



**UTEX**

ESG Report  
2025

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A blue-tinted photograph of an industrial worker in a hard hat and safety vest, standing on a platform and looking at a clipboard. The background shows a complex network of pipes and structural steel.

I.

# Introduction

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# Letter from the CEO

At UTEX Industries, we believe that doing things the right way matters.

That belief has guided us through more than 80 years of innovation in sealing technology—and it drives our continued commitment to creating long-term value for our customers, employees, and the communities where we operate. We understand that delivering durable, high-performance products is only part of the story. How we operate, how we treat people, and how we manage our environmental footprint are equally essential to building a resilient and responsible business.

Over the past two years, we've continued to strengthen our ESG foundations. We've built greater visibility into our environmental performance, including calculating baseline greenhouse gas emissions and investing in energy and efficiency improvements at multiple facilities. We've expanded recycling and waste management efforts, enhanced our product compliance documentation, and launched new training programs that support responsible operations across the company.

Our people remain at the heart of everything we do. I'm proud of the culture we're fostering at UTEX—one that emphasizes safety, celebrates diversity, and encourages continuous improvement. We've reduced employee turnover, enhanced benefits, and

taken steps to ensure our workplaces are inclusive, engaging, and aligned with our core values of integrity, quality, and accountability.

I'm also encouraged by the active role our teams have taken in shaping our ESG performance. Our progress reflects the contributions of employees across departments and geographies. Their input has helped inform this report, drive operational improvements, and prepare us to meet the evolving expectations of customers, regulators, and communities alike.

There's more to do—and we're not shying away from it. We remain focused on embedding sustainability deeper into our operations and engaging our supply chain in meaningful ways. We'll continue to strengthen our data systems, clarify our ESG priorities, and report transparently on where we're making progress and where challenges remain.

Thank you for your interest in UTEX's ESG journey. We look forward to learning, growing, and delivering results—together.

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**Charlie Thompson**  
President & Chief Executive Officer  
UTEX Industries



# Company Overview

UTEX Industries, Inc. is a leading designer and manufacturer of high-performance sealing solutions that optimize the function and reliability of industrial equipment across some of the world's most demanding operating environments. Since our founding in 1940, we have developed a reputation for innovation, quality, and unwavering customer focus.

Our solutions are used across key industries such as:

- Energy
- Water Infrastructure
- Marine and Transportation
- Mining
- Industrial Manufacturing

Headquartered in Houston, Texas, UTEX operates more than five manufacturing sites across North America, Europe and Asia with a workforce of approximately 450 employees. Across our operations, we maintain over 700,000 square feet of manufacturing space, enabling the vertical integration of processes from material formulation to final assembly.

## OUR CAPABILITIES

We bring deep material science, precision machining, and custom engineering expertise to every customer challenge. Our core competencies include:

- **Rubber Molding:** Over 600 proprietary rubber formulations in use, including Nitrile (NBR) and Perfluoroelastomers (FFKM).
- **Thermoplastics:** Engineered to withstand corrosive and high-friction environments where metals and traditional elastomers fall short.
- **Urethane Molding:** Cast polyurethanes offer enhanced abrasion resistance and cost-effective alternatives to plastic, rubber, or metal components.
- **Metal Machining:** End-to-end capabilities from R&D to high-volume production, supported by rigorous quality control and material traceability.
- **Engineering Support:** Dedicated teams apply advanced modeling tools, including non-linear Finite Element Analysis (FEA), to design and test components tailored for extreme conditions.
- **Mechanical Seals:** Specially engineered composite seals with mechanical actuation help keep pumps performing smoothly and efficiently.

With over 35 patents and 600+ custom compounds, we continue to expand the boundaries of sealing performance.

**Our Vision:** To be the leading supplier of rubber, polyurethane, and thermoplastic sealing systems in every industry, around the world.

**Our Mission:** To deliver high-quality engineered sealing products and services supported by exceptional technical expertise and customer care.



# Business Model and Value Creation

UTEX exists to solve the most complex sealing challenges in the industry, keeping systems operational, safe, and efficient. In high-demand sectors where equipment failure means environmental risk, lost production, or compromised safety, our sealing solutions are designed to perform under pressure.

Our business model is built around vertically integrated operations, proprietary materials science, precision manufacturing, and hands-on engineering support. By developing and delivering customized, high-performance sealing products, we help customers extend asset life, reduce downtime, and meet performance or compliance expectations with confidence.

We partner with customers across the product lifecycle, from design and prototyping to manufacturing, testing, and continuous improvement. This direct, collaborative approach allows us to tailor our materials and components to exact customer requirements, no matter the application environment.

## OUR VALUE CREATION APPROACH

Through our products, people, and partnerships, UTEX creates value in the following ways:

- **Operational Reliability:**  
Our solutions reduce unplanned downtime and extend equipment lifespan.
- **Efficiency and Cost Savings:**  
Optimized sealing improves energy use, reduces maintenance frequency, and lowers total cost of ownership.
- **Safety and Environmental Protection:**  
By preventing leaks and emissions, our products support safer operations and environmental compliance.
- **Innovation and Responsiveness:**  
We continuously evolve our compounds, designs, and processes to meet emerging performance and sustainability needs.

## GUIDED BY OUR CORE VALUES

Our values are more than statements — they are the principles that guide every product, relationship, and decision we make:

- **Integrity:** We are true to our team, we are true to our customers, and we are true to ourselves.
- **Quality:** Anything we manufacture needs to last longer and function better with the goal of maximizing uptime.
- **Attitude:** From formulating a unique compound to designing a new seal, every problem is just a solution waiting to be found.
- **Energize:** We want our customers to be proud of using UTEX products, and we want them to have unwavering confidence in their decision to partner with us.

This foundation of integrity, ingenuity, and partnership has sustained UTEX for over 80 years and continues to shape the value we create for our customers and communities today.



# Our Role in Enabling Sustainability

UTEX's products play a critical but often behind-the-scenes role in advancing sustainability across some of the world's most essential industries. As a designer and manufacturer of high-performance sealing solutions, we help our customers maximize operational reliability, minimize environmental risk, and extend the lifespan of complex systems—from energy and water infrastructure to transportation and industrial equipment.

Our contribution to sustainability is twofold:

1. **Helping customers prevent environmental harm**, such as emissions, leaks, and resource waste
2. **Embedding responsible practices within our own operations and supply chain**, while continuously seeking opportunities to improve, from exploring lower-impact materials and redesigning processes for energy and resource efficiency, to strengthening supplier collaboration on ESG expectations and performance

## ENABLING LOWER ENVIRONMENTAL IMPACT FOR OUR CUSTOMERS

The core function of our sealing products is to **prevent leakage of fluids and gases**, which

is critical in sectors with high safety and environmental exposure. By delivering durable, precision-engineered seals, we:

- Help reduce **greenhouse gas emissions**, particularly methane and other volatile compounds
- Improve **energy efficiency** by lowering friction and optimizing equipment cycles
- Reduce **waste generation** by extending the life of pumps, valves, and other assets
- Limit **chemical and water loss** in sensitive and regulated applications

These outcomes translate into meaningful avoided emissions and resource savings for customers, particularly in oil & gas, water infrastructure, marine, and heavy industrial sectors.

## PROMOTING RESPONSIBLE INNOVATION

While performance and durability remain non-negotiable, we continue to pursue sustainable innovation wherever feasible:

- We use **recyclable thermoplastics and reclaimed materials** where appropriate
- Our engineering teams work to **optimize material use and reduce scrap** through product and process design
- We engage suppliers on **ESG considerations**, particularly for high-impact materials

As regulatory expectations and customer requirements evolve, UTEX remains committed to integrating environmental and social considerations into product development, quality control, and material sourcing.



# Progress Highlights

UTEX’s approach to ESG is rooted in the same values that define our business: **precision, performance, and integrity**. Over the past two years, we’ve taken meaningful steps to strengthen our sustainability performance, improve transparency, and build the internal systems needed to support long-term ESG success.

This section outlines key progress made to date, highlighting actions across environmental, social, and governance pillars. These initiatives reflect our commitment to continuous improvement, driven by cross-functional collaboration and leadership accountability.

## ESG MILESTONES:

- **Reduced our Scope 1 and Scope 2 emissions by 9%** from 2023 values across global operations
- **Initiated a feasibility study to install solar PV in one of our facilities**, allowing us to self-generate renewable energy that meets our demand during operating hours
- **Implemented energy consumption monitoring systems**, supported by training local teams to oversee energy and emissions data
- **Reduced energy consumption** through LED upgrades, equipment replacements, and HVAC optimization across multiple sites

- **Eliminated single-use plastic bottles** across UTEX facilities
- **Significantly reduced employee turnover** by transitioning from temp-to-hire to direct-hire strategies and improving compensation and benefits
- **Achieved over 460 consecutive days without a recordable safety incident** at key facilities, supported by enhanced safety protocols and training
- **Expanded waste recycling and circularity programs**, including re-use of scrap metals and rubber compound optimization projects
- **Sponsored numerous community engagement efforts**, including donations of bicycles, food drives, and corporate volunteer initiatives
- **Completed regulatory and customer-facing ESG documentation**, including PFAS declarations, product sustainability attestations, and conflict minerals reporting

## ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS

UTEX’s business and ESG activities contribute to several of the United Nations Sustainable Development Goals (SDGs), which serve as a global blueprint for promoting prosperity while protecting people and the planet.

SDG	How UTEX Contributes
3. Good Health and Well-Being	Comprehensive health and safety programs, wellness benefits, PPE policies, and training contribute to healthy workplaces across all sites.
6. Clean Water and Sanitation	Our sealing technologies help reduce leaks and chemical spills in water-intensive and regulated industries, contributing to water safety and pollution prevention.
8. Decent Work and Economic Growth	We support over 450 skilled jobs globally and provide fair wages, benefits, and safe working conditions to promote inclusive economic growth.
10. Reduced Inequalities	Non-discrimination policies, pay equity analysis, and multilingual communication ensure a fair and inclusive culture across our workforce.
12. Responsible Consumption and Production	We advance circularity through scrap reuse, product reclaims, and sustainable material selection where feasible.
13. Climate Action	Ongoing energy and emissions tracking, employee education, and capital projects aimed at efficiency all contribute to climate mitigation efforts.

II.

# Environmental Performance



UTEX is committed to reducing the environmental impact of its operations and products while supporting customers in achieving their own sustainability goals. Our approach to environmental performance is grounded in operational efficiency, product integrity, and regulatory compliance, with a focus on continuous improvement across key impact areas.

While UTEX is not a resource-intensive manufacturer by industry standards, we recognize our role in managing emissions, conserving energy and water, and minimizing waste throughout our value chain. In 2024, we reduced our operational greenhouse gas emissions by approximately **8%** compared to 2023 — a reflection of targeted efficiency initiatives, equipment upgrades, and improved monitoring.

Across our global operations, we prioritize material reuse, pollution prevention, and the adoption of more efficient technologies to drive performance gains that are both environmental and economic. Our products, particularly high integrity sealing solutions, help prevent fluid and gas leaks, reduce operational energy loss, and extend equipment life, contributing to downstream emissions avoidance and resource conservation.

Internally, we are investing in data tracking, employee training, and capital upgrades to improve environmental management practices and lay the groundwork for long-term sustainability progress. This section outlines our performance and initiatives across greenhouse gas emissions, energy use, air quality, waste, water, product sustainability, and our role in enabling environmental benefits for our customers.

## GHG Emissions and Climate

UTEX recognizes climate change as a defining global challenge and understands our responsibility to measure, manage, and reduce greenhouse gas (GHG) emissions across our operations. While our direct emissions footprint is modest, we are committed to continuous improvement in our carbon accounting practices and to identifying opportunities for emissions reductions where feasible.

In 2024, we continued building upon the foundational work initiated in 2022, when we established our baseline Scope 1 and Scope 2 GHG inventory in partnership with third-party ESG consultants. Our operational boundary includes all global manufacturing sites and offices where we maintain financial control.

- **Scope 1 emissions** include direct sources such as natural gas used for space heating, Liquefied Petroleum Gas (LPG) for forklift operations, and gasoline and diesel from a reduced corporate vehicle fleet. In 2024, UTEX further consolidated its fleet to five fuel-efficient vehicles in line with efforts to minimize fuel consumption.
- **Scope 2 emissions** encompass indirect emissions from purchased electricity across our domestic and international facilities. In Malaysia and Singapore, emissions are limited to electricity and diesel-powered forklifts. These sites do not utilize coal or hazardous fuels, reflecting compliance with local environmental regulations.

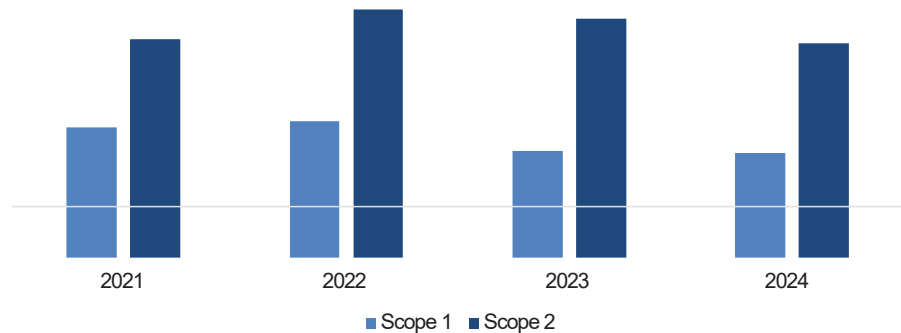
As part of our GHG management strategy, UTEX developed a GHG Inventory Management Plan to formalize data collection, calculation methodologies, and oversight procedures. In 2024, we achieved an **8% reduction in Scope 1 and 2 greenhouse gas emissions** compared to the prior year, reflecting continued investment in efficiency and improved emissions tracking. Energy consumption is monitored monthly through local utility bills at the facility level to identify trends and address anomalies early. Facility leads are trained to collect and validate utility data, ensuring consistency and accountability in our reporting practices.

In parallel with data system improvements, UTEX initiated targeted capital projects to reduce energy intensity.

At our Weimar facility, a major hot oil boiler upgrade was implemented to enhance energy efficiency and reduce maintenance downtime, a change expected to yield long-term environmental and operational benefits.

While Scope 3 emissions are not currently calculated, we recognize their relevance to our total footprint. Because most downstream transportation decisions are managed by customers, our control over those emissions is limited. However, we have started engaging suppliers on responsible sourcing and environmental disclosures and are exploring how to incorporate upstream categories, including purchased goods and services and business travel, into future GHG assessments.

**GHG emissions trends 2021-2024 (MT CO<sub>2</sub>e)**



**Total 2024 Scope 1 and Scope 2 emissions (MT CO<sub>2</sub>e)**

	2024 (MT CO <sub>2</sub> e)	% change from 2023	Emissions intensity (MT CO <sub>2</sub> e / product sold)
<b>Scope 1</b>	3,240	(1.2%)	0.0015
<b>Scope 2</b>	6,609	(10.51%)	0.0031
<b>Scope 1 + 2</b>	9,849	(7.7%)	0.0047



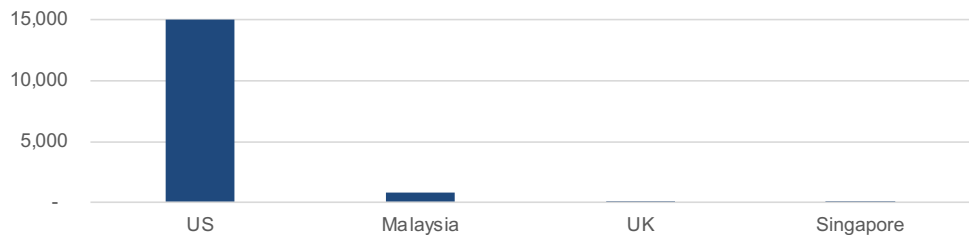
# Energy Consumption and Efficiency

At UTEX, we recognize the direct link between reducing energy use and lowering our carbon footprint. Improving energy efficiency is not only critical to our environmental goals, but also key to operational productivity, safety, and long-term cost savings.

In 2024, we advanced energy efficiency across multiple facilities by implementing a range of

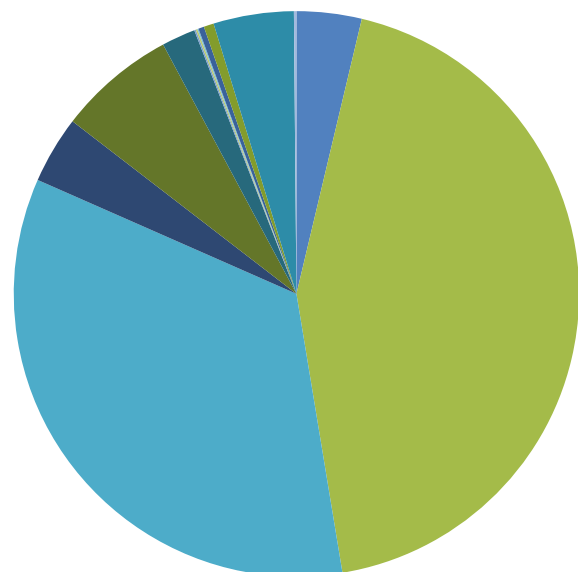
process improvements, equipment upgrades, and behavioral programs. Our efforts focused on identifying and addressing the largest areas of energy consumption in our operations, including lighting, HVAC, and rubber molding equipment, while embedding a culture of conservation throughout the organization.

## Total 2024 Energy Consumption by Region (MWh)



## Total 2024 Energy Consumption by Facility (MWh)

- HQ
- Weimar
- Conroe
- Willis
- Accuseal
- Odessa Market
- Pleasanton
- Washington
- Colorado
- Odessa Air
- UK
- Malaysia

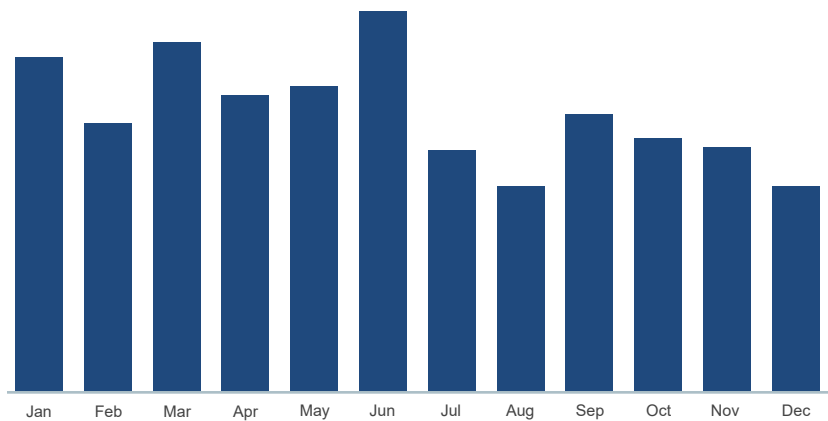


## OPERATIONAL IMPROVEMENTS

Several manufacturing locations completed major energy-saving upgrades:

- At the **Weimar facility**, UTEX implemented a series of targeted equipment upgrades, including the installation of automated light sensors in large storage areas and hallways to reduce energy use during unoccupied hours. Old lighting systems were replaced with high-efficiency LEDs, improving visibility and reducing electrical demand in production zones like mold storage.
- A broader capital investment of **\$4.8 million** across facilities supported modernization of production equipment, helping reduce energy consumption while enhancing precision and uptime. Maintenance teams are now responsible for daily walkthroughs and seasonal HVAC adjustments to optimize performance.
- In **Malaysia**, facility leaders downsized oversized air conditioning units and installed energy-efficient compressors. These changes led to estimated cost savings of approximately \$1,000 USD per month.

**Monthly Electricity Consumption at Weimar (MWh)**



**Average Electricity Consumption at Malaysia Facility Before and After Rubber Room Optimization (MWh)**



## BEHAVIORAL AND PROCESS EFFICIENCY

We continue to encourage site-level ownership of energy efficiency. This includes:

- Launching campaigns to promote responsible habits like turning off lights, computers, and HVAC units when not in use.
- Restricting use of non-essential, high-energy appliances (e.g., space heaters, microwaves) in shared areas.
- Training teams on key processing parameters—time, temperature, and pressure—to improve press operation efficiency and reduce waste.

At **Conroe**, ongoing initiatives include motion-sensor lighting upgrades and the gradual replacement of fluorescent bulbs with LED fixtures. These updates have been particularly effective in a facility originally built in 1986, helping to manage power surges without major infrastructure investment.

## MONITORING AND FUTURE PLANS

All facilities track monthly electricity usage using utility data to monitor progress and flag anomalies. In support of future decarbonization, UTEX is also exploring the feasibility of on-site solar installations under power purchase agreements (PPAs). A detailed feasibility study for the Ashington facility in the UK is under review and may serve as a model for replication across other sites.

In parallel, the **Rubber Room Optimization Project** at Weimar focused on reducing equipment idle time, improving air pressure regulation, and minimizing scrap rates — with energy performance as a core benefit.

## KEY INITIATIVES IN 2023 - 2024

- Facility-wide LED lighting installations
- Automated lighting sensors in low-occupancy zones
- HVAC upgrades and daily system audits
- Employee engagement campaigns on energy-saving behaviors
- Capital investment in high-efficiency production equipment
- PPA feasibility study for solar energy deployment
- Site-specific compressor and cooling system optimization

# ADVANCING ON-SITE RENEWABLE ENERGY AS A DECARBONIZATION STRATEGY

In 2024, UTEX took key steps to evaluate long-term decarbonization pathways by exploring the feasibility of on-site renewable energy. A detailed solar feasibility study was completed for the Ashington facility in the UK, identifying it as a viable site for a 258 kWp solar photovoltaic (PV) system under a 25-year Power Purchase Agreement (PPA). The proposed system is projected to offset approximately 47% of the facility's daytime electricity demand and deliver average annual energy savings of £42,000, totaling over £1 million in savings over the initial PPA term. Additionally, the project is expected to reduce annual emissions by more than 54 MTCO<sub>2</sub>e in the first year alone.

The proposed PPA structure requires no upfront capital from UTEX and includes full maintenance, insurance, and system monitoring

throughout the agreement period. Upon expiration, ownership of the system would transfer to UTEX, extending zero-cost renewable generation for an additional 10–15 years. If implemented, this model could be replicated at other facilities across the company's portfolio, further strengthening UTEX's transition to low-carbon energy sources.

These feasibility efforts underscore the company's commitment to continuous environmental performance improvement and proactive energy risk management. While the formal implementation is anticipated post-2024, the groundwork laid this year represents a key strategic milestone in UTEX's journey to reduce operational emissions and reliance on grid-based electricity.



# Pollution and Air Quality

UTEX is committed to maintaining a safe, healthy, and compliant working environment by actively managing and reducing sources of air pollution and chemical exposure throughout its operations. Our approach combines strict adherence to regulatory requirements with proactive measures that go beyond baseline environmental standards.

Air quality is monitored through monthly stack opacity readings and routine site-level sampling. Key sources of non-GHG air emissions at UTEX include vehicle exhaust, forklift fuel use, solvent fumes, and particulate matter from manufacturing processes.

Across all sites, we maintain full compliance with applicable air permits and environmental quality regulations, covering emissions controls, solvent management, and filtration systems.

In preparation for 2025 permit renewals, UTEX conducted detailed equipment reviews and verified that no operational or emissions changes had occurred.

Preventative maintenance and upgrades continued throughout 2024, helping to further reduce potential air impacts.

These included the use of elevated exhaust stack designs to reduce ground-level emissions, operating requirements that ensure ventilation systems remain active during production, and continued use of baghouse cloth-filter dust collection systems on rubber mills to manage particulate emissions.

## AIR QUALITY MANAGEMENT AND EMISSIONS CONTROL

- UTEX uses **Liquefied Petroleum Gas (LPG)** to power forklifts, reducing nitrogen oxide (NOx) and hydrocarbon emissions compared to conventional fuel options.
- Across several manufacturing sites, we have upgraded **paint booths** with enhanced filtration systems to minimize employee exposure to **volatile organic compounds (VOCs)** and reduce emissions into the surrounding environment.
- In 2024, we completed **air permit updates** and made associated modifications to exhaust systems at both the **Conroe** and **Weimar** facilities following environmental audits.
- The company already **uses rechargeable, battery-powered forklifts** in some facilities and is actively **exploring clean energy alternatives** for its internal combustion vehicle fleet and other material handling equipment.

## CHEMICAL MANAGEMENT AND EXPOSURE REDUCTION

- UTEX conducts **industrial hygiene sampling** to assess employee exposure to airborne chemicals, and performs regular air and noise safety tests as part of its health and safety program.
- A key area of progress includes the **effort to phase out MEK** (Methyl Ethyl Ketone) in production processes. New guidelines and testing are being used to identify safer alternatives that maintain product performance while reducing chemical risk.
- To prevent pollution, teams ensure **proper**

**chemical storage across all sites** and maintain up-to-date labelling and Safety Data Sheets (SDS), even when not required by law.

## BEYOND COMPLIANCE: PFAS AND TRANSPARENCY

In alignment with emerging regulatory concerns and growing customer scrutiny, UTEX has taken steps to address per- and polyfluoroalkyl substances (PFAS). In 2024, the company processed 151 declarations for articles containing PFAS, verified against supplier-provided data and current SDS documentation. While not universally mandated, UTEX chooses to track and disclose PFAS concentrations proactively to customers seeking full material transparency.

# Water Consumption

While UTEX’s manufacturing operations are not considered water-intensive by industry standards, water plays a critical role in select process and support systems.

Across our facilities, water is primarily used in closed-loop boiler systems, chiller-based cooling, and equipment cleaning.

At our Texas facilities, we comply with oversight requirements from the Texas Water Development Board and conduct regular water use monitoring to ensure operational efficiency and environmental compliance. Our closed-loop boiler and chiller systems are

designed to minimize both water withdrawal and discharge, and are closely monitored to identify any signs of leaks, evaporation loss, or performance inefficiency.

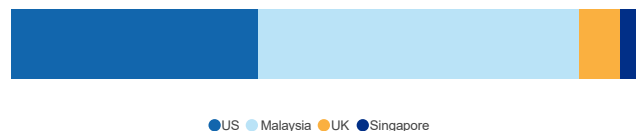
UTEX is also subject to local and regional stormwater and wastewater regulations, and maintains permits and inspection logs for all applicable jurisdictions. Preventing contamination from runoff or incidental discharge is a top priority, especially in facilities located near sensitive ecosystems or community water sources.

Looking ahead, UTEX intends to improve water data granularity and evaluate site-level water intensity metrics to better understand consumption patterns and identify reduction opportunities over time.

## WATER PERFORMANCE METRICS IN 2024

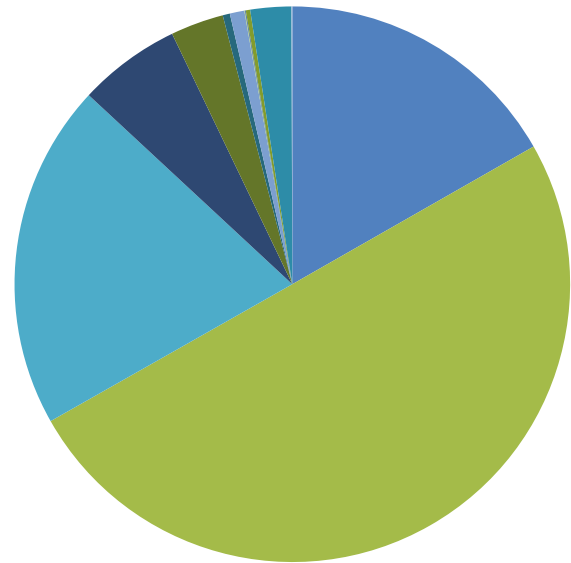
- **Total water withdrawn:** 9,084,019 gallons
- **% of facilities with metered water use:** 85%
- **Water intensity:** 4.29 gallons per unit of product sold

### Total 2024 Water Consumption by Region (Gallons)



**Total 2024 Water Consumption by Facility (Gallons)**

- HQ
- Weimar
- Conroe
- Willis
- Accuseal
- Odessa Market
- Pleasanton
- Washington
- Colorado
- Odessa Air
- UK
- Malaysia



# Waste and Circularity

UTEX is committed to minimizing waste generation, maximizing material reuse, and ensuring responsible disposal practices across its global operations. From metal scrap recovery to packaging reduction, we take a practical and site-specific approach to waste management while laying the foundation for a more circular system over time.

## MATERIAL REUSE AND RECYCLING

Each of our manufacturing facilities implements reuse protocols designed to extend the life of materials such as molds, scrap metals, and composite parts until they reach the end of their usable form factor. Once materials can no longer be used, they are

segregated into defined waste streams and picked up by licensed waste management vendors for recycling or compliant disposal.

Examples of ongoing reuse and recycling practices include:

- **Hydraulic oil reuse at Conroe:** UTEX’s Conroe facility operates a hydraulic oil dehydrator that evaporates water from used oil, reclaiming 700–1,000 gallons weekly. This reduces hazardous waste volumes and significantly cuts costs associated with new oil purchases.
- **PEEK thermoplastics recycling at Accuseal:** The Accuseal plant recycles unfilled, glass-filled, and carbon-filled PEEK shavings. These are sent to a supplier for grinding and returned at a substantially lower cost. Recycled PEEK is used in the production of Well Service Packing (WSP) at the Weimar facility, contributing to resource circularity and reducing GHG emissions associated with virgin material extraction and production.

- **Metal and alloy recycling:** Facilities such as Willis, Weimar, and UTEX West shave and recycle aluminum bronze and other scrap metals where technically feasible.
- **Paper and e-waste recycling:** Accuseal uses Shred-it services for secure paper recycling and has reduced paper use overall by digitizing operator workflows. An internal IT equipment recycling policy is also in place to manage electronic waste responsibly.
- **Pallet and packaging recovery:** Across multiple facilities, teams actively recycle wood pallets and reduce packaging-related waste. In Singapore, UTEX tracks packaging KPIs and complies with extended producer responsibility (EPR) reporting obligations.
- **Hazardous waste protocols:** In the UK, hazardous waste is stored in explosion-proof containers and removed by certified contractors, ensuring full compliance with all regulations.

## PACKAGING AND UPSTREAM WASTE REDUCTION

UTEX is evaluating the transition from single-use polythene wraps to returnable containers for palletized materials. These systems could reduce packaging waste, enhance traceability, and support broader supply chain circularity. Pilot testing is underway at select facilities

*Note: The waste metrics presented below represent data from UTEX's two largest U.S. facilities, Weimar and Conroe, which together account for a substantial portion of the company's total waste generation. Due to current data availability, figures do not yet include all global sites. UTEX intends to expand reporting to additional facilities in future disclosures*

### Combined Facility Waste Performance Metrics 2024

Metric	Conroe	Weimar	Combined
Total waste generated (lbs)	91,128	24,400	115,528
Waste diverted from landfill (lbs)	24,443	N/A*	24,443
Waste sent to landfill (lbs)	66,685	N/A*	66,685
Recycling/diversion rate (%)	26.8%	N/A	26.8%
Hazardous waste handled via licensed vendors (lbs)	Included above	24,400	≥24,400

\*Weimar data doesn't specify landfill vs. diversion; all waste reported is assumed to be hazardous and diverted through licensed disposal vendors.

## KEY INITIATIVES IN 2023-2024

- Expansion of material reuse protocols at all manufacturing sites
- Hydraulic oil dehydration and reuse at Conroe
- Full-scale PEEK thermoplastic recycling at Accuseal and material reuse at Weimar
- Launch of facility-wide recycling programs with improved signage and training
- Packaging reduction initiatives and EPR compliance in Singapore
- Deployment of secure IT equipment and paper recycling systems
- Hazardous waste handling improvements in the UK

reduce replacement frequency, and lower total resource use over time. These outcomes are not only operationally valuable, but also environmentally beneficial.

## PREVENTING EMISSIONS THROUGH SEAL DESIGN

Our products are used in high-pressure, high-temperature, and chemically aggressive environments where poor sealing can lead to environmental spills, fugitive emissions, or safety hazards. As noted by our engineering team, the seal itself often plays a central role in preventing GHG and non-GHG emissions.

To ensure product integrity, we maintain ISO 9001-certified quality systems, customer-specific testing protocols, and rigorous performance validation. Every new design balances the tradeoffs between material performance, cost, and environmental impact.



# Product Sustainability

At UTEX, product performance and sustainability are closely linked. Our sealing solutions are engineered to prevent leaks, protect sensitive equipment, and support environmental compliance — particularly in industries where fluid containment is critical to operational safety and emissions control.

By designing for durability, reliability, and extended product life, UTEX solutions help customers minimize unplanned maintenance,

## MATERIAL SELECTION AND TRANSPARENCY

Wherever feasible, UTEX incorporates recyclable or lower-impact materials into our designs. For example, recyclable thermoplastics are used when application conditions allow — though in some cases, chemical resistance and mechanical strength must take priority due to safety or performance requirements.

We are committed to transparency and work closely with customers to provide Environmental Product Declarations upon request. These declarations outline material composition, recyclability, and regulatory compliance to support customers' sustainability disclosures and procurement policies.

## SUPPLIER ENGAGEMENT AND LIFECYCLE CONSIDERATIONS

As part of our supplier qualification process, UTEX conducts audits that currently emphasize quality but increasingly include questions related to ESG practices and material traceability. Our goal is to deepen collaboration with suppliers to improve visibility into sourcing impacts and advance circular material strategies where appropriate.

We also offer limited product reclaim or reconditioning options for select components, where technical feasibility and customer requirements allow.

### KEY PRACTICES

- ISO 9001 Certified quality systems
- ESG-related product declarations for customers
- Use of recyclable materials where performance allows
- Supplier audits including ESG screening questions
- Product design focused on leak prevention and durability
- Customer testing and validation protocols

## Biodiversity

UTEX acknowledges the importance of protecting biodiversity and upholding ecological integrity in the areas where we operate. While our facilities are not located in regions classified as high biodiversity risk, we remain committed to minimizing the potential impacts of our operations on local ecosystems.

We ensure compliance with all applicable federal, state, and local regulations related to land use, chemical storage, and emissions management. Site development and infrastructure upgrades are evaluated to avoid environmental disturbance and maintain compliance with permitting requirements.

Although rubber production and synthetic material processing carry inherent environmental considerations, UTEX has taken steps to reduce operational impact through **equipment upgrades, energy-efficient systems, and emissions control investments** that help limit potential indirect effects on surrounding environments.

As part of our broader environmental stewardship strategy, UTEX continues to prioritize:

- Responsible land use at all facilities
- Pollution prevention through air and water quality management
- Site-level audits and corrective action programs
- Energy and materials efficiency measures that reduce upstream impacts

We will continue to monitor emerging regulatory expectations and customer requirements related to land use, biodiversity,

and ecosystem services to ensure our practices remain aligned with leading standards.

# Avoided Emissions

UTEX's products are designed to prevent leaks, reduce friction, and enhance the operational efficiency of industrial systems — all of which contribute to avoided environmental impacts for our customers. While we do not directly quantify avoided emissions at this time, we recognize that our sealing technologies play a meaningful role in reducing energy use, water loss, and greenhouse gas emissions across the industries we serve.

## PREVENTING EMISSIONS AT THE SOURCE

Our engineered sealing solutions are deployed in sectors such as oil and gas, water infrastructure, marine, and transportation, where leaks can result in fugitive emissions, safety risks, and costly downtime. By ensuring containment of fluids and gases under extreme conditions, our seals reduce the likelihood of environmental release and regulatory noncompliance.

Customers rely on UTEX to:

- Prevent GHG and non-GHG leaks through high-integrity sealing
- Improve energy efficiency by reducing equipment cycle times and minimizing seal friction
- Extend equipment life, reducing material turnover and environmental impact

- Support regulatory compliance with emissions, safety, and environmental standards

The durability and reliability of UTEX products directly impact customer sustainability performance, specifically as it relates to their Scope 3 emissions. Longer-lasting seals and components reduce the frequency of replacements and service intervals, decreasing material waste and downstream emissions associated with maintenance and transport.

## HOW OUR PRODUCTS SUPPORT AVOIDED EMISSIONS

- Reduced pump and system leakage
- Improved seal performance under high-pressure and corrosive conditions
- Lower friction and energy losses during operation
- Fewer replacements and repairs (lower lifecycle emissions)
- Protection against unplanned emissions or spills

While UTEX does not currently model or report quantitative avoided emissions, we are exploring methodologies to better capture our downstream environmental contribution in future reporting cycles.



# III. Social Impact

At UTEX, our people are our foundation. As a manufacturing company with a global footprint and a strong local presence, we know that our long-term success depends on how well we support, engage, and empower our workforce and surrounding communities.

Our social impact approach is centered on building a workplace culture that prioritizes health and safety, fosters diversity and inclusion, promotes employee growth, and supports the well-being of the communities where we operate. We believe in doing the right thing—not just within our walls, but also in how we partner with suppliers, contribute to local economies, and give back through charitable engagement.

The following section outlines our efforts and progress across key areas of social performance: talent and culture, workplace safety, community engagement, supply chain responsibility, and equity and inclusion. While there is always more to do, we are proud of the meaningful steps we've taken—and the people who drive them forward.



## Our People

UTEX's success is rooted in the strength of our people. We strive to create a workplace where every employee feels respected, supported, and empowered to grow. With more than 400 team members across the U.S., Asia, and the UK, we maintain a culture centered on safety, performance, and mutual respect.

Our leadership philosophy is built on fostering a collaborative environment where employees at all levels—from engineers to machine

operators—are regarded as partners in innovation and excellence.

## TALENT, ENGAGEMENT AND CULTURE

In recent years, UTEX has made meaningful progress in improving workforce stability globally. Following high post-COVID turnover, we engaged a third-party for a compensation equity study, which led to manufacturing wage adjustments across all sites. As a result, we reduced our turnover rate to 24% in 2024, significantly outperforming manufacturing industry averages.

We encourage employee feedback and use it to inform and improve our practices, and provide several platforms for dialogue including a digital suggestion box, regular town halls, and an employee newsletter that shares updates, milestones, and peer recognition. We also celebrate birthdays, work anniversaries, and team wins, and regularly host events such as Employee Appreciation Day, Safety Month, and community volunteer initiatives.

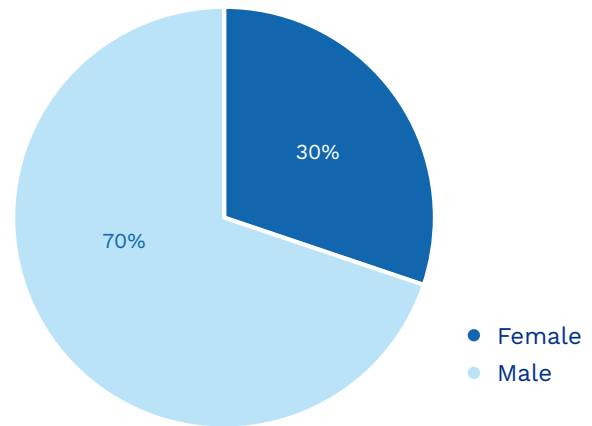
## EQUAL OPPORTUNITY AND NON-DISCRIMINATION

We are committed to maintaining a workplace free from discrimination and harassment, ensuring equal opportunity for all employees regardless of protected characteristics. Our hiring, promotion, and compensation practices are merit-based and comply with all applicable employment laws. We foster an inclusive environment where all employees can contribute their best work.

Starting in 2022, we laid the foundation for two employee resource groups to foster inclusive dialogue and shared learning across the workforce.

To enhance communication across a global and multilingual workforce, internal messages are translated into employees’ native languages, reinforcing inclusion at the everyday level. We are continuing to develop and share workforce metrics, including gender representation in leadership and ethnic diversity by region.

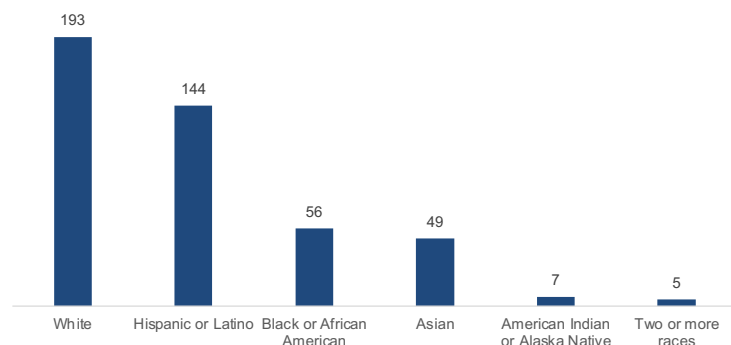
### Employees by Gender in 2024 (%)



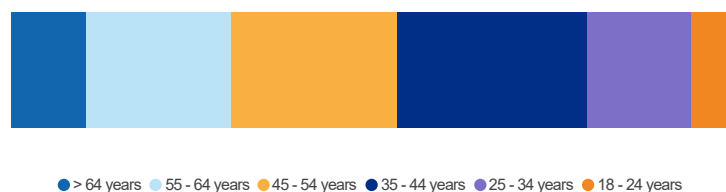
### Employees by Department by Gender in 2024

Department	Female	Male
Administrative	29 (66%)	15 (34%)
Executive/Senior Level Officials and Managers	1 (14%)	6 (86%)
First/Mid-Level Officials and Managers	3 (30%)	7 (70%)
Laborers and Helpers	14 (48%)	15 (52%)
Operatives	58 (22%)	200 (78%)
Professional Staff	9 (20%)	36 (80%)
Sales Workers	22 (55%)	18 (45%)
Technicians	1 (5%)	20 (95%)
<b>TOTAL</b>	<b>137 (30%)</b>	<b>317 (70%)</b>

### Employees by Ethnicity in 2024



### Employee Age Ranges in 2024



## TRAINING & DEVELOPMENT

UTEX believes that career growth and continuous learning are central to employee engagement and retention. Through our Knowledge City Learning Management System, employees access compliance courses, technical training, and professional development resources.

Our development framework includes:

- Comprehensive onboarding with 3- and 6-month check-ins
- Annual performance reviews focused on career progression
- Skills development plans based on employee-identified training needs
- Apprenticeships and job rotations to promote internal mobility and operational flexibility

## BENEFITS & WELL-BEING

UTEX offers competitive compensation and benefits tailored to each country’s regulatory framework and market norms. In the U.S., employees receive access to:

- Medical, dental, and vision insurance
- Disability coverage and critical illness protection
- Flexible spending accounts
- 401(k) retirement plan with company match
- Employee assistance programs

In response to employee feedback, we have taken steps to lower healthcare costs for hourly workers, ensuring access to affordable coverage across our plants.

## RECOGNITION & ADVANCEMENT

A culture of recognition is essential to employee satisfaction and retention. UTEX leverages platforms like AwardCo and HighFive to reward outstanding contributions, celebrate team successes, and foster cross-site camaraderie. Additional recognition practices include:

- Service awards for tenure milestones
- Peer shout-outs in internal communications
- Regular site-level and virtual celebrations

# Health and Safety

At UTEX, safeguarding the health, safety, and well-being of our employees is fundamental to how we operate. From executive leadership to frontline staff, safety is a shared responsibility and a core part of our operational culture. With employees working across high-precision manufacturing environments, we are committed to providing the tools, training, and oversight needed to maintain a workplace where people feel secure, supported, and accountable.

## PROACTIVE MANAGEMENT AND CULTURE OF ACCOUNTABILITY

In 2024, we saw meaningful improvement in our safety outcomes due to targeted investments in training, procedures, and

cultural reinforcement. Across our sites, UTEX conducts regular safety audits, root cause analyses, and task hazard assessments to mitigate risks and strengthen controls.

Our 12-month Total Recordable Incident Rate (TRIR) in 2024 was 1.52, with several facilities surpassing major safety milestones and two of our global facilities reaching a 0.00 TRIR level. By the end of 2024, our Weimar facility achieved over 460 days without a recordable incident, a reflection of team vigilance and leadership support.

We actively track key safety metrics, including:

- TRIR (Total Recordable Incident Rate)
- NMFR (Near Miss Frequency Rate)
- First aid incidents
- Safety observations and leading indicators

A global goal of keeping TRIR below 1.00 remains in place across all operations.

Recognizing that there is still work to do, we are developing a comprehensive health and safety management plan in partnership with third-party environmental compliance consultants. This plan will support our intent to pursue ISO health, safety, and environmental certifications within the next 18–24 months to align with customer requirements and international best practices.

## TRAINING AND HAZARD PREVENTION

All UTEX employees receive health and safety training aligned with their roles and local regulatory requirements. This includes:

- Mandatory OSHA and equivalent compliance training
- Job Safety Analyses (JSA) by workstation
- Daily “toolbox talks” on incident prevention
- PPE training and usage enforcement

In high-risk roles, PPE is strictly required and includes safety shoes, glasses, gloves, hearing protection, respirators, and other equipment as determined by task-specific assessments. Fire suppression systems are tested annually, and task-level safety is embedded in daily work instruction and behavior reinforcement.

New employees are not permitted to operate machinery during their first three weeks of employment, allowing time for foundational training and mentorship. In 2023, UTEX introduced supervisor safety development training to ensure frontline leaders are equipped to model and enforce safe work practices.

Our safety team—comprising our Senior HSE Manager at our Corporate Offices, HSE Manager in Weimar, HSE Technician in Conroe, and HSE representation in the UK and Asia—oversee the company program and meet regularly to review compliance data, incident reports, and near misses, and to implement corrective actions.

## CAMPAIGNS AND ENGAGEMENT

Safety at UTEX is not just procedural—it’s cultural. Through active engagement and communication, we aim to keep safety top-of-mind at every level. Key initiatives include:

- “Safe Hands” campaign and other rotating safety themes

- Regular human performance factors reviews, held three times weekly
- Campaigns promoting a “Culture of Caring” around peer protection and accountability
- Monthly engagement activities tied to safety awareness and employee well-being

During Safety Month (June), employees are invited to participate in activities and events tied to the year’s safety theme.

## LOOKING AHEAD

We are continuing to strengthen our health and safety program through:

- Systematized inspections and hazard assessments
- Site-specific safety performance targets
- Expansion of workforce safety certifications
- Increased employee involvement in hazard reporting and audits

With leadership commitment and team-wide participation, UTEX is building a workplace where safety is not just a requirement, but a shared value.

## Our Community

UTEX is committed to being not only a responsible employer but also a valued neighbor. Across our global footprint, we actively invest in local communities through charitable partnerships, employee volunteering, and initiatives that support social equity, well-being, and local economic development. These efforts are shaped by employee

input, local needs, and a shared belief that sustainable businesses must contribute meaningfully to the places where they operate.

## COMMUNITY ENGAGEMENT IN ACTION

In 2023 and 2024, UTEX employees participated in a range of community-focused initiatives, reflecting our company’s values of service, integrity, and inclusion.

### **BakerRipley Partnership (Houston, TX):**

UTEX continued its multi-year partnership with **BakerRipley**, one of Texas’ largest nonprofit networks, which provides education, employment support, and wellness resources to underserved communities. UTEX sponsored the **Thanksgiving Turkey Trot**, a major fundraising event, and participated in the **Adopt-A-Family Drive**, where employees collected and donated clothing, toiletries, grocery gift cards, and toys for local families during the holidays.

### **Habitat for Humanity (Weimar, TX):**

Our Weimar plant partnered with **Habitat for Humanity** to support their annual **Pumpkin Patch Fundraiser**, helping raise funds to build affordable homes for local families.

### **Toys for Tots:**

UTEX has long supported **Toys for Tots**, organizing company-wide toy drives to collect holiday gifts for underprivileged children. This tradition continued in 2024, with strong participation from employees at multiple sites.

### **Bicycle Donations:**

Employees donated **60 bicycles** to families in need through a community giving campaign, reinforcing UTEX’s hands-on approach to helping children and supporting active lifestyles.

**Food for Thought Campaign:** In a separate employee-led initiative, UTEX collected donations to support **Food for Thought**, a charitable organization that provides meals to food-insecure individuals and families.

## GLOBAL CONTRIBUTIONS

Our international teams also contribute meaningfully to the communities around them:

- In **Singapore**, employees organized a **lantern-making event** with elderly residents at a local care center and distributed gifts to **Bangladeshi contract workers** at the facility.
- Across our **Asia operations**, UTEX continues to explore opportunities to promote well-being and connection through site-led volunteering and seasonal donation drives.

## LOCAL ECONOMIC IMPACT

As one of the largest employers in several small towns—including in **Columbus, Texas**—UTEX plays a vital role in strengthening local economies. We prioritize **local sourcing**, purchasing food, supplies, and event materials from nearby vendors to reinvest in the communities we call home.

## FOSTERING A CULTURE OF SERVICE

Community engagement at UTEX is employee-driven and deeply personal. Team appreciation events like crawfish boils, pizza parties, and service award celebrations foster strong connections internally while building morale and cohesion. We also conduct employee surveys to gather feedback and ideas for new community initiatives.

These efforts are not about checking boxes: they're about building trust, improving lives, and creating a shared sense of purpose beyond the workplace.

# Our Supply Chain

UTEX operates with a deep sense of responsibility across our value chain, ensuring that our suppliers and partners uphold the same standards of ethics, safety, and environmental stewardship that we expect of ourselves. With supply relationships spanning multiple geographies and material types, we take a structured approach to supplier engagement that emphasizes quality, integrity, and compliance.

## ETHICAL SOURCING AND CONDUCT EXPECTATIONS

Our Code of Ethics and Business Conduct applies not only to UTEX employees but also to all suppliers, vendors, and contractors who do business with us. We require that partners:

- Operate with integrity, transparency, and legal compliance
- Respect human rights and labor laws, including prohibitions on forced labor, child labor, and human trafficking
- Maintain a workplace free from discrimination and harassment
- Provide safe and healthy working conditions
- Meet or exceed applicable environmental regulations and manage impacts related to waste, water, energy, and hazardous substances

All supplier partners are provided with our Supplier Code of Conduct, and are expected to comply with it as part of the onboarding process. Violations of the Code may be reported confidentially to UTEX leadership or HR, and are subject to investigation.

To ensure alignment, all UTEX employees are trained annually on our workplace conduct policies, and certification is required to maintain compliance.

## SUPPLIER AUDITS AND RISK MANAGEMENT

UTEX conducts targeted supplier audits to evaluate conformance with our standards. While **quality and technical performance** remain primary drivers in our supplier selection process, we are increasingly integrating environmental and safety performance criteria into our evaluations.

For example, recent supplier reviews—such as the Akron Porcelain Supplier Audit—have included pre-audit notifications, checklists, and documentation aligned with our corporate responsibility expectations.

We are also engaged in conflict minerals compliance. UTEX requires disclosures from relevant suppliers, particularly those providing metals and minerals, using the Conflict Minerals Reporting Template (CMRT). This program covers our top 25 metal suppliers and helps ensure our materials do not contribute to human rights abuses in high-risk regions.

## EFFICIENT AND SUSTAINABLE SOURCING PRACTICES

To reduce environmental impact and improve operational efficiency, UTEX has centralized its procurement function. This change has allowed us to optimize transportation logistics, reduce emissions associated with inter-facility shipments, and better manage inventory consolidation.

Wherever possible, we prioritize domestic and regional sourcing to minimize reliance on overseas suppliers. While UTEX's exposure to international trade risks such as tariffs is limited, we monitor global sourcing trends to stay ahead of potential disruptions.

In select regions, our teams also support local economies by sourcing from nearby vendors, helping to reduce transport-related emissions and build stronger community ties.

## CONTINUOUS IMPROVEMENT

As UTEX matures its ESG practices, we plan to expand supplier engagement efforts to:

- Integrate ESG criteria more deeply into supplier scorecards
- Develop a formal process for assessing supplier emissions, water, and waste performance
- Strengthen our due diligence systems for material sourcing
- Explore collaboration opportunities with suppliers on emissions reduction and packaging sustainability

Our goal is to foster a supply chain that contributes positively to our business, our stakeholders, and the environment—anchored by ethical conduct and shared values.



IV.

Responsible  
Business and  
Governance

Strong governance provides the foundation for UTEX’s long-term resilience and responsible growth. Following a period of leadership transition, we’ve worked to reinforce a culture of transparency, ethical conduct, and accountability across every level of the organization.

Our governance practices are overseen by a dedicated Board of Directors that meets monthly and actively engages with executive leadership on key strategic and operational topics—including ESG performance. While we do not currently maintain a formal ESG committee, many of our cross-functional leaders play a hands-on role in advancing sustainability initiatives and delivering this report.

We believe that doing business the right way means aligning our decision-making with clear ethical standards, strong risk oversight, and open communication with all stakeholders. From cybersecurity and data protection to regulatory compliance and employee protections, we are committed to governance practices that build trust and enable continuous improvement.



## Board and Leadership Oversight

UTEX operates under a corporate governance framework designed to promote transparency, accountability, and ethical decision-making at all levels of the organization. In recent years, the company has undergone significant leadership transition following a period of financial restructuring. Today, we continue to strengthen our governance structure to align

with stakeholder expectations and support long-term resilience.

## BOARD STRUCTURE AND RESPONSIBILITIES

UTEX is a privately held company with approximately 120 shareholders. Our Board of Directors includes four members, including current President and CEO, Charlie Thompson, and meets monthly to oversee company performance, strategic planning, and key risk areas.

Board responsibilities include:

- Oversight of financial, operational, and compliance-related matters
- Review and approval of executive compensation and incentives
- Governance of risk management, including cyber, environmental, and legal risks
- Direction of ESG-related policies and programs

## LEADERSHIP ENGAGEMENT AND REPORTING

Senior leaders from each major function—including Operations, Finance, Sales, Engineering, Human Resources, and Legal—participate in monthly Board meetings to report on performance, priorities, and emerging risks. This regular engagement enables the Board to remain closely aligned with operational realities and ensures that strategic decisions are grounded in current data.

In addition to internal governance, UTEX holds quarterly shareholder meetings, which include formal presentations, business updates,

and open Q&A sessions. These touchpoints foster transparency and reinforce the company’s commitment to shareholder engagement and responsible stewardship.

## ESG GOVERNANCE AND CROSS-FUNCTIONAL OWNERSHIP

UTEX has implemented an integrated and operationalized model to advancing environmental, social, and governance priorities, where ESG initiatives are carried out across business units through existing leadership and team structures. Employees at all levels—from engineering and production to HR, facilities, and finance—play a direct role in identifying, managing, and advancing ESG priorities.

Key ESG actions, including data collection, process improvements, facility upgrades, and reporting, are coordinated by functional leaders and supported by executive oversight. For example, environmental capital projects are evaluated and approved through UTEX’s Capital Expenditure (CapEx) process, which incorporates sustainability considerations alongside operational and financial factors.

This distributed approach enables ESG to be embedded in day-to-day operations while ensuring alignment with customer expectations, including those of strategic partners with formal ESG disclosure requirements.

As ESG reporting demands increase and stakeholder expectations evolve, UTEX will continue assessing its governance structure to ensure it is fit for purpose—balancing accountability, agility, and broad-based engagement.

# Stakeholder Engagement

At UTEX, open dialogue and shared accountability are foundational to how we operate. Whether we’re communicating with our team members, collaborating with suppliers, or responding to customer ESG requirements, we aim to build trust through consistent, transparent, and respectful engagement.

Following a period of significant leadership transition, our current executive team has worked to reinforce a culture of listening and continuous improvement. Employees are encouraged to share feedback through both formal and informal channels, and leadership has shown a strong willingness to respond with meaningful action—from investing in facility upgrades to launching new employee recognition programs and refining hiring strategies.

## EMPLOYEE ENGAGEMENT

We foster a workplace culture where input from employees is not only welcomed but expected. Hourly and salaried employees alike are seen as experts in their domains and key contributors to UTEX’s operational and cultural evolution. Engagement mechanisms include:

- Quarterly newsletters and all-hands town halls that keep teams informed on company priorities
- Employee resource groups (ERGs) that provide safe spaces for identity-based support and inclusion
- A new digital suggestion box that allows anonymous or named submissions

- Regular performance reviews and career development conversations
- Service awards, engagement events, and internal campaigns that recognize contributions and reinforce core values

Through these mechanisms, employees have influenced key decisions—from safety protocols and equipment investments to energy conservation campaigns and benefit plan adjustments.

## CUSTOMERS AND PARTNERS

UTEX works closely with major customers—some of whom require detailed ESG disclosures or formal reports such as the CDP (Carbon Disclosure Project) submission. Our customer engagement goes beyond compliance: it’s an opportunity to co-create value and demonstrate how our products contribute to their own environmental and operational goals, such as avoided emissions and product durability.

Dedicated customer-facing teams are trained to respond to ESG-related inquiries and proactively surface feedback to internal stakeholders, ensuring UTEX remains aligned with evolving customer expectations.

## SUPPLIERS AND INDUSTRY COLLABORATION

We expect our suppliers to meet high standards of integrity and performance. As part of our supplier onboarding process, we:

- Share our Code of Conduct and collect conflict minerals declarations
- Conduct targeted supplier audits

- Hold periodic check-ins to discuss quality, compliance, and risk

We view vendors as partners in achieving operational resilience and sustainability improvements, such as reducing transportation impacts through centralized procurement or exploring material innovation for more durable seals.

UTEX team members also participate in industry working groups and conferences, where we both contribute to and learn from developments in technology, safety, and sustainability.

## SHAREHOLDERS AND GOVERNANCE

As a privately held company with over 100 shareholders, UTEX maintains close communication with its ownership base. The Board of Directors meets monthly, and senior leaders present regular updates on financial, operational, and ESG performance. In addition, quarterly shareholder meetings provide an opportunity for transparent Q&A and dialogue around the company’s direction.

## COMMUNITIES

Across our facilities in the US, UK, Malaysia, and Singapore, we remain engaged in the communities where we live and work. Employees regularly participate in volunteer events, charity drives, and local sponsorships, and UTEX makes an effort to source goods and services locally when feasible to support regional economic resilience.

# Cybersecurity

As a global manufacturing company with proprietary technologies and critical customer relationships, UTEX recognizes the growing importance of cybersecurity and data protection in maintaining business continuity, protecting intellectual property, and building stakeholder trust.

Our IT team, under the leadership of the Director of IT, oversees cybersecurity governance and works across departments to manage digital risks through policies, system protections, and training programs. We take a proactive approach to identifying vulnerabilities, educating employees, and strengthening system controls across the organization.

## CYBERSECURITY GOVERNANCE AND STRATEGY

UTEX's cybersecurity practices are modeled on the National Institute of Standards and Technology (NIST) framework. In 2022, we partnered with CrowdStrike to conduct a third-party IT vulnerability assessment, which helped identify and prioritize key risk areas. The results were shared with the Board of Directors.

To reduce exposure, we introduced an automated system for granting and revoking IT access through our HR platform—helping to eliminate manual errors and reduce delays in access termination during employee offboarding.

## TRAINING AND EMPLOYEE ACCOUNTABILITY

Cybersecurity at UTEX is not solely a technical issue: it's a shared responsibility. We provide mandatory training for all salaried employees, with monthly training refreshers and additional remedial modules assigned as needed. In 2024, we achieved 100% compliance on our cybersecurity training requirements for salaried employees. This training covers:

- Phishing and social engineering threats
- Password security and credential hygiene
- Data privacy and GDPR-aligned practices
- Cyber incident reporting procedures

Employee access to sensitive data is role-restricted, and we maintain GDPR-compliant practices across international operations, including the use of secure visitor logs and controlled access to personal information.

## CONTINUOUS IMPROVEMENT

As cyber threats evolve, UTEX continues to enhance its technology stack and governance protocols to keep pace. We plan to:

- Conduct periodic external security assessments
- Expand user training to hourly employees based on role risk
- Strengthen internal audit mechanisms for IT security
- Maintain alignment with global data protection regulations

Cybersecurity will remain a board-level priority as UTEX grows its digital infrastructure and supports increasingly data-conscious customers.



# Ethics, Integrity and Compliance

For more than 80 years, UTEX has built its reputation on a foundation of integrity, accountability, and responsible conduct. As we continue to serve a diverse global customer base across high-risk sectors, we remain committed to operating with transparency, fairness, and respect in all our interactions.

## CODE OF CONDUCT AND ETHICAL STANDARDS

Our Code of Ethics and Business Conduct applies to all employees, officers, directors, and business partners acting on behalf of UTEX. It sets expectations around:

- Compliance with laws and regulations
- Prevention of discrimination, harassment, and retaliation
- Prohibition of bribery, corruption, and conflicts of interest
- Protection of confidential and proprietary information

To reinforce these standards, all employees are required to participate in **annual ethics and compliance training** and certify their adherence to the Code. In 2023, UTEX expanded its ethics curriculum to include regular training on **anti-corruption, cybersecurity, and harassment prevention**.

## OPEN CULTURE AND REPORTING MECHANISMS

Creating a culture where employees feel safe to speak up is central to our governance model.

Concerns can be reported directly to managers or, if preferred, through our independent third-party helpline (Lighthouse Services), which allows for confidential or anonymous reporting.

We strictly prohibit retaliation against anyone who raises concerns in good faith or assists in investigations. Reported issues are reviewed and resolved promptly and confidentially, with appropriate corrective actions taken when necessary.

## COMPLIANCE WITH CUSTOMER AND REGULATORY EXPECTATIONS

Our compliance obligations extend beyond internal policies. UTEX operates in accordance with a wide array of regulatory and customer-specific requirements, especially in areas like:

- Environmental regulation, including air permit compliance and hazardous material declarations
- Material compliance, such as PFAS disclosures, SDS collection, and conflict minerals reporting
- Export, labor, and anti-trafficking laws in all jurisdictions where we operate

UTEX actively responds to inquiries and reporting requirements from customers in sectors such as energy and industrial manufacturing, ensuring UTEX continues to be seen as a reliable and responsible partner.

We remain attentive to evolving ESG-related compliance demands and are committed to continuously updating our policies and disclosures to stay ahead of regulatory and stakeholder expectations.

V.  
Next  
Steps



As UTEX continues to build momentum in our ESG journey, we recognize the importance of moving from foundational progress to deeper integration. The following priorities will guide our focus in the coming year:

## ENVIRONMENTAL

- **Expand GHG Inventory:** Include Scope 3 emissions screening and begin prioritizing key categories for measurement and management.
- **Advance Energy Projects:** Evaluate outcomes of current efficiency upgrades and continue assessing opportunities, including potential solar installations under power purchase agreements (PPAs).
- **Track and Report Waste Metrics:** Collect site-level waste and recycling data to establish a consistent baseline and monitor diversion rates.
- **Enhance Water Monitoring:** Strengthen water tracking capabilities, particularly at facilities in water-stressed regions.
- **Prepare for Environmental Certifications:** Begin groundwork to meet key customer expectations and align with relevant ISO or sustainability standards.

## SOCIAL

- **Expand Workforce Metrics:** Improve visibility into workforce demographics, retention trends, and development outcomes to support internal equity and transparency.
- **Advance DE&I Initiatives:** Build on the early success of Employee Resource Groups and expand programming and outreach efforts.

- **Document Training and Development Impact:** Capture results of learning initiatives and case studies to further strengthen career pathing and upskilling efforts.
- **Strengthen Community Engagement:** Continue investing in high-impact, employee-led volunteer and philanthropy efforts across locations.

## GOVERNANCE

- **Strengthen ESG Ownership:** While we no longer have a formal ESG Steering Committee, we will formalize cross-functional accountability and establish clearer internal coordination roles.
- **Improve ESG Data Management:** Enhance processes for tracking, validating, and reporting ESG performance across operational sites.
- **Respond to Customer Expectations:** Meet expanding customer ESG requests, including CDP submissions and conflict minerals reporting, with increased rigor and responsiveness.
- **Maintain Ethics and Compliance Rigor:** Continue annual Code of Conduct training and promote awareness of reporting channels across the workforce.

These next steps reflect our commitment to continuous improvement, operational excellence, and responsible growth. We look forward to continuing this work alongside our employees, partners, and stakeholders—and to reporting back on our progress in the year ahead.

The image features a dark blue, monochromatic background with silhouettes of several oil pumpjacks (jack-o'-lanterns) against a lighter blue sky. The pumpjacks are arranged in a line, receding into the distance. The text 'VI. Appendix' is overlaid on the left side of the image in a white, sans-serif font.

# VI. Appendix