mcı group



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ENVIRONMENTAL IMPACT

SUSTAINABILITY REPORT 2022 THINK BEYOND

Environmental impact

We want to ensure that the legacy we leave behind is one of compassion, care and responsibility. At the heart of any sustainability strategy is the instinct to protect those assets that are far more valuable than any business asset could be: the planet, its people and the places they call home.

That's why we are committed to measuring and reducing our environmental impact and carbon footprint at every possible opportunity, so we can leave a legacy to be proud of long after our work is done.

Strategic objectives

- **1.** Being Net-Zero Carbon in 2050 and reducing our GHG emissions by 30% in 2030 compared to 2019 for scopes 1, 2 and 3.
- **2.** By the end of 2024, we will have a functional tool to track emissions linked to business travel.
- **3.** By the end of 2023, group sustainable and safe office guidelines to transition and guantify impacts.
- **4.** Every office has adopted a "company culture" action at the end of 2023.
- 5. By the end of 2024, an environmental approach will be systematically proposed to the client.

Key highlights 2022:

Carbon intensity per employee fell to 3,07 tCO2/person

> Our electricity consumption decreased by 47.5% compared to 2021

MEASURING OUR **CARBON FOOTPRINT**

In order to affect lasting change, businesses must be an open book, and this is especially important in terms of emissions.

We believe that transparency is a bedrock for growth, which is why, for more than ten years, we've voluntarily reported all our emissions. Our commitment to transparency, accuracy and reliability has allowed us to gain a true perspective of where we're doing well and where we could improve, giving us the tools to work as a powerful actor in contributing to broader change.

OUR TOOLS AND PERIMETER

We aim to refine our measurement tools to be increasingly transparent, reliable and accurate. That's why, in 2022, we switched to a new carbon emission measurement solution. This new tool uses the Greenhouse Gas Protocol (GHG), which is considered the European carbon tracking methodology, as well as using emission factors from the French database, Base Carbone® by the ADEME (the French environmental and energy agency), and other certified databases.

Our new tool is certified by CDP (a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts), the ABC (owner of the Bilan Carbone® methodology, the French equivalent of the GHG Protocol), and AICPA for data security and ISO compliance.

Concerning the reporting perimeter for 2022, we included the following three scopes:

Scope 1:

direct emissions from our vehicles fleet, and fuel emissions from stationary sources.

Scope 2:

emissions linked to our electricity consumption.

Scope 3:

travel, assets, waste, other fuel emissions, and purchased goods and services.

There are some limitations to the scope of our measurements this year, which will be corrected in next year's report:

- Waste emissions are based on international average
- Adding employee commuting to work.







Results

tCO2/person

Category (EN)	2019	2021	2022	SCOPE
Direct emissions from mobile combustion units	Not measured yet	Not measured yet	38.52	1
Direct emissions from stationary combustion units	41	0	3	1
Indirect emissions linked to electricity consumption	961	280	145	2
Business travel	6631	1060	4156	3
Air business travel	6481	846	4072	3
Road business travel	100	202	52	3
Rail business travel	50	12	31	3
Capital goods	577	358	577	3
Fuel- and energy- related activities (not included in scope 1 or scope 2)	58	83	58	3
Purchased goods and services	245	3	21	3
Waste generated in operations	126	126	126	3
TOTAL	8639	1910	5125	
Number of employees	2352	1545	1685	

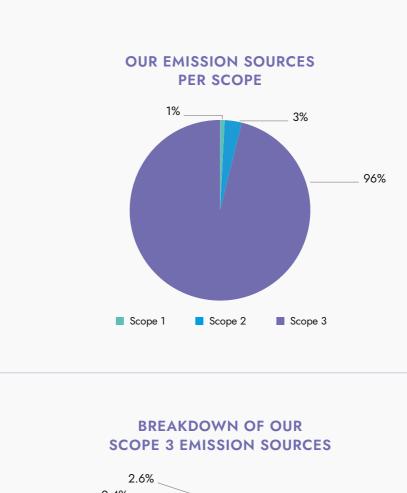
Between 2021 and 2022, our carbon footprint increased significantly. This can largely be explained by the recovery of in-person events and our staff travelling to manage the projects.

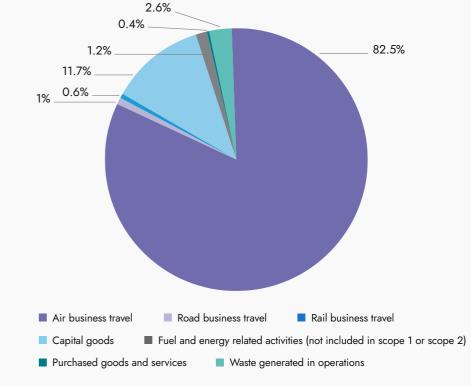
In previous pre-Covid years, flights already represented 80% of our emissions. Therefore, whilst our carbon footprint appears to have nearly tripled, this is because we have returned to a pre-Covid activity level. We also consumed a total of 1025023 kWh of energy, including an equivalent of 171620 kWh of fuel for our vehicles, 17567 kWh in gas and 835836 kWh in electricity. Therefore, our energy intensity is 608 kWh/ETP.

1.24

3.04

3.67





COMPARISON TO 2021

SCOPE 1

- Scope 1 represents 0.8% of our global emissions.
- Emissions from scope 1 increased between 2021 and 2022. This is because we started reporting direct emissions from our own vehicles fleet.

SCOPE 2

- Scope 2 represents 3% of our global emissions.
- Between 2021 and 2022, our electricity consumption decreased by 47,5%. This can be explained by the fact that in 2021, more of our events were done online, powered by our offices' electricity. As events shifted back to in-person, our own electricity consumption decreased.

SCOPE 3

- Scope 3 represents 96,2% of our global emissions.
- Business travel is responsible for 84% of the scope 3 emissions, and flights for 98% of business travel emissions. This means that flights represent 79% of our global emissions.

COMPARISON TO 2019

Global comparison

2019 was the most recent pre-Covid year. As for most companies in the events sector, Covid was a big hit, and we were led to downsize. This means that much of the general decrease in our carbon footprint can be attributed to several of our offices being closed, and it isn't easy to compare against pre-covid levels.

What can be compared is the carbon intensity per employee. In 2019, the carbon intensity per employee was 3,34 tCO2e/person. In 2022, this figure has fallen to 3,07 tCO2/person. We can explain this great difference because Covid led us to shift from in-person to online events more, reducing carbon footprint.

SCOPE 1

Pre-Covid, several of our offices used gas for heat. Multiple offices have now moved to more efficient, electrically heated buildings, therefore reducing gas usage.

However, direct emissions from vehicles were not measured yet, so we could not compare them. As a first approximation, we would say that business was similar in 2019 and 2022, and therefore emissions should be similar.

SCOPE 2

As there was a decrease in the size of the company, electricity consumption decreased as well.

SCOPE 3

As expected with a downsize, the number of flights decreased, and the emissions followed.

MITIGATING UNAVOIDABLE EMISSIONS

Over the years, we have taken significant steps towards reducing our carbon emissions by increasing our efficiency and encouraging our offices to optimise their operations for our Earth. Since 2017, we started mitigating our unavoidable emissions by partnering with Cool Earth, a non-profit organisation that works alongside rainforest communities to halt deforestation and its impact on climate change.

In 2021, we took the decision that all internal group-wide meetings organised for our management teams and talents are carbon neutral. We start by reducing the total footprint of the event by making the right choices and then mitigate our unavoidable emissions with Cool Earth.

Cool Earth is not a carbon offset programme per se. We decided to partner with them because their strategy of putting people first is aligned with our own core values. With Cool Earth, we are therefore able to offset our carbon emissions while helping to preserve indigenous culture and the people of the Amazon.

WHAT'S NEXT

As we look to the future of sustainability for mci group, we continually identify ways in which we can improve. One of the key ways we want to do this is by including mobility in our carbon footprint and measuring waste emissions more precisely.

We are also developing our capability to measure business travel more accurately, so that we can assess the percentage of travel emissions that result from our clients' projects versus our travel for our company operations. From there, we will be able to develop a global strategy to reduce our emissions.

With the transformation and evolution of our client solutions offer, we also expect overtime a reduction of our travel. In 2022, 50% of our projects were online marketing and engagement campaigns.



CARBON FOOTPRINT FOR OUR CLIENTS' PROJECTS

Connections and social interactions are an integral part of human life. Events are where people meet, celebrate, share and learn. Like many other human activities, large-scale in-person events are often accompanied by a significant climate footprint.

The average conference produces 1.89kg of waste per day for each attendee and 176.67 kilograms of CO2 emissions per person, according to MeetGreen. Over three days, a large corporate event could therefore contribute around 3,480kg of waste to landfill. A third of what is disposed of during an event is recyclable, and delegate travel accounts for almost 90% of its carbon emissions.

We want to accompany our clients in their sustainability journey and we feel it is our responsibility to propose more sustainable choices to reduce the carbon footprint of the projects we run on their behalf.

In 2023, we plan to launch two new tools to help measure, reduce, and, if needed, offset our client projects' carbon emissions. In order to ensure all our events are going above and beyond on sustainability, we are committed to integrating an environmental approach to 100% of our clients' proposals by the end of 2024.

9

RAISING AWARENESS ABOUT CLIMATE CHANGE

In order to inspire change, organisations need to nurture deeper discussions about sustainability and create a corporate culture of care.

By cultivating shared values and beliefs within our organisation, whereby the words and actions of our leadership demonstrate the importance of sustainability within mci group and beyond, we can educate and inspire positive action from our talents.

To further promote this corporate culture and infuse our teams with the will and means to fight climate change, as of 2023, we will ask all our offices to choose at least one "Corporate Culture Action" from our office sustainability guidelines (see below).

Lastly, through regular internal initiatives, we also raise awareness of what sustainability is to us, and what we do within our company to contribute to it. Some examples include:

- Sharing insights in The Beacon, our quarterly sustainability newsletter
- At group level: Sustainability onboarding for newcomers, regular webinars
- Face-to-face workshops or training organised by our offices
- One of our objectives is to train specifically Managing Directors, Human Resources responsible, and sustainability champions on sustainability, what it is to mci group, and what are the objectives and what is expected.

SUSTAINABLE WORKING ENVIRONMENTS

All our agencies are guided in the process of implementing sustainable office operations. Programmes include reducing energy and/or water consumption, sourcing clean energy, smart printing practices, using healthy and sustainable catering options for internal events, and recycling and/or banning single-use plastic.

In 2023, we plan to develop comprehensive office sustainability guidelines to support our agencies in this process further. These will include tips to improve their operations on environmental aspects, but also on diversity & inclusion and health & safety.

CERTIFICATIONS

Around the world, our offices ensure that they adhere to best practice sustainability processes. In many cases, our agencies have sought to have these processes validated, and their performance measured, through widely recognised certifications. A list of these instances can be seen below:

- Dorier, our audio-visual experience design agency in Geneva, in addition to existing ISO 9001 certification, is now also <u>ISO 14001</u> certified. This standard certifies Dorier's effective environmental management system and highlights the agency's progress in reducing the environmental impact of its events and day-to-day operations
- MCI France and MCI Middle East are <u>ISO 20121</u> (Event sustainability management systems) certified
- MCI Spain received the <u>Biosphere</u> certification, a private voluntary and independent certification system, based on the principles of sustainability and continuous improvement

As our sustainability practices continue to grow, more of our agencies are following the lead with the acquisition of sustainability certifications of their own.



DIGITISATION – THE CLOUD

Since the end of 2021, we have migrated and outsourced our servers to a cloud-based infrastructure to reduce our environmental footprint.

Our infrastructure and applications are now hosted on Microsoft Azure and Office 365, which are the best-in-class solutions in terms of sustainability. Microsoft has implemented energy-efficient technologies and solutions and commits to limiting the CO2e consumption of its data centres.

We have also been able to further reduce our impact by adopting collaborative digital tools such as Microsoft Teams, which connect our teams whilst reducing travel.

> "As a group, we turn to technology to increase efficiency and innovation wherever possible. Our use of cloud-based solutions allows us to reduce our carbon footprint and, whilst our Data usage is growing, we have launched a cleaning project to reduce our storage and control our emissions.

> We continue optimising our infrastructure and implementing solutions such as AI, AR and VR to keep mci group as innovative as possible."

Edouard Duverger, Chief Information Officer Best practices and tips on how to reduce our digital carbon footprint are regularly shared through internal awareness campaigns, training and are part of our onboarding programme.

In 2022, we earned the ISO 27001 and 27701 certifications, which certify an efficient security system and a data privacy management system.



Stories on environmental impact

Making a local impact by sponsoring a beehive

logos have been supporting local apiculture in France by sponsoring a beehive, exemplifying how the small actions our teams take can make a big difference. Logos now have their own sponsored hive, which features their logo.

Thanks to this simple yet impactful initiative, logos are helping to protect the honeybee population and the wider local ecosystem.

The team also received their personalised honey to give them an extra kick coming into the new year.



Dorier: Adopt a battery

Our Dorier Teams use an average of 10.000 batteries per year. That's about 833 batteries per month.

When running an event, the life cycle of a battery is very short, often lasting only a few hours. And, since we can't precisely determine the remaining energy levels of our batteries, our technicians must regularly change batteries in order to avoid a microphone failure. This means that most batteries are sent for recycling while they still contain energy.

With "Adopt a battery", Dorier is giving their batteries a new lease on life. Talents from outside the events team can enjoy fully charged batteries for personal use, avoiding unnecessary expenses. Dorier then collects the used batteries and makes sure they are efficiently sorted and recycled with their partners.

This approach is linked to Dorier's ISO 14001 certification process, and desire to apply and set up an effective environmental management system.





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