

Environmental Social Governance

● FY 2023

Message from the CEO



“As we continue this journey, we remain dedicated to driving innovation, sustainability, and excellence, reaffirming our commitment to positively impacting our planet, people, and communities.”

In our second Environmental, Social, and Governance (ESG) report, I'm thrilled to highlight the progress Flexential has made in embedding sustainable and ethical practices into every facet of our operations. Over the past year, we've significantly expanded our data centers and introduced innovative interconnection solutions, always with an eye on environmental responsibility and operational excellence.

Internally, we've transformed our workplace culture, fostering a more engaged, unified team committed to our ESG goals. This effort has enhanced operational efficiency and boosted organizational morale, reflecting our dedication to social responsibility.

Our commitment to environmental sustainability is evident in our next-generation data centers, which are designed with energy efficiency and reduced carbon footprint in mind. We've also deepened our community engagements, focusing on initiatives that support local development and embody our commitment to social responsibility.

Looking ahead, we're embracing the challenges and opportunities presented by technological advancements, such as AI, to further our ESG objectives. Our collaborations with industry leaders have strengthened our capability to deliver sustainable IT infrastructure solutions, affirming our role as a responsible technology enabler.

As we continue this journey, we remain dedicated to driving innovation, sustainability, and excellence, reaffirming our commitment to positively impacting our planet, people, and communities.

Together, let's shape a sustainable future.

Onward and upward!

A handwritten signature in black ink, appearing to read 'CD', with a long horizontal stroke extending to the right.

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 to matching our customers' workload and application requirements, powered by the FlexAnywhere® Platform.

With 40+ data centers across 19 markets, the Flexential highly connected national data center platform, and a full suite of colocation, interconnection, cloud, data protection, and professional services, Flexential empowers our customers' evolving infrastructure requirements.

19

High-growth domestic markets

40+

Data centers

3M+

Sq. ft. footprint

310_{MW}

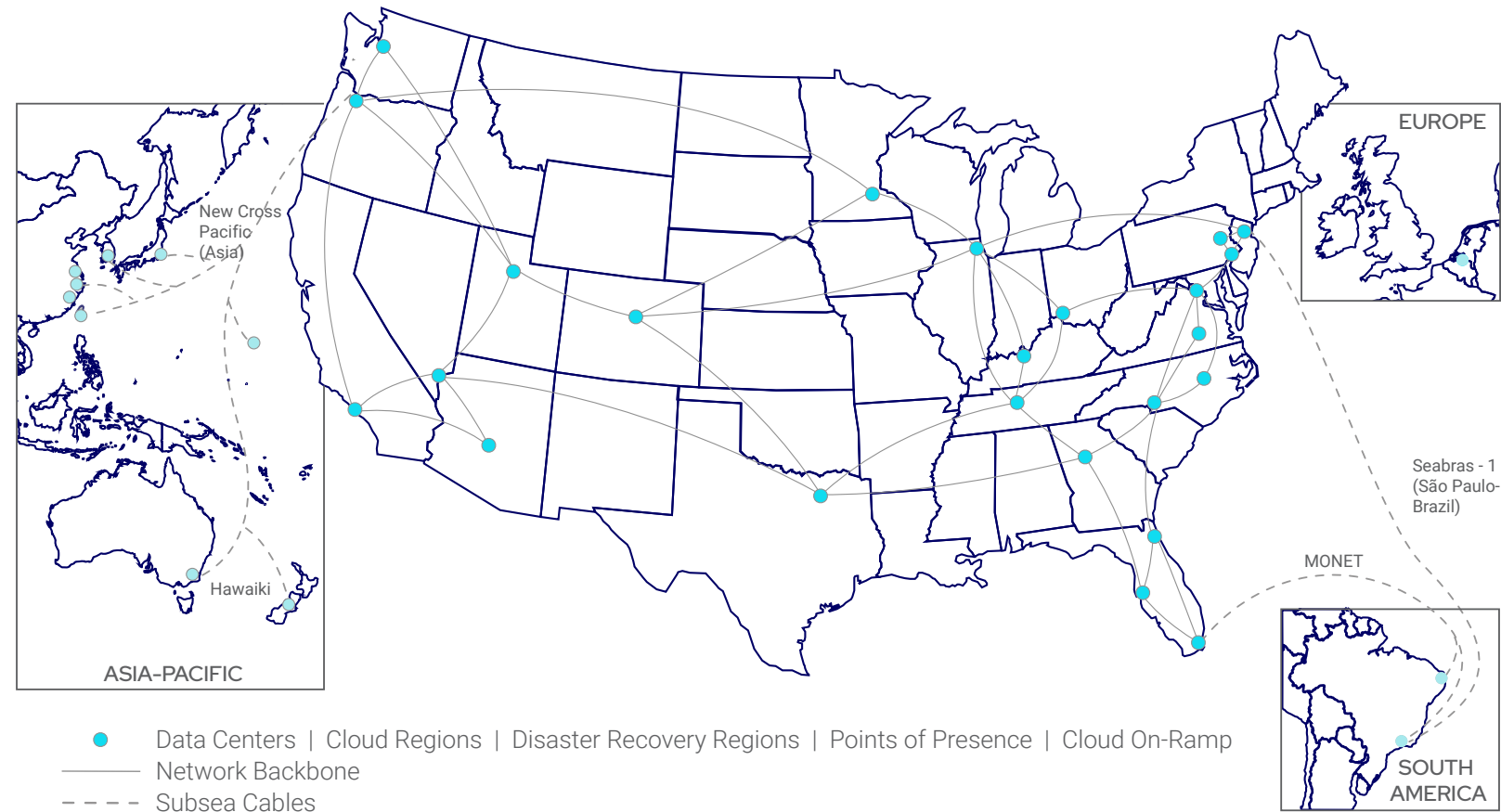
Critical load UPS capacity

300+

On-net carriers

100_{Gbps+}

Scalable network backbone



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 history



Flexential approach

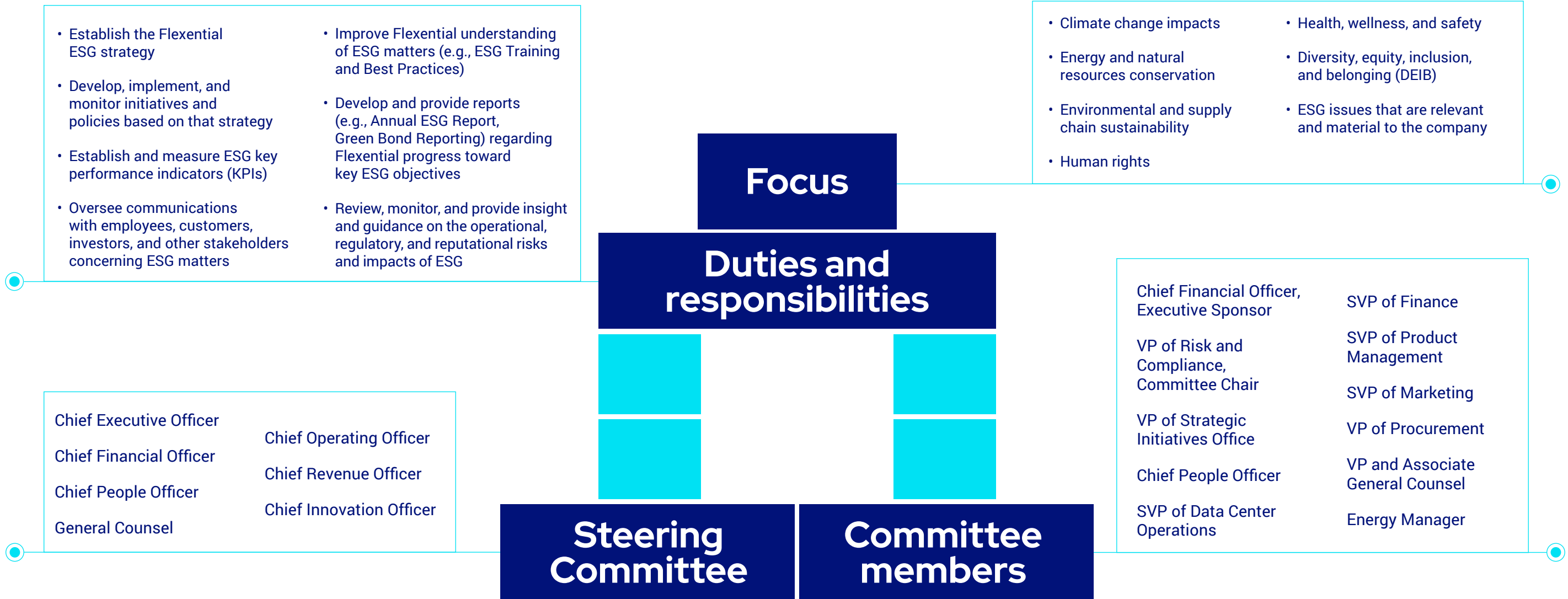
At Flexential, we recognize that ESG touches every part of the business. The Flexential ESG Committee consists of a senior-level, cross-functional team representing a variety of expertise and viewpoints within the organization.



At Flexential, our commitment to ESG is integral to sculpting a better future. By harnessing green financing and strict emission management strategies across our energy-efficient data centers, we strive to surpass sustainability expectations and champion transparency, accountability, and responsible business practices. This approach ensures that our technological innovations empower our diverse workforce and serve the communities around us, paving the way towards a brighter, more sustainable future for everyone.”

Chris Downie, Chief Executive Officer, Flexential

Governance structure



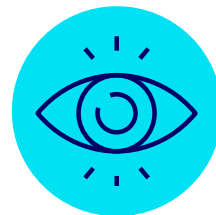
2023 goals



Environmental

The following goals were developed for 2023 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 2023 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:** Create a strong culture by supporting the whole person personally and professionally
- ✓ **Support our communities:** Give back to causes that matter



Governance

The following goals were developed for 2023 regarding governance and oversight.

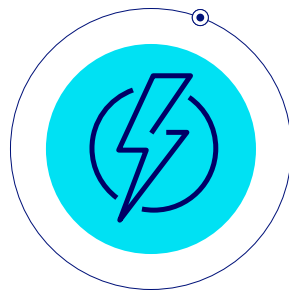
- ✓ **Utilize Green Financing Program²:** Utilize a market-leading commitment to fund business growth in a sustainable and transparent manner
- ✓ **Expand assessments and certifications:** Expand the compliance program to reflect the needs of thousands of customers across various regulatory requirements
- ✓ **Mature enterprise governance and oversight:** Mature, formalize, and enhance governance and oversight programs across the organization

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

2023 accomplishments

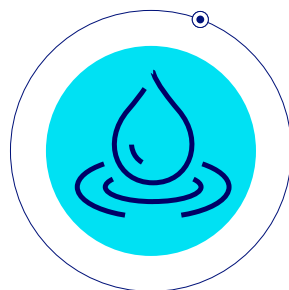
Environmental

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



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

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.

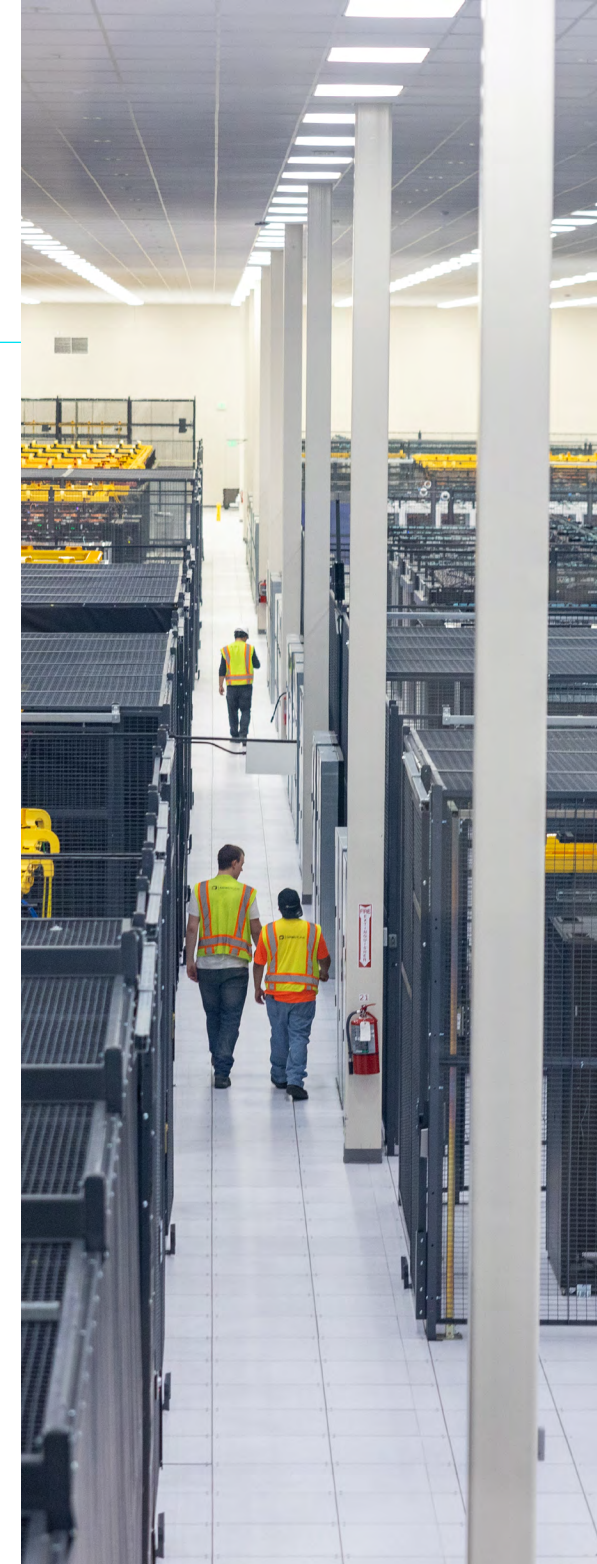


$$\text{WUE} = \frac{\text{Total Data Center Water Consumption}}{\text{IT Equipment Power}}$$

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 Finance 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:** In 2023, Flexential evaluated 60% of its fleet of data centers for energy efficiency improvements:
 - From these evaluations, Flexential identified 23 potential energy efficiency projects for our air-handling units (AHUs). As of this report, Flexential has completed and is in the process of action on 3 of these AHU retrofit projects.
 - At the same time, Flexential invested in heat exchangers at its Aurora, CO data center, which will reduce over 3 million kWh of energy usage annually.
 - Finally, Flexential invested in adiabatic pre-coolers at our Denver-Englewood, Hillsboro 2, and North Las Vegas data centers, which will reduce grid strain during peak intervals of the summer heat. Flexential followed up these projects by auditing 12 additional data centers that could potentially benefit from adiabatic pre-coolers.
- ✓ **Implement corporate initiatives:** Initiated contracting efforts to track and measure waste management activities across the portfolio. Examples we will pursue are increasing our landfill diversion and improving our recycling (Old Corrugated Containers (OCC), plastic, and electronics).



2023 accomplishments

Social

Promote and enable diversity, equity, inclusion, and belonging (DEIB)

Flexential has taken a proactive approach to promoting DEIB 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. To continually gauge employee sentiment, Flexential conducts annual DEIB and culture surveys, allowing the company to measure its impact and inform its DEIB initiatives. These efforts demonstrate the company's commitment to creating a supportive and inclusive workplace for all employees.

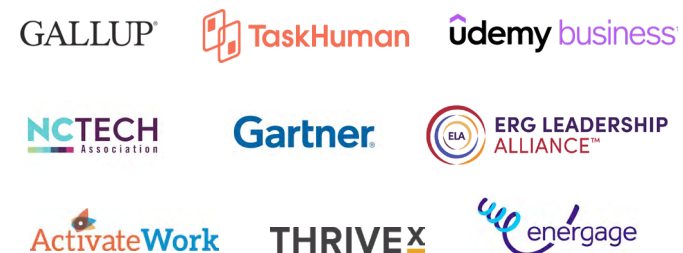
Invest in our people

Flexential prioritized employees' well-being by providing a comprehensive Employee Assistance program, "Get Healthy" Reimbursements, and Health and Wellness Incentives program.

Flexential invests in its employees' career growth by providing leadership training programs. In 2023, employees completed over 5,500 hours of training through the Udemy platform, focusing on technology (84%) and business skills (12%).

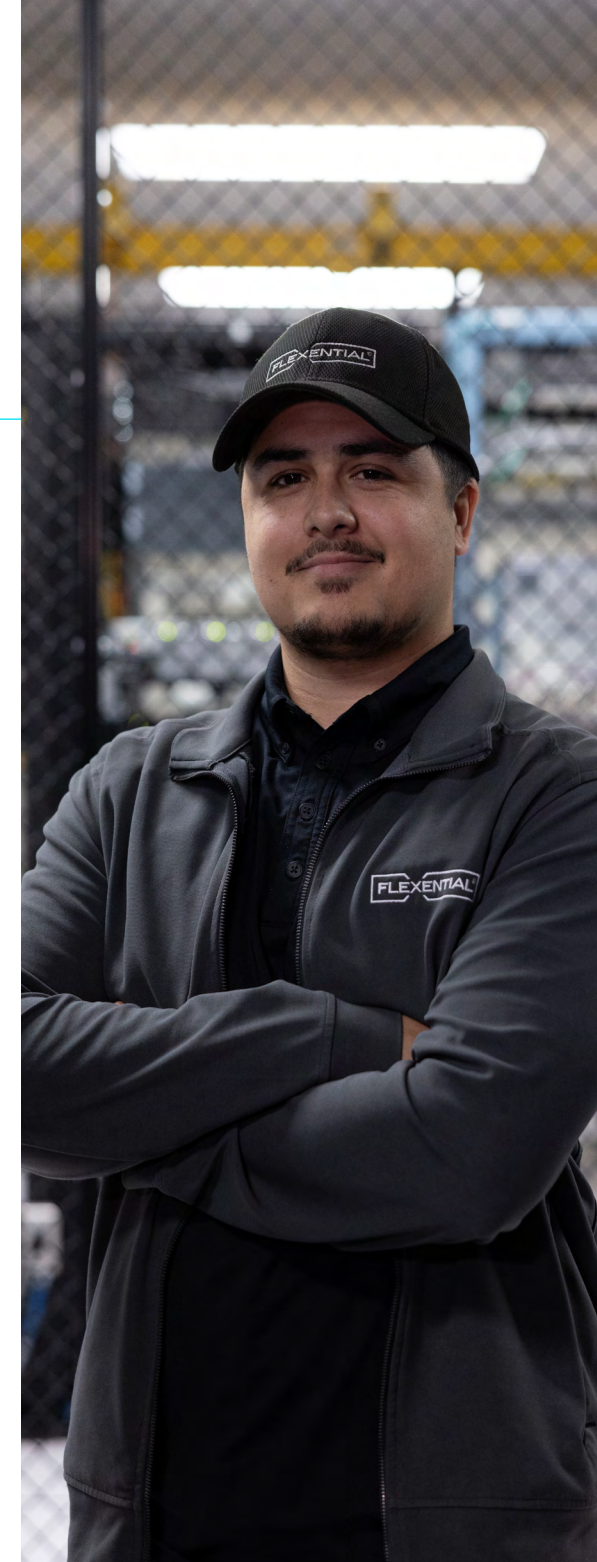
In 2023, Flexential promoted 16% of employees from within and provided all eligible employees with an annual merit increase and bonus, highlighting the company's commitment to recognizing and rewarding its contributions.

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



Support our communities

The Flexential commitment to giving back to the community is exemplified by the establishment of 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 benefited 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.



2023 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). Since then, we have issued an additional \$504m of Green ABS—\$325m in 2022 and \$179m in 2023. The Flexential total Green ABS notes now equate to ~\$2.1b.

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. In 2023, we focused on keeping pace with the changing compliance landscape and have adopted changes to both PCI DSS and ISO 27001 standards that will be embedded within our 2024 Compliance reporting.

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.



Environmental

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



We are deeply committed to pioneering sustainable practices in the data center industry. Our advanced next-generation facilities are designed for high efficiency, significantly reducing energy and water use while maintaining peak performance. Through our Green Finance Program, aligned with the UN's Sustainable Development Goals, we actively invest in projects that minimize our environmental footprint and promote transparency and leadership in sustainable finance. We are setting new standards for environmental responsibility and operational excellence in our sector."

Ryan Mallory, Chief Operating Officer, Flexential

Environmental management program

Flexential established its Green Finance Program 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.

Environmental metrics

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

Environmental management program

Environmental metrics (continued)

| Metric | Units | 2022 | 2023 | Comments |
|---------------------------------------------------------------------------------------------|-------------------------------|------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Carbon Free Energy Consumption | GWh | 337 | 422 | Location-based total carbon free energy consumption based on EPA eGrid. Includes nuclear, hydro, solar, wind, and geothermal. |
| Carbon Free Energy Consumption | % | 42% | 44% | % Carbon Free Energy Use—location-based |
| Power Density | W/sf | 76.0 | 74.8 | Total Watts per square foot of contracted customer space |
| Operational PUE | Trailing-Twelve Month Average | 1.52 | 1.53 | Operational PUE of all data centers for 2022 and 2023 |
| New Data Center Resource Management: PUE | Design PUE | 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 | Design WUE of new data centers brought online during the year |
| Existing Data Center Resource Management: % of Fleet evaluated for Efficiency Opportunities | % | 0% | 60% | In 2023, Flexential evaluated 60% of its fleet of data centers for energy efficiency improvements. From these evaluations, Flexential identified 23 potential energy efficiency projects. |



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 highlights from projects we completed in 2023.

- ✓ Flexential selected and hired an energy management auditing firm to visit 50% of our legacy locations. Flexential evaluated 23 potential energy efficiency enhancement projects from these in-person audits for our air-handling units (AHUs). As of this report, Flexential has completed or is in the process of action on 3 of these AHU retrofit projects.
- ✓ At the same time, Flexential invested in heat exchangers at its Aurora, CO data center, which will reduce over 3 million kWh of energy usage annually.
- ✓ Finally, Flexential invested in adiabatic pre-coolers at our Denver-Englewood, Hillsboro 2, and North Las Vegas data centers, which will reduce grid strain during peak intervals of the summer heat. Flexential followed up on these projects by auditing 12 additional data centers that could potentially benefit from adiabatic pre-coolers.

Waste management

Flexential respects the idea of circular economies and works to ensure that our customers and our waste is recycled appropriately. Our most common recycled materials are Old Corrugated Containers (OCC) and copper; each location separates these materials to ensure that as little waste stream as possible ends up in landfills.

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.

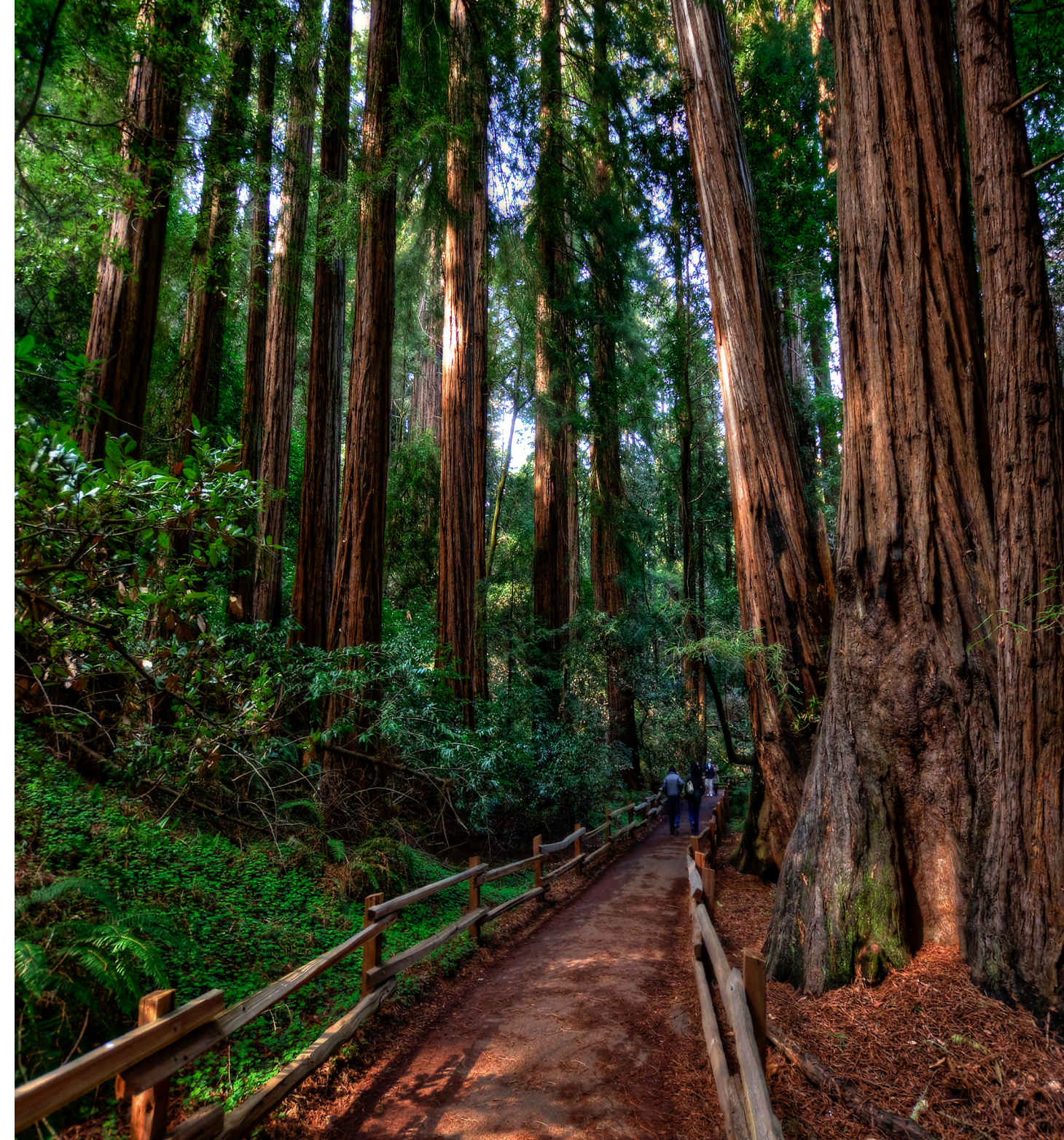
Environmental partnerships

Flexential is not a lone actor when it comes to environmental stewardship. We have committed ourselves to iMasons Climate Accord to align our company toward meaningful change cross-industry.³

The iMasons Climate Accord coalition works towards the industry adoption of an open standard to report carbon in data center power, materials, and equipment and a maturity model to report participant progress.

Additionally, Flexential has a partnership with Schneider Electric, a recognized leader in energy and sustainability consulting, to assist Flexential in achieving its sustainability goals. Schneider Electric assisted Flexential in preparing our Greenhouse Gas emissions reporting, which is included in our 2023 ESG report.

³ [Climate Accord Members](#)



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:

- ✓ **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, including our Customer Advisory Council, to align our renewable or low-carbon commitments, 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 and seeking opportunities to reduce our overall greenhouse gas emissions as a company. In 2023, Flexential leveraged the assistance of a third-party organization to calculate our Scope 1, 2, and 3 emissions to establish a baseline of GHG emissions across our fleet of data centers and corporate offices. Our strategy is to 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. Some power providers offer Demand Response programs to maintain grid reliability during emergencies, and we look for Demand Response in the areas where we operate.

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.



Social

Dedication to our team and the broader community is deeply embedded in our corporate culture of caring. Focusing on the whole person, we offer our employees access to resources that bolster their well-being, foster personal and professional growth, and encourage community involvement. Our workplace is built upon DEIB principles, ensuring that every individual feels respected, appreciated, and empowered.



“ At Flexential, we champion a workplace rooted in diversity, equity, inclusion, and belonging, fueled by data-driven insights and inclusive initiatives that celebrate and support every individual. By investing in our people’s holistic well-being and career growth and actively engaging in our communities through the FlexCares program, we cultivate a culture where everyone is empowered to thrive and make a positive impact.”

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**

✓ **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, equity, 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, inclusive, and psychologically safe environment 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.

We measure our impact annually through our DEIB survey, which gauges employee views on the Flexential Culture of Diversity, Belonging, and Equity. In 2023, we scored an overall 3.4 on a 4-point scale. The employee score on the question, “Advancing DEIB at Flexential is personally important to me,” increased by 14% year over year.



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 our organization's culture. We recognize that 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.

Our ERGs provide education, guest speakers, event celebrations, and support for our team members.



Women Who Flex is the inaugural Employee Resource Group established at Flexential. The group was founded to uplift and empower women in the organization and 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 inside and outside the workplace. To achieve this goal, Women Who Flex has organized diverse workshops focused on personal and professional growth. The group focuses on hosting internal and external speakers, mentorship, and inspiring confidence in its members.



Employee Resource Groups



Our FlexPride Employee Resource Group was 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.

Our Pride Month celebrations included a National Hybrid Parade and company-wide meal featuring food from LGBTQIA+-owned restaurants. Moving forward, we are committed to continuing this vital work through various initiatives, such as implementing gender-neutral bathrooms in any future Flexential-built 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.



As a veteran-focused Employee Resource Group, we are committed to providing a safe and supportive environment for our fellow veterans, active-duty personnel, and their families. Our group recognizes veterans' unique experiences, challenges, and contributions 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 networking opportunities and workshops focused on mental health, financial wellness, and veteran resources. Through these programs, we aim to provide our members with the tools and knowledge they need to succeed in their careers and personal lives.

We are 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, 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.

Reinforcing 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 operating our business and safely managing 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 for Business
- ✓ Internal mentorship program
- ✓ 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

Giving back to the communities we live and work in is central to the Flexential core value of “Caring.” As an organization, we donate our time, talents, and dollars to non-profit 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 goals 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 2023, Flexential continued its commitment to workplace giving and developing 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 non-profits that align with its values and goals, reinforce customer satisfaction, organize company charitable giving, and promote individual charitable giving. Examples of these relationships are included in this report’s “Social partnerships and investments” section.

Overall, the 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 | 2023 | Comments |
|-------------------------------------|------|------|----------------------------------------------------------------------------------|
| Workforce Diversity | 38% | 39% | % of workforce from underrepresented groups ⁴ |
| Gender Diversity | 19% | 19% | % of the workforce is female |
| Leadership Diversity | 34% | 33% | % of all manager and above leaders are from underrepresented groups ¹ |
| New Hire Gender Diversity | 26% | 21% | % of annual hires that are female |
| Board of Directors Diversity | 14% | 14% | % of directors that are female |
| Employee Engagement Score | 4.2 | 4.2 | Gallup Annual Engagement Survey Score. On a 5.0 scale |
| Employee Engagement Ratio | 7.9 | 11.2 | Ratio of engaged to actively disengaged employees |
| Employee Satisfaction Participation | 83% | 86% | % employees responding to annual employee engagement survey |
| DEIB Belonging Score | 3.4 | 3.5 | On a 4.0 scale |
| DEIB Culture of Diversity Score | 3.3 | 3.5 | On a 4.0 scale |
| # of Work Related Injuries | 4 | 6 | Measures the number of work-related injuries based on OSHA reporting guidelines |
| Work Related Injury Rate | 0.5% | 0.7% | # of total work related injuries/# of employees |

4. Non-white male



Gallup Annual Engagement Survey

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.

Flexential partners with Gallup, a company engaged by over 100,000 teams across 50 industries, since 2019 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 workers in 2023 in the US is 1.9 to 1. Since 2019, our ratio has increased YoY from 2.12 to 11.2, a 428% increase, and is well above the national average.

Engagement index

| Engagement Index | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------------|------------|------------|------------|------------|-------------|
| Engaged | 34% | 49% | 54% | 55% | 56% |
| Not Engaged | 50% | 42% | 40% | 38% | 39% |
| Actively Disengaged | 16% | 9% | 6% | 7% | 5% |
| Engagement Ratio⁵ | 2.1 | 5.4 | 9.0 | 7.9 | 11.2 |

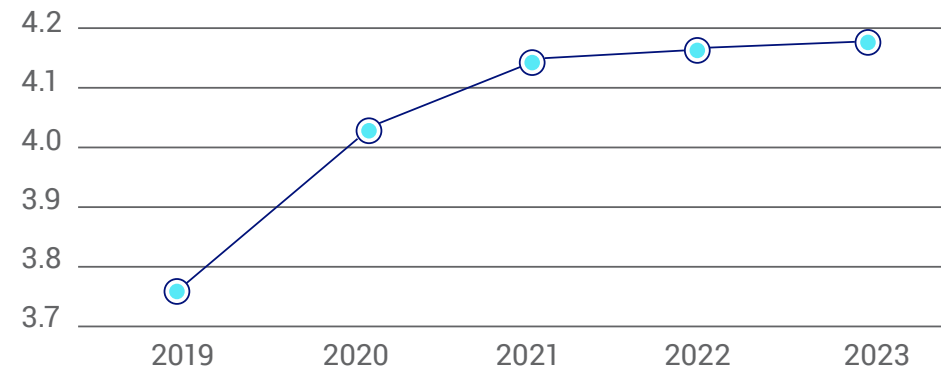
5. Ratio of engaged to actively disengaged

Engagement mean

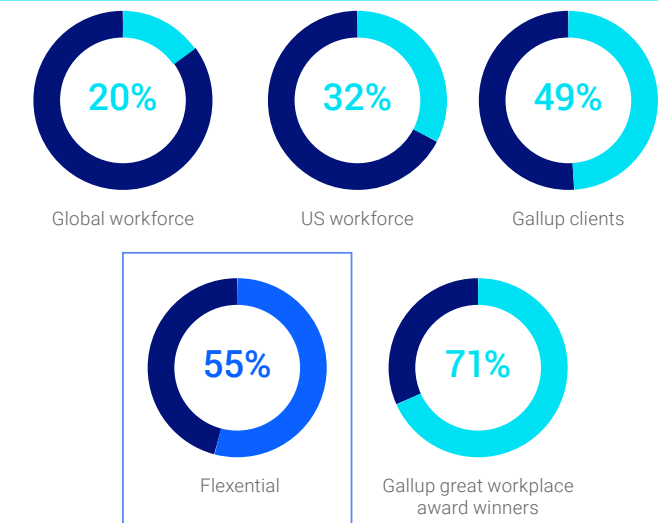
Overall score has increased for the 5th year in a row



Flexential 2023 overall mean score



How does Flexential compare



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:



Social looking forward

At Flexential, we are committed to continually enhancing DEIB initiatives and enriching the well-being of our employees and the communities we serve. Our journey toward these goals has no end.

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 our capability to ensure that our strategy is effectively implemented and embedded within our business's operational management. In 2023, significant enhancements were made to formalize various aspects of our corporate governance structure to enhance our ability to drive a top-down strategy and drive our business's scalability and maturity.



“ Flexential prioritizes governance, demonstrated by our leading green financing initiatives, including the largest initial data center ABS offering and green bonds, underscoring our commitment to sustainable growth. We continue to enhance our compliance with top industry standards like PCI DSS, HITRUST, and ISO 27001, supporting our robust ESG practices. Our dedication ensures we meet the needs of highly regulated clients, driving a secure and responsible digital future.”

Garth Williams, Chief Financial Officer, Flexential

Promoting corporate integrity

Flexential is committed to ensuring an appropriate governance structure to support our ability to act with integrity and ethics. This is supported by our Code of Conduct, robust mandatory training requirements for all employees and contractors, and various programs that ensure our values are adhered to. Additionally, Flexential has a whistle blower program to facilitate anonymous reporting for suspected Code of Conduct or ethics violations.

In 2023, significant enhancements were made to expand this capability from Flexential employees to include key third-party business relationships through our Supplier Code of Conduct. The Supplier Code of Conduct is targeted to be published and embedded within new supplier relationships in Q3 2024.



Goals and initiatives

In 2023, multiple governance enhancements were implemented and matured across the organization to better reflect our values and commitments to our stakeholders, support sustainable business growth, and encourage the adoption of our enterprise strategy.



ESG Committee and governance

Flexential continues to enhance the effectiveness of our ESG governance body, including peer review analysis around product design, reporting, and commitments, leveraging industry best practices, continuously monitoring new legislation, and enhancing the administration of our program. These efforts enable us to ensure we are meeting the needs of our key stakeholders today and tomorrow.



Strategic alignment

Flexential has developed an enterprise strategy function (e.g., SIO—Strategic Initiatives Office) reporting to the CEO that supports our top-down approach to driving enterprise strategy within various programs, projects, and operational initiatives. This function is represented within our ESG governance structure and supports the continued adoption and maturity of the program and our enterprise capabilities.



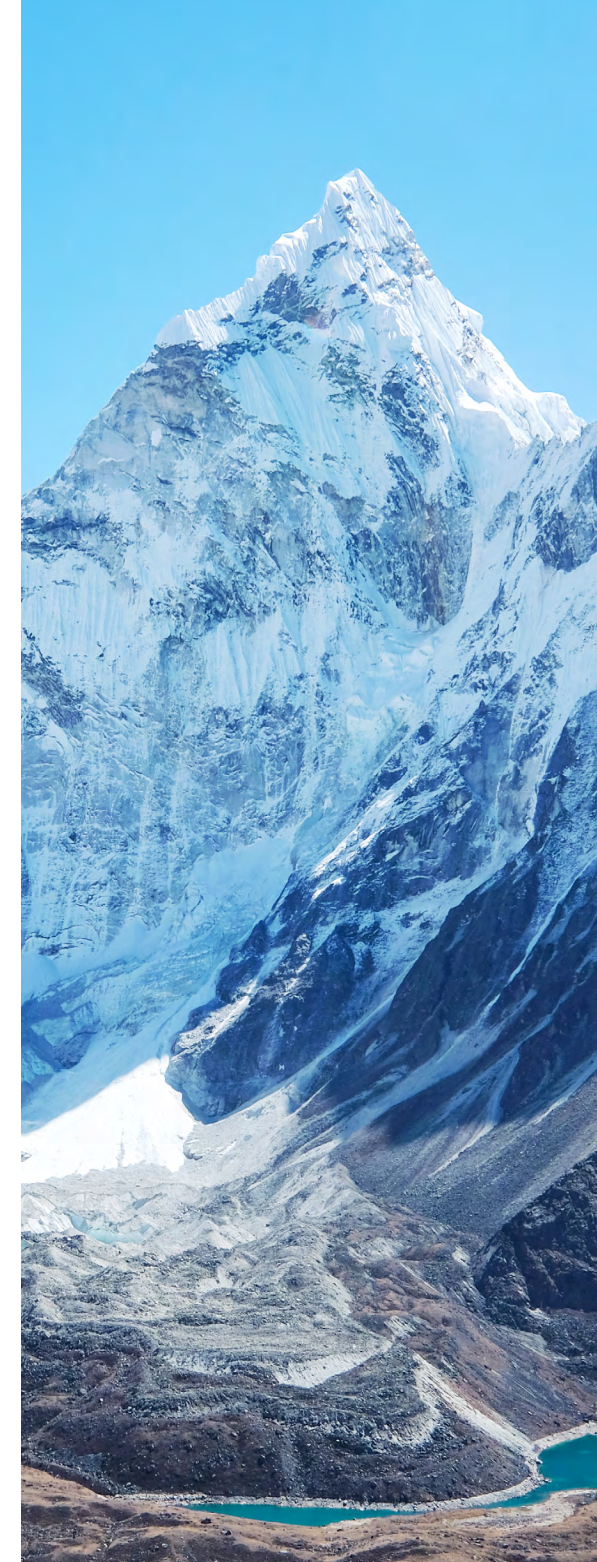
Product governance

Flexential has adopted a formal structure around product management and new product development by implementing a formal governance mechanism, the Product Roadmap Council. Key functional stakeholders provide critical input to ensure our enterprise and product strategies are aligned and can be supported operationally.



Financial planning and budget governance

Flexential has developed a robust financial planning and budget governance framework and program to support the management decision-making process. We leverage financial modeling and rigorous budget management practices to ensure our enterprise strategy is implemented in a cost-conscious manner while still supporting revenue growth and maintaining or improving operating margins.



Goals and initiatives



Flexential has enhanced IT project planning and prioritization to manage various concurrent initiatives, including new product development, strategic and tactical projects, and IT operational requirements. This committee ensures consistent process and governance for intake, scoping, and prioritization to improve ongoing alignment, decision-making, execution, and visibility.



Flexential overhauled our Information security governance program in 2023 and better aligned our risk management capabilities with the strategic prioritization of program, process, and control enhancements to ensure we can deliver on our risk management and compliance obligations. The Flexential ISBLC (Information Security Business Leaders) Committee was also updated to ensure a formal management governance and oversight program over information- and cybersecurity-related risks.



Flexential has implemented a third-party vendor management program led by our Procurement team to rationalize our third-party ecosystem, manage our operational reliance on key vendors, and identify and manage supply chain constraints to support the achievement of our business strategy. Additionally, enhancements have been made within our third-party vendor due diligence and assessment process to ensure cross-functional team members are embedded within the vendor onboarding process, including Information Security, Risk and Compliance, and the legal function. Stakeholders strive to manage and maintain a robust corporate governance structure supported by the necessary programs, processes and reporting to ensure high cross-functional collaboration, management awareness, and oversight.



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 and key stakeholder 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.

✔ **Vendor Relationship Management Policy**

✔ **Information Security Policy**

These policies and programs are monitored annually 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 Code of Conduct requirements. These include mandatory training, Code of Conduct acknowledgments by all employees (during onboarding and annually), and monitoring our anonymous reporting hotline and website for potential violations.



Risk and compliance management

Flexential undergoes extensive third-party audits conducted by Schellman, our external third-party compliance audit firm, on an annual basis. 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. 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 implemented a compliance change management program to perform horizon scanning to assess, manage, and implement changes to compliance requirements to ensure we can keep pace with the compliance and regulatory landscape and continue to deliver value to our customers while supporting their risk management and compliance requirements.

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



Data security and privacy

Flexential recognizes the paramount importance of information security and privacy in today's digital landscape. Our customers trust us with their sensitive data and business operations; 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 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 expressed in our words and 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 part of an ongoing, dynamic improvement initiative. 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 natural or other disasters. 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 center and network but also on our customers' business continuity.

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 |
|-------------------------------------|----------------------|----------------------|
| Cybersecurity Breaches | 0 breaches | 0 breaches |
| Data Center Uptime | 99.999% uptime | 99.999% uptime |
| ISO Certification | 100% of data centers | 100% of data centers |
| FISMA-High/NIST 800-53 Compliance | 100% of data centers | 100% of data centers |
| PCI DSS Certification | 100% of data centers | 100% of data centers |
| HITRUST Certification | 100% of data centers | 100% of data centers |
| Security Training | 100% of employees | 100% of employees |
| Ethics and Code of Conduct Training | 100% of employees | 100% of employees |



Governance partnerships

Flexential has engaged Schellman to provide third-party audit services. Schellman conducts over 3,500 assurance, compliance, and certification assessments every year.

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.



Governance looking forward

Flexential is continuously investing in different capabilities to ensure that governance and oversight are integrated into business operations and management reporting. This supports sustainable business growth by encouraging cross-functional collaboration and engagement, as well as promoting 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.



The background is a scenic mountain landscape with a lake, trees, and a large circular graphic overlay. The overlay is a white circle with a smaller white circle at the top right. The text 'FLEXENTIAL' is centered within the circle, enclosed in a dark blue rectangular frame with a stylized, geometric design. The website address 'flexential.com' is positioned below the logo.

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