



thinkstep

SUCCESSING SUSTAINABLY

thinkstep Sustainability Report 2018

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INTRODUCTION

The Scope of this Report

This report is an overview of thinkstep and all of its international branches for the reporting period between January 1, 2018 and December 31, 2018. Its aim is to communicate our sustainability performance and efforts to thinkstep clients, employees, investors and other stakeholders.

This report has been prepared in accordance with the GRI Standards for the core option. It discloses the nature of thinkstep as an organization, thinkstep's most relevant material topics, economic, environmental and social impacts and ways in which thinkstep manages them. We selected the non-financial topics based on the materiality assessment,

including the following: thought leadership, sustainable growth, employees / labor, products and services, sustainability commitment / strategy, stakeholder engagement, diversity / fair treatment / non-discrimination, ethics, corporate governance, employee health / wellness and energy and carbon. For more information about this see page 20.

We collected and analyzed all of the quantitative data presented here using our own SoFi Software, performing the calculations in accordance with the Greenhouse Gas (GHG) Protocol requirements.

Since publishing our last report in 2011, thinkstep has undergone some fundamental changes. These include the company name change

in March 2015 from PE International AG to thinkstep AG, appointment of new executive management, corresponding changes to governance and management structures and adjustments to business strategy.

The story behind our "ever-evolving knowledge" corporate logo aligns with the creation of this document. Our evolving logo inspires us to expand our insights continuously, because the more we know, the smarter our actions. The process of compiling this report has not only solidified our current position on the map of global sustainability, it has helped us gain more insights into our potential for sustainability reporting. We are confident that these insights will be reflected in our future practices and in next year's report.

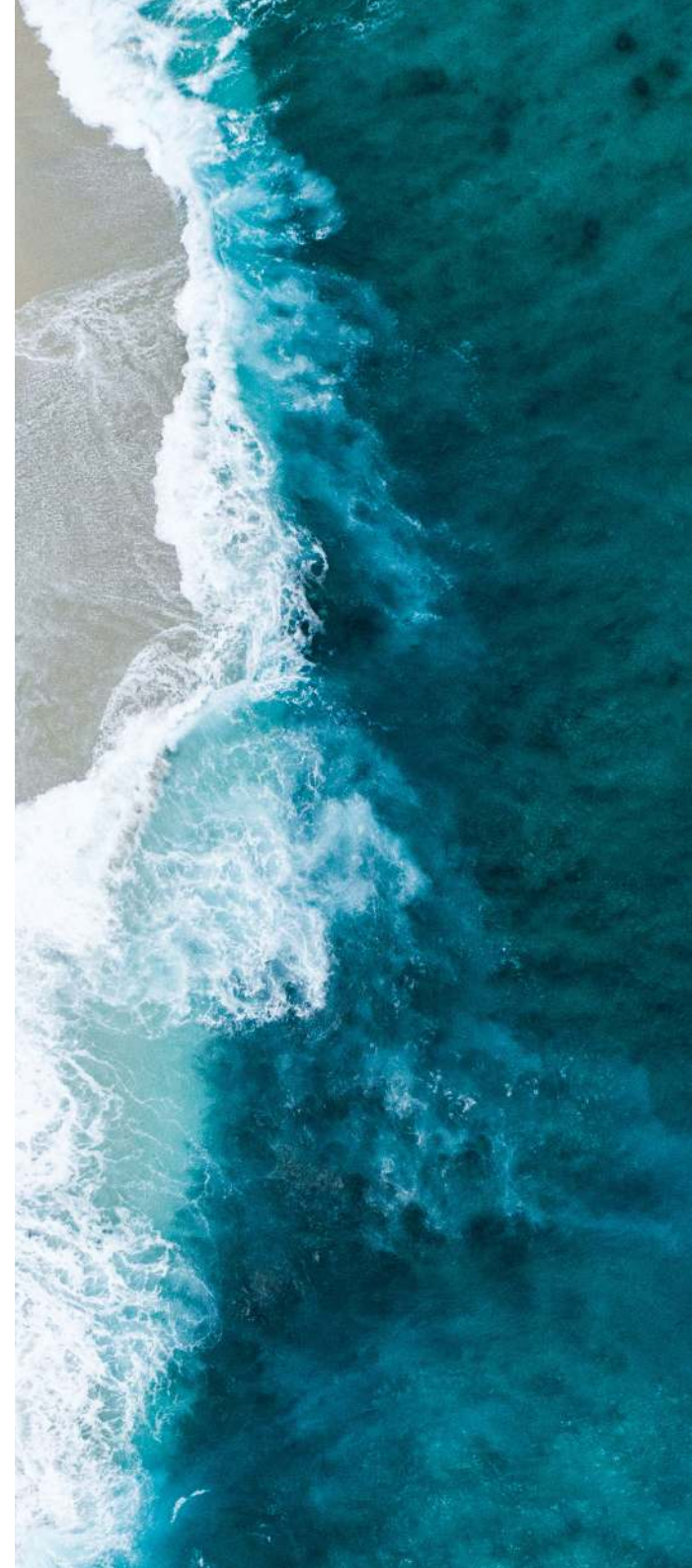
Message from the CEO

As corporations develop their plans and budgets for 2020 and beyond, sustainability is no longer just an ethical choice. It is a financial necessity. This is as true for thinkstep as it is for the companies we work with.

Consumers, employees, investors and regulators (local and national) are asking companies to responsibly align their activities with social and environmental principles. Stakeholder demands aside, we increasingly see that sustainable business is simply good business. Companies that embed sustainability into

their governance, operations and decision making see increases in revenue and operational efficiency, decreases in risk and strengthened reputation.

Data drives business decisions. So companies need high-quality environmental, social and governance data in order to develop and act on sustainable strategies. This is about leveraging sustainability data in core decision-making, but it is also about having the data you need to confidently communicate related performance, opportunities and risks to your stakeholders.



We believe in a future in which such sustainability information is as prevalent as financial information.

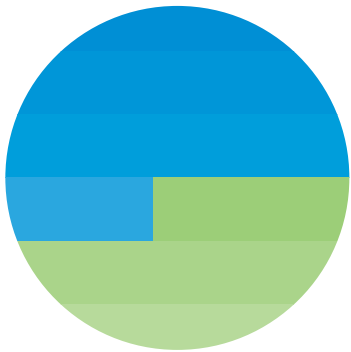
At thinkstep, we track our own sustainability performance using our own tools. We use this data to inform our decisions at all levels of the company, and we want to communicate this performance to you, our stakeholders. We are proud of what we have accomplished. We have become a signatory participant of the UN Global Compact and are committed to measuring our actions and communicating our progress regularly and transparently using the UN's ten principles. We detail our performance against these targets in this report. Of course, there is more to be done. Our data shows this. Our data also guides

us toward the most meaningful levers for change—what we can do internally to have the greatest impact.

Thank you for your partnership and leadership. We look forward to continuing this journey together.

Jan Poulsen, Chief Executive Officer (CEO)





thinkstep

Ever-Evolving Knowledge

Ever-emerging business challenges push companies to think about the next steps to improve their business performance and to get full value from their sustainability programs. This requires a meticulous and comprehensive approach to strategy development and risk management, which thinkstep is delighted to provide. thinkstep's clients include global leaders in every major industry.

Sustainability is a complex business challenge. Ideology or good intentions alone will not solve it. However, sound analysis and engaged action will. Confidence in our

mission starts with true knowledge. This inspires us to expand our insights continuously.

This belief is captured in our logo in a lively way. Horizontal bars turn into an expression of our ever-evolving knowledge and create the dominant element of our corporate design. We called our logo "the ever-evolving knowledge," because the more we know, the smarter our actions.



WHO WE ARE

Overview

thinkstep is a global leader in sustainability performance management. For twenty-seven years, our software and consulting services have been aiding businesses in enhancing their data quality, saving processing time and improving reporting and decision-making. Put simply, we turn complexity into transparent solutions.

thinkstep originated as a spinoff from the University of Stuttgart in 1991, initially called PE International GmbH. In 1998, PE International took steps to expand globally into four additional continents, and now we have offices around the world.

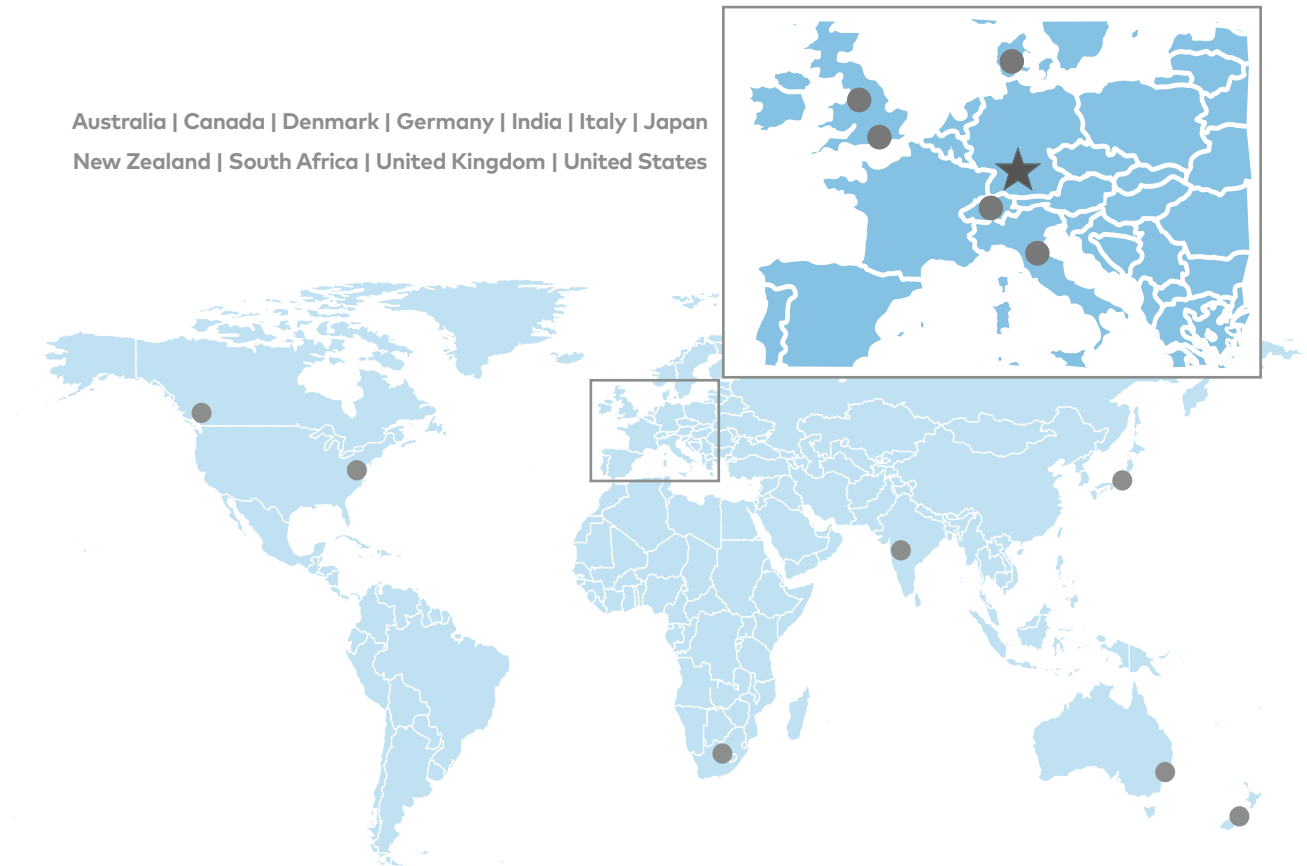


Figure 1: Subsidiaries and entities

Since then, it has undergone several structural changes and even changed its name.

In 2015, new circumstances called for reforms in governance and management structures, which were reflected in the formation of thinkstep, as it is known today.

thinkstep at a Glance in 2018

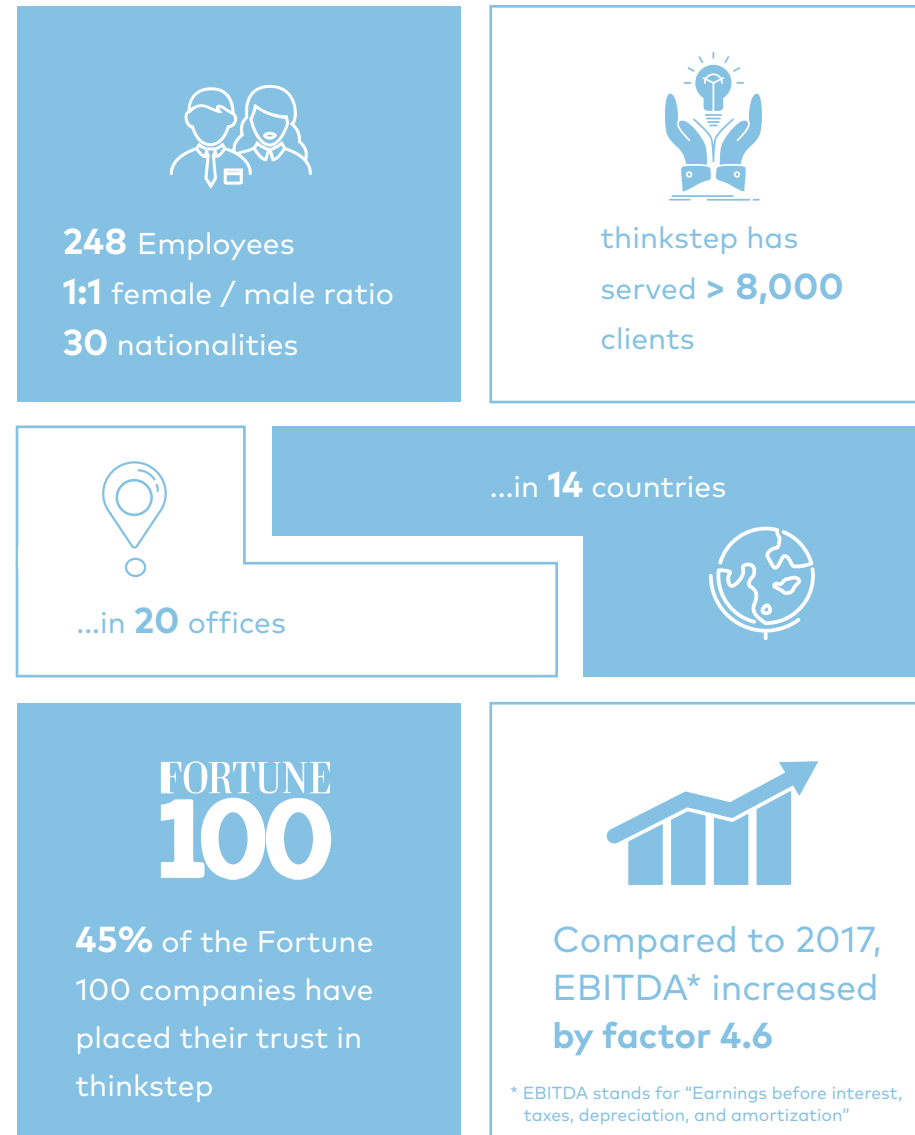


Figure 2: thinkstep at a glance in 2018

Our Mission and Vision: the thinkstep Tree

In 1991, when very few companies had an idea about sustainability, thinkstep was one of the pioneers implementing sustainable solutions. Awareness, expertise, methods and software have since grown into mature sustainability solutions. Sustainability is a mindset that we live every day. Family-friendly policies and social responsibility toward employees and business partners are central pillars of our corporate strategy.

We lead by example by practicing sustainability as employees and as a company through our strategy and commitments. Through client engagement, we strive to

create a positive impact much larger than what we are capable of individually. We conducted a materiality assessment (see page 20) and refreshed our strategy accordingly. We are committed to meeting high standards of performance through applying our core values in our strategy:

Sustainability – sustainability is an active part of our business strategy, decision-making, operations and culture. We aim to go beyond governmental regulatory requirements and extend our efforts to the environmental,

economic and social domains of our work.

Empowerment – employees are our most important asset, and their needs are taken seriously and with respect. We foster a collaborative and open environment that encourages employees to take initiative and

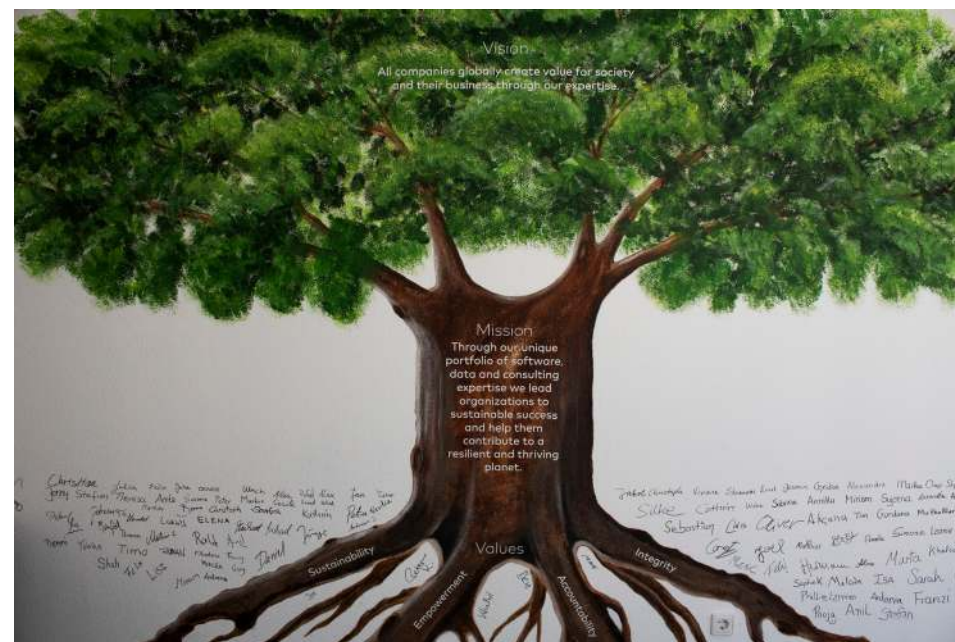


Figure 3: The “thinkstep Tree” represents our vision, mission and values. Here you see the thinkstep tree on the wall behind the HQ front office - painted by a thinkstep colleague and signed by all thinkstep employees.



Figure 4: thinkstep values

make decisions to solve problems. We help our employees to set career growth-plans, and we strive to provide them with the appropriate skill development training and career opportunities to achieve their goals.

Accountability – at thinkstep, we believe that accountability fosters success over failure, and as such, embodies thinkstep’s core value. When held accountable, teams are solution-oriented and genuinely care about the outcomes of their decisions. Accountability at thinkstep starts with each individual, including at the management level. Every person at thinkstep is obligated to take ownership and responsibility for their actions and to do so transparently.

Integrity – we are committed to doing the right thing and communicating the truth. Our decisions and operations are ethical—they reflect accurate data and abide by the law. We are straightforward and frank with each other and with our clients.



Our Portfolio and Expertise

Our industry-leading environmental sustainability software, data and consulting services help businesses drive operational excellence, product innovation, brand value and regulatory compliance.

- Our software makes optimizing sustainability and compliance uniquely painless and rewarding.
- We own the most comprehensive source of sustainability data in the world, covering 12,500 datasets.
- Our broad sustainability consulting expertise helps our clients to build business value from sustainability.

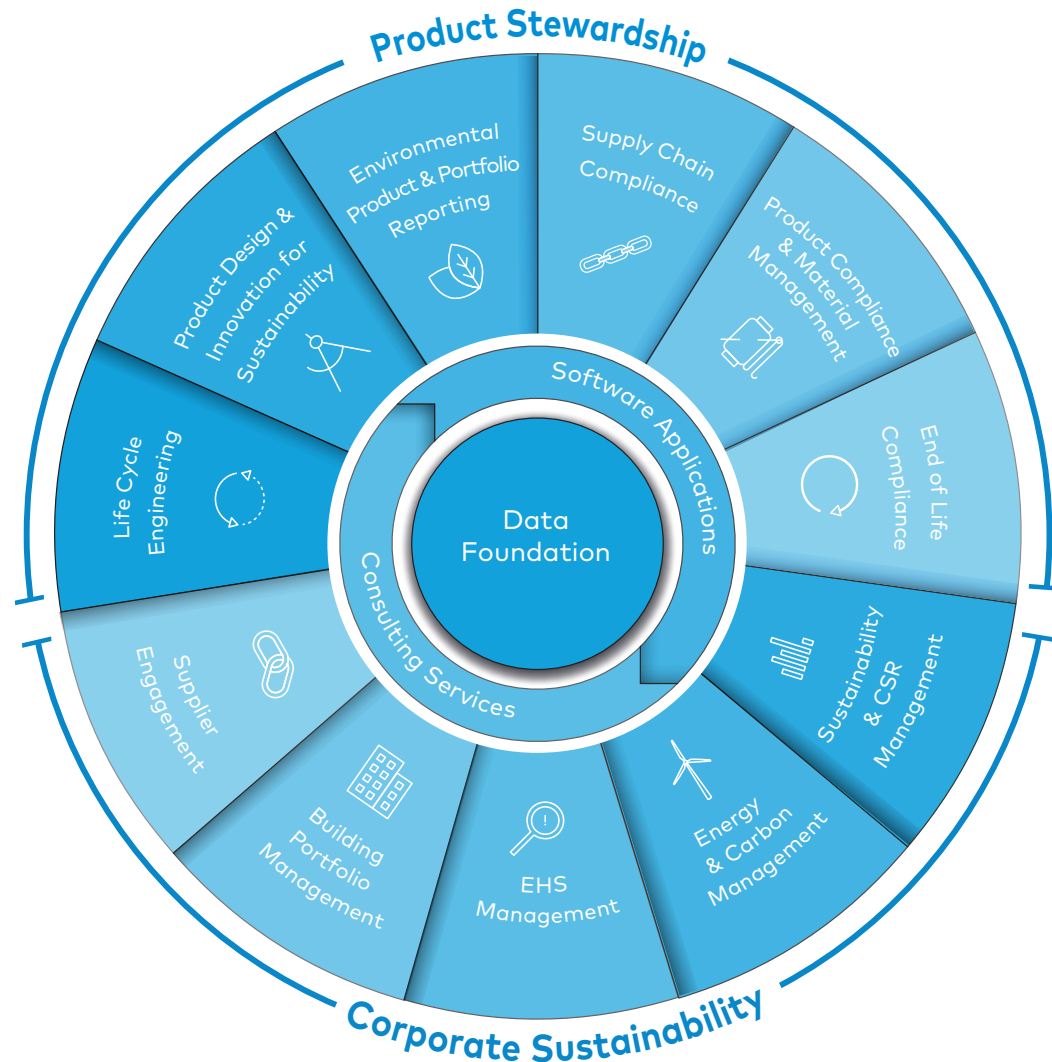


Figure 5: Portfolio, addressing a variety of use cases

Projects Delivered

thinkstep works with private companies, industry associations and governmental bodies, such as the European Commission. In total, thinkstep has successfully completed over 5,000 consulting projects and is continuously providing support and updates to thousands of users of our software products and databases.

Case Study: Sustainability Assessment & Reporting for Companies

If you want to assess the sustainability of

your business operations, you need efficient tools to report and manage your sustainability performance. That means collecting huge amounts of data, storing it and converting it

We appreciated the high flexibility, professionalism and dedication of the thinkstep consulting team when SoFi was being implemented.

Michael Goebbels, Director, Corporate Responsibility, METRO AG

into reports that you can use. **Metro AG** was looking for just such a solution. They wanted to simplify and improve their data collection and consolidation process and make their sustainability reporting and emissions calculations more efficient. The SoFi Software platform turned

out to be the best approach, allowing Metro AG to analyze their performance against their climate protection target. They could now

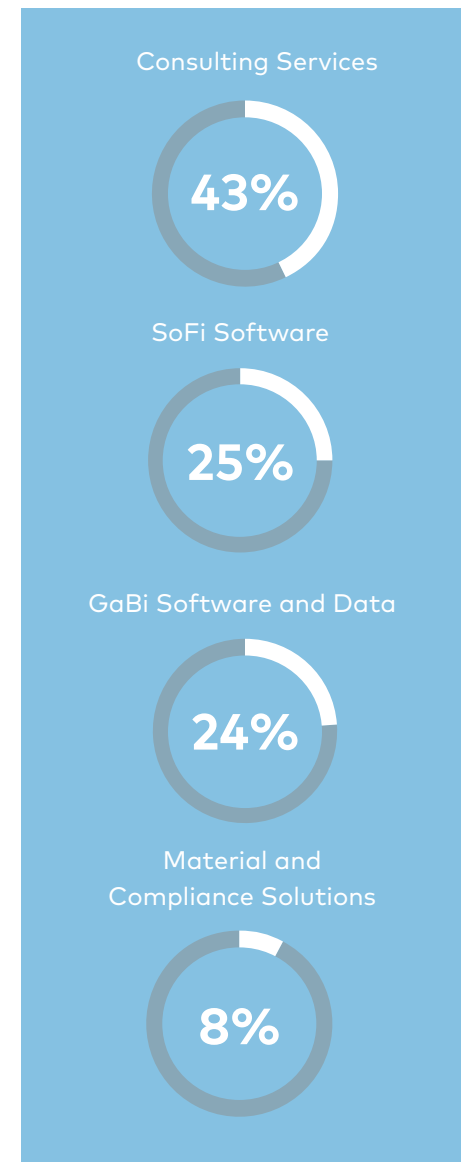


Figure 6: Business volume by offering

improve their data quality and track their sustainability performance with user-defined dashboards.

Case Study: Product Environmental Footprint (PEF)

Companies wishing to market their products as environmentally friendly in several EU markets face a confusing range of methods and initiatives to choose from. Sometimes

they have to use different ones for different markets. This results in additional costs for companies and confusion for consumers.

The **European Commission** developed the Product Environmental Footprint and Organisation Environmental Footprint methods as a common way of measuring environmental performance of any good, service or organization throughout its life cycle and operations.

common rules for product groups and refining the methodology.

thinkstep is also a consortium partner in the Remodeling Project, delivering the largest share of officially remodeled benchmark results for about half of the product groups and organizations that have participated thus far.

Before the potential adoption of new policies, the Commission has introduced a framework to allow the voluntary development of common rules for even more product groups and industry sectors (the Transition Phase). thinkstep is leading a consortium providing technical support (through an "Environmental Footprint Helpdesk") to the Commission and participating industries during this Transition Phase.

thinkstep is the key data provider for the majority of the Environmental Footprint (EF) mandatory databases and has supported industries in setting up

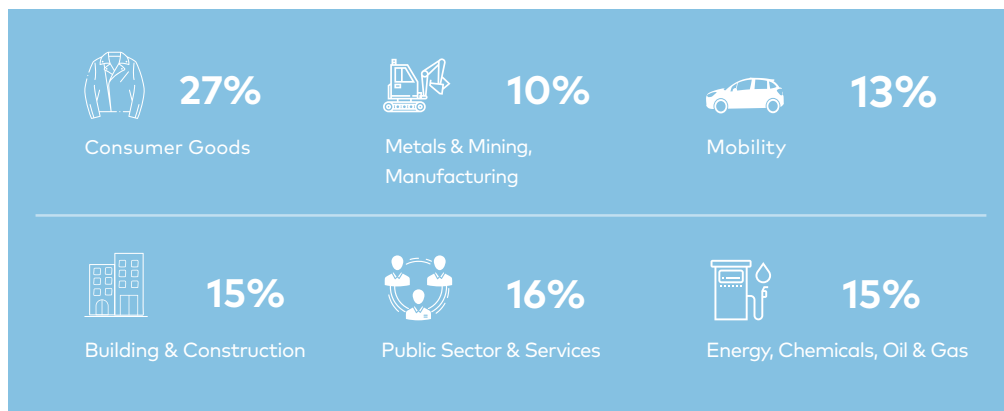


Figure 7: Business volume by industry sector (Other: 4%)

Case Study: Working on the mobility of the future

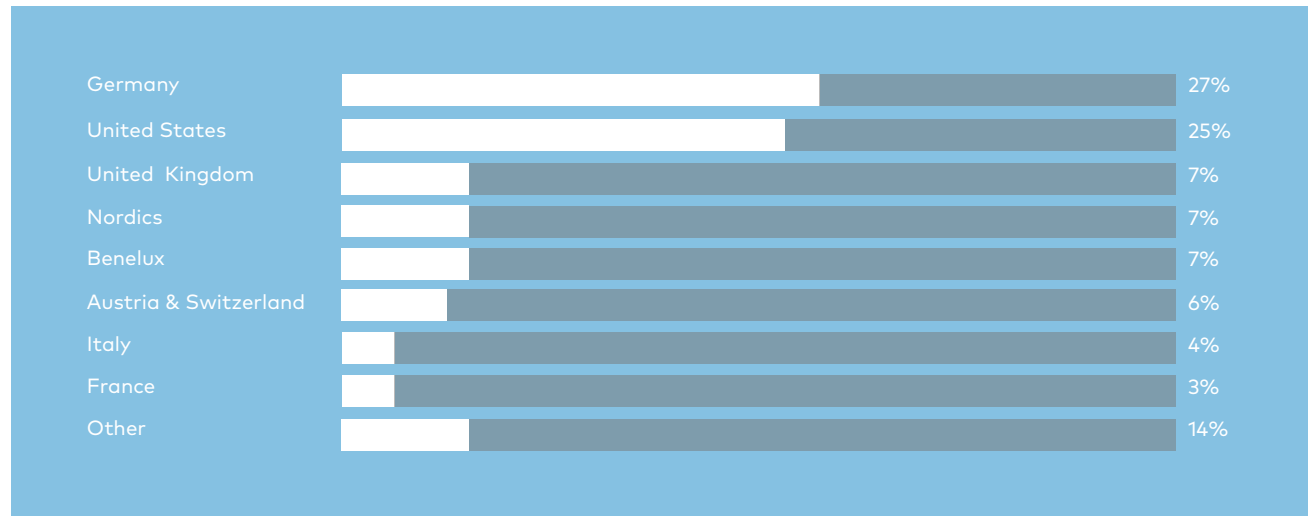
thinkstep's Energy & Mobility consulting team is perceived as a reliable and knowledgeable partner in the dynamic field of alternative energy solutions and future mobility concepts.

In 2017 and 2018, thinkstep finalized several projects testing and evaluating zero/low emission light and heavy-duty vehicles, hydrogen fuel cells and battery electric solutions. A prominent example is the HyFIVE Project (funded by the FCH JU), in which thinkstep analyzed the deployment of 185 fuel cell electric passenger vehicles and six hydrogen refueling stations. thinkstep was responsible for the data monitoring of the entire vehicle

fleet, conducted a Well-to-Wheel analysis and performed a Total Cost of Ownership (TCO) evaluation. Within the **GHG Intensity Study on Natural Gas** (commissioned by NGVA Europe), thinkstep collected data from more than 50 companies from across the gas value chain and prepared a consistent report (critically reviewed), which supports the NGVA in its dialog with external stakeholders and policy makers. Other lead themes in 2017 and 2018 were related to batteries, Power-to-X,

greening logistics and support of public transportation authorities in the transition to zero-emission mobility and fuel solutions. In addition to the analysis of potential energy savings and GHG emission reductions, we consider other environmental aspects, such as urban air quality and costs (CAPEX, OPEX, external costs to society).

Figure 8: Business volume by country



Partnerships and Collaborations

In addition to our own internal work on sustainability, we actively participate or cooperate with many organizations to ensure we contribute to the development of leading standards, internationally accepted best practices and global methodologies.



More partnerships and collaborations:*

American Center for Life Cycle Assessment (ACLCA)
CEN Building and Environmental Product Declarations
European Product Environmental Footprint (PEF) Initiative
German Sustainable Building Council (DGNB)
International Standards Organisation (ISO)
Sustainable Accounting Standards Board (SASB)
Sustainable Apparel Coalition
Sustainable Purchasing Leadership Council (SPLC)
UNEP SETAC Life Cycle Initiative
US Green Building Council (USGBC)
Water Footprint Network (WFN)
World Green Building Council (WGBC)
Excellence in Design for Greater Efficiencies (EDGE)
Global Real Estate Sustainability Benchmark (GRESB)
International Energy Agency (IEA)
Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU)
Ecoinvent
Department for Environment, Food and Rural Affairs UK (Defra)
VNU – Verband für Nachhaltigkeit und Umweltmanagement
CSR-Praxistage – Praxistage für mittelständische Unternehmen

** This list is not exhaustive*

Figure 9: Partnerships and collaborations



**OUR
SUSTAINABILITY
APPROACH**

Materiality Assessment

To appropriately distribute resources and money and to nurture valuable relationships with our stakeholders, it has been important for us to identify which sustainability topics have the greatest impact. We achieved that through a materiality assessment, resulting from an in-depth survey conducted with 143 stakeholders, including employees, clients, business partners, thought leaders and investors. The information in the materiality matrix (see Figure 10) is derived from valuable comments and feedback obtained through meetings and telephone interviews with the stakeholders' representatives along with their scorecards on relevant sustainability issues.

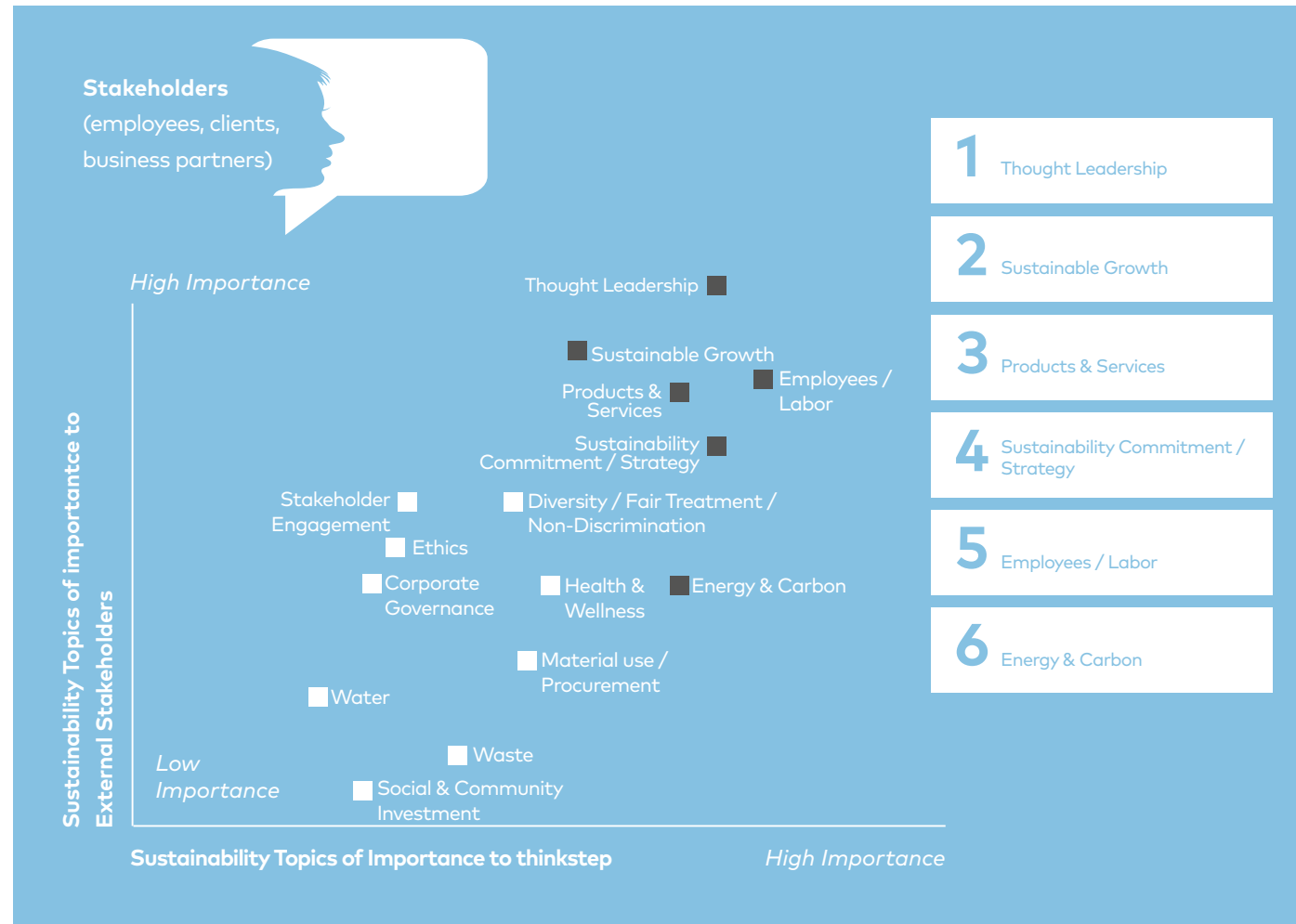


Figure 10: Materiality matrix

The results of our materiality assessment indicate an alignment between our business practices and the sustainability topics identified as having the highest relevance for both external stakeholders and thinkstep as an organization.

- Thought Leadership
- Sustainable Growth
- Products and Services
- Sustainability Commitment / Strategy
- Employee / Labor
- Energy and Carbon

Thought Leadership was recognized as the topic of highest interest, receiving significantly higher scores than the rest of the topics. For our stakeholders, thought leadership is defined as leading thinking in the development and

shaping of standards, inspiring our clients with innovative ideas, moving them forward in their sustainability journeys, establishing strong partnerships and developing a culture of knowledge sharing. As such, thought

leadership has become an essential part of our business practices and is of highest importance to our organization. We conduct about 20 free webinars per year on important trends and other relevant sustainability

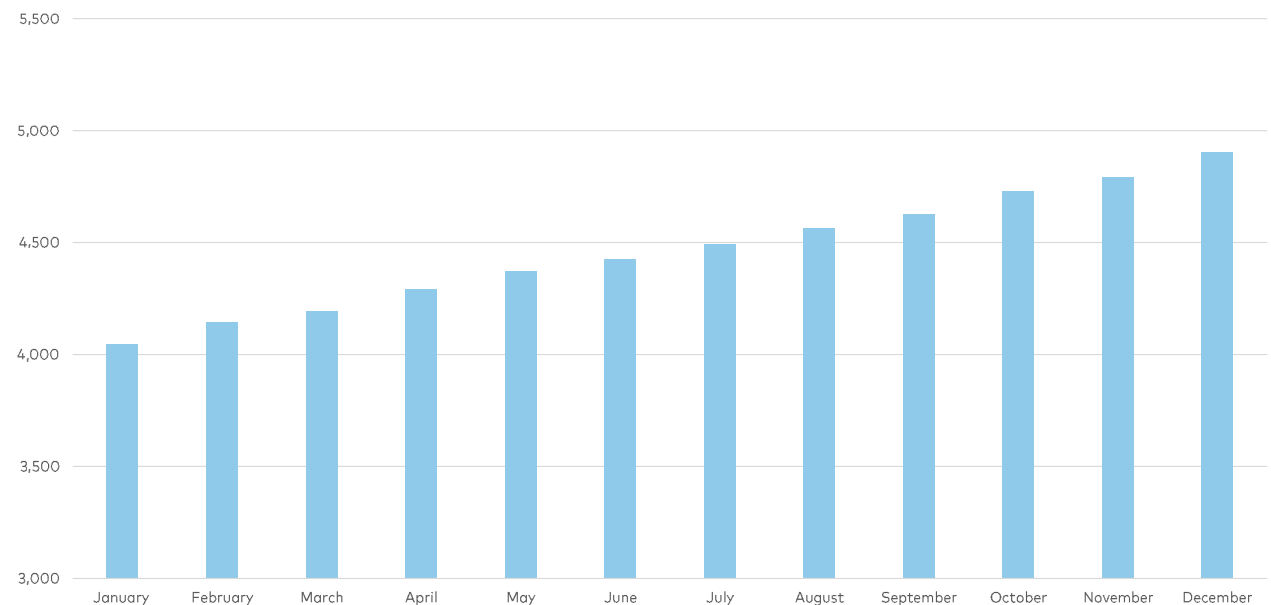


Figure 11: LinkedIn followers

topics. The continuous growth of our social media followers (see Figure 11) shows how we continuously broaden our reach.

Sustainable Growth is defined as responsible revenue growth that maximizes shareholder value without triggering any destructive economic problems for future generations. thinkstep measures sustainable growth by the total number of clients we have, enabling us to quantify and demonstrate our growing impact on the market.

Employees / Labor constitute a fundamental piece of the thinkstep puzzle—talented, committed and innovative colleagues help us deliver change to our clients and to the society and are crucial to our long-term success. We

aspire to be an employer of choice for talented and qualified people, with low employee turnover. This matrix value considers flexible working hours and part-time work opportunities and encourages quality work-life balance and various skill development opportunities and training, which enable our employees to further expand the scope of their skills and knowledge, reflected in their regular performance reviews. For more information, refer to page 25.

thinkstep and our stakeholders view the delivery of the benefits of our **Products and Services** to our clients' environmental performance as an imperative topic. The scope includes reductions in our clients' GHG emissions, resource optimization, environmental strategy and measurable

targets. For more information, see page 8. thinkstep's **Sustainability Commitment / Strategy** implies identifying strategic priorities for our organization, developing a sustainability strategy, setting sustainable goals and targets (including KPIs) and practices that we can closely measure, monitor and review to improve thinkstep's performance in terms of sustainability. Throughout this report, we explain our commitment and strategy in as much detail as we can for each topic.

We track our **energy consumption and carbon emissions** at thinkstep regularly and we have targets for both energy and carbon. Please see page 35, "Our Environmental impact."

As can be deduced from the materiality matrix, topics such as Material use / Procurement, Water, Waste and Social and Community Investment were not considered highly relevant to our stakeholders. Such low scores for these topics relate to the nature of thinkstep's core business as a provider of services and solutions. thinkstep's business practices do not include industrial set-ups, nor a large-scale consumption of resources, such as water, waste, materials or packaging. thinkstep's impact is limited to resources consumed for day-to-day operations of our offices. So we have omitted topics that fall outside the scope of this report.

Additional Reporting Topics

As a signatory participant of UN Global Compact, we address ten principles of the initiative in this report as a part of our commitment to these principles and our dedication to communicating our progress transparently with all our stakeholders.

We also joined the Science Based Targets initiative (SBTi) in 2018 and are currently developing our targets. More information about our SBT commitments can be found on page 42.

WE SUPPORT



Managing Sustainability at thinkstep: Our Sustainability Team

At thinkstep we have a team of people responsible for managing sustainability inside the company. The team includes employees from different backgrounds who work around the globe. This enables them to bring diverse expertise and perspectives to the various sustainability topics.

The sustainability team meets monthly to exchange ideas and act on relevant sustainability topics for the company. Their tasks include organizing employee engagement campaigns (see page 28), gathering and reporting sustainability data with our SoFi Software

from all offices around the world, receiving regular feedback on our performance, defining and maintaining sustainability purchasing guidelines and ensuring that the ten principles of UN Global Compact are properly implemented throughout the company.

All environmental, social and economic data in this report came from our own SoFi Software. Over the last few years, we have extended the system to cover the entire sustainability information for thinkstep. Office champions collect data from different global sites, and various departments, like HR, Accounting and Marketing, have also contributed information when needed. thinkstep collects the necessary information for our sustainability commitment in an annual data collection campaign.

During the preparation of this report we also received support from Dr. Gordana Ilic, who is a climate pioneer supported by the Climate-KIC initiative, a body of the European Union.

For more information please contact:

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**OUR PEOPLE:
THINKSTEPPERS**

Our Company Culture

thinkstep's people (thinksteppers) are the fundamental pieces of the thinkstep puzzle. thinkstep's business relies on software and life cycle data, but it is our talented, committed and innovative employees who help us deliver the true change to our clients and society and who are vital to our long-term success. We are proud to have cultivated a strong pool of talent. From skillful software developers and database creators to experienced consultants, our people bring a human touch when assisting our clients. Our sustainability experts play the pivotal role in implementation of projects. People constitute thinkstep.

We respect all local employment and labor

laws. We pay fair wages and respect the need of all our colleagues for a work-life balance. Every thinkstep employee receives an annual performance review. In 2015 we developed a guidance document outlining not only performance, but the personal and professional expectations and requirements for career paths in thinkstep's organization. That guidance document is the basis for performance management, including performance reviews.

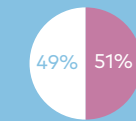
Performance management is about both results and behavior. It is not just about what we achieve, but how we achieve

111 Female employees



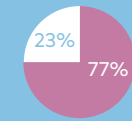
137 Male employees

Non-Management



Ratio (FIM) 1:1

Management



Ratio (FIM) 1:3

Age of employees

Age	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	>55
Ratio	2%	11%	27%	21%	17%	11%	7%	4%

Based on Germany and North America

Figure 12: Employees at a glance

it. The combination of personal (soft) skills and professional expertise (comprised of competencies and experience) act as the

basis for results and behaviors.

As a global company with a global mission and common values, we promote an open-minded and diverse work atmosphere. Our work environment is free from discrimination, including on the basis of race, national or ethnic origin, color, religion, age, sex or gender, marital status, family status, pregnancy, mental or physical disability, physical characteristics, sexual orientation and political belief, association or activity. Our road to attaining the reputation of being a great place to work was built on principles that thinkstep is a

It is inspiring to work with a technically and culturally diverse team on projects that enable sustainability in large organizations.

Stefan Premer, Solution Engineer, thinkstep

learning and listening organization and has an environment that fosters team building and fun. Terms like "team spirit" and a "family-like" sense of belonging are commonly used by employees to describe thinkstep's work culture. Other notable answers that reflect the enjoyable aspects of working at thinkstep include: diversity of people and responsibilities, space and freedom for creativity in decision-making, the ability to bring about internal change and an overall strong devotion to deliver the best solution for our clients.



Employee Engagement

At thinkstep, regular employee engagement campaigns play an important role in creating an interactive environment for the exchange of ideas and enable each thinkstep employee to actively engage with our sustainability vision at work and at home.

Sometimes our internal sustainability programs and campaigns have a direct influence on employee behavior, such as JobRad, a bicycle leasing and purchasing program that has helped some of our employees transition from commuting to work by car to commuting to work by bike.

Engagement campaigns		
Activity	Frequency	Details
Eating Knowledge	Every three weeks	Colleagues from different teams share knowledge relevant to projects or sustainability topics while eating lunch together
Sports together	Twice a week	Running and doing physical exercises together with employees at our headquarters
Company run	Annually	Collective running as a team at the local company run event (Firmenlauf) in Stuttgart
Bike to work week	Seasonally	Organized bike to work week, supporting local initiatives whenever they arise
Off-site event	September 15th	World Cleanup Day
Community Building	October and December	Celebrating locally relevant events like traveling funfairs, Halloween, Christmas and New Year's parties
Off-site event for the consulting teams	Annually, usually November	Brainstorming strategies for the new year and team building event
Off-site event	November 24th	Buy Nothing Day - Focusing on our consumption and waste habits
Webinars	Continuously	Webinars on various topics, such as food choices or responsible end-of-life management of electronics
Collaboration with schools	Annually	International students visiting thinkstep and thinkstep informing school students about sustainability challenges and topics

Figure 13: Engagement campaigns

The thinkstep Academy: Training and Education

The thinkstep Academy is our central internal professional and personal development tool. We aim to make it our main knowledge base and transfer platform.

thinkstep provides various training sessions and webinars throughout the year.

The thinkstep Academy team offers sessions on a broad variety of topics, such as an introduction to the various company products and departments for new employees, updates on products and services, informative sessions about the company's retirement plan, the use of internal administration and management tools and new sustainability trends, such as ISO standards or Circular Economy.

Employees can suggest topics of interest. The Academy offers employees the possibility to present topics that they think are relevant to colleagues and then receive support from the Academy team.

As the ever-evolving-knowledge concept is integrated into our core business model, thinkstep continuously supports the professional development of its employees. In addition to regular internal training in the field of sustainability, we support each employee through a personal budget for external training sessions for professional development and to enhance their knowledge about topics they would like to further explore.

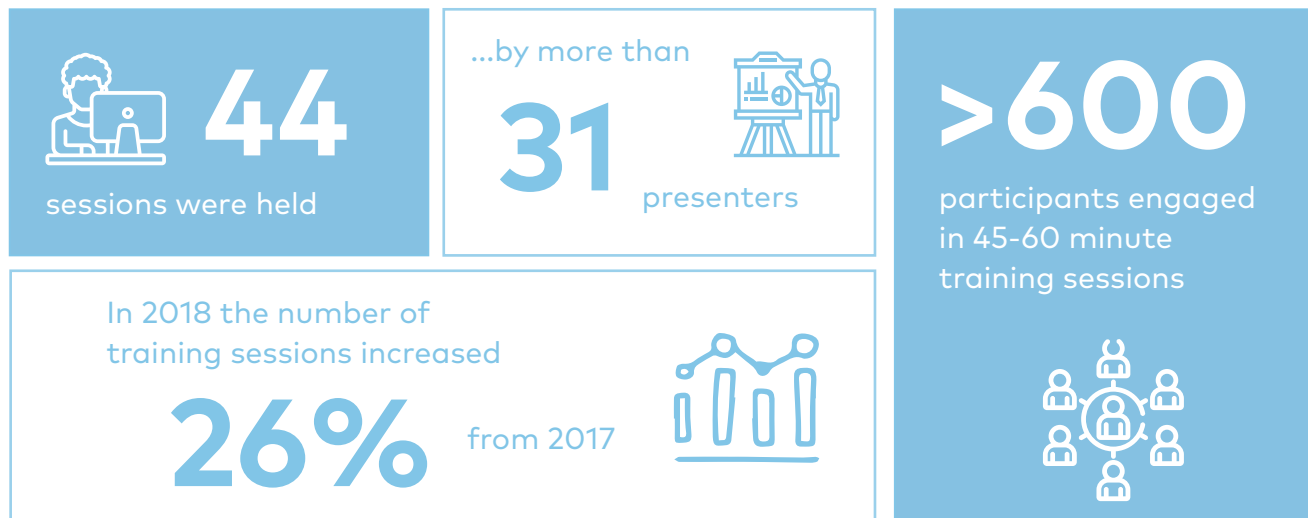


Figure 14: The thinkstep Academy in numbers



GOVERNANCE AND ETHICS

Code of Conduct

In 2014, thinkstep introduced the thinkstep Code of Conduct document, which outlines the expected behaviors of all of our employees, directors and officers. For sustainable success, it is essential that we make business decisions and treat all stakeholders ethically and in compliance with all applicable legal requirements.

We conduct and report all financial transactions (including invoicing) accurately, truthfully and completely. We comply with the anti-corruption laws of the countries in which we do business. We do not make any direct or indirect payments or promises of payment to government officials for the purpose of inducing the individual to misuse his or her position to

obtain or retain business for us. We provide timely, regular and reliable information about our activities, structure, financial situation and performance to shareholders.

Transparency and Accountability

There are thousands of people around the globe who use our GaBi and SoFi Software solutions. It is our duty to ensure that the user experience for both solutions always meets the needs of our clients. In addition to existing feedback mechanisms, we invite all our clients once a year to a user group meeting where we collect their feedback and let them

exchange their unique user experiences. The information we receive during these face-to-face meetings plays an important role in defining the roadmap and new features for our software developers.



Figure 15: Session at a thinkstep user group meeting

As consultants working on several projects together with diverse stakeholders, we provide the best-in-class service with our unique know-how and highly standardized project management guidelines, which have been developed during our extensive experience as consultants.

We maintain both GaBi and SoFi as highly secure softwares, and we are very aware that we work mostly with sensitive data during our consulting work. We are proud to say that we have not received any substantiated complaints concerning breaches of our clients' privacy.

Sustainable Purchasing Policy

We envision a world in which the production, distribution, use and disposal of goods and services enhance the long-term health and

vitality of society, economies and the planet. A key element in our "Reducing our Environmental Footprint" pillar is to adopt sustainable practices at work and at home and to increase employee awareness of the

impacts of our choices through active engagement in environmental and social impact reduction activities. We are committed to walking our own sustainability talk and to leading by example. As a result, we have

developed and implemented a Sustainable Purchasing Policy and associated Guidelines, specifically to encourage the adoption of more sustainable purchasing practices at thinkstep, help reduce our environmental footprint and enhance our positive social impact. The Sustainable Purchasing Policy and Guidelines document was signed in 2015 by thinkstep's CEO and CFO at that time.

Through this policy and the associated guidelines, we encourage our staff, who are responsible for procurement, to purchase quality products and services at competitive prices, while considering key environmental and social benefits over the entire life cycle of the product or service, including:



breaches of privacy

- Energy and water efficiency
- Reduced resource requirements
- Recyclability
- Biodegradability
- Minimal packaging
- Durability
- Workplace health and safety
- International labor standards and human rights
- Total cost of ownership

There are four specific products and services (see Figure 16) that we have identified as relevant purchases. Employees are required to implement the above specifications when engaged in procurement.

One indirect way we increase employee engagement (see page 28) is raising environmental awareness through thinkstep's Sustainable Purchasing Policy, which is applied to all purchases related to office electricity, computers and electronics, paper and printing and catering and food. Purchasing was chosen because it is common to all of our offices, and as such, visible to all our employees.

We purchase green electricity in our headquarters in Stuttgart and our office in Berlin. Our long-term target is to switch to green electricity in all our offices around the world where such electricity is available.

Our IT department purchases computers and monitors (and other devices) that have achieved an EPEAT gold or silver rating and that allow us to enable energy-save mode. We also have environmentally responsible e-waste disposal in place in accordance with local regulations in all our offices worldwide.

When it comes to paper, we make sure that all paper products meet the specifications as outlined under the Forest Stewardship Council

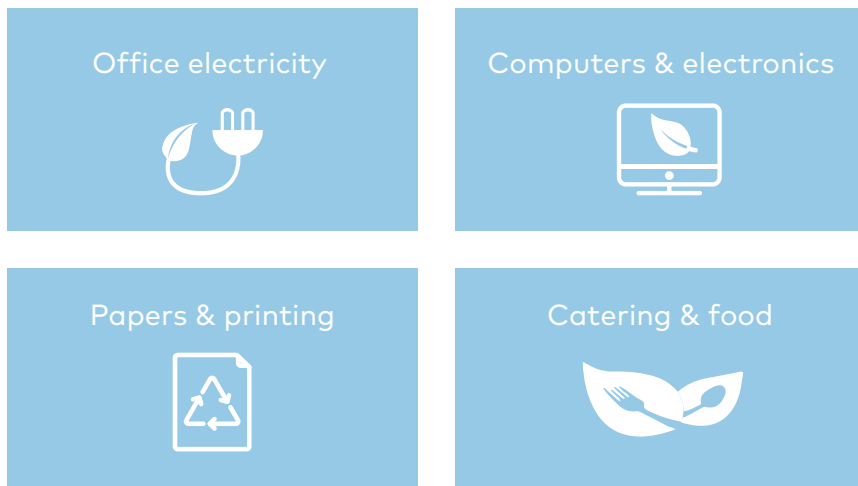


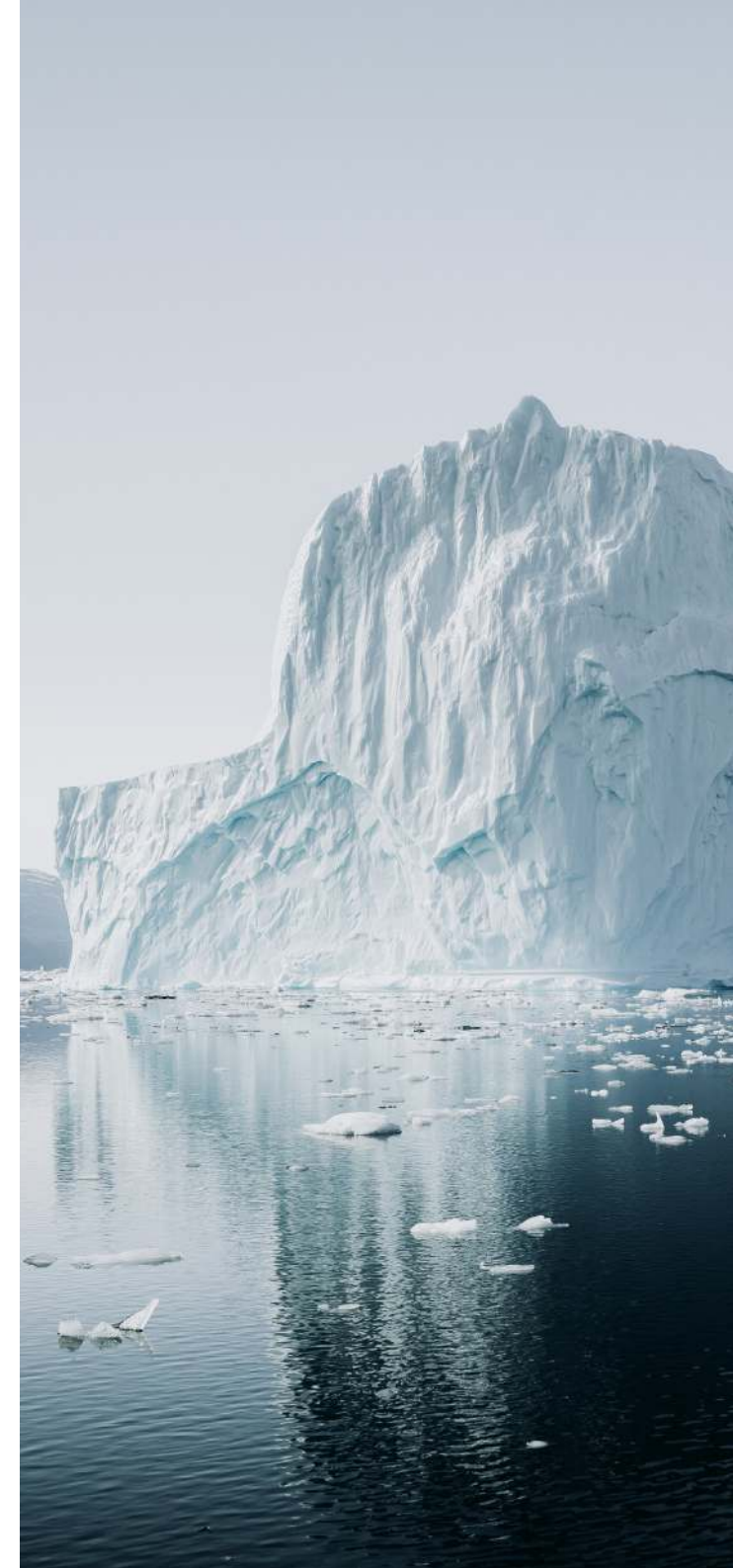
Figure 16: Categories of sustainable purchasing

(FSC) Recycled label (or equivalent) and that the same specifications are applied when it comes to choosing printing service providers for marketing materials and client publications.

Furthermore, our catering events are planned with preference for regional / local / organic food and vegan / vegetarian options and take into consideration ethical standards for farming. For instance, all coffee and boxed tea purchased by thinkstep must be organic, shade-grown and fair trade certified. In 2018, we purchased water dispensers to reduce bottled water in our headquarters.

We encourage our staff to consider key environmental and social benefits over the entire life cycle of the products that we purchase.

We work locally with different offsetting partners. thinkstep conducts an annual review of its sustainable purchasing policy and guidelines and reports internally and externally on our progress in relationship to our action plan. During this review, the Sustainability Officer works in collaboration with the rest of the thinkstep sustainability team (and other internal teams) to make recommendations to improve our sustainability program on an ongoing basis. This policy applies to all thinkstep operating regions and offices.





**OUR
ENVIRONMENTAL
IMPACT**

We focus our efforts to reduce our environmental footprint in three areas. In previous sections of this report, we already covered two of these—our sustainable purchasing guidelines and employee engagement campaigns.

Energy / Carbon Management

We have tracked our on-site and business travel-related energy consumption and calculated the corresponding carbon emissions since 2006. Management of this environmental data consists of several phases. Initially, we gather data from our offices around the world in a yearly data collection campaign in which office champions enter data into our SoFi Software. The moment

we enter new data, our energy consumption and carbon footprint values are automatically updated on user dashboards. We then analyze and set targets for improvement over the next five years. We put consistent effort into decreasing thinkstep's overall emissions and energy consumption.

thinkstep performed all emission calculations in accordance with the methodology of the GHG Protocol. For Scope 1 emission calculations, we used GHG Protocol / IEA emissions factors, and for Scope 2 and Scope 3 emissions we used a combination of GHG Protocol/IEA, Defra and GaBi emission factors. A share of each scope and their contributors can be seen in Figure 20 on page 40.

The details about the factor-sets used in these calculations are documented in an audit-proof way in our SoFi Software database, where we also maintain all our other environmental data. We extrapolated some of the missing energy consumption data for the 2018 reporting year from trends in the consumption per employee from previous years.

We consume most of our energy through natural gas and electricity use in our offices.

Our energy consumption decreased until 2017 and slightly increased in 2018, amounting to 326 MWh in total. Despite the increase in overall energy consumption, there was a small decrease in our energy consumption per floor area in 2018, which accounted for 36.5 kWh/m².

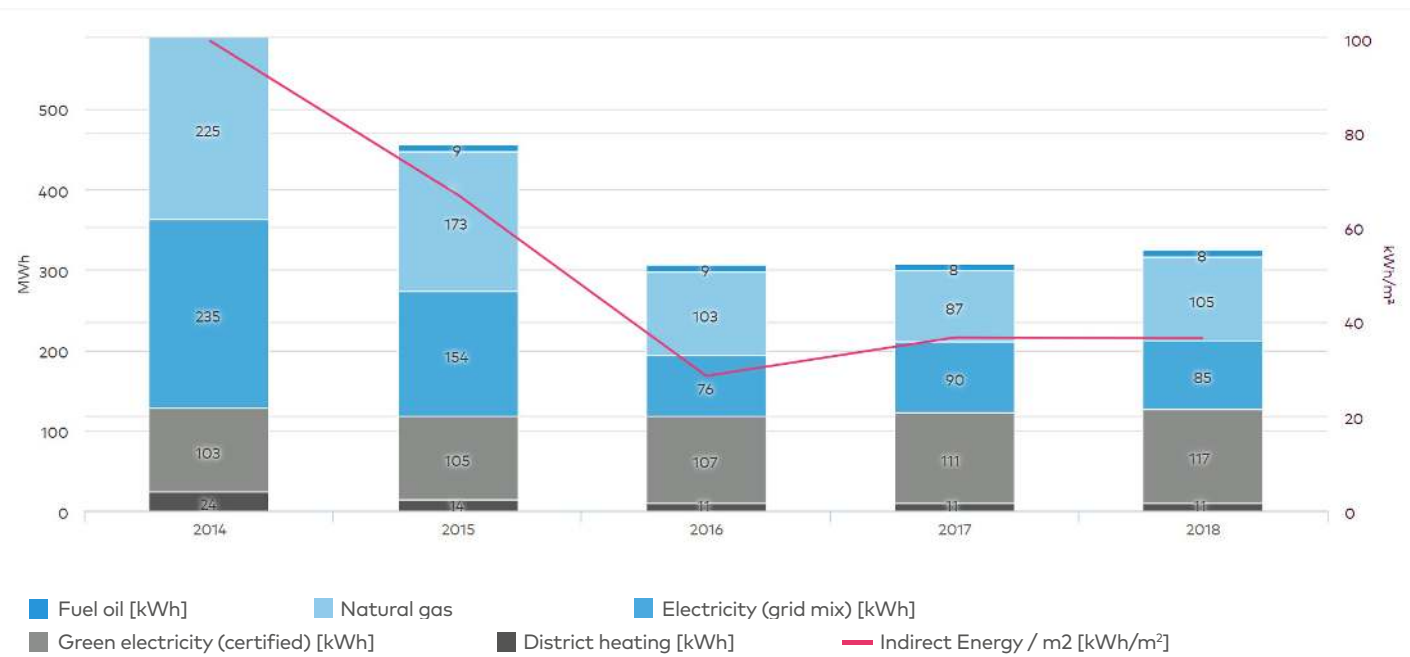


Figure 17: Energy breakdown

Similar to the trend observed for the energy breakdown, our carbon footprint (372 t CO₂e) has significantly decreased over the years, especially in comparison to the 45% higher values for 2014 (684 t CO₂e). The major decline from 2014 to 2016, however, was due to office closures in North America. The increase in 2018 is because of increased numbers of employees working in our headquarters during the reporting period.

Our scope 3 emissions increased around 105 t due to increased business travel in 2018. This is mainly due to our biannual Symposium event, where colleagues from all around the world visit our headquarters and partly because of the increased revenue in 2018.

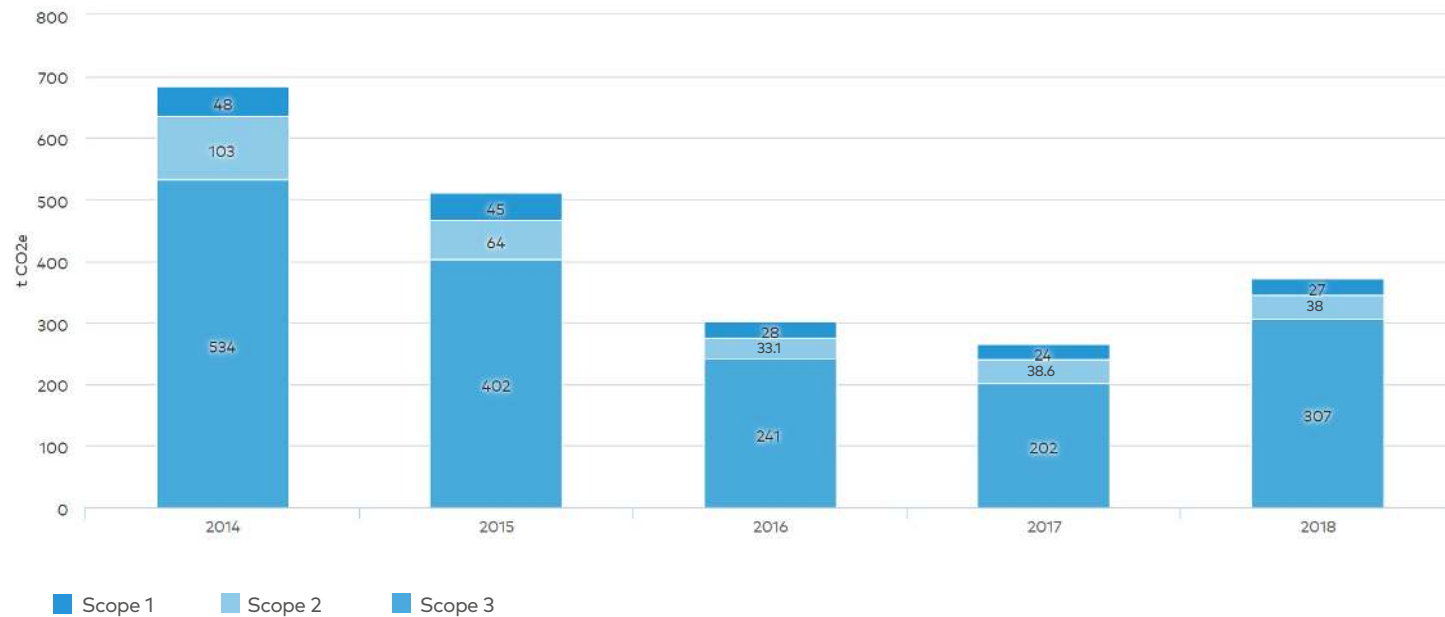


Figure 18: Total GWP (Global Warming Potential) for thinkstep trend Scope 1, 2 & 3

The largest percentage (82%, 307 t CO₂e) of our total carbon footprint is generated through scope 3 emissions, predominantly from business travel and commuting. Scope 1 emissions amount to 27 t CO₂e (8%), while scope 2 emissions add up to 38 t CO₂e (10%) (see Figure 20).

Most of the emissions are generated in our headquarters in Stuttgart, as this is our largest office where more than half of thinkstep's employees work. In our Stuttgart and Berlin offices, we purchase certified green energy. In 2019, we will take all necessary measures to switch to green electricity wherever we have full operational control in our thinkstep offices around the globe. Even though total emissions per employee increased last year, we have achieved our 2020 target

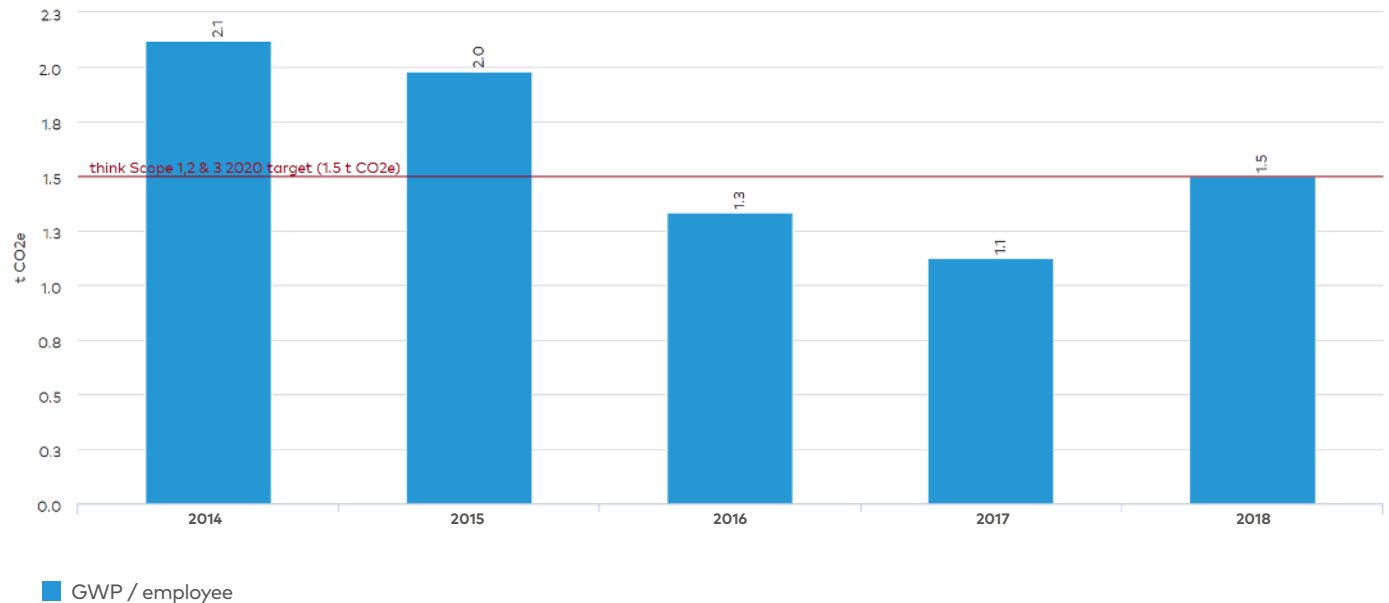


Figure 19: GWP per employee trend

past two years, and we aim to remain under our 1.5 tCO₂e/employee target.

As a company that provides services and solutions, the bulk of our carbon footprint results from travelling to meet with our clients. For the future, we aim to reduce our business travel by trying to reduce the number of face-to-face meetings, while still providing the same high-quality service. thinkstep encourages its employees to use environmentally friendly travel options to minimize its footprint. In 2019 we will introduce a company-wide travel policy to ensure employees use environmentally friendly transportation whenever possible.

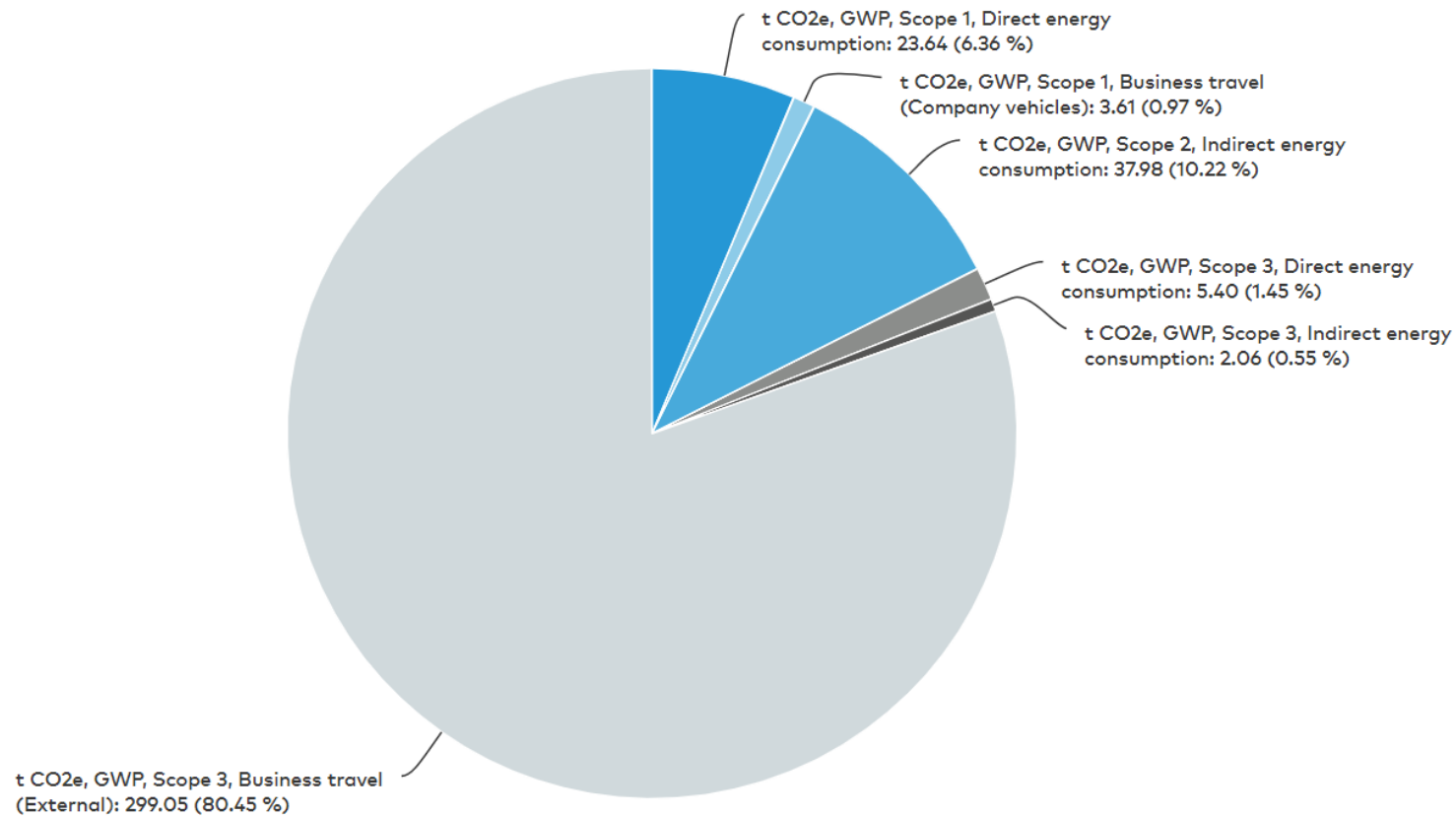


Figure 20: Emissions by activity

Energy and Carbon Reduction Targets

One of our main goals is to switch to green electricity worldwide, based on its availability. At the moment, almost 60% of our electricity consumption comes from green electricity. We encourage our local offices to define their own energy and carbon targets based on their local circumstances. We will also develop a company-wide energy reduction initiative through increased involvement of our employees before the end of 2019.

We strongly believe that our primary focus should be to reduce emissions and, whenever reductions are no longer possible, to offset that which we cannot avoid.

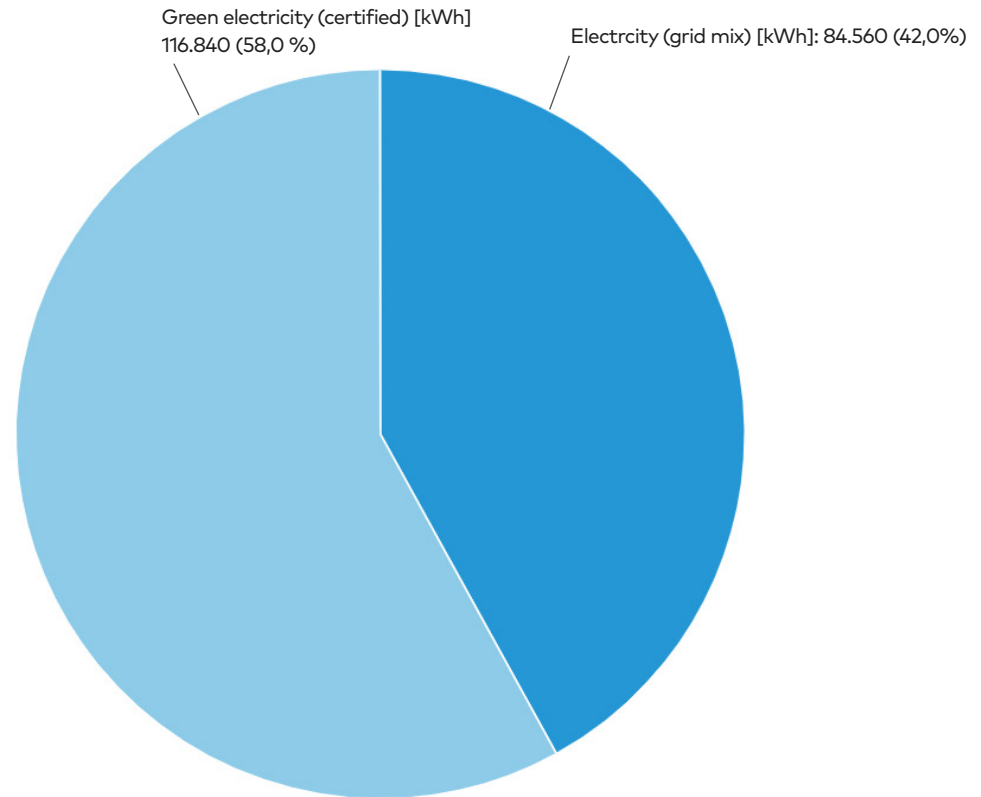


Figure 21: Electricity mix

In 2018, through our partner ecoAct, we offset such emissions by helping to finance the Borehole Rehabilitation Project in Ethiopia, helping rural people gain access to safe, clean drinking water—preventing waterborne diseases, such as cholera and typhoid—while reducing greenhouse gas emissions. We selected this project, because thinkstep’s commitment to sustainability goes beyond carbon.

This is part of thinkstep’s efforts to work toward achieving the UN Sustainability Development Goals, in this case SDGs 3, 6 and 15.



Gold Standard[®]

Figure 22: The Borehole Rehabilitation Project in Ethiopia

With little control over the emissions caused by vehicles used for business travel and an existing policy to avoid unnecessary travel, another challenge will be to identify ways to further reduce our impacts in this area while continuing to provide services to our clients.

However, in 2018 thinkstep was among the first 500 companies worldwide to commit to set a Science Based Target to reduce carbon emissions. We know that reducing greenhouse gas emissions is good for business, for the environment and for society as a whole. Science-based targets help companies determine a pathway for reducing their emissions in line with the

We support the Science Based Targets initiative (SBTi) through our own commitment and by encouraging other companies to set their own targets.

Paris Agreement's recommendation to limit global warming to below 1.5°C above pre-industrial levels.

Science-based targets make sense for all types and sizes of companies by providing assurance that carbon reduction activities support the Paris Agreement.

The SBTi champions science-based target setting as a powerful way to boost competitive business advantages in the transition to a low-carbon economy. It consists of a collaboration between CDP, World Resources Institute (WRI), the World Wide Fund for Nature



(WWF) and the United Nations Global Compact (UNGC).

Committing to SBTs was a logical next step for us beyond being a signatory to the UNGC, through which participating organizations are bound by the 10 principles that—at a minimum—require organizations to meet fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption.

As a service business operating in the countries that we do, for us the most relevant principles are those that are also our core competencies: supporting a precautionary approach to environmental challenges, undertaking initiatives to promote greater environ-

mental responsibility and encouraging the development and diffusion of environmentally friendly technologies.

We always try to avoid or reduce CO₂ emissions as much as possible. Those that we cannot avoid or reduce we offset (see page 42).





**MOVING
ON**

What does this mean for thinkstep's sustainability management? It means we will maintain our carbon reduction approach while strengthening our employee engagement and intensifying our professional and personal development program.

True to the ever-evolving knowledge and our core mission to help companies succeed sustainably, we will continue to develop and implement solutions that create business value for our clients. Committed to innovating and motivated to maximize the value our solutions deliver, we will progress steadily toward improvements in measuring this value.

As is already the case for many sustainability leaders we support, our employees are keen

to take active steps to expand the number of those who reap the business benefits of enhanced sustainability management. Part of our success story has always been to attempt to drive the environmental sustainability market, a challenging task for us as a relatively small business, but hugely rewarding, because sustainable success for our clients also means a more resilient and thriving planet.

Through integrating data, product sustainability, corporate sustainability, compliance and consulting, thinkstep works to help make an even larger positive impact on the world. This is part of thinkstep's sustainability mission. We seek to assist clients to make the inevitable strategic business transformation toward disruptive innovation, the unique consequence

of an accurate assessment of sustainability. By adhering to the rigorous standards and transparent communication that we recommend to our clients, we hope to lead by example... so we can move forward in this exciting and challenging sustainability journey.

GRI Index

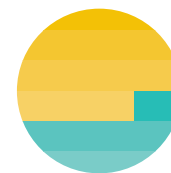
This report was prepared in accordance with the GRI Standards: core option. The ten UNGC principles are also cross-referenced in the index below. This report has not been externally assured.

GRI Standard Disclosure Number	Disclosure Title and Description	Page	UN Global Compact
General Disclosures			
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GRI Standard Disclosure Number	Disclosure Title and Description	Page	UN Global Compact
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