



gai consultants®

2023 Annual Environmental, Social, and Governance Report

Prepared by

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Message From Our Chairman & CEO

GAI's 2023 Environmental, Social, and Governance (ESG) report documents the work of GAI's ESG Advisory Committee and provides an overview of GAI's 2023 activities related to advancing our company's commitment to being a trusted and responsible partner to our staff, our clients, and the communities we serve.

The actions, statistics, and programs outlined in the report describe GAI's continuing efforts focused on community engagement, health and safety, cybersecurity, recruitment, corporate governance, and environmental concerns including recycling and tracking of greenhouse gas (GHG) emissions.

We continued to progress our ESG goals and objectives in 2023 and are aligned to continue this in 2024. I acknowledge the sustained efforts of ESG Advisory Committee and the many employees from all levels of the company who continue to contribute toward helping make GAI an even better firm, employer, and neighbor.

Gary M. Dejidas, PE, MBA, F.GBA
Chairman and CEO

2023 Highlights

This report focuses on GAI's ESG-related accomplishments and new initiatives during 2023. These highlights are intended to give the reader an understanding of our current direction and to build upon the foundation set forth in 2022. [Click here](#) to review GAI's 2022 ESG Annual Report.

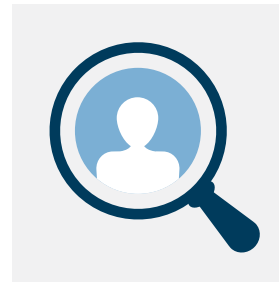
The report explores four major ESG focus areas during 2023:



**COMMUNITY
ENGAGEMENT**



CYBERSECURITY



RECRUITING



**GHG MEASUREMENT
AND TRACKING**

Environmental

GREENHOUSE GAS (GHG) INVENTORY

GAI is committed to evaluating our impact on the environment, collecting and reporting accurate data, and identifying opportunities to reduce energy and water consumption and waste generation. In 2023, we increased our collection sources for Scope 1, 2, and 3 emissions data, using the EPA's Simplified GHG Emissions Calculator.

2023 Highlights

In comparison to 2022:

28% reduction in Natural Gas usage (Scope 1)

3% increase in Mobile Sources (Scope 1) due to company growth

23% reduction in Electricity (Scope 2) likely due to re-sizing real estate and increased hybrid workers

2% reduction in Employee Commuting (Scope 3) despite 18% of employee growth, likely due to more hybrid/remote employees

GAI has **migrated more than 80% of our technology to Microsoft's Cloud**, reducing our Scope 2 electricity emissions and leveraging Microsoft's carbon negative commitment.

A large percentage of GAI's historic GHG-emission total is attributed to the electricity used in the buildings we lease for office space. Changes in the workplace gave us the opportunity to streamline our remote/hybrid work processes, and we have committed to right-sizing our real estate footprint, leveraging opportunities to occupy space that reduces our environmental impact.

2023 ENVIRONMENTAL DATA

January 1, 2023 – December 31, 2023

Category	MT CO2e
Scope 1	
Natural Gas	114
Mobile Sources – Fleet Fuel	1,348
Scope 2	
Electricity*	1,437
Scope 3	
Purchased Goods and Services	2
Business Travel†	228
Employee Commuting‡	1,786
Upstream Trans & Distribution	1
Waste§	<1

* Data may be estimated based on availability of information

† Represents air travel and mileage reimbursement only; mileage reimbursement data added in 2023

‡ Estimated based on remote/hybrid/office data available and avg. commuting distance

§ Available data limited to recycling

The methodology used in this report was determined to be an effective means for quantifying GAI's GHG emissions for the 2023 calendar year (January 1, 2023, through December 31, 2023). GAI reserves the right to change the GHG inventory process in the future for the purpose of further streamlining, refining, or enhancing the estimating process. GAI acquired a new company mid-year in 2023; the statistics in this report include data for the 6-month period following that acquisition.

RECYCLING

GAI acknowledges the critical role of well-established recycling programs. Our ongoing efforts are concentrated on refining the recycling processes that are applicable within a professional office environment.

2023 Highlights

In October 2023, GAI's Orlando office launched a new initiative focused on recycling electronic waste. The program involved gathering obsolete or redundant IT equipment from the office—including wires, cables, power adapters, monitors, docking stations, servers, and switches. This equipment was handed over to external recycler Orlando Recycles Inc. In collaboration with Orlando Recycles Inc., the GAI team documented the total weight of the equipment to be recycled. This initial effort successfully processed a total of 2,404 pounds of electronic waste. This electronic recycling initiative serves as a model for the kind of recycling activities that can be effectively implemented within the structured environment of GAI's offices.

A number of individual recycling office programs are projected to take place throughout 2024. The committee will work with individual offices to promote/duplicate the electronic waste recycling program completed in Orlando in 2023.



Social

COMMUNITY ENGAGEMENT

GAI has a long tradition of supporting our local communities and those in need through a range of staff-driven giving activities as well as by participating in our company's formal corporate giving program.

2023 Highlights

GAI's 2023 charity of choice is Building Homes for Heroes—a nonprofit organization that builds or modifies homes, and gifts them, mortgage-free, to injured veterans and their families, while providing support services to enable them to build better and brighter lives.

GAI's 2023 donation totaled \$50,000 raised through a combination of employee contributions and corporate matching.

Other examples of staff-driven giving activities include support for a range of charitable entities through donations and volunteer work.



GAI's 2023 donation to Building Homes for Heroes totaled \$50,000



GAI's Pittsburgh, PA office 11th annual supply drive



GAI's partnership with City of Orlando District 4 Commissioner Patty Sheehan's annual Thanksgiving Turkey Giveaway



March of Dimes Silver Sponsorship



Women's Energy Network Dress for Success

HEALTH AND SAFETY

2023 was a year of change and improvement for GAI’s health and safety program. The company hired a new health and safety specialist to better meet project work demands as well as actively increasing company-wide safety awareness, field safety visits, post-incident meetings, and Good Catch and Near Miss acknowledgements.

Incident Review Total Incident Profile (Injuries/Illnesses)

Incidents are broken into three categories:



Recordable Incidents Prevented: The 42 First Aid, Near Miss, and Good Catch incidents in 2023 were addressed by using the TriageNow service and employees were assisted in obtaining medical care. The company continued to investigate these incidents and use these cases as leading indicators to address future efforts for the health and safety of employees.



Days Away, Restricted, or Transferred (DART) Rate Comparison: In 2022, the severity of the incidents was 0.30 due to two DART cases recorded. In 2023, the DART cases decreased to zero, resulting in a rate of 0.0.

DART Rate is designed to track recordable workplace injuries or illnesses that result in time away from work, restricted job roles, or an employee’s permanent transfer to a new position.



Total Recordable Incident Rate (TRIR) Rate Comparison: The company finished 2023 with an increase to 1.10 from the 2022 TRIR of 0.46.

TRIR measures the number of a company’s recordable incidents against the number of the company’s workers and total hours worked.

2023 Highlights

In order to enhance staff awareness, a driving safety card was developed and placed in company vehicles to promote and support defensive driving, Circle for Safety/pull-through parking, and incident reporting. The card can be removed for easy reference in the event of an incident.

The Health & Safety Department completed additional Hazard Determinations to address Personal Protective Equipment guidance. The department completed Hazard Determinations for Confined Space Entry, substation work, and Cultural Resource projects. The Hazard Determinations were uploaded to the GAIN Health & Safety page under the Important Documents tab. The Health & Safety Department is continuously reviewing and asking the field crews for comment on new/more robust personal protective equipment.

Monthly H&S Safety & Operational Field Improvements Process Meetings continued in 2023 with strong employee engagement; the meeting is held twice each day it is presented to better accommodate and encourage attendance by staff located in differing time zones.

In 2024, GAI will use various models of engagement and education to address the upward trend in TRIR. The results of these efforts will be assessed and revised accordingly depending on their outcome.

HUMAN RESOURCES AND WORKFORCE

Workforce Composition Company-Wide

Our current 2023 demographics are presented below:

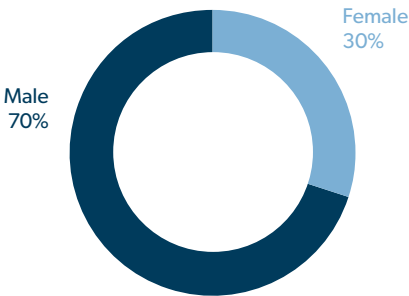
884
Active Employees

42.1
Median Age

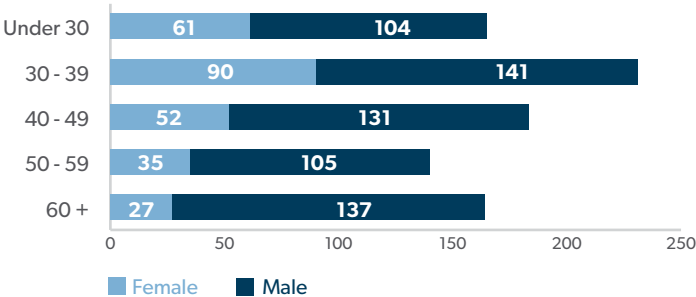
4.40
Median GAI Tenure

Ethnicity	Employees
White	702
Hispanic or Latino	74
Black or African American	50
Asian	25
Two or more races	16
Not specified	16
Native Hawaiian or Other Pacific Islander	1

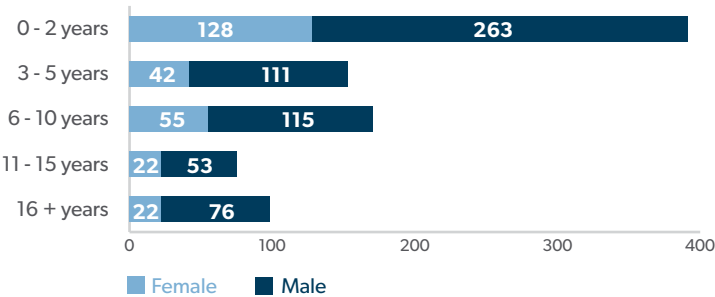
Employees by Gender



Employee Gender by Age



Gender by GAI Tenure



RECRUITING

GAI's recruiting strategy to maximize talent acquisition as applied to the entry- and mid-level candidate pool is to be active with college engineering career fairs, hosting open houses, managing a presence on the Handshake platform, formalizing an internship program, and streamlining the opportunity and offer process for hiring managers.

2023 Highlights

College Fairs: GAI attended 23 college fairs over the course of 2023. Talent Acquisition would typically obtain approximately 40 qualified resumes and a handful of hires from each school. GAI engineers interacted with engineering candidates and colleagues from across the industry. Recruiting has allowed hiring managers to help determine which schools, areas of discipline, and geographic locations we should focus on.

Internship Program: GAI has developed an internship program to mentor students with degrees applicable to our industry. Twelve interns successfully completed the program in 2023 and have been offered full-time positions. GAI has hosted two internal Lunch & Learn presentations to advise hiring managers on how they can help support the success of the internship program.

Talent Acquisition: GAI hired two Talent Acquisition Sourcers to better meet the needs of our clients' workload and enable our staff to have a healthy balance between their career and personal time. In addition, we use Circa Works for job postings. GAI's membership with Circa provides cross-postings of all jobs to networks of employment and diversity websites, providing nationwide exposure for candidate outreach. Open jobs are emailed through Circa's community and diversity outreach program, which shares our open positions with members of multiple organizations focused on providing opportunities for:

- Minorities
- LGBTQ+
- Women
- People with Disabilities
- Veterans
- Diversity Organizations
- Universities and Colleges
- Historically Black Colleges and Universities
- State Workforce Agencies
- Construction/Skilled Trades
- Professional/Technical Groups
- Business Professionals

Circa provides GAI with compliance tools that support our Affirmative Action Plan, Equal Employment Opportunity Policy, and adherence to requirements within Executive Order 11246, Section 503 of the Rehabilitation Act, and the Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA).



Corporate Governance

GAI is committed to following ethical standards in pursuit of business success. GAI's Board of Directors maintains an effective corporate governance framework that reflects a set of core values fundamental to our internal rules, practices, and processes, as well as our interactions outside of the company.

GAI has an open and collaborative culture that provides employees the opportunity to help shape the firm's direction through participation in a range of committees including:

- **Executive Committee:** Addresses tactical business issues in accordance with GAI's governance.
- **Finance Committee:** Seeks input and communication with GAI's Business Leaders and provides recommendations and observations to the Board of Directors.
- **Nominating Committee:** Reviews and approves nominations for Officers and other Leaders in accordance with GAI's guidelines.
- **Compensation Committee:** Sets yearly compensation budgets and oversees implementation of compensation for employees in accordance with GAI's policies and procedures.
- **401(k) Trustees:** Provides guidance and direction regarding GAI's 401(k) process and investment selections as approved by the Board of Directors.
- **Business Plan Committee:** Coordinates the company's business plan presentation for efficient and effective implementation.
- **Strategic Planning Committee:** Establishes long-term and short-term vision and supporting objectives to meet this vision in the form of an annual meeting and an associated report.
- **GAI Political Action Committee (GAI-PAC):** GAI maintains a Political Action Committee (GAI-PAC) to help promote the long-term stability and prosperity of GAI and the industries that we serve. GAI-PAC pools campaign contributions from its members likely to advance the organization's interest. The purpose of the GAI-PAC is to collect funds for contribution to campaigns supporting the election to public office on a local-, state-, or national-level of candidates that support public policies beneficial to GAI, its employees, and the communities we serve.
- **Risk Management Committee:** Provides a formal procedure for evaluating the risks associated with certain types of projects, sets risk-consistent goals for profitability or rejection of a project, and manages risks throughout the project implementation.
- **Executive Health & Safety Review Board:** Promotes safe working practices by developing a health and safety strategy, drives continuous development and improvement of health and safety policies, provides direction to the Health & Safety Director, maintains health and safety policy compliance, and reviews Recordable Incidents and implements actions as necessary.
- **Enterprise Resource Planning (ERP) Committee:** Provides guidance and solutions to GAI's technological environment while advancing GAI's systems to address industry needs.
- **Corporate QMS Committee:** Provides organizational change management for the firm, including reviewing and approving policies and procedures.

DATA PRIVACY AND CYBERSECURITY

GAI is committed to protecting client, company, and employee confidential and sensitive data. Maintaining the confidentiality, integrity, and availability of data is critical to the security and success of the organization. Our privacy and security measures are designed to safeguard sensitive and personally identifiable information for our clients and employees. We have strict oversight, policies, and controls to protect against anticipated threats to our business operations.

GAI's cybersecurity program is based on the National Institute of Standards and Technology (NIST) Framework, consisting of standards, guidelines, and best practices for managing cybersecurity risk. Our security framework is guided by our Information Security Program, which incorporates:

- Governance and Risk
- Training and Awareness
- Security Architecture
- Security Operations

GOVERNANCE AND RISK

Information Security Program

GAI has adopted and implemented an Information Security Program that outlines our security and data protection policies and procedures. It is designed to provide for the confidentiality, integrity, and availability of information used within our business practices and operations. This program is approved by GAI's Chief Technology Director and is reviewed and amended as necessary at least annually.

GAI's IT Risk Council meets monthly to discuss response actions for identified risks, and meets quarterly to discuss, assess, and prioritize new risks that may threaten business operations.

GAI performs annual third-party penetration tests and third-party security audits to comply with regulatory requirements.

Governance and Oversight

GAI's Board of Directors has oversight of the company's data security and privacy through the Board's Executive Committee. This committee oversees the executive accountability of IT risks and policy.

Executive Committee of the Board: Receives updates on company's Information Security Program at least annually.



Risk Committee: Receives updates on IT risk and recommends mitigation of risks quarterly.



Chief Technology Director, IT Security Manager: Establishes and executes Information Security Policies and their operations



IT Risk Council: Assesses and manages IT risks monthly, determining impact to business operations and any appropriate response actions.



Information Security Council: Consists of IT Security Team, our private equity partner, our Managed Detection and Response (MDR) provider and third party security partners. Enables collaboration for ongoing security incidents and emerging threats, reviews IT security roadmap, reviews changing regulatory requirements, and continually evaluates the state of the Information Security Program.

GOVERNANCE AND RISK

Cybersecurity Training

A key component of GAI's Information Security Program is training employees to recognize and avoid threats to themselves and the organization. Our training focuses on how to identify email phishing attacks and common social engineering tactics, and how to safely handle sensitive data.

Mandatory onboarding and annual training in phishing and cyber-threat awareness for all employees is necessary for an effective cybersecurity program. Monthly phishing exercises are used to determine the effectiveness of our training programs.

 Training Our Employees  Test Phishing Our Employees  Analyzing and Measuring Results

Additionally, annual Health Insurance Portability and Accountability Act (HIPAA) training is required for employees who have access to personally identifiable information and/or personal health information.



Cybersecurity Architecture

GAI employs a cloud-first approach for our data center, infrastructure, and security needs. We leverage Tier 1 partners that comply with Security Operations Center (SOC) 1 Type II, SOC 2 Type II, and SOC 3 standards, which are externally audited and certified annually.

Guided by the National Institute of Standards and Technology (NIST) Cybersecurity Framework, our security architecture is driven by identifying, assessing, and responding to business risk.



Some key features include:

- Multi-factor authentication for all employees and accounts
- Next generation firewalls that provide advance threat detection and prevention
- Immutable backups preventing unauthorized alterations or deletions
- Mobile device manager to provide secure management of company-owned devices
- Data encryption and secure data transfers
- Email protection using Sender Policy Framework (SPF), DomainKeys Identified Mail (DKIM), and Domain-based Message Authentication, Reporting, and Compliance (DMARC) to prevent email spoofing
- Antivirus and anti-malware protections
- Ransomware detection to monitor file access patterns and detect suspicious behavior

Security Operations

GAI leverages advanced tools, threat intelligence, skilled personnel, and strategic partners to safeguard critical assets, detect anomalies, and swiftly respond to security incidents.

Our security operations focus on:

Employee Security

We prioritize the safety and security of our employees. Our security policies include guidelines for physical access control, secure remote work practices, and employee training on cybersecurity awareness. Regular security awareness campaigns help employees recognize and respond to potential threats.

Access Privileges

Access controls are strictly enforced so that employees have the appropriate level of access to systems and data. We follow the principle of least privilege, granting access only to what is necessary for job roles. Regular access reviews are conducted to maintain the integrity of access privileges.

Password Management

We enforce strong password policies, including complex requirements, regular password changes, and multi-factor authentication (MFA).

Managed Detection and Response (MDR)

Our third-party MDR team provides 24/7 coverage to actively monitor our network for signs of malicious activity. We leverage advanced threat detection tools, real-time analysis, and incident response playbooks to swiftly address any security incidents.

Security & Event Monitoring

We maintain a Security Information and Event Management (SIEM) system to collect, correlate, and analyze security events across our network infrastructure. Our security analysts and MDR team monitor logs, alerts, and anomalies to detect and respond to potential threats promptly.

Vulnerability Scanning

Regular vulnerability scans are conducted across our systems, applications, and network infrastructure. Identified vulnerabilities are prioritized based on risk, and remediation efforts are tracked to closure. We collaborate with IT teams to ensure timely patching.

Patch Management

Our patch management process includes regular assessments of software vulnerabilities. Critical patches are deployed promptly, and we maintain a patch management schedule to minimize exposure to known vulnerabilities.

Change Control Management

Changes to our systems and applications undergo rigorous change control processes. We assess the impact, test changes in non-production environments, and obtain necessary approvals before implementation.

Risk Management

Risk assessments are conducted periodically to identify and evaluate security risks. We maintain a risk register, prioritize risks, and implement mitigation strategies.

Incident Management

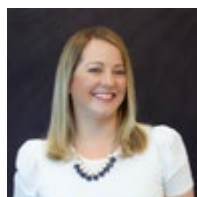
Our incident response team follows predefined procedures in the event of a security incident. We investigate incidents, contain the impact, and restore normal operations. Post-incident reviews help us learn and improve our security posture.

Report Contributors

Leaders



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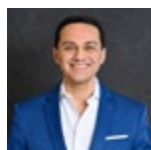
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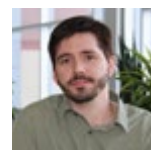
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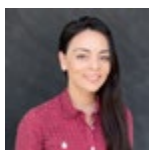
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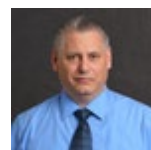
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About This Report

This report includes data and information collected January 1, 2023 - December 31, 2023.

Please note that information contained herein does not constitute any guarantees or promises with regard to business activities, performance, or future results.