

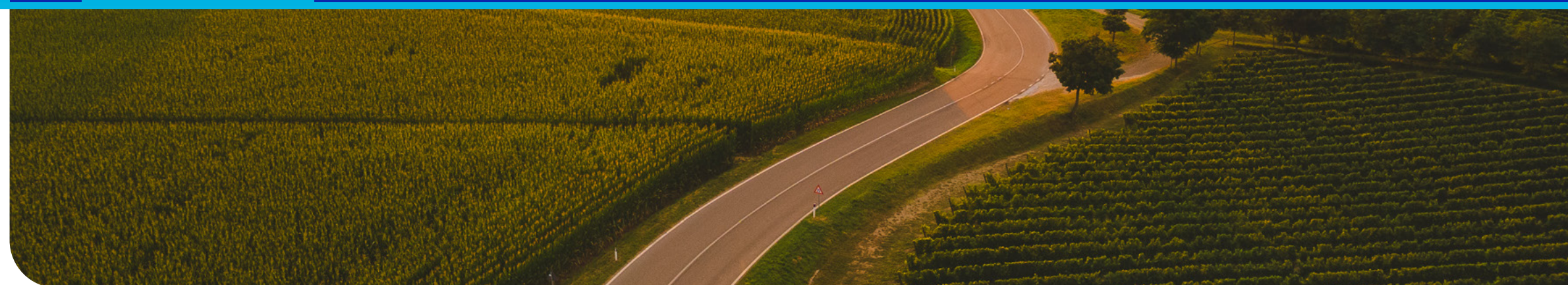
2022

# IMPACT REPORT

ESG & CSR INITIATIVES



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# Messages from Our Leadership

**We commit to valuing individual dignity and well-being. The evolution of work includes a clean environment, equitable compensation, and a diverse and inclusive workplace.**



**Kevin Akeroyd**  
Chief Executive Officer

**We are excited to share our first annual Environmental, Social, and Governance report with you, and all of the commitments involved in that endeavor.**

We believe the future of our business and more importantly, our planet, is dependent on each of us doing everything we can to maintain the sustainability of the environment, our communities and the economies in which we operate across the globe.



**Rashmi Gupta**  
Chief Human Resources Officer

**At Magnit we believe that transparency is key to making real, tangible progress toward change - and this report is an important component of that philosophy.**

Transparency helps us and our customers around the world hold us accountable to our promises and drive us to a better, more sustainable future.



**Rebecca Perrault**  
Global VP, Culture & Diversity

**As a global leader, Magnit has the imperative responsibility of promoting diversity and inclusion not just to its customers but within its own workforce as well.**

We look forward to sharing the multifaceted approaches we've taken toward increasing diverse representation, developing transparent equitable processes, fostering inclusive cultures, and more.

# Magnit's Approach to ESG Puts People First

**We commit to valuing individual dignity and well-being. The evolution of work includes a clean environment, equitable compensation and a diverse and inclusive workplace.**



→ First in the industry to be certified Carbon Neutral and run on 100% renewable energy



→ Robust employee benefits and wellness program



→ By 2030, Magnit aims to have VP+ female representation of 50% and to increase people of color representation by 10%



→ Impacting the contingent workforce



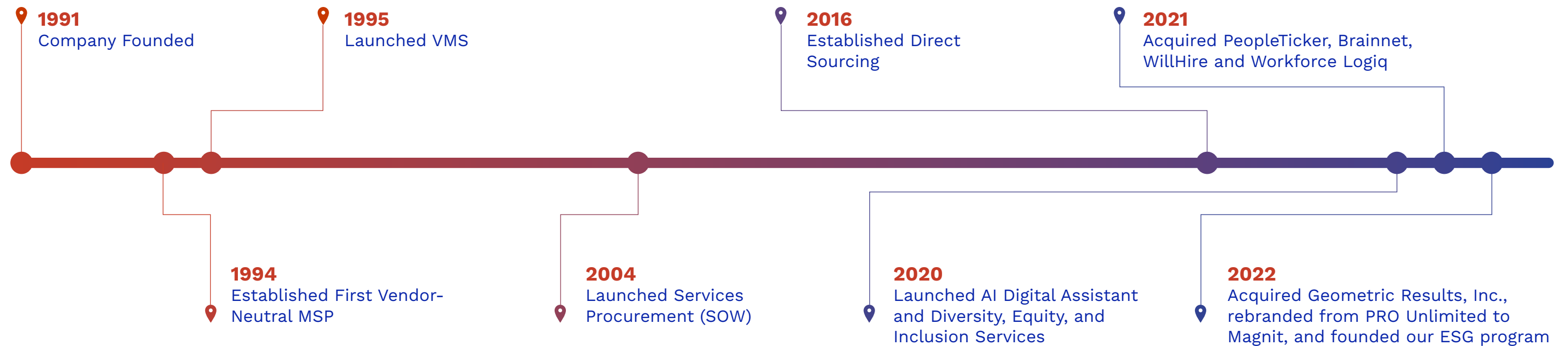
→ Signed UN Global Compact

# Our History

Magnit is the evolution of work. Serving hundreds of the world's most recognizable brands for the past 30+ years, Magnit offers the industry's first holistic platform for the modern workforce. Magnit's integrated workforce management (IWM) platform supported by data, software, intelligence, and best-in-class services is key to our clients' success. It can adapt quickly to regional or industry economic shifts, and provides the speed, scale, flexibility, transparency, and expertise required to meet an organization's contingent workforce management, talent strategy and broader organization goals.

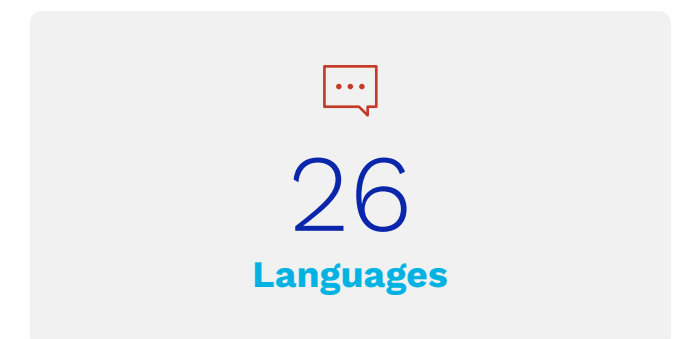
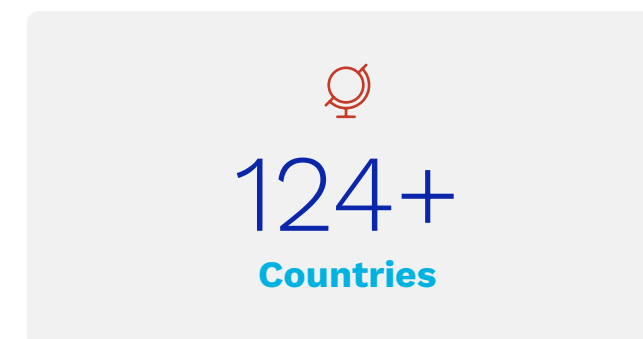
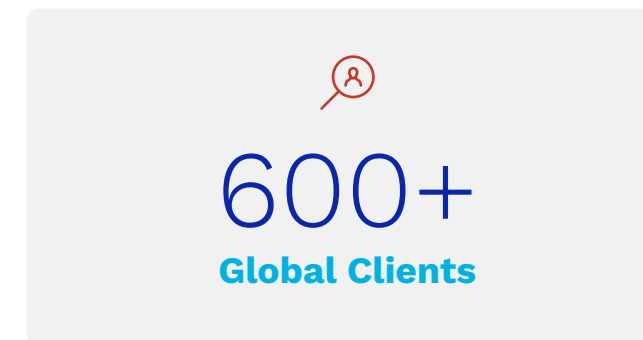
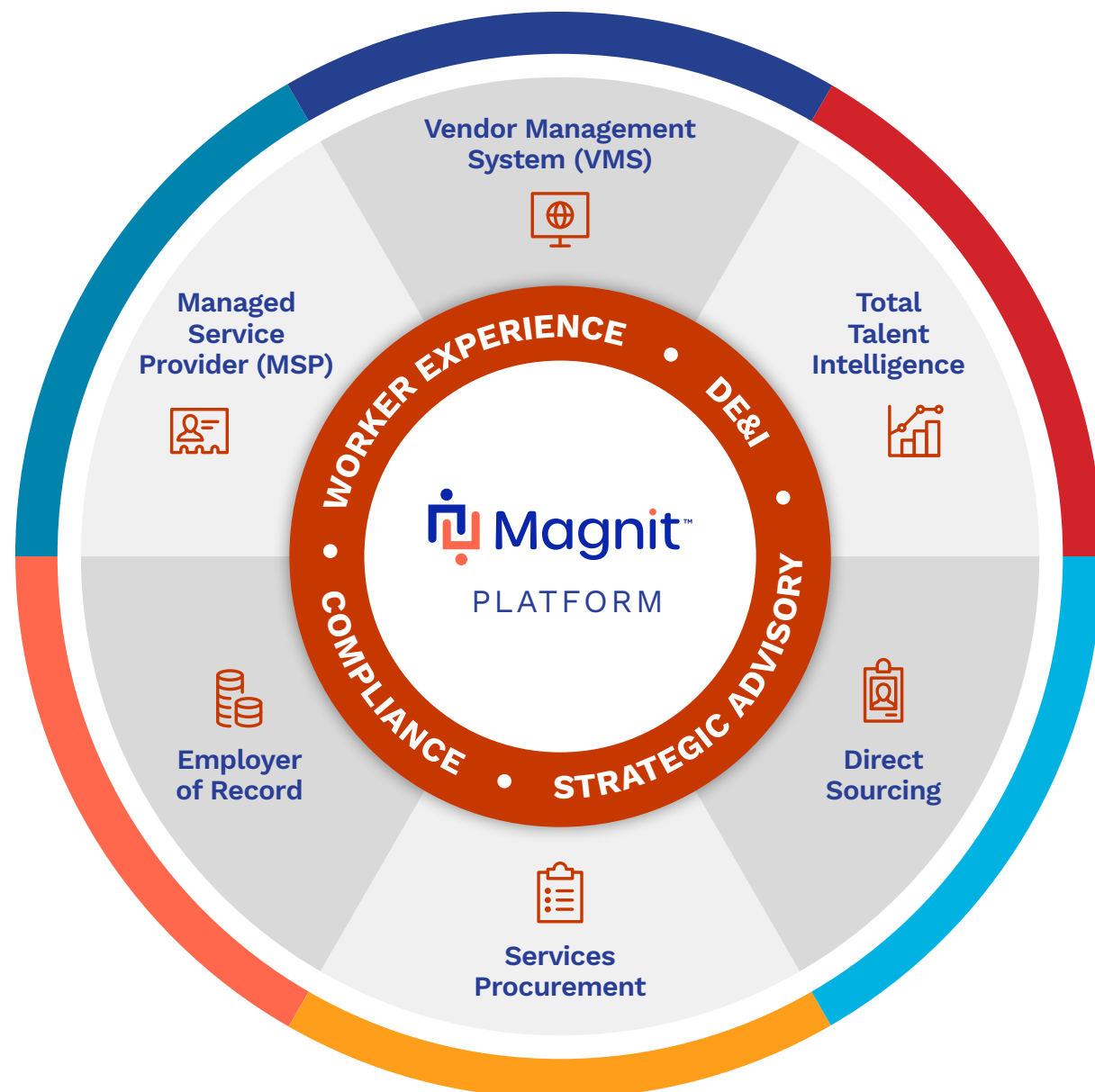
“ Our new name captures our aspirational vision for the future. We are trailblazing a revolution that makes it faster, easier and scalable for organizations to plan, attract, recruit and manage the best and diverse talent anywhere in the world.

Kevin Akeroyd  
Magnit CEO



# Magnit at a Glance

Where Technology Meets Talent



# Our Employee Code of Success



## Embrace Bold.

We make bold decisions. We adapt to change and empower organizations to impact the world. Bring your best ideas, and you won't just see the impact, you'll be the impact.



## Drive Growth.

We value ambition and support your growth. When you strive, you thrive. So do we.



## Advise and Deliver.

We consult rather than reflexively enable. We are leaders in our space because we encourage providing the right solutions, even when it's not what our clients want to hear. But we do this with respect and a high degree of emotional intelligence.



## Act with Agility.

We adapt to change and pressure with tenacity and resilience.



## Value Diversity.

We are a diverse and inclusive workplace. Be your authentic self, and you'll feel like you belong, and allow others to do the same.



# Magnit 2022 Awards

Top MSP  
Leader

**Ardent** | Partners

Top MSP Tech  
and SOW Leader



Silver GLOBEE Winner  
for the Company  
of the Year –  
Technology Award



SIA MSP Global Landscape Report – Top Scores in All Service Categories  
SIA VMS Global Landscape Report – “Best Imaginable” in All 7 Categories  
SIA Staffing 100 list for 2022 – Kevin Akeroyd, Magnit CEO  
2022 SIA DE&I Influencer Award – Rebecca Perrault  
SIA European List – Laurence Kirk



2022 PEAK Matrix – Leader and Star Performer for VMS Technology  
2022 PEAK Matrix – Leader and Star Performer for MSP  
VMS Top Leader  
MSP Top Leader



Pride Global –  
Trailblazing Woman  
Award – Rebecca  
Perrault



CODiE Award for Best  
Business Intelligence  
Solution – Magnit Pay  
Intelligence



Tiara Finalists –  
DE&I and Tech





# The United Nations Sustainable Development Goals (SDG)

In 2015 the United Nations adopted the 2030 Agenda for Sustainable Development, which includes the 17 Sustainable Development Goals. The focus of the goals is peace and prosperity for people and the planet. The United Nations recognizes that we need a global partnership to “achieve a better and more sustainable future for all.” Magnit is committed to contributing to the goals.



Our Magnit Unites program helps employers find diverse talent to exceed their pre-pandemic workforce levels. This bounce back helps reduce unemployment and inequality by ensuring all workers regardless of circumstance can enjoy an equal opportunity to build a better life.



Magnit is committed and intentional in reducing inequalities, where present, for all groups in our organization. Through initiatives like pay equity analysis, unconscious bias education, transparent representation goals, and continued evaluation of our internal processes we will achieve an equitable workplace where all employees have equal and equitable access to opportunities.



While our footprint is comparatively small, Magnit sits within our over 500 client organizations' upstream emissions, allowing us to have an oversized impact on fighting climate change. Every action we take in this space is designed to multiply our actions beyond traditional carbon reductions.

# Our Social Impact



# Our People

**Magnit employees are passionate, committed, and resilient, making them one of our greatest assets that will drive the evolution of work forward. We believe our employees' engagement and wellness is critical to Magnit's performance, so we strive to foster a diverse and inclusive environment which enables all employees to thrive.**

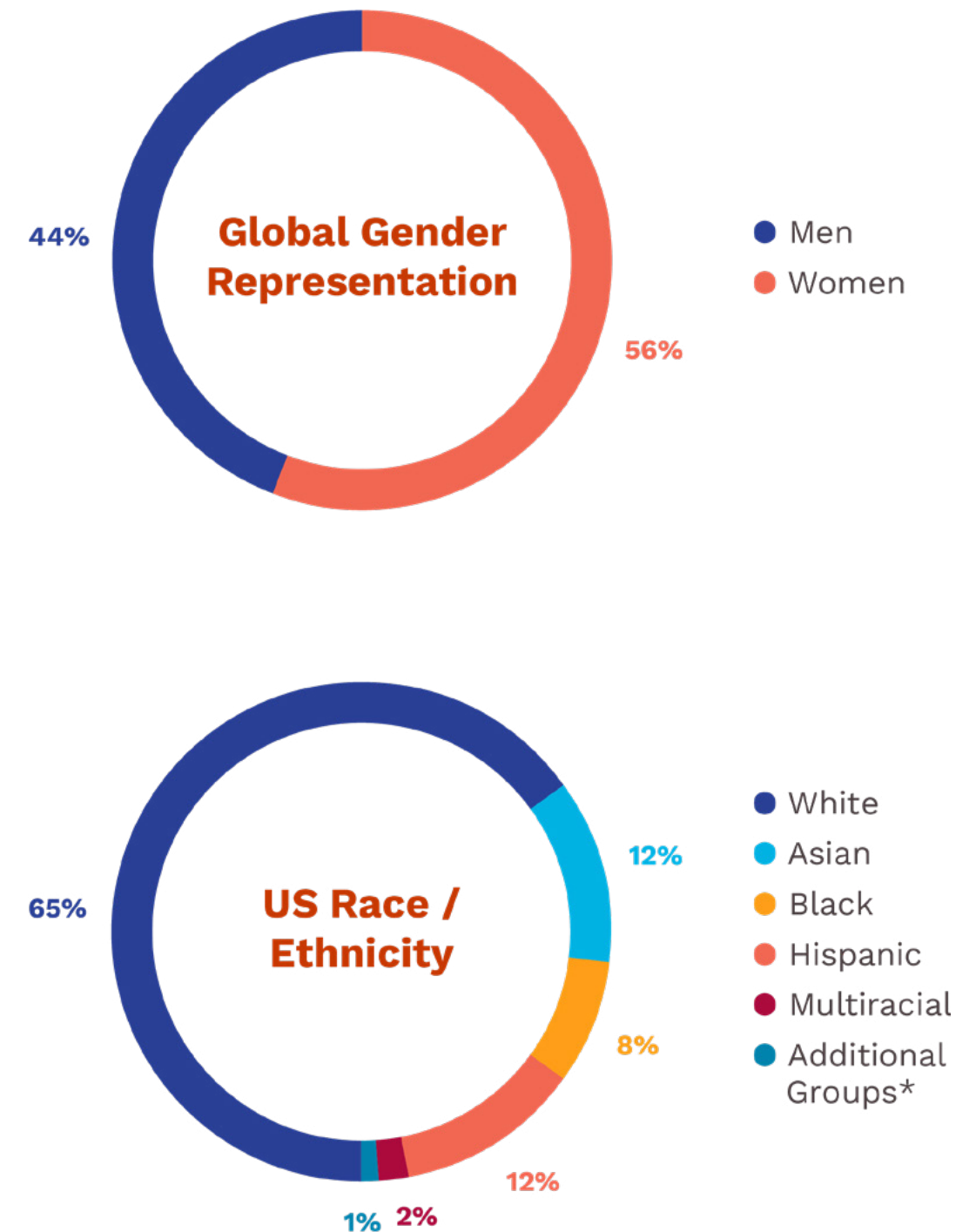
# Workforce Diversity

**Our diversity strategy focuses on business and leadership accountability by understanding and tracking diversity metrics. We are committed to being transparent about our performance – both where we have been successful and where we have fallen short, including how we are going to improve.**

By holding ourselves and each other accountable we will disrupt the current status quo. We are proud of our global female representation, with significantly higher representation than the average representation across other contingent workforce, professional service and tech industries. But we know that in leadership we can do better. By 2030, Magnit aims to achieve VP+ female representation of 50% and to increase people of color representation by 10% across the company. Although our Asian, Black, and Hispanic/Latine representation in the US is higher than the industry benchmarks, that is not enough. We will continue to work on opening doors for talent and creating a culture where everyone can succeed.

We will achieve our goals by hiring, retaining, and promoting the right people across all levels, as we believe that a truly diverse organization is diverse at all levels.

In 2022 we launched a self-identification campaign that will help us understand where we have made progress and where we need to improve. While we have goals to continue diversifying our employee base, the progress we have made so far is encouraging.



\*American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander



# Fostering an Inclusive Culture

**As Magnit keeps growing and expanding, we continue to keep our people top of mind. Our people are diverse and we believe that it is our diverse backgrounds and unique experiences that add value to our business.**

We've made a thoughtful commitment to not only the diversity of our workforce, but to also continue fostering inclusion by driving awareness through employee experiences. Employee Resource Groups (ERGs) serve as a safe community to share and learn more about others' experiences and perspectives of the world.

Our ERG journey began in 2020 when employees took it upon themselves to support each other with the creation of the Mosaic ERG. Within the last two years employees have stepped forward to create six total ERGs. They have all been very well received and are currently engaging hundreds of our employees. Learn more about our ERGs below:



## diverseAbility

Mission: To create a supportive community for individuals with disabilities and their allies, where we advocate for inclusive policies, educate ourselves and others on disability-related issues, and empower all members to reach their full potential.



## Mosaic

Mission: To empower Black voices and enhance our personal and professional experience at Magnit/RightSourcing and beyond.



## Service Stripes

Mission: To leverage military values and experience within our workplace, foster a military and veteran-friendly community through networking, and strategize the recruitment, partnerships, and support of servicemembers and their families during active duty and transitions.



## PRIDE

Mission: To create an inclusive and safe space that provides support for LGBTQIA+ employees and allies to thrive, both personally and professionally, so that Magnit can remain a high-performing industry leader and employer of choice.



## Profesionales

Mission: To uplift Magnit through Latine/Hispanic focused cultural awareness programs, networking events, and professional development workshops. We leverage diversity through multilingual support to drive service delivery and revenue opportunities.



## Shakti

Mission: To create a safe space to talk about common struggles, shared experiences as women and provide support for professional development.



# The Impact of Our ERGs

  
**10**  
ERG Company Wide Events

  
**1,500**  
Attendees Across Events

  
**Over 15**  
ERG Leaders



The Black & Missing Foundation



ERG Hosted Fundraisers Supporting Society



Moms Helping Moms

**Over the past year we hosted several virtual events in collaboration with the ERGs that helped begin difficult but important conversations. Here are a few of the most memorable discussions:**

- ➔ **To commemorate Juneteenth**, we invited Dr. Brenna Wynn Green to speak to us about the history of race, gender, and culture in the 20th century United States.
- ➔ **The PRIDE ERG kickoff call** had an overwhelming amount of attendance by members of the community as well as allies voicing their support for the new ERG.
- ➔ **During Hispanic Heritage Month**, we explored intersectionality with guest speaker Eric Alva, a gay Hispanic veteran with a disability who spoke about how he overcame his obstacles.
- ➔ **Our newest ERG diverseAbility kickoff** was supported by over 600 employees who joined the kickoff meeting to learn more about the group's mission.

We are proud of the progress we have made as an organization to value diversity and create an inclusive culture, but we know that there is still more work to do.

# Recruiting Top Diverse Talent

**As a professional services organization our ability to innovate and provide the best service for our clients is dependent on our talent. Therefore, we believe that our talent is our greatest asset, and we take a multifaceted approach to diversifying our future workforce.**

Magnit is a non-discriminatory and equal opportunity employer, and we strive to break down structures that exacerbate inequalities in the hiring process. We invest considerable time providing inclusive hiring practices training to our recruiters and hiring managers. And we continue to evaluate our recruiting process to mitigate unconscious bias in the candidate selection and hiring process. By partnering with diverse suppliers and sourcing from a variety of sources, we are continuously diversifying our candidate pool.

We strive to build teams that reflect the diversity of our clients and the communities in which we work.





# Employee Development & Training

**The development of our people is business critical. We value the career growth of all of our employees. We empower all employees to take advantage of Magnit's professional development programs. These programs have been curated to support employees through their entire careers, allowing them to accelerate their professional journeys.**

Creating a culture that values diversity and is inclusive requires us to undertake a mindset transformation, so we can learn and rethink biases and inequalities. All employees are required to complete unconscious bias training during onboarding and refresher courses are available on-demand. We believe that impactful change is also created through brief, constant, and absorbable learning interventions as well. Magnit has made a continued investment in cross-cultural awareness by developing campaigns that increase knowledge and drive advocacy.

The DE&I team further educates functional teams that require specialized training specific to their roles, such as the Talent Acquisition team and client-facing consultants. Our consultants have the unique ability to impact the diversity of the contingent workforce for Magnit's clients. We empower them with the appropriate training to be able to facilitate DE&I conversations with clients and suppliers, which includes Diversity Best Practices training and inclusive hiring practices for people with disabilities.

The opportunity to learn and expand the understanding of DE&I is limitless and we plan to expand the on-demand and in-person topics covered.

# Supporting Employee Well-Being



**Our employees are essential to our business, and supporting their health and wellness is critical in helping them thrive. Magnit provides employees access to:**

- **Unlimited PTO** that fosters a healthier work-life balance
- **Inclusive Health Benefits** that allow employees to self-select the best plan for them and their families
- **Family Support and Planning** through free membership to Care.com and up to 12 weeks of paid parental leave
- **Mental Health Support** through Calm membership and EAP program
- **Tools and Community Support** to achieve their health goals through programs like Noom and Peerfit
- **Financial Well-being and Planning** through access to education and matched retirement plans
- **Colleague Spotlight Recognition Program** celebrating excellence at work
- **A Volunteer & Donation Matching Program** that we continue to optimize
- **Flexible Work Arrangements** depending on responsibilities
- **An Array of Discounts** through PerkSpot



# Donations & Volunteer Hours

**At Magnit we believe strongly in giving back to the communities in which we live and work. That's why in 2022, Magnit and our employees donated over \$200,000 to charities and other non-profits. We also have a volunteer program, which pays up to 20 hours of volunteerism every year per employee.**

# Magnit DE&I

## Our solution is the only comprehensive DE&I solution for the extended workforce.

We believe that DE&I is not only for full-time employees, but is also business critical for contingent talent. And as a leader in the industry, Magnit is committed to promoting DE&I for the contingent workforce and advancing the industry by developing DE&I best practices specifically for contingent talent.

Our DE&I experts collaborate with clients to better understand their needs and requirements, customizing the services as necessary to best address their unique challenges. Historically the industry has only focused on diverse suppliers as the only aspect of DE&I for contingent talent, but our services go beyond supplier diversity. We also take into consideration worker diversity, diversity intelligence, and cultural inclusion.

### Cultural Inclusion

Inclusion helps organizations thrive and we develop customized interventions to foster inclusion for our clients. We challenge long-accepted biases of both underrepresented groups and the extended workforce through our inclusion and education programs.

- **DE&I Education:** On-demand content on unconscious bias, inclusion and belonging, importance of workplace diversity, and more.
- **DE&I Awareness Campaigns:** Videos, articles and discussion starters to raise awareness, combat biases and foster inclusion. These Awareness Campaigns are designed to inform and inspire change.
- **Facilitated Community Circles:** Forums specifically designed for the contingent worker that provide support through DE&I and professional development content, networking, and are a safe space to voice concerns and learn.
- **Inclusive Culture Assessments:** Magnit's inclusion assessments allow workers to share their input on how they experience inclusion and belongingness at our clients' organizations as contingent workers. This allows our DE&I experts to partner with our clients to implement programs that will help foster an inclusive culture.



### Cultural Inclusion

Diversity education to create a foundation for inclusion

### Worker Diversity

Enable workforce diversity by eliminating bias

### Diversity Intelligence

Insights to enable focused investment and accountability

### Supplier Diversity

Utilize deep supplier relationships to reach underrepresented groups



## ADVANCING DIVERSITY AND INCLUSION FOR OUR CLIENTS

**A large life sciences company needed to create an actionable DE&I plan for its contingent workforce and execute it toward reaching its 2025 DE&I commitments. Collectively we increased the diversity and the sense of community and belonging for the contingent workforce across the program.**



**READ THE CASE STUDY →**

# Diversity Intelligence Powering Workforce Diversity

Data is key to measurable change. Magnit's diversity intelligence feature measures diversity through our voluntary, self-identifiable diversity collection tool both for applicants and active contingent workers regardless of VMS. Magnit diversity intelligence provides insights that are essential for D&I strategic investment decisions such as sourcing locations, supplier focus, inclusion education, and accountability.

We are proud to share that **78%** of our cross-client contingent workers self disclose their diversity information on average.

## Methodology

- Voluntary, self-identification
- Highest levels of data safety and inclusion
- Beyond representation to actionable metrics
- Customizable dashboards

## Compelling Analysis

- **Gain Actionable Insights:** Our clients receive dashboards that track DE&I trends over time, giving them the opportunity to evaluate representation of applicants and workers.
- **Labor Market Availability:** Our DE&I experts partner with Magnit's Strategic Advisory team to provide clients insights that go beyond representation. We help our clients measure and understand a group's hiring rates, turnover, and conversions, while defining strategies based on available talent by location, demographics, and occupation.

## Enabling Diverse Suppliers & Fostering Workforce Diversity

Magnit partners with thousands of vendors globally and assists clients with diversifying their vendor relationships. Although we look beyond supplier diversity, we understand the importance of having a broad supplier network to fuel a diverse candidate pool. We believe that change in contingent workforce diversity is brought about by focusing on representation of individuals during sourcing, candidacy and hiring. Not only do we work with clients on consistent inclusive messaging, hiring process recommendations and inclusive hiring training for managers, but Magnit proudly hosts the industry's longest-standing supplier diversity network of 500-plus diverse suppliers. Magnit can provide strategic sourcing advice and strategically increase the pool of diverse vendors our clients work with by leveraging various diversity certifications and assessing a supplier's DE&I impact. We do this through:

- **Diversity Spend:** Diversity certificate tracking, supplier diversity benchmarks and increasing diverse vendor pools.
- **Diversity Impact:** Magnit continuously evaluates the suppliers in our ecosystem to assess their proven DE&I impact. This is done by utilizing Supplier Scorecard KPI's that track and optimize diversity spend to better understand how organizations are investing in DE&I and empower and support suppliers who are making an impact.
- **Supplier Mentoring:** Forums for all suppliers to discuss candidate diversity and guidance on furthering success.

### Applicant Dashboard Example



### Active Worker Dashboard Example



# Magnit Focus on Suppliers

**As the industry's most tenured, purely vendor-neutral Managed Services Provider (MSP) combined with the most innovative vendor Management System (VMS), we are committed to evolving the space today. We believe our tremendous success through the years has been the result of our dedication to working with our customers and supplier partners to achieve innovation. Magnit's vendor-neutral model creates a competitive environment where all qualified suppliers are given equal opportunity to compete, allowing suppliers to increase their visibility to additional users, Magnit clients, and in turn increase their volume.**

At Magnit our biggest impact is with the suppliers in our client ecosystems. We understand the value diversity brings to our employees, clients, and the communities we serve. Although our supply chain internally is small, the goal of our U.S. Supplier Diversity Program is to promote the inclusion of small and diverse businesses both in our purchasing process as well as in the programs we manage. We develop mutually beneficial relationships with diverse suppliers that strengthen not only our business, but our clients and the communities in which we operate. Often our deep partnerships go beyond traditional supplier relationships to move the contingent workforce industry forward through ongoing research, collaboration, programs to actualize change. In 2022 we partnered with The Mom Project and Werklabs on a ground-breaking research about the Extended Workforce.

## Supplier Criteria

Qualified diverse suppliers must meet business criteria established by multiple respected certifying organizations such as, the NMSDC, WBENC, State of NY and include enterprises across the following categories:

- **Women-owned businesses**
- **Veteran-owned businesses**
- **Service-disabled veteran-owned businesses**
- **LGBT-owned businesses**
- **Disadvantaged businesses**
- **Historically Underutilized Business Zone (HUBZone) businesses**
- **Minority-owned and other small businesses**

## How We'll Get There

We aim to reach our program goals by:

- **Actively seeking out certified diverse suppliers that can provide competitive, high-quality goods and services whose business models are aligned with our business strategy.**
- **Ensuring the inclusion of diverse suppliers as a part of our strategic sourcing and procurement processes.**
- **Communicating the value of supplier diversity both internally and externally to all stakeholders.**
- **Leveraging our supplier diversity results to meet our corporate customers' supplier diversity requirements.**
- **Monitoring and measuring the effectiveness of our supplier diversity efforts.**

## Our Diverse Supplier Commitment

Magnit is committed to the development of a diverse supplier base. We encourage all employees to be inclusive in their daily business decisions when selecting the best supplier to meet our business needs. We aim to support our clients' goals and enable the growth of diverse businesses in our communities.

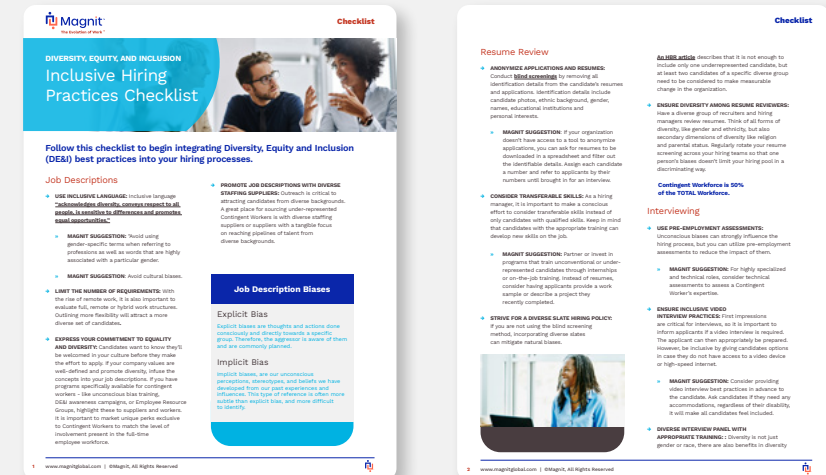
We believe we can continue to move the industry forward through ongoing research, collaboration, and partnerships committed to actualizing change.

**\$1.5B**  
of spend with  
diverse suppliers

**800**  
diverse suppliers  
in our network

# Unites Diversity Council

In 2021 the Unites Diversity Council was formed to support our clients and bring together top vendors that have demonstrated a commitment to DE&I. We partner and collaborate with the 11 suppliers on the council to share, research, and develop best DE&I practices since we believe that together we can exponentially drive progress. In 2022 the Unites Diversity Council published Inclusive Hiring Best Practices for the contingent workforce. We aim to create resources and support to help drive DE&I for the contingent workforce forward.



[READ THE CHECKLIST →](#)



# Advancing Diversity & Inclusion for Our Clients

**A large life sciences company needed to create an actionable DE&I plan for its contingent workforce and execute it toward reaching its 2025 DE&I commitments. Collectively we increased the diversity and the sense of community and belonging for the contingent workforce across the program.**



## OUR JOURNEY

**Challenge:** No strategic alignment between Contingent Workforce Program (CWP) and the client's DE&I team led to a lack of awareness of CWP as a platform for diverse talent and businesses.

### The Magnit Approach:

- Established a dedicated cross-functional DE&I Task Force
- Aligned on goals and next steps bi-weekly with representatives of the client's DE&I team
- Agreed on the format and demographic questions
- Actively gathered diversity data for all active workers



## BUSINESS IMPACT

Diversity questionnaire and data methodology alignment allowed us to compare representation to full-time employees, giving us better visibility to develop the best strategy moving forward.

**+5%**

**Black  
Representation**

**+9%**

**Hispanic/Latinx  
Representation**



**READ THE CASE STUDY →**

# Moving the Industry Forward

We are advancing diversity best practices in our industry by developing thought leadership, collaborating with clients, and partnering with impactful organizations to develop groundbreaking research. Read our recent content below:



WHITE PAPER

**Inclusive Hiring Practices Checklist**

[LEARN MORE →](#)



WHITE PAPER

**What Drives a Diverse Extended Workforce: Fostering Feelings of Inclusion for Diverse Contingent Talent**

[LEARN MORE →](#)



WHITE PAPER

**Defining What Matters to the Extended Workforce**

[LEARN MORE →](#)



SOLUTION BRIEF

**Best Practices for Collecting Diversity, Equity & Inclusion Data**

[LEARN MORE →](#)



BLOG

**Improve DE&I by Leveraging Analytics and Talent Intelligence**

[LEARN MORE →](#)

# At Magnit, we recognize that our duty to society requires an environmental commitment

**Society cannot exist without a clean environment. We realize that part of our social commitment must include doing everything we can to take care of our surroundings. We recognize that low income and traditionally marginalized groups are disproportionately affected by climate change and environmental degradation.**

We have seen all around the world how a lack of environmental stewardship can lead to societal hazards such as a scarcity of clean drinking water, hotspots of certain types of cancers, and more. Additionally, poverty presents significant challenges to a community's ability to adapt to our already changing climate.

That is why we include our environmental effort as a part of our social responsibility. The next section of this report will detail a few of the enormous strides Magnit has taken in the past year to ensure that the future of work includes a clean environment.





A photograph of a tea plantation at sunset. The sun is low on the horizon, casting a warm, golden glow over the rows of tea bushes. The leaves are vibrant green, and the overall atmosphere is peaceful and natural. A large, semi-transparent orange circle is overlaid on the left side of the image, containing the title text.

# Our Environmental Impact

# Magnit Runs On 100% Renewable Energy!

**As of 2022 we are proud to be the first in our industry to completely account for 100% of our scope 2 emissions through a mixture of on-site renewables and, where on-site renewables are not possible, the purchase of energy attribute credits (EACs).**

These purchases aligned with GHG Protocol Scope 2 quality criteria, including the latest guidance from RE100 and CDP on the approach selected for market boundary definitions. The EACs purchased by Magnit are coming from Wind and Solar exclusively. We purposefully excluded EACs coming from hydro-electric installations due to the limited additionality and potential environmental impacts of such projects.

# Magnit Is Proud To Be Fully Carbon Neutral

**This year Magnit was proud to become the first managed services provider to be completely carbon neutral. We accomplished this through the purchase of carbon credits that were both verified by the Verified Carbon Standard (VCS) and which we investigated to ensure additionality so our efforts were not wasted.**

While some companies see carbon neutrality as the end of their environmental journey, here at Magnit we see this as only the beginning of our journey.



## Ramco Wind Energy Project

Helping the environment with a pollution free, inexhaustible resource.

- **Location:** India
- **Standard:** Verified Carbon Standard (VCS)
- **Project Description:** Magnit is helping fund the construction of 136 Wind Turbine Generators in Tirunelveli, Dindigul and Coimbatore districts of Tamil Nadu, and Hassan and Chitradurga districts of Karnataka.



## Pacajai Brazil Project

Saving the world's largest rain forest

- **Location:** Amazon Basin, Brazil
- **Standard:** Verified Carbon Standard (VCS)
- **Project Description:** Magnit is funding the Pacajai Project, which is protecting and conserving nearly 300,000 acres of tropical rain forests by providing payments for ecosystem services.

# Greenhouse Gas (GHG) Footprint

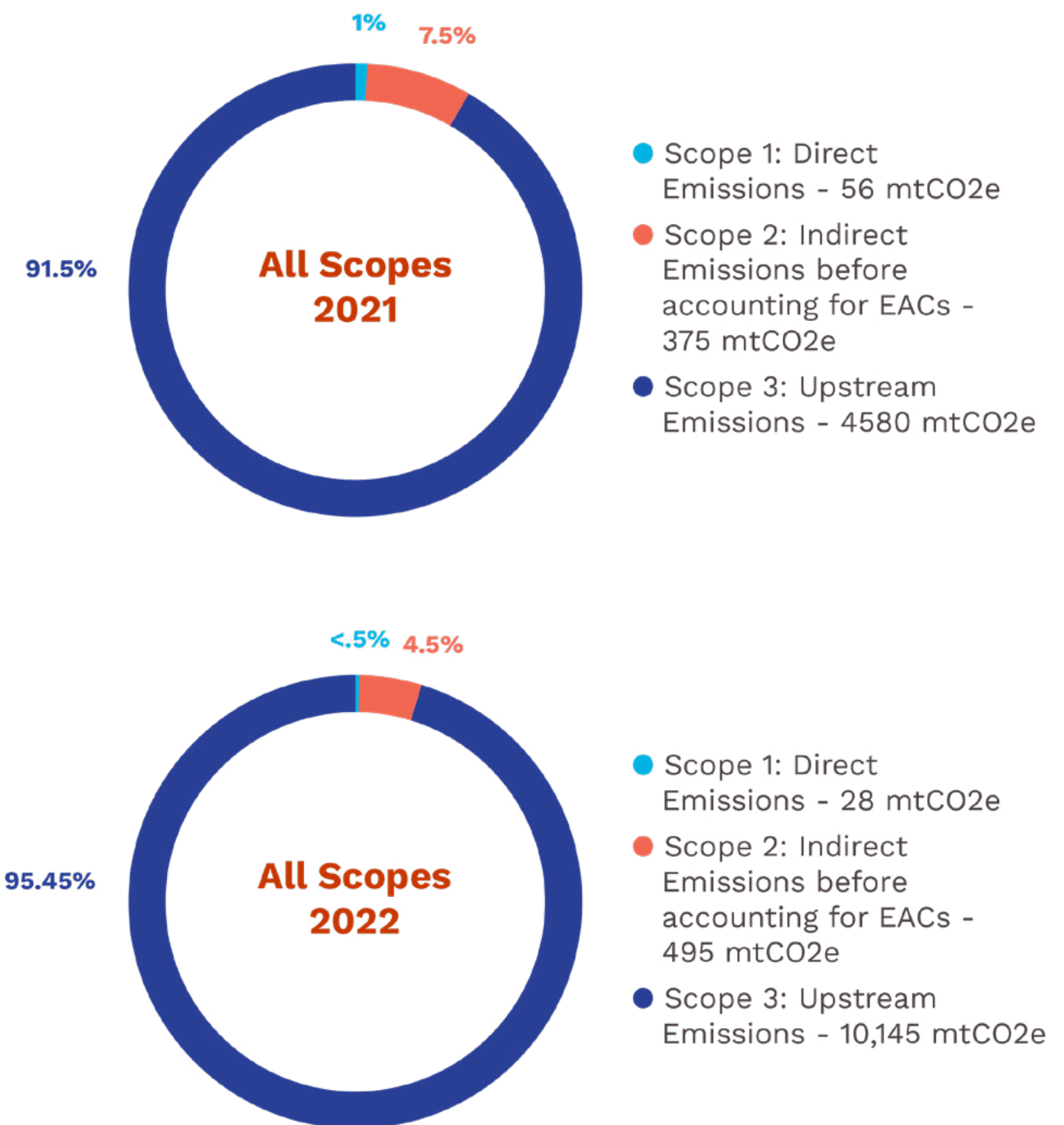
**In 2022 we improved our data collection methods, which revealed a more than 50% decrease in anticipated direct (scope 1) emissions from 2021. However, our improved data collection methods also revealed an increase in upstream (scope 3) emissions.**

For 2021 and 2022 we used a spend-based methodology, so some of the increase in scope 3 activity can be accounted for by inflation. In future years we will be changing to activity-based methodology to obtain an even more accurate carbon accounting.

The largest non-inflation-based increase in emissions came from our acquisition of GRI, now folded into the Magnit brand. The GRI acquisition increased our physical footprint by around 30%. This rise in physical footprint, accordingly, accounts for approximately 30% of our increased GHG footprint. To offset this increase, we closed 10 offices in 2022, moving those positions to 100% remote.

The second largest non-inflation-based increase in our emissions came from our marketing department. Typically, we restrict our marketing to low carbon intensity forms of marketing such as direct sales, online ads, and our annual PGA sponsorship. This year, however, we rebranded from PRO Unlimited to Magnit, a change so big we had to invest a little. Billboards and physical printed media for employees led to a one-time increase in our marketing carbon footprint.

By far the largest reduction in emissions came from several innovations in our IT department, which were able to double the life span of our purchased equipment. These innovations also helped to soften the increase in emissions we took on when acquiring GRI. We believe these innovations will lead to long-term carbon intensity reductions.



## Offices Closed for GHG Reduction



**Between the acquisition of Brainnet, Workforce Logiq, and GRI, the number of Magnit offices ballooned in the last few years.**

That's why in 2022 we reviewed all our offices to determine where we could cut down our physical and environmental footprints.

In 2021 our now closed Florida offices accounted for more than 10% of our scope 2 emissions. World-wide we closed one third of our offices in 2022 and moved those employees to work-from-home positions.

## Employee Group Created: Terra



**At Magnit we believe in being part of something greater than ourselves and sharing resources to help us all be better environmental stewards. That's why in March of 2022 we launched Terra, a unique employee group.**

Terra was started with the sole intention of spreading environmental awareness and has also become an unofficial secondary ESG advisory council and an incubator for many of our most innovative environmental programs including our Holiday Tree Fundraiser and our ATMOS Partnership.

Terra is at the forefront of many of our in-development environmental programs for 2023 and we look forward to being able to share more of Terra's extraordinary work soon.

## Holiday Tree Fundraiser Held



**In 2022 Magnit launched its first Holiday Tree Fundraiser in partnership with One Tree Planted. We engaged over 300 clients, 500 suppliers, and more than 3,000 employees to plant native trees in deforested areas around the world.**

To launch the fundraiser Magnit donated one tree for each of our employees, symbolizing a small token of gratitude to each of them. Over the following six weeks nearly an additional 2,000 trees were donated, surpassing our goal of planting 5,000 trees worldwide.

This fundraiser was so popular among our employees that we have decided to continue the fundraiser in 2023, launching it earlier in the year to give our partners more opportunity to donate.



# Climate Change Policy

**At Magnit, we recognize that climate change presents an imminent threat not just to our business operations, our clients, and our employees but to the world. We know that to make progress we must all work together, both in the public and private sectors. We see our responsibility to the environment as a driving force in all aspects of our business. This is why, this year, we have implemented a new climate change policy designed to ensure that environmental factors are considered in every step of the decision-making process.**

This policy is based on a set of principles to ensure there can be little doubt as to the right direction for our decisions which impact the environment. These principles are:

- **Science based:** We must approach climate change with a science-based approach using the most recent scientific information to make an impact.
- **Industry leading:** In 2021 we went Carbon Neutral, in 2022 we sourced 100% renewable electricity, and today we are announcing our industry-leading 2030 Net Zero goal. We can't wait to show you what else we have in store for the future.
- **Business Integration:** Climate change impact will be a lens through which Magnit views our business strategy.
- **Innovation:** Magnit brings innovation to our strategy and priorities. Our industry-leading measures are just the beginning of our fight against climate change.

This is only the beginning of Magnit's journey to fight climate change. We will continue to evolve with new and innovative ways we can help drive "climate positive" change around the world.

# Net Zero 2030

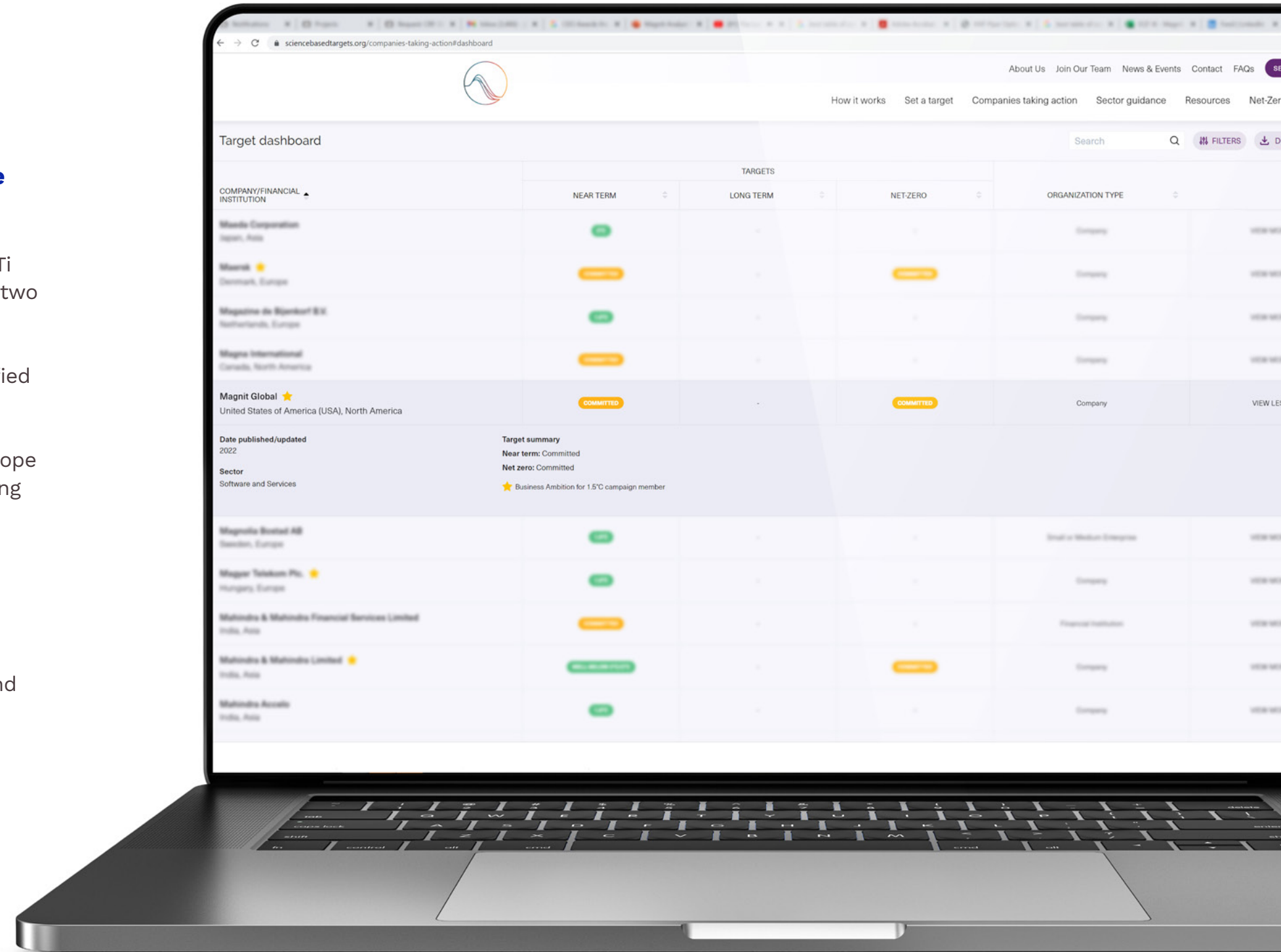
**In early 2022 Magnit joined an ever-growing list of companies pledging to act on climate change by committing to the Science Based Targets initiative (SBTi).**

As part of our SBTi commitment we are currently putting together our SBTi proposal for Magnit to achieve Net Zero carbon emissions by 2030. That’s two full decades ahead of the goals outlined in the Paris Climate Accords!

Currently this is estimated to make us the first in our industry to be certified Net Zero emissions by SBTi by at least 15 years.

As you’ve seen, we have already eliminated the entirety of our indirect (scope 2) emissions. All direct emissions (scope 1) will be phased out in the coming years. This leaves only our upstream (scope 3) emissions.

Utilizing gross operating profit economic intensity measurements, we will eliminate more than 50% of our upstream emissions by 2030. At Magnit, we believe climate change is the single most dangerous threat we face both economically and existentially, which is why we accept nothing less of ourselves than to do everything in our power to reduce our pollution and protect the planet.



# ATMOS Partnership

**Magnit is always looking for new ways to break the mold when it comes to our ESG commitment, which is why this year we have partnered with [ATMOS](#), a pioneer in the emerging green banking industry. Unlike traditional banks, ATMOS does not invest in fossil fuels and instead focuses on investments in renewable energy. ATMOS is now making a \$25 donation to [GRID Alternatives](#) for each Magnit employee that opens an account with ATMOS. Magnit is the first company to partner with ATMOS to provide this benefit to our employees.**

GRID Alternatives is a separate non-profit that ATMOS partners with. GRID Alternatives helps low-income communities participate in the energy transition by offering no-cost solar systems to low-income homeowners and other low-income communities. They also offer on-the-job training in the solar field at no cost to those who qualify, and their women in solar program focuses on helping women break into a traditionally male-dominated field. GRID Alternatives sits at the intersection of Magnit's environmental and social goals.

In the future we hope to expand this partnership with incentives for employees to install solar energy on their homes.





# Travel Reduction

**Measuring Magnit's travel impact in 2022 was challenging due to the COVID-19 pandemic of 2021 and 2022. Due to our growth as a company during the pandemic, it has been difficult to nail down how effective our travel reduction measures have been in 2022 but that didn't stop us.**

In 2019 the companies that now make up Magnit had a combined travel cost of more than \$16 million. In 2022 our travel reduction measures reduced our travel by more than 15 times, down to just over \$1 million.

That reduction represents not just a cost savings to the company but a reduction in carbon emissions as well as an even more significant reduction in carbon intensity.

We also enacted similar reductions in ground travel emissions. Rental of vehicles for employees while traveling dropped more than 15 times with many employees opting for public transportation instead of rental vehicles.

## Our Environment Impact Summary



**100%**  
Carbon Neutral  
Since 2021



**15x**  
Reduction in Travel  
Over Pre-COVID  
Levels



**100%**  
Renewable Energy  
Since 2022



**0**  
Scope 2  
Emissions



**50%**  
Reduction in Scope 1  
Emissions from 2021



**100%**  
Reduction in Scope 1  
Emissions by 2030



**75%**  
Of Employees  
Work from Home



**5K**  
Native Trees Planted  
from Our 2022 Holiday  
Fundraiser



# Working from Home

**According to the EPA, the average employee commuting to work results in around five metric tons of greenhouse gases per year being released into the atmosphere. That's why we are proud of our industry-leading remote working policy, which has allowed more than 2,000 Magnit employees to move to 100% remote work. By our estimates, in 2022 this prevented more than 11,000 metric tons of CO2 from contributing to climate change. That's more than Magnit's entire carbon footprint from all other sources combined!**

Beyond the environmental impact remote work has numerous health benefits for our employees as well. Studies have shown that remote workers eat healthier, have more regular sleep schedules, and are more productive with their time. DiverseAbility, Magnit's employee resource group for people with neurodiversity and disabilities, has several members who feel they could not perform their job duties as effectively in an in-office setting.

That is why while other companies are asking their employees to return to the office now that a COVID-19 vaccine is available, we are doing the opposite by expanding our remote work options for employees.

# Governance



# Leadership Structure

Magnit, as with all other organizations, faces an imperative to prioritize ESG as a key aspect of value creation. We believe that we have a responsibility to our planet and to society, and through our work and communities we will make an impact.



## ESG Council

- Chief Information Security Officer
- President EMEA and Global Client Delivery
- SVP Finance Transformation
- VP Contracts & Compliance
- Director Global HR Solutions
- VP Client Services
- Global Strategic Accounts
- Internal Communication Manager
- Sr Director Culture and Learning
- VP Partner & Client Marketing
- Travel and Facilities Manager

ESG sits in our HR department and is led by the Culture and Diversity Leader with strong cross function executive sponsorship.

## ESG Team



**Rebecca Perrault**

Global Vice President of Culture and Diversity



**Heindrek Allen**

ESG Specialist



**Kristell Muniz**

DE&I Program Lead

## ESG Executive Sponsors



**Rashmi Gupta**

Chief Human Resources Officer



**Gregg Spratto**

President and Chief Transformation Officer

# Materiality Assessment Results

**This year we performed our first ever materiality assessment with more than 5,000 stakeholders, including employees, clients, investors, and suppliers invited to participate.**

The results showed that what our stakeholders valued the most in Magnit are Energy Management, Data Security, Employee Health and Safety, and our Business Ethics.



## Data Security

**Our clients' data is protected by the latest and greatest in data security measures. Our datacenter facilities are physically protected by biometric security scanners, man traps, 24/7 security personnel, CCTV, ongoing disaster recovery testing, and numerous methods of redundancy.**

In terms of environment security we perform reoccurring penetration testing, ethical hacking, and communication encryption.

Magnit's data security systems have attained numerous certifications including ISO 27001, ISO 27017, ISO 27018, ISO 27701, CSA Star, SOC 1 Type II/SSAE, SOC 2 Type II/SSAE, UK Cyber Essentials Plus, EU and Swiss Privacy Shields, and GDPR compliance.

Magnit utilizes only tier 1, SOC 2 certified datacenter facilities to ensure the highest levels of both physical and environment security to its SaaS infrastructure.



# Business Ethics

**At Magnit we have an unwavering commitment to act with integrity, as we strongly believe that upholding values such as honesty, fairness, and accountability are key to running a successful and responsible organization.**

We provide our clients, suppliers, partners, staff and contingent workers with the highest levels of ethical professionalism and, as a vendor-neutral MSP, we value transparency. Our Code of Conduct guides our employees on legal and ethical behavior. Listed below are several examples demonstrating how we achieve an ethical organization:

- **Encourage employees to speak up to continue advancing a culture of integrity**
- **Protect confidential information and privacy**
- **Conduct business in accordance with local laws and regulations**
- **Respect fundamental human rights without compromise**
- **Mandate employee training on privacy, security, compliance, and HR and IT policies**
- **Maintain a zero-tolerance approach to bribery and corruption**

In addition, we are committed to fostering a culture that values diversity, equity, and inclusion. It is extremely important to us that everyone in our ecosystem is treated with dignity and respect. In ensuring the workplace is free of harassment and discrimination, we continue to cultivate a safe and inclusive work environment where everyone can be their authentic self and feel valued.

Magnit's business ethics efforts are overseen by the board and general counsel. Any misconduct that violates our business ethics and integrity is investigated.



# UN Global Compact Membership

**In March of 2022 we joined as signatories on the UN Global Compact (UNGC), the world's largest corporate sustainability initiative. As part of this commitment, we participated in the UNGC's Climate Ambition Accelerator program, which helps us advance and accelerate our climate goals.**

In 2023 we will be proud to submit our first UNGC Communication of Progress. We look forward to reporting everything that we have achieved to the UN so far.



# Key Governance Resources

**Strong corporate governance is at the center of Magnit. Read additional information below:**



PRESS RELEASE

**Environmental, Social and Governance Policy Announcement**

[LEARN MORE →](#)



WHITE PAPER

**Joint Modern Slavery Statement**

[LEARN MORE →](#)



WHITE PAPER

**Magnit Supplier Code of Conduct**

[LEARN MORE →](#)



BLOG

**UK Gender Pay Gap Report**

[LEARN MORE →](#)





**The Evolution of Work™**