



**CENTRO***MOTION*<sup>TM</sup> 2021  
*Advancing Actuation and Control Solutions*

# Sustainability Report





# Contents

01 To Our Stakeholders

02 About This Report

03 About CentroMotion

12 2021 Highlights

13 Sustainability at CentroMotion

14 Materiality

16 Environment

23 Social

31 Governance

36 Appendices & Glossary



# To Our Stakeholders

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Despite the many changes seen around the world in 2021, CentroMotion held steadfast to our mission of enabling the success of our customers and providing our employees with opportunities for development while demonstrating our core values. Our values of integrity, teamwork, execution and performance, and customer-focus are the bedrock on which we operate. These values are exemplified throughout this Sustainability Report.

As a leading designer and manufacturer of highly engineered components and systems for industrial and transportation markets, we are proud to showcase the Environmental, Social, and Governance (ESG) practices that support us in developing solutions that enable our customers' products to be reliable, safer, and more productive. The disclosures in this report are applicable to our family of highly respected global brands: CrossControl, Elliott Manufacturing, Gits Manufacturing, Maximatecc, Power-Packer, Carlisle Brake and Friction, and Weasler Engineering.

Across our growing family of brands, we promote sustainable business practices and have ambitious goals for continued improvement. From reducing our greenhouse gas emissions and energy use to promoting health and safety, human rights, and supply chain sustainability, our current ESG performance and goals for the future are wide-ranging. Our holistic approach to sustainability is aligned with our company's culture of continuous improvement and focus on the future. By proactively addressing our most material ESG topics, we are working to increase our resilience and add value for our stakeholders.

We are thrilled to present this Fiscal 2021 Sustainability Report and look forward to reporting on our progress next year.

A stylized, handwritten signature of Roger Roundhouse in black ink, positioned to the right of a short horizontal line.

ROGER ROUNDHOUSE, CEO



# About This Report

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CentroMotion is pleased to publish our first Sustainability Report, sharing our ESG performance in Fiscal Year 2021, and goals for the future. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, and in alignment with the UN Sustainable Development Goals (SDGs) and the Sustainable Accounting Standards Board (SASB).

This report outlines material ESG topics for CentroMotion's business based on interviews and surveys of key stakeholders and research into relevant automotive and manufacturing standards, customer commitments and competitor reports. The stakeholders surveyed included a subset of CentroMotion employees and senior leadership. As such, these material topics not only represent high-impact areas, but also reflect the values of CentroMotion's leadership and workforce.

For each material topic covered in this report, we define our management approach and boundaries, as well as applicable key performance indicators, current operations, and planned initiatives to communicate our sustainability performance. CentroMotion is committed to publishing an annual sustainability report, publicly disclosing progress towards our goals, and continuously enhancing the organization's collective knowledge of ESG topics.



# About CentroMotion

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CentroMotion keeps the world working. Our highly engineered, application-specific systems maximize the safety, reliability, and productivity of equipment used in transportation, agriculture, construction, mining and demanding industrial environments. Our customers rely on our deep subject matter expertise in complementary technologies, long-term customer relationships, drive for innovation and continuous improvement and exceptional scale and geographic reach to achieve their goals and deliver superior equipment to end-users.

Successfully designing and delivering highly engineered products for the world's most demanding environments starts with valuing and respecting our people and providing a supportive workplace. Spanning four continents, our collaborative team of more than 3,500 people is at the center of our progress. We strive to deliver the highest quality of service in hydraulic actuation, air flow and emission control, machine intelligence and control, power transmission and braking systems. Sustainability is at the core of our business. Our global team of innovators and strategic partners is committed to attaining our ESG goals and strengthening our resilience.

CentroMotion's family of brands has a reputation for strong expertise, exceeding customer expectations and continually setting the standard in their respective industries. In late 2021, CentroMotion completed the acquisition of Carlisle Brake & Friction (CBF). CBF joins CentroMotion's existing portfolio of brands, which include CrossControl, Elliott Manufacturing, Gits Manufacturing, Maximatecc, Power-Packer and Weasler Engineering.



Supported and approved by senior management, our vision and values guide our work to advance actuation and control solutions.

## Vision

To design and deliver highly engineered products that safely, reliably and productively build, move, and feed the world.



## Values

We elevate customer success by bringing together proven brands that have earned the trust of original equipment manufacturers (OEMs) over decades of partnership. As a unified group, our brands deliver significant added value in terms of global scale, innovation resources, and operational excellence.



## Culture

We encourage our employees to grow personally and professionally and strive for the best in their daily work and life. We champion innovation, respect, responsiveness, integrity, and collaboration. We embrace diversity, empower individuals, and foster an environment where multiple perspectives and ideas can thrive.





# Explore Our Brands

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**Displays, controllers, software, and engineering services that make machines more intelligent and efficient**

CrossControl started as a design house in 1991, supporting several heavy equipment OEMs in adopting Controller Area Network (CAN) and electronic controls technology. The business has developed into a full-fledged provider of advanced electronics, software and services for industrial vehicle control and information systems.

Customers include vehicle and equipment OEMs, system suppliers and system integrators in end markets such as Agriculture, Cargo, Construction, Forestry, Material Handling, Mining and Utility Vehicles. By creating application-specific machine control systems based on CrossControl product and software platforms, CentroMotion helps customers leverage scale benefits and cross-fertilization between industries. Applications are characterized by solutions for enhancing equipment productivity, high demands on reliability and advanced Human-Machine interaction functionality that supports operators in managing the equipment more efficiently.

CrossControl offers an innovative product range of freely programmable, multi-functional displays and on-board computing products, all supported with powerful software platforms and tools. Leading-edge engineering services include software application development and product customization.



## **Overcome design constraints and transmit rotary power from any drive source to virtually any location**

Decrease your design time and conquer power transmission challenges like tight corners, long distances and misalignments with flexible transmission shafts. Offering a high degree of freedom, flexible driveshafts are a safe and efficient alternative to traditional drivetrain options. Ideally suited for delivering power over, under, around and through obstacles, Elliott's flexible drive shafts absorb and isolate vibration, significantly simplifying your transmission application. Our flexible shafts easily withstand the shock of sudden load changes caused by starts and stops, and transmit power to a driven element that must move during operation or into machines.

Since opening our doors in 1932, we have become a global leader in flexible shaft systems. The Elliott product portfolio has evolved to include flexible shaft assemblies, flexible couplings, gearboxes, clutches, push-pull control assemblies and valve actuation systems.







## **Real-time engine information for better productivity and increased equipment life span**

Bypass the difficulties of tight dashboard spaces, harsh environments and software programming challenges, while you deliver the real-time engine information your operators need. With an extensive line of gauges, instrument clusters, senders and sensors maximatecc helps keep your operators safe and informed.

Able to stand up to extreme temperatures, potential UV damage, shocks and vibrations, maximatecc's innovative solutions help your operators understand how engines are functioning at any given moment. Work with our technology and engineering expertise, to optimize performance and increase equipment longevity. We are here to help make your machines smart, safe and productive.

maximatecc delivers reliability and efficiency in the world's most demanding applications.

“Leveraging business competencies to drive sustainability produces positive effects in the organization, such as strong organizational culture and employee engagement.”

- Aimee Therrian,  
Chief Human Resources Officer





**Air flow and thermal management solutions that improve performance, reduce emissions, and protect people and the environment**

GITS is a specialist in the development and production of engine air flow and thermal management solutions and pressure protection devices for storage tanks and equipment. Every day we serve our customers in their journey to create sustainable transport solutions and protect equipment in the On and Off-road Commercial Vehicle, Marine, Industrial applications and Process industry.

Founded in 1910, the brand has expanded and is recognized as a reliable global partner. In the airflow and thermal management solutions we make a difference by low leakage rates, high controllability and accuracy in combination with an excellent operational performance. Our valves and turbo actuators improve horsepower and fuel efficiency, while reducing harmful emissions.

GITS supports heavy-duty engine OEMs in creating environmentally-friendly and robust air flow and thermal management solutions to meet the world's ever-tightening emissions and fuel economy regulation. GITS pressure control solutions support our customers in protected storage and transport of materials and fluids. With our long heritage and experience, we can offer our customers cost effective innovative breathers, vents, expansion chambers and fusible caps to protect people and the environment in their daily job.

GITS Manufacturing custom designs and builds solutions for vehicle and industrial applications worldwide in a diverse range of industries, including some of the most demanding and harsh environments.





**High-quality hydraulic motion control solutions that safely tilt, latch, level, lift and stabilize your equipment**

For 50 years, Power-Packer has engineered a robust and innovative line of hydraulic position and motion control products. We specialize in developing and manufacturing (electro) hydraulic solutions for global OEMs and Tier 1 suppliers in diverse mobile applications such as: drive systems for convertible rooftops, truck cab tilt, stabilization legs, stable and precise adjustment for medical equipment and more.

With headquarters in The Netherlands and the U.S., and manufacturing plants strategically located around the world, Power-Packer delivers state-of-the-art motion control solutions, regardless of your geographic location, application or design challenge. Power-Packer designs and manufactures precision components for transportation, medical and industrial applications to help you and your employees work smarter and safer, no matter how simple or complex your motion challenges may be.





## **Quality power transmission products that keep machinery and implements moving more efficiently**

The increasing global demand for food has farmers finding new ways to increase productivity while reducing costly downtime. Through continuous development of new and improved products, we offer more design flexibility and maneuverability while safely transmitting the right amount of power when and where you need it.

From simple, low-power to the most rugged high-power projects, Weasler solutions help OEMS and aftermarket distributors overcome power transmission challenges. Thanks to our wide range of transmission solutions, we support your efforts to keep farmers moving with optimal productivity.

Founded in 1951, the Weasler brand is widely recognized today for innovative and dependable drive train systems and components that offer unsurpassed quality and delivered on time, with exceptional customer service.







## **Innovative brake system and transmission friction solutions that enhance safety, reliability, and performance**

Carlisle Brake & Friction manufactures both original equipment and aftermarket brake and friction components. We offer a wide range of motion control solutions for industrial dry caliper brakes, hydraulic actuation and friction materials for wet brake, dry brake, clutch and transmission applications. With the combined strengths of advanced R&D, global manufacturing, and a dedicated staff of industry experts, Carlisle provides our customers access to highly-engineered brake and transmission friction solutions.

For the most demanding industrial applications, Carlisle delivers heavy-duty, high-performance products that stand up to the world's toughest operating conditions. We can provide industry-proven, or custom-designed, solutions based on the unique requirements and specifications of your application.

At Carlisle, we deliver solutions that help operators conquer whatever terrain their application is designed for.



# 2021 Highlights

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Developed and Updated  
ESG Policies and Procedures

Environmental | Social | Governance

Continued to Improve  
Employee Safety

Health and Safety



Developed a Scope 1 and 2  
Greenhouse Gas Inventory

Baseline Data | Future Initiatives



# Sustainability at CentroMotion

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In 2021, CentroMotion began working with a third-party consultant to develop a Sustainability Plan outlining ambitious goals and associated initiatives to improve ESG performance. Now established, the Plan will guide CentroMotion over the next three years and beyond in setting ESG goals and reporting on efforts underway.

Employees from diverse backgrounds - including Supply Chain Management, Health, Safety, Security, and Environment (HSSE), Human Resources, Finance, Marketing, Account Management and Operations - work as a team to advance CentroMotion's sustainability efforts and have approved our Sustainability Plan and Report. In 2022, we plan to formalize a cross-functional sustainability committee to track, manage and report on Plan progress.

As a result of this team's dedication to continuous improvement, the following ESG milestones were achieved in 2021:

Developed and implemented ESG-related policies and procedures:

- Supplier Code of Conduct
- Sustainable Procurement Policy
- Modern Slavery, Child Labor, and Human Trafficking Policy
- Labor and Human Rights Policy
- Environmental Policy
- Ethics Policy and Procedure (using a third-party hotline)
- Global Workplace Health and Safety Policy

Collected baseline data on:

- Greenhouse gas emissions (Scope 1 & 2)\*
- Water consumption\*
- Waste generation (select facilities)\*

*\*Excludes Carlisle Brake & Friction due to acquisition date*

# Materiality

CentroMotion commissioned a third-party consultant to conduct a materiality assessment, drawing upon employee interviews, desktop research on industry standards and trends and analysis of customer and investor requests. The results of the materiality analysis are depicted in the materiality matrix below, with the most material topics to CentroMotion and its stakeholders shown in the top right quadrant. These material topics served as a guide for developing CentroMotion's key focus areas and ESG goals.



# UN SDGs

## United Nations Sustainable Development Goals (SDGs)

CentroMotion has identified six SDGs that conceptually align with the material ESG topics and initiatives identified on this page where we believe our ESG activities may positively contribute to one or more of the goals. We plan to measure and report on our progress in alignment with specific indicators and targets for each of the featured SDGs.

	<ul style="list-style-type: none"><li>• Energy Efficiency</li></ul>
	<ul style="list-style-type: none"><li>• Responsible Supply Chain</li><li>• Human &amp; Labor Rights</li><li>• Health &amp; Safety</li></ul>
	<ul style="list-style-type: none"><li>• Diversity, Equity, &amp; Inclusion</li></ul>
	<ul style="list-style-type: none"><li>• Responsible Supply Chain</li></ul>
	<ul style="list-style-type: none"><li>• Greenhouse Gas Emissions</li></ul>
	<ul style="list-style-type: none"><li>• Risk Management</li></ul>



# Environment

CentroMotion strives to minimize our environmental footprint by prioritizing climate impact, resource efficiency and waste reduction.

# Environment



As a growing portfolio of global brands, we recognize the importance of better understanding the current and potential impacts that CentroMotion has and can have on the environment. We have taken several crucial first steps to improve data tracking and collection processes and quantify current energy, water and waste performance. We are currently tracking our Scope 1 and 2 greenhouse gas (GHG) emissions that are produced from our internal operations. Our production facilities contribute to the bulk of CentroMotion's energy consumption, and therefore are the focus of our energy efficiency strategy. To initiate action, we created our first company-wide environmental policy to articulate environmental impact reduction strategies. Moving forward, we plan to improve water and waste data tracking and perform facility audits to identify opportunities to increase energy efficiency while reducing our carbon footprint.

In the future, we plan to begin tracking our Scope 3 emissions and pursuing opportunities for energy efficiency throughout our supply chain. Broadening our emissions tracking scope demonstrates our commitment as a responsible and reliable supplier and enables us to partner up and down the value chain to create shared value.

## Material Topics

- Greenhouse Gas Emissions
- Energy Efficiency

## Sustainable Development Goals (SDGs)

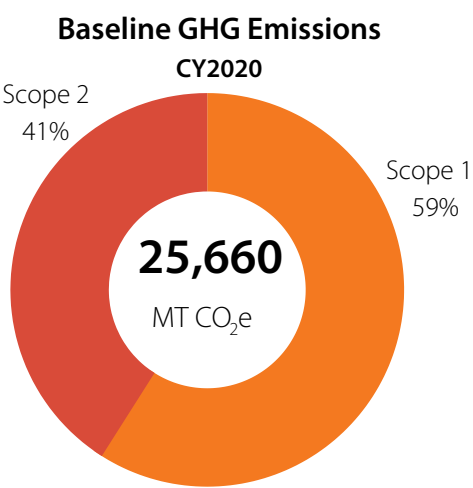


# Greenhouse Gas Emissions

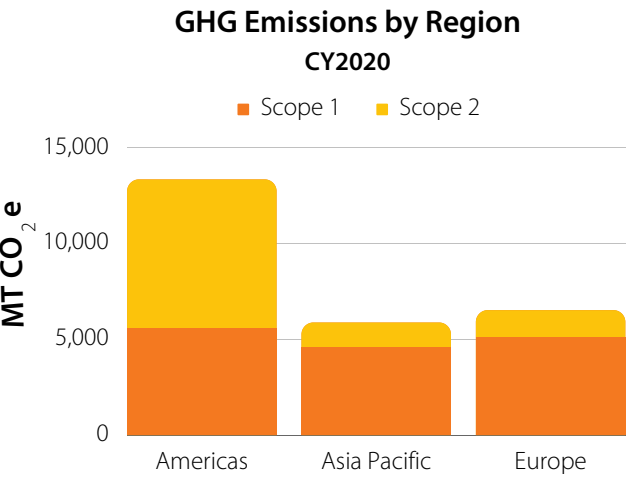


CentroMotion recognizes the urgent need to reduce global greenhouse gas (GHG) emissions, especially in the automotive industry where ambitious reduction targets have been made. In support of these efforts, CentroMotion is committed to tracking our GHG emissions and developing an emissions reduction strategy.

We recently completed a GHG inventory of our CY2020 Scope 1 & 2 emissions, which serves as our baseline operational carbon footprint. Moving forward, CentroMotion will leverage these results to develop an emissions reduction plan for Scope 1 & 2, and begin tracking supply chain emissions (Scope 3). We are also working to increase the percentage of renewable energy consumption at our facilities.



Of the 21 facilities included in the baseline GHG inventory, seven facilities in the Americas account for 52% of total emissions, while emissions from the three Asia Pacific facilities are nearly equivalent to those from the 11 European facilities. Higher emissions in the Americas and Asia Pacific result from more carbon-intensive energy sources powering electricity grids.



GHG Emissions Overview	
GHG Approach	Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard
Reporting Period	January 1, 2020 - December 31, 2020
Organizational Boundary	Operational Control
Scope 1	Natural gas, transportation (owned/leased vehicles), purchased gases and chemical, refrigerant
Scope 2 (location-based)	Purchased electricity
Exclusions	Scope 3; Carlisle Brake & Friction



# Energy Efficiency

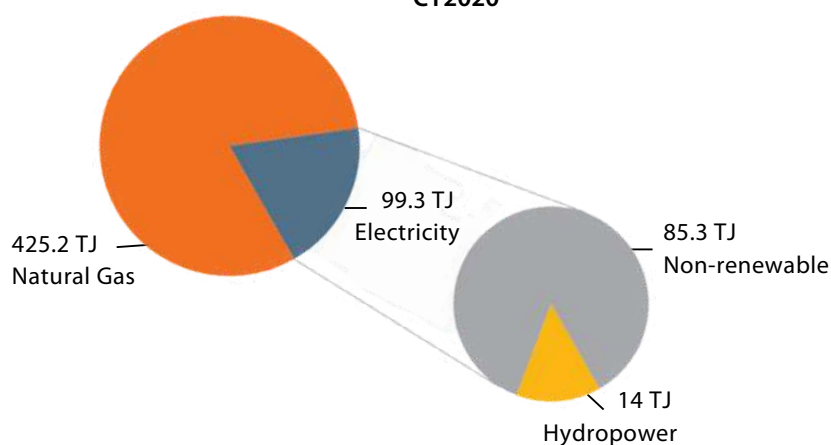
## 7 AFFORDABLE AND CLEAN ENERGY



Energy efficiency is a key solution for reducing greenhouse gas emissions and is important to CentroMotion given the energy-intensive nature of our industry. There has been an uptick in commitments for improving energy efficiency across the automotive industry and CentroMotion wants to be part of the realization of those commitments. Tracking our energy usage and improving our energy efficiency are meaningful first steps to helping our automotive and other customers achieve their energy-related goals.

We are closely monitoring energy use at our facilities to understand baseline usage and explore opportunities for energy efficiency. This is done through analysis of our energy bills, including electricity, natural gas and any other fuels purchased. With this information, we plan to create a formal strategy for reducing energy use and implement an energy management system aligned with international standards.

**Energy Consumption by Source**  
CY2020



# Vision



Goal	Plan
Reduce GHG emissions from operations	<ul style="list-style-type: none"> <li>• Develop an emissions reduction plan and targets for Scope 1 &amp; 2 emissions.</li> <li>• Begin tracking Scope 3 emissions from our supply chain.</li> </ul>
Reduce energy consumption from manufacturing	<ul style="list-style-type: none"> <li>• Develop a plan, considering deployment of certain technology or equipment, to improve energy efficiency and reduce energy consumption.</li> <li>• Deploy an energy management system (e.g. ISO 50001) to monitor and optimize our energy performance in line with international standards.</li> </ul>
Reduce the amount of waste produced	<ul style="list-style-type: none"> <li>• Develop a plan to reduce the amount of waste produced and diverted from the landfill, including recycling initiatives, reuse initiatives and process efficiencies.</li> <li>• Establish projects, qualitative objectives, and/or quantitative targets that promote the sustainable consumption of the company's own products or services among our customer base.</li> </ul>
Expand coverage of Environmental Management System	<ul style="list-style-type: none"> <li>• Transition and expand the ISO 14001 Certified Environmental Management systems from select facilities to a company-wide program.</li> </ul>

# Case Study



## Resource Efficient Facilities

Our Oldenzaal, Netherlands facility has implemented many initiatives to improve environmental performance and reduce its carbon footprint. A new welding machine was installed that is equipped with an extraction system to recover heat, which also improves energy efficiency. The facility is also completing a project to improve the environmental footprint, health and safety of its pre-treatment process. Using thin layer technology as an adhesive layer for paint, we are able to create a more environmentally-friendly and safer alternative to the current zinc phosphating process in the paint line. The new pre-treatment process contains zero carcinogens, produces 50% less chemical waste and consumes 20% less natural gas.

**The Oldenzaal, Netherlands facility purchases 100% renewable energy from its electricity provider.**



Several other facilities are also making improvements in their environmental impacts. Our Bezons facility in France has taken several steps to improve its environmental performance, including the installation of LED lights and motion sensors to improve energy efficiency, maintenance to plumbing to reduce water waste and the elimination of some liquid chemicals to reduce hazardous waste generation.

Our Alfta, Sweden facility utilizes biomass for heat. Biomass is a renewable source of energy and produces significantly lower greenhouse gas emissions than traditional heating sources such as coal and natural gas.



Our Sao Paulo, Brazil facility has made great strides in reducing its energy and water consumption. In 2018, we began measuring and monitoring energy usage to track efficiency and progress. The following year, the facility implemented an ISO 14001 certified environmental management system to formalize the processes necessary to realize energy and water usage efficiencies. In addition to facility improvements, we also implemented an employee awareness program to provide training on reducing electricity consumption. In 2020, we reduced factory lamp usage in daytime hours. Most recently, we implemented a second employee awareness program to shut down machines and monitors that are not in use. Each of these initiatives have enabled the facility to meet and exceed its energy intensity goals and will continue to yield improvements in terms of reduced environmental impact.





# Social



CentroMotion is dedicated to promoting human and labor rights, health and safety and diversity and inclusion in our workplace and throughout our supply chain.

# Social



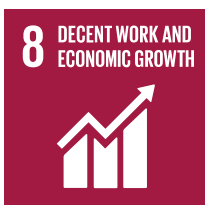
Our people are our greatest asset. Internally, and externally, CentroMotion understands the importance of its people and investing in responsible supply chain decisions as well as in human capital development through training and professional advancement opportunities that help our businesses diversify, grow and innovate. Human and labor rights are of the utmost importance to CentroMotion and are prioritized through our business relationships and our internal operations. Currently, our greatest ability to impact health and safety of our people is within our manufacturing facilities, where we closely monitor and mitigate safety risks. We offer all employees guidance for goal setting and tracking performance through mid-year and annual reviews. Eligible employees can also participate in a tuition reimbursement program which offers financial assistance for educational courses. As we enhance internal knowledge and expand as a business, we are able to provide expansive knowledge and be better partners for our suppliers and customers.

We value feedback from all stakeholders that are affected by CentroMotion's activities. In addition to annual performance reviews, our brands host town halls in order to capture employee feedback. We also maintain dialogue with external stakeholders, including our customers, to ensure we are meeting or exceeding their expectations.

## Material Topics

- Responsible Supply Chain
- Human and Labor Rights
- Health and Safety
- Diversity, Equity, and Inclusion

## Sustainable Development Goals (SDGs)



# Responsible Supply Chain



Ensuring our supply chain promotes human and labor rights and considers environmental impacts is important to both CentroMotion and our customers. Under the leadership of CentroMotion's Director of Global Supply Chain, CentroMotion established a robust Supplier Code of Conduct based on internal policies and international conventions and standards. The Supplier Code of Conduct includes a grievance mechanism for third parties to submit complaints. CentroMotion has also implemented a Sustainable Procurement Policy for vetting potential vendors.

The Supplier Code of Conduct and the Sustainable Procurement Policy both serve to promote and enforce CentroMotion's human rights and sustainability standards throughout our extensive network of vendors and suppliers. CentroMotion's next step in ensuring responsible decision-making in its supply chain is to create a supplier self-assessment questionnaire to evaluate supply chain performance.

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CentroMotion views supply chain sustainability as a competitive differentiator. A sustainable supply chain can deliver substantial benefits for CentroMotion and our stakeholders by reducing risk, improving productivity, eliminating waste and ensuring continuity of supply.

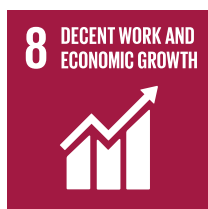
”

- Steven Holzman, Director of Global Supply Chain





# Human and Labor Rights



As a global organization and diverse employer, CentroMotion recognizes the need to protect and uphold the rights of its employees, contractors, business partners and other affiliates. Our Labor and Human Rights Policy communicates our dedication to respecting working conditions and human rights, which includes complying with applicable laws on collective bargaining agreements, working hours and applicable leave regulations. Additional policies underscore commitments towards specific aspects of labor and human rights, such as upholding zero tolerance for modern slavery, child labor and human trafficking.

Any grievance related to labor and human rights can be reported anonymously via our third-party ethics hotline ([ethics.centromotion.com](https://ethics.centromotion.com)). Moving forward, CentroMotion plans to implement a working conditions and human rights management system that is aligned with an international framework, such as ISO 26000.





## Health and Safety



Employee health and safety is critically important to CentroMotion due to the hands-on nature of manufacturing. CentroMotion manages the health and safety of its workforce through the implementation and enforcement of safety policies and procedures, and monitoring of employee health and safety metrics. Company-wide, CentroMotion follows its Health and Safety Policy, which aims to prevent all workplace injuries, incidents and illnesses. Each facility also has safety procedures in place to mitigate site-specific risks. KPIs monitored include total case incident rate (TCIR), lost time incident rate (LTIR), and safety observations and near misses (SO/NM) rate. At any time, complaints of health and safety violations can be reported through our anonymous third-party ethics hotline.

	Lost Time Incident Rate (LTIR)			Total Case Incident Rate (TCIR)		
	2019	2020	2021	2019	2020	2021
Asia Pacific	0.76	0.0	0.0	0.76	0.0	0.0
Europe	0.0	0.0	0.48*	0.0	0.18	0.80*
Americas	0.37	0.73	0.10	0.93	0.94	0.78

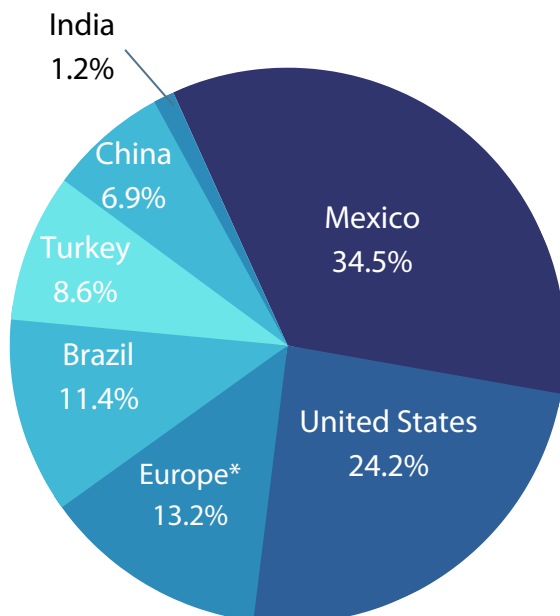
\*Incident rate increased because of higher total incidents and lower total exposure hours due to office employee work from home changes

# Diversity, Equity, and Inclusion

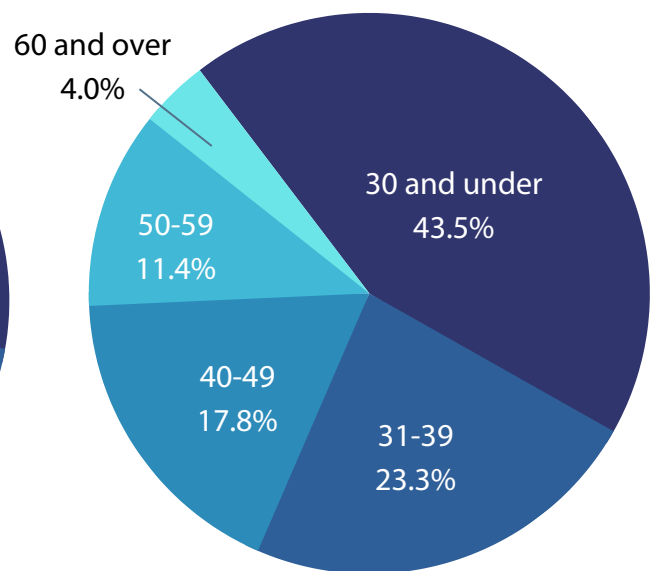


CentroMotion values and respects the diversity of its employees. We provide an inclusive work environment in which all individuals are treated with respect and dignity. All employment and advancement decisions are made in accordance with our Equal Employment Opportunity Policy and Affirmative Action Program which is overseen by our Human Resources Department.

**Geographic Diversity of New Hires by Region  
FY2021**

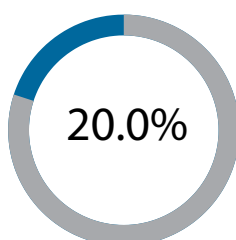


**Diversity of New Hires by Age Group  
FY2021**

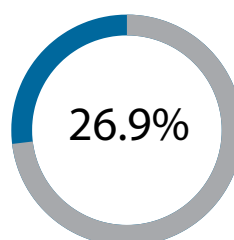


\*European countries include Finland, France, Hungary, Netherlands, Spain, and Sweden. Each country accounted for less than 5% of new hires in FY2021.

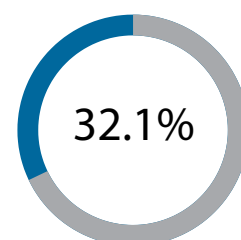
**Women in Senior Executive Positions  
FY2021**



**Women Employees (full-time and part-time)  
FY2021**



**Women New Hires  
FY2021**



# Vision



## Goal

## Plan

<p><b>Improve supply chain sustainability and transparency</b></p>	<ul style="list-style-type: none"> <li>• Develop a self-assessment questionnaire for suppliers to share their ESG performance data and encourage ESG practices throughout our supply chain.</li> </ul>
<p><b>Enhance employee engagement and well-being</b></p>	<ul style="list-style-type: none"> <li>• Administer a survey to obtain feedback from employees about their engagement, morale, and satisfaction at work.</li> <li>• Explore the potential of implementing a working conditions and human rights management system aligned with an international framework, such as ISO 26000.</li> </ul>
<p><b>Maintain a safe and productive workplace for all</b></p>	<ul style="list-style-type: none"> <li>• Expand health and safety training to everyone working on company properties, including sub-contractors working on the premises.</li> <li>• Translate employee instructions or operational processes on health and safety into local languages.</li> </ul>
<p><b>Promote diversity, equity, and inclusion in the workplace</b></p>	<ul style="list-style-type: none"> <li>• Improve metrics tracking for employee diversity, including but not limited to race, ethnicity, gender and age. This may vary by operating country and applicable laws.</li> </ul>





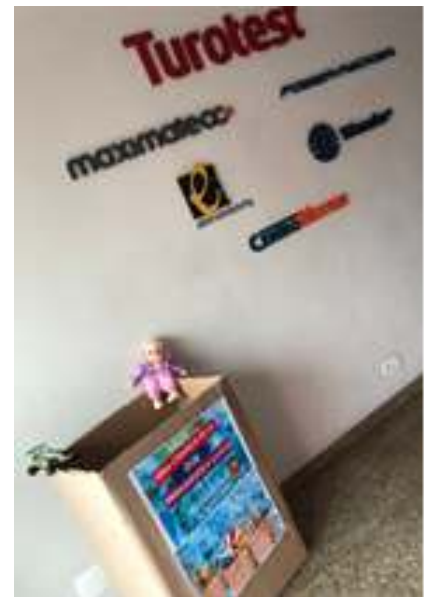
# Case Study



## Employee Engagement through Community Involvement

CentroMotion strives to have a positive impact on our surrounding communities. Across our facilities, CentroMotion employees are excited to use their passion, talent, and time to give back to local communities.

For example, our Sao Paulo, Brazil location organized several community outreach programs throughout 2021. In July, clothing drive donations were collected from employees and distributed to homeless community members. In October, toys, and books were collected and donated to disadvantaged children in the community.



Our Juarez, Mexico facility organized buses to take employees to receive COVID-19 vaccinations, protecting the health and safety of our employees and their families.

Our Alfta, Sweden facility participated in several community and charitable efforts in 2021. In June, CrossControl supported a local recreational orienteering program course called HittaUT that was introduced for all ages across the Swedish countryside to promote physical and mental health. In October, CrossControl supported a soccer club for children and adolescents that offers affordable training and lessons with volunteer leaders.

CrossControl also opened its Alfta facility to students and teachers from the Halsinglands Educational Association 3D CAD Designer program to allow them to tour the production facility and CAD department. Providing this real-world opportunity for students allows them to envision how they might transfer their classroom learning to a future career.

# Governance



At CentroMotion, we hold ourselves to the highest standard of governance, including business ethics, risk management and professional development.

# Governance

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CentroMotion adheres to ethical business practices at all levels of operation and leadership positions. Our employees are the company's ambassadors, and therefore we expect all employees to engage in honest, lawful and ethical conduct. Ethics and business risks may arise from CentroMotion's internal operations and from its relationships with suppliers. As such, risks are monitored and controlled both internally (e.g. health and safety risks) and externally throughout the supply chain.

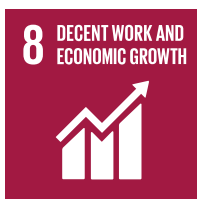
CentroMotion's Worldwide Business Conduct Policy outlines our ethical standards which include zero tolerance for fraudulent behavior, acceptance of bribes or kickbacks, political contributions using company funds, conflicts of interest or anti-competitive behavior. For more information, see our Worldwide Business Conduct Policy.

To mitigate risk associated with our business practices, we recently implemented a third party whistleblower program and ethics hotline providing employees and stakeholders an anonymous method to communicate any concerns. Our Human Resources Department is responsible for the oversight and management of the ethics hotline.

## Material Topic

- Risk Management

## Sustainable Development Goals (SDGs)





# Risk Management

16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



Risk management provides the opportunity for CentroMotion to focus the company's resources in the most efficient way to address potential threats to the company. CentroMotion takes a holistic approach to risk management by assessing diverse risks, including, but not limited to, health and safety operations, procurement and supply chain disruptions and environmental impacts. To help mitigate these risks, CentroMotion plans to launch a supplier self-assessment and complete an ESG risk assessment for targeted suppliers. Additionally, CentroMotion plans to perform an assessment of corruption-related risks across the company's operations and expand the external whistleblower program to include security breaches.





# Vision



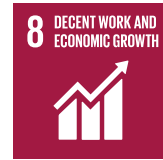
## Goal

## Plan

Reduce supply chain risks	<ul style="list-style-type: none"> <li>• Complete an ESG risk assessment for targeted suppliers.</li> </ul>
Strengthen business ethics oversight	<ul style="list-style-type: none"> <li>• Undertake an assessment of corruption-related risks across company operations to identify and prioritize risk management efforts.</li> </ul>
Standardize sustainability programs across business units	<ul style="list-style-type: none"> <li>• Standardize sustainability programs to proactively manage our sustainability efforts and assist in integrated business acquisitions.</li> </ul>
Enhance external whistleblower procedures	<ul style="list-style-type: none"> <li>• Incorporate a mechanism in the whistleblower program for external parties to report information security breaches.</li> </ul>



# Case Study



## Managing Risks at CrossControl

Risk management is a top priority at CrossControl. Through Environment, Health, Safety (EHS) and Compliance reporting, CrossControl monitors and manages its potential risks. In Fiscal 2021, CrossControl facilities took action to minimize or eliminate risks to employee health and safety.

## Training and Communications

CrossControl facilities have monthly meetings with a Health, Safety, Security and Environment (HSSE) Evaluation Board to evaluate material usage. Looking forward, CrossControl plans to increase training offerings on material handling to operators, along with educational opportunities for using safety equipment.

### Total Case Incident Rate

0

### Corrective Action Completion



## Managing Safety Risks

At CrossControl, we take safety into account in everything we do. We undertake preventative actions, including safety walks and training sessions to minimize potential safety risks. In Fiscal 2021, our total case incident rate remained at 0. During our weekly safety walks with team leaders and union representatives, we identify Safety Observations and Near Misses (SO/NM). All SO/NM are reported immediately and corrective actions are implemented. In Fiscal 2021, our SO/NM-rate was 241, exceeding our goal of 200.







# Appendices & Glossary





# Appendix A - GRI Content Index

GRI #	Disclosure	Page/Response
102-1	Name of organization	CentroMotion
102-2	Activities, brands, products, and services	Pages 3-11, Crosscontrol, Elliot Manufacturing, maximatecc, GITS MFG. Co., Power-Packer, Weasler, Carlisle Brake & Friction
102-3	Location of headquarters	Waukesha, WI
102-4	Location of operations	Pages 3-11, We currently operate in 13 countries
102-5	Ownership and legal forms	Privately held
102-6	Markets served	Pages 3-11
102-7	Scale of the organization	Pages 3-11
102-8	Information on employees and other workers	Page 28, prior to Carlisle Brake & Friction acquisition Part-time - 51 total - 27 female, 24 male Full-time - 1901 total - 498 female, 1,403 male
102-9	Supply chain	Page 25, Our supply chain consists of over 400 suppliers. The types of products most commonly supplied include raw materials, electronics, and manufactured metals.
102-10	Significant changes to the organization and its supply chain	Page 3, acquired Carlisle Brake and Friction; Page 25, Sustainable Procurement Policy and Supplier Code of Conduct implemented
102-11	Precautionary principle or approach	Page 32, 34
102-12	External initiatives	Page 15 - UN SDGs
102-13	Membership of associations	WMC – Wisconsin Manufacturers & Commerce WCBA – Waukesha County Business Alliance MMAC – Metropolitan Association of Commerce FEMA – Farm Equipment Manufacturers Association ADMA – Agricultural Driveline Manufacturers Association NTEA – The Association for the Work Truck Industry ASABE – American Society of Agricultural and Biological Engineers AEM – Association of Equipment Manufacturers VDMA – Mechanical Engineering Industry Association DLG – Deutsche Landwirtschafts-Gesellschaft – German Agricultural Society

GRI #	Disclosure	Page/Response
102-14	Statement from senior decision-maker	Page 1
102-15	Key impacts, risks, and opportunities	Page 1, 2, 13, 14, 15
102-16	Values, principals, standards, and norms of behavior	Pages 1, 3, 4
102-17	Mechanisms for advice and concerns about ethics	Pages 25-26; <a href="https://ethics.centromotion.com">ethics.centromotion.com</a>
102-18	Governance structure	Sustainability governance at CentroMotion is managed by a cross functional, executive sponsored committee consisting of senior leaders, plant managers, finance and HR functions
102-19	Delegating authority	Page 13
102-20	Executive-level responsibility for economic, environmental, and social topics	Page 13
102-21	Consulting stakeholders on economic, environmental, and social topics	Pages 2, 14, 15
102-22	Composition of the highest governance body and its committees	Page 3 - The highest governing body is our Executive Leadership Team, comprised of Chief Officers and Vice Presidents
102-23	Chair of the highest governance body	Roger Roundhouse, CEO
102-24	Nominating and selecting the highest governance body	Page 3 - The highest governing body is our Executive Leadership Team, comprised of Chief Officers and Vice Presidents
102-25	Conflicts of interest	Page 25, 33
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 4
102-27	Collective knowledge of highest governance body	Executive committee members regularly engage with investors and the internal sustainability committee on ESG impacts and opportunities
102-28	Evaluating the highest governance body's performance	Currently there is not a formal process in place to evaluate the performance of the CEO as it relates to ESG topics, but we are considering this for the future
102-29	Identifying and managing economic, environmental, and social impacts	Page 14, 15

GRI #	Disclosure	Page/Response
102-30	Effectiveness of risk management processes	Pages 33, 34
102-31	Review of economic, environmental, and social topics	Page 14, 15
102-32	Highest governance body's role in sustainability reporting	Chief Human Resources Officer
102-33	Communicating critical concerns	Page 26, All reports to the whistleblower hotline will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation
102-34	Nature and total number of critical concerns	0
102-35	Remuneration policies	Privately held
102-36	Process for determining remuneration	Privately held
102-37	Stakeholders' involvement in remuneration	Privately held
102-38	Annual total compensation ration	Privately held
102-39	Percentage increase in annual total compensation ratio	Privately held
102-40	List of stakeholder groups	Pages 2, 14
102-41	Collective bargaining agreements	60% of full time employees
102-42	Identifying and selecting stakeholders	Pages 2, 14,
102-43	Approach to stakeholder engagement	Pages 2, 14
102-44	Key topics and concerns raised	Pages 2, 14, 15
102-45	Entities included in the consolidated financial statements	Privately held
102-46	Defining report content and topic boundaries	Pages 14, 15, 17, 24, 32
102-47	List of material topics	Page 14, GHG Emissions, Energy Efficiency, Responsible Supply Chain, Human & Labor Rights, Health & Safety, Diversity, Equity, & Inclusion, Risk Management



GRI #	Disclosure	Page/Response
102-47	Effectiveness of risk management processes	Pages 33, 34
102-48	Restatement of information	N/A
102-49	Changes in reporting	This is Centromotion's first sustainability report
102-50	Reporting period	Fiscal 2021
102-51	Date of most recent report	June 21, 2022
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	centromotion.tc@centromotion.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	Page 37-42
102-56	External Assurance	Report is not externally assured
205-1	Operations assessed for risks related to corruption	0
205-2	Communication and training about anti-corruption policies and procedures	Page 33
205-3	Confirmed incidents of corruption and actions taken	0
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	0
302-1	Energy consumption within the organization	Pages 18-22
302-3	Energy intensity	0.000324 MWh/\$M USD
302-4	Reduction of energy consumption	Pages 18-22
303-3	Water withdrawal	56.58 megaliters
305-1	Direct (Scope 1) GHG emissions	15,199.8 metric tons CO <sub>2</sub> e, Page 18

GRI #	Disclosure	Page/Response
305-2	Energy indirect (Scope 2) GHG emissions	10,459.91 metric tons CO <sub>2</sub> e, Page 18
305-3	Other indirect (Scope 3) GHG emissions	Pages 18, 20
305-4	GHG emissions intensity	0.00006 metric tons CO <sub>2</sub> e/\$M USD
305-5	Reduction of GHG emissions	Pages 18-22
308-1	New suppliers that were screened using environmental criteria	Pages 25, 29
308-2	Negative environmental impacts in the supply chain and actions taken	Pages 25, 29
401-1	New employee hires and employee turnover	Page 28
403-1	Occupational health and safety management system	Pages 27, 35; We have an internal occupational health and safety management system.
403-2	Hazard identification, risk assessment, and incident investigation	Pages 27, 35
403-3	Occupational health services	Pages 27, 35
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 35 - HSSE Committee
403-5	Worker training on occupational health and safety	Page 27, 29, 35 - We undertake preventative actions, including safety walks and training sessions, to minimize potential safety risks
403-6	Promotion of worker health	Page 27
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 27, 35
403-8	Workers covered by an occupational health and safety management system	Page 27, 35; We have an internal occupational health and safety management system that covers all employees.
403-9	Work-related injuries	Page 27
403-10	Work-related ill health	Page 27


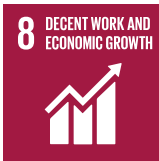




GRI #	Disclosure	Page/Response
404-1	Average hours of training per year per employee	An average of 1.02 training hours per employee per year documented in the tracking program. Additional training hours not captured in this system are not represented in this average  Average training hours by demographics is not available
404-2	Programs for upgrading employee skills and transition assistance programs	742 salaried employees completed annual review, matching diversity of salaried workforce Male - 568; 76.5% Female - 174; 23.5%  May not accurately capture international employees eligible for review
408-1	Operations and suppliers at significant risk for incidents of child labor	Page 25, Supplier Code of Conduct
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 25, Supplier Code of Conduct
412-2	Employee training on human rights policies or procedures	Total hours of training - 362, Training conducted with outside vendor not included in this total  37% of all employees were assigned and completed Anti-Harassment and Discrimination & Diversity training in the tracking system. Additional Anti-Harassment and Discrimination & Diversity training hours not captured in this system are not represented in this total.
414-1	New suppliers that were screened using social criteria	Pages 25, 29
414-2	Negative social impacts in the supply chain and actions taken	Pages 25, 29



## Appendix B - SASB Table

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TR-AP-130a.1	Total energy consumed: 97,963 GJ % Grid Electricity: 23% % Renewable energy: 2.66%
Waste Management	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TR-AP-150a.1	Total waste: 1,116.18 MT Hazardous waste: 40% Recycled: 1.63%
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	TR-AP-250a.1	Recalls issued: 0 Total units recalled: 0
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	Quantitative	Reporting currency	TR-AP-410a.1	Not yet being captured
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	N/A	TR-AP-440a.1	Page 23, 31, 33
Materials Efficiency	Percentage of products sold that are recyclable	Quantitative	Percentage (%)	TR-AP-440b.1	Not yet being captured
	Percentage of input materials from recycled or remanufactured content	Quantitative	Percentage (%)	TR-AP-440b.2	Not yet being captured
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	Reporting currency	TR-AP-520a.1	Total monetary losses: \$0.00
Activity Metric	Number of parts produced	Quantitative	Number	TR-AP-000.A	Not yet tracked
	Weight of parts produced	Quantitative	Metric tons (t)	TR-AP-000.B	Not yet tracked
	Area of manufacturing plants	Quantitative	Square meters (m <sup>2</sup> )	TR-AP-000.C	Manufacturing plant area: 93, 291.97 m <sup>2</sup>

## Appendix C - SDG Targets and GRI Disclosures

SDG	Material Targets	Related GRI Disclosure(s)
 <b>7 AFFORDABLE AND CLEAN ENERGY</b>	Target 7.3: By 2030, double the global rate of improvement in energy efficiency	302-1, 302-3, 302-4
	Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	404-1, 404-2
 <b>8 DECENT WORK AND ECONOMIC GROWTH</b>	Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	408-1, 409-1
	Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	403-1, 403-2, 403-3, 403-4
 <b>10 REDUCED INEQUALITIES</b>	Target 10.2: By 2030, empower and promote the inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	N/A
	Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices	102-8, 401-1
	Target 10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	N/A
 <b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>	Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	N/A
	Target 12.7: Promote procurement practices that are sustainable, in accordance with national policies and priorities	N/A
 <b>13 CLIMATE ACTION</b>	Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters	305-1, 305-2, 305-3, 305-4, 305-5
	Target 13.2: Integrate climate change measures into policies, strategies and planning	N/A
	Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	N/A
 <b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b>	Target 16.5: Substantially reduce corruption and bribery in all their forms	205-1, 205-2, 205-3
	Target 16.6: Develop effective, accountable and transparent institutions at all levels	N/A

# Appendix D - Glossary

## **Baseline Emissions**

An inventory of emissions, typically for one year, that serve as a reference point to understand and track change in the emissions over time

## **CSR - Corporate Social Responsibility**

A business model that helps an entity be socially accountable to itself, its shareholders, and the public

## **ESG - Environmental, Social, and Governance**

Three broad areas that entities can develop in order to create more sustainable business

## **GHG – Greenhouse Gases**

A gas that absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect

## **GRI - Global Reporting Initiative**

An international organization that helps businesses and other organizations take responsibility for their impacts with widely used standards for sustainability reporting

## **ISO 14001**

The international standard that specifies requirements for an effective environmental management system (EMS)

## **ISO 26000**

The international standard developed to help organizations effectively assess and address social responsibilities that are relevant and significant to their mission and vision; operations and processes; customers, employees, communities, and other stakeholders; and environmental impact

## **ISO 45001**

The international standard that specifies requirements for an effective occupational health and safety management system

## **ISO 50001**

The international standard that specifies requirements for an effective energy management system (EnMS)

## **Material Topics**

In sustainability reporting, a material topic is a topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders

## **Risk Assessment**

A systematic process of evaluating the potential risks that may be involved in a projected activity or undertaking

## **SASB - Sustainability Accounting Standards Board**

An international framework that sets standards for the disclosure of financially material sustainability information by companies to their investors

## **Scope 1 Greenhouse Gas Emissions**

Emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles)



**Scope 2 Greenhouse Gas Emissions**

Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling

**Scope 3 Greenhouse Gas Emissions**

Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain

**Stakeholder**

Entity or individual that can reasonably be expected to be significantly affected by the reporting organization's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives

**Supply Chain**

Sequence of activities or parties that provides products or services to an organization

**Sustainable Development Goals - SDGs**

Adopted by all United Nations Member States in 2015, the 2030 Agenda for Sustainable Development provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership

**References**

- Greenhouse Gas Protocol. (n.d.). Retrieved June 16, 2022, from <https://ghgprotocol.org/>
- Global Reporting Initiative. (2018). (rep.). GRI STANDARDS GLOSSARY.
- ISO. (2021, February 19). Retrieved June 16, 2022, from <https://www.iso.org/standards.html>
- United Nations. (n.d.). The 17 goals | Sustainable Development. United Nations. Retrieved June 16, 2022, from <https://sdgs.un.org/goals>