



Environmental Social Governance Report

2022

Letter from Our President & CEO

We have one planet. We all have one joint responsibility: treat the planet right. This responsibility extends to individuals, public entities, and most certainly to all companies.

As a supply chain leader, we feel the responsibility even heavier. Our impact on the environment is significant. We buy, transport, store, and produce products. Each product and each process can impact the environment. We truly have an opportunity to make a difference.

Over the last decade, ALOM has accelerated our sustainability efforts. This year, we're adding ISO 14064-1 reporting for greenhouse gas emissions to our commitment. Last year, we started an ambitious NetZero Sustainability initiative. I am gratified to see our employee commitment, with great ideas, new initiatives, and solid backing.

We are also one humankind. That's why it is a core value of ALOM to treat everyone not only with respect, but also with collaboration, inclusion, and justice.

From ALOM's start 25 years ago, this has been a cornerstone. It permeates our interactions with anybody in our ecosystem. Nowhere is this more apparent than in how our employees are connected to each other, to ALOM, and to our mission. Our diverse workforce is united in our mission.

We are fortunate to embrace so many employees and suppliers from diverse communities and varied backgrounds. We give back to our communities, both close to our facilities and within our professional communities.

I always think the best of everyone. Yet governance is an important part of running a company. We put processes in place to ensure that we rely not only on trust, but also have oversight. Our risk management has served us well during the pandemic. We have no tolerance for bad actors in our supply chain.

In summary, ESG is integral to our work. I am excited that ALOM is publishing our first official ESG report to provide insight – and maybe inspiration – into our commitment, dedication, and achievements.



HANNAH KAIN

PRESIDENT & CEO

Company Overview

ALOM is a global supply chain management services and solutions provider serving as a partner to our Fortune 100 clients in the technology, automotive, medical/life sciences, and other regulated industries. Far more than a traditional 3PL, we provide socially and environmentally responsible supply chain product and service delivery programs for many of the world's best-known brands.



ALOM was founded in June 1997 by Hannah Kain. Her vision was to create an environmentally and socially conscious supply chain partner offering flawless execution, technology leadership, flexibility, and true customer focus.

ALOM Through the Pandemic

At the onset of COVID-19, ALOM was designated an essential business due to our supply chain infrastructure and medical manufacturing and material handling expertise. To support ongoing operations, we sprang into action with daily executive COVID-19 task force meetings and regular communication with staff, clients, and suppliers.

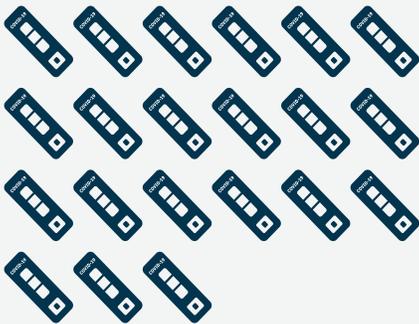
ALOM had the foresight several years ago to invest in technology to support remote work, which enabled all non-production staff to seamlessly convert to a hybrid model and deliver essential medical manufacturing and supply chain infrastructure business support.

Demonstrating that the well-being of our operations team was a “no expense spared priority,” ALOM rapidly implemented 48 extensive workplace safety measures that exceeded health mandates. We also leveraged technology to keep our team safe.

Beyond these workplace safety measures, ALOM supported our staff, their families, and the community by instituting paid time off/family leave measures that were not mandated. We also offered grants to employees to support pandemic home schooling of children, access to on-demand learning, resources to identify babysitting, and discounts for tutoring.

Placing lives over profit, ALOM did not lay off or furlough a single worker because of COVID-19 impacts. Throughout the pandemic we have maintained a 92% staff retention rate.

Our vaccination rate at our facilities is **88.5%**



ALOM produced and distributed **21.5 million COVID-19 test kits** in 2021.

COVID-19 Test Kit Production

Determined to be part of the pandemic solution and help save lives, ALOM retooled production lines to produce and distribute COVID-19 test kits. By leveraging our supply chain infrastructure, medical production certification, and FDA-registered facilities, we rapidly launched new programs that put much needed test kits into the hands of medical and education institutions.

Our contributions throughout the pandemic have been recognized by several organizations. We received the 2021 Manufacturing Leadership Award in the Supply Chain Leadership category from National Association of Manufacturers’ Manufacturing Leadership Council. The award recognized ALOM for technology and supply chain performance excellence providing rapid workplace protection and support to COVID-19 medical relief programs.

ESG Approach

We strive to be: the Customer of Choice, the Supplier of Choice, and the Employer of Choice.

When I established ALOM 25 years ago, I was determined to build a supply chain company that did right by everyone.



HANNAH KAIN
PRESIDENT & CEO

At ALOM, we believe in using the supply chain to help the world be a better place – for the environment and for every person, every supplier, and every company.

ALOM is committed to doing supply chain the right way. We are committed to being an environmentally and socially conscious company – one that is profitable and responsible and treats our employees, suppliers, and clients fairly.

ALOM Client Promise

To consistently plan, execute, and deliver flawlessly, on-time, with quality, integrity, and a commitment to sustainability, on complex customized global supply chain programs, taking full ownership, protecting the environment, working with all stakeholders, and utilizing the optimum technology tools to deliver results to delight our clients and their end-customers.

Environmental

Each year, ALOM challenges itself to exceed past accomplishments in sustainability and environmental management metrics in areas such as responsible material sourcing, carbon reduction, operational efficiency, supply chain planning, recycling, and use of sustainable materials.



KAVEH MORAGHEBI

SR. DIRECTOR OF QUALITY AND SUSTAINABILITY

As a global supply chain company, ALOM acknowledges and accepts a heightened level of responsibility to incorporate impactful and meaningful sustainability practices throughout our global operations. We are committed to conserving precious natural resources and protecting our planet, on behalf of our staff, communities, and clients.

ALOM's clients are leading and respected global companies that have made their own sustainability commitments and trust their brands to vendors that share their commitment. We honor their trust by being the best environmental stewards we can be.

For eight consecutive years, ALOM has been awarded the Green Supply Chain Award from *Supply & Demand Chain Executive*. The Green Supply Chain Awards recognize companies making sustainability a core part of their supply chain strategy, as well as those working to achieve measurable goals within their operations.



Sustainability in Action

- Facilities feature energy efficient lighting, automation, and HVAC systems
- Water stations throughout our facilities keep 15,000 water bottles out of landfills each year
- Warehouse floors are cleaned with steam and water-soluble solutions

ISO 14001 and ISO 14064-1 Certifications

ALOM holds ISO 14001 certification at both our Fremont and Indianapolis production and fulfillment facilities. This certification requires that we meet stringent, internationally established environmental management standards across our operations. Environmental goals and objectives are set and reviewed yearly.

Additionally, ALOM is pursuing ISO 14064-1 certification, which requires us to track and report all direct and indirect greenhouse gas emissions (GHG). The company has collected Scope 1 & 2 GHG emission data since 2019, and we expect to receive our ISO 14064-1 certification in mid-2022.

NetZero Supply Chain Sustainability Initiative

In March 2021, supported by clients, employees, and other stakeholders, ALOM made a bold pledge with our NetZero Supply Chain Sustainability Initiative to achieve a net zero carbon footprint across our global operations by 2030. Carbon emissions threaten the future of our planet and humanity, and this initiative focuses on reducing carbon in the atmosphere to mitigate human impacts accelerating global climate change.

netzero
supply chain sustainability

Invest in Carbon Reduction

Utilize clean and renewable energy, offset emissions, optimize freight use, and implement energy-saving technology throughout client supply chains.



California and Indiana facilities powered by 100% renewable electricity

Refuse/Reduce/Reuse/Recycle Materials

Reduce consumption of energy, paper and hazardous materials, and source environmentally-friendly products and materials.



Recycled 400,000 lb of paper and corrugate in 2021

Engage to Save

Collaborate with staff, suppliers, and clients to implement strategies that lower impact, eliminate waste, and optimize efficiency.



Freight reductions resulting in 30% smaller carbon footprint

Greening the Supply Chain

As a member of the Sustainable Purchasing Leadership Council, ALOM's procurement group ensures all operational equipment and client materials are responsibly sourced and meet stringent sustainability criteria.

Our account teams undertake a thorough sustainability review when onboarding each new client program. This extensive evaluation process identifies areas such as packaging, order routing, inventory management, supply base audit, and returns processing that result in significant positive sustainability impacts.

Employee Engagement in Sustainability

ALOM's staff has enthusiastically embraced the company's NetZero pledge by submitting hundreds of suggestions for reducing our carbon footprint. So far, we've implemented 57 staff suggestions including using only 100% recyclable dunnage and optimizing lift equipment battery recharge technology for increased energy efficiency.



Social

Over time, an extraordinary culture of inclusion and diversity has taken shape – one that extends beyond our workplace to include our worldwide supply base and business partners. As a result, we are a higher-performing organization.



SUBU SUBRAMANIAN

VICE PRESIDENT OF OPERATIONS



ALOM is a WBENC-Certified Women-Business Enterprise (WBE), and we take pride in our extraordinary culture of belonging, teamwork, and performance excellence.

ALOM won a 2022 Manufacturing Leadership Award from National Association of Manufacturers' Manufacturing Leadership Council in the category of Achieving Excellence Through Cultural Transformation. The company was honored for implementing programs to build and develop a highly engaged workforce by emphasizing our inclusive, values-driven corporate culture as a competitive differentiator.

In 2020, accelerated by the impacts of COVID-19 on workforce safety and recruitment, ALOM enacted strategies that spotlight and reinforce our mission-driven cultural values across a new generation of workers to improve employee engagement and position the company as an Employer of Choice.

ALOM achieved record performance in 2021 in the following company and staff management areas:



70%

Workforce Growth



60%

Revenue Growth



6%

Decrease in Employee Attrition 2021 vs 2018



65%

Reduction in Recruitment Days to Fill Open Positions

Diversity, Equity, Inclusion, Justice, and Belonging

ALOM is a diverse and inclusive organization that embraces all individuals. We vehemently oppose bias, discrimination, or unequal opportunity, whether conscious or unconscious.

We've purposefully created a collaborative, welcoming workplace that makes all employees feel valued while also acknowledging their differences. We want to foster a work environment where people listen and are willing learn from each other, even when they disagree.

As a Paradigm for Parity® member and supporter of DEI advocacy, ALOM has been recognized nationally for our DEI efforts. Our individual staff members have been recognized too: in 2021, Account Manager Ana Godinez was honored for Paradigm for Parity® Women on the Rise, and in 2022, Director of Account Management Holly Tran received the prestigious STEP Ahead Award by the Manufacturing Institute for inspired leadership and lifetime achievement advancing supply chain industry service levels.

Through our DEI initiatives, ALOM provides opportunity to diverse staff members and supports diverse communities.



ALOM Exceeds Industry Standards for Women in the Workforce

*Source: Gartner



At ALOM, we understand that our collective success relies on both individual excellence and extraordinary teamwork. We value our people and invest in their success by encouraging continuous learning and offering opportunities for professional growth and advancement.



ROSANA CERNA

SR. DIRECTOR OF PEOPLE

Providing Opportunities for Growth



ALOM is proud of our diverse and inclusive workforce. Below, we highlight two team members who embody our values and demonstrate exceptional commitment to ALOM, their colleagues, and their clients.



NIRALI TRIVEDI
DATA ENTRY MANAGER
FREMONT

Joined ALOM October 2012

“ALOM’s growth has contributed to my own growth because it has created opportunities for me to take on new responsibilities. With the support of my supervisors, I’ve learned new skills and become more confident in my abilities. The ALOM team is like family to me – we care for each other and help each other.”

What one word describes ALOM?

“Visionary”



MARTIN ROBERTS
PRODUCTION MANAGER
INDIANAPOLIS

Joined ALOM June 2021

“I joined ALOM because I was looking for a new challenge and wanted to work for a progressive company that acknowledges young talent and offers growth opportunities. I found that in ALOM. I’ve never been part of a woman-owned business before, and I really value that aspect of the company and its focus on diversity. I also appreciate the care that the senior management team shows for everyone.”

What one word describes ALOM?

“Exciting”



Pictured to right: ALOM Sr. Facilities Manager Mark Pensa is presented the 2022 Safety Excellence Award by Heffernan Insurance Brokers for achieving the highest tier of manufacturing industry workplace safety performance.



In Their Own Words

Employees Share What Makes ALOM Unique

Every year, ALOM invites employees to participate in an anonymous survey to gain a better understanding of their thoughts and feelings. The survey provides an opportunity for our people to share honest feedback about company culture and workplace.

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“I enjoy being part of a company that pulls together to achieve incredible results for its clients. I feel like what I do and what ALOM does is making a positive difference.”

“Everyone looks out for each other and is always willing to help when and if needed.”

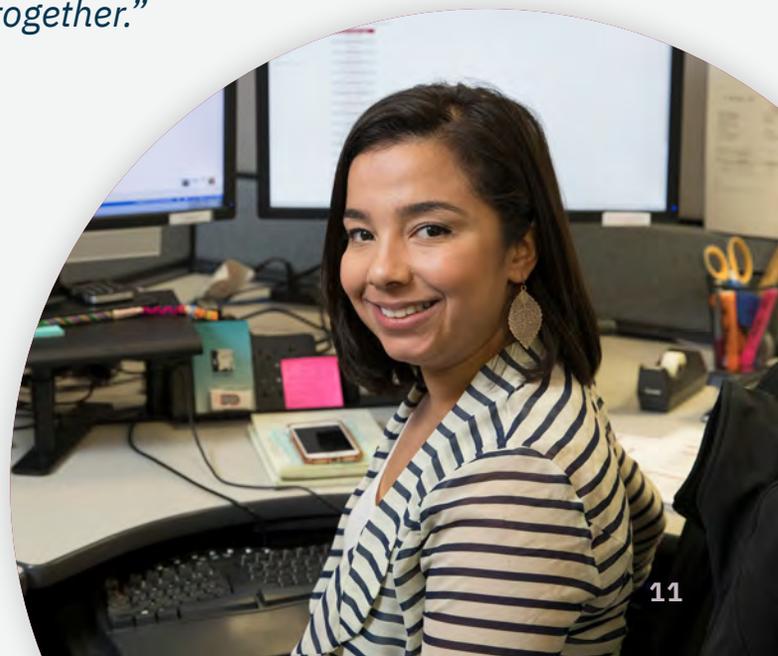
“People respect, value, and encourage new ideas and ways of doing things differently.”

”

“Everyone has a voice at ALOM.”

“There are so many different cultures and backgrounds across our workforce, yet we all work respectfully and supportively together.”

“ALOM is an exciting company to work for. The diversity and inclusiveness is a special part of our culture that makes me feel appreciated and excited about my future.”



Learning and Development

ALOM continually invests in our employees' professional development, providing the tools they need to develop and improve their skills. The cornerstone of ALOM's employee development program is ALOM University. Launched in 2019 and developed by ALOM's People and IT teams, ALOM University is an online learning management resource customized for every ALOM job role.

ALOM University outlines employee onboarding training requirements, provides access to ongoing training and education, and supports upskilling and professional development objectives through customizable resources. This online tool effectively onboards new employees and prepares employees for promotion, while ensuring completion of required supervisory, data security, and safety training.

ALOM's training budget is **300% more than the national average.**

ALOM promoted **15% of our staff to higher positions in 2021.**



Workforce Engagement

ALOM was founded on the principle that all employees can contribute meaningfully to our success because our workplace culture supports them in reaching their full potential.

By regularly sharing and communicating with staff regarding company goals and performance updates, ALOM builds employee engagement and reinforces the idea that everyone – regardless of location, role, or responsibility level – shares equally in the company's success and challenges.

ALOM offers quarterly profit sharing to employees to recognize their valuable contributions in achieving profitability. And to ensure that every employee feels included and "in the know", all ALOM company-wide meetings are translated into multiple languages.

Providing Employment Opportunities to Adults with Disabilities

ALOM partners with Hope Services, a national nonprofit organization that provides employment opportunities and resources to people with developmental disabilities. We also work with BOSMA Enterprises, a nonprofit organization that provides employment opportunities and resources to people who are vision-impaired or blind.



Supplier Relationships



ALOM values our supplier relationships. Without them and their contributions, we know we wouldn't be able to wow our clients! We know that our suppliers' success is our success. We want to be our suppliers' Customer of Choice. That's why we treat them fairly, paying them on-time and closely collaborating to help them succeed.

Pictured: ALOM Supply Base Manager Shawn Bush presents the 2022 Diverse Supplier Excellence Award to Lynne Churchill, President & Owner of Miles Printing, for service, quality, and sustainability program excellence.

Supplier Diversity

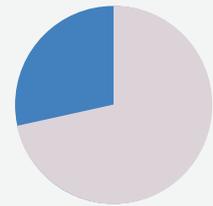
As a woman-owned business, ALOM became WBENC-certified as a Women-Business Enterprise (WBE) in 2002. In addition to expertly supporting our clients' diversity programs as a WBE, ALOM actively administers its own supplier diversity program to further extend its clients' diversity spend.



ALOM's supplier diversity program encourages the sourcing of supplies from minority-owned, women-owned, veteran-owned, LGBTQ+ owned, and SBA-defined small business suppliers. Our commitment to

supplier diversity translates into increased economic opportunities for historically underutilized businesses and promotes job creation on the local level.

While ALOM has well-established relationships with a wide range of diverse suppliers, we actively participate in local and regional diverse supplier organizations to source and onboard new suppliers to increase our diversity spend each year.



**ALOM diversity spend
in 2021 reached
28.6%**

Supporting Communities

ALOM is active in our communities and takes a leading role supporting beneficial social and community causes. We provide mentoring, job training, volunteer food, toy drives, and material/fund donations to organizations including Abode Homeless Services, Tri-City League of Volunteers, Second Harvest, and Gleaners food banks.





Governance

Professional and Ethical Standards

ALOM strictly follows the highest level of professional and ethical standards in every aspect of our business, whether we're partnering with suppliers and clients or engaging in our communities.

Social Governance

ALOM's Code of Conduct ensures that all employees know and understand our standards and behavior policies. Regardless of role, every employee is expected to adhere to ALOM's Code of Conduct by making ethical decisions and operating with integrity.

It's an unfortunate reality that slavery, forced labor, child labor, and human trafficking continue to be endemic issues in manufacturing around the globe. These exploitative and degrading practices cannot be tolerated.

ALOM is committed to protecting every individual's basic human rights.

ALOM actively works with our suppliers and clients to combat human rights violations in supply chain operations. We advocate for fair, equitable labor standards that protect workers and have a zero-tolerance policy for any partners who do not adhere to the same socially and ethically responsible principles that guide our organization. We monitor all suppliers to ensure their values, quality, and labor practices align with ours.



Data Privacy and Protection

Global supply chains rely heavily on advanced technology. ALOM's IT network and infrastructure securely manages high volumes of global supply chain orders and e-commerce transactions.

As cyber criminals and hacker organizations increasingly attack supply chains, we've taken aggressive and proactive steps to ensure that our data and our clients' data is safe, secure, and protected.

ALOM is a SOC 2, Type II certified company. As such, we adhere to strict information security policies and procedures that encompass the security, availability, processing, integrity, and confidentiality of client data.

ALOM is certified and complies with the EU-US and UK-US Privacy Shield framework, each requiring ALOM to maintain certain safeguards for personal data transferred between the European Union, United Kingdom, and United States. The Privacy Shield program is administered by the International Trade Administration within the U.S. Department of Commerce.



Keeping our clients' data secure is our highest priority.



BRANDON MARUGG

CHIEF TECHNOLOGY AND PRIVACY OFFICER

Financial Governance

ALOM adheres to the highest levels of corporate governance and financial management globally and locally in our communities.

We are audited by external auditors to ensure that our financial statements are presented fairly and in accordance with GAAP (Generally Accepted Accounting Principles) standards.

Compliance

ALOM has a robust training program that addresses compliance on a wide variety of topics, from anti-discrimination and anti-harassment to cybersecurity and workplace safety. We draw on strong legal and professional resources to support our efforts, and we design our systems and select our partners and suppliers to ensure that everyone is aligned with our ethics and compliance commitment.

We applaud the growing demand for transparency in business around the world.



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