



DJE HOLDINGS SUSTAINABLE PROCUREMENT POLICY

Revised: **February 2023**
Owner: **Managing Director, Global Engagement and Corporate Responsibility**
Approver: **Executive Committee**

I. Overview

This policy applies to all employees, officers, and directors throughout Daniel J. Edelman Holdings, Inc.¹ (DJEH).

At DJEH, working in a socially responsible manner means doing business ethically and treating people and the environment with respect throughout our operations. These commitments also extend to our supply chain. 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 this policy, we request our suppliers to uphold these commitments, and engage with us in a process of continuous improvement in responsible and sustainable purchasing practices.

Edelman (the largest company within DJEH) has signed on to the Science Based Targets Initiative's Business Ambition for 1.5° Celsius². The Science Based Targets initiative (SBTi) has approved Edelman's near-term science-based emissions reduction targets:

- Reduce absolute scope 1 and 2 emissions 80% by 2030 (2019 baseline)
- Reduce absolute scope 3 emissions 55% by 2030 (2019 baseline)

Edelman has also committed to set long-term emissions reduction targets with the SBTi in line with reaching net-zero by 2050.

Additionally, Edelman is a signatory of the United Nations Global Compact (UNGC). As such, we have pledged to adhere to the principles of the UNGC and seek to operate our business in a manner that upholds these principles. We embrace our responsibilities as a business and have aligned our operations with the Sustainable Development Goals. These commitments, as well as our commitment to fully comply, at a minimum, with relevant environmental, labor, and human rights regulations, form the foundation of this policy and our expectations of our suppliers and employees.

¹ Daniel J. Edelman Holdings, Inc. includes Daniel J. Edelman, Inc., StrategyOne, Inc. d/b/a Edelman Data and Intelligence, Zeno Group, Inc., Assembly Media, Inc., Matter, Inc., United Entertainment Group Holdings, LLC, Edible, Inc., Edelman Miami Latin America Corp., The H & W Group, Inc. d/b/a Saludem, The R Group Public Relations Company, Inc. d/b/a Revere, First & 42nd, Inc., and all operating companies and divisions, including such divisions as First@Edifi, BioScience Communications and DJEScience, under the Edelman family of companies (collectively referred to as "DJE Holdings" or "DJEH" in this document).

² All DJEH companies and brands have signed on to SBTi except Zeno Group, Inc.

II. Application of Law

DJEH will comply with applicable laws adopted in every country and locale where we operate.

Where local law is more or less strict than this policy, DJEH will follow the stricter law or policy.

In situations where local law is silent on human rights, environmental policy, supply chain, or procurement practices, this policy will still apply.

III. Purpose

Three key tenets of DJEH's business include reputation, leadership, and transparency. Our company's values drive the development of a responsible and sustainable supply chain that encompasses sustainable purchasing, supplier diversity, and supplier accountability. We embrace our duty as a globally responsible business and seek to continue to operate our business in a manner that upholds the values and principles reflected in our Code of Conduct. By operationalizing sustainable procurement to address supply chain issues we aim to extend our positive impact.

IV. Supplier Expectations

We hold ourselves accountable to this Sustainable Procurement Policy by implementing a risk-based approach to monitoring selected suppliers and requiring all our suppliers to comply with the expectations outlined in the DJEH Code of Ethics for Suppliers and Service Providers.

In accordance with the DJEH Code of Ethics for Suppliers and Service Providers, this policy, the principles of the UNGC, and the Sustainable Development Goals, we expect our suppliers to comply with the following:

Environment

The SBTi has approved Edelman's near-term science-based emissions reduction targets, which include an 80% reduction in Scopes 1 & 2 emissions and a 55% reduction in Scope 3 emissions by 2030. Edelman has also committed to set long-term emissions reduction targets with the SBTi in line with reaching net-zero by 2050.

Our Scope 3 supply chain emissions make up the vast majority of our overall emissions. As such, our suppliers have a large impact on our carbon footprint and we are engaging with our suppliers to reduce emissions. Therefore, we expect suppliers to do the following:

- Respond to requests for information, including greenhouse gas emissions data, information on environmental practices, or report requests (e.g., CDP).
- Manage their greenhouse gas emissions and seek to decarbonize.
- Conserve water and prevent pollutants from being released into the water system.
- Properly manage waste and seek to reduce, reuse, and finally recycle wherever possible.

Suppliers are requested to minimize their environmental impact where possible, including:

- Reducing energy usage by avoiding inefficiencies, making use of new energy-efficient technologies, and adhering to best practices in their industry.

- Considering products' end-of-life disposal during their manufacture and design, including choosing environmentally friendly packaging or offering buy-back opportunities.
- Partnering with DJEH to identify sustainable innovation opportunities.

Labor & Human Rights

Our suppliers must be committed to treating their employees with respect and taking consideration of their quality of life and human rights, in accordance with our Human Rights Policy, including:

- Taking steps to minimize health and safety risks to all employees while at work.
- Aligning employee working hours and pay with industry norms and regulations.
- Giving employees opportunities to advance in their careers and develop their personal and professional skills.
- Preventing child and forced labor, discrimination, and harassment.

Business Ethics

DJEH shall endeavor to ensure that our Code of Ethics for Suppliers and Service Providers is incorporated by reference as part of the Independent Contractor Agreement or other contract signed by our suppliers.

DJEH's suppliers must conduct business ethically and ensure they:

- Comply with applicable laws and regulations.
- Prevent corruption, bribery, fraud, and conflicts of interest.
- Protect confidential employee, client, and third-party data from unauthorized release.

Supplier Diversity

DJEH is committed to supplier diversity and is aligned with Sustainable Development Goal #8, which focuses on promoting sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

Under the scope of this policy, inclusive growth includes supporting job creation in communities where we operate while reinforcing human rights and fair wages.

In the U.S. and Canada, it is our aim to track spend with diverse suppliers, including women-owned, minority-owned, indigenous-owned, LGBT-owned, disabled-owned, veteran-owned, and disadvantaged or HUBzone-owned businesses where applicable, and encourage employees to utilize diverse suppliers where possible.

We have established a public goal to achieve at least 15% spend with diverse suppliers in the U.S. by the end of 2025. This goal also includes the following sub-goals:

- Minimum 7% spend with MBE-owned businesses
- Minimum 4% spend with Women-owned businesses
- Minimum 3% spend with Veteran- and Service-disabled Veteran-owned businesses
- Minimum 2% spend with HUBZone-owned businesses
- Minimum 3% spend with LGBT-owned businesses

V. Monitoring

Expectations for DJEH's supply chain monitoring and performance program are communicated to applicable suppliers through this policy, the Code of Ethics for Suppliers and Service Providers, and the DJEH purchasing function.

DJEH uses third-party programs to request, monitor, and evaluate suppliers' sustainability performance. In the future, sustainability will become a preferred criterion we will use to assist in the selection of suppliers.

Through a risk-based selection process, certain suppliers may receive direct communications from DJEH or its third-party business partners to provide information to enable monitoring of supplier adherence to the Sustainable Procurement Policy using a methodology and system selected by DJEH. Use of an alternative measure of sustainable business practices must be specifically approved by DJEH. Failure by a supplier to comply with a request for such monitoring information can be grounds for termination of the Supplier's business relationship with DJEH.