FLEXENTIAL®

Environmental Social Governance

FY 2024

ESG

FLEXENTIAL®

Message from the CEO

In this third edition of our Environmental, Social, and Governance (ESG) report, it is my pleasure to highlight the continued progress Flexential has made in embedding sustainable and ethical practices across our operations. Our commitment to these principles is central to our identity, shaping the way we move forward in an increasingly digital world.

This past year has been pivotal for Flexential. In October, we announced a strategic investment from Morgan Stanley Infrastructure Partners (MSIP), alongside continuing foundational capital support from GI Partners. This partnership is instrumental as it supports our ambitious growth plans and underscores our commitment to meeting the rising demand for innovative and sustainable data center solutions. This significant development aligns with our ESG objectives by enabling us to enhance our infrastructure and services in ways that consider our environmental impact and social responsibilities.

We have also made significant strides in fortifying our culture, creating a workplace rooted in collaboration and recognition of the impact each employee makes, ensuring every team member feels valued and heard. These efforts have enhanced team cohesion and operational efficiency, which are critical as we scale and evolve.

Community engagement has been another focal point for us this year. We have expanded our initiatives to support local communities, focusing on sustainability and impactful collaboration. These efforts are a testament to our commitment to social responsibility, demonstrating how integrated and essential these initiatives are to our business strategy.

As we look ahead, Flexential remains dedicated to the path of innovation and responsibility. We are more committed than ever to harnessing the power of technology to further our ESG goals, ensuring that we continue to deliver high-quality, sustainable solutions to our customers.

Together, we are not just growing; we are growing responsibly. Thank you for your continued support and commitment to Flexential.

Chris Downie, Chief Executive Officer, Flexential

"As we look ahead, Flexential remains dedicated to the path of innovation and responsibility. We are more committed than ever to harnessing the power of technology to further our ESG goals, ensuring that we continue to deliver high-quality, sustainable solutions to our customers."
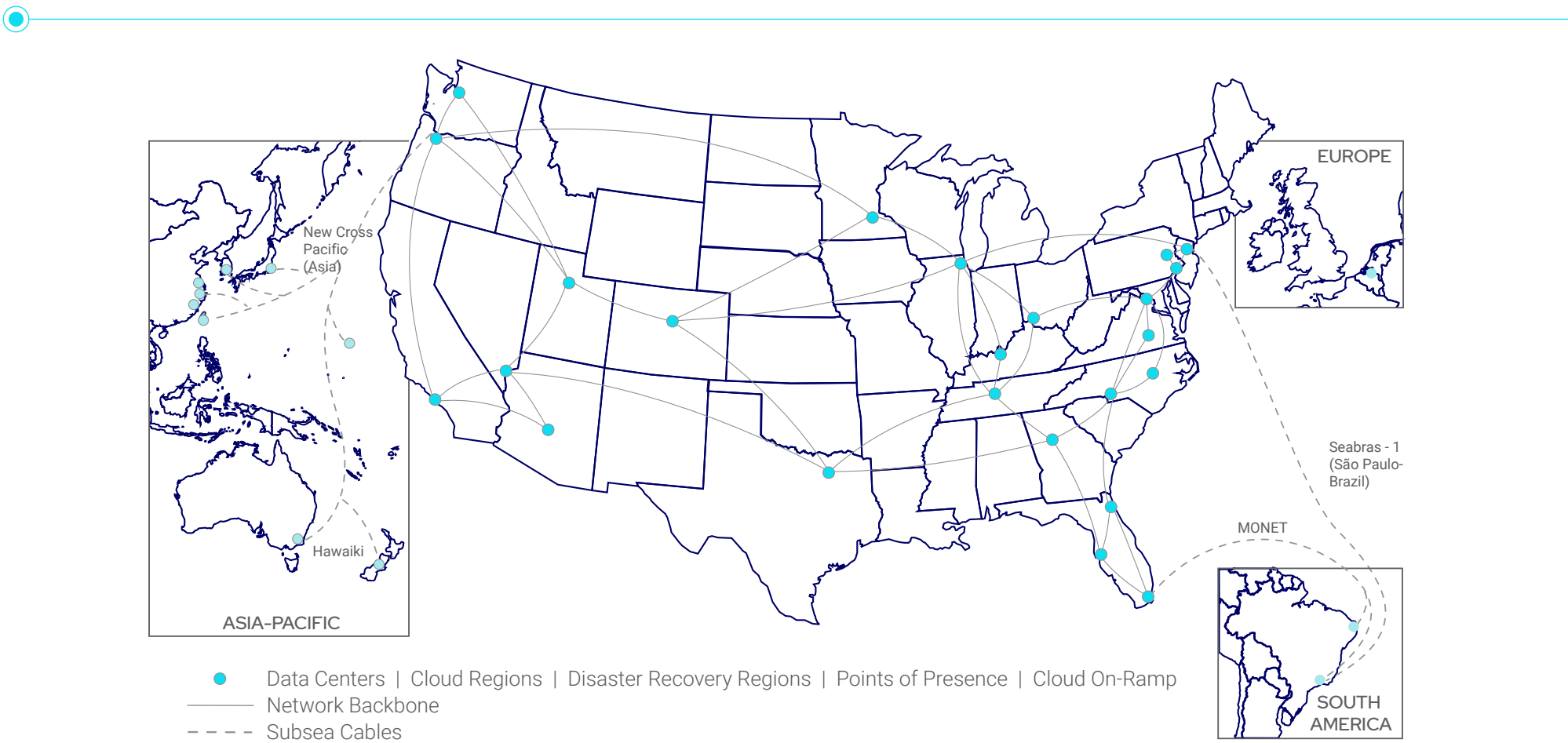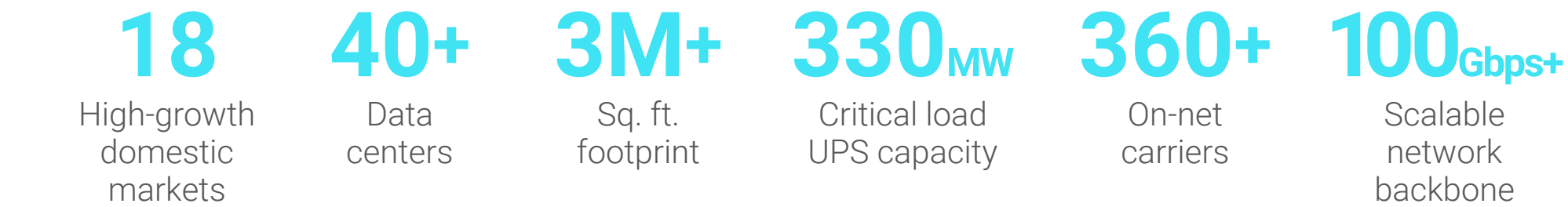
About Flexential

Empowering your IT journey

Flexential addresses the challenges faced by enterprises needing the highest levels of reliability, agility, and performance.

Our consultative approach customizes solutions to match specific workload and application requirements on the FlexAnywhere® Platform. Our highly connected, national data center platform and comprehensive suite of colocation, interconnection, cloud, data protection, and professional services adapt to empower our customers' evolving infrastructure needs.

18
High-growth domestic markets

40+
Data centers

3M+
Sq. ft. footprint

330MW
Critical load UPS capacity

360+
On-net carriers

100 Gbps+
Scalable network backbone

EUROPE

New Cross Pacific (Asia)

Seabras - 1 (São Paulo-Brazil)

MONET

Hawaiki

ASIA-PACIFIC

SOUTH AMERICA

● Data Centers | Cloud Regions | Disaster Recovery Regions | Points of Presence | Cloud On-Ramp
— Network Backbone
- - - Subsea Cables

Vision, mission, and values

The Flexential vision is to drive the connected world, and its mission is 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 customers' 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. We are knowledgeable and demonstrate it when we creatively solve problems.

Our history
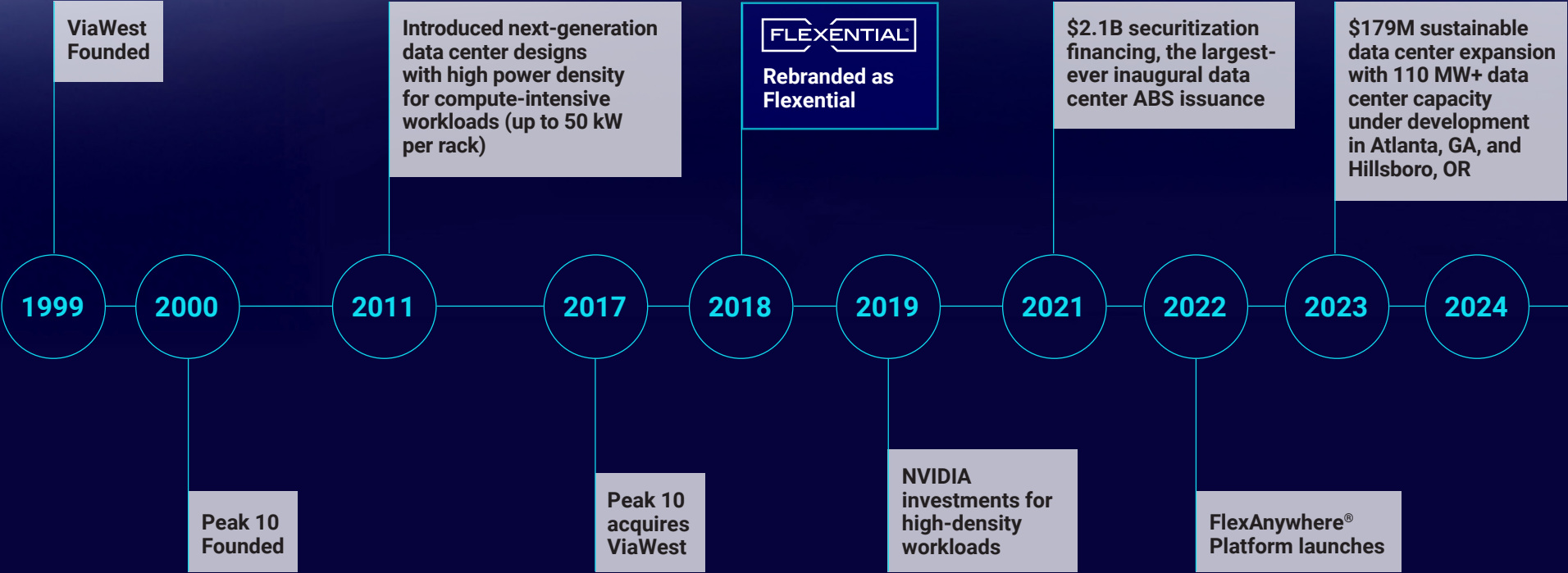
Flexential Fabric launch
A cutting-edge, customer-centric interconnection service that seamlessly integrates with the FlexAnywhere® Platform for dynamic, scalable, on-demand provisioning

Morgan Stanley Infrastructure Partners (MSIP) investment
Strategic investments from MSIP alongside continuing investor GI Partners, enhance the capacity to expand and innovate in the data center sector

State of AI Infrastructure Report
Release of the industry's first comprehensive survey signaling an industry-wide need for strategic investments in IT infrastructure to support AI adoption

Denver-Parker expansion
Broke ground on a new 22.5 MW data center—the largest in the region—designed for high-density and sustainable computing to support growing tech and AI demands

Accelerating impact
- Development of 110 MWs in strategic edge markets
- Release of second annual ESG Report
- Recognized as VMware by Broadcom Pinnacle Partner
- Wasabi Managed Service Provider of the Year
- Named to the CRN Data Center 50 and Cloud 100 lists
- 2nd consecutive Charlotte Top Workplaces and inaugural Denver Top Workplaces
- Named Charlotte Business Journal 2024 Fast 50 Award and Largest Private Companies

ViaWest Founded

Introduced next-generation data center designs with high power density for compute-intensive workloads (up to 50 kW per rack)

FLEXENTIAL
Rebranded as Flexential

$2.1B securitization financing, the largest-ever inaugural data center ABS issuance

$179M sustainable data center expansion with 110 MW+ data center capacity under development in Atlanta, GA, and Hillsboro, OR

| 1999 | 2000 | 2011 | 2017 | 2018 | 2019 | 2021 | 2022 | 2023 | 2024 |

Peak 10 Founded

Peak 10 acquires ViaWest

NVIDIA investments for high-density workloads

FlexAnywhere® Platform launches

THE FLEXENTIAL APPROACH TO ESG

At Flexential, we recognize that ESG touches every part of the business. The Flexential ESG Committee consists of a senior-level, cross-functional team representing a variety of expertise and viewpoints within the organization.
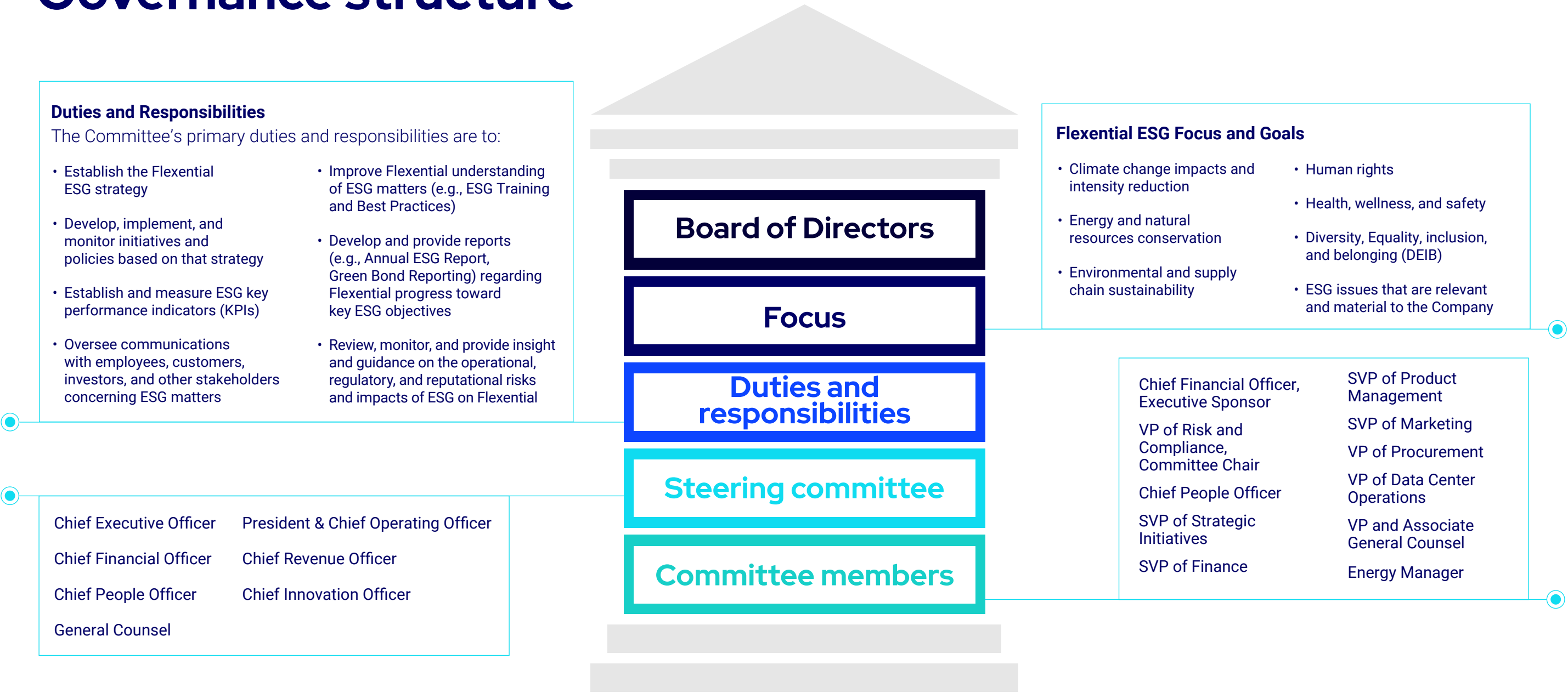
"At Flexential, ESG is embedded in how we operate and how we lead. Our growth strategy includes a deliberate focus on energy efficiency, responsible capital deployment, and long-term resilience. By integrating green financing into our platform and building data centers that meet strict efficiency thresholds, we're aligning business performance with environmental responsibility. These efforts help us meet rising customer demand, deliver on our commitments, and create lasting value in the communities where we operate."

Chris Downie, Chief Executive Officer, Flexential

Governance structure

Duties and Responsibilities

The Committee's primary duties and responsibilities are to:

- 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 key ESG objectives

- Review, monitor, and provide insight and guidance on the operational, regulatory, and reputational risks and impacts of ESG on Flexential

Board of Directors

Focus

Duties and responsibilities

Steering committee

Committee members

Flexential ESG Focus and Goals

- Climate change impacts and intensity reduction

- Energy and natural resources conservation

- Environmental and supply chain sustainability

- Human rights

- Health, wellness, and safety

- Diversity, Equality, inclusion, and belonging (DEIB)

- ESG issues that are relevant and material to the Company

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

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

2024 goals

Environmental

The following goals were developed for 2024:

- [x] **Build for sustainability:** Drive efficiency improvements in new data centers
- [x] **Manage the fleet:** Invest in updating the more mature fleet of data centers to improve efficiency
- [x] **Implement corporate initiatives:** Reduce the environmental footprint of our office spaces and expand recycling/waste programs

Social

The following goals were developed for 2024:

- [x] **Promote and enable Diversity, Equality, Inclusion, and Belonging:** Foster a workplace where every team member feels valued, included, and that opportunities are equitable for all
- [x] **Invest in our people:** Create a strong culture by supporting the whole person personally and professionally
- [x] **Support our communities:** Partner with and support causes that matter to our employees, customers, partners, and the communities we serve

Governance

The following goals were developed for 2024:

- [x] **Utilize Green Financing Program[1]:** Utilize a market-leading commitment to fund business growth in a sustainable and transparent manner
- [x] **Enhance compliance program reporting and transparency:** Manage a compliance program and reporting that addresses the needs of thousands of customers across various regulatory requirements and compliance frameworks
- [x] **Mature enterprise governance and oversight:** Mature, formalize, and enhance governance and oversight programs across the organization

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

2024 accomplishments

Understanding environmental metrics

Two values used to measure data center efficiency are power usage effectiveness (PUE) and water usage effectiveness (WUE).
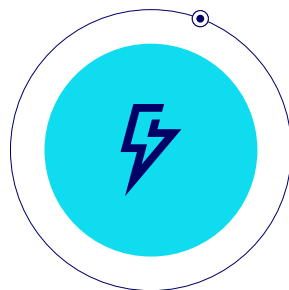
$$PUE = \frac{\text{Total Data Center Power}}{\text{IT Equipment Power}}$$

PUE is calculated by dividing the total amount of power entering a data center by the power used to run the IT equipment. PUE is expressed as a ratio, with overall efficiency improving as the ratio decreases toward a limit of 1.0.

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

Similarly, WUE is the ratio of water used in data center systems (typically for cooling) to the energy consumption of the information technology equipment. Efficiency improves as the ratio decreases to zero.

Sustainability is at the core of how we operate. From our high-efficiency, next-generation data centers to our Green Financing Program and eco-friendly corporate initiatives, we are committed to 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.

☑ **Build for sustainability:** Commissioned Hillsboro 4 Phase 1 and reached substantial completion on Atlanta 5 Phase 1, leveraging our latest generation design, each with a design PUE less than or at 1.4 and design WUE of zero.

☑ **Manage the fleet:** Flexential continuously evaluates opportunities to implement energy efficiency within our fleet of data centers. In 2024, Flexential completed ten air handling unit retrofit projects, adiabatic pre-cooler projects at four facilities, and LED retrofits at five facilities.

☑ **Implement corporate initiatives:** Initiated contracting effort to track and measure waste management activities across the portfolio.

ENVIRONMENTAL

2024 accomplishments

Social

Promote and enable Diversity, Equality, Inclusion, and Belonging

At Flexential, we believe DEIB is vital. It empowers our team members to bring their authentic selves to work, maximizing their potential and helping us achieve our goals. Diverse perspectives drive innovation and creativity, enabling us to serve our customers better. We are committed to building a company that reflects the diversity of the companies and communities we serve.

Invest in our people

Our success starts with our people. We are committed to fostering a strong, inclusive culture that supports every individual—personally and professionally. In 2024, this commitment was recognized as we were named a **Top Workplace in Denver**, a **Top Workplace in Charlotte** for the second time, and earned national recognition from **USA Today**.

We prioritize employee well-being through a comprehensive Employee Assistance Program, "Get Healthy" reimbursements, and wellness incentives. We also invest deeply in career growth with leadership training, one-on-one coaching, and extensive learning opportunities—totaling over 5,500 Udemy training hours in 2024. Notably, 14% of our employees were promoted from within last year, reflecting our dedication to internal growth.

We remain focused on empowering our people, supporting their development, and creating a workplace where everyone can thrive.

Support our communities

The Flexential commitment to giving back to the community is exemplified through FlexCares, an organization designed to facilitate 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. Through its efforts, Flexential has demonstrated its commitment to positively impacting society and fostering a culture of social responsibility.

Flexential uses many tools to support our Employee Engagement and Development, including:

Gallup	**TaskHuman**
Udemy Business	**NC TECH**
Thrive X	**Gartner**
ERG Leadership Alliance	**ActivateWorks**
Energage	

SOCIAL

2024 accomplishments

Governance

Utilize Green Financing Program

In 2021, Flexential completed the largest-ever inaugural data center and green bond asset-backed security (ABS) issuance to support growth and development. New data center builds embedded within our green bond ABS financing structure are required to meet specific carbon emissions efficiency ratios (i.e., a design PUE of 1.4 and a design WUE of zero). Flexential total Green ABS notes now equate to ~$2.1b.

Launched enterprise operational resiliency program

In Q4 2024, Flexential initiated a program leveraging third-party professional services support to mature our enterprise operational resiliency and business continuity capabilities. This initiative was undertaken to ensure Flexential keeps pace with a constantly evolving technology landscape, emerging cyber threats, increased frequency and severity of natural weather events, and has a formalized program to meet the expectations of our customers and key stakeholders.

Focused on third-party vendor risk management and responsible AI adoption

Flexential bolstered our third-party vendor risk management capabilities, including the adoption of tooling that enabled the development of standardized third-party vendor risk assessment capabilities (including technical reviews of AI tooling). Flexential recognizes the efficiencies of leveraging third-party technology platforms and has committed to enhancing our ability to manage various risks related to leveraging third-party managed and hosted solutions.

Mature enterprise governance and oversight

Flexential continued to mature governance and oversight capabilities across the organization to better align enterprise strategy with our operational capabilities and resource prioritization.

GOVERNANCE

ENVIRONMENTAL

Sustainability is at the core of how we operate. From our high-efficiency 4th and 5th-generation data centers to our Green Financing Program and eco-friendly corporate initiatives, we are committed to partnering with utility providers that supply renewable and carbon free energy, improving our operational and water usage efficiency, and continually investing in updates and improvements that strengthen our sustainability efforts across our fleet of data centers.

" Our next-generation facilities are designed to meet today's performance demands without compromising on efficiency. We continue to advance our Green Financing Program and invest in targeted upgrades across our fleet to cut energy and water use, improve system reliability, and reinforce resiliency across the board. This operational discipline allows us to scale responsibly, support customer workloads with confidence, and stay focused on long-term environmental impact."

Ryan Mallory, President and Chief Operating Officer, Flexential

Environmental management program

Flexential established its Green Financing Program to help achieve our environmental goals while helping promote transparency and leadership in sustainability across financial systems.

Environmental metrics

Metric	Units	2022	2023	2024	Comments
Greenhouse Gas (GHG) Emissions: Scope 1	mtCO2e	860	2,880	4,910[2]	Scope 1 emissions are direct carbon emissions generated on-site.
Greenhouse Gas Emissions: Scope 2 (Location-based)	mtCO2e	300,318	355,474	388,273	Scope 2 emissions are indirect emissions from purchased electricity.
Total Energy Consumption	GWh	801	959	1,113	Total consumption of purchased electricity.
Renewable Energy Consumption	GWh	232	311	391	Location-based total renewable energy consumption based on EPA eGrid. Includes Hydro, Solar, Wind, Geothermal, and Biomass.
Renewable Energy Consumption	%	29	32	35	% Renewable Energy Use - location-based.

2. In 2023, Flexential introduced a process enhancement to improve the quality of information utilized to calculate our scope 1 GHG emissions. Our scope 1 emissions primarily consist of fuel consumption used to power our back up generation capabilities. This process and data quality enhancement is the primary driver for the reported year over year increase in our scope 1 emissions.

ENVIRONMENTAL

Environmental management program

Environmental metrics (continued)

Metric	Units	2022	2023	2024	Comments
Carbon Free Energy Consumption	GWh	337	422	512	Location-based total carbon free energy consumption based on EPA eGrid.
Carbon Free Energy Consumption	%	42	44	46	% Carbon Free Energy Use—location-based.
Power Density	W/sf	76.0	74.8	74.4	Total Watts per square foot of contracted customer space.
Operational PUE	Trailing-Twelve Month Average	1.52	1.53	1.49	Operational PUE of all data centers.
New Data Center Resource Management: PUE	Design PUE	1.4	1.4	1.4	Design PUE of new data centers brought online during the year.
New Data Center Resource Management: WUE	Design WUE	0	0	0	Design WUE of new data centers brought online during the year.

Environmental projects

Energy management

Flexential has a history of commitment to sustainability, and we pride ourselves on our ability to create highly efficient data centers. Below are some highlights from projects we completed in 2024.

- ☑ Flexential is engaged with Enabled Energy to conduct focused energy audits of our mature fleet of data centers to identify opportunities for efficiency projects.

- ☑ Flexential completed 10 air handling unit (AHU) retrofit projects in 2024. These projects improve cooling efficiency at our data centers, reducing our PUE by 6% on average.

- ☑ Flexential has evaluated and executed an additional energy efficiency project at our Aurora, CO data center by installing a side-stream electric precipitator in our cooling system, further reducing maintenance costs, water consumption, and electricity consumption.

- ☑ Flexential completed adiabatic pre-cooler projects at Denver-Englewood (Phase 2), Hillsboro 2, North Las Vegas, and Nashville (Brentwood). These projects provide both efficiency and reliability enhancements during the hottest time of the year. On average, these projects are expected to reduce our peak PUE by approximately 9%.

- ☑ Flexential completed LED retrofits at Las Vegas Downtown, Salt Lake City Downtown, Salt Lake City Fair Park, Salt Lake City South Valley, and Salt Lake City Millcreek, resulting in a decrease of 787 MWh.

IMPACT DELIVERED

Denver-Aurora Data Center
Electrocell Precipitator Installation
Saving three-quarters of a million kWh of electricity and 2.6 million gallons of water

Our Denver-Aurora facility has two independent central plant systems, each comprised of chillers that reject their heat through "open" condenser loops utilizing cooling towers. An opportunity was identified to install Electrocell side-stream particulate filtration systems to enhance the heat exchange (power savings), reduce tower blowdown (water savings), and avoid costly heat exchanger fouling and associated maintenance. Two Electrocell units were installed on the respective Denver-Aurora condenser loops, yielding a projected 89kW/ 782,750kWh of power savings and ~2.6M gallons of water.

In addition, dormant heat exchangers are being brought back into service which will enable partial or total "free" mechanical cooling operation for over 60% of the calendar year for the Denver-Aurora facility. This projects to a 47% reduction of mechanical system energy usage.

Environmental projects

IMPACT DELIVERED

Waste management

Flexential respects the idea of circular economies and is working to ensure our and our customers' waste is recycled appropriately. Our most commonly recycled materials are old corrugated containers (OCC), copper, and end-of-life IT equipment. Each location separates OCC and copper to ensure as little waste stream as possible ends up in landfills.

In today's era of heightened cybersecurity threats and evolving data protection regulations, choosing the right partner for IT asset disposition (ITAD) goes far beyond simple cost considerations. The stakes are high as mishandling of decommissioned IT assets can lead to data breaches, hefty regulatory fines, and reputational damage.

Flexential only uses entrusted ITAD partners to ensure end-of-life IT equipment is responsibly recycled and securely destroyed.

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.

Raleigh Data Center
Air Handling Unit Retrofit
Saving half a million kWh of electricity

Our Raleigh facility is cooled by a diverse array of Liebert Computer Room Air Conditioning (CRAC) units. Units vary in cooling tonnage and direct expansion (DX) configuration type, including water-cooled, air-cooled, and glycol-cooled units. Flexential partnered with Enabled Energy to develop and implement a comprehensive CRAC retrofit program to enable variable-speed fan functionality. This project resulted in notable energy savings and a hardened operational controls configuration.

Nine units' induction motors and squirrel cage fans were replaced with new Electrically Communicated (EC) fan arrays, and an additional seven units were fitted with Variable Speed Drives (VSD) where constructability issues prevented EC fan retrofit. CRAC units were networked and grouped together in five logical zones based on the discrete floor areas they serve. Grouped units' fans now ramp dynamically to maintain a consistent zone underfloor pressure, providing right-sized airflow to cool the IT critical load.

Average CRAC speeds were reduced from 100% to 68% across the facility while maintaining rack inlet temperatures. Power demand was reduced by 58.6kW, equating to an annualized savings of 513,336 kWh. The project resulted in an average facility PUE reduction of 5.7%.

Environmental projects

Efficiency projects

Flexential has adopted a pragmatic approach to sustainability. This includes ensuring our newly constructed facilities meet certain power and water usage efficiency thresholds, as well as seeking opportunities to improve operational efficiency within our established fleet of data centers that were constructed prior to the adoption of certain efficiency targets. Included below are several case studies that highlight recently completed projects that demonstrate our commitment to improving the efficiency of our data centers.

IMPACT DELIVERED

Denver-Englewood Data Center
Precooling Installation
Improving peak PUE by 9% and ensuring consistent cooling during peak demand hours in the summer

Peak+'s adiabatic pre-coolers were installed on 4,950 tons of cooling capacity at the Flexential Denver-Englewood data center. The system delivered temperature drops as high as 40°F between ambient air and the air entering the condenser coils. This resulted in a reduction of approximately 500,000 kWh, a reduction of approximately 1MW from our peak demand, and contributed to a significant reduction in peak PUE of approximately 9%. By increasing cooling efficiency on hot days, the system helped ensure stable operations during peak demand.

Environmental partnerships

Flexential is currently in the process of adopting the Global Real Estate Sustainability Benchmark (GRESB) framework and conducting the Infrastructure Asset Assessment process.

GRESB is a leading organization that provides a standardized approach to evaluating and improving ESG performance of real estate and infrastructure investments, helping key stakeholders navigate the evolving landscape of sustainability reporting and performance.

In 2024, we began the process to conduct a GRESB materiality assessment to identify the applicability of framework requirements to Flexential. We believe participation in the formalized GRESB process will facilitate a comprehensive maturation of our ESG program and reporting, align with other real estate based digital infrastructure providers globally and enhance the transparency of our ESG program to our current stakeholders.

Environmental looking forward

Stakeholder engagement

Flexential will engage with multiple stakeholders internally and externally to develop a comprehensive strategy for meeting our sustainability goals.

Stakeholder engagement includes:

- ☑ **Investment sponsors:** Engaging with our investment sponsors to ensure alignment on the Flexential approach to managing and reporting on our ESG program

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

- ☑ **Customers:** Engaging our customer base to align our sustainability efforts, carbon intensity reduction efforts, water stewardship efforts, waste management, and circularity initiatives

- ☑ **Suppliers:** 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

Greenhouse gas emissions optimization

The Flexential ESG Committee is committed to monitoring our carbon footprint, seeking opportunities to improve the operational efficiency of our fleet of mature data centers, and designing and constructing new facilities that meet power and water usage efficiency thresholds as governed by our green bond financing (design PUE of 1.4 and design WUE of zero). In 2024, Flexential leveraged the assistance of a third-party organization to calculate our scope 1 and scope 2 emissions across our fleet of data centers and corporate offices. These metrics were leveraged as part of our broader business strategy to monitor our overall carbon output while we drive business growth, commission new data centers, and seek cost-effective mechanisms to offset or reduce our overall carbon footprint. Flexential also monitors our overall energy mix across both renewable and non-renewable sources.

We strive to use our backup generation only when necessary. Our backup generation is also utilized in Demand Response programs offered by some power providers to maintain grid reliability during emergencies.

Emissions from our data center are primarily categorized as Scope 2 emissions from purchased electricity through local electrical utilities. Many 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 U.S. to determine the environmental impact of doing business and identify pathways to lower our emissions.

As we look forward to 2025, Flexential will continuously seek opportunities to implement efficient measures within our fleet of data centers to improve PUE and incrementally reduce our overall energy consumption.

Lastly, Flexential is planning to introduce a product offering that will enable our customers to procure renewable energy credits (RECs) through a third-party agent to support their ESG programs and sustainability requirements.

SOCIAL

At Flexential, our commitment to our team and the wider community is a core part of our corporate culture. We prioritize the holistic well-being of our employees by providing resources that support their health, promote personal and professional development, and encourage active community involvement. Our workplace is grounded in inclusive principles, ensuring each employee feels valued, respected, and empowered.

" A strong culture is built with intention. It starts with a foundation of trust, inclusion, and shared values—and it's sustained by the everyday actions that make people feel supported and seen. From ERGs and career development to well-being resources and community involvement through FlexCares, we're creating the environment for people to grow, lead, and thrive. When our employees feel empowered, they bring that energy to their work, their teams, and their communities."

Veena Bricker, Chief People Officer, Flexential

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 DEIB journey. We provide our employees the tools and support they need to flourish and flex their whole, authentic selves.

DEIB awareness programs and communications

☑ **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. More than 2,400 CEOs have pledged to create more inclusive cultures while not being afraid to have difficult conversations about diversity, equality, and inclusion. The coalition provides various tools, resources, events, and thought-leadership opportunities to support business leaders in taking action and driving progress.

☑ **Employee-led Employee Resource Groups**

Fostering a culture of belonging

The Flexential DEIB strategy fosters a supportive and inclusive environment in which every voice is essential and every person belongs. We continue to make strides toward this environment, where our employees can bring their authentic selves to work, maximize their potential, and help Flexential achieve our goals.

DEI ❯

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 viewpoints, as they are fundamental in shaping and directing the culture of our organization. We recognize it is crucial to ensure that our culture is shaped and influenced by our employees' opinions, needs, and wants, and that our values and practices are inclusive, diverse, and reflective of the individuals who make up our workforce. Employees are encouraged to engage and contribute in areas and causes that speak to them by leading an employee resource group (ERG) or simply attending an ERG event.

Our ERGs provide education, guest speakers, event celebrations, and support for our team members and are open to all company employees regardless of affiliation.

WWF

Women Who Flex was the first ERG established at Flexential. The group was founded to uplift and empower women, allies, and the larger organization and industry. The group's primary goal is to create a secure and supportive environment where women and allies can grow personally and professionally.

Overall, **Women Who Flex** is a dynamic group that aims to provide its members 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, open discussion space, internal and external speakers, and a place for camaraderie to inspire growth and confidence in its members.

Employee resource groups

FlexSalute

As a veteran-focused ERG, **FlexSalute** is committed to providing a safe and supportive environment for our fellow veterans, active-duty personnel, their families, and veteran supporters. They recognize the unique experiences, challenges, and contributions that veterans bring to the workplace and seek to foster a greater understanding of these issues.

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

FlexSalute is committed to raising awareness and understanding of veteran issues within our organization and the wider community. The group collaborates with other organizations and groups to advocate for veterans' needs and promote the value and importance of their contributions to our society.

Health, wellness, and safety

Our people are at the core of everything we do and everything we are. That is why we prioritize employees' physical, mental, emotional, and financial 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.

Leveraging our view that our employees are at the core of our ability to generate value for our stakeholders, Flexential has a robust health and safety program to support health, safety, and injury prevention in our workplace. We have embedded health, safety, and injury prevention requirements within our enterprise policy requirements and view this as a core principle for how we operate our business and safely manage our fleet of data centers.

Safety and injury prevention have been further operationalized within the various procedures and checklists utilized by our data center operations team. Training is provided to all new hires, embedding health, safety, and injury prevention requirements within formal job responsibilities.

The Health and Safety Committee was established to proactively manage health and safety considerations and topics for the business. This committee meets monthly to identify and resolve safety concerns and adopt a forward-looking approach to programmatically managing workplace safety requirements.

FlexWell

☑ The **FlexWell** program supports integrated wellness and is designed to meet employees where they are in their life journeys, providing access to well-being resources, support, and tools.

☑ Comprehensive employee benefits

☑ Paid family leave

☑ Training and resources to support employee's financial wellness in partnership with Fidelity Investments

Career development

The Flexential employee value proposition centers around a dedication to fostering a personal and professional growth culture by attracting, inspiring, developing, and retaining world-class talent. We provide a range of career and professional development opportunities to empower our employees to expand their skill sets, pursue their interests, and advance in their careers. In essence, our goal is to see our people thrive.

- ☑ On-demand courses through Udemy Business
- ☑ Internal mentorship program
- ☑ Coaching for personal and professional growth
- ☑ Promotion opportunities
- ☑ Leadership training through Flexential University
- ☑ Certification programs and incentives

Flexible work environment

Our people are at the heart of everything we do, and it's essential to us that they feel valued and supported both at work and in their personal lives. We offer a flexible work schedule, a hybrid environment, and flexible paid time off (PTO) to give our employees the time to recharge, volunteer, spend time with loved ones, and focus on their overall health.

- ☑ Hybrid/flexible work-from-home options
- ☑ Flexible PTO, with no pre-set cap for the number of days off
- ☑ In-person and virtual connection and collaboration opportunities
- ☑ Company-issued equipment
- ☑ Regular, in-office "**FlexBytes**" meals and snacks

Supporting our communities

At Flexential, giving back to our communities is a fundamental part of our core value of Caring. We dedicate our time, talents, and financial resources to support non-profit organizations in our local areas. Through our **FlexCares** program, we encourage employees to engage in causes that matter most to them.

Flexential is committed to more than just delivering excellent products and customer service; we genuinely care about the environment, people, and communities where we operate. Recognizing the growing importance of social responsibility to our customers, partners, and communities, the **FlexCares** Committee works with the Executive Leadership Team and Board of Directors to uphold our value of caring and achieve our ESG goals. FlexCares' Volunteerism and Charitable Giving Pillars are supported through Flexential-sponsored, employee-led, and community partnership initiatives. We organize events to donate time, funds, and items, including blood drives and group events to make lunch bags for local unhoused populations.

Flex Cares

We aim to identify causes that resonate with our employees, lead by example, foster a culture of volunteerism, and coordinate volunteer opportunities. Additionally, we strive to build relationships with community non-profits that align with our values and goals, enhance customer satisfaction, organize company charitable giving, and encourage individual charitable contributions. Examples of these relationships can be found in the Social Partnerships and Investments section of this report.

The Flexential commitment to social responsibility and our core value of Caring are evident in our workplace giving initiatives, which benefit not only our employees but also our customers, partners, and communities.
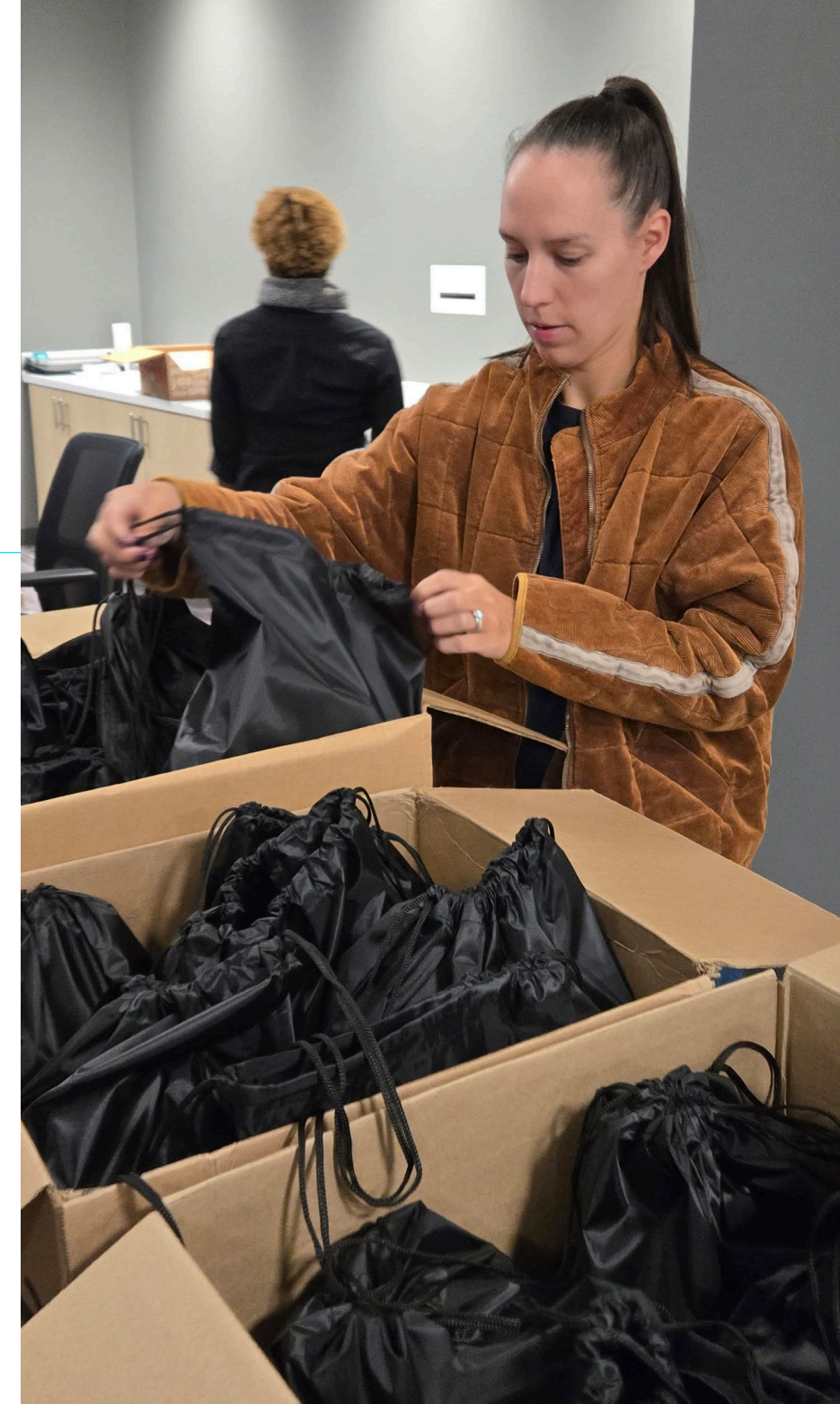
Social data

Metric	2022	2023	2024	Comments
Workforce Diversity	38%	39%	41%	% of workforce from underrepresented groups (non-white male)
Gender Diversity	19%	19%	19%	% of the workforce is female
Leadership Diversity	34%	33%	36%	% of all manager and above leaders are from underrepresented groups (non-white male)
New Hire Gender Diversity	26%	21%	19%	% of annual hires that are female
Board of Directors Diversity	14%	14%	13%[3]	% of Board of Directors from underrepresented groups (non-white male)
Employee Engagement Score	4.16	4.18	4.22	Gallup Annual Engagement Survey Score. On a 5.0 scale
Employee Engagement Ratio	7.86	11.20	15.00	Ratio of engaged to actively disengaged employees
Employee Satisfaction Participation	83%	86%	76%	% employees responding to annual employee engagement survey
# of Work Related Fatalities	0	0	0	Measures the number of work-related fatalities
# of Work Related Injuries	4	6	7	Measures the number of work-related injuries based on OSHA reporting guidelines
Total Recordable Incident Rate (TRIR)	0.46	0.71	0.79	Measures the rate of work-related injuries and illnesses, based on estimated hours worked, OSHA reporting guidelines. Incidence rates represent the number of injuries and illnesses per 100 full-time workers

3. The Flexential Board of Directors included membership from an underrepresented group for 11 months of calendar year 2024; our reported metric includes the pro-rata composition of our board including underrepresented groups for calendar year 2024.

Gallup Annual Engagement Survey

We believe that feeling welcomed and appreciated as a member of the team/organization is essential and gives individuals a sense of belonging and engagement. Decades of research show that engaged employees produce better business outcomes than other employees, across industry, company size, and nationality, and in good economic times and bad.
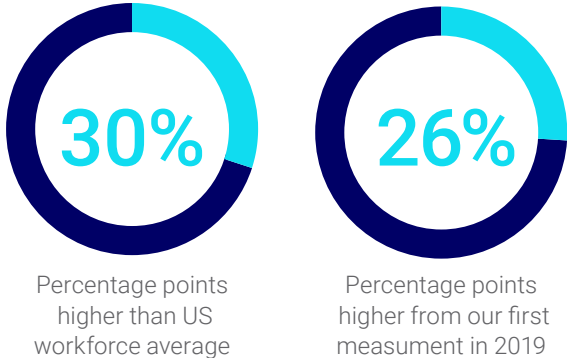
Since 2019, Flexential has partnered with Gallup, which utilizes data from over 3.3 million workers across 100,000+ teams and over 50 diverse industries, to measure Employee Engagement. This scientifically validated assessment allows us to track our progress over time and benchmark across peer companies. Per Gallup, nationally, the ratio of actively engaged to actively disengaged workers in the U.S. is 1.8 to 1. Since 2019 our ratio has increased from 2.12 to 15.0, a 608% increase and is currently above the national average.

Engagement index

Engagement Index	2019	2020	2021	2022	2023	2024
Engaged	34%	49%	54%	55%	56%	60%
Not Engaged	50%	42%	40%	38%	39%	36%
Actively Disengaged	16%	9%	6%	7%	5%	4%
Engagement Ratio[5]	2.1	5.4	9.0	7.9	11.2	15.0

5. Ratio of engaged to actively disengaged

U.S. Employee Engagement vs Flexential Employee Engagement

30%

Percentage points higher than US workforce average

26%

Percentage points higher from our first measument in 2019

Flexential 2024 overall mean score

RESPONDENTS*

671

MEAN PERCENTILE RANK

60

ENGAGEMENT MEAN

CHANGE 0.04

4.22
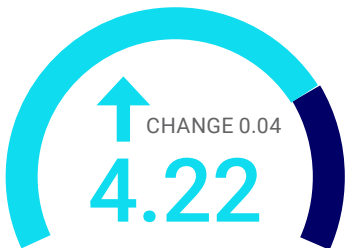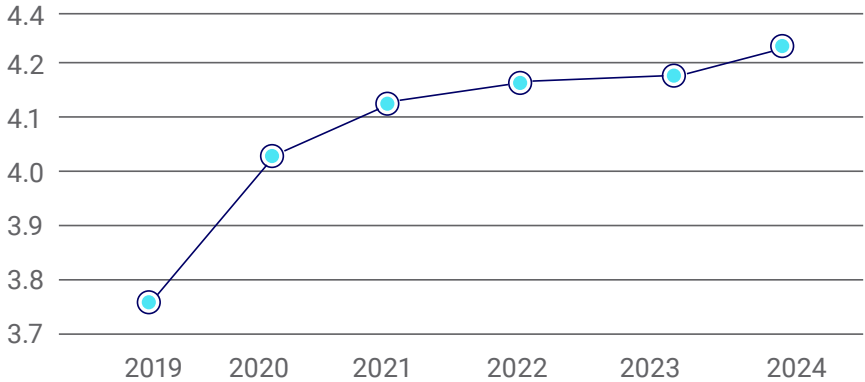
Overall score has increased for the 5th year in a row

Database: Gallup Overall

FLEXENTIAL OVERALL MEAN SCORE

Social partnerships and investments

As part of our commitment to positively impacting our communities, Flexential is committed to partnering 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 collaborations demonstrate our commitment to using our expertise, resources, and influence to create a better world for everyone.

Flexential and its employees are active in our communities and work to support many charitable organizations, including:

Fund donations:

MAKING A BETTER WORLD

DONATE

Social looking forward

At Flexential, we are committed to continually enhancing initiatives that enrich the well-being of our employees and the communities we serve. Our journey toward these goals is never-ending.

Looking ahead, we are dedicated to not only improving the programs and support we offer but also to strategically integrating the three pillars:

Promoting and enabling DEIB   **Investing in our people**   **Supporting our communities**

This integration will amplify our impact across all areas.

While the contribution of the social component of ESG to sustainable investment outcomes may be less immediately apparent than environmental or governance factors, it is equally vital. Our leadership will continue intentionally fostering a culture that champions and prioritizes our social objectives.

GOVERNANCE

Governance requires discipline and focus and is the cornerstone of the Flexential capability to ensure that our strategy is effectively implemented and embedded within the operational management of our business. In 2024, we continued to drive enterprise-wide governance programs and initiatives to enhance our ability to drive a top-down strategy and enhance our business's scalability and maturity.

"Governance is the discipline that allows us to scale with integrity. As our business grows, we've focused on strengthening the systems that support it—from maturing our compliance programs and risk frameworks to expanding operational resilience and oversight. We're investing in the tools and policies that help our teams stay ahead of regulatory expectations, protect our customers, and navigate emerging challenges like AI. Initiatives like our Green ABS financing, third-party risk reviews, and AI policy development reflect our commitment to accountability and long-term trust."

Garth Williams, Chief Financial Officer, Flexential

Promoting corporate integrity

Flexential is committed to ensuring an appropriate governance structure is in place to support our ability to act with integrity and ethically. This is supported by our Standards of Employee Conduct, Employee Ethics Policy, robust mandatory training requirements for all employees, and various programs that ensure our values are adhered to. Additionally, Flexential has a whistleblower program to facilitate anonymous reporting for suspected policy violations. In 2024, significant enhancements were made to expand this capability from Flexential employees to include key third-party business relationships through our Vendor Code of Conduct.

Goals and initiatives

In 2024, multiple governance enhancements were implemented and/or matured across the organization to better reflect our values and commitments to our stakeholders to support sustainable business growth and adoption of our enterprise strategy.

1
Partnered with investment sponsors to align ESG strategy and reporting

Flexential actively collaborates with our investment sponsors, GI Partners, and MSIP to ensure alignment with our ESG strategy, program scope, and reporting practices. In 2025, Flexential is reviewing its ESG program in preparation for our participation in the 2026 GRESB reporting and benchmarking process, while continuing to provide regular ESG performance metrics to our sponsors in support of their sustainability objectives.

2
Actively monitored the legal, regulatory, and compliance landscape

Flexential has initiated a cross-departmental initiative to perform horizon scanning to ensure we stay ahead of new and changing legal, regulatory, and compliance requirements. This initiative included key topics such as data privacy, artificial intelligence (AI), and environmental, health, and safety (EHS). We have actively engaged with third-party specialists and outside counsel as needed to ensure our approach to legal and compliance management is aligned with reasonable commercial business practices.

3
Matured cyber and information security program

Flexential enhanced existing cyber and information security programs to align maturity evaluations with the standard NIST Cyber Security Framework (CSF) maturity model. Reviews of programs generated enhancements to our cybersecurity capabilities roadmap and identified targeted areas for improvement using risk-based prioritization. As a result, Flexential has implemented improved capabilities in the following domains: endpoint detection and response, enhanced security observability and monitoring, enforcement of least privilege permissions, and centralized endpoint configuration management.

4
Enhanced compliance management and reporting

Flexential continued to enhance trust and transparency with customers through our Compliance Management program. We successfully adopted and were assessed by an independent third-party audit firm against significant compliance framework changes for ISO 27001 and PCI DSS. Additionally, we launched a Trust Center to enable customers to self-serve compliance reporting necessary to enable them to meet their regulatory, risk management, and compliance obligations.

Goals and initiatives

5
Developed and implemented a vendor Code of Conduct

Flexential successfully developed and included a vendor Code of Conduct within our third-party contracting process to ensure our vendors adhere to a high ethical standard and support our approach to ethical business and employment practices.

6
Initiated a third-party-led operational resilience engagement

Flexential recognizes our role as a supplier of critical services to our customers and has engaged a third-party organization to assist us in conducting a top-down review of our operational resilience and business continuity program to ensure we are meeting the expectations of our key stakeholders.

7
Developed an AI governance policy

Flexential recognizes the need to support technological innovation responsibly and has developed an AI policy to ensure our adoption of new AI technologies is done in a manner that supports our legal, regulatory, compliance, and risk management objectives. We are currently aligning our AI Governance process within our third-party vendor risk management process to ensure we have a comprehensive approach to managing key risks related to our adoption of new and emerging technologies.

Business ethics, code of conduct, and monitoring

Flexential has implemented a robust set of programs, policies, and requirements to ensure we act ethically and in a manner aligned with our values, key stakeholders, and marketplace expectations. Flexential has adopted and implemented the following to ensure we ethically operate our business, hold ourselves to high standards, and meet our stakeholders' expectations:

☑ **Employee Ethics Policy**
— Includes conflicts of interests, anonymous reporting, employee investigations, and anti-bribery and corruption program requirements.

☑ **Revenue Recognition Policy**

☑ **Vendor Relationship Management Policy**

☑ **Information Security Policy**

On an annual basis, these policies and programs are monitored to ensure they are up to date and continue to meet the needs of the organization and our key stakeholders. Additionally, Flexential has mechanisms to monitor and ensure compliance with business ethics and Employee Standards of Conduct requirements, including mandatory training, Employee Standards of Conduct acknowledgements by all employees (during onboarding and annually), and monitoring our anonymous reporting hotline and website for potential violations.

Risk and compliance management

On an annual basis, Flexential undergoes extensive third-party audits, conducted by Schellman, our external third-party assurance/ compliance audit firm. During these audits, our control environment is subject to a combination of controls and substantive testing against the requirements included in the above frameworks and standards, and audit reports are made available to customers to deliver against our compliance obligations and support their third-party vendor risk management and compliance/regulatory obligations.

Flexential has a risk and compliance management program focused on ensuring the business operates within our defined risk appetite and can effectively manage our portfolio of compliance obligations and reporting requirements. Flexential has adopted the following compliance frameworks, standards, and reporting requirements:

ISO 27001 CERTIFIED by schellman

r2 HITRUST CERTIFIED

AICPA SOC aicpa.org/soc4so SOC for Service Organizations | Service Organization

NIST National Institutes of Standards and Technology SP 800-53

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EXECUTIVE SUMMARY   FLEXENTIAL APPROACH   ENVIRONMENTAL   SOCIAL   GOVERNANCE

Data security and privacy

Flexential recognizes the importance of information security and privacy in today's digital landscape. Our customers trust us with their sensitive data and business operations, and we take this responsibility seriously.

Our commitment to information security and privacy extends across every aspect of our business, from the technologies we deploy to the processes we follow and the people we hire. We view information security as a shared responsibility, and we work collaboratively to create a robust and resilient environment for our customers.

Supported by our executive leadership, we invest strategically in the right talent, advanced technologies, and proven processes to ensure that our infrastructure is secure and our operations are resilient. Every team member understands their critical role in upholding our commitment to security.

Our dedication to information security is not only expressed in our words; it's reflected in our risk-based information security program. We continually assess and prioritize potential risks, guiding our resource allocation to address the most significant areas of concern. Our security practices are not static but are part of ongoing, dynamic continuous improvement. We believe in constant evaluation, iteration, and innovation to stay ahead of emerging threats.
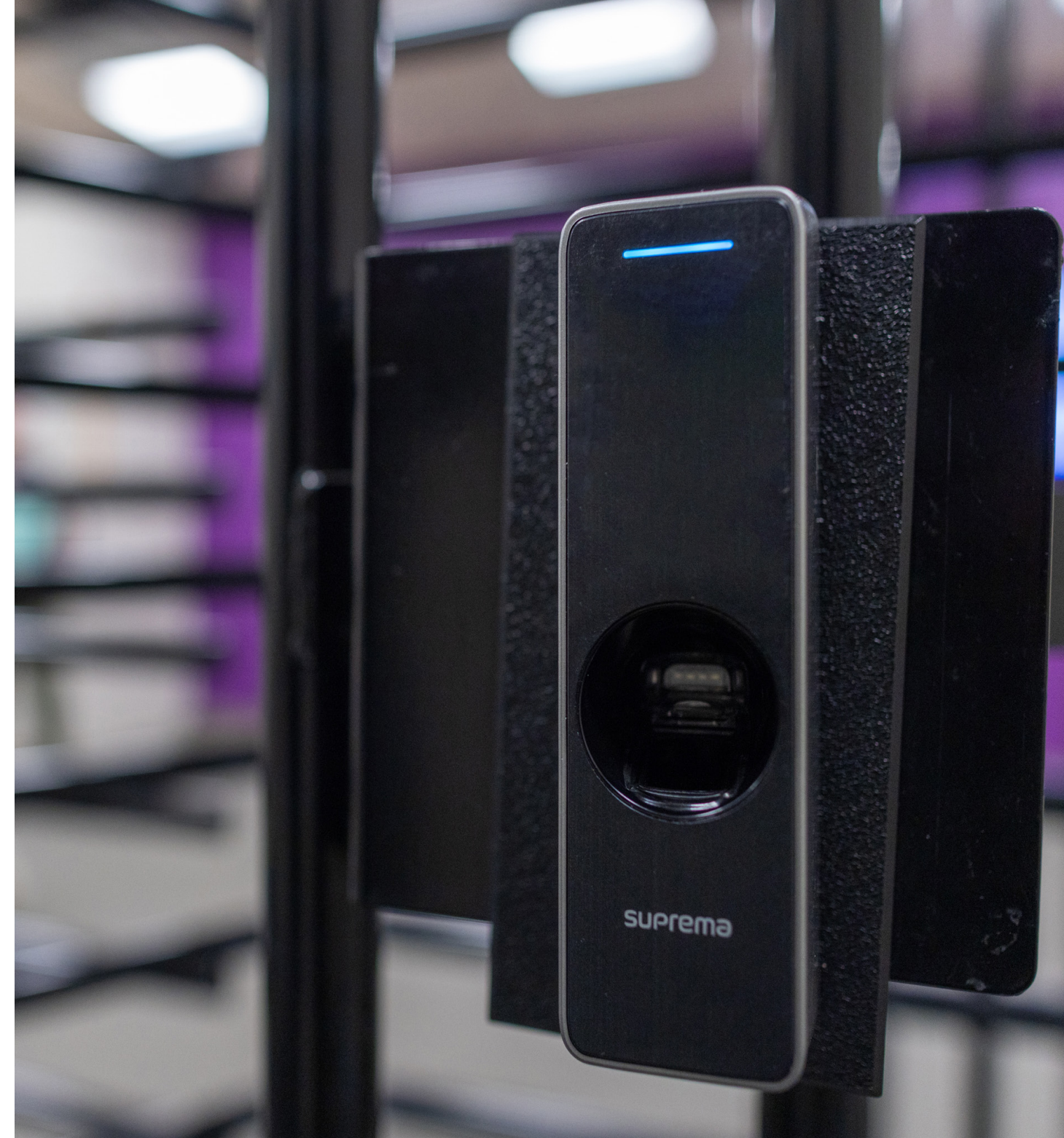
Operational resilience

Through ongoing risk assessments, Flexential can identify threats and vulnerabilities to the organization's operations. Risk assessments 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 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.

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

- ✓ **Ongoing risk assessments**

- ✓ **Disaster preparedness**

- ✓ **Continuous planning and maintenance**
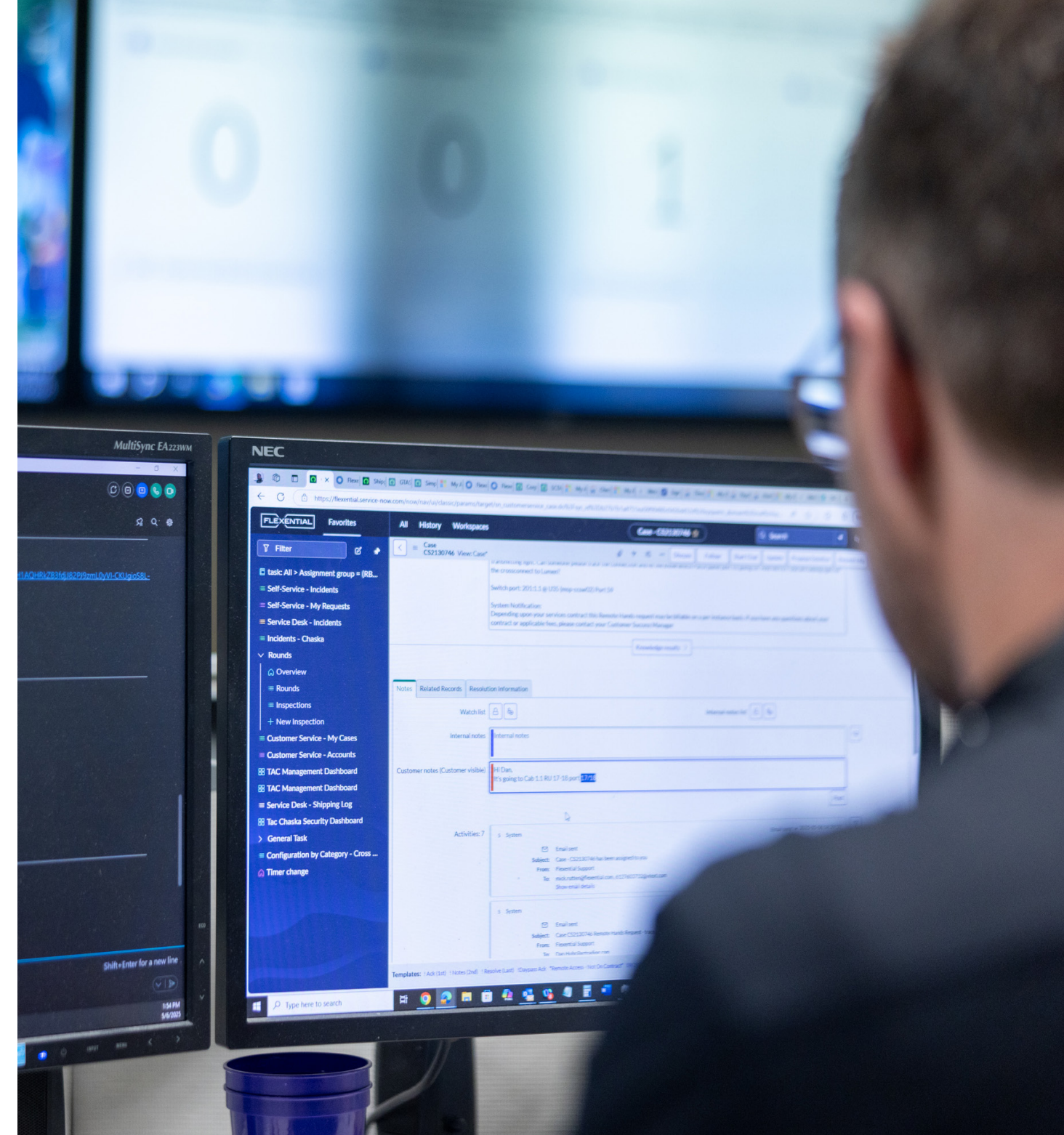
Governance data

Metric	2022	2023	2024
Cybersecurity Breaches	0 breaches	0 breaches	0 breaches
Data Center Uptime	99.999% uptime	99.998% uptime[4]	99.999% uptime
ISO 27001 Certification	100% of data centers	100% of data centers	100% of data centers
NIST 800-53 Compliance (Physical and Environmental Security)	100% of data centers	100% of data centers	100% of data centers
PCI DSS Certification	100% of data centers	100% of data centers	100% of data centers
HITRUST Certification	100% of data centers	100% of data centers	100% of data centers
Security Training	100% of employees	100% of employees	100% of employees
Ethics and Code of Conduct Training	100% of employees	100% of employees	100% of employees

4. An operational risk event occurred on 11/2/2023 at our Hillsboro 2 data center facility that resulted in a loss of utility power and a subsequent loss of back up generation which resulted in a degradation year over year of our uptime metric across our data center fleet.

Governance partnerships

Flexential has engaged Schellman to provide third-party attestation services. Schellman conducts over 3,500 assurance, compliance, and certification assessments every year. Schellman is the only U.S. firm on Accounting Today's Top 50 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, the Health Information Trust Alliance (HITRUST), and the International Standards Organization (ISO).

Schellman is the only U.S. firm on Accounting Today's Top 50 CPA firm list whose services focus solely on audit and compliance attestations.

schellman
Quality, above all.

FLEXENTIAL

Governance looking forward

Flexential continues to invest in various capabilities to ensure that governance and oversight are embedded within business operations, management reporting, and support sustainable business growth by fostering cross-functional collaboration and engagement, and management and stakeholder transparency and awareness. A continuous improvement mindset has been adopted to ensure we can continue to grow, maintain, and manage trust with our key stakeholders and keep pace with an ever-changing landscape. As we look ahead, we are committed to ensuring the needs of our internal and external stakeholders are at the forefront of our strategy, communications, and reporting.

In the upcoming year, Flexential has prioritized the following governance-related objectives and activities:

- ☑ **Continued maturity and enhancement of our EHS program and reporting to include— establishing more robust metrics, indicators, and more formalized governance mechanisms**

- ☑ **Continued maturity and enhancement of our operational resilience and business continuity capabilities**

- ☑ **Continued integration and enhancements around third-party vendor risk management with a focus on the following risk domains—Cyber and Information Security, Data Privacy, AI, Compliance, and Business Continuity management**

- ☑ **Continued monitoring of key legal and regulatory changes with a focus on data privacy, consumer protection, and responsible AI adoption**

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