

A LETTER FROM JOHN

Citizenship is like any other business strategy. It touches every part of the organization and contributes to building stakeholder trust. Our own citizenship journey since 2010 underscores this and explains why citizenship and sustainability increasingly permeate every aspect of our operation.

Simply consider how sustainable procurement impacts our key units operationally. It affects finance since employing sustainable buying and supplier diversity requires developing policies and practices that apply to them. It involves HR because employees must be trained. IT must establish a technology platform to manage data and reporting. It impacts revenue and profitability since efficient purchasing saves money. And it influences purpose because working with diverse suppliers helps provide jobs for them.

We've had the benefit of having time to develop and enhance our citizenship program. We have taken incremental steps – evolution, not revolution. Organizations slow to act no longer have that luxury. Why? We're at a tipping point where internal operational needs and initiatives meet company expectations and imperatives from external stakeholders.

For example, governments and regulators are imposing environmental and data privacy restrictions with little lead time. Investors are demanding to know how companies are helping solve societal problems. Employees

and consumers are activists as well. Our latest *In Brands We Trust?* study finds that 81% of consumers say they must be able to trust a brand to do what is right to consider buying from it.

Punctuating our own headway in 2019 was the addition of a fourth Edelman value: *The Commitment to Positively Impact Society*. This new addition defines our social responsibility and behavior, and it influences how we operate. First is the imperative for good health and well-being. In 2019, we added to our suite of mental health services, and in 2020 we will begin to roll out an entire platform that applies to mental health and well-being. Also, 65 of our pro bono and community citizenship projects – the clear majority – related to health and well-being initiatives in FY19. The other is our work on climate action. We have created benchmarks related to environmental activities and made them part of our citizenship score, or C-score, and we have purchased renewable energy credits in the U.S., Europe and India to neutralize carbon emissions, among other actions.

We've experienced challenges, of course. While we're close to our 2020 goal of having women in half of our senior leadership positions, reaching 48% in FY19, more needs to be done in regions such as Asia Pacific. We must do more to reach our 10% spend goal with diverse suppliers and while our C-score rose in FY19, it is still short of our objective.

What's helping us is applying a bottom up and top down approach to building trust in citizenship. Senior leadership has always been supportive, and they continue to be engaged and committed. By empowering our employees, we're often led by local office initiatives that get noticed and applied broadly.

For instance, offices worldwide are leading the way with initiatives that focus on and improve employee health and well-being, the highest concern expressed in our employee survey. In addition, we funded a record \$144,000 in community grants in FY19 to nonprofit organizations where our employees volunteer as part of our Community Investment Grant program.

We believe our 2019 Global Citizenship Report demonstrates how we strive continually to build trust among our employees, clients, communities and the planet. We welcome your thoughts.



A handwritten signature in black ink that reads "John Edelman". The script is fluid and cursive.

John Edelman

Managing Director, Global Engagement
and Corporate Responsibility