2020

# Sustainability and Social Responsibility Report

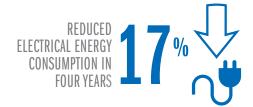


# ABOUT THIS REPORT

This is SAIC's inaugural sustainability and social responsibility report. Unless otherwise noted, this report includes data and activities for fiscal year 2020, ending January 31, 2020. This is SAIC's first year and initial submission referencing the Global Reporting Initiative (GRI) framework, the world's most widely used reporting framework. SAIC's submission and this report have been prepared with reference to the GRI standards. The GRI KPI Content Index is available on SAIC's website. saic.com. If you have questions or for more information, please contact us at investorrelations@saic.com.

## SUSTAINABILITY & SOCIAL RESPONSIBILITY HIGHLIGHTS

**Environmental Stewardship** 



REDUCED TOTAL GREENHOUSE 36 % CO2

**Corporate Social Responsibility** 

25,500 m

CORPORATE EQUALITY INDEX 100%

25% VETERANS

HOURS OF LEADERSHIP TRAINING AND DEVELOPMENT 144,000+

**Governance Leadership** 

SAIC LEGACY 50 YRS

WOMEN ON PUBLIC COMPANY BOARDS, GREATER D.C.

ROBUST ETHICS AND COMPLIANCE PROGRAM

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## MESSAGE FROM OUR CEO



Corporate social responsibility is a hallmark of SAIC's culture and legacy.

Serving our stakeholders and our nation starts with our 25,500 employees, whose dedication, ethics, and integrity are testament to SAIC's 50-year legacy.

As a FORTUNE 500® company and one of the largest digital transformation providers to the U.S. government, our values and our reputation matter not only to us but also to our customers, partners, suppliers, and investors. We take environmental, social, and governance responsibilities seriously. And together with our employees, SAIC is committed to making a real difference inside and outside the workplace.

#### **Environmental**

While SAIC as an entity has limited exposure to environmental risks due to the nature of our business. we do our part as a company by setting our own selfimposed goals related to the reduction of greenhouse gas emissions, energy conservation, recycling, and other initiatives. With the goal of continuing to be good stewards of the environment, we set an emissions reduction goal of 15% below 2014 base year emissions, by 2025. By 2019 – just four years after we set our goal - SAIC already reduced total greenhouse gas emissions by more than 36%.

#### Social

At SAIC, our very purpose is to help make the world a better place - serving and protecting are at the core of what we do. Fundamentally, we believe in the power of people to come together to solve our nation's toughest challenges. I am proud that we are a company that values inclusion and diversity. I see this in the respect that we have for one another, in the positive impacts

in our workplace, and in the countless hours SAIC team members contribute to making our communities better places in which to live and work.

As CEO, I remain committed to fostering a robust citizenship and community engagement program. By working with our communities and supporting causes that resonate with our employees, we become more globally responsible and locally stronger. Our efforts have not gone unnoticed. I am proud that SAIC was recognized as of one of America's Best Large Employers by Forbes and as one of the Largest Corporate Philanthropists by The Washington Business Journal, placing #6 by volunteer hours.

#### Governance

Today, and every day, ethics, compliance, and leadership remain essential parts of all that we do. The SAIC Board of Directors Risk Oversight Committee is specifically chartered to monitor policies and practices relating to ethics, compliance, and corporate responsibility. The SAIC Enterprise Risk Management Committee, a group with representatives from a variety of functions providing support and resources to employees, directly reports to the Board.

Corporate social responsibility is a continuous journey, and we are committed to achieving our goals. At SAIC, we are driven by our mission to make a difference and deliver value to all who depend on us.

> Nazzic S. Keene CHIEF EXECUTIVE OFFICER

## EXECUTIVE SUMMARY



Sustainability and Corporate Social Responsibility is an integral part of what we do at SAIC and embedded in our <u>culture</u>, <u>vision</u>, <u>and mission</u>. Dedication to <u>ethics and integrity</u> is at the core of every level of our business, from board oversight and executive leadership to individual team members and business partners.

INDUSTRY LEADERSHIP: SAIC is a leading member of the Defense Industry Initiative on Business Ethics and Conduct (DII) and the Ethics & Compliance Initiative (ECI) organizations. Both SAIC's Chief Executive Officer and Chief Ethics Officer serve on senior leadership committees within these two organizations, a testament to leading by example.

HIGH ETHICAL STANDARDS: SAIC embraces industry best practices around our talent recruitment and retention activities, as well as the career development opportunities we present to employees. As a result, our employees' interests, diversity, ingenuity, vibrancy, and tradition of service to SAIC's customers and communities have been publicly recognized through multiple government and industry awards. Ethics and integrity are foundational to the success of our organization, and they serve as the basis for our <a href="Employee Code of Conduct">Employee Code of Conduct</a>. SAIC employees are held accountable for their conduct with customers, business partners, and each other. We expect the same high ethical standards to be upheld in our business partners' and suppliers' <a href="Codes of Conduct">Codes of Conduct</a>.

**ENVIRONMENTAL STEWARDSHIP:** Given the service nature of our business, SAIC's environmental footprint is modest. We track and report key performance metrics, such as greenhouse gas (GhG) emissions, energy conservation, and recycling.

We have the opportunity to have a positive environmental impact through the supply chain and logistics services we deliver to our customers. On Earth Day 2020, SAIC received both the 2020 Secretary of the Navy Environmental Quality Award and the Secretary of Defense 2020 Environmental Award, for its support of client Environmental Management Information Systems (EMIS) programs. The U.S. Environmental Protection Agency (EPA) Greenhouse Gas Reporting Program is one of many government programs supported by SAIC services for environmental tracking, reporting and performance improvement.

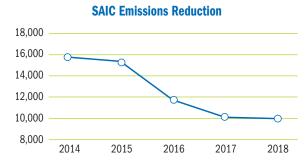
**CHARITABLE GIVING:** In June 2020, SAIC's CEO proudly announced the establishment of the SAIC Charitable Foundation, a philanthropic foundation created to assist employees, customers, and business partners in times of need, whether related to the COVID-19 pandemic, natural disasters, or other crises.

While in the process of preparing this report, SAIC and its stakeholders – like the rest of the world – are managing through the COVID-19 pandemic together. The pandemic is a dramatic reminder of the importance of corporate responsibility for taking care of our employees, customers, and communities.

Some of the unique ways in which SAIC is making a difference and achieving progress along our company's corporate responsibility journey are highlighted in this report.



## ENVIRONMENTAL STEWARDSHIP



Emissions by Metric Tons of Carbon Dioxide Equivalents at Facilities Operationally Controlled by SAIC.

Although SAIC's environmental footprint is modest, we are committed to assessing, reducing, and mitigating our environmental impact. By acting as responsible environmental citizens, we are generating results that are good for our planet now and in the future.

Our practices and environmental targets are helping ensure a more sustainable world for our employees, families, and communities.

SAIC implements ISO 14001 environmental management standards where required, promotes initiatives to reduce our direct environmental impact, and tracks and reports key performance metrics, such as greenhouse gas emissions, energy conservation, and recycling. We focus our efforts to make a difference. For additional details, see our ISO 14001 Standards Fact Sheet.

We focus our environmental efforts in three areas, on which we also report our performance through the Global Reporting Initiative (GRI) KPI Content Index.

#### **Greenhouse Gas Emissions**

SAIC has set an emissions reduction goal of 15% below 2014 base year emissions, by 2025.

We have made significant progress in our emissions reduction performance over the most recent fourvear period. Collective efforts across our company have resulted in a total greenhouse gas emissions reduction of more than 36%, or 9% per year, which we measure in terms of emissions by metric tons of carbon dioxide equivalents (MTCO2e) at facilities operationally controlled by SAIC.

These results, which include Scope I and Scope II emissions, were determined following the method outlined in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

#### **Energy Conservation**

SAIC's efforts are sharply focused on electrical energy consumption, given the nature of our business. As a result of efforts to identify and implement energy conservation and savings opportunities, SAIC had reduced its electrical energy consumption by approximately 17% below 2014 base year levels (28.433.055 kWh reduced to 23.487.451 kWh) as of the end of the calendar year 2018.

#### **Waste Recycling and Reduction**

SAIC encourages recycling and responsible disposal of non-hazardous waste through several initiatives. We are an industry leader in implementing flexible and remote work environments for our employees. Working remotely, we help reduce paper consumption, transportation fuel consumption, and vehicular emissions. A more digital work environment reduces the impact our employees have on the environment while improving the quality of their work.

Although SAIC's ability to operate is not directly impacted by climate change risks (see also the the SAIC GRI KPI Content Index), we play a role in managing our impact to the environment and in helping our customers as they navigate these challenges.



## CORPORATE SOCIAL RESPONSIBILITY



Corporate social responsibility is an integral part of what we do each day at SAIC and is embedded in our culture, vision, and mission.

The three pillars of our social responsibility focus are:

#### **Privacy and Data Security**

Given the nature of our business and its impact on national security, privacy and data security are integral across everything we do. We are committed to securing our own data systems while also ensuring we protect our customers, business partners, and prospective employees.

We take this subject seriously, as does our Chief Information Security Officer, Chief Ethics and Privacy Officer, and internal SAIC Enterprise Risk Management Committee (ERMC) that reports directly to the Board of Directors. Also see the Governance Leadership section on page 13.

SAIC aligns itself with internationally recognized standards such as the ISO 27001 information security management systems standard, nationally recognized security standards such as National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171 safeguarding controlled unclassified information on non-federal information systems and organizations, and other industry best practices.

SAIC regularly reviews and updates its security practices to accommodate evolving requirements, technology, and threats. While no security is 100% foolproof, our Code of Conduct, company Privacy Statement, customer Integrated Cyber Security, supplier Code of Conduct, and GRI KPI Content Index responses, as well as our numerous affiliations with industry privacy and data security best practices organizations, provide glimpses of our rigor to privacy and data security.

#### **Employee Relations**

As a highly specialized services provider, we know that our most important assets are our talented and dedicated employees. SAIC's workforce is the engine of growth for our success. Therefore, commitment to, and specifically relations with, our employees is foundational to who we are as a company. We strive to ensure SAIC employees are engaged, motivated, and fulfilled by their careers.

For SAIC, investment in professional development, diversity and inclusion, and health and wellness is simply the right thing to do.

We believe this strong commitment to our employees is a significant part of why SAIC was recognized as one of America's Best Large Employers by Forbes and one of the World's Most Admired Companies by Fortune.

#### **Professional Development**

We believe professional development is key to attraction, recruitment, and retention of SAIC's most highly valued asset – our employees. To that end, SAIC provides employees with ongoing learning and professional development to keep pace with technology and leadership in today's market. During fiscal year 2020, SAIC employees participated in over 144,000 hours of leadership training and development. It is to our nation's benefit that SAIC team members' expertise stays relevant and their knowledge base is always growing.

#### **Inclusion and Diversity**

SAIC is committed to an inclusive and diverse workplace, because our business thrives when our employees feel accepted and engaged. Our employees' differences, perspectives, and life experiences contribute to our success. Our very purpose is to help

make the world a better place – serving and protecting are at the core of what we do.

We address inclusion and diversity in many ways. One of the most visible channels for our employees to lead and actively champion efforts is through our six MOSAIC Business Resource Groups (BRGs). The Military/Veterans, Equality Alliance, Women, STEM, Connect & Grow, and Multi-Cultural BRGs foster a workplace where all employees feel valued for their unique perspectives, life experiences, values, and skills.

SAIC and our employees are recognized every year for inclusion and diversity. SAIC was named Top Employer for Diversity & Inclusion by Forbes and among the Best Places to Work for LGBTQ Equality by the Human Rights Campaign Foundation's 2020 Corporate Equality Index (CEI). And, SAIC minority employees are regularly recognized in the 30-year-old annual Black Engineer of the Year Awards (BEYA) and by the Society of Asian Scientists and Engineers for their leadership and accomplishments across a myriad of categories. Other awards are highlighted in the Certifications and Awards section of this report.

Human rights are integral to our core company value of respect. SAIC is committed to an equal opportunity workplace that is free of discrimination and harassment based on national origin, race, color, religion, gender, ancestry, age, sexual orientation, gender identity, disability, marital status, veteran status, genetic information, or any other status protected by law. Our <a href="Gender Equality">Gender Equality</a> commitment reinforces our pledge to maintain a transparent compensation program based on objective criteria and free from gender bias.

#### **Employee Health and Wellness**

Our employees' health and wellness are of importance across all levels at SAIC. In addition to a variety of insurance, employee assistance, and retirement savings plans and flexible leave benefits, we offer wellness programs that cater to the physical, financial, mental, and social well-being of our employees. More about this can be found on our <u>Life at SAIC</u> website. For additional information on SAIC Employee Relations, see the SAIC GRI KPI Content Index.

#### **Community Engagement**

The strength of SAIC's corporate stewardship and social responsibility is intertwined with consideration of the broader communities around us.

#### **Corporate Citizenship and Philanthropy**

We are proud of our employees who positively influence our communities through their work with our customers and their time spent volunteering. We understand the importance of partnering with nonprofit organizations and look to them as the experts in what our communities need.

SAIC's Citizenship and Community Engagement program builds upon the talent, creativity, and passion of our employees and their families as we give back to our local communities. We build partnerships with nonprofit organizations that serve the populations and causes that matter to our employees: military and veteran resiliency, lifelong STEM learning, community well-being, and environment and sustainability.

In 2019, SAIC helped to provide <u>more than 2 million</u> <u>meals</u> through our partnership with Feeding America, expanded its philanthropic support for <u>military and</u> <u>veteran families</u>, and awarded scholarships to the

BUSINESS RESOURCE GROUPS

# IN GREATER D.C. FOR WOMEN ON PUBLIC COMPANY BOARDS

# 6 IN GREATER D.C. FOR EMPLOYEE VOLUNTEER HOURS

EMPLOYEES RECOGNIZED AT THE BLACK ENGINEER OF THE YEAR AWARDS

STEM leaders of tomorrow. SAIC's nonprofit partners and volunteer activities in its local communities are numerous.

Thanks to our employees' commitment, *The Washington Business Journal* ranked SAIC #6 by volunteer hours on its list of Largest Corporate Philanthropists.

And with veterans comprising more than 25% of our employee base, support of military and veteran families is a very important focus for us.

#### **SAIC Foundation**

In 2020, in response to the COVID-19 pandemic, SAIC's executive leadership, with the support of our Board of Directors, took SAIC's philanthropic sponsorship to a new level of commitment by establishing the SAIC Charitable Foundation. The purpose of this philanthropic foundation will be to assist employees, customers, and business partners in times of need, whether it is a pandemic, natural disaster, or other crisis situation.

Please see our company website for an expanded list of <u>community partnerships</u> and <u>philanthropic program</u> descriptions.

#### **Small Business Relations**

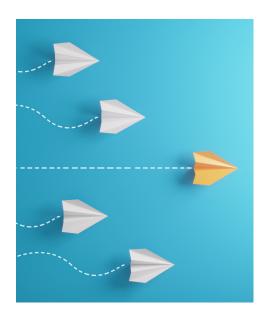
We believe small businesses can help promote job growth, contribute to our country's economy, and take innovative approaches to solving the world's toughest problems. SAIC has a robust Small Business Program, through which we provide commercial engagement opportunities for a variety of diverse small businesses, including:

- · Small disadvantaged
- · Women-owned
- · Veteran-owned
- · Service-disabled Veteran-owned
- Historically underutilized business zone (HUBZone) firms
- Historically black colleges and universities (HBCU)/ minority serving institutions (MSI)

When we work together, we are more globally responsible and strengthen the areas where we live and work. Our commitment to good corporate citizenship is not just a social responsibility and a moral and ethical imperative, it is the right thing to do for the long-term sustainability of our company, our communities, our country, and the world around us.



## GOVERNANCE LEADERSHIP



At SAIC, our Board of Directors recognizes the importance of strong corporate governance as a means of addressing the various needs of our stockholders, employees, customers, and other stakeholders. We firmly believe in diversity of governance bodies and employees.

In 2020, The Washington Business Journal named SAIC #1 in Greater D.C. for Women on Public Company Boards. (see also the SAIC GRI KPI Content Index)

The three pillars of our Governance Leadership and oversight focus are:

#### **Enterprise Risk Management**

The SAIC Board of Directors Risk Oversight Committee is specifically chartered to monitor policies and practices relating to enterprise risk management, including ethics, compliance, and corporate responsibility.

The SAIC Enterprise Risk Management Committee (ERMC), a group with representatives from a variety of functions, directly reports to the Board of Directors and Risk Oversight Committee to provide support and insight related to seven major sources of risk identified by SAIC:

- 1. Cybersecurity
- 2. Strategy Execution
- 3. Talent Management
- 4. Ethical Conduct
- 5. Compliance
- 6. Supply Chain Management
- 7. M&A Integration

The ERMC is comprised of the senior management that, among other things, works with the Chief Executive Officer, the committees of the Board of Directors, and the full Board to establish the overall corporate risk strategy and oversight of policies, systems, processes, and training relating to risk matters within the company. This committee reports quarterly to the Audit Committee and annually to the full Board on its activities and findings, highlighting the key risks we face and management's actions to mitigate those risks. (See also the SAIC GRI KPI Content Index and SAIC 2020 Proxy)

SAIC's Chief Executive Officer, Nazzic S. Keene and executive officers of the company, including the Chief Ethics Officer and Chief Risk Officer, are tasked with related operational oversight and leadership responsibilities across the organization.

#### **Ethics and Compliance**

Dedication to ethics and integrity is at the core of every level of our business, from Board oversight and executive leadership to individual team members and business partners. It is embedded in our employee Code of Conduct and Supplier Code of Conduct as well as in our dedication to quality and service to our customers, as exemplified by our operations' attainment of ISO 9001 and 20000-1 certifications. Corporate responsibility is integrated throughout the SAIC organization with varying specificity at the individual job description and development goals level, as appropriate, and attainable for nearly every employee. We are all accountable for our conduct with SAIC's customers, our business partners, and each other, and we expect the same of our business partners and suppliers.

#### **Ethics Reporting**

SAIC puts rigor and attention around governance leadership and oversight. In the event of an identified weakness or concern, we have formalized a mechanism to address concerns about ethics (whistleblower). SAIC maintains a robust ethics and compliance program, providing annual training, reporting, and resolution services. Individuals seeking advice or to report concerns about unethical or unlawful behavior and organizational integrity can contact SAIC's Ethics and Compliance Hotline. (See also the SAIC GRI KPI Content Index)

## CERTIFICATIONS, AWARDS, AND RECOGNITION -

Shown below are SAIC's recent certifications, awards, and recognition. For the complete list, please refer to our company website and careers website.

#### Certifications

ISO certification categories obtained by certain SAIC operations or facilities:

9001 – Quality Management Systems (QMS)

**14001** – Environmental Management Systems (EMS)

**20000-1** – Service Management Systems (SMS)

**27001** – Information Security Management Systems (ISMS)

The International Organization for Standardization (ISO), founded in 1947, is an independent, non-governmental organization with a membership of 164 national standards bodies.

#### **Awards**

#### 2020

Best Employer for Diversity

Forbes

Women on Public Company Boards - #1 in Greater D.C. Washington Business Journal

Best Places to Work for LGBTQ Equality
Human Rights Campaign

Corporate Equality Index - Perfect Score

Human Rights Campaign Foundation's 17th Annual Scorecard on LGBTQ Workplace Equality

**Small Business Programs Industry Award** *NASA* 

Small Business Liaison of the Year

National HUBZone Council

**Environmental Quality Award** 

U.S. Secretary of the Navy

**Environmental Award** 

U.S. Secretary of Defense

#### 2019

List of America's Best Large Employers

**Forbes** 

List of World's Most Admired Companies

Fortune

#6 Largest Corporate Philanthropists by Volunteer Hours

Washington Business Journal

List of America's Best Employers for Diversity

orbes

#5 Top Companies for Flexible Jobs

Flexjobs.com

The Contractor Excellence Award in Partnership

for Veteran's Employment

Coalition for Government Procurement

Alliance Excellence Awards

Association of Strategic Alliance Professionals

James S. Cogswell Outstanding Industrial Security

Achievement Awards

Defense Security Service

#### **Outstanding Efforts for Service-Disabled**

**Veteran-Owned Small Businesses** 

National Veterans Small Business Coalition

19 Employees Recognized at the Black Engineer of the

**Year Awards** 

**BEYA STEM Conference** 

## WORKFORCE OF THE FUTURE -



FOR MISSIONS OF
GLOBAL IMPORTANCE
COMES WITH THE
RESPONSIBILITY TO
DELIVER ON OUR
COMMITMENTS AND TO
NEVER COMPROMISE
OUR VALUES AND
PRINCIPLES.



CEO NAZZIC S. KEENE

We embrace our responsibility to evolve and grow, not just so we can continue to be there for our customers and employees who rely on us, but also to serve a greater purpose and protect our world. Recent events, including the global COVID-19 pandemic and the call to address racial injustice, have made this responsibility even more evident. SAIC has begun shaping our workforce of the future and will focus on enhancing our employees' experience, strengthening a corporate culture where people can be their best and where people can do their best – at work and in their communities.

We are committed to providing employees with user-centric digital tools that improve connectivity and collaboration, whether they work at an SAIC site, at a customer location, or from home. This evolution was a priority for SAIC even before COVID-19; the crisis accelerated the need and fast-tracked our actions. In the next few months, we see SAIC accommodating a more flexible work environment with a greater percentage of our employees working remotely, while partnering with our government customers who also need to adapt to their version of the "new normal."

Another critical part of enhancing our employee experience is advancing a more inclusive organization, while being a positive force for racial equality for our nation. We are taking concrete actions in this direction. SAIC has implemented a company-wide unconscious bias awareness program to educate leaders and employees on micro-aggression and discrimination in the workplace and to provide leaders

with the resources to have courageous and supportive conversations with their employees.

In addition, SAIC is enhancing its recruiting practices to ensure a more diverse candidate pool and expanding partnerships with minority-focused professional organizations. And to increase minority representation in its leadership ranks, SAIC will require interviews of qualified minority candidates for all leadership roles at director-level and above. At SAIC, we take our commitments and responsibilities seriously, and we measure our success by how we are making a difference for each person, our society, and throughout the world.

Leadership, oversight, and support of corporate responsibility start from the top at SAIC. All of our stakeholders matter a great deal to us. We thank you for your interest in SAIC and for your ongoing business, investment, and trust.

## SAFE HARBOR/LEGAL DISCLAIMER

Forward-Looking Statements: Certain statements in this presentation are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "should," "expects," "intends," "projects," "plans," "believes," "estimates," "targets," "anticipates," and similar expressions identify forward-looking statements in this presentation. Such statements include, but are not limited to, statements about future financial and operating results, plans, objectives, expectations and intentions, and other statements that are not historical facts. These statements are subject to numerous assumptions, risks, and uncertainties, and other factors, many of which are outside the control of SAIC. These factors could cause actual results to differ materially from such forward-looking statements. Risks, uncertainties and assumptions that could cause SAIC's actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, those described in the "Risk Factors" section of SAIC's most recent Form 10-K filed with the Securities and Exchange Commission ("SEC") and updated in any subsequent Quarterly Reports on Form 10-Q and other filings with the SEC. The reports referenced above are available on SAIC's website at <a href="https://www.sec.gov">www.sec.gov</a>. No assurance can be given that the results of events described in forward-looking statements will be achieved and actual results may differ materially from these statements. SAIC disclaims any obligation to update any forward-looking statements provided in this presentation to reflect subsequent events, actual results, or changes in SAIC expectations.