FLEXENTIAL

Environmental
Social
Governance

FY 2022

MESSAGE FROM THE CEO

Environmental, Social, and Governance or "ESG" has become important in investment and business decision-making.

At Flexential, we have continued to evolve our historical focus on operating highly efficient data centers, developing a robust, diverse workforce, and disciplined, well-governed business maintaining extensive compliance assessments and certifications. **We are immensely proud to publish this, our inaugural ESG report.**

Flexential is serious about our impact on the environment, our employees, and the communities in which we reside. By integrating ESG into all aspects and levels of our business and embracing corporate responsibility, we strive to drive the greatest impact.

Flexential has committed to reporting on our ESG program, including our business's environmental impact, workforce diversity, and efforts to serve our communities. To support this

effort, Flexential established an ESG Committee in 2022 to oversee our efforts nationwide. In addition, we made information about our ESG program public online at flexential.com/esg.

As we celebrate our early successes, including the largest ever data center and green bond inaugural asset-backed security (ABS) issuance, **we also look to the future in our data center designs, our people, and our approach to doing business as a leading provider of technology services.** We believe integrating ESG considerations into our business model will drive the greatest impact and help us create a more sustainable future for all.

Chris Downie
Chief Executive Officer
Flexential

ABOUT FLEXENTIAL

Empowering your IT journey

Flexential solves challenges for enterprises tasked with meeting the most complex reliability, agility, and performance requirements.

We take a consultative approach that matches the workload and application requirements on the FlexAnywhere™ Platform.

With 39 data centers across 19 markets, the Flexential highly connected, national data center platform, and full suite of colocation, interconnection, cloud, data protection, and professional services, flex to empower our customers' evolving infrastructure requirements.

Broad reach and capabilities

39
Data centers

19
High-growth domestic markets

370+
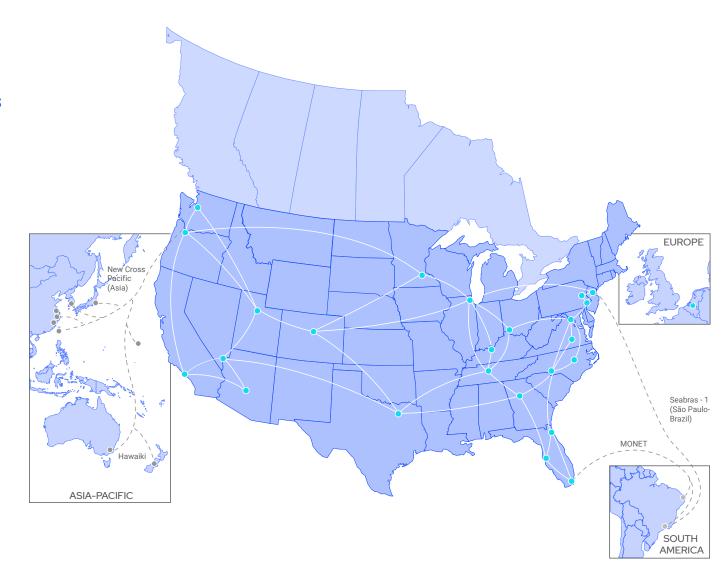On-net carriers

100 Gbps
Network backbone (scalable up to 400 Gbps)
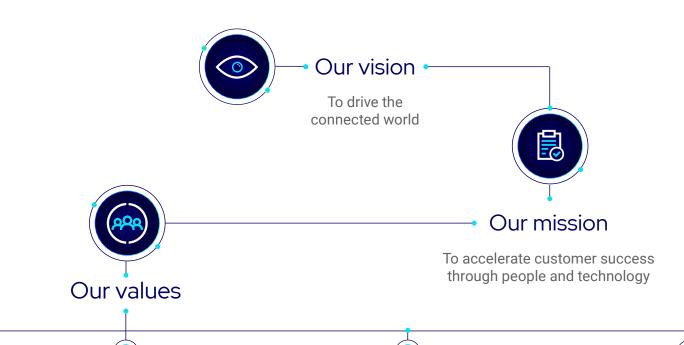
5
Primary subsea fiber cable access

10
Cloud nodes

VISION, MISSION, AND VALUES

The Flexential vision is to drive the connected world, with a mission to accelerate customer success through people and technology.
We deliver on our vision and mission through five core values critical to our culture:

Our vision

To drive the connected world

Our mission

To accelerate customer success through people and technology

Our values

Customer Centric

We put our customer's success above everything else.
That is what sets us apart.

Committed

We do what we say. A deep trust in each other provides the foundation for how we deliver on our promises. We are confident and courageous in our actions and words. We speak up, and we stay focused on achieving our objectives.

Competitive

We want to win as a team.
We are ambitious, we are creative, and our actions move us forward at a quick pace.
We are also fun—playing hard and working even harder.

Caring

We care A LOT—about each other, our customers, our partners, and our community.
We are honest, sincere, trusting, and humble in our approach.
When faced with uncertainty, we always give people the benefit of the doubt.
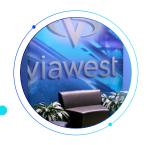
Collaborative

It is all about teamwork.
We know that innovation happens when we collaborate with one another.
We are knowledgeable and demonstrate it when we creatively solve problems.

OUR HISTORY

For two decades, we have helped data-intensive organizations transform IT.

1999
ViaWest founded

Establishes the foundation for a strong regional presence in the Western US.
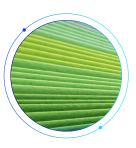
2015
AppliedTrust acquired

Expands the company's portfolio to include professional services.

2017
Peak 10 purchases ViaWest

Brings together two regionally dominant data center providers.

2021
Company funds growth and sustainably

$2.1 billion inaugural securitization financing, the largest-ever data center, and Green Bond ABS Issuance.

2000
Peak 10 founded

Establishes the foundation for a strong regional presence in the Southeastern US.

2015
INetU acquired

Augments the company's cloud solutions portfolio.

2018
Company rebrands as Flexential

Cements Flexential as a leading national provider of essential infrastructure requirements and tailored solutions that flex to meet dynamic hybrid IT needs.

2022
Company announces FlexAnywhere™

Solution blueprints specifically designed to address the key pain points CIOs face in meeting ever-changing business challenges.

Overview

At Flexential, we recognize ESG touches every part of business. The Flexential ESG Committee consists of a senior-level, cross-functional team representing a variety of expertise and viewpoints within the organization.

"

At Flexential, we believe in the power of ESG—Environmental, Social, and Governance—to shape a better future. From our energy-efficient data centers to our diverse and inclusive workforce, we are committed to making a positive impact on the planet, our people, and the communities we serve. Our first annual ESG report reflects our dedication to transparency, accountability, and responsible business practices. By integrating ESG considerations into everything we do, we aim to drive lasting change and create a more sustainable world. Join us on this journey towards a brighter future for all."

Chris Downie
Chief Executive Officer

GOVERNANCE STRUCTURE

Duties and responsibilities

- ☑ Establish the Flexential ESG strategy
- ☑ Develop, implement, and monitor initiatives and policies based on that strategy
- ☑ Establish and measure ESG key performance indicators (KPIs)
- ☑ Oversee communications with employees, customers, investors, and other stakeholders concerning ESG matters

- ☑ Improve Flexential understanding of ESG matters (e.g., ESG Training and Best Practices)
- ☑ Develop and provide reports (e.g., Annual ESG Report, Green Bond Reporting) regarding Flexential progress toward its key ESG objectives
- ☑ Review, monitor, and provide insight and guidance on the operational, regulatory, and reputational risks and impacts

Focus

- ☑ Climate change impacts
- ☑ Energy and natural resources conservation
- ☑ Environmental and supply chain sustainability
- ☑ Human rights
- ☑ Diversity, Equity, Inclusion, and Belonging
- ☑ ESG issues that are relevant and material to the company

Steering committee

Chief Executive Officer	Chief Operating Officer
Chief Financial Officer	Chief Revenue Officer
Chief People Officer	Chief Innovation Officer
General Counsel	

Committee members

Chief Financial Officer, Executive Sponsor	SVP of Product Management
SVP Governance, Risk and Compliance, Committee Chair	VP of Strategic Initiatives
Chief People Officer	VP of Procurement
SVP of Data Center Operations	VP and Associate General Counsel
SVP of Finance	Energy Manager
SVP of Marketing	

2022 GOALS

Environmental

The following goals were developed for 2022 in alignment with the **United Nations Sustainable Development Goals** 6, 7, 9, 11, 12, and 13.[1]

- ☑ **Build for Sustainability:** Drive efficiency improvements in new data centers.

- ☑ **Manage the Fleet:** Invest in updating the more mature fleet of data centers to improve efficiency.

- ☑ **Implement Corporate Initiatives:** Reduce the environmental footprint of our office spaces and expand recycling/waste programs.

Social

The following goals were developed for 2022 in alignment with the **United Nations Sustainable Development Goals** 3, 4, 5, 8, and 16.

- ☑ **Promote and Enable Diversity, Equity, Inclusion, and Belonging (DEIB):** Build awareness of and improve organizational DEIB.

- ☑ **Invest in Our People:** Support employee well-being and career development.

- ☑ **Support our Communities:** Giving back to causes that matter.

Governance

The following goals were developed for 2022 in regard to governance and oversight.

- ☑ **Green Financing Program[2]:** A market-leading commitment to align business growth and sustainability with transparency.

- ☑ **Expand Assessments and Certifications:** Compliance program reflecting the needs of thousands of customers across various regulatory requirements.

- ☑ **Mature ESG Compliance, Policies, and Standard Operating Procedures:** Extensive and growing library of policies and procedures with ongoing training.

1. UN Sustainable Development Goals
2. Flexential Completes $2.1 Billion Inaugural Securitization Financing, the Largest-Ever Data Center and Green Bond ABS Issuance

2022 ACCOMPLISHMENTS

Environmental

Two values used to measure data center efficiency are power usage effectiveness (PUE) and water usage effectiveness (WUE).

PUE is calculated by dividing the total amount of power entering a data center by the power used to run the IT equipment within it. PUE is expressed as a ratio, with overall efficiency improving as the ratio decreased toward 1.0. Similarly, WUE is the ratio of water used in data center systems (typically cooling) to the energy consumption of the information technology equipment. WUE improves as it decreases towards zero.

$$PUE = \frac{\text{Total Data Center Power}}{\text{IT Equipment Power}}$$

$$WUE = \frac{\text{Total Data Center Water Consumption}}{\text{IT Equipment Power}}$$

- ☑ **Build for Sustainability:** Initiated construction of two new data centers in Douglasville, GA, and Hillsboro, OR, leveraging our latest Gen 5 design, each with a design power usage effectiveness (PUE) of 1.4 and water usage effectiveness (WUE) of 0.

- ☑ **Manage the Fleet:** Performed optimization review of Collegeville data center, resulting in a 6% reduction to PUE.

- ☑ **Implement Corporate Initiatives:** Initiated contracting effort to track and measure waste management activities across the portfolio. Examples we will be pursuing are: increasing our landfill diversion and increasing our recycling (old corrugated containers, plastic, and electronics).

2022 ACCOMPLISHMENTS

Social

Promote and enable diversity, equity, inclusion, and belonging.

Flexential has taken a proactive approach to promoting **diversity, equity, inclusion, and belonging** within the company. By utilizing data-driven insights and employee feedback, the organization has established a regular rhythm of awareness, observance, and celebration of diversity within the company.

The DEIB Council has played a crucial role in organizing formal opportunities for inclusion and belonging, including launching three additional employee resource groups (ERGs) and hosting the first annual ERG Fair. To further gauge employee sentiment, Flexential also implemented the Flex Your Voice survey and DEIB survey, which collects feedback to inform the company's DEIB initiatives.

These efforts demonstrate the company's commitment to creating a supportive and inclusive workplace for all employees.

Invest in our people.

Flexential prioritized employees' well-being by providing a comprehensive Employee Assistance program, "Get Healthy" Reimbursements, and **Health and Wellness Incentives program.** The company has reduced medical premiums for dependent coverage for two consecutive years by 10.9%, thanks to the conscious consumerism of its employees.

Flexential invests in its employees' career growth by providing leadership training programs, and employees completed over 5,000 hours of training through the Udemy platform, focusing on technology (80%) and business skills (17%).

In 2022, Flexential promoted 20% of employees from within and provided all eligible employees with an annual merit increase and bonus, **highlighting the company's commitment to recognizing and rewarding its employees' contributions.**

Support our communities.

The Flexential commitment to giving back to the community is exemplified by establishing **FlexCares, a platform designed to organize workplace giving and philanthropic opportunities.**

By partnering with causes that align with the values of its employees, customers, and partners, FlexCares has significantly impacted the communities where the company operates. In addition, the employee resource groups have played a critical role in supporting local and national charities relevant to their focus areas.

Through its efforts, Flexential has demonstrated its commitment to positively impacting society and fostering a culture of social responsibility.

Flex Cares

2022 ACCOMPLISHMENTS

Governance

Green financing program
In 2021, Flexential completed the largest-ever data center and green bond inaugural asset-backed security (ABS) issuance to support rapid growth and development. The company issued the green notes under its new Green Finance Framework, which set a new standard for green eligibility in the data center industry. In 2022, Flexential issued two additional series of green notes to fund the development and expansion of qualifying data centers.

Expand assessments and certifications
Flexential continues with an industry-leading compliance program with multiple third-party certifications and assessments, including FISMA-High (NIST 800-53), HITRUST, ISO 27001, ITAR, PCI DSS, SOC 1 Type 2, and SOC 2 Type 2. With the issuance of this first annual ESG report, our future certifications and assessments will include ESG reporting components.

Mature ESG compliance, policies, and standard operating procedures
Flexential employees perform consistently across our national footprint in alignment with established policies and procedures in accordance with employee training. This has contributed to successfully supporting highly regulated customers across multiple markets.

Environmental

Sustainability is at the core of how we operate. From our high-efficiency 4th and 5th generation data centers to our Green Finance Program and eco-friendly corporate initiatives, we are committed to maximizing efficiency, minimizing our carbon footprint and water usage, and continually investing in updates and improvements that strengthen our sustainability efforts across our fleet of data centers.

"

At Flexential, sustainability is ingrained in our DNA. We go beyond industry standards to create a greener future. Our cutting-edge data centers, powered by high-efficiency technology, minimize energy consumption while maximizing performance. Through our innovative Green Finance Program, we invest in projects that reduce our carbon footprint and promote environmental responsibility. From optimizing space utilization to implementing end-of-life evaluations, we continuously improve our efficiency. Together, let's make a lasting impact on the planet."

Ryan Mallory
Chief Operating Officer

PROGRAMS

Environmental management

Flexential established its **Green Finance Program**[3] in alignment with the United Nations Sustainable Development Goals to help achieve our environmental goals while helping promote transparency and leadership in sustainability across financial systems. A Second-Party Opinion issued by Sustainalytics supports this framework[4].

METRIC	2022 RESULTS	COMMENTS
Greenhouse Gas (GHG) Emissions	Scope 1: 860.047m tons CO2e Scope 2: 300,318.126m tons CO2e	Scope 1 emissions are direct carbon emissions generated on-site. Scope 2 emissions are indirect emissions from purchased electricity.
Total Energy Consumption	841 GWh	Total consumption of purchased electricity for 2022
Power Density	79.55 W/sf	Total Watts per square foot of contracted customer space.
Energy Management	1.52 PUE	Operational PUE of all data centers for 2022
New Data Center Resource Management	1.4 PUE 0 WUE	Design PUE and WUE of new data centers brought online during the year

3. Green Finance Framework
4. Second Opinion | Flexential Green Finance Framework

PROJECTS

Energy management

Flexential has a history committed to efficiency, and we pride ourselves on our ability to create data centers that are highly efficient. **Below are some highlights from projects we completed in 2022.**

- [x] In 2022, we performed an on-site investigation to determine potential optimization or space reconfiguration for our Collegeville data center. This investigation led to an efficiency initiative that reduced overall PUE by 6%.

- [x] In 2022, we developed an End-of-Life Evaluation tool to prioritize high-impact projects at our data centers. The tool analyzes all aspects of a data center's performance and outputs a ranking based on the asset's life and usage. This tool will be instrumental in developing the Flexential roadmap to our Science-Based Target.

Waste management

Flexential respects the idea of circular economies and is working to ensure our waste is recycled appropriately. In 2023, we will evaluate waste suppliers across the US to minimize waste and increase recycling at our sites.

Water management

Flexential new data centers are designed with closed-loop cooling systems to reduce water waste. This approach results in a design WUE of zero.

PARTNERSHIPS & GO FORWARD

Environmental partnerships

Flexential is not a lone actor when it comes to environmental stewardship. We have committed ourselves to iMasons and the Science-based Target Initiative to align our company toward meaningful change cross-industry.

Infrastructure Masons: Flexential is a Foundation Partner of Infrastructure Masons (iMasons), a nonprofit professional association for the digital infrastructure industry. As a Foundation Partner, Flexential has made a meaningful broad-based commitment of time and resources to iMasons' educational, networking, and industry initiatives.

Science-Based Targets: Flexential has committed to reducing emissions in line with climate science through Science-Based Targets.

Environmental looking forward

Stakeholder engagement

Flexential will outreach internally and externally to initiate the conversation with multiple stakeholders to develop a comprehensive strategy for meeting our Science-Based Target.

Stakeholder engagement includes:

- ☑ Sharing the climate challenge internally and speaking to what Flexential is doing to meet the challenge and what employees can do on their own.

- ☑ Engaging our customer base to align our renewable or low-carbon commitments, water stewardship efforts, waste management, and circularity initiatives.

- ☑ Working with our suppliers to understand the Flexential environmental footprint, the opportunities and challenges associated with power market decarbonization, and evaluating new products that offer carbon incentives as they come online.

5. Flexential® Announced as a Foundation Partner of Infrastructure Masons
6. Companies Taking Action

GREENHOUSE GAS EMISSIONS REDUCTION

The Flexential ESG committee is developing a roadmap to our Science-Based Target.

To reach our target, Flexential will:

- ☑ Complete our greenhouse gas (GHG) inventory
- ☑ The roadmap to our target may include the following elements,
    - Rationalizing our footprint
    - Optimizing and retrofitting older, inefficient equipment at our data centers
    - Monitoring regional power mix to identify low-carbon paths for our data centers
- ☑ Evaluating renewable or low-carbon energy offerings from respective power market suppliers

We strive to use our backup generation only when needed. Our backup generation is also utilized in Demand Response programs offered by some power providers to maintain grid reliability during emergencies. We look for Demand Response in areas where we operate.

Emissions from our data centers are primarily categorized as Scope 2 emissions from purchased electricity through local electrical utilities. **Many of the Flexential power providers have set sustainability goals, including but not limited to the decarbonization of their grid.** Flexential monitors the power mix in each region of the US to determine the environmental impact of doing business and identify pathways to lower our emissions.

Social

Commitment to our employees and communities is ingrained in Flexential corporate culture. We provide employees access to the resources that support their well-being, professional development, and community engagement. We foster an environment grounded in diversity, equity, inclusion, and belonging to ensure our people feel respected, valued, and supported.

"

Embrace. Empower. Flourish. At Flexential, we champion diversity, equity, inclusion, and belonging. We create a supportive and celebratory workplace through data-driven insights, employee feedback, and inclusive initiatives. Our commitment extends to investing in our people's holistic well-being and career growth, while recognizing their contributions. Together, we support our communities through FlexCares, making a positive impact and fostering a culture of social responsibility."

Veena Bricker
Chief People Officer

GOALS AND INITIATIVES

A culture of caring

Flexential invests in policies and programs that enrich the well-being of our people and the communities in which we live and work.

We are committed to being actionable and accountable along our diversity, equity, inclusion, and belonging journey, providing our employees with the tools and support they need to flourish and flex their whole, authentic selves.

- ☑ DEIB Awareness Program
- ☑ Internal DEIB Council
- ☑ CEO Action for Diversity and Inclusion™ Pledge
- ☑ CEO Action is now the largest business-led initiative to advance DEIB in the workplace, with more than 2,400 CEOs having pledged to create more inclusive cultures while not being afraid of having difficult conversations about diversity, equity, and inclusion.
- ☑ Employee-led Employee Resource Groups

Fostering a culture of belonging

Flexential DEIB strategy focuses on accelerating our people's successes by fostering a welcoming, inclusive, and safe culture in which every voice is essential, and every person belongs. By implementing strategies and programs that celebrate diversity, exact equity, break down barriers, and cultivate belonging, **we continue to make strides toward an inclusive environment where our employees can thrive.**

> "
> *What is culture?*
>
> *I don't think I have ever worked for an organization where everyone was willing to jump in and literally get their hands dirty (some might even say, "sticky") like this!*
>
> *I always suspected that working for Flexential was special, and putting my finger on the reason has been somewhat elusive until today! While working side by side with over 30 others from all across the fleet, making over 550 sandwiches, no one shirking responsibility, and everyone being willing to help, today was special! I can say without a doubt, this is the culture other groups should be striving to achieve. #Culture #Volunteer #Kindness*
>
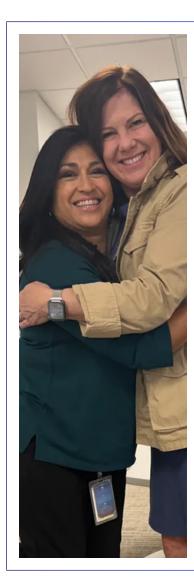> *Thanks to everyone who helped!"*
>
> *—Justin Hambrick, Procurement Manager*

EMPLOYEE RESOURCE GROUPS

At Flexential, we firmly believe that creating a workplace environment that fosters a sense of security and empowerment in employees to utilize their voices can bring significant positive transformation.

Our company places immense value on every employee's perspective, concepts, and viewpoints, as they are fundamental in shaping and directing the culture of our organization. We recognize that it is crucial to ensure that our culture is shaped and influenced by our employees' opinions, needs, and wants to ensure that our values and practices are inclusive, diverse, and reflective of the individuals who make up our workforce.

At present, we have four distinctive ERGs that cater to diverse interests and backgrounds.
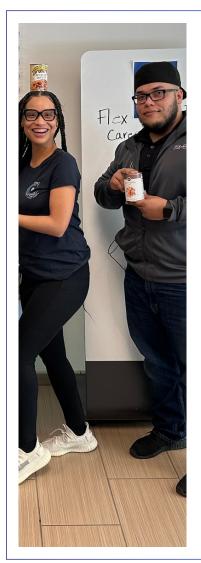

Women Who Flex

As the inaugural Employee Resource Group established at Flexential, the group was founded to uplift and empower women within the organization and in the industry. **The group's primary goal is to create a secure and supportive environment where women can grow personally and professionally.**

Overall, Women Who Flex is a dynamic group that aims to provide women with the resources, support, and encouragement they need to thrive both inside and outside of the workplace. To achieve this goal, Women Who Flex has organized a diverse range of workshops focused on personal and professional growth.

The group hosts an "Inspirational Women" speaker series and in the summer of 2022, the group hosted a reading series featuring a curated selection of books written by female authors, covering a broad range of topics related to personal and professional growth. The ERG is currently working on developing a mentorship program to provide guidance and support to women in the workplace.

EMPLOYEE RESOURCE GROUPS

Multicultural Opportunity, Resource, and Engagement Employee Resource Group

Established to embrace and appreciate our employees' unique and diverse backgrounds, this group **aims to provide an inclusive and safe environment where members can share their stories, amplify their voices, and promote personal and professional growth through mutual understanding and allyship.**

The ERG is committed to organizing activities and initiatives to recognize, honor, and educate around the diverse cultures and backgrounds of Flexential employees. Examples include celebrating Juneteenth by distributing the e-book "How to Be an Anti-Racist" by Ibram X. Kendi to employees and engaging in discussions surrounding the movie "Harriet" to commemorate the day.

FlexPride Employee Resource Group

Established to provide a safe and welcoming space for members of the LGBTQIA+ community and allies to **share their experiences, grow together, and navigate the workplace with a focus on LGBTQIA+ needs.**

The launch of FlexPride during Pride month marked a significant milestone in our commitment to creating a supportive and inclusive workplace for all employees. Our Pride month events and activities provided an opportunity for meaningful engagement and highlighted our ongoing efforts to enhance the experiences of LGBTQIA+ employees within our organization.

Moving forward, we are committed to continuing this important work through various initiatives, such as implementing gender-neutral bathrooms across our office locations, de-biasing language, and creating spaces for thoughtful conversations. By doing so, we strive to create an environment where all employees feel valued, respected, and supported.

EMPLOYEE RESOURCE GROUPS

Veteran-focused Employee Resource Group

FlexSalute is committed to providing a safe and supportive environment for our fellow veterans, active-duty personnel, and their families. **Our group recognizes the unique experiences, challenges, and contributions that veterans bring to the workplace and seeks to foster a greater understanding of these issues.**

One of our primary goals is to provide education and support for our members. We offer a range of resources, including mentorship programs, networking opportunities, and workshops focused on career development, mental health, and financial wellness. Through these programs, we aim to provide our members with the tools and knowledge they need to succeed in their careers and personal lives.

Our veteran-focused ERG is dedicated to creating a positive and inclusive workplace culture that honors and supports the service and sacrifice of our veterans, active-duty personnel, and their families. We are also committed to raising awareness and understanding of veteran issues within our organization and the wider community. We collaborate with other organizations and groups to advocate for veterans' needs and promote the value and importance of their contributions to our society.

HEALTH AND WELLNESS

Our people are at the core of everything we do and everything we are.

That is why we prioritize employees' physical, mental, and emotional well-being with a benefits package that offers access to the care employees need to remain healthy and active. Our growing list of physical fitness and wellness initiatives enhances this commitment, promoting healthy lifestyles and well-being across our employee base.

- ☑ "Get Healthy" reimbursements
- ☑ Comprehensive employee benefits
- ☑ Paid family leave
- ☑ Health and wellness incentives

CAREERS

Career development

Flexential is committed to attracting, inspiring, developing, and retaining world-class talent. Through various career and professional development opportunities, we encourage and enable our employees to enhance their skill sets, explore their interests and advance their careers. **Simply put, we want our people to thrive.**

- ☑ On-demand courses through Udemy for Business
- ☑ Internal mentorship program
- ☑ Promotion opportunities
- ☑ Leadership training
- ☑ Certification programs and incentives

Flexible work environment

Our people are our greatest asset, and we want to ensure they feel valued and supported in and beyond the workplace. A flexible work schedule, hybrid environment, and unlimited paid time off (PTO) ensure employees have time to recharge, engage in volunteer activities, connect with family and friends, and recuperate from an injury or illness.

- ☑ Hybrid/flexible work-from-home options
- ☑ Unlimited PTO
- ☑ In-person and virtual connection and collaboration opportunities
- ☑ Company-issued equipment
- ☑ Regular, in-office "eats-and-treats" days

"

Since I joined Flexential in 2014, I have had the opportunity to showcase my talents in a number of ways. Starting in our Technical Assistance Center allowed me to learn our business from the bottom. This experience greatly prepared me for a role on our Customer Implementation team where today I work to manage customer orders. While our company has grown significantly, our culture remains focused on the people. I am proud to be a part of a company that plays such a big role in everyone's daily lives."

—James Poss, Customer Implementation Project Specialist

SUPPORTING OUR COMMUNITIES

Giving back to the communities we live and work in is a Flexential core value.

As an organization, we donate our time, talents, and dollars to nonprofit organizations within our local areas. Through our FlexCares program, **we encourage our employees to do the same to support the causes that are the most meaningful to them.**

Flexential strives to go beyond excellent product and customer service to show that it genuinely cares about the environment, people, and communities in which it operates. The company recognizes that customers, partners, and communities are increasingly focused on social responsibility. The FlexCares Committee assists the Executive Leadership Team and Board of Directors in enabling the company's value of caring and ESG goal to support its communities.

FlexCares' Volunteerism and Charitable Giving Pillars are enabled through Flexential-sponsored, employee-led, customer-sponsored, and community partnership opportunities. The company organizes occasions for donating time, funds, and items.

In 2022, Flexential set goals to establish a workplace giving structure, build sustainable rhythms of giving throughout the company, and develop community partnerships in its local markets. The company aims to appoint regional representatives to identify causes that employees care about and lead by example from the top down, foster a spirit of volunteerism in its culture, and provide and coordinate volunteer opportunities. Additionally, the company aims to develop relationships with community nonprofits that align with its values and goals, reinforce customer satisfaction, organize company charitable giving, and promote individual charitable giving.

Overall, Flexential commitment to social responsibility and one of its core values of "Caring" are reflected in its workplace giving initiatives, which aim to benefit not only its employees but also its customers, partners, and communities.

SOCIAL DATA

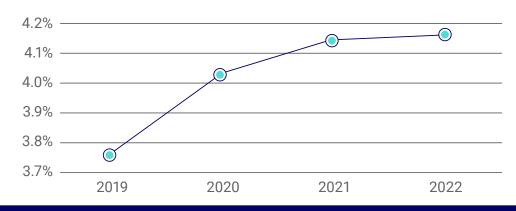| METRIC	2022 RESULTS
Workforce Diversity	38% of the workforce from underrepresented groups (non-white male); an increase of 2% YoY.
Gender Diversity	19% of the workforce is female; consistent YoY.
Leadership Diversity	34% of all Manager and Above leaders are from underrepresented groups (non-white male); an increase of 2% YoY.
New Hire Gender Diversity	26% of Annual Hires are female; an increase of 2% YoY.
New Hire Gender Diversity	2022 Gallup Annual Engagement Survey Score – the Flexential overall mean was 4.16. The overall score has increased annually since the 2019 Survey.
Belonging Score	The Belonging Score increased from 3.2 to 3.4 on a 4.0 scale YoY. Inclusive Leadership moved up from 3.2 to 3.5 on a 4.0 scale YoY.

GALLUP ANNUAL ENGAGEMENT SURVEY

Engagement index

Slight dip on engagement ratio YOY, but trend very positive.

ENGAGEMENT INDEX	2019	2020	2021	2022
Engaged	34%	49%	54%	55%
Not Engaged	50%	42%	40%	38%
Actively Disengaged	16%	9%	6%	7%
Engagement Ratio (ratio of engaged to actively disengaged)	2.12	5.44	9.00	7.86

How does Flexential compare?

20%	32%	49%
Global workforce	US workforce	Gallup clients

55%	71%
Flexential	Gallup great workplace award winners

Flexential 2022 overall mean

Score represents the average, combined score of the twelve elements that measure employee engagement.
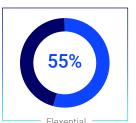
Flexential overall mean score

Engagement mean

4.16

Overall score has increased for the 4th year in a row

SOCIAL PARTNERSHIPS

As part of our commitment to making a positive impact in the communities we serve, Flexential has established several community partnerships with organizations that share our values and mission.

Through these partnerships, **Flexential works to make a difference in the lives of people in its local markets and beyond.** The company's community initiatives focus on education, technology, and sustainability, and we collaborate with various non-profit organizations to promote social and environmental responsibility. Flexential community partnerships demonstrate our commitment to using our expertise, resources, and influence to create a better world for everyone.

Governance

Flexential is dedicated to sound corporate governance to support our employees, customers, and communities. Sound governance of our business is part of the Flexential unique culture and supports the integrity of our business practices, sustainable data center services, and the growth of our employees.

"

Governance is at the heart of Flexential operations. Our groundbreaking green financing program, including the largest-ever inaugural data center ABS offering, and green bond issuances, demonstrates our commitment to sustainable growth. We consistently expand assessments and certifications, to maintain compliance with industry-leading standards such as FISMA-High, HITRUST, and ISO 27001. Our mature ESG compliance, policies, and standard operating procedures enable us to successfully support highly regulated customers across diverse markets. With unwavering dedication to governance, we pave the way for a secure and responsible digital future."

Garth Williams
Chief Financial Officer

GOAL AND INITIATIVES

Promoting corporate integrity

Effective governance requires a focused and unwavering commitment.

Our governance practices guide and support our corporate direction to help us devise and meet strategic goals, ensure the integrity of our operations, and progress across our sustainability and DEIB goals. **Our practices create a culture of collaboration, caring, and inclusion for our customers, employees, partners, and suppliers.** We are committed to abiding by our governance and promoting transparency across our ESG efforts.

Corporate integrity

Risk management and resilience

Goals and initiatives

Governance

Data security and privacy

Governance, risk, and compliance

Business ethics

GOAL AND INITIATIVES

Governance, risk, and compliance

Flexential leadership has established an independent governance, risk, and compliance organization under the audit committee of the Board of Directors. Through this initiative, Flexential maintains a team of professionals dedicated to operational governance, risk management, regulatory compliance, and security in support of our organization.

- ☑ Operational governance
- ☑ Enterprise risk management
- ☑ Regulatory compliance
- ☑ Security
- ☑ Third-party assessments and certifications

Business ethics

A values-based culture guides Flexential in our commitment to delivering the highest quality service, demonstrating professionalism, operating with integrity, and making the right decisions.

These attributes earn our customers' trust and further our position as one of the world's leading data center operators and managed services providers.

- ☑ Highest quality service
- ☑ Professionalism
- ☑ Operating with integrity
- ☑ Confidential ethics reporting hotline
- ☑ Audited financial reporting
- ☑ Board oversight through audit committee

Data security and privacy

Flexential focuses on providing highly available, highly secure solutions for our customers. Flexential maintains an extensive program to support the security and privacy of our customer's data. This security program extends through the physical security of our data centers, customer environments, and personnel and into cybersecurity. This program is reflected in extensive third-party assessments and certifications.

- ☑ Comprehensive physical security and cybersecurity
- ☑ Extensive third-party assessments and certifications

GOAL AND INITIATIVES

Risk management and resilience

Through ongoing risk assessments, Flexential can identify threats and vulnerabilities to the organization's operations. Risk assessments are used to identify risks and focus efforts on mitigation plans and continuous operational improvement.

Flexential customers rely on Flexential data centers and services to maintain critical operations during disasters, whether a disaster is manufactured or natural. Preparing for adverse conditions is vital to safely and effectively managing a data center environment. **At Flexential, we take this preparedness seriously and plan upfront to mitigate (prevent or minimize) the impact a disaster can cause, not only on our data centers and network but also on our customers' business continuity.**

This level of preparedness involves significant upfront planning and ongoing maintenance and assessment. We start with where and how we construct our data centers and follow through with how we train our team and the ongoing preventative measures and plans we put in place.

- ☑ Ongoing risk assessments
- ☑ Natural disaster preparedness
- ☑ Continuous planning and maintenance

Flexential has established an **Enterprise Risk Management** (ERM) process across the enterprise. The ERM process allows Flexential to:

- ☑ Identify potential events that may affect the organization
- ☑ Manage risk to be within the organization's risk appetite
- ☑ Provide reasonable assurance regarding the achievement of objectives.

STANDARDS

Looking forward

Flexential has invested in long-term compliance with established standards and consistent execution across all data centers.

The Flexential compliance program addresses the full information security triad of confidentiality, availability, and integrity of customer data from various frameworks. These third-party assessments are driven by and in service to the needs of Flexential customers, regulators, and auditors.

METRIC	2022 RESULTS
Cybersecurity Breaches	0 breaches
Data Center Uptime	99.999 % uptime
ISO Certification	100% of data centers
FISMA–High / NIST 800-53 Compliance	100% of data centers
Security Training	100% of employees

PARTNERSHIPS

Flexential has engaged Schellman and Co. to provide third-party attestation services. Schellman conducts over 3,500 assurance, compliance, and certification assessments every year. According to data from Gartner, Inc., Schellman performs more compliance reports annually than any other specialized firm, comparable to any Big Four regional practice.

Schellman is the only US firm on Accounting Today's Top 100 CPA firm list whose services focus solely on audit and compliance attestations.

Flexential assessments align with standards issued by the Association of International Certified Professional Accountants (AICPA), the National Institute of Standards and Technology (NIST), the PCI Security Standards Council, Health Information Trust Alliance (HITRUST), and the International Standards Organization (ISO).

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