



# Environmental, Social, and Governance Goals

2021  
TEAR  
SHEET

**SOURCEHUB AI, INC**

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# ABOUT US

**SourceHub is a team of expertly skilled and passionate professionals who simplify the packaging procurement process and empower customers to build agile supply chains. Through our innovative SaaS platform, the complex packaging process is available for all stakeholders for efficient collaboration. The SourceHub team, headquartered in the Chicagoland area, offers technology to reduce time and money spent on procurement activities.**

This tear sheet contains disclosure by SourceHub AI, Inc. (“SourceHub” “we,” “us,” or “our”) of ESG (environmental, social, and governance) metrics that we consider to be relevant to our business, As well as those included in the sustainability accounting standards board (“SASB”) standards for the professional & commercial services sector. The disclosures in this report are also aligned with the United Nations sustainable development goals (“UN SDGs”). This tear sheet discloses ESG information for SourceHub since company establishment (2019) through December 31, 2020, unless otherwise noted. Due to a conscientious focus on the embedding of ESG framework into our corporate strategy, metrics will not be included until next year.

SourceHub AI, Inc. was founded on the belief in people being given the tools and opportunity to do the right thing for the right reasons for the long-term individual,

team, partner, customer and humanity success and shareholder value.

This “one for all” approach is one of the driving forces behind our ESG initiatives, which are becoming an integral part of the company’s strategy and daily culture to drive our corporate responsibility. As a result of our founding principles, we are focused on creating rewarding careers for our employees and aiding in their development, obsessed about customer relationships through respect and empathy, and giving back to the communities in which we live. In addition, we monitor and implement best practices in corporate governance. We also utilize and track energy saving and waste reduction options and utilize them when possible. We believe these initiatives support our employees, customers, local communities, and other stakeholders.



Sourcehub's emergence into the supply chain technology industry, our primary impacts on the environment will come from reduction in energy consumption and waste generation at our offices, during business travel and selection of partnerships with similar goals. Not withholding our small environmental impacts, we bear the responsibility to model our operations and resources in a manner that promotes sustainable practices to minimize our environmental footprint. To this end, we focus our initiatives on minimizing energy consumption and waste generation.

## OUR ENVIRONMENTAL INITIATIVES

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3 METRICS

- 1) *Adopt sustainable practices and to integrate sustainability information into their reporting cycle.*

Through our leadership prioritization of embedding of many of the UN SDGs where applicable, it is the intention and continuous desire of this team to do our part, no matter how small to positively impact our local, regional, national, and global environment. Additional support for this is to encourage and aid our employees in their ability to reduce carbon emissions through use of public transportation – including paid work commute if used. Plans for future corporately leased vehicles will include priorities for hybrid to fully electric.

- 2) *Substantially reduce waste generation through prevention, reduction, recycling, and reuse.*

By establishing an internal employee committee that raises awareness to company policies and is empowered to incentivize employee and partner recycling behavior, bi-annual recognition will be shared via our social media of these efforts. This committee will additionally support all facilities management relationships regarding waste reduction. Some specifics include:

- *All company branding materials will be procured with a mindset supporting recycling and reuse.*
- *Sourcehub has and will continue as best as possible to operate as a paperless office environment.*

- 3) *Intertwining UN SDG 9 & 12*

Offering validation and strong recommendations to our vendors to hold a iso1400-1/sa8000 certification, SourceHub technology solutions for the supply chain includes a tracking/reporting customer feature that supports reporting of vendors progress in transition to sustainable packaging.

# SOCIAL



Sourcehub’s human connection to local, regional, national, and global societies require a continuously mindful engagement with people who may have been marginalized, ignored, or harmed by previous industrial growth. Team representation of the wonderful diversities from our world without exclusion based upon race, sex, education, sexual orientation, political affiliation, religion, ethnicity, economic, physical/mental health abilities, or other status is a consistent priority of our leadership. To this end, we focus our initiatives on economic equity, good health and well-being, reduced inequalities, gender equity, innovate technology for legacy industries, promote global partnerships.

## Our social initiatives

7 metrics

- 1) *Ensure that all men and women, including the poor and the vulnerable, to have equal rights to economic resources, and appropriate new technology.*

In support of all generations who have career fluidity, SourceHub has a policy that allows applicants who can show a learned skill set as equal to a proof of educational attainment. Tech can be a learned career  
Sourcehub is committed to providing employees, contractors and partners with appropriate training and access to technology as part of their services rendered.

- 2) *Strengthen the prevention and treatment of mental illness and substance abuse and universal health coverage and quality essential health services, medicines, and vaccines.*

The SourceHub team is transparent in talking about and sharing their successes with mental health interventions and practice of health and well-being. A company policy for all employees to “use as you need” paid time off supports employees’ needs related to resilience and work/life balance. The leadership has chosen to pay an above industry standards company % for platinum level healthcare, dental, prescription and vision care in support of employee access to health services.

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3) *Watch and correct for any forms of discrimination against women, elderly, minorities and the differently abled by ensuring full and effective participation and equal opportunities for leadership and value of all voices in decision-making.*

Commitment to a fair, equitable and kind workplace that cares:

- Committed to the code and to complying with governing laws and regulations.
- Accountable with our assets, record-keeping, and information entrusted to us.
- Respectful of all people and surroundings.
- Ethical to avoid conflicts of interest.
- Successful in conducting our business in an ethical and compliant manner.

Diversity development: SourceHub offers a range of opportunities for education and empowerment on DEIB (Diversity, Engagement, Inclusion & Belonging) topics. Online course offered include the following: unconscious bias, embracing change, closing the confidence gap, valuing differences, leveraging diversity.

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4) *Intentionality to prohibit discrimination against women by ensuring full and effective participation and equal opportunities for leadership and value of all voices in decision-making.*

Commitments in our employee manual to this protection include gender respectful language, positive interpersonal behavior, and professional growth opportunities. Adoption and implementation of DEIB best practices in our talent processes of recruitment, engagement, development, and total rewards – including hiring a coo with DEIB experience with an international presence. Reports are developed and monitored continually to identify where there are gaps and where clear diversification is attained. This includes performance rating stratification and representation in senior management roles as part of succession planning and high potential identification. In addition, SourceHub requires all hiring managers to complete an “art of behavioral interviewing” course to identify and manage biases in the interview process. All newly hired and promoted managers are automatically enrolled as part of their onboarding.

Sourcehub is committed to ensuring teammates are paid competitively, equitably, and in alignment with market pay practices and company practices. Compensation for our employees is based on objective factors, regardless of gender or ethnicity. These policies and practices are reviewed regularly, ensuring alignment with SourceHub core values and strategic priority of fostering a high performing workforce. Our performance management process is designed to recognize and reward performance, contributions, and results in a true pay for performance application.

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5) *Develop innovative technology solutions to retrofit legacy industries through significant increases to information access and communications to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.*

Our CEO, John Moran, who observed that the packaging supply chain industry was 30 years in arrears regarding its use of technology. From his experience as well as his innovative architectural perspective, a concept to transform this industry has been in continuous improvement since inception. Poised as the first of its kind, SourceHub's leadership also realized that its efforts aligned to the UN SDG and their research regarding how technology will positively impact sustainability efforts. Specifically tied to goal 9 – innovation, multiple levers of technology influence were found by 7 different teams of experts to be keys to realizing the 2030 goals. Some of which are noted here: overall data management; (SI) system integration, data modeling, system of systems, collaborative networks; (CS) threat id, data loss prevention.

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6) *Undergird a global economy through multiple stakeholder partnerships for sustainable development.*

With recognition to the packaging supply chain industry having representation across the globe, from inception, SourceHub embraced an international business perspective from the beginning. Our commitment to continuing this openness to working with other regions and cultures will be a key requirement to continued success.

Sourcehub's network and relationship with overseas manufacturers has supported 'hidden' gems of packaging procurement options as well as bringing revenue raising local economies beyond poverty level.

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7) *Philanthropic mindfulness to priorities of staff.*

*Even during the founding years, SourceHub and staff have made community financial contributions. Success as a company will include a percentage of annual revenue being designated to be donated to a prior non-profit environmental concern group as well as to other 501(c)(3) organizations that are identified by staff.*

Sourcehub’s team trusts their leadership to provide a workplace with stability and opportunity for failure and growth. Therefore, building a strong institution within the software and it services industry requires acknowledgement and embrace of best business practices and standards to verify efficient and productive company policies and procedures. To this end, we focus our governance initiatives on awareness and recognition of our partners legal operations along with effective, accountable, and transparent institution practices as well as sharing appropriate company information on a consistent frequency to all stakeholders involved.



## Our governance initiatives

1 metric + 6 SASB topics

### 1) *Best business practices (ethics)*

Since inception, SourceHub has included several professional advisors to ensure that all appropriate standards are in place including board of directors’ policies to insure comprehensive oversight, refreshment, stockholder rights and alignment.

Sourcehub adopted the updated topics and activity metrics of the sustainability accounting standards board (SASB) with regard to our membership to the software and IT services industry.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE
Environmental footprint of hardware infrastructure	Total energy consumed, percentage grid electricity, percentage renewable.	Quantitative	Gigajoules percentage (%)
	Total water withdrawn, total water consumed, percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic meters (m <sup>3</sup> ), percentage (%)
	Discussion of the integration of environmental considerations to strategic planning for data center needs.	Discussion and analysis	N/a

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TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE
<u>Data privacy &amp; freedom of expression</u>	Description of policies and practices relating to behavioral advertising and user privacy.	Discussion and analysis	N/a
	Number of users whose information is collected for secondary purpose.	Quantitative	Number
	Total amount of monetary losses as a result of legal proceedings associated with user privacy.	Quantitative	Reporting currency
	Number of law enforcement requests for user information, number of users whose information was requested, percentage resulting in disclosure.	Quantitative	Number, percentage (%)
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering or censoring.	Discussion and analysis	N/a
<u>data security</u>	Number of data breaches, percentage involving personally identifiable information, number of users affected	Quantitative	Number, percentage (%)
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and analysis	N/a
<b>Recruiting &amp; managing a global, diverse &amp; skilled workforce</b>	Percentage of employees that are foreign nationals and located offshore.	Quantitative	Percentage (%)
	Employee engagement as a percentage	Quantitative	Percentage (%)
	Percentage of gender and racial/ethnic group representation for management, technical staff, and all other employees.	Quantitative	Percentage (%)
<u>intellectual property protection &amp; competitive behavior</u>	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive regulations.	Quantitative	Reporting currency
<b>Managing systemic risks from technology disruptions</b>	Number of performance issues and service disruptions with total customer downtime.	Quantitative	Number, days
	Description of business continuity risks related to disruptions of operations.	Discussion and analysis	N/a
<b>Activity metric</b>			
Number of licenses or subscriptions, percentage cloud-based		Quantitative	Number, percentage
Data processing capacity, percentage outsourced		Quantitative	See note
Amount of data storage, percentage outsourced		Quantitative	Petabytes, percentage