



SUSTAINABILITY REVIEW 2023

BASIS OF REPORTING

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Introduction

There is so much that needs to be done to achieve sustainable development goals (SDG) and help to keep our planet inhabitable. Saalex takes our corporate responsibility and commitment to the communities in which we live and work seriously.

Saalex Solutions, Inc. is taking on this challenge and working with our supply chains to configure our business model in a way that keeps a focus on sustainability efforts.

On a daily basis, people are confronted with the risks of doing business. Examples include corruption, employee well-being, corporate ethics, and environmental impact. It is no wonder customers are starting to ask questions about the origin of products and services. The American government expects companies to do their part in implementing corporate social responsibility (CSR). As Saalex grows, we are focusing on doing that in the most sustainable way possible.

The following report illustrates our approach to corporate responsibility which spans environmental and sustainability, diversity, inclusion, as well as governance priorities and initiatives.

Saalex currently is tracking our Scope 1 and 2 emissions and calculate using the EPA calculator tools that are based on US Environmentally Extended Input-Output models which Saalex certifies the data is calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

Diversity

Diversity includes the total number of employees recorded in our HR ADP system, as well as off system employees for recent acquisitions not entered in our ADP. Data is gathered as an extract from ADP and summarized in a dashboard to support simple and consistent data visualization and reporting.

Number of Employees

The total number of employees, permanent and fixed term on September 1, 2023, captured in our ADP system does not include subcontractors and agency staff. Data is captured and pulled from the system by a nominated point of contact who manages the data.

For diversity purposes, the total number of employees is calculated by age range and gender.

Ethics

Formal Enquiries

These are the number of enquiries raised as a result of contacts to HR or Security office. Any contact that raises a concern or makes an allegation of inappropriate conduct is recorded as a report but may be closed as guidance if appropriately resolved with guidance and advice. All contacts are logged.

Contacts can come from any individual, regardless of their affiliation: employee, contractor, customers, suppliers etc. Feedback is provided to all those making reports or seeking guidance through the various ethics channels.

Contacts regarding ethics are categorized using the following primary and secondary enquiry types:

Investigation

Concerns or complaint (that require more than advice or guidance to resolve) relating to:

Accounting Charge Practices

Accounting Charge Practices Accounting Charge Practices -Major	Directed or intentional charging of labor or related expenses, including travel expenses, to an improper account; systemic or excessive irregularities or errors in charging; pattern of charging the wrong cost objective; contract cost shifting or allocation not in accordance with disclosure statements, etc.
Accounting Charge Practices – Minor	Inappropriate charging of labor or related expenses, including travel expenses, to an improper account where such charges are not indicative of a significant or consistent pattern of abuse; minor timekeeping infractions or misuse of business unit time where cost accounting adjustments are indicated (i.e., the employee did not make up the time); malingering or sleeping while assigned to work and charging the time on accounting records; infrequent, unauthorized late arrivals or early departures where the time is charged on accounting records; other improper time charging incidents or patterns not indicative of gross mischarging or cost to the customer.
General Accounting Practices	Inaccurate, false, or misleading financial records or statements including, but not limited to, general ledgers, profit and loss statements, cost, schedule and control accounting records; financial planning or budgeting issues; failure to properly account for receivables or payables; improper billing practices; property accounting; actions that are not consistent with the letter or spirit of Saalex Solutions financial policies.

Anti-Corruption

Advisors	Issues or enquires relating to Advisors – implementation or exercise of advisors
Bribery or Corruption	Providing, or attempting to provide, or offering to provide any kickback; or soliciting, accepting, or attempting to accept any kickback; or including, directly or indirectly, the amount of any kickback: in the contract price charged by a Saalex subcontractor to a higher tier subcontractor or to Saalex Solutions; or in the contract price charged by Saalex Solutions. A kickback means any money, fee, commission, credit, gift, gratuity, thing of value, loan, entertainment, services, or compensation of any kind which is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or a subcontract.
Community Investment	Issues or enquires relating to Community Investment – Implementation or exercise of Community Investment practices

Conflict of Interest – Misc.	Because of other activities or relationships, Saalex Solutions is unable or potentially unable to render impartial assistance or advice to the government or other customer, or where objectivity in performing the contract work is or might be otherwise impaired, or where an unfair competitive advantage exists (i.e., organizational conflict of interest); or other conflicts of interest not described above
Facilitation Payments	Payment or gift given (usually to a government official) to cause him or her to perform a routine duty or function, or to expedite such performance, other than the payment of a lawful and official fee for such a duty or function
Former Government Employees	Prohibited employment actions (e.g., hiring, discussions of potential employment, etc.) pertaining to former government employees.
Outside Business Activities	Direct or indirect personal interest in a transaction or situation with a supplier, customer, competitor, shareholder or other which might reasonably appear to affect the judgment the employee exercises on behalf of the Company, influence the employee's actions, or lead the employee to neglect the Company's business. This includes dual employment adverse to Saalex Solutions' interest, certain ownership interests (i.e., securities), and other actions and relationship interests

Data, Technology and Trade Controls

Competitive Sensitive Data	<p>Solicitation, acceptance, use or possession of</p> <ol style="list-style-type: none"> 1) document(s) containing a legend indicating that such document(s) originated with or belong to another business unit, that such document(s) are of a competitive nature, and the receipt, possession and/or use of the information is prohibited by the legend; 2) document(s) (whether or not containing legends) or information which constitute part of, or relate to the contents of, another business unit's proposal at any stage of competition; 3) government document(s) of a source selection or procurement planning nature which contain a legend indicating that release outside the government is not authorized 4) government document(s) or extracts there from which contain source selection or procurement planning information not containing a restrictive legend, if there is reason to believe release has not been approved by the government. 5) Any information of the government or of a business organization, whether a competitor or not, where it is clear that release of that information is unauthorized or in circumstances where there is reason to
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	believe that such information cannot lawfully be in Saalex Solutions' possession.
Data Protection or personal data	Accidental or unlawful loss, destruction, alteration, unauthorized disclosure of, or access to Personal Information held by or on behalf of the Company, together with any other Personal Data Protection Incident which falls within the definition of breach under a Local Personal Data Protection Policy
Proprietary data or intellectual property	Mishandling data that are valuable assets either of the company or its collaborators or customers such as proprietary data, intellectual property, patents, trade secrets, "know how," and technical information. Misconduct may include, but is not limited to, misuse of proprietary data, violation of nondisclosure agreements, or improper technology transfer
Trade controls, export controls, sanctions, or ITAR	Violations of export or import rules or regulations; improperly or unlawfully shipping, mailing, hand-carrying, or in any other way exporting or importing any commodity or technical data or causing or permitting any other person to do so; exporting or importing without the appropriate license or exemption, payment of fees, and/or appropriate documentation.

Employee Conduct

Discrimination	Employment decisions or treatment based on race, sex, age, religion, color, national origin, disability, veteran status, or on any other unlawful basis; also see Equal Employment Opportunities.
Employee misconduct – Misc.	Insubordination; violence, fighting; soliciting; unauthorized absence; smoking in prohibited areas; profanity; confidentiality issues and other inappropriate conduct not covered elsewhere
Gambling	Gambling activities during work hours, or on work premises, or organizing gambling activities
Interpersonal skills	Poor or inadequate communication; rudeness, insensitivity to employee morale.
Intimidating/Threatening Conduct or Harassment	Harassing, frightening, annoying, bullying (if not covered in the Discrimination category), threatening, coercive, discouraging, annoying, or tormenting behavior (e.g., "nit-picking") of a non-sexual nature; also see Sexual Harassment.
Records Falsification (non-finance related)	Falsification of personnel or other non-financial records including, but not limited to, resumes, applications, letters of recommendation, disciplinary records, health records, benefit applications or filings, and certain operations records such as manufacturing, quality, engineering drawings, etc.; also see Product Substitution and Accounting and Charging Practices.

Relationship Conflicts & Nepotism	Employment decisions based on family or another significant relationship(s); nepotism is the special case of favoritism shown by relatives or close friends in the assignment of work, compensation, training or other work-related decisions.
Retribution or Retaliation	Threats or punishment (i.e., “payback”) for utilizing the Ethics Help Line or reporting misconduct to management through any means.
Sexual Harassment	Any unwelcome sexual advance(s), request(s) for sexual favors or other unwelcome verbal, physical, or other conduct of a sexual nature. Sexual harassment exists when any one or more of the following occurs; 1) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; 2) the sexual conduct has the purpose or effect of interfering with a person's work; 3) or the sexual advance/conduct is unwanted or creates an intimidating, hostile, abusive, or offensive work environment.
Substance Abuse	Alcohol; drugs; controlled substances; possessing, selling, or being under the influence on business unit time or premises where the business unit conducts its business

Employee Relations

Access to Training	Unreasonable refusal by a manager or other constraints preventing access to training or training courses which an employee ought to attend or is entitled to attend
Application of Policy or Procedure	Whimsical, wrong, or inconsistent application of employment-related policy, procedure, or practice
Compensation, Benefits & Pay	Salary or wages; overtime; merit; payroll issues; relocation, field service, or foreign allowance compensation; pay for military duty or jury duty; group insurance matters (e.g., medical, dental, life); severance pay; pension; leave of absence provisions; workers' compensation; tuition reimbursement; vacation; bereavement; holidays; COBRA
Hiring or Placement Practices	Matters pertaining to recruiting; hiring; job posting; selection; promotion; demotion; placement; job classification issues; external applicants; recalls
Layoff or Other termination	Matters pertaining to reduction in force decisions, layoff or other termination issues
Performance or Capability	Issues relating to the individual's ability to perform their regular work tasks due to skills, capability, performance or absence, or reports concerning how the capability process is being managed.

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Reward or Recognition	Inconsistent, unfair, whimsical application of reward and recognition (other than compensation)
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Financial Misconduct

Financial Fraud (including fraudulent invoicing)	Defrauding Saalex Solutions financially, including ghost employee/contractor, fraudulent (or fraudulently increased) invoices, fraudulent expense claims.
Securities and insider trading	Buying or selling stock based on material, non-public information concerning the Company such as transactions in which the Company proposes to engage or information about other entities with which the Company does business (i.e., “inside information”); using non-public information for personal gain, supplying others with “inside information” (i.e., “tipping”); other securities violations.
Tax avoidance or evasion	Illegally reducing Saalex tax liability; participating in questionable tax reduction procedures; acting so as to allow third party to avoid or evade proper taxation

Management Practices

Favoritism (not nepotism)	Favoritism generally means preferential treatment without a sound business basis, treating one employee differently from another, in the assignment of work, compensation, training or other work-related decisions.
Management skills – Misc	Inadequate or unfair assignment of work duties; failure to monitor work areas; ineffective or poor budgeting, staffing, controlling; inadequate career development of subordinates; whimsical application of discipline.
Other abuse of position or authority	Use of position or authority to unfairly influence decisions and outcomes (not nepotism). Performance Appraisals Unfair, biased
Performance Appraisals	Unfair, biased, or inadequate performance appraisal practices.

Policy, Process and Trading

Business or Functional Ethical Practices.	Issues or enquiries relating to the business or functional policies – Issue with the actual policy rather than implementation.
Company Sales Practices.	Issues or enquires relating to Sales Practices policies – Implementation or exercise of sales practices.

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International Law	Violation of statutes, regulations, or policies pertinent to the conduct of international business.
Issues relating to company policies	Issues relating to the Company's policies – Implementation or exercise of Company policies or procedures.
Product Trading	Issues or enquiries relating to Responsible Trading Risks: Product and Trading characteristics that may pose unacceptable risk to the Company's reputation. Issues on the type of or nature of business the company engaged in

EHS

EHS people – behavior, STF	Behaviors likely to place, or that have placed people, business unit, property, or the environment at risk of harm or a contravention of a statutory or regulatory safety, health or environmental requirement
EHS Process	Unsafe or unhealthy work conditions or practices; placing or failing to protect people from exposure to chemical, physical, or biological hazards likely to result in injury or damage to business unit, property or the environment; failing to adhere to statutory or regulatory safety, health or environmental requirements

Security or Misuse of Assets

Employee Fraud	Non-financial fraud carried out by an employee
Employee Safety	Risk to personal security of an employee from an external third party. Government or Customer Security
Government or Customer Security	Violations of procedures pertaining to classified, secret, or otherwise sensitive documents or data; espionage; computer security involving classified data (use in conjunction with Security - Government or Customer).
Insider Threat or Espionage	Employee with authorized access to Saalex and its Assets, who has malicious intent; or is causing loss, damage or compromise of Company Assets
IT Security	Actions that undermine IT security measures dedicated to computing and related assets, such as physical safeguards, access authorization, data encryption, virus prevention/detection, data back-up, and disaster, recovery planning.
Misuse or abuse of Assets	Unauthorized personal use of business unit or customer resources (i.e., phones, computers, equipment, vehicles, etc.); misuse or abuse of

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	business unit or customer facilities; improper use of the Internet or other telecommunications; also see Theft.
Plant or Premises Security	Physical security of facilities - person; traffic and parking control; possession of weapons or firearms on business unit property
Theft	Unauthorized removal of business unit, customer, or vendor assets or property; stealing

Supplier & Procurement

Boycotting or Trade Restraint	Entering into agreements or practices in restraint of trade; price fixing; boycotts of suppliers or customers; monopoly; tie-in sales; disparaging, misrepresenting, or harassing a competitor
Procurement Issues	Miscellaneous misconduct pertaining to the procurement of goods or services such as favoritism toward a supplier based on personal friendship or other non-business-related reason(s); poorly justified sole source decisions; tailoring specifications to favor a single vendor; late payments; contracting without a purchase order; failing to follow procurement procedures; issues related to selection of subcontractors and contractors.
Software Licensing	Unauthorized distribution, possession, use or copying of copyrighted software or documentation.
Supplier Contract Compliance	Supplier violating or failing to meet terms and conditions of a contract, or the spirit of a contract, (e.g., failing to meet schedules, not adhering to management structure or financial commitments, contractual performance matters pertaining to supplier or their subcontractors'.
Supplier Fraud - Defrauding the Company	Behaviors of supplier or their agents that could or has resulted in actual, suspected, or potential defrauding of the company

GUIDANCE AND ADVICE:

Reports that do not allege misconduct; request is for guidance or clarification on minor concerns; no investigation required; reports that are best resolved through advice or guidance.

Dismissals – For reasons relating to unethical behavior.

Dismissals are the number of permanent employees dismissed from the business for breaches of ethical policies or misconduct on matters covered in the Saalex Corporate Code of Conduct.

Safety

Injuries

This number includes Saalex Solutions employees and those individuals who whilst being employed by Saalex are under the direct control of a third party i.e., 'subcontractor'.

Major injuries are defined as:

- A fracture, other than to fingers, thumbs and toes
- Amputation of an arm, hand, finger, thumb, leg, foot or toe
- Permanent loss of sight or reduction of sight
- Crush injuries leading to internal organ damage.
- Serious burns (covering more than 10% of the body, or damaging the eyes, respiratory system, or other vital organs).
- Scalping's (separation of skin from the head) which require hospital treatment.
- Unconsciousness caused by head injury or asphyxia.
- Any other injury arising from working in an enclosed space, which leads to hypothermia, heat-induced illness or requires resuscitation or admittance to hospital for more than 24 hours.

Major injury definitions are in line with Federal OSHA standards.

Safety data is captured, and data is tabulated by a nominated point of contact who manages the data at the corporate level.

TRIR – Total Recordable Injury Rate

The total number of Saalex Solutions employees working at a site / location on behalf of the organization. This number should also contain individuals who whilst being employed by Saalex may be under the direct supervision of a third party i.e., 'subcontractor.'

An injury is recordable according to OSHA recording and reporting standard 1904.7 if it results in one or more of the following:

- Fatality
- Work-Day Case)
- Restricted work or transfer to another job
- Medical treatment beyond first aid
- Loss of consciousness
- A significant injury or illness diagnosed by a physician or other LHCP

Recordable accidents are recorded on the OSHA 300 log and the TRIR is calculated:

(Total number of recordable accidents *200,000) / Cumulative hours worked by all employees gives rate per 100 employees.

Environment – Green House Gas Emission

Greenhouse gas emission data is reported in line with an operational control method. We use the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard as guidance to support our approach to reporting.

Data covers a 12-month period between January 1, 2023, to December 31, 2023.

Organizational and Operational Boundaries

The GHG protocol allows participants to arrange their boundaries using two different methodologies. One uses the equity share or two, the control approach. Saalex has chosen to use the control approach. Furthermore, the control approach selected allows for two further methodologies to be applied to define control as either a financial approach or operational approach. Saalex uses the latter.

As a business, we utilize the EPA tool to record and monitor locations which we either own or lease. Every location listed in the summary for the purpose of GHG emissions reporting falls within our organizational boundary.

Greenhouse gas emissions related to business travel include air travel data for the majority of the domestic corporate business, and vehicle (including car rental, company car and personal car) data for corporate business within the US. Business travel in conjunction with government contracting personnel is excluded as this is deemed under the U.S. government emissions reporting.

The Scope 2 Greenhouse Gas Emissions associated with the GHG Protocol ‘Market-Based’ method have been calculated. In line with the GHG Protocol Guidance, this figure has been calculated using emission factors where available for our U.S. operations.

DIRECT (SCOPE 1): GHG EMISSIONS

Direct (Scope 1) GHG emissions come from sources (physical units or processes that release GHG into the atmosphere) that are owned or controlled by the organization.

Saalex Solutions report direct GHG emissions related to the combustion of energy from usage data measured:

- Natural Gas usage estimates for facilities at which we have a presence.
- Gasoline / Diesel – purchased and consumed within Saalex controlled road vehicles.

Saalex Solutions direct GHG emissions are derived by calculation and expressed as CO₂ equivalent using the EPA Scope 1 GHG emission factors as listed in **Table 1** below which represent the latest factors available for the majority of the reporting period.

Scope 1 Emissions		
Stationary Combustion	3	CO ₂ -e (metric tons)
Mobile Sources	9	CO ₂ -e (metric tons)
Refrigeration / AC Equipment Use	0	CO ₂ -e (metric tons)
Fire Suppression	0	CO ₂ -e (metric tons)

Purchased Gases	0	CO ₂ -e (metric tons)
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Table 1: Scope 1 Emissions

ENERGY INDIRECT (SCOPE 2) – Location based Method

An organization’s energy indirect (Scope 2) GHG emissions result from the generations of the electricity, heating, cooling, and steam which it purchased from other organizations for its own consumption.

The GHG Protocol’s ‘location-Based’ method requires the calculation of emissions associated with Scope 2 GHGs using data related to ‘grid average emissions profiles’ for the locations where the electricity is consumed.

Saalex Solutions reported Scope 2 ‘location-based’ emissions relate to the data in our Scope 2 fields (electricity, steam and grid electricity used by EVs) plus electricity usage estimates for facilities at which we have a presence but do not process the utilities – based on known parameters within the Saalex Solutions GPD for the reporting year.

Scope 2 electricity

Location-Based Scope 2 Emissions

Purchased and Consumed Electricity	22	CO ₂ -e (metric tons)
Purchased and Consumed Steam	0	CO ₂ -e (metric tons)

Table 2: Location-based Scope 2 Emissions

ENERGY INDIRECT (SCOPE 2) – Market based Method

Saalex energy indirect (Scope 2) GHG emissions result from the generations of the electricity, heating, cooling which it purchased from local utility companies for its own consumption.

The GHG Protocol’s ‘Market-Based’ method requires the calculation of emissions associated with Scope 2 GHGs using data provided by relevant energy suppliers that is specific to their supplies. If relevant supplier information is not available, then residual mix factors can be used for the calculation as per the GHG Protocol.

Saalex Solutions reported Scope 2 ‘Market-Based’ emissions related to the data in our Scope 2 fields (grid electricity). For the current year, the emissions are derived using conversion factors derived from each local utility company in which we obtained electricity.

Market-Based Scope 2 Emissions

Purchased and Consumed Electricity	27	CO ₂ -e (metric tons)
Purchased and Consumed Steam	0	CO ₂ -e (metric tons)

Table 3: Market-Based Scope 2 Emissions

OTHER INDIRECT (SCOPE 3) GHG Emissions

Other indirect (Scope 3) emissions are a consequence of the activities of the organization but occur from sources not owned or controlled by the organization. Some examples of Scope 3 activities are business travel and include data related to commercial flights, rental vehicles, personal car vehicle travel within the data calculations.

Travel data is obtained from a number of sources such as the business internal expense system and various internal databases. Travel is included if it falls within the reporting period.

Scope 3 emissions are derived by using published conversion factors and the data related to distance travelled (and also class of flights for the flight data available). Saalex Scope 3 GHG emissions are derived by calculation and expressed as CO₂ equivalent using EPA summary tables below.

Scope 3 Emissions

Employee Business Travel	5	CO ₂ -e (metric tons)
Employee Commuting	0	CO ₂ -e (metric tons)
Upstream Transportation and Distribution	0	CO ₂ -e (metric tons)
Waste	2	CO ₂ -e (metric tons)

Table 4: Scope 3 Emissions