



ANNUAL  
Sustainability  
Report  
2024



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



**SOUTHWORTH**

**Presto** MAPLE **ECO** ALPHA **AO**



**HYMO**

**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 134-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 continue to communicate these 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 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, those who came before us were focused on creating long-term businesses with broader societal purpose. These enterprises positively impacted people at their formation, and they continue to do so today.

In recent years, we have become focused on a formal sustainability approach. We have long prided ourselves on strong corporate governance and policy standards for a family-owned business. 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. 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.

**Let me share two recent examples.** In 2024 we constructed a six-acre solar field adjacent to our North American manufacturing campus, which will offset all electricity consumption at that location with clean, renewable power. And we continue to transition to water-based and low VOC paints without compromising durability or quality. Our team is justifiably proud of both achievements.

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*  
James Cabot, President & CEO

*Tim Cabot*  
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, our team strives 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.

1870s



1890

1941  
1945

1957

Late  
1980s

Today



A woman with grey hair and glasses on her head, wearing a white long-sleeved shirt, stands in a warehouse. She is holding a black laptop. In the background, there are blue metal shelving units filled with boxes and a blurred image of a forklift.

# 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 U.S. Environmental Protection Agency defines sustainable manufacturing as the production of goods through economically efficient processes that reduce environmental impacts while conserving energy and natural resources. At SIGI, in the U.S. and in regions around the world, we recognize that advancing sustainable manufacturing—by enhancing performance and reducing our resource footprint—is essential to the success of our organization, the well-being of our communities, and the future of our planet.

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

- ▶ **Designing for energy efficiency** in new and updated processes and facilities.
- ▶ **Conducting energy consultations** to identify the top three areas for reducing energy consumption, particularly related to heating.
- ▶ **Implementing advanced energy monitoring** and control systems for better management of energy use.
- ▶ **Optimizing our heating/ventilation/air conditioning (HVAC) systems** to ensure maximum efficiency.
- ▶ **Installing energy-efficient lighting**, including motion sensor lights in meeting rooms and common areas.
- ▶ **Installing low-flow toilets** to conserve water.
- ▶ **Developing a solar energy field** adjacent to our Manila, Arkansas manufacturing facility to offset facility energy use.

	SIGI MANUFACTURING REGION	2024 WATER USAGE (Cubic Meters)	2024 ENERGY USAGE (Kilowatt-Hours)
	AMERICAS	6,342	2,193,530
	EUROPE	1,501	987,328
	ASIA	1,018	453,928
	GLOBAL TOTAL	8,861	3,625,786

Source: Internal Company Reporting

# Reducing VOC Emissions Across Regions

SIGI continues to support work that protects the environment and our planet. The reduction in our use of volatile organic compounds (VOCs) are part of this work. The following are some VOC reduction initiatives we have been investigating and/or implementing within our regions.

## ■ SIGI Americas

In Manila, Arkansas, we have been investigating the use of two urethane system options to help reduce overall reportable VOC emissions.

- ▶ NCT-135 Low VOC Gun and Line Flush have a reportable VOC of 2.39 pounds per gallon versus the 7.25 pounds per gallon reported for the 100 Solvent we currently use. In our case, use of NCT-135 Low VOC Gun and Line Flush would result in an annual VOC reduction of 7,181 pounds and an average combined paint/solvent VOC reduction of 0.89 pounds.
- ▶ NCT-130 Zero VOC Gun and Line Flush is comprised of 100% exempt solvents with a reportable VOC of zero. In our case, use of NCT-130 Zero VOC Gun and Line Flush would result in an annual VOC reduction of 10,706 pounds and an average combined paint/solvent VOC reduction of 1.32 pounds.

## ■ SIGI Europe

In 2023, we initiated a project to improve the cleaning of steel in our Ängelholm processes with laser mechanisms instead of hot water and paint thinner. This initiative has, so far, resulted in a 1500-liter annual reduction in the use of diesel that was previously required to heat the water. It also resulted in a 67% reduction in the amount of thinner previously required to clean the steel before painting.

## ■ SIGI Asia

In Asia, we have focused on reducing emissions by increasing the frequency of filter maintenance and using qualified suppliers to manage our use of filters. In 2024, this method helped us to reduce filter-related VOC emissions by 70%.



Source: Internal Company Reporting

# Material Reduction Initiatives



## Steel Reduction

SIGI has partnered with the University of Maine to investigate the possibility of a more environmentally-friendly scissors lift design. The goal is to create a leg set assembly that is 20% lighter than our current units, thereby reducing energy consumption in the manufacturing processes and in transportation emissions. **We plan to evaluate different metals and sustainable composite materials to achieve this goal.**

Last year's capstone team of engineering students pivoted their focus from delivering a design concept for a reduced weight leg set to determining where the forces are concentrated within the unit. This is where the current capstone team has begun its work. The project requires a thorough understanding of force distribution throughout the structure in order to design a composite component to replace the steel.

**Our partnership with the University of Maine will be ongoing** as each year the students will work towards this goal while gaining real-world engineering experience and preparing for their future careers.

## Paper Reduction

A team in SIGI's Manila, Arkansas facility has implemented a new process that improves efficiency, streamlines workflow, and reduces paper consumption. Dubbed the "Shop Floor Paperless Project", it is a testament to our collective dedication and ingenuity, and another example of our commitment to sustainability.

For years, team members used printed versions of machine drawings to fill customer orders. Taking the time to print each drawing was inefficient, and it also resulted in reams of paper being printed for only short-term use.

The new process allows operators to access drawings digitally —on monitors located throughout the facility—and has, so far, **resulted in a 25% reduction in paper usage.** This translates to:

- **Increased efficiency:** Streamlined workflows and optimized information access lead to better use of time and resources.
- **Positive environmental impact:** Lower paper consumption means fewer trees cut down, minimized water usage, and reduced greenhouse gas emissions.

**The presence of an unused printer serves as a tangible reminder of the progress made, not just within the project team but also in aligning our actions with SIGI's broader and continuing efforts to reduce negative environmental impact.**





# Arkansas Solar Installation

Discussions about installing a solar field in 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 will 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 that was recently acquired behind Building 77. Through a program called "net metering", the power will be fed onto the electrical grid, and SIGI will receive credit which will offset actual electricity usage in any of our Arkansas facilities. **Our intention is to generate power equal to, or greater than, our usage, though we will not be using it directly.**

## The Install

Installation was completed a few weeks later and included the framework that holds the solar panels in place, the panels themselves and corresponding wiring. The connection to the power company will follow. That is a longer-term process involving materials with very long lead times due to the ramp up in activity around solar installs in general.

## The Future

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

**Additionally, we have already begun to think differently about future power usage.** Routine replacement of forklifts has shifted from propane-powered trucks to electrical. Planned replacements of building heaters for the factory floor have shifted from natural gas units to electric units. All powered with renewable energy.



# Product Compliance



**To bring a product to market, SIGI must undertake a variety of tasks and activities and ensure our products are compliant with a wide range of regulations.** Product compliance encompasses many due-diligence measures, including reporting on chemicals and restricted substances found in products, product certification requirements, and extended producer responsibility tasks.

SIGI partners with a third-party provider of a supply chain sustainability management platform that has experience working with complex manufacturing processes. 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 Concentration
- ▶ **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

In 2024, we added two new areas of focus: country of origin and forced labor. By including country of origin campaigns to our compliance program we can now:

- ▶ **Provide documentation to support customers who are required to follow rules regarding “Buy America” and the “Buy American Act”.**
- ▶ **Prove that we are following regulations regarding Russian steel sanctions.**
- ▶ **Provide United States-Mexico-Canada Agreement (USMCA) and other Free Trade Agreements to our customers when applicable.**

SIGI Americas continues efforts to verify that the components and parts used to manufacture our products are within regulations and assure that the same holds true for any new parts used. In 2024, we expanded those efforts to include parts and suppliers within the SIGI Europe region.

**These initiatives enable us to stay ahead of the curve on international, federal and state legislation and laws relating to the chemicals within our supply chain.** They also alert us to parts that contain harmful chemicals so we can work with vendors to source replacements for any components that are out of scope.

# Update on Supplier LoCT and Scope 1, 2 & 3 Emissions



**SIGI has undertaken the commitment to track and reduce overall company emissions through our own initiative**, though we acknowledge that there are also external expectations to consider. We will likely face regulatory reporting requirements in the near future, as larger public companies are currently dealing with pending regulations from the EU, SEC, and individual U.S. states such as California. Additionally, many of our customers already expect, or require, sustainability reporting from their suppliers.

According to a 2024 Sustainability Action Report from Deloitte, 92% of public companies surveyed plan to get ahead of reporting requirements—starting next year—by working with independent audit firms to provide assurance on their sustainability reporting. Some major corporations, including Amazon and Walmart, are already requiring sustainability data from suppliers.

**Supplier Leadership on Climate Transition (Supplier LoCT) is an online climate school managed by global consultancy Guidehouse. Through this program, six SIGI employees participated in a series of workshops on greenhouse gas (GHG) tracking, science-based target setting, and abatement and disclosure.** Our team, with representatives from all SIGI regions, spent months researching and compiling data and applying GHG Protocol Accounting and Reporting Standards to calculate our Scope 1, 2, and 3 GHG emissions:



- ▶ **Scope 1** covers direct emissions from sources that SIGI controls, e.g. emissions from the combustion of fuel in our vehicles.
- ▶ **Scope 2** covers indirect emissions from energy used within our organization, e.g. emissions from the production of fuel used in our vehicles.
- ▶ **Scope 3** covers the remaining indirect emissions from SIGI's supply chain, both "upstream" (from vendors) and "downstream" (to customers).
- ▶ **CO<sub>2</sub>e**, "CO<sub>2</sub> equivalent", is a standard measure used for GHG emissions to simplify reporting, since carbon dioxide is just one of the harmful greenhouse gases.

## SCOPE 1 & 2 2023 EMISSIONS

Category Name	Emissions (MTCO <sub>2</sub> e)	Share of Total
Facilities	1,313	86.54%
Electricity	973	64.18%
Natural Gas	340	22.42%
Vehicles	178	11.74%
Refrigerants	26	1.71%
<b>TOTAL</b>	<b>1,516</b>	

## SCOPE 3 2023 EMISSIONS

Category Name	Emissions (MTCO <sub>2</sub> e)	Share of Total
Purchased Goods & Services	9,779	63.68%
Upstream Distribution	1,646	10.72%
Waste in Operations	1,770	11.53%
Business Travel	702	4.57%
Downstream Distribution	1,458	9.50%
<b>TOTAL</b>	<b>15,355</b>	

Source: Internal Company Reporting



# Investing in Clean, Efficient Technology



In 2023, SIGI's gas-powered forklifts contributed 40 metric tons of CO<sub>2</sub>e to our total Scope 1 and 2 emissions. That's the equivalent of 2.1 metric tons per forklift.

**In August 2023, we purchased three Caterpillar electric forklifts for use in our Manila, Arkansas facilities as an investment in clean, efficient technology and a key step toward our emission reduction goals.**

The new forklifts replaced aging gas-powered units, and we plan to add two more electric forklifts to the U.S. fleet in 2024. In total, these replacements account for a reduction of 10.5 metric tons of CO<sub>2</sub> emissions per year.

**This initiative, along with others such as the use of our solar power field to offset all our electricity usage in Arkansas, are important examples of SIGI's ongoing commitment to emissions reduction.**



# 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 Thomson 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. **In the past six years, eight interns who have participated in the program accepted full-time engineering positions with the company.**

## Manila High School Engineering CAD Class

Arkansas Plant Engineer Brodey Schluter continued to partner with Manila High School by offering an Engineering CAD class for juniors and seniors. This semester-long 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.

## SIGI Endowed Scholarships

SIGI is pleased to announce the 2024 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, Jim Galante and Brian McNamara.

- ▶ **2024 James Galante Memorial Scholarship Winner: Bryce Bullard**  
Bryce is an Industrial Engineering student at Oklahoma State University. After graduation, he plans to pursue a job in Supply Chain.
- ▶ **2024 Brian McNamara Honor Scholarship Winner: Julia Fitzgerald**  
Julia is an Industrial Engineering student at the University of Pittsburgh. She plans to work on solving supply chain and manufacturing problems.
- ▶ **2024 Southworth International Group Honor Scholarship Winner: Carolina Remond**  
Carolina is a Supply Chain Management student at the University of Arkansas. Her involvement in Women Impacting Supply Chain Excellence (WISE) has enabled her to gain a practical understanding of how supply chains operate in real-world scenarios.



# Fresh Environmental Ideas from Our Engineers

## Inspiring Tomorrow's Engineers Today

Through their dedication and proactive engagement, My Larsson and Filip Bogdanovic are more than just design engineers at SIGI Europe; they are visionaries and ambassadors of a future where engineering is synonymous with positive impact, sustainability, and innovation.

**"We're here not only to inspire but also to lead by example, demonstrating that a career in engineering is a rewarding path to making a difference,"** they collectively assert.

As SIGI Europe intensifies its efforts to connect with aspiring engineers, the unique mentorship model led by My and Filip underscores the company's commitment to nurturing talent and fostering a sustainable future. By actively engaging with students and educational institutions, they are laying the groundwork for a thriving engineering community, eager to embrace the challenges and opportunities of tomorrow.

## Connecting and Collaborating

The journey that My and Filip are pioneering at SIGI Europe marks just the beginning of our collective quest towards a brighter engineering future. **As we forge ahead, we value the insights, experiences, and innovative ideas from all corners of our global community.** This initiative thrives on collaboration, and every contribution makes a difference.

We welcome suggestions for enhancing our programs or proposals for new projects that align with our vision of sustainability and innovation. Varying perspectives are invaluable as they enrich our discussions, inspire our strategies, and help us refine our approach to mentorship and development.

## Expanding our Network of Innovators

My and Filip are eager to collaborate with others across the company to expand our impact and redefine the boundaries of what we can achieve in the field of engineering. **Together, we can build a sustainable, technologically-advanced future, driven by a community of passionate and visionary engineers.**





# Collaborating for a Brighter Future



## Collaborating for a Brighter Future

At SIGI Europe, innovation and responsibility are core to how we grow and evolve. Our collaboration with Halmstad University in Sweden exemplifies how we are engaging with fresh, forward-thinking perspectives while supporting the development of the next generation of engineers. This partnership is about more than just improving our business—it's about contributing to society by investing in future talent.

The collaboration started with a simple but ambitious goal: improving SIGI's Distributed Sales Support (DSS) program, a tool that helps distributors configure, quote, and manage orders more efficiently. The partnership, however, quickly grew beyond software improvements. "We wanted to bring in fresh eyes—people who could look at the system without preconceptions," says My Hoffmann, Customer Support Manager at SIGI Europe. **"The students brought new ideas that we hadn't even considered."**

## Empowering Tomorrow's Engineers

For the students, it's an opportunity to engage with real-world projects and gain practical experience working with an industry leader. The students provided crucial feedback on everything from user experience to terminology, even conducting interviews with customers to better understand their needs. This hands-on experience gave them a sense of what it's like to work in the engineering field, while also offering SIGI invaluable insights into how the next generation of engineers approaches problem-solving.

## Fostering Innovation and Social Responsibility

By partnering with this university, SIGI Europe demonstrates a commitment to innovation and to fostering relationships with educational institutions and supporting young talent. Encouraging students to think critically and creatively about real-world challenges aligns with SIGI's vision of corporate responsibility and contributing to society.

## This collaboration also provides SIGI with an opportunity to give back to the community.

"We're not just helping students grow into engineers," My says. "We're showing them that industrial companies can be exciting places to work, where innovation and social responsibility go hand in hand."

## Looking Forward

The success of the partnership with Halmstad University has opened doors for future projects. "This is just the beginning," My reflects. **"We've built strong relationships with the university, and more projects are definitely on the horizon. It's a fantastic way to improve our own processes and to also inspire young talent and promote the idea that companies like ours play a vital role in shaping the future of engineering."**

At SIGI Europe, the focus remains on innovation and contributing to society—values that are strengthened by this unique collaboration with tomorrow's engineers. Through initiatives like these, SIGI is helping to foster both growth and a sense of responsibility for the communities we serve.



# Community Engagement



## Supporting our Communities Across Regions

### International Trade Center

SIGI Americas has been a long-standing supporter of the Maine International Trade Center (MITC), and our CEO, James Cabot, serves on its 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.

### Team Rynkeby

SIGI Europe is proud of our continued support of Team Rynkeby and its mission to assist critically ill children and their families. For several years, we have sponsored this dedicated cycling team on its journey to Paris, raising essential funds for organizations such as Barncancerfonden, which aids children with cancer, and Barnhjärnfonden, which focuses on children with brain disorders.

## Volunteering our Time and Expertise

**Emmanuel [Manny] Marsh-Sachs, Sales Engineering Leader:** Volunteer—Scarborough, Maine Fish and Game Association, which offers firearm and hunting safety and education courses.

**Greg Penix, Inspector:** Volunteer—Leachville, Arkansas Fire Department.

**John Morton, Chief Financial Officer:** Board member—GW Hinckley Foundation, which supports youth and families in central Maine.

# Community Engagement



**Jon Robertson, Chief Innovation Officer:** Board member—Maine Manufacturing Extension Partnership, which supports and improves the competitiveness of small and medium-sized manufacturers in Maine.

**Kari Rasheed, Senior Manager of Trade & Compliance:** Board member—Portland [Maine] Public Library, which offers free access to a range of materials and information to the community.

**Keith Ladner, Design Engineer II:** Volunteer—Harrison, Maine Lions Club, which provides support to children and families affected by childhood cancer, diabetes, and natural disasters.

**Kim Decato, Director of Engineering:** Board member—Maine Engineering Promotional Council, which is dedicated to promoting engineering and the contributions of engineers in Maine and increase public awareness of the positive impact engineers have on communities and society.

**Mark Kinner, Senior Accountant:** Board member—Town of Windham [Maine], Natural Resources Advisory Committee, Energy Committee, and the Highland Lake Association.

- ▶ The Natural Resources Advisory Committee is dedicated to the protection and enhancement of Windham's natural resource base.
- ▶ The Energy Advisory Committee advises the Town Council on energy conservation and efficiency in municipal operations.
- ▶ The Highland Lake Association (HLA) preserves the natural resources of Highland Lake and its watershed.

**Matt Laufik, Director of Sales:** Volunteer—Big Brothers and Big Sisters of Southern Maine, which creates and supports one-to-one mentoring relationships that help youth realize their potential.

**Paul Brumleve, Inside Sales Coordinator:** Paul is an ordained minister and volunteers at an area drug and rehabilitation facility, offering support to patients there.

**Tina Blancett, Supply Chain Manager:** Mentor—Women's Leadership Conference at Arkansas State University, which connects women with community resources and provides insights to help them thrive in their personal and professional lives.

**Tom Bernth, Director of Strategic Sourcing:** Volunteer—Dover Friendly Kitchen, a community initiative in Dover, New Hampshire, that provides free meals to those in need.

**Bill Ginty, Strategic Account Manager:** Board member—Brunswick [Maine] Pedestrian Committee, which is dedicated to improving the safety and convenience of walking and bicycling in Brunswick neighborhoods. The committee advocates for better infrastructure and policies to support a more pedestrian- and cyclist-friendly community.

# Diversity Equity and 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 has partnered 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	NOT SPECIFIED	WHITE	BLACK OR AFRICAN AMERICAN	ASIAN	HISPANIC	NOT SPECIFIED
<b>AMERICAS ▼</b>								
Executive	82.4%	17.6%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Mid Management	70.6%	29.4%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Sales & Marketing	75.0%	21.9%	3.1%	93.8%	3.1%	0.0%	0.0%	3.1%
Operations	74.9%	13.5%	11.7%	84.2%	4.7%	0.0%	2.9%	8.2%
Technical	69.0%	21.5%	9.5%	90.5%	21.4%	0.0%	0.0%	2.4%
Admin/Support	41.7%	41.7%	16.7%	95.8%	4.2%	0.0%	0.0%	4.2%
<b>TOTAL ►</b>	<b>71.9%</b>	<b>18.5%</b>	<b>9.6%</b>	<b>88.7%</b>	<b>4.0%</b>	<b>0.0%</b>	<b>1.7%</b>	<b>5.6%</b>
<b>EUROPE</b>								
	85.4%	14.6%						
<b>ASIA</b>								
	72.1%	27.9%						

Source: Internal Company Reporting





# Safety Initiatives



The work of our safety teams is important on many levels including: handling ongoing cases, preventing risk areas from becoming cases, filing closed cases, and continuously learning from our experiences. This is accomplished by collaboratively utilizing tools such as audits, reporting, follow up, and information exchange.

## SIGI Americas

Our Weld Leads conduct safety meetings each morning, and we hold seven-minute safety talks regularly. Additionally, our Safety Manager hosts weekly meetings with each department to ensure ongoing safety awareness and compliance.

## SIGI Europe

All departments perform internal safety audits. Audit follow-ups and reporting are conducted quarterly. Safety information is summarized in a yearly management review that includes information about overall quality, health and safety.

Accidents (doctor needed), incidents and risks are reported to our internal processing system for follow up. An email is sent by the system to the responsible chief, department manager and HR representative for review and action as required.

## SIGI Asia

Current focus of our safety team includes the following:

- ▶ Implementation of a dual-prevention mechanism: identifying potential risks and investigating hidden dangers. This type of governance aims to uncover obscure dangers and reduce accident potential.
- ▶ Strictly implementing production standardizations regarding safety, which includes eight primary standardization elements and 28 secondary elements.



SIGI MANUFACTURING REGION	CASES RESULTING IN LOSS OF WORK DAYS	CASES WITH JOB TRANSFER OR RESTRICTION	RECORDABLE CASES
AMERICAS	1	1	6
EUROPE	3	1	9
ASIA	0	0	1
GLOBAL TOTAL	4	2	16

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





# Global Ethics and Compliance

Our company is comprised of 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 of doing business 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 an important 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 ethical concern; however, we understand that there may be instances where employees are not comfortable doing so, and we want to ensure that all employees have a safe space where their voices 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 we are obligated to ensure that workers within our supply chain are not victims of these circumstances. SIGI partners with a supply chain sustainability management solution that supports us in taking a deep-dive look at our global supply chain to ensure that the companies providing the components for our machines are doing their due diligence and that SIGI's supply chain is free of forced labor.



# Supplier Onboarding



**SIGI's supplier strategy is built upon an ongoing practice of establishing and strengthening relationships with our strategic suppliers to share ideas and best practices, identify economies of scale, and optimize value as we seek to reduce overall costs.**

At SIGI, we also understand 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 minimize these risks and their impacts, we implemented a supplier onboarding process in 2024.** The intent is to support our engagement in sustainable, ethical and socially-responsible supply chain business practices by working with suppliers who commit to conducting business with the highest ethical standards while strictly complying with national and international laws and regulations.

This onboarding process includes our suppliers' acknowledgment of SIGI's *Code of Conduct*, which must be reviewed and signed as a condition of doing business with SIGI. Our *Code of Conduct* includes an overview of EU and U.S. sanctions, SIGI's Forced Labor Policy, and notice of requirement for suppliers to provide information relating to the chemical composition of their goods. We also provide details about submitting invoices to facilitate prompt supplier payment, and shipping instructions to promote seamless delivery of goods.

SIGI believes that a comprehensive onboarding process helps to ensure that our supplier partners understand our organization and expectations related to the regulatory and ethical management of our business—and theirs. **As a global organization, it also helps 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 stakeholder 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:

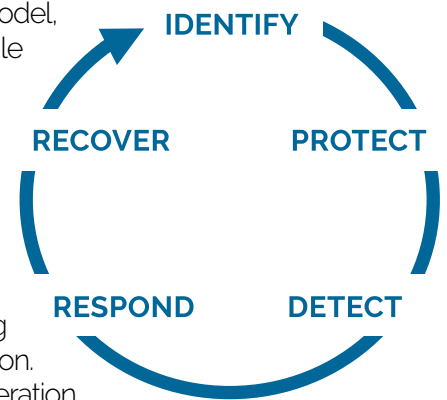
**Governance and Oversight:** SIGI's board of directors has oversight responsibility of our data security and privacy through its Audit and Risk Committee. This committee oversees the executive accountability of corporate information system risks, controls, and procedures of information security and 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 and avoid 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 networks, 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 IT systems in a hybrid model, taking advantage of the flexibility and scalability of the cloud while maintaining rigorous cyber security safeguards. We utilize cyber security controls informed by industry best practices, including those set forth by the National Institute for Technology (NIST) cyber security framework. All solutions utilized in the cloud are hosted in Tier 2 and 3 data centers that comply with Security Operations Center (SOC) 1 or 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 IT systems 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 to the goals we have set in the past.

We have tracked our 2023 greenhouse gas emissions, and we are setting our long- and short-term goals for the future. We understand that this is a work in progress, and we will improve the accuracy of our ongoing reporting and continue to learn and grow with each consecutive year. We are excited to have this data, which will be the basis of our sustainability framework and utilizes industry best practices.

In late 2023 SIGI, expanded its product and vendor compliance tracking and reporting to include a deep-dive look at our global supply chain. In 2024, we added a requirement that all vendors commit to ensuring the existence of no forced or child labor within their supply chains. In 2025, we will be adding enhanced supplier screening, which will provide deeper visibility into our supply chain and enable us to better understand hidden risks that we cannot directly control or measure.

In the meantime, SIGI continues its work to reduce our carbon footprint by transitioning to solar energy, reducing the amount of steel in our products, reducing the level of VOCs our paints and solvents release into the environment, moving to electric versus propane forklifts, and tracking, reporting and eradicating, whenever possible, the harmful chemicals in our products.

**As a company, SIGI will continue 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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United States

▲ Safety Is Not  
An Accident



**SIGI**<sup>™</sup>

SOUTHWORTH INTERNATIONAL GROUP, INC.

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