



## **EPS CORPORATION UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS 2021**

- 1. Purpose:** The Communication on Progress (COP) is an annual disclosure by EPS Corporation (formerly known as Engineering and Professional Services, Inc.) of its implementation of the United Nations (UN) Global Compact.
- 2. Scope:** The EPS 2021 COP presents ways in which EPS has implemented the UN Global Compact and the planned stages and actions being taken.

### **3. Requirements:**

**3.1 Statement of Continued Support:** The EPS Corporation Chairman and Chief Executive Officer, Ms. Antoinette M. Musorrafiti, hereby expresses her continued support for the UN Global Compact and his commitment to its initiatives and its principles.

**3.2 Description of Actions:** There is no discrimination at EPS. All employees are respected for their contribution and receive wages commensurate with their knowledge and the job requirement. There is no child or forced labor practiced at EPS. Over time, EPS has significantly increased the contributions of the corporation to the employees' 401K Plan to encourage employees' participation.

EPS Corporation continues to take actions to address the four issue areas – human rights, labor, environment, and anti-corruption. At the Annual Corporate Meeting in the late Fall of each year, training in these areas and the steps that EPS is taking in their implementation are reviewed with all of the principal company officers and managers.

#### **3.2.1. Human Rights**

The Company uses postings in its facilities, email and web site to identify EPS as an Equal Opportunity Employer (EOE). EPS again recently successfully passed a periodic audit by the US Government concerning its adherence to affirmative action hiring requirements. Additionally, in the recent past EPS supported a Non-Government Organization (NGO) in Bucharest, Romania, to protect the human rights of women and to help stop human trafficking. EPS is also compliant with new US regulations for federal government contractors that require a formal corporate policy against human trafficking.



EPS has also taken note of the UN Global Compact's initiatives in support of Women's Empowerment Principles, and particularly the need to increase the number of women on corporate boards. EPS is proud of the fact that its entire Board of Directors are women. EPS' Chairman, CEO and President, as well as its Sr. Vice President/Chief Financial Officer (CFO) are also both women.

### 3.2.2. Labor

EPS is an equal opportunity employer. EPS complies with all labor laws in the jurisdictions in which it performs work. EPS has worked hard to increase the company's contribution to employee 401(k) retirement accounts. EPS provides generous vacation and sick leave through a Personal Time Off (PTO) allowance.

Further, EPS has made the reduction of an employee's health insurance costs a top priority and has taken actions that have made a drastic reduction in employees' health care premium costs, at a time when most companies have had to significantly increase employee contributions towards overall health insurance costs. This focus has resulted in a tremendous reduction in employee health insurance costs, with better, more comprehensive coverages. EPS again improved this situation in 2020, even in the face of highly increased insurance costs nationally, particularly due to the uncertainty and additional requirements caused by the COVID pandemic.

EPS also continues to make strong efforts to employ persons with disabilities, especially returning veterans. Approximately 10% of EPS's workforce is comprised of US military veterans with a documented service-related disability.

### 3.2.3 Environment

For the last few years, EPS has been exploring various alternative energy business opportunities, including biofuels, wind power, and solar power projects as we see that such initiatives make both environmental and business sense. We also continue to be actively marketing alternative energy products and services and energy efficiency products, including very high-efficiency lighting products to our US Government and international customers.

Since 2014, EPS has maintained a corporate division entitled EPS Alternative Energy (EPS AES) that concentrates on renewable energy business opportunities. Since that time, EPS installed over 700 kilowatts of solar on two commercial buildings in California for a prominent retailer customer. These two projects were completed in December 2014, and began operation in January 2015. EPS has retained the ownership of these projects and will operate them for at least the next several years.



To date, these solar installations alone have generated electricity more than 6 million kilowatt hours, which has saved the equivalent of 3600 tons of CO<sub>2</sub>, which is also the equivalent of almost 500,000 gallons of gasoline. The CO<sub>2</sub> offset generated by the EPS systems represents the equivalent of approximately 105,000 trees.

We pursued several other solar projects, including ones with battery back-up and microgrid capabilities, with that same commercial customer as well as several other commercial customers. Finally, we also explored the US federal government markets as the US has made a major commitment to alternative energy, especially with the military services.

We also note that EPS supports organizations providing disaster relief; specifically EPS supports the American Red Cross and has provided an EPS corporate officer to represent EPS on the Board of Directors for the local Red Cross chapter that services our region. In addition, in recent years EPS has provided financial support of the Red Cross' activities, which included support in response to various natural disasters.

Finally, EPS continues to reduce its own energy consumption by continuing to upgrade its facilities with more energy-efficient computers and monitors, and the installation of more efficient HVAC equipment. EPS facilities are also fully compliant with all applicable recycling requirements.

#### 3.2.4 Anti-Corruption

EPS Corporation has prepared and implemented across the EPS divisions a Corporate Compliance Program and Code of Ethics that is monitored by the designated Corporate Compliance Officer, EPS General Counsel, Mr. John E. Gagliano, Esq. In addition to the Annual Review by all company officers and managers, each employee is required to read and acknowledge the Corporate Compliance Program and Code of Ethics Policy upon joining EPS, and then also on a periodic basis. These materials are also continuously available to all employees through the employee intranet section on the EPS website.

Among the principles included in the EPS Corporate Compliance Program and Code of Ethics are such topics as:

- Respect for Intellectual Property
- Workplace Safety
- Conflicts of Interest
- Bribery/Gratuities
- Policy on Dealings Abroad
- Truth in Reports and Records
- Policy Against Discrimination



- Respect for Confidential Information and Trade Secrets
- Policy Against Harassment

### 3.2.5. Anti-Counterfeiting

EPS continues to explore business opportunities involve anti-counterfeiting solutions. This is an area in which EPS has previously worked closely with the UN and UNICRI. Specifically, The Permanent Observatory for Anti-Counterfeiting Systems (POAS) established by UNICRI pre-qualified EPS as one of only two companies worldwide that was judged pre-qualified to be an approved service provider for the Worldwide Track and Trace Bank (WTTB) that at the time was being developed by UNICRI. The WTTB was contemplated by UNICRI as an instrument for the fight against counterfeiting, the re-selling of stolen goods and fraud in the sale of consumers and technology products, which practices are often undertaken by elements of organized crime. UNICRI did not make significant progress on this initiative during this past year but EPS remains an approved service provider when UNICRI is ready to proceed.

EPS notes that, as part of the application process to become an approved service provider, EPS was required to certify and specifically commit to uphold the principles indicated in the UN Secretary General Guidelines on Cooperation between the United Nations and the Business Community, especially with respect to those concerns the principles contained in the Global Compact and recalled hereunder. EPS made this commitment and fully supports the principles detailed at the World Economic Forum in Davos on 31 January 1999 by the UN Secretary-General, who challenged world business leaders to "embrace and enact" a set of universal principles within their sphere of influence in the areas of human rights, labour standards and the environment. These principles are:

#### Human Rights

##### *Principle 1*

*Support and respect the protection of internationally proclaimed human rights;*

##### *Principle 2*

*Business should make sure not to be complicit in human rights abuses.*

#### Labor Standards

##### *Principle 3*

*Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;*

##### *Principle 4*

*The elimination of all forms of forced and compulsory labor;*



*Principle 5  
The effective abolition of child labor; and*

*Principle 6  
Eliminate discrimination in respect of employment and occupation.*

#### Environment

*Principle 7  
Support a precautionary approach to environmental challenges;*

*Principle 8  
Undertake initiatives to promote greater environmental responsibility;*

*Principle 9  
Encourage the development and diffusion of environmentally friendly technologies.*

#### Corruption

*Principle 10  
Fight against any form of corruption, including extortion and bribery.*

In preparing its application to become an approved WTTB service provider, EPS established a worldwide network of over 75 partner companies that also committed to these principles when joining the EPS team. In finding EPS qualified as a WTTB service provider, UNICRI found that EPS had successfully demonstrated its commitment to these core principles.



**3.3 Measurement of Outcomes or Expected Outcomes:** EPS identifies key performance indicators as relevant indicators for EPS' business base.

Efficiency:

	<b>INDICATOR</b>	<b>2020</b>	<b>2021 TARGET</b>
Adopt formal anti-human trafficking corporate policy	Incorporate policy into EPS Corporate Compliance Plan and Code of Ethics	Completed adoption of corporate policy against human trafficking	Maintain and update corporate policy against human trafficking
Adoption of ISO 9001:2015 and CMMI Level 3 as EPS Quality Assurance Standards	All Companies ISO Certified 9001:2015 and CMMI Level 3 appraised	All EPS Companies certified ISO9001:2015 and achieved renewal of CMMI Level 3 appraisal status.	Continue to maintain ISO 2001:2015 and CMMI certifications.
Support of Women's Empowerment Principles	Goal of at least half of EPS Board Members be women	100% of EPS Board of Directors members are now women. In addition, EPS Chairman, CEO, President, CFO and VP of Administration are all women	Continue high level of women Board membership and in corporate officer positions
Support Employment of Persons with Disabilities	Hiring of persons with disabilities, especially returning veterans	Approximately 10% of EPS workforce are service-disabled veterans	Maintain level of hiring of persons with disabilities, especially returning veterans
Support of Economically Disadvantaged Entities	Achieve certification by the US Small Business Administration of EPS status as a Woman-Owned Small Business	Achieved re-certification from US Small Business Administration as Women-Owned Small Business	Maintain women-owned small business certification
Support renewable energy growth	Maintain EPS Renewable Energy division to assist commercial and governmental customers meet energy needs through renewable energy sources	Continuing successful operation of first 2 solar energy projects, representing over 700 KW in system size.	Continue exploring renewable energy opportunities to various customers, and participated in industry educational events.



Please feel free to contact me of John E. Gagliano if you have any questions concerning this UN Global Compact Communication on Progress by EPS Corporation.

A handwritten signature in black ink, appearing to read "Antoinette M. Musorrafiti".

Dated: 25 March 2021

Signed:  
Antoinette M. Musorrafiti  
Chairman, Chief Executive Officer  
and President  
EPS Corporation