



Sustainability at Sphera

Our 2023 sustainability report

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Message from the CEO

At Sphera, we know that today's business leaders must be able to respond to regulatory and technology developments, market trends and a changing climate, all of which affect the way we operate. Stakeholders—boards, customers and partners—are also an influencing force, and they are calling on companies to be more sustainable.

Throughout our history, we have applied decades of industry and subject matter expertise to develop software, create services, acquire data and build data collection platforms that allow our customers to thrive in a dynamic environment such as ours. Yet our ability to enable their success is only as good as our own ability to adapt. Which is why we continue to hire, develop and retain the best talent we can find and continuously enhance our offering of tools, solutions and services to solve today's business challenges. All of these steps are integral to our mission of creating a safer, more sustainable and productive world.

We took important steps toward that mission in 2023. We refined our Supply Chain Risk Management Solution (SCRM) to enable robust supply chain risk analysis as well as real-time monitoring of critical commodities. We also introduced our Portfolio Management Software for financed emissions, which helps financial institutions navigate climate-related risks and opportunities while meeting ESG requirements. And we rolled out the next iteration of our LCA Automation Solution to help discrete and chemical manufacturers reach their sustainability goals.



In 2023, analysts highlighted Sphera's history as a market leader in environment, health and safety (EHS) software and also noted our role as a provider of best-in-class sustainability reporting and data management software. Our AI-powered SCRM Software won a Solution of the Year Award from SupplyTech Breakthrough. And our Process Safety Management Software received top scores for vision and strategy, process safety information management and hazardous chemical management. These are just a few of the accolades we received last year.

With respect to talent, we welcomed Naved Siddique as our chief product officer. With a wealth of experience and a passion for driving innovation, Naved will play a pivotal role in shaping our product strategy and driving sustainable growth, along with the rest of our executive leadership team.

As our journey toward a safer, more sustainable and productive world continues, I'd like to thank our customers, partners and all Sphera colleagues around the world for their continued partnership. Collaboration and innovation are the cornerstones of our progress, and I am grateful for all the contributions that made our progress possible in 2023. As an eventful and productive year, it paves the way for continued growth and success.

A handwritten signature in dark ink, appearing to read 'Paul'.

Paul Marushka
Founding CEO & President

2023 Sphera report highlights

Environmental

Total emissions reduction of **39%** has been achieved since our 2019 baseline year.

Since 2019 we have reduced our Scope 1 and Scope 2 GHG emissions by **62%**.

Blackstone emissions reduction target of **15%** of Scope 1 and 2 emissions has been achieved using 2019 as our baseline year.

To learn more about our environmental progress, please see our [Environmental](#) section.

Social

More than **9** hours of required training logged per FTE.

Our colleague engagement survey achieved a **71%** response rate.

22 awards given to our colleagues for demonstrating our core values.

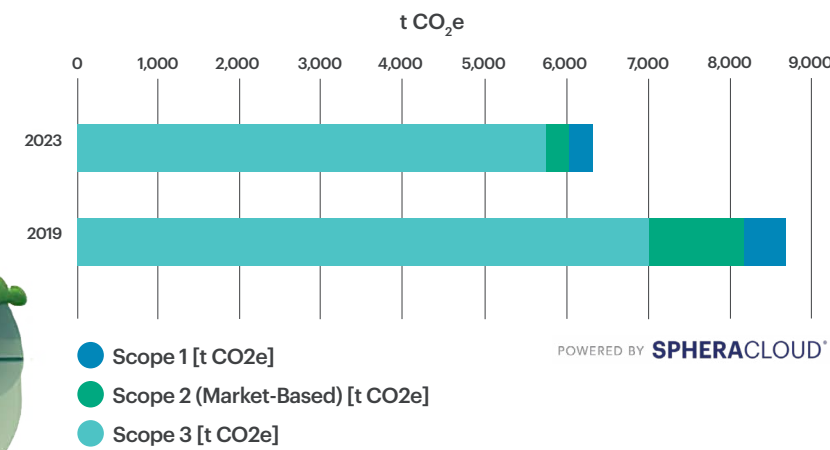
Global colleague gender breakdown: Female – **40%** / Male – **60%**.

Colleagues walked or ran **46,501,309** steps to support their wellness and the charity of their choice.

Attrition rate remains below the industry average at **19%**.

To learn more, please see our [Social](#) section.

Emissions decrease from baseline year



Governance

2023 Sphera Sustainability Virtual Summit was attended by over **1,500** professionals.

Received **11** awards for our services and products.

Hosted **15** webinars and attended **25** tradeshows.

Achieved **109%** net retention of customers.

Annual required training on our code of conduct and information security.

Achieved TISAX certification.

Expanded subject matter expertise at board level.

Women within the executive leadership team (ELT) level represent **33%**, an increase of **8%** since last year.

To learn more, please see our [Governance](#) section.



Who we are

About Sphera

At Sphera Solutions, Inc. (“Sphera”) (a private company), we believe in creating a safer, more sustainable and productive world.

OUR BUSINESS:

Sphera is a dynamic and globally recognized organization, specializing in cutting-edge software, data and consulting solutions tailored to assist businesses in optimizing their sustainability performance and risk management. Operating in over 18 countries, our presence is strengthened by a multinational, multicultural team of colleagues based around the world.

Our extensive range of products and services spans the four key areas of Environment, Health, Safety and Sustainability (EHS&S), Operational Risk Management (ORM), Supply Chain Transparency and Product Stewardship. Through our industry-leading mix of expertise, software and data, we empower our customers worldwide to prioritize the safety of their people, ensure the sustainability of their products and services and enhance the productivity of their operations. We consistently provide clarity on sustainability matters and guide our customers in taking strategic, evidence-based actions toward a more sustainable future. We are committed to driving positive change and empowering businesses to thrive in a rapidly changing world.

At Sphera, we are deeply committed to our core values, which guide our actions and our overall approach to fulfilling our mission:

Customer-centric

Action-oriented

Collaborative

Accountable

Innovative

With roots dating back to the 1970s, our company has accumulated a wealth of experience in the ever-evolving sustainability landscape. Formally established in 2016, Sphera was founded to assist organizations in enhancing their performance and mitigating risks by operationalizing sustainability.

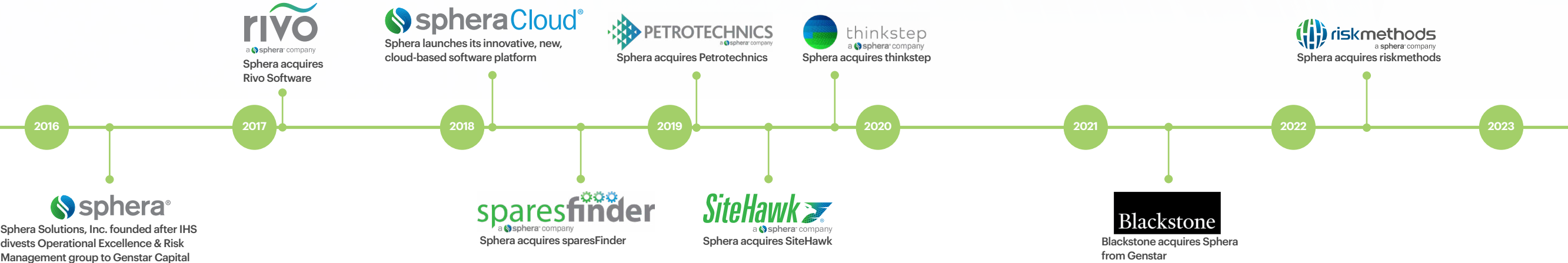


Figure 1: Timeline of Sphera (2016 - 2023)

Our locations

As of December 31, 2023, Sphera had entities in 17 countries and had served more than 7,000 customers in over 91 countries.



Figure 2: Key statistics related to Sphera operations

¹ Average number of colleagues, by FTE 2023

² Countries of Sphera's Entities

³ Identifies office locations only and does not include countries where we had remote workers in 2023. Sphera's headquarters are located at 130 East Randolph Street, Suite 2900, Chicago, IL 60601, USA. During 2023 Sphera had offices in Canada, Germany, India, Italy, Japan, Netherlands, Poland, Switzerland, United Arab Emirates, United Kingdom and United States. Offices include coworking spaces.

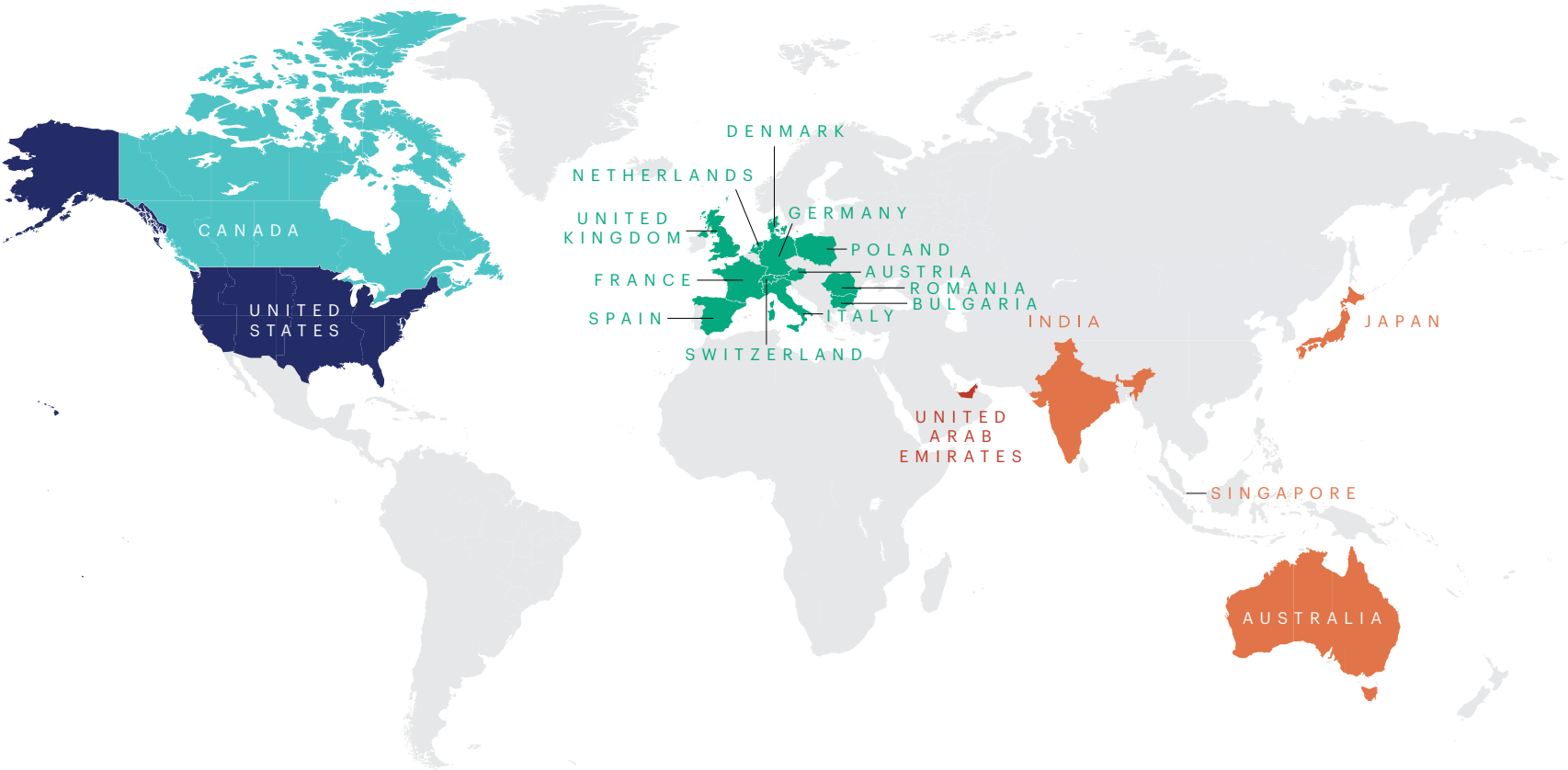


Figure 3: Key locations of Sphera's operations

About this report





About this report

The 2023 Sphera sustainability report provides an overview of the progress we made in operationalizing sustainability with transparency and accountability. This report is Sphera's third annual sustainability report, and it covers the period between January 1, 2023, and December 31, 2023, for Sphera and its subsidiaries around the world.

To produce this report, we collaborated with colleagues, customers and stakeholders. Our approach aligns with recognized frameworks such as the Global Reporting Initiative (GRI) Standards, which we report in reference to; the United Nations Global Compact 10 Principles; and the United Nations Sustainable Development Goals.

For detailed information on our adherence to GRI Standards and other frameworks, please refer to Sphera's GRI index [here](#).

Disclaimer: While Sphera has undertaken diligent efforts to ensure the accuracy of the information provided in this report for the period referenced, it is important to note that information may evolve after that period and after publication. This report serves as a resource for informational purposes only, reflecting our ongoing commitment to transparency, integrity and accountability in our ESG endeavors.

Our offering

Our offering

Sphera’s market-leading software and proprietary data enable organizations to: keep their employees and assets safe; manage and mitigate risk in their supply chains; analyze their greenhouse gas (GHG) emissions and other environmental impacts; and satisfy their ESG reporting and compliance requirements. With a long-term view in mind, we collaborate with our customers to implement solutions that not only meet their immediate needs but also drive continuous progress toward a safer, more sustainable and productive world.

Drawing on decades of collective experience and accumulated knowledge, Sphera stands out as a premier adviser to our customers. Throughout 2023, we assisted them in identifying and managing risks while enhancing their performance across various domains including Environment, Health, Safety & Sustainability (EHS&S), Operational Risk Management (ORM), Supply Chain Transparency and Product Stewardship.

As it has every year, our robust offering enabled us to attract new customers and partners during the year. Sphera’s products and services are increasingly recognized for their ability to help customers efficiently navigate the dynamic regulatory landscape, meet stakeholder expectations for information and address a broad range of sustainability challenges. Through our comprehensive suite of offerings, we empower companies to optimize safety, sustainability and productivity as well as their overall ESG performance.



Software

SpheraCloud®, our fit-for-purpose SaaS platform, comprises all parts of our business — including Environment, Health, Safety and Sustainability, Operational Risk Management, Supply Chain Transparency and Product Stewardship — to provide the tools and the visibility that facilitate improved performance.

Our software platform gives users the tools they need for data-driven, holistic decision-making. The scalable platform and personalized configuration support compliance, reporting and performance improvement by bringing together disparate data from systems, sensors and human-derived activities to provide a real-time view of sustainability performance. The platform gathers information from product and operational levels within the organization for transparent, powerful, enterprise-level sustainability reporting, paving the way for action.

Consulting

Our consulting services team offers our customers access to industry-leading experts from all sectors, including Energy & Mobility, Farm & Chemicals, Building & Construction, Manufacturing & Electronics and Metals & Mining, to help them address their unique challenges. Through activities such as materiality assessments and life cycle assessments (LCAs), our teams provide deep subject matter and sector expertise to guide our customers in refining their sustainability objectives, building robust strategies (including decarbonization) and monitoring their goals.

Data

Developed over the last 30 years, our Managed Life Cycle Database offers an industry-leading basis for strategic decision-making. Science-based and continually updated, it is built on primary industry data, providing one of the most comprehensive life cycle assessment data repositories used worldwide.

Sphera’s Managed Regulatory Content is managed by a team that monitors global regulations, interprets changes and delivers application-ready updates to data, rules, templates and logic for safe, compliant chemical management.

Sphera’s unique combination of integrated software, deep knowledge and industry-leading data enables us to provide unparalleled support to our customers around the globe as they take the next step on their sustainability journey.



Figure 4: Sphera’s offering



“Our products, knowledge and data combined serve as a catalyst for sustainability advancement by pioneering innovative solutions in an ever-changing landscape. With each innovation, Sphera propels the industry forward, navigating complexities and driving positive change.”

Naved Siddique
Chief Product Officer

Our greatest impact: Working with our customers

Our greatest impact in sustainability comes from our work with our customers. With over 30 years of experience in this field, Sphera offers expertise, software solutions and data that enable organizations to manage the challenges of a dynamic landscape with efficiency and readiness for the future. Through collaboration with our customers, we support their efforts to operationalize sustainability by reducing their GHG emissions, minimizing health and safety incidents and evaluating and addressing risks along their supply chain.

At Sphera, we pride ourselves on fostering meaningful partnerships that enable our customers to thrive in a rapidly evolving world and, more importantly, have a positive impact. We believe that we all play a role in creating a safer, more sustainable and productive world.

At Sphera, we are very proud to be recognized as a trailblazer within the sustainability industry.



Figure 5: Sphera's software awards

Case study – Quantifying ZF’s decarbonization potential & climate roadmap

ZF sought an understanding of the GHG emissions along their value chain, gaining transparency about reduction potentials in their supply chain and building a solid ZF-specific Scope 3 and Product Carbon Footprint (PCF) method to assess the feasibility of their climate ambition.

ZF partnered with **Sphera’s Sustainability Consulting Services** to develop a ZF-specific, detailed Scope 3 inventory, quantify ZF’s overall decarbonization potential and draft ZF’s Corporate Carbon Footprint (CCF) and PCF method.



Challenges



Baseline:
Lack of details in Scope 3.



Activity data:
Material information dispersed across the organization.



Emission factors:
High quality, real-industry and up-to-date LCIA data needed.



Quantification:
Expertise in ZF-specific application of GHG protocol and PCF standards required.

Results



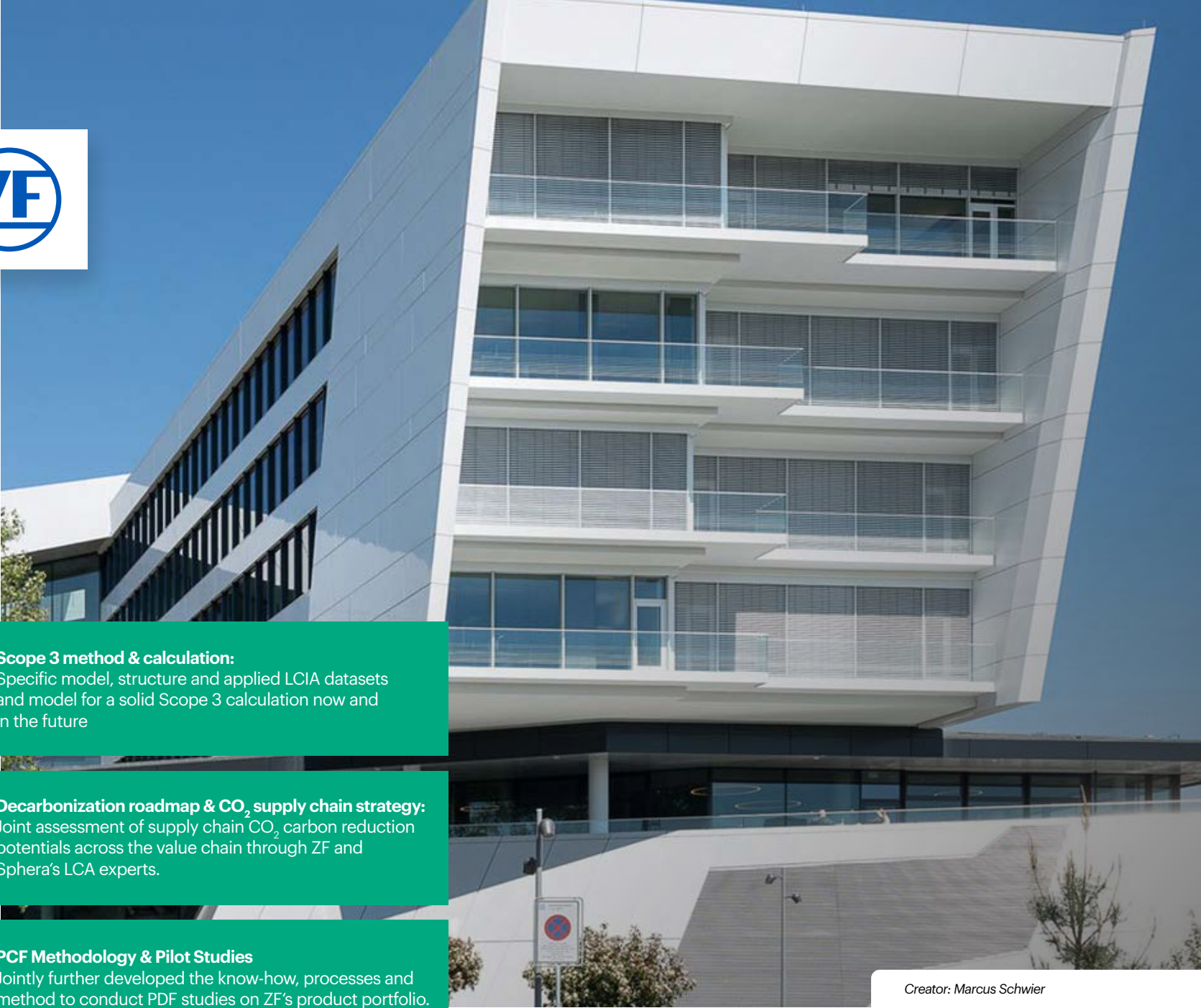
Scope 3 method & calculation:
Specific model, structure and applied LCIA datasets and model for a solid Scope 3 calculation now and in the future



Decarbonization roadmap & CO₂ supply chain strategy:
Joint assessment of supply chain CO₂ carbon reduction potentials across the value chain through ZF and Sphera’s LCA experts.



PCF Methodology & Pilot Studies
Jointly further developed the know-how, processes and method to conduct PCF studies on ZF’s product portfolio.



Creator: Marcus Schwier
Copyright: ZF Friedrichshafen AG

Case study – Co-op and EHS&S

To ensure the safety of its workforce and improve its safety culture, Co-op established a new incident reporting and management system, accessible to all colleagues and contractors, with the help of Sphera’s Health and Safety Management Software. Co-op’s safety strategy went beyond the collection and reporting of incidents and near misses. Due to Co-op’s complex safety requirements and the need to cover all its stores, future-ready mobile technology was needed.

Sphera’s Health and Safety Management Software helped Co-op:

- Provide access to a wealth of data, with advanced data analytics capabilities to spot underlying trends and risk profile sites, ensure compliance and enable better decision-making.
- Offer accessibility to all.
- Achieve greater security within the retail industry.

Challenges



Easy access to the incident reporting tool for all colleagues and contractors



Complex data analysis requirements



Need for mobile and future-proof technology



Enforce safety culture and compliance



Results



Positive safety culture increases workforce well-being



26% reduction in high-severity accidents (in the last two years)



Insights from risk assessments drive future strategies and focus



Cost benefits from less sick time taken/sick pay disbursed and fewer extra resources needed

Copyright: Co-operative Group Limited

Sustainability at Sphera



Sustainability at Sphera

At Sphera, we launched our sustainability program in 2020 with the goal of better understanding, measuring and addressing our own impact. As we’ve grown, so have our commitments and ambitions. The next few sections provide insight into Sphera’s sustainability journey, our accomplishments and what’s yet to come.

OUR MATERIAL TOPICS:

Conducting a materiality assessment is a crucial step to identify and prioritize the ESG issues that are most relevant to us. Within our commitments to sustainability and responsible business practices, Sphera recognizes the importance of understanding and addressing the key issues that matter most to our stakeholders.

At the core of Sphera’s approach is a dedication to transparency, stakeholder engagement and the integration of leading standards in the identification, evaluation and prioritization of our most material areas. In our 2023 materiality assessment, we formulated our top ESG topics in two key metrics: first, the level of materiality per topic for our stakeholders and, second, the importance of the topic to Sphera as an organization.



“2023 marked a year of profound change within the sustainability landscape. We embraced initiatives like the SBTi, looking inward to ensure we are doing everything we can to remain true to our mission of creating a safer, more sustainable and productive world.”

Mark Stach
Chief Services Officer

Consistent with our methodology, Sphera’s approach identifies three comprehensive steps for conducting our materiality assessment:

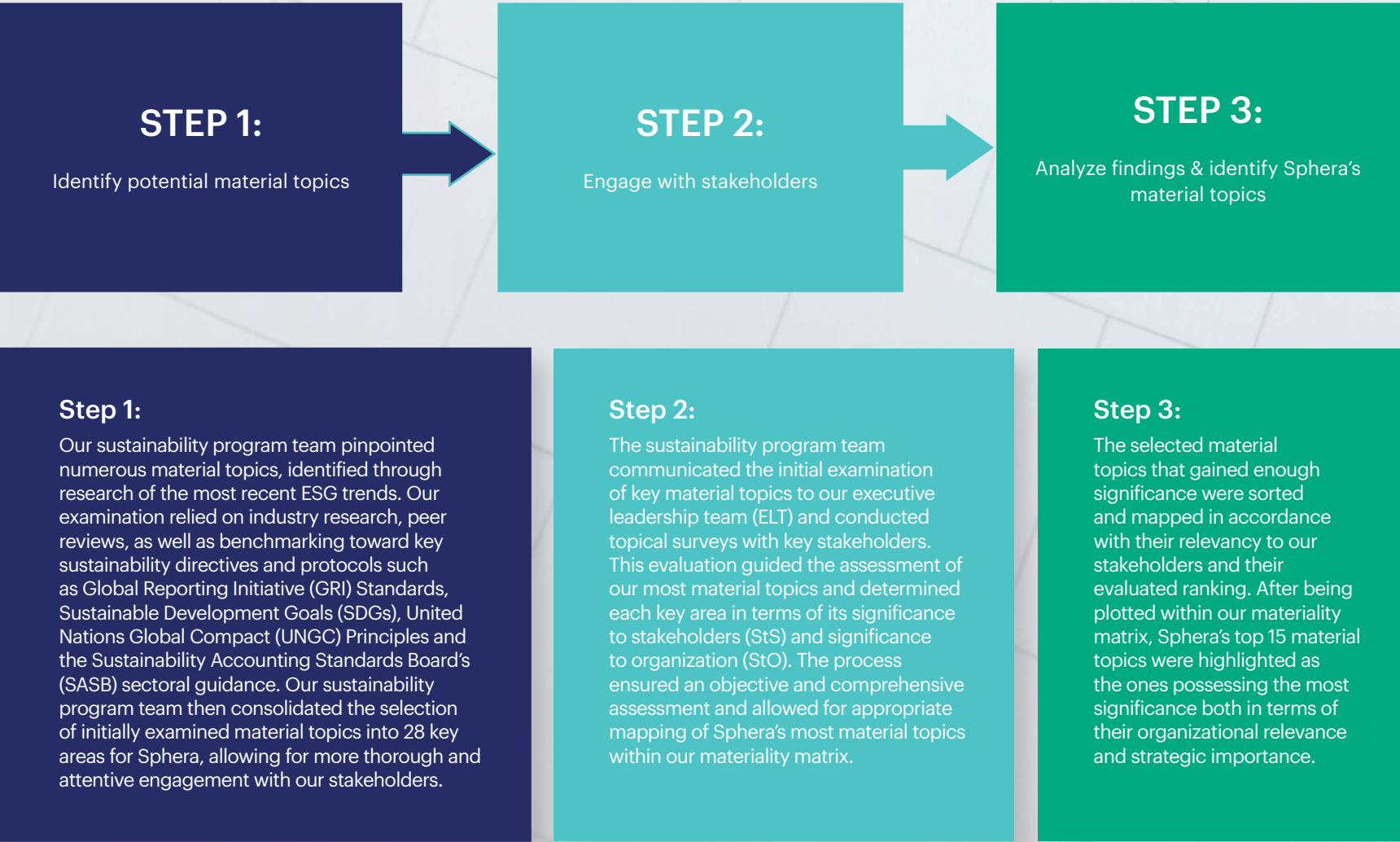


Figure 6: Sphera’s materiality assessment process

Identify potential material topics

- 1

Freedom of association and collective bargaining
- 2

Waste management
- 3

Community engagement and development
- 4

Water management
- 5

Health and safety
- 6

Risk management
- 7

Labor management and relations
- 8

Employee volunteering
- 9

Board diversity
- 10

Financial performance
- 11

Human rights
- 12

Product stewardship
- 13

Research, innovation and thought leadership
- 14

Employee health and well-being
- 15

Flexible working environments
- 16

Emissions and climate change strategy
- 17

Sustainable supply chain
- 18

Product and service excellence
- 19

Non-discrimination
- 20

Training and education
- 21

Data privacy
- 22

Cybersecurity
- 23

Client satisfaction
- 24

Talent attraction and retention
- 25

Diversity and inclusion
- 26

Ethics and integrity
- 27

Enabling client net-zero/ decarbonization strategies
- 28

Enabling resource efficiency and circular economy

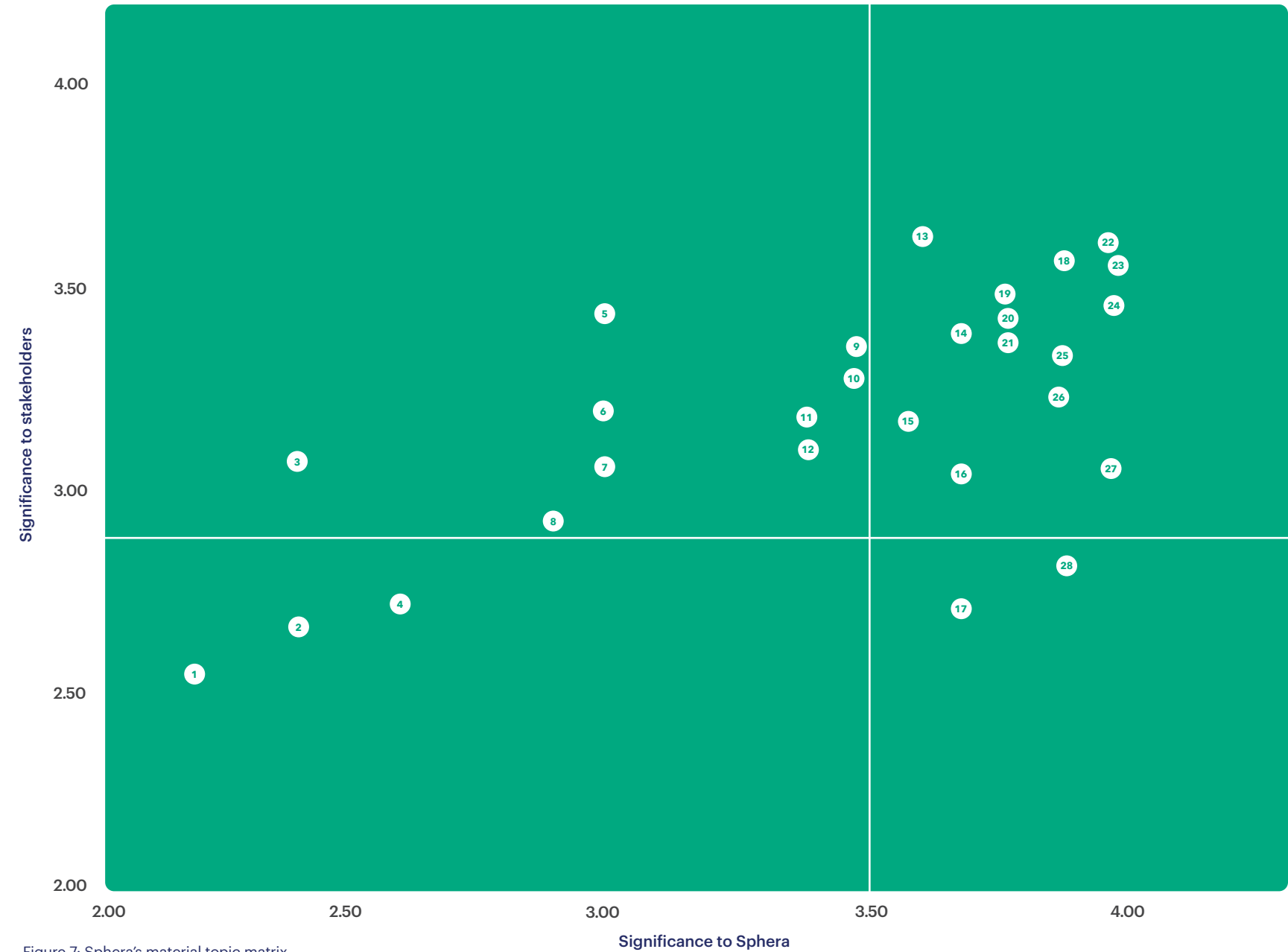


Figure 7: Sphera's material topic matrix

Sphera's material topics	Description
Cybersecurity	Adapting technologies and digital infrastructure to ensure security and protection from digital threats.
Client satisfaction	Maintaining a productive relationship with customers through strong communication and identification and fulfillment of their needs.
Product and service excellence	Ensuring that we provide products, services and support of the highest quality to our clients at all times.
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.
Training and education	Investing in training and education of employees for professional and organizational development.
Talent attraction and retention	Strengthening our team by attracting new talent and retaining existing talent with employee satisfaction, career progression and development initiatives.
Data privacy	Protecting digital information from unauthorized access or theft throughout its entire life cycle.
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.
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.
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.
Ethics and integrity	Complying with 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 conducts business.
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.
Emissions and climate change strategy	Managing Sphera's emissions-related impacts, which include GHG and other air emissions reduction and mitigation plans related to global warming.
Flexible working environment	Offering a working arrangement that gives some degree of flexibility on the hours and location from which an employee works.
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.

- Environmental
- Social
- Governance

Figure 8: Sphera's Material Topics

Stakeholder engagement

Our stakeholders are key to our business. Their input and feedback inform our direction and drive us to be more dynamic and responsive. We engage with our stakeholders through a variety of avenues that allow us to listen to them, understand their needs and involve them in our decision-making process.

Stakeholder group	Engagement
ELT and board	• Weekly ELT meetings • Performance and development review • Cybersecurity • In-person, monthly all day meetings • Quarterly all colleague calls
Colleagues	• Employee engagement survey • Performance and development reviews • Quarterly all colleague calls
Board	• Meetings at least quarterly
Customers	• Project reviews • Sphera Customer Network (SCN) • Client satisfaction survey • Customer Advisory Board (CAB) • Webinars • Conferences
Majority shareholder	• 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 9: Sphera’s stakeholder engagement

Sustainability commitments

SBTi

We have been committed to the Science-Based Targets initiative (SBTi) since 2020. During 2023 we focused our efforts on submitting our targets for validation to the SBTi. This effort ultimately was made possible by using a combination of our data, consulting knowledge and software capabilities, especially SpheraCloud Corporate Sustainability Software. We will share more on our SBTi journey in our next ESG report.

Blackstone Emissions Reduction Program

In 2021, Sphera was acquired by Blackstone, the world’s largest alternative asset investment group. As a portfolio company, we committed to Blackstone’s Emissions Reduction Program, which requires us to reduce our Scope 1 and 2 emissions by 15% within three years of acquisition.

In 2022, we achieved the goal of reducing our Scope 1 and 2 emissions by 15%, and we are proud to report that during 2023 we further reduced our emissions by 62% from a 2019 baseline year. We remain committed to reducing our environmental impact and keep exploring new ways to reduce our footprint.

United Nations Global Compact

The United Nations Global Compact (UNGC) is one of the largest and most important corporate sustainability initiatives globally. Since 2021, we have been a signatory of this program, prioritizing and pledging to conduct business responsibly by aligning with UNGC principles. These principles cover areas of human and labor rights, environmental responsibility and anti-corruption. We report on our UNGC-aligned endeavors annually through the Communication of Progress.

GHG emissions reduction progress

Sphera	2019	2020	Baseline year reduction (2020) - %	2021	Baseline year reduction (2021) - %	2022	Baseline year reduction (2022) - %	2023	Baseline year reduction (2023) - %
Scope 1 (t CO ₂ e)	446	182		100		320		113	
Scope 2 (Market-Based) (t CO ₂ e)	1,073	535		291		477		471	
Scope 1 & 2 Total (t CO ₂ e)	1,519	717	-53	391	-74	796	-48	584	-62
Scope 3 (t CO ₂ e)	7,075	4,471		4,087		5,735		4,630	
Total	8,595	5,188	-40	4,478	-48	6,531	-24	5,214	-39

Figure 10: Blackstone Emissions Reduction Program

U.N. SDGs

The United Nations Sustainable Development Goals (SDGs) constitute a set of intertwined targets that serve as a shared blueprint for peace and prosperity for people and the planet, now and into the future. The SDGs cover poverty and hunger alleviation, well-being, education, responsible consumption and sustainable resource use. The goals, which connect environmental, social and economic aspects of sustainable development, comprise a call to action that corporate organizations must respond to. Sphera has identified eight Sustainable Development Goals that we are well positioned to work toward:



Figure 11: Sphera’s SDGs

The key goals are tied to our sustainability endeavors and material topics. Below, we map Sphera’s key material areas to the relevant U.N. SDGs.

Sphera’s material topics	Corresponding material SDGs	Sphera’s material topics	Corresponding material SDGs
Cybersecurity	 	Non-discrimination	  
Client satisfaction	 	Diversity, equity and inclusion	  
Product and service excellence	  	Employee health and well-being	  
Research, innovation and thought leadership	 	Flexible working environment	 
Data privacy	 	Net-zero/decarbonization commitment (Enabling client sustainability)	 
Ethics and integrity	  	Emissions and climate change strategy	  
Training and education	  	Enabling resource efficiency and circular economy	  
Talent attraction and retention	  		

Figure 12: Sphera’s material topics and SDGs

An aerial photograph of a lush green agricultural field, likely corn, with a winding road and a small orange tree. The word "Environmental" is overlaid in white text.

Environmental



Sphera’s environmental impact

SPHERA’S METHODOLOGY

During 2023, Sphera continued to focus on our emissions and climate change strategy. As part of our efforts in this area, we also submitted our targets to the rigorous validation process of the Science Based Targets initiative (SBTi), aligning our operations with the Paris Agreement goals. These commitments guide our approach to the analysis of our energy consumption and emissions quantification, allowing us to improve our current methodologies.

In this report, our emissions analysis draws upon the capabilities of our SpheraCloud® Corporate Sustainability platform, following Greenhouse Gas (GHG) Protocol guidelines and a methodology based on operational control. Data was collected from all activities controlled by Sphera.

Multiple resources were utilized for calculating GHG emissions, including Sphera’s Managed LCA Data and various internationally standardized emission factor libraries, including Department for Environmental, Food and Rural Affairs (DEFRA), Reliable Disclosure Systems for Europe (Re-Diss) and U.S. Environmentally-Extended Input-Output (USEEIO) factors. Moreover, our expertise and robust data assets enabled the development of a tailored LCA model, which is particularly beneficial for Scope 3 categories like the emissions linked to data hosting and remote work.

Emissions data throughout this report is standardized as carbon dioxide equivalent (CO2e), encompassing all seven Kyoto Protocol Gases (according to IPCC AR5 GWP 100 excluding biogenic) as mandated by Global Reporting Initiative (GRI) Standards, the GHG Protocol and the Sustainability Accounting Standards Board (SASB).

Our approach for data collection, calculation and, where necessary, estimation are detailed within our sustainability reporting protocol. Offices falling below 25 square meters in size or with an employee threshold below five employees were deemed “de minimis” and excluded from office energy data collection. The associated emissions from these offices contributed less than 1% of our Scope 1 and 2 emissions.

For offices where energy information was unavailable, we employed an extrapolation and estimation approach. Our energy estimations, based on floor-space intensity, were consistently applied for prior years and the current collection period.

It’s important to note that the information presented herein reflects the data available at the time of publication. As our knowledge base and emission factors evolve, we are committed to updating our data and disclosing any restatements in subsequent reports. Additionally, data adjustments may occur as part of our SBTi verification process.

Identify potential material topics

At Sphera, we remain firm in our conviction that every action, innovation and collaboration holds the potential to create a safer, more sustainable and productive world.

In this section, we highlight our environmental initiatives, strategies and performance metrics to offer a full overview of our efforts to minimize environmental impact, drive positive change and foster a more sustainable future.

Our environmental material topics:

- Net-zero decarbonization commitment (enabling client sustainability): empowering our clients to achieve their own sustainability goals through our innovative consulting services and cutting-edge SaaS solutions
- Sphera’s emissions and climate change strategy: continuously reducing our own environmental footprint and implementing a comprehensive climate change strategy
- Enabling resource efficiency and circular economy: promoting circularity principles and resource efficiency throughout our value chain and beyond through products such as our LCA solutions and our internal expertise





GHG emissions

Overview

In 2023, Sphera achieved a 20.17% reduction in its GHG footprint from the previous year, with emissions totaling 5,214 metric tons of carbon dioxide equivalent (t CO₂e). This marked a notable decrease of 39% from our baseline year of 2019, when emissions amounted to 8,595 t CO₂e. The breakdown of our footprint revealed that:

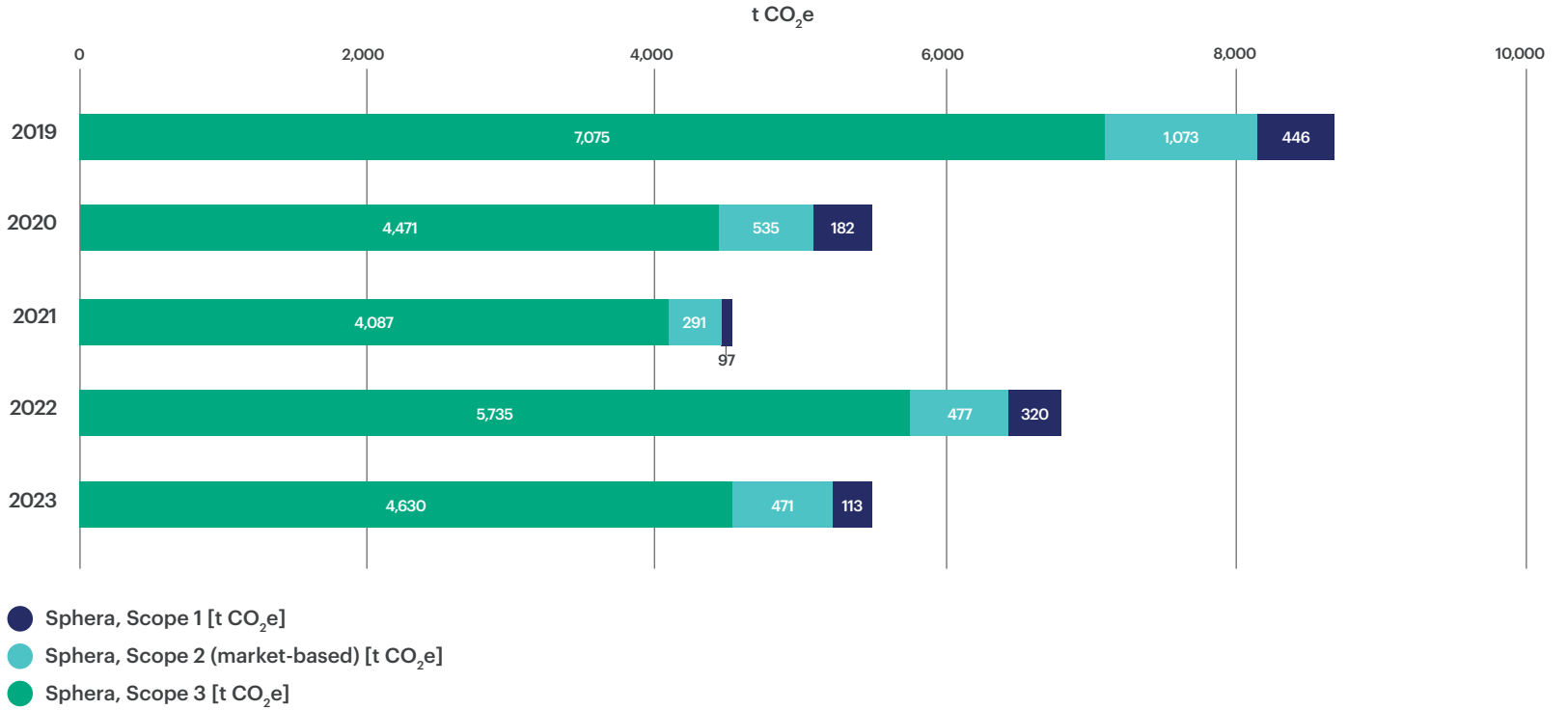
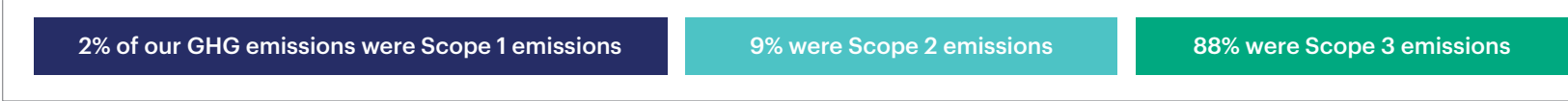


Figure 13: GHG emissions [t CO₂e] 2019 - 2023

Scope 1 and 2 overview

Our analysis identified electricity consumption as the primary contributor to our Scope 1 and Scope 2 emissions, representing 78% of our total Scope 1 and 2 emissions (455 t CO₂e). This was followed by office energy and company vehicles, collectively accounting for 18% of our Scope 1 and 2 emissions. Fugitive emissions and district heating made up less than 4% of our total Scope 1 and 2 emissions.

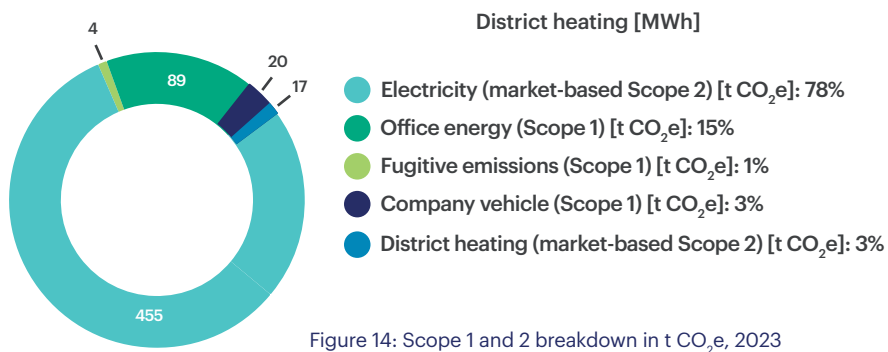


Figure 14: Scope 1 and 2 breakdown in t CO₂e, 2023

We observed a further decrease in Scope 2 emissions using both location-based and market-based methodologies. The location-based calculation yielded 460 t CO₂e, while the market-based approach resulted in 471 t CO₂e.

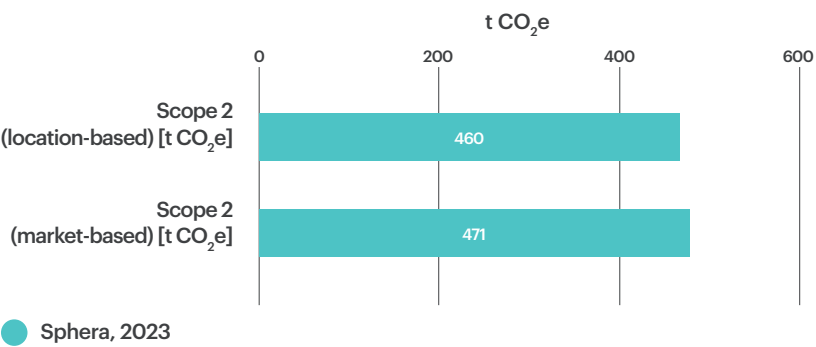


Figure 15: Scope 2 GHG Emissions (location-based vs. market-based) in t CO₂e, 2023

Upon normalizing our Scope 1 and Scope 2 (market-based) GHG emissions (excluding company vehicles) by office area and number of office-based colleagues, we noted a slight change in emissions intensity in 2023.

By office area

In 2023, our intensity for Scope 1 and Scope 2 (market-based) GHG emissions (excluding company vehicles) by office area was 0.04 tons of CO₂e per square meter, as compared to 2022 figures of 0.05 t CO₂e per square meter, which demonstrates a 4.29% reduction.

By office-based colleagues (FTE)

In 2023, our intensity for Scope 1 and Scope 2 (market-based) GHG emissions (excluding company vehicles) by the average number of office-based colleagues constituted 1.15 tons of CO₂e per one employee, as compared to 2022 figures of 1 t CO₂e per employee, which demonstrates a 15% increase.

	Sphera		
	2022	2023	+/- [%]
Scope 1 (office energy) and Scope 2 per employee [kg CO ₂ e / employees]	1,002.26	1,148.22	+14.56
Scope 1 (office energy) and Scope 2 per office area [kg CO ₂ e / m ²]	46.27	44.94	-2.88

Figure 16: Emissions intensities: 2022-2023 comparison*

** Please note that the above intensities do not include emissions from remote colleagues.*



Scope 3 overview

The majority of Sphera’s emissions fall within Scope 3, encompassing all indirect emissions across our value chain. Following an analysis of emissions hotspots and a comprehensive review of the 15 categories outlined by the GHG Protocol, we have identified the key areas of impact within our Scope 3 emissions, as listed below:



Figure 17: Sphera’s Scope 3 categories

In 2023, Sphera’s Scope 3 emissions totaled 4,630 t CO₂e, compared to 5,735 t CO₂e in 2022. The largest contributor to our Scope 3 emissions in 2023 was purchased goods and services, accounting for 64% of overall Scope 3 emissions, followed by business travel, which constituted 21% of total Scope 3 emissions.

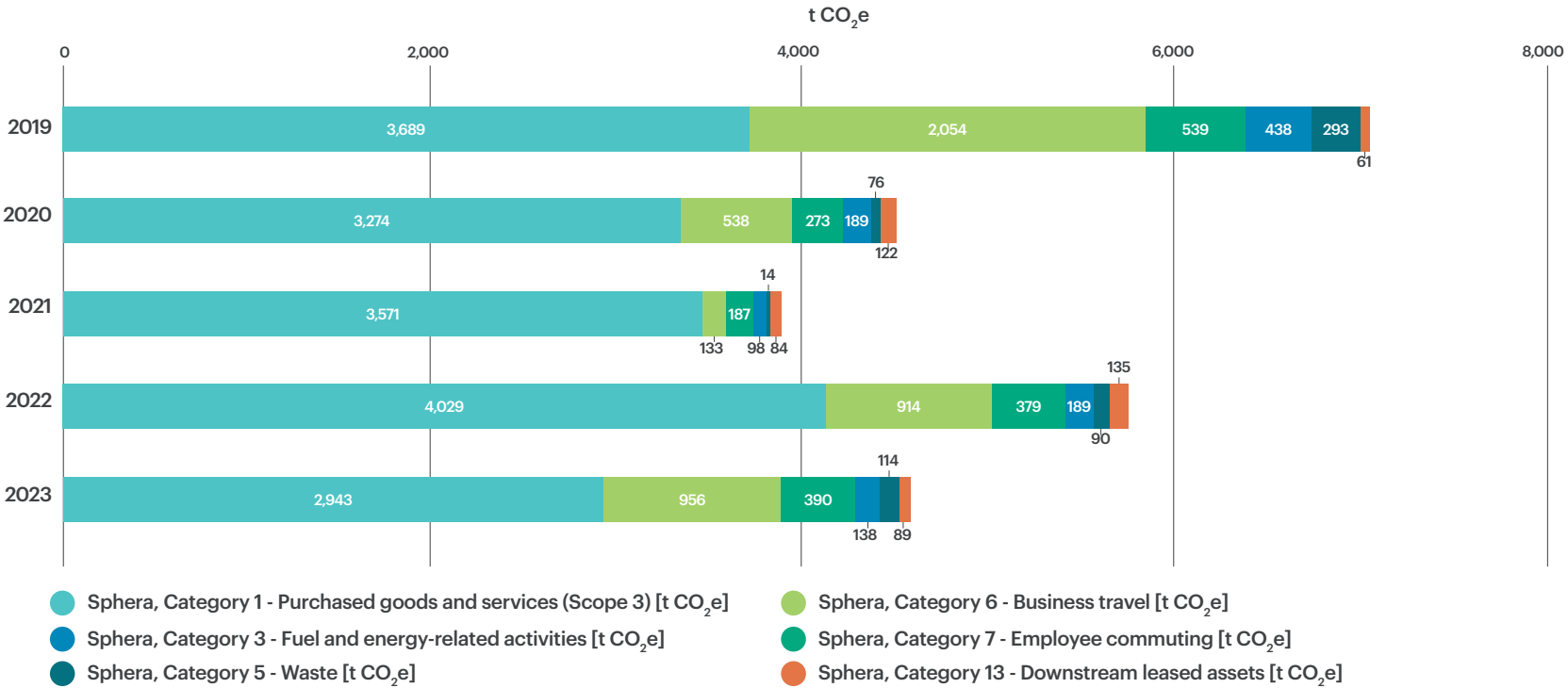


Figure 18: Scope 3 GHG emissions in t CO₂e, 2023

Compared to our baseline year of 2019, we observed a 35% decrease in Scope 3 emissions in 2023. Notably, there was a significant 20% reduction within our purchased goods and services category - our largest emitting category, which represents 64% of our total Scope 3. Further, we achieved a 53% reduction in emissions from one of our primary sources, business travel, compared to the baseline year.

Category 7, which encompasses emissions related to employee commuting and remote work, exhibited a 28% decrease compared to 2019. To enhance our tracking of emissions in this category, we conducted an employee commuting survey in 2023 to improve our approach to analyzing travel modes and distances. We also conducted our own LCA to track the emissions generated through work-from-home arrangements.

Emissions related to office fuel and energy usage and the waste generated within our offices decreased in comparison to 2022, due to the reduction in office use as we move to a more hybrid working arrangement and fewer offices.

Energy usage

Sphera’s office energy consumption primarily relies on electricity and natural gas, constituting 67% and 24% of our energy usage in 2023, respectively. Additionally, we utilize diesel, fuel oil and district heating. In 2023, Sphera’s total office energy consumption amounted to 1,520 MWh, a 17% reduction from 1,837 MWh in 2022 that is primarily attributed to the ongoing reduction in the number of offices and the utilization of a hybrid working mode.

Recognizing the need to mitigate our office energy impact, Sphera is actively exploring the transition to certified renewable energy sources to further minimize our environmental footprint. We aim to increase the proportion of renewable energy within our energy mix, having already made strides in several offices. Going forward, we plan to collaborate closely with building management teams and our real estate committee to identify opportunities for transitioning to renewable energy in additional offices. In 2023, 15% of our electricity consumption originated from renewable sources.

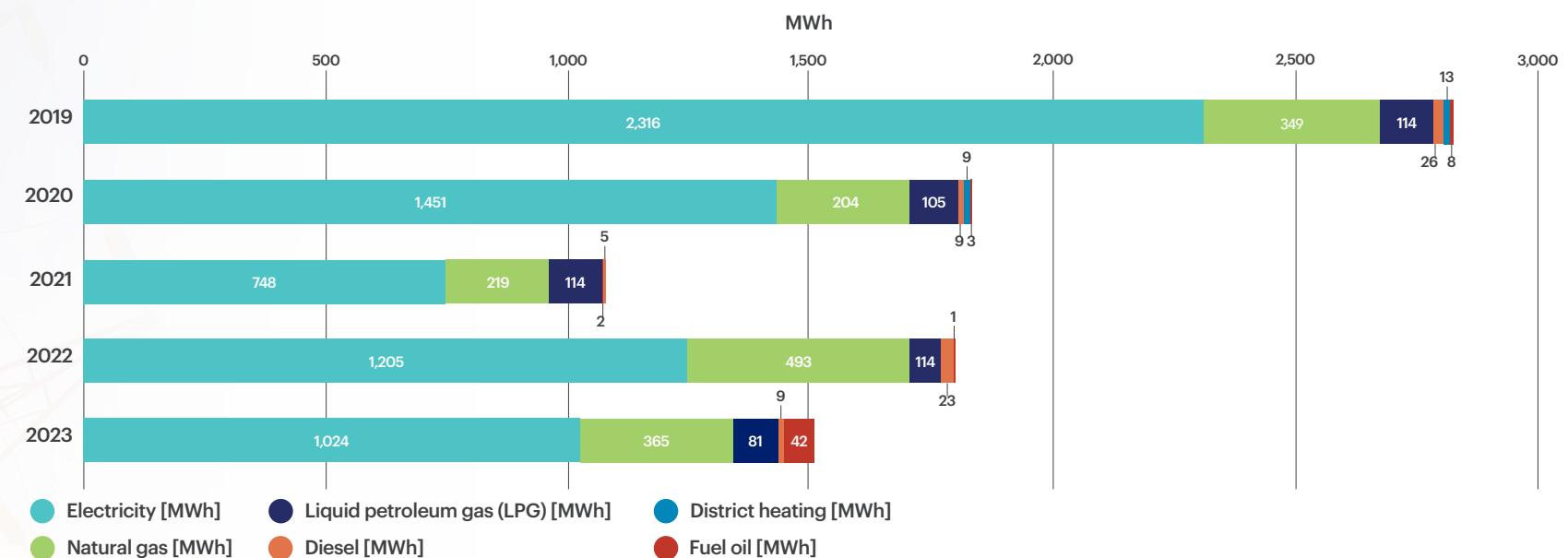


Figure 19: Sphera office energy in MWh, 2019 - 2023

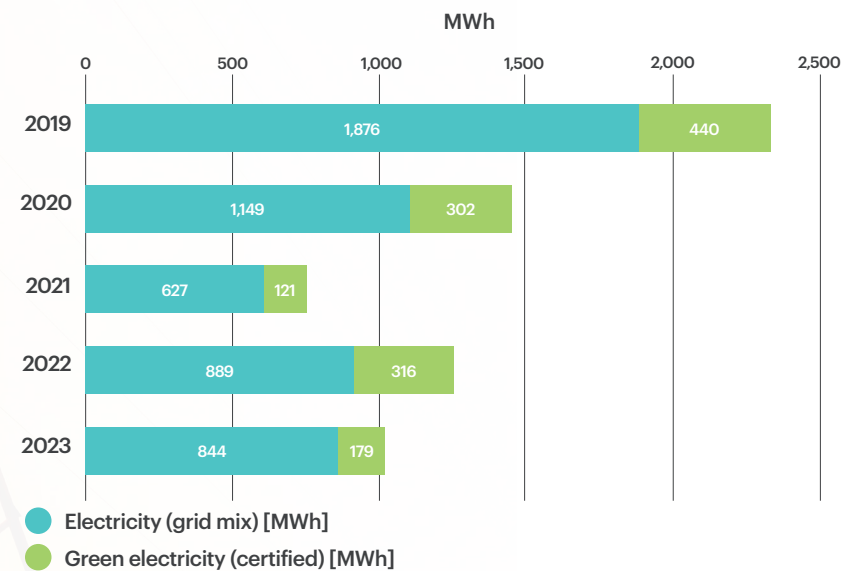


Figure 20: Electricity (non-renewable vs. renewable) in MWh, 2019 - 2023

In 2023, Sphera’s North America region contributed 43% of our office energy footprint; followed by Europe, the Middle East and Africa (EMEA) with 42%; and Asia-Pacific (APAC) with 15%.

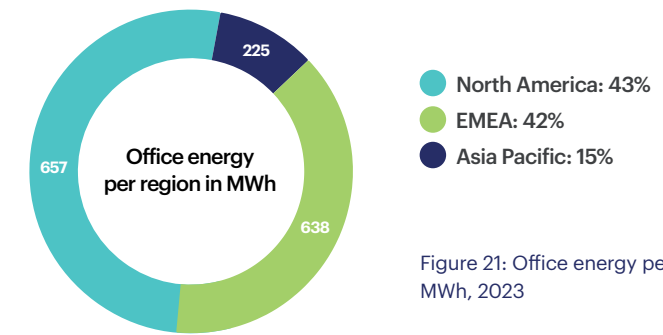


Figure 21: Office energy per region in MWh, 2023

Social



Our people and culture

At Sphera, we recognize the pivotal role our people play in shaping our impact. Central to our ethos is the belief that nurturing colleague development, prioritizing well-being and fostering engagement are central to our success. Through a commitment to internal recognition, training and ongoing development opportunities, we enable our colleagues with the tools and resources they need to thrive within our organization, serve our clients and actively contribute to addressing the sustainability challenges of our time.

Our social material topics:

- Talent attraction and retention: We actively cultivate a workplace environment that nurtures professional growth, fosters collaboration and values diverse perspectives. This approach allows us to attract and retain the best and brightest minds in our industry.
- Equal opportunity and inclusion: We are committed to cultivating a workforce that fosters inclusion, provides for equal opportunities, and reflects the diversity of the communities we serve. We believe that inclusion and collaboration drives innovation and fosters creativity.
- Training and education: We invest in learning and development opportunities for our colleagues, equipping them with the skills they need to excel in their roles and thrive in a rapidly evolving landscape.
- Colleague Health and well-being: We understand the importance of prioritizing colleague well-being and strive to create a supportive work environment. This includes offering comprehensive healthcare benefits, promoting work-life balance and championing mental health awareness and support initiatives.
- A flexible working environment: We recognize the significance of flexibility in today's dynamic work landscape. Our dedication to a flexible working environment empowers colleagues to achieve work-life balance, pursue personal and professional goals and adapt to changing circumstances with agility and resilience.

We understand that our colleagues are the driving force behind our success, enabling us to create a safer, more sustainable and productive world. We believe that by promoting an environment where diverse perspectives are valued and creativity is encouraged, we can drive meaningful change and stay at the forefront of our industry.



"Sphera's global team is forward-thinking and committed to learning and knowledge-sharing. They fuel our approach to innovation. By nurturing this culture, we cultivate an environment where our colleagues and company can thrive."

Kimberly Kolb
Chief Human Resources Officer





Colleague engagement

In 2023, we had an outstanding 88% participation rate in our annual colleague survey, which surpassed our 85% goal. We received a 71% favorable engagement score.

Our engagement score is comprised of our colleagues’ perceptions around three areas:

- 1. Say - Colleagues consistently speak positively about the organization to co-workers, potential associates and customers.
- 2. Stay - Colleagues have an intense desire to be a member of the organization.
- 3. Strive - Colleagues exert extra effort and engage in work that contributes to business success.

Annual Safety and Sustainability Day

During our 7th annual Safety and Sustainability Day, our sites and remote-based colleagues held activities either virtually or in person. Our activities included: park and river cleanups in London, Toronto and Chicago; kitchen garden workshops in Montreal; and visits to different environmental education institutions in Stuttgart, Wroclaw and Chicago. Talks on safety and sustainability were also held, as well as a visit to an off-shore windfarm in Aberdeen and even junk art sessions through which our Bangalore colleagues were able to create pieces made from upcycled materials like e-waste and plastic. In Houston, our colleagues volunteered at a food bank, and in Overmoor, our colleagues volunteered at an animal sanctuary. These activities were preceded or followed by social gatherings for our colleagues.

Engagement survey

Following our colleague survey, we developed a series of actions that allow us to drill down in different focus areas. As we continue to evolve, we remain committed to nurturing a culture in which every colleague is empowered to thrive, innovate and make a positive impact on the world around us.

Area of focus	Actions
Enablement	• We transitioned our annual goal-setting process into our HRIS system. • We created PMO standardization in our services group by way of formalizing documentation and providing consistent communication of processes and tools.
Leadership	• In addition to some regional action plans, our ELT members developed functional action plans to address feedback specific to their groups and across functions as well. • We created an additional communications channel to enable informal connections and engagement between global colleagues.
Growth & development	• We delivered updates to career paths for our legal, services and marketing groups. • We revamped our services onboarding and internal training process to further equip our colleagues with additional tools and resources.

Figure 22: Engagement Survey - Key Focus Areas and Actions

Investing in our colleagues

Through cross-functional collaboration, idea-sharing platforms and innovation hubs, we empower our colleagues to think boldly, challenge the status quo and pioneer new solutions that address complex challenges and create value for our stakeholders. At Sphera we recognize that our greatest asset is our people. Their talent, dedication and diverse perspectives are the driving force behind our success and our commitment to building a safer, more sustainable and productive world.

We strive to create a dynamic environment where professional and personal growth is encouraged and supported through multiple avenues:

- 1. **Coaching, mentoring and on-the-job experience** - Through their involvement in projects and daily work, our colleagues gain practical experience which furthers their expertise.
- 2. **Upskilling and reskilling** - We offer training programs and internal resources, such as Sphera U and Sphera Academy, which are aligned with industry trends so our colleagues can gain the latest tools and knowledge.
- 3. **Career planning** - We host quarterly career and performance discussions to ensure our colleagues understand their career trajectory and the internal opportunities that are available to them based on their strengths and aspirations.
- 4. **Learning culture** - To create a culture of continuous learning, we encourage cross-functional knowledge-sharing by hosting internal workshops, providing access to external learning platforms and allocating time for professional development.

New hires must complete a series of foundational courses that provide an in-depth introduction to Sphera and its products, as well as relevant subject matter. In 2023, we also continued to offer access to external learning platforms, which provided hours of learning for our employees.

- **LinkedIn Learning:** Spherions completed 1,228 hours.
- **O'Reilly Media:** Spherions viewed 653 hours of content.





Recognizing our colleagues

We believe that our colleagues are motivated to put their best foot forward when they feel valued and appreciated. We have found that fostering a positive and productive culture boosts morale and encourages innovation.

We have developed a multifaceted approach to colleague recognition.

- **Spherion awards:** Our internal awards program helps us recognize colleagues who embody our core values - accountable, action-oriented, collaborative, customer-centric and innovative. Through nominations from peers, we recognize colleagues who consistently demonstrate these values, showcasing their exceptional contributions to the company. These quarterly awards come with company-wide recognition, rewards and the opportunity to inspire others. During 2023, 420 colleagues were nominated and 22 awards were presented, including one for Spherion of the Year.
- **Shout-out tools:** Beyond formal awards, we actively practice a culture of ongoing appreciation. Our public praise wall allows colleagues to send and receive “shout-outs” for accomplishments big and small.

Using this combined approach, Sphera creates numerous opportunities to recognize employees and ensure that they feel valued and appreciated. It also reinforces our core values and creates a positive feedback loop that drives continued success for our colleagues and our company.

Talent attraction and retention

We are dedicated to cultivating an engaged and collaborative workforce, and we remain committed to talent attraction and retention. Recognizing that our success hinges on our people, we prioritize the recruitment and support of our accomplished colleagues, who embody our values and mission.

With this in mind, our goal remains to:

- Establish ourselves as an employer of choice.
- Enhance our capacity to draw from a broad talent pool and recognize the versatility of talent available.
- Sustain retention by fostering a culture of engagement, motivation and appreciation.



Employee retention, promotions and internal movement

Our recruitment philosophy is anchored in our long-term vision, facilitating the internal mobility and upward trajectory of our colleagues. We provide training to our managers, enabling them to facilitate meaningful career development dialogues and explore potential growth avenues with their teams. We also use internal surveys to solicit feedback from our colleagues, which helps us gauge engagement and satisfaction levels and steer our efforts toward targeted solutions and performance benchmarks.

We are proud to say that our attrition rate continues to be below the industry standard rate of 22%, this year remaining at 19%.

Attracting talent

Our investment in talent acquisition extends beyond mere recruitment—it encompasses an alignment with our organizational goals and customer requirements. To sustain our ability to attract top-tier talent from varied backgrounds, we review all job postings to ensure the use of inclusive language. From the outset, we transparently communicate our recruitment process to candidates.

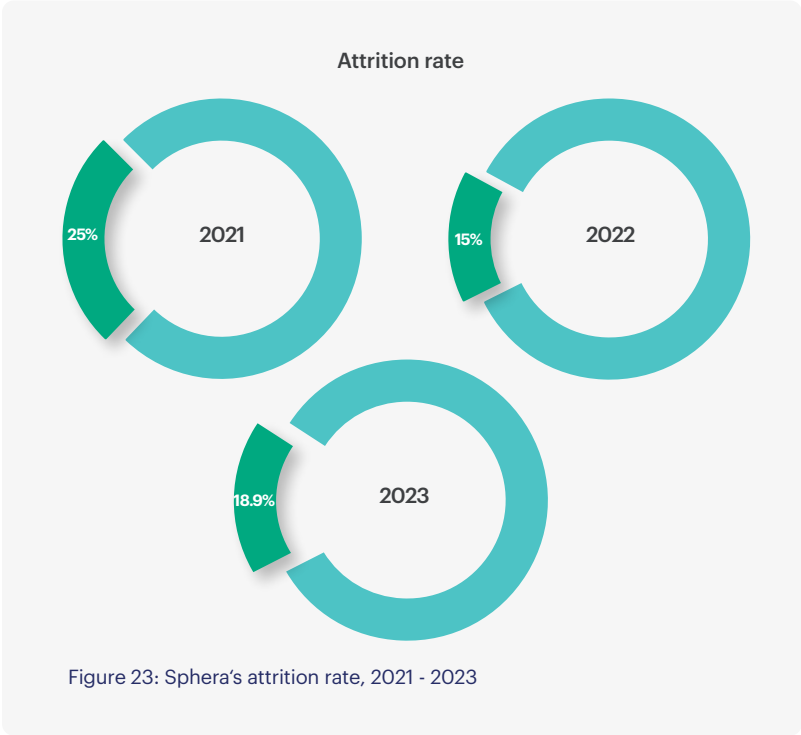


Figure 23: Sphera's attrition rate, 2021 - 2023



Intern program

We continued our Ukraine internship program throughout 2023 after the success we experienced in the previous year. By placing interns in departments such as sales, corporate development, services and technology, the program has provided participants with real-world experience to help them in their career journeys. Interns were actively engaged in projects and offered networking opportunities with the executive leadership team and other teams within Sphera.

Equal opportunity and inclusion

At Sphera, we champion equal opportunity and inclusion as a catalyst for innovation and creativity, and we strive to cultivate an environment where every individual is not only valued and respected but also empowered to contribute their unique perspectives and experiences. We hold leaders at every level accountable for fostering a culture of equality and inclusion.

In 2023, our global team grew by 11%, with women making up 40% of all colleagues.

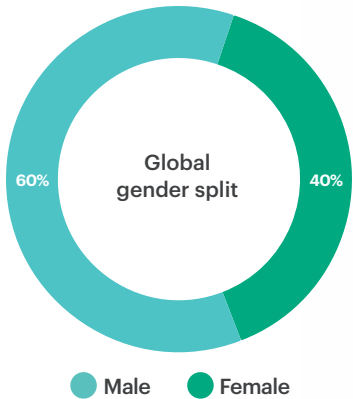


Figure 24: Global gender split, 2023

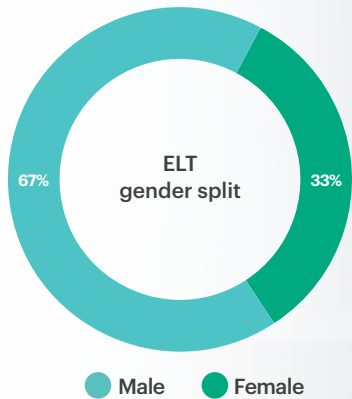


Figure 25: ELT gender split, 2023

During 2023, we provided resources to help our employees increase their understanding of our inclusive culture. These resources include unconscious bias training, skill-building initiatives and leadership development programs, as well as colleague resource groups and networks. These platforms are crucial to building a sense of belonging and community and empowering our employees to thrive inside and outside our organization.





Sphera’s Colleague Resource Groups (CRGs)

At Sphera, a CRG is a group of Sphera employees who share common interests and goals. These groups are formed by colleagues for colleagues, and they provide an opportunity for colleagues to network, create personal connections and collaborate. All these groups have developed initiatives in well-being, coaching and inclusive collaboration.

Women’s CRG – Women Excel, Grow, Empower, Transform (WEGET)

The WEGET CRG was started by colleagues to connect women and others throughout the organization to share their experiences, network and learn. Over the years, WEGET has evolved to not only do that but to also provide an annual, company-wide, six-month mentorship program. All colleagues are welcomed and encouraged to join this group, support its mission and share their perspective.

Mentorship program:

- The main goal of this program is to help mentees unlock their full potential. Mentees are paired with experienced Sphera leaders based on their specific interests. Throughout the six months, mentees receive 1:1 mentorship through which they can broaden their careers and achieve personal growth. During 2023 there was a 103% increase in mentorship pairs from 2022.

Fostering network opportunities:

- Regular WEGET events bring together people from different departments and levels of the organization to forge connections and ignite career ambitions.

Professional development for all:

- Periodic sessions are dedicated to specific topics like public speaking and owning your career journey.

Leadership panel discussions:

- The leadership panel discussion event in 2023 was one of WEGET’s most popular events. The event’s panel was made up of eight leaders from Sphera’s operational and executive leadership teams. Panel members and participants discussed topics such as creating a personal brand, dealing with imposter syndrome, work-life balance, initiating difficult conversations and career changes and advice.

Well-Being CRG

The Well-Being CRG was started by colleagues to promote the importance of well-being in Sphera’s culture. During 2023 the group conducted a 30-day yoga challenge and presented sessions on chair yoga and ergonomics. In addition, there was a focus on World Mental Health Day, where tips on mental health well-being were shared with colleagues. All colleagues are welcomed and encouraged to join this group, support its mission and share their perspective.

Black Employee Solidarity Team (BEST)

Our Black Employee Solidarity Team (BEST) CRG is a colleague-led group that aims to foster connection, networking and understanding that enables our colleagues to be better allies with their Black colleagues, as well as the larger community. All colleagues are welcomed and encouraged to join this group, support its mission and share their perspectives.



In 2023, BEST hosted a spotlight campaign for Black History Month that highlighted influential individuals who made significant contributions to sectors such as science, arts and politics. (Black History Month is held in February in the U.S. and in October in the U.K.) Other activities included the observance of Juneteenth and the sharing of prevalent well-being issues within the Black community during our 2023 Well-Being Challenge run by our Well-Being CRG.



Flexible working environment and employee health and well-being

In response to evolving workplace dynamics and the prioritization of employee well-being, Sphera embraces a flexible work environment, recognizing that flexibility is crucial for fostering a healthy work-life balance, enhancing job satisfaction and promoting productivity.

We have implemented comprehensive remote work policies that empower employees to work from locations that best suit their needs. Sphera’s technology infrastructure and equipment ensure that colleagues have the necessary tools and resources to seamlessly collaborate and perform tasks from any convenient location.

Sphera Well-Being Challenge

Our Well-Being CRG is responsible for conducting our “Well-Being Challenge,” where employees have an opportunity to engage in physical activities and share mindfulness resources with colleagues.

Total steps: 46,501,309 (an increase from 24,943,570 steps in 2022)

Total miles: 21,743 miles (an increase from 11,682 miles in 2022)

Sphera’s commitment to colleague health and well-being includes traditional benefits, as well as aims to create a holistic environment that supports physical, mental and social well-being. Across the organization, various Sphera offices support thematic workshops and team-building exercises that focus on well-being.

For our annual Safety and Sustainability Day, among other events, numerous exhibitions were held promoting mental health prioritization and environmental awareness. In conjunction with environmental and nature topics, the “greening” and “plants donation” projects took place across several Sphera sites, dedicated to greenery planting events, waste artefacts recycling and related team-building exercises. Our Well-Being CRG is responsible for conducting our “Well-Being Challenge,” where employees have an opportunity to engage in physical activities and share mindfulness resources with colleagues.



Governance

At Sphera, we recognize that good governance is essential for fostering trust, transparency and accountability with our customers, employees and other stakeholders. We have implemented governance policies and processes that are designed not only to fulfill our legal obligations, but also to demonstrate excellence in our products and services, research, innovation and thought leadership, and to provide the highest levels of customer satisfaction. Our governance standards demonstrate our commitment to delivering value and driving positive impact on our stakeholders and the world.

Our governance material topics are:

- **Ethics and integrity:** We prioritize robust and transparent governance practices and ethical standards. Our commitment to ethical behavior extends to all Sphera employees, officer and directors, as well as our suppliers and other business partners.
- **Cybersecurity:** We continuously adapt our technologies to protect against digital threats and ensure robust security measures are in place to safeguard our systems and data.
- **Data privacy:** We stress the importance of protecting personal data from unauthorized access, corruption and theft, reflecting our commitment to privacy rights and stakeholder trust.
- **Research, innovation and thought leadership:** Through ongoing research and innovation, we seek to maintain our position as an industry leader, delivering new products and processes that exceed customer expectations and address market demands.
- **Customer satisfaction:** We emphasize communication and the proactive identification of customer needs to foster long-term partnerships built on trust, collaboration and mutual success.
- **Product and service excellence:** We aim to consistently deliver the highest quality products, services and support to our customers to exceed industry standards and provide unmatched value and performance.

Our board and executive leadership team

Sphera’s mission of making a safer, more sustainable and productive world starts at the top. Our governance structure allows for the effective oversight of organizational performance and material business risks and is designed to ensure ethical decision-making. Our board of directors — the chief decision-making body at Sphera — has responsibility for oversight of Sphera’s strategic development, values, business offerings, productivity and performance, as well as our sustainability initiatives and efforts.

Our directors bring a breadth of experience, including in the areas of finance, technology, risk and sustainability. The board meets at least quarterly in person to review the performance of the organization and to discuss company goals, material risks and strategic plans. The board appoints our executive leadership team (ELT) members and supports and advises them on matters that are fundamental to the business and its stakeholders. The ELT is tasked with managing Sphera’s day-to-day operations.

In August 2023, Naved Siddique was appointed as Sphera’s new Chief Product Officer to lead the product organization and drive the company’s product roadmap. At the conclusion of 2023, the Sphera ELT consisted of six male members and three female members.



Figure 26: Sphera’s executive leadership team as of December 2023

Ethics and integrity

All colleagues have the responsibility to act ethically, with integrity and accountability at all times —toward each other, our customers, suppliers, other business partners, local governments, communities and all other stakeholders. As a signatory to the U.N. Global Compact, we are committed to upholding the highest standards in conducting our business. Our internal policies and practices are designed to enable us to operate ethically and lawfully, according to those standards.

Our approach

At Sphera, we have a robust ethics and compliance program managed by our legal and compliance team in collaboration with our human resources and information security colleagues. Sphera’s general counsel and ELT have oversight of this program.

In 2023, we updated our global code of conduct to ensure it aligns with our current practices and expectations, and we trained our global team on the new code. The code outlines the responsibilities of all employees with respect to ethics, compliance and business conduct. It serves as a guide for decision-making, providing information regarding the most common ethical and legal questions that employees may face in their day-to-day activities as company ambassadors. Sphera’s global code of conduct covers the following topics:

- Diversity and inclusion
- Workplace health and safety
- Conflicts of interest
- Privacy and confidentiality
- Acceptable use of it systems
- Record-keeping and retention
- Competition and fair dealing
- Protection of company assets
- Anti-corruption, anti-bribery and anti-money laundering
- Trade controls
- Human rights
- Corporate sustainability
- Reporting, investigations and non-retaliation

Our code of conduct applies to our board of directors, our officers and all colleagues in all locations in which Sphera operates, as well as to other Sphera stakeholders, business partners and representatives who do business with or represent Sphera. The code is reviewed periodically for appropriate updates, and all changes must be approved by the Sphera board of directors.

Sphera has requirements in place for all colleagues to complete training on our code of conduct within the first 30 days of starting with the company. In addition to the topics covered by the code, the compliance program includes training on a broad range of other HR, compliance and information security topics.

To confirm their understanding and adherence to our code of conduct and other company policies, colleagues are required to complete an attestation when joining Sphera and on an annual basis thereafter. People managers are required to take additional training on topics such as sexual harassment and unconscious bias, and we have a team working to help ensure that colleagues in all locations complete our required training courses.

While our code of conduct is comprehensive, we understand that it may not anticipate every situation that may arise. To address this, we have an open-door policy that encourages employees to seek guidance or clarification from their managers, human resources or the legal department on any company policies, procedures or guidelines, particularly if they are unsure of whether a particular situation or action complies with the code or other company policy. In the event that a local law conflicts with our code of conduct or other company policies, the law always takes precedent.

If a breach of our code of conduct or violation of the law involving colleagues, contractors, suppliers or service providers is suspected, colleagues are requested to immediately report it to the legal department or to their HR or finance representative. Sphera also maintains an ethics reporting hotline, Ethicspoint, through which reports or inquiries (including anonymous reports) may be submitted.

Prompt investigation and appropriate actions are taken in response to reports, and any inquiries are addressed as quickly as possible. Reports are treated as confidentially 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



“Ethics, integrity and responsible governance form the foundation of everything we do at Sphera. Our commitment to ethical conduct guides the decisions we make to help us best serve our customers, colleagues and others around the world.”

Michelle Belew
General Council

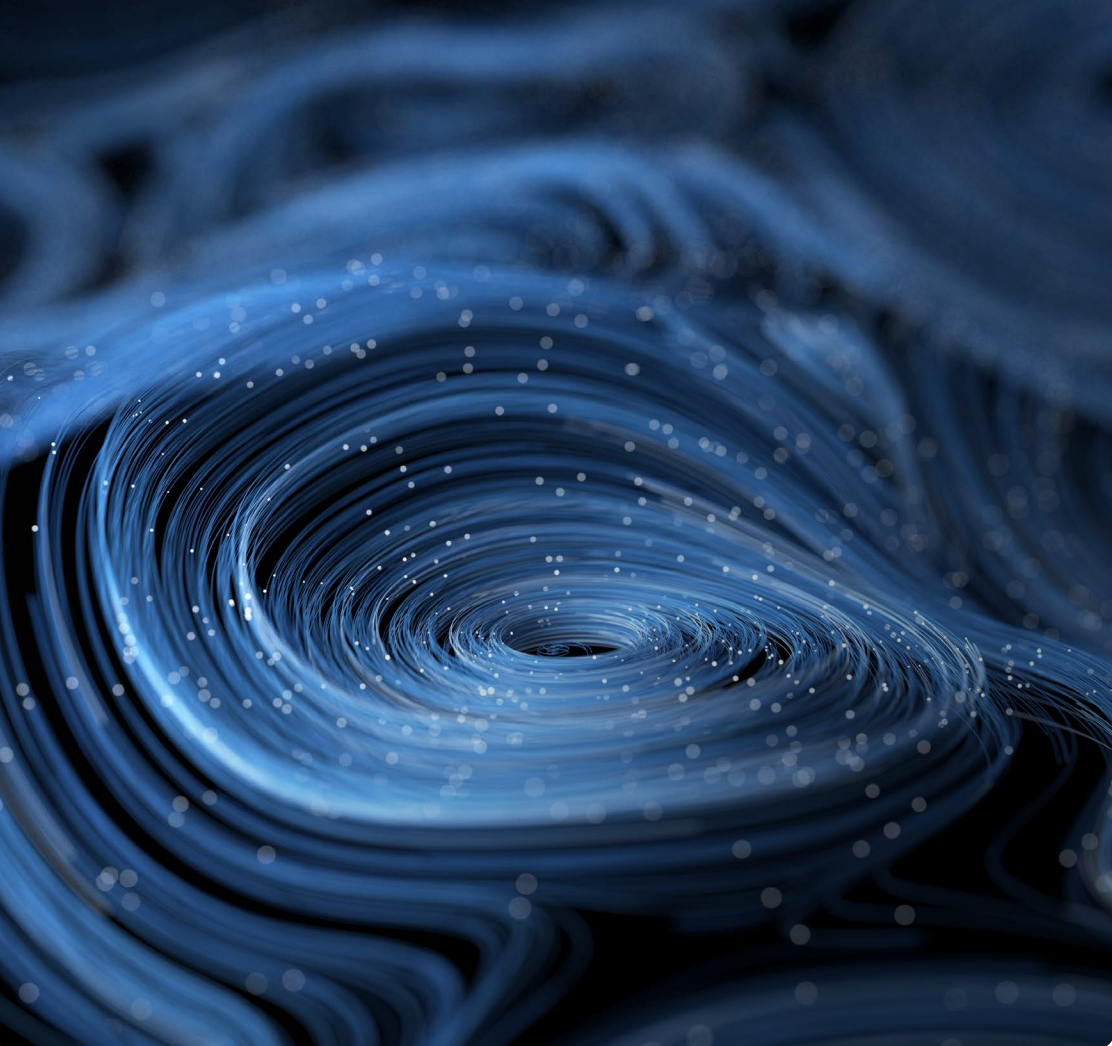
code of conduct, company policy or the law, we will initiate appropriate corrective action with the parties involved. We may also report misconduct or violations to the corresponding authorities, as required or otherwise appropriate.

At Sphera we are committed to maintaining a workplace and a supply chain where workers are treated with respect and dignity, 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, 2022, and December 31, 2023. It can be found [here](#).

We hold our vendors, suppliers and customers to the same high standard of conduct and ethics that we require of colleagues, requiring through our contracts and in our policies that they adhere to the law and ethical business practices. We may decline business with a third party if there are doubts about its conduct or practices.

Freedom of association

We recognize the importance of freedom of association, which 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 these rights freely and to create an environment in which employees are comfortable doing so.



“Throughout 2023, we continued to harness innovation and leverage cutting-edge digital solutions to fortify our workforce to be attuned to cybersecurity. Our commitment to technological advancement not only safeguards our operations but also empowers our global team to navigate the digital landscape with heightened awareness and resilience.”

David Schur
Chief Technology Officer

Cybersecurity and data privacy

We are committed to upholding the highest standards for confidentiality, responsibility and integrity when it comes to privacy and data protection. In an increasingly digital world, the threat to confidential data and personal information is real, and safeguarding the data of our employees, customers and all other stakeholders is of utmost priority.

During 2023, we continued to maintain our robust information security program based on the ISO 27001 standard and SOC 2 type 2 attestation. We are also proud to share that we achieved TISAX certification, one of our goals for 2023. Additionally, we implemented endpoint detect and response (EDR) across the organization. The EDR implementation has expanded Sphera’s ability to further monitor, detect and combat attacks.

We proactively assess vulnerabilities and continually deploy plans to improve and strengthen our data privacy and cybersecurity efforts, including through annual employee training on confidentiality, information security and data privacy. New employees are required to complete their training within 30 days of joining the company and then again on an annual basis. The technology team also conducts monthly internal phishing tests. The difficulty of this testing varies from month to month to help increase awareness and create cyber-aware employees. This type of testing has proven successful in identifying individuals for additional training.

Cybersecurity

Cybersecurity incidents are taken seriously at Sphera. We have established and maintain a robust incident response plan to promptly address any potential threats. The information security team, led by our chief information security officer (CISO), is responsible for managing and triaging incidents. With support from the legal and compliance teams, the information security team is well-equipped to take appropriate actions to mitigate any cyber incidents. Sphera has also established a formal incident response process that is regularly reviewed and updated, and our information security team works closely with other internal teams to provide a coordinated response to any incident.

In addition, Sphera maintains a detailed disaster recovery plan, which provides thorough 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 the ongoing delivery of business services during unforeseen events such as pandemics, natural disasters or other environmental disruptions.

In 2024, we will continue streamlining our information security training to make sure we have a cyber-aware workforce. We will also expand our penetration testing and maintain ISO, SOC 2 Type 2 and TISAX. Additionally, Sphera will self-certify with the EU-U.S. Data Privacy Framework.

Data privacy

One of the integral parts of our security program is our ISO 27001 certified information security management system (ISMS), which includes policies, processes and controls that address the prevalent threats to information security. Sphera also has a sophisticated data privacy program, managed by Sphera’s data protection officer (DPO). The program strictly adheres to the Sphera Data Privacy Policy, which covers the collection and use of data, access to data, audit and remediation to ensure the security of customer data and compliance with applicable privacy law. For further information on this policy, please [click here](#). During 2023, we strengthened individual privacy training for all ELT members.

Sphera’s 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 DPO@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.

Research, innovation and thought leadership

At Sphera, we believe that true leadership extends beyond impactful solutions; it also involves sharing our knowledge and insights with the broader community. Throughout 2023, we continued our dedication to thought leadership by delivering insightful content across various channels, ensuring that our expertise reached a wide variety of audiences worldwide. Through podcasts, white papers, webinars, events and blog posts, we aimed to spark meaningful discussions.

Events

Our participation in industry events and conferences allows us to connect with stakeholders, share our expertise and contribute to thought leadership discussions. Whether through keynote presentations, panel discussions or networking sessions, we remain committed to driving dialogue and advancing sustainability agendas. In 2023, we continued taking a hybrid approach to events that were hosted online and in person.

We hosted our own virtual ESG Summit in May 2023, with each day of the summit covering different sustainability challenges that companies face. Topics included decarbonization, creating the business case for life cycle assessment (LCA) automation, building resilient supply chains and more. With the right strategies, technology and expertise, companies can solve these challenges, improve their sustainability performance, mitigate risk and bolster their brand reputation.

We also supported 25 in-person events worldwide, giving us exposure to over 4,500 sustainability leaders.



Sponsorships:

We were proud to sponsor the Northwestern University Center for Engineering Sustainability and Resilience “Life Cycle Assessment (LCA) Workshop” to support the next generation of LCA experts. The workshop introduced graduate engineering students interested in applying LCA in their research to the fundamentals of using LCAs and provided guidance on their future careers.

In September 2023, we were also a sponsor of the Visionary 200 Sustainability Summit. This program addresses the most significant challenges that sustainability leaders face as they reduce their carbon footprint and build adaptable organizations for the future. During this summit, we facilitated a workshop titled “How to Begin Your ESG Journey – a Roadmap to ESG Success.”

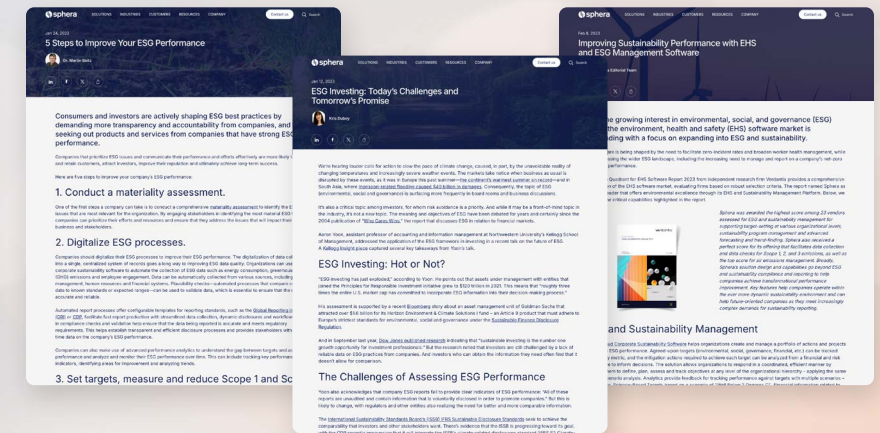
Solution insights:

We share our software, content and consultants’ expertise through blogs, white papers, infographics, webinars, videos and a comprehensive glossary section dedicated to safety, sustainability and productivity services and solutions. In 2023 alone, we hosted 30 webinars that had over 2,500 attendees, thus ensuring that our insights and knowledge were seen by the wider ESG community.

Spark:

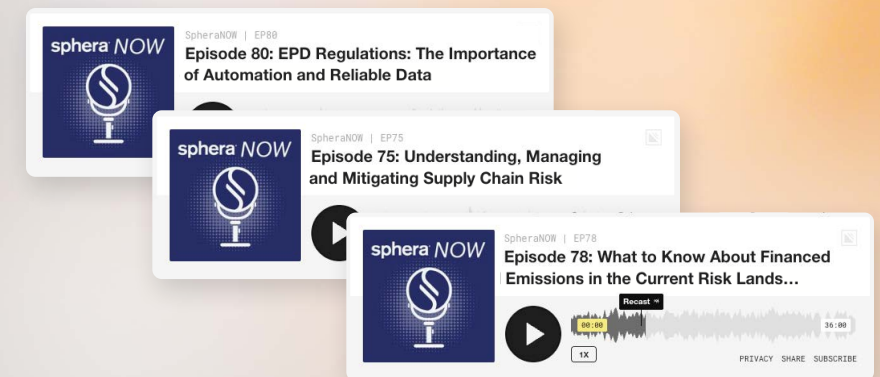
Our thought leadership repository serves as a hub for content created by Sphera’s content writers, subject matter experts and consultants. The aim is to spark conversations about safety, sustainability and productivity topics.

Top articles



Top podcasts

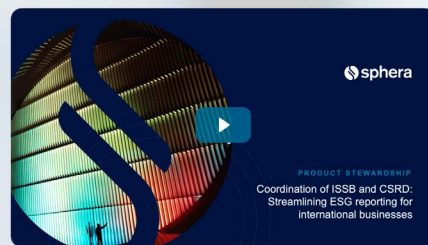
The SpheraNow Podcast offers thought-provoking and insightful discussions with our experts in environment, health, safety and sustainability (EHS&S); operational risk management (ORM); supply chain risk management (SCRM); and product stewardship. Listeners gain access to the latest news, regulation updates and industry insights.



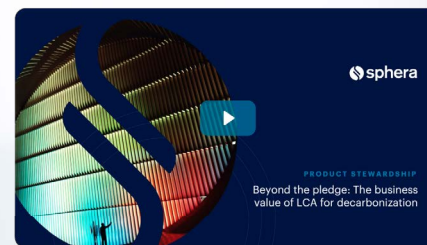
Top webinars



Sphera Managed LCA Content (MLC – formerly GaBi) annual release



Coordination of ISB and CSRD: Streamlining ESG reporting for international businesses



Beyond the Pledge: The business value of LCA for decarbonization

Figure 27: Sphera’s top articles, webinars, podcast, 2023

Sphera Process Safety Report

In 2023, we published our eighth annual Process Safety report.

This thought-provoking report was based on our international survey of 239 process safety and operational risk management professionals from more than 15 different industry segments, including Oil & Gas, Chemicals/ Petrochemicals, Energy and Construction.

To learn more about our Safety Report, please click [here](#).

Sphera Supply Chain Risk Report

A survey of more than 150 procurement and supply chain executives conducted by Sphera and Supply Chain Dive identified the gaps many organizations experience in their supply chain risk management and the changes they’re making to increase their vigilance and resilience.

To learn more about our Supply Chain Risk Report, please click [here](#).



“As thought leaders, we understand the power of shared knowledge. By fostering a culture of sharing, we drive innovation and navigate the ESG industry’s complexities.”

Megan Goldman
Vice President, Marketing

Safety Report key findings:

- One-third of scheduled, safety-critical maintenance is not achieved in a typical month.
- One hundred percent of respondents say that technology enables effective process safety and operational risk management - or will do so in the future.
- Fifty-two percent say loss of experienced personnel increases risk and impacts safety performance.
- Only 13% of companies take full advantage of the range of tools available for compliance and predictive decision-making.
- According to 86%, process safety management remains significant for ESG programs.

Figure 28: Sphera Process Safety Report

Supply Chain Risk Report key findings:

- Seventy-nine percent of respondents report 4% or more of revenue was lost to supply chain disruptions over the past three years.
- Disruption is greatest amongst tier 1 direct suppliers. This group represented the predominant source of disruption over the last 12 months (59%).
- Two thirds of respondents (66%) increased their budgets for supply chain risk management.

Figure 29: Sphera Supply Chain Risk Report



Sourcing Champions

In 2023, we launched our collaboration with Sourcing Champions, through which we hope to achieve full supply chain risk management (SCRM) process adoption within procurement organizations. Drawing upon a proven track record of successful procurement strategy and procure-tech implementation projects for multinational enterprises, Sourcing Champions contributes extensive experience and steadfast dedication to the partnership. Together, Sphera and Sourcing Champions bolster procurement transparency, setting the stage for comprehensive risk management and superior business outcomes. By prioritizing value protection through timely risk identification and mitigation strategies and fostering data-driven, strategic decision-making, the outcome is increased business resilience and agility.

Collaborations

American Center for Life Cycle Assessment

Sphera collaborates with the American Center for Life Cycle Assessment, a non-profit membership organization providing education, awareness, advocacy and communications to build capacity and knowledge of environmental Life Cycle Assessment (LCA).

Semiconductor Climate Consortium (SCC)

The SCC is focused on the challenges of climate change and works to speed industry value chain efforts to reduce greenhouse gas emissions in company operations and in other sectors of our value chain. Collaboration with the SCC includes sharing of accumulated knowledge and innovative technology, which will accelerate solutions to the most pressing problems.

Eco Platform

Sphera is one of the founding members of Eco Platform, an international non-profit association founded in 2013 that 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.

As founding members, Sphera also actively participates in Eco Platform’s Technical Working Group.



“It is vital that all businesses set the most ambitious, science-based targets to decarbonize their entire value chain. With Sphera as a provider of CDP Software and Science-Based Targets solutions, I am confident that companies have strong support to enable them to set targets and implement ambitious decarbonization strategies.”

Jenny Frings
Regional Director, Corporates and Supply Chains, U.K. & Worldwide, CDP

Customer satisfaction

Fostering strong relationships with our customers is paramount. We are dedicated to listening, understanding and responding to their evolving needs, ensuring that every interaction leaves a lasting impact.

Thousands of customers rely on our data, software and consulting services. Through regular customer engagement surveys, we seek feedback and insights to help us deliver tailored solutions and the best service possible. During 2023, we retained 100% of our tier 1 customers and achieved 109% net retention overall. We continued to meet the goals of our internal account management team to increase capacity and expanded the team that is dedicated to working closely with customers.

Our Sphera Customer Network (SCN) continued to give us an efficient and effective way to provide 24/7 customer support that included quick, helpful communication and educational materials. It also allowed us to identify and address any pain points customers had.

Looking ahead, our focus is clear: We aim to further support our customers in their unique sustainability journeys, working with them to create meaningful solutions to their sustainability challenges. Building on our successes, we plan to continue the shift from an industry-specific approach to a more tailored, customer-specific focus. This shift will enable us to provide even more refined solutions that address the unique needs and challenges of each of our valued clients.

We are dedicated to expanding our services and offerings, staying at the forefront of innovation to meet the evolving demands of the sustainability market. Our goal is to continue providing excellent customer service that leaves a lasting positive impact.

We recognize that each of our customers operates within a unique context, facing diverse challenges and opportunities on their sustainability journey. By cultivating close partnerships with our customers, we gain valuable insight into their specific needs, aspirations and constraints. This deep understanding allows us to tailor and develop our software and services to address their individual requirements, whether it's managing regulatory compliance obligations, reducing environmental impact or enhancing workplace safety.

Description	2020	2021	2022	2023
Number of SCN logins ¹	122,275	115,070	136,119	161,880
Click-to-Chat number of chats ²	8,239	11,240	10,168	12,940

Figure 30: Sphera’s SCN, 2023

¹ A majority of the SCN logins are customer-related in terms of customer support or work being done on behalf of the customer, including logins by the customer passed through the SCN to access product help.

² Logins increased by 18.93% from 2022 to 2023, and online chats increased by 27.26%.



“At the heart of our strategic vision and innovation lies a steadfast dedication to our customers and their needs. We take every step necessary to ensure we listen, learn and evolve, navigating the dynamic landscape of the sustainability industry to remain the preferred vendor of choice.”

Lance Hunter
Global Vice President, Sales - EHS&S

What comes next



Sphera’s annual Sustainability Report demonstrates our commitment to the transparency and accountability that stakeholders demand today. The report provides a measure of our performance, complementing the methods that check our progress toward our mission of achieving a safer, more sustainable and productive world. Most importantly, it gives us data and information that help us plan the way forward.

The table below provides a snapshot of our progress through the years:

Year	Targets
2022	✓ Identified key performance indicators and targets for material topics ✓ Calculated our Science-Based Targets (SBTs) ✓ Linked our actions and contributions to Sustainable Development Goals (SDGs) ✓ Introduced sustainable purchasing guidelines
2023	✓ Developed robust action plans for the management and improvement of material topics ✓ Submitted our SBTs ✓ Continually monitored our KPIs ✓ Continually improved data granularity and accuracy
2024	• Continually monitor our KPIs and targets • Improve granularity of GHG emissions data • Streamline data collection • Prepare to conduct materiality assessment in 2025 • Achieve SBTi Target approval

Figure 31: Sustainability program timeline, 2022 - 2024

Appendix

Our performance data

This section showcases Sphera in numbers to provide a deeper understanding of our sustainability metrics.

Investing in Spherions

GRI 404-01 training hours:

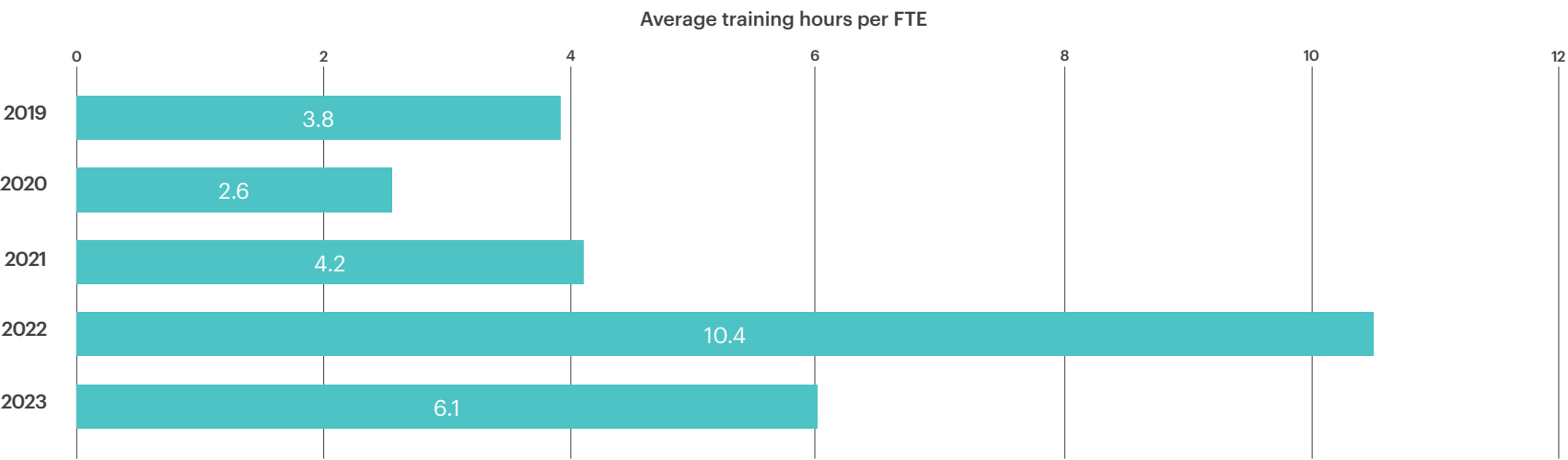


Figure 32: Training hours per FTE, 2019 - 2023

Training hours male vs female	Training hours	Number of employees	Average number of training hours
Male	4,923	789.0	6.2
Female	3,105	520.3	6.0

Figure 33: Training hours per FTE by gender, 2023

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

Training by employee category	Training hours	Number of employees	Average number of training hours
ELT	29	8.3	3.5
Senior management	176	44.4	4.0
Middle management	1,242	246.0	5.1
Non-management	6,582	1,013.0	6.5

Figure 34: Training hours per FTE by employee category, 2023



Equal opportunity, inclusion and non-discrimination

GRI 405-1

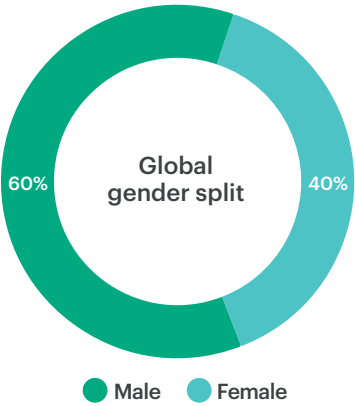


Figure 35: Global gender split, 2023

Employee category	Male	Female
ELT	6.3	2.0
Senior management	36.7	7.8
Middle management	157.7	87.8
Non-management	590.3	422.7

Figure 36: Training hours per FTE by employee category, 2023

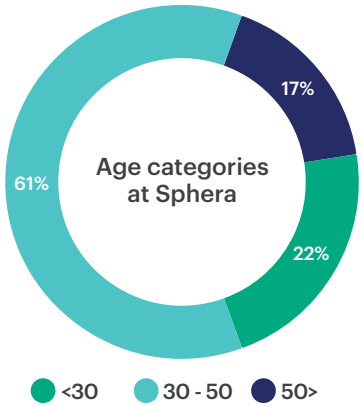


Figure 37: Age categories, 2023

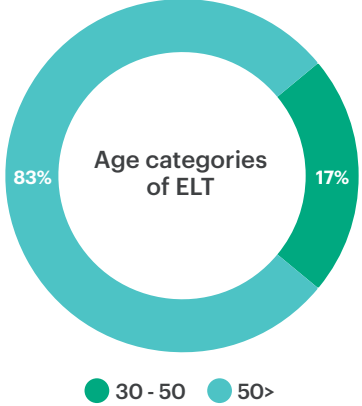


Figure 38: Age at Sphera ELT, 2023

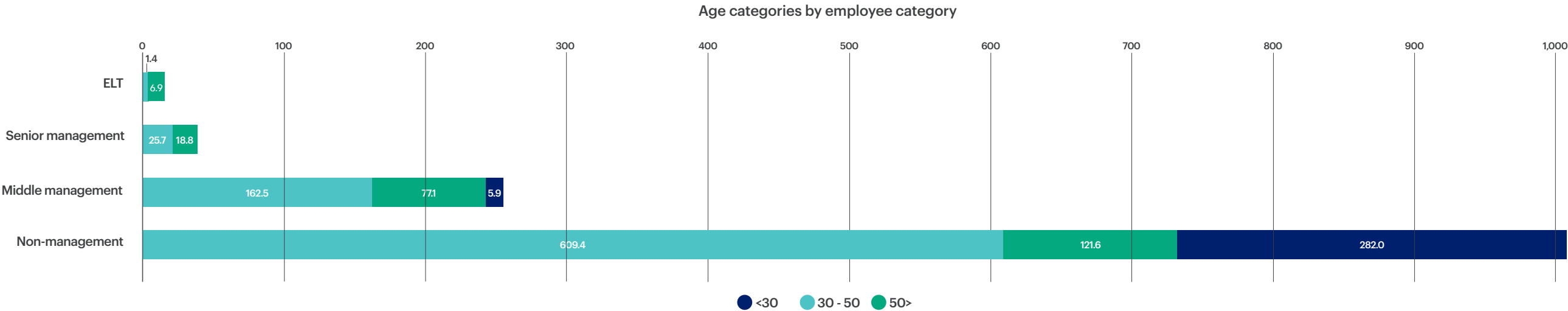


Figure 39: Age categories by employee category, 2023

Talent attraction and retention

GRI 401-1

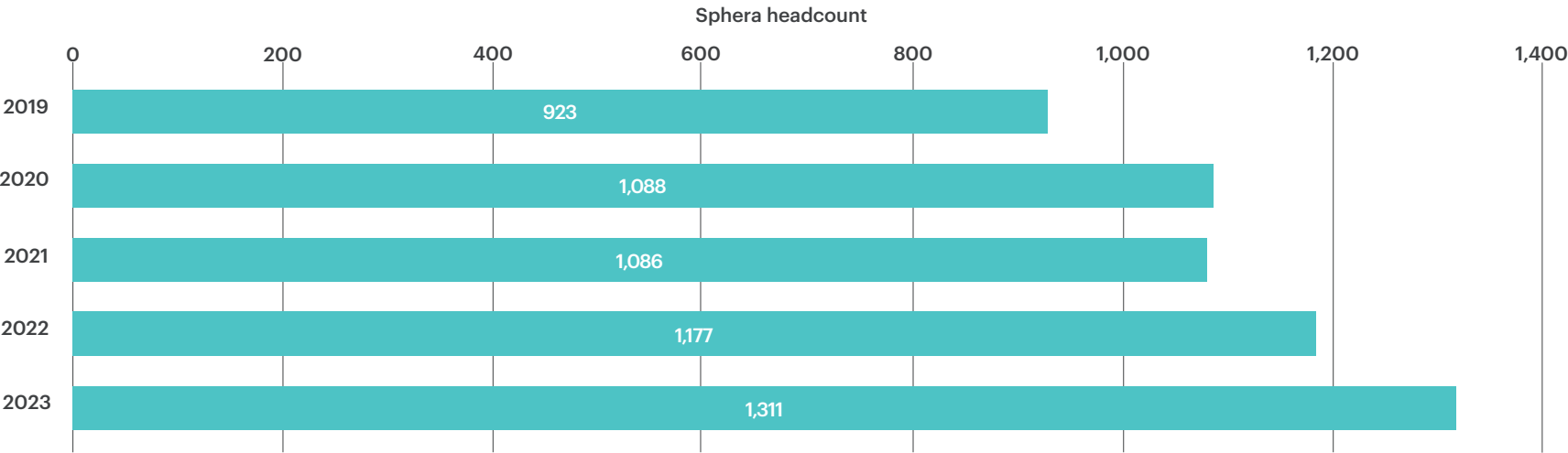


Figure 40: Headcount at Sphera, 2019 - 2023

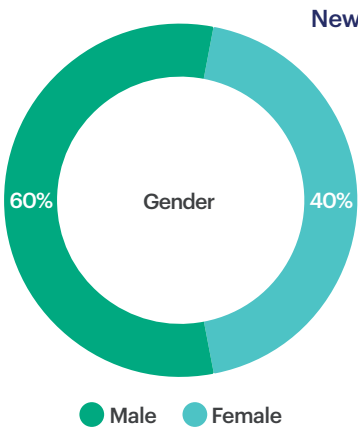


Figure 41: Percentage of new hires by gender, 2023¹

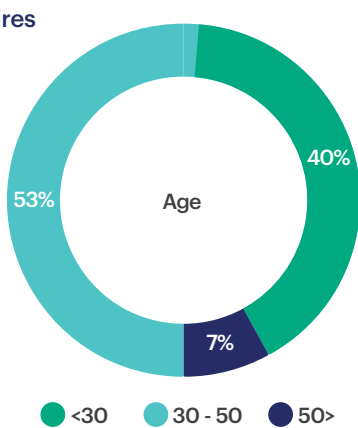


Figure 42: Percentage of new hires by age, 2023¹

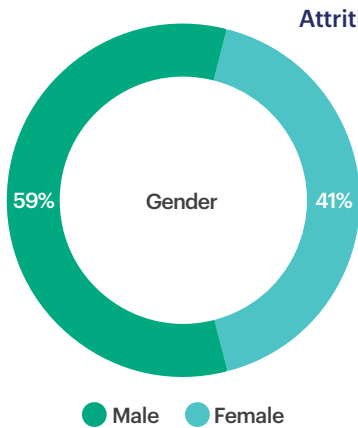


Figure 43: Percentage of attrition rate by gender, 2023¹

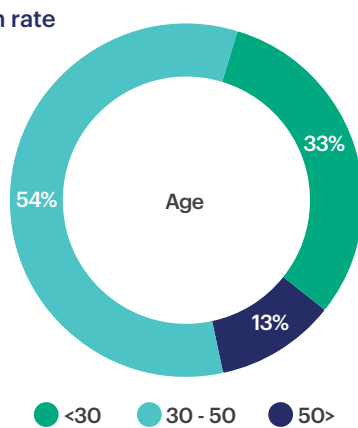


Figure 44: Percentage of attrition rate by age, 2023¹

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



Disclosure index

COMMUNICATION
ON PROGRESS



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

We welcome feedback on its contents.

Section	GRI standard	SASB	Page	UNGC principle	SDG
Message from CEO					SDG 9, SDG 12
Sphera highlights 2023					SDG 9, SDG 12
About Sphera	Disclosures: 2-1, 2-6				SDG 9, SDG 5, SDG 12
Our sustainability approach and scope of this report	Disclosures: 2-1, 2-2, 2-3, 2-22				SDG 17
Our offering	Disclosures: 2-6				SDG 9, SDG 13
Alliances and collaboration	Disclosures: 2-28				SDG 17
Sustainability at Sphera	Disclosures: 3-1, 3-2, 2-16, 2-25, 2-29			Principle 8	SDG 13, SDG 12, SDG 8
Environment	Disclosures: 2-4			Principle 8	SDG 13, SDG 12
Sphera's environmental impact ¹	Disclosures: 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4, 305-5	TC-SI-130a.1, TC-SI-130a.2, TC-SI-130a.3		Principle 8	SDG 12, SDG 13
Social					SDG 5, SDG 4, SDG 16
Our people and culture					SDG 5
Colleague engagement		SV-PS-330a.3, TC-SI-330a.2			SDG 17, SDG 4
Investing in our colleagues	Disclosures: 404-2, 404-3				SDG 4, SDG 5
Recognizing our colleagues					SDG 5, SDG 8
Talent attraction and retention		SV-PS-330a.2			SDG 5, SDG 4, SDG 8
Equal opportunity and inclusion				Principle 6	SDG 5

¹ Due to the complexity and granularity of the data required to calculate the emissions related to the use of our sold products, Sphera is unable to present this category within this report; however, we are exploring ways to share this in future reports.

Section	GRI standard	SASB	Page	UNGC principle	SDG
Our Colleague Resource Groups (CRGs)					SDG 5, SDG 4, SDG 8
Flexible-working environment and employee health and well-being					SDG 8
Governance					SDG 16
Board and executive leadership	Disclosures: 2-9, 2-11, 2-12, 2-13, 2-14				SDG 5, SDG 8
Ethics and compliance	Disclosures: 2-23, 2-24, 2-26, 205-1, 205-2	SV-PS-510a.1		Principles 1, 2, 3, 4, 5 and 10	SDG 8, SDG 12
Freedom of association	Disclosure: 2-30			Principles 3	SDG 16
Cybersecurity and data privacy	Disclosure: 418-1	SV-PS-230a.1, SV-PS-230a.2, TC-SI-220a.1, TC-SI-230a.2			SDG 9
Research, innovation and thought leadership at Sphera					SDG 9
Customer satisfaction					SDG 9, SDG 17
What comes next				Principles 8	SDG 16, SDG 13, SDG 12
Performance data	Disclosures: 2-7, 2-8, 305-1, 305-2, 305-3, 305-4, 305-5, 401-1, 405-1	SV-PS-330a.2, SV-PS-000.A, SV-PS-000.B, TC-SI-330a.3,			SDG 13, SDG 12, SDG 9, SDG 17

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About Sphera

Sphera is the leading provider of integrated sustainability and operational risk management software, data and consulting services focusing on Environment, Health, Safety & Sustainability (EHS&S), Operational Risk Management (ORM), Product Stewardship and Supply Chain Transparency.