

# Planet

**Driving Progress in Environmental Sustainability** 

CDW's approach to environmental issues is to be sustainable and efficient in our operational practices and seek to positively impact the environmental performance of our value chain. Our environmental policies, procedures and facilities management guide our day-to-day operations. In 2023, we significantly elevated our efforts to do our part to address the broader issue of climate change by implementing greenhouse gas (GHG) emissions reduction targets. We furthered our collaboration with partners and bolstered sales enablement efforts for ESG solutions, empowering our customers to advance climate action deliberately and strategically.

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# **Climate Action**

CDW is committed to reducing greenhouse gas (GHG) emissions from our own operations and working with our partners and customers to take on the broader challenge of addressing climate change. In our operations, we seek to reduce emissions by focusing on our fuel consumption and electricity usage. However, given the non-manufacturing nature of our operations, our own facilities and operations do not represent a significant climate footprint. In fact, our scope 3 (value chain) GHG emissions represent the vast majority of our total GHG emissions, as reported in our 2021-2023 Greenhouse Gas Emissions Data.

Our primary opportunities to address climate change lie in working with our partners and customers to reduce their emissions and meet their environmental goals. 2023 was our most impactful year to date in formalizing our approach to climate action. We developed an internal structure to build expertise and drive engagement. This included the work of the Climate Task Force, a cross-functional and geographically diverse internal team that led the development of our global climate strategy and establishment of our carbon reduction targets.

Under the leadership of the Climate Task Force and with support from senior leadership, we committed to set near-term, companywide emissions reductions in line with climate science with the Science Based Targets initiative (SBTi). In 2023, we announced those emissions reduction targets. CDW has submitted the targets for validation and is awaiting approval from SBTi. In addition to our enterprise-wide targets, our UK business has its own carbon reduction targets. This commitment supports and builds upon our company-wide climate ambitions.

# **CDW's Targets for GHG Emissions Reductions**

In 2023, we announced our three-part GHG emissions reduction targets. CDW has submitted the targets for validation and is awaiting approval from SBTi. Our targets are:

- Reduce impact in our own operations: CDW commits to reduce absolute scope 1 and scope 2 (operational) GHG emissions by 42% by 2030 from a 2022 base year.
- Engage our supply chain: CDW commits that suppliers representing 80% of purchased goods and services emissions will have sciencebased targets by 2028.
- Collaborate to reduce impact in our value chain: CDW commits to reduce total scope 3 GHG emissions from remaining categories by 25% by 2030 from a 2022 base year.







# OUR PROCESS FOR ESTABLISHING GHG EMISSIONS REDUCTION TARGETS

CDW utilized a formalized approach to create our GHG emissions reduction targets. In partnership with our climate expert advisors, we completed a nine-month process to conduct research, identify potential targets, develop proposed targets, secure executive approval and present the targets to our Board, and, ultimately, announce the targets.

### TIMELINE FOR CREATING OUR EMISSIONS REDUCTION TARGETS

November 2022

Established cross-functional Climate Task Force



Conducted scope 3 inventory and focus groups to identify emissions reduction options

# February 2023

Selected proposed targets based on scenarios April 2023

Presented targets and initiatives to ESG Steering Committee

For more information on the process used to establish our targets, see this <u>case study</u>.





# June-August 2023

Received approval for the targets from CEO and presented to Board



### **MOVING FORWARD ON CLIMATE ACTION**

Now that our climate strategy and GHG emissions targets are in place, we have evolved our Climate Task Force into an ongoing Climate Action Committee. This cross-functional, global group of CDW leaders is charged with continuing to refine and advance our climate decarbonization strategy. The committee will oversee the identification, development and implementation of decarbonization activities that contribute to CDW's climate goals, and is responsible for reporting progress to our executive team and Board of Directors.

In 2024, the Climate Action Committee will focus on developing the workstreams and subcommittees of subject matter experts needed to help us deliver on our goals. In collaboration with Enterprise Risk Management, we began a climate risk assessment to identify and assess climaterelated physical and transition risks and conducted climate risk scenarios as defined by the Task Force on Climaterelated Financial Disclosures (TCFD). Throughout the year, we plan to develop methods to manage these risks. For more information on our climate actions, see our TCFD report in the Resource Center of our ESG website.



Section:



# **Additional Resources Related to This**

2021–2023 Greenhouse Gas Emissions Data

ESG Disclosures – Resource Center



# **Sustainable Operations**

CDW operates with strong commitments to environmental management, energy efficiency, waste reduction and recycling, and sustainable distribution and transportation. All CDW distribution centers (two in the US and one in the UK) and two of our UK offices hold ISO 14001 certifications, the international standard for Environmental Management Systems. Additionally, our largest office locations globally, as well as our UK distribution center, have energy certifications – LEED in the US and Canada, BOMA in Canada and BREEAM in the UK.



# New Tempe Office Building Sets High Standard for Environmental Efficiency

CDW has an ongoing focus on consolidating offices into new, more energy-efficient buildings. In 2023, we consolidated two locations in Arizona into one new building at Hayden Ferry Lakeside in Tempe. The new LEED Gold building provides a state-ofthe-art workplace environment that harmoniously incorporates sustainability principles, advanced technology and aesthetics.

The building's eco-friendly attributes include: LED lighting, auto-darkening windows to block direct sunlight, use of recycled materials, ample capacity for electric vehicle charging and more. The building is located within easy walking distance of public transportation, extensive bike routes and downtown housing. Within CDW's real estate portfolio in North America, the LEED Gold office in Tempe stands as one of 10 LEED Gold-certified offices and one of 16 LEED-certified sites across the continent.





# **Energy Efficiency**

We track our energy usage and continue to seek ways to drive further efficiency in our operations. As part of our ISO 14001 environmental management certification, we maintain a three- to five-year window of visibility to identify, assess and plan for implementation of additional energy efficiency improvements. Even though our ability to directly impact our energy usage is somewhat limited by the fact that we lease the majority of our global real estate footprint, we take sustainability factors and energy certifications into consideration when we evaluate new real estate options.

Our energy efficiency measures include indoor and outdoor LED lighting, motion sensor lighting and conveyor systems in our distribution centers that turn off in response to inactivity, and "smart" HVAC systems that adjust according to business hours and seasonal temperatures. We also capitalize on opportunities to involve coworkers in brainstorming and new initiatives to address environmental issues.

Consistent with our commitment to offer a broad portfolio of environmentally certified products, we are mindful of the energy needed to power our own technology. We prefer to purchase environmentally certified networking equipment, computers and peripherals. We specifically seek to purchase data center networking equipment from partners with carbon-neutral plans.

When replacing obsolete technology, we utilize our own IT Asset Disposition (ITAD) program for proper device wiping, followed by redeployment, remarketing or recycling. For more information on our ITAD program, see page 51 in the ESG Products and Solutions section of this report.

Investment in CDW's order management system has enabled dynamic sourcing, which supports efforts to pick the quickest and shortest route to delivery. Currently, approximately 94% of our US shipments are delivered by carriers enrolled in the US EPA SmartWay Transport Partnership, which helps companies advance supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency. Further, more than 80% of our US shipment spend is handled by carriers with climate goals. CDW UK has multiple transportation efficiency efforts in place, including using Net Zero couriers, bulk purchasing and delivery, and reducing air travel through in-country services. Our UK logistics teams are already taking advantage of couriers' early adoption of low emission vehicles, including those powered by hydrogenated vegetable oil for line haul and electric vehicles for last-mile deliveries. Additionally, our UK operations have established a 2040 target of using only logistics suppliers whose fleet is composed of >90% zero emission vehicles.

### LEED Gold

- Arizona (Tempe)
- California (Irvine)
- Florida (Tampa)
- Illinois (Elk Grove Village)
- Virginia (Reston)
- Washington (Seattle)
- British Columbia (Vancouver)
- Ontario (Toronto, 1 Toronto Street)
- Ontario (Toronto, 185 The West Mall)

# **LEED Silver Facilities**

- Illinois (Chicago, 625 West Adams)
- Tennessee (Nashville)

### **LEED-Certified Facilities**

- Florida (Boca Raton)
- Maryland (Columbia)
- Minnesota (Bloomington)



### **CDW's 16 LEED-Certified Facilities** in North America

Texas (Austin)

Ohio (Cleveland)



### **UK Team Drives Environmental Performance and Transparency**

Our UK team is driving continuous improvement in environmental performance. In 2023, the team invested in an industry-leading carbon accounting platform that has increased data transparency, accuracy and pace of reporting. It acts as the launchpad to identify further emissions reduction programs while measuring their impacts in real time and underpins the monitoring of the UK 2040 Carbon Net Zero goal. Other ongoing areas of focus include energy efficiency, responsible water and waste management, and shared sustainability initiatives with our partners.



# By the Numbers: UK's Environmental Results

- First IT value-added reseller to achieve EcoVadis' **Carbon Leader Status**, securing a rating of 90/100 for environmental action
- 100% of electricity and gas consumption derived from renewable sources
- **50,000-gallon capacity** rainwater harvesting system at the Service Operations Centre
- **59%** of the UK fleet has transitioned to hybrid vehicles, with the remainder scheduled for changeover in the first half of 2024
- Solar photovoltaic panels installed at two locations, a 55 kWh array at the National Distribution Centre and a 10 kWh at the Service Operations Centre
- Motion-sensing and LED lighting at all campuses
- Replacement of external lighting at the Service **Operations Centre with LED technology**
- 100% packaging and waste recycling
- Removal of single-use plastics at all office campuses
- •>£2.5M of recycled digital assets annually





# Materials and Materials Efficiency

CDW is committed to responsible consumption through materials efficiency and a reduction in waste to landfill. While we have a wide variety of recycling and reuse programs across our office and warehouse facilities, our largest impact is in two areas: reducing distribution center waste from packaging and other materials, and managing electronic waste.

Our three distribution centers focus on reducing waste to landfill from packaging material, cardboard, paper, wood and plastic pallets, while still meeting and exceeding customer expectations. We continue to explore a spectrum of environmentally conscious packaging solutions, from renewable materials to innovative designs, to determine the most impactful sustainability benefits. Expanded engagement with our vendor partners in recent years has enabled us to continuously increase the recyclability of product packaging. We are also striving to use more biodegradable materials and alternative or reusable signage.

# OVER THE LAST FIVE YEARS, CDW'S US DISTRIBUTION CENTERS HAVE RECYCLED:

**1,700 tons** of packaging material

7,494 tons of cardboard

**306 tons** of paper

Wood and plastic pallets



Our US distribution centers both achieved greater than 92% waste diversion from landfill in 2023. This is the fifth year in a row that the two distribution centers outperformed their waste diversion goal of 90%+.







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