

# STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (CEO)

## PERIOD COVERED BY OUR COMMUNICATION ON PROGRESS FROM: JANUARY 14, 2020 to JANUARY 14, 2021

Edelman has been a proud participant in the United Nations Global Compact since March 2001, and I am proud to affirm our continued support for the 10 principles of the Compact with respect to Human Rights, Labor Rights, Environment and Anti-Corruption. Since our last report, Edelman has introduced a new core value, “The Commitment to Positively Impact Society.” We aim to embed this value across the 10 principles and in our strategy, culture, policies and practices.

Each principle is discussed below with applicable actions taken. Additional information can be found in our [FY19 Citizenship Report, “Building Trust,”](#) which describes citizenship efforts related to our four core pillars of citizenship: our clients, our people, our communities and our world.

### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Ensuring human rights for all employees is at the center of Edelman’s approach to business. Our Human Rights Policy addresses a range of topics related to our employees, including equal opportunity and non-discrimination, fair pay and working conditions, health and safety, child labor, forced/bonded labor, freedom of association and the right to collective bargaining, bribery, compliance, political activities, and security arrangements.

As a relatively small purchaser of goods, Edelman has a limited human rights footprint as it relates to our supply chain. However, we expect our suppliers to understand and comply with our Code of Ethics for Suppliers and Service Providers, which communicates our expectations regarding human rights and other provisions that apply to our third-party service providers.

Our services may have limited direct impact on the environment and the communities where we work and live, but we embrace our responsibility to manage our services in a manner that respects human rights and acts responsibly in our communities. Edelman upholds quality standards to ensure that our services appropriately consider the interests and needs of our clients, consumers and industry expectations. We are also committed to marketing and communicating responsibly in a manner that reflects the values and principles reflected in Edelman’s Code of Ethics and Business Conduct and our Day-to-Day Situation Guide.

### Labor Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

As mentioned, our Human Rights Policy addresses labor issues, including collective bargaining, forced and compulsory labor, child labor and discrimination.

Edelman employees have the right to organize and engage in collective bargaining without fear of intimidation, reprisal or harassment. In countries that restrict this right, Edelman may choose to support similar means of independent and free association and collective representation as allowed by local law.

We will not employ anyone under 15 years old, except as otherwise allowed under applicable laws and regulations and acceptable under societal and cultural norms. Where local minimum age law stipulates a higher age for work or mandatory schooling, the higher age would apply. Edelman supports ILO convention 182, which bans certain forms of child labor.

On the issue of forced/bonded labor, employees must be employed of their own free will, and the use of

forced, compulsory, or bonded labor is unacceptable.

At Edelman, employee diversity of all types and inclusion enrich our culture and help deliver enhanced business results. Diverse insights also provide our clients with varying perspectives that reflect our changing world. We are committed to maintaining an open and nurturing environment that fosters collaboration, drives diverse thinking and creates a culture that respects and celebrates diversity and inclusion (D&I).

With a focus on increasing workforce representation, Edelman has set two goals to guide our efforts. By 2020, women are to comprise at least 50 percent of our local senior leaders, and at the end of fiscal year 2019, that figure was 48 percent globally, and 51 percent in the U.S. We have also set a racial and ethnic workforce goal in the U.S. of 30 percent by 2022. That percentage was nearly 27 percent at the end of fiscal year 2019, up from 24 percent when the U.S. executive committee set the goal.

We have several ongoing efforts to create a work environment where D&I is woven into our culture, behaviors, processes and operations. They include maintaining six employee network groups, increasing training and recruitment efforts, analyzing gender pay and establishing more diverse partnerships, among others. Our D&I training is tailored to our business and required of every U.S. employee to ensure they have the knowledge and tools to help create a more inclusive work environment and culture. At the end of fiscal year 2019, more than 1,300 U.S. employees had completed the training, and we are launching global unconscious bias training in the coming year.

Equally important is our commitment to supplier diversity. We are in the process of establishing a supplier diversity pilot program across several U.S. offices and have procured a supplier diversity portal to help us meet our goal of spending at least 10 percent with diverse suppliers in priority categories in the U.S.

### **Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Our environmental stewardship becomes increasingly important as climate change becomes an ever-more pressing global challenge. We believe all companies must play a role in improving environmental sustainability efforts and achieving climate action goals defined in the Paris Climate Accord.

We prioritize social and environmental returns and are committed on several fronts to improving sustainability on our planet, as described in our Environmental Policy.

Recognizing the reality of climate change and the scientific evidence that supports it, we do not accept client assignments that aim to deny climate change and we do not work with coal producers.

As it relates to our own carbon footprint, Edelman has established a new goal of realizing a 10 percent reduction in scope 1, 2 and 3 emissions by 2022 and, by 2025, realize a 15 percent reduction in scope 1, 2 and 3 emissions. We have decreased our total carbon intensity across scope 1, 2 and 3 emissions per full-time equivalent by 28 percent since fiscal year 2012 and have purchased renewable energy credits that apply to scope 2 emissions for all operations in Europe, India and the United States. By 2022, we seek to source 100 percent renewable electricity where quality Energy Attribute Certificates are available for all scope 2 emissions across all Edelman offices.

On the waste management front, this year Edelman committed to achieving 50 percent waste diversion in hub offices, if allowable by building and municipality codes, by 2020, and to achieving 50 percent waste diversion in all Edelman offices by 2025. In a recent pilot project in Chicago, Edelman raised its waste diversion rate to 46 percent from 34 percent by recycling and organic composting. A waste stream audit found that a 53 percent diversion rate is achievable. We are actively taking the learnings from this project and seeing how they can be applied to offices of similar size. Related, we have reduced our printing around the world by 28 percent.

We are dedicated to sourcing goods and services from sustainable sources and collaborating with partners who share our values and commitments towards sustainable procurement. Through our Sustainable Procurement Policy, we request our suppliers to uphold these commitments, and engage with us in a process of continuous improvement in the area of responsible and sustainable purchasing. This

year, we took several actions to streamline our sustainable procurement processes, maximize spending with diverse suppliers and honor our commitment to supplier diversity. In fiscal year 2019 we completed Phase 2 of our supplier engagement program, partnering with EcoVadis to reach out to suppliers in the U.S., Europe and China. Between Phases 1 and 2, a total of 53 suppliers have participated in the evaluation process. On the supplier diversity front, we are in the process of establishing a supplier diversity pilot program across several U.S. offices and have procured a supplier diversity portal to help us meet our goal of spending at least 10 percent with diverse suppliers in priority categories in the U.S.

#### **Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Integrity and trust are at the heart of our business. Edelman does not pay, solicit or accept bribes. This includes prohibition of providing payments or anything of value directly or indirectly to any government official, business partner, or individual for purposes of obtaining business or otherwise influencing their decisions in violation or applicable anti-corruption regulations and standards.

Our Code of Ethics and Business Conduct provides a uniform understanding as to what is expected of our employees and embodies our commitment to excellent counsel and service to all stakeholders. The code is supplemented by our Day-to-Day Situation Guide, which addresses issues specific to our industry.

This year Edelman aligned on a new set of mandatory training requirements for all employees. Courses include Data Processing Standards, Dignity at Work, Worldwide Anti-Corruption, Acceptable Use Policy, Information Security Foundations Training, Economic Sanctions, Identifying and Vetting Potential Client Conflicts, Resolving Potential Client Conflicts, and the Foreign Agent Registration Act (FARA). At the end of fiscal year 2019, 83.7 percent of employees were trained on compliance and ethics, 70.6 percent on data protection, 62.8 percent on workplace behavior, 59.1 percent on anti-corruption and 43 percent on IT security. We are committed to improving completion rates and are implementing new policies and procedures effect this change.

Finally, Edelman continues to be engaged in the World Economic Forum's Partnering Against Corruption Initiative (PACI), reflecting our commitment to the 10th Principle of the United Nations Global Compact.

More information about Edelman's citizenship efforts can be found on [Edelman.com](https://www.edelman.com).

As a company, we are committed to ensuring our business is run in a sustainable and ethical manner. We look forward to our continued partnership with the United Nations Global Compact as we move forward with our commitments to the Compact principles.

Sincerely,

A handwritten signature in black ink that reads "Richard Edelman". The signature is written in a cursive, flowing style.

Richard Edelman, CEO