



3DEGREES GROUP, INC

Management System for Environmental + Social + Governance Affairs

June 2024

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01

*Purpose and Scope of the ESG
Management System*

ESG Management System

Purpose and Scope

At 3Degrees, we pride ourselves in our particular culture, one that realizes our mission by tending to the mutual success of our employees, our customers and our business aims. This ESG Management System's purpose is to articulate and formalize the management structures and business processes that help us achieve this dynamic balance.

As we move forward, it will also enable us to monitor and improve our efforts even as we expand our work across new geographies, cultures, customers and business models.

This System's scope encompasses:

- + our work to positively impact the global environment, as well as our impact upon it ("*environmental pillar*");
- + our work to create and maintain an inclusive, thriving employee culture ("*social pillar*"); and
- + the ways we ensure our business operates with integrity and in compliance with laws ("*governance pillar*").

Though we have borrowed from many formal ESG standards and approaches, as adopted this System is uniquely our own.

Core tenets of 3Degrees

Adopted by 3Degrees' Board of Directors

Our mission

We make it possible for businesses and their customers to take urgent action on climate change.

Our business frame

We balance the needs of all our stakeholders - shareholders, employees, customers, the planet.



We are a Certified B Corp and a Delaware Benefit Corporation.

Our values

PASSION

for taking urgent action on climate change.

RESPECT

for all people.

COMMITMENT

to achieving impact through ground-breaking work.

INTEGRITY

guides our actions. Always.

DIVERSITY

inspires new approaches for how we do business.

Our approach

We believe in the power of markets to aim capital toward climate solutions at incomparable scale.

We believe that people and companies are striving to take climate action and need only the proper access and tools.

We believe that by expanding access to markets and by putting market capital to work with related services, tools and insights, we can accelerate climate action on a global scale.

02

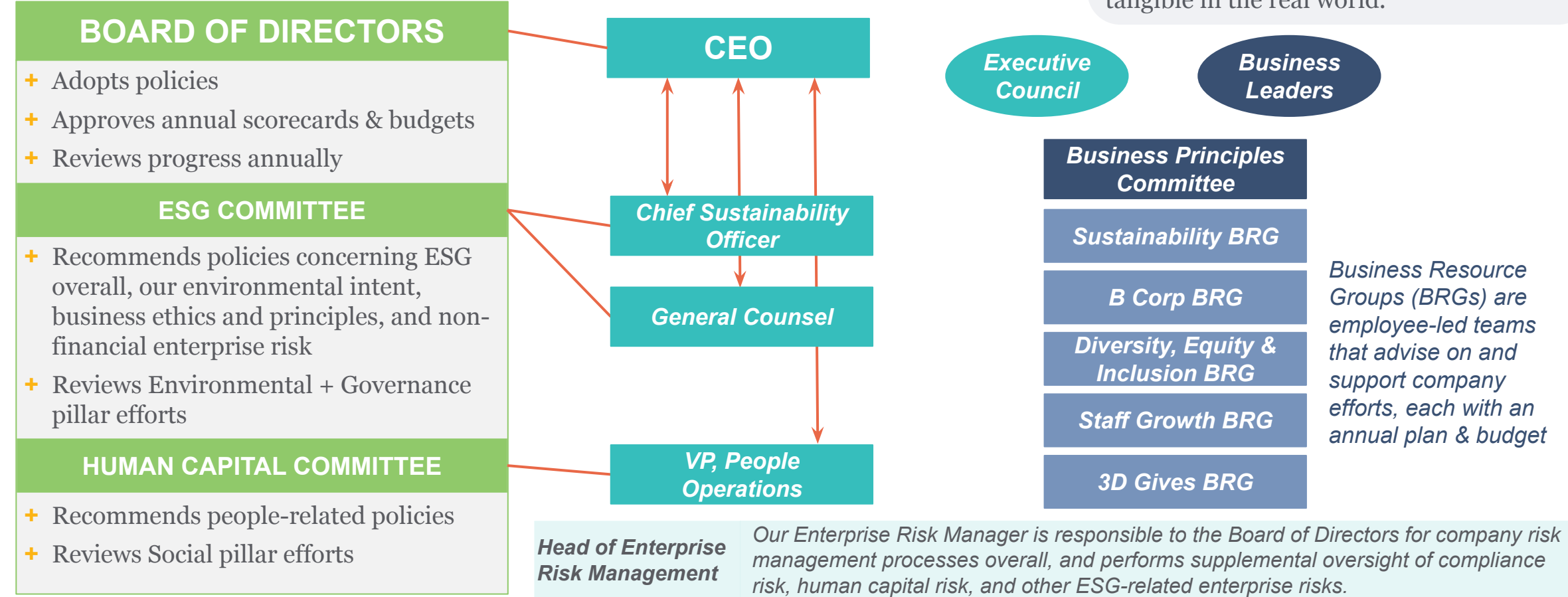
Governance of ESG Affairs

ESG governance structure

3Degrees' Board ensures company leaders have the resources, strategic clarity and expertise to create and implement business processes, programs and customer offerings that fulfill our mission and maintain our values.

3Degrees' management team establishes, maintains and improves business processes, people programs, and customer offerings that fulfill our mission and maintain our values.

Business leaders and employee teams throughout the company advise on, contribute to, and are responsible for implementing the processes, programs, and offerings that make our commitments tangible in the real world.



ESG governance process and cadence

ESG considerations are embedded in 3Degrees' annual planning and review cycle

The company has a collection of ESG programs, policies and practices. Each year, company leadership conducts a strategic planning process involving both bottoms-up and top-down ideation re: initiatives that could improve our business results, better forward our mission, further our progress toward long-term goals, or improve our employee experience. From this process, ESG-related initiatives are selected for action. These actions are incorporated with owners, objectives, and results onto annual scorecards. Ongoing ESG policies and practices are monitored to ensure their performance, and still others are simply woven into the fabric of our work.



Policy for Environmental, Social and Governance Affairs

At 3Degrees, we pride ourselves in our company's mission to enable urgent action on climate change, as well as our determination to realize that mission while also supporting our business aims and the success of our customers, employees, shareholders, suppliers, and the communities in which we operate. This policy and its companion topic-specific policies reinforce our approach and commitment. In scope, they address ESG topics of common concern to stakeholders, but do not represent an exhaustive compilation of our beliefs, work processes, guidelines or requirements.

This Policy for Environmental, Social and Governance Affairs applies to our companies and operations globally, and commits 3Degrees to the following:

- + We are a Public Benefit Corporation and a Certified B Corp; these designations ensure we hold ourselves accountable to our desire to operate as a progressive business committed to stakeholder capitalism.
- + We actively balance the needs of our many stakeholders in our decision-making; this includes balancing the pecuniary interests of our shareholders with the interests of other stakeholders and achieving our mission.
- + As a company dealing in virtual commodities, standards interpretations and guidance, and at times highly-charged public debates, our customers honor us with their trust; our governance policies and processes are built to ensure we earn that trust across all our work.
- + We celebrate our diversity, from the many ways we create value to the many identities we present to the world.
- + We understand that entrenched systems of power and privilege create unjust social and environmental outcomes; we seek ways to help change these systems. Yet we also recognize that we exist within these very systems and must choose wisely when we decide to act differently from the norms of our stakeholders.
- + We comply with all applicable laws and regulations, of course.

03

Environmental Pillar

Environmental pillar: scope

3Degrees is a registered Public Benefit Corporation and has committed to promoting the following public benefit in our corporate filings:

“To have a positive effect on the Earth’s environment and to reduce the negative effects of climate change on the Earth.”

This commitment imbues much of our environmental pillar work.

Also, as a firm whose services and products are mostly desk-based and virtual, our most important negative environmental impacts arise from climate emissions associated with our business activities, including our value chain.

3Degrees’ material environmental topics are:

- + Our greenhouse gas emissions
- + Climate benefits of our products & services

Environmental Responsibility Policy

Active stewardship of environmental aims is central to both our ethics and our business. This policy provides clarity to internal and external stakeholders regarding the extent and importance of this stewardship.

In all of our work globally, 3Degrees:

- + Complies with all applicable laws and regulations, including those focused on protection of the environment and reporting of environmental impacts
- + Takes a precautionary approach to matters where our actions may harm the environment
- + Takes an active approach to reducing our impacts, including impacts resulting from our value chain
- + Seeks to increase the environmental benefit conferred by our products and services, and weighs this benefit alongside other measures of business success
- + Is an active partner to our customers to ensure proper use of our products, for example to ensure proper disclosures and avoid improper marketing claims
- + Participates in industry consortia, public policy matters, advocacy campaigns and other collaborations to better address climate change

Environmental pillar: management, measures, action

We address material topics systematically, other topics as needed with a lighter touch



Our GHG emissions

Responsible leader:
Chief Sustainability Officer

3Degrees is committed to net zero emissions by 2050; our targets are validated by the Science-Based Targets Initiative. In support of this goal, we deploy the following:

- + Measure and report greenhouse gas emissions (scopes 1-2-3) annually; obtain third-party verification once every 3 years
- + Maintain our -0- emission status for market-based scope 2 through renewable energy purchases; scope 1 is also -0-
- + Initiate programmatic changes to address scope 3 emissions - typically, one initiative per year that either better characterizes our emissions or reduces them

Make an annual beyond-the-value-chain climate contribution in recognition of our ongoing emissions. The contribution is \$100 per employee, and is used to support carbon credit projects selected via all-company employee participation

Responsible leaders:
Commercial VP +
President of Markets

Product and service climate benefits



3Degrees is committed to creating a public benefit - reducing the effects of climate change - through our products and services. We believe our business growth will enable us to deliver increasing level of climate mitigation. To ensure we deliver this benefit while balancing the needs of our other stakeholders, we:

- + Work to develop new products and services that bring new customers and industries into the climate action community
- + Include climate benefit as one of the inputs to our product/service development process to be weighed against financial benefits and other factors
- + Measure and report our public benefit objectives and metrics to all shareholders annually; review the effectiveness of our work through this review and make changes as needed, for example in our product portfolio

Other environmental topics

We also attend to other environmental impacts and opportunities on a less formal basis (see [this chart](#)). In addition, our employee-led Sustainability Business Resource Group sets annual goals and implements programs that may include education regarding at-home and at-work waste minimization, climate change book and podcast discussions, home electrification, energy efficiency practices, etc.

Environmental pillar: implementation programs (1 of 2)

Topic	Notes
Greenhouse gas emissions	3Degrees is a member of the Science-Based Targets Initiative, with a validated 2050 net zero target
Greenhouse gas emissions	We calculate our scope 1, 2 and 3 inventory every year and post it to our website. We obtain 3rd-party verification of our calculations every third year.
Greenhouse gas emissions	We are committed to maintaining our scope 1 and 2 emissions (market-based) at -0-
Greenhouse gas emissions	We seek to implement one emission reduction initiative per year, focused on our relevant scope 3 categories
Greenhouse gas emissions	We impose an internal carbon tax of \$100/employee/year and spend these funds on emission reduction activities beyond our value chain
Climate benefits of our products and services	<p>We consider and weigh the climate benefits of new offerings as we decide investment priorities. As examples:</p> <ul style="list-style-type: none"> + We seek opportunities for new product and service offerings in part by starting from the desired impact and working backward to answer “what products could we offer that would create this impact?” + We have a supply-side team that specializes in services that expand access to markets. In particular, we help organizations generate valuable climate commodities by implementing emission reduction activities; we are their market access partner. This on-the-ground emission reduction and compliance-related work brings new types of organizations into the climate ecosystem. + We assess the climate benefits of new product ideas alongside their potential for profitability and growth. Not every climate product is as effective as every other in bringing down global emissions, and we take this into account as we expand our offerings.
Climate benefits of our products and services	We serve customers and markets new to climate action (not just the large leaders!) and support them as they begin their climate journey. Our commodity products enable us to access these customers, and our client-facing team is equipped to provide the guidance needed to foster first-step actions.
Climate benefits of our products and services	We have established measurement standards for the climate benefits of our products and services, and we report on our progress to shareholders.
Supplier impacts	3Degrees is a 300-person service firm with a minor environmental footprint, including impacts we create through our purchase of goods and services. Though not material, we cannot in good conscience ignore these impacts. Therefore in 2021 we adopted a Procurement Policy covering several environmental and social topics, and surveyed important suppliers as to their practices. No concrete action-steps emerged from this work, but we do believe lending our voice to the chorus of companies asking suppliers to improve their sustainability profile was worthwhile. We continue to seek opportunities to point suppliers to this policy as customer input to their sustainability aims.

Environmental pillar: other implementation programs (2 of 2)

Topic	Notes
Advocacy and collective impact	3Degrees participates in over three dozen industry collaboratives aiming at climate action; we also play an active role in policy forums relevant to our business and our customers, and promote stakeholder capitalism through the B Corp movement. Examples of this participation range from the Clean Energy Buyers Association to Renewable Northwest, from the European Biogas Association to the Dairy Sustainability Alliance.
Other environmental topics	<p>Though not material, 3Degrees attends to a wide variety of environmental impacts attributable to our employees and workplaces:</p> <ul style="list-style-type: none"> + Commuting: For most roles, we hire new employees in-place, eliminating both re-location and many commuting impacts; employees assigned to US offices are eligible to receive a transit subsidy; our annual Health and Wellness stipend can be used for bicycle commuting gear; we seek locations near transit and near employees when we choose new offices; our summer intern program is entirely remote. + E-waste: Our IT team has implemented a “re-use first” program for excess computer equipment. We recover outdated or otherwise surplus equipment from employees and repurpose it internally if possible; and if not we have partners who refurbish equipment for donation purposes. Equipment unsuitable for donation is responsibly recycled. + Travel: We do not restrict travel, but we have implemented practices which reduce it, such as: using fixed office locations as offsite venues so as to reduce the need for remote employees to “visit” offices regularly; with rare exceptions, we fly in coach/economy class; we encourage ride-shares vs. single-person rental cars + Waste and recycling: Where allowed, we implement aggressive in-office waste reduction practices. At our San Francisco and Portland OR offices (our two largest), glassware and dishwashers, packaging-free snack bins and communal coffee pots prevail over single-use alternatives, and in-office composting is the norm. + Fresh air: A longstanding tradition in choosing our headquarters office space in downtown San Francisco is insisting on access to natural light and windows that open. San Francisco’s naturally cool and consistent climate means old-fashioned windows can both warm and cool our office space with just a little elbow grease.
Employee action	The environmentally-themed, employee-led Sustainability Business Resource Group establishes a program of activities each year in support of employee environmental activism, practices, and learning.

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Social Pillar

Social pillar: scope

As a registered Public Benefit Corporation, 3Degrees' Board of Directors must balance three sets of needs:

The financial interests of shareholders

The best interests of those affected by the company's conduct

The need to address climate change

Our social pillar work represents our efforts to forward the best interests of those affected by our conduct, notably employees, vendors, candidates, customers.

Our intentions are underscored by our core values of Respect, Integrity, and Diversity, and amplified through our additional commitment to a social mission.

3Degrees' social mission

Through our work we seek to pursue the principles of a just transition to help build a more equitable, regenerative economy for all people

3Degrees' material social topics are:

- + **Cultivating a culture of belonging:** We are committed to fostering a welcoming and inclusive work environment for everyone. We actively strive to increase diversity across our workforce, and to create cultural norms that enable our diverse population to thrive together.
- + **Engaging employees in our mutual success:** ensuring employees can bring their best selves to work is critical to our mutual success. In addition to our adopted programs, we conduct an annual survey to better understand how to improve our employees' experience at work
- + **Elevating equity:** As we grow our diverse workforce and as our business changes over time, it is crucially important to provide opportunities for growth, to hone our sense of fairness and to prevent discrimination in all its forms.
- + **Living our values:** 3Ders work with people from various cultures and with many different perspectives. We strive to treat every person with respect. We also thrive on helping bring change to the world, whether by offering climate mitigation products and services that enable important first steps, by populating our email signatures with personal pronouns, or by volunteering in our communities.

Social pillar: management, measures, action



Employee care

Responsible leader:
VP, People Operations

Beyond the to-do list



We believe a diverse and inclusive environment where employees feel valued, where they feel empowered to bring their best selves to our critical work every day, is crucial to success. Toward these ends, our People Operations team manages the following programs as well as periodic initiatives. We monitor success via annual goals save for our long-term workforce diversity goals.

- + **Compensation philosophy** aims to align company and employee motivations by utilizing a variety of compensation forms including base salary, performance bonus, commission, profit sharing, and equity to pay employees competitively with the market, using verified benchmark data.
- + **Diversity, equity and inclusion** embraces cultivating and supporting a diverse workforce. Our POps team implements several programs annually in support of this intent. This team, as well as our DEI BRG also focuses efforts on our **social mission**, including relevant donations, pro-bono work, and product/service integration.
- + **Learning and development** serves as a strategic partner for employees to upskill and grow as individuals and as a business.
- + **Values** guide our decision-making processes to ensure our actions align our mission orientation with strategic growth.
- + **B Corps** are a force for good; our participation drives positive change beyond our traditional business goals and strengthens our commitment to benefit people, profit and the planet.

We foster social awareness and inclusivity within our global workforce. The following programs engage and motivate 3Ders beyond their day-to-day roles.

- + **Business Resource Groups** maintain a deeply collaborative, values-driven culture by creating, enhancing and challenging company programs and practices.
- + **Health and wellness** benefits feature inclusive healthcare and paid leave options, and additional incentives to participate in self-directed activities to maintain a healthy work/life balance.
- + **Volunteerism and giving** is celebrated and encouraged through planned events, paid volunteering time, donation matching and employee-driven discussions of organizations and opportunities.

Measurement and reporting

We conduct an annual confidential company-wide **engagement survey**. We share the results with all employees, as well as the action plans that result.

Annually, we revisit our commitments to our employees, clients, communities, and the environment and share the results in our public **B Corp Report**. We submit our practices to third-party review and rating via the triennial **B Impact Assessment**, with results published on the B Corp website.

We have committed to **workforce diversity** that mirrors our national communities by 2030; we measure progress annually. We monitor pay equity, retention, and workplace safety. Progress is reviewed by the Board of Directors.

Social pillar: policies and programs (1 of 2)

Topic	Notes
Compensation philosophy	We pay competitively with the market based on benchmark-verified data.
Pay equity	3Degrees reviews pay equity annually across various identify categories, within and among job levels, race and gender. It is our policy to remediate patterns of inequity. The Board Human Capital Committee reviews these assessments and actions each year.
Diversity, equity and inclusion	<ul style="list-style-type: none"> + North Star: We publish our North Star vision for DEI on our public web page + Training: We have several mandatory DEI-related courses, e.g. DEI at 3Degrees, Bias in Hiring, Harassment Prevention. On an ongoing basis we host periodic ad hoc sessions in response to needs identified in our engagement surveys, or special opportunities for enrichment. We also provide 1-1 learning opportunities as needed. + Action plan: Annually, the People Operations team works with the DEI BRG to identify programs and focus areas for action and enrichment that year. In 2023 and 2024, we have had several programs and initiatives related to gender inclusion. + Gender inclusion: Thanks to feedback from employees, in 2023 we launched several initiatives to help bring better awareness of gender inclusion and gender equity needs and opportunities. This work continues in 2024.
Learning and development	3D's Learning and Development program is integrated into the employee experience at 3Degrees. Our learning management system enables custom training plans for new-hires including both company-wide and job-specific training, and also allows us to track completion of key learning activities. We also provide employees with a \$500 annual L&D stipend for use on their choice professional development activities.
Values	We bring our values to life in part by programmatically reinforcing them within 3Degrees processes. For example, our performance review check-ins include questions re: representing 3Degrees values in our work; our monthly Huddles include a celebration of our values via the Harry Halloran Moment of the Month employee recognition program; our new hire trainings include a discussion of our values and how we represent them in practice. We also publish our values on our webpage.
B Corp reporting and assessment	3Degrees is a Certified B Corporation, and a proud member of the stakeholder capitalism movement represented by B Corps. Each year our People Operations team in collaboration with our B Corp BRG reviews our commitment to employees, clients, communities, and the environment. They evaluate our progress and share the results on our website. Every three years, we are assessed by the independent nonprofit B Lab against the B Corp Standard criteria. These results are shared by B Lab.
Business Resource Groups	<p>3Degrees encourages employees to play an active role in life at 3D. We empower employee-led Business Resource Groups with executive sponsorship and budgets to help employees make the most of 3Degrees, and to help guide company policies and programs to be effective for our employees. .</p> <p>Current BRGs focus in the following areas:</p> <ul style="list-style-type: none"> + 3D Gives + Diversity, Equity and Inclusion + Sustainability + Staff Growth + B Corp

Social pillar: policies and programs (2 of 2)

Topic	Notes
Health and wellness	Because our employees are our most important assets, 3Degrees offers a choice of market-competitive health plans to employees per national norms, as well as a collection of additional wellness benefits. Depending on employee country and time-of-service, these include a health and wellness stipend of \$500, a FlexPTO policy, parental leave, baby bonding leave, school activities leave, mindfulness in the workplace programs, mental health assistance, and more.
Volunteerism and giving	3Degrees supports employees living their passions through non-profit activities. Employees are provided paid time off to volunteer (8 hours/year for employees working at least 20 hours/wk) at non-profits of their choice, and the People Operations team works with the 3D Gives BRG to organize group volunteering opportunities. 3D Gives also maintains a philanthropy budget and process for employee donation matching and corporate giving. Separately, we support our Social Mission, see below.
Social mission	In July 2020, 3Degrees adopted a Social Mission as a way to guide both our philanthropy and our portfolio of high-impact commercial products. This mission is “Through our work, we seek to pursue the principles of a just transition to help build a more equitable, regenerative economy for all people.” Thanks to this mission, 3Degrees has since provided pro-bono consulting assistance to related non-profits; we have made corporate donations to diverse renewable energy and energy efficiency organizations, and we have released commercial products such as the Community Action Portfolio to help achieve its aims.
Annual Engagement Survey	3Degrees surveys its entire workforce every year using a 3rd party vendor and survey tool. The consistency of this process allows us to see trends over time. We seek both a high response rate and improvements in our employee ratings of the company over time. Insights from the survey are shared at a high level with the entire company, and at a department level for department-specific results. Leaders are held accountable to action plans from the survey. The Board of Directors reviews survey results and recommendations annually.

Topic	KEY SOCIAL/PEOPLE COMPLIANCE POLICIES
Anti-harassment and discrimination	3Degrees is committed to providing a work environment that is free from all forms of discrimination and harassment. Individuals who violate this policy are subject to discipline up to and including the possibility of immediate termination. 3Degrees has a grievance and escalation policy, a whistleblower policy, as well as a third-party anonymous ethics line.
Labor law	3Degrees complies with all aspects of labor law in the jurisdictions where we have employees. This includes labor freedom of association rules, working hours, wage rates, paid overtime when applicable, internship requirements (our internships are all paid), child labor (our minimum employment age is 18), and other factors.
Personal data privacy	3Degrees is committed to safeguarding personal data that we receive in the course of our business. See the Governance policies page for more information.

05

Governance Pillar

Governance pillar: scope

Within this ESG Management System, the Governance pillar describes how we ensure 3Degrees operates with integrity and in compliance with laws. This work is both complex and important at 3Degrees as our product space is relatively new and subject to evolving customer expectations, industry norms, and legal requirements.

Therefore, the Governance pillar includes two different issue types: *externally* imposed requirements such as laws that govern our work and behavior, and *internally* adopted principles that we choose to implement as part of our particular business philosophy and values.

3Degrees' material governance topics are:

- + Business conduct and ethics
- + Compliance with laws
- + Business principles: guardrails for our products, services, and business partners
- + Customer communications and transparency

3Degrees Standards of Business Conduct and Ethics

3D's *Standards of Business Conduct and Ethics* represent the minimum bar for 3Degrees employee and business conduct. They must *always* be followed. The Standards, along with guidance and ways to report possible violations or simply get questions answered, are all provided to all employees.

The Standards address the following topics:

- + Conflicts of interest
- + Confidential information
- + Unfair competition
- + Accurate records and reports
- + Company resources
- + Donations and payments
- + Insider trading

3Degrees Business Principles

3D's *Business Principles* extend our values into the products and services we choose to offer, the range of suppliers and customers we work with, and the ways we present ourselves in the climate mitigation space. The Principles include policy guardrails with implementation guidance and escalation processes.

In general, 3Degrees is here to deploy products and services that accelerate the transition to a low-carbon economy, and we work with suppliers and customers who share that aim. We view our work expansively, and welcome business partners early in their journey who may have no history of climate-forward ambition.

Governance pillar: management, measures, action

This list only includes governance topics within our ESG scope

 External requirements	Responsible leader: General Counsel	Internally adopted principles 
<p>3Degrees requires adherence to our Standards of Business Conduct and Ethics. Separately we operate a company-wide compliance framework designed to identify legal/regulatory requirements applicable to our work, and ensure we have policies, procedures, disclosures, filings, etc. in place as appropriate. Tactics include:</p> <ul style="list-style-type: none">+ Training: new hire orientation covers our company-wide Standards and Principles as well as job-specific training and certifications as appropriate+ Risk review: 3D's General Counsel and Head of Risk Management collaborate with functional leads to maintain our company-wide compliance heatmap, a tool that assesses our practices and policies in their ability to maintain compliance across all domains. This review rolls through functions throughout the year and is shared with the Board's Risk Management Committee for review and direction		<p>3Degrees' values are visible in all aspects of our work. We realize this goal through our Business Principles and our commitment to customer communications and transparency.</p> <ul style="list-style-type: none">+ Our <i>Principles</i> help us balance the need to create positive financial outcomes with the need to provide climate benefits and look after stakeholders. They are provided to all employees as high-level guardrails, and are further governed by a Business Principles Committee that answers questions and governs escalations as needed+ We dedicate a team to understanding, clarifying, and educating 3D staff, customers, and industry broadly about the proper use of, and marketing opportunities afforded by, 3Degrees products+ We build tools and related control systems to ensure customers receive relevant disclosures regarding product use and claims

Other governance topics

Governance is a broad concept. This ESG Management System is focused on operating with integrity and in compliance with laws, but there are many other aspects of governance that we attend to and that some stakeholders may find relevant. For example, we maintain KYC processes to screen potential counterparties, we protect whistleblowers, and we seek diversity in our governance bodies as well as our employee base. Please see the [detailed program charts](#) for additional notes.

Governance pillar: policies and programs (1 of 2)

This list only includes governance topics within our ESG scope

Topic	Notes
Business conduct/ethics	3Degrees has established Standards of Business Conduct and Ethics. Many of these standards are also implemented within our Employee Handbook (see listing on this presentation page). New employee training is being modified for Q3 2024 to include these standards. Possible violations, questions, and concerns have multiple avenues for expression, including anonymous reporting (details in the Standards doc).
Compliance: Compliance tracker and Enterprise Risk heatmap	3Degrees' policy is to comply with all applicable laws and regulations. 3Degrees General Counsel maintains a compliance tracker and a compliance heatmap across all functions that assesses the risk of 3Degrees becoming non-compliant to applicable requirements based on the strength of our processes and controls. This heatmap and resulting actions are reviewed by the Board Risk Committee at least annually.
Compliance: Public Benefit Corporation	3Degrees Group, Inc. is registered as a Public Benefit Corporation in Delaware, USA. Delaware PBCs have certain reporting obligations pertaining to our stated Public Benefit. This reporting is overseen by the Board ESG Committee.
Compliance: Labor law	3Degrees complies with all aspects of labor law in the jurisdictions where we have employees. This includes labor freedom of association rules, working hours, wage rates, paid overtime when applicable, internship requirements (our internships are all paid), child labor (our minimum employment age is 18), and other factors.
Compliance: Data privacy	3Degrees is committed to safeguarding personal data that we receive in the course of our business. All employees are trained annual on general data privacy responsibilities. Employees who routinely receive personally identifiable data as part of their job roles receive more detailed training specific to their responsibilities and the processes in place to safeguard this data. 3Degrees also employs third-party systems to safeguard PII for the teams who receive such data on an ongoing basis.
Business Principles: Human rights	3Degrees seeks to ensure our business partners adhere to fundamental human rights; we rely on external assessments due to the complexity of this issue. 3Degrees conducts detailed counterparty assessments (KYC process) on entities in countries where the Freedom House Index indicates the country is "not free" or "partly free" before entering into business relationships. 3Degrees also adheres to applicable national restrictions (sanctions) on doing business as a compliance matter.

Governance pillar: policies and programs (2 of 2)

This list only includes governance topics within our ESG scope

Topic	Notes
Business Principles: counterparty sustainability	3Degrees will accept as counterparties all organizations seeking to address climate change through our products and services, with only rare exceptions due to legal sanctions, failed KYC diligence, or material reputational risk to 3Degrees even with marketing restrictions
Business Principles: renewable energy products offered	In no case will 3Degrees provide products that do not meet a customer’s goals; do not meet or exceed local market norms/best practices; or create a material reputational risk to 3Degrees.
Business Principles: carbon credit products offered	3Degrees maintains internal carbon principles to align our practices and messaging re: carbon credit use within climate strategies. In addition, we are accredited by the non-profit ICROA and will only offer products that meet ICROA standards (endorsed and conditionally endorsed).
Customer communications and transparency: product information re: appropriate uses and claims	<p>As a provider of commodities central to climate progress, 3Degrees is pro-active in our work to ensure clients purchase products that fit their requirements and receive well-supported information regarding the public statements and claims such products enable (and don’t). To that end, 3Degrees’ Market Intelligence Team is broadly responsible for tracking, researching, and informing both internal and external stakeholders regarding our products’ fit-for-purpose. This includes:</p> <ul style="list-style-type: none"> + Tracking policies and regulations that present risks for 3Degrees products/clients and disclosing appropriate information to these stakeholders + Monitoring key climate standards and initiatives to ensure 3D client-facing teams and clients themselves have the information needed to make clear and substantiated claims regarding our products/services + Evaluating certifications or credentials needed to enhance the environmental impact of a product or service that 3Degrees offers <p>These responsibilities are realized via several information channels, including:</p> <ul style="list-style-type: none"> + Internal: real-time updates via Slack channels; fully-referenced memos detailing new policy and standards developments; “helpline” Q&A function; formal trainings (e.g. Deep Dives) on issues of broad import; PIPS tool for renewable energy standards compliance and country-specific exceptions; quarterly newsletter + External: customer-ready memos made available through the Customer Climate Portal and from client-facing team members; blog posts on the 3D web; conference presentations; individual discussions with clients upon request; market reports for customers interested in PPAs

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Appendix -

Additional social policy information

Social pillar: additional policies (1 of 2)

*Our **Employee Handbook** includes substantial information on policies and requirements; this is an excerpt from its Table of Contents, included so as to be comprehensive.*

II: EMPLOYMENT PRACTICES

- ANTI-COMPETITIVE BEHAVIOR
- OPEN DOOR POLICY AND PROBLEM RESOLUTION
- AT-WILL EMPLOYMENT
- BACKGROUND CHECKS AND SEARCHES
- CORRECTIVE COUNSELING
- POLICY AGAINST HARASSMENT & DISCRIMINATION
- DIVERSITY, EQUITY AND INCLUSION IN OUR WORKPLACE
- EQUAL EMPLOYMENT OPPORTUNITY
- REASONABLE ACCOMMODATION
- LACTATION ACCOMMODATION
- SCHEDULE FLEXIBILITY
- IMMIGRATION REFORM AND CONTROL ACT

III: HOURS AND COMPENSATION

- EMPLOYEE CLASSIFICATIONS AND CATEGORIES
- PREDICTIVE SCHEDULING
- TIMEKEEPING
- OFFICE HOURS AND BREAKS
- REPORTING-TIME PAY
- OVERTIME
- MINIMUM WAGE
- PAY ADVANCES
- PAY DAYS
- GARNISHMENT OF WAGES
- PAYROLL CORRECTIONS

IV: OTHER POLICIES AND STANDARDS

- APPLICATION FOR EMPLOYMENT
- PERSONNEL RECORDS
- SAFETY PROGRAM
- TRAVEL AND EXPENSE REIMBURSEMENT

V: EMPLOYEE RESPONSIBILITIES

- ATTENDANCE
- COMPLIANCE WITH LAWS, BUSINESS CONDUCT, AND PROFESSIONAL ETHICS
- WHISTLEBLOWER POLICY
- CONFIDENTIAL PROPRIETARY INFORMATION
- DRESS CODE
- EMPLOYEE CONVICTIONS
- INSIDER TRADING
- OUTSIDE EMPLOYMENT AND BOARD AFFILIATIONS
- PERSONAL RELATIONSHIPS POLICY
- SAFETY HAZARDS
- SUBSTANCE ABUSE POLICY
- SOCIAL MEDIA POLICY
- USE OF COMPANY PROPERTY
- VIOLENCE IN THE WORKPLACE

Social pillar: additional policies (2 of 2)

*Our **Employee Handbook** includes substantial information on policies and requirements; this is an excerpt from its Table of Contents, included so as to be comprehensive.*

VI: BENEFITS AND TIME AWAY FROM WORK

- 401(K) RETIREMENT SAVINGS PLAN
- COBRA
- COMMUTER BENEFIT
- DISABILITY COVERAGE
- FLEXIBLE SPENDING/SECTION 125 PLAN
- HEALTH AND WELLNESS BENEFIT
- HEALTHCARE
- LEARNING AND DEVELOPMENT
- LIFE INSURANCE
- MINDFULNESS IN THE WORKPLACE
- WORKERS' COMPENSATION PROGRAM
- STATE AND FEDERAL MANDATED BENEFITS
- HOLIDAYS
- PAID-TIME-OFF (PTO):
- RELIGIOUS OBSERVANCES
- PAID SICK LEAVE
- SCHOOL APPEARANCE/ACTIVITIES TIME OFF

VII: LEAVES OF ABSENCE

- CONDITIONS FOR ALL LEAVES
- PERSONAL LEAVE
- DISABILITY LEAVE
- PREGNANCY DISABILITY LEAVE
- PAID PREGNANCY DISABILITY LEAVE BENEFIT**
- LEAVE FOR VICTIMS OF DOMESTIC VIOLENCE, SEXUAL ASSAULT, STALKING, AND OTHER CRIMES
- FIRST RESPONDER/EMERGENCY RESCUE LEAVE
- MILITARY LEAVE AND FAMILY MILITARY LEAVE
- CIVIL AIR PATROL LEAVE
- MILITARY SPOUSE/DOMESTIC PARTNER DEPLOYMENT LEAVE
- LEAVE FOR A WORK-RELATED INJURY