Environment Perspective



Why This Matters

Climate change — severe weather events, extreme temperatures, wildfires, water shortages, food shortages and other environmental concerns are all impacting people's ability to live and work safely. The <u>United Nations</u> has declared climate change the biggest health threat facing humanity. Climate change is happening now and all organizations of every size have a responsibility to address this.

The shift to hybrid and remote working for many and a radical reduction in business travel brought about by the COVID-19 pandemic have significantly impacted our carbon footprint but also showed where we can reduce our impact even further. Whilst our environmental impact has been relatively small, it is a challenge we are proud to step up to – and is expected by our colleagues, our associates, our communities and our clients. Working with the public sector and civil society we have a responsibility to solve these climate challenges and to create a sustainable future for generations to come. And we are looking for new ways to advance the objectives of the Paris Agreement and the European Green Deal, especially in the areas of jobs and skills, where we can have the greatest impact.

Proud of Our Progress: Where We Are Today

Taking a Global Leadership Position

We set ourselves targets aligned with the Paris Climate Agreement to help limit global warming to 1.5°C by achieving Net Zero by 2045 or sooner. In 2021 we were the first in our sector to have set ambitious emissions reduction goals that were validated by the Science-Based Target Initiative (SBTi) with targets to reduce our Scope 1 & 2 emissions by 60% and our Scope 3 emissions by 30% by 2030. Today, we are well-advanced on this journey – our 2022 Scope 1 & 2 emissions being 32% lower than in 2019 and our Scope 3 emissions down by 36% over the same time period.

Our Emission-Reduction Levers

To achieve our Climate Action Plan by 2030, we have identified five levers that we have already begun to implement across our markets:

- Increasing Renewable Energy: Our plan is to shift at least 75% of all offices to renewably sourced electricity by 2030. Renewable electricity is currently used in around 40% of our key markets, including Belgium, France, Germany, Netherlands, Norway and Sweden. As a result, renewable energy usage in our 15 largest markets increased by 31% in 2020 to 2021 an increase of 9,491 MWh. We are continuing our transition to more sustainable sources of energy, including in our global headquarters in Milwaukee, Wisconsin, U.S. And we are reducing our energy use at our European locations by consolidating branch offices and data centers, moving to more efficient, greener buildings, implementing energy-efficient initiatives and encouraging more eco-responsible workplace behaviors from our employees.
- **Electrifying Our Fleet**: In six of our key European markets, we are well on our way to moving our entire fleet to 100% electric vehicles (EVs). In The Netherlands, we are already 100% electric and have targets to achieve full compliance in the other markets by 2030. The introduction of salary sacrifice schemes, such as in the U.K., will help our employees make the switch to electric.
- **Decarbonizing Our Commute**: We are innovating to help people access work while reducing their environmental footprint. With 30,000 employees around the world and 600,000 associates on assignment daily, how people get to and from work can have a meaningful impact on our emissions. That's why we're leveraging flexible, hybrid work models, allowing people to choose when they work from home. When they do travel to work, we're imagining new, more sustainable ways to get there, encouraging greater use of low carbon-intensive travel options, including more walking, cycling and public transport. In France and Belgium, incentive schemes operate to encourage employees to use public transport, and in France, all travel less than four hours a day cannot be by airplane.
- Minimizing Business Travel: We're encouraging more sustainable travel behaviors from employees to lower emissions. As the world reopened in 2021, travel restrictions lifted, and face-to-face meetings resumed. We saw an opportunity to rethink our travel habits and continue harnessing the learnings and savings from the pandemic by launching a set of Eco-Responsible Principles to inform business travel decisions. These included considerations for employee well-being, frequency and timing of travel and best mode of transportation. These behaviors foster more purposeful travel while also delivering on our Climate Action Plan. And they're already paying off. In 2021, emissions from business travel were 7,894 tCO2e, 70% lower than the pre-pandemic year of 2019 (25,981).
- Engaging Suppliers: We're working with suppliers to reduce our Scope 3 footprint. Today, the goods and services we purchase make up 15% of our Scope 3 emissions and are another opportunity to reduce our GHG footprint. All new suppliers are required to sign our Supplier Code of Conduct as part of the contracting process. The Code includes the principle of environmental responsibility based on the UN Global Compact, which promotes climate-related considerations of product and service development.



Green Certification and Global Recognition

Many of our markets have been measuring their emissions for many years. As we get better at data measurement so too can the insight we have on how successful our measures to reduce our environmental impact will be. We have participated in the Carbon Disclosure Project (CDP) for 13 years, meaning we can be transparent about our initiatives and impact to global stakeholders while supporting us in identifying opportunities for improvement.

We partner with EcoVadis, provider of the world's most trusted business sustainability ratings, to assess our environmental management systems in key markets around the world and aim to achieve Gold or Silver ratings in 30 markets. To date, more than 20 countries — half of them key markets — are already assessed, with a majority rated Gold or Silver.

Many of our markets also hold ISO14001 certifications for their environmental management system while a number of operations hold certifications from LEED, HQE, BREAM and NABERS.

Training for Impact

Our approach to environmental stewardship is reinforced through annual training for all our colleagues regardless of location or seniority. We reinforce the importance of our approach to environmental stewardship with our clients and suppliers through our <u>Code of Business Conduct and Ethics</u>, which is available in 20 languages. Our <u>Global</u> <u>Environmental Management Policy and Guidance</u> provides practical examples of how we can deliver on these commitments at the local level.

Working With Our Suppliers to Make a Difference

We need our supplier to join us in making a difference. The goods and services we procure represent the majority of our emissions and it is important that we engage with our suppliers in order to achieve our emission reduction targets. We have started an engagement program with suppliers to share with them our approach, how we are making a difference and the initiatives we expect of them. Each country has a responsibility to manage its own suppliers and is now developing specific roadmaps to help us collectively reduce our emissions.

In Norway, we require all large suppliers to obtain environmental certification within three years and to set reduction targets for emissions. We're also educating suppliers on the importance of setting net zero targets, which, in turn, will help our own journey to net zero.

In Italy, we've moved to the latest Epson Inkjet printers as a means to reduce energy consumption and CO2 emissions by 56%. All used print cartridges and waste ink collectors are recycled and repurposed where possible.

Developing Green Skills for the Future

The <u>green transition</u> could create up to 30 million jobs in clean energy, efficiency and low-emissions technologies by 2030. These new jobs must be powered by talent with the right skills, and 70% of employers say they are currently recruiting or planning to recruit for <u>green jobs or skills</u>. Attracting the right talent (53%) and addressing skill gaps in local labor markets (60%) will be the greatest barriers to their <u>business' transformation</u>. Finding and addressing the talent gap will be crucial not only to business' success in the future but the world's ability to face and overcome the challenges of climate change.

We work with clients around the whole who are addressing these challenges to acquire talent with the right skill sets and upskill existing talent, from renewable energy companies to large engineering and manufacturing organizations. Our Green Academies and MyPath training programs are two practical examples of the key solutions we can provide to help organizations and workers prepare for the future and accelerate their progress. This is how we achieve the future of work together in a way that is more sustainable, resilient and equitable for all.



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