



Nelson Global

Sustainability Report 2023



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Letter from the CEO

To Our Stakeholders,

This year, Nelson Global commissioned our inaugural Sustainability Report, marking a significant milestone in our ongoing commitment to responsible and sustainable engineering, manufacturing, and distribution. As a global leader in our industry, we recognize the profound impact we have on the environment, our society, and the communities we serve. Structured around our three pillars of sustainability: environmental, social, and governance—this report is a testament to our dedication to transparency, accountability, and continuous improvement.

Throughout 2023, we made significant strides in integrating sustainable practices across our operations worldwide. From implementing new processes to measure and reduce our carbon footprint to investing in the next generation of environmental stewards, our efforts reflect our core belief that sustainability is not just a responsibility but a catalyst for growth and long-term success. Our commitment spans the globe, aiming to create positive impacts in every community in which we operate and our products are used in.

While I'm proud of the progress we've made, there is still work to be done. The positive impact that our 4,000+ Nelson Global team members are making across the world is truly inspiring, and together, we can achieve even greater milestones. I invite you to explore our journey towards sustainability and I look forward to your continued support as we work together to create a more sustainable world for future generations.

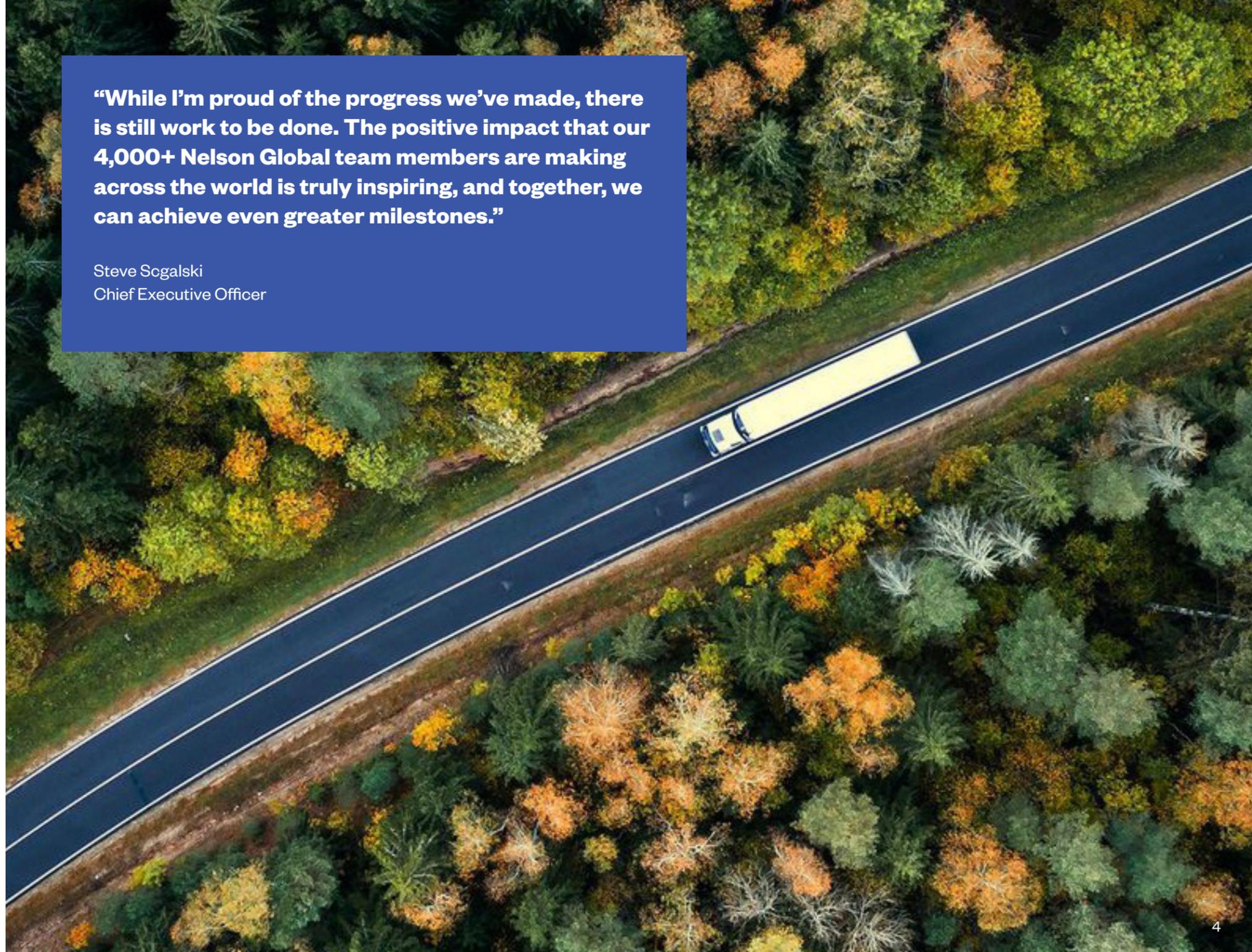
Sincerely,

Steve Scgalski
Chief Executive Officer



“While I’m proud of the progress we’ve made, there is still work to be done. The positive impact that our 4,000+ Nelson Global team members are making across the world is truly inspiring, and together, we can achieve even greater milestones.”

Steve Scgalski
Chief Executive Officer



Our History and Today

Founded as Nelson Muffler in 1939, our Wisconsin-based company quickly established itself as one of the United States' leading providers of mufflers and exhaust components. And from there, the world changed. Throughout the years, we have continuously expanded our product lines to stay ahead of the curve, expanding our product portfolio and engineering capabilities to find new ways to serve our customers. Today, we are leaders in custom fluid transfer solutions, offering a diverse range of engineered products in thermal management, acoustics, and noise, vibration, and harshness (NVH), along with specialized accessories and fabrications. And more than ever, we are steadfast in our commitment to the evolving needs of global manufacturing and in propelling our partners' businesses forward.

Today, working across multiple industries and product platforms, Nelson Global provides clients with highly engineered custom solutions produced in our vertically integrated manufacturing operations and distributed globally everywhere our clients do business. We provide our customers and end markets with more than 25,000 uniquely customized products each year – in both OEM production and service, and with aftermarket support for up to 30 years. Driven by a strong dedication to quality and a local commitment to our partners, Nelson Global has been leading the global charge toward a dynamic future since 1939.

Our Mission

We engineer and manufacture custom solutions for key industries across the globe, enabling our customers to help the world grow, share, and prosper while delivering a sustainable future.

Our Vision

Be the preferred partner to provide technologies that bridge the needs of a constantly improving world, from innovation through a renewable product lifecycle.

Nelson Global Principles of Operation

We Prioritize Safety

We uphold and regularly update first-rate health and safety standards at all our facilities, because our primary concern is ensuring that our employees return home safe at the end of every workday.

We Champion Sustainability

We do our part to protect our planet's future by relentlessly identifying and eliminating waste, developing and distributing highly efficient products, and conserving water and energy at our plants.

We Stand by Our Commitments

We cultivate long-term relationships with customers who know we always deliver on our promise to provide custom solutions that exceed quality, durability, and efficient performance.

We Foster Partnerships

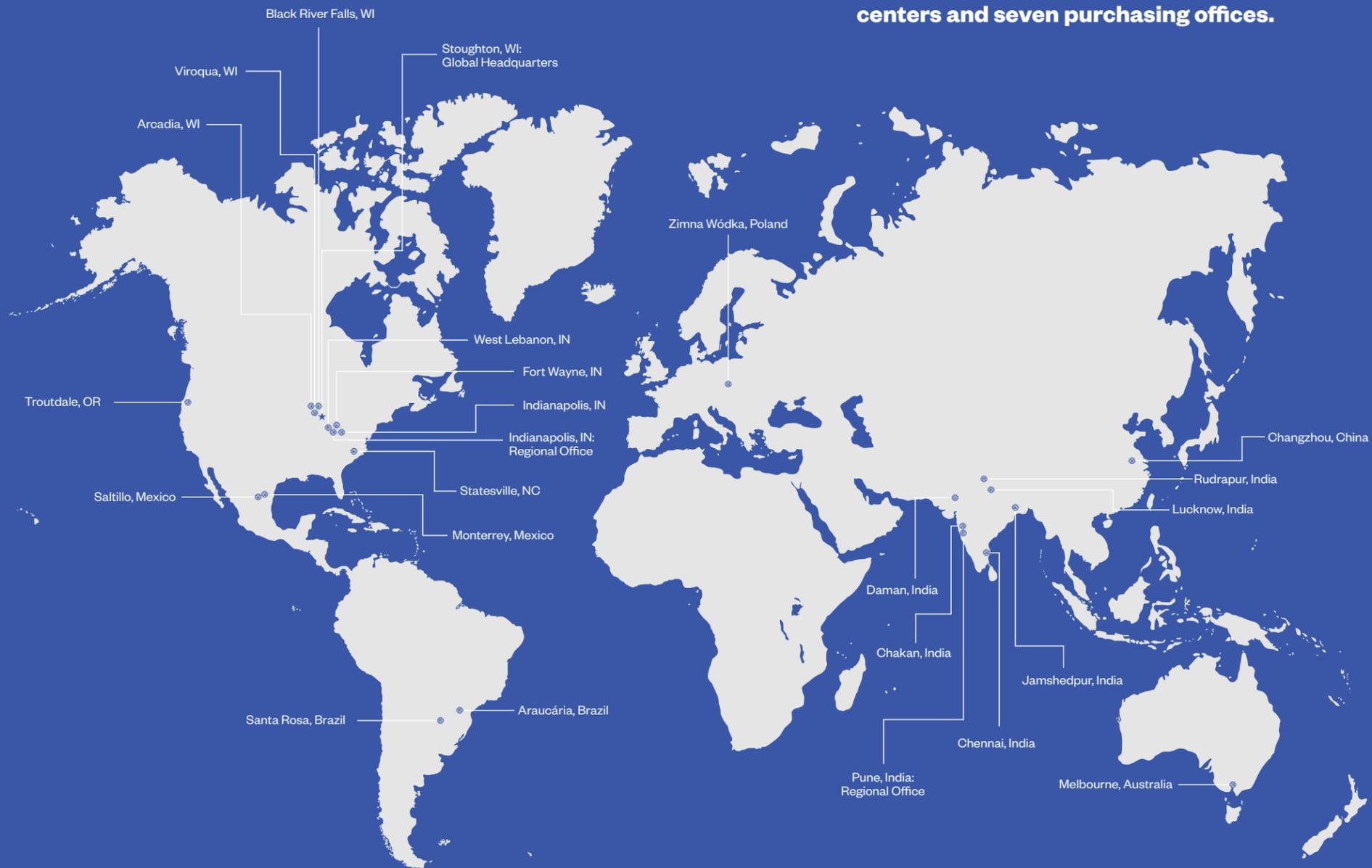
Our suppliers and customers are all trusted partners in our mission to develop superior systems and products that break the mold and further innovation across industries.

We Serve Our Communities

With facilities all around the globe, we give back to the communities that provide us with a home by partnering with local nonprofits to engage in charitable giving and volunteering initiatives.

Global Footprint

Nelson Global operates 24 facilities in seven countries, including two engineering technical centers and seven purchasing offices.



A Unified Commitment to the Future

Environmental Statement

As a responsible member of society whose task lies in the preservation of the global environment, Nelson Global will make every effort to contribute to human health and the preservation of our environment through each phase of corporate activity. Only in this way will we be able to count on a successful future not only for our company but for the entire world.

Our dedication to serving our employees, partners, and the planet responsibly is realized across the universally recognized ESG framework —environmental, social, and governance. By empowering our people, reducing waste, and developing innovative and efficient systems, we support the communities and resources that spur the industries and technologies of the future.

Nelson Global is committed to leaving a positive impact on the planet and all its inhabitants. As part of our commitment to sustainability through an environmental, social, and governance lens, we believe the best way to leverage our global footprint is to treat each pillar as interrelated fields of impact.



Environmental, Social, Governance as an Interconnected Ethos

Environmental

We believe in protecting the planet’s vital resources by minimizing waste and developing efficient systems that contribute to a worldwide culture of sustainability.

When it comes to our manufacturing processes, recycling materials and managing waste, water, and electricity are always a given.

Social

We believe in promoting the health, safety, purpose, and financial well-being of our end users, employees, and the communities that provide us with a home.

We bolster our local economies not only by creating jobs. We also prioritize workplace safety and promote community volunteering efforts.

Governance

We believe that facilitating effective, visionary, and prudent management processes leads to delivering long-term success.

We take ownership of our policies, procedures, and global governances because it’s the right thing to do, not because regulations call for it.





Environment

Nelson Global is committed to protecting the planet's vital resources and contributing to a worldwide culture of sustainability.

As we commit to ourselves and our communities, we look forward to meeting goals and increasing our commitments year-over-year through continuous improvement and continual involvement, iteration, and growth as stewards of this vision.

Energy and GHG Goals

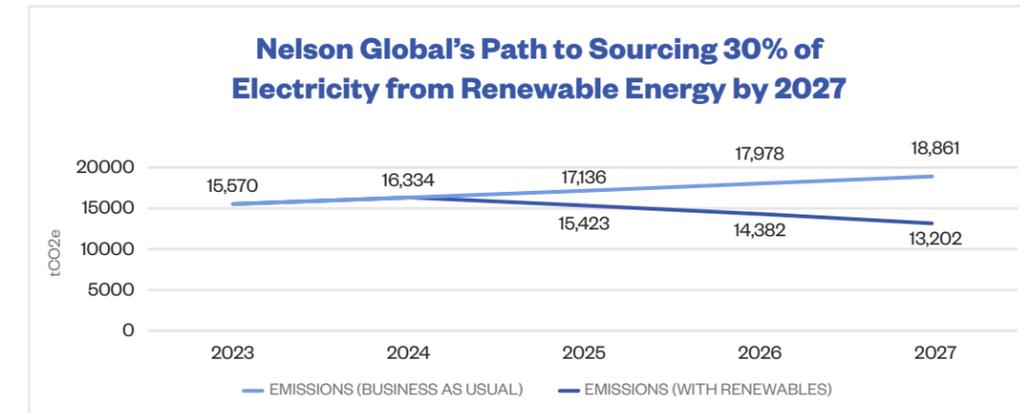
Nelson Global is dedicated to advancing sustainability by significantly reducing its reliance on non-renewable electricity and, as part of this commitment, has set an ambitious goal to source 30% of our total electricity from renewable resources by 2027. This initiative reflects our ongoing efforts to minimize our environmental impact while contributing to a cleaner, more sustainable future.

As we strive to meet our new goal, we remain fully committed to assessing and managing our entire environmental footprint. Starting in 2022, we began undertaking a comprehensive inventory of our global energy usage and greenhouse gas emissions. This in-depth understanding enables us to strategically implement best practices in sustainable business, ensuring we can drive meaningful progress and lead by example in reducing our environmental impact.

2023 Total Energy Use & GHG Emissions

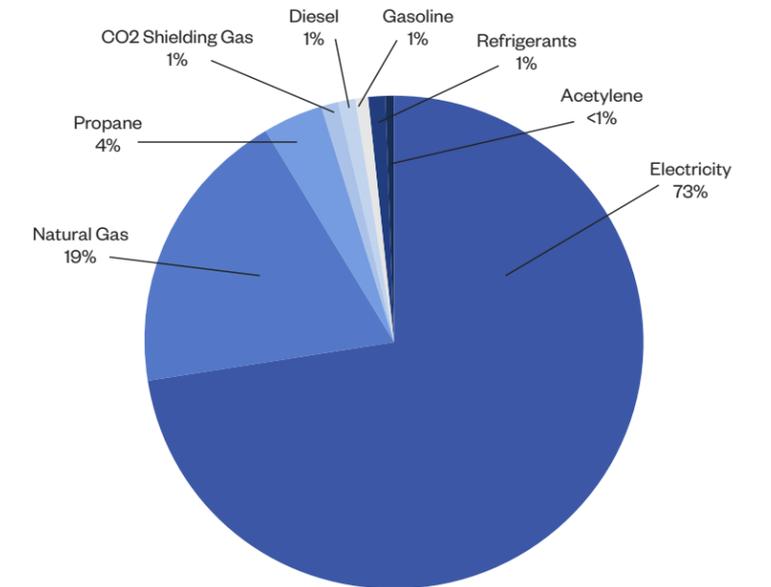
Total Energy (MWhs)
63,343.34

Total Emissions (tCO2e)
21,276.34



*Calculated using market-based emissions and assuming a 4.9% increase year over year based on Nelson Global's electricity trends from CY22 to CY23 associated with electricity.

2023 Emissions Breakdown by Activity



Doing Our Part to Reduce Waste

In 2023, one of our key objectives was to develop efficient systems to track and minimize our generation of waste. Across our global footprint, we are open to processes that can be reconsidered on behalf of better environmental stewardship. With this vision cast into our culture, our facilities consider our carbon footprint in ways uniquely tailored to each of their sites and product lines.

Process Shifts See 37 Tons of Savings Across India and Brazil

Two of our facilities in India, Rudrapur and Chennai, identified significant opportunities to reduce corrugated materials used among the plants and between frequent suppliers through the implementation of a returnable packaging program.

At Nelson Global Chennai, products move daily between the plant and the supplier. The plant invested in reusable polypropylene boxes in April 2023 that proved to transport products safely and securely. In the first eight months under the new returnable process, more than seven tons of corrugated materials were saved from landfills.

“We send products from our Chennai site to a nearby supplier for coating. In the past, we dispatched these products in corrugated boxes that were for one-time use. This year, we explored the opportunity to leverage returnable packing – allowing our site to eliminate seven tons of corrugated material use by simply utilizing a returnable box between frequent routes.”

V. Srinivasulu
Deputy General Manager – Marketing
Nelson Global South India



*Returnable boxes
Chennai, India*



Rudrapur, India

At Nelson Global Rudrapur, teams have implemented the use of metal trollies for the transport of parts to commercial vehicle manufacturers nearby.

“Our customer shared concerns for corrugated packaging, as disposal was becoming a tedious job. We explored our options and introduced returnable metal trollies to deploy at the transportation warehouse to much success.”

Ajitav Nandi
Quality Assurance Manager
Nelson Global Rudrapur

The facility has saved over two tons of cardboard during the first six months of this program, which began in June 2023, and employees are looking forward to adding improvements to these metrics in years to come.

At Nelson Global Araucária, Brazil, our team was declared a “Socially Responsible Company” for the region, recognized for their commitment to donating recyclable materials to a non-governmental organization (NGO) in the area. Instead of going to a landfill, the easily recyclable materials are compacted and sent to the NGO to reprocess into new material. But it doesn’t stop there. Revenue from their donation of materials supports the livelihood of 11 families that make up the association’s staff. In 2023, 17 tons of paper, and 11.8 tons of plastic were donated – totaling over 28 tons of materials recycled.

Changing Processes to Reduce Our Footprint

In pursuit of identifying environmental waste over the year, we challenged our sites to consider manufacturing processes and product design through the lens of our environmental footprint. With intentional focus on sustainability, global facilities are evaluating, recommending, and implementing programs to reduce carbon footprint, while also considering how initiatives can best benefit the local community. In 2023, Brazil and Indiana celebrated two such rollouts.

“Over the last year, we were able to visit the NGO that is managed by the city of Araucária and we could see the material donated by Nelson Global directly supported 11 families... What excited us most about this project was being able to contribute in a way that we never imagined... We celebrate our progress in 2023 and are already in pursuit of significant goals for 2024.”

Eduardo Azanha
Continuous Improvement Manager
Nelson Global Brazil



“We believe that the work of our interdisciplinary team brought the greatest benefit. It’s important to not only look for the big sustainability projects that consume a lot of resources and time, but also changing the world around you through small projects that can add up to a big impact.”

Marco Hernandez-Ugalde
Continuous Improvement Coordinator
Nelson Global West Lebanon



Tube Manufacturing Builds on Scrap in Brazil

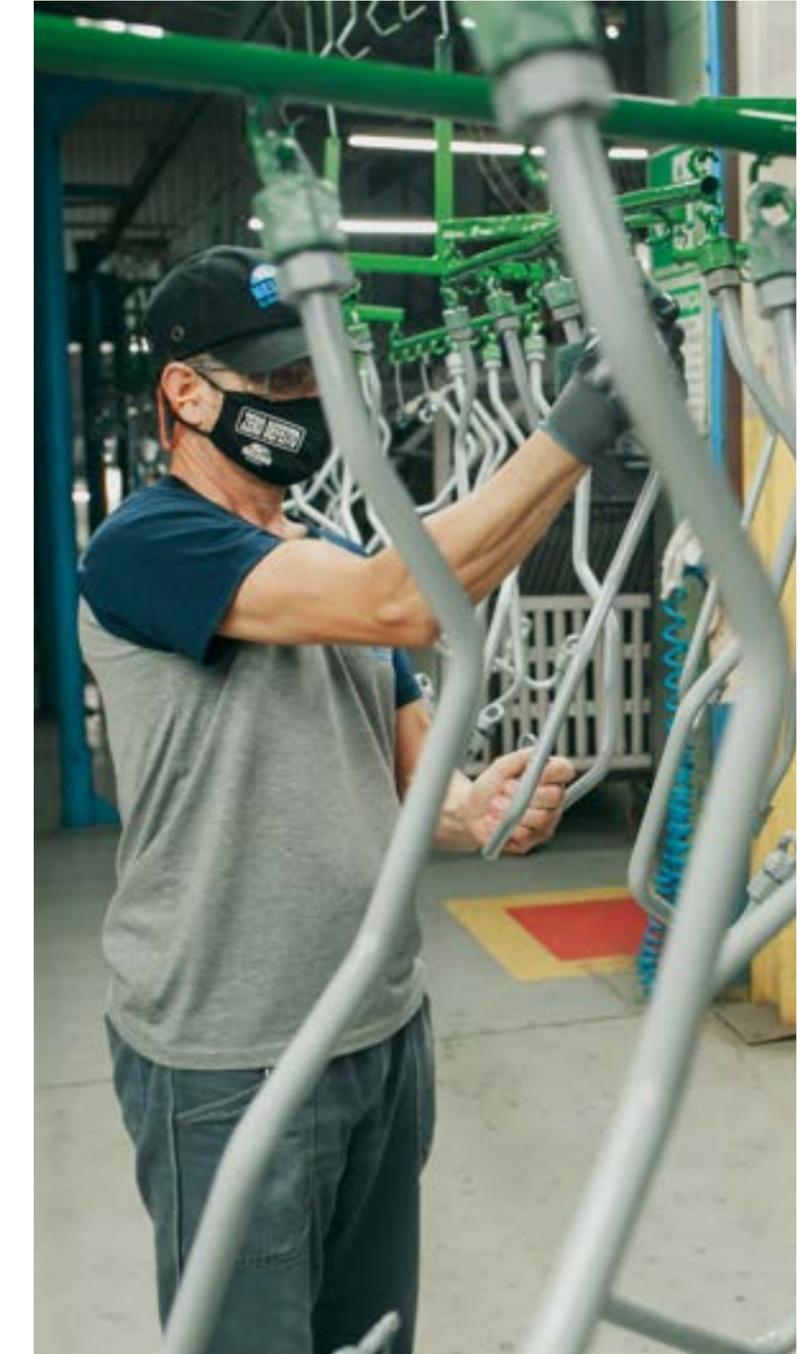
In 2023, as part of our ongoing commitment to continuous improvement, Nelson Global Brazil reviewed processes contributing to the most material losses, with a particular focus on material waste or high scrap rates. Both Brazilian facilities discovered their tube bending manufacturing process generated excess scrap metal waste. These plants deployed a new tube bending methodology that allowed them to manufacture multiple pieces per segment.

Now the pieces that would’ve otherwise been seen as scrap are now converted into sellable products. With the rollout of this initiative, the Brazil facilities have saved 21,358kg of material throughout 2023, additionally minimizing the need for the purchase of raw materials.

Casting a Vision Globally for Optimized Steel Wire Braids in Indiana, USA

Across product lines developed in Indiana, USA and Poland, Nelson Global utilizes steel braids to dampen vibration across bellows. In looking at the product development cycle, teams invested time and resources in engineering and production to determine what braids could be not only shortened but cut in an optimal way to reduce waste.

In 2021, West Lebanon, Indiana, USA sought to reduce post-production waste by making better use of wire resources during braid production, reducing electricity used for production, and reducing demand by optimizing the size of the braid (leading to a reduction in CO2 production). Upon implementing the new processes in December 2021, the facility has saved an average of over seven and a half tons of steel wire braid per year. Having invested the resources into a successful overhaul, Nelson Global sought to further develop the project by implementing these changes at its plant in Poland beginning in late 2023. The company is also seeking additional opportunities for sustainable redevelopments across similar product lines.





Social

We believe corporate social responsibility is beyond just creating jobs; it's establishing community throughout our global presence. We recognize and honor our duty to act responsibly and constructively as members of the worldwide community.

Through a wide range of initiatives, charitable giving, foundation grants, and volunteerism, we seek to create value for societies and bring joy to people's lives. We are proud of the many partnerships we have established with nonprofit organizations that share these values, and through our declaration of transparency in this report, we look forward to growth and prosperity for all who come alongside Nelson Global.

Employee & Community Engagement

Nelson Global is dedicated to giving back to the communities that provide us and our employees with a place to call home. As part of this mission, we earmark funding annually toward community giving. To ensure a culture of global social good, in the spring of 2023, Human Resources at Nelson Global released a set of guidelines for employee engagement to ensure every facility is a participant in the values for which we operate. These guidelines include directions for celebrations and recognition for process improvements and program implementations, ensuring employees have consistent positive experiences from facility to facility.

The following pages highlight a few examples of our commitment to our global communities through volunteerism, supporting future generations, and keeping our employees safe at work.

Global Hearts Giving to Communities

Indianapolis, Indiana

As part of an office volunteer day in October 2023, staff partnered with Gleaners Food Bank of Indiana to load cars with fresh produce and nonperishable donations, directing traffic through the food bank parking lot, and bagging bulk food items during drive-through distribution. During their one-day shift, employees were able to serve 410 local families!

Viroqua, Wisconsin

The sound of the Salvation Army bells is synonymous with giving. We're proud of our staff for the gift of time and smiles in the community, ringing bells at businesses in their Salvation Army red!

Daman, India

Our team takes care of the environment while engaging with their fellow employees and inspiring those within the community, organizing tree planting and beach cleanup days. This resulted in 48 trees planted in 2023 alongside our customers – over double our goal of two trees per month. Additionally, the Daman facility participated in a spring beach cleanup day where 45 employees participated in beautifying their local shoreline.



Daman, India



Indianapolis, Indiana



Hand Safety Demonstration, Brazil

Helping the Next Generation

United States

Investments in our communities' younger generation are an investment in all of us. Nelson Global supports this next generation by offering scholarships for students in pursuit of STEM or agriculture careers. For more than ten years, Nelson Global has proudly contributed up to \$16,000 in scholarships to area high school seniors near eight US facilities in celebration and encouragement of their success.

Troutdale, Oregon

At our Troutdale, Oregon facility, Nelson Global proudly partners with local high school career and technology programs to offer tours of our facilities. We believe that this exposure to manufacturing facilities and careers in welding and metalwork offers inspiration to future generations of welders and other trades. During the tours, students are even offered materials to practice on to give hands-on experience. This program was so successful in 2023 that management is seeking to expand into other schools in future years.

Jamshedpur, India

In support of community building within our facility footprints, Nelson Global offered aid to local government schools within Jamshedpur, India. This investment was used to upgrade equipment and technology, as well as implement computer literacy programs. Nelson Global sees the importance of investing in our regions in pursuit of community growth and mutual respect. As the facility further deepens relationships within the area, residents of the region become more aware of career opportunities within Nelson Global and see our organization as a partner in the community.

Employee Health & Safety

Safety is a deeply held value at all levels of our organization. We foster a culture of safety, where proper equipment, training, and accountability are paramount. Safety and the care of our most important asset – our people – are priority number one, resulting in the most sustainable future for our business and those who choose to invest careers with us.



Mexico Safety Month

Global Safety Achievements in 2023

Lucknow, India Plant

3 years without recordable injury

Jamshedpur, India Plant

0 accidents since 2020 inception

Mexico Facilities

50% reduction of recordable incidents in 2023

Santa Rosa, Brazil: The Pioneering Member of Health in the Company Project

The “Health in the Company” project is an initiative put together with the Municipal Health Foundation of Santa Rosa (FUMSSAR) that aims to promote the health and well-being of workers. The project’s mission is to improve workplace health through community partnerships. Participating companies commit to implementing and maintaining health practices and programs that best serve their employees’ health, leading to healthier and more productive outcomes. In recognition of these practices, companies receive a Municipal Seal of “Health in the Company,” classified into two levels: silver and gold, attesting to their commitment to the health and quality of life of workers.

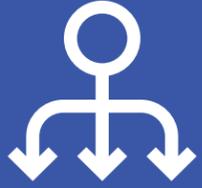
Nelson Global has received and maintained the Silver Award since 2022. As part of this designation, new workplace health campaigns and training were developed and rolled out, while employees investigated opportunities to improve the effectiveness of existing programs. One such program was a collaboration with a psychologist that strengthened the team’s wellness by highlighting the role mental health plays in workers’ overall well-being and organizational productivity.

Another important program in 2023 was the rollout of noise-awareness training, as well as dental and eye exams offered on-site. Nelson Global looks forward to continuing to invest in these initiatives as part of our dedication to people, corporate responsibility, and sustainability.

Safety Awareness Month in Mexico

Nelson Global Mexico dedicated an entire month to highlight the safety themes that are most critical not only to our operations but within our employees’ homes. With over 600 employees participating, topics included fire response planning, hand safety with sharp materials, and electrical safety to prevent fires at work and home.





Governance

At Nelson Global, our performance is driven not only by delivering on our promises but exceeding stakeholder expectations. Our governance framework provides accountability to our actions and decisions.

We firmly believe that long-term growth is linked directly to our wider commitment to our stakeholders: namely our communities; our employees; our customers; our suppliers; and the environment.

Business Governance

Nelson Global is governed by an eight-person Executive Leadership Team, consisting of the Chief Executive Officer, Chief Financial Officer, and global Vice Presidents. This team is led by the CEO, meeting quarterly to provide oversight on all company strategies, operations, and performance metrics to ensure decisions align with the global Corporate Social Responsibility mission, goals, and values.

As global operations expand, we recognize the challenges in balancing growth with commitments to social and environmental objectives. Inherently, expanding our footprint means greater consumption of resources as complexities are built into supply chains. Each new facility introduces new variables that affect carbon emissions, water usage, and waste management. We believe these challenges to be opportunities to innovate, adapt, and prove that responsible expansion is not only feasible—but the bedrock of our very business.

To show our commitment, Nelson Global established the ESG Committee, including all members of the Executive Leadership Team alongside two additional members, our General Manager of European Operations and our Director of Corporate Communications.

Additionally, Nelson Global has engaged with third-party certifications and assessments to provide external validation of our governing practices. With internal and external audits ensuring our adherence to local and international standards, we can identify actionable improvements for continuous improvement year-over-year.



Ethics Policy

Ethics and trust go hand in hand. Trust is a critical foundation for successful and sustainable business, and Nelson Global has worked diligently throughout the history of our company to foster trusting relationships among our customers, suppliers, and business partners. To maintain a high degree of trust with all stakeholders, it is a core responsibility of all Nelson Global associates to conduct business in an open, honest, and ethical manner, following our Ethics Policy across all business practices.

Our Ethics Policy communicates expectations for ethical practice and frames how we strive to conduct our business. The policy reinforces our commitment to compliance and outlines the responsibility of each employee to support our adherence to legal and policy requirements across our global footprint.

To maintain the highest standards of conduct and compliance, Nelson Global maintains internal accounting, administrative, and operational controls as a means of control over all processes. To ensure no one singular person has control over all parts of a financial transaction, Nelson Global utilizes a system of checks and balances as a documented system of fraud control.

The Nelson Global Hotline is an anonymous phone number and email address available to all employees worldwide who suspect a violation of company policy or local laws or who has information on activity that could damage the reputation or legal standing of Nelson Global. Because ethics and integrity are the very basis for sustainable business practice, we hold a zero-tolerance policy for breaches of applicable laws and internal regulations.

72% completion for the Ethics and Code of Conduct Program in 2023

In dedication to our mission, it is expected that every employee will receive annual training on our Ethics and Code of Conduct program. With the rollout of this initiative in 2023, 72% of staff completed the program, with a goal to reach 100% completion in the future.

Supply Chain Expectations

As a global enterprise, Nelson Global is committed to the highest possible standards of responsibility, including striving to be the best partner and supplier to our customers, people, and society beyond. Our relationships with supplier partners are expected to be rooted in fairness, honesty, lawfulness, safety, environmental stewardship, social consciousness, and respect for human rights. To ensure this standard, in 2023, Nelson Global formalized our Global Sourcing Principles to articulate expectations across all networks in which we have continuing supplier relationships. Among our top suppliers accounting for 80% of our total spend, 100% of these partners aligned with and signed off on our principles statement.

In 2023, global sourcing principles were accepted by top suppliers, accounting for 80% of our total spend.



Certifications and Transparency

EcoVadis Participant

Since 2007, EcoVadis has become the world's largest and most trusted provider of business sustainability ratings, creating a global network of more than 130,000 rated companies dedicated to a more sustainable world. EcoVadis supports global companies in identifying their strengths and areas for improvement across CSR efforts.

In 2023, Nelson Global marked a 10-point increase over previous years, with a dedicated focus on documented zones of improvement.

NG+ CDP Participant

Established in 2000 as the "Carbon Disclosure Project," the world's economy looks to CDP as the gold standard of environmental reporting with the richest and most comprehensive dataset on corporate and city action.

With a commitment to transparency and a stake in the ground to begin actionable steps toward improving our impact across our footprint, Nelson Global scored a C for 2023.

NG+ IATF 16949:2016

The International Automotive Task Force IATF 16949:2016 was originally published in October 2016. It is the automotive industry's most widely used international standard for quality management systems, focused on continuous improvement, defect prevention, and reducing variation and waste in the automotive supply chain.

In 2023, Nelson Global has 14 facilities aligned to the IATF 16949:2016 standards.

The International Organization for Standardization (ISO) supports organizations by ensuring they meet customer and stakeholder needs to enhance end-user satisfaction, within statutory and regulatory requirements as it relates to products or services. These are those certified achievements:

NG+ ISO 9001

ISO 9001 serves seven principles, including relationship management, customer focus, leadership, engagement of people, process approach, improvement, and evidence-based decision-making.

Nelson Global has 8 facilities achieving ISO 9001 certification.

NG+ ISO 14001

ISO 14001 is an internationally recognized standard for environmental management systems, providing a framework to organizations for managing environmental footprints systematically in pursuit of reduction of impact, compliance with regulations, and improvement to overall environmental performance.

Nelson Global has 8 global facilities meeting ISO 14001 certification.

NG+ ISO 45001

ISO 45001 is an internationally recognized standard for occupational health and safety management systems. This standard offers a framework for organizations to improve workplace safety, reduction of risk, and improvements for safe working conditions.

Nelson Global has 3 facilities with ISO 45001 certification in 2023.



Global Reporting Initiative (“GRI”) Index

GRI Standard	Disclosure	Response/Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Nelson Global Products, Inc.
	2-2 Entities included in the organization’s sustainability reporting	This report encompasses all 24 locations of Nelson Global, including the various brands under our umbrella: Aftermarket, GT-Silex, and Tru-Flex.
	2-3 Reporting period, frequency and contact point	Calendar Year 2023, Annual, Joe Freeman - Joe.Freeman@NelsonGP.com
	2-4 Restatements of information	Not Available
	2-5 External assurance	Not Available
	2-6 Activities, value chain and other business relationships	About Nelson Global
	2-7 Employees	4,100
	2-8 Workers who are not employees	31%
	2-9 Governance structure and composition	Governance
	2-10 Nomination and selection of the highest governance body	Governance
	2-11 Chair of the highest governance body	Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance
	2-13 Delegation of responsibility for managing impacts	Governance
	2-14 Role of the highest governance body in sustainability reporting	Governance
2-15 Conflicts of interest	Ethics Policy	

Global Reporting Initiative (“GRI”) Index

GRI Standard	Disclosure	Response/Location
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Ethics Policy
	2-17 Collective knowledge of the highest governance	Governance
	2-18 Evaluation of the performance of the highest governance body	The Annual Performance Management process is used to maintain accountability and support of the ESG program.
	2-19 Remuneration policies	Nelson Global will provide our associates with competitive wages that allow each person to support themselves and their families in a dignified lifestyle. Employees are compensated for every hour worked, including overtime. These hours are reviewed each pay cycle by their supervisor and approved prior to payment. We seek to provide a reasonable work-life balance, which includes four-day workweeks to increase time with family and leisure activities, as well as a reduction in overtime to normalize work hours.
	2-20 Process to determine remuneration	Nelson Global offers competitive base pay using specific, industry-relevant salary surveys with a goal of matching the market in each country at the 50th to 75th percentile. Market surveys are completed at least once every two years.
	2-21 Annual total compensation ratio	See GRI 2-19 & GRI 2-20
	2-22 Statement on sustainable development strategy	About Nelson Global
	2-23 Policy commitments	About Nelson Global
	2-24 Embedding policy commitments	About Nelson Global

Global Reporting Initiative (“GRI”) Index

GRI Standard	Disclosure	Response/Location
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	A Unified Commitment to the Future
	2-26 Mechanisms for seeking advice and raising concerns	Ethics Policy
	2-27 Compliance with laws and regulations	Ethics Policy
	2-28 Membership associations	Human Resources Management, North American Manufacturing Association, Association of Manufacturing Excellence, Katowice Special Economic Zone (KSSE) (Poland), Cluster Automotriz de Nuevo Leon AC (Mexico)
	2-29 Approach to stakeholder engagement	Supply Chain Management
	2-30 Collective bargaining agreements	We believe that maintaining an environment for dialogue between associates and management will deepen free, open-minded, and two-way communication, making it possible to build a stronger relationship of mutual trust. In addition, associates will, in accordance with local laws, have the right to associate freely and join - or choose not to join - labor unions or workers' councils.

Global Reporting Initiative (“GRI”) Index

GRI Standard	Disclosure	Response/Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	In 2023, we collaborated with a third-party consulting firm to conduct a comprehensive review of our business activities, industry trends, and stakeholder expectations. The firm facilitated workshops and interviews with key internal stakeholders, helping us identify and prioritize the most significant environmental, social, and governance issues that could affect our business and stakeholders. This process ensured a thorough and impartial assessment, guiding us in focusing our priorities effectively.
	3-2 List of material topics	Energy Management, Greenhouse Gas Emissions, Product Design & Lifecycle Management, Waste & Hazardous Materials Management, Employee Engagement, Diversity & Inclusion, Employee Health & Safety, Human Rights & Community Outreach, Labor Practices, Management of the Legal & Regulatory Environment, Materials Sourcing & Efficiency, Supply Chain Management and Business Ethics
	3-3 Management of material topics	A Unified Commitment to the Future
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	\$488,000,000

Global Reporting Initiative (“GRI”) Index

GRI Standard	Disclosure	Response/Location
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Nelson Global acknowledges the significant risks presented by climate change, including heightened regulatory demands for reduced emissions, escalating costs of raw materials driven by resource scarcity, and the potential for disruptions caused by extreme weather events. However, these challenges also open doors to new opportunities for innovation, such as the development of lighter, more sustainable materials, the increasing demand for electric vehicles and their components, and the potential to enhance energy efficiency in manufacturing processes.
	201-3 Defined benefit plan obligations and other retirement plans	Nelson Global offers a compensation and benefits package that is competitive with leading companies within our industry. Nelson provides a complete compensation package to allow our associates to seek a healthy work/life balance while providing a living wage within the community. Retirement and benefits programs are consistent with local country-mandated regulations. In the U.S., a 401(K) plan is available with employer matching up to three percent of the associate’s contributions.
	201-4 Financial assistance received from government	None
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Nelson Global provides equal pay based on responsibilities and regardless of gender. See GRI 2-19 & GRI 2-20

Global Reporting Initiative (“GRI”) Index

GRI Standard	Disclosure	Response/Location
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social Section
	203-2 Significant indirect economic impacts	Social Section
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	With operations on five continents and purchasing offices in the U.S., Brazil, China, India, and Mexico, we ensure cost-efficient and environmentally conscious delivery to our partners worldwide, leveraging regional relationships for scalable, low-cost material sourcing.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics Policy
	205-2 Communication and training about anti-corruption policies and procedures	Ethics Policy
	205-3 Confirmed incidents of corruption and actions taken	None
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Our key product materials include Stainless Steel, Carbon Steel, Aluminized Steel, and Aluminum. Product material weight and volume can vary significantly based on product type.
	301-2 Recycled input materials used	We have many products where we use recycled materials but the percentage of this material can vary significantly based on product type.
	301-3 Reclaimed products and their packaging materials	Doing our Part to Reduce Waste, and Changing Processes to Reduce Our Footprint

Global Reporting Initiative (“GRI”) Index

GRI Standard	Disclosure	Response/Location
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy & GHG Goals
	302-2 Energy consumption outside of the organization	All energy consumed was within the organization.
	302-3 Energy intensity	Nelson Global uses Net Sales as an energy intensity metric.
	302-4 Reduction of energy consumption	Energy & GHG Goals
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Nelson Global recognizes that water is a scarce natural resource in many parts of the world; as such, we are always working to enhance the efficiency of our water use across all our facilities. Within our facilities, water is utilized primarily for employee needs, building maintenance, and cleaning parts to remove metal fragments, degreasers, and lubricants.
	303-2 Management of water discharge-related impacts	While we are not actively tracking our usage, Nelson Global’s operations and maintenance teams ensure all facilities are in compliance with all water use and discharge regulations in the countries, states, and municipalities in which they operate.
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Nelson Global does not own, lease, or manage any sites within or adjacent to protected areas, or areas of high biodiversity value outside protected areas, as defined by the International Union for Conservation of Nature (IUCN) Protected Area Management Categories, Ramsar Convention, or national legislation.

Global Reporting Initiative (“GRI”) Index

GRI Standard	Disclosure	Response/Location
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Nelson Global recognizes the importance of biodiversity and complies with all applicable laws and regulations regarding land, forest, and water rights in countries where we operate.
	304-3 Habitats protected or restored	Nelson Global employees have volunteered their time for environmental clean ups and tree planting activities. See Global Hearts Giving to Communities.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy & GHG Goals
	305-2 Energy indirect (Scope 2) GHG emissions	Energy & GHG Goals
	305-3 Other indirect (Scope 3) GHG emissions	Nelson Global is currently in the preliminary stages of calculating Scope 3 emissions and will be reporting our findings in 2025.
	305-4 GHG emissions intensity	Nelson Global uses Net Sales as an emissions intensity metric.
	305-5 Reduction of GHG emissions	Energy & GHG Goals
	305-6 Emissions of ozone-depleting substances (ODS)	Nelson Global is not a manufacturer of ozone-depleting substances (ODS)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Nelson Global is not a manufacturer of Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

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GRI Standard	Disclosure	Response/Location
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	At Nelson Global, we are continuously looking for ways to minimize and reduce waste from our operations and the production of our products. We understand the importance of making efforts to preserve human health and the global environment and will always do our part to ensure that the company as a whole acts responsibly. Additionally, we have 8 facilities certified to ISO 14001.
	306-2 Management of significant waste-related impacts	Our largest waste stream is scrap metal from the manufacturing of our products, which is recycled at every opportunity.
	306-3 Waste generated	While we are not currently tracking our waste generation metrics, we are continuously looking for opportunities to reduce the volume of waste we produce.
	306-4 Waste diverted from disposal	See Doing our Part to Reduce Waste
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Expectations
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Nelson Global requires a minimum of one pay period notification prior to any change in working hours or shift changes that will be implemented for an extended period of time.

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GRI Standard	Disclosure	Response/Location
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<p>Safety is a deeply held value at all levels of Nelson Global. We foster a culture of safety, where proper equipment, training, and accountability are paramount. Safety and care of our most important asset - our people - are priority number one, resulting in the most sustainable future for our business and those who choose to invest careers with us.</p> <p>Our Global Health, Safety, and Environmental Program policies comprehensively address every facet of safety within our facilities. This includes clearly defined responsibilities for supervisors and employees, detailed reporting procedures, accident investigations, the use of personal protective equipment, and strict safety accountability. We are unwavering in our commitment to the ongoing improvement of these policies.</p>
	403-2 Hazard identification, risk assessment, and incident investigation	All injuries are meticulously tracked and reported to the CEO and VP of HR. Following any incident, a thorough investigation is conducted using the A-3 Problem Solving format. To ensure continuous improvement and safety, we internally share these incidents and accidents globally, allowing best practices and key learnings to be disseminated across all our facilities and among our employees. If an injury or incident is a result of hazardous materials, we immediately implement our Hazardous Materials Policy.

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GRI Standard	Disclosure	Response/Location
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	All of our full-time employees are eligible to participate in our employer-sponsored health insurance plan. Additionally, many of our acilities offer regular on-site health events, such as annual flu shots, hearing tests, wellness fairs, and biometric screenings. Lastly, safety huddles are part of our regular work day and include discussions around both work and personal good health pracitices to not only prevent injury or illness in the workplace but at home.
	403-4 Worker participation, consultation, and communication on occupational health and safety	<p>Safety is a our number one priority, underpinning every function across the organization. While supervisors and management are directly accountable for the safety and well-being of their teams, we believe that the responsibility for safety is shared by everyone within the company.</p> <p>To further support this commitment, each facility has a Plant Safety Manager and a Plant Safety Committee dedicated to assisting management in developing and maintaining a robust safety program. These committees are focused on identifying and mitigating safety hazards, enhancing awareness, and prioritizing prevention.</p>

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GRI Standard	Disclosure	Response/Location
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Safety training is an integral part of Nelson Global’s onboarding process, ensuring that every employee is equipped with the knowledge to maintain a safe work environment from their first day. Additionally, employees receive regular safety training updates tailored to their specific workplace, which includes annual training requirements, daily toolbox safety topics, skills training, and Job Safety Analysis (JSA).
	403-6 Promotion of worker health	See GRI 403-3.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Nelson Global is committed to providing a safe, healthy, and inclusive work environment for everyone who enters our facilities. We ensure that all visitors are informed of any potential hazards in the areas they will visit and make sure appropriate protective measures are in place at all times. Before entering our facilities, visitors are required to complete a brief safety training presentation and must be accompanied by a host while on the premises.
	403-8 Workers covered by an occupational health and safety management system	In addition to our comprehensive Global Health, Safety, and Environmental Program policies, which apply to all locations in our portfolio, three of our facilities have also achieved ISO 45001 certification.

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GRI Standard	Disclosure	Response/Location
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	<p>Our safety programs are designed to ensure our associates can return to work as quickly and as safely as possible. We also provide our associates the ability to return in other functions so to allow for an earlier return while ensuring a safe recovery.</p> <p>In 2023, Nelson achieved a 50% year-over-year reduction in recordable incidents and reached a Total Case Incident Rate (TCIR) of 0.63, significantly surpassing our goal of 1.0 for the year.</p>
	403-10 Work-related ill health	See GRI 403-3.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Nelson has required training for every employee in the company which includes topics related to safety practices, business ethics, hearing conservation, PPE, handling waste and hazardous materials and job skill training. As a minimum, this equates to 15 hours per year.
	404-3 Percentage of employees receiving regular performance and career development reviews	Nelson Global has a performance management program that reviews performance annually and includes 100% of our full-time associates. For our production associates, testing and qualifications for advancement are communicated and based on demonstrated skills and length of service.

Global Reporting Initiative (“GRI”) Index

GRI Standard	Disclosure	Response/Location
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<p>Our company philosophy concerning diversity in the workplace is reflected in the following statement: “Equality among colleagues is expressed in recognizing, respecting and valuing individual differences in each other, treating each other fairly and creating equal opportunities for everyone. Nelson recognizes that diversity and inclusion are critical to our business operations. Diversity in our workforce and supply base helps foster the kind of innovation, sensitivity and vitality that enables us to dream big dreams and create products and technologies that make people’s lives better. We embrace diversity across all levels of our business, and among our associates, suppliers, dealers, and the communities in which we do business.</p>
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Harrassment or discrimination in any form will not be tolerated. No incidents were reported in 2023.

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GRI Standard	Disclosure	Response/Location
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Nelson Global is dedicated to its mission to be a responsible company and community partner. As part of our global effort to embody this ideal, we have charted an approach to conducting business that seeks to uphold principles and responsibilities of good corporate citizenship that comply with or go beyond laws and regulations. At Nelson Global, we maintain long-lasting partnerships with our suppliers built on respect and trust. All suppliers are encouraged to sign and adhere to our Global Sourcing Principles which specifically allows associates to, in accordance with local laws, have the right to associate freely, and join, or choose not to join, labor unions or workers’ councils.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	We will not hire children who do not reach the legal age for work in each country and region where we have operations, which is eighteen years of age. This precludes children being subjected to hazardous work which jeopardizes their physical, mental, or moral well-being as well as being exposed to extended working hours or multiple shifts. All locations must abide by local regulations which determine what processes will be used to identify anyone below the minimum required age. Additionally, Suppliers must agree and conform to this same requirement.

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GRI Standard	Disclosure	Response/Location
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No form of human trafficking or forced, bonded, or compulsory labor shall be used. Each year, all global locations are audited to ensure this practice is enforced and in compliance with all country-specific standards.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Nelson Global does not use security forces. However, we will ensure that any private or public security forces we may need to employ will adhere to strict human rights standards. The use of force should be strictly limited to situations where it is necessary and proportionate to protect people and property following applicable laws and regulations.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Nelson has never received a report of violation in regards to indigenous peoples.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Both the Corporate budget and Local Plant budgets make accommodations for providing financial support to our local communities. Our associates also commit personal time to support local community opportunities such as working food banks and shelters, walk/run to support various diseases, community cleanup, and blood donation.
	413-2 Operations with significant actual and potential negative impacts on local communities	Employee & Community Engagement

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GRI Standard	Disclosure	Response/Location
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Expectations
GRI 415: Public Policy 2016	415-1 Political contributions	We shall establish transparent and fair relationships with government entities and public officials. Nelson Global does not engage in political contributions of any kind.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Nelson Global is committed to providing our customers with products that support safe and healthy environments. From our legacy leadership in acoustics to our expertise in thermal and fluid management, structural systems, and NVH, our products remain the ideal partner to help our business partners provide safe and reliable equipment.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Nelson Global has not received any notices of violation regarding the health and safety of our products.

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GRI Standard	Disclosure	Response/Location
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	As a supplier to many Original Equipment Manufacturers (OEMs), we are required to implement a numbered tracking system to ensure supply chain traceability in the event of equipment malfunction or recall. Accordingly, each of our parts is assigned a unique tracking number and barcode, indicating the location of its manufacture.
	417-2 Incidents of non-compliance concerning product and service information and labeling	Zero
	417-3 Incidents of non-compliance concerning marketing communications	Nelson Global has never received a complaint of this nature
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Nelson Global has never received a complaint of this nature



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