



## **Environmental, Social, and Governance Policy**

BBSI's vision, values, and ongoing practices embed environmental, social, and governance considerations into our operations and reflect our commitment to our employees, customers, partners, shareholders, and the communities in which we operate. We strive to continually evolve and improve our operations and practices to align with our values.

Reflective of our ESG values, BBSI has established a working group that includes independent members of our board and company employees to assist us in identifying environmental, social, and governance matters relevant to the Company and our stakeholders, and then integrating these considerations into our business strategy.

Our efforts and commitments regarding these important matters focus on our employees, the services we deliver, the communities in which we work, the environment, and sound corporate governance.

### **Our Employees**

#### *Development and Engagement*

The development of our employees is critical to their engagement and success, and in turn, our success. As of 2021, BBSI is a certified Great Place to Work®. This recognition is the result of a company-wide initiative to improve employees' experience and was based entirely on employee feedback. This is also reflected in BBSI's 2021 employee turnover rate of 22%, which is substantially lower than the rate reported by the U.S. Bureau of Labor Statistics for private employers overall for 2020 and 2019 (63.3% and 49.7%, respectively), lower than that reported for the professional and business services subcategories, and financial and insurance industries subcategories for 2020 and 2019 (69.2% and 63.5%, and 25.1% and 24.6%, respectively), and lower than our historical average.

BBSI has multiple initiatives designed to promote employee development and engagement. These include Best Practice Groups to facilitate the sharing of HR, risk management, payroll processing, and other business best practices and to further employee engagement; position-tailored "New Hire Journeys" that give our new hires the tools they need to be successful when they join our company; and our newly launched learning management system (LMS). This new LMS, BBSI University (BBSI U), encourages employees to continue to develop their skills and knowledge. The platform provides employees with numerous learning journeys, offering over 3,400 learning experiences, including a library of BBSI-specific courses. Many of these courses are focused on personal and professional growth, how to excel in specific roles at the Company, and how to be proactive in areas of safety, security, and compliance.

We have additional practices in place to further engage our employees and improve as a Company. These include annual company-wide Kick Off Meetings, employee surveys, employee focus groups, a dedicated email account for BBSI employees to ask questions directly to our CEO, and quarterly "all" company calls open to our entire employee base to hear updates from the management team with the opportunity to ask questions. Additionally, the Best Practice Groups hold bi-monthly calls to encourage sharing of best practices, innovation, communication and problem-solving. The groups are designed to support the various roles across the Company.



BBSI's internal company intranet referred to as Community, is instrumental in developing, engaging, and communicating with our employees. Community is our home for company announcements and news, information regarding volunteer work or philanthropic initiatives, and serves as a platform for celebrating diversity and inclusion. Beyond that, Community offers access to commonly referenced support materials, systems, and documents, along with information on the Company's policies, resources, and benefits.

### *Health and Wellness*

Our employees' health and wellbeing is a top priority. In 2021, we implemented improved benefits offerings for our employees, and we are further enhancing those benefits in 2022. These improvements include additional paid time off, increased paid time off for volunteerism, and improvements to our health and wellness programs. These improvements build on existing policies, such as an employee assistance program and a personal leave program. In 2022, we are partnering with a comprehensive wellness platform provider to assist employees on their wellness journey.

### *Diversity and Inclusion*

Diversity and inclusion are critical parts of our corporate culture. We rely on diverse voices to elevate our work and strive to maintain an environment where all employees feel welcome and valued. We have adopted the following statement memorializing our commitment to diversity and inclusion:

*At BBSI, we know that our strength and success lie in our amazing people! Studies have found that companies that are diverse in age, gender identity, race, sexual orientation, physical or mental ability, ethnicity, and perspective are more likely to have higher productivity and financial success. We strive to create a workplace where everyone feels included and empowered to bring their full, authentic selves to work, and is treated fairly. Creating an environment where everyone, from any background, can do their best work builds the foundation for a successful future. Together, we will continue to promote a fair and inclusive culture that encourages, supports, and celebrates the diverse voices of our employees. We believe it will fuel our innovation and connect us to our clients, distribution partners, and the communities we serve. There is more work to be done, but with the help of our entire team of employees, we believe we can improve the level of Diversity and Inclusion for all.*

In addition, we maintain a robust equal employment opportunity policy to ensure that our employees, and applicants, are treated fairly:

*BBSI is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available persons in every job. Company policy prohibits unlawful discrimination based on race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender (including gender identity and gender expression), religion, marital status, registered domestic partner status, family care status, age, national origin or ancestry, physical or mental disability, legally protected medical conditions (including cancer and genetic characteristics), genetic information, sexual orientation, military or veteran status, or any other*



*consideration made unlawful by federal, state, or local laws. Our commitment to equal opportunity employment applies to all persons at BBSI and prohibits unlawful discrimination by any employee, including supervisors and co-workers.*

Simply put, BBSI is committed to advancing diversity, equity, and inclusion. In 2020, we established a Diversity, Equity and Inclusion (DEI) Committee of our employees, which provides guidance on additional measures BBSI can implement, reviews progress, and raises new ideas to leadership to further BBSI's goals in this area. The Company's DEI Committee complements the wealth of trainings and informative videos on diversity and inclusion that are available on BBSI U. Our efforts extend beyond our business too; BBSI partners with other companies that have demonstrated a commitment to advancing diversity, equity, and inclusion.

BBSI also actively seeks out diverse candidates for positions, including utilizing diversity job boards to ensure our openings are seen by a diverse group of candidates. In fact, in 2021, the majority of BBSI employees were female, and approximately one-third of our workforce are minorities. We continue to seek out a diverse group of employees knowing it benefits our business and the clients we serve.

In addition to these efforts, BBSI celebrates the many communities within its workforce through bi-weekly posts on its intranet, Community. These posts provide a spotlight on the individuals that make up BBSI, focus on holidays honoring diverse groups, and provide a venue for BBSI to demonstrate its commitment to diversity and inclusion at the Company.

## **Our Clients**

The services we provide to our customers help them promote cultures of safety and job satisfaction, leading to greater business success. In a typical year, we conduct over 1,000 new client workplace risk and safety assessments, and for existing clients, we provide periodic safety visits and consultations. These assessments and the resulting changes in business practices reduce workplace injuries, improving the business success of our clients and the health of their workers. We require clients to agree to take responsibility for making their workplaces safer. For workers who are injured on the job, we offer programs to help them get back to work sooner.

Our human resource consulting services not only assist clients with meeting compliance obligations, but can also improve workplace culture, reduce turnover, and increase employee engagement. BBSI's services help clients stay compliant with an ever-changing regulatory landscape, providing for a fair and satisfying work environment.

## **Our Community**

BBSI is a company centered on people — we help employers bring out the best in their employees. When we succeed, we bring that success to those employees, their families, and their communities. Our responsibility goes beyond the services we provide, extending into the community that exists between our Company and the people whose lives we can benefit.

BBSI largely delivers our services locally through dozens of branch offices located across the United States. This positions us to support the communities in which we work. In 2021, with a goal of further enhancing and serving the communities in which our employees live and work, and supporting



communities that are impacted by disasters, public health crises and issues that impact quality of life, BBSI rolled out a company-wide volunteer program. As part of this program, employees may use paid time to participate in volunteer activities that are rewarding, impactful, and help those in need. As a result of those efforts, BBSI employees donated 380 hours of their work time in volunteer efforts in 2021. These efforts are oftentimes shared throughout the Company on Community, our intranet, to recognize the BBSI employees volunteering their time and encourage additional giving.

BBSI takes great pride in knowing that our work helps keep individuals employed and thriving. Beyond the assistance we provide to employers in the administration of their businesses, we place tens of thousands of temporary staffing employees. For many individuals, these positions are a critical means to move from unemployment to competitive permanent employment. Staffing work provides individuals with opportunities to build a work history, experience different job types, and increase their marketability and earning potential.

When COVID-19 was significantly impacting our clients, BBSI stepped up to provide our expertise in navigating the many new challenges that businesses faced. We responded quickly to develop systems and processes to accommodate programs like the Families First Coronavirus Response Act, the Paycheck Protection Program, and the Employee Retention Tax Credit for thousands of our clients. We provided regular updates on the rapidly evolving legislation, so each of our clients understood the resources available to them during these difficult times. We also developed numerous tools to assist clients in tracking payroll costs and other key data needed to claim credits or apply for loan forgiveness. These efforts helped those businesses, their employees, and their customers survive and continue to thrive through the pandemic.

Whether it's through the services and value we provide to help our clients thrive and prosper, or our policies and programs that support our local volunteerism and philanthropic endeavors, we strive to have a positive impact in the communities we serve.

## **Information Security**

BBSI recognizes the importance of protecting the information it is trusted with. The Company maintains an in-house cybersecurity program led by a dedicated Chief Information Security Officer and utilizes a third-party cybersecurity vendor to enhance orchestration and automation of our cybersecurity events. This allows us to investigate and respond faster to potential threats. In addition, BBSI's internal audit team aligns with our cybersecurity team to validate compliance with security policies and controls.

BBSI has obtained a SOC 1 report from an independent CPA firm, providing assurance over the key controls BBSI has in place to protect our clients' financial information. These include controls over the completeness, accuracy, and validity of information processed by BBSI, as well as controls designed to help ensure appropriately restricted access to important data. We constantly strive to refine and improve our cybersecurity processes.



## **Corporate Governance**

BBSI is committed to strong corporate governance practices. Our Code of Business Conduct requires all BBSI directors, officers, and employees to conduct business in accordance with the highest standards of integrity and personal and professional ethics.

BBSI regularly tests its compliance with SEC requirements according to the COSO Framework. Compliance testing is built into our protocols under SOC 1 reporting, and Company employees regularly receive training on compliance standards and BBSI's Code of Business Conduct. Our policies explicitly set anti-retaliation provisions for whistleblowers and employees raising good-faith concerns.

## **Environment**

BBSI recognizes the importance of protecting our environment. Our efforts include partnering with an e-waste recycling company to refurbish and recycle as much of our obsolete computers, servers, and other e-waste as possible. Where e-waste cannot be repurposed, it is disposed of in compliance with applicable environmental regulations. At our corporate headquarters, BBSI takes a number of steps to reduce our impact, including recycling our yard waste into garden mulch, utilizing sustainable water management for our landscaping, and implementing a paper waste recycling program. The Company also takes efforts to donate used furniture from our corporate headquarters. BBSI's investment in our proprietary payroll platform, myBBSI, significantly reduces paper usage by facilitating electronic onboarding, pay stubs, and direct deposits for both employees and clients.

BBSI also promotes other initiatives to reduce our impact on the environment. We have reduced our carbon footprint by consolidating office space, and when we evaluate new leases, we consider factors such as sustainability and energy efficiency. We encourage our employees to help the environment through volunteer work and offer paid volunteer time to provide employees the opportunity to make a local impact.

## **Human Rights**

BBSI believes that all individuals should be treated with respect and dignity. In this belief, we are guided by the UN Guiding Principles for Business and Human Rights. The rights outlined in these Principles include equality, freedom, and the fair application of laws. We strive to do our part by creating an inclusive and ethical workplace, as set out in our Code of Business Conduct and policies. Under these principles, we commit to operating in compliance with local and federal laws regarding employment and individual rights. We believe that by embracing these principles, we can positively influence the lives of individuals in our communities and the world.

Disclaimer: The information provided in BBSI's Environmental, Social, and Governance Statement ("Statement") includes forward-looking statements that are based on facts and circumstances known at the time of publication. Examples of forward-looking statements include but are not limited to: the effectiveness of our current data security programs, our ability to meet our goals, and the impact that the goals and policies described in this report will have, if any, on our financial performance and operations. Additionally, the goals, policies, and forward-looking statements described in this Statement are based on various assumptions and are inherently subject to uncertainties; they are not predictions or guarantees. Readers are cautioned not to place undue reliance on the information provided in this Statement.