# 2018 ENVIRONMENTAL SOCIAL AND GOVERNANCE DISCLOSURE /





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# BETTER IMPACT/

# **ABOUT OUTFRONT**

We are a company that harnesses the power of technology, location and creativity to connect brands with consumers outside of their homes through one of the largest and most diverse sets of displays, transit and mobile assets across the U.S. and Canada. We champion the power of our scale to grow advertisers' businesses through driving engagement, brand awareness and trust. Together, our platform and our people connect brands to their unique target audiences, as they live their lives.

# **OUTFRONT BY THE NUMBERS**

- 500,000 total displays, including 42,000 billboards
- Displays in all of the 25 largest markets in the U.S. and approximately 140 markets across the U.S. and Canada
- 2,305 employees
- 90 offices
- \$1.6B USD in 2018 revenue

# **ABOUT THIS REPORT**

We are a company with impact where it matters. This report provides an overview of our developing strategy to responsibly and effectively govern those impacts.

The information and key topics included in this report are informed by internal stockholder engagement and an analysis of reporting frameworks including the Global Reporting Initiative Standards and those set by the Sustainability Accounting Standards Board. This is the first Environmental, Social and Governance ("ESG") disclosure for OUTFRONT and includes initiatives and performance data for calendar year 2018, as well as future and ongoing efforts to evolve our approach to ESG.

As we build on our ESG strategy and reporting systems, we will continue to share updates on our progress with our stockholders along the way. We invite you to review the disclosure and follow us as we continue to make strides and improvements into the future. For any questions or additional information, please email ESG@outfrontmedia.com.

# **ESG AT OUTFRONT**

Our leadership in the out-of-home industry and our role as a connector of diverse audiences across markets is predicated on our ability to conduct our business in a sustainable way that considers the interests of all our stakeholders – from employees to local communities to investors. Every day we are committed to managing the risks and opportunities that arise from ESG issues so that we can unlock greater value for society and our stockholders.

The Nominating and Governance Committee of the Board of Directors has ultimate oversight over our ESG strategy and initiatives and reports to our Board of Directors on a periodic basis. On a daily basis, ESG issues are managed by the respective strategic and operational departments, with oversight by the OUTFRONT ESG Committee, led by the Head of Investor Relations and comprised of senior management, executives and other employees representing diverse functional groups within the company.

Now, in just over five years as an independent company, we are taking steps to further evolve our ESG approach and prepare our business for the next phase. Led by the ESG Committee and beginning with this disclosure, we are deepening our engagement with stockholders in order to both better communicate our current efforts and shape our future strategy. Also, as data-driven insights become ever more important to our business as a whole, we plan to enhance our ability to track and measure ESG data to support better ESG decision making. As part of this effort, we are working toward an analysis of our carbon footprint across our operations.



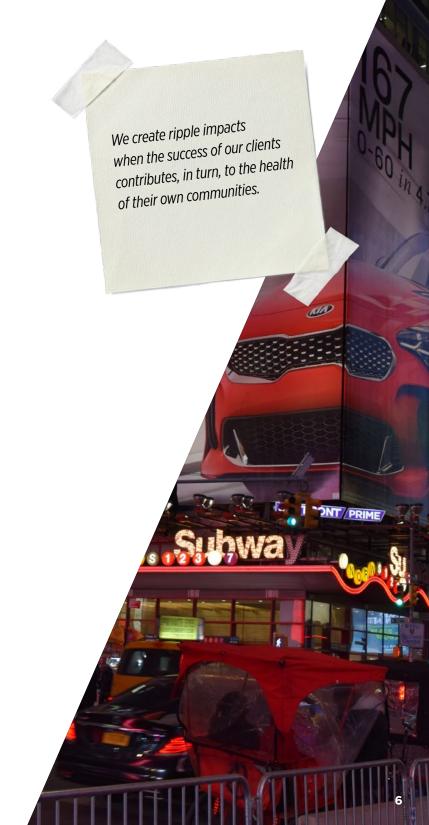
# A MESSAGE

# FROM OUR CEO/

We deliver impactful and engaging interactions with people as they live their lives in the real world, helping them discover new things, and helping our customers build their brands and businesses. It's an exciting, and powerful, thing to do – putting images across America that are seen by 70 percent of the country every day. We create ripple impacts when the success of our clients contributes, in turn, to the health of their own communities.

Thank you for taking the time to read our first environmental, social, and corporate governance ("ESG") report and learn about the steps we are taking to become a more sustainable business today and in the future. The strength and value of our business cannot simply be measured in profits. It has to be measured by the well-being of our employees as well as the society and environment in which we operate. We hope this publication will lead to dynamic conversations on how we can continue to evolve our ESG strategy and together make greater positive impacts on society. There is still much to do, but we are pleased to be getting "OUTFRONT" on important ESG issues and look forward to working with our stockholders and partners to make progress over the next year.

Jeremy Male
Chairman & CEO
OUTFRONT Media Inc.





# OUR BUSINESS PRACTICES/

From busy highways and transit hubs to urban centers and neighborhoods, we are front and center in the places where people live, work and travel. Being front and center comes with a responsibility to all of our stakeholders including employees, investors, municipalities, customers, community members and everyone who consumes our ads.

We know that the impact of our business matters to our stakeholders, and that's why we are focused on doing business the right way. This means empowering a culture of integrity, advancing responsible advertising practices and promoting strong leadership and corporate governance practices across every level of our business.

### **BUSINESS ETHICS**

Our core values reflect who we are, what we stand for and how we operate. These values are clearly communicated to all of our employees, officers and directors and throughout every facet of our company.

### **OUR VALUES**



Along with these values, we hold ourselves to high legal, ethical and operational standards to maintain the trust of our stakeholders. Our codes and policies are the tools we employ to guide our business and ensure we maintain this trust each day.

### **CODE OF CONDUCT**

Our <u>Code of Conduct</u> both defines and reinforces integrity and corporate ethics at OUTFRONT. The Code is communicated and shared throughout the organization and includes important guidelines, expectations and information for all employees. Resources covered in our Code include:

- **OUTFRONT Ethics Line**: Available 24/7, this self-reporting portal allows all employees to ask questions, submit complaints or report issues and ethics violations anonymously.
- U.S. Anti-Retaliation Policy: We encourage a culture of openness and do not tolerate any form of retaliation against an employee who reports possible problems. The Policy is available to all employees on OUTFRONT's intranet.

We regularly train all employees on the Code of Conduct.

### SUPPLEMENTAL CODE OF ETHICS

In addition to the Code, Senior Financial Officers are required to comply with and sign our <u>Supplemental Code of Ethics</u>, in order to ensure full compliance with all applicable laws and full and fair disclosures to the Securities and Exchange Commission.

# SUPPLIER COMPLIANCE POLICY

We hold suppliers accountable to the same high standards to which we hold ourselves with a strict <u>Supplier Compliance Policy</u>. We expect suppliers to comply with all applicable laws and regulations in the places where they do business, including anti-corruption and anti-bribery laws, anti-harassment and anti-discrimination, fair trade, political contributions and payments, among others.

# **BOARD COMPOSITION**

We believe that sound corporate governance at the highest level of our organization is critical to maximizing our success and ensuring value for our stakeholders. We also recognize the value of diverse viewpoints, skillsets and backgrounds, especially given the nature of our business and the diversity of all of our stakeholders across the U.S. and Canada. As such, we prioritize both qualification and diversity as crucial components to strong leadership at the Board level.

Please refer to our 2019 Proxy

Statement or our Investor Relations
page for more information on our
Board.



# **BOARD HIGHLIGHTS**



Director Independence: 6/7 independent, including a Lead Independent Director









Tenure:

Average tenure: 3.1 Years Average age: 59.7 Years

# STOCKHOLDER RIGHTS & OWNERSHIP

In an effort to increase accountability and responsiveness to our stockholders, in 2019 we made significant changes to our corporate governance and ownership structure. These stockholder-friendly updates will align OUTFRONT's corporate governance structure with the largest U.S. public companies, and include:

- Addition of a proxy access provision to our bylaws to allow qualified stockholders to nominate director nominees
- Move from a plurality voting standard to a majority voting standard in uncontested situations
- Declassification of our Board of Directors, which will be carried out over a threeyear period (subject to the approval of the company's stockholders at the Annual Meeting on June 10, 2019)
- Elimination of the company's supermajority voting requirements for the removal of directors (subject to the approval of the company's stockholders at the Annual Meeting on June 10, 2019)

We appreciate feedback from our stockholders and will continue to engage them in corporate governance matters. For more information on these updates and changes, please refer to our 2019 Proxy Statement.

# **EXECUTIVE COMPENSATION**

Our executive pay practices are on par with the industry and are well-aligned with stockholder interests. We regularly review our compensation practices and consider any changes that would allow us to remain competitive in the market. For more information about our Executive Compensation practices, please refer to our 2019 Proxy Statement.

# RISK MANAGEMENT

Assessing and managing risk is both an ongoing process and fundamental to our business. Our Board of Directors has overall responsibility and oversight of risk management, which is executed through three committees: Audit Committee, Compensation Committee and Nominating and Governance Committee. Each committee reports regularly to the Board of Directors on risk-related matters. The Board of Directors also receives regular updates from our management including, among other things, an annual enterprise risk assessment report from our Chief Financial Officer, based on in-depth meetings with members of each of OUTFRONT's departments.



# RESPONSIBLE ADVERTISING & INTEGRITY

With more than 500,000 displays across the U.S. and Canada, and millions of people interacting with our ads every day, we understand the power of messaging and its impact. We also understand that this power requires us to thoughtfully and responsibly consider the potential effects of these highly visible messages on all potential audiences. Our designated creative design services, OUTFRONT Studios, works closely with clients to bring the best in class of outdoor advertising and create truly impactful campaigns.

That's why we work to go above and beyond federal guidelines for responsible advertising to ensure integrity and respect for the communities we serve and the individuals who interact with our displays.

We do not permit advertisements that attack or disparage persons or groups, nor advertisements that we believe would be harmful or inappropriate for the general viewing public. As a company, we do not advertise products that are illegal for sale to minors, such as alcoholic beverages, within 1,000 feet of established places of worship, public playgrounds, or primary and secondary schools. This policy goes beyond the 500 feet boundary that is mandated by the Federal Trade Commission.

With respect to transit assets, we work with our partners at more than 70 transit authorities across the country to ensure compliance with their unique guidelines and policies.

# WE TAKE A THREE-PRONGED APPROACH

- We maintain a comprehensive set of **internal** guidelines for our employees that ensures careful review of all advertising copy, as well as clear procedures for assessing political or issue-oriented advertising.
- 2. Some ads require further review based on the subjectivity of the content. Our Copy Approval Committee (ethnic, gender and religious diversity is represented through the members serving on this committee) ensures we consider multiple perspectives when we review the appropriateness and integrity of the ads we place.
- 3. Because of the diversity of markets in which we operate across the U.S. and Canada, we also **empower local General Managers** to make decisions based on what is most appropriate and culturally-relevant for their respective markets and local communities. We are responsive to communities' concerns and proactively engage clients and customers to ensure the integrity of our ads.





### **PRIVACY & DATA SECURITY**

We are firmly committed to protecting privacy and fostering confidence in digital advertising. This commitment and overarching responsibility is overseen by the Audit Committee of the Board of Directors and is further managed by a cross-functional team led by our Chief Information Officer. Our overarching management approach is to ensure sound stewardship and security of data – this is especially critical as we transition to a more digital business model and maintain compliance and adaptability with new and emerging regulations.

Our overarching data security philosophy is privacy by design. As such, we do not collect personally identifiable information from mobile data providers and all data we receive from such providers is pre-anonymized.

We are in the process of reviewing our Privacy Policy, which can be accessed here. We expect to update the Policy by mid-to-late 2019, which will be the result of a cross-disciplinary and collaborative approach to better understand how our teams across different divisions are using and protecting data, and to ensure we are up to date with the everchanging data security landscape. Annually, we have a qualified third-party perform a

review of our cybersecurity posture, including our security policies, operating and response procedures, as well as external penetration testing. This is part of an ongoing program to continuously improve our security program. Additionally, we conduct regular trainings on privacy and data security for all employees.

# **LOBBYING & PUBLIC POLICY**

We take all lobbying activities and government affairs practices very seriously. We have policies and procedures in place governing our approach to lobbying and political contributions to ensure compliance with all applicable laws. We also host a political compliance training on a bi-annual basis for our Government Affairs and Legal teams, and we're planning to expand such training to General Managers in 2019.





# **OUR PEOPLE/**

# **EMPLOYEE ENGAGEMENT & COMPENSATION**

We aim to create a workplace where employees feel engaged, rewarded and empowered to speak up. Culture plays an important role in the way we conduct business and attract talent to our company and, as such, we actively promote a culture of collaboration, creativity and ownership throughout the employee experience.

Our workforce continues to grow across our footprint. In 2018, we experienced 5.4 percent growth.

### **COMPENSATION & BENEFITS**

We provide an attractive benefits package to support employees' health, wellbeing and overall development and continually revisit and evolve this package to better address the needs of our growing workforce. Benefits and programs include:

- Fund-The-Future: Program that provides an annual restricted share unit grant to employees that is equivalent to 2.5 percent of an employee's base salary
- Education Assistance Policy (new in 2018): Covers up to \$10,000 for undergraduate coursework and professional certifications and \$15,000 for graduate coursework directly related to an employee's present job or to another company-specific position
- Parental Leave Policy: Flexible policy covering a variety of family arrangements, including pregnancy, adoption, surrogacy or foster care; provides eight weeks of paid leave for a primary employee caregiver and two weeks for a non-primary caregiver
- Adoption Assistance: Provides reimbursements up to \$5,000 to cover adoption costs

# EMPLOYEE LEARNING & DEVELOPMENT

As our business grows, we place a priority on helping our ever-increasing number of employees build both their skills and careers at OUTFRONT. The below provides an overview of our initiatives and programs focused on employee development, training and recognition.

# ONGOING EMPLOYEE DEVELOPMENT

Annual performance reviews are required for all employees and form the central pillar of OUTFRONT's approach to employee development. These reviews are an opportunity for employees to receive thoughtful feedback and reflect on their achievements.

For the first time in 2017, we carried out comprehensive assessments at the executive level to help our leaders learn and grow as well as to identify emerging leaders who exhibit high potential for greater leadership positions. In 2018, we continued the assessments for new leaders. In 2019, this process will be extended to our sales leadership team.

### **EMPLOYEE TRAINING**

Over the past several years, we have been building our training capability to better support skills development across our workforce. In 2019, we will hire a full-time training manager to oversee and continue to advance our growing training program.

In addition to regular ethics and compliance training, 2018 employee training topics included cybersecurity, workplace harassment, technology use and workplace security, among others. On average, training completion rates exceeded 90 percent. Also, in 2018 we introduced an advanced training specifically for our U.S. sales force to hone their skills in consultative selling. The program was well-received and completed by nearly 100 percent of our account executives and sales leadership.

### **AWARDS & RECOGNITIONS**

We offer a variety of initiatives and awards to recognize high-achieving employees. Signature programs include:

- The OUTShine! Awards: Hosted annually, these awards recognize employees who best represent our company, exemplify our brand and "live" our culture. Winners are awarded \$5,000 in restricted stock units and \$2,000 in cash and are recognized by the CEO in an all-employee video conference. In total, we awarded 43 OUTShine! Awards for outstanding employee performance in 2018.
- President's Club: The President's Club is designed to recognize the "best of the best" within our sales department and reward our top performers who contribute to our growth and culture with an all-inclusive trip with a guest to a great location with the CEO and other senior executives.



# SOME OF OUR 2019 OUTSHINE! AWARD WINNERS

- Sean Campagna, Richard Docanto, Boris Gorjup, Mike Kostic and Kevin Multoney
  - The Canadian Structure Removal Team, Toronto
    - In 2018, the team was tasked with completing the removal of more than 175 structures. Working on weekends, nights and in all weather conditions, the team made it possible while showing great enthusiasm and diligence.
- Ashton Biggers Marketing, Louisville
  - Defined by his colleagues as a "one-man marketing machine" and an "unsung hero," Ashton was recognized for his collaborative nature and extraordinary marketing skills.
- Kim Gesund Real Estate Representative, Detroit
  - Kim was honored for exceeding her KPIs and actively taking on additional responsibilities within her department. As he colleagues said, "her focus, drive and execution set her apart."
- Anaa Santiago Contract Administrator, Houston
  - Anaa has been a staple of the Houston market for 20 years. She is known as an exceptional worker who really cares about what she does. She oversees billing for Houston and San Antonio. This year her manager notes that "she overcame great personal adversity and continued to be one of our very best employees".







# **DIVERSITY & INCLUSION**

We're committed to promoting a diverse and inclusive working environment. We know that in order to effectively connect diverse audiences across markets, we need a workforce that reflects the diversity of the communities we represent and in which we operate.

# DIVERSITY AND INCLUSION ADVISORY COUNCIL

To formalize our Diversity & Inclusion ("D&I") approach, in 2018 we established the OUTFRONT Diversity and Inclusion Advisory Council (the "Council"), led by two Co-Chief Diversity Officers and our Chief Human Resources Officer. The Council is tasked with educating all employees on D&I and challenging our company to integrate inclusive values into every aspect of our business and corporate culture. Key accomplishments of the Council to date include:

- Fielding our first ever employee "Culture Survey" to solicit employee feedback and guidance on OUTFRONT D&I efforts
- Managing and growing our partnerships with organizations including the <u>Emma</u> <u>Bowen Foundation</u> to recruit interns from diverse backgrounds
- Establishing an "Inclusion Corner" on InsideOUT, our Intranet site, to regularly share D&I updates and resources
- Supporting the establishment of Employee Resource Groups to provide like-minded employees with a platform to address their needs and concerns and gain access and exposure to senior leadership
- Piloting a training on leadership and management skills for female employees

In 2019, we will begin D&I and unconscious bias training for all employees, with supplemental training for managers and supervisors. We're also planning on hosting "Courageous Conversations" to allow for more open and effective dialogue on D&I topics with employees.

\*Diversity data covers our U.S. workforce. Source: EEO-1

# OUTFRONT DIVERSITY DEMOGRAPHICS:

- 2018 global headcount: 2,305
- 32% female in the U.S. and Canada
- 35% people of color in the U.S.

	Total	Male								
Title		Female	White	Black	Hispanic	Asian	Native American	Indian	Two or More	Minority
1.1 - Executive/Senior Level Officials and Managers	s 75	62	54	3	3	2	0	0	0	
		13	12	0	0	1	0	0	0	9
12 First/Mid Lavel Officials and Managers	427	284	238	13	18	11	1	0	3	91
1.2 - First/Mid-Level Officials and Managers	427	143	98	11	19	12	1	0	2	91
2 - Professionals	209	135	87	15	17	15	0	0	1	77
	203	74	45	6	11	12	0	0	0	, ,
4 - Sales Workers	425	270	226	10	24	4	3	0	3	81
4 - Jales Workers	423	155	118	6	23	6	0	0	2	2
5 - Administrative Support Workers	359	95	60	16	15	1	1	0	2	155
3 - Administrative Support Workers		264	144	34	57	16	1	2	10	155
6 - Craft Workers	51	50	36	4	9	1	0	0	0	14
o clare Workers	٥.	1	1	0	0	0	0	0	0	1-7
7 - Operatives	8	8	5	1	1	0	0	0	1	3
		0	0	0	0	0	0	0	0	-
8 - Laborers and Helpers	464	463	199	120	127	10	1	1	5	264
		1	1	0	0	0	0	0	1	

# **#WHATSYOURSIGN CAMPAIGN**

In 2018, we conducted the #WhatsYOURsign campaign to promote D&I internally and raise awareness of our company's initiatives. We invited all employees to create their own signs sharing their unique experiences and perspectives, and compiled the personal messages into a compelling video that showcases the impressive scope of OUTFRONT employees' points of view.



# SUPPLIER DIVERSITY

In addition to promoting diversity in our workforce, we are committed to diversity in our supply chain. We continuously work to identify opportunities to increase our work with certified minority and women-owned

businesses ("M/WBEs"). By including M/WBEs in our bids for advertising concession agreements and actively seeking to increase work done with existing M/WBE suppliers, from 2016 to 2018 we were able to grow our spend with diverse suppliers by 40 percent.

OUTFRONT'S SUPPLIER DIVERSITY SPEND						
	2016	2017	2018			
MBE	\$ 7.4M	\$ 7.9M	\$10.4M			
WBE	\$ 2.6M	\$ 2.7M	\$ 4.2M			
TOTAL	\$ 10.0M	\$ 10.6M	\$ 14.6M			

### **EMPLOYEE HEALTH & SAFETY**

There is nothing OUTFRONT takes more seriously than the health and safety of employees. Any injury is one too many. That is why we have adopted a preventive culture and follow and enforce a strict set of safety guidelines and training processes.

OUTFRONT's comprehensive training program is another essential aspect to promoting the safety of our employees. We require all our field operations team members to participate in an extensive training process and we reinforce these trainings throughout the year. One hundred percent of field employees must complete the trainings as a condition of their continued employment at OUTFRONT.

# **SAFETY TRAINING PROCESS:**

- OUTFRONT Safety Manual provided to every field employee
- Comprehensive training when hired as well as a 60-day grace period before able to work at heights on any billboard
- Refresher trainings every 6 months
- Monthly trainings on specific topics

**One hundred percent** of field employees must participate in full training processes.

To protect the safety of our employees, compliance with all of our guidelines and safety procedures is mandated. Additionally, site supervisors are required to conduct four unannounced field observation visits each month. In 2018, our site supervisors completed 446 site visits across 45 markets. Safety violations of company policies were recorded in 1.8 percent of those visits.

If an employee is found to have violated a safety policy or rule or is seen operating in an unsafe manner, OUTFRONT's safety committee will review the situation to make adjustments moving forward. For example, employees working at heights must be tied off at all times with the appropriate protection equipment while working on any display, as mandated by our Fall Protection Policy. A violation of the policy will result in a fiveday suspension for a first-time offense, and termination for a second offense.

In 2018, we suffered two employee fatalities. This was the first time in 22 years OUTFRONT has experienced the loss of an employee on the job. The fatalities were the result of separate incidents. Both were thoroughly investigated, and in both cases, mandatory safety processes and protocols had not been followed. These incidents triggered changes to our companywide safety policies to make our practices even more stringent. Today, if a critical safety violation is discovered, there is no waiver offered for a first-time offense - the employee can be immediately terminated. We view this as a necessary measure to ensure safety is taken with the seriousness due by all members of the OUTFRONT community.

YEAR	FATALITIES COUNT/RATE	OSHA RECORDABLES COUNT/RATE	HIGH CONSEQUENCE COUNT/RATE
2016	0/0.00	45/2.57	4/0.23
2017	0/0.00	62/3.43	13/0.72
2018	2/0.11	57/3.00	11/0.58



In February 2019, we added a new Vice President of Operations Effectiveness and Safety to our team, whose responsibility is to have direct oversight over our managers and field crews and ensure all employees are continuously following our safety procedures and protocols.

# HOOK UP BEFORE YOU GO UP... SAFETY CAMPAIGN

In 2018, we launched a worker safety campaign to highlight the importance of tying off when working at heights. The safety team produced banners for facilities, bumper stickers for vehicles and hard hat decals that allowed our employees to write in who they tie off for, such as family members or friends. This campaign helped serve as a daily reminder of the importance of safety procedures and contributed to the culture of safety that is critical to the way we operate.

### **INCIDENT INVESTIGATION PROCESS**

At OUTFRONT, every incident must be reported within 24 hours of occurrence, which is more stringent than the industry standard of 72 hours. Every incident is also thoroughly analyzed in order to identify the root cause and prevent any similar accidents from happening in the future. These investigations are not intended to lay blame; rather, they are a way for our supervisors to gather all the facts and learn any lessons to be learned. Overall, investigations help us identify gaps in training and improve our guidelines to ensure that we are doing everything we can to deliver on our commitment to safety.

# **INDUSTRY COLLABORATION**

To ensure we are learning and applying the latest best practices, we actively engage with the Outdoor Advertising Association of America's Operations & Safety Committee. Through the Committee, we engage regularly with industry peers and regulators to refine and advance our approach and share our own knowledge with others.





# OUR SOCIAL IMPACT/

Through our displays, we are fully embedded in the fabric of thousands of communities. We reach 70 percent of the U.S. population each week, and believe it is our responsibility to use that reach to help advocate for social causes and inform the general public in times of need.

Each year, we contribute our creative services and donate approximately \$10 million in public service advertising to nonprofit and government organizations. Here are just a few examples of our recent partnerships.

# NATIONAL SPOTLIGHT: PROMOTING POSITIVITY AND KINDNESS

In celebration of International Day of Peace, we partnered with Periscope to support the Peace Paper movement – a national campaign dedicated to spreading kindness and inspiring a more peaceful world. For a week in September 2018, OUTFRONT digital billboards across the U.S. shared Peace Paper's message to spread positivity and kindness.

# LOCAL SPOTLIGHT: LA PSA TO RECRUIT FOSTER FAMILIES

Our Los Angeles office partnered with LA County Department of Children & Family Services on a PSA campaign to recruit foster parents to highlight the importance of fostering LA County youth with the goal to eventually recruit and retain new foster families. 10 billboards were donated for two months in 2018.

# LOCAL SPOTLIGHT: CHICAGO PSA BRINGS ATTENTION TO CLIMATE CHANGE

Our Chicago office partnered with Earthjustice on a PSA campaign to raise awareness of the impact of climate change and the need to fight to protect our planet. The message that the earth needs a good lawyer was spread throughout the city on 11 donated metro light panels.











# REAL-TIME PUBLIC BENEFIT COMMUNICATION

The flexibility of our real-time digital network allows us to help organizations communicate critical, urgent information to the public in targeted, timely ways. Through partnerships with the Federal Bureau of Investigation, Federal Emergency Management Agency, local transit authorities, the Outdoor Advertising Association of America and more, we are able to deliver emergency information that requires immediate attention, such as a hurricane evacuation warning, a national manhunt or an AMBER Alert.

# COMMUNITY SUPPORT & PHILANTHROPY

In addition to using our advertising platforms for good, each OUTFRONT office works directly with its community to volunteer time to support local causes. In 2018, local partnerships included St. Jude, Serenity House, 1000 Mothers to Prevent Violence, Operation Dream, Citizen Schools, Leukemia & Lymphoma Society, Special Needs Network, God's Love We Deliver and more.



# LOCAL SPOTLIGHT: LOS ANGELES "DAY AT METRO"

In 2018, we partnered with the Greater Los
Angeles African-American Chamber of
Commerce and the Los Angeles County
Metropolitan Transportation Authority (Metro)
to host approximately 30 local high school
students for "A Day at Metro" to show them the
vast transportation system and illuminate the
possibilities of a fulfilling career in transportation.
The students met with the Board of Directors,
received an overview of the transportation
system and enjoyed a tour of historic Union
Station.

# LOCAL SPOTLIGHT: LOS ANGELES "SPARK MENTORING PROGRAM"

Our Los Angeles office partnered with Spark, a nonprofit established to engage communities to provide career exploration and self-discovery opportunities that help middle school students understand, experience and pursue what's possible. Over the course of 12 weeks, a group of approximately 15 middle school students from Burbank Middle School came to our local offices and were paired with OUTFRONT employees for one-on-one mentoring. Each pair created a project based on the interests of the student and the skills of the mentor. At the end of the program, each pair presented their project to the entire group at Dodger Stadium.



# **ENVIRONMENTAL**

We're committed to continuously improving our environmental performance across our footprint. Our primary focus is on our areas of greatest impact: Energy Use & Emissions and Materials Recycling & Repurposing. In the past year, we have also put a greater focus on selecting suppliers with strong environmental offerings.

Energy usage is a vital component of our operations. The following are some of the ways we are working to make reductions across the

### **DISPLAYS**

Our biggest area of focus for energy reduction has been converting all outdoor light fixtures to lower wattage LED lighting – yielding a savings of 70 percent in kilowatts per fixture. To date, we have converted approximately 85 percent of display lighting – more than 50,000 fixtures to LED – leading to a 39.5M kilowatt savings over 2005/2006 levels. Our goal is to reach full conversion by 2020.

# **ENERGY USE BY THE NUMBERS**

- 50,000 fixtures converted to LED
- 39.5M kilowatts in savings per year (based on 2005/2006 baseline)
- 76.77% less energy used per year from conversions
- Goal: 100% conversion of billboards by 2020

### VEHICLE FLEET

Our operations team is constantly on the move, traveling across cities and navigating congested city traffic patterns to update and install new campaigns while also maintaining displays. We have 530 trucks and vans, many of which must accommodate a heavy load from display materials. Understanding that vehicles and the emissions they produce have a sizeable impact on our environment, our aim is to minimize the amount of travel for our operations team. We do this by closely analyzing how we schedule jobs, streamlining to create greater efficiencies and reduce travel time between sites.

We are in the process of converting many of our static canvases to digital displays. This not only helps save vinyl material, but also helps reduce fuel emissions and travel time needed from our operations team to transport materials to and from display sites to switch from ad to ad. To date, 2.5 percent of our billboard displays have been digitized and we plan to convert additional displays every year.



### SUBSIDIZING SUSTAINABLE TRANSIT

Cars and trucks are among the largest contributors to U.S. greenhouse gas "GHG" emissions.<sup>1</sup> Increasing the availability and affordability of public transportation options is one of the chief ways we can help meet global climate goals. Subways produce 76 percent less in GHG emissions per passenger mile than the average single-occupancy vehicle. Light rail produces 62 percent less and busses produces 33 percent less.<sup>2</sup>

OUTFRONT is the largest operator of transit system advertising in the U.S., including bus, rail, subway and bike shares. Our advertising on these systems enables municipalities to make sustainable transit available for millions of commuters each day – helping to get more single-occupancy vehicles off the road to reduce GHG emissions.

<sup>&</sup>lt;sup>2</sup> U.S. Department of Transportation Federal Transit Administration



### **OUR FACILITIES**

We are also furthering efforts to reduce energy use across our 90+ facilities. We have recently converted major office locations to LED lighting which has led to an overall reduction in energy consumption.

# BIG SHINE ENERGY SUSTAINABILITY AWARDS

In 2018, we were awarded a Sustainability Award from Big Shine Energy at their #ApproachingZero event as one of the top saving energy companies. OUTFRONT was in competition with hundreds of participants ranging from Fortune 500 corporations to local businesses, who all contributed to the energy company's overall goal of saving 45 million kWh since 2015.

Our employees have embraced making sustainability a key part of our workplace culture through various site-based initiatives. We recently launched OUTFRONT Goes Green, an initiative to remove all single-use plastic from our kitchens. The initiative launched in our New York City office and has already scaled to more than a quarter of our office locations.

### WHAT'S NEXT

As our reduction efforts continue, our next step to better manage and evolve our energy use is to conduct a complete analysis of our carbon footprint across our operations. The OUTFRONT ESG Committee will be able to use the data from this analysis to make better decisions about how we can make the most strategic investments to evolve our operations.

<sup>&</sup>lt;sup>1</sup> U.S. Environmental Protection Agency

# MATERIALS RECYCLING & REPURPOSING

We are committed to extending the lifecycle of our materials where possible while minimizing our material impact. After a display comes down, the polyethylene ("PE") and polyvinylchloride ("PVC") material is either reused or recycled. Our PE product is fully recycled through a third party who shreds, blends and densifies it into small pellets, which ultimately become raw material such as landscaping materials and railroad ties. Our used PVC product is fully repurposed through vendors and is converted to coverings, tarping and new consumer products.

We also ensure that panels used for our digital displays can be recycled or refurbished.

# **RAREFORM**

COLLECT

We have an ongoing partnership with <u>RAREFORM</u>, a California-based company that supports 90 percent of our efforts to repurpose our used displays, turning them into consumer products such as tote bags, backpacks, wallets and surfboard bags.

SEW

### **DIGITIZATION**

We are in the process of converting many of our static canvases to digital displays. Digitization promises to reduce vinyl material usage, downstream waste, fuel emissions and travel time needed to transport physical materials to and from display sites when switching ads. Over the approximately 10-year life of a digital display, these benefits can be significant. Digital displays do have greater energy requirements than physical displays and we are evaluating alternative energy sources that can help minimize this energy use as our digital footprint grows.

To date, 2.5 percent of our billboard displays have been digitized and we are on track to convert an additional 100 or more per year. Digital is and will continue to be a key part of our business moving forward. Revenues from digital displays represented 17.2 percent of our 2018 revenues, up from 14.4 percent in 2017. Moving forward, we are working to track the impacts and benefits digitization to further our environmental impact reduction strategy.

We are committed to continuous improvement and reducing our environmental impact as a large component of that. While we are early in our ESG journey, we have made considerable strides in addressing and managing our impacts and are eager for the progress we'll continue to make in the future.

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