Kyyba's Commitment to Environmental Sustainability

EXECUTIVE SUMMARY:

Kyyba is deeply committed to leading by example in environmental stewardship and sustainable practices. Recognizing the significant impact that corporate actions can have on our planet, we pledge to pursue excellence in environmental management across all facets of our operations.

Core Objectives:

- **Embedding Sustainability:** We strive to weave sustainability into the fabric of our daily operations, ensuring that every decision made and action taken contributes positively to our environmental goals.
- **Innovative Practices:** Through the adoption of cutting-edge technologies and practices, such as our shift to digital documentation and sustainable IT initiatives, we aim to not only reduce our environmental footprint but also to inspire change within our industry and beyond.
- **Community and Stakeholder Engagement**: A key pillar of our strategy involves actively communicating our environmental commitments to subcontractors, partners, and the communities we serve. We believe in co-managing our environmental responsibilities, fostering a culture of support, and collaboration towards shared sustainability goals.
- **Continuous Improvement:** Our dedication to environmental stewardship is matched by our commitment to continuous improvement. We regularly review and update our environmental policies and practices to reflect the latest in sustainability science, technological advancements, and community feedback.

CURRENT ENVIRONMENTALLY CONSCIOUS PRACTICES

- **Digital Documentation and Paperless Operations**: Our shift to a paperless model significantly cuts paper use by prioritizing digital documentation, such as displaying meeting materials electronically and leveraging various software for secure document management, ensuring all operations are conducted electronically.
- **Sustainable IT Initiatives**: We guide clients towards EPA initiatives like Energy Star, Economy Energy Environment, Smart Growth, and Lean Manufacturing, among others, to foster sustainability and enhance community well-being through responsible practices and renewable energy adoption. We also advise them on reducing environmental impact through efficient material use, extending equipment life, and embracing energy-saving practices. Our Environmentally Preferable Purchasing Policy champions the acquisition of EPEAT registered equipment (e.g., printers/copiers, monitors, and mobile phones) and green products, reinforcing our commitment to sustainability across operations and client recommendations.
- **Comprehensive Recycling and Waste Management**: Beyond traditional recycling, our operations recycle e-waste, ink cartridges, light bulbs, and batteries. Our Waste Management Program aims to reduce landfill waste significantly.

- **Energy Efficiency**: Our commitment to reducing our environmental footprint involves transitioning to LED lighting across all facilities, cutting energy usage by 60% under the Michigan Saves Business Energy Financing Program, installing motion sensor lighting, and using efficient centralized heating and cooling.
- **Resource Consciousness**: Our green initiatives include using Green Cleaning products in all janitorial services, reducing bottled water use through water filtration systems, and utilizing non-toxic materials for a healthier workplace environment. We are LEED Zero Water certified (April 2022) which recognizes a potable water use balance of zero over a period of 12 months. Furthermore, we avoid unnecessary use of hazardous materials and products, seek substitutions when feasible, and take all reasonable steps to protect human health and the environment when such materials must be used, stored, and disposed of.
- **Use of Cloud Services**: We have transitioned to utilizing cloud computing platforms, recognizing their operational efficiency and superior resource utilization which contribute to reduced overall energy consumption.
- **Reduced Reliance on Office Space**: We encourage a remote or hybrid work model to decrease the environmental impact of commuting and office buildings.
- **Sustainable Transportation Policy**: Our "Go Green" initiative encourages eco-friendly commuting options such as walking, biking, and public transit, with up to $125 annually for related expenses, and prioritizes green rideshare for longer distances. Additionally, we optimize our fleet through strategic carpooling, route planning, and vehicle selection to reduce mileage and emissions, complemented by eco-driving training to promote fuel-efficient driving practices.
- **Green Hiring Process**: We only conduct digital interviews to reduce the carbon footprint associated with travel.
- **Everyday Sustainability Practices**: We foster eco-friendly habits among staff, such as using reusable mugs and water bottles, opting for recycled paper coffee filters, and leveraging multifunction printers. Energy conservation is prioritized by powering down computers when not in use, ensuring lights are off overnight, and adjusting thermostats outside business hours.
- **Integrate and Communicate Environmental Commitment**: We co-manage the environment by integrating environmental concerns and impacts into all decision-making and activities, while also communicating this commitment to our subcontractors and host communities to encourage their support.

UPCOMING COMMITMENTS

- Environmental Advocacy in the Public Sector:
  - Target: Launch three educational campaigns annually.
  - Measurement: Number of campaigns launched and participant engagement.
  - Action Steps:
    - Research clients' key sustainability goals and challenges (e.g., reducing carbon footprint, improving energy efficiency, reducing paper use).

        - White Papers: Provide a comprehensive analysis of environmental challenges in the public sector and how digital transformation can address these issues. Include: statistics, case studies, and expert opinions to build arguments for adoption.
        - Webinars: Host webinars focusing on case studies where Kyyba's digital products have led to significant environmental improvements within the public sector (e.g., reduced paper usage through digitized communications, improved energy efficiency via data analytics).
        - Infographics: Outline the environmental impact of paper-based communications vs. digital alternatives and highlight statistics on carbon emissions savings, energy consumption reduction, and waste minimization.
- Reduced Energy Consumption:
    - Target: Reduce overall energy consumption by 10% within one year. (This is a good starting point, adjust the percentage based on current usage and feasibility)
    - Measurement: Track monthly electricity and gas bills (or equivalent) to monitor progress.
    - Action Steps:
        - Upgrade to energy-star appliances and electronics.
        - Power down unused equipment during off-hours.
        - Encourage employees to adopt energy-saving practices like turning off lights and computers when not in use.
        - Invest in renewable energy sources (solar panels, wind turbines) if feasible.
- Comprehensive Internal Sustainability Plan:
    - Target: Foster a culture of environmental stewardship among employees, integrating sustainability into every facet of their work and personal actions, thereby aligning individual behaviors with the company's overarching sustainability goals.
    - Measurements:
        - Participation rates in sustainability initiatives and campaigns.
        - Reduction in carbon footprint per employee, attributable to changes in work habits and commuting.
        - Engagement metrics for sustainability training and webinars.
        - Number and impact of projects initiated by employee-led Green Teams.
    - Action Steps:
        - Organize educational webinars and training to cover topics such as energy efficiency, paper reduction, and responsible e-waste management.
        - Support the formation of employee-led Green Teams focused on sustainability to encourage eco-friendly practices.
        - Use video for meetings to reduce carbon emissions.
        - Provide benefits for employees who opt for greener travel options.
        - Publicly acknowledge and incentivize employees who lead by example in sustainable practices.

        - Revise mission statement and core values to include sustainability.
        - Regularly communicate goals, progress, and achievements in sustainability to all employees.
- Reduced Water Consumption:
    - Target: Reduce water consumption by 5% within six months.
    - Measurement: Track monthly water bills to monitor progress.
    - Action Steps:
        - Install low-flow faucets.
        - Fix leaky faucets and pipes promptly.
        - Implement water-efficient landscaping practices (drought-resistant plants, rainwater harvesting).
        - Educate employees on water conservation practices.
        - Explore options for greywater systems (reusing wastewater for non-potable purposes).
- Reduced Use of Hazardous Chemicals:
    - Target: Reduce the use of hazardous chemicals by 15% within a year.
    - Measurement: Track the volume of hazardous chemicals purchased and disposed of.
    - Action Steps:
        - Substitute hazardous chemicals with safer, non-toxic alternatives whenever possible.
        - Implement strategies for minimizing chemical waste (e.g., using smaller containers, proper dilution).
        - Improve chemical storage and handling practices to prevent spills and leaks.
        - Implement a hazardous waste disposal program that prioritizes recycling and responsible disposal.
        - Train employees on proper handling and disposal of hazardous materials to minimize environmental impact.
- Zero Waste Policy:
    - Target: Achieve a zero-waste status by minimizing waste production and maximizing waste diversion from landfills through reuse and recycling.
    - Measurement: Percentage reduction in overall waste production, increase in recycling rates, and decrease in waste disposal costs.
    - Action Steps:
        - Conduct an audit to identify major waste streams and apply the waste hierarchy (avoidance, reduction, reuse, recycling, recovery, and disposal) to minimize waste to landfill.
        - Transition to reusable alternatives by conducting a review of current disposable items and identifying sustainable alternatives for them.
        - Improve chemical storage and handling practices to prevent spills and leaks.
        - Implement a hazardous waste disposal program that prioritizes recycling and responsible disposal.

        - ➢ Establish partnerships with recycling and composting facilities to handle recyclable and compostable waste efficiently.
- ❖ Sustainable Procurement Strategy:
    - ❖ Target: Integrate sustainability into the procurement process, favoring suppliers and products that demonstrate environmental responsibility.
    - ❖ Measurement: Increase in procurement from suppliers with certified sustainable practices, reduction in environmental impact of purchased goods and services.
    - ❖ Action Steps:
        - ➢ Create guidelines that prioritize suppliers with sustainable operations, responsible sourcing, and energy-efficient products.
        - ➢ Incorporate life cycle environmental impact assessments in the procurement process.
        - ➢ Initiate a program to work closely with suppliers on sustainability, including joint projects and shared best practices.
- ❖ Waste Prevention and Recycling Program:
    - ❖ Target: Enhance waste prevention measures and recycling efforts to minimize waste generation and maximize recycling rates.
    - ❖ Measurement: Increase in recycling rate, decrease in overall waste generation, and improvement in waste segregation accuracy.
    - ❖ Action Steps:
        - ➢ Recycle used office supplies whenever possible.
        - ➢ Appoint individuals responsible for implementing and overseeing waste reduction initiatives.
        - ➢ Set up clearly marked bins for different recyclables and ensure their regular collection and proper management.
        - ➢ Forge partnerships with local waste management entities to improve waste handling processes.
        - ➢ Implement a system for tracking waste and recycling metrics to assess progress and identify areas for improvement.

INITIATIVES UNDER REVIEW FOR PLAUSIBILITY

- ❖ Divestment from Fossil Fuels:
    - ➢ Target: Divest from fossil fuel companies and reallocate resources into clean energy projects.
    - ➢ Measurement: Comprehensive report on divestment options and impacts.
    - ➢ Action Steps:
        - ■ Analyze current investment portfolio for fossil fuel exposure.
        - ■ Research and identify potential clean energy investment opportunities.
        - ■ Engage financial analysts for comprehensive impact assessment.
        - ■ Set timeline for divestment (e.g., 50% by x date).
- ❖ Energy Star Certification:
    - ➢ Target: Achieve Energy Star certification within the next two years.

- Measurement: Progress towards meeting the Energy Star certification criteria.
- Action Steps:
  - Conduct an energy audit through the ENERGY STAR Portfolio Manager to benchmark current usage.
  - Implement energy-saving measures to meet criteria of operating more efficiently than at least 75% of similar buildings nationwide.
  - Collaborate with a licensed Professional Engineer or Registered Architect to verify that all energy use is accounted for accurately, that the building characteristics have been properly reported, and that the building operates in accordance with industry standards for indoor environmental quality.

- Increased Use of Renewable Energy:
  - Target: Determine feasibility of increasing renewable energy use.
  - Measurement: Reports from energy audits and feasibility studies.
  - Action Steps:
    - Identify current energy consumption patterns, inefficiencies, and the operational baseline to identify areas for improvement and potential energy savings.
    - Perform feasibility study to assess suitability of solar/wind power installations for specific buildings (includes evaluating geographical location, solar irradiance levels, wind speed, building orientation, roof space, etc.)
    - Design tailored solution for solar (e.g., determine optimal size of photovoltaic system) and wind (e.g., select appropriate turbine size/type).
    - Conduct Financial Analysis to understand cost, ROI, payback period, and financing options.
    - Boost employee engagement through regularly reporting on energy savings/performance and corresponding environmental benefits and highlighting teams that significantly reduce their energy consumption to encourage healthy competition and recognition for efforts.
    - If (increased) onsite renewable energy generation is not feasible, consider community solar or wind projects to purchase/ invest in renewable energy generated offsite.

- Sustainability Fund:
  - Target: Launch a sustainability fund that supports environmental projects and tech startups with a sustainability focus but also embeds environmental stewardship into the core business model of Kyyba, attracting clients who prioritize sustainability.
  - Measurement: Amount of funds allocated, the number of projects supported, and client participation rates in the fund.
  - Action Steps:
    - Evaluate the percentage of revenue from digital products that can be allocated. Dedicate a specific percentage of revenue from digital products to the sustainability fund.

        - Identify potential environmental projects and tech startups for investment, prioritizing initiatives with the potential for significant environmental impact and the ability to catalyze change in industry practices.
        - Develop a framework for client collaboration on sustainability projects funded by the sustainability fund. This collaboration can take various forms, from co-investment in projects to participatory roles in project planning and execution.
- Minimize E-waste:
    - Target: Establish a comprehensive partnership with HPE Financial Services (HPEFS) for the lifecycle management of IT assets, aiming to minimize e-waste.
    - Measurement: Reduction in e-waste generation, increased recycling rates, and metrics on refurbished and repurposed IT assets.
    - Action Steps:
        - Formalize partnership with HPEFS to utilize their comprehensive lifecycle management services for IT assets, from acquisition through to disposal.
        - Use HPEFS's remarketing and recycling programs to ensure that 90% of handled IT assets are given a second life, with the remainder responsibly recycled.
        - Obtain and review the Circular Economy Report from HPEFS to monitor the environmental impact and savings achieved through the partnership.
        - Highlight the partnership's benefits internally and externally, emphasizing the reduced environmental footprint, contribution to a low-carbon economy, and comprehensive and sustainable asset recovery strategy.
        - Share successes and learning from the initiative, including details from the Circular Economy Report, to encourage broader adoption of sustainable IT practices within and beyond the organization.
        - Utilize HPEFS's financing solutions for renewing or upgrading equipment as needed.
- Improving Cooling Systems:
    - Target: Upgrade cooling systems across all facilities to more energy-efficient models.
    - Measurement: Percentage reduction in energy consumption for cooling, improvements in energy efficiency, and cost savings over time.
    - Action Steps:
        - Investigate current cooling system efficiency and alternatives.
        - Implement upgrades to cooling systems that leverage natural cooling methods, such as using outside air, and more energy-efficient technologies.
        - Monitor and analyze the energy consumption and efficiency improvements post-upgrade, adjusting strategies as needed to maximize energy savings and environmental benefits

Environmentally Preferable Purchasing Program

Kyyba's Environmentally Preferable Purchasing (EPP) Program is a cornerstone of our sustainability strategy, designed to harness marketplace standards and ecolabels to identify and acquire products and services that are less harmful to people and the planet. This initiative reflects our commitment to not only minimize our environmental footprint but also drive sustainable growth and innovation within our industry.

Our Approach:

- Holistic Criteria: Our purchasing decisions are informed by a blend of environmental, social, governance, and ethical criteria, alongside traditional factors such as performance, quality, service, and cost.
- Lifecycle Consideration: Emphasizing the reduction, reuse, and recycling of resources, we focus on minimizing resource consumption and considering the life-cycle costs of products.
- Sustainable Selection: We prioritize products and services that mitigate air and water pollution, employ clean technology, and present no health or safety risks.
- Renewable Resources: Whenever possible, renewable resources are favored over non-renewable ones to ensure our operations contribute positively to the environment.
- Waste Minimization: Through source reduction and recycling, we aim to significantly reduce waste and carefully consider the environmental impact of our waste disposal decisions.
- Energy Efficiency: A key goal is to enhance the energy efficiency of our operations, goods, and services, aligning with our aim to leverage sustainable energy sources.

Our Commitment:

By integrating these principles into our procurement processes, we not only aim to limit Kyyba's negative environmental impacts but also to inspire our clients, subcontractors, and vendors to embrace these sustainable practices. We believe that by giving preference to partners who share our values, we can collectively contribute to a more sustainable and responsible marketplace.