

A LETTER FROM JOHN



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Managing Director, Global Engagement and Corporate Responsibility

In today's world, corporate social responsibility is more important than ever. Increased awareness of health and well-being, social justice, and the impacts of climate change reinforce the importance for companies to incorporate citizenship programs into their cultures.

This year, Edelman celebrates our 10th anniversary of Global Citizenship. Our company values, goals and actions enabled incremental progress throughout the decade. We achieved a 7.57 global average up from our FY19 score of 6.6/10 on the Citizenship Score, achieved a Gold Level rating on our EcoVadis scorecard, and increased our CDP Supplier Engagement Score a letter grade from a C to a B rating. We are proud of our continued investment in our Community Grants Program. Despite challenges presented by Covid-19, we were able to support 68 employee-affiliated nonprofits globally. Covid has disproportionately hit communities of color hardest, so we were

pleased to support the 63% of employee-nominated nonprofits who operate in and/or directly serve Black and Brown communities, among others.

The Trust Barometer, our stakeholders, and legislation guide our investment in Citizenship programming globally. Increased stakeholder expectations for companies to operate sustainably reinforces the importance of responsibility and trust. **The Trust Barometer Special Report on Racial Justice in America** shows that 61 percent of the population believes brands that issue a statement in support of racial equality need to follow up with concrete action. In response to these findings and in support of the Black Lives Matter movement, our firm created a U.S.-based task force devoted to providing guidance to effectively address the systemic racism and diversity, equity, and inclusion issues. A few highlights of our diversity, equity, and inclusion (DE&I) activities globally included the launch of our

first global DE&I survey and our first CEO Action Global Day of Understanding to address workplace bias and inclusion. We are not simply talking about acting; we are moving the needle and empowering our network to follow suit.

Next year will bring many challenges and changes, and we are prepared to meet them with confidence and innovation. We are excited to launch a responsive virtual volunteering initiative for employees to participate in virtual community engagement opportunities curated for their local offices. We are also increasing our focus on local waste reduction by finding solutions to keep resources out of the landfills and incinerators. These initiatives, among others, will continue to drive our global success.

Thank you for 10 phenomenal years of Citizenship. We look forward to investing even more in clients, people, communities, and the world in the next 10 years.

FY20 CITIZENSHIP GOALS PROGRESS

ENVIRONMENT

Carbon Footprint: Edelman aims to realize a 10% reduction in scope 1, 2, and 3 emissions by 2022 and, by 2025, realize a 15% reduction in scope 1, 2, and 3 emissions.

Progress: Edelman's scope 1, 2, and 3 global carbon emissions increased by 8% compared to FY17. While electricity consumption decreased by 14% thanks to improvements in energy efficiency, business air travel increased significantly.

ECONOMIC

Business Ethics: Edelman seeks to align its business practices and citizenship program to the United Nations Sustainable Development Goals and present a '2030 strategy' by 2022.

Progress: Edelman is currently working to achieve this goal by reviewing the United Nations Sustainable Development Goals targets and determining how we can align our practices to meet them.

SOCIAL

Learning & Development: Edelman will develop a global CSR training module that addresses topics such as responsible procurement, sustainability, environmental issues, diversity and inclusion, and the U.N. Sustainable Development Goals, among others, by 2020.

Progress: The Citizenship 101 module is now available on Edelman Learning Institute for all employees to view.

OUR PROGRESS AGAINST FY20 CITIZENSHIP GOALS (CONT.)

ENVIRONMENT

Carbon Footprint: Edelman seeks to source 100% renewable electricity where quality Energy Attribute Certificates are available for all scope 2 emissions across all Edelman offices by 2022.

Progress: Edelman sourced renewable energy credits covering scope 2 emissions for all offices in the U.S., Europe, India, Canada, and Latin America and plans to add Asian Pacific, Middle Eastern and African offices by 2022.

Waste Management: Edelman seeks to achieve 50% waste diversion in hub offices, if allowable by building and municipality codes, by 2020 and to achieving 50% waste diversion in all Edelman offices by 2025. Edelman commits to reviewing its environmental policy annually.

Progress: Edelman did not meet its goal of achieving a 50% waste diversion rate in hub offices. Currently only one hub office and five non-hub offices have tracked and are meeting this goal. We will continue to work with offices to meet our 2025 goal.

ECONOMIC

Responsible Procurement: Edelman is implementing a vendor management system that will streamline our procurement practices in FY20.

Progress: In July 2020, Edelman implemented a vendor management system in the U.S. Next steps in FY21 we plan to implement in other regions around the world.

Responsible Procurement: Edelman seeks to incorporate sustainability in the selection criteria for business partners in priority spending categories by 2022 in the U.S. and by 2025 in offices worldwide.

Progress: Edelman is currently working to achieve this goal and has made progress. The newly implemented vendor management system asks suppliers to answer sustainability questions, which will help us identify sustainable suppliers in the future.

Responsible Procurement: Edelman seeks to realize a 10% or more spend with diverse suppliers in priority categories in the US.

Progress: Given the implementation of the vendor management system, Edelman hopes to be able to track this data in the coming year.

SOCIAL

Diversity & Inclusion: Edelman's goal is that by 2020, women will hold 50% of senior leadership positions (level 5+, Senior Vice President and above) globally.

Progress: Edelman met this goal in FY20.

Diversity & Inclusion: Edelman's goal is to reach a racial/ethnic workplace diversity ratio of 30% in the U.S. by 2022.

Progress: As of the end of FY20 Edelman has reached a ratio of 26% and continues to push to achieve this goal by 2022.

Pro Bono: Edelman aims by 2020 to deliver 50% of its pro bono projects against five United Nations Sustainable Development Goals: Climate Action, Gender Equality, Good Health & Well-being, Quality Education, and Reduced Inequalities.

Progress: Offices continue to work to achieve this goal around the world. Currently, approximately 78% of offices globally deliver 50% of their pro bono projects against Edelman's priority United Nations Sustainable Development Goals.

Health & Well-Being: Edelman launched Livewell, a wellness campaign that complements our workplace culture with programs, education, and support to encourage employees to balance their physical and mental health. By 2020, Edelman hopes this initiative will improve our Peakon survey tool's well-being engagement measure by 0.5 percentage points.

Progress: Because of Livewell and other initiatives, Edelman's Peakon survey tool well-being engagement measure has increased by 0.3 percentage points.

