes 13% and 79%, respectively, to our 2020 energy usage. In addition to our use of natural gas and electricity, Sphera also consumes fuel oil, diesel, liquid petroleum gas (LPG) and district heating (heat generated in a centralized location through a system of insulated pipes). These four combined equaled the final 8% of our total office energy. Our total office energy in 2020 equaled 1,554 megawatts compared with 2,488 megawatts in 2019.

From 2019 to 2020, we saw a 38% decrease in energy usage. This decrease can be attributed to reduced office usage from work-from-home arrangements that we put in place because of COVID-19, and several offices were consolidated during the year as well. As we began remote work arrangements, we are expecting to see a shift in energy use from our offices to our colleagues' homes. Sphera will be measuring this impact and look forward to sharing it with you in future reports.

34.7%
The reduction in megawatt hour per square meter between 2019 and 2020 (0.19 in 2019 vs. 0.13 in 2020)

Figure 9: Sphera Office Energy by Office Area in Megawatt Hour Per Square Meter (MWh / m2), 2019 and 2020
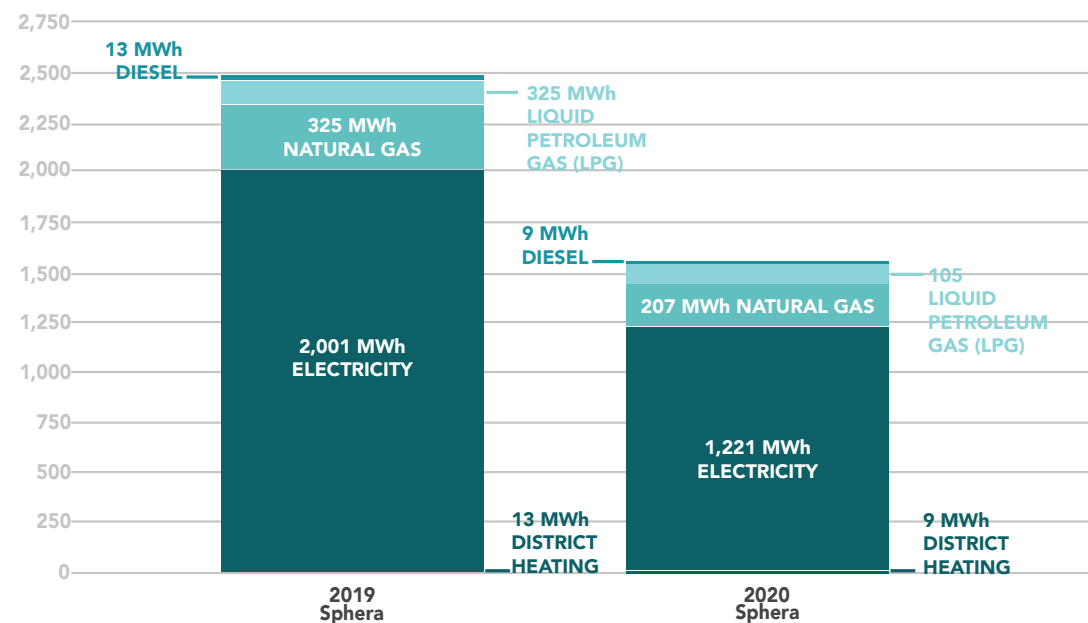

Figure 10: Sphera Office Energy in Megawatt Hour (MWh), 2019 and 2020

Note: *Throughout the charts in this section, figures might not add up to 100% because of rounding.*
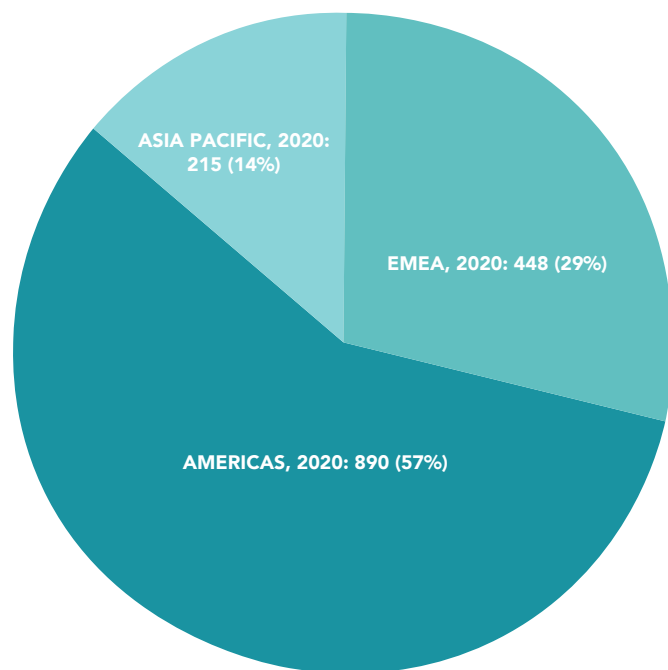
Figure 11: Office Energy Per Region in Megawatt Hour (MWh), 2020

Figure 12: Electricity (Nonrenewable vs. Renewable) in Megawatt Hour (MWh), 2019 and 2020

Sphera can contribute to reducing the impact of our office energy use by making the transition to using certified renewable energy. In several of our offices, we have already made this transition. In 2020, 25% of our electricity consumption was from renewable electricity.

When we look at our office energy usage regionally, we can see that our Americas region contributes 57% of our office energy footprint, followed by Europe, the Middle East and Africa (EMEA) with 29% and Asia-Pacific (APAC) with 14%.

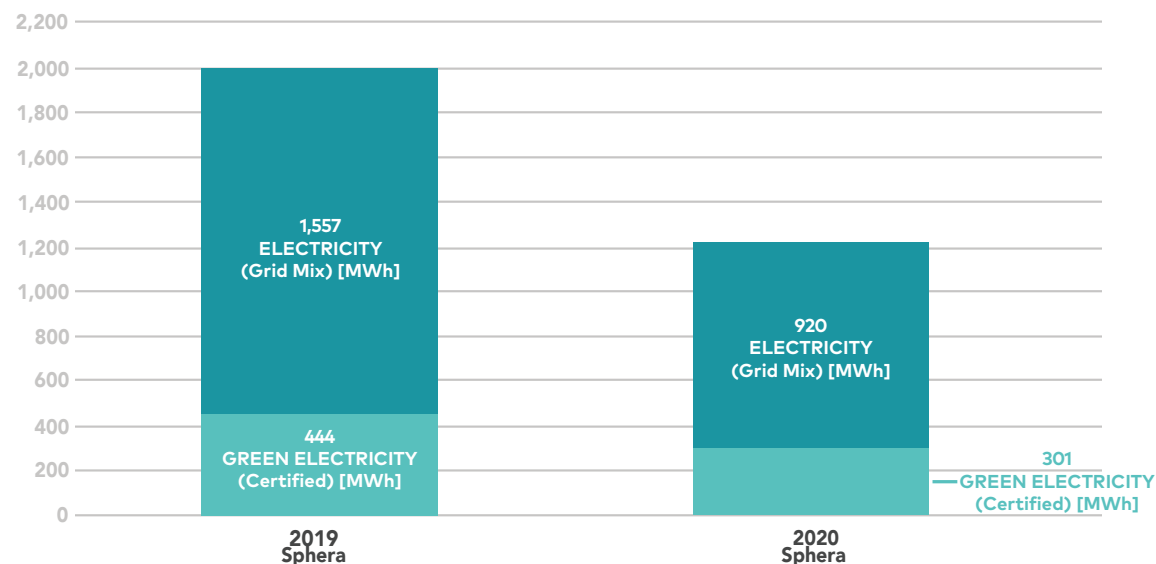In addition to office energy, Sphera owns several company vehicles. The fuel usage of these vehicles is gasoline/petrol and diesel with diesel making up the majority of the usage. We saw a reduction in our usage of company vehicles between 2019 and 2020. This is from the reduced usage of these vehicles during COVID-19 and a reduction in the number of vehicles Sphera owns.

Similar to the trend observed for the energy breakdown, our Scope 1 and Scope 2 (market-based) carbon footprint has decreased from 1,279 tonnes of CO_2 equivalent (t CO_2e) in 2019 to 583 t CO_2e in 2020. This is primarily from our work-from-home arrangements that came into effect in March 2020 as well as Sphera consolidating several offices in 2020.

Sphera Scope 1 and 2 in 2020

583 t CO$_2$e

[1] *Scope 1 includes stationary and mobile energy and fugitive emissions (the direct release to the atmosphere of GHG compounds from various types of equipment and processes). Scope 2 includes electricity (market-based) and district heating.*
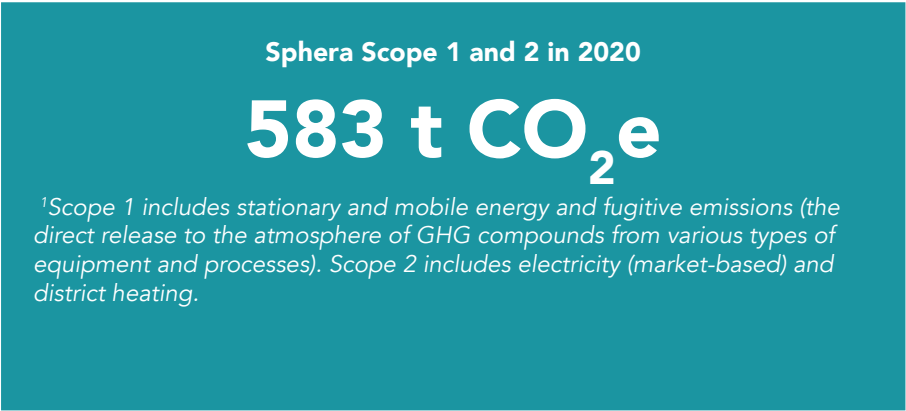

Figure 13: Scope 1 and Scope 2 in Tonne CO_2e (t CO_2e), 2020
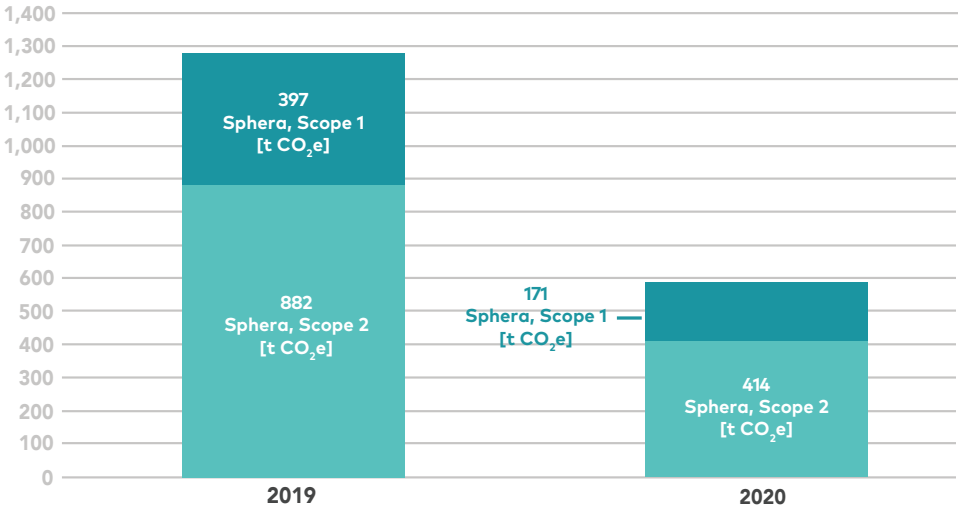
Figure 14: Scope 1 and Scope 2 GHG Emissions in Tonne CO_2e (t CO_2e), 2019 and 2020[1]

[1] *Scope 1 includes stationary mobile energy and fugitive emissions. Scope 2 includes electricity (market-based) and district heating*
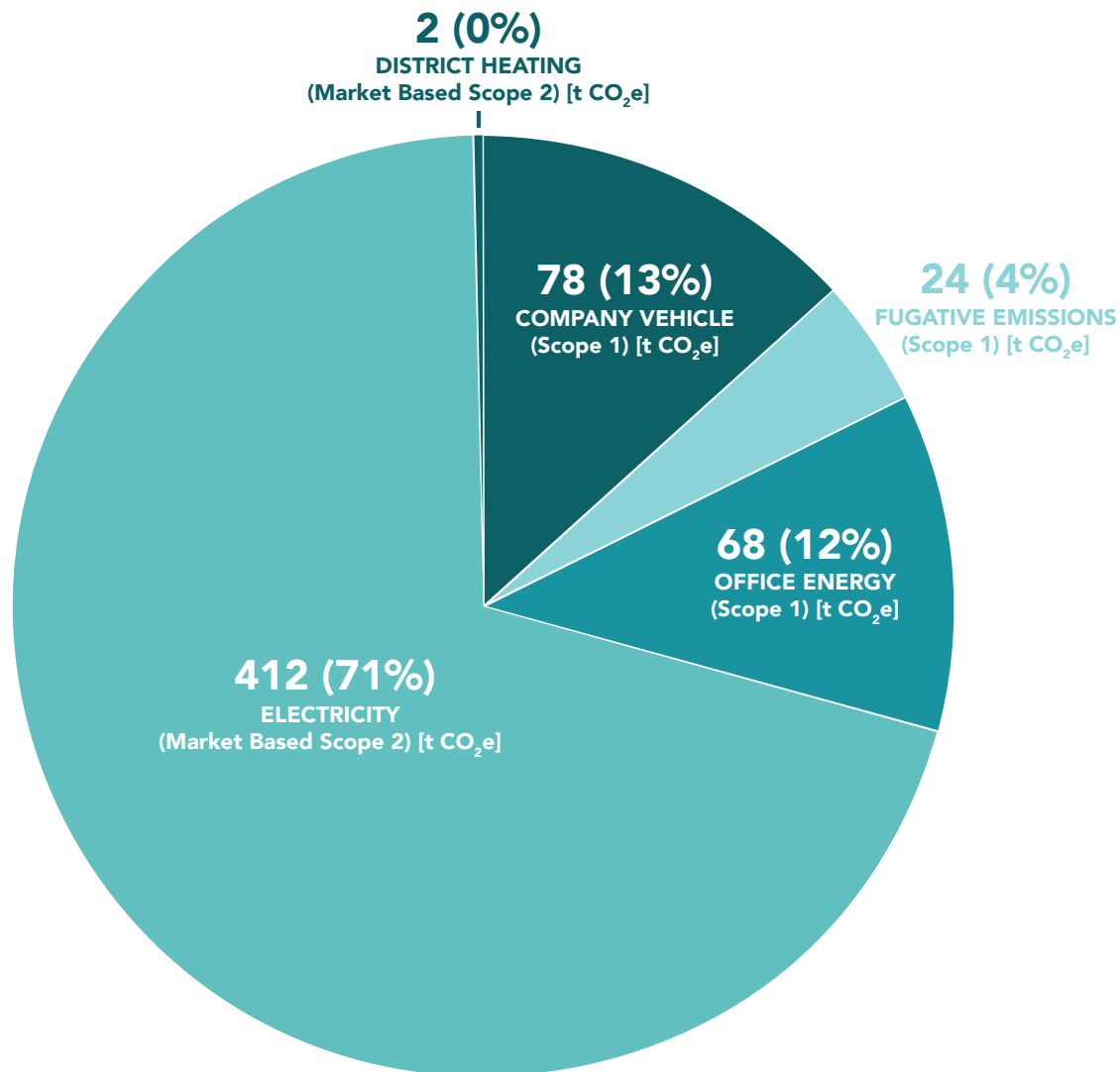
Figure 15: Scope 1 and Scope 2 GHG Emissions by Category in Tonne CO2e (t CO2e), 2020

The largest contributor to our Scope 1 and Scope 2 emissions is our electricity, which accounts for a total of 71% of our emissions (412 t CO_2e). This is followed by company vehicles and office energy, which combined accounts for 25% of our total emissions. Fugitive emissions account for 4% and District heating accounts for less than 1% of our total emissions.

We can see a decrease in emissions of our Scope 2 based on the location and market-based methodology. The location-based approach of our Scope 2 emissions equals 488 t CO_2e compared with 414 t CO_2e under the market-based approach. This decrease is based on the use of renewable electricity in several of our offices. Sphera aims to calculate our Scope 2 market-based emissions more accurately going forward by actively working with our suppliers to obtain specific emission factors.
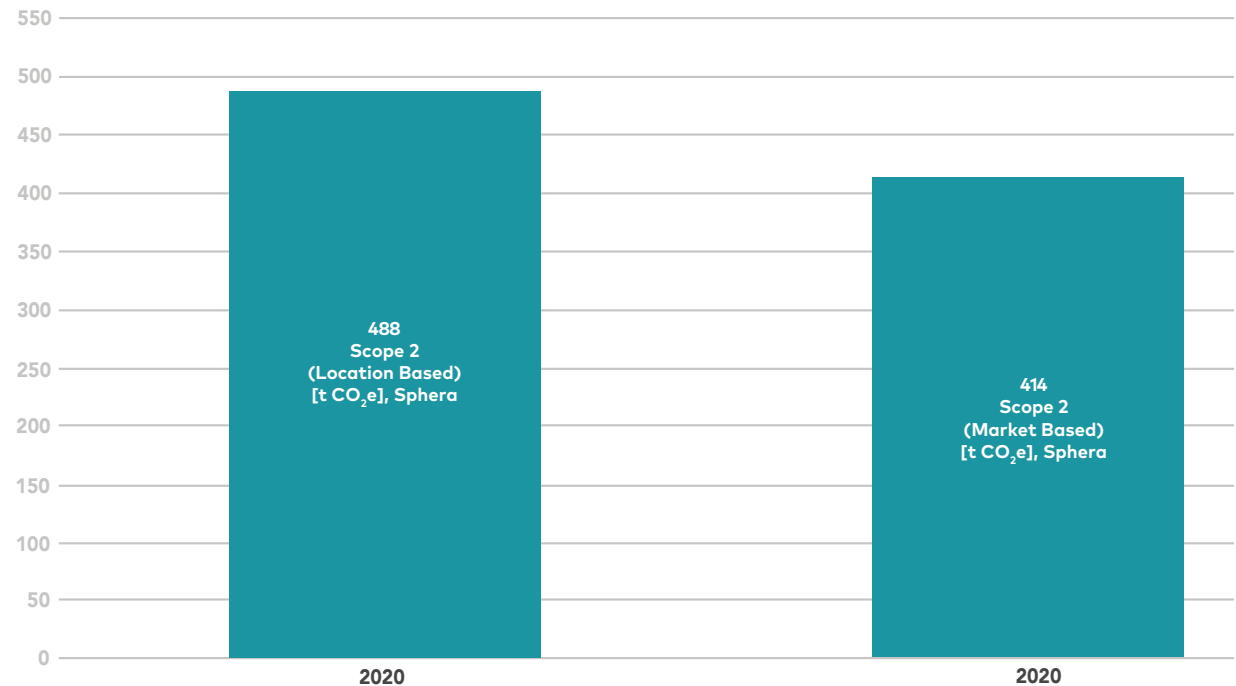

Figure 16: Scope 2 GHG Emissions (Location-based vs. Market-based) in Tonne CO_2e

49% reduction in t CO_2e per square meter between 2019 (0.08 t CO2e per square meter) and 2020 (0.04 t CO2e per square meter)

Figure 17: Scope 1 and Scope 2 GHG Emissions Per Office Area, in Tonne CO_2e Per Square Meter (t CO_2e/m2), 2019 and 2020

[1]Market-based Scope 2 included. Emissions from company vehicles have been excluded.

59% reduction in t CO_2e per square meter between 2019 (1.65t CO_2e per office-based colleague[1,2]) and 2020 (0.68t CO_2e per office-based colleague[1,2])

Figure 18: Scope 1 and Scope 2 GHG Emissions Per Colleague, in Tonne CO_2e Per Colleague (t CO_2e/colleague), 2019 and 2020

[1]Market-based Scope 2 included. Emissions from company vehicles have been excluded.

[2]Office-based average colleagues.

When normalizing our Scope 1 and Scope 2 GHG emissions (excluding company vehicles) by office area and number of office-based colleagues, we saw a decrease in emissions. In 2020, our intensity for Scope 1 and Scope 2 GHG emissions (excluding company vehicles) by office area decreased by 48% (from 0.08 t CO_2e per square meter to 0.04 t CO_2e per square meter), and for Scope 1 and Scope 2 GHG emissions (excluding company vehicles) by office-based colleagues it decreased by 59% (from 1.65 t CO_2e per office-based colleagues to 0.68 t CO_2e per office-based colleagues). This decrease is primarily attributable to remote work arrangements and reduced use of our offices in 2020 (because of COVID-19) and consolidation of our office portfolio. These intensities do not include emissions from remote working. We anticipate that our intensities may have increased in 2021 when we returned to offices in areas where it was permitted.

Our Scope 3 fuel and energy-related activities emissions equaled162 t CO_2e (location-based) and 153 tCO_2e (market-based) in 2020, which is a decrease from 2019 (391 t CO_2e (location-based) and 376 t CO_2e (market-based). This decrease is reflective of the decrease in Scope 2 emissions.

Scope 3

Because of the nature of our business, the majority of our emissions will lie within our Scope 3. While Scope 1 and Scope 2 cover our direct and indirect emissions from our owned-and-operated sources and the generation of our purchased electricity and heating, our Scope 3 will include all other indirect emissions that occur throughout our value chain.

We understand that, by assessing where the hotspots of emissions are in our value chain, we will be able to focus our reduction efforts where we find the biggest impact. In reviewing the 15 categories of Scope 3 laid out by the GHG Protocol, we have determined that our impacts lie within multiple categories, including:

Use of Sold Products
With more than 3,000 customers, the impact we have regarding the use of our software and services will contribute to our overall Scope 3 emissions.

Purchased Goods and Services
It is important to us to better understand the impacts of the goods and services that we purchase, such as the computers we operate and servers we use, so that we can identify categories and make better sustainability decisions regarding our purchasing of goods and services.

Business Travel
Since we are a client-facing organization, business travel is a category of Scope 3 that we know will be significant for us.

Colleague Commuting (Including Working From Home)
As a result of COVID-19, there has been a shift to remote working (which by default has resulted in less colleague commuting). This shift has led to emissions moving from Scope 1 and 2 (from our office) to our colleagues' homes. We want to quantify and better understand the impact this will have.

OUR
SOCIAL
IMPACT

COVID-19 Response

COVID-19 changed the way most companies do business, including ours. The main priority for Sphera during this time has been to ensure the safety of our colleagues, contractors, vendors and customers. Sphera actively monitored the COVID-19 situation in all our office locations and adhered to local requirements and guidance. In March 2020, Sphera issued a companywide mandate for all colleagues to work remotely to help protect the health and well-being of Spherions, their families and the people in their local communities. This mandate remained in place for the remainder of 2020.

With the infrastructure already in place for remote working, the transition was handled expeditiously. Sphera's **Information Technology (IT)** team worked to ensure all colleagues were set up with the right equipment at their homes so they could continue to do their jobs. Additionally, in India, Sphera provided all of our colleagues with a **COVID-19 Care Allowance** to support them in the transition to working from home and with COVID-19-related medical care, such as costs for testing and vaccines. We also recognized that the home lives of many Spherions were disrupted by not being able to send their children to in-person schooling or to care for family members. To ensure Spherions were able to balance this new normal, we offered Spherions the option to work more flexibly when they needed to take care of their families. We felt that it was important to partner with our colleagues in managing through this global pandemic. We also believe this helped to support the mental well-being of our workforce during this challenging time.

Sphera was also in a unique position to support our customers immediately during the pandemic. On March 26, 2020, Sphera released a new **COVID-19 Coronavirus Workforce Assessment** tool. This was offered as a complementary tool for SpheraCloud HSM customers to help them survey the physical and mental well-being of their workforce, manage productivity, and reduce cost and disruption related to COVID-19 risks.

Learn more about the COVID-19 Coronavirus Workforce Assessment.

Our Company Culture

At Sphera, we have created an inclusive and supportive company culture that is conducive to inspiring our smart, savvy, caring, hardworking and innovative colleagues—known as **Spherions**—to help fulfill our mission. Spherions are not just essential to Sphera's success as an organization, but they are the most important part of it.

Sphera's business relies on software, data and consulting experience to support solving some of the most important challenges facing the world today. To meet those challenges, Sphera not only hires some of the world's leading safety, sustainability and productivity experts as consultants but also employs top talent in areas such as customer care, finance, human resources, marketing, product development, sales and technology to help champion that message. It is our exceptional colleagues who help us deliver the real

147 new Spherions in 2020

Figure 19: New Hires, 2020

impact to help our customers and, ultimately, society for one important reason: A Spherion is somebody who cares about the world.

From skillful software developers and database creators to experienced consultants, marketers, salespeople and more, Spherions bring decades of collective experience, which is imperative in assisting our customers. This is our world, and we want to make it a better place for everyone today and for future generations. Spherions understand the work they do for their communities is essential for developing a sustainable society. Our safety, sustainability and productivity experts play a pivotal role in implementing projects to help companies excel.

We also understand the importance of creating a safe, inclusive and supportive environment for all our Spherions to thrive in their work. This is embedded in our culture and is instilled in our colleagues from their first day and throughout their journey at Sphera. In addition, Sphera encourages our colleagues to maintain a good work-life balance so that all colleagues can support their mental well-being. We are proud to cultivate and retain such a strong pool of talented people who do amazing things every day for companies around the world.

Recognizing Our People

At Sphera, our people are our most valuable asset. They are the driving force in our mission to create a safer, more sustainable and productive world. We believe in rewarding and recognizing our colleagues for their contribution to our mission.

Spherions are encouraged to nominate their peers for a **Spherion Award** to recognize their contribution to our mission and going above and beyond in demonstrating our values. Quarterly, colleagues are awarded Spherion Awards for their contributions and accomplishments and at the end of the year one Spherion is recognized as the **Spherion of the Year**. In 2020, 22 awards were presented to colleagues for their outstanding contributions and impact.

Spherion of The Quarter   **Spherion of The Year**

What it's like to work at Sphera

"My favorite part about working at Sphera is our culture. My colleagues are genuinely some of the warmest, most inviting, fun people that I've ever met, and I feel lucky to work with each and every single one of them."

Aly Winter, USA
Front Desk Administrator

Diversity & Inclusion

As a global company, we promote an open-minded, inclusive and diverse work atmosphere. Sphera is committed to making all employment decisions based on job-related qualifications and without regard to legally protected characteristics, which typically include age, sex, race, disability, religion, sexuality or other personal characteristics. We also recognize that diversity in our workforce fosters diversity of ideas, creativity, innovation and an overall better and more inclusive work environment for our colleagues.

Our road to attaining the reputation of being a great place to work was built on principles that Sphera is an inclusive, learning and listening organization. A key aspect of why our colleagues enjoy working for Sphera is the diverse, global workforce, whose different views and perspectives strengthen our ability to support our customers.

At Sphera, **59%** of our colleagues are male, and **41%** of our colleagues are female.

Figure 20: Percentages of Male Vs. Female, 2020

"I am honored to work for a company that takes Diversity & Inclusion so seriously. We are given regular opportunities throughout the year to discuss important D&I topics, such as unconscious bias and systemic racism. Sphera continues to challenge me to become the best human I can be, and that starts with what I learn from BEST."

Joni McHugh,
Vice President of Customer Care

"What I like about working at Sphera is the closeness of my team. We have established a bond that is like family."

Chiquita Dockery
Accounts Payable Specialist, Finance Team

In 2020, there was an increased global conversation regarding racial injustice. During this time, Sphera established the **Black Employee Solidarity Team (BEST)**. The group encourages colleagues of all races to get together and discuss important issues affecting the Black community. This group meets monthly and is welcoming to all global colleagues.

In furtherance of our efforts to foster an open-minded workplace, we have rolled out **unconscious bias** training, including a virtual training course and group discussions with leaders that are focused on examining unconscious bias. This course is mandatory for all Spherions.

In 2021, Sphera expanded our **Colleague Resource Groups (CRG)** to include the:

- **Women Excel, Grow, Empower, Transform (WEGET) Team**, which, among others things, offers a regular education series, networking and a mentoring program.

- **Well-Being CRG**, which promotes and sustains the importance of employee well-being in the organizational culture.

We look forward to sharing the progress of our CRGs in our upcoming ESG report.

Colleague Engagement

At Sphera, regular colleague engagement campaigns play an important role in creating an interactive environment for the exchange of ideas and enable each Spherion to actively engage with our mission. We think ESG initiatives are important every day, but we also host special events every year for our colleagues to engage with and learn more about safety, sustainability and productivity best practices. Prior to COVID-19, Spherions would be encouraged to participate in our annual **Sphera Days** in person to help them advance their knowledge and do good for the world. In the past, Spherions have taken part in beach cleanups, visited a closed-loop sustainable food production organization and toured an energy-efficient

plant and more. In 2020, during COVID-19, Sphera still held these days, but did so virtually.

For our **2020 Sustainability Day**, Sphera challenged its colleagues to conduct as many sustainability-related actions during the day as possible. Spherions were provided a list of actions and information related to their impact. Actions included becoming a vegetarian for a day, plugging air gaps in windows and doors to improve energy efficiency and reducing waste for a day. Each office was encouraged to conduct as many actions as possible during the week. In total, Spherions completed over **3,500 sustainable actions globally** in one day.

What It's Like to Work at Sphera

"I love working at Sphera because I finally found a company that matches my values and shares the mission of working towards a more sustainable world. In my day-to-day work, I especially appreciate the diversity among my colleagues and that Sphera actually enacts employee welfare instead of just doing lip service."

Marcus Mangelsdorf, Germany
Senior Software Engineer

Sphera conducts an annual colleague engagement survey administered by a third party. The approach is a combination of scaled questions and open-ended questions. This survey is sent to all of our colleagues, and we received an 85% completion rate in 2020. These surveys provide the company with important information to allow us to develop action plans aligned with what is important to our colleagues. In 2020, one of the follow-up initiatives from the survey was to build career paths across the organization.

This was done by:

1. Setting the foundation to develop career paths for each function/job family.
2. Increasing training and professional development opportunities as well as productivity and sustainability training.
3. Expanding internal visibility of job opportunities by adding internal roles into our monthly colleague newsletter.

In addition, we also conduct three "pulse" surveys (targeted at 25% of the workforce) every year to measure if the initiatives from the annual survey are making a difference.

A key component for facilitating our colleague engagement is our network of **Culture Leads**. They help implement culture initiatives and activities to create a stronger work environment and support the **Spherion Values** at each of sites globally.

We encourage our colleagues to make healthy and sustainable choices, and we host regular programs to offer Spherions ways to support our mission. Activities include:

- Regular yoga sessions
- Vegetarian barbeques hosted by local offices
- Participation in local running events and competitions
- Participation in World Cleanup Day
- Online sports classes

What It's Like to Work at Sphera

"The best part about working at Sphera has to be my colleagues. Also, being in Customer Care gives me an opportunity to interact with people from across the globe. I look forward to interacting with wonderful people every day at work and end my day with a sense of satisfaction and happy customers."

Karan Sachdev, India
Senior Technical Support Specialist II

Investing in Spherions Through Sphera University

Sphera continuously supports the professional development of our colleagues through **Sphera University** (known as **SpheraU**), our central internal professional and personal development platform and repository of learning. SpheraU offers opportunities and support for our colleagues by offering courses on relevant topics through live webinars, e-learning and recorded videos.

Further, our resident experts facilitate live sessions throughout the year on a broad variety of topics, including introductory sessions on our products for new colleagues, updates on products and services, and informative sessions on building professional skills. This includes **Challenger** training supporting sales, productivity tools, well-being and new sustainability insights, such as the further development of relevant **International Organization for Standardization (ISO)** standards and the introduction of **Circular Economy** principals.

84	**40+**	**600+**	**37%**	**6,315**
live sessions were held	presenters	participants	increase in course completed from 2019	total courses completed by colleagues in 2020

*Figure 21: Training Highlights at Sphera, 2020*

In addition to regular internal training, we support colleagues through external training events and certifications to enhance their knowledge and skills about topics they would like to further develop to be successful in their careers.

All new colleagues are required to complete 10 compliance courses within the first 30 days as well as a **Foundations** course that provides an in-depth introduction to Sphera. Additionally, each new colleague is appointed a **Sphere Peer** (a colleague who serves as their mentor) to help new Spherions learn more about Sphera's culture and mission. Annually, all colleagues are required to complete roughly 90 minutes of refresher training courses in areas of **Compliance** and **Information Security**. We also offer our colleagues access to an external learning platform that has more than 16,000 courses.

Through our **SustainAbility** program, Spherions can set performance and professional goals for themselves, review them with their manager and actively monitor their progress toward meeting those objectives. Sphera encourages regular conversations between colleagues and their managers regarding career development. Performance management is about both results and behavior. Sphera believes in transparent business practices. Through the SustainAbility program, we look to align goals, which filters down to each department, each team and then each individual so that each person can understand their impact on the organization's success.
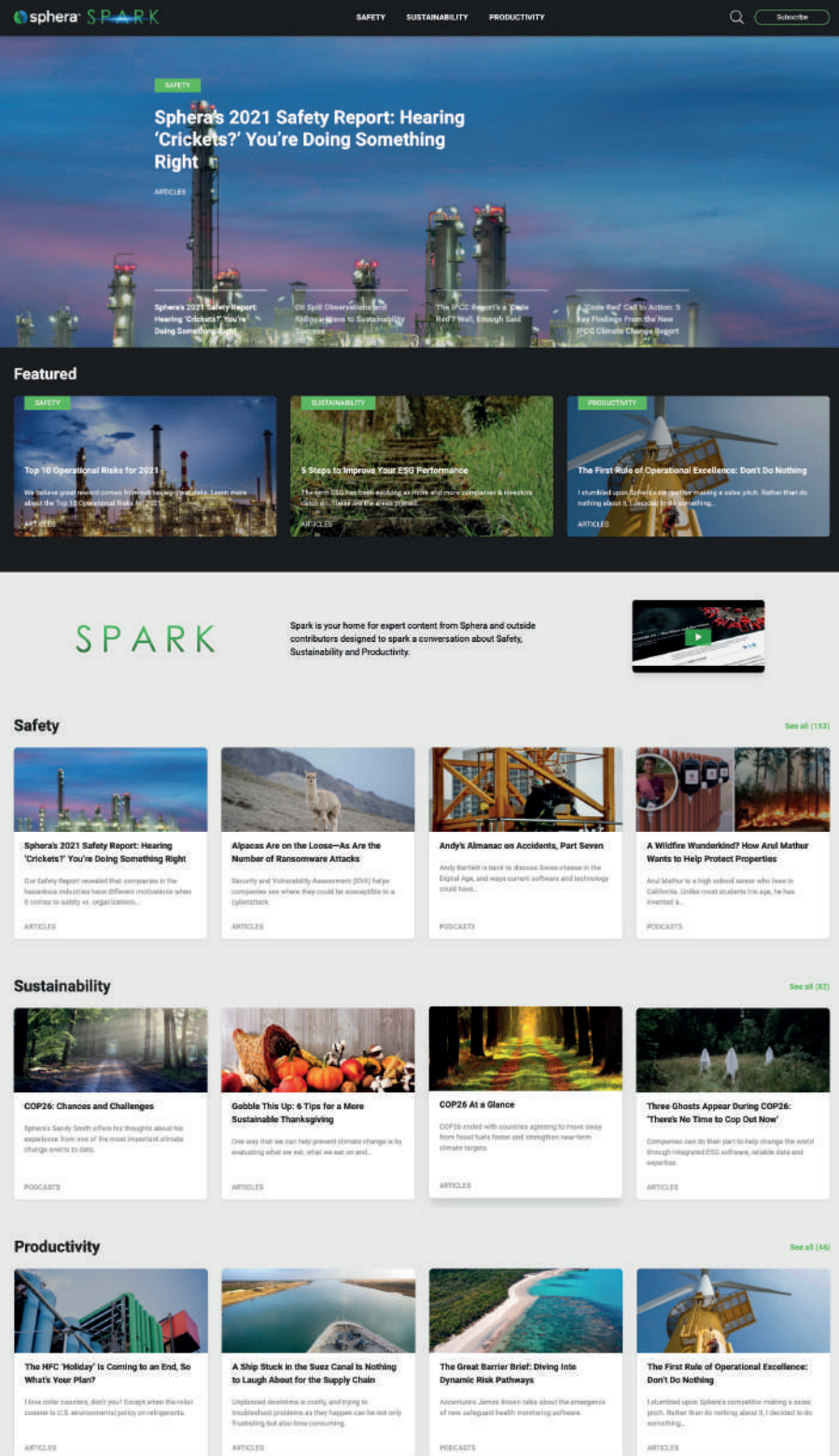
Thought Leadership at Sphera

Thought Leadership is extremely important to all Spherions. We want to share the vast internal expertise and knowledge we hold within Sphera to the wider community of customers and peers in our efforts to create a safer, more sustainable and productive world. Our Thought Leadership platforms are some of the most visited areas of our website, and we offer several types of content:

- *Solution Insights* provides in-depth information about our safety, sustainability and productivity solutions and services. We show our software, data and consulting services expertise through blogs, e-books, news posts, infographics, webinars, videos and a robust glossary section. In 2020, for example, we produced the PSM/ORM report to examine Process Safety Management and Operational Risk Management.

- *Spark* is our own thought leadership portal that houses expert thought leadership from Sphera and outside contributors designed to spark a conversation about a vast array of safety, sustainability and productivity topics. It contains timely articles, podcasts and videos related to various ESG-related topics. For example, in 2020, Sphera produced a series of articles related to COVID-19 issues in terms of safety, sustainability and productivity. More than a quarter of a million people have visited the Spark site since it launched in October 2020.

- *The Sphera Customer Network (SCN)* offers our customers access to support information including the latest Sphera news, updates, events, user community information, educational materials, software updates and other valuable resources.

Social Media

Additionally, every month almost 125,000 people receive our two newsletters focused on solution insights and thought leadership, and that message is amplified on our three key social media channels: LinkedIn, Twitter and Facebook.
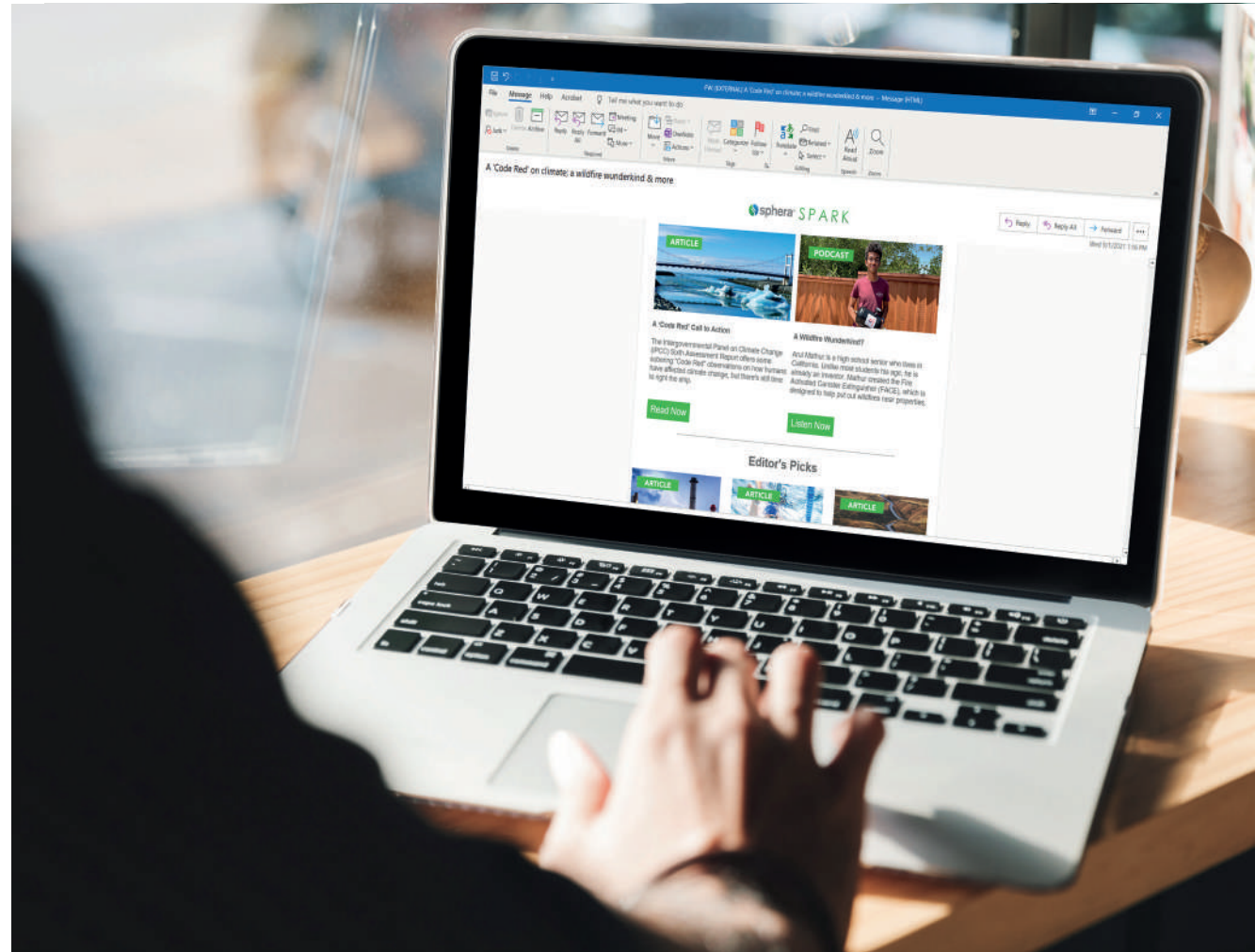
24,308

4,145

1,143

Figure 22: Social Media, 2020

Events

Spherions spoke at 20 events and conducted 14 expert-led webinars in 2020 on important trends and other relevant safety-, sustainability- and productivity-related topics, which more than 8,500 people attended.

In October 2020, Sphera held its **Safe Operations Summit**, which had over 300 delegates join to learn how they could leverage digital and automation tools to better track and report safety data, meet compliance requirements, reduce front-line risks and build a world-class safety culture. It also allowed the delegates to learn more about how industry leaders benchmark progress.

Read a recap of the safety summit.

In November 2020, Sphera held its inaugural virtual **Sustainability Summit**. Participants learned how to boost their company's sustainability initiatives and overall performance, to embed sustainability into a company's DNA and create real business value. There were insights into challenging regulations and initiatives affecting sustainability reporting, including carbon neutrality and net-zero targets, Science Based Targets (SBTs), Scope 3, ESG data and more. Attendees were also able to learn firsthand from Sphera's customers how an integrated technology approach can elevate their organization and connect data, software and consulting expertise across product life cycle and corporate sustainability management.

Read a recap of the sustainability summit.

"Great webinar today about 'Business Value & Challenges in Sustainability.' The experts discussed how to move from a report-and-comply model to leveraging sustainability as a competitive advantage for improving financial performance."

Guillaume Féry
Solar Impulse Foundation

OUR
GOVERNANCE

Governance Board

Within Sphera, our board of directors is our highest governing body. They are responsible for overseeing our strategic development and monitoring Sphera's performance, including with respect to our ESG and sustainability initiatives. The board meets at a minimum quarterly to review the performance of the organization and to discuss strategic plans, issues and risks. In 2020, the board met 12 times (in person and virtually).

The board delegates its authority for the management of day-to-day operations to Sphera's CEO and the **Executive Leadership Team (ELT)**, including decision-making on ESG topics at Sphera. The ELT consists of the:

- CEO and President
- Chief Financial Officer
- Chief Human Resources Officer
- Chief Product Officer
- Chief Revenue Officer
- Chief Services Officer
- Chief Technology Officer
- General Counsel

Learn more about Sphera's Executive Committee.

Code of Conduct

We believe all Spherions must act ethically and with integrity and accountability at all times. That includes toward our colleagues, customers, suppliers, other business partners, local governments and communities. Our **Code of Conduct** is the cornerstone of our commitment to acting ethically and lawfully. It serves as a guide for ethical decision-making, providing information regarding the most common ethical and legal questions that Spherions may face in their day-to-day activities as ambassadors of the company.

Our code applies to all colleagues, officers and directors in all locations where Sphera does business. We are all required to read and follow the code as well as all other company policies, procedures and guidelines that govern our work. All Spherions are required to complete annual compliance training where they are required to sign an attestation that they have read the code promising to uphold the company's strict ethical standards.

We comply with the laws and regulations that are applicable to our business in all of the locations in which we do business. In the event a Spherion finds themself in a situation where local laws or customary conduct conflicts with our code or other company policies, the law always takes precedence.

Our Code of Conduct covers a range of issues including:

- Diversity & Inclusion
- Workplace Health and Safety
- Conflicts of Interest
- Company Assets
- Anti-corruption and Bribery
- Human Rights

Although our code is comprehensive, we understand that it could not possibly cover every possible ethical situation. Therefore, Spherions are asked to inquire about individual policies, procedures or guidelines or ask their managers, human resources or the legal department for more detailed guidance.

Colleagues are encouraged to contact the Legal Department and their HR representative (for matters involving Sphera colleagues or contractors) or finance representative (for matters involving Sphera suppliers or service providers) if a breach of our Code of Conduct or violation of the law is suspected. They are also able to report breaches anonymously via a third-party hotline provider. We ensure that inquiries and reporting do not result in retaliation against colleagues who raise concerns.

All incidents are promptly investigated and appropriate actions are taken as necessary and appropriate. All reports are kept as confidential as possible as allowed by law and as appropriate for proper resolution of the issue. If we determine that there has been a violation of our code, company policy or the law, we will initiate appropriate corrective action with the individual(s) involved, up to and including termination of employment or contract. We may also report misconduct to the proper authorities, which may lead to civil and/or criminal prosecution. When required by law or policy, we will give individuals named in a report the opportunity to access the information reported and make corrections if the information reported is incorrect.

Figure 23: Confirmed Near-misses and Business Ethics Breaches, 2020

In addition, Sphera has a zero-tolerance policy for modern-day slavery and is committed to conducting our business ethically and with integrity to ensure no instances of modern-day slavery occur within our company or with any of our customers or vendors. Our commitment to this is highlighted within our **Modern Day Slavery Policy**. This includes Sphera's support of global efforts to abolish child labor, including adherence to the minimum age provisions of national labor laws and regulations for all colleagues Sphera directly hires. Where these laws are insufficient, we adhere to the definitions defined by the **International Labour Organization Convention (No. 138 and No. 182)**.

Sphera respects the right of all our employees in the process of collective bargaining without fear of retaliation.

Information Security

Sphera maintains strict confidentiality in regard to our data and that of our customers and others to whom we have obligations of confidentiality. We are very aware that, through our work, we handle sensitive information and data. We strictly adhere to the **Sphera Data Privacy and Processing Policy**, which covers collection of data, use of data, access to data, and audit and remediation.

We take any near-misses or breaches in confidentiality and data protection and privacy seriously and provide a pathway for escalation. Sphera's **Data Protection Officer (DPO)** is responsible for the data privacy program. The DPO can be notified of potential privacy incidents through online forms, Customer Care or via email. Sphera faced two data privacy incidents in 2020. Neither incident led to a disclosure of personal data or was otherwise material to our business. In both instances, Sphera's information security team and DPO responded quickly and in accordance with our documented **Incident Management Policy**.

Because of the nature of our business, we handle a substantial amount of information and data for our customers. This information is stored within our software, which is hosted on physical servers and cloud systems. Due to the increase in cybercriminal activity in recent years, Sphera has implemented a robust information and data privacy program. This program is based on the **ISO 27001** standard. Sphera has an **Information Security Management System (ISMS)** that governs our policy and process for information security. The ISMS covers all areas of information security and data privacy including the remediation process for data breaches, pseudonyms and encryption of personal data, information security risk management process and a continual improvement process. Cybersecurity incidents are escalated to Sphera's **Information Security** team led by the **Chief Information Security Officer (CISO)**. Under the direction of the CISO, the information security team triages each issue and will take any appropriate action necessary to rectify any situation that arises. Sphera has a formal incident response process and coordinates with other internal teams, including Legal, HR and IT, as appropriate.

In 2020, Sphera experienced one cybersecurity attack. Through security monitoring tools, Sphera's information security team was immediately alerted to the attack and was able to mitigate the incident within 24 hours. The system that was attacked did not contain any customer or colleague data and was not material to our business.

Data privacy and information security is a companywide priority. All colleagues and contractors are required to complete formal training on information security annually. In 2020, 100% of our colleagues completed this training.

Promoting Sustainable Purchasing

We envision a world in which the production, distribution, use and disposal of goods and services enhance the long-term health and vitality of society, economies and the planet. An important way Sphera contributes to this is by adopting sustainable practices at work and at home. Part of our strategy for this is to increase colleague awareness of the ramifications of our choices through active engagement in environmental and social impact reduction activities. This awareness is provided by our thought leadership articles and webinar series presented by the Sphera Sustainability Team.

At Sphera, we are committed to leading by example. The larger part of our strategy is to develop and implement a **Sustainable Purchasing Policy and Guidelines** that will encourage more sustainable purchasing practices as Sphera. The goal of this policy and guideline is to reduce our environmental footprint while enhancing our positive social impact. We encourage our colleagues responsible for procurement to purchase quality products and services at competitive prices, while considering key environmental and social benefits over the entire life cycle of the product or service.

We anticipate the most important purchasing categories will be:
- Computers and electronics
- Office electricity
- Paper and printing
- Servers

We look forward to sharing more information regarding our policy, including the specific products and services we have identified as relevant purchases, in future reports.

WHAT COMES NEXT

Materiality Assessment

In a rapidly evolving and changing global landscape, we are seeing new and emerging risks developing. Therefore, it is important for us to assess and define ESG topics that are material to our organization and where we see the biggest impacts on a regular ongoing basis. It is also important to account for the insights from all of our stakeholder groups, including Blackstone, which invested in Sphera in 2021. To allow us to continue our learning, we will be conducting a materiality assessment to build on our existing insights. These insights will be used to help guide areas of focus for our organization. We will be looking at the **U.N. Sustainable Development Goals (SDGs)** to aid this assessment and to see which goals we can actively contribute to through our work.

GHG Emissions

Within this report we have shared our Scope 1 and Scope 2 emissions for our office energy and company vehicles. Sphera is committed to quantifying our Scope 3 emissions so that we can gain a complete picture of our GHG footprint. We understand that the majority of our footprint lies within Scope 3, which is why Sphera is in the process of calculating its Scope 3 emissions from relevant Scope 3 categories for our business. We will be reporting these emissions in our upcoming ESG report.

2020

Calculate Scope 1

☑ Fuel consumption for office energy

☑ Fuel consumption for company vehicles

☑ Refrigerants

Calculate Scope 2

☑ Electricity consumption

☑ District Heating[1]

[1] *No district cooling or steam has been identified*

2021

Quantification of Scope 3 emissions

based on relevant categories including purchasing goods and services, business travel, use of sold products and colleague commuting (including home working)

2022

Calculate Science Based Targets (SBT) for Sphera's GHG emissions and begin the process for verification

Develop action plans for GHG emissions reduction to support our SBT and our commitment to Blackstone's Emission Reduction Program

Figure 24: GHG Reporting and Management, 2020-22

Reducing greenhouse gas emission, aligned with science, is imperative for the future of our planet. Prior to the release of this report, Sphera joined the Science Based Targets Initiative (SBTi) and has committed to setting a science-based target to reduce its GHG emissions aligned with science. Partnering with the **Carbon Disclosure Project (CDP)**, **U.N Global Compact (UNGC)**, **World Resources Institute (WRI)** and **World Wildlife Fund (WWF)**, the SBTi helps companies determine a pathway for reducing their emissions in line with the Paris Agreement's recommendation of limiting global warming to below 1.5°C (2.7°F) above pre-industrial levels. Sphera is committed to setting its science-based targets so that we can do our part in driving down GHG emissions.

In addition to the SBTi, Sphera is committed to **Blackstone's Emissions Reduction Program** and has committed to reducing our office energy-based carbon emissions by 15% within the first three years of investing in our company. This program builds upon more than a decade of sustainability efforts by Blackstone. Sphera is collaborating with Blackstone through this program to collectively reduce our offices' energy-based carbon emissions.

Learn more about **Blackstone's Emissions Reduction Program.**

Driving Performance

Sphera will continue to drive performance through our various initiatives and policies. Sphera aims to build upon the initiative and policies detailed in this report in the future. Initiatives and policies include:
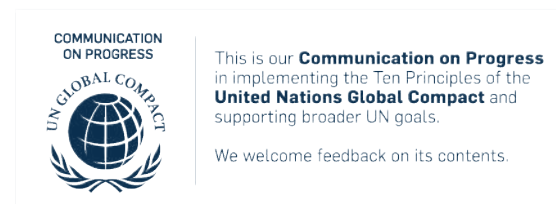
- Introduction of a Sustainable Purchasing Policy
- Sustainability Webinar Series
- Additional Training

Collaborating With Our Customers

Sphera is committed to continually delivering our best-in-class software, data and consulting services to support our customers. We are motivated to support the sustainable success of our customers because we know that this will result in a more resilient and thriving planet.

GRI and UNGC Index

This report was prepared with reference to the GRI Standards. The 10 U.N. Global Company (UNGC) principles are also cross-referenced in the index below. This report has not been externally assured.

COMMUNICATION ON PROGRESS
UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Section of Report	GRI Reference	Page	U.N. Global Compact
Message from CEO	This material references disclosures: • Disclosure 102-5, 102-14 from GRI 102: General Disclosure 2016	4	
The Scope of this Report	This material references disclosures: • Disclosure 102-1, 102-3, 102-11, 102-12, 102-46 (b), 102-50, 102-52 from GRI 102: General Disclosure 2016 • Disclosure 305-1 (d-i, e, f, g) form GRI 305: Emissions 2016 • Disclosure 305-2 (d-I, e, f, g) form GRI 305: Emissions 2016	6	Principles 7 and 9
Who We Are	This material references disclosures: • Disclosure 102-4, 102-6 (a-i), 102-7 (a-i, a-ii), 102-10 (i, ii) from GRI 102: General Disclosure 2016	8	
Our Mission and Values	This material references disclosures: • Disclosure 102-16 from GRI 102: General Disclosure 2016	11	
Our Portfolio and Expertise	This material references disclosures: • Disclosure 102-2, 102-6 (a-ii, a-iii) from GRI 102: General Disclosure 2016	12	
Partnerships and Collaborations	This material references disclosures: • Disclosure 102-13 from GRI 102: General Disclosure 2016	20	

GRI Standard Disclosure Number	Disclosure Title and Description	Page	U.N. Global Compact
Our Sustainability Approach		22	
Materiality Assessment	This material references disclosures: • Disclosure 102-40, 102-42, 102-44, 102-46 (a), 102-47 from GRI 102: General Disclosure 2016 • Disclosure 103-1 (a) from GRI 103: Management Approach 2016	23	Principle 8
Managing Sustainability	This material references disclosures: • Disclosure 102-20 (a), 102-53 from GRI 102: General Disclosure 2016	26	Principle 8
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Sphera creates a safer, more sustainable and productive world. We are a leading global provider of Environmental, Social and Governance (ESG) performance and risk management software, data and consulting services with a focus on Environment, Health, Safety & Sustainability (EHS&S), Operational Risk Management and Product Stewardship.

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