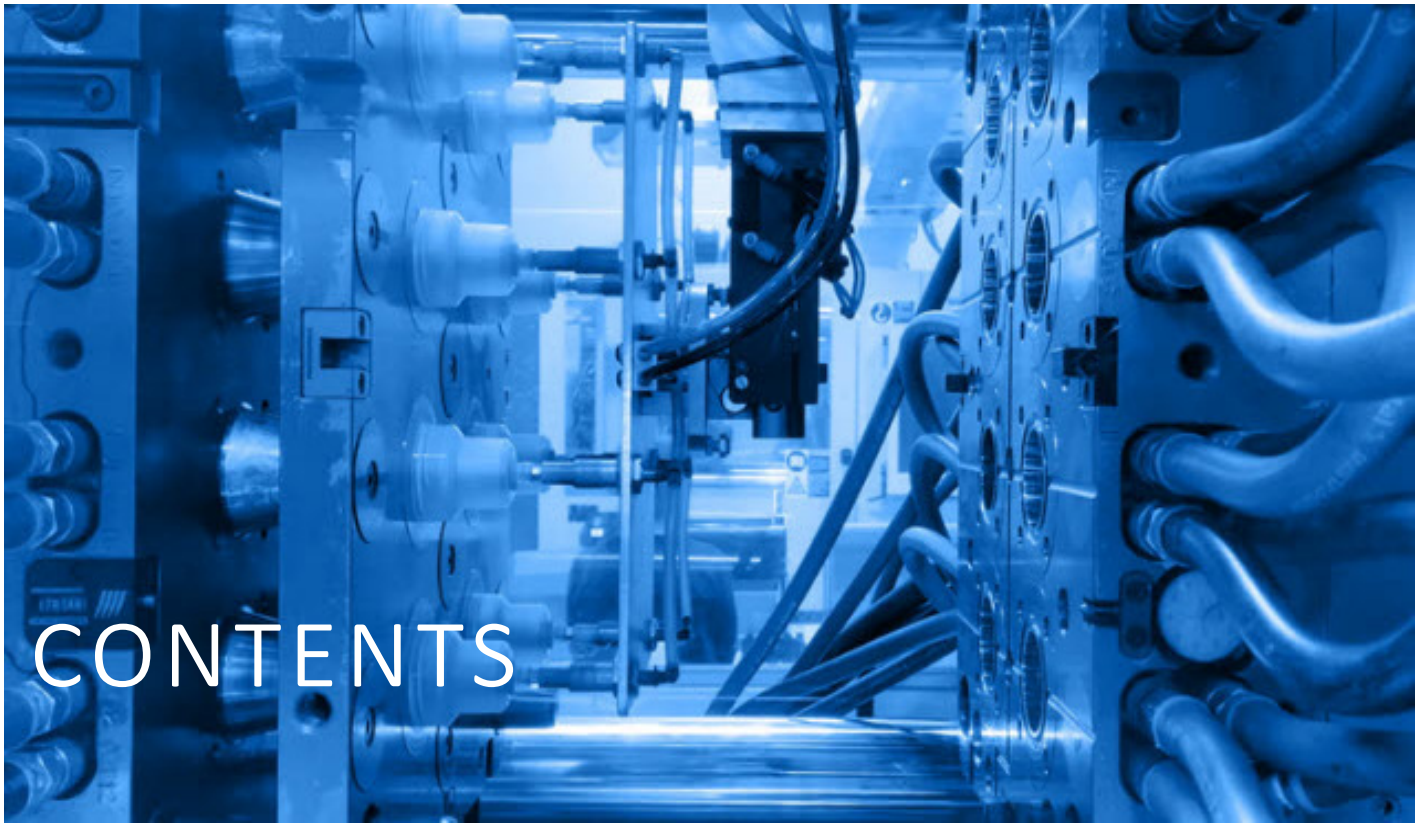
2023

ENVIRONMENTAL EXECUTIVE SUMMARY

SUSSEX
INJECTION MOLDING



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SUSTAINABILITY AT SUSSEX IM


Sussex IM headquarters and manufacturing facility (SIM North)

Since our founding in 1977, Sussex IM has been at the forefront of high-precision plastic products and customized injection molding solutions. Today, we are a full-service contract manufacturer of injection molded plastic products, offering a variety of value-add services including engineering and project management expertise, subassembly, warehousing, logistics, and fulfillment. We work closely with our customers to understand their needs and provide expert advice throughout the production process. Our 46 years of experience, combined with the technical know-how of our talented team, will allow Sussex IM to continue exceeding our customer's expectations for decades to come. We invite you to learn more about Sussex IM at our website at www.sussexim.com.

Just as our business and the industries we serve continue to evolve, so does the world's focus on sustainability. We understand that we must further align our growth strategy with sustainability if Sussex IM is to remain the partner of choice. While we have always operated in compliance with environmental regulations, we know there is more we can do.

Sustainability is consistent with our Core Values and is considered at all levels of the Company. For example, our centrally located headquarters and manufacturing facility ("SIM North"), and our advanced manufacturing and warehouse facility ("SIM South") in Wisconsin, U.S.A, are ideal for minimizing transportation costs and emissions. In the new project development phase and throughout the manufacturing process, we actively collaborate with our customers to identify opportunities for energy efficiency and waste reduction in product design, material selection, and supply chain operations. Internally, we maintain a solid understanding of our carbon, waste, and water footprint, and our Executive Leadership Team participates in monthly discussions of our sustainability initiatives and environmental performance.

Working on-site with controlled management systems in ISO 14001:2015, ISO 9001:2015, ISO 45001:2018, and ISO 13485:2016 helps us maintain the right procedures and ensures continuous improvement in all areas of certification.

However, we know that the long-term success of our business and our ability to improve our sustainability efforts relies on our most important asset – our people. Their talent, knowledge, and motivation are, and always have been, the primary drivers behind our success. We will continue to offer the education, training, support, and empowerment they need so that all Sussex IM employees can become active participants in our sustainability journey. By engaging with our customers, our leadership team, and all our employees, Sussex IM will transform into the all-around sustainable company that we want to be – fiscally, socially, and environmentally.

OUR VALUES

How can I help?

Treat everyone like family

We'll figure it out

Own the outcome
Share the credit

Work hard
Laugh hard
Play hard

If we can, we will...
and then some

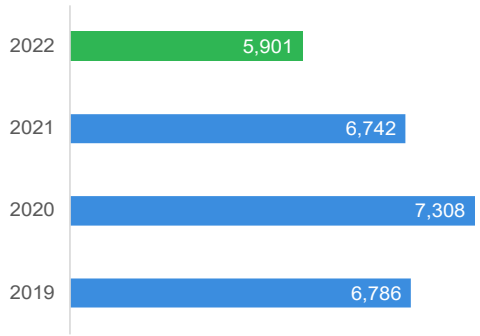
ENVIRONMENTAL PERFORMANCE


157,000 sq ft advanced manufacturing & warehouse facility (SIM South)

Reflected below is an overview of our environmental performance through year-end 2022 and a summary of the sustainability projects we have completed throughout the prior year[1]. We believe sustainability is not a sprint, but a long journey that requires consistent effort and cost-conscious decision making. While we are still in the early stages of this journey, the following summary represents our initial efforts to increase transparency and accountability for our sustainability performance. We acknowledge that significant improvements will take time, but we are excited to build on our achievements and provide further updates in the next round of sustainability reporting.

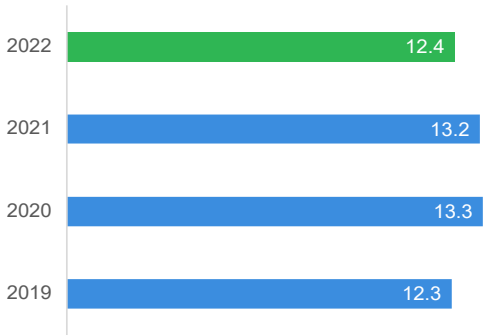
SCOPE 1 & 2 EMISSIONS

[Metric Tons CO_2e]



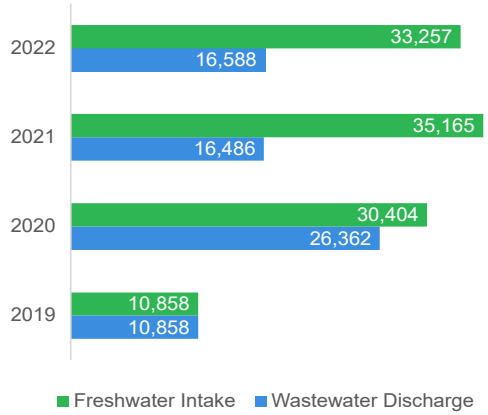
ELECTRICITY CONSUMPTION

[Million kWh]



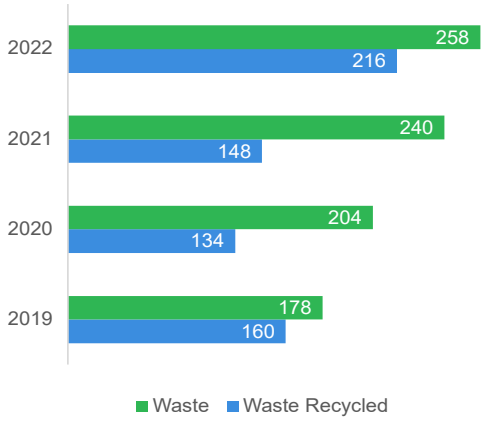
WATER USAGE

[Gallons]



WASTE & RECYCLING

[U.S Tons]



[1] This Report provides data, facts, and figures based on activities during Sussex IM's fiscal years 2019, 2020, 2021, and 2022 (January 1 to December 31). Information, data, facts, and figures based on activites during 2023 cover the period January 1 to July 31. As of December 2022, the environmental data in this Report covers 100% of Sussex IM's owned manufacturing facilities. Environmental metrics are preliminary, unaudited, and subject to revision.

ENERGY & EMISSIONS

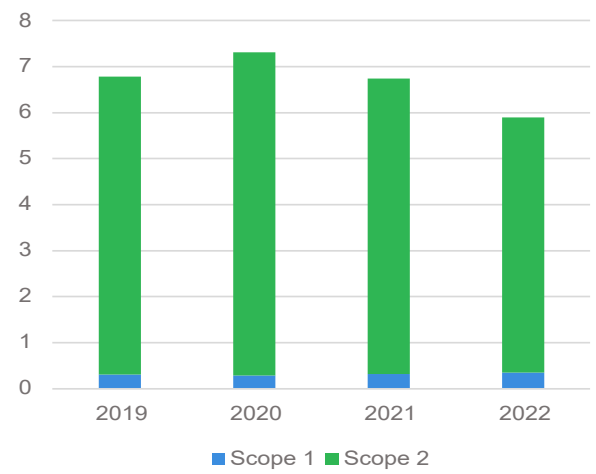
As a manufacturing company, we recognize that our operations are inherently energy and emissions intensive. We rely on electricity and fuel to operate, resulting in carbon dioxide (CO_2) and carbon dioxide equivalent (CO_2e) emissions contributing to climate change.

The electricity required to power our injection molding machines (or "presses") is the primary source of carbon equivalent emissions at Sussex IM. We operate approximately 65 presses 24 hours per day, at least five days per week, which accounts for an estimated 93% of our total electricity consumption. The remaining 7% is attributed to lighting, computers, and other electronic equipment. Accordingly, enhancing the energy efficiency of our presses is the most significant opportunity to reduce our emissions output.

Our emissions inventory is a compilation of carbon equivalent emissions produced from our manufacturing and warehousing operations at SIM North and SIM South, as well as non-production-related equivalent emissions from other locations and sources owned and operated by Sussex IM. Scope 1 emissions consist of all direct emissions from fuel combustion, such as natural gas, propane, diesel fuel, and gasoline. Scope 2 emissions consist of all indirect emissions attributable to Sussex IM from the consumption of purchased electricity. Data from each emissions source is compiled and converted to emissions using standard conversion factors published by the U.S. Environmental Protection Agency to calculate our total CO_2e output.

TOTAL ABSOLUTE EMISSIONS

[Thousands Metric Tons CO_2e]



	2019	2020	2021	2022
Scope 1 [MT CO_2e]	**304.4**	**290.9**	**323.4**	**353.3**
SIM North	156.0	129.5	143.5	148.3
SIM South	116.6	119.5	150.5	171.1
Shared Sources[2]	31.8	41.9	29.4	33.9
Scope 2 [MT CO_2e]	**6,481.2**	**7,016.8**	**6,418.5**	**5,547.3**
SIM North	6,279.1	6,793.6	5,996.1	5,166.5
SIM South	202.1	220.4	419.9	376.8
Shared Sources[3]	0.0	2.8	2.5	4.0
Total Emissions [MT CO_2e]	**6,785.6**	**7,307.6**	**6,741.9**	**5,900.7**
SIM North	6,435.0	6,923.1	6,139.6	5,314.8
SIM South	318.8	339.8	570.4	547.9
Shared Sources	31.8	44.7	31.9	38.0

[2] Shared sources of Scope 1 emissions include: (i) diesel fuel used in Sussex IM-owned tractor trailers, and (ii) gasoline used to power landscaping and grounds equipment such as snowplows and other handheld equipment used at both facilities. These figures also include natural gas used to heat rented storage units in 2020.

[3] Shared sources of Scope 2 emissions include electricity used for lighting at several off-site locations including: (i) storage units rented between 2020 and 2021, and (ii) lighting at Camp SIM from 2021 to present.

ENERGY & EMISSIONS

Sussex IM faces a particularly difficult set of challenges as a custom plastic injection molding company when predicting and managing our energy consumption. Our energy consumption significantly fluctuates year over year depending on the timing and quantity of parts ordered and the customers who place those orders. Different products have varying complexities, sizes, and production requirements, resulting in varying energy needs during the molding process. Additionally, unpredictable customer demand patterns can further influence the variability of our energy consumption. As of year-end 2022, Sussex IM purchases 100% of its electricity from the grid and does not source any electricity from renewable sources.

ENERGY CONSUMPTION

	2019	2020	2021	2022
Electricity [M kWh]	**12.3**	**13.2**	**13.3**	**12.4**
SIM North	11.9	12.8	12.4	11.6
SIM South	0.38	0.42	0.87	0.84
Shared Sources[4]	0.0	0.005	0.005	0.009
Natural Gas [U.S. Therms]	**37,970**	**36,843**	**42,573**	**47,390**
SIM North	19,033	14,968	17,449	18,746
SIM South	18,937	19,596	25,124	28,645
Shared Sources[5]	0.0	2,279	0.0	0.0

Nonetheless, Sussex IM remains committed to reducing the environmental impact of our operations to the greatest extent possible. We view these challenges as an opportunity to maximize operational efficiencies and realize cost savings while also having a positive impact on the environment.

ENERGY EFFICIENT PRESSES

Over time, presses have evolved from energy-intensive machines relying on brute force to get the job done to highly efficient systems that harness the power of multiple synchronized servo motors. As older model presses become obsolete, reach the end of their lifespan, or when repair costs become prohibitively high, we have an opportunity to invest in new, energy-efficient models. In 2022, we replaced three old presses with new hybrid models, saving approximately 72,677 kWh, equivalent to 31.5 metric tons of CO_2e, annually. We plan to continue replacing old presses with new, energy-efficient models as required in the future.

Electric injection molding press in Sussex IM's cleanroom

[4] Other electricity sources account for lighting at several off-site locations including: (i) storage units rented in 2020 and 2021, and (ii) Camp SIM beginning in 2022.

[5] Other natural gas sources include heating at off-site storage units rented between 2020 and 2021.

ENERGY & EMISSIONS

AIR COMPRESSOR AUDITS & REPAIRS

Sussex IM relies on air compressors to operate our injection molding presses. They provide the force necessary for precise and controlled movements such as opening and closing molds, ejecting finished parts, and activating other mechanical components. To assess its energy efficiency, we partnered with our supplier to conduct a plant-wide audit of the compressed air system. Between November and December 2022, Sussex IM's maintenance team repaired a total of 132 leaks in various components of the system. Assuming that each leak caused a 1% loss in energy efficiency, these repairs save approximately 355,829.8 kWh of electricity, or 154.1 metric tons of CO_2e, annually. Sussex IM is committed to monitoring our compressed air system on a regular basis going forward.

LED LIGHTING UPGRADES

In March 2022, we upgraded 60 halogen and fluorescent light fixtures to energy-efficient LEDs at the SIM North facility, 40 of which were installed in our Tool Room, and 20 were installed in our Research & Development area. The upgrade decreased our energy consumption by approximately 19,200 kWh per year, the equivalent of 8.3 metric tons of CO_2e emissions annually. In addition to the cost savings associated with the project, there are notable improvements to the brightness of these areas. By eliminating dark spots and shadows, employees are provided a well-lit working environment so they can perform tasks with greater precision and minimize the potential for accidents. We plan to continue replacing halogen and fluorescent fixtures as they burn out with LEDs to decrease our energy consumption further and improve workplace safety.

WASTE & RECYCLING

Waste – any unusable material – is a natural byproduct of manufacturing. With the understanding that excessive waste generation can contribute to climate change, everyone at Sussex IM has a responsibility to reduce, reuse, and recycle as much as possible. As with our energy consumption, the amount of waste we produce is challenging to predict year-over-year as it is dependent on the timing, quantity, and type of product we are contracted to manufacture. Nevertheless, we recognize the importance of waste reduction and responsible waste management as an integral part of our overall sustainability efforts.

To achieve a reduction in our overall waste production, we make substantial efforts to reprocess and recycle unused and non-conforming plastics and other recyclable or reusable scrap. Glass, plastics, paper, and cardboard are recycled in clearly labeled, color-coded bins. Where waste is unavoidable, we comply with local, regional, and national environmental regulations to dispose of it safely and responsibly. For hazardous waste, we have engaged a designated waste hauler specialized in the handling, transportation, treatment, and disposal of such waste in accordance with applicable environmental regulations. Our agreement with our hazardous waste hauler includes the transfer of waste manifests, which guarantees the flow of information regarding the final treatment and disposal location of hazardous waste.

Sussex IM works to continually improve the methods through which we monitor our waste streams so that we can achieve progress in minimizing them. We understand that more effective sorting and separation on our end will lead to better handling by waste and recycling companies, and we are dedicated to improving this effort internally. We also intend to improve collaboration with our inbound suppliers to minimize the amount of waste brought into the facility. Finally, we will continue promoting our returnable packaging program to our customers as a mutually beneficial means to realize greater cost savings and waste reduction.

WASTE & RECYCLING [U.S. TONS]

	2019	2020	2021	2022
Non-Hazardous Waste[6]	**178.5**	**200.9**	**238.2**	**254.8**
SIM North	170.8	193.2	230.5	247.1
SIM South	7.7	7.7	7.7	7.7
Hazardous Waste	**-**	**2.9**	**1.76**	**3.3**
SIM North	-	2.9	1.76	13.1
SIM South	-	0.0	0.0	2.79
Waste Recycled [7]	**160.0**	**134.4**	**148.0**	**216.0**
SIM North	160.0	134.4	148.0	216.0
SIM South	0.0	0.0	0.0	0.0

[6] Non-hazardous waste includes solid, non-hazardous waste from any source sent to landfill.

[7] Waste recycled includes cardboard, office paper, and any other general recycling such as glass and plastic from the manufacturing plant and office space. Figures do not include the weight of regrind plastic, wood pallets, or other materials sent for recycling.

WASTE & RECYCLING

RECYCLING REGRIND

A key waste reduction initiative at Sussex IM is the use of regrind in our products. Regrind is a post-industrial plastic material that is ground into small particles. Rejected parts, sprues, runners, and any other post-industrial scrap plastic can be made into regrind. Regrind can be recycled to create new plastic parts and components by combining it with virgin plastic pellets during the molding process. Our manufacturing team carefully monitors and controls the percentage of regrind to virgin plastic to ensure that our products meet customer specifications and quality standards. To the extent specified by our customers, incorporating regrind is an important method to divert plastic waste from landfills and reduce our demand for virgin plastic. This approach allows both Sussex IM and our customers to conserve natural resources and reduce the energy consumption associated with new plastic production.

Sussex IM actively promotes the use of regrind wherever possible and works closely with our customers to incorporate this environmentally friendly approach into new and existing products. In addition to in-house regrind recycling, Sussex IM has partnered with a local vendor who recycles and repurposes our excess regrind material. Between January and July 2023, Sussex IM recycled over 38,800 pounds of regrind. Through this partnership, we are extending the life cycle of our plastic waste, diverting it from landfill, and supporting a circular economy. We plan to continue recycling our regrind both in-house and in partnership with our vendor.

WASTE & RECYCLING

REUSING WOOD PALLETS

As with most manufacturing companies, Sussex IM relies on wooden pallets to store products in our warehouse and ship products to our customers. With thousands of pallets on hand at any given time, we have implemented a reuse and recycling program in collaboration with our primary pallet supplier. We assess the condition of each pallet entering the plant, and if they are in good condition, they are reused at Sussex IM. Pallets in disrepair are collected by our pallet supplier, who replaces loose or damaged boards and makes other necessary repairs. Repaired pallets are resold to and reused at Sussex IM. Through this partnership, we reused 7,684 wood pallets between January and December 2022, diverting over 307,000 pounds of wood from landfill.

RECYCLING MOLDS

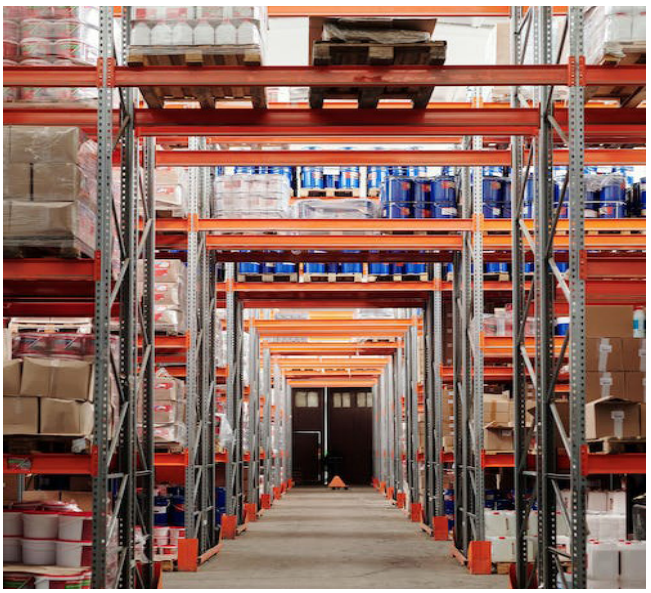
A crucial component in plastic injection molding is the mold itself – a hollow metal block into which molten plastic is injected to form a specific shape. Depending on the type of metal from which it is made, molds can be more or less susceptible to wear and tear throughout the manufacturing process. Sussex IM's tooling department has the experience and know-how to ensure the molds remain viable for as long as possible without compromising the final product. However, like any other tooling equipment, all molds have a finite lifespan. For molds that are no longer viable, Sussex IM recognized an opportunity to reduce waste and promote sustainability by establishing a partnership with a vendor to recycle the molds.

In 2022, Sussex IM recycled 23 molds of various sizes, diverting thousands of tons of waste from landfill. Recycling the molds conserves metals such as steel, aluminum, and other metal alloys already in circulation, and reduces the mining required to obtain raw materials. Additionally, recycling the molds aids in the reduction of carbon emissions and energy consumption, as the recycling the material typically requires less energy than manufacturing new molds. Sussex IM plans to continue this project in the future as part of our overall strategy to reduce the amount of waste sent to landfill.

WASTE & RECYCLING

REUSABLE PACKAGING

We operate a returnable packaging program as a mutually beneficial option for Sussex IM and our customers to reduce packaging expenses and waste disposal costs. The program replaces single-use packaging materials such as cardboard boxes and plastic wrap with reusable containers and materials. When Sussex IM's products arrive at their destination, our customer collects the empty reusable packaging and returns it to us. Upon arrival at Sussex IM, it is inspected for damage and, if necessary, repaired to ensure that it maintains its functionality and quality before it is reused in the next shipment cycle. This process can be repeated multiple times and significantly extends the life of packaging materials. By eliminating the need for single-use packaging materials, the program reduces the amount of waste sent to landfill or incineration facilities and results in cost savings for participating customers.



HOT RUNNER SYSTEM

Wherever technically feasible, Sussex IM optimizes our mold designs to include a hot runner system, which allows us to substantially reduce the amount of raw material used during production and reduce post-industrial plastic waste. In traditional cold runner systems, molten plastic is fed through channels, known as runners, into the mold cavities via sprues – the primary feed point. Once the plastic has solidified, these runners and sprues become post-industrial plastic waste as they are not part of the finished product. In a hot runner system, however, channels in the mold are kept heated and maintains the plastic in a molten state. The hot runner system allows us to eliminate these hardened plastic runners entirely because the runners are part of the mold itself. Eliminating the production of runners and sprues allows us to reduce plastic waste while also conserving the energy and resources required to regrind and recycle this waste. Overall, the adoption of hot runner systems in our molds is a crucial step towards making our operations more sustainable, and we plan to continue incorporating this design into our products wherever possible.

WATER

Sussex IM realizes that water resource management and reducing our dependence on freshwater resources are fundamental to creating a more sustainable company. We also acknowledge that water is an integral component of the manufacturing process, and water consumption cannot be eliminated completely. Our goal is to strike a balance between the water essential for our operations while simultaneously improving conservation efforts. Currently, all of Sussex IM's water consumption is potable water drawn from municipal sources. Any wastewater produced is either recycled and reused through our closed-loop water system or discharged to public treatment systems.

FRESHWATER CONSUMPTION [GALLONS]

	2019	2020	2021	2022
Water Consumed	**10,858**	**30,404**	**35,165**	**33,257**
SIM North	10,792	30,267	34,901	33,032
SIM South	66	137	264	225
Wastewater Out	**10,858**	**26,362**	**16,486**	**16,588**
SIM North	10,792	26,225	16,222	16,363
SIM South	66	137	264	225

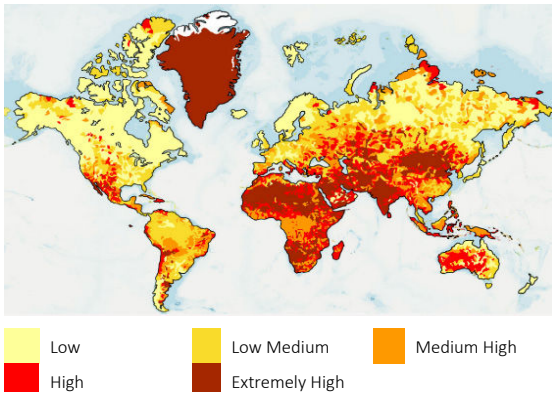
CLOSED-LOOP WATER SYSTEM

Sussex IM operates a closed loop water management system and cooling tower, allowing for more efficient water usage throughout our operations. In a closed-loop system, water is utilized in a controlled circuit, where recycled water is continuously recirculated through the injection molding machines. The system minimizes our consumption by significantly reducing the need for freshwater intake. The cooling tower is utilized to regulate the temperature of the water, allowing the excess heat that is generated during production to dissipate into the atmosphere, ensuring optimal operating conditions. The closed-loop system, coupled with the cooling tower, exemplifies our commitment to conserving freshwater resources while also ensuring that our machines operate at peak efficiency without compromising performance.

WATER SCARCITY

Climate change is inextricably linked to the pressing issue of water scarcity. Water scarcity refers to the lack of sufficient water resources required to meet the needs of a geographic region. It represents a long-term risk for our business as we rely on water for various operational processes. Accordingly, we have used the WRI's Aqueduct Water Risk Atlas to assess the water risk levels at both Sussex IM locations in Wisconsin. According to this assessment, our facilities are situated in an area categorized as having "low to medium" overall water risk. While this rating is not currently alarming, it underscores the importance of being conscientious of our freshwater usage and finding ways to decrease our water consumption, regardless of our location.

GLOBAL WATER RISKS [8]



[8] Created based on the World Resrouces Institute's Aqueduct Water Risk Atlas (aqueduct.wri.org).

OUR COMMITMENT TO CONTINUOUS IMPROVEMENT

As we reflect on the strides we've made toward becoming a more sustainable company, we acknowledge a long journey ahead. Our commitment to continuously improving our sustainability program has yielded several projects that have made a notable impact on our environmental footprint, including:

- Replacing injection molding presses with new, energy-efficient models
- Recycling regrind into new products
- Fixing leaks in our compressed air system and upgrading to LED lighting
- Recycling cardboard, paper, wood pallets and metal molds
- Promoting our reusable packaging program
- Utilizing a closed-loop water management system

While we are proud of these accomplishments, we recognize that much more must be done. We have several new projects in the pipeline that promise to further reduce our environmental footprint, and we look forward to sharing the benefits of these initiatives in a future sustainability report.

Our leadership team is more committed than ever to making our operations more sustainable. We will continue holding our monthly sustainability meetings to discuss our environmental performance, ensuring that sustainability remains a consideration in our decision making. Looking ahead, we will continue working to improve how we collect and report our environmental data, including waste, water, and energy. Doing so will enhance the accuracy of our sustainability reporting and allow us to better track our progress.

Sussex IM is also in the process of developing formal short- to medium-term sustainability targets. These targets will provide a clear roadmap for our sustainability journey, and we hope to publish them in our next sustainability report. We believe that setting these targets, in addition to streamlining our data and publishing regular sustainability reports, will increase transparency and improve our accountability to our customers, employees, and our planet.

Sussex IM was recognized by Gojo/ Purell as 2022 Supplier of the Year in the 'Sustainability' and 'Innovation' categories. We are proud to have exceed our customer's expectations through our forward-thinking approach to innovation and demonstrating our commitment to upholding our environmental and social values. These awards symbolize the collaborative partnerships we share with our customers, a mutual commitment to operational excellence, and our role as a trusted partner.