



ESG Report

For the calendar year ended December 31, 2021

Our 2021 ESG Report highlights our perspectives on the environmental, social and governance (ESG) issues that matter most to our stakeholders—including our customers, employees, and investors. This report provides a high-level overview of our views and approach to key ESG issues. Additional information regarding these issues can be found on pros.com. All data is as of December 31, 2021, unless otherwise noted.

Our Business

PROS mission is to help people and companies outperform. It's a mission we take seriously and a mantra that has guided our efforts from day one. We do this by helping companies optimize their shopping and selling experiences through our artificial intelligence (AI), self-learning and automation solutions to ensure that every transactional experience is fast, frictionless and personalized for every shopper. From digital offer marketing to dynamic pricing and offer optimization, we bring companies closer to their customers through prescriptive, AI-driven insights with consistency regardless of which channel buyers choose. Equipped with that knowledge, we make it possible for our customers to meet today's challenges of buying and selling in a complex, digital world while building a viable path to thrive in the future.

PROS at a Glance

\$250 mm⁺

Total Revenue 2021

85%

Recurring Revenue as a % of 2021 Total Revenue

\$33 mm⁺

Free Cash Flow Improvement 2021¹

93%+

2021 Customer Gross Revenue Retention Rate

\$30 B⁺

Total Estimated Addressable Market

60⁺

Countries with Customers

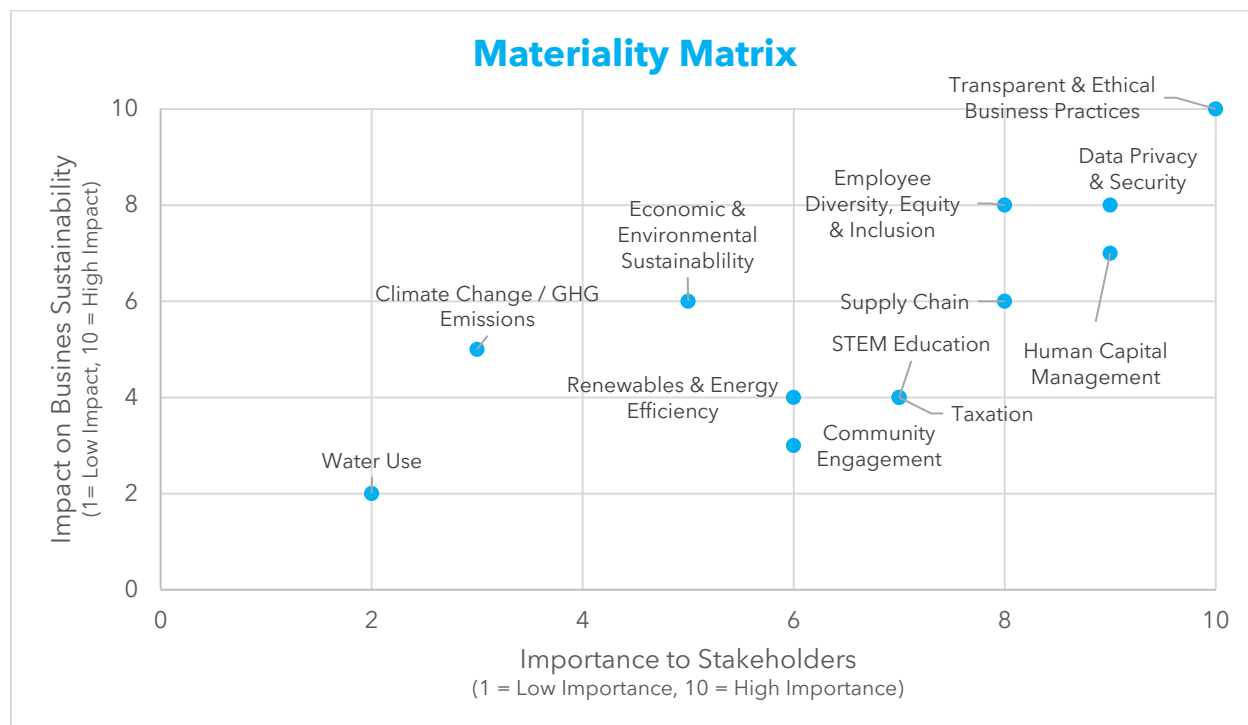
¹Non-GAAP metric.

Free Cash Flow (FCF) is a non-GAAP financial measure consisting of net cash provided by (used in) operating activities minus capital expenditures (excluding expenditures for our new headquarters), purchases of other (non-acquisition-related) intangible assets and capitalized internal-use software development costs. For a reconciliation of FCF to its most comparable GAAP measure (net cash used in operating activities), see our [earnings release](#) dated February 10, 2022 at ir.pros.com.

ESG Materiality Assessment

For 2021, we completed a materiality assessment process to focus on the issues that matter most to our stakeholders and our communities, as summarized below:

| Our Approach | Key Considerations | What We Did |
|----------------------------|--|---|
| Identify Key Stakeholders | Determine those who rely on us and on whom we rely for our long-term success. | Focused our reporting on our investors, employees and customers. |
| Identify ESG topics | Identify ESG issues potentially relevant to our business. | Compiled a list of ESG issues based on stakeholder requests for information, institutional investor feedback, ESG reporting frameworks, peer reporting, our SEC filings, as well as discussions with internal stakeholders and external advisors. |
| Evaluate Relevance | Evaluate the degree to which identified ESG issues could potentially affect our business, financial condition, operating results, prospects, or stock price. | Reviewed ESG issues list against our SEC filings, enterprise risks list, earnings call transcripts, and Board of Directors Committee charters. |
| Evaluate Importance | Evaluate the degree to which identified ESG issues are relevant to our key stakeholders. | Conducted interviews with internal stakeholder representatives and subject matter experts from HR, Finance, Accounting, Investor Relations, Legal, Revenue Operations, and Marketing. We also leveraged feedback from shareholder engagements and employee surveys. |
| Map Issues | Assessment to align the point of view of key stakeholders. | Mapped each issue according to the evaluations generated above to populate a draft ESG materiality matrix. |
| Stakeholder Engagement | Engaged a variety of stakeholders to review and opine on the draft matrix. | The draft matrix was refined and following refinement, the Board's Nominating and Corporate Governance Committee reviewed the final matrix. |
| Identified material issues | Determined which of the many important issues were the most material. | Focused primarily on the five issues in the upper right quadrant of the matrix on the following page—those determined to be the most material to our business and to our stakeholders. Determined to include other issues in our reporting as appropriate. |



Sustainable Development Goals

In 2015, United Nations (UN) member states adopted 17 Sustainable Development Goals (SDGs) to achieve sustainable global economic, social, and environmental development as part of a shared 2030 Agenda. Consistent with these goals, we have identified ways in which our core business and operations can contribute to building a better future for everyone. As part of our business strategy, we continue to grow our ESG program. While we contribute toward many of the SDGs, the following are examples of those most relevant to our initiatives:



No Poverty.

Our employees volunteer time to help organizations that address poverty in areas where we work and live.



Industry Innovation and Infrastructure.

We provide AI-powered SaaS shopping and selling optimization solutions designed to increase business value for the organizations that use our software.



Good Health and Well Being.

We provide resources and support for employees' physical, mental and emotional health, and provide programs to enhance community for hybrid remote working.



Reduced Inequalities.

We encourage employees to celebrate cultural heritage and diversity both individually and through employee resource groups in our workplace. We strive to end underrepresentation, compensate all our employees fairly, and provide opportunities to grow.



Gender Equality.

We are a pay-equitable organization, offering equal pay for equal work, regardless of gender or ethnicity.



Responsible Consumption and Production.

We are committed to finding ways to reduce our contribution to climate change and preserve natural resources. Our on-going commitments include recycling, embracing digital signature capabilities, EV charging stations at our headquarters, providing compostable or recyclable food and beverage supplies, and phasing out consumption of single use plastic items.



Decent Work and Economic Growth.

Our corporate policies have been devised and implemented to protect the labor rights of our employees and promote safe, secure and inclusive working environments.



Peace, Justice and Strong Institutions.

Our Code of Business Conduct and Ethics applies to every officer, director and employee. We also expect that those with whom we do business (including our agents, suppliers and customers) will also adhere to the Code. Our Code is designed to comply with the law and provide guidance for maintaining the highest standards of ethical conduct.

ESG Governance

Oversight of key ESG issues is provided by our Board of Directors (Board), both directly and through Board committees. Below is a high-level summary of key issues overseen by the Board and its committees in 2021 and early 2022:

| | Audit Committee | Compensation and Leadership Development (CLD) Committee | Nominating and Corporate Governance Committee | Full Board |
|---|-----------------|---|---|------------|
| Data Privacy and Security | • | | | • |
| Economic and Environmental Sustainability | • | | | • |
| Diversity, Equity and Inclusion | | • | • | • |
| ESG Program | | | • | |
| Human Capital Management | | • | | • |
| Supply Chain | | | | • |
| Transparency and Ethics | • | • | • | • |

For more information on our corporate governance, see page [9] of this report and our 2022 proxy statement.

Examples of Oversight

COVID 19-response. Our Board was closely involved, receiving frequent updates from leadership as we took decisive action focusing on the safety and well-being of our employees and communities to help slow the spread of the virus. Our Board received updates from leadership on financial and operational impacts to our business and on our safety efforts.

Privacy and cybersecurity. Our Board oversees our management's efforts to address cybersecurity and data privacy risks. In 2021, the Audit Committee amended its charter to explicitly oversee issues related to cybersecurity risks, including annually reviewing our overall risk profile with respect to cybersecurity matters. Our Head of Information Security and Cyber Security provides quarterly reports to the Audit Committee and is responsible for a range of cybersecurity activities.

Diversity, Equity, Inclusion and Belonging. Our Board receives regular reports from our Chief People Officer (CPO) regarding progress in our diversity program. Our CLD Committee reviews succession planning and a talent review in depth annually and also reviews summaries of employee engagement survey results and related matters. Our leaders volunteer their time to our Employee Resource Groups (ERGs) as Executive Sponsors to provide actionable support and visible commitment to our DEI initiatives. Our CPO also serves as Executive Sponsor to our Diversity Council which meets regularly with our employee resource group (ERG) leaders on program initiatives to ensure alignment and focus across the company.

Transparency and ethics. Our Board and its committees play a critical role in overseeing how we develop and maintain the workplace culture that we want. Our General Counsel meets with our Audit Committee quarterly regarding internal investigations and the operation of the Company's Integrity Helpline. Company culture is overseen by the CLD Committee and the Board.

Environmental

We believe success is not just measured in dollars and cents; it is also measured in the impact we have on our communities. PROS continues to initiate sustainable activities that make a positive impact on the people and the environment around us. We are committed to understanding and minimizing our own environmental footprint. Our approach focuses on energy, emissions, and waste across our operations including the PROS Platform and in our corporate facilities. Our operational efforts are bolstered by Thinking Green, our employee-driven, grassroots project team, formed in 2019 to share and implement ideas for maintaining an environmentally sustainable workplace.

PROS Platform

The PROS Platform is delivered globally under a Software-as-a-Service (SaaS) model, which allows for greater operational efficiency. The majority of our Platform services are provided utilizing data centers within the Microsoft Azure network instead of operating our own data centers. We also partner with leading data center providers to further drive sustainability. For example, our largest data center vendor has a long-standing commitment to sustainability, and provides data centers that are 100% carbon neutral, operate using at least 50% green energy sources and has a publicly stated goal of utilizing 100% renewable energy by 2025. We plan to engage with our top cloud vendors to determine opportunities to measure our impact from our use of the cloud.

PROS Operations

Electronic Waste. We seek to reduce our waste stream by recycling or repurposing electronic waste. Our electronic equipment (including laptops, monitors and other hardware) typically needs to be refreshed as it wears out or becomes outdated. We prioritize reuse or donation to non-profit partners over recycling of this equipment when possible.

Future of Work. While we regularly must travel in support of our operations, the travel restrictions from COVID-19 combined with our pivot to a hybrid work model have reduced our overall business travel compared to pre-pandemic, both through less air travel as well as materially fewer employees commuting to our offices daily.

Corporate Facilities

Conservation. We seek to reduce our consumption of energy and act as responsible stewards. As part of our ongoing efforts to provide a great employee and customer experience that is environmentally conscious, our Leadership in Energy and Environmental Design (LEED) Silver certified corporate headquarters office building in Houston features water-saving fixtures, LED lighting with zone occupancy sensors, and extensive outdoor areas. We also encourage our employees to retain electronic records to reduce our paper usage. When most of our workforce started working remotely due to COVID-19, our global facilities operations team responded to make adjustments that would ensure that building lighting, temperature and other regulatory systems schedules avoided unnecessary consumption of energy. Additionally, individual, single-use plastic bottles of water have been phased out in our European offices and are being phased out of all our other offices. To further minimize waste, water dispensers are provided at many of our office locations to encourage employees to fill reusable containers. We also lowered our overall real estate utilization, including reducing our leased office space, as we have pivoted to a hybrid work model with many employees working primarily from home.

Electric Vehicle Charging Stations. As a part of our commitment to sustainability, Electronic Vehicle (EV) charging stations are available at our corporate headquarters. Charging stations are available to employees on a first-come, first-served basis.

Recycling. All PROS offices have a recycling program with recycling bins located in kitchen and breakroom areas, as well as shredding bins to securely recycle office paper waste into paper products such as napkins and paper towels. Further office recycling efforts vary by location, but include such items as paper, plastic, glass, and aluminum, as well as common office consumables like batteries, toner, and light bulbs.

Social

Culture

At PROS, our mission is to help people and companies outperform, and our culture is at the heart of us delivering on our mission. Centered on our core values of: We are Owners; We are Innovators; and We Care, our culture is built on our people and our multi-decade commitment to innovating, leveraging the cutting edge of data science and putting our customers first.

For more than 35 years, we've been bringing together the brightest minds and passionate and caring team players. We don't just hire the best expertise - we hire the best people. People who have the drive to succeed, be a great teammate, and make everyone around them even better. We strive to build and maintain a diverse team with a common sense of belonging under the same mission to help each other outperform. It is what sets us apart and we believe it is a big part of why PROS is recognized as a Great Place to Work®.

Talent Acquisition

Innovation has been the hallmark of PROS since our inception. We believe that true innovation comes from diversity of thought and diverse teams can best serve our diverse customer base. As a result, we continue to be committed to hiring and developing diverse talent at all levels of our organization. Our objective to maintain and increase diversity in hiring is achieved by implementing processes throughout our organization and measuring progress. In terms of tracking progress, all global candidates are asked to voluntarily disclose ethnicity, gender, and veteran status.

We also speak to potential candidates about our various ERG's and focus on our inclusive culture. We ensure that diversity, equity, and inclusion is valued at PROS and that we work every day to have an environment where all are welcome. We also regularly find great diverse talent through referrals from current and former employees.

Talent Retention

Our goal is to help employees be their best selves by providing programs and resources that promote holistic employee wellbeing and productivity. We believe in taking care of our people so they can focus on taking care of our customers, the work on hand and also manage life's expected and unexpected events. We want our employees to not only be proud of the work they do, but also be proud of the company they work for.

Globally, benefits are a significant part of the total rewards we offer to employees to help them thrive. Our benefit offerings include health & welfare benefits, life insurance, employee assistance counseling, 401(k) match (with immediate vesting) & employee stock purchase program, baby bucks (for births, adoptions, fostering), adoption and surrogacy benefits, pet insurance, employee referral bonuses, and tuition reimbursement. To help maintain our employee's wellbeing, we offer a wide range of activities and benefits, including free healthy snack options in our offices, standing desks, low or no-cost fitness facilities, team fitness challenges, mental health resources, paid parental leave and other health-related programs and education throughout the year.

Employee Feedback. We believe that frequent and transparent communication builds trust within the organization. PROS holds regular all employee town halls to provide business and people updates as well as answer employee questions. Additionally, PROS gathers employee feedback via an annual engagement survey through Great Place to Work and weekly Pulse Surveys from which themes are identified for growth opportunities and areas to celebrate and communicated back to employees via various communication channels - our weekly newsletter Outperformer, our internal and external social channels and our intranet, 1PROS.

Learning and Development. We believe that continuous learning cultivates innovation and that the development of our most important assets, our people, is foundational to fulfill our mission. We regularly invest in our employees' career growth and provide our employees with opportunities for training in a wide range of skills designed to help them be more effective in their current and future roles. In 2021, all our employees participated in learning and development activities, including thousands of courses across a broad range of categories - leadership, diversity and inclusion, professional skills, technical and compliance. Because the development of our employees and next generation of leaders is critical to our long-term success, we annually engage in a comprehensive talent evaluation and succession planning process, including manager evaluations of all employees and detailed succession planning for all director and above roles with Board oversight for senior management and other key roles.

We recognize the importance of investing in our people leaders to help them further develop skills that will help them bring out the best in their teams. As of December 31, 2021, 90% of our people leaders have completed a leadership training program we developed in partnership with the Jones Graduate School of Business at Rice University.

Diversity, Equity, Inclusion and Belonging

We believe diversity, equity, inclusion, and belonging ("DEIB") drive true innovation and ownership. Our commitment to diversity and inclusion starts at the top with a skilled and diverse Board which provides oversight for our human capital resources efforts, including our DEIB programs and initiatives.

As of December 31, 2021, the majority of our Board was comprised of either female and/or ethnically diverse directors, with both female and ethnically diverse representation on our Board for more than 10 years.

As of December 31, 2021, women represent 36% of our global employees, and in the U.S., more than 50% of our employees represent minority groups, with underrepresented minorities (defined as those who identify as Black/African American, Hispanic/Latinx, Native American, Pacific Islander and/or two or more races) representing 26% of our U.S. employees.

We strive to maintain a working environment that celebrates diverse perspectives, cultures and experiences and invest in programs to engage our employees, including diversity, inclusion, harassment and unconscious bias training. In February 2021, we added a dedicated headcount to further advance our DEIB initiatives and programs. We are proud of what we have accomplished to advance DEIB, and we recognize we still have work to do, including how we approach the future of work.

Additional information on our diversity and inclusion strategy, diversity metrics and programs can be found on our website at pros.com/about-pros/diversity-and-inclusion.

Employee Resource Groups. We have a heritage of fostering inclusion and belonging, awareness and education, and social interaction and camaraderie through our employee resource groups. Sponsored and funded by PROS, these employee-led groups are open to any interested employee and create spaces for our people to connect around common life experiences and backgrounds. Our ERGs serve to champion our diversity initiatives and facilitate a workplace culture of equality and inclusion. Currently, the following employee resource groups are active at PROS:



BLAZE. Dedicated to the professional development of women at PROS and in the community.



EMPOWER. Created to attract, develop and retain Black talent at PROS.



UNIDOS. Committed to serve as a resource for representation, advancement and inclusion of Hispanics at PROS.



PRIDE@PROS. Focused on positively influencing and ensuring the development of its LGBTQIA+ members.



YoPROS. Connecting young professionals across PROS to foster growth and development of leadership skills.

Future of Work

Prior to the pandemic, PROS was evaluating options to move to a more virtual, hybrid way of working. The pandemic caused us to go 100% virtual overnight which brought rapid and systemic changes to our historic work habits. We have incorporated many of these changes in our new hybrid work model, which we view is not only the future of work, but the way we work today. As part of this hybrid model, we emphasize flexibility, including in mobility, work location and work schedules, based on a blend of what makes sense for each employee, their team, and our business. In addition, we continue to take an integrated approach to helping our employees manage their work and personal responsibilities, with a strong focus on employee physical and mental health. Recognizing that working in a hybrid environment across our global company is a relatively new way to interact, we offer company-wide initiatives to assist our employees in managing through the changes, including productivity, additional mental and physical health programming, periodic paid recharge days and "Wellness Wednesdays" with limited scheduled meetings to help combat video conference fatigue. We place a strong emphasis on the importance of taking time off to spend with family and friends, reenergize or handle personal matters. Through our Trusted Time Off program, we trust our employees to take the time they need away from work, at their discretion, while still meeting business requirements.

As we look forward, we have created a wellbeing innovation team, currently comprised of representatives from four countries and six departmental areas, to help develop a wellbeing program designed to meet the needs of our employees globally. This team is focused on designing programs to support physical, mental, social and financial well-being, and adapting these programs to our multiple different cultures and environments globally.

Governance

Board of Directors

PROS Board of Directors, elected by our stockholders, sets corporate policies and provides oversight for our business. The Board selects our CEO, who acts as the leader of the company, advising senior management, setting strategic vision and monitoring our performance. Our Board has adopted formal Corporate Governance Guidelines to ensure that it has the necessary practices in place to review and evaluate our business operations as needed, to make decisions that are independent of our management, and to align the interests of directors and management with the interests of our stockholders.

As with all areas of our organization, representation in our Board matters. With a mix of backgrounds, we feel our Board reflects our employees, the customers we serve, and our stockholders:

| Gender | Ethnic | Skills, Experience & Background | |
|--|--|--|------|
| 33% Female | 44% Ethnically Diverse | Business Operations | 100% |
| 27% of Russell 3000 directors are female | | Leadership | 100% |
| Age | Tenure | M&A | 89% |
| Average 59 | Average 11 yrs. 44% < 3 yrs. Tenure | Cloud Software | 78% |
| | | Finance | 78% |
| | | Public Company Governance | 67% |

Oversight. Our Board committee charters¹ outline the Board’s responsibility for environmental, social and governance (ESG) issues regarding compliance, risk oversight, ethics, security and human capital management. The Board works with and is actively engaged with our leadership team to ensure business continuity of our services to clients and support to our workforce.

Our Board provides comprehensive enterprise risk oversight. Recognizing that cybersecurity is a focus area, the Board has delegated to its Audit Committee to provide cybersecurity risk oversight. This is detailed in the Audit Committee Charter, available at [ir.pros.com](#) under “Governance”. Risk management is ingrained in the operations of the business. Periodic risk assessments by department leaders are scored, tracked, and compiled within our enterprise risk management (ERM) system for annual risk review and oversight by the Audit Committee and full Board.

Transparency and Ethics

Code of Business Conduct and Ethics. Our [Code of Business Conduct and Ethics](#) (Code of Conduct) provides clear expectations for making business decisions. Our Code of Conduct applies to our entire business, and anyone that we engage in business activities with. We require all employees to annually complete training on, and acknowledge, our Code of Conduct.

Training. We provide training to employees based on their role, location, and management responsibility, including on-line courses required for all employees. In 2021, we provided training to all employees globally on our Security policies and practices, our Code of Conduct, Confronting Bias, Unconscious Bias, and Harassment Prevention.

Reporting. We maintain an independent third-party hotline where anyone, anywhere, anytime can raise a concern or report a suspected violation of our policies, procedures, or the law. We publicize our hotline through our Code of Conduct, our intranet and employee training. We strictly prohibit discrimination, retaliation, or harassment of any kind against any person who acts in good faith in reporting information to PROS or law enforcement concerning a possible violation of applicable law or PROS policy. A report can be made anonymously, whether by phone or online. Reports are investigated, and any necessary disciplinary and/or remedial action is taken as appropriate.

Third-party Compliance Management. We maintain a third-party screening tool that assesses all third parties onboarded for sanction restrictions to ensure we are working with permissible counterparties. We maintain a global [Supplier Code of Conduct](#) that sets forth the expectation for suppliers working on our behalf to comply with all laws and to act ethically and with integrity at all times.

Ethical AI. Our AI leverages non-personal data to help businesses outperform. To ensure our AI does not develop biases towards race, age, gender, or any protected attributes in our predictions and recommendations, PROS willfully does not collect any personally identifiable information. To continue our tradition of transparent business practice, PROS is committed to creating greater transparency in all our data science models.

¹ For additional information on our Board committee responsibilities, please see our [Audit Committee Charter](#); [Nominating and Corporate Governance Committee Charter](#); and [CLD Committee Charter](#)

Interpretable models are always prioritized whenever performance is not compromised. Even in situations where acceptable performance is only achievable through black-box algorithms, PROS will either complement these models with explainable AI, or use glass box approaches to create transparency. Both of which will empower our business users with the ability to understand the main drivers behind our machine decisions.

Data Privacy and Security

At PROS, security is the responsibility of everyone. We take data security and privacy seriously. When an organization partners with us to optimize their shopping and selling experiences, they often entrust us with data that is commercially sensitive or proprietary. We honor that trust by managing a comprehensive, written information security program that contains administrative, technical, and physical safeguards designed to ensure that customer data remains secure and is handled in compliance with all regulatory requirements applicable to PROS and the Subscription Services we provide.

Furthermore, PROS maintains an Information Security Management System (PROS ISMS) that defines PROS policies, standards, guidelines, and procedures as part of PROS documented information security program covering the management of information security for the Subscription Services and all related PROS internal operations. PROS ISMS is designed to:

- 1) Establish directives and principles for action regarding information security.
- 2) Document and maintain compliance with statutory, regulatory, and contractual requirements.
- 3) Monitor, evaluate, and adjust, as appropriate, considering relevant changes in technology, threats to PROS or to Customer data and security and privacy regulations applicable to PROS.

Software Development. We utilize best practices in the development of our software to help protect customer data and ensure it is handled securely and safe from third-party attacks. PROS has adopted secure coding standards, developed in accordance with the OWASP Top 10 and SANS guidelines, which define the security principles, standards, guidelines, and best practices for secure code development and testing. For example, we perform both static and dynamic analysis on our software code during the development process to identify potential security vulnerabilities.

Ongoing Testing. We regularly test key controls, systems and procedures in our information security program to validate their effectiveness in addressing threats and risks. We also conduct frequent internal audits, annual independent third-party audits and risk assessments to continuously monitor the threat landscape.

Least Privilege Access. We limit access to information systems and data to named and authorized individuals with a legitimate business need and appropriate approval(s). We also require a two-factor authentication safeguard for access to critical systems.

Third Party Certification. Data security certifications demonstrate commitment, accountability to SaaS security and helps our customers make informed choices. We verify the effectiveness of our security with annual independent third-party audits for compliance with the SOC1, SOC2, CSA, ISO 27001, ISO 27018 and PCI (where applicable) certification standards. For more information on programs and processes related to these standards, regulations, and certifications, please see our [Trust & Security](#) and [Contracts Center](#) on pros.com.

Privacy. We maintain procedures and processes designed to ensure that we and our third-party suppliers that interact with personal data on our behalf, comply with laws that regulate data privacy collection and use, including the EU’s GDPR and California’s CCPA. We also monitor, evaluate and adjust, as appropriate, considering relevant changes in technology, threats to PROS or to Customer data and security and privacy regulations applicable to PROS. For more information on how we collect, use, and protect personal information, please see our [Privacy Notice](#).

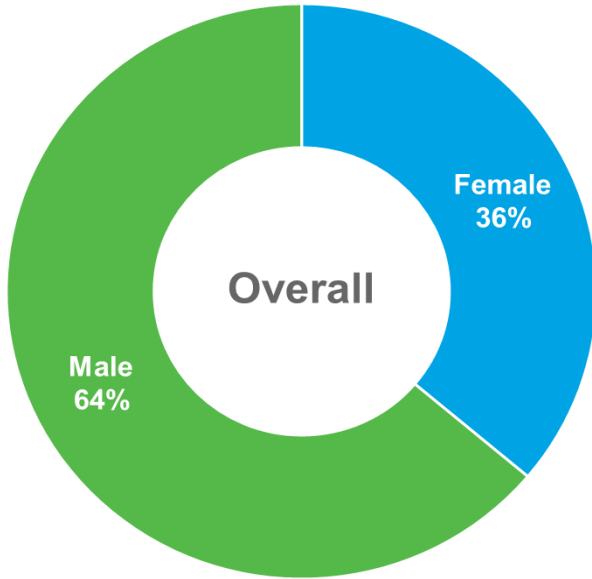
Training. PROS requires all employees and contractors to complete annual data security awareness training to promote a culture of security awareness. As part of our ongoing cybersecurity awareness training program, our employees participate in simulated email phishing exercises on a periodic basis. PROS also requires additional role-based training to PROS personnel as appropriate, including training for employees who have access to sensitive data.

Forward Looking Statement Qualifier

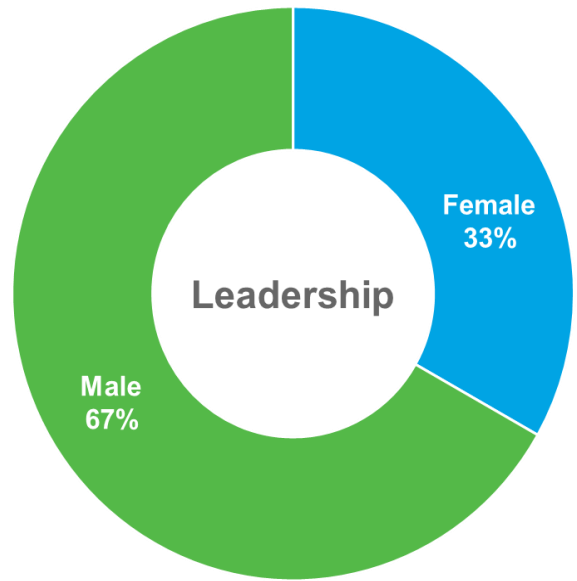
Included in this presentation are forward-looking statements including, but not limited to, those related to our future plans related to certain ESG topics. These predictions, estimates, and other forward-looking statements involve known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied in this presentation. We refer you to the documents we file with the Securities and Exchange Commission, which identify and discuss important factors that could cause actual results to differ materially from those discussed in these forward-looking statements. All statements included in these materials are based upon information known as of the date hereof, and PROS Holdings assumes no obligation to update any such statements, except as required by law.

Appendix | People

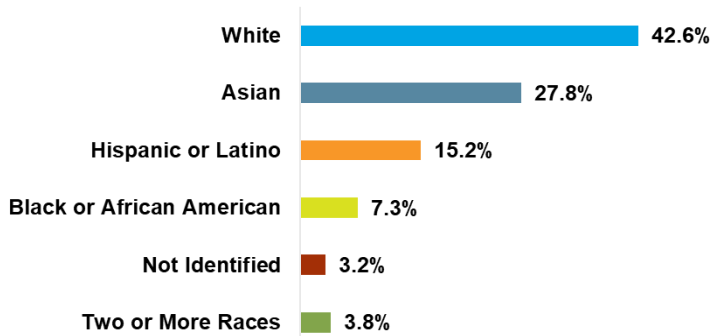
Diversity



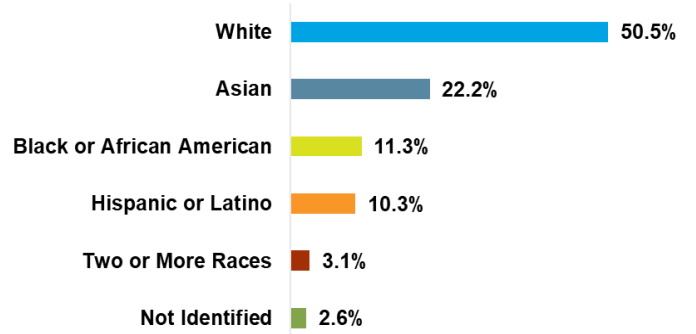
% of global employees



% of global employees



% of US employees



% of US employees

**Diversity statistics based on 4Q2021 data*

Appendix | People

Diversity (continued)

| AGE GROUP | 2020 HIRING RATE | 2020 EOY REPRESENTATION | 2021 HIRING RATE | 2021 EOY REPRESENTATION |
|----------------|------------------|-------------------------|------------------|-------------------------|
| 20'S | 30% | 15% | 30% | 15% |
| 30'S | 29% | 38% | 40% | 38% |
| 40'S | 20% | 26% | 18% | 26% |
| 50+ | 14% | 19% | 11% | 19% |
| NOT IDENTIFIED | 7% | 2% | 1% | 2% |

Notes:

- Analysis includes full-time employees who were employed on the last day of the fiscal year.
- Hiring rates include all hires in each year, regardless of year end employment status, and also includes only external candidates (i.e. excludes internal transfers and promotions).
- Senior leadership roles are defined as the four manager levels and three individual contributor levels below our CEO (in addition to our CEO).
- Gender data is self-reported binary gender for insurance purposes. In future reports, we plan to use self-reported gender beyond the binary.
- Race/ethnicity data is self-reported. A few other notes:
 - Employees can respond to this question with multiple select options.
 - Because employees are allowed to update their demographic information at any time, and analysis is conducted using the most current demographic information, historical data from the FY20 and FY21 reports may differ.
- Data based on demographic data and categories in Workday, some of which are self-reported, and reviewed by our People and Talent Acquisition teams.

Memberships and collaborations. Historically, our approach to memberships, partnerships, and opportunities for recognition has been ad hoc. We are working on a partnership framework in 2022 to make sure we can invest meaningfully and in service of our goals across Diversity, Equity, Inclusion, and our policy work. Below are some of the organizations we worked with in 2021:

| | |
|----------------------------|-----------------------------|
| Grace Hopper Conference | Greater Houston Partnership |
| Texas Diversity Council | Star of Hope |
| Houston Children's Charity | Junior Achievement |

Appendix | Customers

Policies, principles, and approaches

Below, we link to some of the documentation detailing our approach to trust, privacy, security, and compliance:

[Privacy](#)

[Trust and Security](#)

[Cloud Security Guide](#)

[Acceptable Use](#)

[Security Exhibit](#)

[Export Control](#)

Memberships, certifications and other compliance standards

CSA Star

SOC1

SOC2

HIPAA

ISO 27001

ISO 27018

OWASP

PCI

Appendix | Governance

Board of Directors at Glance:

9 BOD members

100% of Non-Employee Directors are Independent

33% Female; 44% Ethnically Diverse

3 standing committees:

Audit

Compensation and Leadership Development

Nominating and Corporate Governance

Separate CEO & non-Exec Chairman role

All Board Committees Comprised Entirely of Independent Directors

Other Links

[Board of Directors](#)

[Governance](#)

[Investor Relations](#)

[Code of Business Conduct and Ethics](#)