

Certified



Corporation

2022-2023

Sustainability Impact Report

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Letter From Our Managing Partner

We're pleased to present this 2022-2023 Sustainability Impact Report, which highlights our efforts at Sensiba to leverage integrated sustainability principles aimed at reducing our environmental footprint, promoting a diverse, equitable, and inclusive workplace, and driving positive change in our communities.

As a certified B Corp™, we recognize our greater responsibilities to all stakeholders and act every day to serve not only our clients, but also our employees, their families, and the planet.

We've long considered the impact of sustainability as a social and business imperative. Demand for transparency from consumers, investors, and regulators is rising, prompting us and our clients to prepare and disclose a broader range of metrics.

This data provides a benchmark for us to continue to improve.

More importantly, changing climate patterns are increasing the urgency of addressing these vital challenges. This report outlines the steps we're taking and the opportunities we've identified, and we hope it can prompt, or provide confirmation for, similar discussions in your organization.

We are committed to measuring our impacts, taking steps to improve each year, and working with companies who share similar goals. Together, we'll provide sustainable change to our communities, people, and the environment.



A handwritten signature in white ink, appearing to read "John D. Sensiba". The signature is fluid and cursive.

John D. Sensiba
Managing Partner

Jsensiba@sensiba.com

p. 925-271-8700

About Sensiba

Sensiba’s comprehensive accounting, tax, and consulting services help businesses and people solve problems, navigate complexity, and build a foundation for sustainable growth.

A top-100 U.S. firm, we’re passionate about collaborating with clients to increase efficiency, mitigate risk, and prepare to embrace emerging opportunities. As a certified B Corp, we foster a culture where people, families, and communities thrive. We support our clients’ international accounting, auditing, tax, and consulting needs as an independent member of Morison Global.

Our team members come from a variety of backgrounds, which we believe provides the best understanding of our clients’ issues, perspectives, and goals. All of us share a passion for public accounting, client service, and sustainability.

We have more than 400 employees, with 11 of our 24 equity partners (48%) identifying as female.

We’re proud to have been honored as an outstanding service provider and employer by prestigious organizations including Real Leaders, Best of Accounting, Best for the World: Governance; Top Work Places, and others.

Our Mission and Values

Mission

Sensiba believes in providing our clients with more than just a tax strategy or financial reporting—we believe in helping people achieve their goals and rest easier knowing they have someone on their side. We leverage the power of business to solve social and environmental challenges.

Our workplace culture is guided by a single, fundamental belief based on the “Golden Rule” of business: “We treat people the way we would want to be treated.” This passionate approach is translated through our work and our client relationships.

Core Values

We're people first.

Our work affects real people, families, and communities. Above all, we're empathetic, open-minded, and kind.

We're professional problem-solvers.

We're subject-matter experts. But more than that, we're analytical, resourceful, and technically nimble.

We're curious collaborators.

We build partnerships around honest communication and accountable teamwork.

We're steadfast leaders.

We're ambitious, proactive, and committed to adding value. We take our responsibility — to our clients, communities, and team members — seriously.



Diversity, Equity, and Inclusion

In 2019, we began an intentional diversity, equity, and inclusion (DEI) journey when Managing Partner John Sensiba signed the CEO Action Pledge for Diversity and Inclusion, and we drafted a DEI statement and action plan. Our action plan has been updated annually, and we created an internal DEI Committee in 2022 to help us monitor our progress toward our goals.

“ Our DEI action plan looks at the nuts and bolts of the organization throughout all our processes and procedures firmwide to eliminate bias and foster inclusion and belonging. It’s important and necessary work.

Jennifer Harrity
Director of the Sensiba Center for Sustainability & Head of the DEI Committee





“

I'm very proud of the progress we've made regarding our DEI efforts within our hiring and retention programs. We still have many things we'd like to improve upon, and we have a plan in place to tackle those items as well as an outside advisor to address any blind spots.

DEI Statement

Bring Yourself to Work

Sensiba welcomes and celebrates all people. We honor each individual and what they bring to the table. As a firm, we are against all forms of racism and discrimination. Sensiba is a better firm for all its members, and our clients, when we encourage input and participation from people with diverse backgrounds, experiences, and opinions.

We continually strive to recognize where we can be better and do more. We also understand there is still work to be done within our organization and the broader accounting industry to address DEI and unconscious bias issues.



Our DEI Objectives

PEOPLE AND CULTURE

- ◆ Improve employee satisfaction and engagement in a culture of trust, support, respect, and inclusion.
- ◆ Implement DEI analytics to link business results with improvements in workplace culture.

REVENUE GROWTH / EXPANSION OF SERVICES

- ◆ Support a multi-culturally sensitive workforce through attracting, hiring, and retaining diverse employees.
- ◆ Increase partnerships that lead to the representation of new clients and a more diverse client base.

As a committee, we discuss challenges for completing the action items and troubleshoot as group, discuss any issues that have come up in society and the implications within the firm, review the results from our monthly employee listening sessions, and share any insights we can bring to the group from our respective areas. We report our progress on the DEI plan to the partners twice a year at partner retreats, and to the entire firm annually at our All Hands Day, aka SensibaFest, meeting.

Diversity Within Sensiba

Our employee population reflects our commitment to honoring and celebrating diverse backgrounds and perspectives:

Entire Firm 2022/2023

# of Individuals	360
Identify as Female	59%
Identify as POC	47%

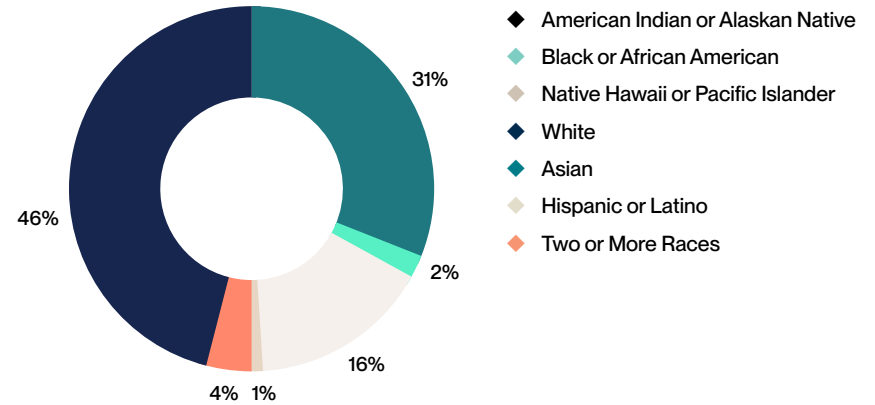
Firm Leadership 2022/2023

# of Individuals	115
Identify as Female	49%
Identify as POC	30%

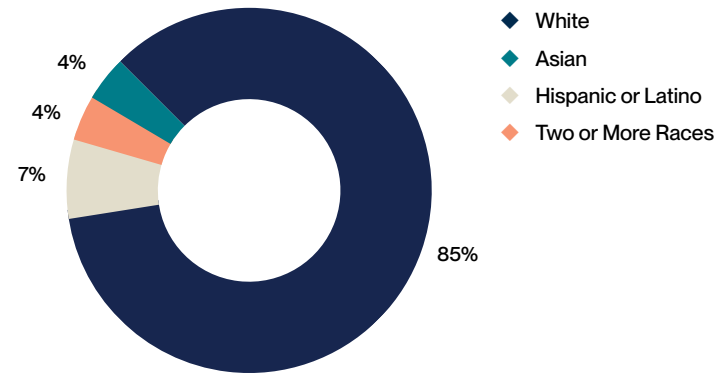
Partner Group 2022/2023

# of Individuals	24
Identify as Female	46%
Identify as POC	21%

2022 Non-Executive Racial/Ethnic Composition: (Excludes partners and executives)



2022 Executive/Partner Racial/Ethnic Composition:



Voluntary and Involuntary Turnover Rates

TURNOVER RATE

2022	TO Rate	Retention
Voluntary	14%	86%
Involuntary	4%	96%

As we expand our employee base to achieve our strategic goals and market opportunities, we continue to foster a diverse workforce, leadership, and partner group. We have several action items within our DEI plan to address this issue.

We also recognize our measurement of several key metrics like veteran, disabled, and LGBTQ+ are not consistent enough for detailed reporting. We're implementing a new human resources information system in 2023 that will help us capture better data.

Tracked by HR and when adjusted for internships, the firm's employee retention rate is above 90%. Internships are typically for a fixed duration, with most becoming employees after they earn their degrees. Figures above reflect actual turnover and retention rates, including internship-related turnover.



Diversity Within the Accounting Profession

Many students of color looking at the accounting field as a career don't see themselves, but the profession is working to increase its diversity and address this longstanding inequity.

In addition to our internal DEI work, we have a strong sense of responsibility to promote diversity in the accounting talent pipeline. From engaging students in elementary through high school to offering college scholarships, it is vital that we improve opportunities for students.

This fall we will be providing scholarships to two students participating in the AICPA's Accounting Scholars Leadership Workshop.

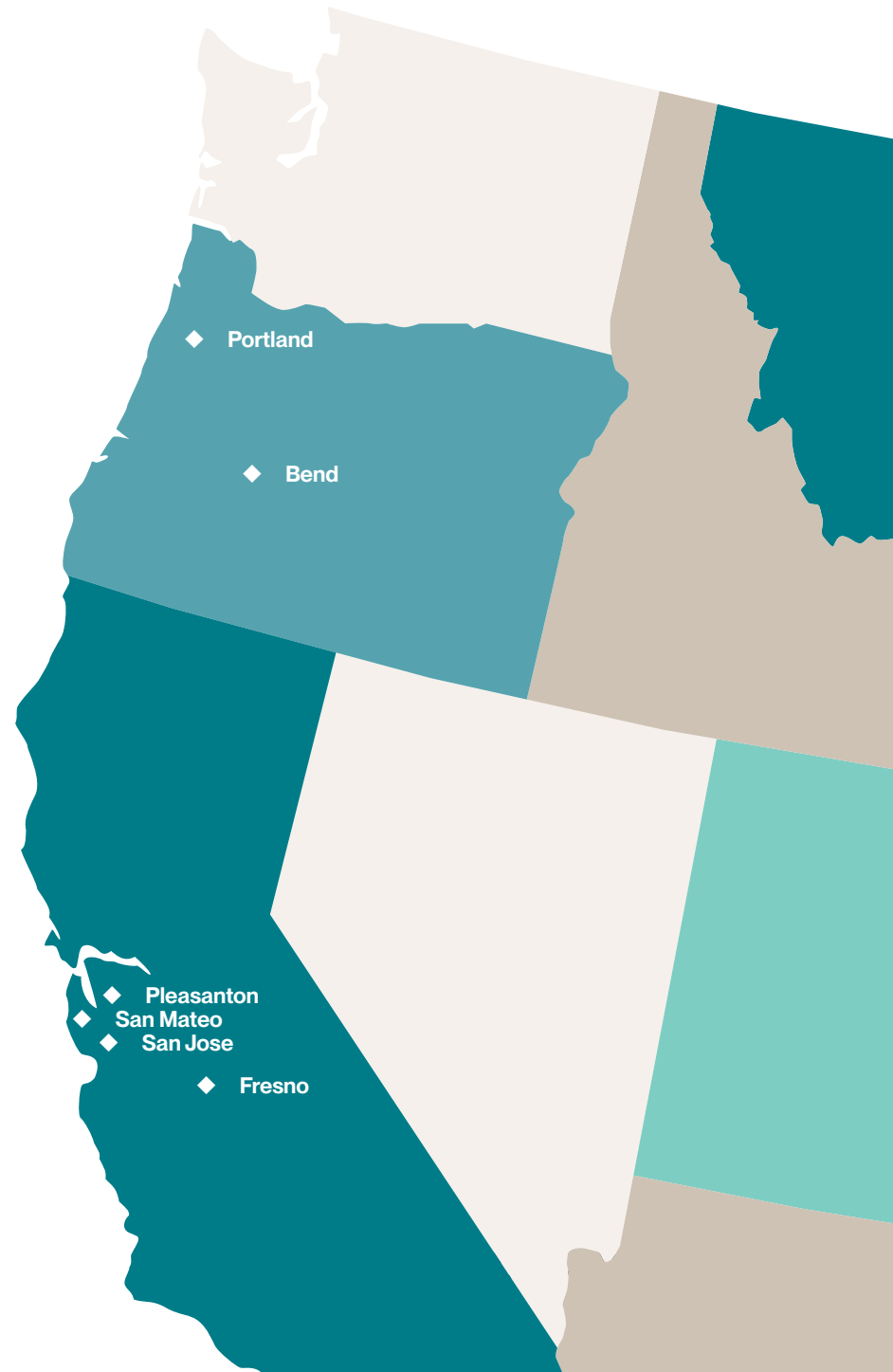
We're also longtime partners with the Cristo Rey Network of high schools, which delivers a career-focused, college preparatory education for students with limited economic resources. Cristo Rey schools integrate a rigorous academic program with four years of professional work experience, as well as support to and through college. We are proud to host Cristo Rey students as interns in our San Jose and Pleasanton office locations.



Land Acknowledgement

As of 2022, our employees work from 31 states and five countries. As a result, our offices and employees reside on indigenous lands and territories across the globe. With great respect, we would like to acknowledge the people whose land our offices are located on. We also encourage our stakeholders to learn more about the land they reside on and how they can honor commitments to those communities and treaties.

- ◆ **Pleasanton headquarters** — Confederated Villages of Lisjan, Muwekma, Ohlone and Chochenyo people
- ◆ **Bend office** — Confederated Tribes of Warm Springs, Cayuse, Umatilla, and Walla Walla people
- ◆ **Fresno office** — Yokuts people
- ◆ **Portland office** — Confederated Tribes of Grand Ronde, Confederated Tribes of Siletz Indians, Cayuse, Umatilla, Walla Walla, St'ipulmsh, and Clackamas people
- ◆ **San Jose office** — Tamien Nation, Ohlone, and Muwekma people
- ◆ **San Mateo office** — Tamien Nation, Ohlone, and Muwekma people

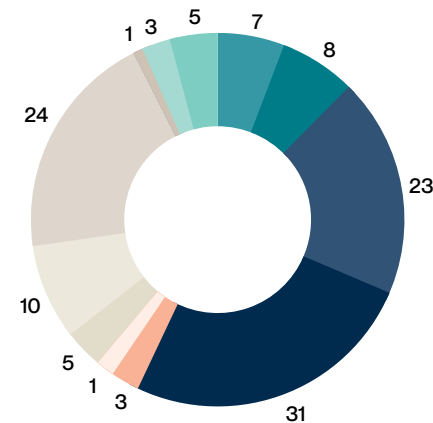


Our Giving Commitment

We have long stressed the value of active community involvement, with our people volunteering time for 127 organizations aligned with the causes they care most deeply about. Our support for these organizations includes more than 3,900 hours of pro bono time in 2022, as well as nearly \$64,000 in financial donations to organizations and charities including WeTheChange, Sequoia Hospital Foundation, Quest Science Center, The Bridging Conference (Supporting Women in Tech), and dozens of others.

Our volunteer activities and donations often align with the Sustainable Development Goals developed by the United Nations to support its 2030 Agenda for Sustainable Development.

Number of organizations we've donated to or volunteered with:



- ◆ No poverty
- ◆ Decent work and economic growth
- ◆ Zero hunger
- ◆ Industry, innovation, and infrastructure
- ◆ Good health and well-being
- ◆ Sustainable cities and communities
- ◆ Quality education
- ◆ Climate action
- ◆ Gender equality
- ◆ Life below water
- ◆ Clean water and sanitation
- ◆ Life on land



2022 Sustainability Highlights

Sensiba Center for Sustainability

Launched in 2020, the Sensiba Center for Sustainability is a holistic sustainability and environmental, social, and governance (ESG) consulting practice focused on privately held organizations.

The practice supports our mission of helping companies move to a purpose-driven, sustainable business model that promotes social and environmental performance, accountability, and transparency. Our vision is to create a world of companies that run on the quadruple bottom line principles of People, Planet, Profit, and Purpose.

Using an organization's data, we can help clients understand how to better mitigate social and environmental risk and make more sustainable decisions for the future. We've been a trusted financial reporting advisor for over 40 years; now we're helping companies become more resilient and profitable in a rapidly changing world.

B Corporation

Sensiba became a Certified B Corporation in 2018. B Corps are for-profit companies that use the power of business to solve social and environmental problems by leveraging the "Business as a Force for Good™" mantra.

Within this framework, we use our skills to improve the lives of our families, communities, clients, and colleagues while striving to be a positive force in the global community.

As a Certified B Corp, we're required to recertify every three years. In 2022, we completed our B Corp recertification.

Our score increased from

80.9 → 99.4 ↑ 23%

We also achieved a Best for the World Governance Award with a 21.1 score in the Governance Impact Area of the B Impact Assessment. According to B Lab, "the Best for the World in the Governance Impact Area walk the walk every day through exemplary governance practices, scoring in the top 5% of all B Corps across the globe."

Our efforts are supported by our B Corp Committee, which meets quarterly to review important elements such as the five impact areas (Governance, Workers, Community, Environment, and Customers), how we monitor our ESG metrics, how we encourage volunteerism, and other important criteria.

ESG Frameworks and Reporting

ESG is an acronym for environmental, social, and governance practices. This concept provides a holistic way to measure the impact a company has across its value chain, as well as how the company is affected by the broader environment in which it operates.

In the same way Generally Accepted Accounting Principles (GAAP) created a standardized set of accounting rules for financial reporting, ESG reporting frameworks are harmonizing under the auspices of the International Sustainability Standards Board (ISSB), which was established in 2021 by the International Financial Reporting Standards (IFRS) Foundation.

In June 2023, ISSB issued its inaugural ESG reporting and disclosure standards, colloquially known as IFRS S1 and IFRS S2. This means we now have a common accounting language for disclosing the impacts of industry-specific sustainability issues, as well as climate-related risks and opportunities in capital markets worldwide. IFRS S1 and S2 are effective for annual reporting periods beginning on or after January 1, 2024.

In the United States, the Securities and Exchange Commission (SEC) also issued a proposal in 2022 that would require publicly listed companies



to include disclosures of climate-related risks and the measurement of greenhouse gas (GHG) emissions.

The implications for both of these ESG rulings extends beyond the realm of public companies, as privately held companies that sell to publicly traded companies or to the federal government, and some state and local agencies, will likely see reporting and disclosure requests.

Sensiba has measured itself against several different frameworks to better understand our own ESG risks and opportunities. The following are the results of those assessments.

Sustainability Accounting Standards Board (SASB)

ESG frameworks such as the Sustainability Accounting Standards Board (SASB) apply a concept known as “dual materiality,” an accounting term that describes how corporate information can be vital for its implications on a firm’s financial value as well as the company’s broader societal impacts.

SASB focuses on standardized disclosures for 77 industry sectors to help companies identify material ESG metrics within their organization. We use this framework to communicate the link between sustainability management and financial performance, while optimizing efficiency and redesigning processes to mitigate risk. We’ve found the “Professional & Commercial Services” and “Advertising & Marketing” SASB standards to be material to our company, and have identified the following relevant Disclosure Topics and Non-Financial Accounting Metrics to guide our future reporting:

DISCLOSURE TOPICS

- ◆ Workforce Diversity, Inclusion, and Engagement
- ◆ Data Security and Data Privacy
- ◆ Professional Integrity
- ◆ Advertising Integrity

NON-FINANCIAL ACCOUNTING METRICS

- ◆ Employee Satisfaction and Engagement
- ◆ Percentage of gender and racial/ethnic group representation
- ◆ Voluntary and involuntary turnover rate
- ◆ Number of data breaches, percentage involving customers’ confidential business information or personally identifiable information, number of customers affected
- ◆ Percentage of online advertising impressions targeted to custom audiences
- ◆ Total amount of monetary losses from legal proceedings associated with professional integrity
- ◆ Total amount of monetary losses because of legal proceedings associated with false, deceptive or unfair advertising

Impakt IQ: Enterprise ESG Compliance and Intelligence

After our first SASB materiality assessment in 2021, we established a partnership with Impakt IQ (IIQ) in 2022 to obtain robust measurement for our baselines and progress on a host of ESG metrics, as well as a more extensive disclosure process around those topics.

The systems-based process underlying the Impakt IQ Tool Set and Impakt Score maps to the new ISSB IFRS S1 and S2 reporting standards and is designed to sit alongside a company's financial statements. It provides our leadership team with an investor-grade ESG framework through ESG statements and dashboards that enable insight into material risks, value creation opportunities, industry benchmarks, and more.

The results of our Impakt IQ Report were informed by auditable investment-grade data generated during the assessment process, and independently reviewed by IIQ Founder Elisa Turner.

We understood that going through this assessment would help us collaborate with clients more effectively. More importantly, it provides a tool for understanding our impact and identifying opportunities for improvement.

The assessment involves collecting data from documents such as our financial statements, 2020 Community Impact Report, website, and marketing plans. Impakt IQ also surveyed senior-level and executives on relevant SASB issues and topics, such as GHG emissions, data security, and professional integrity. There were 27 questionnaires in total, resulting in 1,080 data points across all topics.



Impakt IQ's Dual Materiality Matrix identifies specific financial and reputational material issues for the client's industry and sectors by researching industry materiality reports. For us, the top 10 material issues were:

- ◆ Professional integrity
- ◆ Labor practices
- ◆ Workforce DEI
- ◆ Data security
- ◆ Workforce engagement
- ◆ Greenhouse gas emissions
- ◆ ESG management awareness
- ◆ Local communities
- ◆ Climate-related opportunities and capital deployment
- ◆ Advertising and data privacy

Impakt IQ's Performance Benchmark Graph, using data from CSRHub and Sustainalytics, compared us to industry leaders as well as accounting industry averages across SASB's five business elements:

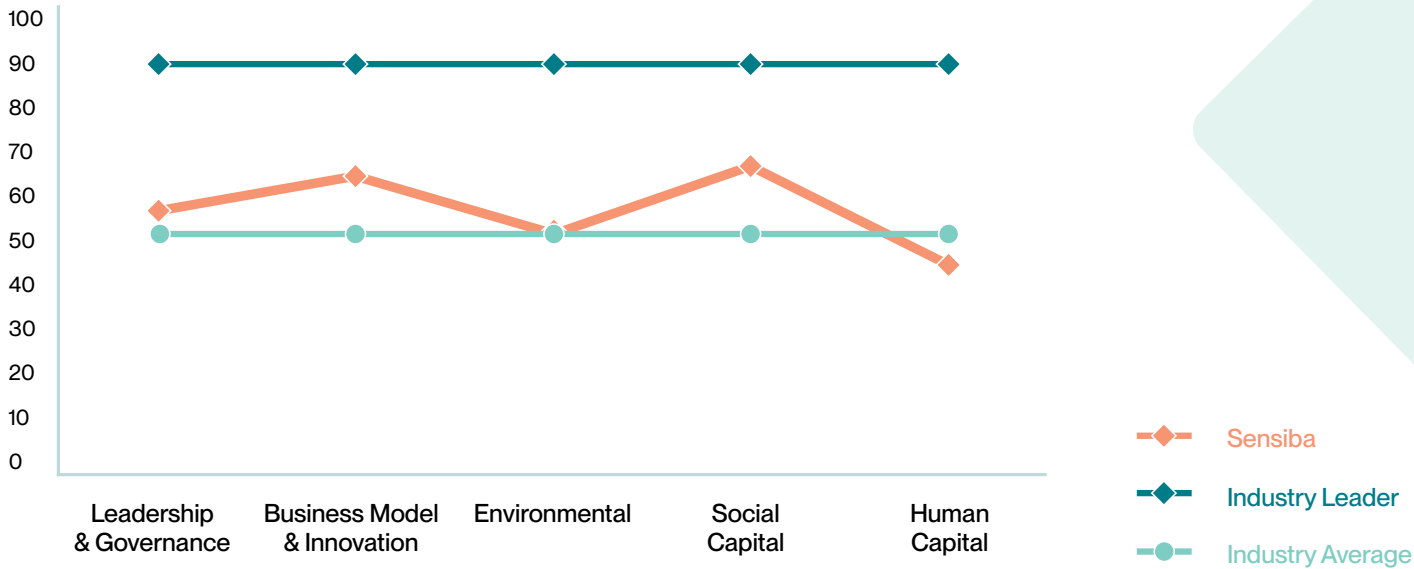
- ◆ Leadership and governance
- ◆ Business model and innovation
- ◆ Environmental
- ◆ Social capital
- ◆ Human capital



“

When we first started to evaluate the Impakt IQ ESG tool for our clients, we knew that we needed to put our own firm through the process first. ESG frameworks help identify material risks and opportunities for improvement, and IIQ is the best tool we've seen because it translates multiple frameworks into a singular score. In our case, it helped us identify where we need to document our processes and procedures more.

Sensiba ESG Benchmark 2023



Our IIQ ESG score shows an average of 61 out of 100 across the Top 10 Material Issues. According to the Performance Benchmark graph, we are performing above industry average across all but one element.

Overall, the biggest finding in the assessment was that many of our processes related to the relevant ESG issues are in place but overall need more documentation and formalization. For example, Human Capital was our lowest scoring category, due to the fact we currently do not have a Supplier/Vendor Code of Conduct (COC).

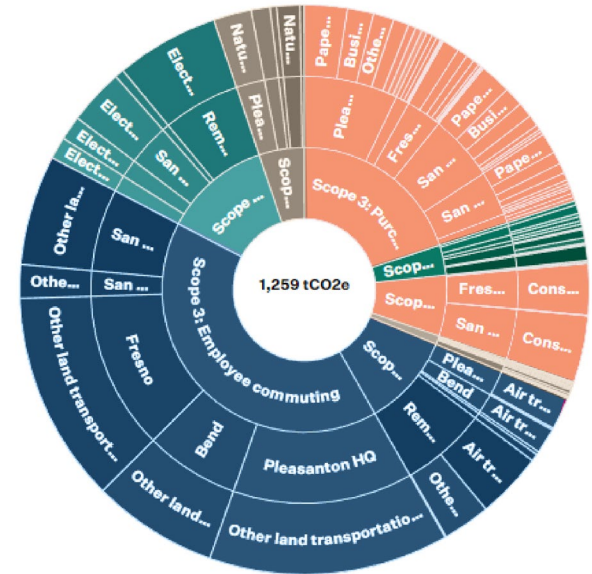
As such, we are prioritizing the development of this COC in 2023.

Similarly, our Climate Neutral certification (see below) has helped with our energy management strategy.

Additionally, in Q2 of 2023 we brought on a new chief operating officer and in-house legal counsel to support our operations, including the formalization and documentation of our relevant ESG processes.

Climate Neutral: Our Carbon Footprint and Climate Action Planning

A 501(c)3 nonprofit, Climate Neutral leads a global movement of individuals and companies to eliminate carbon emissions. Their label, Climate Neutral Certified, is a trusted, independent standard for climate neutrality that empowers consumers to find brands that are leading on immediate climate action. All companies that become certified must reduce and compensate for their emissions.



This year, we saw maturity in our greenhouse gas (GHG) emissions measurement methodology as well as a commitment to a science-aligned emissions reduction target that's backed by short-term, incremental emissions reduction plans.

As a member of the first cohort of the Climate Neutral Open Certification consulting partnership network, we've demonstrated our commitment to the movement by becoming Climate Neutral Certified and offering these services to our clients.

Our 2022 GHG footprint was calculated as part of our Climate Neutral Certification application process. Our team used Climate Neutral's Business Emissions Evaluator (BEE), which applies a hybrid model based on environmentally extended input-output analysis and emission factor databases to estimate and refine our emissions.

Our emissions include data for our facility energy consumption, purchased goods and services, and capital expenditures. For employee commuting and travel, we conducted our annual employee survey to gather data, augmented by mileage reimbursement rates and data.

2023 Reduction Plans

As part of the Climate Neutral certification process, we've developed action plans for the next 12 months to shape our emissions reduction goals. We've voluntarily opted into a science-aligned target of a 50% reduction from current levels (1,259 tCO₂e) by 2030, with an expected decrease of 7.15% annually. Some of the steps we plan to take include:

1

Scope 2, Office electricity usage

We will transition 50% of our current average grid mix to renewable energy through our electricity providers in three office locations.

2

Scope 3.7, Employee commuting

We will reduce employee commuting emissions by 15% by incentivizing walking, biking, public transit, or rideshare usage.

3

Scope 2, Remote worker electricity usage

We will transition 35% of remote worker electricity consumption to renewable energy sources by offering subsidies for switching energy generation sources to 100% renewables in communities where this is an option.



Offset Strategy: Natural Climate Solutions

We've drawn on our relationship with the Bonneville Environmental Foundation to form our 2022 offset strategy. We've purchased offsets equivalent to 1,259 MTCO₂e and supported the following organizations:

- ◆ 160 MTCO₂e, equivalent to our Bend office carbon footprint, were purchased in support of the Doyon Forestry Project. The Doyon Forestry Project is owned by an Alaska Native corporation and encompasses a portion of the largest unimpacted boreal forest in the world.
- ◆ We continued our support of the award-winning Agrocortex Forestry project this year with 549 MTCO₂e. This project enhances protection of some of the most threatened forests on the planet in an important biodiversity corridor that connects the Andes to the Amazon.
- ◆ 550 MTCO₂e went toward the Unitor REDD+ Project in Brazil, which promotes forest conservation in Brazil to benefit communities, carbon, and biodiversity.

Salary Analysis

We believe people are best able to reach their full potential when they can integrate their lives, values, and careers.

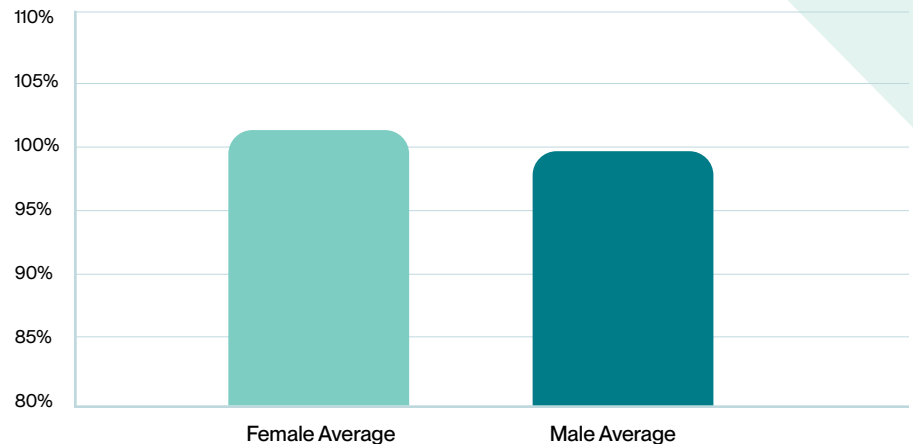
We provide opportunities for employees to modify their work schedules to this objective so work can fit within their pursuit of personal goals and objectives.

Given the wide variation in personalized work arrangements, pay equity does not mean that all individuals in a role will receive the same compensation. Instead, our firm provides a level playing field and fair compensation for all employees, regardless of gender, ethnicity, religion, or other protected classes. The results of our internal review support our belief that we have effective processes in place to ensure we offer equitable pay to all employees.

Practice staff include audit, tax, and consulting employees, and makes up the majority of our personnel. These results indicate adequate processes are in place to ensure equitable pay.

**Administrative and operations data sets were small and therefore, not statistically valid to evaluate the results on their own.*

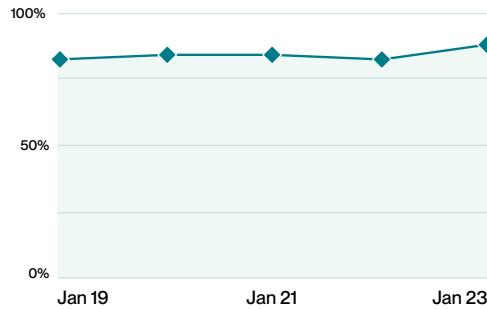
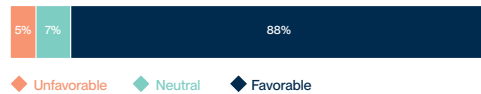
2022 Practice Staff % of Average Compensation by Gender



Sensiba Employee Engagement Survey

Overall employee engagement: 88%

Overall benchmark average: 82%



Employee engagement is a critical consideration for our leadership, and we were pleased by an overall 88% favorability rating in our latest employee engagement survey.

We compare our survey results to Top Workplaces benchmarks prepared by Energage, a firm that has surveyed more than 27 million employees from 70,000+ organizations over the past 16 years.

Compared with CPA/consulting industry benchmarks, we scored higher in key categories including:

- ◆ Overall engagement
- ◆ Employees who didn't consider searching for a better job
- ◆ Employees who would recommend working here to others
- ◆ Demonstrating strong values
- ◆ Interdepartmental collaboration
- ◆ Strategic direction

We equaled the CPA/consulting industry benchmark for motivating employees to do their best work and were slightly below the benchmark in conducting meetings that make good use of staffers' time.

To help with these findings, we are testing different meeting lengths, styles of agendas, and reevaluating who needs to be in each meeting. We also have a small beta group implementing Michael Hyatt's *Free to Focus* system to help employees work on the right things at the right times.

Governance and Data Security

Protecting client information and company assets is our top priority, and we consistently identify data and security vulnerabilities, and other security risks. We employ a variety of systems and controls to harden and protect our infrastructure, including annual penetration testing, monthly security training, and ongoing phishing simulations.

We are also CCPA/GDPR-compliant and have disclosed our privacy policy on our website.

“ Data security is of paramount importance for any accounting firm as it not only safeguards sensitive financial information but also ensures the trust and confidence of clients and employees. We invest in robust data security measures to protect our clients’ and employees’ information.

Igor Zaika
Director of Information & Technology



Closing Thoughts

In previous years, we have published Community Impact Reports that leaned into our external social and environmental impact. As our own ESG journey has matured, our measuring and reporting has as well.

This report marks the first year we offer a more transparent look into what we've been working on these past two years. Just like our clients on their ESG journeys, we've made good progress and have outlined areas for improvement.

We're publishing this report to create a space for transparency and accountability in business, and to invite other companies to join us on the journey of sharing this information with our many stakeholders and communities.



Not even a B Corp accounting firm with an ESG practice is perfect, but we hope to show steps and lessons that other organizations can learn from and leverage in their own plans.

Jennifer Harrity, SEA
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Learn How You Can
Help Make an Impact.

