

# Sumo Logic Environmental, Social, and Governance Overview

September 2021



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# Letter from the CEO



Since our inception over a decade ago, our company has focused on transforming the world through real-time, machine data analytics for everyone. Now, more than ever before, digital transformation is critical to enable connectivity of people and ideas around the world. With thousands of customers and users across the globe, we understand that our impact carries weight and we believe we have a responsibility to not only deliver excellent products and services to our customers, but also to do so with integrity and respect for our communities and the planet. We are pleased to deliver our first Environmental, Social, and Governance (ESG) report to our valued stakeholders. This inaugural report is an important first step for Sumo Logic and marks a transparency milestone – a foundation on which to build and grow our sustainability efforts over time.

As I reflect on our first full year as a public company, I could not be more proud of the people at Sumo Logic who deliver on our core values every day. We collectively made great strides to integrate ESG deeper in our policies and practices.

In Environment, we conducted a full assessment of our carbon, water, and waste footprint at our headquarters in Redwood City, California, and made environmental criteria part of our considerations in the acquisition and leasing of new offices. In Social, we deployed a company-wide diversity and inclusion training program and rolled out our first employee resource groups. We also donated time and resources to local organizations supporting covid relief, women’s education, environmental management, food justice, and more. In the Governance pillar, we formalized ESG oversight with our Corporate Governance and Nominating Committee and developed new policies including a supplier code of conduct and human rights statement.

ESG touches so many aspects of our business, from security to customer experience to the well-being of our employees. We have great efforts and initiatives underway, and we have a lot of important work ahead of us. Our company is growing quickly, and we expect progress on our ESG efforts to keep pace.

We invite you to accompany us on this journey and look forward to sharing our progress with you.

A handwritten signature in black ink, appearing to be 'Ramin Sayar'. The signature is stylized and fluid, written in a cursive-like style.

**Ramin Sayar**  
President and CEO, Sumo Logic

# Who we are

**Sumo Logic is a pioneer in continuous intelligence, a new category of software enabling organizations of all sizes to address the greatest data challenges and opportunities presented by digital transformation and cloud computing. Our vision is to democratize machine data, and we believe we can achieve this by focusing on our core values of bringing light to dark, putting our customer first, fostering a learning culture, working with heart, and focusing on one single agenda.**

We deliver continuous intelligence — real-time insights delivered as a service across multiple-use cases — from a cloud-native platform. With continuous intelligence, Sumo Logic empowers the people who power modern business — allowing them to make smarter decisions, faster.

## Our commitment to sustainability

We recognize that our commitment to managing environmental, social, and governance (ESG) risks and opportunities is essential to long-term value creation for our stockholders, employees, customers, communities, and other stakeholders. Our approach to ESG is anchored in our mission to democratize machine data and empower organizations with the critical data and insights required to address technology and collaboration challenges with prescriptive action in real time — a modern business imperative. Both our management team and our board of directors believe that our environmental stewardship, social responsibility, and corporate governance practices are foundational to our operational success, growth strategy, and financial priorities. Our strategic priorities for ESG align with the Sustainability Accounting Standards Board (SASB) for the software and IT services industry. We strive for continuous improvement in ESG as we grow and expand our global reach.



**Bring light to dark**



**We're in it with our customers**



**Learning culture**



**Work with heart**



**One single agenda**

# Sustainable development goals

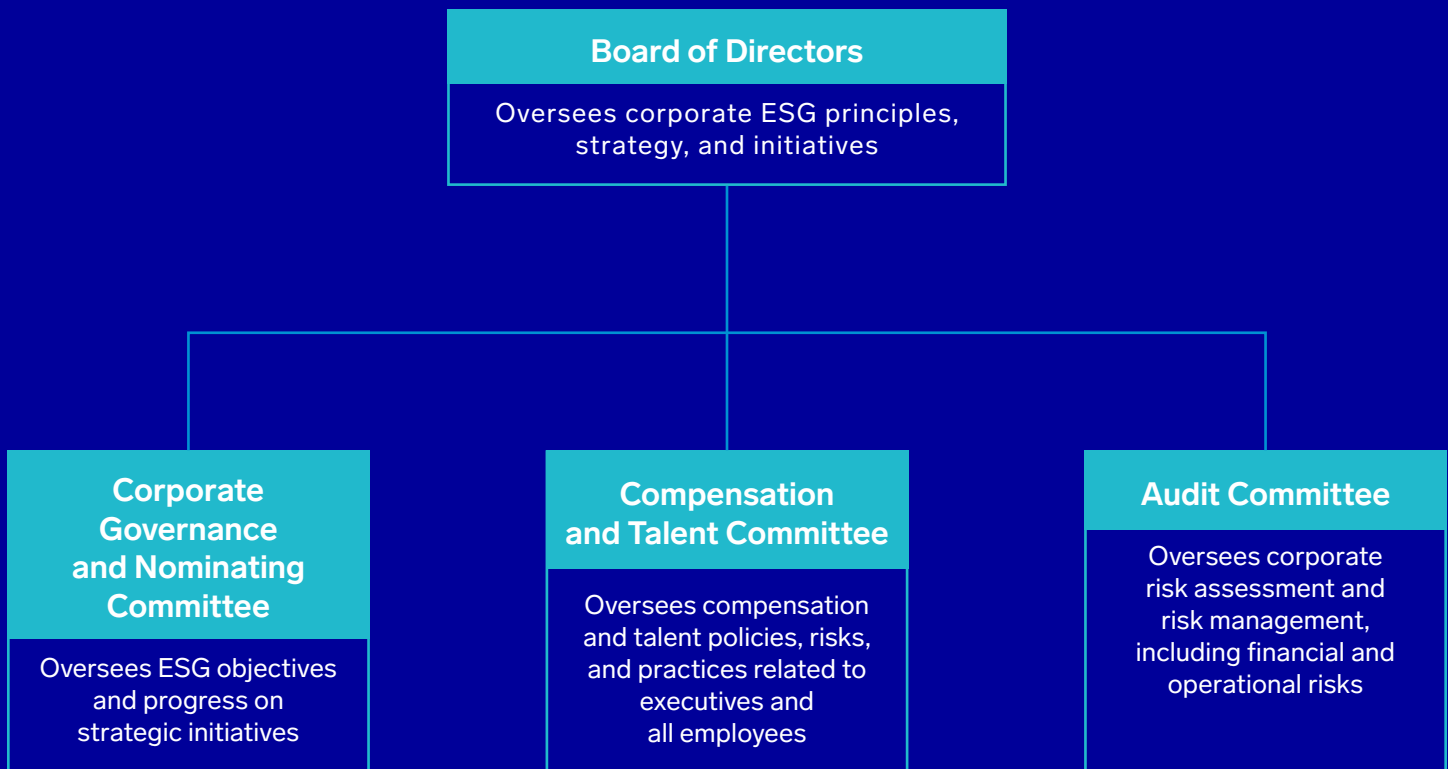
We are committed to advancing our ESG strategies and goals where we have the greatest impact. We support the United Nations Sustainable Development Goals (SDGs) and have aligned our commitments and activities to the following five SDGs, contributing to global efforts to tackle some of the greatest social and environmental challenges and opportunities.

U.N. SDG	Description of goal	Examples of Sumo Logic contributions
 <b>2</b> Zero hunger	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	Our employees are involved in local and community efforts to tackle food insecurity. Organizations we partner with and volunteer at include Meals on Wheels, Second Harvest, and other food banks.
 <b>5</b> Gender equality	Achieve gender equality and empower women and girls.	As a technology company, we are aware of the disparities between women and men in science, technology, and engineering. We work with Girls Who Code, a nonprofit that enables more women to pursue computer science.
 <b>8</b> Decent work and economic growth	Promote sustained and inclusive economic growth, productive employment, and decent work for all.	At Sumo Logic, we recruit for and promote a culture of respect and collaboration. In addition, our platform enables our customers to grow their own businesses with ease, reducing their time spent on security and operational issues.
 <b>9</b> Industry, innovation, and infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	Innovation is at the forefront of our business. We continuously build our platform to better service and help industries such as education, finance, retail, gaming, and manufacturing.
 <b>13</b> Climate action	Take action to combat climate change and its impacts by reducing emissions and promoting developments in renewable energy.	As a company based entirely on cloud infrastructure, we save costs and emissions by not relying on large data centers. Two of our offices have an environmental certification such as LEED or WELL.

# Governance

Our board is responsible for promoting our strong culture of corporate citizenship and adherence to business standards guided by our [Code of Business Conduct and Ethics](#). Our Corporate Governance and Nominating Committee has oversight of our ESG practices, as outlined in its [committee charter](#). Other board committees also play a role in ESG, with responsibilities across areas such as cybersecurity, human capital management, and corporate risk assessment and risk management. In addition, members of our management team and subject-matter experts across our company are responsible for the implementation of our ESG strategy, initiatives, and communications.

## Our ESG governance structure

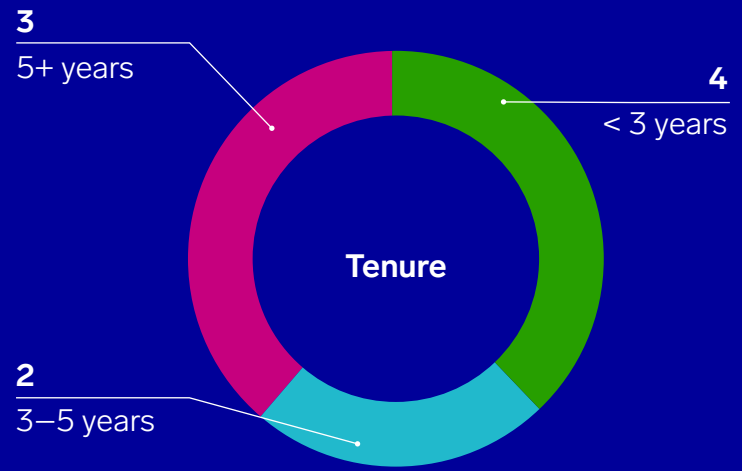
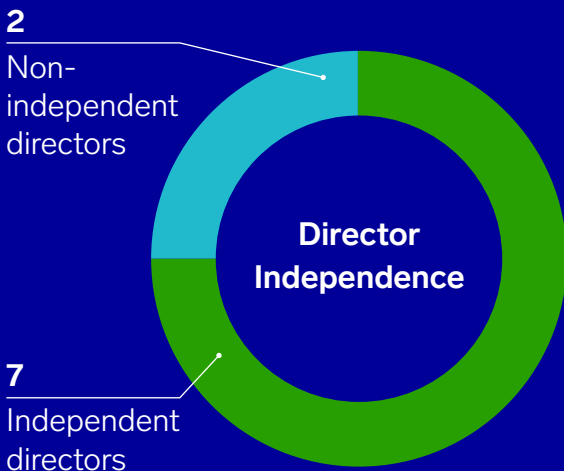
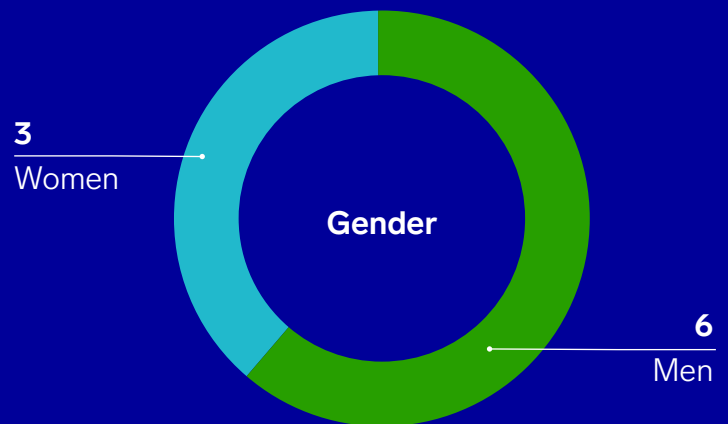
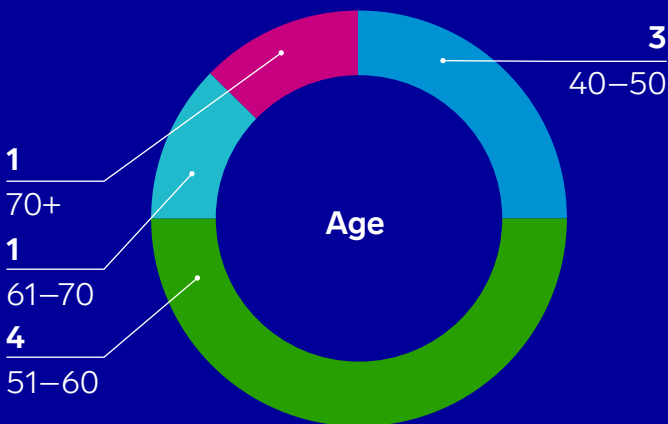


# Governance

## Board independence and diversity

We believe the composition of our board — including the diversity of experiences, knowledge, and viewpoints of our directors — is critical to our success. To learn more about board diversity and our leadership’s oversight of ESG, please see our 2021 Proxy Statement.

### Board composition and director experience



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# Governance

## Business ethics

Honest and ethical conduct is critical to our business. Our success depends on the trust we foster with our employees, with our customers and partners, and with our community by acting with integrity and in accordance with applicable laws. We expect every employee, officer, director, and consultant to not only read and understand our [Code of Business Conduct and Ethics](#), but also apply good judgment and the highest personal ethical standards in making business decisions. In 2021, 100% of employees completed our compliance training.

We encourage employees to raise concerns and be alert to possible violations and report them without fear of retaliation. The [Sumo Logic Compliance Hotline](#), hosted by an independent third-party provider, allows employees and other stakeholders to report any questions, concerns, or suspected violations.

## Intellectual property and competitive behavior

The markets in which we operate are competitive and characterized by rapid changes in technology, customer requirements, and industry standards, and frequent introductions of improvements to existing service offerings. Our competitors and potential competitors include providers of tools such as analytics; enterprise and open-source search, security information and event management (SIEM); security orchestration, automation and response (SOAR); observability, monitoring; and other software offerings. Our success depends in part upon our ability to safeguard our core technology and other intellectual property protection for our technology, inventions, improvements, proprietary rights, and other assets. We seek to accomplish that objective by establishing intellectual property rights in and protecting those assets. More information can be found in our annual report on [Form 10-K](#).

## Risk management and business continuity

Our platform is built on a multi-tenant cloud architecture, hosted on Amazon Web Services (AWS) using intelligent resource management, auto scaling, and partitioning logic to manage our compute and storage footprint so that we can deliver resiliency and optimal performance while maintaining efficiency. Our platform runs across multiple regions and within each region across multiple AWS data centers. Our microservices are distributed to avoid single points of failure and to ensure fault tolerance even in the case of full physical data center outage. We have enhanced our disaster readiness by establishing a site reliability team that continuously tests the health of our IT environment, monitors security protocols, and addresses any system outages for immediate and complete restoration. Our contingency plans are certified through third-party audits and tested annually.

## Vendor management

Our vendors are primarily in the IT industry and based in low-risk countries where ESG risk is less prevalent. We ask that vendors comply with our [Supplier Code of Conduct](#) or demonstrate equivalent policies and practices.

We take a risk-based approach to assessing vendors. Our procurement team relies on a risk engagement matrix to assess potential vendor relationships in accordance with how critical they are to our operations. We have a security team in place to analyze at-risk software as a service (SaaS) vendors that have a direct impact on the integrity and reliability of our technical infrastructure. The review incorporates the confidentiality, integrity, and availability system attributes of our SaaS vendors and enforces the standards that are critical to our operations. We review our risk assessments of our critical vendors annually. Our vendors are our partners and we work with them to deliver the best possible platform and service to our customers.

We are committed to periodically reviewing and assessing risk in our value chain including the risk of slavery, human trafficking, child labor or other human rights issues. Please see our [Modern Slavery Act disclosure statement](#) for more information.



# Social

**At Sumo Logic, we recognize and take seriously our responsibility to help protect, preserve, and promote human rights around the world. For us, this means creating technology to address our customers' greatest challenges, ensuring privacy and security for our partners and users, and finding opportunities to amplify our social impact in the communities where we live and work.**

## Data security and privacy

Sumo Logic acknowledges the pervasive human rights risks in our industry around privacy and data security. Our strong policies and management systems in each of these areas are structured to make us resilient in a volatile world of accelerated innovation, global data proliferation, and fast-changing regulatory frameworks. We build privacy and data protection into the design and development of our products, services, and operations. We also have strong relationships with our business partners to ensure our expectations and compliance requirements are followed.

Data security and privacy are at the forefront of our decisions at Sumo Logic. We utilize numerous controls to ensure platform security, including identity and access management, multi-factor authentication, robust logging, real-time security monitoring, encrypted operating system volumes, and more. We have a dedicated security operations center (SOC) with a full incident response program escalating to our chief executive officer and our chief security officer as well as to our Audit Committee, if warranted.

Our distinct public cloud offering is built out to and operated in accordance with NIST 800-53 FedRAMP-Moderate framework. Specifically, our platform is PCI-DSS 3.2.1 Service Provider Level 1 certified, SOC 2 Type 2 attested, HIPAA Security Rule compliance attested, ISO 27001 certified, and CSA STAR certified. Our federal offering is FedRAMP Moderate Authorized. Independent third-party assessors audit and certify our compliance annually with these standards.

We have a robust security and data privacy training program required for all employees and contractors upon hire and ongoing annually and strive for 100% of employees completing this training. Please see our [Privacy Statement](#) for more information on our commitment to safeguards around the information used with our cloud analytics solutions.

## Philanthropy and volunteering

Sumo Logic is committed to supporting our local communities in which we live and work. We believe that we can make a difference in the lives of those in need and those who are underserved or underrepresented through our corporate philanthropy and employee volunteer programs. Some of the organizations we have worked with through July 2021 include:

**AID India**  
**Food Bank of the Rockies**  
**Girls Who Code**  
**Meals on Wheels**  
**New York Cares**  
**Ocean Cleanup**  
**Operation Underground Railroad**  
**Pencil**  
**Second Harvest**  
**UNICEF**



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# Human capital

**While we are incredibly proud of our technology, we're most proud of our community of passionate, talented individuals committed to creating significant customer impact and value. Our board of directors plays a key role in the oversight of our culture, setting the tone at the top, and sees human capital management — including diversity, equity, inclusion, and belonging (DEIB) initiatives — as critical elements to our long-term success. Our objective is to create the organizational conditions and culture for talented individuals to thrive.**

## Employee health, safety, and well-being

We are committed to providing a safe and healthy working environment for all employees. We recognize the importance of all aspects of health, including the physical, mental, and financial wellness of our employees. We bolstered and modified our benefits to accommodate the unprecedented circumstances of 2020 and continue to improve our benefits, training, and services to adapt to a dynamic environment.

## Pandemic response

We strive to do the right thing in the best and worst of times. From the onset of the COVID-19 outbreak, we prioritized the health and safety of our employees and customers. We swiftly enacted measures to ensure business continuity and communicated with our employees to make sure people were informed and safe. We developed an internal portal for employees to easily access resources, ask questions, and track company updates in real time. We also linked to all of our health services for employees to take advantage of both COVID — and non-COVID related — health issues and inquiries.

For everyone's protection, we took the following measures and continue to take precautions as new information comes forward:

1. Issued a work-from-home order to prevent exposure in our offices
2. Equipped employees with the tools necessary to perform normal work functions from home
3. Eliminated all nonessential business travel
4. Developed physical distancing and additional hygiene requirements in our offices
5. Provided a stipend for employees to accommodate working from home
6. Developed a COVID-19 portal with guidance and resources
7. Offered flexibility and additional time off for employees

# Human capital



**We are extremely proud of the way our workforce has come together to support each other with empathy and dedication. We must all do our part to keep our communities safe while continuing to deliver excellent service to our customers.**

## Benefits

We offer competitive pay and benefits, including paid family leave, flexible work schedules, and a comprehensive health and wellness program. In addition to medical, dental, and vision plans that also extend to dependents and family, we provide flexible spending accounts (FSAs), tax-free commuter and parking expenses, 401(k) plans, and access to multiple other platforms.

### Mental health

- Aaptiv
- Ginger
- Guardian Employee Assistance Program (EAP)
- Headspace
- Kaiser Mental Health

### Physical health

- Kaiser Healthy Lifestyles
- Physera
- PerkSpot SmartSpend

### Online medical support

- Kaiser Video Visits
- Kaiser Thrive Maternity
- One Medical
- United Health Care (UHC) Virtual Visits

For more information, please see the [Careers section](#) on our website.

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# Human capital



**We aim to advance our technological innovation, business success, and stock holder value by motivating individuals to perform to the best of their abilities and achieve our corporate objectives. Through incentive programs, we gain valuable insights to continuously support our team members, and, in turn, employees can feel more engaged and productive. In response to employees providing feedback on how to improve the productivity of their teams, we offer cash rewards and business-related equipment for their home offices.**

## **Training and development**

Continuous learning and professional development are taken very seriously and encouraged wherever possible at Sumo Logic. All employees are assigned required training courses covering code of conduct, anti-corruption, data security, harassment and discrimination, diversity and inclusion, and other relevant topics. We track completion of these courses and update them to stay current. We are also adding more trainings and courses to our training platform as we identify specific needs by our team members. For department-specific or job-specific professional development, we encourage our employees to discuss opportunities with their managers that Sumo Logic can sponsor and support.

We value feedback from our employees and work through various communication channels to make our people feel heard and supported. Feedback from our annual surveys provides our management team with valuable information about our workplace culture and corporate mission, and the results are used to develop and refine other aspects of our overall human capital management and other growth strategies.



# Human capital



**We strive to cultivate a high-performing and diverse workforce and to foster a culture of collaboration and learning where all employees feel valued and enhance each other's performance. We aim to continue to make positive strides on diversity, equity, inclusion, and belonging (DEIB) and have engaged consulting services to integrate a robust DEIB strategy.**

## **Diversity, equity, inclusion and belonging**

In 2021, we rolled out a company-wide inclusion, bias, and allyship training, offering over 24 sessions globally. After completing the training, 80% of respondents said they better understand the experiences of other employees and feel motivated to build an inclusive culture at Sumo Logic. We also offered a training titled *Courageous Conversations* in observance of Juneteenth, focusing on techniques to discuss race, equity, and inclusion in the workplace. Additionally, 100% of employees complete training on harassment and discrimination annually.

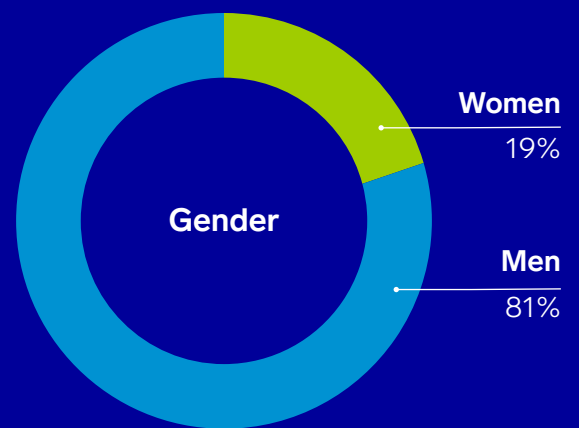
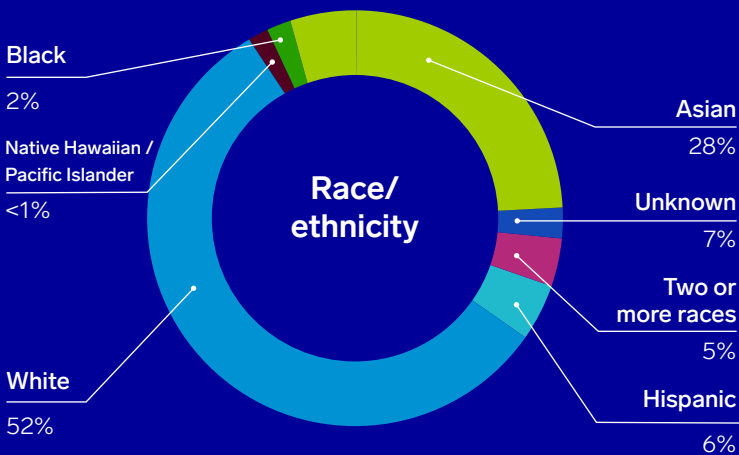
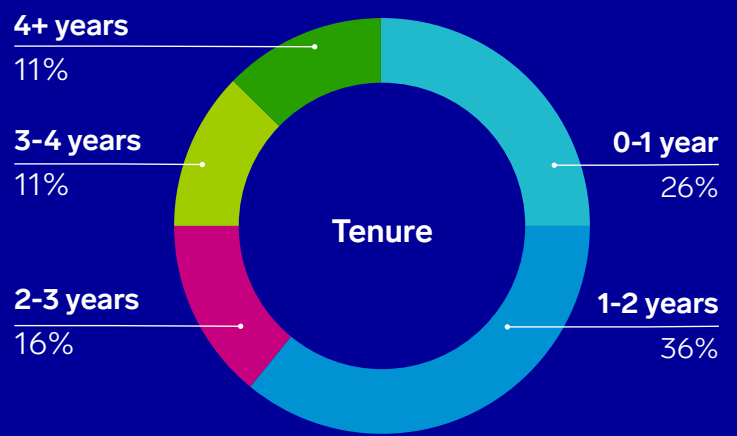
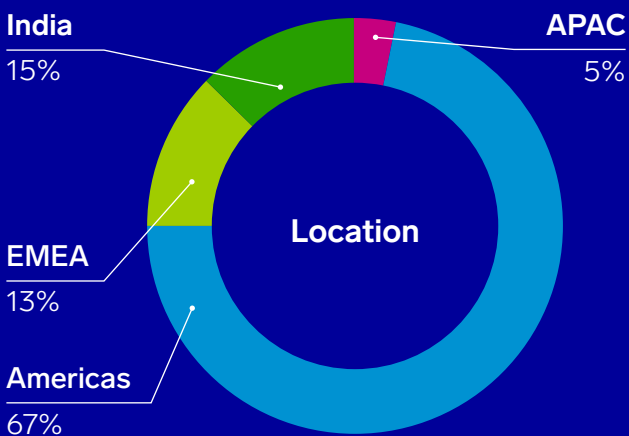
In observance of Pride Month, we offered a learning session on the impact of employee resource groups (ERGs) on inclusivity and belonging. We discussed how ERGs have helped advance the workplace culture for LGBTQ+ communities at companies globally and are excited to launch our own LGBTQ+ ERG, along with several others. By the end of the year, we plan on fully launching three ERGs, each with an employee lead and executive sponsor:

- **Sustainability**
- **PRIDE**
- **Black Employee Network**

# Human capital

We actively seek opportunities for regular engagement and communication by our chief executive officer (CEO) and other senior executive leaders to our broader employee population. For example, we host periodic town halls that provide an opportunity for our CEO and other senior leaders to be accessible to our global employees while discussing topics such as recent financial results, innovative growth initiatives, and customer success stories.

We are also increasing transparency around the demographics of our employee workforce, recognizing we still have a way to go.



\* Race/ethnicity data represents all U.S. employees as of December 31, 2020. Location, tenure and gender data represents all world wide employees as of July 31, 2021.

# Environment

We are committed to environmental leadership throughout our global business operations. We continuously evaluate ways to advance environmentally friendly practices in our organization, from managing our facilities to enhancing our processing and computing to optimize resource efficiency.

## Impact of our products and services

We believe that global demand for the functionality of our platform will increase as international businesses undergo digital transformations and adopt cloud-based technologies. We have established a worldwide presence through a combination of global office locations, a semi-remote workforce, and outsourced cloud computing, all incorporated within our approach to environmental management. We do not own or operate any data centers on-premises. Our service solutions are instead hosted on AWS cloud-based platforms, allowing us to leverage economies of scale regarding carbon emissions and electricity usage.

## Impact of our operations

As of January 31, 2021, we operate lease arrangements for 12 buildings worldwide with varied space configurations. Below are details of three of our highly sustainable locations:

### Denver (LEED-EB O+M Platinum Certified):

- EV charging stations
- Green roof features
- Energy efficient cooling and lighting control



### Redwood City

- Recycling, composting, and paper shredding resulting in a 76% waste diversion rate
- LED upgrades throughout the facility
- ENERGY STAR appliances and equipment
- Timers on parking lot lights
- New BMS for mechanical equipment controls
- MERV 13 filtration and bipolar ionization system

### Warsaw (LEED C&S 2009 Platinum Certified):

- WELL Gold Certified building
- EV charging stations
- Low flow faucets and dual flush toilets
- Energy efficient elevator and chiller plant
- Achieved a 75% waste diversion rate during construction

# Environment

We are currently working with our landlords to identify and prioritize improvement opportunities as part of advancing our environmental management strategy. This includes expanding the number of LEED and WELL certifications in our office portfolio to ensure the well-being of our employees and reduce the environmental impact of our operations.

#### Other environmental initiatives:

- Commuter benefits
- Reusable office and pantry supplies
- Maximized waste diversion rates
- Ergonomics Assessment Program
- Improved occupant health and well-being
- Prioritization of LEED and WELL Certified buildings with any expansion or new leasing opportunities

#### Assessment of Sumo Logic headquarters

The majority of our footprint lies in our headquarters in Redwood City, which houses approximately 30% of our workforce. In 2021, we measured our energy, water and waste footprint for this office as another advancement in our ESG journey.

Sumo Logic's headquarters*	2019	2020
Electricity Consumption (MWh)	986	859
Natural Gas Consumption (CCF)	34,545	32,221
Scope 1 Emissions Stationary Combustion - Natural Gas Only (mtCO2)	177	171
Location Based Scope 2 Emissions (mtCO2)	203	177
Market-Based Scope 2 Emissions (mtCO2)	92	80
<b>Total Scope 1 &amp; Location-Based Scope 2 Emissions (mtCO2)</b>	<b>379</b>	<b>347</b>
<b>Total Scope 1 &amp; Market-Based Scope 2 Emissions (mtCO2)</b>	<b>269</b>	<b>251</b>
Water Consumption (gallons)	1,221,760	992,596
Landfill (yards)	288	288
Recycling (yards)	806	806
Composting (yards)	96	96
<b>Total Waste, Composting and Recycling (yards)</b>	<b>1,190</b>	<b>1,190</b>
<b>Total Diversion (yards)</b>	<b>902</b>	<b>902</b>
<b>Waste Diversion Rate (%)</b>	<b>76%</b>	<b>76%</b>

\*From 2019 to 2020, Sumo Logic occupied two floors of the building. From 2020 to 2021, Sumo Logic occupied three floors of the building. Total floor plate in 2021 is 55,271 square feet.



# Frameworks and standards

## Sustainability Accounting Standards Board (SASB)

To inform our disclosure, we have leveraged SASB frameworks as references in developing and prioritizing ESG topics. We will continue to assess opportunities to improve our ESG reporting approach.

Topic	Metrics	SASB code	Sumo Logic disclosure
<b>Environmental footprint of hardware infrastructure</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-SI-130a.3	With 907 employees worldwide, Sumo Logic's operational footprint is small. In 2020, employees worked from home; therefore, total energy consumed for Scope 1 and 2 emissions was at an all-time low. Further information on our environmental footprint is on page 16 of this report.
<b>Data privacy and freedom of expression</b>	<ul style="list-style-type: none"> <li>Number of users whose information is used for secondary purposes</li> <li>Total amount of monetary losses as a result of legal proceedings associated with user privacy</li> <li>(1) Number of law-enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure</li> <li>List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring</li> </ul>	TC-SI-220a.1 TC-SI-220a.3	<p>See page 9 of this report and our <a href="#">Privacy Statement</a> disclosed on our website.</p> <p>No material monetary losses as a result of legal proceedings were associated with user privacy in 2020.</p>
<b>Data security</b>	1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	TC-SI-230a.2	See the data security and privacy section on page 9 of this report or visit <a href="#">Platform Security</a> website.
<b>Recruiting and managing a global, diverse and skilled workforce</b>	<ul style="list-style-type: none"> <li>Number of employees by: (1) full time and part time, (2) temporary, and (3) contract</li> <li>Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees</li> <li>Employee engagement as a percentage</li> <li>Percentage of employees who are (1) foreign nationals and (2) located offshore</li> </ul>	TC-SI-330a.1	As of July 31, 2021, we had 907 employees operating across 13 countries. Approximately 37% of our full-time employees as of that date were located outside the United States. For more information on our diversity metrics, see page 14 of this report.
<b>Intellectual property protection and competitive behavior</b>	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulation	TC-SI-520a.1	No material monetary losses as a result of legal proceedings were associated with anti-competitive behavior regulations in 2020.
<b>Managing systemic risks from technology disruptions</b>	Number of (1) performance issues, (2) service disruptions, (3) total customer downtime	TC-SI-550a.2	For more information on risk management on page 8 of this report. See Risks Related to Technical Infrastructure on page 25 in Annual Report: <a href="#">Form 10-K</a> for risks related to disruptions of operations.

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with  
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