

The logo for SIGI, featuring the word "SIGI" in a bold, green, sans-serif font with a trademark symbol (TM) to its upper right. The logo is positioned on the left side of the cover, partially overlapping a large green arrow graphic that points to the right.

**SIGI**<sup>TM</sup>

ANNUAL  
**Sustainability  
Report**  
2023



# Material Handling Solutions that Elevate Performance and Safety—Around the World



**SOUTHWORTH**

**Presto** LIFTS **ECO A**



**HYMO**

**MARCO**

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# Introduction



# Letter from our CEO and Chairman of our Board



**At Southworth International Group, Inc. (“SIGI”), we deeply believe in the positive and transformative impact that private enterprise can have on our broader society** when decisions are made with a broad range of stakeholders in mind. This has been a constant over our 133-year history.

We have a long tradition of thinking about our impact on the communities in which we do business. More recently, this consideration has been translated into defined and stated sustainability goals. We are thrilled to communicate these goals and our continued progress in this annual Sustainability Report, detailing our many initiatives to run a business that benefits all stakeholders: customers, employees, vendors, shareholders, and the communities in which we do business.

**Sustainability is deeply woven into our history as a company.** Indeed, we have always been motivated by a sense of service to something bigger than ourselves. From the 1870s, when the Reverend Francis Southworth and his sons Francis, Edward, Alfred and Constant created Bethel Library Cases to provide wholesome diversion to Portland merchant sailors in foreign ports, to the 1930s when Sven Marcusson started building agricultural equipment to make life easier and more comfortable for Skåne farmers, our forebearers were focused on creating long-term businesses with broader societal purpose. These enterprises positively impacted people then, and they continue to do so today.

More recently, we have become focused on a formal sustainability approach. We have always prided ourselves on strong corporate governance and policy standards for a family-owned business. We are now pairing this with a clear focus on the specific actions we can take to ensure the long-term stability of our planet and create a positive impact on our social and societal structures. And we are engaging with MHI, our industry association, to access enhanced learning through the Supplier Leadership on Climate Transition (“Supplier LoCT”) program under the tutelage of Guidehouse, a leading global provider of consulting and managed services to commercial and public sector clients.

We are committed to transparency and honesty in our approach to Sustainability, which encapsulates some of the most challenging questions of our day. In the enclosed report we invite you to take a closer look at our efforts to build a more sustainable and more relevant business for the 21st century and use this as a marker to drive our next steps. **As in all areas of our business, we welcome your feedback on our activities and look forward to hearing from you.**

Yours sincerely,

James Cabot,  
President & CEO

Tim Cabot,  
Chairman of the Board



**James Cabot,**  
President  
and CEO



**Tim Cabot,**  
Chairman of  
the Board



# Our Purpose

**Ergonomics may feel like a relatively modern term, but its concepts have been around as long as the human species has.** Our ancestors selected and invented tools to accomplish necessary tasks in order to survive. Fast forward hundreds of years—tools have been redesigned and enhanced with efficiency in mind to make work easier and safer.

During the Industrial Revolution manual labor was essential because the advancements we have today were not available. Ergonomics evolved to find easier ways to complete tasks, with a focus on standardization and job process simplification to improve efficiency. Since then, the focus has shifted to include not only overall production and efficiency but worker safety and wellbeing as well.

And while awareness and processes have continued to improve, manual material handling is still a leading cause of workplace injury around the world. Repetitive stress injuries from frequently lifting and moving heavy loads impact millions of people, leading to pain and discomfort, time missed from work and—all too often—lifelong negative outcomes.

**At SIGI, we strive to mitigate these consequences by designing ever more effective material handling equipment and solutions.**

Our purpose is to harness our own creativity to positively impact people. We imagine, design and manufacture solutions that make the most physically demanding material handling work faster, safer, and easier for the hard-working men and women who perform these jobs. In doing so, we improve productivity, reduce the likelihood of acute and long-term injuries, and make difficult work easier and more manageable for millions of people around the world.



# Our History



The origins of the modern Southworth International Group can be traced to the 1870s in the seaside city of Portland, Maine. The Reverend Francis B. Southworth was keen to provide his flock with a productive way of passing the time while at sea and in foreign ports, so Southworth developed and began to produce Bethel Library Cases. Each of the cases contained a Bible and an assortment of other general reading materials.



Subsequent highlights of the company's first 100 years include:

- ▶ **The Southworth (Printing) Press was born in 1890** to support the growing printing industry.
- ▶ During the 1920s and 1930s **we built fire trucks and the Southworth Portable Fire Pump for towns throughout New England.**
- ▶ **Throughout World War II, we operated a machine shop that ran 24/7** to produce aircraft engine parts, propellers and other vital war materiel. After the war, the company refocused its efforts on the paper industry—a prominent segment of Maine's shifting economy.
- ▶ **In 1957 we introduced our first line of lift tables** after researching the problems inherent in handling paper. This led to the formation of Southworth's Materials Handling and Paper Mill division.
- ▶ **The late 1970s were a period of considerable transformation.** Under new ownership, Southworth Machine Company became Southworth International Group, Inc.
- ▶ In the late 1980s we expanded our global reach into Japan, Australia and Europe. **These efforts helped fuel growth both domestically as well as internationally and culminated with the opening of a new sales, engineering and manufacturing facility in China at the end of the decade.**
- ▶ **In the following decades, we looked to build on this growth through acquisition and the formation of new companies,** including Presto Lifts in 2002 and Equipment Company of America (ECO) in 2017. In 2016 we moved into the European marketplace with the acquisitions of Marco Lifts and Hymo Lifts. Then, in the spring of 2019, we reinforced our commitment to the Asia-Pacific region with the opening of new headquarters in Shanghai and a new, state-of-the-art manufacturing facility in Wuxi, China.







# Our Vision

**SIGI's vision is to be the global leader in the design, development, manufacture, distribution and support of solutions and services to make material handling safer and more productive.**



**We work closely with our customers to create and deliver innovative and customized solutions to their most challenging material handling problems.** And we conduct business at a level of value and service that causes channel partners and end users to prefer our brands to all others. In fulfilling our vision, we are creating a better future for each of our stakeholders: our customers, our employees and our shareholders, as well as for the communities in which we do business.

# Our Mission

**We make the toughest material handling work faster, safer and easier by creating customized vertical work positioning solutions and services designed to improve productivity and safety.**



# Our Core Values



## ■ Customer Focus

Our success depends on our customers' success. We support, educate and provide our customers with the quality and service they need, and we strive to exceed their expectations.

## ■ Collaboration

We embrace a spirit of collaboration and teamwork with our fellow colleagues, customers and suppliers. We seek to help each other to be successful, recognizing each other's knowledge and appreciating the power of diversity. We invest in and develop talent. We care for one another as a team.

## ■ Commitment

We are proud of our legacy and have a passion for safety and ergonomics. As individuals, we take initiative, learn from our mistakes and are focused on continuous improvement. As a group, we work toward clear objectives and expect great results.

## ■ Commercial Orientation

We are developing our business for the long-term, every day. We are professional, business-minded and believe in an entrepreneurial spirit that allows us to take calculated risks and create profitability through increased customer value. We recognize and celebrate success, because success enables new opportunities.

## ■ Community

We are building community based on honesty, transparency and trust. Trust is established by respecting and caring for each other, being straightforward and providing clear and constructive feedback. We listen actively to understand each other's intentions and are honest and trustworthy in our relationships. As we seek to build a strong company community, we also seek to be an asset to the many communities in which our company does business. Mindful of our wider impact on those around us, we use the company's, and the world's, resources wisely.







# Environmental



# Our Commitment to Sustainable Manufacturing



The United States Environmental Protection Agency defines sustainable manufacturing as “the creation of manufactured products through economically sound processes that minimize negative environmental impacts while conserving energy and natural resources.”

At SIGI, we understand that working toward sustainable manufacturing, by improving performance as well as reducing our resource footprint, is critical to the success of our organization, communities, and world.

**We continually evaluate how to reduce our water consumption and improve our energy resiliency.** Our current initiatives include:

- ▶ **Designing for energy efficiency** in new, or updated, processes and facilities.
- ▶ **Obtaining energy consultation** to outline the top three activities to reduce consumption in relation to heating.
- ▶ Facilitating the use of **advanced energy monitor and control solutions.**
- ▶ Optimizing our **HVAC Systems.**
- ▶ **Installing energy efficient light bulbs** as well as motion sensor lighting in meeting rooms and common spaces.
- ▶ Installing **low flow toilets.**
- ▶ **Installing a solar field** in Manila, Arkansas to offset power used in our facility.

 **Goal: 10% of our global power usage from renewable resources in 2024, 40% in 2025.**



SIGI MANUFACTURING REGION	2023 WATER USAGE (Cubic Meters)	2023 ENERGY USAGE (Kilowatt-Hours)
AMERICAS	5,749	1,908,564
EUROPE	1,406	1,150,000
ASIA	1,086	384,167
<b>GLOBAL TOTAL</b>	<b>8,241</b>	<b>3,442,731</b>

Source: Internal Company Analysis

# Reducing VOC Emissions Across Regions

**Solvent-based paint accounts for about 90% of all paint used in the industrial sector.** Volatile organic compounds (VOCs), which are present at high levels in solvent-based paint, are toxic to human health and the environment, and are also extremely flammable. SIGI takes the effects of VOCs seriously and made a commitment for all facilities to switch to more environmentally friendly water-based paints.

Water-based paints are made up of approximately 70% water, 20% solids and 10% solvent. As such, water-based paints produce far fewer VOCs, which means they release fewer gases that can damage the ozone, making them a more sustainable and environmentally friendly solution. **Lower VOCs also result in fewer health effects and improved user safety.** Additionally, the flammability point for a solvent-based paint is 25 degrees Celsius versus greater than 100 degrees Celsius for water-based paint, which significantly reduces fire hazards in the work environment.

SIGI continues our commitment to lowering VOCs across regions. Asia has already transitioned to 100% water-based paint. In the Americas, our VOC emissions are far below EPA requirements, and we have implemented a solvent recycling process that allows us to reuse a percentage of our paint thinner and condense our solvent waste.

**Our European facility is planning the move to water-based paint in late 2024, which will reduce their VOC production to minimum levels of 200-400 kg per year.**



**Goal: Lower global VOCs by 20% in 2024, and by 50% in 2025.**

AMERICAS	23,870
EUROPE	3,236
ASIA	50
<b>TOTAL VOCs</b>	<b>27,156</b>

Source: Internal Company Analysis



# Evolution to Laser Cleaning



**SIGI Europe will be changing the cleaning method for scissors and platforms from hot water and thinner (solvent) to laser cleaning.** We have been researching the option of laser cleaning for over a year, attending exhibitions, meeting with other companies that use laser cleaning, and even renting a laser cleaning machine for several weeks to test it. We ordered a laser cleaning machine, which arrived in Ängelholm in late 2023.

The benefits of the new laser cleaning technology include:

- ▶ **Reduction in thinner consumption:** Thinner is a solvent that is used to clean parts before they are painted. Laser cleaning eliminates the need for thinner, which reduces environmental impact.
- ▶ **Improved customer satisfaction:** Poor paint adhesion is often caused by inadequate cleaning. Laser cleaning provides a more thorough and consistent cleaning, which helps to improve adhesion and reduce claims.
- ▶ **Lead time of product is reduced:** Laser cleaning can be done directly before painting, which eliminates the need for a drying step. This reduces the time it takes to produce a finished product.
- ▶ **Avoidance of the cost of a carbon filter plant:** As environmental regulations become stricter, companies may be required to install carbon filter plants to remove pollutants from the air. Laser cleaning eliminates the need for such a plant.

Our new system is a fiber laser system that uses a high-powered beam of light to vaporize contaminants from the surface of parts. The system is highly efficient and can be used to clean a variety of materials including metals, plastics, and composites. **The new laser cleaning system will help to improve environmental performance, product quality, and cost efficiency.**



 **Goal: 25% reduction in the use of thinner at the global level.**

# Sustainable Progress in Ängelholm



**In collaboration with Öresundskraft, a local electric power supplier, SIGI Europe conducted an energy audit at the Ängelholm, Sweden facility.** This audit was aimed at a thorough analysis of energy consumption, focusing on the balance of supply, cost review, and specific operational areas, leading to a strategic action plan for enhancing energy efficiency.

The audit identified three primary areas of electricity consumption: heating and hot water (53% of total usage); lighting (19%); and the dry oven used for painting parts (5%). Based on these findings, the facility has implemented several measures to improve energy efficiency.

#### **Key energy-saving actions include:**

- ▶ **Switch to LED Lighting:** The replacement of fluorescent tubes with LEDs reduced energy consumption from 434,700 kWh to 180,700 kWh, a 58.4% savings.
- ▶ **Dry Oven Timer Installation:** The installation of timers, to automatically shut down the equipment after three hours, cut its energy consumption from 134,000 kWh to 116,100 kWh, a 13.4% savings.

**These initiatives have collectively led to a notable 20% reduction in electrical usage in 2023 compared to 2022.** This achievement not only reflects SIGI Europe's commitment to sustainable practices, it also aligns with the company's broader sustainability objectives of minimizing environmental impact and promoting efficient resource utilization..

Additionally, we have initiated a project to explore the adoption of solar panels. **This venture, while still in progress, is part of a broader approach to incorporate sustainable energy solutions and enhance overall environmental performance.**



# Steel Reduction Initiatives



Scissor lift tables are designed to lift heavy objects and therefore require strong structural composition. Historically, this meant building the lifts with steel and adopting a “more is better” approach. **By reducing the weight of a lift table, however, we can reduce the carbon footprint incurred during production and shipping.**

Steel production involves processes like iron ore mining, coke production, and energy-intensive blast furnace operations, all of which contribute to various environmental issues. The weight of steel used in products also results in more pollutants from the forklifts, trucks, trains, and cargo ships needed to transport these heavy products.

**SIGI's Engineering team in Falmouth, in collaboration with the University of Maine, is sponsoring a senior student capstone project in which designated students will explore opportunities to reduce the weight of certain components within our products**—using alternative sustainable materials—while retaining current functionality and load-bearing parameters.



# Solar Installation

Solar power is a form of renewable energy that harnesses the energy of the sun to generate electricity. Solar farms, also known as solar fields, are large-scale installations of solar panels designed to capture and convert sunlight into electrical power.

In November 2023, we purchased 22 acres of land that surround our primary manufacturing facility in Manila, Arkansas. **On the land we will install a 1.3-megawatt solar installation that will offset all the power used in our facilities and allow for future growth.**

The benefits of the new system include improving our energy security and independence and supplying 100% of the electricity consumed by our factory (1.9 million kilowatts), thereby resulting in net zero consumption.

Other advantages of this solar-powered installation include:

- ▶ **Renewable Energy Source:** Solar power is a renewable and inexhaustible energy source.
- ▶ **Low Environmental Impact:** Solar power has a minimal environmental impact compared to conventional energy sources. It doesn't produce greenhouse gas emissions or air pollutants during operation.
- ▶ **Reduced Dependence on Fossil Fuels:** Using solar power helps decrease reliance on finite fossil fuels, promoting energy independence and security.
- ▶ **Low Operating Costs:** Once installed, solar power systems have relatively low operating and maintenance costs. They have no fuel costs and require minimal ongoing maintenance.

**The new system in Manila is scheduled to be up and running by Q4 2024.**



 **Goal: 10% of energy from renewable sources in 2024, 100% in 2025.**



# Product Compliance



**To bring a product to market, companies like SIGI must undertake a variety of tasks and activities to ensure their products are compliant with a wide range of regulations.**

Compliance encompasses an array of due diligence measures, including reporting on chemicals and restricted substances found in products, product certification requirements and extended producer responsibility tasks.

SIGI has partnered with a third-party provider of a supply chain sustainability management platform that has experience working with complex manufacturing. This provider also employs industry-leading experts in all areas of product compliance regulations. Through this partnership we are focusing on the following:

- ▶ **Conflict Minerals**
- ▶ **EU Reach SVHC:** European Union Registration, Evaluation, Authorization and Restriction of Chemicals—Substances of Very High Concern
- ▶ **EU RoHS Directive:** European Union Restriction of Hazardous Substances in Electrical and Electronic Equipment
- ▶ **CA Prop 65:** California Proposition 65
- ▶ **TSCA Restrictions:** Toxic Substances Control Act Restrictions
- ▶ **TSCA PFAS Identification:** Toxic Substances Control Act pertaining to Polyfluoroalkyl Substances

This partnership allows us to be ahead of the curve on federal and state legislation and laws relating to the chemicals within our supply chain. It also alerts us to parts that contain harmful chemicals and helps us work with our vendors to find replacements for any components that may not be in scope. **We now have the information to not only report to our customers confidently about the safety of our products and the chemicals they contain, but also to look to the future and source responsible substitutes for parts or products that contain harmful materials.**



# ▲ Social





# Employee Education and Training



**Providing training and educational opportunities to employees results in a win-win proposition for our team members and our organization.** Ongoing skill building and professional development leads to higher pay and job satisfaction for the individuals and helps position our company to meet its growth goals now and in the future.

Training and education continue to be essential to the development of our workforce. In 2023, we expanded our virtual training library by partnering with LRNCatalyst. We also expanded employee access to our online training system to make consistent educational content available around the globe and do so in the employee's native language whenever possible.

As part of our wider continuous improvement initiatives, SIGI remains focused on training to support the implementation of new systems and processes. Accordingly, in September 2023 we introduced a single-tenant company intranet powered by SharePoint to facilitate communication across SIGI regions and offer expanded visibility to happenings within our teams around the world.





# Investing in the Next Generation

**At SIGI, we understand that strong internships, local educational programs, and scholarship opportunities can offer a way to bring fresh perspectives, create a pipeline for new hires and provide mentorship opportunities for existing employees.** By establishing well-rounded programs with meaningful work and learning opportunities within our industry, we gain positive contributions from interns and potential future hires while providing them with valuable experience.

## Gene Thompson Engineering Internship Program

Throughout his 56-year career at SIGI (April 1960 – April 2016) Gene Thompson exemplified the consummate “whatever it takes” attitude in his many and varied roles. The Gene Thompson Engineering internship program is designed to prioritize the importance of giving interns a realistic, hands-on engineering experience while embodying the nature of Gene, by promoting continuous process improvement, endless exploration, and the willingness to go above and beyond expectations. In the past five years, six interns who have participated in this program accepted full-time engineering positions with the company.

## Manila High School Engineering CAD Class

Arkansas Plant Engineer, Brodey Schluter, partnered with Manila High School to create an Engineering CAD class for juniors and seniors. This course is designed to introduce students to SolidWorks, engage them in overall engineering process designs, work through the manufacturability of designs, and help them to develop basic problem-solving skills over a year’s time.

## Master’s Student Focuses on Strength Calculations

In the summer of 2023, SIGI Europe employed a master’s student from the Lund Faculty of Engineering to focus on strength calculations for various scissor configurations. The student’s work validated SIGI’s current methods of assessing the material strength of the load-bearing structures.



# Investing in the Next Generation



## **SIGI Establishes Endowed Scholarships**

In October of 2023, SIGI announced the establishment of the Brian E. McNamara Honor Scholarship, aka *The Brian McNamara Fund* as well as the James J. Galante Memorial Scholarship, aka *The Jim Galante Fund*.

The endowed scholarships, which are funded by SIGI and managed through the Material Handling Education Foundation Inc. (MHEFI), were created to recognize and honor significant contributions made by Brian McNamara and the late Jim Galante to MHI and to the material handling industry.

MHEFI is an independent charitable organization whose programs provide grants to students to promote the study of material handling, logistics, and supply chain management. MHEFI is affiliated with MHI, the Material Handling Association.

Brian joined Southworth in 1981 and quickly progressed through the organization. He served as President from 1992 to 2020. With his leadership and vision, Brian positioned the company to grow and prosper over a span of 28 years.

Jim joined Southworth in 1996. He served in a variety of roles, including as the company's Director of Business Development, until his untimely passing in late 2021. Jim gave generously of his time and expertise as an industry thought leader, mentor, and volunteer.

**As a sponsor of both *The Brian McNamara Fund* and *The Jim Galante Fund*, SIGI will contribute \$33,000 each year for three consecutive years until both funds reach \$100,000 in total.** Recipients of the scholarships awarded by MHEFI on behalf of these funds must attend colleges or universities in the United States in targeted programs of study that include emphasis on material handling, logistics, and supply chain management.



# Community Partnerships

## **International Trade Centers and Chambers of Commerce**

SIGI Americas has been a long-standing supporter of the Maine International Trade Center (MITC), and our CEO, James Cabot, serves on their board of directors. MITC is committed to helping Maine companies receive the guidance, education and funding to succeed in global markets by offering one-on-one assistance as well as education and events that help Maine companies build their knowledge relating to international trade.

SIGI Europe is a long-time member of The Chamber of Commerce and Industry of Southern Sweden, Sydsvenska Handelskammaren, which supports member companies in trade and industry issues through lobbying, consulting, networking, training and seminars.

## **Team Rynkeby, SIGI Europe**

The SIGI team in Sweden is a proud sponsor of Team Rynkeby, a charity cycling team that unites individuals and organizations across Europe to combat childhood cancer. Founded in Denmark in 2002, the team has grown to encompass dedicated cyclists from Sweden, Norway, Finland, Germany, and Switzerland. At the heart of Team Rynkeby lies a group of business leaders who have transformed their passion for cycling into a powerful force for good. Their dedication and leadership have inspired countless individuals to join the cause, collectively pedaling towards a future free from childhood cancer.

## **Maine Engineering Promotional Council**

Randy Dickinson, Chief Operating Officer, is a board member of The Maine Engineering Promotional Council. This organization's mission is to increase the visibility of engineering in Maine. Engineering and technology talent are critical to continued improvement of our infrastructure, health, natural resources and economy, and to the growth of our industries.

## **Maine Manufacturing Extension Partnership**

Jon Robertson, Chief Commercial Officer, is a board member of the Maine Manufacturing Extension Partnership. Maine MEP facilitates economic development by providing needed services to the state's manufacturers, helping them become more efficient, productive, profitable and globally competitive.





# Community Partnerships



## Portland Trails

We are a proud supporter of the Portland Trails, a nonprofit urban land trust that transforms greater Portland into a healthier and better-connected community through a 70+ mile trail network that serves over 230,000 residents and 1 million+ visitors each year. We sponsor the Presumpscot River trail which is a 3.8-mile trail located near our corporate headquarters in Falmouth, Maine. In addition, we have an annual volunteer day for clean-up and maintenance of the trail.

## Manila, Arkansas Community Engagement

SIGI is deeply committed to caring for the communities in which we operate, and this is clearly evident in our Manila, Arkansas manufacturing location. SIGI is an important part of this small town, and we are proud to give back to the community that has supported us for many years.

SIGI invests in the future of this community through education and workforce development. We have established a Southworth scholarship at Arkansas State University, in nearby Jonesboro, to help promising students pursue degrees in engineering. This scholarship ensures a pipeline of talented engineers for the future.

During the holiday season, the Arkansas team proudly participates in the Lions Club Toys-for-Tots program. This program collects toys for children in need, and SIGI employees generously donate toys to help bring joy to children during this special time of year.

Beyond its financial contributions, SIGI also lends its expertise and manpower to improving local parks. Our manufacturing engineers have designed archways that add a touch of elegance and charm to these spaces. Additionally, SIGI employees are allowed time to physically construct these archways, demonstrating their unwavering commitment to enhancing the beauty of their community.



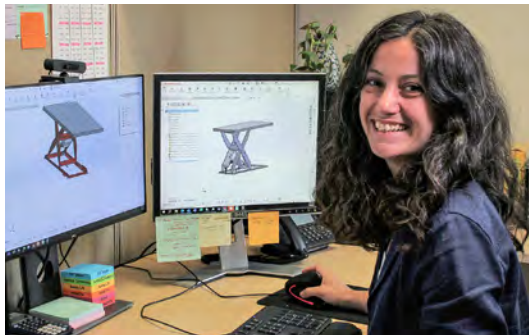
# Diversity Equity and Inclusion

**At SIGI we believe that with diversity comes strength.** We are committed to creating an environment where all employees feel connected and have a sense of belonging. We live our values and strive to build a team with a variety of backgrounds, skills and perspectives. We listen to and learn from our employees and customers, embracing our global nature and seeking to reflect the diversity of our communities and the customers we serve.

**To further our commitment to diversity, we have partnered with a local recruiting agency that helps employers find and hire qualified, local, diverse professionals who have the education and experience to quickly contribute to a company but may not have experience working in the United States.**

FULL TIME EMPLOYEES	MEN	WOMEN	WHITE	BLACK OR AFRICAN AMERICAN	ASIAN	HISPANIC
<b>AMERICAS ▼</b>						
FALMOUTH, ME	71.4%	28.6%	97.8%	1.1%	0.0%	1.1%
FOXBOROUGH, MA	41.7%	58.3%	83.3%	16.7%	0.0%	0.0%
FIELD SALES	60.0%	40.0%	80.0%	20.0%	0.0%	0.0%
MANILA, AR	85.7%	13.8%	91.4%	5.7%	0.0%	2.9%
<b>TOTAL ►</b>	<b>79.6%</b>	<b>20.1%</b>	<b>92.8%</b>	<b>5.0%</b>	<b>0.0%</b>	<b>2.2%</b>
<b>EUROPE</b>	<b>84.5%</b>	<b>15.5%</b>				
<b>ASIA</b>	<b>71.2%</b>	<b>28.8%</b>				

Source: Internal Company Analysis



# Safety



**The safety and well-being of people is our first and highest priority, whether in a factory or office environment.**

This is accomplished by ensuring that all members of our team have access to the tools they need to stay safe. In our manufacturing plants this includes personal protective equipment like gloves, goggles, ear protection and protective footwear where appropriate. In addition, weekly safety meetings, and daily walkthroughs and evaluations, are held within all departments.

Heat management is also an initiative in our welding areas in certain manufacturing facilities, and work hours are adjusted to take advantage of lower early-morning ambient temperatures. Employees are required to attend heat exposure and awareness training, which helps them understand how to minimize overheating and stay hydrated.

Our office and manufacturing facilities have safety committees, made up of employee volunteers, that respond to onsite medical and fire emergencies. These employees are trained in fire safety, first aid and CPR as well as how to use an automated external defibrillator (AED).

**Office employees are also provided annual access to ergonomic consultation to ensure proper and safe ergonomic posture and comfort while at work.**

***Days without lost-time accidents are at an all-time record of 1,562 days in our Americas facilities.***



SIGI MANUFACTURING REGION	CASES RESULTING IN LOSS OF WORK DAYS	CASES WITH JOB TRANSFER OR RESTRICTION	RECORDABLE CASES
<b>AMERICAS</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>EUROPE</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>ASIA</b>	<b>6</b>	<b>0</b>	<b>5</b>
<b>GLOBAL TOTAL</b>	<b>8</b>	<b>0</b>	<b>10</b>

Source: Internal Company Analysis



# ▲ Governance, Leadership and Ethics





# Our Independent Board of Directors



**As a family-owned business with a long history of positive and transformative impact, SIGI has always prided itself on strong corporate governance and policy standards.**

Corporate governance assures our business's health—through regular meetings, strategic planning, risk assessments, and audits. It involves collaborating through key committees, promoting transparency and accountability, and fostering stakeholder trust.

SIGI's board of directors is essential to effective corporate governance. Our board provides experience, insight, wisdom, and valuable networks, which positively benefit all of our stakeholders: customers, employees, shareholders, and leadership team.

**Committed to our strategic growth and embodying excellence, our board of directors combines decades of experience, unique skills, and a shared devotion to our mission, continually advancing SIGI's industry leadership.**



The Board of Directors is comprised of:

- ▶ **Tim Cabot**—Chairman, Shareholder and Director
- ▶ **James Cabot**—CEO, Shareholder and Director
- ▶ **Karen Coombs**—Director
- ▶ **Linda Mayer**—Chair of Talent Strategies Oversight Committee and Director
- ▶ **James McHugh**—Chair of Governance Committee and Director
- ▶ **John Nofsinger**—Director
- ▶ **David Riggert**—Chair of Audit and Risk Committee and Director
- ▶ **Mirka Wilderer**—Director





# Global Ethics and Compliance

Our company has many assets, both physical and intangible. Of these, the most important are our core values and our reputation, which guide and reflect the way we do business. **At SIGI, we conduct business with the highest ethical standards and in strict compliance with applicable laws and regulations. This has been our way for more than 130 years.**

## Code of Conduct

*Our Code of Conduct* outlines the key policies and guidelines that define and reinforce our commitment to doing business the right way. It contains information pertaining to anti-bribery and corruption policies, data privacy and our commitment to a fair and safe workplace. It is a critical document, and all employees are expected to understand it and ensure that they are conducting all business on behalf of SIGI with honesty and integrity. Employees are also expected to raise concerns if they see any improper activity within the workplace.

## Ethics Hotline

SIGI employees are always encouraged to speak directly with their supervisors when they identify issues of concerns; however, we understand that there may be instances where employees are not comfortable doing so, and we want to ensure that everyone has a safe space where their voice can be heard. As a result, SIGI's Ethics Hotline is available 24-7, and is run by a third-party company to ensure the anonymity of any employee who chooses to make a report.

## Forced Labor Compliance

SIGI understands that no country or business is insulated from the presence of forced labor and modern slavery and that we are obligated to ensure that workers within our supply chain are not victims of these abuses. In 2024 SIGI is partnering with a supply chain sustainability management solution to examine our global supply chain to ensure that the companies providing components for our machines are doing their due diligence and that SIGI's supply chain is completely free of forced labor.



# Supplier Onboarding



**SIGI understands that supply chains can expose our business to risks relating to environmental damage, human rights violations, and the interruption of the flow of materials; to name a few.** These risks can potentially damage the financial viability, reputation, and operation of our business.

To help combat these concerns, we are implementing a new supplier onboarding process in the first quarter of 2024. This process will educate our vendors and supply them with:

- ▶ **SIGI's Supplier Code of Conduct**
- ▶ **International Shipping Instructions**
- ▶ **An Overview of EU and US Sanctions**
- ▶ **SIGI's Forced Labor Policy**
- ▶ **Product Specification Sheets**
- ▶ **COO and Product Compliance Agreements**
- ▶ **Incoterms Agreement**

SIGI believes that an improved supplier onboarding process will help ensure that our business partners understand our organization and expectations relating to the regulatory and ethical management of our business—and theirs. **As a global organization, it will also help us to better respond to emerging regulations and legal obligations that arise within the regulatory bodies that govern the movement of our goods around the globe and within individual counties in which we do business.**





# Information Security and Protection

**SIGI is dedicated to the security and integrity of the data we manage.** We have procedures, policies, and controls in place to protect against anticipated threats to customer information and business operations. Our cyber security policies are designed to provide for the confidentiality, integrity, and availability of information used within our business practices and operations.

Our cyber security framework is guided by the core tenants of our information security program, which incorporates the following key features:

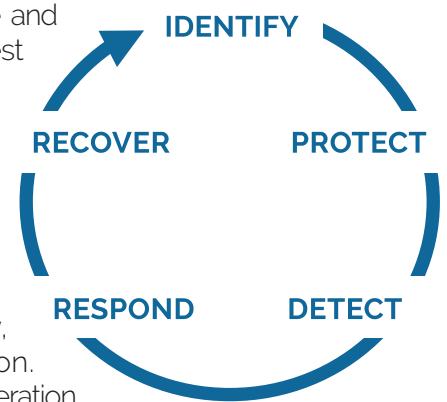
**Governance and Oversight:** SIGI's Board of Directors has oversight responsibility of our data security and privacy through its Audit and Risk Committee. This committee oversees the executive accountability of corporate information technology and information systems (IT/IS) risks, controls, and procedures of information security and regulatory cyber security.

**Training and Awareness:** All SIGI team members are required to complete monthly information security awareness and compliance training to ensure understanding of the most common security threats and how to detect them. We also conduct simulated phishing exercises weekly and monthly. These simulations help to confirm training comprehension and allow us to actively update training programs with the most relevant information.

**Third-Party Management:** Third-party risk assessments are conducted in coordination with our IT/IS departments. Vendors who have access to our network, systems, and data are further vetted and required to comply with a stringent third-party agreement. To be granted access rights to our systems, vendors must undergo an annual risk assessment and are subject to our rigorous internal controls. In addition, all access points are immediately disabled upon completion of work with a third party.

**Culture of Security:** This refers to a shared set of values, attitudes, and assumptions that are inherent in the daily operations of our business—creating a security-conscious workforce that complements technology-based defenses to safeguard data for all stake holders.

**Security Architecture:** SIGI hosts its systems and data inhouse and within hybrid cloud-based platforms that leverage the highest physical and virtual data security infrastructure. We utilize cyber security controls informed by industry best practices, including those set forth by the National Institute for Technology (NIST) framework(s) where applicable. All solutions utilized in the cloud are hosted in Tier 2 and 3 data centers that comply with SOC 1 and SOC 2 Type 2 standards. They are audited annually to ensure they remain in compliance with pre-defined control criteria relating to security, availability, processing integrity, confidentiality, and privacy of a system and its information. Functional processes and back-end databases use next-generation firewalls. Security controls are in place to limit access to production systems to authorized users only. Multifactor authentication (MFA) is enabled for all logins where applicable.



# Where We are Headed



**At SIGI, we understand that environmental, social and governance considerations are critical to the success of our organization and the communities in which we do business.** It is our intent that this annual report establishes and communicates the work we will do in the months and years ahead while holding us accountable for the goals we have set in the past.

To better understand our current Scope 1, 2 and 3 emissions, SIGI has enrolled in the Supplier Leadership on Climate Transition (Supplier LOCT), an online climate school managed by global consultancy Guidehouse. Through this program five SIGI employees are participating in a series of workshops on greenhouse gas tracking, science-based target setting, abatement and disclosure. This work will provide us with the skills and knowledge needed to create a framework for sustainability that utilizes industry best practices as well as guide us in how our information is structured, prepared and shared.

In the meantime, SIGI is continuing its work to reduce our carbon footprint by transitioning to solar energy, working to reduce the amount of steel in our products, reducing the level of VOCs our paints and solvents release into the environment, as well as tracking, reporting and eradicating (whenever possible) the harmful chemicals in our products.

As a company, SIGI continues to expand upon its work in education, training, safety and volunteering, which speaks to our dedication to improving the communities in which we do business and the lives of our employees. **And finally, our independent board of directors continues to help us focus on global ethics, compliance and information security to ensure that we are steadily working toward our goals.**



## **SIGI Headquarters**

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# ▲ Safety Is Not An Accident



**SIGI**<sup>™</sup>

SOUTHWORTH INTERNATIONAL GROUP, INC.

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