



SCHERZER INTERNATIONAL CORPORATION

CORPORATE RESPONSIBILITY REPORT

2024-2025

TABLE OF CONTENTS

1

Foreword from our CEO and President

Page 1

3

External Strategies and Achievements

Pages 4 and 5

2

Internal Strategies and Achievements

Pages 2 and 3

4

Contact Information

Page 6

Why corporate responsibility is important to us



“We commit ourselves to making a positive difference in the lives of our SI colleagues, clients and society.”

Larry Scherzer, CEO and President

Foreword

Our purpose - *building a better company and benefiting society* - is at the pulse of everything we do. Our services help build trust in the world of commercial transactions and employment sectors and our corporate responsibility strategies benefit society as a whole. Every SI colleague plays an integral part in our corporate responsibility program and is empowered to make a positive social impact.

We believe in maximizing the power of diversity in our recruiting and other human resource initiatives, vendor selection and charitable activities. In business since 1993, we have a long-standing commitment to providing equal opportunities for everyone.

We think broadly about what sets us apart, and leverage these differences to create an environment where everyone feels valued for who they are, has a sense of belonging, and is inspired to contribute their personal best in everything they do. Considering varying points of view in our decision-making, operations and actions is fundamental to establishing sustainable value for our organization, as well as long-term client, social and financial value.

In this document, we aim to explain our social, environmental, governance and other endeavors that comprise our corporate responsibility program.

OUR INTERNAL STRATEGIES AND ACHIEVEMENTS

<p>Integrity in all we do</p>	<p>The core value of integrity underlies the principles of our organization. Everyone at SI is expected to follow our mantra to “do the right thing and not just what is minimally acceptable,” ask questions, and come forward if they see something that is contrary to our code of conduct. This approach directly contributes to the success of our strategic priorities, as we grow within our organization, with our clients, and in the community.</p>
<p>Attracting and retaining team members that share our values</p>	<p>Our focus is on recruiting the best team members in a difficult labor market, meeting the expectations of a new generation, and retaining our loyal colleagues. Among our initiatives for attracting a diverse population, is to proactively seek new venues for recruitment and advertising of open positions to further diversify our organization. In addition to a collaborative culture, we offer a work-life balance in a remote work environment, choice of two fully-paid medical and dental insurance plans, life and disability insurance, generous family leave and other benefits.</p>
<p>Diversity, inclusion and equity</p>	<p>We appreciate and respect people for who they are and their diversified backgrounds, knowledge, skills, experience and creativity as individuals and team members. More than 50% of our 66 colleagues are people of color.</p>
<p>Collaborative culture</p>	<p>We have a culture where all employees are peers and have opportunities to be equally involved. We strive to bring out the best in each other through teamwork and collaboration. A few years ago, we started a culture committee that is dedicated to even further accelerating a culture that brings everyone together and maximizes their potential. Everyone has a voice at SI.</p>
<p>Effective leadership</p>	<p>At SI, those who manage others act as role models, enhance understanding, set appropriate goals, and are responsive, responsible, fair, and accountable. We also believe in a strong corporate governance, and have an 8-member board of directors along with an advisory board, and a risk management committee.</p>

OUR INTERNAL STRATEGIES AND ACHIEVEMENTS - CONTINUED

<p>Excellent client experience</p>	<p>We are about achieving unparalleled quality and service, and continuously strive to improve in order to exceed our clients' expectations and of ourselves. Our client relationships are long-lasting -- strengthening our reputation as a trusted business decision adviser is our priority.</p>
<p>Formal risk management program</p>	<p>Our risk management program is multi-faceted and involves all departments within our organization. In May 2023, we achieved ISO 27001 certification and in 2024, completed a third-party surveillance audit to maintain our certification status. (ISO 27001 is an information security standard published by the International Organization for Standardization and the International Electrotechnical Commission.) This certification is a testament to our unwavering dedication to the security and privacy of our clients' information. By adhering to this globally recognized standard, we strive to ensure that our clients can trust us in the protection of their data.</p>
<p>Compliance with applicable laws and regulations</p>	<p>In business since 1993, SI has never been the subject of a regulatory action or litigation involving its services. Among SI's differentiators in a compliance arena are our compliance department, and a robust training program. Many of SI's managers and research analysts hold basic or advanced Fair Credit Report Act (FCRA) certification issued by the Professional Background Screening Association.</p>
<p>Investment in technology</p>	<p>Investment in technology, including digital solutions, is an integral strategy of our business, and one of our largest expenditures. We understand that technology is constantly evolving and we must keep investing to stay at the top of our industry. We are cautiously exploring the use of AI.</p>
<p>Innovation</p>	<p>To us, innovation is not solely defined by new devices, services or methods, but also by the process of discovering new ways to do things. We thrive on innovation and have a company officer/director dedicated to overseeing ideas, planning and innovation. Regular meetings to discuss ideas and formally track their progress from concept to implementation is a part of our blueprint for growth.</p>

OUR EXTERNAL STRATEGIES AND ACHIEVEMENTS

Charitable contributions

We are proud to affirm our commitment to supporting numerous charities through volunteering and generous financial donations. Recognizing the importance of giving back to society, we actively contribute funds and time to organizations dedicated to various causes, ensuring our collective efforts have a positive impact on the world. Our colleagues are empowered to choose the charities for corporate donations or other participation. The list of the charities we support will be provided upon request.



OUR EXTERNAL STRATEGIES AND ACHIEVEMENTS - CONTINUED

<p>Non-profit board membership</p>	<p>Members of our executive team are on the board of the following charitable organizations:</p> <ul style="list-style-type: none"> ▪ C5LA The mission of the C5 Youth Foundation of Southern California, is to change the odds for high-potential teens from under-resourced communities by inspiring them to pursue personal success, while preparing them for leadership roles in school, college, work and their communities.
<p>Scholarship awards</p>	<p>Committed to helping students continue their education, our principals, Larry and Carole Scherzer funded many scholarships to Moorpark College.</p>
<p>Internship program</p>	<p>In further commitment to creating opportunities for students, SI offers paid internship programs.</p>
<p>Conservation and recycling program</p>	<p>To conserve natural resources and minimize waste, we have a formal recycling program and our record-keeping is nearly 100% digitized.</p>
<p>Remote workforce model</p>	<p>Our remote-first workforce model helps to minimize our carbon footprint.</p>
<p>No in-country services in Russia or Belarus</p>	<p>Among our compliance endeavors, SI implemented a Sanctions Compliance Program (SCP) that follows the guidelines for an SCP provided by the U.S. Department of the Treasury’s Office of Foreign Assets Control. SI does not conduct business with the governments of Russia or Belarus, or with companies located within either country. In February 2022, SI suspended all work for background reports that may involve in-country record searches in Russia or Belarus. SI continues to review all its vendors including database suppliers, technology service providers, and software service providers to ensure compliance with sanctions imposed on Russia and Belarus.</p>

CONTACT INFORMATION

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