



## ELLWOOD's Environmental, Social and Governance Responsibility

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### Mission and Commitment

As a family business for over 110 years, we carry our family values into our work. While all our business units operate autonomously, they share a common mission and commitment.

### ***Our Mission***

Our mission is to use our metallurgy know-how to provide critical materials and engineered solutions.

### ***Our Commitment***

We create superior value for our stakeholders—our customers, our team members, our community, and our shareholders. We commit:

**To our customers:** To maintain our world-class performance standard. This means providing the best value to our customers over the long term. We further pledge to meet customer quality and delivery expectations, to devote the resources required for continuous product development and process improvement, and to work collaboratively with our customers to be long term partners and the supplier of choice.

**To our team members:** To treat our team members with dignity and respect, to provide for ongoing education and training, to maintain a safe work environment, to provide opportunities for team members to use their talents in ways that contribute to their professional growth and to our continued success, and to promote the diversity and inclusion of all team members.

**To our community:** To maintain the highest ethical and business conduct standards, to be good environmental stewards going above and beyond our strict environmental responsibilities, and to encourage employer/employee participation in community activities.

**To our shareholders:** To provide a superior return on shareholders' equity compared to other heavy manufacturers in America; to continue focusing upon our core business of critical materials and engineered solutions; to maintain a long-term orientation that balances risk with rewards and sustainability; to continue to grow through entrepreneurial activity; and to maintain private ownership as it is in the best interests of our company, team members, and customers.

### ESG Responsibility

We recognize that we have an extraordinary responsibility towards environmental, social and governance matters. We pledge to protect the safety and wellbeing of our team; to reduce our impact on the natural world and to be committed stewards of the environment and our local communities; to respect the personal dignity of our team members; to protect essential human rights; to support diversity and inclusion; and to uphold our standards of business and ethical conduct. Only by performing our responsibilities in these areas can we achieve our ELLWOOD mission and commitments.

### **ESG Steering Committee**

- Our ESG Steering Committee has been tasked by the ELLWOOD Board of Directors with ensuring the organization's continued commitment to Environmental, Social and Governance efforts.
- ESG Steering Committee members
  - Chief Executive Officer, Ben Huffman
  - Chief Human Resources Officer, Carrie Rust
  - Chief Financial Officer, Rich Davis
  - Chief Technical Officer, Bill Edwards
  - Vice President Environmental, Health and Safety, Ben Conaway
  - General Counsel, Craig Bicehouse
  - Vice President Strategic Initiatives, Anna Barendsfeld

### Environmental, Health and Safety

ELLWOOD is committed to operating in a safe and environmentally sustainable manner. We strive to achieve and maintain world class performance in EHS. We accomplish these goals through:

- Establishing clear EHS objectives and targets and continuously working to achieve these.
- Achieving and maintaining compliance with all applicable global, federal, state and local statutes, regulations, standards, and other requirements affecting team member safety, health and the environment in which our team and neighbors live and work.
- Regularly measuring, evaluating, inspecting, and auditing our EHS management systems to ensure proper performance and continual improvement at each of the facilities.
- Valuing human life above all else and managing risks accordingly.
- Refusing to compromise our EHS values for profit or production.
- Holding all team members accountable for conforming with and deploying our EHS principles.

The highest priority at ELLWOOD shall always be the health and safety of each and every team member and the welfare of the surrounding environment in our local communities.

- **Health and Safety**

- ELLWOOD strives to lead our industry and attain injury rates well below industry averages and continually improve to create a safer workplace. Continuous improvement and a push to *zero incidents* is our goal.
- Many of our facilities have demonstrated excellence in safety by being recognized by OSHA as Voluntary Protection Program Star Sites. For consideration under VPP, the facility must demonstrate a safety record below national averages, and work cooperatively and proactively with OSHA to prevent injuries through hazard prevention and control, worksite analysis, training, management commitment and team member involvement. VPP status is audited every three to five years.
- We take a creative approach to encouraging team member involvement in Health and Safety. One example is our yearly Ergonomic Find It, Fix It award which encourages team members to identify and solve safety concerns.

- **Environmental, Energy, Water, and Natural Resources Stewardship**

- Manufacturing and processing materials including steel, nickel-based alloys, aluminum, titanium, and iron products requires the use of valuable resources, including energy, water and raw materials. We continuously work to reduce our environmental footprint, and have instituted a Corporate Environmental Conservation Optimization (ECO) Award to recognize team member efforts to identify and optimize opportunities to achieve that goal.

- Federal, State and Local agencies authorize our manufacturing activities by issuing environmental permits such as Title V, NPDES, IWWP, drinking water, and more. These permits establish the minimum regulatory requirements that we must comply with to protect human health and the environment. Respecting these obligations is our iron-clad corporate expectation; therefore, doing better than the minimum and going beyond compliance is the essence of our core value of environmental stewardship and demonstrates our commitment to social responsibility.
- Recycling is at the core of our business. Electric arc furnace (EAF) steelmaking is inherently a recycling process, utilizing scrap steel as the starting basis. Similarly, the recycled content in our cast aluminum is typically between 70 and 90 percent, while for our iron ingot molds, the figure is typically over 90 percent. We continuously strive to increase the recycled materials content in our products to improve sustainability and reduce dependence on virgin materials; we frequently encourage customers to return spent products back to us at end of life so we may recycle them.
- ELLWOOD seeks out, installs and maintains the best available and most energy efficient pollution control technologies for our manufacturing facilities, such as emissions-controlling baghouses. We work hard to keep both the outside environment and the interiors of our facilities clean, installing state-of-the-art dust and mist collection systems.
- Our electric arc steel melting furnaces require significantly less electricity than traditional steelmaking processes, reducing carbon intensity. We deploy the most efficient fuel and regenerative burners in our forging and heat treating furnaces. We ship ingots to our companies and customers hot, minimizing forging furnace reheat time and reducing natural gas usage. We have deployed LED lighting in most of our facilities to reduce our energy usage, and installed cooling towers at many locations to reduce the use of water in our operations.

Social

- **People & Human Rights**

- As a family-owned company for over 100 years, ELLWOOD has always been guided by a family culture. While we have grown significantly, we've never lost sight of what's most important: genuine care for our team members, our customers and vendors, our communities, and how our work impacts the world. Treating all our stakeholders with dignity and respect is a core value.
- In an ever-growing global community, ELLWOOD's core values must not only be implemented in our own workforce, but the basic human rights of people that may be impacted by the products and materials we purchase must be protected and maintained. As part of our core ethics philosophy, ELLWOOD maintains policies and procedures to ensure that legal and ethical conduct is followed in our business activities around the globe.
- ELLWOOD adheres to all international trade laws, international sanctions, and import and export regulations. As members of the defense industrial base, we have a responsibility to safeguard sensitive products and technologies from bad actors, protect U.S. national security interests, and prevent erosion of U.S. technological leadership and competitiveness.

- **Community Citizens**

- At ELLWOOD, we have a strong history of engagement in our communities. As a family business, we know that as our communities grow, we grow. We see every community as uniquely as we see our employees, and work with each community to identify specific needs. We don't take a "one-size-fits-all" approach. Some of our programs include student mentoring, support of local food banks, and local service or educational initiatives. We take a flexible approach to corporate giving in the neighborhoods that we live and work in, and often look to our employees for input and support.

- **Team Member Rights**

- ELLWOOD is committed to respecting team member rights under Federal, State, and local laws and regulations. This includes the following rights:
  - The right to be free from discrimination and harassment in accordance with ELLWOOD's Sexual and other Harassment Policy;
  - The right to a safe workplace that protects our team members from dangerous conditions, toxic substances, and other potential safety hazards;
  - The right to be free from retaliation for filing a claim or complaint or engaging in ELLWOOD's open door policy.
- ELLWOOD believes our team members have a right to market competitive wages for work performed, and a right to the training and development needed to grow their talents and skills and expand their career opportunities.

- We offer compensation at or above market as measured against the wages of our peers. Total compensation includes pay (base wages plus variable pay programs) and extensive benefit programs like healthcare, life insurance, and 401(k) plans.
  - Many of our companies offer variable pay plans in addition to regular wages. These plans, such as a profit sharing or incentives, enable our team members to share in the profits of the company. Our team takes pride in their work and this is our way to reward and thank them for contributing to our overall success.
  - Our team is our most critical asset. Investing in our team members through training and development provides significant personal growth opportunities and helps us capitalize on the full capacity of our team's talents and abilities. This mutually beneficial relationship is key to our long term success.
- **Diversity and Inclusion**
    - We know that diversity of opinions and backgrounds drives stronger decision making and improves results. In recruiting we strive to ensure our team is representative of the communities where we operate and we continue to work to increase the diversity our team, historically difficult in the manufacturing sector.
    - We treat all team members with dignity and respect.
    - We embrace an environment that encourages and promotes engagement and inclusion for all team members to be involved in many facets of our organization. Our open-door policy allows team members to share opinions and ideas to help solve customer problems and develop innovative solutions, and through our engagement surveys and team member development programs we seek to continuously improve our work environment.

Governance

- **Business Ethics**

- Ethical business is our only business. Our team must achieve results in the right way, complying with all applicable laws and internal company standards and policies, including company-wide standards set forth in the Business and Ethical Conduct Policy. We require behavior to the highest standards of ethics, governed by a Compliance Officer with responsibility for oversight of such compliance and adherence to such standards and policies. Relationships with customers and suppliers must be honest, fair, and candid. Violations of the company's Business and Ethical Conduct Policy will not be tolerated and will result in appropriate disciplinary action (up to and including possible discharge), and may result in civil action or criminal prosecution.
- Our suppliers, vendors, contractors and joint venture partners must also conduct their business in an ethical and legal way. We expect these partners to administer ethics and compliance programs that align with ELLWOOD's conduct and philosophies.
- As a family business, ethical behavior and compliance are more than business matters. They are personal. We are committed to doing business the right way.

- **Compliance**

- Compliance with domestic and foreign laws and regulations is not the only thing needed to earn and maintain a reputation for integrity. Many of the company's activities are not the subject of laws and regulations. In these instances, rules of fairness and honor govern our conduct at all times. Every ELLWOOD team member shares the responsibility for behaving in a manner that enhances the reputation and integrity of the company. Each situation is examined under these criteria. No unethical practice can ever be justified because it is "customary" outside of the company. No performance goals shall be imposed or accepted if they can be achieved only by compromising our ethical standards.
- Our Business and Ethical Conduct Policy covers key legal and ethical concerns that may arise during a team member's scope of work and representation of ELLWOOD. This Policy includes applicable government contract and other important legal and ethical responsibilities, such as anti-bribery and anti-corruption policies, prohibitions and policies against child labor and human trafficking, export and import control and trade compliance, and ensuring a workplace free of harassment and discrimination.
- Supporting our ethics and compliance programs is our Ethics Hotline, which permits anyone to report sensitive issues and concerns confidentially and anonymously. This Hotline does not replace the existing open-door policies that have served ELLWOOD well for over 110 years, but supplements them to ensure our team members feel safe and protected.



- **Board Structure and Composition**

- Our board of directors implements ELLWOOD's shareholders' commitment to continuing the business as a family company and continuing to invest in people and in state-of-the-art equipment.
- Our board is comprised of family member shareholders, experienced industry professionals and company managers.