

Global Critical Logistics (GCL) 2021 Annual ESG Report

A message from our Chief Administrative and ESG Officer, Sasha Goodman:

Our second annual ESG report is a great cause for reflection, none of us could have imagined we would be living through a full second year of a global pandemic that would continue to hinder the live entertainment industry. Despite the challenges, our GCL team members continue to pour their hearts into their work and have fully embraced our ESG commitment. Throughout this past year they have continued to incorporate ESG considerations into decision-making processes and adapt and innovate how we manage our environmental and social impact in our day-to-day operations.



I am especially grateful to our Global Compliance Team who have been instrumental in the implementation stages of our Sustainable Purchasing program, to our Global HR team for our Diversity & Inclusion program, to our team members at Dietl who continue to innovate sustainable shipping materials and coordinate extensive carbon offset programs on behalf of clients, to our team members in the UK who will become ISO-14001 Environmental Management System certified in 2022 and to the continued support from our private equity partner, ATL Partners.

Although the industries we serve continue to be significantly impacted by COVID-19, we continue to hold ourselves accountable to advance key environmental, social and governance policies and we see signs of hope through cross-industry collaboration efforts like the Music Sustainability Association and LIVE Green UK. In the next few pages, you will see updates that reveal we are still in the early stages of our journey, but we are committed as ever to be better citizens and stewards of the environment.

We know we are not alone and we extend an open invite to join us in making a difference. Should you have any questions, insights, or opportunities, please contact us at ESG@GCL.Global.

Sincerely,

Sasha

Environmental Impact Highlights:

Sustainable Purchasing: Vendors as Partners

Every day employees across all the GCL companies coordinate services with hundreds of vendors across the freight forwarding industry, large and small. The day-to-day decisions that these vendors make about how to maintain their equipment, what packaging materials they use, what data they track and what fuels their fleets will use in the future all contribute to



our clients' environmental impact. In 2021, our Global Compliance Team implemented an ESG Vendor Program that will serve as the foundation for a long-term commitment to partner with our vendors to reduce the environmental impact of the freight industry supply chain. This program includes conducting an annual ESG vendor survey to identify key initiatives and areas for improvement, highlighting environmentally sound services in our internal vendor data-base and facilitated conversations with vendors working to implement environmentally preferable practices. We are moving forward to partner with our vendors to minimize our carbon footprint throughout our supply chain.

On July 27th, we sent out the first annual ESG survey to vendors around the U.S. 7% of our domestic vendors said they would partner with our ESG program. This will be an ongoing annual assessment of partnerships.

Our art division, Dietl International, has partnered with Ki Culture who promotes sustainability in the culture sector on a global scale. They make sustainability easy and achievable to everyone by providing solutions, resources, and programs for cultural professionals and organizations. We're providing economic assistance for museums to participate in the program as well as continue our own support through education and collaboration.

As a member of the Green Committee for ICEFAT, Dietl has taken the lead in directing long term funding to sustainable projects like Art-to-Acers and are working on building a universal packaging material carbon calculator for our vendors in order to provide accurate CO2 footprint for all crating and packaging.

Dietl is working with Christie's and their sustainability consulting firm to build a sustainability roadmap for vendors. This will be used to create "Shipping standards" for companies who wish to work with Christies in the future. This will include route planning and efficiency management of fleet, packaging optimization and reporting of sustainability targets.

Carbon Offset Highlights from 2021

The Carbon Offset Program we launched in 2020 is maturing and growing with our clients' needs and ours. We made a commitment to purchase offsets for our own travel (car, hotel, flights, rail etc.), putting a price on carbon pollution to help internalize the true environmental cost of conducting business. We also continue to educate all clients on the carbon footprint of their freight forwarding activities and advocate the purchase of carbon offsets to mitigate the carbon footprint of transporting their goods.

In 2021, through our ongoing partnerships with Sustainable Travel International, GCL: offset 468 customer shipments equaling 261.60 metric tonnes of CO₂, as well as 370.76 metric tonnes of CO₂ for GCL's employee travel. All offsets purchased supported the Jari Amapa REDD+ project.

Dietl is currently working with David Zwirner Platform to provide flexible carbon credit purchasing upon checkout of their online retail space. This will allow clients to purchase additional CO₂ offsets beyond what is already being paid for on each shipment.

Associations Matter

GCL is still an active member of the Clean Cargo Working Group, which represents the leading buyer-supplier forum for companies to report on emissions, discuss environmental performance, and collaborate on decarbonization efforts. We have also joined the Music Sustainability Association, a cross-industry collaboration to set higher environmental standards across all aspects of the music industry which especially important for our Rock-it Global subsidiary.

Social Impact Highlights:

GCL aims to create a safe and inclusive work environment that fosters diversity and to be socially aware global citizens that give back to the communities in which we operate.

In 2021, we continued to prioritize the health, safety, and stability of our staff due to the continuation of the COVID-19 pandemic and as part of our effort to establish a robust Diversity & Inclusion (D&I) program we hired a third-party consultant to conduct an anonymous culture and inclusion survey of all of our full-time employees to garner input and feedback that we need to truly foster a culture of belonging at GCL.

To get a better sense of services to provide our employees we asked employee to self-declare how they identify across key demographics. This helped us to identify the following initiatives to better serve our employee community

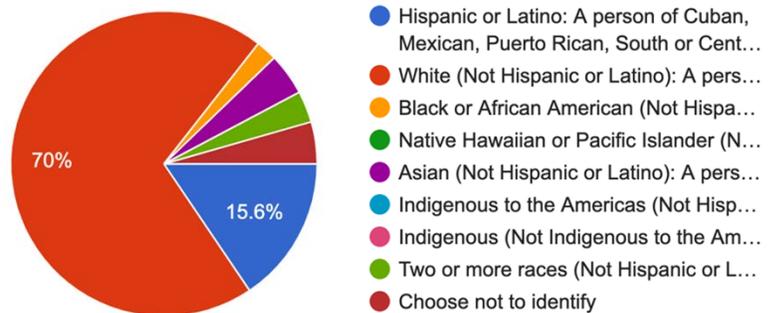
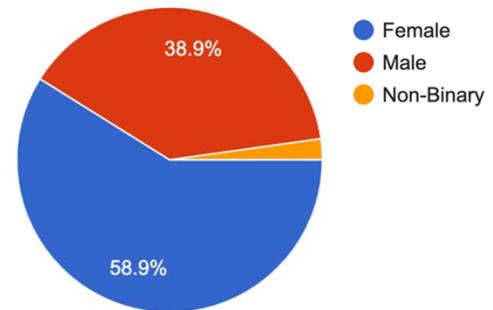
Reimbursement for continuing education- In prior years, Rock-it Global had granted continuing education reimbursement on an ad hoc basis. As a result of our employee survey in July 2021, we found out that 12% of our full-time workforce reported that high-school was



their highest level of education and 20% indicated that they had attended college but had not completed their degree. All survey respondents indicated interest in continuing education. As of September 2021, we have formalized and rolled out a policy to all GCL employees to ensure everyone has access to continued education while they work at GCL. GCL allows tuition reimbursements of up to \$1500 per year, per employee for courses at accredited universities that are relevant to Rock-it's operations, development, or growth.

Adding Veterans Day as an official company holiday-We are conscious of the fact that we are a global company and headquartered in the US. Therefore, not every US federal holiday is a company holiday. However, our survey indicated that 8% of our workforce identifies as a veteran. Since we wanted to show our appreciation to the men and women who have and continue to serve our great nation, we decided to make Veterans Day one of our global holidays.

Creating a culture of belonging for our non-white, non-binary and female employees: In our last report, we laid out that 47% of our US workforce were women. Since then, we have found that 58.9% of our workforce identifies as women and 2% of our workforce identifies as non-binary. Separately, we have also found that 26% of our workforce identifies as non-white. We know that these percentages are not mirrored among our board and leadership teams and we believe that our company would benefit from more diversity across all levels of the organization including at more senior levels. So we are implementing more transparent hiring practices and providing career development support for all employees that wish to move into higher positions of leadership. We will continue to monitor and track our progress over time. Our CEO continues to promote incredibly qualified women into positions of leadership across the companies of GCL. The following employees have been promoted to new leadership roles:



- Christy MacNicoll, Vice President of Human Resources
- Beverly Aguilung, Vice President of Operations & Global Training
- Jamel Apo, Director of Central Ops West

We are also providing additional paid training opportunities for managers to explore their unconscious biases and look at ways they can interrupt biases in their leadership.

Charitable Giving and Employee Emergency Financial Relief

Despite the extended period of COVID-19, we were able to increase our charitable giving by \$10,000. Our charitable giving is an important part of who we are to keep supporting the community organizations who are also facing challenges posed by the COVID pandemic, like Covenant House and Truckers Against Trafficking.



Through our charitable giving and employee matching donation program, GCL donated over \$70,790 in 2021.

Wellness

In 2021, GCL continued to promote the use of its Employee Assistance Program to provide employees with access to mental health professionals, remote doctor visits, and financial advisors.

Governance Highlights:

Despite the continued challenges COVID-19 posed in 2022, we made it our priority to maintain our excellent standard of governance with the following practices:

Employees Trained in Good Governance Procedure and Processes

We continue to utilize Veroot and Gisnet, which are compliance management platforms, to centralize all required employee trainings and manage vendor compliance. Through this partnership, we can verify that 100% of our employees globally and vendors have completed training in the governance issues that are most material to GCL operations including, but not limited to:

- FCPA and UK Bribery Act compliant on identifying and reporting potential fraud and corrupt practices (This will include our newest company Dynamic)
- TSA IAC Training, CBP, CTPAT, OSHA, Department of Homeland Security, and Department of Transportation compliance

In addition to the above compliance, GCL also independently manages the following policies and trainings to ensure all employees have a safe work environment:

- Open Door Policy
- Anti-Harassment Policy Training
- No Retaliation Policy
- Red Flag Reporting, which allows employees to report any issues or complaints anonymously
- Flexible schedules and Remote Work Policy

- COVID-19 pandemic readiness training

Reporting

GCL updates its board of directors each quarter on the status of ongoing ESG initiatives and issues. Furthermore, we are committed to providing all stakeholders with regular updates on our ESG program through our website and this annually published ESG report.

If you have reporting requests, please direct all queries to ESG@GCL.Global.