



2021

ESG Report

Environmental, Social and Governance Report



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Dear Stakeholders,

The past year has been remarkable for PowerSchool, our employees, and our stakeholders. In July, we began our next chapter of growth and success, achieving a big milestone when PowerSchool became a public company and was listed on the New York Stock Exchange. Today, I am excited to publish our first Environmental, Social and Governance (ESG) report. ESG has been an important pillar for PowerSchool since the company began as it is foundational to our mission of helping educators and students realize their full potential, in their way. Our solutions enhance educator effectiveness, improve education outcomes, promote student equity, and enhance the environmental sustainability of schools' operations. A few examples of our customers' stories here highlight this meaningful impact.



Improving student outcomes by supporting social and emotional learning (SEL)

Social-emotional skills are essential for students' success in school and in life. SEL-related tools such as Naviance by PowerSchool help students understand their strengths, manage emotions, build relationships, plan ahead, and make informed decisions. Everett Public Schools (EPS), a district located in Everett, Washington, launched Naviance by PowerSchool as part of its social-emotional curriculum. Since introducing the technology to prepare students for college, career, and life through a focus on SEL, the district **decreased its drop-out rates by 50% and increased its on-time graduation rate from 58% to 95%, representing a 65% increase.**



Promoting digital equity through innovative solutions

GOAL High School, Colorado's premiere blended-online learning school, added several of PowerSchool's unified solutions including PowerSchool SIS, and PowerSchool Enrollment to manage daily operations from anywhere, protect student data, enroll students, and manage waitlists and lotteries to ensure GOAL's innovative approach to statewide online education can equitably serve a growing number of students, parents and educators. "A key element we focus on is **digital equity for every student, no matter where they are.** We knew that it was time to upgrade our SIS to ensure that everyone's learning and teaching experience across the state was exactly the same, and PowerSchool provided us with that opportunity," said Jamie Trujillo, GOAL High School Chief Information Officer.



Ensuring student equity and achievement after high school

The Napa Valley Unified School District (USD) chose Naviance by PowerSchool to support its Migrant Education Program—a program that provides services to students and families who depend on agriculture for their livelihood and frequently move in search of work. Naviance is being deployed as the foundation of its four-week college, career, and life readiness (CCLR) program. It offers students interactive lessons on building college and career knowledge to create post-secondary plans aligned with students' strengths and interests. After the first year of using Naviance at Napa Valley USD, **56% of students reported their post-high school plans had evolved**. Napa Valley USD credits the work they did around the logistics of paying for college – specifically teaching students ways to make college more affordable.



Meeting the evolving needs of our stakeholders

Since the start of the COVID-19 pandemic, an unprecedented number of K-12 schools and districts across the globe have needed to quickly pivot to provide distance learning and blended learning to their students. Many have selected our learning management system (LMS), Schoology Learning to ensure that they can deliver personalized learning experiences to students, no matter where they are. During the pandemic, an additional 5 million students began relying on Schoology. To meet this accelerated need we made significant investments in the platform's scalability and in the product's engineering, service, and support teams. We are proud to serve over 12 million Schoology users and help meet the evolving needs of schools to ensure that students can continue to learn.

Leveraging PowerSchool talent and technology to create value for customers

At PowerSchool, we're focused on addressing the most critical issues facing K-12 education today and supporting our schools and districts to ensure every student and teacher is set up for success. We recognize that we can create additional value in how we operate as a company and leverage the passion and dedication of our employees. Our ESG report outlines how we are creating this value across our company through the innovation of our technology, by empowering our employees, operating with trust, transparency, and integrity, and supporting environmental sustainability.

PowerSchool has and will continue to adapt and innovate to meet the evolving needs of our stakeholders. It is our unwavering commitment to and passion for serving educators and students that guides us. We look forward to continuing to amplify the impact and value for all our stakeholders as we continue to grow and evolve.

Thank you for being part of PowerSchool's impact journey.



| Hardeep Gulati | Chief Executive Officer

PowerSchool's ESG commitment reflects our responsibility to our stakeholders – our shareholders, customers, employees, and the communities we operate in. We believe that a strong ESG approach helps us to effectively manage risks and opportunities to support value creation for all our stakeholders. We integrate ESG practices across our business through a dedicated ESG team that works cross-functionally and reports directly to a member of our Executive Leadership Team (ELT).

Our approach is structured around five ESG pillars that reflect the material opportunities we deem most relevant to our business and key stakeholders today. These pillars were identified through stakeholder engagement, conducting an ESG materiality assessment, and by applying ESG frameworks including The Sustainability Accounting Standards Board ([SASB](#)) and the Global Reporting Initiative ([GRI](#)).

Our ESG Pillars



Social impact – Leveraging PowerSchool talent and technology to create social impact at scale. Engaging in meaningful stakeholder engagement to create a positive impact for all our stakeholders.



Our employees – Creating a diverse and inclusive workplace culture that empowers PowerSchool employees to deliver the best results for our customers.



Responsible business – Maintain a culture of ethics and integrity as we continue to create value for all our stakeholders. Continue to promote the highest standards of transparency, integrity, and trustworthiness.



Data privacy & security – To uphold PowerSchool's commitment of being a good custodian of student data.



Environmental responsibility – Effectively managing environmental responsibility, conserving resources and reducing waste while continuing to make positive contributions to society and our shared environment.



We engage with stakeholders year-round through a variety of ways to ensure we are focusing on the most material ESG issues. This includes ESG materiality assessments, meetings, conferences, events, and engagements with industry associations and ESG research organizations. Our company culture empowers PowerSchoolers to challenge existing educational paradigms and drive change. As critical stakeholders, we leverage PowerSchoolers' passion for education impact in our ESG program. By working with and incorporating employees into our ESG programs, we continue to support employee engagement and scale our social impact work.

The next step in our ESG journey is to create a formal ESG working group made up of senior-level subject matter experts (SMEs) across the business to work with the ESG team to establish policies, goals, and initiatives that address specific ESG issues.



2021 ESG Highlights include:

- The #1 provider of cloud-based software for K-12 education in North America; **reaching over 70% of all K-12 students in the U.S. and Canada**
- **Disbursed over \$820k through the PowerSchool Education Fund** to address the national teacher shortage and diversity gap and support equitable access to technology and resources
- **Funded 332 classroom projects for 231 teachers in 108 schools** via DonorsChoose to support completion of hundreds of projects for schools in underserved communities
- Our **eight Employee Resource Groups (ERGs)** held **24 meetings and events throughout 2021** to support the diversity of our workforce and advocate for employees from a multitude of backgrounds
- **Conducted PowerSchool's first formal ESG** materiality assessment and Greenhouse Gas (GHG) emissions report
- **33% of PowerSchool's placements in North America identified as diverse**, surpassing our goal of 25%
- **36.5% of PowerSchool's new hires in India identifying as female**, surpassing our goal of 25%

SECTION 6 OUR RESPONSE TO COVID-19

The COVID-19 pandemic created a seminal moment in education and accelerated the digital transformation of education. While PowerSchool’s technology solutions have always been critical to our over 14,000 customers, they became crucial during the pandemic. The past two years have made it clear that a robust technology infrastructure is needed to keep learning going safely and effectively no matter the circumstance. When schools first closed, our commitment was focused on providing schools and districts with tools and support they needed to continue operations including hiring teachers remotely and enrolling students online, as well as supporting remote and hybrid learning. Amidst the many challenges and complexities since, our main goal at PowerSchool has remained focused on partnering with our customers to help ensure educators, administrators, and students are supported and set up for a successful school year no matter where, or how, teaching and learning takes place. Our top priority has been to provide schools and districts with the tools they need to better support students and their needs, support educators, and improve operations—all with real-time access to the meaningful data they need to help make this all happen.

In response to disruptions caused by the COVID-19 pandemic, we have also implemented several measures designed to protect the health and safety of our workforce. These measures include restrictions on non-essential business travel, the institution of work-from-home policies wherever feasible, and the implementation of strategies for workplace safety at our facilities that remain open. We continue to follow guidance from public health officials and government agencies, including the implementation of enhanced cleaning measures, social distancing guidelines, and wearing masks. We created an internal COVID Response Taskforce and intranet page to organize and aggregate resources and information for PowerSchoolers.



Social impact is integrated into our business and our commitment to creating value for all our stakeholders. This dedication is exemplified in the fact that social impact is one of our five ESG pillars. At PowerSchool we create social impact in two distinct ways: first, through the products and services we provide; and secondly, through our dedicated impact programs which engage employees in social impact work.

Helping educators and students realize their full potential

At PowerSchool, we believe in the simple truth that every student deserves the best opportunities in life. As a provider of cloud-based software for K-12 education in North America, PowerSchool connects students, teachers, administrators, and parents, with the shared goal of improving student outcomes. We believe high-quality education is a fundamental right and understand the social value education has. [Research](#) shows that individuals who have access to quality education and graduate are more likely to find gainful employment, maintain stable families, and be active and productive members of society.

The social and economic benefits of quality education¹



Graduating from high school improves the quality of health, decreases dependence on public health programs by 60%, and reduces the rate of alcohol abuse by six times.



A 5% increase in the male graduation rate would save \$5 billion in crime-related expenses.



High school dropouts are more than 2x as likely to be unemployed and 3x more likely to receive welfare assistance.



Decreasing the number of high school dropouts by half would nationally produce \$45 billion per year in net economic benefit to society.

¹ | [The Social and Economic Benefits of Public Education, https://www.elc-pa.org/wp-content/uploads/2011/06/BestInvestment_Full_Report_6.27.11.pdf](https://www.elc-pa.org/wp-content/uploads/2011/06/BestInvestment_Full_Report_6.27.11.pdf)

Improving education outcomes through best-in-class solutions

Our education technology is embedded in school workflows and is used daily by educators, students, administrators, and parents in schools and districts representing more than 45 million students in over 90 countries. We've seen measurable education outcomes across the millions of students, educators, and parents we serve, and highlight the impact of education technology in our white paper, [How K-12 Education Technology Supports Better Student Outcomes](#).

Five ways PowerSchool technology is supporting better student outcomes

1

Makes learning more active and engaging

2

Gives teachers better insight into students' learning needs

3

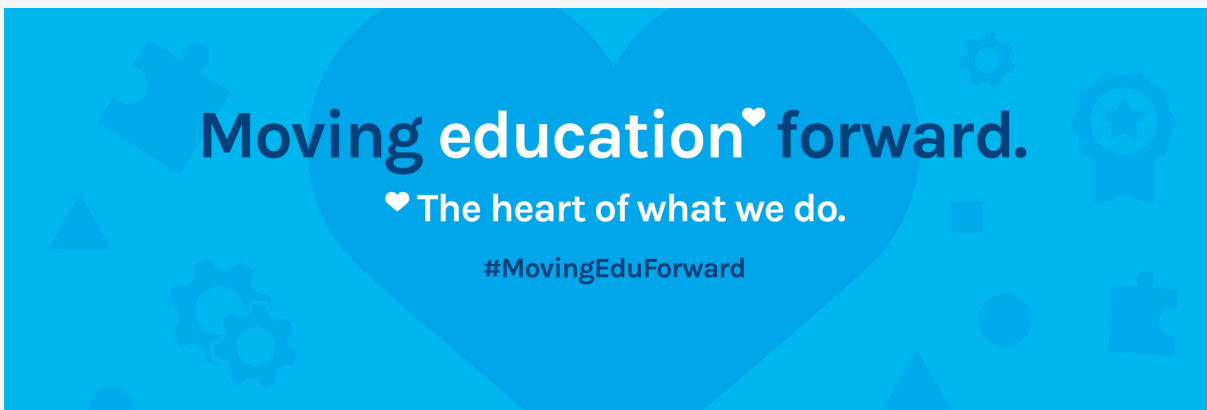
Helps enable personalized learning

4

Supports teacher collaboration

5

Helps foster parent engagement



Our impactful technology offerings

Our suite of cloud solutions helps K-12 districts and schools manage a broad set of critical functions. At PowerSchool, our mission is to help educators and students realize their potential.

PowerSchool helps educators achieve more for students by:



Empowering teachers to expand classroom capabilities



Giving educators a comprehensive view of performance at every level



Enabling administrators to do more with existing budget resources

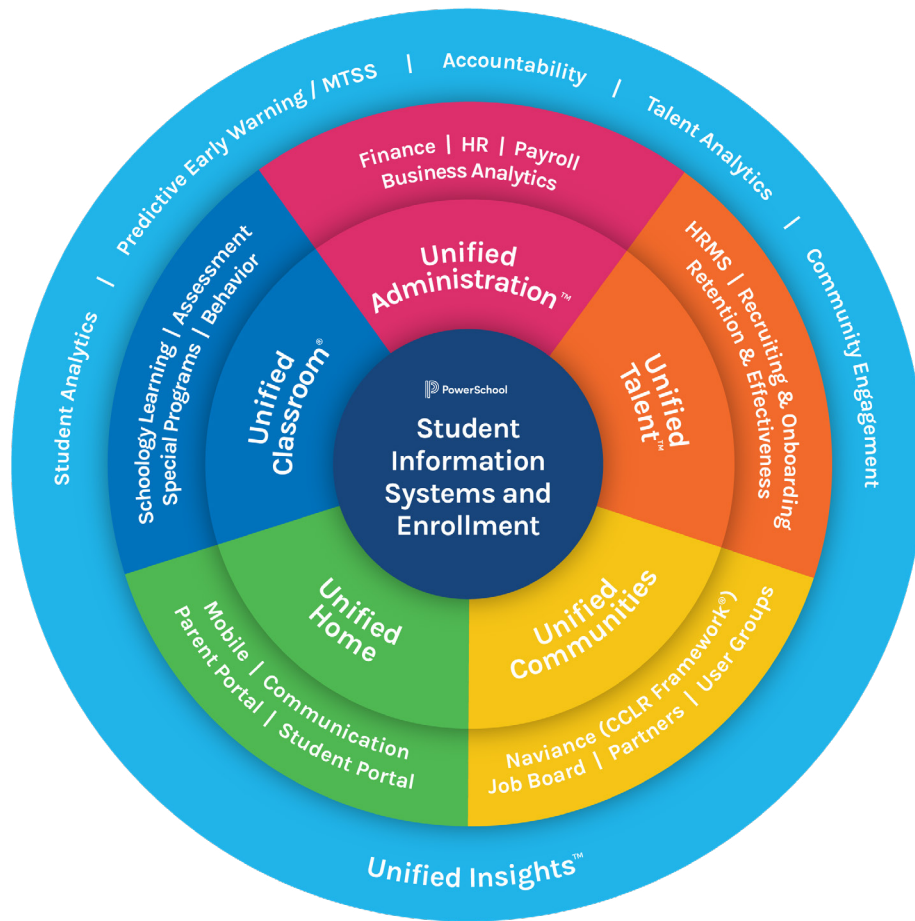


Nurturing an environment to engage and attract teachers



Building bridges between parents, students, and educators

PowerSchool product wheel



Product, feature, and functionality availability may vary by geography.

PowerSchool SIS is the mission-critical data backbone that powers K-12 operations. Schools and districts depend on our modern, easy-to-deploy SIS to improve daily operations, boost administration productivity, identify problem areas and ensure funding with easy reporting. Because of its wide-ranging impact on a district or school's operations, the SIS can have a profound impact on securing essential funding, optimizing operations and resourcing, and ultimately improving student outcomes.



"PowerSchool SIS... provided a unique opportunity to create additional learning spaces that are informed by data and student empowering."

SEAN COFFRON | Instructional Technology Training Specialist, Manassas City Public Schools, VA

[PowerSchool Unified Classroom](#)® supports data-driven teaching and learning with integrated student assessment and reporting tools, a best-in-class K-12 learning management system, and support for special programs so that teachers are better prepared to build and deliver whole-child instruction.

[Plan Ceibal](#), Uruguay's ambitious 1-to-1 instruction program, has expanded its utilization of [PowerSchool Unified Classroom](#)® [Schoolology Learning](#) as its primary learning management system to now serve 800,000 students countrywide. Through Schoolology Learning, Plan Ceibal has seen improvements in creating more tailored curriculums, student-teacher collaboration, and facilitating instruction through blended learning environments. PowerSchool's Schoolology Learning has played a key part in helping Plan Ceibal's mission to ensure Uruguayan educators and students have access to education technology," said Mauro Carballo, Manager of Educational Technologies, Plan Ceibal. More than 800,000 students and 45,000 teachers within the Plan Ceibal program are now regular Schoolology Learning users.

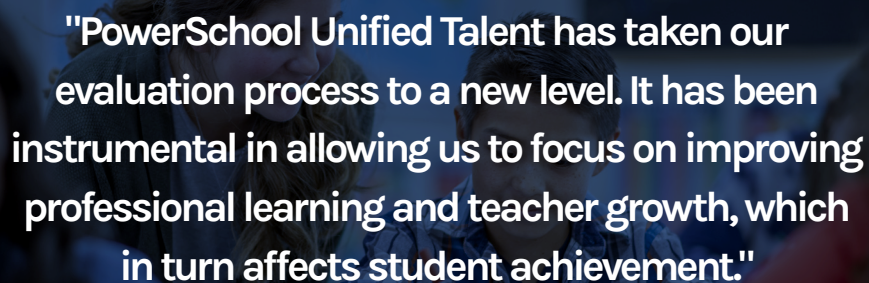


"PowerSchool's implementation team has been with us each step of the way for nearly a decade, and their passion toward providing intuitive software solutions for schools around the world is the reason we continue to invest in this reliable education technology platform."

MAURO CARBALLO | Manager of Educational Technologies, Plan Ceibal


Our [PowerSchool Unified Talent™](#) simplifies HR (Human Resources) operations by modernizing HR workflows through digitization to enhance sourcing and retention of employees. Schools, districts and boards representing over 30 million students use our software to navigate the complete employee lifecycle, including: recruiting & hiring, onboarding & mismanaging developing & retaining high-quality talent. Additionally, we serve more than 500 colleges and universities in Higher Education.

Unified Talent Professional Learning is helping to increase teacher effectiveness and raise student achievement by enabling schools to scale, centralize, manage, expand, and track professional learning for their educators. Our technology is helping schools find and retain quality educators, increase teacher effectiveness through personalized learning, and streamline HR functions to save time and make data-driven informed decisions.



"PowerSchool Unified Talent has taken our evaluation process to a new level. It has been instrumental in allowing us to focus on improving professional learning and teacher growth, which in turn affects student achievement."

DR. RESIA BROOKS | HR Coordinator, Shelby County Schools, AL



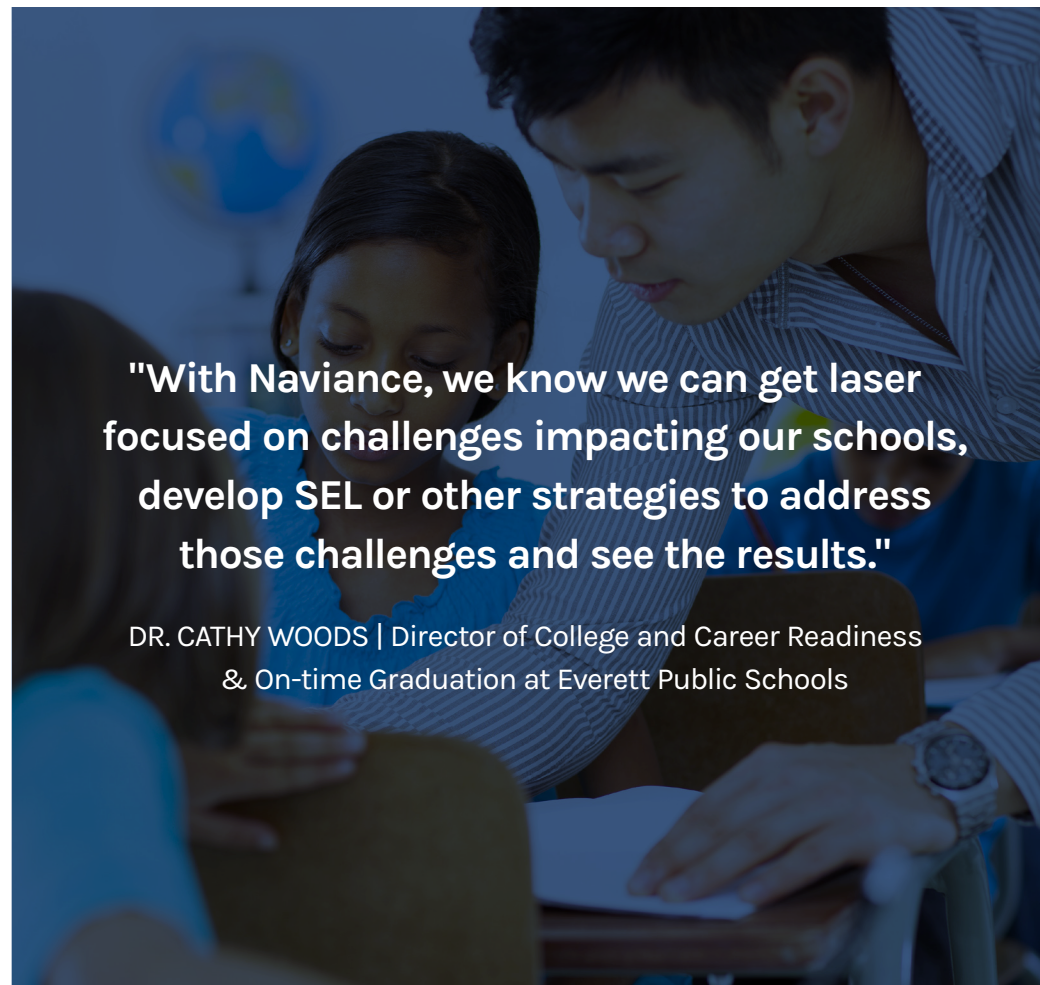
"We've created custom reports that work between our ERP system and employee records product that save staff 20 to 30 hours a week."

RONALD L. CONE | Executive Director of Information Technology, Kennewick School District, WA

Our [PowerSchool Unified Administration™](#) solution gives administrators a single, integrated solution to simplify the management of school operations, bringing together finance, HR and payroll allowing stakeholders to reduce costs and save time while more effectively allocating resources. Through this technology, PowerSchool is helping schools make better decisions, unlock team productivity, operate remotely, and ensure compliance with state reporting requirements.

Our [Unified Communities](#) solution is focused on helping educators, students, parents, and administrators get the most out of PowerSchool through a broader ecosystem of users, partners, and higher education institutions. With core solutions that facilitate students connecting their education learning path with their post-secondary life planning activities, students and school counselors have a robust solution to deliver on the core mission of career and college readiness for education agencies. Educators can connect to career opportunities and best practice resources through the broader PowerSchool community portal.

Administrators at Everett Public Schools district realized that more emphasis on social emotional learning (SEL) was needed. By partnering with Naviance, the district was better able to determine its students' needs and help educators identify changes in individual students by revealing any shifts in goals and progress over time. This data gave a clear sense for when SEL intervention may be needed. Since launching Naviance, the district increased its on-time graduation rate from 58% to 95%, representing a 65% increase. From 2015 to 2019 the district consistently surpassed the state's graduation rate and saw a 6% increase in its own graduation rate.



"With Naviance, we know we can get laser focused on challenges impacting our schools, develop SEL or other strategies to address those challenges and see the results."

DR. CATHY WOODS | Director of College and Career Readiness
& On-time Graduation at Everett Public Schools

[PowerSchool Unified Home™](#) acts as a bridge between class and home through a fully integrated mobile app, giving parents transparency into students' academic performance, schedules, school bulletins, and instant teacher communication and collaboration tools. With mobile notifications for grades, test scores, attendance, and teacher communications, students can take greater ownership and accountability for their learning while parents are able to engage and work with teachers to better support their children's academic progress.



[2021 Kininvolved Impact Report: How Kininvolved Is Digitally Transforming Attendance Support and Family Engagement](#)



[5 Ways to Boost K-12 Family Engagement and Drive Student Success](#)

PowerSchool Unified Insights™ aggregates customers' disparate data sets and sources seamlessly into a central data warehouse. The solutions are used to provide a holistic view of data and harness the power of predictive modeling and machine learning, delivering real-time insight, transparency, and visibility. Administrators use data and insights to help identify at-risk students, drive better attendance, improve school engagement, and monitor social and emotional wellbeing. Reporting tools and dashboards help increase leadership effectiveness at the school and district level by delivering clear operational insights and helping administrators track, manage, and monitor all aspects of a school or district's student, teacher, operation, and performance metrics.



Explore the stories of our customers who are positively impacting student learning everyday



"PowerSchool has enhanced our ability to effectively communicate with parents and other educators within the district, all while decreasing the amount of time spent on other administrative duties. PowerSchool and its solutions continue to be valued resources in running our day-to-day operations, and we look forward to our continued partnership with them."

RONALD L. CONE | Executive Director of Information Technology Kennewick School District










Leveraging our talent and technology to create education social impact at scale

We build upon the social impact generated through our education technology by creating initiatives and programs to help address current challenges in the education ecosystem. Our ESG team creates and executes a social impact strategy that relies on cross-functional collaboration. The ESG team partners with the Executive Leadership Team, Talent, and Facilities teams as well as our Employee Resource Groups (ERGs) to create programs and initiatives that create social impact and meaningfully engage employees. Prior to investing in social impact initiatives, we outline metrics and goals to help us quantify our impact. In India, we have a CSR (Corporate Social Responsibility) Committee made up of local PowerSchoolers that executes social impact work. The committee leverages a CSR Action Plan to carry out our strategic impact strategy. Our social impact strategy is informed by our engagement with stakeholders and our ESG materiality assessment to ensure we are addressing the most critical education needs of our stakeholders.




In 2021, PowerSchool and its employees contributed over **\$858,000** to non-profits, schools and universities to support social impact work.

CSR action plan & steps in India

1.  Identify CSR Implementation Agencies
2.  Collect the required documents from Agencies for due diligence
3.  Perform due diligence on the submitted documents
4.  Shortlist the Agencies and finalize the fund allocation
5.  Create a high-level Annual Action Plan and share it with stakeholders for review
6.  Create MOUs between Agencies and PowerSchool
7.  Identify PowerSchool Internal team who can monitor/execute CSR Program
8.  Get the Annual Action Plan approval from CSR Committee and Board
9.  Release the fund to Agency and monitor until the CSR program implementation is completed

The PowerSchool education fund

In 2021, we launched the [PowerSchool Education Fund](#), a multi-initiative fund with a \$1 million donation connected to PowerSchool's IPO. It's designed to address some of the most critical issues in K-12 education, including the national teacher shortage and diversity gap, as well as equitable access to technology and resources. Partnerships with corporations, non-profits, and universities create opportunities to scale our impact. By the end of 2021, we disbursed more than \$820,000 through the Fund. The PowerSchool Education Fund provided over \$620,000 across eight universities to help over 1,740 diverse education students become first-time teachers. We partnered with Robert F. Smith and Vista Equity [Partners](#) to provide an over \$1.2 million donation to DonorsChoose to address classroom equity challenges in predominately Black schools across 10 states, building on the work of the [Southern Communities Initiative](#) to advance racial equity. The PowerSchool Education fund will continue to collaborate with industry stakeholders to disburse financial resources in 2022 to address education challenges. Our goal is to disburse at least \$1 million in total through the PowerSchool Education Fund by the end of 2022.

A photograph of Stephanie Monarrez, a young woman with long, wavy brown hair, smiling and looking slightly to the right. She is wearing a white t-shirt with a yellow graphic. The background is a blurred outdoor setting with green foliage.

"I'm so grateful for the financial assistance to help make my dreams of becoming a 5th grade teacher a reality," Monarrez said. "I'm looking forward to building strong student-teacher relationships and making my future classroom a reflection of the diversity of my students."

STEPHANIE MONARREZ | a first-generation college student attending the University of California, Davis' School of Education, is one of the 1,742 future teachers the PowerSchool Education Fund is supporting

PowerSchool Education Fund 2021 impact



Disbursed over **\$820,000** to diverse education students across 8 universities and mission-driven organizations



Supported more than **1,740 diverse** education students to become first-time teachers



Funded **332 educational projects** to support and accelerate student learning



Supported **231 teachers** to access new classroom supplies, launch new projects, and invest in their careers



Provided **108 schools** in low-income communities with classroom resources



Served predominately Black schools in underserved communities with **100% of funds** through DonorsChoose

Supporting local schools and community empowerment in India

In 2021, PowerSchool partnered with [One School at a Time \(OSATT\)](#), a nonprofit organization focused on uplifting infrastructure of rural, underprivileged schools and creating scalable sustainable solutions for digital learning in India. The groundbreaking

ceremony for PowerSchool's supported schools through OSATT was held in January 2022. The project is expected to be completed by mid-year 2022.



January 2022 Groundbreaking ceremony for OSATT school supported by PowerSchool

Creating social impact through our Employee Resource Groups (ERGs)

PowerSchool’s Employee Resource Groups (ERGs) are employee-led groups formed around common interests, common bonds, or similar backgrounds, such as gender, ethnicity, or religious affiliation with a common goal of acting together for a specific purpose. With eight different employee-led groups and over 24 meetings held in 2021, PowerSchool’s ERGs helped to foster an inclusive environment and create social impact.

PowerSchool’s ERGs



BAEC
(Black and Allied Employees for Change)



Prism (LGBTQ+)



Women in Tech



Diverse Abilities



LatinX



India: Women @ PowerSchool
India: Health & Wellness



Veterans and Family Support

Our BAEC (Black and Allied Employees for Change) hosted our Juneteenth celebration and advancing racial equity employee contribution campaign. The BAEC also partnered with Achievement First to host a coding session for their students in Brooklyn, NY. Our Women in Tech (WIT) ERG led an online service event for PowerSchoolers and their friends/families to work with Hands of Gratitude building mechanical 3D printed hands for those who have the need. WIT also worked with Dress for Success to organize a company-wide clothing drive this past winter. The ESG partnered with eight ERGs to lead our 2021 Season of Giving Employee Matching Program which donated over \$13,000 to ERG-aligned non-profits. PowerSchoolers' passion is what makes our ERGs impactful and successful. In 2022, our ERGs will be given an Executive Sponsor and a larger budget to enhance their collaboration and social impact work.



2021 Season of Giving
Employee Matching Program
donated

\$13,000+

to ERG-aligned non-profits.

DRESS FOR SUCCESS CLOTHING DRIVE

Dress for Success is a global not-for-profit organization that empowers women to achieve economic independence by providing a network of support, professional attire and the development tools to help women thrive in work and in life.

ACCEPTED CLOTHING ITEMS:

- INTERVIEW APPROPRIATE SUITS
- PROFESSIONAL SEPARATES INCLUDING BLOUSES, SLACKS, SKIRTS, DRESSES, BLAZERS AND JACKETS
- WORK APPROPRIATE SHOES
- JEWELRY AND SCARVES
- HANDBAGS

Runs November 15 to January 14

Roanoke employees: Drop off at the front reception desk. Contact Paula Powers with any questions.

Folsom employees: Drop off at the front reception desk. Contact Sara Ruddell with any questions.

Remote and other offices: Find your local Dress for Success drop-off location here: <https://dressforsuccess.org/affiliate-list/>



PowerSchool IMPACT program

To help scale our social impact work and further engage our passionate employees in 2022, we will be launching the PowerSchool IMPACT program. This multi-program initiative leverages our talent and technology to drive social impact by creating formal opportunities for employees to engage in meaningful paid-time-off volunteering events; collaborate with fellow PowerSchoolers and external organizations to support education innovation; and help support PowerSchool’s corporate sustainability journey. Our ESG team will manage PowerSchool IMPACT and collaborate across functions and teams to create impactful engagement opportunities for all PowerSchoolers.



Promoting diversity, equity, and inclusion across our business

PowerSchool is dedicated to Diversity, Equity, and Inclusion (DE&I) because we recognize that our people and our innovative education technology is what makes us a great company. Our Fusion team leads our [DE&I efforts](#) with a mission to create energy and connectivity. As the fusion of atoms form energy, PowerSchool's Fusion team helps to unite our employees together with curiosity and passion to celebrate, support, and encourage an inclusive and diverse workforce.

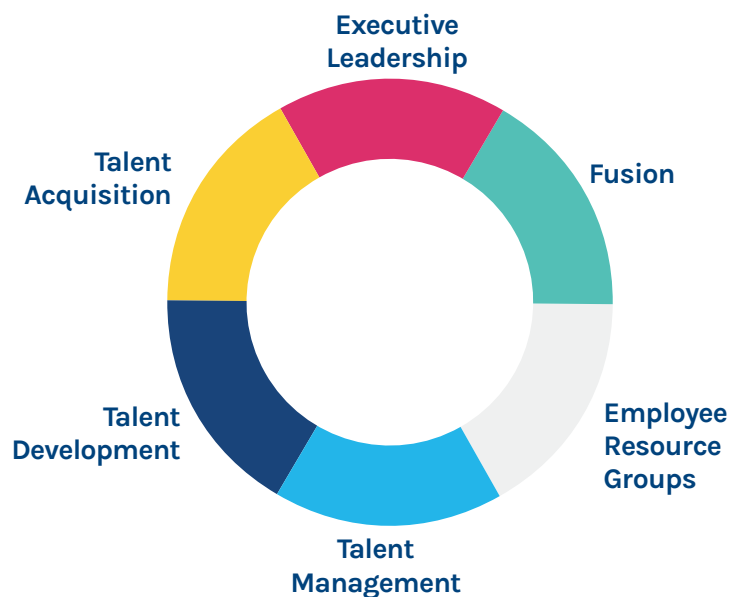
Our Executive Leadership, Fusion, and Talent teams along with our Employee Resource Groups (ERGs) are critical stakeholders in creating and driving our DE&I strategy. The role of our Executive Leadership Team is to create meaningful DE&I goals and hold themselves and their teams accountable for accomplishing these goals, incorporate DE&I goals into strategic planning, and support DE&I initiatives, including providing Executive Sponsorship for ERGs and their initiatives. Our Fusion team develops PowerSchool's

DE&I strategy aligned with ELT goals and works with ERGs to ensure their strategies also align. The Fusion team champions the engagement and retention of under-represented and marginalized identities. PowerSchool's ERGs foster community and support a culture of belonging for our diverse workforce while working with the Fusion team and ELT to identify opportunity areas to further our DE&I strategy. Our ERGs connect PowerSchool to our external community through social impact work and engagement. Our Talent teams comprised of Talent Acquisition, Development, and Management are critical stakeholders in driving our DE&I strategy including partnering with diverse recruiting sources, ensuring our Employer Branding Strategy aligns with PowerSchool's DE&I mission, and that our postings and candidate experience fosters a sense of belonging, diversity, and inclusion. They also provide DE&I-focused training paths for our employees, report progress of department and company DE&I goals and identify areas of opportunity for ELT and Fusion.



Our DE&I goals

Key stakeholders in our DE&I strategy



Through collaboration and engagement with these key stakeholders, PowerSchool was able to not only meet but exceed our DE&I goals in 2021.

To meet our DE&I goals, PowerSchool is continuing to expand its corporate partnerships with organizations to reach diverse potential candidates, including:

- **The Mom Project** - creating a pipeline of diverse female talent and increase retention of mothers in the workplace

33% of PowerSchool’s placements in North America identified as diverse, surpassing our goal of **25%** and **36.5%** of our new hires in India identify as female, exceeding our goal of **25%**. In 2022 we are increasing our goal to have **28%** of placements in the U.S. identify as diverse, and **30%** of our new hires in India identify as female.

- **Aspire for Her** - engaging around social media branding, Women Returnee Program, and recruitment solutions
- **Jobs for her**- India’s largest online career platform for women
- **My Avtar**- India’s first diversity portal
- **Diversityjobs.com** - socialize PowerSchool jobs to over 600 niche job boards, with all members identifying from an underrepresented group

PowerSchool's eight ERGs championed our DE&I strategy by leading impactful events and learning opportunities for employees throughout 2021, including:

- **Women @ PowerSchool + Women in Tech** - Co-hosted the event: Conversation on Culture
- **BAEC** - organized a training: Microaggressions in the Workplace & Ways to Disrupt Them
- **Diverse Abilities** - hosted a panel discussion on Autism in the Workplace + Learning Disabilities
- **PRISM** - led a Pride & Pronouns Fireside Chat which resulted in our ELT using their pronouns in the PowerSchool's Town Hall on September 13

We continue to promote our culture of diversity and inclusion by ensuring every new PowerSchool employee is trained on our DE&I strategy and introduced to our ERGs as part of our monthly New Employee Welcome session. Our commitment to DE&I is reflected in our public reporting of our workforce demographics which is presented in our ESG Data Table in the report appendix section



Empowering and engaging PowerSchoolers

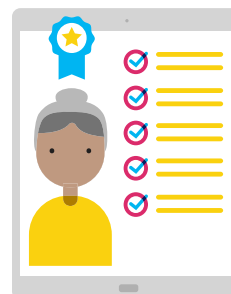
PowerSchool recognizes that talent development is critical in attracting, retaining and engaging employees. We are committed to career development and have provided two hours per month for every employee to focus on development and leverage PowerSchool's extensive training resources which include:

- PowerSchool Academy - is the primary Learning Management System (LMS) for PowerSchool employees. Here you will find a collection of more than 3,000 topics, of which there are 12-15 live sessions hosted monthly.
- SMASH Manager Bootcamp - live and self-paced programs to support managers
- Manager + Employee PACT Tract - learning tracks created to help our employees develop and learn to live the PowerSchool PACT
- Trailblazers Certificate Program to support managers
- Subscription to O'Reilly Learning- unlimited access to interactive learning, certification prep, expert playlists, news, and content from top publishers including Pearson, Harvard Business Review
- Mentor Program- Mentors are paired with Mentees in PowerSchool to share experiences, develop skills, and guide each other to success!

PowerSchoolers are incentivized by earning YouEarnedIt points for completing professional development training. YouEarnedIt is an interactive platform to recognize and reward fellow colleagues. PowerSchoolers’ quarterly check-ins with their manager helps to communicate progress towards professional development goals and creates an environment of support and shared accountability.

PowerSchool provides an engaging, diverse, and inclusive work environment and superior benefits to continue to attract, retain, and engage employees, including:

- Medical, vision, and dental insurance with HSA match
- 12 week paid parental leave
- Tuition reimbursement program
- Student loan assistance
- 401k with matching
- Life insurance
- Discretionary Time Off – (Unlimited Vacation)
- 10 paid holidays
- On-site amenities including video game break room with pool and ping pong tables, gym, free refreshments
- Employee referral program



Supporting the well-being of our employees

Critical to our great work environment is supporting the health, safety, and well-being of our employees. We maintain workplace safety guidelines across our offices and in 2021 we had no work-related injuries or fatalities. We also support employees through our PowerHealth program which provides activities, education programs and resources to support the financial, mental, and physical well-being of PowerSchoolers. In 2021, PowerHealth hosted our 2nd annual virtual PowerSchool Health Fair with our benefits providers to correspond with Open Enrollment. PowerSchool also maintains an Employee Assistance Program (EAP), which provides free and discounted counseling services to all employees. We partnered with [ClassPass Corporate](#) to offer employees both in-person classes, live virtual sessions, and thousands of pre-recorded content.



Data security of student educational records

Data security lies at the heart of our role as trusted data processors to the schools, districts, and other educational institutions we serve. PowerSchool persistently monitors our cloud-based systems and network infrastructure. PowerSchool independently verifies its security posture to internationally recognized standards for information security management systems (ISMS) and maintains ISO/IEC 27001:2013 certification. Additionally, with 24/7 "eyes on glass" security monitoring, PowerSchool's information security team, led by our Chief Information Security Officer, remains vigilant against cybersecurity threats to our hosted and internal systems.

Data privacy of student educational records

Respecting the privacy of the personal information contained in the student educational records of our customers is a critical part of our trusted role as data processors to the schools, districts, and other educational institutions we serve. Although our customers are the data controllers of the student education records entrusted to PowerSchool as part of the services we provide, we recognize and fulfill the key data privacy responsibilities as a data processor. PowerSchool maintains a [Global Privacy program](#) under the supervision of its Chief Privacy Officer which includes continual updates of our [privacy policy](#) to maintain currency with ever-changing standards; recurrent training for employees to address the critical "human facto"; and products and services that incorporate "privacy by design". All of these efforts align to respond to the ever-changing landscape of privacy regulations at the local, state, provincial, and country level.



Business ethics and compliance

PowerSchool is committed to conducting business ethically, honestly, and in full compliance with applicable laws and regulations. Toward this commitment, each PowerSchool employee and Board member attests to the PowerSchool [Code of Ethics](#) included on our website. The code includes various compliance policies such as anti-Racism, anti-Harassment, appropriate workplace behavior, conflicts of interest, gifts, confidentiality, competition, and data privacy – all of which are enforced strictly. We offer several channels for communication of compliance concerns from an anonymous tip line to an open-door policy for reporting managers and executives, including the Chief Compliance Officer. Due to our global presence, our compliance policies strive to adhere to and respect local requirements in the locations where our employees reside and where we operate.

With regards to vendors, PowerSchool has issued its [Global Supplier Code of Conduct](#). The PowerSchool procurement team ensures all PowerSchool vendors comply with the code to remain qualified vendors. As a function of considering any new vendor or customer, our regulatory compliance team conducts a compliance review as part of a KYC (Know your Customer) and KYV (Know your Vendor) program.

Corporate governance

PowerSchool's governance structures, [policies](#), and processes serve employee, customer and community needs and promote our culture of accountability and ethics. Members of our Board of Directors participate actively to understand and question our business executives on all aspects of the company's activities. The PowerSchool Board has a standing [Audit Committee](#) and [Nominating and Compensation Committee](#). In addition to reviews of company financial performance and corporate development initiatives, the Board has overseen PowerSchool response to the COVID-19 pandemic, diversity, and inclusion programs; and updates on security and privacy reports; and community outreach initiatives.



Privacy and security

The Global Information Security and Technology and Global Privacy programs ensure PowerSchool establishes and implements policies, processes, and procedures to support our efforts around privacy and security of data. PowerSchool’s security compliance audit program includes ISO/IEC 27001:2013 certification and AICPA SOC 2 Type 2 examination. PowerSchool works with A-LIGN Compliance and Security Inc. (A-LIGN) for all our security compliance audits. A-LIGN is a licensed SOC 2 Assessor and an accredited ISO 27001 Certification Body, among many other compliance and security services. PowerSchool’s privacy compliance audit program includes work with PRIVO, a FTC approved Safe Harbor organization, and TrustArc, a privacy compliance auditor. We work with these third-party auditors to evaluate us against established international standards.

Below is a summary of the certifications earned or express commitments made concerning security and privacy compliance.



ISO 27001:2013 Certified. PowerSchool earned this certification international standard on how to manage information security. Our certification is through an accredited 3rd party auditor.



AICPA SOC 2 Type 2 Report. PowerSchool has obtained SOC2 Type 2 audit of an examination resulting in an auditor report with an opinion for select applications. The examination conducted is against a standard for service organization regarding the management of customer data based on the Trust Services Criteria.



COPPA. For the applicable service, PowerSchool achieved Safe Harbor certification for COPPA working with its 3rd party auditor PRIVO.



Privacy Certification. PowerSchool works with TrustArc as a third-party privacy certification auditor of PowerSchool processes and products.



Student Privacy Pledge. PowerSchool is a signatory to the latest version of the Student Privacy Pledge from the Future Privacy Forum and the Software & Information Industry Association.

At PowerSchool, we understand that our corporate responsibility extends beyond providing world-class software to help educators and students realize their full potential. PowerSchool supports environmental responsibility by effectively managing and where possible, conserving resources and reducing waste while continuing to make positive contributions to society and our shared environment.

Greenhouse gas emissions reporting initiative

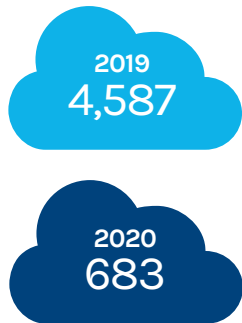
As a cloud-based technology company, PowerSchool's carbon footprint is relatively lower than other industries, but nevertheless, we remain committed to protecting our shared environment and reducing our share of greenhouse gas (GHG) to limit global warming and climate change. In June as part of Vista Equity Partners' commitment to the [Net Zero Asset Managers Initiative](#), we measured PowerSchool's GHG emissions for the first time. The Net Zero Asset Managers Initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner. PowerSchool supports this initiative, and we are working with Vista Equity Partners to help them achieve this goal. As a carbon neutral firm, Vista Equity Partners is committed to combating the

industry's emissions growth. To achieve this PowerSchool is part of Vista's [Sustainability Leadership Council \(SLC\)](#), enabling us to collaborate and share best practices with other companies around GHG measurement and ESG issues.

Our 2019 and 2020 GHG inventory was conducted in accordance with the GHG Protocol. Measurement was completed using external software (Greenstone GHG wizard) to collect, calculate and report on consumption and emissions data across relevant business sites. As part of the footprint calculation, the software applied relevant emissions factors from international standards including the GHG Protocol, Defra, US EPA, and IEA. PowerSchool provided all available data to support the calculation, but there was limited input data available across PowerSchool's co-working locations. PowerSchool will continue to build its capacity to capture relevant input data to support on-going emissions reporting and reduction efforts.

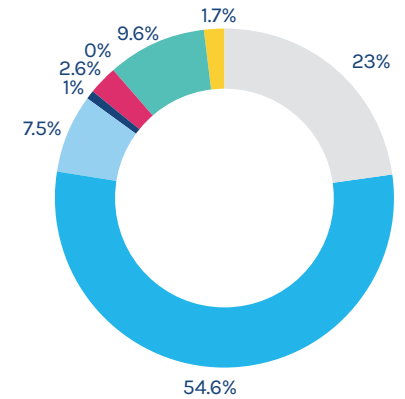
PowerSchool's GHG emissions (tCO2e)

Emissions reduction from baseline year **85.1%**



Emissions breakdown by source (tCO2e & %) 2019

NAME	VALUE	PERCENTAGE
Air Business	1,054	23
Electricity (Grid)	2,505	54.6
Fuel	343	7.5
Heat (Grid)	47.6	1
Hotels	118	2.6
Rail Business	0.574	0
Road Business	442	9.6
Waste	76.5	1.7
Total	4,587	100

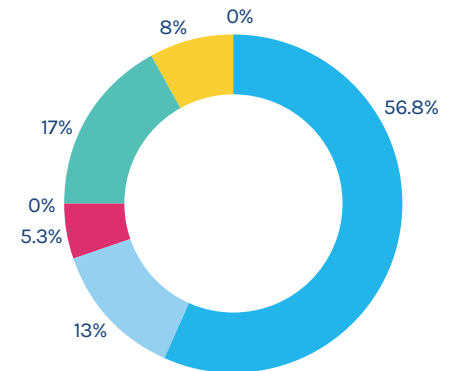


PowerSchool's GHG emissions (tCO2e)

	2019	2020
Scope 1	343 (7.5%)	89.1 (13%)
Scope 2	2,236 (48.7%)	370 (54.1%)
Scope 3	1,692 (36.9%)	206 (30.2%)
Other	317 (6.9%)	18.2 (2.7%)

Emissions breakdown by source (tCO2e & %) 2020

NAME	VALUE	PERCENTAGE
Air Business	0	0
Electricity (Grid)	388	56.8
Fuel	89.1	13
Hotels	35.9	5.3
Rail Business	0	0
Road Business	116	17
Waste	54.5	8
Total	683	100



Next steps in our environmental sustainability journey

COVID-19 impacted our emissions data for 2020, including our electricity usage and road business, but both remain our two largest sources for emissions. We will work with Vista as part of their GHG Reduction Targets initiative and internally to identify opportunities for us to continue to reduce our emissions and carbon footprint as a company. In addition to our emissions reduction goal, PowerSchool intends to further quantify the positive environmental impact our software has for our customers. PowerSchool Enrollment software helps to streamline online student enrollment and data collection, often reducing a district or school's paper usage. In 2022 and beyond, we will continue to identify and build out opportunities for our products and services to support positive environmental impact.

As we look ahead, we will maintain our commitment to conserving resources in our offices and centers of excellence throughout North America and India, including scaling up our current recycling, water, and waste reduction initiatives. We also recognize PowerSchoolers' passion for environmental sustainability, so in early 2022, we launched the PowerSchool Sustainability IMPACT program to engage employees in our corporate sustainability journey. Through this program, we will build out our environmental policy, educate and engage employees in our carbon, waste, and water reduction efforts, and other sustainability impact work.



Appendix A: About this report

This report covers our progress and performance in 2021 and some notable activities during the first quarter of 2022. In selecting content for inclusion in this report, we were inspired by frameworks and initiatives such as the Global Reporting Initiative Standards, the Sustainability Accounting Standards Board, and the United Nations Sustainable Development Goals. We also used the results of our 2021 ESG materiality assessment to help us identify the content for the report.

2021 ESG materiality assessment

In Q2 of 2021 PowerSchool conducted an Environmental, Social, and Governance (ESG) Materiality Assessment. These non-financial materiality assessments are considered best practices in creating effective ESG programs as they enable PowerSchool to identify and prioritize ESG issues that are most material to our business and important to our stakeholders. The results of the assessment are being used to refine our ESG strategy and non-financial reporting disclosures.

The assessment process involved using industry benchmarking and frameworks (outlined below) to create a list of the potential material ESG issues to our stakeholders which include our investors, customers, employees, and communities. This list of ESG issues was then validated by our stakeholders through over 30 confidential direct discussions, interviews, and surveys. Participants included senior executives and employees from across the business, discussions with our investors and independent ESG consultants and experts.

The results of the assessment found that the ESG issues most material to our business and stakeholders include:

- Human capital management
- Employee health, safety & wellness
- Social impact of products & services
- Data privacy & data security
- Partnerships & communities
- Diversity & Inclusion
- Business ethics

These results will be used to support strategic planning and development in the respective areas of the business, inform our ESG reporting strategy and build out our broader ESG and social impact strategy. The results are based on what is most material to our business currently or in the next year. It is important to note that materiality is fluid as both the business and the industry our business operates in evolves. PowerSchool continues to monitor ESG issues and engages with our stakeholders throughout the year to adjust for changes in materiality.

Our materiality discussions and surveys were based on a list of potential material ESG issues based on industry frameworks and benchmarks. These include:

- [MSCI ESG Industry Materiality Map](#) - IT industry, applications software subsector
- Sustainability Accounting Standards Board's ([SASB](#)) Software and IT Services sector guide
- [GRI Standards](#)

Our ESG discussions with investors including Vista Equity Partners, Onex, and select investors from our IPO also served to further validate our material ESG issues list.

Appendix B: SASB and GRI

SASB & GRI

GOVERNANCE	FY'21*	SASB	GRI
Primary Brand, Products, Services	Prospectus		GRI 102-2
Location of HQ	Folsom, CA		GRI 102-3
Countries of Operations	U.S., Canada, India		GRI 102-4
Ownership and Legal Form	Prospectus		GRI 102-5
Markets Served	Over 90 countries		GRI 102-6
Total Revenue (in thousands)	\$558,598		GRI 102-7
Corporate Governance	Corporate Governance Guidelines		GRI 102-18
Board Nominating Practices	Compensation and Nominating Committee Charter		GRI 102-29
Board Compensation Practices	Compensation and Nominating Committee Charter		GRI 102-35, 102-36
Code of Conduct	Code of Ethics		GRI 102-16
Data Security & Privacy	Data Privacy Data Security	TC-SI-220a.1 TC-SI-230a.2	GRI 418-1
Business Continuity Risks	Prospectus	TC-SI-550a.2	

SASB & GRI

SOCIAL	FY'21*	SASB	GRI
Corporate contributions (\$USD)	\$858,170.72		
Employee engagement as a percentage ²	78%	TC-SI-330a.2	
Benefits Program	Get to Know PowerSchool		GRI 401-2
Workforce Diversity			
Global Employees	3,090		GRI 102-7
Employees in U.S.	58.19%	TC-SI-330a.1	GRI 102-8
Employees outside U.S.	41.81%	TC-SI-330a.1	GRI 102-8
Total Employees		TC-SI-330a.3	GRI 102-8
Women ³	41.33%		
Men	58.67%		
Management (US only)			
Women	43.79%	TC-SI-330a.3	GRI 102-8
Men	56.21%		
American Indian/Alaskan Native	0.23%		
Asian	11.51%		
Black or African American	1.58%		
Hispanic or Latino	4.51%		
Native Hawaiian or Other Pacific Islander	0%		
Not Specified	8.80%		
Two or More Races	1.81%		
White	71.56%		

2 | Average of our Quarterly Pulse Survey (Q1, Q3, Q4) and our Annual Engagement Survey (Q2).

3 | Gender is self-selected

SASB & GRI ...continued

SOCIAL	FY'21*	SASB	GRI
Technical staff (US only)			
Women	31.73%	TC-SI-330a.3	GRI 102-8
Men	68.27%		
American Indian/Alaskan Native	0%		
Asian	13.85%		
Black or African American	4.81%		
Hispanic or Latino	4.04%		
Native Hawaiian or Other Pacific Islander	0%		
Not Specified	7.69%		
Two or More Races	2.88%		
White	66.73%		
All other employees (US only)			
Women	54.37%	TC-SI-330a.3	GRI 102-8
Men	45.63%		
American Indian/Alaskan Native	0.48%		
Asian	3.71%		
Black or African American	7.07%		
Hispanic or Latino	8.38%		
Native Hawaiian or Other Pacific Islander	0.24%		
Not Specified	8.98%		
Two or More Races	2.04%		
White	69.10%		

SASB & GRI ...continued

ENVIRONMENT	FY19	FY20	SASB	GRI
Greenhouse Gas (GHG) Emissions by Scope (tons CO2e)	Scope 1: 343	Scope 1: 89.1		GRI 305-1
	Scope 2: 2,236	Scope 2: 370		GRI 305-2
	Scope 3: 1,692	Scope 3: 206		GRI 305-3
	Other: 317	Other: 18.2		

Appendix C: United Nations Sustainable Development Goals (SDGs)

ESG and impact is innate to our business, and we have a proud history of engagement with our communities globally. We share the priorities for development that the 17 United Nations [Sustainable Development Goals \(SDGs\)](#) establish and support the strategy of partnership that the SDGs call for, because collaboration has long been PowerSchool’s approach to creating social impact. The table below highlights how our work as a company aligns to specific SDGs.

SECTION	SDGS
SECTION 6 Our Response To Covid-19	
SECTION 7 Creating Education Social Impact Through Innovation	   
SECTION 8 Empowering Our Employees	    
SECTION 9 Operating With Trust, Transparency & Integrity	
SECTION 10 Supporting Environmental Sustainability	 



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