OUR ENVIRONMENT

sphera®

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Message from the CEO

In 2021, as the world was still experiencing the devastating impact of the COVID-19 pandemic, we were reminded again of the urgent need to tackle the fluctuating global climate, which has resulted in record-breaking heat waves, floods and severe weather.

In recent years, we have seen the world begin to transition to a more sustainable economy, with companies and governments declaring net-zero goals and working to decrease emissions. In fact, businesses will play a critical role in helping us meet the International Panel on Climate Change's (IPCC) recommendations on limiting global warming. With our software, content and consulting services, we at Sphera have been supporting our customers during this important transition period by helping them turn their science-based targets and strategies into reality.

The potential for costly non-compliance penalties, as well as operational inefficiencies and reputational damage, has led to the understanding that sustainable business practices aren't just the right thing to do … They're also the smart thing to do.

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 the world of ESG in a measurable, auditable and transparent way, helping them gain new insights into their business.

At Sphera, we strive to provide innovative solutions for the world's ESG challenges. This innovation is driven by our passion and our colleagues, who inspire me every day with their expertise and diverse backgrounds. Our colleagues are at the forefront of our support for our customers, and they are dedicated to helping them operationalize ESG within their organizations.

In September 2021, Blackstone, one of the world's leading investment firms, acquired Sphera. 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. We are excited to partner with Blackstone in fulfilling our mission.

This report serves as our first ESG report, a stepping stone in our progress and commitment to creating a better world for our employees, stakeholders, customers and the communities in which they do business. It aims to present the baseline of our performance, against which we will report our targets and progress in future reports.

I want to thank our customers, who have partnered with Sphera along our common journeys and share the same mission that we have for the world: to create a safer, more sustainable and productive world. We at Sphera work to fulfill this mission each and every day, and I look forward to sharing our progress with you as we continue on this journey.

Paul

Paul Marushka,
Founding CEO & President

The Scope of This Report

Sphera Solutions, Inc. ("Sphera") was founded with the mission to create a safer, more sustainable and productive world. And our global team brings decades of experience in how to identify and manage risk and enhance performance across Environment, Health, Safety & Sustainability (EHS&S), Operational Risk Management (ORM) and Product Stewardship.

Our world today faces no shortage of risk. In the past year alone, we have witnessed the impact of climate change, with extreme weather conditions occurring globally. The risks associated with climate change are a concern for investors and consumers, who want more transparent reporting from businesses on their plans for adaptation, as well as on their impact on the environment. Navigating these challenges certainly isn't easy.

At Sphera, we are dedicated to supporting our customers in tackling these challenges. We work closely with them to help them identify and achieve ESG goals using software solutions, content and expertise to develop ESG strategies and roadmaps.

As a leading ESG performance and risk management software, content and consulting services organization, we also recognize the importance of doing our part. That's why we are proud to present our first Sphera ESG Report. This annual report is designed to promote transparency and provide an account of our actions around our own ESG performance for the period between January 1, 2021, and December 31, 2021, for Sphera and its subsidiaries around the world. This commitment is central to not only who we are, but also how we work with and advise others.

Our reporting year aligns with our financial reporting year, and Sphera will publish its ESG report annually. Our progress in 2021 included several key developments:

- Sphera became a signatory participant of the U.N. Global Compact (UNGC), the world's largest corporate sustainability initiative.

- We joined the Science Based Targets initiative (SBTi) and have started the process of setting science-based targets for greenhouse gas (GHG) emissions reductions.

- Blackstone, the leading private equity company with over $850 billion in assets, invested in Sphera in September 2021. Its investment in Sphera reflects its conviction in Sphera's mission, growth and ambitions to operationalize ESG.

We believe ESG reporting efforts can deliver results that benefit a wide range of stakeholders—including regulators and investors, as well as companies' customers, employees and supply chain workers—and enable more responsible stewardship of the planet's resources. We take pride in helping organizations achieve ESG maturity and mitigate climate change through our software solutions, content and services. As we advance our mission to create a safer, more sustainable and productive world, we look forward to empowering our own customers and partners to boost their ESG performance and drive increasing value.
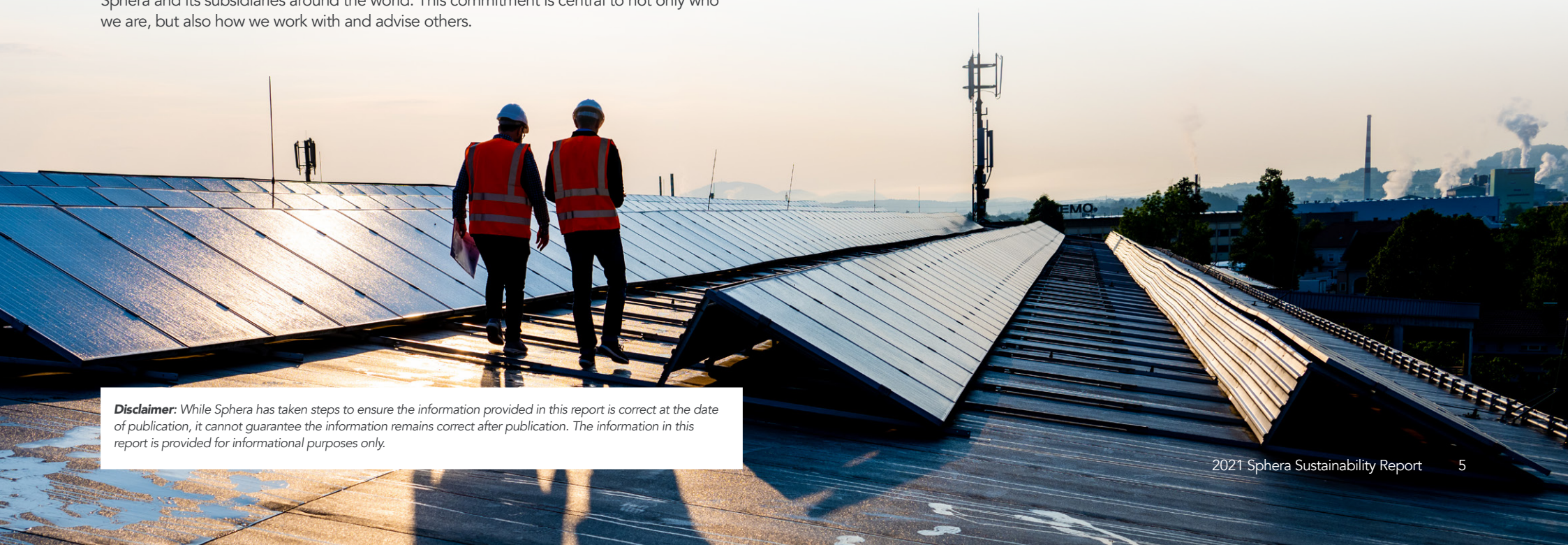
WHO WE ARE

Sphera is a leading provider of Environmental, Social and Governance (ESG) performance and risk management software, content and consulting services. Through our cloud and on-premise solutions, proprietary content and consulting services, Sphera's experts partner with organizations around the world to help them gain clarity around ESG and take strategic, evidence-based action toward a more sustainable future.

Sphera is built on decades of software development and expertise in Environment, Health, Safety and Sustainability (EHS&S), Operational Risk Management (ORM) and Product Stewardship. While the origins of our company and platform date back to the 1970s, Sphera was officially founded in 2016 to drive forward the principles of ESG. Since then, Sphera has continued to grow and deepen our expertise in this area.

Our Journey
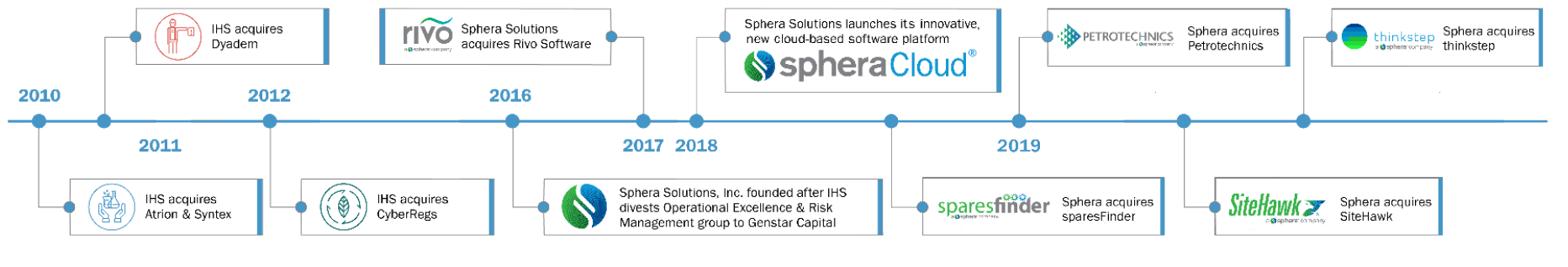
Figure 1: Timeline of Sphera (2016 - 2021)

As of December 31, 2021, Sphera had operations in over 10 countries and was serving more than 6,000 customers in over 80 countries.

Learn more about Sphera **here**.

Figure 2: Key Locations of Sphera Operations

897 Colleagues[1]

11 countries[2]

23 offices[3]

6,000 Customers Served

Figure 3: Key Statistics as of December 31, 2021

[1] *Average number of colleagues, 2021*

[2] *Identifies office locations only and does not include countries where we had remote workers in 2021. Sphera's headquarters are located at 130 E Randolph St., Suite 2900, Chicago, IL 60601, USA. During 2021 Sphera had offices in Canada, Denmark, Germany, India, Italy, Japan, Netherlands, Switzerland, United Arab Emirates, United Kingdom and United States.*

[3] *Offices include coworking spaces.*

In September 2021, Blackstone, the world's largest alternative asset investment group, acquired Sphera (a private company). Blackstone is focused on creating a positive economic impact for its investors, portfolio companies and the communities in which it works. With the acquisition of Sphera, Blackstone deepened its investment in the tools and resources needed to support greater sustainability in the world and across its own portfolio. Blackstone's investment in Sphera is centered around our aligned ESG missions and will facilitate Sphera's continued innovation and evolution in the ESG space. The partnership will cement Blackstone's and Sphera's positions as leaders in sustainability.

Learn more about Blackstone's acquisition **here**.

"We are excited to partner with Paul Marushka and his team to build on Sphera's strong momentum as a trusted leader in the ESG solutions space. We look forward to supporting the company in the next phase of its growth journey as they continue to expand their product offerings and innovate to best serve their global customer base."

Eli Nagler,
Senior Managing Director, Blackstone

Our Mission and Values

Sphera is on a mission to create a safer, more sustainable and productive world.

We know that action starts with clarity, and we seek to provide that clarity and the tools—an integrated software platform, science-based content and deep industry expertise—that businesses need for their ESG journey. Our goal is to give companies the insights and solutions they require to take positive action and create long-term value.

At the same time, we must set and demonstrate high standards for ESG performance, and our values help us do this. In everything we do, we are customer-centric, action-oriented, collaborative, accountable and innovative.

Customer-Centric	**Action-Oriented**	**Collaborative**	**Accountable**	**Innovative**
Meets and exceeds customer expectations	Is resilient and adapts quickly to changes required to meet business needs	Models and encourages cooperation and teamwork	Sets clear and high expectations and ensures their achievement	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 ESG Solutions and Expertise

Environmental, Social and Governance (ESG) efforts represent a shift in how organizations are competing in today's business environment. ESG is becoming the new standard for business performance alongside financial performance: It plays a growing role in investment decisions, operational strategy, risk mitigation and long-term business resilience.

The growing relevance of ESG is reflected globally in the emerging regulations and reporting frameworks of recent years. These regulations are not only prompting organizations to capture, track and audit their ESG metrics, but also improve on their overall ESG performance and, importantly, improve their ESG impact. For example, business leaders know they need to reduce greenhouse gas (GHG) emissions, source materials responsibly and provide greater organizational transparency, among other things. However, they often don't know what to measure, how to measure it or how ESG aligns with their overall business strategy.

At Sphera, we support our customers as they operationalize ESG by providing software, content and consulting expertise that help them optimize sustainability, safety and productivity for stronger ESG performance.

A strong ESG program is built on data and content that is transparent, auditable and actionable. With defensible metrics in hand, companies can chart a path toward greater sustainability, starting with a clearer picture of their GHG emissions and environmental performance. They can deploy solutions that help them leverage real-time information to ensure the health and safety of their employees and manage operational risk. And they can conduct life cycle assessments (LCAs) at scale to assess the environmental and GHG footprint of entire product portfolios, which is a critical first step for the development of a successful decarbonization strategy.

Figure 5: Sphera's Software and Consulting Offerings

SpheraCloud® our fully integrated software platform, provides the right information to the right people at the right time, offering a 360-degree view of ESG performance that supports data-driven, effective, holistic decision-making. The platform gathers information from product and operational levels within the organization and consolidates it for transparent, powerful enterprise-level ESG reporting that supports compliance and paves the way for action. SpheraCloud® comprises all parts of our business—including EHS&S, ORM and Product Stewardship—to provide the tools and the visibility that facilitate improved performance.

In addition to our software tools, our consulting services teams offer customers access to industry-leading experts from across sectors – including Oil and Gas, Manufacturing, Retail, Consumer Goods, Financial Services and others. Our consultants possess deep subject matter and sector expertise, allowing us to help customers tailor their ESG objectives, build robust strategies and implement them with conviction.

Lastly, we combine this software and expertise with a comprehensive content library that supports science-based, data-driven decision-making to help our customers achieve their ESG goals. Sphera provides one of the most comprehensive life cycle assessment data repositories in the world – built on primary industry data. Our data is robust, science-based and continually updated.

With this unique combination of integrated software, deep industry expertise and industry-leading content, we provide unparalleled support for our clients along their ESG journey. Our transparent, auditable and actionable information is what helps provide clients the certainty necessary to take positive action.

Learn more about our solutions **here.**

"Innovation takes all shapes and sizes. Big innovation. Sustaining innovation. Breakthrough innovation. This is also true for the solutions we provide. We focus our energy in creating experiences that solve market needs, and this is what drives us every day in creating innovative solutions of value to our customers."

Mike Zamis,
Chief Product Officer
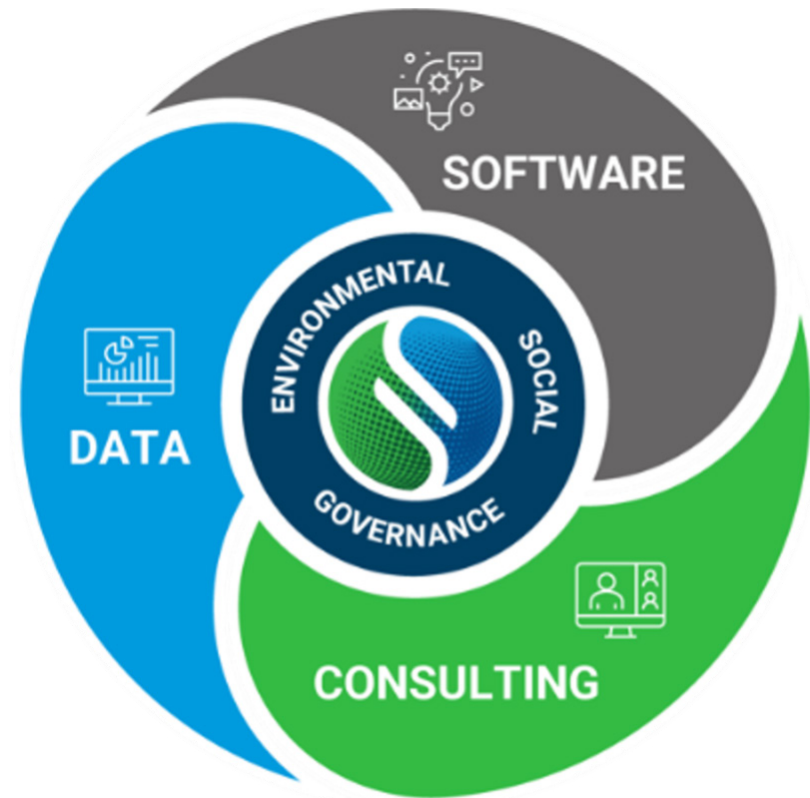
Figure 6: Sphera's Services

Partners

At Sphera, we believe collaboration is key to fulfilling and expanding our mission beyond our own walls and customers. Through the Sphera Alliance Program, we work with industry leaders on topics that deliver the most value to our customers and enhance our solutions. Today, our partners support customer projects in several ways, including sales and delivery, technology and innovation, deployment, training and managed services. Our growing partnership ecosystem complements and expands our capabilities to enable dynamic solutions that help our clients meet their ESG ambitions and business goals.

Because partnerships are key to supporting Sphera's mission, we are always looking to welcome key strategic partners into our ecosystem.

Partnership Streams

Digital Service Providers

We partner with Digital Service Providers to provide expertise to clients in decision making, consulting and value-add implementation services.

Global System Integrators

We work with premier, global system integrator organizations to create complex information systems, design custom applications, integrate digital architecture with new or existing hardware and build communication channels for mutual stakeholders.

Reseller and Referral

At Sphera, we've developed a strong ecosystem of cross-industry partners that refer opportunities to our team for engagement. We also partner with companies that are authorized to distribute software and services to end-customers.

Technology and Content

We've developed alliances with leading technology and content firms to augment our expansive capabilities and deliver best-in-class solutions.

Figure 7: Sphera Partners

"With a long history, Arcadis and Sphera have partnered to support our common goal to empower decision-making through the combination of consulting, data, and technology. Together, we have delivered projects that have provided real-time value to our clients creating true business value. In addition, Arcadis has implemented SpheraCloud Corporate Sustainability (SCCS) to support its own ESG management efforts. Using the SCCS software, Arcadis is able to collect, track and utilize information to support its reporting and performance management. Through working on this and many other projects, we have benefited from the experience and knowledge that Sphera has to offer in the digital ESG space."

Mark Weitner,
Vice President, Arcadis

Collaborations

Many endeavors benefit from collaboration, and this holds true for our goal of achieving a safer, more sustainable and productive world. In addition to our own work in the ESG space, we actively participate and cooperate with organizations to ensure our continued contribution to the broader ESG conversation.

Through collaboration, we have supported the development of leading standards, as well as internationally accepted best practices and global methodologies. Throughout 2021, we continued to build important relationships with a variety of organizations. Detailed here are some examples of the key collaborations from 2021.

ECO Platform	ECO Platform, an international non-profit association founded in 2013, was established by the European EPD Programme Operators together with other sustainability initiatives, LCA practitioners and tool providers. ECO Platform's aim is to promote and contribute to sustainable development, including a low-carbon economy and resource efficiency in the construction sector. Sphera is one of the founding members and actively participates in ECO Platform's Technical Working Group (TEWOG).
The National Association for EHS&S Management (NAEM)	NAEM exists to empower leaders to advance, create and innovate within the EHS&S space by starting a conversation, creating forums and curating networks that provide the tools required for developing EHS&S solutions. Sphera has been a proud member of NAEM's Affiliates Council for the last six years.
DGNB	Deutsche Gesellschaft für Nachhaltiges Bauen (or DGNB System) is a non-profit committed to demonstrably good buildings and urban districts that are worth living in. Sphera has participated in this program since 2007, when it was founded.
CDP	CDP is a not-for-profit organization that runs the global disclosure system for investors, companies, cities, states and regions to help manage their environmental impacts. Sphera has been collaborating with CDP since 2013, and in 2021, we were accredited as a CDP Silver Solution Provider for services including: Data Collection and Software Services, Greenhouse Gas Emissions Inventory, Life Cycle Assessment, Scope 3 Services, Sustainability Strategy and TCFD-related Services. Working with CDP enables us to successfully help clients from different industries improve their CDP score across the diverse questionnaires CDP offers.
Global Reporting Initiative (GRI)	GRI provides the world's most widely used standards for sustainability reporting. Sphera has been a member of the GRI Community since 2005 and a Certified Software and Tools Partner since 2017. Our SpheraCloud Corporate Sustainability (SCCS) software incorporates GRI standards to ensure our customers are compliant. A highlight of 2021 was a joint GRI-Sphera webinar on "Reporting on Water with GRI Standards," and we look forward to contributing further to this community.

Figure 8: Sphera Collaborations

OUR **SUSTAINABILITY** APPROACH

Materiality

As with many global organizations, there are numerous ESG issues that have the potential to affect our business, and by extension, our stakeholders. Understanding these issues is critical to our mission. Materiality assessments help us understand the impact of relevant ESG issues on our stakeholders, our operating ecosystem and, consequently, our overall performance. Here is an inside look at how we conducted our assessment, which was conducted at the beginning of 2022 for calendar year 2021:

Identify Potential Material Topics:

First, we identified potential material topics. This list was compiled through extensive research and a thorough review of ESG trends. Sources included external peer reviews and benchmarks, such as the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board's (SASB) sectoral guidance. Once we determined our potential material topics, we further consolidated these into higher-level categories for further engagement with our stakeholders.

Figure 9: Sphera's Materiality Assessment Process

STEP 1: Identify potential material topics

STEP 2: Engage with stakeholders

STEP 3: Analyze findings & identify Sphera's material topics
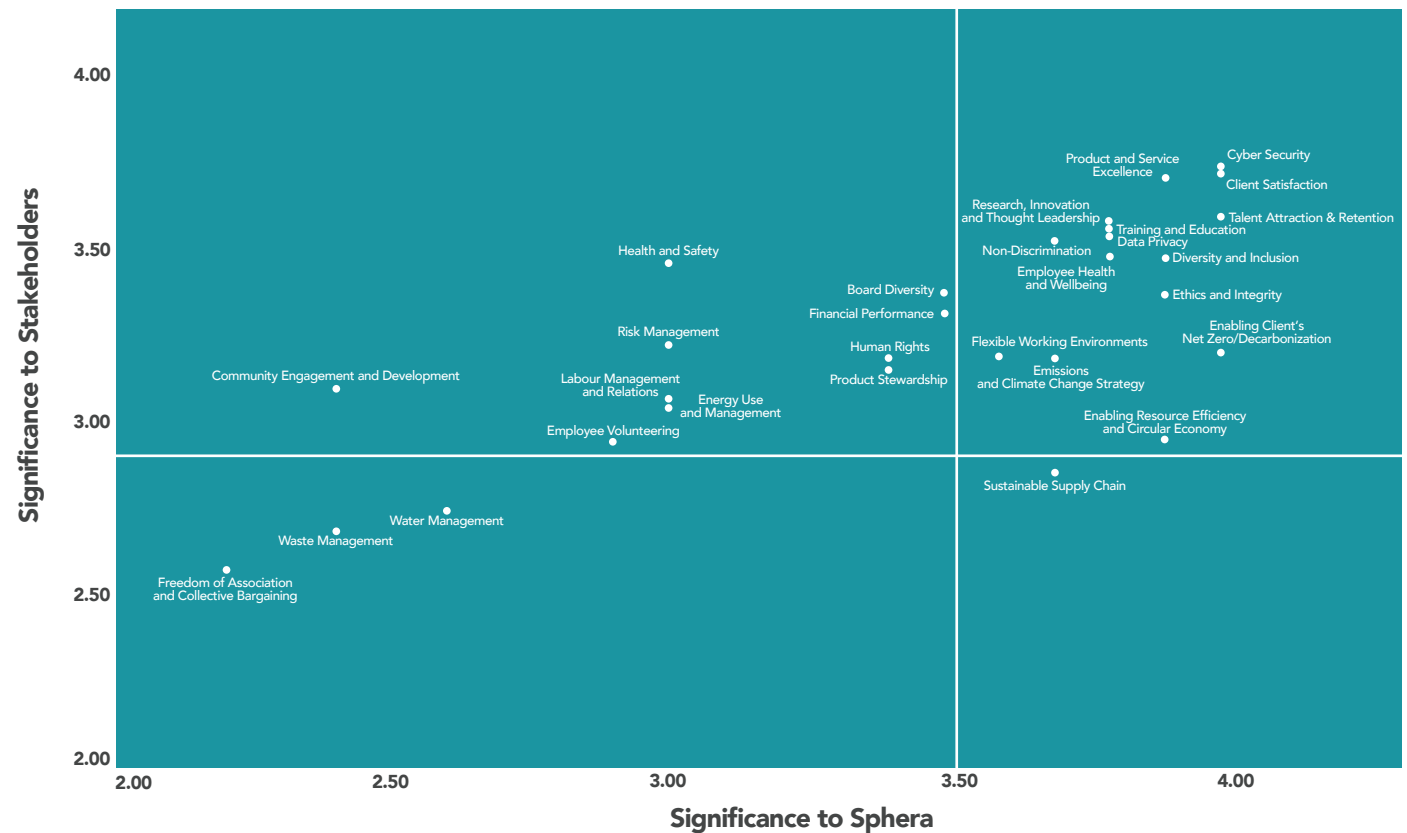
Figure 10: Sphera's Material Topic Matrix

Engage with Stakeholders:

The next step in this process was to listen to stakeholders to understand what topics they deemed pivotal to ESG performance.

We surveyed key stakeholders and conducted one-on-one interviews with our executive leadership team (ELT) and select members of our board. The stakeholders were asked to rank the importance of the potential material topics as high, medium or low, or they could answer as "unsure."

Analyze Findings and Identify Sphera's Material Topics:

The results of the interviews and survey were analyzed and mapped against each other to determine the topics considered most relevant by our senior management and other internal stakeholders, as well as external stakeholders.

Material Topic	Description	Section of Report
Cybersecurity	Adapting technologies and digital infrastructure to ensure security and protection from digital threats.	• Cybersecurity and Data Privacy
Client Satisfaction	Maintaining a productive relationship with customers through strong communication and identification and fulfillment of their needs.	• Customer Satisfaction
Product and Service Excellence	Ensuring that we provide products, services and support of the highest quality to our clients at all times.	• Our ESG Solutions and Expertise
Research, Innovation and Thought Leadership	Achieving and maintaining Sphera's position as an innovator and industry leader by offering expertise and new or enhanced products and processes that address market demands and meet customer needs.	• Thought Leadership at Sphera
Training and Education	Investing in training and education of employees for professional and organizational development.	• Colleague Engagement • Investing in Spherions
Talent Attraction and Retention	Strengthening our team by attracting new talent and retaining existing talent with employee satisfaction and career progression and development initiatives.	• Talent Attraction and Retention • Recognizing Our People
Data Privacy	Ensuring protection of digital information from unauthorized access, corruption or theft throughout its entire life cycle.	• Cybersecurity and Data Privacy

- Environmental
- Social
- Governance

Non-Discrimination	Preventing discrimination against any person on grounds of age, race, ethnicity, gender identity, sexual orientation, pregnancy, religion, nationality, citizenship, disability or any other status protected by law. This applies to workers, customers, suppliers and any other stakeholders.	• Diversity, Inclusion and Non-Discrimination
Diversity, Equity and Inclusion	Fostering and preserving a culture that recognizes the value of diversity in age, ethnicity, race, religion, national origin, family / marital status, gender identity / expression, sexual orientation and ability.	• Diversity, Inclusion and Non-Discrimination
Employee Health and Well-Being	Promoting employee health and well-being by paying appropriate wages and benefits; creating a safe work environment; and supporting work-life balance.	• Employee Well-Being and Health • COVID-19 Response
Ethics and Integrity	Ensuring compliance with all relevant laws, applying best management practices and adhering to the highest standards for transparency and business ethics. Our standards for ethics and integrity apply to all employees, officers and directors in all locations and settings where Sphera does business.	• Ethics and Compliance • Our Board and Executive Leadership Team
Net-Zero/Decarbonization Commitment (Enabling Client Sustainability)	Enabling clients in achieving net-zero/decarbonization goals by aligning GHG reductions with the 1.5-degree pathway and a long-term net-zero target.	• Our ESG Solutions and Expertise • Collaborating with Customers
Emissions and Climate Change Strategy	Managing Sphera's emissions-related impacts, which include greenhouse gas (GHG) and other air emissions reduction and mitigation plans related to global warming.	• Energy and Carbon Reporting Methodology • GHG Emissions • Scope 1 & 2, Sphera Office Energy and Company Vehicles • Scope 3
Flexible Working Environment	Offering a working arrangement that gives some degree of flexibility on the hours and location from which an employee works.	• Talent Attraction and Retention
Enabling Resource Efficiency and Circular Economy	Supporting clients in their circular economy journey, which involves reuse and recycling of waste materials and leads to recovery of energy/material value in production.	• Our ESG Solutions and Expertise • Collaborating with Customers

● Environmental
● Social
● Governance

Figure 11: Sphera's Material Topics

Stakeholder Group	Highest Ranking Material Topics by Stakeholder Group
ELT and Board	• Net-Zero/Decarbonization (enabling client sustainability) • Talent Attraction and Retention • Cybersecurity • Client Satisfaction • Enabling Resource Efficiency and Circular Economy
Colleagues	• Talent Attraction and Retention • Research, Innovation and Thought Leadership • Product and Service Excellence • Client Satisfaction • Cybersecurity
Customers	• Non-Discrimination • Diversity, Equity and Inclusion • Employee Health and Well-Being • Human Rights • Community Engagement and Development
Business Partners	• Employee Health and Well-Being • Client Satisfaction • Cybersecurity • Data Privacy • Emissions and Climate Change Strategy
Majority Shareholder	• Client Satisfaction • Cybersecurity • Product and Service Excellence • Research, Innovation and Thought Leadership • Board Diversity
Contractors and Suppliers	• Client Satisfaction • Cybersecurity • Product and Service Excellence • Training and Education
Business and Industry Associations	• Client Satisfaction • Cybersecurity • Data Privacy • Emissions and Climate Change Strategy • Product and Service Excellence

Figure 12: Sphera's Material Topics by Stakeholder Group[1]

[1] Our Governments and Regulatory stakeholder group is not included due to lack of response during our assessment.
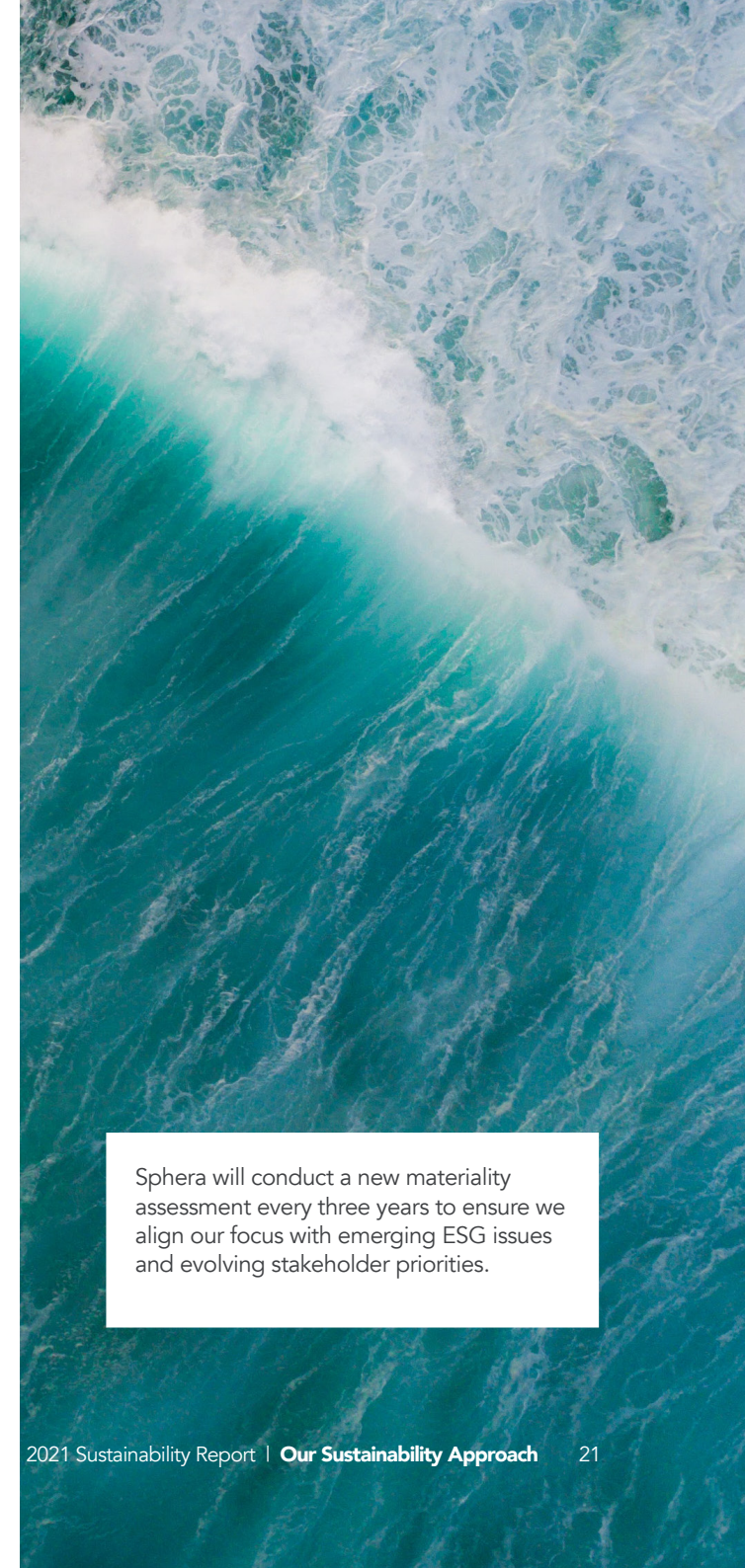
Sphera will conduct a new materiality assessment every three years to ensure we align our focus with emerging ESG issues and evolving stakeholder priorities.

Stakeholder Engagement

As a global organization, Sphera has a diverse group of internal and external stakeholders. We regularly engage with our key stakeholders to ensure we are building a robust, dynamic business that meets the needs of every industry, market and community we serve. We engage with our stakeholders through a variety of avenues.

Stakeholder Group	Engagement
ELT	• Weekly ELT Meetings • Performance and Development Review • Quarterly All Colleague Calls
Colleagues	• Employee Engagement Survey • Performance and Development Reviews • Quarterly All Colleague Calls
Board	• Monthly Meetings • Quarterly Meetings
Customers	• Project Reviews • Sphera Customer Network (SCN) • Client Satisfaction Survey
Majority Shareholders	• Meetings • Project Reviews
Contractors and Suppliers	• Surveys • Communication on Policies
Business and Industry Associations	• Webinars, Conferences and Meetings • Projects
Governments and Regulatory	• Industry-Related Briefings • Industry Associations • Projects
Business Partners	• Webinars, Conferences and Meetings • Projects

Figure 13: Sphera's Stakeholder Engagement

Managing ESG at Sphera

In 2020, Sphera initiated its sustainability program to understand, measure and ultimately reduce our environmental footprint. The program aims to drive positive change using our data and expertise to convert insights into action and results. The program is managed by the Sphera sustainability team and supported by our executive sponsor Mark Stach, Sphera's chief services officer.

As we progress with 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. Actions include organizing colleague engagement campaigns, gathering and reporting sustainability data from our offices and colleagues around the world and ensuring that the 10 principles of the U.N. Global Compact are properly implemented throughout the company using our SpheraCloud® Corporate Sustainability Software.

"To be true to our mission and a leader within the ESG space, we need to not only walk the talk; we need to innovate, inspire and provide real solutions to ESG problems. Sphera does this with the powerful combination of in-house knowledge, tools and reliable data."

Mark Stach,
Chief Services Officer
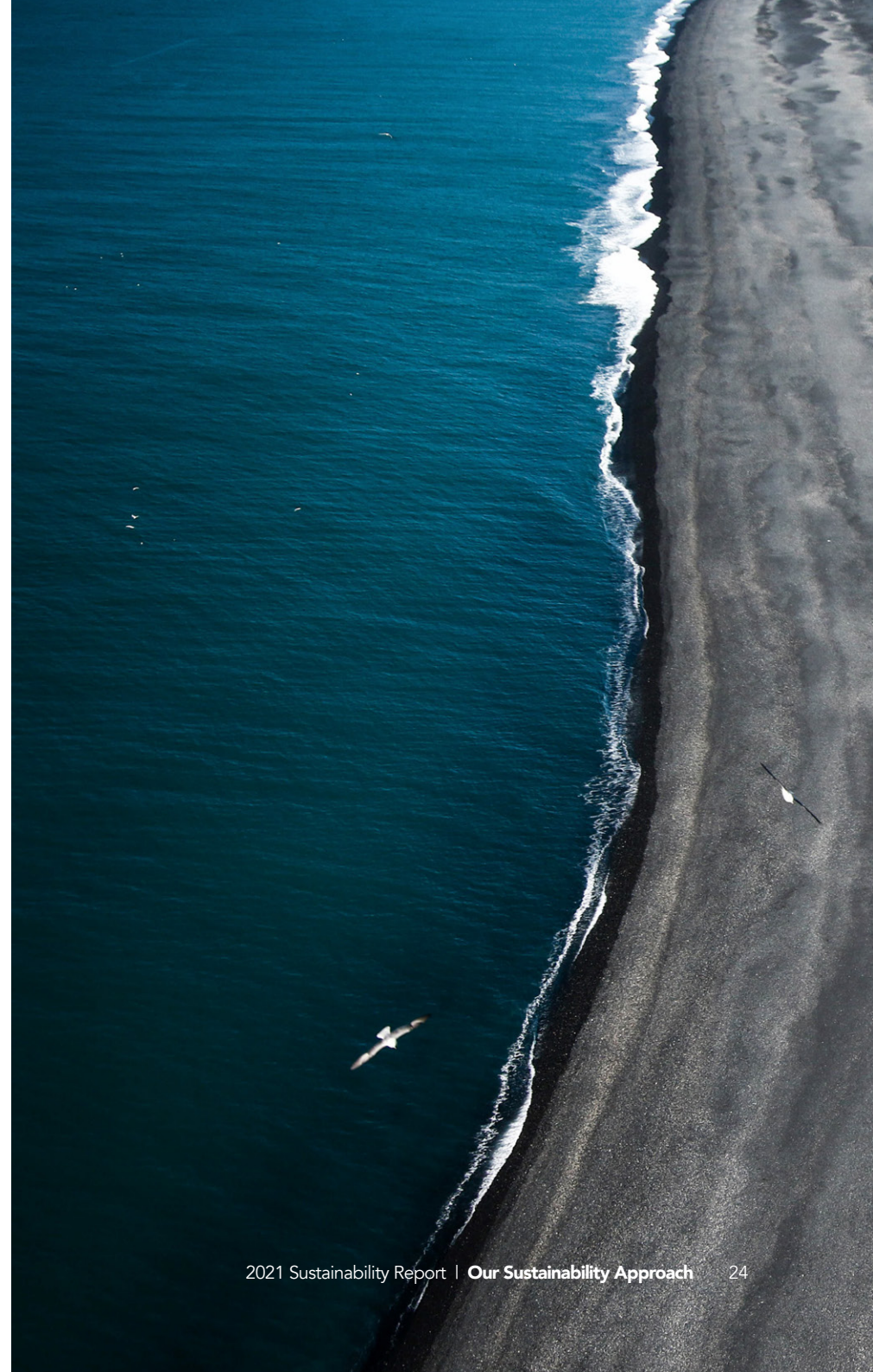
OUR **ENVIRONMENTAL** IMPACT

Collaborating with Customers

Every year, we help hundreds of companies within a diverse range of industries reduce their environmental impact, improve their safety performance and manage their regulatory compliance obligations. At Sphera, we understand that the business and ESG issues faced by each company are extremely varied and unique, and we aim to give our customers the best technical tool kit and advice to help them advance on their ESG journey.

Because no two ESG journeys are alike, we collaborate closely with each of our clients, helping them identify ESG goals and chart the course forward with the specific tools, information and expertise they need. In fact, our biggest impact comes from collaborating with our customers. It is essential, and, as we've seen with all of our clients, it yields impactful results.

Using our software, customers can do a variety of things: capture and calculate their data; evaluate the integrity of their assets; take control of their chemical management; and more. They 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 enterprise-wide GHG emissions. Our customers can also enhance their data by combining it with ours to monitor any risk pathways developing in their organizations.

Moreover, customers can gain a better understanding of their environmental footprint by conducting life cycle assessments (LCAs). Sphera is a pioneer and leader in LCAs, which have allowed organizations to quantify the environmental impact of their products and services throughout their entire life cycle, identify hotspots and achieve emissions reductions.

Figure 14: Sphera Software Awards

For more information on these awards, please click **here**.

Armed with the powerful information that's collected through LCAs and other tools, Sphera's expert consultants work with customers to help them reduce the environmental footprint of their products, services and operations. In 2021, we continued to help over 6,000 customers on their sustainability journeys.

"We are using the expertise that Sphera had in narrower fields, such as occupational safety, core consulting, etc., and expanding it to include the broader ESG marketplace. Sphera's consulting expertise enables us to understand the value of data and how clients can use it in a wider ESG context."

Michael Cochran,
Chief Revenue Officer

Volkswagen (VW) Group

In 2021, the VW communications department commissioned Sphera to calculate its carbon footprint to:

• Identify emissions reduction actions for its own activities.
• Inspire the communication departments of the other VW brands.
• Play its part in decarbonizing the entire VW group.

Sphera's extensive expertise in the automotive sector and its expertise in methodologies for greenhouse gas (GHG) accounting, the calculation of corporate carbon footprints and access to the Managed LCA Emissions Factor Database (formerly known as GaBi) made Sphera the perfect fit.

In collaboration, Sphera's sustainability consultants were able to:

• Transparently select methods for emissions calculations.
• Calculate the carbon footprint, including Scope 1, 2 and 3 emissions.
• Identify hotspots and develop actions for emissions reductions across the department.
• Collect all emission-relevant activity data for the VW communications department.

"Despite the complexity of everything we do, Sphera's consultants helped us manage our emissions holistically, identifying hotspots and building a strategic basis for achieving our goal of zero emissions."

Robin Aschhoff
CEO, Volkswagen Communications, Volkswagen AG

For more information, please click **here**.

Lorenz GmbH & Co. KG (Lorenz Meters)

Lorenz Meters partnered with Sphera in 2021 to better understand and quantify the environmental and economic performance of recycled and remanufactured water meters. They were seeking to provide stakeholders with robust, fact-based evidence of the environmental benefits of their circular business model.

Using our sustainability consulting expertise and LCA services, Sphera performed LCAs of new and remanufactured water meters. Lorenz Meters products were evaluated on their environmental impact, raw material criticality and economic efficiency. Using the evaluation matrix developed by Sphera, the suitability of the water meter for remanufacturing was investigated. In addition, a practical guide – the 6-Step Plan – for introducing or supporting a circular economy business model was developed and applied.

Lorenz Meters can now demonstrate clear environmental and economic benefits of its business model based on the robust LCA and Life Cycle Costing (LCC) results. In addition, the quantitative information on environmental impacts over the entire life cycle will help the company improve further and develop its circular product solutions.

"Thanks to Sphera's outstanding LCA expertise and deep understanding of circular economy principles, we now have fact-based scientific evidence of the environmental and economic benefits of our circular business model."

Wilhelm Mauss,
CEO at Lorenz GmbH & Co. KG

For more information, please click **here**.

Energy and Carbon Reporting Methodology

At Sphera we are committed to supporting our global community in tackling the climate crisis by managing our own environmental impact.

We collected and analyzed all the quantitative data presented in this report using our SpheraCloud® Corporate Sustainability (SCCS) software and leveraged Sphera's proprietary LCA Emission Factor content library. 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. A combination of resources including Sphera's Managed LCA Content (formerly known as GaBi), Department for Environmental, Food and Rural Affairs (DEFRA), Reliable Disclosure Systems for Europe (Re-Diss) and USEEIO factors were used to calculate GHG emissions. In addition, using Sphera's industry-leading data and expertise we have generated our own LCA model to support the calculation of some Scope 3 categories, including the emissions related to data hosting and working from home. All emissions data presented is shown as carbon dioxide equivalent (CO2e) 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 emissions are documented within our Sustainability Reporting Protocol. Sphera will continue to use this protocol for future reporting initiatives.

Our baseline year for GHG emissions is 2019. The main factor in the decision to use 2019 data is the significant reduction in 2020 travel due to COVID-19. Accordingly, we selected the most recent typical, representative baseline year for the 2021 ESG report.

As per Sphera's Sustainability Reporting Protocol, office locations that were less than 25 square meters (about 270 square feet) or have fewer than five FTEs were considered de minimis and excluded for 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 for offices where we were unable to obtain the information. In 2019 and 2021 Sphera applied its energy-estimation methodology based on floor-space intensity (average office energy per floor space) to obtain the estimate. This estimation method has been used for the Office Energy and Refrigerant reporting line. 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. We were able to determine the percentage reduction in consumption per floor area between 2019 and 2020 for the offices that had actual data 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 or global figure.

The information provided below has been calculated with the information available at the time of publishing. As more granular data and emission factors become available, Sphera will update our data accordingly and will provide details of the restatements in future reports. Data is subject to adjustment based on our SBTi verification process.

Energy & GHG Emissions

In 2021, Sphera's GHG footprint equaled 1,542 t CO_2e, which is a 69% decrease from our baseline year of 2019 (which equaled 4,897 t CO_2e). In 2021, our footprint consisted of 5% Scope 1 emissions, 15% Scope 2 emissions and 81% Scope 3 emissions.
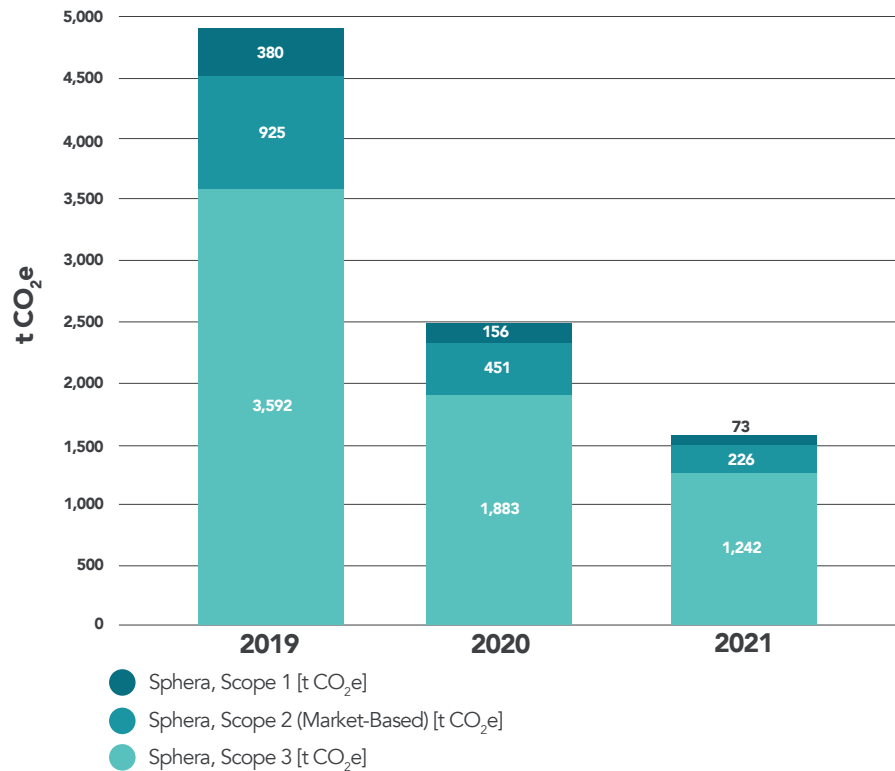
Figure 15: GHG Emissions, 2019-2021[1]

[1]Scope 2 emissions are market-based.

Note: Throughout this section, the charts and figures presented might not add up to 100% because of rounding.

The majority of our office energy comes from the use of natural gas and electricity. This contributes 15% and 71%, respectively, to our 2021 energy usage. In addition to our use of natural gas and electricity, Sphera also consumes diesel, liquid petroleum gas (LPG) and district heating (heat generated in a centralized location through a system of insulated pipes). These three combined equaled the final 13% of our total office energy. Our total office energy in 2021 equaled 911 megawatts compared with 1,574 megawatts in 2020.
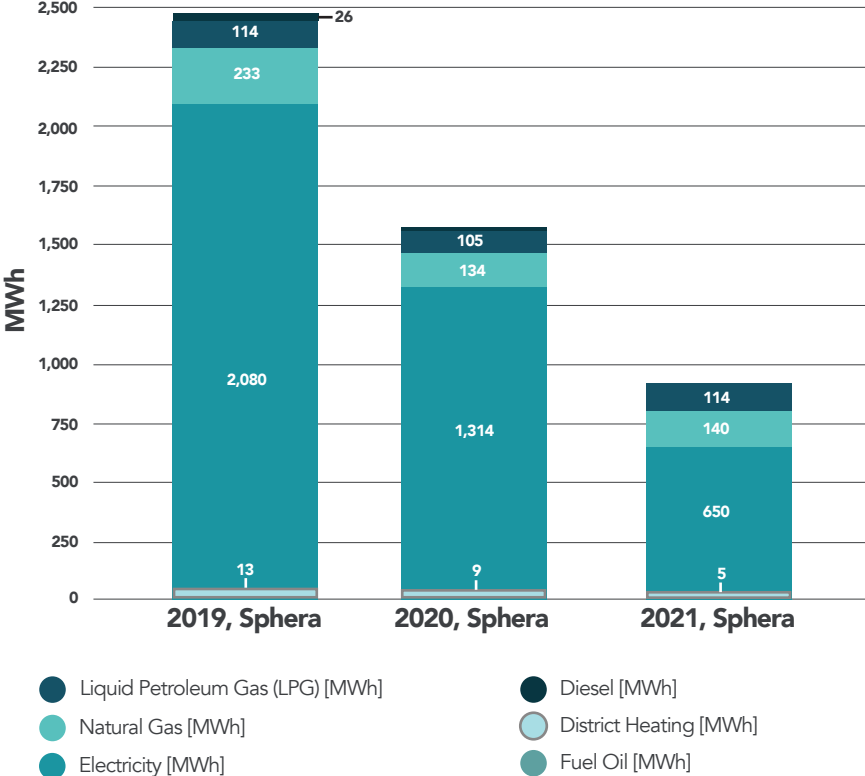
Figure 16: Sphera Office Energy in Megawatt Hour (MWh), 2019-2021
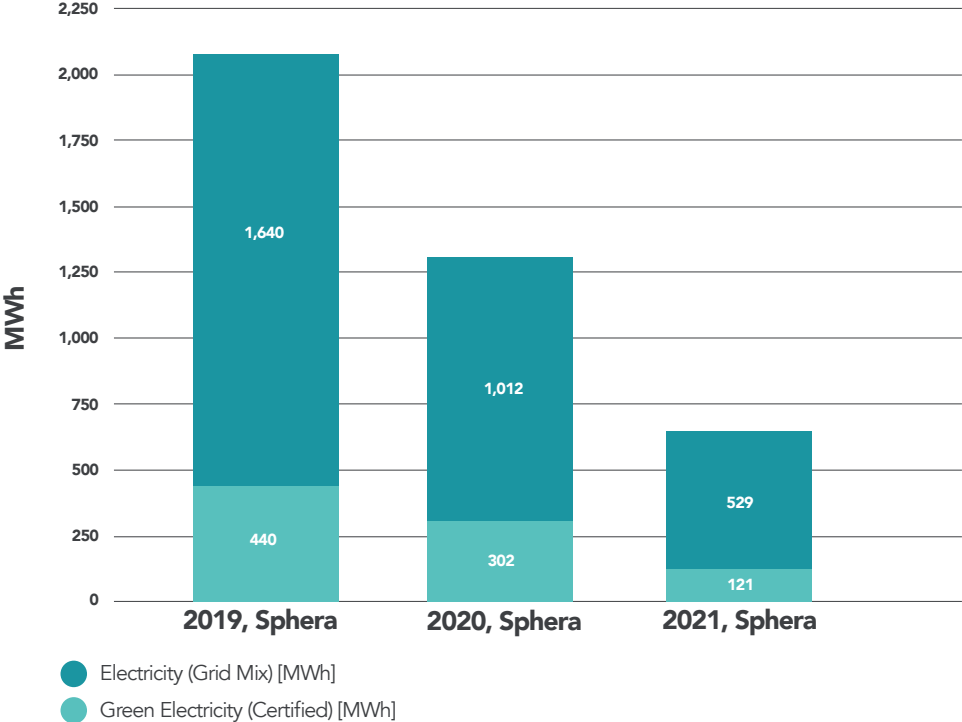
Figure 17: Electricity (Non-Renewable vs. Renewable) in Megawatt Hour

From 2020 to 2021, we saw a 42% decrease in energy usage. This decrease can be attributed to reduced office usage due to work-from-home arrangements that we put in place because of COVID-19, and several offices were closed during the year as well.

Sphera can reduce the impact of our office energy use by making the transition to certified renewable energy. In several of our offices, we have already made this transition and will be looking for opportunities to switch to renewable energy in other offices. In 2021, 19% of our electricity consumption was from renewable electricity.

Americas, 2021: 890 (56%)

EMEA, 2021: 448 (30%)

Asia Pacific, 2021: 215 (14%)

- Americas, 2021
- EMEA, 2021
- Asia Pacific, 2021
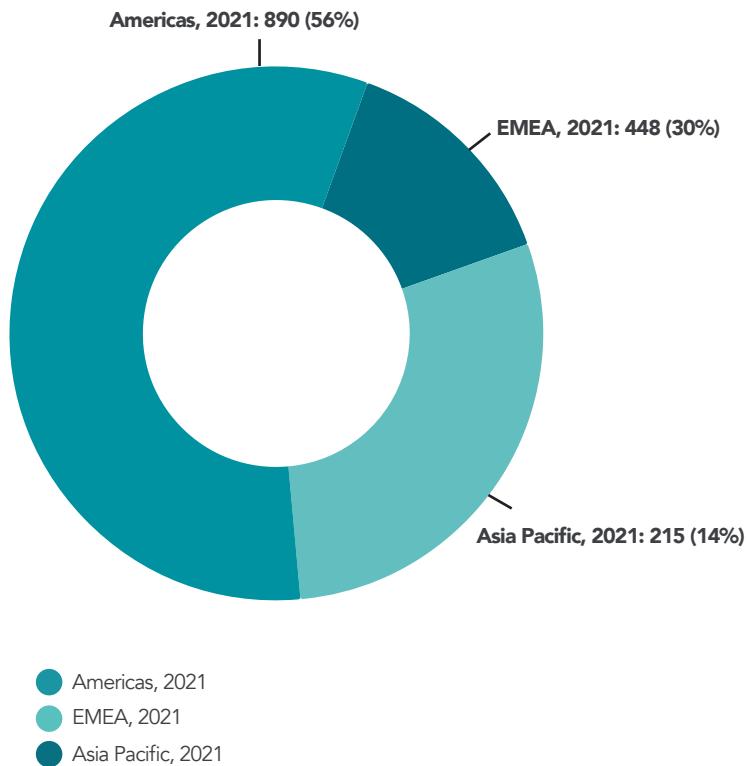
Figure 18: Office Energy Per Region in Megawatt Hour (MWh), 2021

When we look at our office energy usage regionally, we can see that our Americas region contributes 56% of our office energy footprint, followed by Europe, the Middle East and Africa (EMEA) with 30% and Asia-Pacific (APAC) with 14% in 2021.

Note: Throughout this section, the charts and figures presented might not add up to 100% because of rounding.

The largest contributor to our Scope 1 and Scope 2 emissions is electricity, which accounts for a total of 75% of our emissions (225 t CO_2e). This is followed by company vehicles and office energy, which, combined, account for 20% of our total emissions. Fugitive emissions account for 5% and district heating accounts for less than 1% of our total emissions.

- Sphera, Scope 1 [t CO_2e]
- Sphera, Scope 2 (Market-Based) [t CO_2e]
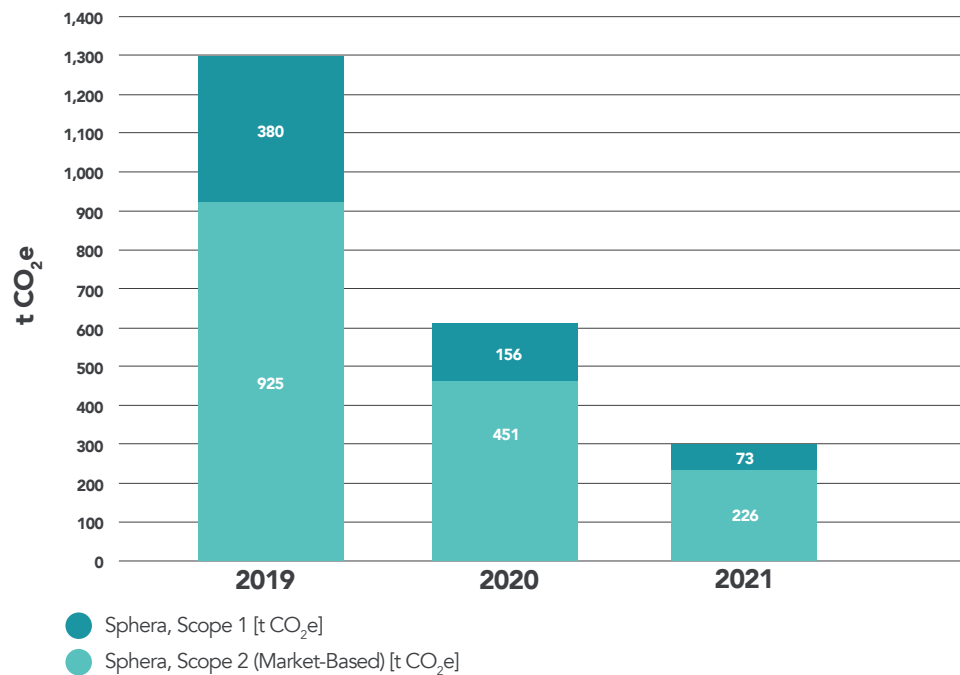
Figure 19: Scope 1 and Scope 2 GHG Emissions in Tonne CO_2 Equivalent (t CO_2e), 2019-2021[1]

[1] Scope 1 includes stationary mobile energy and fugitive emissions. Scope 2 includes electricity (Market-Based) and district heating.

We can see a decrease in our Scope 2 emissions based on the location and market-based methodology. The location-based approach of our Scope 2 emissions equals 255 t CO_2e compared with 226 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.

Electricity (Market-Based Scope 2) [t CO_2e]: 225 (75%)

Fugitive Emissions (Scope 1) [t CO_2e]: 14 (5%)

Company Vehicle (Scope 1) [t CO_2e]: 4 (2%)

Office Energy (Scope 1) [t CO_2e]: 54 (18%)

District Heating (Market-Based Scope 2) [t CO_2e]: 1 (0%)

- Electricity (Market-Based Scope 2) [t CO_2e]
- Office Energy (Scope 1) [t CO_2e]
- Fugitive Emissions (Scope 1) [t CO_2e]
- Company Vehicle (Scope 1) [t CO_2e]
- District Heating (Market-Based Scope 2) [t CO_2e]

Figure 20: Scope 1 and Scope 2 GHG Emissions by Category in Tonne CO_2 Equivalent (t CO_2e), 2021

Note: Throughout this section, the charts and figures presented might not add up to 100% because of rounding.
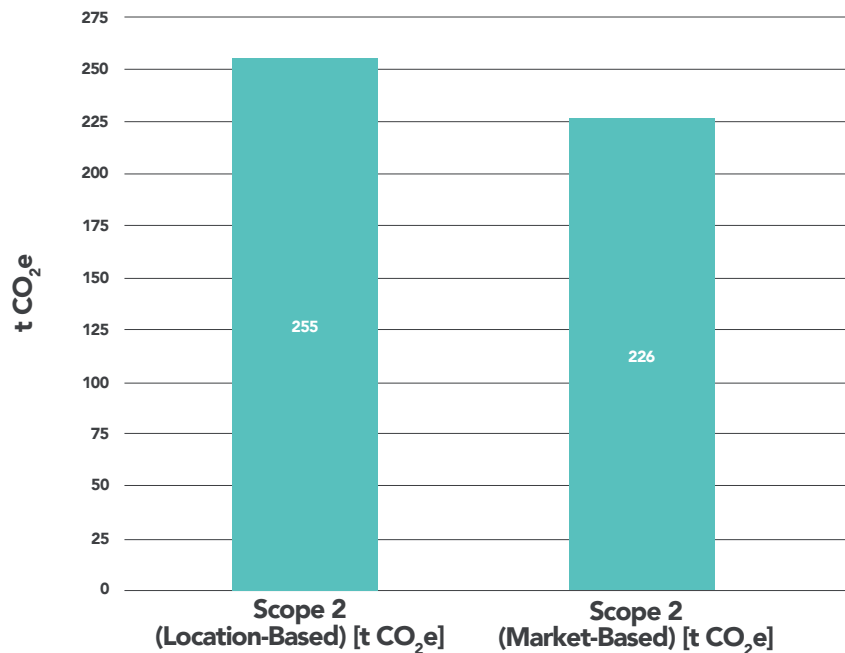
Figure 21: Scope 2 GHG Emissions (Location-Based vs. Market-Based) in Tonne CO_2 Equivalent, 2021

When normalizing our Scope 1 and Scope 2 (Market-Based) GHG emissions (excluding company vehicles) by office area and number of office-based colleagues, we saw a decrease in emissions intensity. In 2021, our intensity for Scope 1 and Scope 2 (Market-Based) GHG emissions (excluding company vehicles) by office area decreased by 37% (from 0.04 t CO_2e per square meter to 0.03 t CO_2e per square meter). Our Scope 1 and Scope 2 (Market-Based) GHG emissions (excluding company vehicles) by the average of office-based colleagues decreased by 42% (from 0.71 t CO_2e per to 0.42 t CO_2e). This decrease is primarily attributable to remote work arrangements and reduced use of our offices in 2021 (due to COVID-19) and consolidation of our office portfolio. These intensities do not include emissions from remote working.

Because of the nature of our business, the majority of our emissions will lie within 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.

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 material impact lies within the categories listed below:

Material Scope 3 Categories for Sphera

Category 1 – Purchased Goods and Services

Category 3 – Fuel and Energy-Related Activities

Category 5 – Waste Generated in Operations

Category 6 – Business Travel

Category 7 – Employee Commuting

Category 11 – Use of Sold Products

Category 13 – Downstream Leased Assets

In 2021, Sphera's Scope 3 emissions equated to 1,242 t CO_2e compared to 1,883 t CO_2e in 2020. The biggest contributor to our Scope 3 in 2021 was Purchased Goods and Services, equalling 68% of the overall Scope 3, followed by Employee Commuting, which equalled 13% of total Scope 3.

Figure 22: Scope 3 GHG Emissions in Tonne CO_2 e, 2021

Compared to our baseline year of 2019, we saw a 65% decrease in emissions within Scope 3 in 2021. And we saw the largest drop in the category of business travel, which decreased by 95% between 2019 and 2021. This decrease was due to the travel restrictions imposed by various governments, in addition to those implemented by Sphera in response to COVID-19. We expect to see an increase in this category for future years following the lifting of COVID restrictions. Sphera will be developing action plans to review and improve our emissions related to this category, as this is the largest contributor to our Scope 3 footprint.

We also saw a shift in emissions for employee commuting, which included the emissions related to commuting to and from our offices, as well as the emissions related to working from home. While we saw a decrease in emissions related to office commuting from 2019 to 2021, we saw an increase in emissions from working from home, particularly from 2020 onward, when Sphera mandated a work-from-home policy due to COVID-19. To allow Sphera to track the emissions for this category more granularly, we conducted an employee commuting survey to understand the travel modes and distances our employees were commuting (this survey was conducted in 2022 and included a section dedicated to travel patterns prior to 2020), and we conducted an LCA to determine the electricity usage of our equipment to support calculating the emissions for our workforce working from home.

Due to the nature of our business, our purchased goods and services have remained consistent through the years, with the biggest contribution to this category being the emissions from the hosting we do for our software. With the release of Sphera's Sustainable Purchasing Guidelines planned for 2023, we hope to look for ways to reduce the emissions related to the goods and services we procure over the years.

The Scope 3 emissions related to the fuel and energy usage of our offices and the waste generated within our offices have decreased since 2019 due to the work-from-home mandate Sphera put in place in response to COVID-19.

Due to the complexity and granularity of the data required to calculate the emissions related to the use of our sold products, Sphera has been unable to present this category within this report. However, we are exploring ways to share this in future reports.

Blackstone Emissions Reduction Program

As a Blackstone portfolio company, we are pleased to commit to the Blackstone Emissions Reduction Program. It seeks to reduce Scope 1 and 2 carbon emissions across all new investments where Blackstone controls energy usage, aiming for a 15% reduction within the first three years of acquisition. Blackstone's initiative, which builds on more than a decade of sustainability efforts, goes hand in hand with our wider commitment to GHG emissions reductions.

For Sphera this means achieving a target reduction of 195.9 t CO_2e by 2024. We set 2019 as our baseline year, as opposed to the year Blackstone acquired Sphera (2021), because 2019 is more reflective of business as usual compared to 2021, where we had reduced office usage due to COVID-19.

To learn more about Blackstone's Emission Reduction Program click **here**.

OUR **SOCIAL** IMPACT

COVID-19 Response

COVID-19 changed the way most companies do business, including ours. Our main priority during this time was to ensure the safety of our colleagues, contractors, vendors and customers. Throughout the COVID-19 pandemic, we actively monitored the pandemic's developments at all our office locations and adhered to local requirements and guidance. In March 2020, we issued a company-wide mandate for all colleagues to work remotely, which carried into 2021. This accelerated our shift to flexible working, although Sphera's pre-existing, strong internal IT infrastructure made the shift to remote work easier since 7% of our workforce was already working remotely. We supported our colleagues through the transition to fully remote working, ensuring that they had everything they needed to do their jobs.

Depending on the region and the severity of the pandemic, colleagues were given extra days of leave to care for themselves or family members. They were also given flexibility in their working hours so they could address their health needs and the needs of their families in an uncertain time. For colleagues based in India, we provided a care allowance that helped them transition to working from home and assisted with expenses related to COVID-19, including the costs of tests and vaccines.

We also strived to support our customers by developing the COVID-19 Coronavirus Workforce Assessment Tool to help them survey the physical and mental well-being of their workforce, manage productivity and reduce the costs and disruption related to COVID.

In 2021, our site lead teams continued to proactively monitor the local guidelines and legislation in place surrounding COVID-19. When these guidelines allowed a return to the workplace, Sphera initiated a structured return-to-office plan through which colleagues received local training before returning to the office. This training aimed to ensure the safety of all our colleagues and included the introduction of one-way foot traffic systems, hand sanitizing stations and safe distances between colleagues' desks. To accommodate different needs and comfort levels, employees were allowed to decide when they would return to the office.

Our internal IT infrastructure continued to improve throughout the pandemic, with further investment in and development of online platforms such as Sphera University and our internal intranet. These platforms helped us keep our colleagues engaged while honing and developing new skills, even when working remotely. At the same time, we improved internal functions such as virtual onboarding of new colleagues, recruitment and quarterly internal events, like our all colleague calls.

"The COVID-19 pandemic hit India particularly hard. I am proud to be part of a team and a company that cared for the well-being of colleagues and their families throughout the lockdowns and different waves. From the start, it was all hands on deck, from providing all of our team members with the correct IT equipment, to scheduling bi-weekly check-ins with colleagues that had tested positive to ensure they were all doing okay, to preparing care kits for the second wave, as well as providing extra days of leave for those affected by COVID-19. The support provided by Sphera allows us to navigate through this difficult situation and enables us to continue operating and expanding, as evidenced by the 111 new employees and contractors we were able to successfully onboard."

Lokesh Subramani,
Vice President, India

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. Consequently, we are always looking for ways to encourage and empower them – whether through internal recognition, benefits, training or personal development. Employee well-being, development and retention are priorities for us because they are critical for our organization's success.

"Our success comes from our people. Our collaborative culture allows us to tap the talents of each individual and moves us toward fulfillment of our mission: a safer, more sustainable and productive world."

Kimberly Kolb,
Chief Human Resources Officer

Recognizing Our People

Recognizing our people for the good work they do is important at Sphera, as our talent is an integral part of who we are and essential for the achievement of our mission.

One way we recognize our colleagues is through our Spherion Awards, which are awarded during our quarterly all colleague call. Each quarter, colleagues can nominate any colleague in recognition of their contribution to our mission and for going above and beyond in demonstrating our values. At the end of the year, one Spherion is awarded the Spherion of the Year award and one site is awarded Sphera Site of the Year. In 2021, 22 awards were presented to colleagues for their outstanding contributions and impact. In addition, we utilize other tools such as our SustainAbility platform, where Spherions can praise fellow colleagues on their achievements; the shout-outs appear on the "public praise" wall (which is a private forum for colleagues to provide praise for the great work their peers are doing).

Sphera also offers a spot bonus program that provides a monetary award to Spherions who demonstrate exemplary work.

"It was a surprise and a privilege to receive the Spherion of the Year award. It is reassuring to see a company taking care of its employees and ensuring that all the hard work that went into the past year didn't go unrecognized. It is also great to feel surrounded by a team of people that really appreciate me and my contribution to our mission."

Julia Goerke,
Director, Consulting

Diversity, Inclusion and Non-Discrimination

At Sphera we understand the importance of having an inclusive and diverse workforce. Not only do we want our employees to reflect the world we live in, but we are also acutely aware that diversity and inclusion within our workforce foster superior ideas, creativity, innovation and an overall better and more dynamic work environment for all our colleagues.

We are committed to making all employment decisions based on job-related qualifications and without regard to legally protected characteristics, which include age, sex, race, disabilities, religion, sexuality or other personal characteristics. Our commitment to this begins from the initial hiring of employees and continues throughout their career at Sphera.

"As an international company, we believe in the importance of and the indisputable benefits that come from having a diverse workforce."

Jim Pieper,
Chief Financial Officer

We believe that diversity and inclusion are important at all levels of our organization and across all geographies. At the end of 2021, 25% of our executive leadership team was female, while 39% of our global workforce was female.
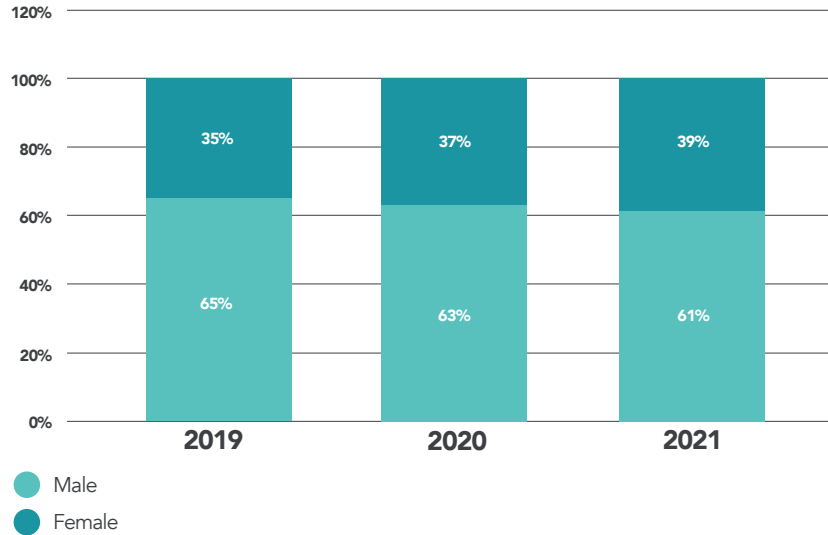
Figure 23: Gender Split, 2019-2021

In 2021, we rolled out unconscious bias training to all colleagues and all new hires, with the aim of enabling employees to recognize their unconscious biases and learn how they can identify them and then consciously eliminate these biases to strengthen working relationships.

This is the first year we have published our diversity data, and we believe this is an important step on our path of continuous improvement. As a company with global standing, we want to be an open-minded, inclusive and diverse workplace. To accomplish this, we've established employee groups that provide insight, promote awareness and offer programs that elevate the participation of underrepresented

Management Level	Male	Female
ELT	75%	25%
Senior Management	87%	13%
Middle Management	64%	36%
Non-Management	59%	41%

Figure 24: Gender Split per Management Level, 2021

Sphera's Colleague Resource Groups (CRG):

Black Employee Solidarity Team (BEST)

The goal of BEST is to offer a forum for exchanging thoughts and ideas and to facilitate ongoing discussions within Sphera that promote anti-racism. During 2021, BEST hosted open discussions that addressed mental health challenges in communities of color; the impacts of the deaths of George Floyd and Ahmaud Arbery; and the attacks on Asian-Americans during the early days of COVID-19. Guest speakers included Dr. Lionel Kimble, associate professor at Chicago State University, who spoke about racial justice in education. Each day during Black History Month, a spotlight was shone on different Black heroes.

Women Excel, Grow, Empower, Transform (WEGET)

To foster the growth of women in Sphera, we initiated Women Excel, Grow, Empower, Transform (WEGET). This group supports women by providing talks, meaningful opportunities for networking and mentorship programs. The group hosted several sessions, including Unconscious Gender Bias in the Workplace and Typical Traps for Women in the Workplace, which kick-started conversations about gender in professional settings and also educated colleagues on the issue.

In 2021, WEGET launched a six-month mentorship program in which junior colleagues were matched with counterparts in leadership positions. This provided participants with support, confidence and new opportunities to explore the development of their careers.

The above groups are in addition to our Well-Being CRG, discussed on page 54.

For more information on our diversity, inclusion and non-discrimination data, please refer to the section titled Our Data.

"I am honored to work for a company that takes diversity and inclusion (D&I) 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, Customer Care

Colleague Engagement

At Sphera, we know that engagement with our employees—one of our largest stakeholder groups—is crucial for retention, the delivery of our services and the achievement of our mission. We understand that our employees, known as Spherions, are our greatest asset. Regular colleague engagement, at all levels, plays an important role in creating an interactive environment for the exchange of ideas and collaboration.

Globally, we have a calendar of activities and events that we actively encourage colleagues to participate in. Our site and culture leads support these events at a local level, engaging site colleagues and promoting Sphera's values in the process.

One of Sphera's annual, global events is its Sustainability and Safety Day. The purpose of the day is to engage each Spherion with our mission through fun, educational activities and webinars where they can learn more about ESG, sustainability and safety practices. For our 5th annual Sustainability and Safety Day, we challenged our colleagues and their families to conduct as many sustainable and safety-related actions within the day as possible. Actions included using a reusable water bottle for hydration and the environment, plugging air gaps in windows and doors to reduce heat loss and switching all paper bills to electronic bills to minimize paper waste. Due to the pandemic, we were not able to hold any in-person events, but we are looking forward to holding more in-person activities in 2022.

Sustainability and Safety Day in India:

In addition to the global event, our site and culture leads in our India offices hosted their own local sessions and events. They held a competition where individuals could send in their innovative and unique ideas on how, collectively as a company, or as individuals, we could contribute toward sustainability. This created a space for Spherions to engage in a virtual collaboration around our own sustainability efforts.

During the pandemic, when we could not meet in person, it was important for us to find creative ways to engage with our colleagues. Our global culture leads achieved this through events such as virtual sports and yoga sessions, online meet-ups, quizzes and virtual holiday parties. These events helped us keep our teams engaged, and they were especially important for those who joined us during the earlier days of the pandemic.

Each quarter, we conduct an all colleague call, which is hosted by the executive leadership team and provides a forum to share updates from the previous quarter. This call includes company performance updates, a showcase of innovative projects conducted during the quarter and team spotlights.

We encourage all our colleagues to connect with each other regularly through peer partners (which may include partners in other teams), team meetings and one-to-one manager meetings. These opportunities help us foster a happier and more collaborative work environment, where everyone feels engaged with other Spherions to achieve our mission.

Engagement Survey

In 2021, we surveyed employees who had been with us for at least two months to understand their views and determine ways to make the employee experience even better. The survey, which we conduct annually, achieved an 85% response rate, exceeding our target response rate of 80%. The results included a 65% favorable engagement result.

The feedback received from the survey highlighted three key focus areas:

1. Internal Movement
2. Career Paths
3. Training and Professional Development

Our goals for the 2022 engagement survey are a response rate of 85% and a favorable response of 70%.

Area of Focus	Actions	Progress at End of 2021
Internal Movement	• Transparent promotion communication • Clear open position postings • Career conversation guides for managers and colleagues	• Transparent promotion communication • Open positions posted in monthly newsletter + SpheraSync + Dayforce • Career conversation workshops for managers and colleagues delivered in Sept. 2021
Career Paths	• Defined levels by department • Position-based organization charts • Formal networking process	• Career path development in progress, 50% complete by end of 2021 • Org charts updated in Dayforce • Networking sessions through Women's Colleague Resource Group (CRG) and 6-month mentoring program for 25 women
Training & Professional Development	• More learning opportunities	• LinkedIn Learning available for colleagues • SpheraU webinars; productivity series, sustainability series, well-being series and additional quarterly topics

Figure 25: Engagement Survey - Key Focus Areas, Actions and Progress

Investing in Spherions

At Sphera, we support and encourage the continuous development and education of our colleagues. For this reason, we have a global professional development policy in place. This policy is designed to increase efficiency and productivity within Sphera and enable enhanced career opportunities for our colleagues. We aim to achieve this through:

1. Coaching, mentoring and on-the-job experiences.
2. Training opportunities that develop necessary skills, knowledge and experience.

In addition to the on-the-job development that our colleagues gain through projects and their daily work, we offer many other avenues for colleagues to expand their knowledge and skill sets and enhance their careers.

Sphera University (known as SpheraU) is our online, internal professional and personal development platform and repository of learning. It offers opportunities and support for our colleagues through live webinars, e-learning and recorded videos. Courses include Sales Challenger training, productivity tools, well-being information and new sustainability insights, such as the further development of relevant International Organization for Standardization (ISO) standards and the introduction of circular economy principles. 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.

sphera® UNIVERSITY

38
live sessions were held

40+
presenters

5,500+
participants

33%
increase in courses completed from 2019

8,400+
total courses completed by colleagues in 2021

Figure 26: Sphera University

As part of the onboarding process for new colleagues, a foundations course provides an in-depth introduction to Sphera and its products, as well as insight into relevant subject matter.

For colleagues who have been with us for more than six months, we offer assistance for external course fees, certifications, conferences, professional organization memberships and journal/periodical subscriptions.

In 2021, we launched our second LEED Program (Leaders Engage, Excel & Develop). A nine-month program designed for high-potential colleagues, it is comprised of three pillars: feel inspired and engaged, grow and develop as leaders and sustain our organization. Through this program, participants conducted a 360° assessment, which provided individual action plans. They were paired with a senior executive and had the opportunity to work on development objectives, network and attend workshops.

Assessment

- 360 assessment tool (LSI)

- Personalized individual feedback session on 360 results

- Provides individual action steps

Mentoring Partnerhip

- Paired with senior executives across the organization

- Works with LEEDers on development objectives

Exposure

- Networking
  - Sphera board of directors networking opportunities
  - Professional/industry involvement

- Developmental
  - Facilitate sessions on leadership topics
  - Participate in development workshops
  - Lead an action learning project
  - External speaking engagements

Figure 27: LEED Program

In its second season, the LEED Program had 11 colleagues participating; we plan to offer the program again in the future.

In 2021, we began offering access to an external learning platform, which includes LinkedIn Learning and O'Reilly Media. LinkedIn Learning is an online educational platform that allows individuals to develop business, technology-related and creative skills through expert-led course videos, with over 16,000 courses available. In 2021, Spherions completed 8,613 LinkedIn Learning videos, which equates to 848 hours of sessions viewed and 468 courses completed. O'Reilly Media is a learning company that publishes books, produces tech conferences and provides an online learning platform targeted toward technical topics. In 2021, Spherions viewed over 800 videos/articles on the platform. Both of these platforms can be accessed globally by colleagues who wish to expand their knowledge and skills.

Another way we help our colleagues reach their career goals is with our SustainAbility tool. Using the tool, Spherions set performance and professional development goals for themselves, review them with their manager and actively monitor their progress toward those objectives. Performance management is about both results and behavior, and Sphera encourages regular conversations between colleagues and their managers regarding career development. Through the SustainAbility program, we align company goals, which filter down to each department, each team and ultimately each Spherion, so that each person can understand their impact on the organization's success.

Expanding the skills and knowledge of our colleagues is a collaborative process, and we are determined to develop additional resources for learning based on the needs and feedback we receive from our colleagues.

For more information on our training data, please refer to Our Data in this report.

Employee Well-Being and Health

At Sphera, ensuring our colleagues' health and well-being is crucial to our commitment to them and to our mission. We believe that when our people are at their best mentally and physically, they can lead more fulfilling and productive lives, both professionally and personally.

Sphera's Well-Being Colleague Resource Group (CRG) is a global group that acts as our go-to resource for all things related to wellness. Within this group, we discuss wellness tips, videos, COVID-19-related help, articles and resources for our colleagues who want to seek further help or guidance. We have received a positive response to our daily motivation emails and the well-being tips included within our monthly newsletter.

Throughout 2021, our HR team used monthly well-being webinars to provide coping mechanisms and methods for dealing with emotional health challenges related to the pandemic. The team also encouraged employees to "switch off" from work and conducted polls to understand how employees were feeling, so they could provide appropriate support.

Employees also had access to videos, personalized advice, discounts on wearable health-tracking devices and mindfulness training through programs customized for each location. In addition to online support, we offered extended paid leave depending on each circumstance, so that colleagues could take care of themselves and their families.

"Well-being and mental health are extremely important. At Sphera this is promoted by a colleague resource group (CRG) that organizes events such as physical activities, well-being challenges, meetings and webinars on wellness topics."

Michelle Atherley,
Senior Regulatory Analyst

WASH Certificate – Bangalore Office

Sphera's Bangalore Office has been WASH (Workplace Assessment for Safety and Hygiene) certified. This assessment aims to identify an organization's intent and commitment to ensuring safety and hygiene in the workplace.

The rigorous assessment consists of assessing 15 key areas deemed crucial to the continued provision of wellness in a workplace.

1. Management Commitment
2. Regulatory and Other Requirements
3. Business Continuity
4. Risk Management
5. Communication
6. Hygiene and Safety
7. Preventive Measures
8. Training and Awareness
9. Waste Management
10. Ventilation
11. Public Interaction
12. Supply Chain
13. Transport Management
14. Documentation Requirements
15. Control of Discriminatory Practices

Talent Attraction and Retention

Our most valuable asset is our people. If our people succeed, our customers succeed and Sphera succeeds. A great deal of care and time is dedicated to finding people who believe in our mission and share the same drive and passion to join our team. As a global organization that aims to be an employer of choice, we base our approach to recruitment on local guidance and market conditions in the areas where we operate. Because these conditions are dynamic, we continually refine our approach in order to meet our hiring needs and address the career goals of individuals.

Below are our recruiting principles:

- Thinking outside the box. We ensure that when recruiting new talent, we identify the best fit within the organization—regardless of the job they may have applied for.

- Versatility of talent. We understand that people come from a wide range of professional backgrounds and their skills can be of great value to our organization. We want to hire people who have the potential to grow within our organization.

- Flexibility when it comes to location and work patterns. For Sphera, people are key, and therefore we are flexible in relation to work patterns, so we can recruit the best talent.

- Recruiting for the long term. We intend to be more than just a stepping stone in one's career.

We strive to give employees the opportunity to grow in their careers at Sphera by enabling them to see and apply for roles within the organization. This gives them the ability to gain experience and knowledge in different functions. We have also provided additional training to managers so they can have productive career development conversations with their direct reports and discuss potential career paths with them.

Through these measures and the culture we have developed at Sphera, we experienced an industry-standard turnover rate of 25% in 2021.
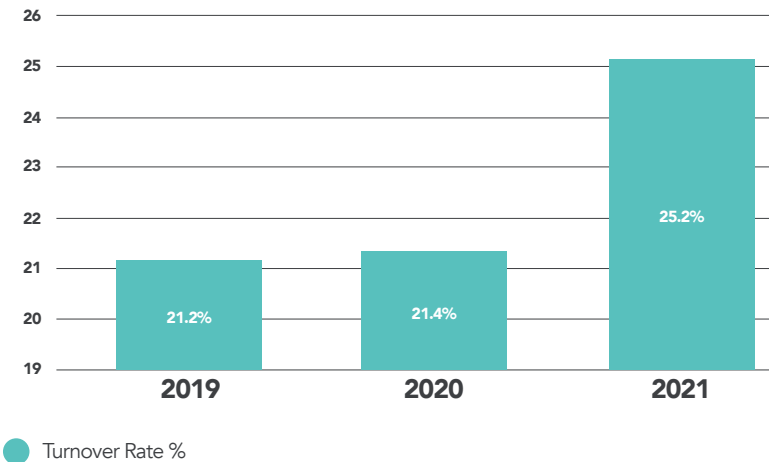
Figure 28: Turnover Rate %, 2019 – 2021[1]

[1]Turnover rate is based on headcount.

For more information on our new hire and turnover data, please refer to Our Data in this report.

Freedom of Association

Freedom of association is central to any modern, democratic society. It encompasses the rights of all workers to freely and voluntarily establish and join groups that promote and defend their occupational interests. Sphera has not implemented policies that are likely to negatively impact workers' decisions to form or join a trade union or to bargain collectively. Sphera endeavors to ensure that its employees can exercise their right to associate freely and bargain collectively, and to create an environment in which employees are comfortable doing so.

Certain Sphera employees have established a Works Council or *Betriebsrat*. The council is elected by such employees and represents their collective interests. At Sphera, we support these rights for our employees, and we seek to maintain a productive and collaborative relationship with the Works Council, as we do with all of our employees.

Thought Leadership at Sphera

Writing and Podcasts

Thought Leadership is extremely important to all Spherions, so it's not a surprise that it has surfaced as a material topic. As a leader within the ESG space, we feel a responsibility to share the vast internal expertise, insights and knowledge we have with the wider community of clients, peers and other stakeholders. In addition to our thought leadership, which we share with our customers through our work with them, we have many different avenues—including our website, social media presence, webinars and events—for sharing this content with a wider community.

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 provide our software, content and consulting services expertise through blogs, e-books, white papers, infographics, webinars, videos and a robust glossary section. In 2021, we produced 28 webinars that had over 3,000 registrants, thus ensuring that our insights and knowledge were shared with the wider ESG community.

To view our Solution Insights content, please click **here**.

Top 3 Webinars in 2021

1. **EPDs as Building Blocks of the Decarbonization Strategy**
2. **The Art of Net Zero Target Setting**
3. **Business Case for Circular Economy**

- **Spark** is Sphera's thought leadership repository that houses content from Sphera's team of writers, experts and outside contributors with the aim of sparking conversations about safety, sustainability and productivity topics. It contains timely articles and podcasts related to various ESG topics. For example, in 2021, Sphera produced a series of articles related to electric vehicles, including a piece that discussed whether electromobility is a solution or a setback for greener transportation and looked at the potential for electric vehicles to help automotive manufacturers overcome supply chain roadblocks. In 2021, we had 177,015 visits to Spark, which is an increase from 2020's launch (where we had 27,771 visits). More than 205,000 people have visited the Spark site since it launched in October 2020.

Our most popular Spark article in 2021 examined the importance of an ESG strategy and explored the benefits of ESG. To read this article, please click **here**.

To view more of our Spark content, please click **here**.

Additionally, our two newsletters reached an audience of nearly 125,000 every month. The newsletters offered Solution Insights content and Spark thought leadership, which were also shared on our three social media channels—LinkedIn, Twitter and Facebook—along with our podcasts.
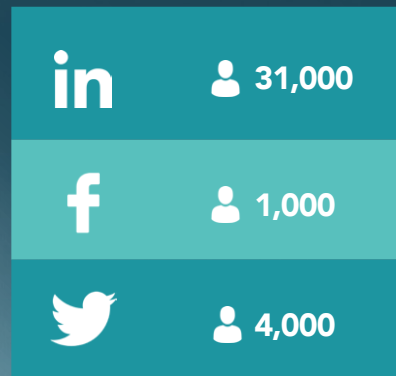
Getting the Word Out (About Us)

in	👤 31,000
f	👤 1,000
🐦	👤 4,000

Figure 31: Social Media Followers, 2021[1]

[1] Values have been rounded to the closest thousand

Sustainability Survey Report

It has become increasingly clear that companies need to understand the sustainability risks and opportunities that relate to their business and stakeholders through a robust, sustainable business model. This was the focus of our first sustainability survey and report, which was created in partnership with the University of Esslingen, Germany.

To learn more about our Sustainability Report, please click **here**.

Key Findings:

1. The need for scaling is high, but progress is slow.
2. There needs to be a clear implementation roadmap.
3. Execution is lagging when it comes to disclosures.
4. Scope 3 emissions are missing from the conversation.
5. Data quality matters for better decision-making.
6. Digitalization can be the game-changer.

Figure 29: Sphera Sustainability Survey Report 2021 Key Findings

Safety Report

In 2021, Sphera published its sixth annual Safety Report. Based on our international survey of 349 process safety and operational risk management professionals from key sectors such as Oil & Gas, Chemicals/Petrochemicals, Energy and Construction, the report provided thought-provoking insights.

To learn more about our Safety Report, please click **here**.

Key Findings:

1. 75% of respondents said that safety is a part of their corporate culture, but only 40% said their company has a well-defined roadmap to improve safety performance.
2. 77% of respondents said they have safety rules and procedures in place, but they are there primarily to comply with regulatory requirements.
3. In identifying the top three obstacles to delivering planned safety-critical maintenance and inspections, respondents cited limited resources (51%), conflicting priorities (43%) and limited budgets (31%).
4. 72% of respondents said their organizations have asset data in place but are not using the data to help manage risk.
5. Digitalization can be the game-changer.

Figure 30: Sphera Safety Report 2021 Key Findings

Events

In 2021, Glasgow, Scotland, hosted the United Nations Climate Change Conference (COP26). This conference takes place every year in a different location and is an excellent example of organizations, governments and people coming together in a global effort to accelerate action towards the goals of the Paris Agreement and the U.N. Framework Convention on Climate Change.

We were very fortunate to have some of our colleagues on the ground in Glasgow participating in the events surrounding the conference. Sphera CEO Paul Marushka, along with four other sustainability panelists, had the opportunity to speak at the 12th Sustainability Innovation Forum (SIF) in a session titled "Mainstreaming Climate Innovation for Net Zero Transitions." The session highlighted the importance that data will play in helping the right people get the right information to make the right decisions regarding carbon reduction.

To learn more about our insights from this event, please click **here**.

"It was great to be at COP26 this year in sunny Glasgow. Seeing the energy and innovation firsthand by a diverse and global stakeholder group was inspiring. I was proud to be adding Sphera stories into that mix of collaborations."

Sandy Smith,
Vice President, Sales

To learn more about Sandy Smith's experience at COP, please click **here**.

As the world began to open again in 2021, Sphera was able to attend and support several in-person events, as well as virtual events. In total, Sphera participated in 30 tradeshows in 2021, achieving brand awareness with 57,500 professionals. We also held three virtual summits (Productivity, Sustainability and Safety), which had over 650 registrants.

Spotlight on our CEO

In 2021, Paul Marushka, Sphera CEO, was named EY Entrepreneur of the Year 2021 Midwest. EY honors entrepreneurs whose ambition, courage and ingenuity have driven their companies' success, transformed their industries and made a positive impact on their communities.

"It takes a team of people to do what we do at Sphera every day. Winning this award is not as much about me but about all the colleagues at Sphera from around the world who get up every day to make the world a safer, more sustainable and productive place."

Paul Marushka
Chief Executive Officer

To learn more, please click **here**.

5

OUR GOVERNANCE

Our Board and Executive Leadership Team

Sphera's corporate governance structure is designed to provide effective oversight of the company's performance and the material risks impacting the business, and to foster informed and ethical decision-making. The board of directors is the ultimate decision-making body at Sphera. Sphera's board is comprised of a highly experienced and diverse group of directors, including people with expertise in the areas of risk and sustainability. The board is responsible for overseeing the company's strategic development, values, business offerings and performance, including Sphera's ESG and sustainability initiatives. It meets at least quarterly to review the performance of the organization and to discuss company goals, material risks and strategic plans. The board met several times throughout 2021, both in person and virtually, including prior to and after the Blackstone acquisition.

The board selects and acts as an advisor and counselor to the executive leadership team (ELT) at Sphera. The ELT is tasked with managing Sphera's day-to-day operations. At the conclusion of 2021, the Sphera ELT consisted of six male members and two female members.

For more information on our board and ELT data, please refer to Our Data in this report.

Figure 32: Sphera's Executive Leadership Team as of December 2021

Ethics and Compliance

We require that all Spherions act ethically—and with integrity and accountability at all times— toward each other, as well as with customers, suppliers, other business partners, local governments, communities and all other stakeholders.

Our compliance and ethics program is managed by Sphera's legal team, in collaboration with our human resources and information security colleagues and other key Sphera team members, with oversight by the company's general counsel, the ELT and the board of directors.

Our code of conduct is the cornerstone of our commitment to acting ethically and lawfully. It serves as a guide for 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 of conduct is robust and covers a broad range of issues, including:

- Diversity and Inclusion
- Workplace Health and Safety
- Conflicts of Interest
- Privacy and Confidentiality
- Record-Keeping and Retention
- Competition and Fair Dealing
- Protection of Company Assets
- Anti-Corruption and Anti-Bribery
- Human Rights
- Reporting and Investigations

Our code applies to our board of directors, our officers and all colleagues in all locations where Sphera does business. We are all required to read, understand and follow the code, as well as all other company business and compliance policies. As such, the code is an internal policy, which can be made available upon request to third parties with whom we do business.

As part of onboarding, new colleagues are required to complete training on our code of conduct. In addition, all Spherions are also required to complete annual compliance training across a broad range of HR, compliance and information security topics, which includes an attestation that they have read the code of conduct and promise to uphold the company's strict ethical standards. In addition, people managers across the global organization are required to complete manager-specific training, including training on sexual harassment prevention in the workplace.

Although our code of conduct is comprehensive, we understand that it may not anticipate every situation that may arise. 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 if they are unsure whether a particular action is ethical or complies with the code of conduct, company policy or the law. We require that colleagues comply with the laws and regulations that are applicable to our business in all locations in which we do business. In the event that a Spherion finds himself or herself in a situation where local laws or customary conduct conflicts with our code of conduct or other company policies, the law always takes precedence.

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 via EthicsPoint, our third-party reporting hotline. EthicsPoint is a comprehensive and confidential reporting tool that is designed to assist management and employees in working together to address fraud, abuse and other misconduct in the workplace, all while cultivating a positive work environment. Having an effective reporting system supports our efforts to foster a culture of integrity and ethical decision-making. Reports can be filed anonymously via either the telephone or the internet using EthicsPoint.

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 the proper resolution of the issue. If we determine that there has been a violation of our code of conduct, 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.

At Sphera, we also expect our vendors, suppliers and customers to operate with similarly high standards of conduct and ethics, including following robust policies that further compliance with the law and require ethical business practices. We may decline business with a third party if there are doubts about its conduct or practices.

Sphera is committed to promoting a workplace and supply chain where workers are treated with respect and dignity, and which are free from modern slavery and human trafficking. Sphera's global statement on modern slavery and human trafficking, including the Modern Slavery Act 2015 of the United Kingdom and the Australia Modern Slavery Act 2018 (Cth), constitutes Sphera's Modern Slavery statement for the financial years ending December 31, 2020, and December 31, 2021, which can be found **here**. Further, Sphera respects the rights of employees to engage in collective bargaining without fear of retaliation.

"Integrity and ethics are the cornerstones of everything we do, from working with customers to treating our colleagues with respect. At Sphera, we hold ourselves to the highest standards in conducting our business and operating in the marketplace."

Michelle Beckers,
General Counsel

Cybersecurity and Data Privacy

In an increasingly digital world, the threat to confidential data and personal information is prevalent, and the need for information security is of the utmost importance. That's why Sphera is committed to maintaining the highest standards of confidentiality, responsibility and integrity when it comes to safeguarding data.

Due to the nature of our business, we host a wide range of information and data for some of our stakeholders. This information is stored within our software systems or those of our vendors, 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 security program based on the ISO 27001 standard. Our security program includes the Sphera Information Security Management System (ISMS), which governs our policies and processes 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 and a continual improvement process. Sphera also has a robust data privacy program that includes strict adherence to the Sphera Data Privacy and Processing Policy, which covers the collection and use of data, access to data, audit and remediation to ensure security of customer data and compliance with applicable privacy law. For further information on this policy, please click here.

Sphera's data protection officer (DPO) is responsible for the data privacy program, which covers our data breach response protocol. The DPO can be notified of potential privacy incidents through online forms, by customers through the SCN or via email at securityincidents@sphera.com. We continuously monitor our systems and processes for potential data breach incidents so that we are able to promptly mitigate any such events and notify any affected parties.

Cybersecurity incidents are escalated to Sphera's information security team, which is led by the chief information security officer (CISO). Under the direction of the CISO and with support from Sphera's legal and compliance teams, the information security team is ready to triage any issues and take appropriate action to mitigate cyber incidents. Sphera has a formal incident response process and coordinates with other internal teams, including legal, HR and IT, as necessary.

In addition, Sphera maintains a robust disaster recovery plan, which provides detailed instructions for our response to a major disruption, as well as the recovery and maintenance of essential technology systems and infrastructure. This is supplemented by our business continuity plan, which ensures ongoing delivery of business services during unforeseen events, such as a pandemic, natural disaster or other environmental disruptions.

Sphera is committed to protecting its own information and data, as well as that of the third parties with which we do business. To reinforce our data privacy and cybersecurity efforts, we require all colleagues to complete annual training on information security and data privacy. Our team also proactively conducts internal monthly phishing tests to maintain awareness and identify colleagues in need of additional training. Our goal is to ensure completion of information security training across our organization to reduce the risk of cybersecurity incidents.

In 2022, we plan to expand our mandatory information security training to include key contractors, as well as obtain a SOC 2 type 2 attestation and a TISAX assessment.

"Information security is key at Sphera. Through the security measures we have implemented, we are driving foundational information security services that meet or exceed both regulatory and contractual obligations and protect our clients and colleagues from loss of productivity and loss of data."

David Schur,
Chief Technology Officer

Customer Satisfaction

Thousands of people from around the globe rely on our content, software solutions and consulting services to help them make smarter, more precise business decisions related to safety, sustainability and productivity. We take pride in providing a user experience that meets customers' needs and delivers excellent customer service and support.

Customer-centricity is not just one of our corporate values, it's embedded in every role at Sphera. Thanks to our product, services and support teams, we are fully dedicated to providing a positive experience that helps customers achieve long-term success. Our goal is customer delight – with the hoped-for end result of increasing customer retention, references and growth. For the past several years, we've retained 100% of our tier 1 clients. In addition to retaining them, we've partnered with them to expand their existing solution or expand their cross-functional use with other modules, especially in our strategic SpheraCloud® platform approach.

This year we set out to evolve our customer survey into a real-time, customer experience monitoring program. Using CustomerGauge, a leading B2B account experience software, Sphera created a cross-department, internal task force to tackle one of Sphera's corporate objectives of ensuring engaged and delighted customers. This task force consisted of marketing, customer care, account management and sales operations colleagues who were asked to envision a program that allows us to understand the Sphera customer experience. We wanted a short, user-friendly survey for our customers; an automatic survey delivery process to prevent bias; aggregation of individual responses up to account-level statistics; assurances that each response will be addressed by one of our Spherions to better understand the response; and business-wide visibility at every stage in our customers' journeys. This ongoing program will involve asking a hand-selected group of decision-makers, management and users of our SpheraCloud® platform the net promoter score (NPS) question: "How likely is it that you would recommend this company to a friend or colleague?".

We aren't just going to look at the NPS score – we will follow up with a second question to understand why a customer gave us the positive, neutral or negative score using a pre-set group of drivers: sales processes, product/solution, professional services (implementation/consulting), business relationship and/or customer care. In addition to collecting this information, Sphera will also document a set of KPIs around an NPS percentage increase year on year, response rate, reporting and timely follow-up with customers.

This survey will launch mid-2022, and we believe this program is going to help advance our business processes, product development, relationship management and the overall delight of our customers. According to CustomerGauge, "Companies that commit to their customer experience (CX) can grow their revenues as much as 8% above their market." While we believe this to be important for our continued growth, the new data will allow us to constantly monitor our customers and ensure that we understand what is working and what our areas of improvement are. These results will be shared across multiple departments, and Sphera's leadership will commit to a short-list of actions. It's this transparency and accountability which sets Sphera's customer experience program apart as we strive to help our customers create a safer, more sustainable and productive world.

Sphera Customer Network

As mentioned, we aim to go beyond the basic standard of customer service by encouraging our customers to share their feedback and user experiences with us and by offering customer support 24 hours a day, seven days a week.

Our Sphera Customer Network (SCN) is instrumental in helping us engage with our customers and understand any pressing issues. In addition to providing a portal where customers can access resources, submit service tickets and view training videos, the SCN also allows customers to provide feedback and enhancement requests. The information received from customers helps us lay a roadmap for new enhancements, features and innovation. The SCN also allows our consultants to file work requests and enhancements on behalf of our customers. We offer click-to-chat functionality that helps our customers connect with Sphera's Customer Care in a fast and easy way.

Description	2020	2021	Percentage Difference
Number of SCN Logins[1]	122,275	115,070	-5.9
Click-to-Chat Number of Chats[2]	8,239	11,240	36.4

Figure 33: SCN Logins and Click-to-Chat Numbers, 2021

[1] The majority of the SCN Logins are customer-related in terms of customer support and work being done on behalf of the customer. They include logins by the customer passed through the SCN to access product help.
[2] Click-to-Chat is provided by our tier 1 customer care team. This is manged live, 24/7.

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

Strategic Account Management Team

Sphera's strategic account management (SAM) team offers daily support to Sphera's enterprise clients. The team's goal is to provide a positive partnership experience that maximizes the value of our software, content and expertise. The SAM team advocates on behalf of clients, acting as their central point of contact within Sphera. Team members conduct quarterly business reviews to ensure that clients are able to make full use of their software; they also manage customer requirements and contracts.

Sphera's SAM team is supported by all functions within the business to ensure that clients' needs are addressed. Executive leaders take an active role by promoting a client-first mentality and embedding our clients' points of view in the way we operate. This is illustrated by the weekly client review meeting with our executive leadership team, which involves all key stakeholders across the business (including account management, services, customer support and product). The focus of these action-driven meetings is to identify any pressing customer concerns and to ensure solutions are enacted swiftly.

We interact with our client base in several ways, including the Sphera User Conference (in person), solution forums and working groups. These mechanisms allow us to gain deeper insights into our clients' potential challenges (both external and internal), so we can respond quickly if the challenges materialize.

Future

Sphera continues to invest in its account management program, and we aim to increase the operational capacity of the program by 30% by 2022 (from our 2020 capacity). By the close of 2021, we had begun to see a positive increase of over half of our target. Sphera aims to further increase capacity by 20% in the coming year, enabling us to work more closely and efficiently with our customers by reducing the number of accounts managed by a single person.

Using the SCN in conjunction with the improved customer survey and our account management program, we will enhance our ability to reach our goal of providing excellent customer satisfaction.

WHAT COMES **NEXT?**

While Sphera is pleased to share this report with you, this is just the start of our reporting journey!

As detailed in this document, we have conducted a materiality assessment that has allowed us to understand which topics are most crucial to our stakeholders. This enables us to focus on better managing and improving our performance in the areas our stakeholders have identified. The information in this report serves as a baseline upon which Sphera will set credible and challenging targets.

2019-2021

- Conducted materiality assessment
- Collected baseline data for material topics
- Calculated Scope 1 and 2 emissions
- Identified Scope 3 material categories
- Calculated Scope 3 emissions

2022

- Identify key performance indicators and targets for material topics
- Calculate our Science-Based Targets (SBTs)
- Link our actions and contributions to Sustainable Development Goals (SDGs)
- Introduce Sustainable Purchasing Guidelines

2023

- Develop robust action plans for the management and improvement of all material topics
- Submit and verify our SBTs
- Continually monitor our KPIs
- Continually improve data granularity and accuracy

Figure 34: ESG Program Timeline, 2019 - 2023

We look forward to sharing the progress of our ESG journey with you in our future ESG reports, as we continue our mission to create a safer, more sustainable and productive world.

In the meantime, stay tuned for additional news about our company, our ESG and sustainability initiatives and our continued growth **here**.

Our Data

This section will showcase Sphera in numbers, giving a deeper understanding of our ESG metrics.

Investing in Spherions

	2019	2020	2021
Training Hours per FTE	3.8	2.6	4.2

Figure 35: Training Hours per FTE, 2019-2021[1]

[1]FTE has been calculated as an average for the full year.

	Training Hours	Number of Employees	Average Number of Training Hours
Male	2,263.95	559.80	4.04
Female	1,545.55	353	4.38

Figure 36: Training Hours per FTE by Gender, 2021[1]

[1]FTE has been calculated as an average for the full year.

	Training Hours	Number of Employees	Average Number of Training Hours
ELT	46.9	8.0	5.9
Senior Management	70.9	33.0	2.2
Middle Management	691.5	171.8	4.0
Non-Management	3,071.1	700.0	4.4

Figure 37: Training Hours per FTE by Employee Category, 2021[1]

[1]FTE has been calculated as an average for the full year.

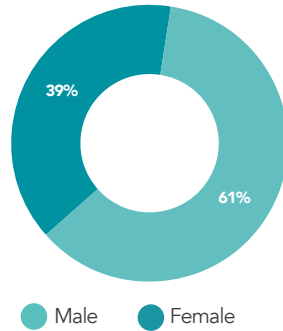# Diversity, Inclusion and Non-Discrimination

Gender Split Sphera

39%

61%

- Male
- Female

Figure 38: Gender Split at Sphera per FTE, 2021[1]

[1]Percentages have been based on FTE and have been rounded to the next whole number.

Gender Split by Employee Category

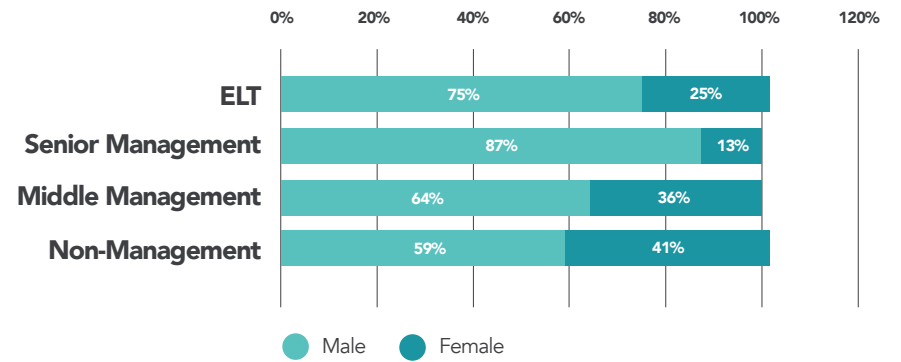|	Male	Female
ELT	75%	25%
Senior Management	87%	13%
Middle Management	64%	36%
Non-Management	59%	41%

- Male
- Female

Figure 39: Gender Split by Employee Category per FTE, 2021[1]

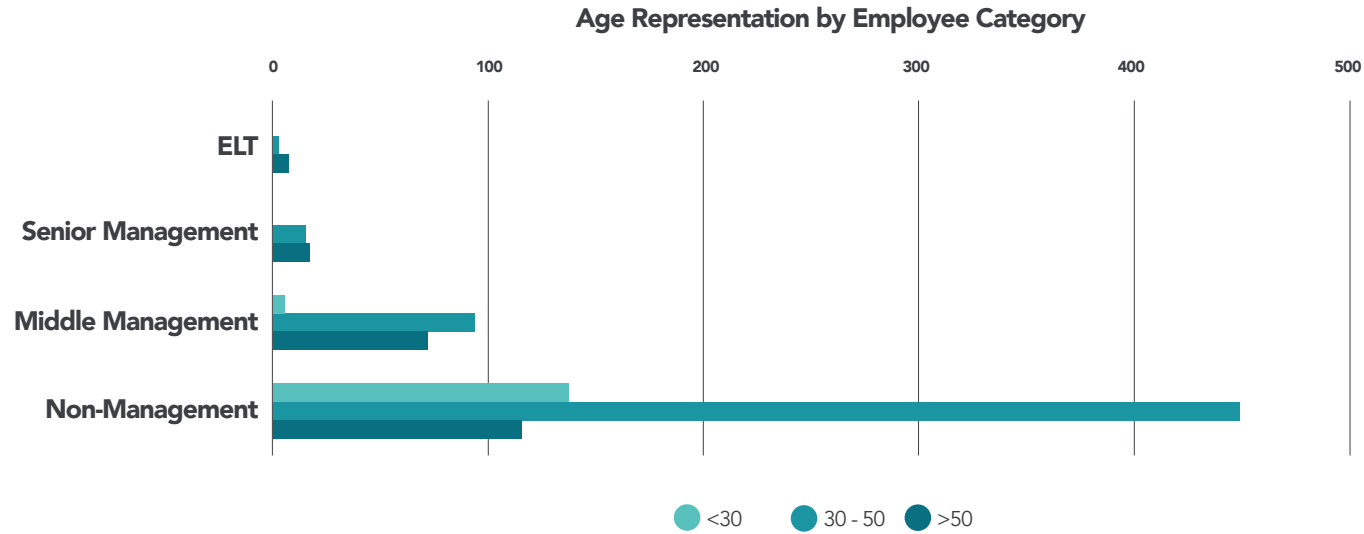[1]Percentages have been based on FTE and have been rounded

Age Representation

142.8

212

558

- <30
- 30 - 50
- >50
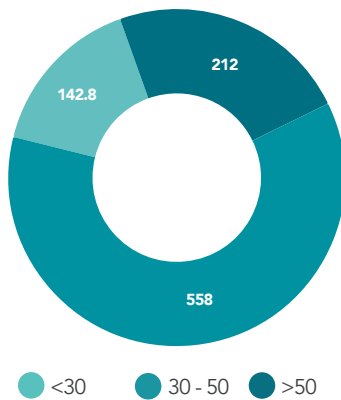
Figure 40: Age at Sphera, 2021[1]

[1]FTE has been calculated as an average for the full year and has been rounded to the first decimal place.

Talent Attraction and Retention

Age Representation by Employee Category

● <30   ● 30 - 50   ● >50

Figure 41: Age Representation by Employee Category, 2021[1]

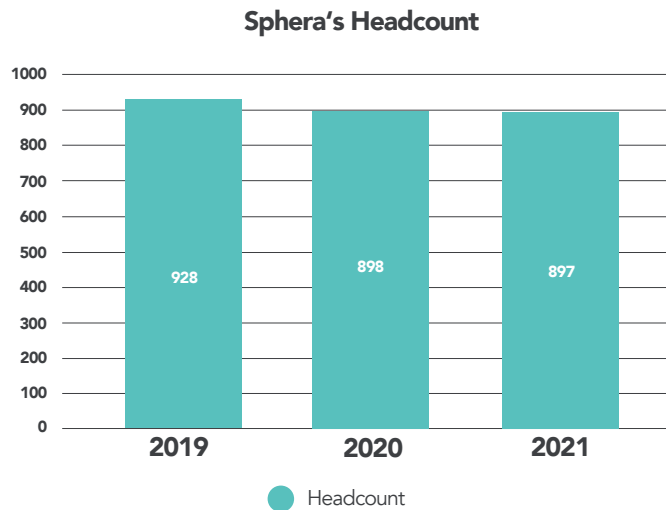[1]FTE has been calculated as an average for the full year.

Sphera's Headcount

● Headcount

Figure 42: Headcount, 2019-2021[1]

[1]Headcount has been calculated as an average for the full year.
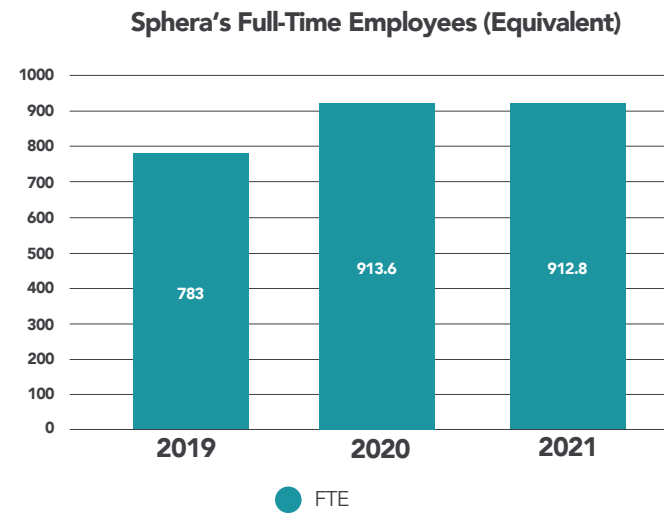
Sphera's Full-Time Employees (Equivalent)

● FTE

Figure 43: Full-Time Equivalent (FTE) Employees, 2019-2021[1]

[1]FTE has been calculated as an average for the full year.

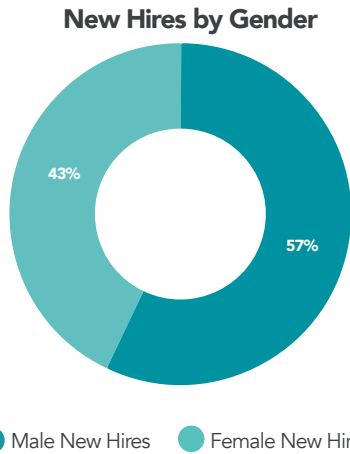## New Hires by Gender

- ● Male New Hires
- ● Female New Hires

Figure 44: Percentage of New Hires by Gender, 2021[1]

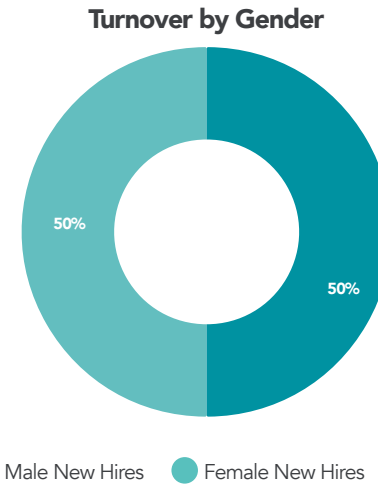[1]New hire numbers are based on headcount and have been rounded to the closest percent.

Turnover by Gender

- ● Male New Hires
- ● Female New Hires

Figure 45: Percentage of Turnover by Gender, 2021[1]

[1]New hire numbers are based on headcount and have been rounded to the

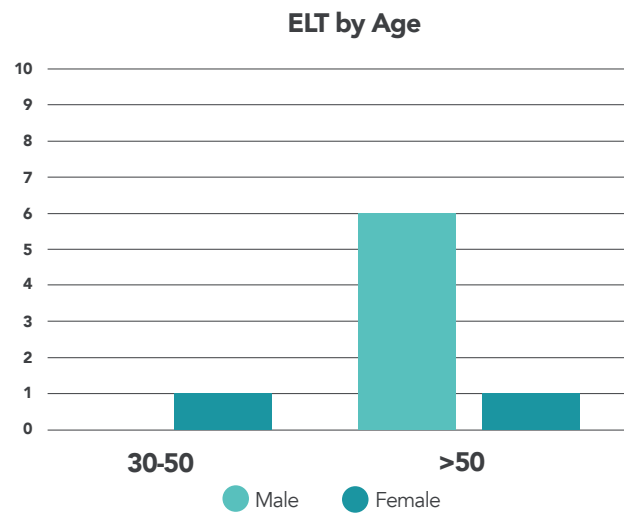## ELT by Age

- ● Male
- ● Female

Figure 46: ELT by Age, 2021[1]

[1]ELT numbers are based on headcount.

GRI Content Index and UNGC

This report was prepared in reference to the GRI Standards and serves as our Communication on Progress to the United Nations Global Compact (UNGC). The 10 U.N. Global Company (UNGC) principles are cross-referenced in the index below against the GRI standards. Sphera has been a signatory to the UNGC since 2021. This report has not been externally assured.

Sphera Solutions has reported the information cited in this GRI context index for the period 1st Jan 2021 – 31st Dec 2021 with reference to the GRI Standards.

GRI used: GRI 1 Foundation 2021
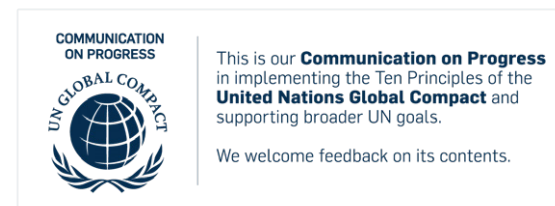
Section	GRI Standard	Page	UNGC Principle
Message from CEO		4	
The Scope of this Report	Disclosures: 2-1, 2-2, 2-3, 2-22	5	Principles 7 and 9
Who We Are	Disclosure: 2-6	6	
Our Mission and Values		10	
Our ESG Solutions and Expertise	Disclosure: 2-6	11	
Partners		13	
Collaboration	Disclosure: 2-28	15	
Our Sustainability Approach		16	
Materiality	Disclosures: 3-1, 3-2	17	Principle 8
Stakeholder Engagement	Disclosures: 2-16, 2-25, 2-29	22	
Managing ESG at Sphera		24	
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About Sphera

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.
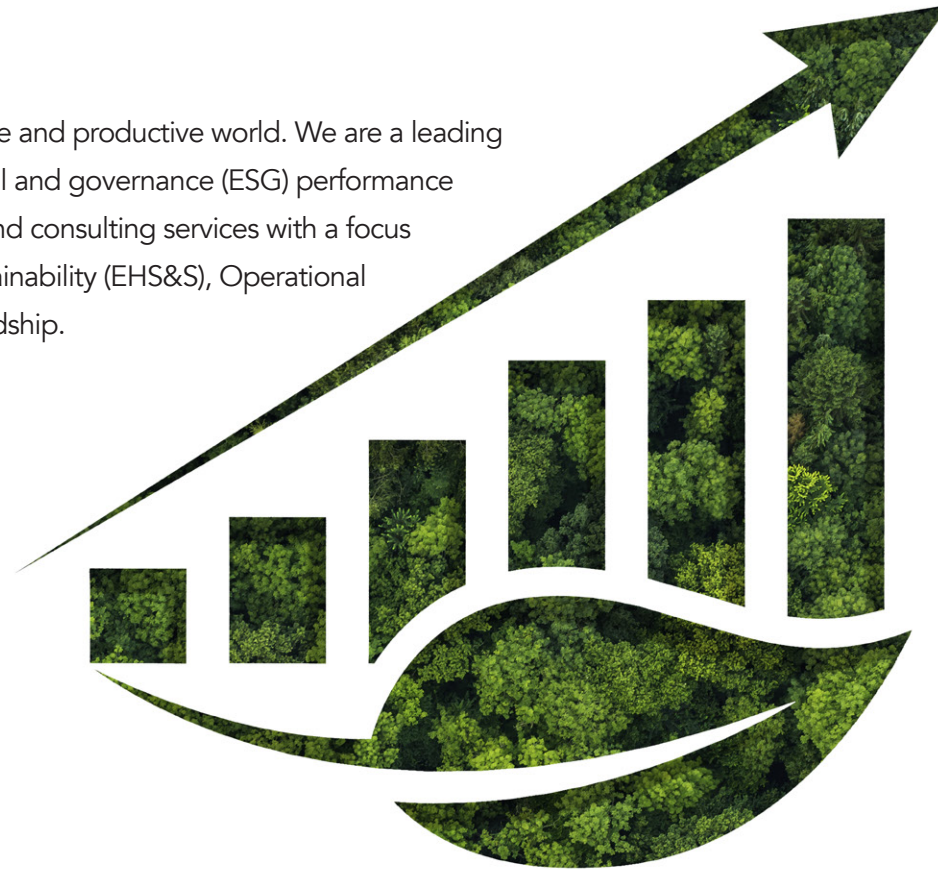
For more information about our ESG report, please contact esg@sphera.com.