



Hallam ICS
AN EMPLOYEE OWNED COMPANY

ANNUAL BENEFIT REPORT

What's important to you, becomes everything to us.



TABLE OF CONTENTS

Letter from the President and CEO	3
About Us	4
Our Founding Story	4
David Hallam's Legacy	5
Hallam-ICS Today	5
Our General Public Benefit	6
Contributions	7
Volunteering	11
Our Specific Public Benefit	12
Third Party Standard	13



■ Keith P. Flaherty
President and CEO

January 3, 2025

My fellow employee-owners, our clients, and members of our communities,

It is my pleasure to share the 2024 Annual Benefit Report for Hallam-ICS. As a Benefit Corporation, we are committed to transparency and accountability, and this report reflects our ongoing efforts to measure and share our performance.

Hallam-ICS is guided by the principle that our business exists for more than just generating profit. This belief is deeply rooted in our culture of generosity and giving. We intentionally define and communicate our core values and operate in alignment with these values, ensuring they are practiced, continuously evolving, and sustainable for future generations.

In 2022, we became a Benefit Corporation, formally adopting this legal structure under the New Hampshire Benefit Corporation Act, RSA 293-C. As a Benefit Corporation, we have committed ourselves to:

A General Public Benefit of:

- (i) Creating a material positive impact on society and the environment.

A Specific Public Benefit of:

- (ii) Providing an equitable distribution of wealth through our commitment to employee ownership and our ESOP.
- (iii) Promoting broad-based employee-ownership as an equitable means of company ownership.
- (iv) Being a positive force to improve the lives of our employee-owners and the communities in which they live and work.

In August, we committed to reduce our Scope 1 and Scope 2 greenhouse gas emissions before 2030 and to achieve Net Zero emissions across all scopes by 2050, joining the worldwide effort to fight climate change.

We are deeply grateful for the dedication of our employee-owners, the trust of our clients, and the impactful work of our community partners. Together, we continue to make a difference—not only in our workplaces but also in the communities we call home.

Sincerely,

Keith P. Flaherty
President and CEO
Hallam-ICS



ABOUT US

Hallam-ICS is an engineering and automation company. We design MEP systems for facilities and plants, engineer control and automation solutions, and ensure safety and regulatory compliance through arc flash studies, commissioning, and validation.

Our offices are located in Massachusetts, Connecticut, New York, Vermont, North Carolina, and Texas and our projects take us world-wide.

OUR FOUNDING STORY

In 1981, with his newly minted Professional Engineering license in Electrical Engineering in hand, David Hallam stepped away from his current employment to start his own company, where he and other employees could create the culture they desired, lead balanced lives, and continue their own personal and professional development.

David Hallam's Legacy



In the words of our founder...

"I think that I am most proud to have been surrounded by the wonderful friends who were and still are dedicated to taking care of each other, their families, and clients. The most meaningful value statement we developed is around "Stewardship."

"Stewardship means that we each understand that this company is not "mine", but that we are each entrusted, for a time, with the responsibility and benefits of this renewable resource. We will organize and perpetuate our ownership with a constant awareness that we must pass the company on in better condition than we received it."

HALLAM-ICS TODAY

The concept of STEWARDSHIP is alive and well today, spreading from within Hallam-ICS to our local communities.

We formed the Hallam-ICS Giving Tree Committee in 1999, pledging 2% of profits to our local communities.

We became a partial Employee-Owned company in 2000 and 100% Employee-Owned in 2015.

We became a Certified B Corp in 2019 and a Benefit Corporation in 2022, formalizing our commitment to public good.



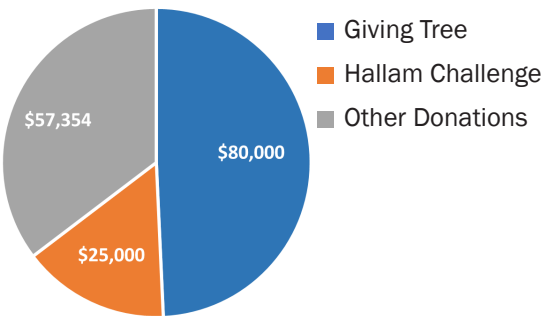
OUR GENERAL PUBLIC BENEFIT

Creating a material positive impact on society and the environment.

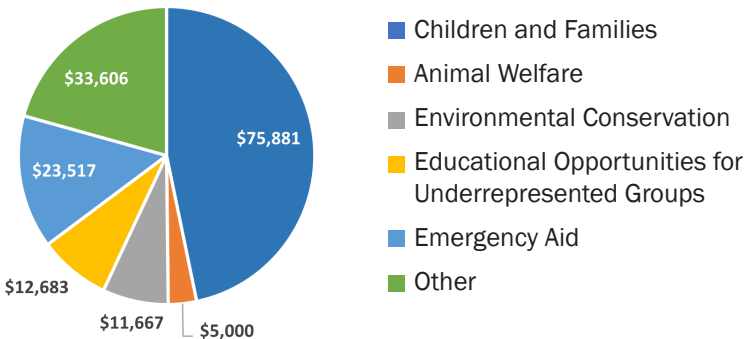
Through our Social Mission, we pursue a general public benefit by the sharing of our time, talents, and resources with our local communities.

Hallam-ICS has donated \$1,355,108 to our local communities thus far.

2024 GIVING – METHOD



2024 GIVING – PURPOSE



Total 2024 Donations:
\$162,354

Our Social Mission provides Hallam-ICS' employees with a means to impact and actively engage in their local communities by sharing time and money.

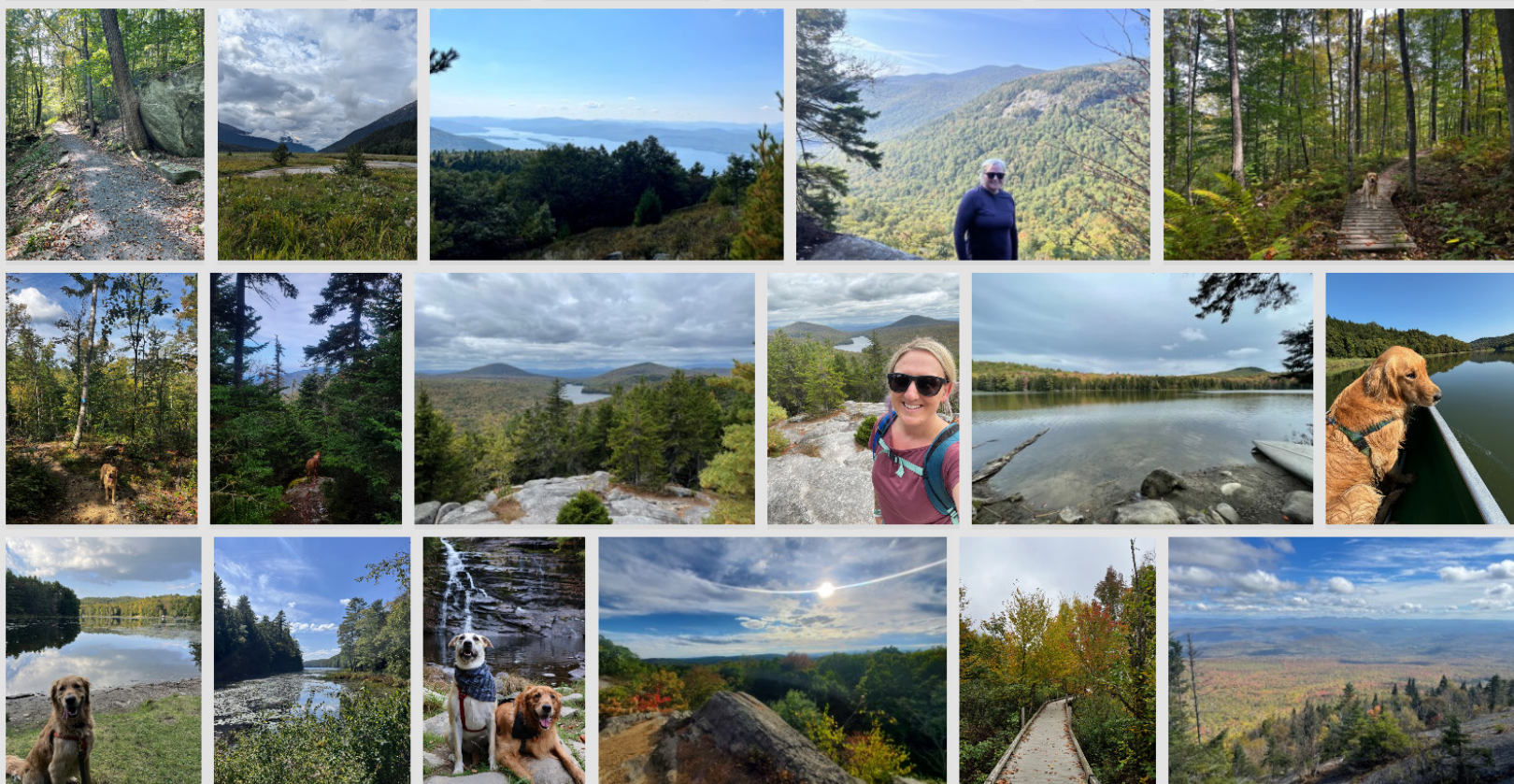




CONTRIBUTIONS

HALLAM 2024 CHALLENGE

The Hallam Challenge is an annual event that encourages employees to get physically active while raising money for non-profit organizations in each of our office locations. This event started back in 2020 when COVID restrictions prohibited us from conducting our annual office service days. The Hallam Challenge strengthens employee camaradery and supports our social commitment.



In 2024, we donated \$25,000 across six organizations selected by our offices.

Lake George Land Conservancy, NY	\$10,000
Austin Angels, TX	\$6,000
Vermont Flood Relief, VT	\$3,000
The Foundation Fighting Blindness, MA	\$2,500
Girls On The Run - Triangle, NC	\$2,000
Safe Futures, CT	\$1,500

CONTRIBUTIONS

HALLAM-ICS GIVING TREE COMMITTEE

Formed in 1999, the committee is comprised of employees from each office. Each year, we designate 2% of our gross profits to be given to our Giving Tree Fund. Each region receives a share based on employee head count and decides how to distribute those funds to organizations in their area.

Some of our past recipients:

Adult Teen Challenge	Global Foundation on Peroxisomal Disorders	Peoples Health and Wellness
ANew Place	Greater Boston Food Bank	PINS (Partners in Service)
Boys and Girls Club Burlington	Green Mountain Habitat for Humanity	Project Hoepfner
Brushbrook Community Farm	Hebron Food Pantry	Raleigh Rescue Mission
Camp Ta-Kum-Ta	Howard Center for Human Services	Rifles to Rods
Chittenden County Humane Society	Just Basics	Rosie's Girls
Chittenden Emergency Food Shelf	Kids on the Ball	Sail Beyond Center
Comfort Food of Washington County NY	Lake Champlain Land Trust	Salisbury Community School
Committee on Temporary Shelter (COTS)	Let's Grow Kids	Sara Holbrook Community Center
Cropwalk	Lund Family Center	Saratoga Bridges
CVOEO Warmth	Mahana Magic	SLAM T1D
Daniel's Table	Make a Wish Foundation	Sleep in Heavenly Peace
Essex Teen Center	March of Dimes	Special Olympics
Fairfield Center School	Me Fine Foundation	Spectrum Youth & Family Services
Feeding Chittenden	Miracle Network	St. Mary's Home for Children
Florida Urgent Rescue	Morris Memorial Association	STEAM Train
Franklin County Food Shelf (CVOEO)	New Hampshire Food Bank	Stern Center
Fredricksburg Area Food Bank	Operation BBQ Relief	The Arc of Bristol County
Gilead Community Services	Otter Teen Network	The Boston House
Gilly's House	Our Daily Bread	Turning Point Center
		UNC Children's Hospital
		UVM Children's Hospital
		Vermont Children's Aid Society
		Vermont Food Bank
		Vermont Youth Conservation Corps
		Very Merry Theater
		Very Special Arts of Vermont
		Visiting Nurse Association
		Windham No Freeze
		Women Helping Battered Women
		Wren House
		Wrentham Food Pantry
		YMCA

**The Giving Tree Committee
donated \$80,000 in 2024.**



CONTRIBUTIONS

HALLAM-ICS ENDOWMENT FUND

Hallam-ICS established an Endowment Fund with the goal of creating a sustainable method for giving.

In 2021, we committed to contributing \$1 Million dollars over five years to build this fund. In 2024, Hallam-ICS donated \$50,000 to the Endowment Fund bringing the total so far to \$950,000.

\$1,000,000

LIVE WORK GIVE

2025

2024

\$50,000

2023

\$300,000

2022

\$300,000

2021

\$300,000





CONTRIBUTIONS

HALLAM-ICS IN ACTION

Hallam-ICS employees enjoy actively engaging in our local communities and 2024 found us building on past initiatives and expanding our reach to reflect the talents and growing interests of our employee-owners.

Through regular participation and sponsorship of events, Hallam-ICS supported organizations with whom we have built lasting relationships. Some of our employees mark their calendars in anticipation of participating in running events, sleepouts, rowing challenges, homebuilding, and decorating contests to name a few. New employees are encouraged to share their interests and introduce Hallam-ICS to events that have been meaningful for them.

Using the green space adjacent to one of our offices, our Garden Groupies built on their previous success by adding a second garden bed - doubling our available growing space. This year 96 lbs. of fresh produce including cucumbers, tomatoes, tomatillos, beans, and zucchini were delivered to the local community food shelf and the addition of some pretty flowers helped brighten the garden space for our neighbors as well.

Hallam-ICS has been supplying an ever-changing group of rowers for a fundraising event since its inception in 2019. Due to the popularity of this event in which participants row across Lake Champlain and the importance of its cause, our employees were able to fill a second boat in 2024.

At Hallam-ICS, we love a challenge and if it means we can be active, participate in some friendly competition, and raise money too - count us in! This year, we combined our annual Community Service award donations with our month-long wellness challenge - the Hallam Challenge. Our participation remains solid with over 90 employees and their family members getting out and getting active - a total of 6,738 miles were walked, run, hiked, biked, paddled, and swam and 646 hours alone were spent working out! The winning office secured \$10,000 for their organization of choice and the remaining \$15,000 was spread amongst our other offices based on their performance.





VOLUNTEERING

HALLAM-ICS ANNUAL SERVICE DAY

In 2024 employees spent 518 hours during five separate Service Days volunteering in their local communities. Three of our regions focused their efforts on food-related activities this year. Teams harvested and prepped farm produce, prepared meals for schoolchildren, and provided a local food bank with a new coat of paint and some updated fixtures. Other regions supported animals through their volunteer efforts at two separate animal sanctuaries - tending to neglected and homeless farm animals and putting their design skills to use building a top-notch goat climbing structure.



HALLAM-ICS PAID VOLUNTEER TIME

In 2024, Hallam-ICS employees used 256 hours of paid volunteering time, an 87% increase from 2023. Launched in 2022, this program is gaining traction with employees and supports their pursuit of volunteer opportunities that are meaningful to them. Employees used volunteer hours to serve on community boards, coach local sports teams, and mentor children in their areas of interest including engineering and coding. Hallam-ICS further supports these employee efforts by posting volunteer opportunities internally and organizing some smaller group activities.

In 2024, employees volunteered 518 hours for service days.



In 2024, Hallam-ICS provided 256 hours of paid volunteering time.



OUR SPECIFIC PUBLIC BENEFIT

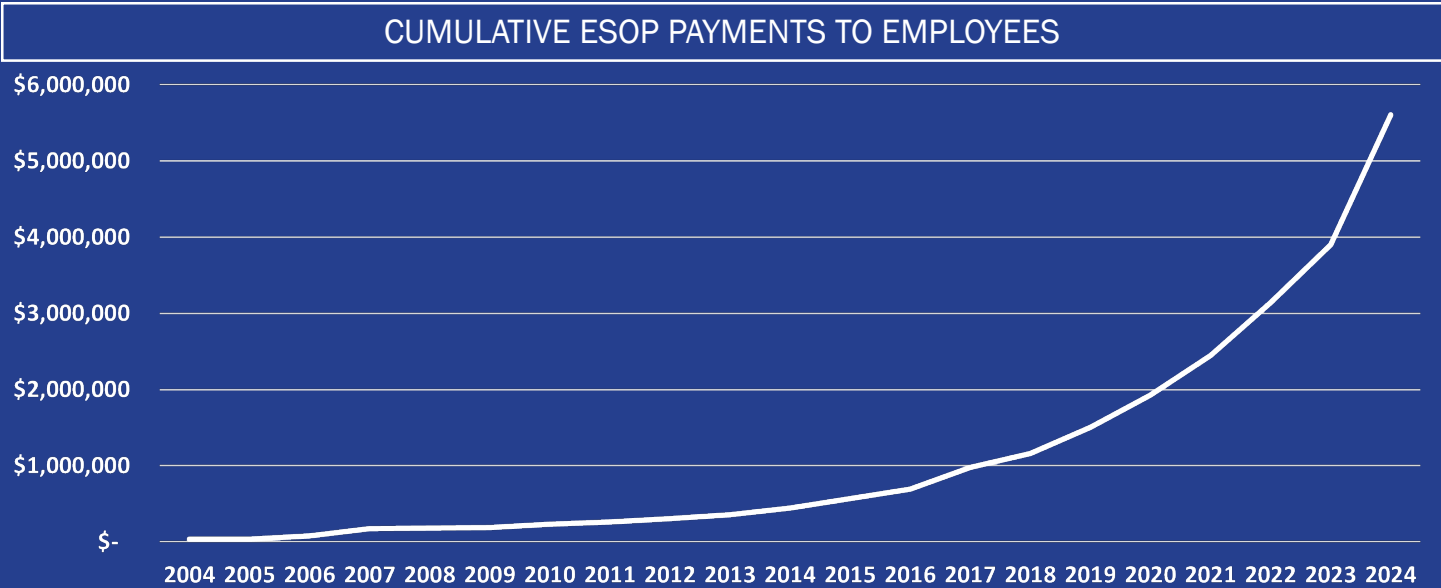
- (i) Providing an equitable distribution of wealth through our commitment to employee ownership and our ESOP.*
- (ii) Promoting broad-based employee-ownership as an equitable means of company ownership.*

Total Contributions from Company to ESOP - \$14,474,500

Hallam-ICS provides a specific public benefit by championing the equitable distribution of wealth through our ongoing commitment to employee ownership both in action and through education. As an Employee-Owned company, we believe that employee ownership provides a stake in the company to all employees and serves as a stabilizing force in the local economy by maintaining quality employment.

Our Employee Stock Ownership Plan (ESOP) is cyclical in nature. Hallam-ICS contributes annually to employee accounts as a means of sharing the wealth generated by employee-owners. If the company prospers and the value increases, the value of individual employee-owner accounts increases. Employee-owners eventually receive their account value when the plan distributes funds as a retirement benefit.

We share the benefits of employee-ownership beyond Hallam-ICS by supporting other local ESOPs and participating in the continuing education of others in the community through our involvement in roundtables, conferences, and gatherings.



In 2024, Hallam-ICS contributed \$1,650,000 to our Employee Stock Ownership Program. These funds were allocated to the accounts of qualified employee-owners of Hallam-ICS as a means of sharing the wealth generated by their efforts.

Hallam-ICS then distributed \$1,704,460.64 to current, former, and retired employee-owners from the Hallam-ICS Employee Stock Ownership Plan, helping them to reap the benefits of their earlier efforts.

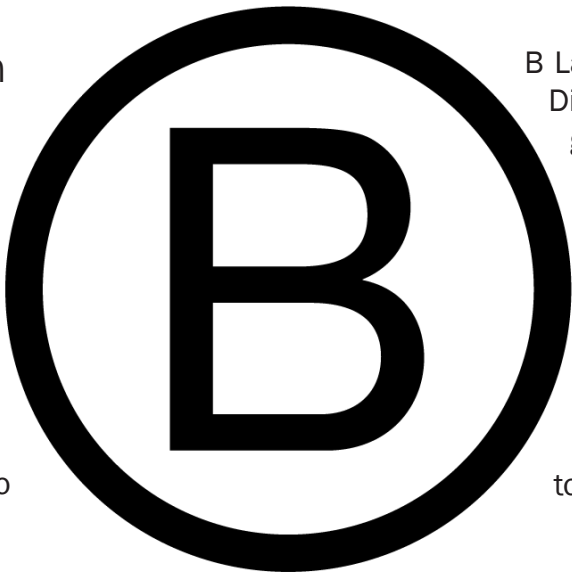


THIRD PARTY STANDARD

Certified

Hallam-ICS has been a Certified B Corporation since 2019.

Hallam-ICS has selected B Lab’s B Impact Assessment as the third-party standard used to measure our public benefit.



B Lab was selected by our Board of Directors because they serve as a global standard “for certifying B Corporations, which are companies that meet high standards of social and environmental performance, accountability and transparency.”

There is no connection between Hallam-ICS, its officers, or directors, and the B Lab.



Corporation

Over time, through a process of continuous improvement, we have increased our scores on the B Lab Assessment.

The B Impact Assessment has identified areas of improvement at Hallam-ICS, including:

- Becoming a Benefit Corporation
- Developing an Intern Hiring Practice Policy
- Conducting Annual Employee Engagement Surveys
- Creating a Paid Volunteer Policy

	2016	2017	2020
OVERALL	84.3	89.8	108.6
Governance	6.3	8.9	15.4
Workers	62.2	61.3	67.4
Community	13.1	16.2	19.1
Environment	2.5	3.2	3.3
Customers			3.2
Minimum Overall score required for B-Corp certification – 80			
Median Overall score for ordinary businesses – 50.9			

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