



Environmental Social Governance Report.

Reporting Year 2023





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A Message to Our Stakeholders:

HALO views our sustainability journey as a reflection of our corporate ethos of accountability to our key stakeholders, the communities in which we operate, and the recognition of the global reach of the products and services we provide. In addition to decades of industry leadership in product safety, integrity, and corporate social responsibility, we have formalized our commitment to reducing the environmental impact of our organization and the products we sell by joining the United Nations Global Compact on Climate Change (UNGC) and the Science Based Targets Initiative (SBTi).

Our efforts - large and small - reflect the growing mindset among our employees, clients, and suppliers that good business can create positive changes in the world in which we live, as well as the individuals and companies associated with HALO's success.



Marc Simon | Chief Executive Officer



Empowering Workers, Reducing Impact, Accelerating Equity, Reporting Progress, Powering Growth, Supporting Values,

HALO.



Progress Highlights.

Summary of key projects and progress for this year.

PARTICIPATION IN THE UNGC SDG ACCELERATOR PROGRAM

As part of our participation in the United Nations Global Compact, we've signed up for multiple Accelerator Programs to help us quickly transition an alignment with the 17 Social Development Goals (SDGs). We participated in our first sessions in early 2024 and are excited to work with UNGC and collaborate with companies that have a similar ethos.

[Read more on page 30](#)

ISO 27701 AND ISO 27001 CERTIFICATION

To further our commitment to data security and the protection of personal information HALO is proud to report completion of an 18-month engagement to become ISO 27001 information Security Management Systems (ISMS) and ISO 27701 Privacy Information Management Systems (PIMS) certified.

[Read more on page 36](#)

STANDARDS AND FRAMEWORKS ROADMAP

HALO's alignment to globally recognized standards and frameworks to provide a complimentary and comprehensive Environmental Management System.

[Read more on page 17](#)

RELEVANT SCOPE 3 GHG EMISSIONS REPORTING

To further our commitment to carbon emissions reductions and prepare for developing reduction targets that align with science-based criteria as outlined by SBTi, HALO has added scope 3 categories 1, 3, 6, 7, and 8 GHG emissions to our emissions inventory reporting.

[Read more on pages 12, 31, and 39](#)



About HALO.

Founded in 1952 HALO is the global leader in branded merchandise, uniform programs, and recognition and incentive solutions.

With more than 2,000 employees and 41 locations, we offer the industry's most comprehensive range of capabilities .

Our clients include 132 of the Fortune 500 as well as thousands of mid- and small-size organizations seeking to make a big impact with their brands.

HALO is a private growth-driven company that demonstrates reliable financial strength and is ultimately controlled by TPG, Inc.



\$937MM

2023 revenue

2,000+

Team Members

3,000+

Suppliers

41

Locations

72

Years In Business

151

Fortune 500 Clients

65K+

Clients Worldwide



What We do.

We make brands stand out by transforming products, rewards, and uniforms into unforgettable one-of-a-kind experiences that bring their brand to life –making it real and memorable for your customers, prospects, and employees.

KEY INDUSTRIES WE SERVICE:

- Manufacturing
- Technology
- Hospitality
- Retail
- Financial
- Healthcare
- Non-Profit



PROCUREMENT

- Strategic sourcing from a diverse global network of 3,000 compliant suppliers and manufacturers.
- Largest promotional product distributor in the U.S. providing leveraged purchasing with more than 250 key merchandise brands
- In-house team of quality, compliance, and logistics experts.



TECHNOLOGY

- Online Technology to engage audiences, simplify purchasing, and control spend.
- Proprietary technology supported by in-house experts.
- Integrated fulfillment, data security, reporting, and back-end system integration to drive ROI and operating efficiency.



CREATIVE

- We provide creative services to amplify client brands and break through the noise of today's media channels.
- In-house Creative Agency of designers, illustrators, packaging experts, industrial designers, and 3D modeling experts.
- Creative works in-line with procurement, merchandising, and production to deliver cost savings and speed to market.



FULLFILLMENT

- Our solutions are supported by 8 state-of-the-art HALO fulfillment centers expediting shipments and delivering goods on time every time.
- Our fulfillment centers provide integrated pick and pack, high-velocity distribution, and kitting services.
- In-house logistics and shipping experts provide domestic and international shipping capabilities.



HALO's Vision and Values.

We hold our employees accountable to act in accordance with our core values.

OUR VISION:

We connect people and brands to create powerful, lasting experiences.

OUR VALUES:

- One HALO
- Ingenious
- Inclusive
- Determined

ONE HALO

With an entrepreneurial spirit and open mind, we come together to make the most of every opportunity for our clients and our business around the world.

INGENIOUS

We combine creativity and superior execution to stay one step ahead by bringing together market-leading knowledge, technology, and insight.

INCLUSIVE

We thrive on diversity and cultivate a sense of belonging to inspire our people to break through barriers to achieve great results both personally and professionally.

DETERMINED

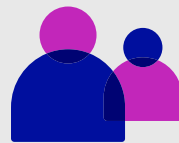
Dependability, honesty, and integrity are the essential characteristics of every member of our team. We hold ourselves accountable for our actions, behaviors, and for delivering results.



Our Pillars of Responsibility.

At HALO, we view sustainability as more than just good business. Our sustainability efforts reflect our vision of corporate accountability to our clients, the communities in which we operate, and the global reach of the products and services we provide. In 2021 HALO launched our key pillars for corporate responsibility which are built into our core values and corporate strategy.

To better align with globally recognized standards, HALO joined the United Nations Global Compact (UNGC) and transitioned from internal progress based reporting to reporting on progress toward UNGC's Social Development goals (SDG).



EMPOWERING TEAMS

Our Goal: Further support our teams and supply chain workers, ensuring they can provide for their families and prosper.



STAKEHOLDER ALIGNMENT

Our Goal: Continue to provide our customers with safe, high-quality products produced in alignment with their values and sustainability goals.



BUILDING A BETTER FUTURE

Our Goal: Further reduce our environmental impact on the communities in which we operate through sustainable practices in our operations.



WORKING ETHICALLY

Our Goal: Maintain high standards of ethical conduct while acting with integrity at all times. Provide training and enforce ethical compliance for all stakeholders.

Our Sustainability Journey.

2019 2020 2021 2022 2023

- Mandate of 100% Recyclable in Shipping Materials in Our Facilities
- Toured Honduras Sustainable Apparel Manufacturing
- Joined TPG Sustainable Leadership Council
- EDF Climate Corps Fellowship
- Launched Formalized Diversity Program
- Initiated Formalized ESG Program Materiality Assessment
- 1st EcoVadis Audit

- Sustainability Committee Established Under the Authority of the Executive Team
- Baseline Data Compiled for Key Metrics
- UPS Carbon Neutral Program
- Sponsored Leadership Roles of the PPAI Industry DEI Task Force
- Publication of 1st ESG Report
- COVID Response
- Bronze Rating from EcoVadis

- Launched Sustainable Product Merchandise Catalogs
- Waste Stream Audit Completed
- CDP Reporting for All HALO
- Anti-Harassment Program Launched
- Vision and Values
- Signed CEO Action Pledge
- Pay Equity Study and Fair Compensation Increase
- Updated Employee Code of Conduct with expanded Ethics
- Launched our 4 Pillars of Sustainability

- Launched 3-Tier Diversity Program
- Launched Intranet Sustainability Content for Awareness and Training for Employees
- Enhanced Sustainable and Diverse Supplier Training for Sales Teams
- Contracted Sustainability Consultant
- Goals and Framework Evaluation
- Updated Policies on Product Safety
- Reduction of Printed Materials by 95%
- Committed to Near-Term Carbon Reductions Goals through SBTi

- Published frameworks Road-map Update
- Joined the United Nations Global Compact
- Reporting on relevant Scope 3 GHG emissions
- Updated Policies on Business Ethics, Health and Safety, Human Rights, and the Environment
- Purchase of GHG Accounting Software
- ISO 27701 and ISO 27001 Certification
- Supplier Census on Sustainability Practices
- Purchase of Training Software Platform
- Silver EcoVadis Rating



 HALO

Program Governance.



ESG Program Governance Structure.

Corporate responsibility is an enterprise-wide commitment informed by, and integrated into our business strategy.

STRUCTURE

Our corporate responsibility commitments are overseen by a Sustainability Committee under the authority of the HALO Executive Team. This committee is led by an Executive Sponsor at the SVP level and consists of functional and grassroots members across the organization.

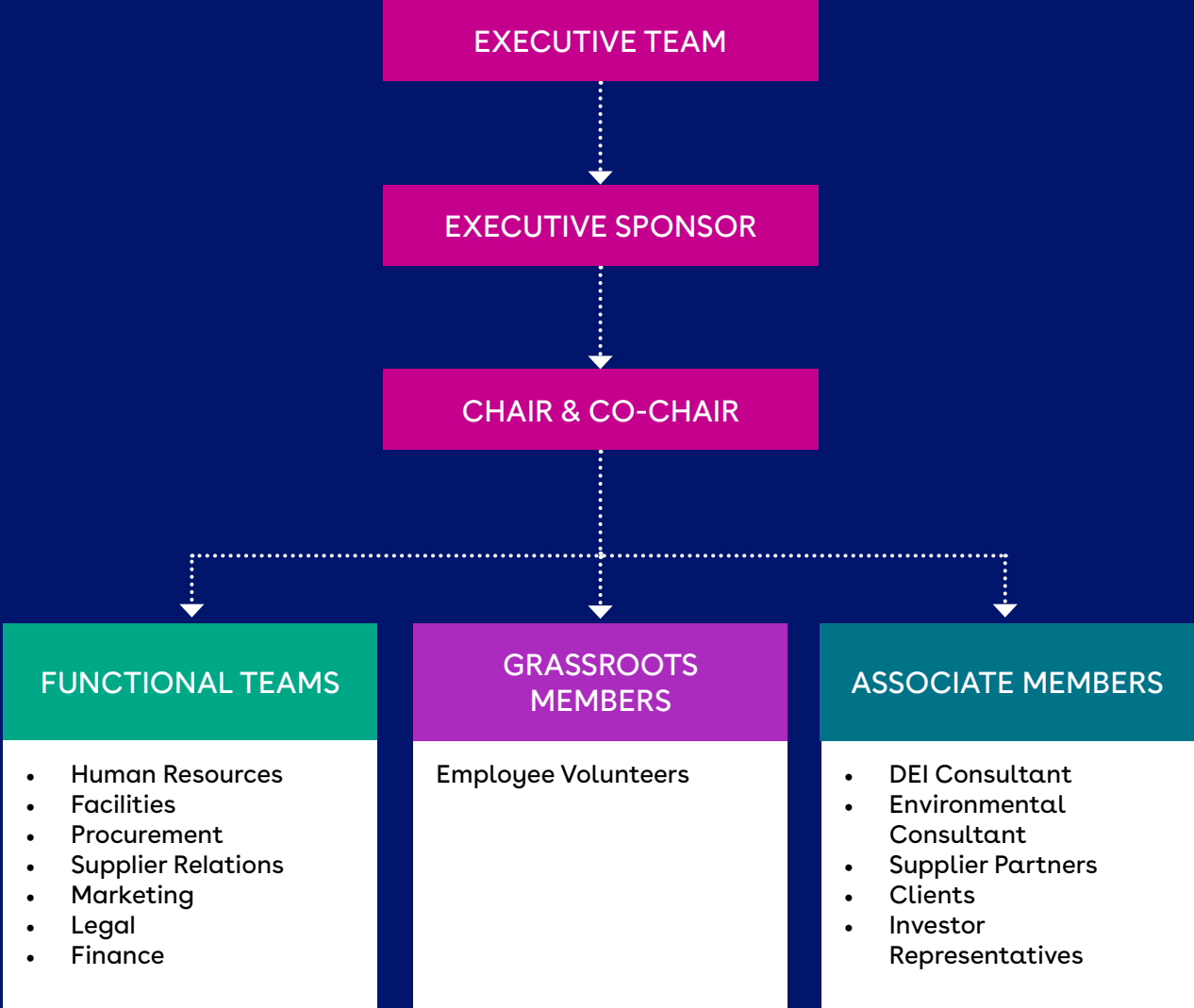
A Committee Chair and Co-Chair are elected from the members by Committee, each holds a two-year assignment.

The Co-Chair may be elected to Chair . Committee voting for Chair and Co-Chair takes place in January of each year.

Additional associate members, such as consultants, investor representatives, suppliers, and customers may participate on an ad hoc basis. These associate members may provide advice and feedback to the committee .

Our committee structure empowers employees to take a leadership role on guiding initiatives by working with functional leaders across the organization to determine strategies, policies, and goals related to corporate responsibility and sustainability .

We are evaluating third-party auditors to verify our governance practices .



Standards & Frameworks Road Map.

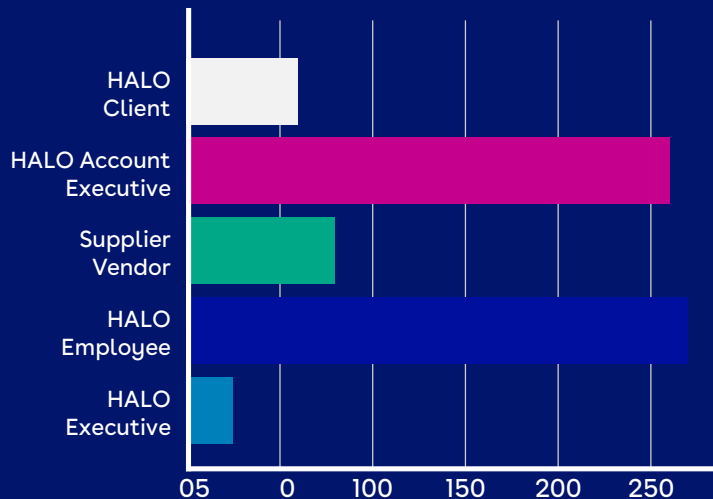
To align our efforts to globally recognized standards and frameworks, we've developed this roadmap to provide a complimentary and comprehensive Environmental Management System.

CURRENT FRAMEWORKS		2024 TARGETS		2025 TARGETS	
GHG Protocol	Alignment to accounting standards for greenhouse gas emissions.		GRI Reporting Alignment	Formally align our data to <u>Global Reporting Initiative (GRI)</u> standards for communicating climate change, human rights, and corruption.	On Target
CDP	Annual reporting on carbon emissions.		SBTi Near Term Targets	Completion of carbon accounting updates and participation in the UNGC Climate Action Accelerator to help develop our carbon reduction targets.	On Target
EcoVadis Audits	Annual sustainability metrics audit for business sustainability documentation.		UNGC SDG Alignment	Participation in the UNGC SDG Ambition Accelerator and aligning to an ambitious SDG benchmark. Aligning our practices toward the 17 SDGs.	On Target
UNGC	<u>United Nations Global Compact (UNGC) working towards Sustainable Development Goals (SDG).</u>		HIGG FEM Audit	We're scheduled to conduct a third party HIGG FEM Audit of our Sterling HQ.	On Target
SBTi	<u>Science Based Targets Initiative.</u> Commitment to near term emissions reductions using Science Based Targets.		Materiality Assessment	Conducting an updated survey on environmental, social, and financial components of sustainability with analysis.	On Target
ISO 27701 ISO 27001	Earned ISO 27001 ISMS (Information Security Management System) and ISO 27701 PIMS (Privacy Management Information System) certification.		GRI Reporting Validation	Submit our data to <u>Global Reporting Initiative (GRI)</u> standards for validation.	On Target
FLA	Category B membership with participation in annual trainings modules.		SBTi Validation	Submit targets for validation and report on progress annually.	On Target
			UNGC SDG Reporting	Annual reporting on progress to supporting the United Nations Sustainable Development goals.	On Target
			EcoVadis Gold Ranking	Reach a gold ranking in EcoVadis for reporting year 2025	On Target
			GHG Assurance	We have selected a third-party assurance provider to perform GHG assurance audits in 2024.	On Target
			New Frameworks and Standards	Apply to Join the <u>Ellen MacArthur Foundation</u> and join the <u>Sustainable Goods Coalition (SGC)</u> .	In Review

Materiality Assessment.

STAKEHOLDER GROUPS

To determine where we should focus and prioritize our efforts, HALO identified five internal and external stakeholder groups. We developed and distributed a materiality survey to each of these groups. Questions covered environmental, social, and financial components of sustainability.



KEY MATERIAL FOCUS AREAS:

- Ethics, Governance, and Transparency
- Financial Performance and Economic Impact
- Waste Minimization and Circular Economy
- Energy Efficiency and Carbon Emissions
- Product Liability, Safety, and Chemistry
- Employee Safety and Wellness
- Socially Responsible Sourcing
- Data and Information Security

MATERIALITY RESULTS COMPARISON WITH SASB MATERIALITY MAP:

This data was analyzed and plotted to identify the level of materiality, then compared to the Sustainability Accounting Standards Board (SASB) standards.

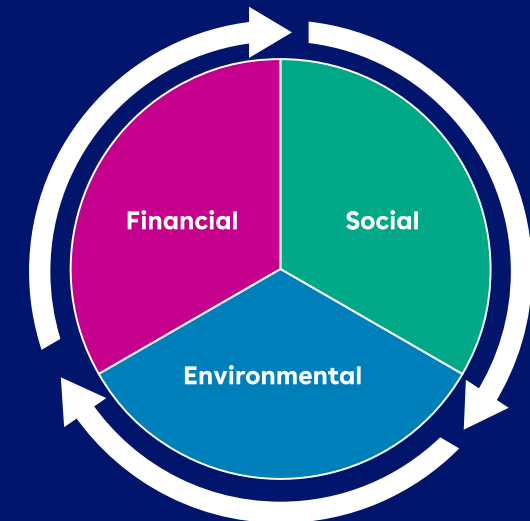
To establish some validation to our Materiality Assessment, we compared our major material categories to the Materiality Map developed by SASB. SASB has evaluated material topics for a wide range of business types and mapped those topics indicating their assessment of the most material issues for each business type. The SASB Materiality Map breaks down industries by category and sector.

HALO's business could fit within three sectors of the Consumer Goods category:

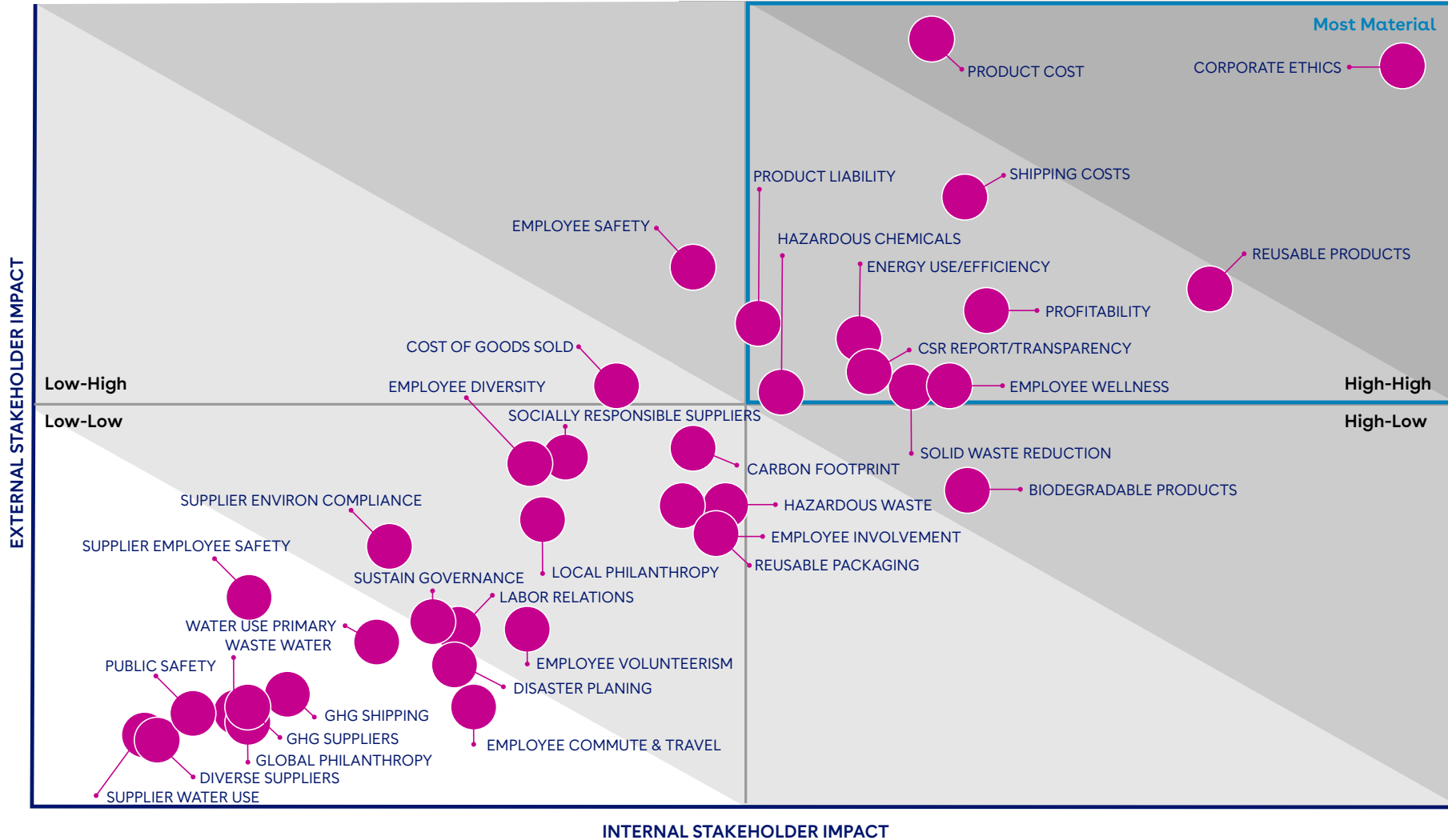
- Accessories and Footwear
- Multi-line and Specialty Retailers and Distributors
- E-Commerce

Comparing HALO's materiality results with SASB, we found a strong connection with the following:

- Waste Minimization and Circular Economy (Life-Cycle Management)
- Energy Efficiency and Carbon Emissions (Energy Management)
- Product Liability and Safety
- Socially Responsible Sourcing (Supply Chain Management and Circular Economy)



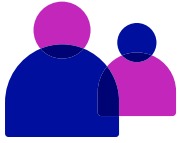
Materiality Findings.





Achieving A Sustainable Future.





Empowering Teams.

Our vision is to connect people and brands to create powerful, lasting experiences . This fuels our desire to grow and add capabilities that benefit our customers, affording our people the opportunity to prosper personally and professionally .

We're dedicated to continuing an excellent relationship with our employees by maintaining good working conditions, competitive wages and benefits, open communication, and encouraging employee involvement .

Our industry leadership is the result of our employees' passion for continuous improvement in every aspect of our stakeholder relationships . We continuously look to our employees for ideas about how to improve all areas of our business relating to customer service, safety, efficiency, and employee relations.

Empowering Teams.

COMMITMENT:

Further support our teams and supply chain workers, ensuring they can provide for their families and prosper.

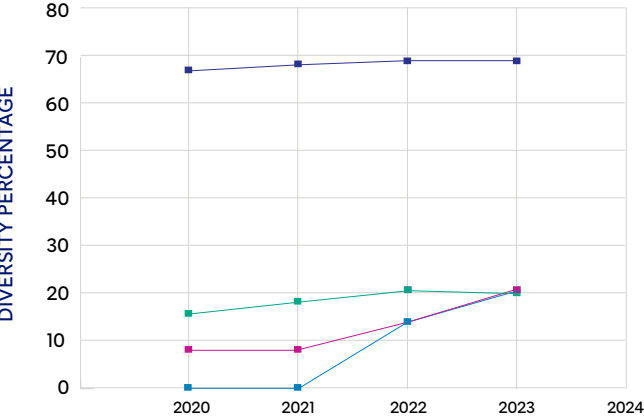
Targets	2023 Progress/Actions	Status
<p>Employee Satisfaction: Provide a workplace with meaningful work and the support to grow professionally.</p>	<p>82% of employees responded to our annual satisfaction survey with an 82% satisfaction level (+10% increase from 2022).</p> <p>72% of all team members received an annual performance review and 2 midyear feedback sessions. 71% received performance goals.</p> <p>Employee voluntary turnover decreased 40% and 38% year-over-year for salaried and hourly employees respectively.</p> <p>Maintained 96% retention of top leadership talent.</p>	<p>On-Going</p>
<p>Inclusive Workplace: Provide an environment where all employees feel respected and valued in the workplace.</p>	<p>84% of staff completed required annual anti-harassment and discrimination training.</p> <p>72% of team members completed our confidential self-identified metrics survey.</p> <p>Launched women's leadership group meetings to support career advancement.</p>	<p>On-Going</p>
<p>Giving Back: Supporting the communities in which we operate.</p>	<p>HALO has funded 365 volunteer hours.</p> <p>HALO has provided \$178K in charitable donations.</p>	<p>On-Going</p>



Empowering Teams Actions.

DEI REPORTING METRICS

Our efforts in DEI programing and transparent recruiting practices since 2021 have improved representation.



- Minority Groups in Relation to HALO as a Whole
- Women in Relation to HALO as a Whole
- Women in Top Executive Positions
- Minorities in Top Executive Positions

POLICY UPDATES - HEALTH AND SAFETY & HUMAN RIGHTS

To reaffirm our commitment to the health, safety, and rights of our employees and supply chain workers, we updated several of our policy statements in 2023

to reflect more stringent standards. Employees are required to review and affirm understanding of our policies and standards annually. All HALO suppliers are required confirm compliance with HALO standards in order to do business with us.

HERITAGE COMMUNICATIONS

HALO highlights dates of cultural significance to our team members and the communities that we support. In addition, to monthly spotlight communications, HALO launched a calendar to capture a robust set of commemorative days beyond those highlighted monthly. These days include the historical context, employee stories of their personal significance, and resources to explore how different organizations are supporting its commemoration.

LEADERSHIP TRAINING

HALO launched an interactive experience to build relations across HALO and accelerate leadership skills. Core curriculum includes essential skills to leading yourself, leading others, and leading HALO overall.

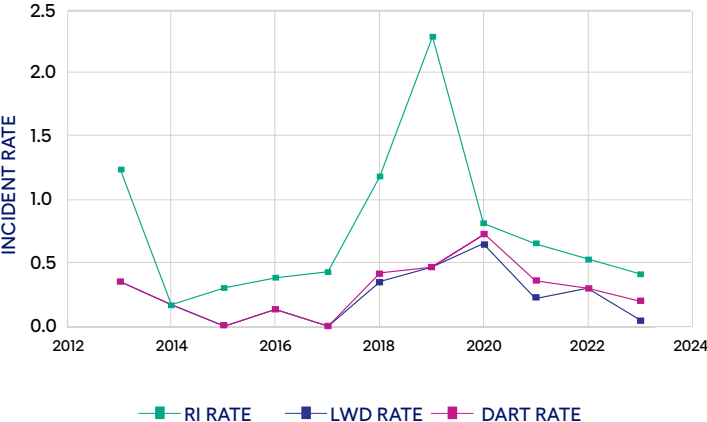
- 98% of HALO supervisors graduate from managerial foundations coursework
- 95% of HALO leaders graduated from advanced leadership coursework



Employee Safety Data.

OSHA INCIDENT RATE TRENDS

HALO strives to provide an injury-free workplace and to mitigate all recognized hazards. We examine our workplace incidents to ensure compliance, identify negative workplace safety trends, and establish remediation plans.

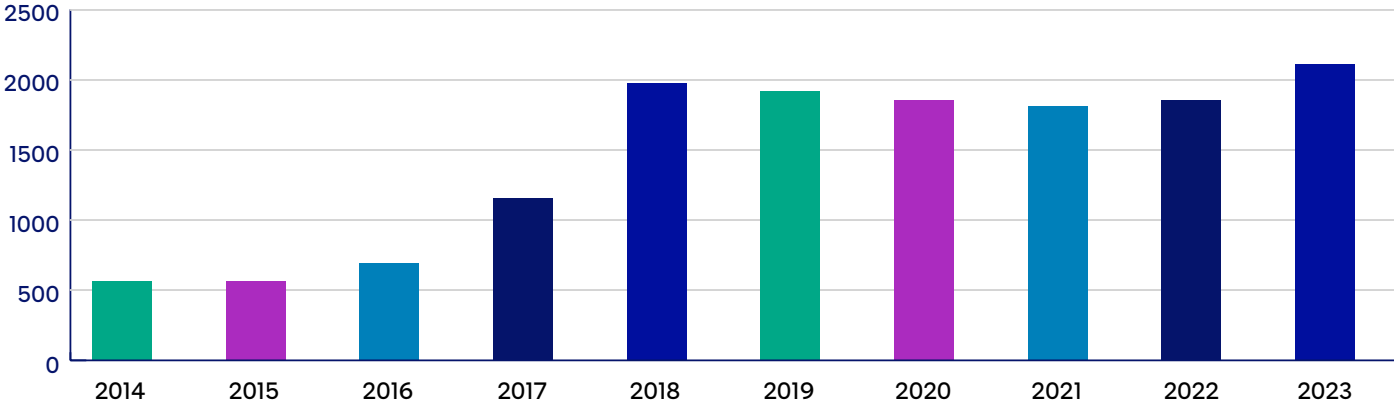


- **Recordable Injury Rate (RI)** -The number of OSHA Recordable Injury and Illness cases divided by the total labor hours for the year, normalized to 200,000 labor hours.
- **Lost Workday Case Rate (LWD)** - The number of injury cases that result in lost work days divided by the total labor hours for the year, normalized to 200,000 labor hours.
- **Days Away, Restricted or Transferred (DART)** - Total number of recordable injuries and illnesses that caused a worker to be away, restricted, or transferred x 200,000 divided by total number of hours worked by all employees

OSHA 300A DATA

METRIC	2018	2019	2020	2021	2022	2023
Average Number of Employees	1991	1918	1867	1831	1847	2123
Labor Hours	2,864,536	2,974,095	2,726,183	2,742,991	2,643,907	3,916,258
Total Number of Recordable Cases	17	34	11	9	7	8
Total Lost Work Day Cases	5	7	9	3	4	1
Total Number of Days Away from Work	22	100	472	209	373	181
Lost Time Injury Frequency	1.75	2.35	3.30	1.09	1.51	.26
Lost Time Injury Severity	0.008	0.03	0.17	.08	0.14	0.05

EMPLOYEE HEAD COUNT





Empowering Teams Practices.

Meaningful Work and Opportunities

Living Wages	Market-competitive wages starting at an hourly wage of \$15 an hour for all employees. We conduct a comprehensive market analysis every few years or as needed to determine the competitive market base salary for our staff, management, and leadership positions. This data-informed analysis references compensation data from published industry compensation reports and guidance from compensation consulting partners.
Benefits	HALO offers eligible employees the opportunity to enroll in group Medical, Dental, Vision, Life, Supplemental Life, Short Term and Long-Term Disability Insurance, Health Savings Account, Flexible Spending Accounts, and a 401(k) plan . In addition to paid time off for volunteerism, employees enjoy paid holidays, paid time off, maternity and paternity leave, and bereavement time . Additional benefits include: flex time, tuition reimbursement, remote work, and employee personal purchases.
Professional Development	All new hires are required to complete an interactive orientation to learn about our company, our culture, as well as their departmental and company goals. In addition to annual reviews, we provide two checkpoint meetings per year which provide both supervisors and employees the opportunity to discuss job tasks, identify and correct opportunities for improvement, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals and employment advancement.
Career Mobility	As part of our annual merit and development framework each employee works closely with their manager to identify career goals and opportunities so we can provide the resources necessary to foster career development within HALO.
Training	HALO has a large workforce with a diverse set of specialized roles and the training levels vary accordingly . Depending on the nature of the role, we typically observe a range of 5-15% of staff time dedicated to training. For knowledge workers, HALO believes in the 70 / 20 / 10 development model created by the Center for Creative Leadership. In this model, 10% of all learning is formal training that is computer- or classroom-bound. Whereas, the majority (70%) and another fraction (20%) are delivered through informal coaching and mentorship. In 2022 we expanded our partnership with LinkedIn to provide our teams full access to the world’s best online learning library—over 15,000 courses, videos, and tutorials. Courses cover a wide range of topics that help all of us succeed in the roles of today and tomorrow. 100% of HALO employees have access to this premiere e-learning library; participation is in the top quartile nationally.
Employee Recognition Program	HALO’s Break Through program empowers each employee to earn attractive rewards based on company results as well as recognize their colleagues based on how they demonstrate our values of ingenuity, inclusion, determination, and working together as One HALO .
Volunteering	HALO offers company-sponsored volunteer events and encourages employees to participate as volunteers in organizations that contribute to the social fabric of the communities in which we operate . Providing our employees with up to eight hours of paid time annually to participate as volunteers in company-approved volunteer events/opportunities .
Employee Satisfaction Survey	HALO conducts an employee satisfaction survey annually on 12 topics ranging from work environment, trust in leadership, growth opportunities, compensation, and benefits .

Employee Wellness

Wellness Program	Employees covered under HALO’s Medical Plans are financially incentivized to participate in this award-winning wellness program . The program’s goal is to improve the overall mental and physical health of our employees.
Employee Friendly Workspace	HALO’s employee workspace was designed with our staff in mind. We surveyed our staff to obtain feedback on their current space as well as suggestions on how to improve our new headquarters . Our workspaces include an indoor walking track, access to an outdoor view of the campus for every employee, multiple common areas for relaxation, healthy snack options in our cafe, natural lighting, nursing, and wellness rooms.



Empowering Teams Practices.

Mental Health	HALO offers comprehensive mental health support services through both a traditional Employee Assistance Program and app-based, 24/7 behavioral health coaching on a variety of topics from stress and depression to issues with work and relationships. We offer these critical benefits to ensure our employees, and their families, have the support they need to be well at work and at home.
Employee Safety	HALO First Responders - HALO invests in training from the American Red Cross to certify volunteer staff on basic first aid, CPR, and the operation of AED's. Emergency Procedures - HALO has established disaster planning and training including procedures for fire, natural disasters, or external threats and cooperates with processes at non-company owned locations.
Inclusive Workplace	
CEO Action Pledge	Our ingenuity thrives on the diversity of our team, allowing us to recruit and keep the best talent is our inclusive culture . To re-affirm our commitment to diversity and inclusion, HALO is a signatory of the international CEO Action Pledge. https://www.ceoaction.com/pledge/
Inclusion Practices	Developed a cross-functional inclusion strategy and embedded it in annual business planning . Developed an employee listening strategy to ensure diversity and inclusion initiatives are supportive and relevant for team members with marginalized and inter-sectional identities . Implemented employee listening program by inviting 100% of employees identifying as racial or ethnic minorities at HALO to participate.
Recruiting Practices	Equal opportunity policies and transparent recruiting process.
Anti-Harassment Training	100% of all employees must complete Anti-Harassment training annually.
Anti-Harassment Policies	HALO's policy against harassment, discrimination, and retaliation applies to all team members. Additionally, we hold our customers, suppliers, independent contractors, and others doing business with us to the same standards contractually. We are committed to prohibiting retaliation against those who themselves or whose family members report, oppose or participate in an investigation of alleged harassment, discrimination, or other wrongdoing in the workplace.
Industry Association Groups	Sponsoring leadership roles of the PPAI Industry DEI Task Force (Chair and Founding Member)
Internal and External Promotion of DEI Messages	Program for delivering enhanced heritage communications to staff internally through email and "Culture HQ" on our intranet. External communications through our social media channels.
Management Accelerator	Piloted Management Accelerator and Executive Leadership Development program for Black professionals at HALO in partnership with McKinsey.
Diversity and Inclusion Program	To develop deep capability in building an inclusive organization, our DEI program includes a 3-tier learning experience and Resource Library designed to foster progressive skill development around collaboration, bias reduction, and inclusive leadership for all HALO employees.
Self-Identification Survey	To ensure we're appropriately measuring our demographics, HALO enabled our workforce the ability to confidentially self-identify their gender, ethnicity, disabilities and veteran status.



Stakeholder Alignment.

Your brand is one of your organization's most valuable assets. We ensure that our solutions are fully compliant with your brand standards, support your commitment to sustainability, and reflect and reinforce your all-important corporate culture.

We value the voices of our internal and external stakeholders. If you would like to discuss any of our sustainability practices in detail, or become an associate member or consultant, please contact us at sustainability@HALO.com.

Stakeholder Alignment.

COMMITMENT:

Continue to provide our customers with safe, high-quality products that are produced in alignment with their values and sustainability goals.

Targets	2023 Progress/Actions	Status
<p>Supplier Diversity: 10% of overall purchases in our supply chain will be with certified diverse suppliers by 2026.</p>	<p>While diversity spend percentage of total purchases increased from 5.6% to 5.8%, this was still below our 10% goal. Diversity spend was \$31,586,950 in 2023.</p> <p>39% increase in certified diverse suppliers from the previous year, totaling 96 suppliers.</p>	Flat
<p>Sustainable Products: Provide clients with eco-conscious product choices to reduce the environmental impact of the products we sell.</p>	<p>We're working with our preferred supplier network to define and publish eco-conscious product categories and catalogs that align with stakeholder requirements and recognized standards by 2025.</p>	On Target
<p>Supply Chain Compliance: Provide our clients with safe, high quality products.</p>	<p>100% of all suppliers comply with and are educated on our Vendor Agreements and Supplier Code of Conduct outlining our quality, social, and environmental, requirements.</p>	On-Going
<p>Promoting Sustainable Practices: Educating all HALO stakeholders on the importance of sustainable purchasing practices.</p>	<p>280 Suppliers participated in our annual supplier sustainability webinar.</p> <p>Two merchandise catalogs published in 2023 featuring sustainable products and diverse suppliers.</p> <p>33 buyer and public communications, email and social media posts, were focused on sustainable products or topics in 2023.</p>	On-Going



Stakeholder Alignment Action.

NATIONAL SALES MEETING SPOTLIGHT

We provide product training at our annual National Sales Meeting, which includes small group supplier sessions and a trade show. To help educate our sales teams and demonstrate our commitment to sustainable procurement, HALO invited 55 suppliers promoting sustainable products and practices (representing 37% of all suppliers) to participate in the event. Our 2024 goal is to have 80 suppliers representing 50% of suppliers in attendance.

PROMOTING SUSTAINABLE PROCUREMENT

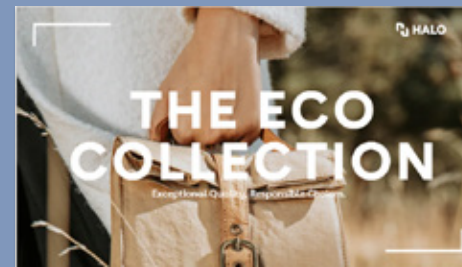
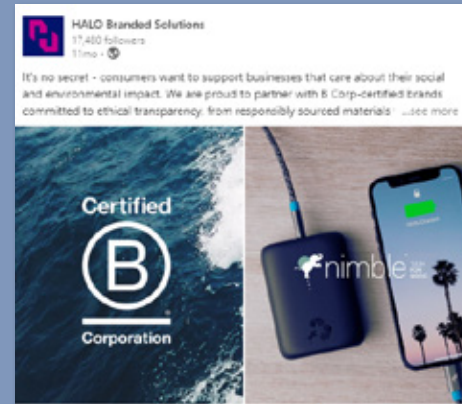
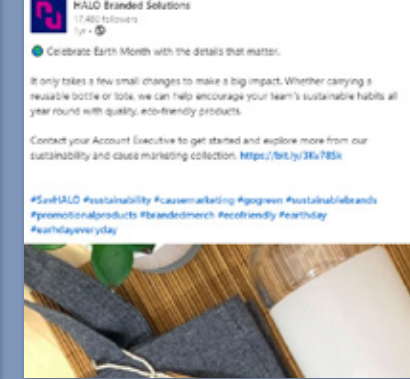
To help drive "A Sustainable Future" we aggressively promote our overall sustainability and corporate responsibility initiatives to the general public and our customers. We do this through annual ESG report, website content, social media, newsletters, and email campaigns. You can view some of our sustainable product selections at halo.com/catalogs/.

SUPPLIER OUTREACH

HALO maintains an annual Preferred Supplier Program (PSP) which accounts for 70% of our overall supplier spend. These suppliers are selected based on service performance, product integrity, pricing, diversity status, and sustainability initiatives. In June of 2023 HALO hosted a sustainability webinar with 280 suppliers who completed a post-event survey to help us better understand environmental initiatives within our supply chain.

MATERIALITY ASSESSMENT

In 2024 HALO is conducting a double materiality assessment covering the environmental, social, and financial components of sustainability for five identified stakeholder groups. Our goal is to determine our focus and the prioritization of projects for our ESG program.



Supplier Diversity Reporting.

Celebrating and fostering differences enriches HALO's company, community, and experiences. We're committed to maintaining and expanding the programs we've built to help promote supplier diversity.

HALO's supplier diversity program promotes business opportunities for diverse suppliers including minority-owned, woman-owned, disabled veteran, veteran-owned, LGBTQ+, and small businesses. We work with emerging and current M/WBE suppliers by offering incentives for certification and mentoring on how to reach HALO's social, safety, environmental, and indemnification requirements for becoming a preferred supplier.

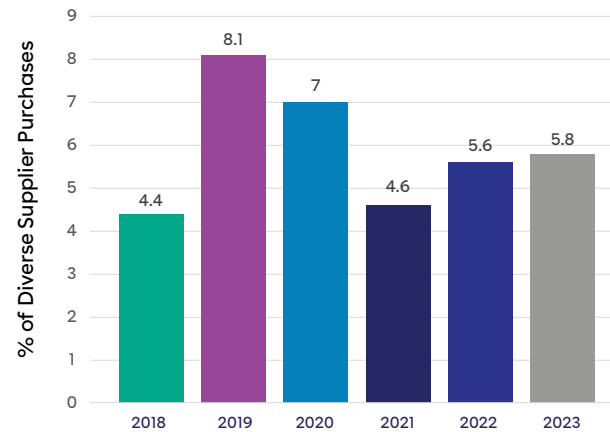
OUR COMMITMENT

In 2020 we started an aggressive supplier outreach campaign, updating our policies to require suppliers to provide certification documents which are made available to HALO customers upon request.

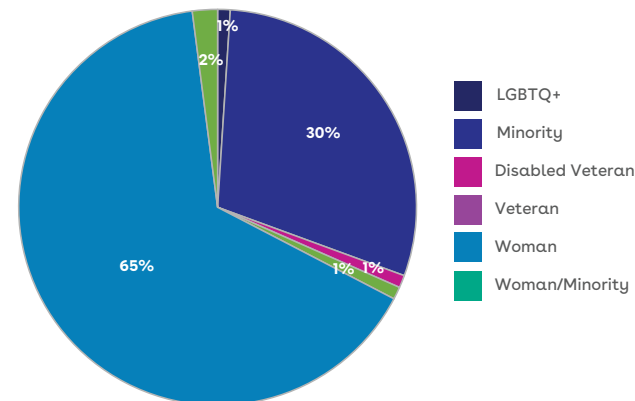
As our trade spend continues to increase with company growth, we're committed to a three-year goal of 10% of total spend with our supply chain by 2026.

We'll achieve our goal through continuous outreach to diversity certified suppliers outside of our industry and enhanced promotion to our buyers and clients.

CERTIFIED TIER 2 SPEND



SUPPLIER DIVERSITY INTENSITY





Stakeholder Alignment Practices.

Supply Chain Compliance

Internal Compliance Team	HALO’s in-house team of quality and compliance experts update our compliance program annually. This team works directly with our domestic and international testing and manufacturing partners to ensure quality and safety protocols are enforced. They also conduct on-site facility and production inspections with our labs and auditors.
Third Party Audits and Testing	HALO maintains an aggressive product testing protocol monitored by an internal product integrity team of highly trained and experienced individuals. For products sourced directly from HALO’s overseas manufacturer network, we work with labs recommended by the Consumer Product Safety Commission (CPSC) to ensure compliance with all federal, state, and local safety laws based on the intended audience, intended usage, and material components.
Preferred Supplier Program	We maintain an annual preferred supplier program representing the top promotional products industry suppliers. Selection criteria includes service performance, product quality, product integrity, pricing, diversity status, and sustainability initiatives.
Product Safety Program	HALO’s internal compliance team manages our “Secure Source” product integrity protocol guarantees the products we sell are compliant with all local, state, national, and international laws on product material composition and manufactured in accordance with international labor standards.
Human Rights Policies	Human rights policies are outlined in our Supplier Code of Conduct, HALO Code of Conduct, and Employee Handbook. We also enforce a Zero Tolerance Policy for the use of child, forced labor, or human trafficking practices. Suppliers must comply with all applicable wage and hour labor laws as well as regulations covering employee compensation, reimbursements, taxes, and working hours.
Product Recall Plan	HALO maintains a detailed product recall plan and conducts mock-recalls annually to ensure the components of the plan are accurate and relevant.
Product Regulation Policies	HALO has documented policies on CPSIA, Electronics, and Prop 65 compliance.
FLA Membership	HALO has a Category B membership with the Fair Labor Association and participates in annual trainings modules.

Sustainable Procurement

External Promotion of Sustainable Products	Sustainable product catalogs are developed and promoted to clients and the general public annually. We also aggressively promote sustainable products and practices through our social media channels.
Internal Promotion of Sustainable Products	We provide information to our employees and buyers on our sustainable practices through email communications and our intranet. This includes annual webinars, reports, overviews on our initiatives, and information on our committees.
Sales Training on Sustainable Procurement	We provide buyer/sales training on new products and techniques that focus on sustainable practices. During our annual national sales meetings, attended by the top 40% of our sales force, we required our suppliers to showcase sustainable products and practices spanning three days of education and training.
Sustainable Sourcing Programs	To align with customer initiatives, HALO partners with clients to provide customized processes that ensure we’re meeting their environmental, diversity, and safety requirements. These custom processes help us develop frameworks we can replicate for like-minded customers.



Stakeholder Alignment Practices.

Supplier Diversity Program	Formalized in 2018, HALO's Supplier Diversity Program promotes business opportunities for diverse suppliers including minority-owned, woman-owned, disabled veteran-owned, LGBTQ+, and small businesses. We work with emerging and current M/WBE suppliers by offering incentives for certification and guidance on how to reach HALO's social, safety, and indemnification requirements.
Sustainable Supplier Incentives	To drive purchases and provide incentives for diverse and sustainable suppliers, we provide opportunities at our sales teams' weekly webinar series (average participation of 25%), during product spotlights in our monthly merchandise catalogs, and through preferential placement in our Preferred Supplier Program.
Industry Leadership	
Founding Member of PPAI DEI Task Force	HALO is a founding member of the Promotional Products Association International (PPAI) DEI Task force. Please visit https://ppai.org/advocacy/diversity-inclusion/
Founding Member of PPAI PRAG	HALO is a founding member of the Promotional Responsibility Action Group (PRAG) and has been involved in the group since 2014. Please visit https://onlineeducation.ppai.org/product-responsibility .



Building a Better Future.

Our goal is to reduce our environmental impact on the communities in which we operate and carbon footprint of our products and services.

HALO's blended model of owned and leased facilities creates a challenge related to standardized measurements and best practices on energy use, waste, and recycling.

Building a Better Future.

COMMITMENT:

Further reduce our environmental impact on the communities in which we operate through sustainable practices in our operations.

Targets	Progress/Actions	2023 Status
<p>Science Based GHG Emissions Reductions: Our goal is to be a leader in the industries in which we operate, serving as a model for how sustainability can improve our world while also demonstrating business success.</p>	<ul style="list-style-type: none"> In 2023 we joined the UNGC and committed to near term GHG emissions reductions with SBTi. Purchase of GHG Accounting Software in 2023 with implementation in 2024. With a goal of reporting full scope emissions for all locations for reporting year 2024 in 2025. Participation in the UNGC Social Development Goals Accelerator and Climate Action Accelerator in 2024. Energy Audit for our Sterling facility in 2024. Submission of science based targets for emissions reductions validation with SBTi in 2024 with reporting published in 2025. CDP Score on Climate Change was a C. 	<p>On Target</p>
<p>Waste and Recycling: Minimize the waste in our operations and mitigate the amount of waste sent to landfills.</p>	<ul style="list-style-type: none"> Bulk Waste donations equal 23.47 tons and 126 tons of recycled cardboard and paper. 79% of all recommended updates from a 2021 waste stream audit have been completed. Goals to implement recycling programs for all HALO facilities in 2023 have been revised to 2025. 	<p>Ongoing</p>



Building a Better Future Actions.

FACILITY ENERGY ASSESSMENT

To help us assess the viability of on-site solar and wind energy generation and improve on energy efficiencies, we're participating in an energy assessment on our Sterling, Illinois facility provided by ComEd. The Sterling facility accounts for 67% of our overall energy use for locations with operational control.

ENVIRONMENTAL POLICY UPDATES

To better define our focus on environmental goals and actions, HALO updated our policy environmental policy statement in 2023 to include biodiversity, water, air, and land. We also extended this update to established policies on carbon reduction, waste, and circular economy. These policies will be updated and published on our website as our journey progresses.

PRODUCT RESPONSIBILITY SUMMIT PARTICIPATION

Product Responsibility Action Group (PRAG), an industry association group HALO is a member of, promotes awareness and provides member education regarding applicable governmental regulations, industry standards and best practices in product responsibility.

GHG ACCOUNTING SOFTWARE

In 2023 we completed an RFP for greenhouse gas accounting software and have selected Green Project as our service provider. Our goal is to streamline processes while providing better energy and greenhouse gas emissions for all locations and scopes. Our target for platform implementation completion in Q3 of 2024.

UNGC SOCIAL DEVELOPMENT GOALS ACCELERATOR PROGRAM PARTICIPATION

As part of our participation in the United Nations Global Compact we've signed up for multiple Accelerator Programs to help us quickly align with the 17 Social Development Goals (SDG). Having participated in our first sessions in early 2024, we are proud to work with UNGC and excited about collaborating with companies with a similar ethos.

UPS CARBON OFFSET PROGRAM

To reach our goal of becoming 100% carbon neutral, HALO enrolled in the UPS offset credit program on January 1, 2020. In the last 3 years we've converted 11,992 Million Tons of carbon dioxide equivalent and 1,743 Million Tons of carbon dioxide equivalent in 2023.



Images from our visit United Nations in NYC as part of the UNGC Ambition Accelerator.

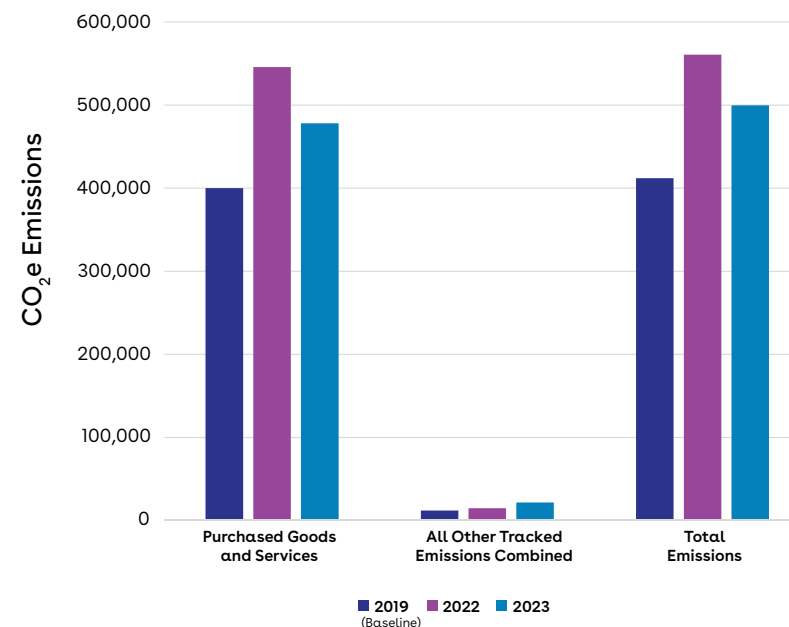
GHG Emissions Reporting.

Scope 1, 2, and relevant Scope 3 Green House Gas (GHG) emissions are tracked using the Greenhouse Gas Protocol. Documentation of accounting annotations are provided on page 39.

GHG PROTOCOL SCOPE	DESCRIPTION	2019 BASELINE (mt CO ₂ e)	2022 (mt CO ₂ e)	2023 (mt CO ₂ e)
Scope 1 Emissions	Direct Emissions for Facilities Under Operational Control	531.4	594.3	379.7
Scope 2 Emissions - Market Based	Indirect Emissions From Purchased Energy with Renewables for Some Facilities	N/A	1,340.3	1,194.1
Scope 2 Emissions - Location Based	Indirect Emissions from Purchased Energy with Regional Emission Factors Only	2,055.1	1,462.5	1,212.0
Scope 3 Emissions		409,483.2	557,088	486,104.9
Total:		412,069.7	560,485.1	488,890.7

RELEVANT SCOPE 3 CATEGORIES	DESCRIPTION	2019 BASELINE (mt CO ₂ e)	2022 (mt CO ₂ e)	2023 (mt CO ₂ e)
Scope 3 Emissions - Category 1	Purchase of Goods and Services.	399,983.9	545,806.7	477,963.5
Scope 3 Emissions - Category 3	Other Energy (Transmission Line Loss).	0.9	0.6	0.6
Scope 3 Emissions - Category 6	Business Travel	713.3	747.6	750.0
Scope 3 Emissions - Category 7	Employee Commuting	3,496.7	3,333.9	4,086.6
Scope 3 Emissions - Category 8	Leased Facilities Classified as Financial Control (No Operational Control)	5,288.4	3,702.8	3,304.2
Total:		409,483.2	557,088	486,104.9

YEARLY EMISSIONS COMPARISON



YEARLY EMISSIONS COMPARISON ANALYSIS:

- Increase in our operational emissions is driving initiatives to lower emissions through changes in energy consumption including solar and wind projects.
- As a global distributor of goods and services indirect GHG emissions (scope 3 category 1) make up the 97.75% of our carbon emissions. We are working closely with our supply chain partners to provide better data at the product level and updates to manufacturing and product raw materials to reduce impacts.



Waste, Energy, and Gas Reporting.

WASTE & RECYCLING PROCESS IMPROVEMENTS

To drive the execution of waste minimization in February 2021 we conducted a waste-stream audit with external consultant [Great Forest](#). We looked at our main facility in Sterling, IL (corporate headquarters and primary fulfillment center) to gain a greater understanding of what is being sent to the landfill.

We received an overall score of 38.6% with considerable room for improvement. Based on audit findings we improved processes and completed 79% of the recommended changes achieving 11% increase from 2022. Our goal is to implement these practices to all facilities where HALO has operational control in 2025.

2023 WASTE STREAM AUDIT IMPROVEMENT PROJECTS	STATUS UPDATES
Track bulk recycling	Completed
Review the feasibility of composting	In Review
Install system to separate organics from trash and recycling	In Review
Implement policies to replace single-use utensils and condiments	In Review
Review the feasibility of policies to reduce overall waste from suppliers	In Progress
Store universal waste in sealed, right-sized containers	Completed

BULK WASTE RECYCLING

To reduce waste going to landfills HALO donates obsolete merchandise, paper, and cardboard through [Aveniras](#). This organization partners with RewearAble to recycle goods and create jobs for people with disabilities. The remainder of our paper, cardboard, and misc recyclables are collected through our local waste management provider

*Reporting for paper and cardboard recycling is a partial metric for the months of June through December 2023.

BULK WASTE RECYCLING (STERLING HQ)	2022	2023
Obsolete Merchandise and Recycling Donations (tons)	37.5	23.47
Paper, Cardboard, and Misc Recycling (tons) Partial 2023 Screen	N/A	126*
WASTE DONATIONS BY CATEGORY	2023	
Cardboard & Paper (lbs)	7,860	
Plastic (lbs)	5,363	
Clothes & Textiles (lbs)	19,738	
Clocks (lbs)	173	
Badges (lbs)	467	
Blankets (lbs)	16	
Books (lbs)	1,300	
Cups (lbs)	2,036	
Metal (lbs)	4,295	
Misc (lbs)	5,868	

Total: 46,942 (lbs) 23.47 (tons)

ENERGY AND GAS USE

HALO's Energy and Gas consumption is tracked using Energy Star Portfolio Manager. Metrics are provided for facilities classified as operational control. *Documentation of accounting annotations are provided on page 39.*

ENERGY USE METRICS (Energy Star Portfolio Manager)	2019 (BASELINE)	2022	2023
Electricity Use (Millions kWh)	4.19	3.23	2.86
Electricity Intensity (kWh/sq. ft.)	9.40	4.5	4.73
Electricity Cost	\$379,713	\$347,721	\$346,461
Natural Gas Use (Million ft ³)	9.8	10.61	6.66
Natural Gas Intensity (ft ³ /sq. ft.)	21.98	14.78	11.02
Natural Gas Cost	\$50,126	\$94,011.40	\$53,773.00

Building a Better Future Practices.

Climate and Energy

Sustainable Operations in Owned Facilities	Our goal is to operate efficient spaces with a reduction in long-term environmental impacts in mind. Completed in 2018, our main facility in Sterling, IL was designed with key sustainable features. For example, all lighting is LED with automatic light and motion sensors, solar light tubes bring in natural lighting and account for 35% of light in our offices space, all appliances are Energy Star Rated, heating and cooling systems are automatic and variable for different times of the day, temperature activated windows shutters, and we've implemented procedures to shut off machines at work stations and in public spaces at the end of the day.
CDP Reporting	Carbon Disclosure Project (CDP) is a not-for-profit charity that runs the global disclosure system where investors, companies, cities, states, and regions manage their environmental impacts. HALO reports carbon emissions to CDP annually and reports our CDP Score Report on Climate Change publicly at https://halo.com/responsibility/
Scope 1, 2, and 3 GHG Reporting	Annual reporting of Green House Gas Emissions tracked using the Greenhouse Gas Protocol. This data is made available to the public annually at https://halo.com/responsibility/
Energy and Gas Reporting	Annual reporting of Energy Use Metrics using Energy Star Portfolio Manager. This data is made available to the public annually through this report at https://halo.com/responsibility/
SBTi Commitment	Through SBTi we've committed to their short-term science based targets. Defining, auditing, and reporting these targets is a part of our 3 year roadmap.
UNGC Commitment	We've joined the United Nations Global Compact and are currently aligning our goals, strategies, and processes to the 17 sustainable development goals (SDG).
UPS Carbon Offset Program	To reach our goal of becoming 100% carbon neutral ,HALO enrolled in the UPS offset credit program on January 1, 2020. The UPS program is verified by Société Générale de Surveillance (SGS), an inspection, testing, and verification company. For more information, please visit UPS.com .

Waste Reduction

Waste Stream Audit	In 2021 we conducted a waste-stream audit with external consultant Great Forest. We looked at our main facility in Sterling, IL (corporate headquarters and primary fulfillment center) to gain a greater understanding of what is being sent to the landfill.
Shipping Materials	HALO has transitioned to using recyclable materials for packaging and shipping supplies. We eliminated the use of bubble wrap and packing peanuts, as these are not biodegradable, and use products comprised of 100% recycled material for both void fill and product wrapping. The corrugated shipping cartons and poly mailers we use are made of 50% recycled material and can be recycled once used.
Print Catalog Reduction Policies	In 2019 HALO reduced the number of catalogs we print to reduce both landfill waste and our carbon footprint from the shipping of paper catalogs. Reduction programs led to 95% reduction in printed materials.
Bulk Waste Reductions	To reduce waste going to landfills HALO annually donates obsolete merchandise and recycling waste.



Working Ethically.

Throughout our global operations, HALO strives to maintain a work environment that reflects the highest standards of business ethics and workplace behavior. We're committed to legal compliance and ethical business practices.

We maintain high standards of ethical conduct while acting with integrity at all times. We all have the responsibility to raise compliance and ethics concerns through our established reporting channels.

Working Ethically.

COMMITMENT:

Maintain high standards of ethical conduct while acting with integrity at all times. Provide training and enforce ethical compliance for all stakeholders.

Targets	Progress/Actions	2023 Status
<p>Global Standards: Alignment to recognized global standards for practices.</p>	<p>Category B membership to the Fair Labor Association.</p> <p>Alignment to the United Nations Global Compact's Ten Principles. Our goal is to align our current program under the 17 Social Development Goals in 2024.</p> <p>GRI alignment of our reporting for reporting year 2024.</p>	<p>On Target</p>
<p>Monitoring and Reporting: Mechanisms for monitoring compliance and reporting any violations through confidential channels.</p>	<p>In 2024 HALO will be reviewing the use of a third-party whistle blower hotline service to improve our current processes.</p>	<p>In Review</p>
<p>Training and Awareness: Ensuring Training, awareness and compliance from all stakeholders on legal and HALO standards for business practices.</p>	<p>Awareness training on information security, data privacy protection, and HALO employee policies are in place with 100% compliance.</p> <p>The selection and purchase of training platform Trailant was completed in 2023. A comprehensive business ethics compliance program is targeted to be launched in Q3 2024.</p>	<p>On Target</p>
<p>Data Security and Privacy Management: Ensuring compliance with all laws regarding personal information and preventing improper use and disclosure.</p>	<p>Certification completed for ISO 27001 Information Security Management Systems (ISMS) and 27701 Privacy Information Management Systems (PIMS).</p>	<p>Completed</p>



Working Ethically Actions.

ISO CERTIFICATION

HALO takes a strategic approach to cyber security and information privacy and in March of 2023 earned ISO 27001 and 27701 certifications - Information Security Management Systems (ISMS) and Privacy Information Management Systems (PIMS). Demonstrating our commitment to information security management best practices, these certifications help ensure the confidentiality, integrity, and availability of sensitive information for HALO and our clients.

The certification process involves the identification and assessment of information security risks, implementation of controls to mitigate those risks, and establishes a process for continuous improvement.

HALO suffered a data breach in November of 2023 that affected employee and contractor PII. Upon discovery of the situation, we promptly took systems offline, notified law enforcement, and engaged cyber security experts to investigate. As of December of 2023, all files were recovered, the incident was contained, and HALO has been operating normally.

POLICY UPDATES ON BUSINESS ETHICS

To reaffirm our commitment to business ethics, we updated our policy statements in 2023 to unify statements written for multiple stakeholder groups. 100% of all employees are required to review and acknowledge our business ethics policies.

ANNUAL TRAINING

We had 100% compliance for the security awareness training of all employees and contractors that aligned with ISO 27001/27701 and PCI standards. Our training includes the following modules:

- HALO Information Security Policy
- PII and You
- Credit Card Security
- HALO Security Awareness Training

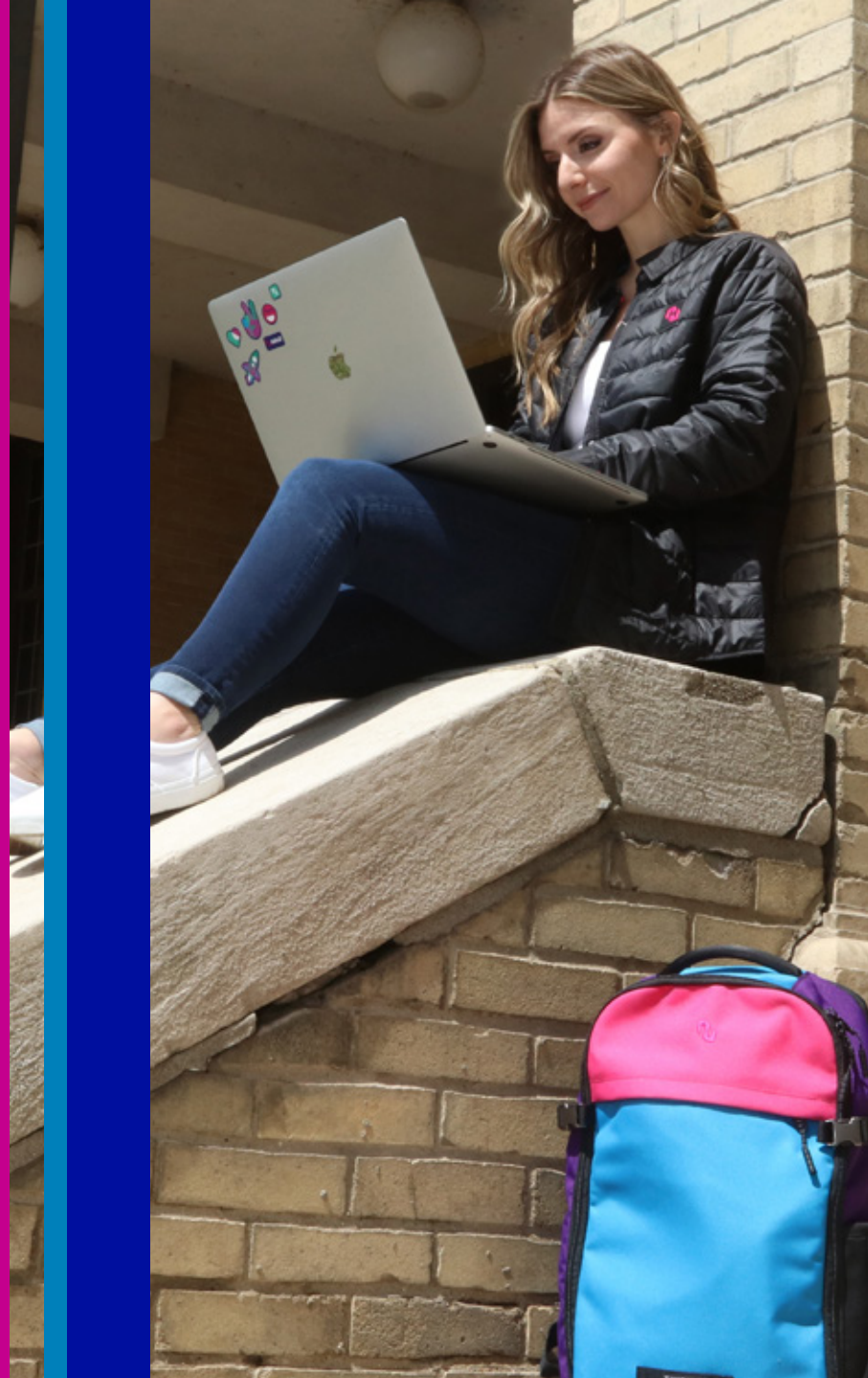
HALO also conducts regular security campaigns to audit user compliance.

TRAINING PLATFORM

We have completed an RFP for a comprehensive training platform to centralize all stakeholder awareness, training and compliance campaigns. Platform content includes:

- Policy acknowledgments for security, code of conduct, handbook, travel and transportation, anti-corruption, and environment.
- Training business ethics, anti-harassment, diversity, discrimination, ergonomics, sustainable procurement, safety, hazardous materials, equipment safety, PII, credit card security, and breaches.

We have identified the user groups for and are requiring 100% completion for all campaigns in 2024.



Working Ethically Practices.

Information Security

Info Sec and Privacy Policies	HALO's information security and privacy policies are managed under a comprehensive Security Policy using the ISO 27001/27701 framework. HALO operates an Information Security Management System ("ISMS") based on ISO 27001/27701 that establishes, maintains, and improves our information security and data privacy capabilities. The ISMS operates under the authority of HALO executive management, ensuring that HALO's business can be successfully executed without creating unacceptable harm through compromised information assets.
Incident Response Policy	Incident response policies are based on ISO 27001/27701 framework and are reviewed annually.
Training	Annual trainings with 100% compliance for all employees include HALO InfoSec Policy, PII and You, Credit Card Security, and HALO Security Awareness Training. HALO also conducts regular security campaigns to audit user compliance with ISO 27001/27701 standards.
PCI Compliance	HALO is certified as Payment Card Industry (PCI) compliant and is subject to annual auditing and reporting. Every transaction or activity involving sensitive data is logged at the individual user level by an independent logging system inaccessible to our users. All access points are secured with one or more firewall systems, protecting against intrusion and unauthorized access. For authorized access, we employ two-factor authentication for the highest level of security.
Secure Server Environment	Our server environment is housed in a professionally managed hosting facility (Cyrus One) that provides rigid physical security, access controls, and environmental security. We employ encryption at both the connectivity level (secured communication and transactions) and also at the data storage level.
Privacy Policy	HALO's privacy policies are available on our website at https://halo.com/privacy-policy/

Ethics Policies

Whistle Blower Procedures	Our Code of Conduct, Employee Handbook, and Supplier Code of Conduct describe the ways stakeholders can anonymously report a violation to our policies : <ul style="list-style-type: none"> · Employee can report to EmployeeRelations@HALO.com · Suppliers can report to Supplier.Relations@HALO.com · Customers can report to Ethics@HALO.com
Employee Handbook	HALO's Employee Handbook outlines our ethics policies on corruption, conflict of interest, fraud, employee health and safety, working conditions, career management, DEI, compensation for working hours, flexible organization of work, and health care coverage.
Supplier Code of Conduct	Our Supplier Code of Conduct and Certificate of Compliance agreements are required for every HALO supplier/manufacturer agreement. We inspect—directly and through certified third parties—several of our primary suppliers to assure compliance with worker safety, labor, and environmental laws. Public documents are available at https://halo.com/safety-compliance/
Workplace Code of Conduct	Our Workplace Code of Conduct defines the minimum acceptable work standards for all people involved in the manufacturing and sale of products – in all countries, business sectors and occupations. Code compliance is applicable to all HALO locations for our employees and is required of our suppliers for supply chain workers.
Employee Code of Conduct	HALO's policies ensure that all employees meet certain standards of conduct . While not an all-inclusive list of acceptable and prohibited behavior, our Employee Code of Conduct is a general guideline for the type of conduct expected by the company.



Appendix.



GHG and Energy Accounting Annotations.

HALO continues to evaluate GHG Accounting and assignments . We classify properties under Operational Control if it is either owned by the company or leased by the company while under full operational control including utility payment. For leased properties where HALO is sole tenant and pays utility bills directly, we classify it as Operational Control per GHG Accounting Protocol and calculate for Scope 1 and 2 emissions. For other leased facilities where HALO does not pay utilities or does not have control of utilities, HALO classifies this as Financial Control and includes it under Scope 3, Category 8 emissions.

This emissions report is for facilities under Operational Control and Scope 1 and 2 emissions. For 2023, 9 properties are listed. One property previously included as an Operational facility closed at the beginning of the 2023 period. One facility covered under the 9 Operational facilities reported in 2023 changed locations effective June 1, 2023 and was reclassified under Financial control from that date. HALO is evaluating required accounting changes due to property closures.

For Scope 1 emissions, natural gas use is the primary source of direct GHG emissions. Estimated values were used for emergency generator emissions and company vehicle emissions, based on previous year values where applicable.

Four Operational facilities were evaluated using Market Based emission factors . The 5 other properties included in the emissions calculation were not able to be evaluated under Market Based factors at this time. Location Based factors were inserted for those facilities as default .

Therefore, the total Market Based Scope 2 emissions include both Market and Location Based values.

Location Based emission factors align with the USEPA eGrid. As of this report, the latest EPA eGrid and utility specific

Power Contents emission factors available were from 2022

Scope 3 emissions are predominately based on best estimates using established tables and emission factors.

- Scope 3 Category 1 emissions are based on USEPA emission factors using NAICS codes and dollar spend.
- Scope 3 Category 6 emissions are based on overall business travel for major events, and assumptions of customer meeting travel. USEPA tables are used for air travel and vehicle commute emission factors.
- Scope 3 Category 7 emissions are based on employee count using annual OSHA 300 log, then assuming a number of employees commuting, commute miles, average vehicle mileage, and fuel type. USEPA tables are

used for vehicle emission factors, assuming all vehicles use gasoline.

- Scope 3 Category 8 emissions are based on all leased facilities location and square footage. Energy use and emission factors are estimated using US Energy Information Agency Commercial Buildings Energy Consumption Survey data.
- GHG accounting adjustments were made to Scope 1 emissions. Previous models did not apply kg to mt conversion correctly for emergency generators. Adjustments were also made to emission factors for company vehicles and generators.

Acronyms and Definitions.

- **CDP** (Carbon Disclosure Project) CDP is a not-for-profit charity that runs the global environmental disclosure system <https://www.cdp.net/en>
- **CEO Action** CEO Action for Diversity & Inclusion™ is the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. <https://www.ceoaction.com/>
- **DEI** (Diversity Equity and Inclusion) organizational frameworks which seek to promote the fair treatment and full participation of all people, particularly groups who have historically been underrepresented or subject to discrimination on the basis of identity or disability.
- **EcoVadis** is a global provider of sustainability ratings and intelligence for businesses. It helps clients manage value chain risk, compliance, and performance for net-zero and sustainability goals. <https://ecovadis.com/>
- **EDF** (Environmental Defense Fund) Climate Corps is a unique summer fellowship program where EDF trains and matches top-tier graduate students with host companies and organizations to advance environmental and sustainability goals. <https://www.edf.org/approach/edf-climate-corps-making-sustainability-work>
- **ESG** (Environmental Social Governance) Frameworks are designed to be embedded into an organization's strategy to generate value for all organizational stakeholders such as employees, customers and suppliers and investors.
- **FLA** (Fair Labor Association) has worked for more than 20 years toward a future where responsible business means that fair working conditions are the standard, not the exception. <https://www.fairlabor.org/>
- **GRI** (Global Reporting Initiative) has developed and delivered the global best practice for how organizations communicate and demonstrate accountability for their impacts on the environment, economy and people. <https://www.globalreporting.org/>
- **GHG** (Green House Gas) are the gases in the atmosphere that raise the surface temperature of planets such as the Earth. What distinguishes them from other gases is that they absorb the wavelengths of radiation that a planet emits, resulting in the greenhouse effect. The Earth is warmed by sunlight, causing its surface to radiate heat, which is then mostly absorbed by greenhouse gases.
- **GHG Protocol** sets the standards to measure and manage emissions <https://ghgprotocol.org/>
- **HIGG INDEX** The most widely used measure of environmental and social impact across apparel, footwear, and textiles.. <https://worldly.io/tools/higg-index/>
- **ISO** (International Standards Organization) Global standards for trusted goods and services. <https://www.iso.org/home.html>
- **Mt CO₂e** (Metric Tons of Carbon Dioxide Equivalent) is used to measure and compare emissions from greenhouse gases based on how severely they contribute to global warming.
- **OSHA** (Occupational Safety and Health Administration) is part of the United States Department of Labor. With the Occupational Safety and Health Act of 1970, Congress created OSHA to ensure safe and healthful working conditions for workers by setting and enforcing standards and by providing training, outreach, education and assistance. <https://www.osha.gov/>
- **SBTi** (Science Based Targets Initiative) SBTi is a collaboration between the CDP (formerly Carbon Disclosure Project), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Since 2015, more than 1,000 companies have joined the initiative to set a science-based climate target. <https://sciencebasedtargets.org/>
- **SDG** (Social Development Goals) encompass the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), an urgent call for action by all countries - developed and developing to participate in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests. <https://sdgs.un.org/goals>
- **UNGC** (United Nations Global Compact) is the world's largest corporate sustainability initiative: a non-binding United Nations pact to get businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. <https://unglobalcompact.org/>

Thank you.

If you have any questions or would like to know more,
please contact us at sustainability@HALO.com.