

### ENVIRONMENT, SOCIAL AND GOVERNANCE | DEVELOPMENT AND COMMITMENTS

As global supply chains grow increasingly complex, ensuring the protection of workers' rights at every level has become crucial for companies. To tackle these challenges, new approaches are emerging that utilize technology, data analysis, and collaborative platforms to monitor, assess, and mitigate human rights risks. These tools enable companies to identify potential violations, track supplier performance, implement corrective actions, and enhance transparency. However, many of these technologies are still in their early stages, and organizations must experiment with different solutions to determine the most effective approach for promoting sustainable supply chain practices.

*We create a safe, welcoming, and inclusive environment where everyone can be at their best, be authentic, and be treated with respect and dignity. We work every day to eliminate hate and bias from our industry, are active in our communities, and continuously improve our environmental performance.*

*We connected these and other efforts in an Environmental, Social, and Governance strategy to further strengthen and enhance our company. Our strategy is based on a broadened definition of sustainability and is a natural extension of our culture. It will guide us as we seek to sustain our planet, protect and actively care for people, and strive to lead and purposely transform our industry.*

*SourceBlue will continue to evolve, meet emerging needs of clients and society, and support and sustain the generations to come.*

#### KEY ESG STRATEGY OVERVIEW

Organizations aiming for sustainability focus on key areas such as sustainable design, emissions reduction, waste management, water conservation, and biodiversity protection. Key initiatives often include:

- **Deliberate and Sustainable Design:** Engaging stakeholders to implement green building certifications, decarbonization strategies, and circularity practices.
- **Emissions Reduction:** Tracking emissions at multiple operational levels and implementing renewable energy strategies.
- **Waste Management:** Prioritizing strategic achievements and diversion to achieve significant reductions in waste from operations.
- **Water Conservation:** Conducting stress tests and reductions in water usage across various operational sites.
- **Biodiversity:** Implementing long-term programs to preserve ecosystems and promote biodiversity.

Organizations can use internal tools like sustainability dashboards and waste management software to monitor and manage these initiatives effectively.

#### SUPPLY CHAIN ENGAGEMENT AND ESG GOALS

Supply chain engagement is crucial for fostering transparent and ethical relationships with suppliers. The goal is often to achieve Net Zero Scope 3 emissions by 2040 and divert a significant percentage of operational waste in the coming years. Key actions include:

- Developing a supply chain engagement program to enhance sustainability.
- Engaging with local vendors and municipalities to improve waste diversion.
- Holding industry events to discuss human rights and environmental impacts in supply chains.



#### SUPPLY CHAIN MANAGEMENT AND WASTE REDUCTION

Supply chain management teams play a critical role in an organization's ESG strategy by engaging with manufacturers on labor and environmental impacts and integrating sustainability in supply chain practices. Efforts focus on:

- Studying the environmental and labor impacts of key products by a set timeline.
- Developing systems to evaluate vendors on ESG criteria.
- Creating centralized databases of products and vendors with measurable ESG commitments.
- A commitment to embracing circularity by reducing waste and optimizing resource efficiency is essential for sustainability, aligning with goals to significantly reduce waste and improve resource management practices.

#### CONCLUSION

Organizations are increasingly focused on improving ESG practices within their supply chains, driven by a strong commitment to sustainability. The continuous evolution of ESG strategies and the adoption of innovative tools provide new opportunities to promote ethical practices, minimize emissions, and enhance sustainability across all areas of their operations.

#### SOURCEBLUE'S SUBJECT MATTER EXPERT



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#### FOR MORE INFORMATION



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