



Annual Communication on Progress 2022

January 2021 – December 2021

Greenstone 
Data that talks to you

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Introduction

We are pleased to confirm that Greenstone⁺ Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Since our last submission, Greenstone has opened a new office in New York, United States as part of an operational expansion to service a rapidly growing North America client base. Our global team has grown to 34 staff and we continue to expand the client base using our Greenstone Enterprise, SupplierPortal and InvestorPortal solutions globally.

Greenstone had its 2030 science-based emissions reduction target formally approved in 2020 and we continue to track and monitor our progress towards this commitment to ensure it is consistent with levels required to meet the goals of the Paris Agreement by the Science Based Targets initiative (SBTi).

In 2021, we established an internal Sustainability Committee to coordinate our ESG strategy and define a strategy for Greenstone to become a net-zero business. Although we already have a relatively low carbon-impact, we are fully committed to providing carbon-neutral software and services to our clients in line with emerging small and medium-sized enterprise (SME) net-zero standards.

Greenstone has also recently become a public signatory of Tech Zero. As part of this commitment, Greenstone will publish a net-zero pathway and target date within a year of joining. A member of the Executive Team has been appointed to own the net-zero target and pathway. The Tech Zero initiative further underlines our commitment to our SBTi emissions reduction target and we will continue to report on our progress in reducing emissions to the Greenstone Board and through our UNGC Communication on Progress.

With this Communication on Progress we continue to demonstrate our commitment to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company. We also continue to demonstrate our commitment to engaging in collaborative projects which advance the broader development goals of the United Nations.

We support public accountability and transparency and we are committed to share this information with our stakeholders using our primary channels of communication.

Yours sincerely,



Matthew de Villiers
Chief Executive Officer



Our commitment to UNGC Principles

At Greenstone, we provide software and services that enable our clients to advance their sustainability strategies and become responsible businesses. Through our sustainability software and services, we enable our clients to collect, manage, analyse and report the data required to fulfil their non-financial, environment, health, and safety (EHS), corporate social responsibility (CSR), environmental, social, and governance (ESG), risk & compliance and supply chain reporting requirements.

We actively use and promote the UN Global Compact Principles as a standard for our clients and are dedicated to improving the transparency of corporate reporting in the four key areas of Human Rights, Labour, Environment and Anti-Corruption. We also promote engagement with the Sustainable Development Goals (SDGs), as well as the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD) across our client base and in our software solutions. Greenstone is also a signatory to the United Nations Principles for Responsible Investment (UNPRI) and enables our clients and their stakeholders to engage with the principles through our sustainability software solutions.

Sustainability software – enabling responsible business

Through our Greenstone Enterprise software, we enable organisations to measure, understand and communicate their environmental, frameworks and health & safety performance and impacts. Reporting on sustainability provides transparency to consumers, employees, investors and other stakeholders. It also enables organisations to reduce their environmental footprint, achieve their sustainability goals and become a responsible business.

Greenstone is an easy-to-use, secure software solution used by organisations to support the collection, management, analysis and reporting of sustainability and ESG data. The user-friendly platform includes Environment, Frameworks, and Health & Safety modules to provide organisations with a complete picture of their sustainability performance, enhanced data quality, and increased confidence in their reporting.

In 2021, Greenstone's software was used to calculate over **10 million tCO₂e across more than 18,988 client sites**.

Supply chain software – enabling responsible supply chains

Through our SupplierPortal software, we are helping our clients to improve transparency across their supply chains. SupplierPortal is an online platform for suppliers and their buyers to track and monitor relevant sustainability information, for example: environmental, labour, health & safety and anti-bribery & corruption information.

Using a series of questionnaires, suppliers are able to disclose information about their policies, compliance and procedures they have in place. This helps buying organisations to better understand the companies they work with across their supply chain and in turn help them make informed business decisions.

In 2021, SupplierPortal was used by over **3,049 suppliers globally**.

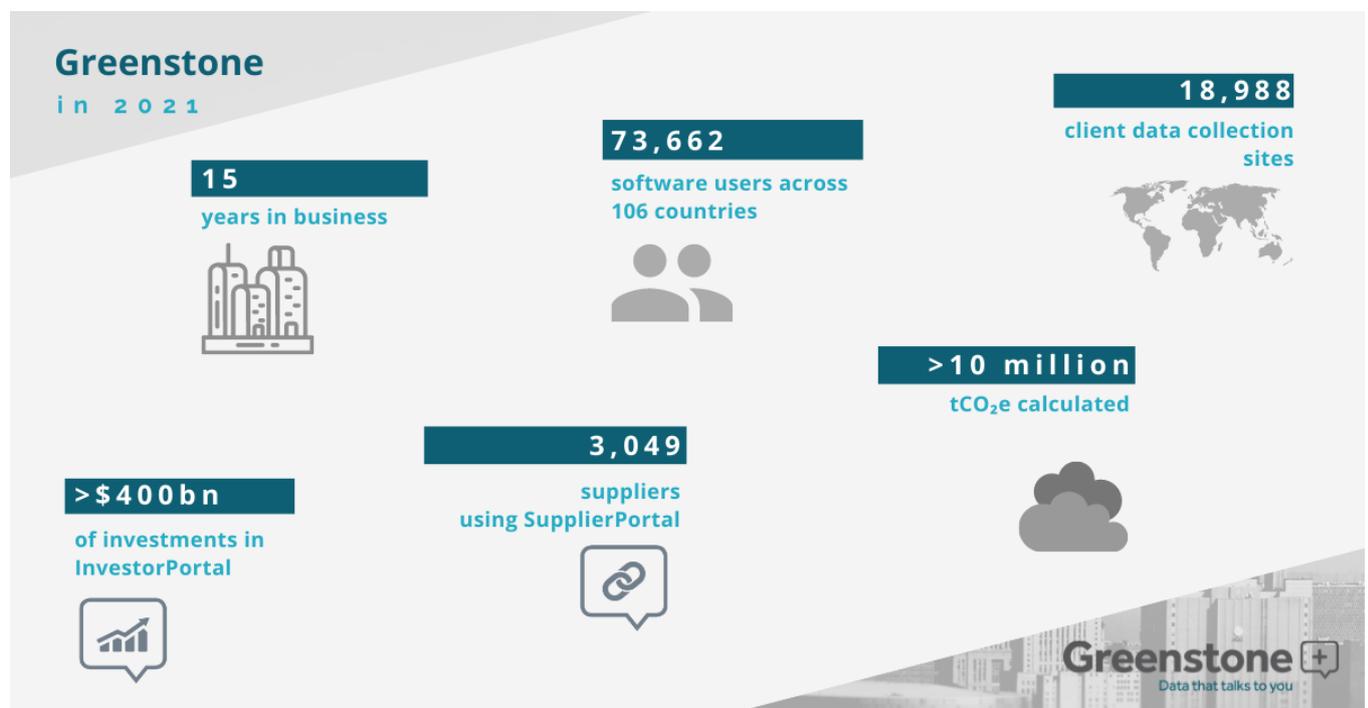
Investor ESG software – enabling responsible investing

Incorporating ESG performance into investment decisions and portfolio management strategies is becoming increasingly intrinsic to investor decision making. Although awareness of materiality in ESG issues continues to spread, investors are faced with many challenges when it comes to gathering, maintaining and analysing ESG data. Greenstone has developed InvestorPortal as a solution to address this challenge.

Through our InvestorPortal software, we enable the collection, management and analysis of customisable ESG data across investments, portfolios and funds. This allows investors to better understand and monitor the ESG performance of their portfolios, helping them make better-informed investment decisions. The platform is also integrated with the SDGs and the TCFD’s recommendations, which helps investors track their progress, accurately manage climate-related risks and opportunities and assess the impact of their investments.

In 2021, we enhanced InvestorPortal’s GHG emissions capability to enable investors to measure and understand the carbon impact of their portfolios. This feature also enables portfolio companies to measure their carbon footprint, many for the first time.

In 2021, InvestorPortal enabled ESG management across **assets with a collective value exceeding US\$400 billion.**



Materiality assessment

With the wide range of sustainability topics organisations can report on, assessing which topics are most material enables Greenstone to focus our reporting. Both internal and external factors are used to determine ‘materiality’ involving organisational stakeholders such as customers or company investors.

In 2016, Greenstone undertook a materiality assessment to understand the views and expectations of key stakeholders: our investors, clients, employees and partners. In 2022, we conducted an internal review of our materiality assessment relevance to us as an organisation and concluded that these material aspects remain relevant and will continue to form the basis for our reporting.

In reviewing our material aspects, we considered the following factors:

- Greenstone’s main sustainability impacts
- Topics and future challenges highlighted on a sector-wide level
- Relevant laws, regulations and international or voluntary agreements
- Greenstone’s key organisational values and policies
- Expectations or interests of our stakeholders
- Significant organisational risks for Greenstone as an SME
- Organisational core competencies

We also reviewed our report content against UNGC Principles and the wider ESG frameworks and standards landscape to assess possible future metrics that we may look to communicate to stakeholders.

Greenstone acknowledges the importance of advancing the 2030 Agenda for Sustainable Development and continues to align its strategy and actions with six of the Sustainable Development Goals (SDGs)

- SDG 3 - Good Health & Well being
- SDG 5 - Gender Equality
- SDG 9 - Industry, Innovation & Infrastructure
- SDG 12 - Responsible Consumption & Production
- SDG 13 - Climate Action

We also recognise that each of these goals is underpinned by Goal 17: Partnerships through the work we do to enable our clients across all of the SDGs.

Since our last report, an internal Sustainability Committee has been set up with representation from across the business and Executive Team leadership to own Greenstone’s SBTi, net-zero commitments and sustainability pathways.

A key finding from the Sustainability Committee review was the need to launch a refreshed ESG supplier engagement program. The aim of this program is to take into consideration topics that are material to our suppliers and to place more emphasis on our supply chain GHG emissions. A particular focus will be the GHG emissions in our IT supply chain and data centres. This program will launch in Q2 2022 and will:

1. Identify Greenstone’s top suppliers by spend
2. Distribute an ESG / GHG emissions questionnaire using Greenstone’s SupplierPortal software
3. Consolidate, analyse and report results

Human Rights

As an employer, Greenstone is committed to providing employees all basic Human Rights guaranteed by the Universal Declaration of Human Rights and UN Global Compact Principles.

We believe that business can only flourish in societies where human rights are protected and respected. We recognise that business has the responsibility to respect human rights and the ability to contribute to positive human rights impacts.

Actions

All new and current staff are reminded annually of the commitment Greenstone has made to the Ten Principles of the UN Global Compact through the Greenstone Employee Handbook. Any updates in legislation are communicated to employees in a timely manner through education and awareness training.

As an entity, Greenstone has established all necessary human rights policies and procedures and this has been replicated in the US with the opening of the New York office. However, we are aware that our biggest human rights risk lies within our supply chain. We require all of our suppliers to have the relevant human rights policies in place and compliance will be checked annually through our supplier assessment program planned for 2022.

Forthcoming Plans

By committing to Principle 2 of the UN Global Compact, Greenstone will strive to ensure we are not complicit in human rights abuses connected within our supply chain. We will therefore, where relevant, further strengthen our supplier assessment mechanisms with regards to human rights aspects.

Measurement of outcomes

Since its inception, Greenstone has not been subject to any investigations, legal cases or incidents involving human rights violations.

Due to the scope of our activities and number of employees (34) in our organisation, an external audit on human rights performance is not required.

Labour

Greenstone's policies and procedures, including our Health and Safety policy, employment contracts, employee handbook and non-discrimination policies, comply with both UK legislation to ensure that our staff are treated fairly and without discrimination.

As a team, we have a zero tolerance policy for all forms of forced and compulsory labour both within Greenstone and within our clients and suppliers. We also do not tolerate any form of child labour or discriminatory practices within our own organisation or our supply chain.

Equality & Diversity Policy

Greenstone is an equal opportunities employer and welcomes and encourages diversity in its team. We will not tolerate or condone discrimination, intimidation, harassment or any other inappropriate behaviour based on age, race, colour, sex, gender, religion, national origin, marital status, sexual orientation or disability. Equally, all decisions and actions related to applicants, employees, agency workers or contractors will be made without regard to these factors.

Our commitment to equality of opportunity applies to all policies, practices and procedures covering recruitment, selection, assignment, conditions of employment, compensation, training, promotion, transfers and termination of engagement. It is based on our belief that respect for the individual, for our colleagues, our clients and everyone with whom we interact is the foundation for a productive workplace – that is, a place where all individuals can reach their full potential. Similarly, we believe that making decisions based solely on individual merit fosters mutual respect.

Measurement of outcomes

The feedback of all employees is continuously reviewed to ensure that the Greenstone team are happy in their work environment and that they are fulfilled and motivated by their work. We encourage a workplace approach designed to ensure that employees are committed to the organisation's goals and values, motivated to contribute to organisational success, and are able at the same time to enhance their own sense of wellbeing.

Where necessary, we take external advice to ensure that we enforce Labour principles compliant with the Global Compact position. Greenstone has never had a breach or complaint about unfair treatment since the Company's formation in 2006.

We are aware that our biggest labour-standards risk lies within our supply chain. We require all of our suppliers to have the relevant labour standards and policies in place and compliance will be checked annually through our supplier assessment program planned for 2022.

Environment

Greenstone is committed to acting responsibly and adopting best practice to minimise our environmental impact. We are committed to the continuous improvement of our environmental performance, as part of our overall goal of implementing the principles of sustainable development in all areas of our work. Our aim is to ensure that environmental objectives are integrated into relevant business objectives in a cost-effective manner.

Greenstone is continually improving its environmental targets and plans. In 2021 we established a Sustainability Committee with representation across the company and Executive Committee representation for ownership of the progress. Our sustainability policy and ongoing goals include:

- Comply with all relevant environmental legislation and approved codes of practice in force, co-operating fully with the appropriate regulatory authorities;
- Foster an understanding of the environmental issues arising from our business activities among our employees, suppliers, contractors, customers and the local community.
- Set out environmental targets for significant activities, and carry out regular environmental audits of these Greenstone activities.

Greenstone's science-based target

In 2019, Greenstone formally joined the Science Based Target initiative (SBTi) movement by committing to set a science-based target. Following this commitment, our target to reduce our absolute scope 1 and scope 2 GHG emissions by 50% by 2030 and to measure and reduce our scope 3 emissions was approved in 2020.

In 2021, we extended this commitment by establishing a Sustainability Committee responsible for defining how Greenstone can become a net-zero business. Although we already have a relatively low carbon-impact, we are committing to provide carbon-neutral software and services to our clients in the future. We realise that initially this may require us to offset some of our emissions and we will look to science-aligned methodologies to define our organisation as a net-zero business.

Tech Zero

As a signatory of PRI, accredited partner of CDP and as an organisation whose primary purpose is to enable our clients' sustainability journeys, Greenstone has an innate desire to measure and reduce its own emissions. To be confident that our actions are in line with climate science and to ensure that we follow a pathway that is consistent with addressing the climate crisis, our ambition is to attain a net-zero status in line with the SBTi's net-zero standard. This standard is currently in development for SMEs and therefore, in the absence of this pathway, we have become a signatory of the Tech Zero framework.

In addition to measuring and reducing our scope 1-3 emissions (which we do under SBTi), this Tech Zero commitment requires Greenstone to:

- Set a net-zero target date within a year of joining
- Publish additional interim targets on our journey towards net-zero
- Appoint a member of the executive team to be responsible for our net-zero target
- Communicate our emissions reduction progress to our Board and on our website.

By becoming a signatory, these commitments further demonstrate our dedication to attaining a net-zero status and the importance of growing our operations in line with global climate science.

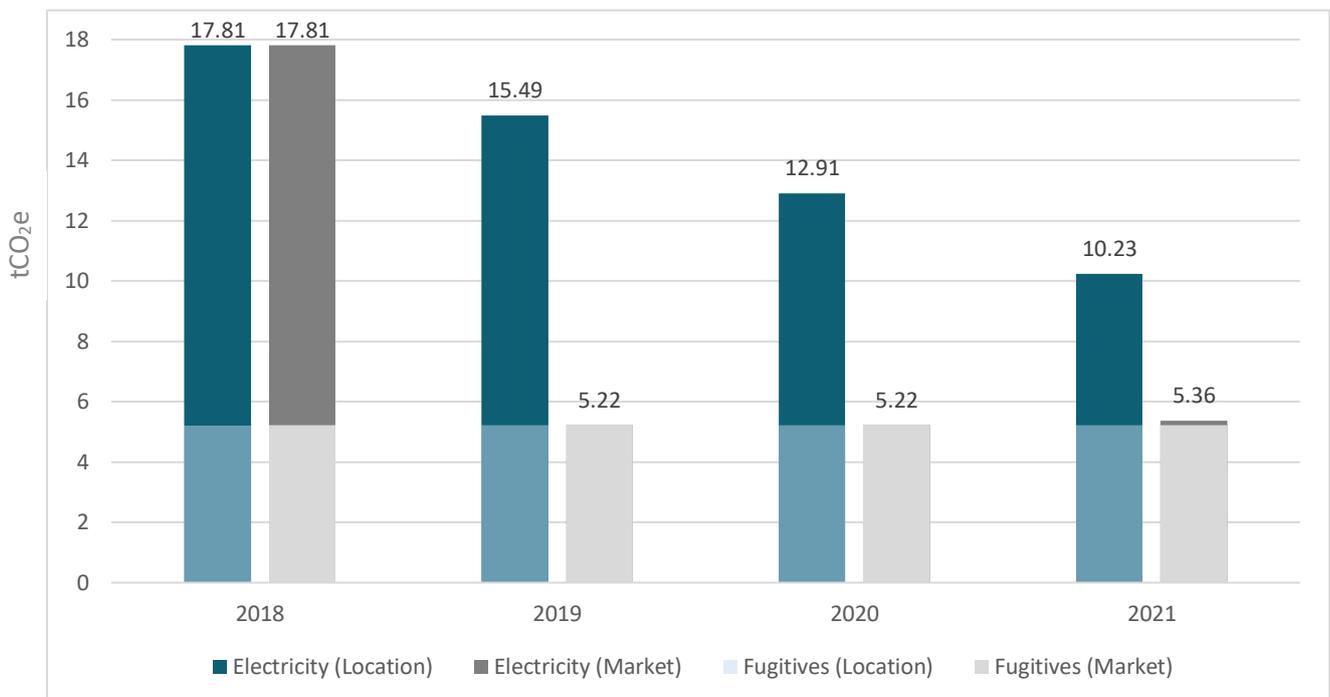
Greenstone’s GHG Footprint

As part of Greenstone’s commitment to evaluating our environmental performance, our GHG emissions footprint is calculated across all relevant scopes using Greenstone’s award-winning Enterprise software. We opened an office in New York in Q3 2021 and have included data from this second office since the time of opening.

Our GHG footprint is calculated in Greenstone’s Enterprise software for the period 1st January 2021 – 31st December 2021 using the GHG Protocol methodology and local Defra and US EPA emissions factors.

We have committed to a science-based target of a 50% reduction on our 2018 baseline in our Scope 1 and 2 emissions by 2030. We continued to procure zero-carbon electricity in the UK and our 2021 Scope 1 and 2 market-based emissions are 5.36 tCO₂e compared to a 17.81 tCO₂e baseline in 2018.

Greenstone Global - Scope 1 & 2 emissions tCO₂e, 2018 – 2021



| Scope | Type | 2018 tCO ₂ e | 2019 tCO ₂ e | 2020 tCO ₂ e | 2021 tCO ₂ e |
|-------|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 1 | Fugitives | 5.22 | 5.22 | 5.22 | 5.22 |
| 2 | Electricity (Location-based) | 12.59 | 10.27 | 7.69 | 5.01 |
| 2 | Electricity (Market-based) | 12.59 | 0 | 0 | 0.14 |
| | Total Scope 1-2 (Location) | 17.81 | 15.49 | 12.91 | 10.23 |
| | Total Scope 1-2 (Market) | 17.81 | 5.22 | 5.22 | 5.36 |

As part of our science-based target commitment to measure and reduce our scope 3 emissions, we are tracking supply chain emissions derived from purchased goods and services. Changes in business operations associated with COVID-19 restrictions meant that business travel and employee commuting remained low in 2021 in comparison with our baseline year. We also continued to report on the GHG emissions associated with our colleagues working from home in 2021 as part of our increased Scope 3 data coverage.

Greenstone Global – Scope 1, 2 and 3 emissions tCO₂e 2019-2021 by scope and datasource

Greenstone’s global Scope 1-3 GHG footprint in 2021 was **219.30 tCO₂e (location-based)** and **213.63 tCO₂e (market-based)**.

| Scope | Scope 3 Category | Emissions Type | 2019 tCO ₂ e | 2020 tCO ₂ e | 2021 tCO ₂ e |
|-------|------------------|---------------------------------------|-------------------------|-------------------------|-------------------------|
| 1 | N/A | Fugitives | 5.22 | 5.22 | 5.22 |
| 2 | N/A | Electricity (Location-based) | 10.27 | 7.69 | 5.01 |
| 2 | N/A | Electricity (Market-based) | 0 | 0 | 0.14 |
| 3 | 1 | Purchased Goods & Services | 199 | 156 | 188 |
| 3 | 3 | Electricity (Data Centre) | | 3.66 | 3.33 |
| 3 | 3 | Electricity (Working from home) | | 0.961 | 0.941 |
| 3 | 3 | Fuel (Working from home) | | 1.34 | 1.7 |
| 3 | 3 | Electricity (T&D) ¹ | 0.87 | 0.62 | 0.81 |
| 3 | 5 | Waste | 0.127 | 0.007 | 0.07 |
| 3 | 6 | Business Travel ² | 45.4 | 0.009 | 8.48 |
| 3 | 7 | Employee Commuting | 12.01 | 2.74 | 5.74 |
| | | Total (Location-based) | 272.90 | 178.25 | 219.30 |
| | | Total (Market-based) | 261.76 | 169.94 | 213.62 |
| | | | | | |
| | | Full-time employees | 19 | 24 | 34 |
| | | Scope 1-3 tCO₂e/FTE | 13.8 | 7.1 | 6.3 |

¹ Transmission & Distribution (T&D) excludes Indirect T&D

² Business Travel emissions breakdown

| Scope | Scope 3 Category | Emissions Type | 2021 tCO ₂ e |
|-------|------------------|----------------|-------------------------|
| 3 | 3 | Air Business | 7.65 |
| 3 | 3 | Hotels | 0.77 |
| 3 | 3 | Rail Business | 0.035 |
| 3 | 3 | Taxi | 0.0201 |
| | | Total | 8.48 |

Anti-Corruption

Greenstone is committed to operating responsibly wherever we work in the world and to engage with our stakeholders to manage the social, environmental and ethical impact of our activities in the different markets in which we operate.

Greenstone does not engage in bribery or any form of unethical inducement or payment including facilitation payments and 'kickbacks.' All employees are required to avoid any activities that might lead to, or suggest, a conflict of interest with the business of the Company. We do not make direct or indirect contributions to political parties.

Actions

Greenstone has a whistleblowing policy, communicated via the Greenstone Employee Handbook, enabling staff to report any non-compliant activities confidentially.

Greenstone has also established an annual employee attestation process whereby employees are reminded of their responsibilities and asked to sign and return an attestation.

Measurement of outcomes

The Greenstone Management Team regularly reviews the implementation of this policy in respect of its suitability, adequacy and effectiveness and makes improvements as appropriate. It periodically reports the results of this process to the Greenstone Board, who makes an independent assessment of the adequacy of the policy and discloses any material non-compliance.

Greenstone has established feedback mechanisms in order to maintain accurate records which properly and fairly document all financial transactions. Internal control systems are subject to annual audits to provide assurance that they are effective in countering bribery and corruption.

Greenstone has also established a Security & Risk committee to monitor and register company risks. Bribery and mitigation is an item on this register. The committee meets quarterly to review register items.