

QUALITY MANUFACTURING CORPORATION

Sustainability Report

OCTOBER 2023

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MESSAGE FROM THE PRESIDENT

Since our founding in 1995, Quality Manufacturing Corporation's commitment to our employees and our customers has been an essential and interrelated part of our business plan. Our employees' talents, ingenuity, diverse backgrounds, and dedication are the reason we are able to provide high quality products and exceptional service to our customers. We strive to provide a work environment where every employee can thrive by providing career mobility opportunities, ongoing skills development, a safe environment, and great benefits.

We are committed to protecting the environment by using resources efficiently and re-using/recycling where possible. QMC continues to invest in equipment and processes that use energy and materials more efficiently. In the last year, we have installed two 20K fiber lasers that use approximately 11% of the electricity of the machines that they replace, and an infrared catalytic drying oven that uses 50-65% less energy than a convection drying oven. We will continue to look for opportunities to reduce waste and improve efficiency.



Dan Carder

President

Quality Manufacturing Corporation

CAREERS

BENEFITS

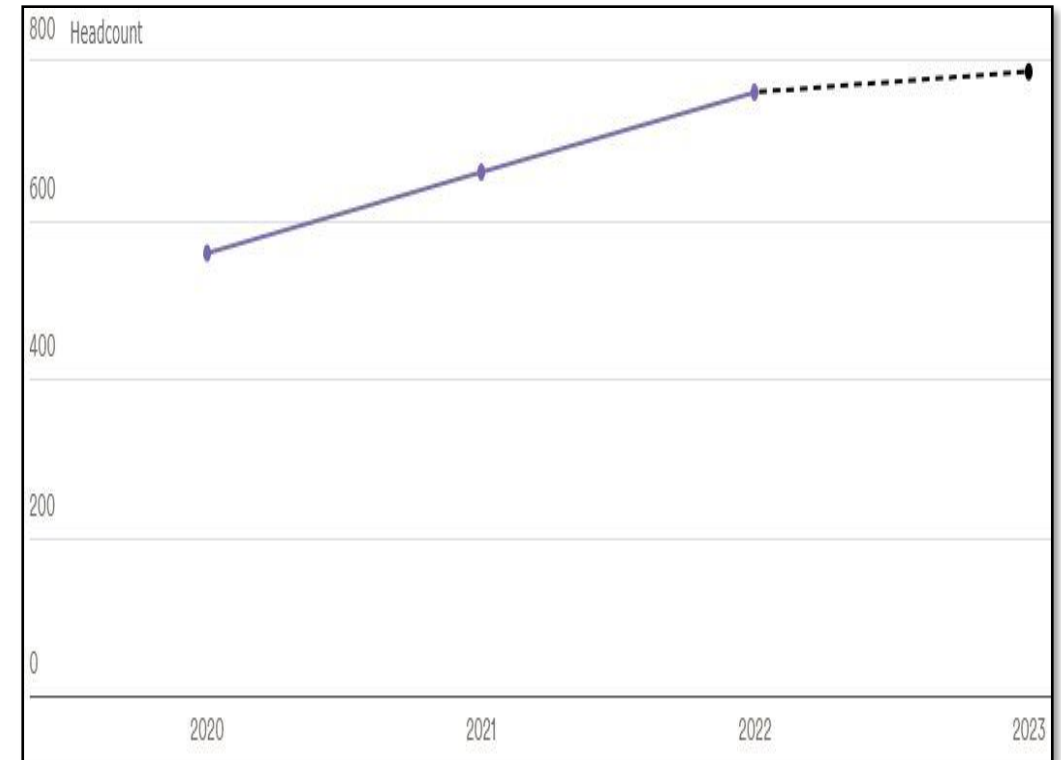
QMC provides a full line of benefits including paid time off; paid holidays; 401K match; as well as health, life, dental, vision, legal, and short-term disability insurance.

We regularly evaluate benefits and make changes to better serve the needs of our employees.

CAREERS

CAREER MOBILITY

We have seen significant growth in our last few years and have grown from a company of 558 employees in 2020 to 787 employees in 2023. This growth has been due to the excellent work of our dedicated staff that has allowed us to win new projects and expand business with our existing customers. QMC is committed to building the careers of our employees. In the past year we have structured many of our positions to allow development within those roles and departments.



CAREERS

EMPLOYEE TRAINING

QMC believes that our employees are our most valuable asset whose skills are essential to fulfilling customer expectations. We invest in training to continually improve employee skill and knowledge. In 2022, we averaged 15.6 hours of training per employee which provided additional learning opportunities to many employees. Our training programs include a variety of quality, safety, technical, and human resource topics.

Future plans include a QMC weld training program which will allow our employees to learn a new skill that is in demand and has excellent growth potential.

CAREERS

APPRENTICESHIP PROGRAM

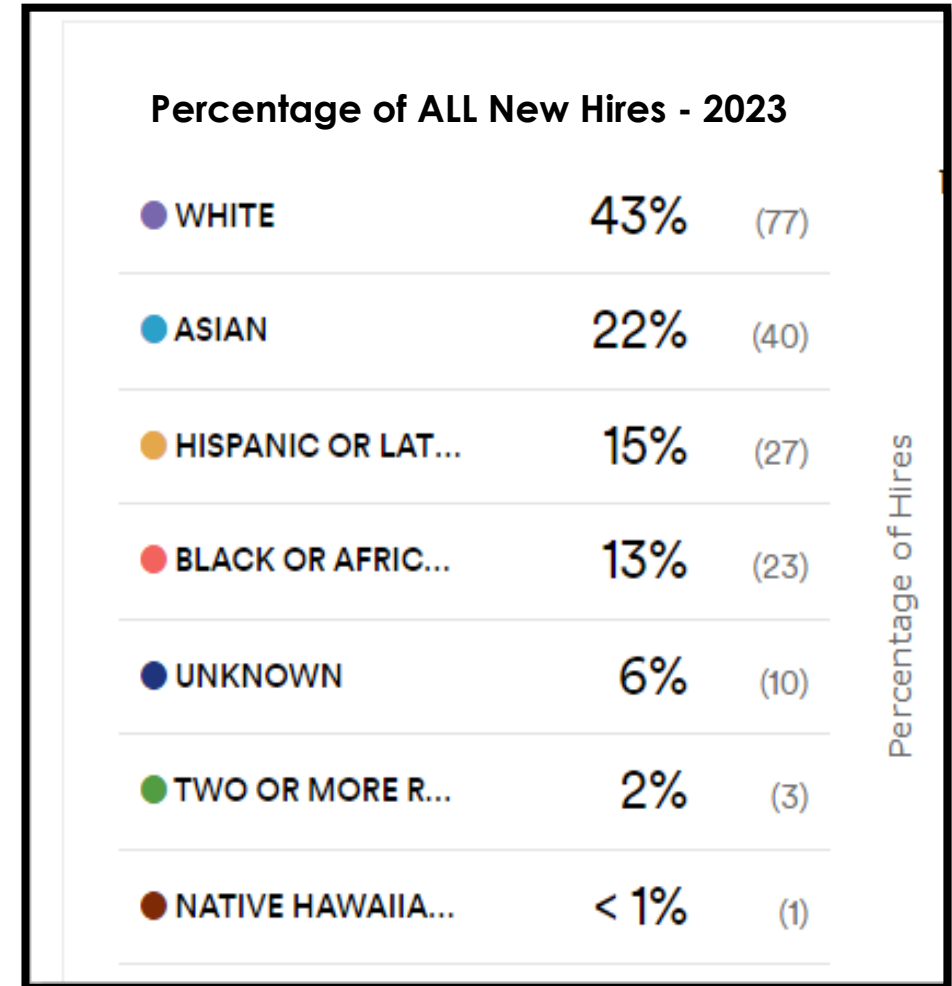
It is important for us to continue to grow manufacturing in the area, as a result we have partnered with high schools, trade schools, and universities to provide learning opportunities through class presentations, tours, job shadows, and internships. In the past year we have developed welding apprenticeship programs through local high schools and have had several students working in our weld areas while attending school and then come to work at QMC full time upon graduation.

CAREERS

DIVERSITY

Our employees are our most valuable asset, and we are committed to fostering, cultivating, and preserving a culture of diversity, equity, and inclusion.

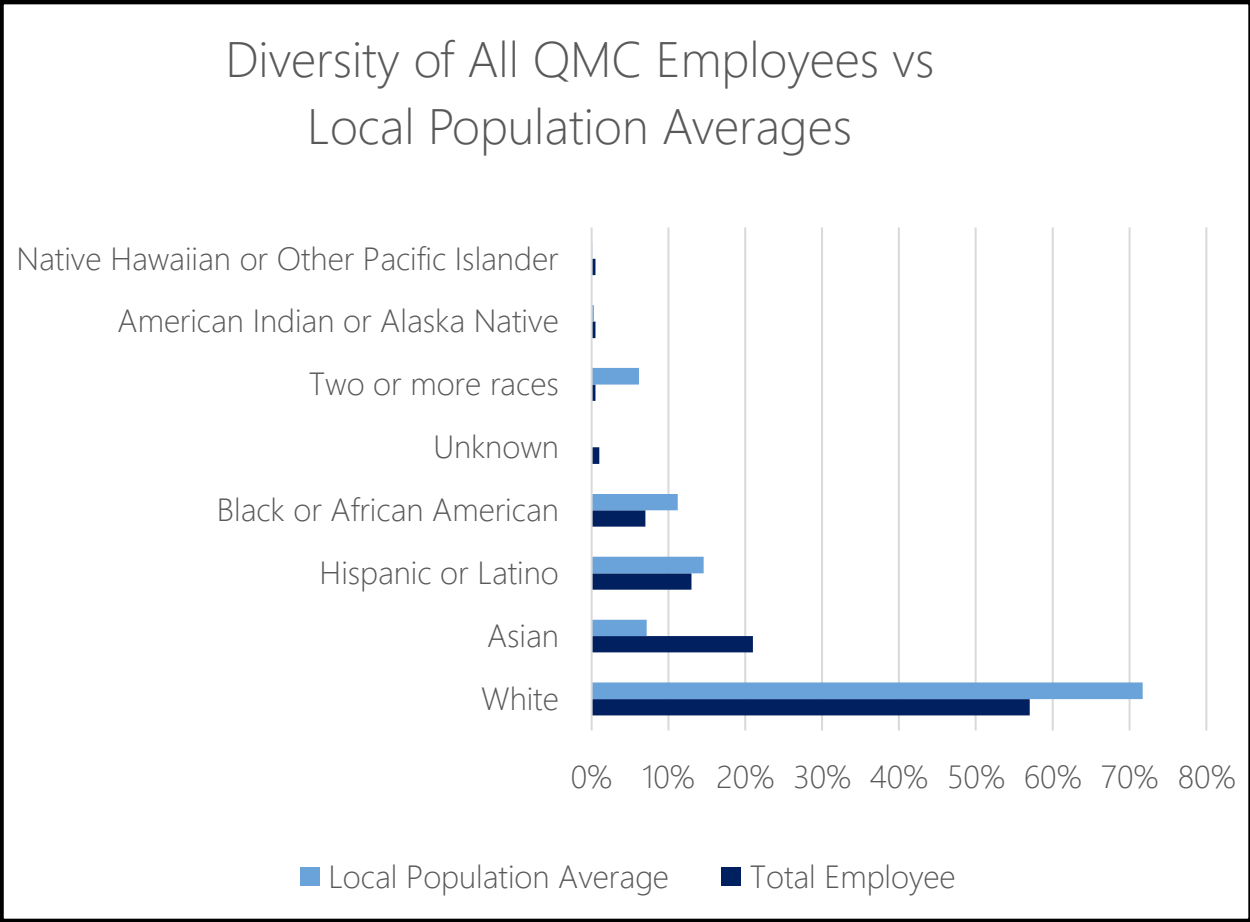
Our individual differences, life experiences, knowledge, background, and unique capabilities contribute to the strong teams we have and is a part of our culture.



CAREERS

DIVERSITY

These values are demonstrated in our hiring practices and have led to the diverse workforce we are proud to have. We look forward to enhancing this reputation as we grow as a business.



HEALTH & SAFETY

TCIR

TCIR (*Total Case Incident Rate)	
2020	1.7
2021	2.73
2022	3.22
2023	2.95 (YTD)

INDUSTRY AVERAGE

4.6

[*According to BLS](#)

**TCIR= (Number of OSHA Recordable injuries and illnesses X 200,000) / Employee total hours worked
= Total Case Incident Rate*

HEALTH & SAFETY

IMPROVEMENTS

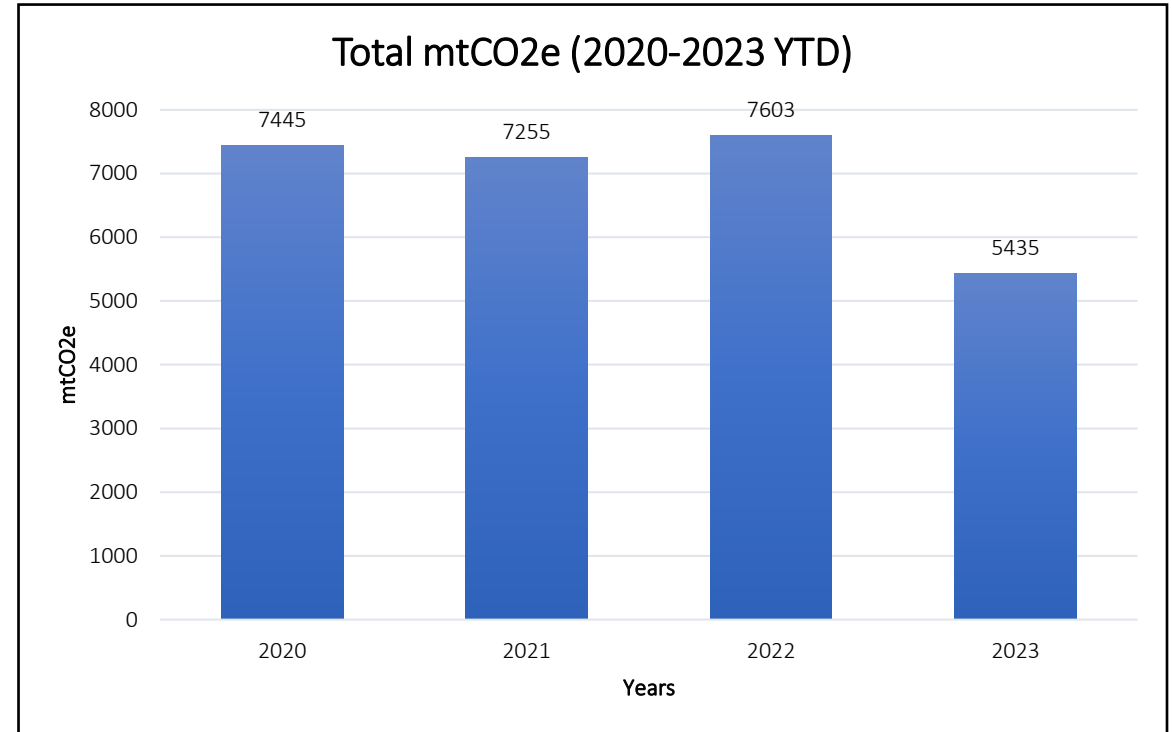
QMC is committed to the health and safety of our employees. New employees receive safety training their first day on the job. Job specific and general safety training are conducted throughout the employee's tenure.

In the last year, QMC has implemented a safety committee that includes employee representatives from all production areas. We have recently expanded our safety team to better serve the needs of our growing workforce. We are working on implementing an internet portal where employees can submit safety suggestions and report near misses.

ENVIRONMENTAL IMPACT

GREENHOUSE GAS EMISSIONS

QMC has calculated its carbon dioxide equivalent in metric tons (mtCO₂e). Primary inputs to greenhouse gas emissions are natural gas and electricity. Lesser inputs are propane, diesel, and gasoline. Our purchased electricity is approximately 88.5% renewable. We have set a target to reduce mtCO₂e by 10% in 2026 from 2020 baseline.



ENVIRONMENTAL IMPACT

INVESTMENTS & IMPROVEMENTS

In the past year, QMC has installed more efficient equipment including two 20K fiber lasers that use 11% of the electricity of the machines that they replace and an infrared catalytic drying oven that uses 50-65% less energy than a convection drying oven.

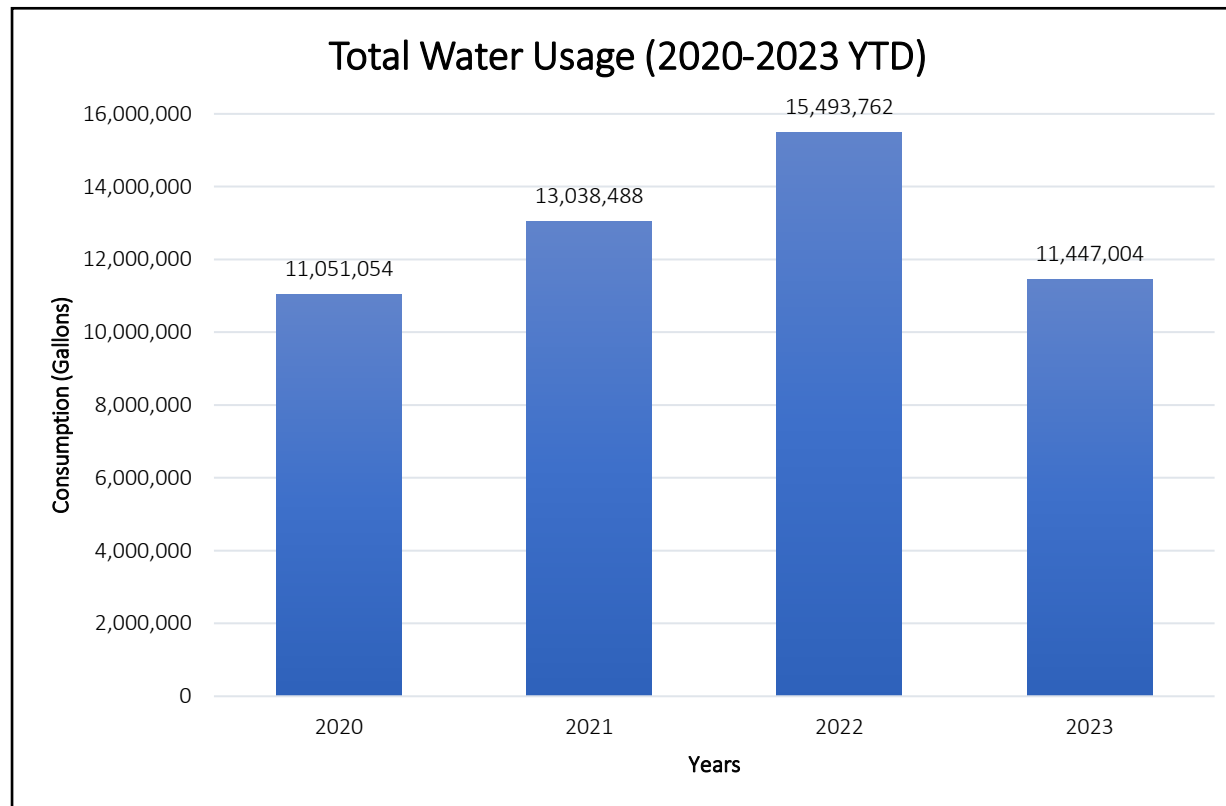
We have invested in LED lighting at all our facilities, resulting in approximately 70% less electricity required for lighting. Lights are activated by motion detector in some office areas.

We continue to look for opportunities to improve energy efficiency.

ENVIRONMENTAL IMPACT

WATER

QMC tracks water usage in gallons. We conserve water in our paint washing system by counterflowing water from cleaner stages to dirtier stages.



ENVIRONMENTAL IMPACT

WASTE

Solvents used at QMC are distilled with a solvent still, resulting in 90% of solvent being re-used.

We repair and re-use approximately 8,750 pallets annually. Pallets that are not repairable are recycled into wood pellets for heating, resulting in 13,200 pounds landfill avoidance annually.

Batteries of all sizes are collected and taken to a recycler regularly. We will recycle approximately 1132 batteries in 2023.

SUPPLY CHAIN MANAGEMENT

SUPPLIER CODE OF CONDUCT

QMC has developed a Supplier Quality Manual and Supplier Code of Conduct that include our expectations for quality, delivery, compliance, ethics, human rights, environment, and confidentiality. These documents are shared when new suppliers are onboarded and when changes occur.

DATA PRIVACY & SECURITY

CYBERSECURITY

QMC has implemented measures to protect the information our customers and our employees entrust to us. Measures include monitoring of threats by internal personnel as well as an external provider, targeted phishing campaigns for employees, and the ability for employees to report questionable emails for additional scanning by our IT department.

This year, an assessment of compliance to the NIST cybersecurity framework was completed by an external provider. From the assessment we have begun formalizing policies and standards to meet the structure of the framework.

BUSINESS ETHICS

CODE OF CONDUCT

One of QMC's core values is integrity in all of our business practices. Our employee code of conduct includes our expectations for integrity, ethical behavior, human rights, diversity and inclusion, health and safety, respect for the environment, and confidential information. We have an open-door policy for reporting concerns or complaints. Concerns and complaints are confidential, and employees are not retaliated against for expressing them.

COMMUNITY ENGAGEMENT

ORGANIZATIONAL SUPPORT

QMC sponsors school supply and holiday gift drives through a local children's non-profit. We also regularly give tours and meet with high school, community college, and college classes studying welding, drafting, and other manufacturing related topics.