



HOOVER CIRCULAR SOLUTIONS

# 2021 ESG Highlights Report



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## LETTER FROM THE CEO



“ For me, and for Hoover CS, sustainability is not just about the story we tell, but also about what happens when no one is looking.”

I'm proud to present Hoover Circular Solutions' first sustainability report. Over the last few years, our team has been hard at work formalizing our approach to environmental, social and governance issues and this report shares our progress and where we're headed.

Let's start with the sustainability impact of our products. With our fleet of returnable, reusable containers and tanks, we are eliminating thousands of tons of one-way plastic waste. Smarter logistics through our fleet management service reduces the number of trucks on the road and emissions in the air. And the best part: customers don't have to choose between sustainability performance and financial value. Our solutions deliver sustainability benefits and a financial return on investment.

We're integrating environmental responsibility into our operations as well. Cleaning and refurbishing containers can be a water-intensive process, and we've installed water reclamation and recycling systems at each of our service centers to ensure that we are using water responsibly and managing our wastewater impacts.

One of the issues I'm most passionate about personally is building a culture of safety. We have an obligation to keep people safe, and our employees have a right to expect a safe place to work. If we fail to do

that as leaders, we lose the right to lead. I'm proud to report that for the first time in our company's history, we achieved Goal Zero in 2021, with zero safety or environmental incidents since May 2020.

That leads to our larger values of "care, share and deliver." We need to really care about each other first. If we don't learn to care about each other, we will never drive collaboration and will never deliver on expectations or feel accountability for shared performance.

It's important to me that we don't just "paint the building green." For me, and for Hoover CS, sustainability is not just about the story we tell, but also about what happens when no one is looking. We know there is always more to do, and we're committed to doing it right. This report is one step in that direction, so that our stakeholders can see our journey as we walk it.

Kevin Friar,

Chief Executive Officer

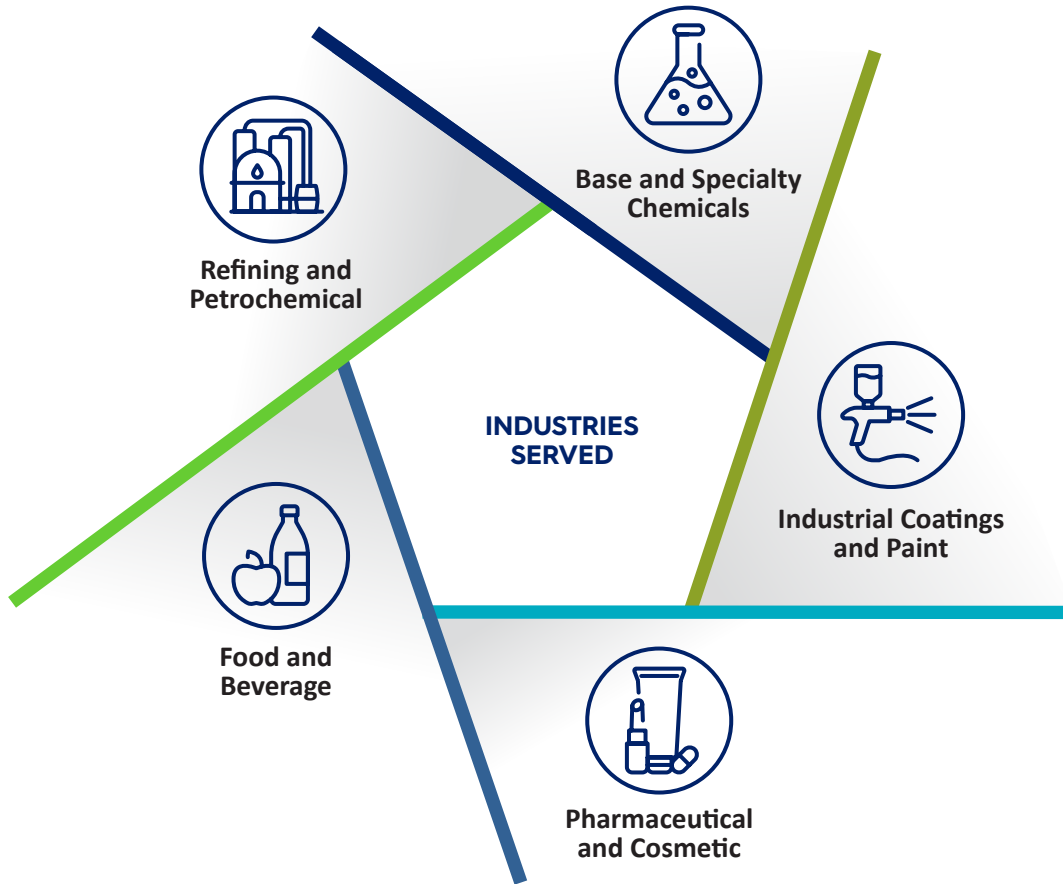




## ABOUT HOOVER CS

Hoover CS is paving the way for customers across the chemical, refining and general industrial-end markets to move away from single-use containers.

Through our large rental fleet of reusable IBCs, catalyst bins, and ISO tanks, combined with integrity management and fleet management services, Hoover CS's sustainable packaging solutions facilitate circularity across the supply chain, yielding an optimized environmental footprint through reduced plastic, water conservation, and lower greenhouse gas emissions.



## MISSION, VISION AND VALUES


Our mission is to empower environmental responsibility through sustainable packaging solutions. Our vision is to make sustainable packaging the standard in the industries we serve. Our values are care, share and deliver.



**WE CARE**

Believing in the impact of our work while prioritizing safety above all else.


Aligning our focus and intention with our actions.



**WE SHARE**

Supporting one another with our knowledge, talents, and recognition.

Harmonizing our efforts for the good of our business and our planet.



**WE DELIVER**

Measuring what matters most while continually employing best practices.

Ensuring we make the most meaningful impact with our work.



## LEADERSHIP



**KEVIN FRIAR**  
CEO



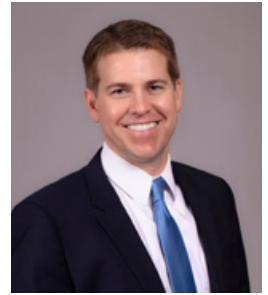
**ARASH HASSANIAN**  
President



**PRESTON DAVIS**  
CFO

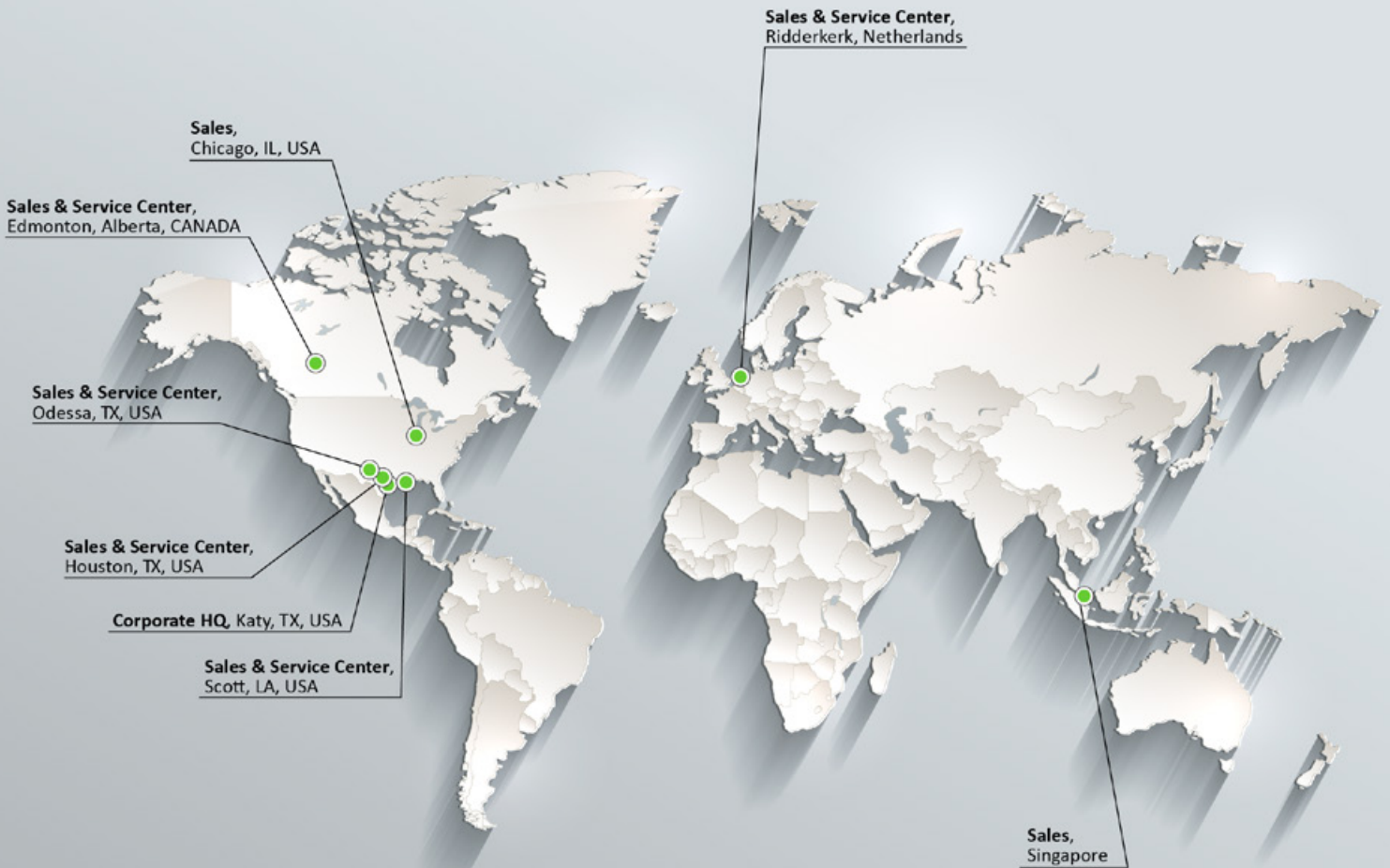


**MATT SCHMIDT**  
CHRO



**STEVEN KNUDSEN**  
VP, Strategy & Corporate  
Development

## MAP OF OPERATIONS





## PRODUCTS AND SERVICES

With one of the largest rental fleets available, Hoover CS offers simple and easy access to a range of IBCs for liquid and dry product as well as ISO tanks. Customers across specialty chemical, paint and coatings, refining and other industrial-end markets have depended on Hoover CS for more than 100 years for their short and long-term needs for high-quality tanks and containers.



### INTERMEDIATE BULK CONTAINERS (IBCS)

An intermediate bulk container is a large vessel used to store or transport fluids and bulk materials. IBCs can be manufactured from many different materials such as stainless steel, mild steel, high density polyethylene (HDPE) and linear low density polyethylene (LLDPE).

Hoover CS manages one of the largest IBC rental fleets, offering a variety of standard and specialty sizes to accommodate your storage and transportation needs backed by a range of comprehensive integrity services.



### ISO TANKS

Hoover CS offers an extensive line of ISO tanks and chassis to support intermodal transfer and storage of chemicals.

For customers with onshore oil and gas operations in North America, Hoover CS provides Bulk Delivery Units with Last Mile Delivery Services including wellsite delivery, quality control sampling, transloading, on-site/in-region storage capabilities, and chemical inventory management.



### CATALYST BINS

Hoover CS provides comprehensive packaging and logistics solutions across the petroleum refining, gas processing and petrochemical industries for the handling of fresh, spent, presulfided, and precious metal catalysts.

Hoover CS offers industry-leading standard designs and custom-engineered units to suit specific needs ranging from rigid steel packaging to high-efficiency bulk packaging.



### INTEGRATED SERVICES & FLEET MANAGEMENT

To help protect the integrity of every container, Hoover CS provides the industry's most comprehensive maintenance services including tank cleaning, reconditioning, and recertification.

For customers looking to improve their fleet performance, Hoover CS offers a unique Fleet Management program via FleetAI™, which offers tank availability, asset tracking, chemical level monitoring, document storage and analytical reporting.





## APPROACH TO SUSTAINABILITY

At Hoover CS, sustainability is an integral part of everything we do. Through technology, information, on-site service, and training, we help companies around the world achieve exceptional business results, while advancing a positive environmental and social impact.

Hoover CS is driven to empower businesses around the world to do more and be better. We focus every day on finding new solutions to maintain clean and safe environments, optimize water and energy use and improve operational efficiencies and sustainability for customers. Our expertise helps our customers reduce their reliance on finite natural resources and achieve the best results. Within our own facilities, we work on reducing our water consumption, carbon emissions and waste stream, and supporting a safe, diverse, and inclusive workforce.



## ESG MANAGEMENT AND OVERSIGHT

### SUSTAINABILITY COMMITTEE

- Cross-functional senior leadership team, led by the President and Chief Human Resources Officer, responsible for guiding the development and implementation of the sustainability strategy. This group meets quarterly to:
  - Ensure the integration of sustainability decision-making into core business functions and planning processes
  - Explore emerging sustainability issues
  - Approve sustainability policies and public-facing sustainability reports

### DIRECTOR OF SUSTAINABILITY

- Responsible for managing and driving critical process enhancements and quality improvements to new and existing Hoover CS sustainability initiatives
- Communicates and coordinates with management, shareholders, customers, and employees to address sustainability issues
- Enacts or oversees the corporate sustainability strategy and provides direction and project management for all company sustainability projects, programs, and initiatives

### SUSTAINABILITY TASK FORCE

- Ad-hoc group of subject matter experts responsible for the day-to-day integration of sustainability into every corner of the company

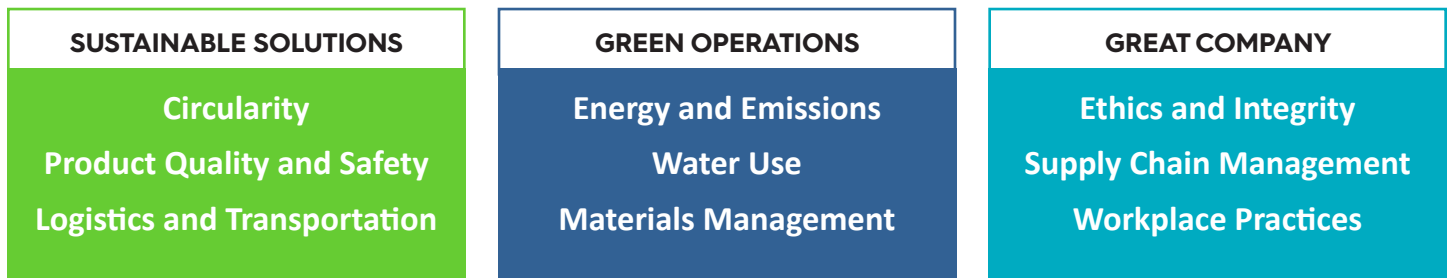


## MATERIALITY

Working with an outside sustainability consultancy, Hoover CS undertook a materiality assessment in early 2022 to understand the most salient environmental, social and governance issues impacting the company. The process included:

- Interviews with leaders from around the company
- Analysis of customer and investor sustainability questionnaires and assessments
- Comparison of existing sustainability practices to the SASB Containers and Packaging Industry standard

The result was a formalization of our sustainability strategy into nine material topics, organized into three workstreams: Sustainable Solutions, Green Operations, and Great Company.





## ALIGNMENT WITH THE UN SUSTAINABILITY DEVELOPMENT GOALS (UN SDGS)

Hoover CS is proud to support the UN Sustainable Development Goals (SDGs). Adopted by all United Nations member states in 2015, the SDGs are the blueprint to achieve a better and more sustainable future for all. We focus on six of the SDGs in particular:



Through our state-of-the-art water reclamation process, we're able to reuse approximately 95% of all water used to wash, flush and service IBCs, Catalyst Bins, and ISO Tanks.



As an environmentally responsible packaging supplier, we're committed to creating more value with less waste by providing reusable, circular packaging versus single-use containers.



We're able to reduce carbon emissions & overall waste through our fleet of reliable, reusable, and leak-proof packaging solutions, helping combat climate change.



Eliminating plastic waste from entering our oceans and rivers is of utmost importance to us, which is why we participate in clean-up events and recycling initiatives at our offices and service centers.



Through our quarterly tree planting program with EcoMatcher, we plant trees and forests in Ecuador. In 2021, we planted more than 200 trees, sequestering 2,100+ kg of CO2.



Our vision is a sustainable future for all, and together, we'll create strong partnerships and take meaningful actions to support the Sustainable Development Agenda.



# SUSTAINABLE SOLUTIONS

For companies that need to move bulk materials between facilities, switching from single-use containers and packaging to reusable options can produce significant environmental benefits.

**INCREASE  
REUSABLE  
PACKAGING**

**SUPPORT  
REDUCTION  
IN PLASTIC  
WASTE**

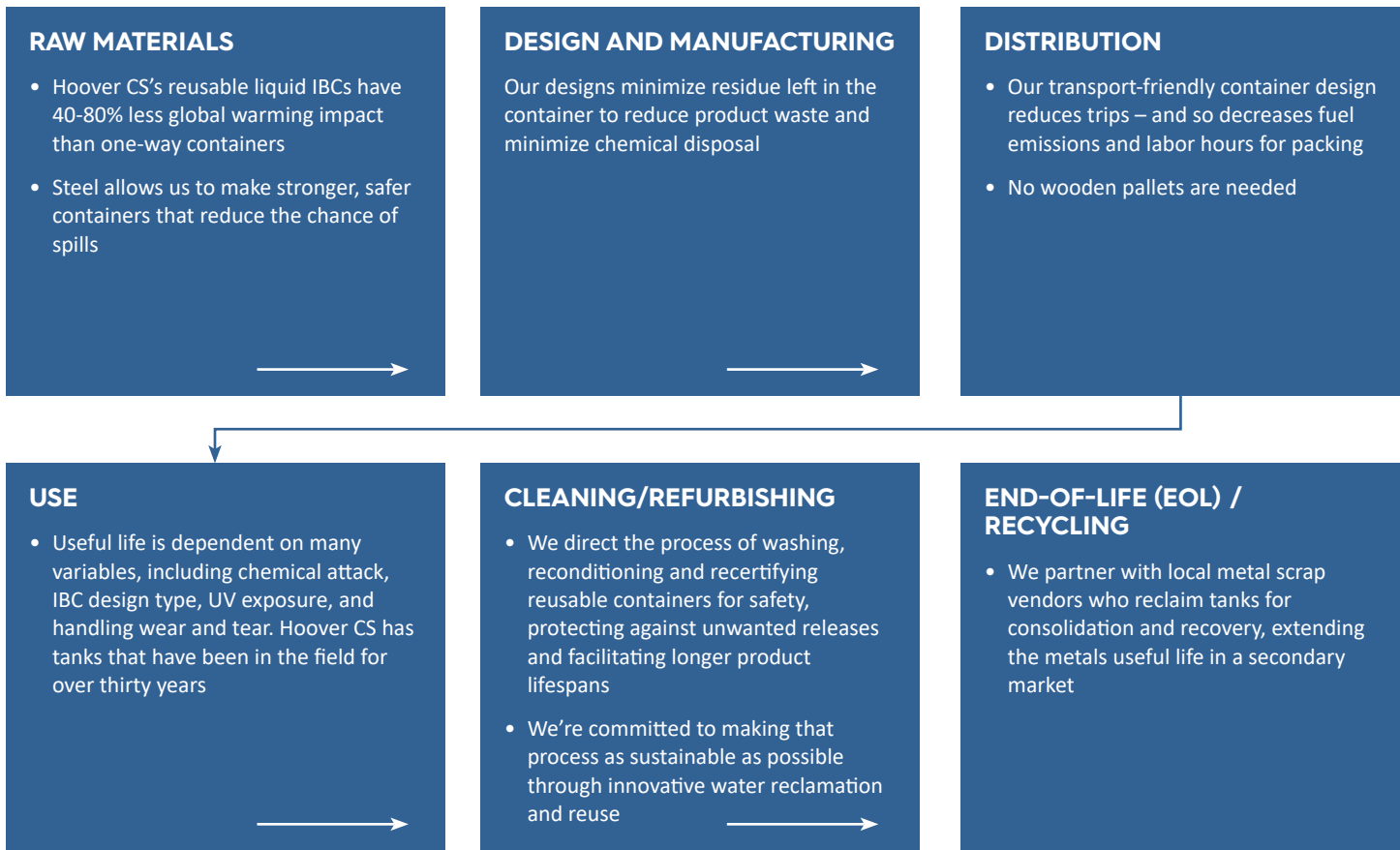
**REUSE AND  
CONSERVE  
WATER**

**SUPPORT A  
CIRCULAR  
ECONOMY**



## CIRCULARITY

We serve customers from start, through delivery and for the future, by safely and sustainably packaging product or raw material in reusable containers. We control the logistics by providing fleet management and container reconditioning to make the process easy for customers and positive for the environment.



In 2021, an outside consulting firm conducted a life cycle assessment\*, in accordance with ISO 14040/14044 standards, and found that switching from one-way IBCs (used once) to reusable stainless-steel IBCs would have the following impact when used to deliver one million gallons of liquid chemicals:

- Reduces steel consumption by 110 metric tons
- Reduces HDPE plastic consumption by 82 metric tons
- Achieves significant reduction in multiple environmental impact categories for most scenarios
- Reduces greenhouse gas emissions by more than 40 percent when transport distances are 200 miles or less

\*Life cycle assessment currently being critically reviewed by an independent panel

## PRODUCT QUALITY AND SAFETY

Hoover CS has designed product quality and safety into every step of our services.

- **Quality Control:** Every container goes through a thorough quality control process where parts are inspected, and the container is checked for damage and any possible leaks.
- **Logistics:** Hoover CS provides prompt, convenient, and reliable transportation to and from customer facilities.
- **Parts Replacement:** Hoover CS fully stocks replacement parts to ensure containers are fully restored when leaving our facilities.



### IBCs

Because our containers are reusable, it's vital that they are properly cleaned and tested at set intervals. Whether the containers have held hazardous or non-hazardous material, Hoover CS provides quality cleaning that protects the integrity of tanks and containers. Our cleaning services for reusable IBCs include:

- Cleaning (and reconditioning, if necessary) IBCs including their valves and fittings
- Inspecting cleaned IBCs to certify that such IBCs are clean, dry and odor-free
- Providing customer cleaning and testing certificates for each IBC
- Proper inventory reporting
- Providing interim storage for cleaned IBCs prior to shipment
- Preparing for shipment and shipping the cleaned IBCs, or arranging for customer pick up

### ISO TANKS

All tanks processed through Hoover CS's wash facilities are air tested, UN-thickness tested, and DOT record kept. Each tank is given a complete external inspection prior to filling. Any unsafe condition is corrected prior to tank being filled and offered for transportation, including an examination of:

- The shell, piping, valves and other appurtenances for corroded areas, dents, defects in welds, and other defects such as missing, damaged, or leaking gaskets
- All flanged connections or blank flanges for missing or loose nuts and bolts
- All emergency devices for corrosion, distortion, or any damage or defect that could prevent their normal operation
- All required markings on the tank for legibility
- Any device for tightening manhole covers to ensure such devices are operative and adequate to prevent leakage at the manhole cover



## LOGISTICS AND TRANSPORTATION



Hoover CS aims to improve customer fleet performance while unlocking new levels of cost-savings and risk reduction through its unique Fleet Management Program, consisting of detailed analytics and technology through its proprietary platform, FleetAI.

- Right-Size Fleet: identify underutilized assets to optimize fleet utilization
- Reduce Company Risk: ensure all tanks are 100% DOT compliant
- Reduce Operational Inefficiencies: ensure control over fleet inventory while streamlining the frequency of washes and repairs

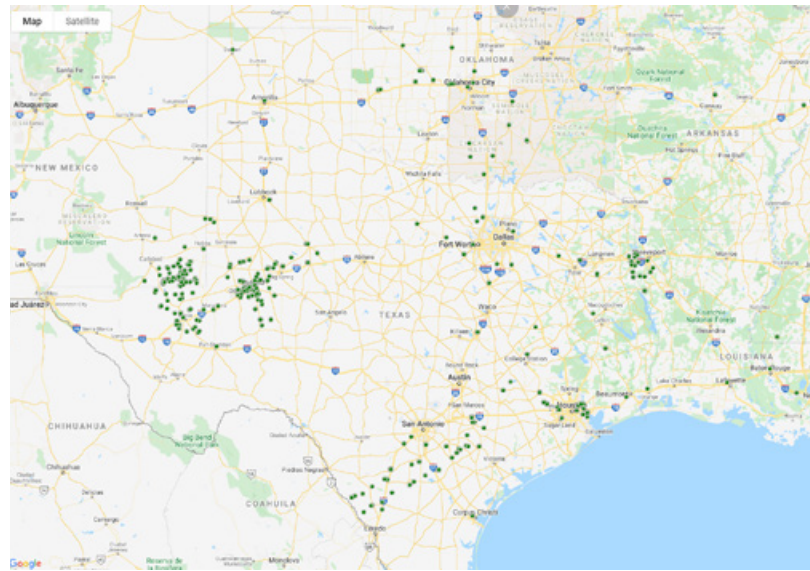
In addition, Hoover CS offers last mile transportation for bulk chemical delivery.

### FLEET ANALYSIS & TECHNOLOGY

Hoover CS performs an in-depth analysis on customers’ existing fleet, customizing solutions to match the rhythms of their operations for minimum disruption and maximum efficiency. Offering far more than just asset tracking, our teams tailor a holistic approach, analyzing potential deficiencies, setting appropriate KPIs, and strategizing initiatives for optimal performance and savings. Through our FleetAI platform, customers have access to:

- Tank Availability
- Asset Tracking
- Level Monitoring
- Document Storage
- Analytical Reporting

By tracking the most appropriate KPIs with real-time data, we give new insight into tank availability and customer demand, enhancing the safety and quality of our customers’ operations while reducing waste and liability.



### LAST MILE DELIVERY

For bulk chemical transportation, our drivers are equipped to support last-mile delivery, including quality control sampling, transloading, on-site/in-region storage capabilities, chemical inventory management, and related services. As part of the company’s Goal Zero safety program, all Hoover CS drivers are required to:

- Conduct a pre-trip inspection
- Confirm the bill of lading and all related documentation is accurate and in compliance
- Adhere to defined PPE requirements as needed
- Check in and receive final instruction from customer for product delivery
- Complete any customer-specific training requirements as needed





## GREEN OPERATIONS

Hoover CS is dedicated to conducting business in a way that reduces any negative impact on the environment, including minimizing the consumption of resources, optimizing the recycling of our waste, and preventing pollution.



## ENERGY AND EMISSIONS

Environmental responsibility is built into everything we do, and that extends into how we manage energy and emissions. Our Environment, Health and Safety policy manual lays out a comprehensive approach to environmental management systems, including roles and responsibilities, training and continuous improvement, change management, and data tracking and auditing.

### ENERGY OPTIMIZATION

When done correctly, energy optimization offers both environmental and financial benefits. Over the last several years, we've achieved both through:

- Reduction of energy consumption by upgrading lighting from traditional bulbs in our warehouses to LEDs with motion sensors on timers, as well as adding skylights
- All new construction uses LEDs on motion sensors with timers and skylights
- We have begun upgrading our forklift fleet from diesel to LP gas and electric

### CARBON AND CLIMATE

In 2021, we partnered with carbon accounting firm Persefoni to calculate our greenhouse gas (GHG) emissions across our facilities and fleet for 2019-2021. We found that in 2021:

- Scope 1 emissions, from stationary and mobile, makes up 46% of our carbon footprint, with the vast majority related to use of natural gas at our facilities.
- Scope 2 emissions make up 30% of our carbon footprint and are almost all related to electricity consumption from the utility grid. In 2021, we used 10,857 GJ of electricity from the grid.
- Scope 3 emissions, from waste generated at our operations and business travel, is 24% percent of our total carbon footprint.

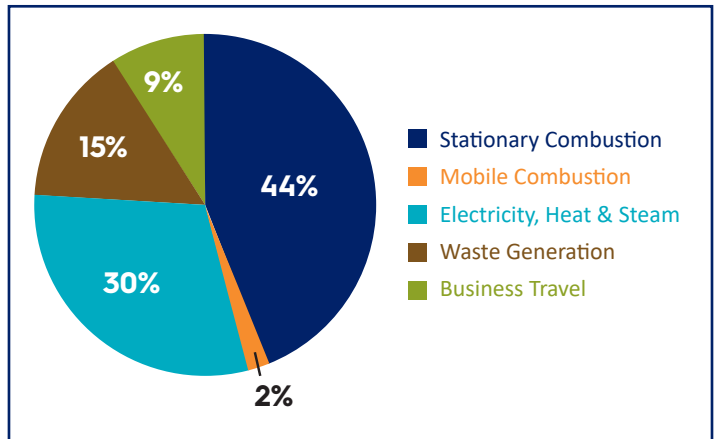
We are using the information gleaned from this exercise to set science-based carbon reduction targets and develop a year-by-year plan to achieve them. We plan to share the results of this work in next year's sustainability report.

### AIR QUALITY

Hoover CS is committed to tracking and managing our air quality in compliance with local, state, federal and international guidelines. We have air quality permits at three of our facilities and have implemented a number of initiatives to manage air emissions, including the installation of thermal oxidizers at our Houston, TX and Scott, LA facilities to remove hazardous air pollutants (HAP), volatile organic compounds (VOC), and odorous emissions discharged from our processes.



2021 CARBON FOOTPRINT (TCO2E)



## WATER USE

Water is an essential resource for sustaining Hoover CS’s operations and creating stakeholder value. The water resources we depend on are shared with the communities and customers where we operate, as well as surrounding areas, and accordingly, we will act responsibly to protect them for others, ourselves and future generations. We recognize that effective water efficiency and proper management must address present and long-term considerations and competing demands. As part of Hoover CS’s ESG goals we are committed to driving improvements and efficiencies across our facilities globally. Our water strategy includes:

- Identifying and assessing relevant near and long-term water issues across strategic planning, risk management, capital expenditures and business planning
- Integrating water resource considerations into the lifecycle of operations, products and services
- Establishing annual targets and long-term water management goals to drive performance
- Annually tracking and reporting on water availability/use and relevant issues internally and externally
- Employing Best Management Practices (BMP) and standards, to improve life-cycle water use and water quality and to reduce the risk of adverse impacts on operations and the environment
- Raising the awareness of employees, suppliers, and other key stakeholders of the strategic importance of water and the need for effective water use management to sustain operations, communities and the ecosystem
- Advocating on water and energy public policy issues based on sound science, competitive markets and universal safe drinking water and sanitation



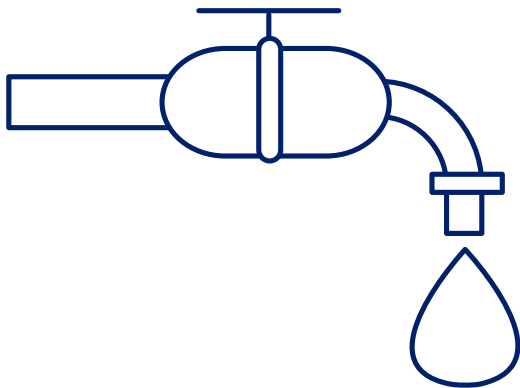
## WATER RECYCLING

We currently are installing or have installed water reclamation at all of our wash facilities to reuse water during our operations. This will significantly reduce our water consumption, and also reduce our wastewater which needs to be hauled off and treated.

## THE GENERAL CLEANING PROCESS FOR IBCs, ISO TANKS & TRAILERS

Note: Different chemicals may require alternative cleaning processes

CYCLE	OBJECTIVE	OPERATION
1	Dirty Flush	Flush with recycled water and transfer to wastewater tank
2	Hot Detergent Wash	Wash and recirculate detergent (or caustic) in a closed circuit
3	Freshwater Rinse	Rinse with hot or cold freshwater and return back to recycled water tank
4	Steam Cycle	Steam interior with direct feed from boiler system
5	Drying Cycle	Dry interior with filtered ambient air



## WATER RISK

While our goal is to optimize water use at each of our locations, we are paying special attention to locations where there is a lack of fresh water resources to meet the local community’s water demands. Using the WRI Aqueduct Water Atlas tool, we evaluated each of our locations to determine their associated aquifer and water stress baseline. We found that none of our Hoover CS facilities are located in areas of high baseline water stress, although our Odessa, Texas location is directly adjacent to one. This information provides us with helpful information in planning future water efficiency and conservation investments.



## MATERIALS MANAGEMENT

From chemicals of concern to waste management, Hoover CS has systems in place to protect the environment and human health and safety.



### CHEMICALS MANAGEMENT

The first step in managing risk from hazardous chemicals is to ensure that the right containers are being used. When determining the right packaging solution for the job, the following characteristics of what will go into the tank or container must be considered:

- Chemical concentration
- Aeration
- Impurities
- Duty cycle
- Temperature
- Viscosity
- Mixing of chemicals
- pH rating
- Pump RPM
- Vapor points

For example, Hoover CS offers tanks manufactured with LLDPE (Linear Low Density Polyethylene). This resin has good structural rigidity and impact resistance. It is resistant to a broad range of chemicals including sulfuric acid, sodium hypo chlorite, and sodium hydroxide. Their seamless construction means that they are easy to clean, impact and weather resistant and resistant to leaks, making them virtually maintenance free.

In addition, employees at our service centers receive training on the safe handling, labeling and storage of chemicals. We have strict rules about chemical handling to protect them, and to ensure that chemicals that are washed from empty tanks and containers are properly captured and treated before entering a local waterway.

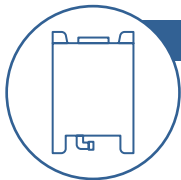
### WASTE MANAGEMENT

We employ a variety of waste management strategies to divert waste from the landfill. These efforts vary by waste stream and are tailored to the local options for waste treatment, recycling and recovery.



#### HAZARDOUS WASTE

- May consist of heel (residual chemicals) and spent catalyst
- We contain both types of materials in hazardous-rated drums and they are collected by waste companies



#### SPENT CONTAINERS, TANKS AND TOTES

- We partner with local metal scrap vendors who reclaim tanks for consolidation and recovery, extending the metals useful life in a secondary market



#### OFFICE WASTE

- We are moving from sticker labels to permanent labels to cut down on paper use and waste
- We use a local vendor to recycle our e-waste (computers, peripherals)



## GREAT COMPANY

We believe that great people make a winning company. Our goal is for employees of Hoover CS to have a job that taps into their strengths, offers the training they need, and fans the flames for a future of lifelong success.



## ETHICS AND INTEGRITY

Hoover CS is guided by an eight-member Board of Directors. Additionally, the Board has established a governance committee that is made up of three Board members, including the CEO.

The Hoover CS Code of Conduct sets out the company's requirements and expectations across a range of governance and ethical issues, including:

- Business integrity
- Fair dealing and anticorruption
- Environmental responsibility
- Workplace health and safety
- Fair working practices
- Working with suppliers

In addition, employees are required to complete mandatory compliance training annually, with additional compliance training included in the employee onboarding process.

### ANTICORRUPTION POLICY

Within our Code of Conduct is a detailed anti-bribery and corruption policy, which sets out our responsibilities, and the responsibilities of those working for us, in relation to bribery and corruption and provides information and guidance on how to recognize and deal with bribery and corruption issues.

Corrupt practices are unacceptable, and we take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly, and with integrity and respect in all our business dealings and relationships wherever we operate and to implementing and enforcing effective systems to counter bribery. We will comply with the legal and regulatory framework in each country in which we operate.

We expect those that we do business with to take a similar zero tolerance approach to bribery and corruption. Before entering into an agreement with any third party who will act on behalf of Hoover CS, we will perform proper and appropriate due diligence and obtain from the third-party certain assurances of compliance.

We do not make contributions to political parties, organizations or individuals engaged in politics.

### "SPEAKING UP" POLICY

Our Code of Conduct includes a "Speaking Up" policy, which reinforces and reaffirms Hoover CS's commitment to an open speaking up process in which employees are encouraged to raise any concerns of wrongdoing they may have. In today's environment, Hoover CS employees remain Hoover CS's first and best line of defense against wrongdoing. When employees detect and report wrongdoing, Hoover CS can take prompt, corrective action to fix it. We recognize that the early detection and reporting of wrongdoing depends on maintaining a culture of trust and integrity in which all employees:

- Are encouraged to report potential wrongdoing as soon as possible, knowing that their concerns will be taken seriously, and that appropriate action will be taken
- Know and use the Ethics Hotline to report concerns of wrongdoing
- Trust that the speaking up process is confidential and that Hoover CS has no tolerance for retaliation or retribution.

### WHISTEBLOWER PROTECTION

We have a variety of ways for employees and other stakeholders to report concerns or ethical issues, including a third-party ethics hotline that can be reached by phone or via email. Using the hotline, employees can report a concern or grievance, including anonymously if they wish.

We understand that employees are sometimes worried about possible repercussions associated with complaints of wrongdoing. We encourage openness and will support any employee who raises genuine concerns in good faith, even if they turn out to be mistaken. We will not tolerate retaliation or detrimental treatment of any kind towards any employee who reports a concern in good faith, or who participates in an investigation into a concern.

### CYBERSECURITY

Hoover CS takes data protection and security seriously. Our cybersecurity practices include:

- A dedicated employee responsible for cybersecurity across the company
- A cybersecurity policy, acceptable use policy and website privacy policy
- Incident response procedure (IRP) to manage breaches of confidential information
- Regular discuss of cybersecurity at Board of Directors meetings
- Mandatory cybersecurity training for all employees
- Additional cybersecurity training as part of the employee onboarding process

## SUPPLY CHAIN MANAGEMENT



Hoover CS expects suppliers to share our commitment to sustainability, ethics and fair labor practices. Our Supplier Code of Conduct, integrated into our purchasing terms and conditions, includes provisions on:

- Compliance with laws and regulations
- Fair competition and anticorruption
- Diversity and inclusion
- Labor and human rights
- Safe and healthy workplaces
- Environmental responsibility

In addition, in 2021, we developed a supplier questionnaire to assess suppliers' current environmental and social practices. This questionnaire will be sent to high-priority suppliers in 2022 and will include:

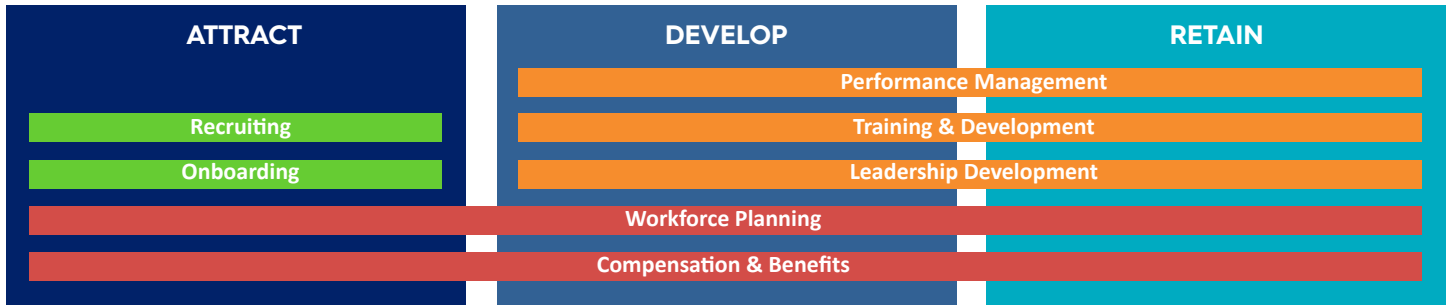
- Whether suppliers apply environmental criteria when making purchasing decisions
- What type(s) of sustainable packaging and shipping materials are used
- To what extent initiatives are in place to reduce the environmental impact of transportation
- What is being done to minimize the environmental costs associated with logistics
- Steps suppliers are taking to combat modern slavery and human trafficking

Hoover CS does not use any so-called "conflict minerals" (tin, tantalum, tungsten, gold), or their derivatives, in our products.



## WORKPLACE PRACTICES

Hoover CS is building a sustainable competitive advantage through our multi-prong talent strategy.



Our Human Rights Policy states our unequivocal commitment to labor and human rights and fair workplace practices, with provisions on diversity and inclusion, discrimination and harassment, work hours, wages and benefits, professional growth and development, employee privacy, workplace security, child labor, forced labor and human trafficking, and freedom of association. In addition, our Employee Handbook provides additional guidance on:

- Career management and training
- Annual performance reviews
- Open door policy

### DIVERSITY

Hoover CS is committed to creating and maintaining a culture which delivers outstanding performance and results. Diversity is essential to Hoover CS’s long term success. Hoover CS values and fosters diversity because it allows:

- Customers’ needs, both today and in the future, to be recognized and addressed
- All employees to feel valued and able to perform to their best
- Hoover CS to have access to the widest possible talent pool

Diversity alone is not as effective without inclusion— recognizing, accepting, soliciting, and utilizing all the differences in background, upbringing, culture and experience that make each of us unique and distinctive. Inclusion of diverse thinking generates diverse approaches to problem solving and creates multiple solutions.

Hoover CS is committed to selecting, recruiting, developing, and supporting people solely on the basis of their professional capability and qualifications, irrespective of gender, ethnicity, nationality, class, colour, age, sexual identity, disability, religion, marital status or political opinion. We believe that a diverse workforce provides the best source of talent, creativity, and experience. People with different backgrounds and life experiences can identify opportunities and address problems from different perspectives.

By encouraging diversity, we enhance our potential to generate new ideas and so improve our ability to adapt to change. This means we are better able to understand the differing needs of our customers globally and by delivering outstanding service to them, provide superior returns to our stakeholders.

A diverse workplace is more interesting and attractive to existing and potential employees, improving employee motivation and retention.

### HEALTH AND SAFETY

All Hoover CS employees are actively involved in living and promoting health and safety values every day. No job is so urgent that it cannot be done in a safe and responsible manner. Our goal is to implement a safe and hazard-free professional working environment through training, awareness, employee participation and attitude. Our aim is to protect ourselves, our fellow employees, and the environment from harm through our Goal Zero program.

Our EHS program is led by our Director of Sustainability and guided by our Environment, Health and Safety Policy Manual, which covers topics including:

- Safety management and accountability
- Competency planning, training and assessment
- Safe work practices and occupational health
- Procurement, services and contractors
- Product quality assurance traceability and inspection
- Crisis management and emergency preparedness and response
- Non-conformity and corrective actions

The safety performance of our customers, sub-contractors and suppliers is integral to our own safety efforts. We evaluate and qualify contractors and suppliers to ensure that a single and comprehensive safety culture governs each project safely and effectively. Our contract language specifies that:

Customer will make reasonable efforts to ensure that while its agents or employees are on Hoover CS or Hoover CS’s vendors’ premises, they will comply with all laws pertaining to occupational safety and health, as well as any written safety rules for such premises. Customer’s agents or employees shall comply with all safety directives given by Hoover CS or Hoover CS’s vendors’ while at such premises, including any exercise of stop work authority exercised thereby.

# ABOUT THIS REPORT

## BOUNDARY, SCOPE AND METHODOLOGY

This is Hoover CS's first sustainability report. It covers calendar year 2021 activities unless otherwise noted and all Hoover CS facilities under operational control.

For our carbon footprint methodology, we are aligned with the GHG Protocol and have used a Scope 1 Stationary and Mobile combustions emissions fuel-based calculation method and a Scope 2 location-based calculation method for heat and steam consumption alongside utility grid consumption at the facility level.

The scope of the carbon footprint includes:

### Scope 1

- Mobile sources: all fleet vehicles and fuel types
- Stationary combustion sources: heaters, boilers, and furnaces

### Scope 2

- Electricity and heat and steam consumed at each facility

### Scope 3

- Category 5: waste generated at operations
- Category 6: business travel data

### Emissions factors are drawn from:

- IPCC Fourth Assessment Report (AR4)
- IEA International Electricity Factors (2020)
- IPCC 2006 Guidelines for National Greenhouse Gas Inventories, 2019 Refinement
- UK DEFRA - Conversion Factors 2020
- UK DEFRA - Conversion Factors 2021
- US EPA - eGRID 2018 State
- US EPA - Emission Factor Hub 2020
- US EPA - Emission Factor Hub 2021
- VitalMetrics - CEDA 5

## CORRECTIONS AND RESTATEMENTS

As this is Hoover CS's first sustainability report, there are no corrections or restatements from previous years.

## ASSURANCE AND VERIFICATION

This report has been reviewed for accuracy, completeness and balance by Hoover CS's Sustainability Committee. It has not been externally assured or verified.

## FOR MORE INFORMATION

For more information about this report, or about Hoover CS's sustainability initiatives, please contact:

Nick Moscariello, Global Director of Sustainability

Email: [sustainability@hooversolutions.com](mailto:sustainability@hooversolutions.com)

Office: +1 281.870.8402 Ext.1036

## CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

This Corporate Sustainability Report contains forward-looking statements that involve known and unknown risks, uncertainties, and other important factors that could cause the actual results, performance or achievements of Hoover CS, or general industry or broader economic performance in global markets in which Hoover CS operates or

competes, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. As such, any forward-looking statements made by Hoover CS are made only as the date hereof and are not guarantees of future performance.



# ESG TEARSHEET

SASB Reference	Indicator	Unit	2021	2020
RT-CP-110a.1	Scope 1 emissions	Metric tons carbon dioxide equivalent (tCO <sub>2</sub> e)	1,066	1,146
	Mobile combustion	Metric tons carbon dioxide equivalent (tCO <sub>2</sub> e)	33	54
	Stationary combustion	Metric tons carbon dioxide equivalent (tCO <sub>2</sub> e)	1,033	1,091
RT-CP-110a.1	Percentage covered under emissions-limiting regulations	Percent (%)	0	0
	Scope 2 emissions (location based)	Metric tons carbon dioxide equivalent (tCO <sub>2</sub> e)	695	385
	Purchased heat & steam	Metric tons carbon dioxide equivalent (tCO <sub>2</sub> e)	2	0
	Utility grid consumption	Metric tons carbon dioxide equivalent (tCO <sub>2</sub> e)	693	385
	Scope 3 emissions	Metric tons carbon dioxide equivalent (tCO <sub>2</sub> e)	1048	41
	Waste generated in operations (category 5)	Metric tons carbon dioxide equivalent (tCO <sub>2</sub> e)	353	3
	Business travel (category 6)	Metric tons carbon dioxide equivalent (tCO <sub>2</sub> e)	208	38
RT-CP-110a.2	Long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussions and analysis	See page 17	
RT-CP-130a.1	Total energy consumed	Gigajoules (GJ)	16,731	14,033
	Natural gas	Gigajoules (GJ)	6,882	6,513
RT-CP-130a.1	Electricity: grid	Gigajoules (GJ)	9,849	7,520
RT-CP-130a.1	Percentage renewable additional	Percent (%)	0	0
RT-CP-130a.1	Electricity: self-generated	Gigajoules (GJ)	0	0
RT-CP-130a.1	Percentage renewable	Percent (%)	N/A	N/A
RT-CP-120a.1	Air emissions: NO <sub>x</sub> (excluding N <sub>2</sub> O)	Metric tons (t)	.0017	.0017

<sup>1</sup> In 2021, we opened a facility in Odessa, Texas.

SASB Reference	Indicator	Unit	2021	2020
RT-CP-120a.1	Air emissions: SOx	Metric tons (t)	.000014	.000014
RT-CP-120a.1	Air emissions: Non-methane volatile organic compounds (VOCs)	Metric tons (t)	.018	.017
RT-CP-120a.1	Air emissions: Particulate matter (PM)	Metric tons (t)	.00019	.00017
RT-CP-140a.1	Water management risks and discussion of strategies and practices to mitigate those risks	Discussions and analysis	See page 18	
RT-CP-140a.1	Incidents of non-compliance associated with water quality permits, standards, and regulation	Number (#)	0	0
RT-CP-140a.1	Hazardous waste generated	Metric tons (t)	356.36	4.83
RT-CP-140a.1	Percentage recycled	Percent (%)	0	0
RT-CP-140a.2	Number of recalls issued	Number (#)	0	0
RT-CP-140a.3	Total units recalled	Number (#)	0	0
RT-CP-150a.1	Hazardous waste generated	Metric tons (t)	356.36	4.83
RT-CP-150a.1	Percentage recycled	Percent (%)	0	0
RT-CP-250a.1	Number of recalls issued	Number (#)	0	0
RT-CP-250a.1	Total units recalled	Number (#)	0	0
RT-CP-250a.2	Process to identify and manage emerging materials and chemicals of concern	Discussions and analysis	See page 19	
RT-CP-410a.1	Raw materials: recycled content	Percent (%)	0	0
RT-CP-410a.1	Raw materials: renewable resources	Percent (%)	0	0
RT-CP-410a.1	Raw materials: renewable and recycled content	Percent (%)	0	0
RT-CP-410a.3	Strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussions and analysis	See page 13	



SASB Reference	Indicator	Unit	2021	2020
RT-CP-430a.1	Total wood fiber procured, percentage from certified sources	Metric tons (t)	0	0
RT-CP-430a.2	Total aluminum purchased, percentage from certified sources	Metric tons (t)	0	0
RT-CP-000.C	Total employees	Number (#)	124	130
	US employees: women	Percent (%)	30	31
	US employees: racial/ethnic minority	Percent (%)	45	44
	Fatalities – employees	Number (#)	0	0
	Fatalities – contractors	Number (#)	0	0
	Total recordable incident rate – employees	Rate	0.0	0.8
	Total recordable incident rate – contractors	Rate	0.0	0.0
	Lost time incident rate – employees	Rate	0.0	0.5
	Lost time incident rate – contractors	Rate	0.0	0.0
	Employee turnover rate – voluntary	Percent (%)	6.47	Not tracked
	Employee turnover rate – involuntary	Percent (%)	5.79	Not tracked