



Environmental Sustainability: The Path to Carbon Neutrality

April 2021



2020

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Our Commitment to Carbon Neutrality

At Elevate, we aspire to be responsible leaders of our business, our people, and our industry. A commitment to our core values of We Care, We Innovate, and We Deliver is the foundation for providing useful solutions for our customers, a purposeful workplace for our employees, and innovative environmental leadership for our communities. The unique business landscape in 2020 created the opportunity to refocus our sustainability efforts. To that end, Elevate has set the goal of becoming carbon-neutral in 2021.



Overview

The majority of the greenhouse gas (GHG) generated by our operations was from commuting (primarily by car) and travel (primarily by plane). Our analysis shows that from a high 2019 baseline, our carbon generation dropped sharply in 2020 – due to COVID-induced “hibernation” – followed by an increase as 2021 began. Despite the unfolding “COVID thaw,” our projected carbon generation remains 35% below the 2019 baseline.

Our operations in India represented 46% of our total greenhouse gas production, while our US operations accounted for 25%. No other geographies amounted to more than 5% of our entire greenhouse gas generation.

Reducing carbon generation per-employee

We project our per-employee GHG generation to decrease 40% from 2.67 to 1.6 metric tons per capita.

2.67MT
per capita

1.6MT
Goal



Geographical sources of our GHG production

No countries other than India and the US accounted for more than 5% of our GHG generation.

46%
India

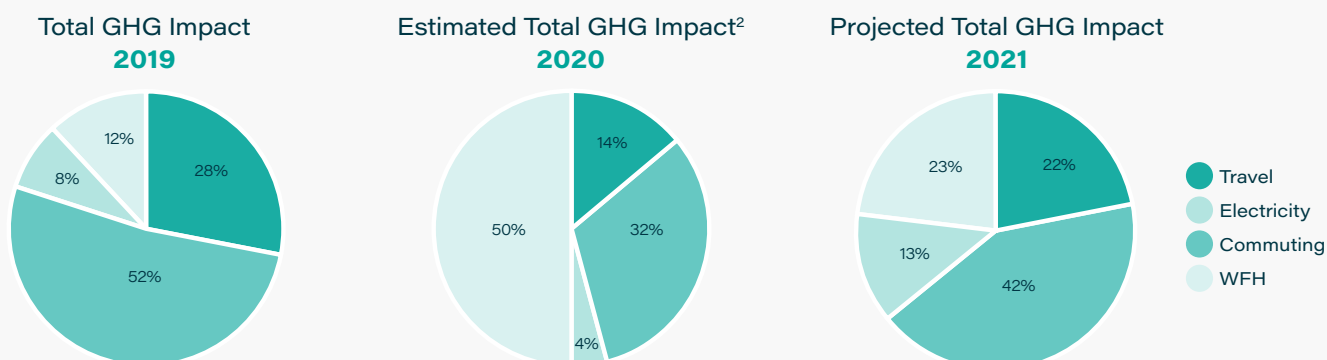
25%
US



Sources of Carbon Generation

The most recent year for which we have data is 2019, when slightly more than half of the greenhouse gas we generated was from commuting and roughly a quarter from travel. Together, this accounted for 80% of our greenhouse gas impact. In 2020, the composition of our greenhouse gas changed markedly, with commuting and travel greenhouse gas plummeting while our Work From Home (WFH) generation rose sharply. We expect in 2021 for commuting to constitute approximately 40% of our production¹, WFH and travel each nearly 25%, and slightly more than 10% for electricity². Compared to our pre-pandemic mix, our projections for 2021 are a 20% rise in WFH generation combined with a halving of travel and commuting greenhouse gas, for an overall reduction of approximately one-third.

From 2019 to 2021, the composition of our GHG output changed significantly.



Commuting

In 2019, 80% of Elevate associates worked from an office, collectively commuting 4.9 million miles (nearly 8 million kilometres) by car – the equivalent of six roundtrips between Earth and the moon. This generated 1,664 metric tons of CO₂, equivalent to the impact of burning a forest the size of 332 football fields.

Our employees began 2020 commuting to a similar extent as 2019 until the end of the first calendar quarter, when pandemic lockdowns began in the geographies where we operate. Accordingly, our 2020 commuting-generated greenhouse gas of 427 metric tons of CO₂ equalled approximately one-quarter of our 2019 production of commuting-generated greenhouse gas (i.e., three months of pre-pandemic levels of commuting greenhouse gas production followed by nearly zero commuting-related greenhouse gas production for the remainder of 2020).

¹ Assumption is that we will have a mixed work set-up with 50-50 split between WFH and office-based.

² Based on the assumptions that our electricity consumption remains the same in 2021 as in 2019 and that we will keep all offices open full-time, even if at lower occupancy.

As pandemic restrictions ease, we expect our commuting-generated greenhouse gas to rise compared to 2020 but remain below the 2019 baseline. Meanwhile, we are exploring four strategies to help us reduce carbon generation from commuting:

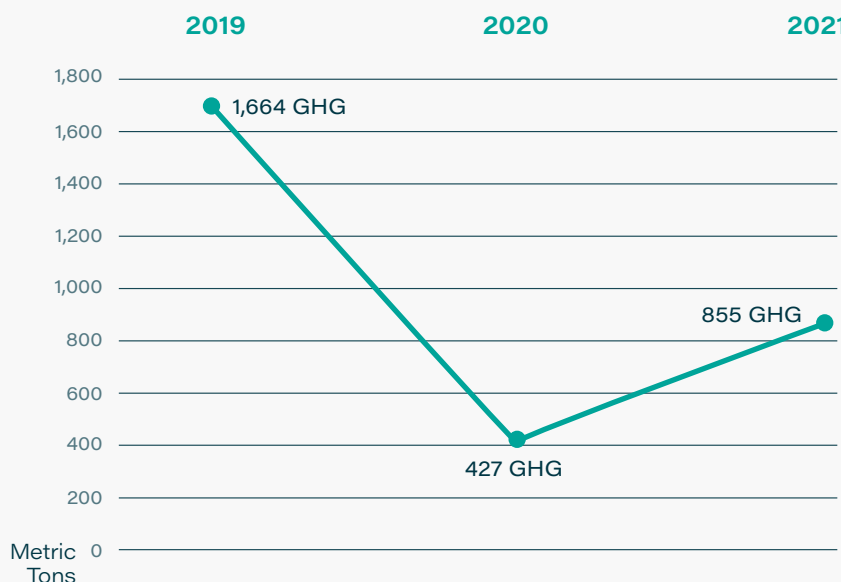
Our Strategies To Reduce Commuting GHG

- Institutionalising WFH
- Incentivising the use of public transport
- Providing company transport
- Fostering carpooling



Allowing employees to continue WFH is the easiest of these strategies to implement since nearly all of our employees have adapted to this mode of working. There are substantial challenges involved with the three other strategies. For example, on average, public transportation is 2.6 times slower than commuting by car, and very often, people commute by car because existing public transport is inadequate. Likewise, carpooling is not always possible or practical when it extends the duration of commutes. Nevertheless, we can and should financially support – and possibly even reward – employees who use public transport, company transport, or carpooling.

2019 to 2021: 50% Reduction in GHG From Commuting



50%
Reduction
since 2019

Work From Home

Elevate has had an extensive WFH associate population since our inception in 2011. Approximately 20% of Elevate employees worked from home in 2019, and accounted for 12% of our greenhouse gas production. Virtually all employees have worked remotely from Spring 2020 onwards. Our estimated 2020 WFH generation was 651 metric tons of CO₂, approximately 45% higher than in 2019.³ Our projections for 2021 are a 20% rise in WFH compared to the 2019 baseline. However, for every 1% rise in WFH generation, we expect a 10% decrease in commuting-related carbon generation.



Business Travel

Our use of airline flights, travel by taxi, and hotel accommodations generated 905 metric tons of carbon in 2019. This is a significant number for an organisation our size and reflects our emphasis on in-person contact for sales calls, service delivery, and marketing activity. For our travel-generated greenhouse gas, our 905 metric tons is equivalent to the carbon generated, per passenger, of 289 roundtrip flights between NYC and London.

Pandemic-driven travel restrictions and the shift to video and audio meetings drove down our travel-generated greenhouse gas production to under 181 metric tons of CO₂ in 2020. Travel comprised only 14% of our 2020 greenhouse gas production, compared with 28% the preceding year.

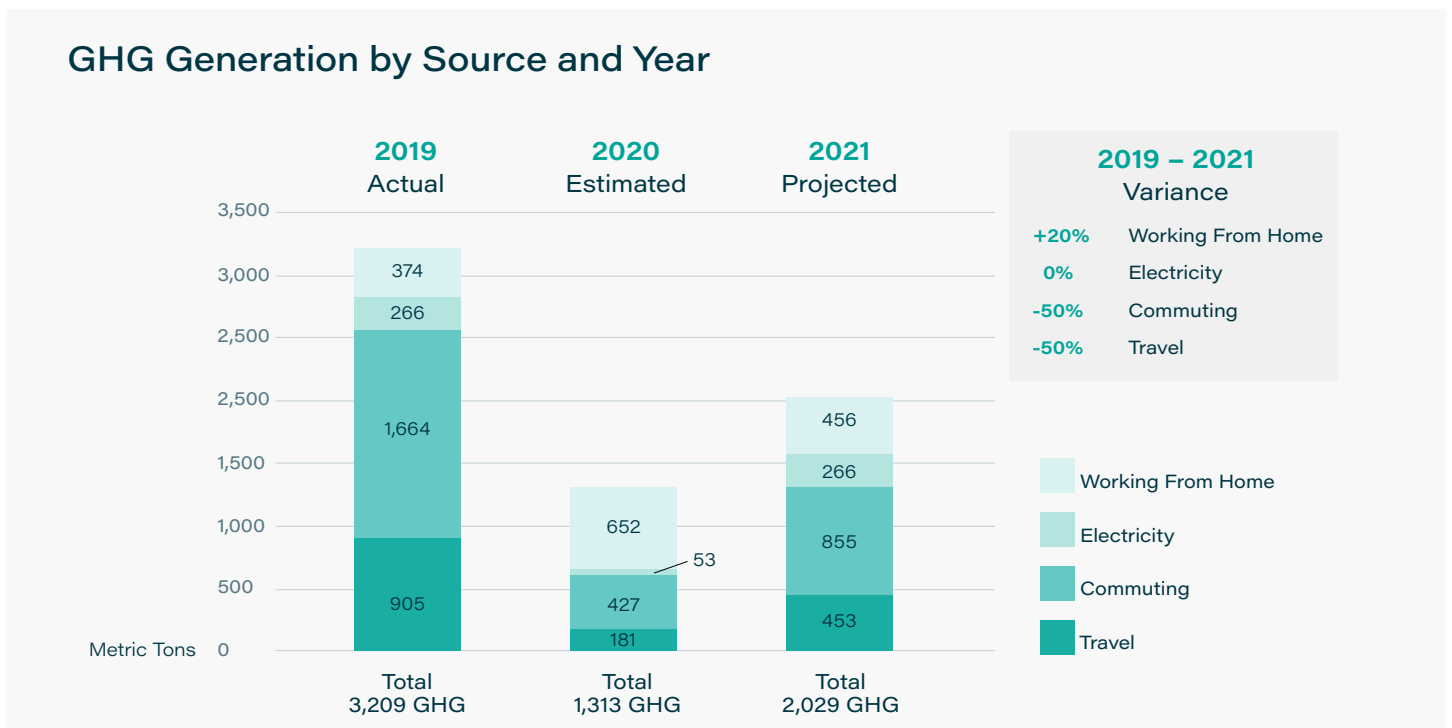
Reducing our travel greenhouse gas impact should be relatively straightforward; given that 20% of our employees generate 80% of our travel greenhouse gas, a change in behaviour by a small portion of the company will have an outsized impact on this driver of carbon generation. If anything, 2020 has proven it is entirely possible to grow existing relationships and establish new ones remotely.

³ For office-based employees, we assumed that 10% of an individual's total "personal" annual emissions are attributable to working from home.



Electricity

Electricity and other sources of greenhouse gas generation represent the smallest component of our production. However, we can still make progress in reducing this segment of our greenhouse gas output. For example, we can switch to energy-saving LED lightbulbs, use thermostats to minimise heat and A/C usage (while still maintaining employee comfort), and install smart switches (with body-heat sensors or motion detectors) to turn off lights when no one is in a workspace.



Looking Forward

It goes without saying that COVID-related lockdowns and travel restrictions profoundly impacted greenhouse gas generation in 2020. We estimate our total greenhouse gas output was 1,313 metric tons, a decrease of 59% from 2019. The composition of our greenhouse gas changed markedly, with commuting and travel greenhouse gas decreasing while WFH generation rose sharply.

We expect our 2021 carbon footprint to be a 35% reduction from the 2019 baseline, equalling approximately 2,029 metric tons of CO₂. We project the following for our 2021 greenhouse gas production:

Projections for 2021 GHG Production

- Commuting **40%**
- WFH **25%**
- Travel **25%**
- Electricity⁴ **10%**



Compared to our pre-pandemic mix, our projections for 2021 are an overall reduction of approximately one-third (20% rise in WFH generation combined with a halving of travel and commuting).

Decreasing carbon footprint

Our total projected carbon footprint for 2021 is 35% less than the carbon we generated in 2019.

35%
Less



⁴ 2020 estimates based on the following assumptions: 80% reduction of travel and commuting compared to 2019 baseline - 80% reduction in-office electricity usage compared to 2019 baseline - 80% increase in WFH compared to 2019 baseline - 1,200 full-time employees.

In Conclusion

Achieving net zero carbon emissions requires a combination of reducing our carbon generation combined with offsetting. As discussed above, we are working to reduce our emissions due to travel, commuting, and electricity use; any increases in WFH generation will result in a net reduction of carbon production.

In addition to these carbon reduction efforts, becoming carbon-neutral requires offsetting emissions we cannot presently eliminate. Several approaches to offsetting carbon emissions exist, but the simplest way is to pay in or donate to a company or organisation investing in or implementing projects aimed at protecting the environment.

We are working with an organisation specialising in carbon-offsetting projects to help us identify an appropriate offset project for us to help fund. We will ensure that the offset project we select meets the Verified Carbon Standard (VCS).



The Challenge Ahead

Achieving carbon neutrality requires, above all, a shift in mindset and company culture. We are realistic about the challenges involved in effecting such a transformation. With our expertise in organisational change management, our unwavering commitment to environmental leadership, and our colleagues' focused efforts, Elevate fully expects to reach our goal of becoming a carbon-neutral company by 2021.