



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

July 2023





# OUR ESG INITIATIVE

PCTEL is committed to protecting the environment and promoting the health and safety of our employees and members of our communities. We are dedicated to an inclusive workplace that recognizes the value that diverse employees bring to our culture.

We are proud of the diversity among our employees as well as on our leadership team and our Board of Directors. We provide equal opportunities to all employees through training and education. We are committed to good corporate governance to ensure we act ethically and responsibly.



# A MESSAGE FROM OUR CEO

As our company continues to face global challenges and continued volatility, one thing remains constant: PCTEL's commitment to support and serve our employees, customers, and the community. At PCTEL, we recognize the importance of teamwork in addressing challenges presented by global political and economic uncertainties, risks from climate change, and supply chain problems. I am proud to be part of an organization that is committed to acting ethically and fairly.

We have implemented policies to provide a safe and supportive workplace environment. Our commitment to our employees' well-being continues to be central to our success. We have dedicated employees focused on our compliance with regulatory environmental requirements as well as our aspirational goals. We have commenced an audit process to better understand how our company can reduce our environmental impact and we strive to continuously optimize our operations and reduce our consumption and waste.

We remain dedicated to our stakeholders with initiatives that build on our commitments to diversity, the environment, and our global and local communities. I appreciate our organization's ongoing determination, resilience, and compassion.

**David Neumann**

Chief Executive Officer



# ENVIRONMENTAL PROTECTION



PCTEL is committed to environmental stewardship. We have taken the following actions, and our goal is to continue to seek cost-effective methods to reduce our environmental impact.

- **Capital improvements** in our facilities, making them safer for the environment and our employees.
- Working with an outside advisor to better understand the environmental impact of our **value chain** and to identify opportunities to reduce this impact.
- Retained experts to advise us in connection with **protected wetlands** near our Blomingdale, Illinois plant.
- **Recycling** of electronics, plastic, paper, cardboard and metals and of customer products that are returned to PCTEL for trade-in or disposal.
- **Elimination of many plastic** packing materials and replacement with cardboard material.
- Installation and use of box-making machinery to **reduce cardboard consumption**.
- Reduction in the use of packaging foam and **substitution of biodegradable material**.





# SOCIAL RESPONSIBILITY

## Valuing Employees

We believe our employees are our most valuable asset. As such, we are committed to providing a comprehensive benefits package that supports the health and well-being of our team. We value our employees based outside the U.S. and provide benefits commensurate with those provided by similar companies in the relevant countries. The benefits offered to our U.S.-based employees include the following:

- **Comprehensive health and wellness benefits that exceed the norms** for our industry and size.
- **Flexible work arrangements**, including telecommuting, flexible hours, and remote work to help our employees manage their work and personal commitments.
- **Employee Assistance Program (EAP)** to support mental health and wellness.
- Company-paid **parental leave** following the birth of a child or the placement of a child in connection with adoption or long-term foster care.
- **Paid time off to volunteer** for charitable organizations, thus encouraging our employees to give back to their communities.
- **Tuition reimbursement** and tuition assistance for employees pursuing continuing education or certification related to their work.
- **Leadership development** and a mentoring program in which the executive-officers provide one-on-one guidance to our future leaders.



# SOCIAL RESPONSIBILITY

## Diversity, Equity, and Inclusion

At PCTEL we believe in fostering a diverse, equitable, and inclusive workplace. We recognize that a diverse workforce brings a range of perspectives and experiences, which can help us innovate and better serve our customers and communities. We strive to build a culture of equity and belonging where our employees can thrive, regardless of their race, gender, age, sexual orientation, disability, religion, or any other aspects of their identity. To achieve this, we have implemented a range of initiatives for our US-based employees, including:

- **Training and education** on topics such as unconscious bias and cultural competency to help our employees build their knowledge and skills.
- **Diverse hiring practices** to actively recruit and hire employees from diverse backgrounds to create an environment where everyone, from any background, can do their best work.
- Working to establish **employee resources groups** to provide a supportive community for employees who share common interests or identities, specifically a DE&I Inclusion Council and Women of PCTEL group.
- We encourage open and honest **communication with our employees** and provide regular updates to the staff through many avenues including interactive town halls.
- **Regularly survey**, measure, and report to our Compensation Committee our human resource goals and initiatives.
- **Committed** to continuously assessing and improving our practices and policies to create an environment where everyone can thrive.



# GOVERNANCE



PCTEL is committed to corporate governance that serves the long-term interests of our stockholders, facilitates effective Board oversight of our business, and reinforces our accountability to stockholders. We evaluate the diversity, independence, and qualifications of our Board because we believe diversity on the Board better reflects the diversity of our employees, customers, and other stakeholders, and promotes employee recruiting and retention. We have adopted policies and programs to ensure we are prepared to address risks and act in the best interest of our shareholders.

## Diversity and Inclusion

- Interview and consider a minority or woman candidate for open positions.
- Expanded flexibility for remote and alternative work arrangements.
- Maintain a diverse workforce through leadership mentoring and other hiring, training and retention efforts.
- Have gender, racial and ethnic diversity as well as diversity of skills and business experience on our Board and our leadership team.



## Ethics and Compliance

- Our Board has adopted and abides by Corporate Governance Guidelines in the conduct of its meetings and establishment of committees. Each committee is governed by a charter setting forth its areas of responsibility for the duties of the Board.
- Our executive compensation practices are guided by the Compensation Committee of the Board, with assistance from an independent compensation consultant who provides advice and relevant data, in order to establish executive compensation that reflects “pay for performance” and is competitive in the markets in which we compete for talent.
- We have instituted a system of identifying, classifying, monitoring and mitigating risks that we face. This system is regularly evaluated and overseen by our Board through its Committees.

- We provide regular cyber security training to all employees to enhance employees' understanding of the various ways our systems and critical information could be compromised or stolen so our employees can do their part to prevent cyber-attacks.
- We initiate customer surveys to gather data in order to address customer needs, improve our products and optimize our processes.
- We investigate our suppliers of conflict minerals to assure they comply with appropriate conflict mineral tracing and protocols.







# PLANNING FOR A BRIGHT FUTURE

At PCTEL, we strive to make continuous progress in our ongoing efforts to protect our environment, promote the health and safety of our employees and our community, maintain a culture of openness and inclusion in our workforce, and act responsibly in the best interests of our stockholders.

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