sproutsocial



2023

Environmental, Social and Governance Impact Report

Disclaimer

Readers are cautioned that certain statements made by Sprout Social relating to environmental, social and governance ("ESG") matters, including those included on their sustainability webpage or ESG Report (such statements, "ESG Statements"), may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include any statement that does not directly relate to any historical or current fact. Forward-looking statements may project, indicate or imply future results, events, performance or achievements, and such statements may contain the words "expect," "intend," "plan," "anticipate," "estimate," "believe," "will be," "will continue," "will likely result," and similar expressions. In addition, any statement concerning future performance, ongoing strategies or prospects, and possible actions taken by Sprout Social are also forward-looking statements. Forwardlooking statements are based on current expectations and projections about future events and are inherently subject to a variety of risks and uncertainties, many of which are beyond Sprout Social's control, that could cause actual results to differ materially from those anticipated or projected. Developments in any of the risks or uncertainties facing Sprout Social, including those described in risk factors included in annual and quarterly reports and other filings with the Securities and Exchange Commission ("SEC") made by Sprout Social, could cause results to differ materially from results that have been or may be anticipated or projected. Given these risks and uncertainties, readers should not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and Sprout Social expressly disclaims any obligation or undertaking to update these statements to reflect any change in expectations or beliefs or any change in events, conditions or circumstances on which any forward-looking statement is based.

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ESG Statements may be based on expectations and assumptions that are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. Calculations, statistics, and certain facts included in ESG Statements may be based on third-party information, current estimates, assumptions and projections and, therefore, subject to change. Sprout Social's ESG Statements have not been externally assured or verified by independent third parties.

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These ESG Statements represent current Sprout Social policy and intent and are not intended to create legal rights or obligations.



Introduction

In our inaugural impact report, we've focused on establishing a baseline of existing Sprout Social initiatives specific to our environmental, social and governance (ESG) focus. Unless stated otherwise, the information presented in this report is as of June 30, 2023.

This report is one of many steps we are taking to increase transparency and establish accountability as we work to scale our business over the coming years.

At Sprout, the decisions we make about our product, our people and our business are always guided by our values and our vision for the future. We're committed to making sustainable and equitable choices that leave an impact we can be proud of.

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2022 Highlights

We're proud to have been recognized by a number of organizations and publications for our team's continued work to drive positive change for our planet, our people and our communities.





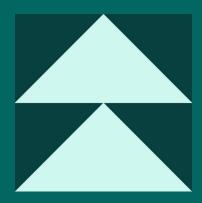


Purpose & culture

At Sprout, we don't view culture as a set of perks but rather an intentional approach to our employees, customers and communities.

Our ESG objectives are aligned with the seven core values that guide our company:

- Care Deeply
- Embrace Accountability
- Champion Diversity, Equity and Inclusion
- Promote Open, Authentic Communication
- Seek Simplicity
- Solve Hard Problems
- Celebrate Change



Caring for our environment

Sprout's largest impact on the environment is our consumption of electricity. Our strategy for minimizing this impact is to purchase energy-efficient equipment, operate energy-efficient offices and partner with suppliers that share our commitment to environmentally sustainable practices. In addition, we invest time in consolidating our machinery where possible to reduce the amount of energy being utilized.

Energy use

In addition to prioritizing the purchase of Energy Star-rated devices, we are committed to encouraging and enforcing energy-saving best practices in day-to-day usage where possible.

>90%

electronics purchased are Energy Star-certified 100%

of our US locations are Energy Star-certified buildings

Environmental operations

We're also passionate about waste reduction. We work with Revivn, a company that collects and repurposes our depreciated laptops. This decreases toxic electronic waste, takes the pressure off landfills, reduces overconsumption and saves the energy required to produce new raw materials.

553
computers repurposed
YTD

788

e-waste (lbs) recycled YTD 1659

estimated e-waste (lbs) prevented YTD

Our <u>Supplier Code of Conduct</u> gives preference to suppliers that share our commitment to environmentally sustainable practices. More than 50% of our supply chain is with organizations that are carbon neutral or have pledged to be carbon neutral by 2050.

Does Sprout follow a formal environmental policy?

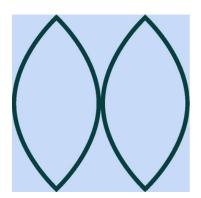
While we don't follow a formal environmental policy, our office-based and remote employees are cognizant of their impact on the environment and make every effort to conduct business in a sustainable manner.

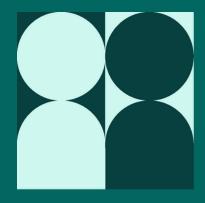
Does Sprout follow specific waste, water, energy and/or recycling policies?

We utilize compostable plates and utensils, recycle paper, plastic, glass and electronics in our US locations, and provide local recycling options wherever municipalities support it.

Does Sprout use a recognized energy management system?

No. We do not use a recognized energy management system.





Putting people first

At Sprout, we're committed to building a diverse team, fostering an inclusive culture and investing in equity across our organization. We also know that outside our walls, the world isn't always as equitable. That's why Team Sprout is also working to help diversify the tech industry and engage in our communities.

While we're happy with our progress, we still have work to do. We're continuing to invest in equity by partnering with our leaders to make systemic change, educating our team and continuing to support our community through philanthropy, service, allyship and action.

Hiring

Sprout prioritizes creating an equitable hiring experience for every candidate. Over the past few years, we have been implementing changes to our recruitment practices to ensure we are accessing the widest pool of candidates for available positions.

What does that look like in action?

- Mandatory unconscious bias training for all team members
- A diverse pool of referral networks
- Remote, hybrid and flexible opportunities
- Equitable compensation
- DEI community resource coffee chats
- Eliminating college degree requirements

1249

total employees

206

new hires YTD in 2023

Employee development

Our commitment to leadership development and developing careers at Sprout continues to be a key focus area.

We invest in leadership development through our GOLD (Growth Oriented Leadership Development) program. The program consists of 'Ignite,' which focuses on new leaders, including those new to the role of leadership itself or to leadership at Sprout; 'Evolve,' which is tailored towards experienced managers and directors; and 'Amplify' (launched in 2022) which is designed for our most senior leaders.

In addition to supporting our leaders, in late 2022 we created and launched The Career Studio, our first-ever career development resource center for all employees. This is an approachable virtual hub of career development tools designed to empower all employees to take ownership of their career journey at Sprout.

We continue to invest in our Grow@Sprout digital and on-demand platform, which provides education and development opportunities through internal programs and third-party vendors.

30

courses offered through Grow@Sprout & GOLD

487

participants in Grow@Sprout & GOLD courses

Employee feedback & recognition

We are a winning team emphatic about celebrating and recognizing each other's efforts.

Started in 2015, our Value Awards are an opportunity to recognize team members who truly represent what Sprout is and who we aspire to be. They aren't just kudos for great work, they are our way of recognizing those individuals who embody Sprout's values and celebrating their contributions to our company and culture. Recipients excel at their day-to-day role and find ways to go above and beyond to improve our product, our company and its processes, and our unique culture. Awards are given out quarterly through the year at our full company All-Hands meetings.

The winners of our Value Awards have a budget of \$2000 for their prizes. Additionally, there is a charitable donation of \$500 to the selected nonprofit of each winner's choosing. Recent charities have included PAWS, Native Justice Coalition and National Alliance on Mental Illness.

Here's a photo from one of our surprise Value Award meetings, with our winner in the top right corner:







Our Senior Manager of Recruitment used her prize to go on a hiking trip through the Dolomite Mountains in Italy, sharing, "I am so grateful to be recognized by Sprout and very proud to work for a company that celebrates their employees in this type of way. Winning a value award was the highlight of my time at Sprout!"

As a company committed to excellence, we're equally committed to feedback as a critical vehicle for growth and connection.

All employees participate in quarterly check-ins and annual performance reviews as an opportunity to discuss how someone is performing in their current role, and to align on strengths and development areas to focus on for continued success.

Quarterly check-ins and annual performance reviews are designed to encourage employees to celebrate successes, reflect on past projects and set goals for the future. Questions asked include:

- What 1-2 accomplishments am I most proud of over the last quarter?
- What didn't go as well for me over the last quarter?
- What will I focus on from a development standpoint for the quarter ahead? Do I anticipate any roadblocks to growing in those areas?
- What is my most important business priority for the quarter ahead?
- Where could I use support and guidance from my leader?

For ongoing feedback, our team uses Lattice—a platform that facilitates communication among managers and peers across the organization to deliver real-time feedback that drives performance, and yields actionable insights.

Employee satisfaction & engagement

Each year, our People Team launches our Sprout Progress Survey, a series of questions aimed at gaining a better understanding of overall engagement and gathering feedback from Sprout employees on topics relevant to our work. Feedback from this survey directly informs action planning at both the org-wide and department levels.

Based on results from our internal employee survey, our employee engagement in 2022 remained above the benchmark for our industry.

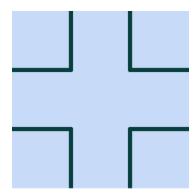
Sprout's engagement levels consistently rank within the top 25th percentile of Culture Amp's 'Public Listed' benchmark, which is made up of approximately 350 organizations listed on stock exchanges globally with up to 100,000 employees. We also rank within the top 25th percentile of Culture Amp's Computer Software benchmark, which is composed of approximately 60 global software companies comparable in size to Sprout.

Employee engagement score		
82%	84%	

Employee benefits & rewards

The quality of our work is a direct result of our health and wellbeing—both of which have never been more important. At Sprout, we are committed to providing a comprehensive and affordable benefits package:

- **Time away philosophy**. Not only are we committed to intentional time at work through focus time and focus days, we are also committed to offering ways to spend quality time away from work through flexible PTO and paid holidays.
- Company-wide R&R days. Each month, employees are asked to step away from email, Slack and any other work-related tasks and are encouraged to use the time to rest and recharge.
- Generous parental leave. We offer 16 weeks of parental leave to all
 employees following the birth or adoption of a child. Our philosophy is a
 commitment to all parents, which allows both Sprout employees and their
 families the balance and flexibility to fulfill the entire spectrum of parental
 responsibilities.
- Health and wellness. Our insurance and benefit options are built for employees and their families, including medical, dental, vision, disability and life insurance, along with 24/7 remote access to board-certified doctors. We also provide multiple fitness membership options to support employee health.
- **Financial planning**. In collaboration with Your Money Line and Rothschild Financial Services, we offer employees exclusive access to resources and services that foster their financial well-being and growth.
- Sprout Lifestyle Savings Account (LSA). We work with League to provide access to funds designed to support employees' physical, mental and financial well-being.
- **Enhanced mental health support**. We provide access to Modern Health, a mental health platform with opportunities to receive confidential, 1:1 support.
- Enhanced family support. We partner with Bright Horizons to offer discounts on top child care, tutoring, elder care, summer camp, pet care and STEM learning providers for our employees and their families. We also offer a family planning benefit of \$5,000 USD towards surrogacy and adoption.
- Hybrid work. Our employees choose where they perform best—whether
 that's from home, the office, or a mix. We default to digital collaboration and
 async communication norms to stay connected and work effectively to solve
 hard problems, and also take great care in creating meaningful connections
 while physically apart.
- **Competitive salaries**. We are committed to pay equity and perform a global pay equity analysis on an annual basis.
- **Stock-based compensation**. We offer stock-based compensation awards for every new employee, regardless of role and employees are eligible to receive annual equity grants.
- Employee Stock Purchase Plan (ESPP). In 2022, we launched our Employee Stock Purchase Plan which provides the opportunity to our US-based employees to purchase stock at a discounted price and share in the potential financial success and growth of the company.



R&R days

In 2020, we introduced monthly R&R days as a way for our employees to fully disconnect on the same day, across the company. During R&R days, everyone is expected to step away from email, Slack and any work-related tasks, and use the time to do something you enjoy!



Coming together

At Sprout, we aspire to create a world-class flexible and inclusive hybrid culture that enables exceptional work, fosters belonging and transcends location.

We equally see the value of in-person, human connection and prioritize opportunities that bring our distributed teams together to strengthen the bonds within our global community, and create community and engagement around our offices.

Each year, we host a 'Midyear Meetup,' where our global team gathers together in our headquarters' hometown of Chicago to build connection and rapport across the organization. We also host team, regional and city meetups throughout the year for groups to come together in person in smaller groups.





Diversity, equity & inclusion

At Sprout, we believe building a team rooted in diversity, equity and inclusion (DEI) has a direct impact on the success of our company, and the world at large. DEI is foundational to our culture and helps define who we are as a company. Our commitment to these principles is woven into our business practices and illustrated by our colleagues around the world.

We continue to provide public transparency into where we stand, where we've progressed and where we need to improve in the areas of DEI through our DEI Demographic report.

Our most recent <u>DEI report</u> was published in February 2023, and we intend to continue to report our progress against the initiatives identified on an ongoing basis.

Pillars of our DEI commitment

Audit practices for structural barriers

Focus on mitigating any inequity within our systems and processes that may disadvantage the universe of those qualified for employment and leadership roles.

Establish systems that support accountability

Build systems that encourage ownership of DEI across the entire organization, including workforce data reporting, further embedding DEI into performance management and career bands, and an org-wide rollout of our "Engaging in Bold Conversations" and "Inclusion Through Allyship" courses. We will also provide our executive team with demographic data to track our commitment to equal employment opportunities.

Build a targeted development program for diverse talent

Launch a development program that focuses on strengthening key leadership skills and competencies to support the growth trajectory of diverse talent into leadership opportunities. Additionally, the program will offer individual coaching opportunities that reinforce the unique goals each person has for their career journey.



Integrate inclusive leadership behaviors

As stewards of our team's success, our people leaders play an instrumental role in achieving the tactics listed above. To support our leaders in this important work, we will launch new and updated inclusive leadership courses, including unconscious bias training. All people leaders will be assessed on their inclusive behaviors (i.e. the ability to demonstrate equity and inclusion in decision-making) through annual performance reviews, and those assessments will be leveraged as criteria for determining promotion as part of our Global Management Learning curriculum.

Invest in educational programs

Incorporated unconscious bias training for new hires, updated hiring manager interview training and piloted leadership programs for BIPOC talent.

Support external DEI work

Extend our efforts outside of our company by partnering with organizations fighting discrimination and working to diversify the technology industry.

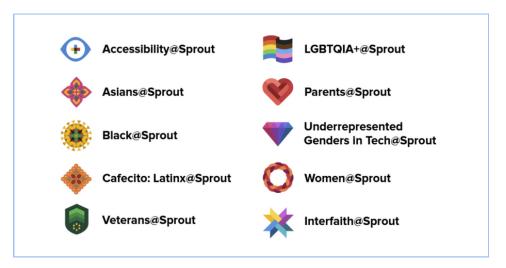
Our community

In 2022, we continued our work toward creating lasting change in the communities where we live and work, with a focus on volunteering, charitable donations and standing in support of underrepresented groups and communities.



Community Resource Groups (CRGs)

We have ten Community Resource Groups (CRGs), which are volunteer-led groups centered around common identities and life experiences that work to serve the unique needs of their community members, and foster a sense of belonging through connection, support and empathy. Each group works with an executive sponsor and receives an annual budget to support their initiatives, and our CRG co-leads are compensated for their efforts.



Service & philanthropy

Team Sprout is always working to help diversify the tech industry and engage in our communities by supporting the mission of organizations that align with our values and goals through donations, volunteer service and grants.

Sprout Serves. Team Sprout gives back through our year-round volunteer initiative, Sprout Serves. Sprout Serves' mission is to promote the equity and social justice of historically marginalized communities through advocacy, access to quality education and technology for good. Sprout Serves' portfolio of initiatives includes employee volunteerism, monetary and in-kind donations, and other strategic investments in nonprofit partnerships.

Giving back. In 2023, we launched Deed, our one-stop shop for giving back. Through the portal, employees can access more than 2 million nonprofits around the world in order to donate time, money and skills to the causes they care most about.

Employee Match Program. We encourage philanthropy through our Employee Match Program, in which we match employee donations to qualified nonprofits up to \$100 USD per employee per year.

Making a difference. In 2023, Sprout proudly donated \$425K to nonprofit partners including: The Advancement Project, Howard University's Center for Digital Business, basis.point (EMEA) and Project PEARL (APAC)—alongside \$200K toward our scholarship funds in partnership with United Negro College Fund (UNCF) and the Hispanic Scholarship fund.

Diversifying the tech industry

For Sprout, diversifying the industry starts within our own organization. As a software company with thousands of global customers from around the world, we aim to build a team that reflects the diversity of the people we serve while rising above the inequity in our society. That's why recruitment is one of our core DEI objectives.

Our ongoing commitment has been to cultivate a diverse pipeline that focuses on our priority identity groups: BIPOC, LGBTQIA+, women and underrepresented genders in tech. This year and next, we plan to evolve and solidify our workforce goals with a focus on increasing racial and ethnic diversity in our US team and in leadership roles, as well as global representation of women in leadership roles. We will reassess these focus areas each year based on our progress with representation, recruitment and retention, and will actively mitigate any inequity within our systems and processes.

Additional efforts aim to reach further than our own company. We partner with organizations like re:work (BIPOC tech sales), and Black Girls Code (tech education for women of color) to provide funds and Sprout services. We also support Howard University's first Center for Digital Business by providing funds to cover facilities costs, and partnering with HubSpot to help build the curriculum.

Technology Giving Program

People are the heart of every community, and we believe social media is a critical tool for building better and stronger communities. We want to empower nonprofits with the tools and expertise to help them harness the power of social media and change the world we live in for the better.

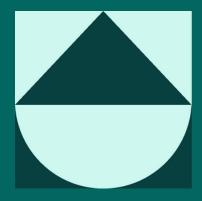
Since 2014, Sprout has provided select nonprofits with complimentary software as part of our Technology Giving Program.

Organizations are nominated by Team Sprout, reviewed by a peer committee and invited to apply for complimentary access to Sprout's core products and selected add-ons to improve their social programming.

Through this program, we hope to improve social performance and increase visibility for nonprofit organizations around the world that otherwise might not be able to access a social software solution.

\$2.9M

Total donations of software to more than 75 nonprofit organizations around the world in our communities since 2014



Staying open, honest and accountable

Ethical conduct is of supreme importance to Sprout's senior leadership, as is diverse representation among key decision makers. That's why we formed an ESG committee, responsible for growing and guiding our efforts in an intentional and impactful way, and includes several members of our executive team.

Other commitments related to our governance practices include aligning the interests of our employees and stockholders, and identifying and mitigating information governance security risks.

Corporate governance highlights

Our way of doing things at Sprout is grounded in our values, including how we run the company. Our commitment to efficient company management, protection of stockholders' interests, and the transparency of corporate communications is vital to gaining and retaining the trust of our stakeholders. Over the past year, we have continued to align our corporate governance practices with our stakeholders' best interests:

2023 Proxy Statement highlights

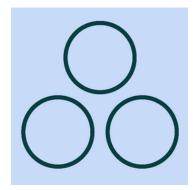
- Pay-for-performance. We included pay-for-performance disclosure in our 2023 proxy statement, reinforcing our commitment to transparent reporting and providing stakeholders with insights into the correlation between executive compensation and company achievements.
- **Say-on-pay.** Sprout received a "For" recommendation from ISS and 96% favorable shareholder support for its say-on-pay vote in 2023, consistent with results from 2022.

Annual Board of Director evaluations. Conducted our annual evaluations of the performance of our Board of Directors and its committees, fostering accountability and continual improvement within our Board.

Employee engagement. In line with our commitment to a respectful work environment, we enhanced our Code of Ethics to facilitate anonymous reporting of alleged harassment and discrimination. This addition reflects our dedication to transparency and empowering employees to raise concerns while fostering a culture of responsibility and honesty.

Shareholder engagement. On September 27, 2023, we will host our annual Investor Day, offering investors a comprehensive view of our strategy, performance and future outlook.

Clawback rule. Per the SEC's approval of NASDAQ clawback listing standards, Sprout will adopt a compliant policy no later than Dec. 1, 2023.



Board of directors

Our seven-person <u>Board of Directors</u> consists of a majority of independent directors, with five independent directors and two executive directors, including our two co-founders.

We believe in building a Board as diverse as our customer base:

71%

of the board is independent*

29%

of the board is diverse in terms of gender

14%

of the board is diverse in terms of race

Our Board and committees meet regularly to support business, governance and regulatory updates, and oversight of our enterprise risks and other key initiatives —including ESG.

Further information on our Board independence, governance, skills and experience, director biographies, stockholder engagement, and diversity can be found in our 2023 Proxy Statement, filed with the SEC on April 7, 2023.

Risk mitigation

Sprout maintains a formal risk management program that aligns risks to departments, owners and our current compliance controls. Risks are identified, documented and monitored by the Governance, Risk and Compliance (GRC) Team in partnership with our senior leadership and relevant stakeholders.

The risk management program categorizes each risk based on severity and likelihood. Sprout's Security and GRC teams conduct semi-annual reviews to maintain and support our annual risk assessments.

Our senior leadership and Board of Directors are regularly updated on the severity, likelihood and level of each identified risk, along with the key risk indicators and mitigation plans in place to minimize and address the risk. Together, they take these documented risks and any recommended actions into consideration when reviewing corporate strategy for the business.

^{*} under applicable legal standards

Building data privacy into organizational culture

Sprout has formulated a robust privacy program and promotes a culture of data privacy throughout the organization. We have appointed a data protection officer and we have a dedicated privacy team to manage the privacy program.

Sprout requires that new employees attend security and privacy awareness training as part of their orientation, which includes topics such as the proper handling of customer data, common cyber-attacks and a review of our security policies. All security and privacy training is followed by an online assessment and is required for all employees, regardless of position. Current employees participate in mandatory general and role-specific training semi-annually on current and/or relevant security and privacy topics.

We respect individual rights and promptly respond to and manage data subject requests. Sprout also embeds privacy-by-design principles within the organization by conducting privacy impact assessments and privacy reviews when implementing new product features and introducing new processes.

To learn more, visit Sprout's <u>Trust Center</u>.

Employee training

100%

of employees have completed annual security and privacy training

Data privacy

Does Sprout follow a Data Privacy policy?

Yes; See our Privacy Policy.

Has Sprout taken steps to comply with GDPR rules?

Yes; Sprout is a "processor" of customer personal data under the GDPR. Sprout is certified under the recently-adopted Data Privacy Framework for data transfers from the EU to the US. Sprout also includes the Standard Contractual Clauses in our Data Processing Addendum for customers that prefer to rely on this data transfer mechanism instead. The transfer mechanism for UK-US data transfers is the SCCs subject to the UK Addendum.

Does Sprout minimize data collection and retention?

Yes; Sprout collects only the amount of personal Information necessary to provide the services. Sprout only stores personal information for the period of time necessary for legitimate business purposes or to comply with law. Sprout's data retention period is outlined in our Data Retention Policy and, in accordance with GDPR.

Does Sprout's data protection and/or privacy programs cover suppliers and business partners?

Yes; Sprout assesses vendors/suppliers prior to engagement to determine whether the vendor/supplier meets and is consistent with Sprout's security, privacy and legal obligations. Additionally, Sprout contractually requires that vendors/suppliers comply with applicable privacy laws and notify Sprout of any breach of personal information without undue delay.

Does Sprout require vendors, by contract, to implement and maintain appropriate security measures for personal information?

Yes; Sprout requires all vendors that have access to personal information enter into a data processing agreement that contains contractual data processing and data security requirements.

Our policies

Sprout is committed to maintaining the highest level of integrity and honesty throughout all aspects of our business. We believe it is the responsibility of our service providers, distributors, vendors and their respective sub-contractors, employees and agents to also treat others with honesty and respect, and to otherwise act in accordance with the highest ethical standards. As such, we have adopted policies and guidelines to form the framework that fosters a culture of ethics and integrity.

Supplier code of conduct

Does Sprout have a vendor code of conduct?

Yes; See our Supplier Code of Conduct

Global health and safety

Does Sprout follow an occupational health and/or global health and safety policy?

Yes; See: Supplier Code of Conduct

Child and forced labor

Does Sprout follow a child and/or forced labor policy?

Yes; Our Supplier Code of Conduct and Modern Slavery Act Transparency statements were developed in line with our commitment to preventing slavery and human trafficking.

Does the Modern Slavery Act Transparency statement apply to all suppliers and vendors?

No, the Modern Slavery Act Transparency statement does not cover suppliers and vendors.

Human rights

Does Sprout follow a human rights policy?

Yes; See our Human Rights Policy

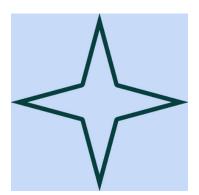
Does the policy cover suppliers and vendors?

No.

Equal opportunities and non-discrimination

Does Sprout follow a sexual harassment and/or non-discrimination policy?

Yes; Sprout has both an Equal Employment Opportunity statement and Harassment & Discrimination Prevention policy.



Ethics and anti-corruption

Does Sprout have a Code of Ethics policy?

Yes; Our Code of Ethics policy outlines our expectations for all employees in terms of maintaining the highest standards of ethical behavior, complying with the Code and the law wherever you are, reporting any working practice that is not ethical or safe, and, as a manager, creating an environment where employees feel comfortable in raising concerns.

Does Sprout have an Anti-corruption and Bribery policy?

Yes; Our Anti-corruption and Bribery policy sets out our responsibilities— as well as those working for us—in observing and upholding our position on bribery and corruption, and provides information and guidance to those working for us on how to recognize and deal with bribery and corruption issues.

Does Sprout provide employees with Anti-Corruption, Anti-Bribery, Code of Business Ethics and Whistleblower training?

Yes; Sprout requires new employees to undergo these trainings and requires the sales team to undergo periodic additional training.

Percentage of employees who completed the above trainings.

100%

Does Sprout have appropriate limitations on the ability of its directors, officers and employees to make political donations?

Yes, Sprout prohibits employees from making political contributions in return for favorable treatment for Sprout, and charitable contributions must never be used as a substitute for prohibited political contributions.

Does Sprout have an executive body responsible for managing business ethics and corruption issues?

Yes, to ensure effective governance of ethics issues, there are multiple layers of oversight. This includes the Board of Directors, the Audit Committee and the legal department.

Whistleblower reporting

Does Sprout have a process for formal grievance reporting or escalation procedures?

Yes; Our Whistleblowing policy and Code of Ethics policy affirms our commitment to enabling employees to raise any genuine concerns without risk of losing their job or suffering any form of retribution as a result. The policies lay out the different channels through which employees can report a fraud, accounting or employment concern externally through an independent third party that allows reports to be submitted anonymously and confidentially. The hotlines are available 24 hours a day, 7 days a week and are available in the local languages of the countries in which we operate.

Information & data security

Does Sprout have policies in place to safeguard customer data and comply with applicable laws and regulations?

Yes; Sprout is committed to protecting our customers' data. We abide by our obligations in our <u>Data Processing Agreement</u> and our <u>Privacy policy</u> in providing our platform to you. As privacy laws and regulations continue to evolve at a rapid pace, we monitor and update our agreements and product accordingly.

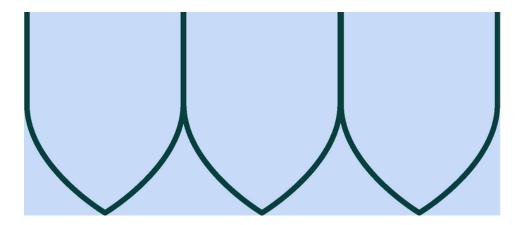
Customer protection & product safety

Has Sprout taken measures to ensure customer protection?

Yes; Sprout's products are architected with security in mind. Our <u>Security page</u> offers details on our companywide technical and organizational security measures.

Does Sprout offer an education program to ensure customer security?

Yes; Our onboarding and professional services teams have extensive education for customers on how to best use our product and introduce security measures. In addition, Sprout publishes a <u>Security Best Practices</u> one-sheet that is available to all customers.



Accessibility

Has Sprout taken steps to ensure the accessibility of its products and services?

Yes; At Sprout, digital inclusion is about ensuring the benefits of our technology are realized by all. Sprout's Accessibility report, which is updated on a periodic basis, can be found on our <u>Accessibility page</u>.



Next steps

There is always work to be done. As our industry continues to evolve, so does the world around us. As we look forward to the remainder of 2023 and beyond, we'll continue living and breathing our guiding principles and looking for ways to bring them to life for our employees, our customers and our communities.

Thank you for taking the time to read our impact report. We believe that each of us has a role to play in creating a better, more connected and inclusive world, and we're committed to doing the work that's needed to create a better future for all of us.

Appendix

Unless noted, the data shared in this report covers July 1, 2022 – June 30, 2023. Some of the activities mentioned were undertaken in 2023 (January 1 – June 30). Our data was pulled from a combination of public filings and reports, as well as internal documents.

Disclosures

Environmental	
Indicator	Disclosure
Energy consumption management and operational efficiency enhancements	Page 7

Human capital		
Indicator	Disclosure	
Extent of grievance reporting or escalation procedures	Page 25	
Engagement surveys to monitor employee satisfaction	Page 12	
Formal talent pipeline development strategy (forecasts hiring needs, actively develops new pools of talent)	Page 9	
Scope of employee stock ownership plan (ESOP) or employee stock purchase plan (ESPP)	Page 13	
Non-salary benefits and work/life balance	Page 13	
Regular performance appraisals and feedback processes	Page 11	
Job-specific development training programs	Page 9	
Evidence of managerial/leadership development training	Page 9	

Business ethics and practices		
Indicator	Disclosure	
Oversight for Ethics Issues	Page 20	
Bribery and Anti-Corruption Policy	Page 24	
Regular Audits of Ethical Standards	Page 25	
Whistleblower Protection	Page 25	
Employee Training on Ethical Standards	Page 22	

Privacy and data security			
Indicator	Disclosure		
Scope of company's publicly available Data Protection Policy	Page 22		
Rights provided to individuals regarding the control of their data	Page 23		
Information Security Policies and Systems audit frequency	Page 25		
Company's executive body responsible for Privacy and Data security	Page 25		
Scope of employee training on data security and/or privacy-related risks and procedures	Page 22		

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