

SIGITM

ANNUAL
**Sustainability
Report
2025**



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



SOUTHWORTH

Presto LISTED **ECO**A

HYMO

SIGITM

GRUSE
HUB & FÖRDERSYSTEME

MARCO

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Introduction



Letter from our CEO and Chairman of our Board



At Southworth International Group, Inc. (SIGI), we believe deeply in the positive and transformative impact that private enterprise can have in our society when decisions are made with a broad range of stakeholders in mind. This has been a constant over our 135-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 provide an update on our goals and our progress in this annual Sustainability Report detailing our many initiatives to run a business that benefits all stakeholders: customers, employees, vendors, shareholders, and communities.

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, those who came before us were engaged in creating long-term businesses with broader societal purpose. In 2025, we welcomed Gruse Maschinenbau GmbH & Co. into our organization. Gruse brings its own 150-year history of positive stakeholder impact into our group.

In recent years, we have become focused on a formal sustainability approach. As a family-owned business, we have long prided ourselves on strong corporate governance and policy standards. We are now adding 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. Over the past two years, we have engaged 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 challenging questions facing business leaders. 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 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 since the human species has. Our ancestors selected and invented tools to accomplish necessary tasks 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. The study of ergonomics was developed 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. Poor ergonomic practices, repetitive stress injuries, and musculoskeletal disorders 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, our team strives to mitigate these negative outcomes by designing ever more effective material handling equipment and solutions.

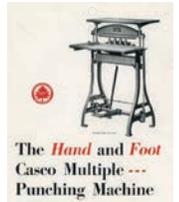
Our purpose is to harness our own creativity to positively impact people. We imagine, design and manufacture solutions that make the most physically demanding material handling work faster, safer, and easier for the hard-working men and women who perform these jobs. In doing so, we improve productivity, 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 135 years include:

- ▶ **The Southworth (Printing) Press was born in 1890.**
- ▶ 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.
- ▶ **In June 2025, SIGI acquired Gruse Maschinenbau in Aerzen, Germany.** The acquisition supports SIGI's strategy to strengthen our portfolio of material handling solutions in German-speaking Europe, and it reinforces our overall position as a European leader through increased engineering and technical capabilities and expanded production capacity.





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.

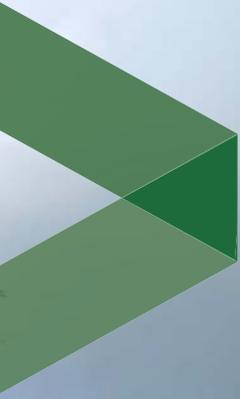
■ Commercial Orientation

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 straight-forward 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



SIGI's Commitment to Environmental Compliance



SIGI is deeply committed to aligning its operations and products with global environmental regulations, embedding sustainability and compliance into the core of our business strategy. This commitment is operationalized through a robust product compliance framework that includes rigorous due diligence on chemical substances, certification requirements, extended producer responsibility, and ethical sourcing practices. **Key environmental regulations by region include:**

America—Rules and Responsibilities

- ▶ **Climate Disclosure Rules:** The SEC has proposed climate-related disclosure requirements for publicly traded companies. Implementation has been suspended in connection with pending legal challenges. State-level mandates are also emerging.
- ▶ **Extended Producer Responsibility (EPR):** This environmental policy makes manufacturers responsible for the management of their products and packaging after they are sold. We are seeing growing adoption of EPR regulations for packaging and hazardous substances across states.

Europe—Comprehensive ESG Frameworks

- ▶ **European Union Omnibus Package:** This package streamlines sustainability reporting requirements while maintaining ambitious climate goals.
- ▶ **Ecodesign for Sustainable Products Regulation (EPSR):** EPSR focuses on product circularity, recyclability, and durability.
- ▶ **Digital Product Passport (DDP):** DDP introduces traceability for materials and components to support circular economy objectives.

Asia—Disclosure and Climate Legislation

- ▶ **China:** The China Securities Regulatory Commission (CSRC) mandates ESG disclosures for listed companies, emissions, energy use, and governance.
- ▶ **Asia:** This legislation includes the implementation of climate-related financial disclosure standards in Japan (through the SSJB: Sustainability Standards Board of Japan) and mandatory reporting frameworks in Singapore, India, and Hong Kong.
- ▶ **Regional Focus:** Regulations across the region emphasize emissions reduction, energy efficiency, and sustainable finance taxonomies.

Key Global Themes

- ▶ **Shift from Voluntary to Mandatory:** Regulations are moving from voluntary frameworks to enforceable standards worldwide.
- ▶ **Fragmentation and Complexity:** Regulatory environments differ significantly across the globe, requiring SIGI to institute robust compliance strategies and governance systems.
- ▶ **Integration with Corporate Strategy:** SIGI understands that we must embed regulatory compliance into sustainability planning to mitigate risks and leverage opportunities for innovation and efficiency.



Reducing VOC Emissions Across Regions

SIGI remains committed to advancing initiatives that safeguard our environment and planet. A key part of this commitment is reducing our emissions of volatile organic compounds (VOCs). Below are several VOC reduction efforts that we are currently exploring or implementing across our regions.

■ SIGI Americas

In Manila, Arkansas, we have implemented a urethane system—specifically, the NCT-135 Low VOC Gun and Line Flush—to significantly lower reportable VOC emissions. This system reports VOCs at 2.39 pounds per gallon, compared to 7.25 pounds per gallon for the previously-used 100 Solvent. The transition is projected to reduce annual VOC emissions by 7,181 pounds and achieve an average combined paint/solvent VOC reduction of 0.89 pounds.

■ SIGI Europe

In Ängelholm, Sweden, we have launched a project to improve steel cleaning processes by adopting laser technology in place of hot water and paint thinner. This initiative has resulted in an annual reduction of 1,500 liters of diesel previously used for water heating, and a 67% decrease in thinner consumption for pre-paint cleaning. While the primary impact is on energy and solvent use, the reduction in thinner directly contributes to lower VOC emissions.

■ SIGI Asia

Across our Asian operations, we have focused on emission reduction by increasing the frequency of filter maintenance and partnering with qualified suppliers for filter management. In 2024, these efforts led to a 70% reduction in filter-related VOC emissions.

SIGI continues to evaluate and implement best practices for VOC reduction, striving not only to meet but seeking to exceed relevant regulatory standards. These initiatives reflect our broader commitment to environmental stewardship and continuous improvement.



Source: Internal Company Reporting

Resource Reduction Initiatives



Steel Reduction

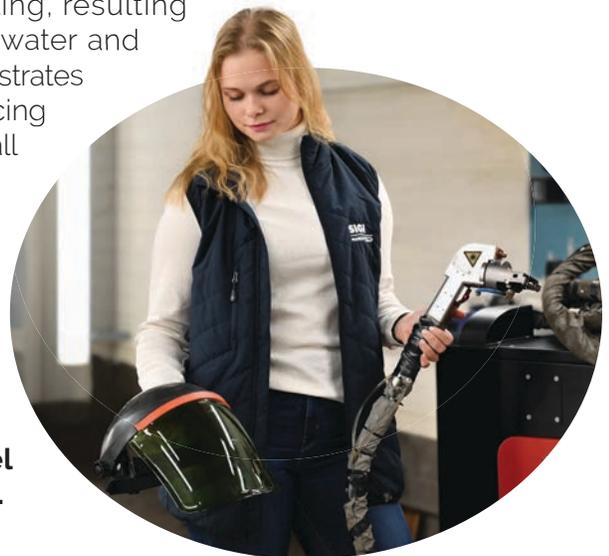
The reduction of carbon emissions is a key objective for modern industries. In alignment with this goal, **SIGI has initiated efforts to minimize the environmental impact of its products while increasing the strength-to-weight ratios for its most popular scissor lift models.** This work is taking place in collaboration with an engineering team at the University of Maine.

Building upon the progress of the previous capstone team, the current project team has developed and evaluated four alternative leg designs. These designs were assessed through load simulations and analyses conducted in SolidWorks. The next phase of the project will involve refining the design based on test data, improving structural performance, and advancing the understanding of the scissor lift's complete life cycle.

Water Reduction

A dedicated team at SIGI's facility in Ängelholm, Sweden, has introduced an innovative method for preparing lift tables prior to painting, resulting in reduced lead times and decreased consumption of both water and diesel. The implementation of laser washing technology demonstrates our collective commitment to enhancing product quality, reducing environmental impact, and improving workplace conditions for all team members.

Previously, the cleaning of lift tables involved a labor-intensive and inconsistent manual process that included both washing and drying stages. This method yielded variable outcomes. The adoption of handheld laser washing has enabled operators to prepare lift tables for painting in a significantly safer and more controlled manner. **So far, the change to laser washing has resulted in an annual reduction of 1,500 liters in diesel usage and a 67% reduction in chemical cleaning agent usage.**



This results in:

- ▶ **Positive environmental impact:** Conserves water, saves energy, reduces pollution, and makes communities more sustainable.
- ▶ **Standardization:** Reduces lead-times, makes production safer and more reliable, and ensures more consistent product quality.

Harnessing the Sun's Clean, Renewable Power

Discussions about installing a solar field on the land adjacent to SIGI's Manila, Arkansas facilities began in 2023. At that time, we selected Delta Solar as our installation partner, and after much planning and preparation the actual install began in July 2024.

The System

The 1.3-megawatt system is designed to generate enough power to offset all of SIGI's electrical usage in Arkansas. The system consists of approximately six acres of solar panels, installed on land behind Building 77. Through a program called "net metering", the power is fed onto the electrical grid, and SIGI receives credit to offset actual electricity usage in any of our Arkansas facilities.

Our intention is to generate power equal to, or greater than, our usage.

The Install

Although the installation was completed in August 2024—including the framework that holds the solar panels in place, the panels themselves and corresponding wiring—the connection to the power grid was a longer-term process. In our case, the nearby substations required upgrades to accept the power we would be generating.

Power On

The solar field began generating electricity in August 2025. Though the array was only one-third operational, the first few weeks resulted in a savings equivalent to 11.5 tons of coal, and reduced carbon output by 28.7 tons—the equivalent of planting over 5,000 trees. In the months since then, the new system has saved the equivalent of 91 tons of coal and reduced carbon emissions by 226 tons. **This is the equivalent of planting 45,000 trees!**

The Future

The solar installation is scalable. So, as we grow and as electrical usage increases, we will be able to add to it. The system can also be modified to add batteries for power storage. This may allow us to keep Building 77 powered during outages and could also assist greatly with smoothing the usage curve. Avoiding peak usage times could result in additional benefits for SIGI, our customers, and the surrounding community.



SIGI's Focus on Product Compliance



Bringing a product to market at SIGI is never just about design and manufacturing, it's also about responsibility. Every product we deliver must meet complex international, federal, and state regulations; and that requires diligence at every step. Product compliance is the foundation of this effort. It means reporting on chemicals and restricted substances, meeting certification requirements, and fulfilling extended producer responsibility obligations.

To ensure that we are staying on top of the latest regulatory requirements, SIGI partners with a leading supply chain sustainability management platform staffed by experts in global compliance. This collaboration allows us to navigate regulations with precision and confidence. Through this partnership, we address critical areas** such as conflict minerals, EU REACH SVHC, EU RoHS, California Proposition 65, and TSCA restrictions—including PFAS identification. To SIGI, these aren't just checkboxes; they demonstrate our commitment to safety, transparency, and ethical sourcing.

In 2024, we expanded our compliance scope to include country of origin and forced labor requirements. This means we can now provide documentation for "Buy America" and "Buy American Act" compliance, verify adherence to Russian steel sanctions, and supply USMCA and long-term certifications when needed. These measures give our customers confidence that SIGI products meet the highest standards in quality and integrity.

These initiatives do more than keep us ahead of evolving legislation, they help us identify harmful chemicals before they become a risk. When we find components out of scope, we work directly with vendors to source safer alternatives. It is proactive, not reactive, and it reflects our belief that compliance is not a burden but a responsibility we embrace.

At SIGI, product compliance is how we earn trust—every day, with every product.

**EU Reach SVHC: European Union Registration, Evaluation Authorization and Restriction of Chemicals—Substances of Very High Concentration; EU RoHS: European Union Restriction of Hazardous Substances in Electrical and Electronic Equipment; TSCA: Toxic Substances Control Act

2025		
	Supplier Response Rate	Parts Response Rate
Prop 65	45%	71%
EU REACH SVHC	41%	66%
EU RoHS Directive	56%	72%
PFAS Identification	54%	74%
TSCA Restrictions	26%	70%
Conflict Materials	32%	



Greenhouse Gas Emissions Management



Defining Scope 1, 2, and 3 Emissions

To effectively measure and manage climate impact, greenhouse gas (GHG) emissions are classified into three scopes:

- ▶ **Scope 1:** Direct emissions from sources owned or controlled by SIGI, such as fuel combustion in company vehicles and onsite equipment.
- ▶ **Scope 2:** Indirect emissions associated with the generation of purchased energy consumed by SIGI, including electricity and heating.
- ▶ **Scope 3:** All other indirect emissions occurring across the value chain, encompassing upstream activities (e.g., supplier operations) and downstream activities (e.g., product use and distribution).

For consistency and comparability, emissions are reported in **CO₂e (carbon dioxide equivalent)**, which aggregates all major greenhouse gases into a single metric.

Importance of GHG Emissions Reduction

Reducing GHG emissions is fundamental to meeting global sustainability objectives. It also supports compliance with regulatory frameworks, enhances operational efficiency, and strengthens stakeholder confidence in SIGI's commitment to environmental stewardship.

SIGI's Performance and Progress

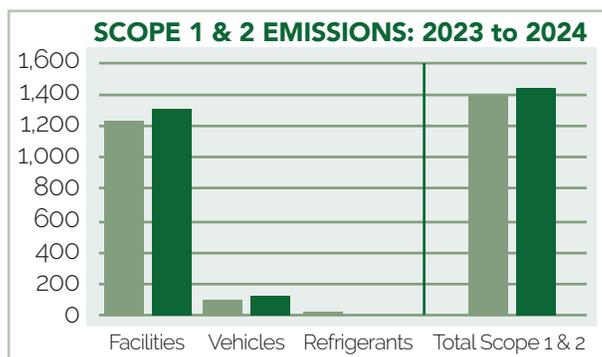
SIGI remains committed to tracking and reducing emissions across all scopes. In 2024:

- ▶ **Scope 1 and Scope 2:** Emissions increased slightly, primarily due to the leasing of a new facility in Caraway, Arkansas.
- ▶ **Scope 3:** Emissions decreased overall, driven by improved data quality in transportation and distribution calculations. This advancement reflects progress in reporting accuracy; however, year-over-year comparisons of absolute emissions should be interpreted with caution as methodologies evolve.

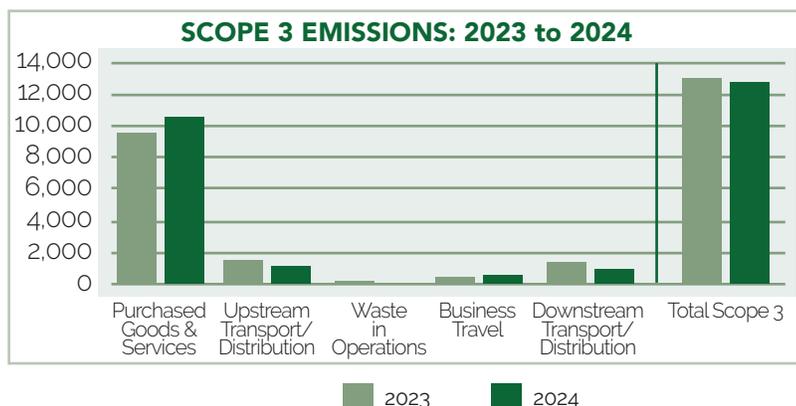
Looking Ahead

SIGI will continue to strengthen its emissions management strategy by:

- ▶ Enhancing data collection and verification processes.
- ▶ Collaborating with suppliers to reduce upstream emissions.
- ▶ Implementing operational efficiencies to minimize direct and indirect impacts.



Source: Internal Company Reporting



2023 2024

Driving Sustainability through Innovation



SIGI understands that reducing energy and water consumption is critical to mitigating climate change and preserving natural resources worldwide. By transitioning to renewable energy and adopting technologies that minimize resource use, SIGI is aligning operations with global sustainability principles—lowering emissions, conserving water, and reducing dependency on fossil fuels.

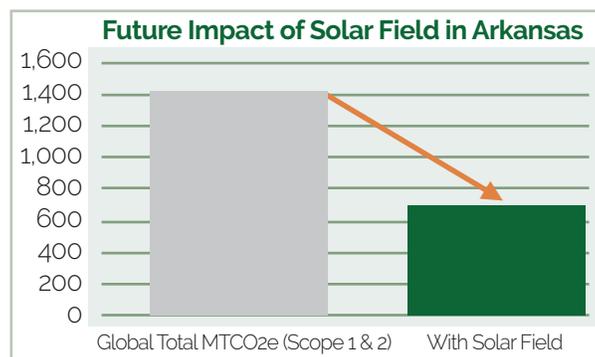
Energy usage increased by roughly 5% in 2024, but **with the solar field powering on in 2025, we will see a significant drop in Scope 1 & 2 emissions moving forward.** CO₂e emissions from electricity usage in Arkansas facilities currently make up 50% of SIGI's global Scope 1 & 2 emissions, and we expect these emissions will be offset by the power generated by our solar field.

MANUFACTURING REGION	2023 ENERGY USAGE (KILOWATT-HOURS)	2024 ENERGY USAGE (KILOWATT-HOURS)
AMERICAS	2,194,662	2,223,560
EUROPE	1,060,000	1,109,837
ASIA	353,106	457,189
Global Total	3,607,768	3,790,586

We achieved a 21% reduction in water usage in Europe thanks to the adoption of laser cleaning technology for steel. This replaced the earlier method which required large amounts of hot water and paint thinner. In addition to reducing our water usage, implementation of this technology reduced our diesel fuel consumption (used to heat the water) and therefore our Scope 1 & 2 emissions.

MANUFACTURING REGION	2023 WATER USAGE (CUBIC METERS)	2024 WATER USAGE (CUBIC METERS)
AMERICAS	5,749	5,992
EUROPE	1,501	1,180
ASIA	1,018	993
Global Total	8,268	8,165

Abatement of Emissions Stemming from Resource Usage



Source: Internal Company Reporting

▲ Social



Investing in the Next Generation



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 experience while embodying the nature of Gene, by promoting continuous process improvement, endless exploration, and the willingness to go above and beyond expectations. **Since the program's inception in 2018, eight interns have accepted full-time engineering positions with our company.**

SIGI Endowed Scholarships

SIGI is pleased to announce the 2025 winners of three endowed scholarships, which are funded by our organization and managed through the Material Handling Education Foundation (MHEFI). The scholarships were created to support students seeking pathways to educational programs in material handling and supply chain industries—and to recognize and honor the significant contributions of two past SIGI leaders, James Galante and Brian McNamara.

- ▶ **2025 James Galante Memorial Scholarship Winner: Jacob James**
Jake is an Industrial Engineering student at Purdue University. After graduation, he plans to pursue work that focuses on optimizing systems, improving efficiency, and creating meaningful impact in both industry and communities.
- ▶ **2025 Brian McNamara Honor Scholarship Winner: Elanor Mehen**
Elanor is an honor student in Industrial Engineering and Management at Oklahoma State University. She plans to use her understanding of how engineering, safety, and communication intersect to keep operations running smoothly, and apply it to real-world scenarios.
- ▶ **2025 Southworth International Group Honor Scholarship Winner: Davis Gillen**
Davis is an Industrial Distribution student at Texas A&M University. After graduation, he hopes to pursue a role in transportation planning, distribution logistics, supply chain analytics, or procurement.



Supporting our Communities

Across our regions, SIGI is committed to supporting organizations that strengthen our local communities—whether by improving access to resources, enhancing public services, supporting families in need, or contributing to health and wellness initiatives. Our team members participate in fundraising efforts and community programs that directly benefit individuals and groups close to where we live and work.

Employees also volunteer their time and expertise across a wide range of community organizations. These include local fire departments, industry associations, youth development and mentoring programs, drug and rehabilitation support services, and community kitchens that provide meals to those in need.

We serve on boards and advisory committees dedicated to manufacturing competitiveness, public libraries, engineering education, natural resource conservation, energy efficiency, and watershed protection. And we participate in civic clubs, advocacy groups, and professional development initiatives.

Together, these efforts reflect our commitment to strengthening the communities where we live and work—through service, mentorship, environmental stewardship, and support for programs that improve quality of life and expand opportunities for others.



Celebrating a New Look and 135 Years of Southworth



In 2025, SIGI's Falmouth, ME campus underwent a comprehensive renovation, with impressive results!

In our shared office spaces, we moved away from high cubicle walls with dim corners, and embraced a brighter, more open layout with lower cubicles that let natural light flow through the work areas. The change has not only improved the vibe of the space; it has also sparked more team engagement and collaboration.

A standout feature of the renovation is our new, centralized Commons area. It has quickly become a favorite gathering spot for coffee chats, casual meetings, and town halls. Whether catching up with a colleague or taking a break from the workday, it's a space that brings people together.

The refreshed design reflects more than just a modern aesthetic, it shows our commitment to connection, transparency, and wellbeing.

And while the outdoor picnic tables have been part of the Falmouth campus for years, they continue to offer the opportunity to enjoy fresh air and nature during breaks, lunch, and informal meetings.

The renovation also coincided with SIGI's 135th anniversary—a milestone that celebrates the dedication, innovation, and teamwork that defines us. Teams in Falmouth, ME and Manila, AR held their own local celebrations, creating special opportunities for each location to honor our shared legacy.



Fostering Strength through Diversity, Equity & Inclusion



At SIGI we believe that diversity fosters 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 representing 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, SIGI Americas partners with a recruiting agency that helps employers find and hire qualified and diverse professionals who have the education and experience to quickly contribute to a company but may not have experience working in the United States. Our internal recruiting team is also focused on providing diverse candidate panels for open positions.

FULL TIME EMPLOYEES	MEN	WOMEN	WHITE	BLACK	ASIAN	HISPANIC	NOT SPECIFIED
AMERICAS	71%	29%	89%	3%	2%	3%	3%
Executive	79%	21%	93%	0%	7%	0%	0%
Mid-Management	87%	13%	91%	0%	0%	0%	9%
Sales & Marketing	70%	30%	80%	5%	0%	15%	0%
Operations	87%	13%	80%	5%	0%	4%	11%
Technical	65%	35%	94%	4%	2%	0%	0%
Admin/Support	37%	63%	95%	5%	0%	0%	0%
EUROPE	83%	17%					
ASIA	72%	28%					

Source: Internal Company Reporting

Safety Initiatives Across SIGI Regions



Safety Commitment—Global Approach in 2025

Safety is fundamental to our operations and culture. Our work focuses on preventing risks, managing cases effectively, and learning from every experience. This commitment is supported by collaboration, audits, reporting, and transparent information exchange.

Global Principles

- ▶ Proactive identification and mitigation of potential hazards.
- ▶ Structured handling and closure of safety cases.
- ▶ Continuous improvement through audits, reporting, and shared learning.

In SIGI Americas

- ▶ Daily safety meetings, led by weld leads, and regularly-scheduled "seven-minute safety talks" reinforce awareness.
- ▶ Weekly department-level safety meetings, hosted by the safety manager, ensure compliance and engagement.

In SIGI Asia

- ▶ Teams focus on implementing a dual-prevention mechanism to identify risks and uncover hidden hazards.
- ▶ Teams practice strict adherence to production safety standardization, including eight primary and 28 secondary elements.

In SIGI Europe

- ▶ All departments conduct internal safety audits, with quarterly follow-ups and reporting.
- ▶ Annual management reviews summarize quality, health, and safety performance.
- ▶ Accidents, incidents, and risks are logged in our internal system for follow-up, triggering notifications to responsible leaders and HR for timely action.



SIGI MANUFACTURING REGION	CASES RESULTING IN LOSS OF WORK DAYS	CASES WITH JOB TRANSFER OR RESTRICTION	RECORDABLE CASES
AMERICAS	2	2	8
EUROPE	0	0	2
ASIA	2	0	2
GLOBAL TOTAL	4	2	12

Source: Internal Company Reporting

▲ Governance, Leadership and Ethics



Our Independent Board of Directors



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

Corporate governance assures our business's health—through regular board meetings, structured committees, strategic planning, risk assessments, and audits. It involves collaborating through key committee members, promoting transparency and accountability, and fostering stakeholder trust. This structural bedrock drives overall success, enhancing organizational stability, efficiency, and long-term sustainability.

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, vendors, shareholders and our leadership team.

Our Board of Directors combines decades of experience, diverse and complementary 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, Director and Chair of Governance Committee
- ▶ **James Cabot**—CEO, Shareholder and Director
- ▶ **Karen Coombs**—Director, Chair of Industry and Innovation Committee
- ▶ **Linda Mayer**—Director, Chair of Talent Strategy Oversight Committee
- ▶ **James McHugh**—Completed service in July of 2025
- ▶ **John Nofsinger**—Director
- ▶ **David Riggert**—Director, Chair of Audit and Risk Committee
- ▶ **Larry Strayhorn**—Director
- ▶ **Mirka Wilderer**—Director



Global Ethics and Compliance

At SIGI, our reputation and core values are the foundation of everything we do. They guide decisions, shape relationships, and define how we operate. **For more than 135 years, we have been committed to doing business the right way: with integrity, transparency, and full compliance with applicable laws and regulations.** This commitment is central to our sustainability strategy and to earning the trust of our customers, partners, and employees.

Our Code of Conduct

The SIGI code of conduct is the cornerstone of our ethics and compliance program. It sets clear expectations for every employee and outlines the principles that define responsible business practices. The code covers critical areas such as:

- ▶ **Anti-bribery and corruption policies** to ensure fair dealings across all markets.
- ▶ **Data privacy and protection** to safeguard personal and business information.
- ▶ **Commitment to a fair and safe workplace**, promoting respect, inclusion, and well-being.

Every employee is expected to understand and follow the code of conduct, acting with honesty and integrity in all business activities. We also emphasize the importance of speaking up—employees are encouraged to raise concerns if they observe any improper conduct. This culture of accountability helps us maintain transparency and uphold our values.

Ethics Hotline

To reinforce our commitment to openness and trust, SIGI provides a confidential ethics hotline. Operated by an independent third-party provider, the hotline offers anonymity for anyone who chooses to report a concern. While we encourage direct dialogue with supervisors, we recognize that some situations require alternative channels. The hotline offers a safe space for employees to voice concerns without fear of retaliation.

Governance and Oversight

Ethics and compliance are embedded in our governance framework. Our independent Board of Directors provides oversight, and our leadership team ensures alignment with global standards. Ongoing training and awareness initiatives keep employees informed about evolving regulations and best practices. These efforts strengthen our ability to anticipate risks and maintain compliance across diverse markets.

Continuous Improvement

Compliance is not static. Each year, we review and update policies to reflect changes in laws, industry standards, and stakeholder expectations. We integrate compliance into broader sustainability goals, reinforcing that strong governance is essential to long-term success.



Zero Tolerance for Forced Labor



SIGI maintains clear policies and practices to ensure that human rights are protected throughout our operations. We impose a zero-tolerance policy for forced labor—no exceptions, no compromises. This commitment extends across our operations and supply chain, and it is embedded in our standards, contracts, and daily business practices. Our approach is straightforward: we set clear expectations, enforce them rigorously, and hold ourselves and our partners accountable.

Organization Structure, Operations, Activities, and Supply Chains

SIGI is a global manufacturer and distributor with operations spanning multiple regions and sectors. Our activities include product design, sourcing, manufacturing, and sales. Our supply chain is diverse, involving direct suppliers, subcontractors, and third-party service providers.

Policies on Modern Slavery, Forced Labor, and Child labor

SIGI maintains clear, comprehensive policies prohibiting all forms of modern slavery, forced labor, and child labor. These policies are embedded in our employee code of conduct and supplier code of conduct, which set expectations for ethical behavior, fair treatment, and compliance with all applicable laws. Our standards require that all work is voluntary, recruitment fees are not charged to workers, and child labor is strictly forbidden.

Risk Management Processes

We conduct ongoing risk assessments to identify and address potential risks of modern slavery, forced labor, and child labor in our supply chains. This includes supply chain mapping, country-of-origin risk analysis, and regular reviews of supplier practices. High-risk suppliers are subject to enhanced scrutiny and additional controls.

Due Diligence and Remediation

SIGI applies robust due diligence processes, including enhanced supplier screening through platforms like Assent, mandatory supplier code of conduct confirmation, and regular audits. If any instance of modern slavery, forced labor, or child labor is identified, we implement a documented remediation protocol—engaging with suppliers, providing remedy to affected workers, and terminating relationships if necessary.

Employee Training

All relevant employees receive annual training on modern slavery, forced labor, and child labor risks. Training covers legal requirements, SIGI's policies, warning signs, and reporting procedures, ensuring staff members are equipped to identify and respond to potential issues.

Assessing Effectiveness

We monitor and evaluate the effectiveness of our actions through regular audits, supplier performance reviews, and tracking of remediation outcomes. Metrics such as audit completion rates, incident reports, and training participation are reviewed by senior management to drive continuous improvement.



Our Supplier Onboarding Process

At SIGI, we know supply chains can introduce risks including environmental damage, human rights violations, and disruptions that impact delivery and reputation. That's why our onboarding process isn't just paperwork; it is a structured, compliance-driven approach designed to set clear expectations with our suppliers from day one.

Here's what it looks like in practice:

Initial Engagement and Due Diligence

- ▶ We start with a thorough review of the supplier's business practices, including an **onsite visit and inspection** of facilities and working conditions.
- ▶ Suppliers complete a **new vendor setup form**, which feeds into our ERP system for financial and operational readiness.

Compliance Documentation

- ▶ Every supplier must sign off on **SIGI's supplier code of conduct**.
- ▶ The **forced labor policy** acknowledgment is mandatory.
- ▶ Suppliers agree to **product compliance requirements** and confirm **prohibition on Russian steel**.

Regulatory and Trade Requirements

- ▶ International vendors receive **shipping instructions** detailing U.S. customs requirements.
- ▶ We provide an **overview of EU and U.S. sanctions** and require suppliers to disclose chemical composition data for goods.

Commercial Agreements

- ▶ Execution of **master frame agreement** and/or **non-disclosure agreement**, when appropriate.
- ▶ Commodity-specific **product specification sheets** are shared and confirmed.

Operational Setup

- ▶ Suppliers receive clear invoicing guidelines for prompt payment.
- ▶ Shipping instructions are provided to ensure seamless delivery and compliance with international commercial terms.

Our process is dynamic. We continuously refine it to stay ahead of new regulations, trade compliance standards, and sustainability. This adaptability ensures that every supplier we onboard is aligned with our core commitments: ethical practices, regulatory compliance, and sustainability from day one.



Information Security and Protection



SIGI is committed to safeguarding the security and integrity of the data entrusted to us.

We maintain comprehensive procedures, policies, and controls to mitigate anticipated threats to stakeholder information and business operations. Our cybersecurity policies are structured to ensure the confidentiality, integrity, and availability of information integral to our business practices and operations.

Our cybersecurity framework is anchored in the foundational principles of our information security program, encompassing the following key elements:

Governance and Oversight: SIGI's leadership exercises oversight of data security and privacy through its Audit and Risk Committee. This committee ensures executive accountability for information system risks, controls, and procedures related to information security and regulatory cybersecurity compliance.

Training and Awareness: All SIGI personnel are required to complete monthly information security awareness and compliance training to maintain proficiency in recognizing and mitigating prevalent security threats. We conduct simulated phishing exercises on a weekly and monthly basis. These simulations validate training effectiveness and enable continuous refinement of our programs with the most current threat intelligence.

Third-Party Management: Third-party risk assessments are performed in collaboration with our Information Technology and Information Security departments. Vendors granted access to our networks, systems, or data undergo rigorous vetting and must adhere to stringent third-party agreements. Access privileges are contingent upon successful completion of an annual risk assessment and compliance with our internal control standards. Upon conclusion of engagement, all third-party access points are promptly revoked.

Culture of Security: We foster a comprehensive security culture characterized by shared values, attitudes, and practices embedded in daily operations. This human-centric approach augments technological defenses, cultivating a vigilant workforce dedicated to protecting stakeholder data.

Security Architecture: SIGI employs a hybrid IT infrastructure that leverages the scalability and flexibility of cloud environments while enforcing robust cybersecurity controls. Our security measures align with industry best practices, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework. Cloud-hosted solutions reside in Tier 2 and Tier 3 data centers certified under SOC 1 or SOC 2 Type 2 standards, with annual audits verifying adherence to controls governing security, availability, processing integrity, confidentiality, and privacy. Production systems and backend processes are protected by next-generation firewalls. Access to production environments is restricted to authorized personnel only, with multifactor authentication (MFA) enforced for all applicable logins.



Continuous Improvement



At SIGI, we believe the purpose of Continuous Improvement (CI) is to make the lives of our employees and customers better. Continuous improvement is more than a set of projects. It is a mindset embedded in our daily work. It means asking every day: *How can we do this better?* Through structured problem-solving and the PDCA (Plan, Do, Check, Act) cycle, we empower teams to eliminate waste, enhance safety, and improve efficiency.

Our Approach ▼

Structured Development: A roadmap that builds improvement capability across the organization, from learning to identify waste to leading problem-solving efforts. This includes training on the Seven Wastes, 5S workplace organization, and Practical Problem-Solving.

Leadership Engagement: Leaders model behaviors, coach teams, and sustain momentum. They create an environment where ideas are welcomed and acted upon.

Problem-Solving at the Core: Practical Problem Solving and root cause analysis ensure improvements are data-driven and sustainable.

Why it Matters ▼

For Customers: Continuous improvement delivers predictable operations, shorter lead times, and solutions that make material handling safer and easier. Every improvement strengthens our ability to meet customer needs with quality and reliability.

For Employees: CI fosters engagement, skill development, and safer, more ergonomic workplaces. Employees are empowered to identify opportunities and take ownership of solutions.

For Sustainability: Many improvements reduce waste, conserve resources, and lower emissions, helping us meet environmental goals while strengthening our business.

Continuous Improvement in Action ▼

From reducing paper usage through digital workflows to optimizing energy consumption and introducing laser cleaning technology, our teams are proving that small, incremental changes lead to big results. These efforts reflect our commitment to improve, not just for today but for the future.

Continuous improvement is how we turn challenges into opportunities and ideas into action. It is the engine that drives our progress, and it never stops.

Our Intent, Our Promise



At SIGI, sustainability is the lens through which we view every decision, every partnership, and every product we bring to market. Our intent is simple: to build a business that stands for something bigger than itself. We are here to create lasting value, not just for our customers and employees, but for the communities and environments that shape us.

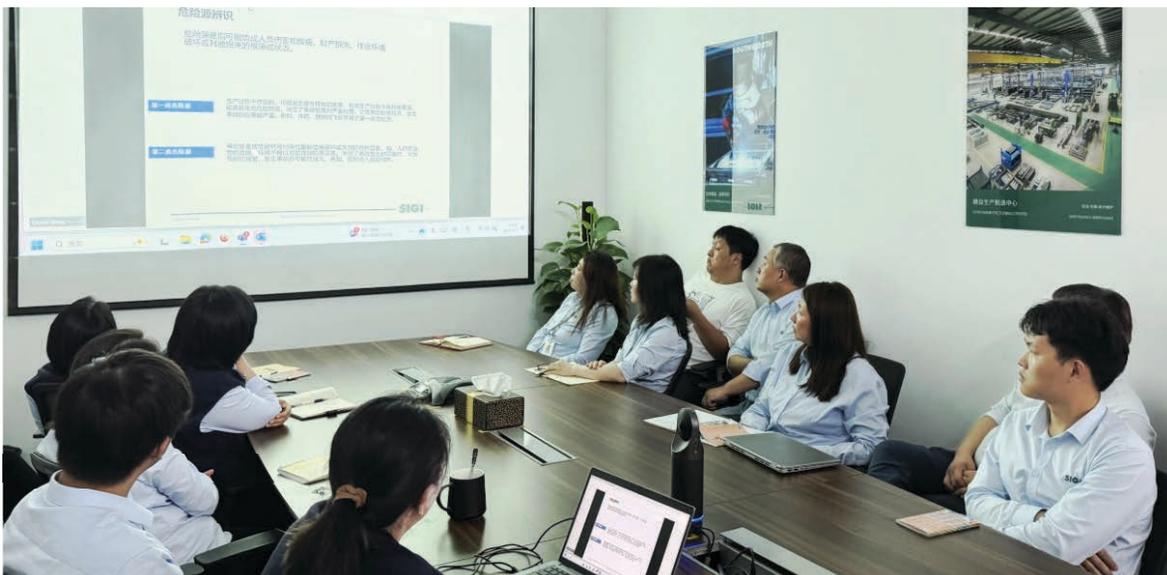
We hold ourselves accountable to the goals we set, and to the spirit in which we pursue them. That means being honest about our progress, transparent about our challenges, and relentless in our pursuit of improvement. We know the work is never finished. Each year we learn more, refine our approach, and raise the bar for what responsible business looks like.

Due diligence is at the heart of how we operate. We dig deep, ask tough questions, and verify every step—whether it's vetting suppliers, tracking compliance, or evaluating the impact of our products. This discipline ensures that our commitments are not just words on a page, but actions that stand up to scrutiny and deliver real results.

Our promise is to lead with integrity. We challenge ourselves to look beyond compliance and regulation, to ask what more we can do to protect human rights, foster inclusion, and drive innovation that benefits everyone. We believe in the power of partnership—inside our walls and across our supply chain—to amplify our impact and share responsibility for the outcomes we create.

SIGI's journey is defined by curiosity, accountability, and a willingness to adapt. We are committed to making choices that reflect our values, even when the path isn't easy or the answers aren't obvious. That's how we build trust. That's how we create a legacy worth celebrating.

This is our intent. This is our promise. And this is the work we are proud to share.





▲ Safety Is Not
An Accident

SIGI[™]

SOUTHWORTH INTERNATIONAL GROUP, INC.

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