

Sustainability

REPORT 2023



Table of Contents

CALTROL AT-A-GLANCE	3
ABOUT US.....	4
MESSAGE FROM THE CEO.....	5
ENVIRONMENTAL	6
Greening Of Caltrol.....	6
Greening By Caltrol	10
Greening With Caltrol	12
SOCIAL.....	14
Training & Development.....	16
Employee Spotlight: Channon Brown	20
Caltrol Cares	22
Employee Engagement.....	24
Safety.....	28
Diversity	29
Caltrol India.....	30
Philanthropy.....	32
GOVERNANCE	34
Feature: Lena Bradshaw, VP of Human Resources.....	36
Quality.....	39
ERP System Update.....	40
CLOSING	42

Caltrol at a Glance

171 MT CO₂ Eq

emissions saved from implementing our Hybrid Work From Home Program

73% Avg Energy Reduction

through lighting efficiency projects at Caltrol locations. 258.442 kWh in total annually.

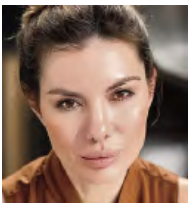


2023 average scores of Presidio Risk Assessments and Emerson Premier Service Provider Audits

New Industry association membership to partner with like-minded organizations for building sustainable communities in southern California.



97%

 Emerson Audit Score for Quality

Lena Bradshaw
Welcoming our new Vice President of Human Resources



Kushal Ingle
Spotlighting employees making a difference in our organization



17th year of Caltrol President's Council Awards for recognizing employee owner excellence

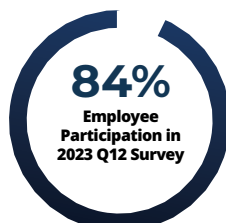


Channon Brown
Congratulating our new manager of the Order Management Department

37%

of Caltrol employee base fully vested into the company ESOP program. 21 employee owners added in 2023.

GALLUP



930

Employee Training hours completed in 2023 through our Biz Library training program.

Wellable Healthy Rewards Program

Total # of Steps Completed: **109,396,386**

Total # of Miles Walked: **23,838**

Total Percentage of Participants: **43%**

Most Popular Challenge: **Mental Health Matters**

About Us

Welcome to the 2023 Caltrol Sustainability Report: Automating Sustainability

As a leader in automation and energy solutions, Caltrol is dedicated to fostering sustainability through innovation and technological advancement. Our mission is to support customers in achieving their environmental goals while driving positive change across our industries.

In our inaugural year, we introduced the “Greenprints” theme in our sustainability statement, laying the foundation for our sustainability program with a focus on environmental, social, and governance (ESG) areas. The following year, under the theme “Breaking Ground for a Sustainable Tomorrow,” we outlined the initial steps taken to advance our initiatives. Now, in our third year, we proudly present the strides we have made as we work towards automating sustainability, our theme for this year’s report.

This year’s report highlights our significant achievements adding automation into our sustainability efforts. We have reduced emissions by our Hybrid Work From Home Program, showcasing how remote work technology can contribute to a greener future. Our lighting efficiency projects have achieved a 73% average energy reduction at our facilities, totaling 258,442 kWh annually, demonstrating the impact of automated energy management changes.

We have maintained high standards in risk assessments and audits, with a 93% average score in Presidio Risk Assessments, underscoring our commitment to automated safety and quality controls. Our dedication to quality is further evidenced by a 97% Emerson Audit Score.

Employee engagement remains strong, with a 84% participation rate in the 2023 Q12 Survey from Gallup, facilitated by automated feedback systems that ensure continuous improvement. We are also committed to employee development, with our organization completing 930 training hours through our Biz Library program, supported by automated learning platforms.

Our efforts in increasing employee ownership have resulted in 21 new employee owners fully vested in 2023, bringing the total of our fully vested workforce to 37%, giving testament to our commitment to social sustainability. Health and wellness initiatives have seen employees logging over 109 million steps and actively participating in mental health challenges, facilitated by automated health tracking systems.

As we move forward, we remain committed to driving sustainability through innovation and look forward to sharing our ongoing progress in the years to come. Please enjoy this report, and we look forward to providing you with further progress on our sustainability journey in our 2024 report.



Message from the CEO

Last year was a very busy year for Caltrol. We took on several strategic projects in 2023, some of which included a successful ERP upgrade, a successful transition to our new HRIS system, multiple facility upgrades, hiring and onboarding our new Vice President of Human Resources, and several other efficiency and customer-focused projects. We did all of this while maintaining a record-setting financial performance in 2023, and without losing focus on what is most important to us: our customers and our people. While the year tested us, and we had stress placed onto our organization, we triumphed. Though we still have more progress to make, we are seeing some of the results of our efforts, and I am so proud to be a part of the Caltrol team.

This is our third sustainability publication and our second official report. We continue to make progress following the framework we established within our sustainability committees, which were outlined in our initial sustainability statement, "Greenprints". Some of the accomplishments listed above are in the report. A few others I would like to highlight, include:

- **Greening Of:** Our efforts resulted in a net decrease in Scope 1, 2, and 3 emissions, despite an increase in the number of employees and growing footprint of our facilities.
- **Greening By:** We continue to help our customers achieve their environmental goals with innovative solutions. Several of these are highlighted on Page 11.
- **Greening With:** We made major progress in 2023 with our Greening With initiatives. Our collaboration with the California Hydrogen Business Council, Sustain Southern California, and with Emerson and the Impact Partner Network really advanced in 2023.
- **Social:** There are quite a few new highlights in our Social section, including our new Manager training series, Caltrol University, an Employee Origins map, and speaking of new things, we had 21 employee owners become 100% vested in our ESOP in 2023.
- **Governance:** I'm proud to point out the increase in our shareholder value that is shown in our report. We are an ESOP company and this symbolizes the hard work and dedication of our employee owners.
- We added more detailed sections in our report on safety and quality. The professionalism and results of our safety and quality leaders, and the teams that help them be successful, are phenomenal.

I want to thank the Caltrol members and leaders of the Sustainability Steering Committee, the subcommittees, and the Caltrol employee owners for their passion and the extra effort that it takes to advance our vision. We are helping industries solve the global challenges of tomorrow.

Scott Bedell

President and Chief Executive Officer



ENVIRONMENTAL

Greening Of Caltrol

Insights

The Greening Of Caltrol Committee is a crucial team dedicated to improving our environmental impact. This group of eco-conscious members monitors office trends and carbon footprint metrics, offering valuable insights and procedural recommendations to enhance our daily operations' sustainability. Led by Bill Flader, our Business Analyst, the committee spent the majority of 2023 working through the implementation of various initiatives that further our goal of reducing our carbon footprint.



This past year, 2023, marked significant progress in our efforts to reduce our greenhouse gas (GHG) impact, thanks to the dedication of our "Greening Of Caltrol" committee and the successful implementation of various initiatives, including automation. Our focus has been on refining the Scope 3 measurement process and automating calculations to ensure the most accurate assessment of our true environmental impact. -Bill Flader, Business Analyst, Caltrol



GOALS

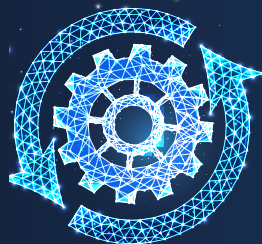
Measure

Measure our company impact on the environment based on our past and recent operations.



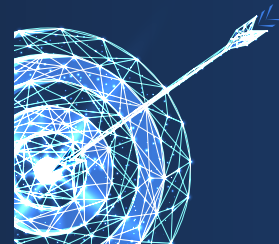
Enhance

Enhance our data collection methodologies to establish accurate and timely data.



Implement

Implement meaningful operational changes that will have a positive environmental impact.



Initiatives

Benchmarks

Our benchmarks focus includes data management and exploration of methodologies that ensure we are able to track our data over time for comparative and reporting purposes.

Education & Communication

We openly communicate relevant sustainability information within our organization. We also encourage sharing ideas for suggested actions to improve our environmental impact.

Effects & Impact

We consistently monitor our environmental impact, utilizing tools, technologies and the voices of our employee owners.

Efficiency

We evaluate trends to enable a proactive approach to optimizing the efficiency of our facilities while maintaining growth and taking excellent care of our customers.



Effects & Impact

Hybrid Work Policy

We are now in the second year of implementing flexible work-from-home policies. Many of our employees have the option to work from home or visit nearby clients through our Motus work program. These policies not only work to minimize our carbon footprint, but they also allow for flexibility and a better work-life balance for our employee owners. These policies continue to add environmental benefits as **the amount saved despite an increase in staff for 2023 was 171 Metric Tons of CO₂ eq.**

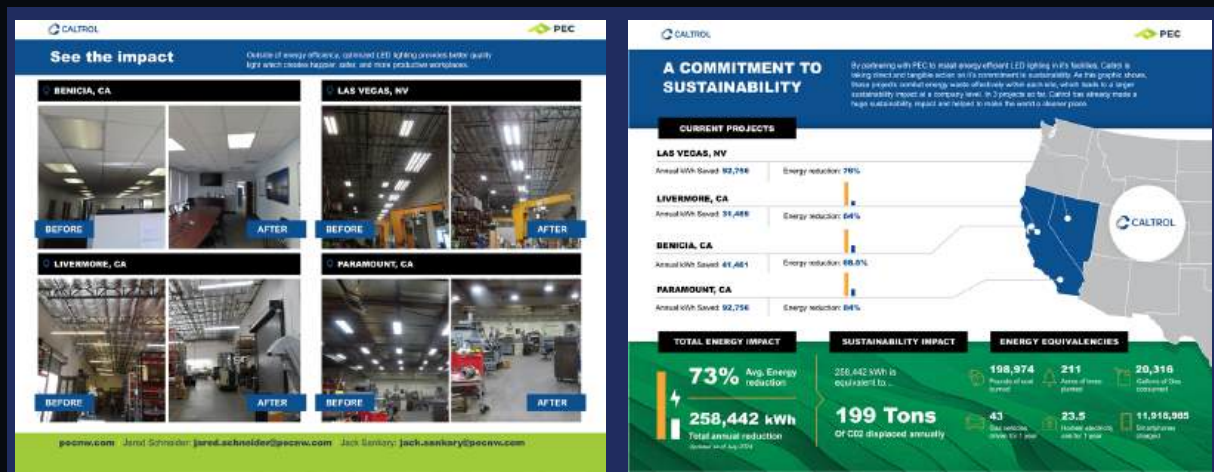


Efficiency



The pursuance of efficiency with lighting in the office spaces and shops around our territory was continued throughout 2023. Partnering with PEC, one of North America's most innovative energy optimization companies, we were able to reduce energy waste at an additional site this year, in Livermore, California. We also succeeded in efforts to improve our lighting efficiency at our Hawaii location, partnering with a local vendor from that region.

By switching to energy-efficient lighting, we've significantly decreased our energy consumption, contributing less to greenhouse gas emissions. This not only benefits the environment but also helps our organization save on utility bills, a two-fold win that benefits the world and Caltrol. Furthermore, the installation of more efficient lighting has improved the overall working environment for our employee owners. Traditional fluorescent lights can cause eyestrain and headaches, leading to decreased productivity and discomfort for workers. Energy-efficient LED lights provide better quality lighting that mimics natural light, creating a more productive and comfortable workspace.



The energy efficient lighting installed across our facilities has reduced our greenhouse gas emissions by 73% on average, which is equivalent to 258,442 kWh or 199 Tons of CO2. To put those numbers into perspective, our reduction is equivalent to approximately 211 acres of trees planted, 20,316 gallons of gas consumed, or 198.974 pounds of coal burned. We are proud of the changes we've made with lighting efficiency for 2023, and we look forward to furthering this change at additional locations in 2024.

Benchmarks

One of the key strides we made this year was in the area of automation, particularly in refining our Scope 3 emissions measurement. Scope 3 emissions, which encompass indirect emissions in our value chain, are often challenging to measure and control. This complexity arises from the broad spectrum of suppliers and the varying degrees of data availability.

Our primary supplier, Emerson Process Management, provides a large amount of the products sold to our end-use customers, and we have solid emissions data from them. The other suppliers, while being

Benchmarks (Cont'd)

operationally essential, do not necessarily provide data that will allow us to accurately measure the GHG that is expended in their production processes. In order to address this, we have leveraged the capabilities of Sustain Life, now rebranded as "Workiva Carbon" following its acquisition by Workiva. This advanced platform offers a sophisticated measurement tool that allows us to estimate our supply chain's hidden impacts based on expenditures, unless more precise data can be directly obtained from our suppliers.

By using this more accurate measurement tool, we revisited our Scope 3 emissions data for the years 2021 and 2022, leading to restated figures from data that better reflects our actual environmental impact. Despite these adjustments, we continue to demonstrate improvement across all years, reinforcing our commitment to sustainability.

The challenges we face in obtaining accurate data highlight the importance of collaboration with our suppliers. In the coming year, we intend to proactively engage with our suppliers to secure more precise Scope 1 and Scope 2 emissions data. Accurate data from suppliers is crucial as it directly impacts our Scope 3 emissions calculations and overall environmental footprint.

Reaching out to our suppliers is not only about data collection but also about fostering a culture of transparency and shared responsibility for environmental stewardship. Our working more closely with our suppliers to measure and report emissions accurately enables us to support broader industry efforts to enhance sustainability and reduce global carbon footprints.

MT CO ₂ Eq	2021	2022	2023	VARIANCE
SCOPE 1 Fleet Vehicles	528.11	650.97	732.39	+12.5%
SCOPE 2 Buildings, Electric & Gas	286.19	352.92	385.33	+9.18%
SCOPE 3 Business Travel - Air	245.58	415.48	501.14	+20.62%
SCOPE 3 Business Travel - Auto	231.49	211.73	200.37	-5.37%
SCOPE 3 Shipping Downstream	104.64	105.77	111.05	+4.99%
SCOPE 3 Waste	52.15	85.47	111.07	+29.95%
SCOPE 3 Employee Commute	984.36	1081.18	896.55	-17.08%
SCOPE 3 Remote Workforce	71.04	78.15	91.82	+17.49%
SCOPE 3 Suppliers	8010.93	6579.07	6326.26	-3.84%
Grand Totals	10514.49	9560.74	9355.95	-2.14%

Disclaimer: Please note that some of the data, statistics, and metrics presented in this report, including greenhouse gas emissions, are approximations and have not been prepared following generally accepted accounting principles. While these estimations are based on recognized methodologies and assumptions deemed reasonable during the preparation, they are not intended as guarantees and are subject to potential revisions in the future.

ENVIRONMENTAL Greening By Caltrol

Insights

Caltrol’s extensive technology portfolio uniquely positions us to support customers in their sustainable energy transitions. Our Greening By Committee is key in pioneering innovative methods to meet environmental goals. We focus on digitally transforming operations in biofuels, renewable energy, hydrogen, carbon capture, and energy storage, empowering customers to navigate the sustainability roadmap effectively.



“ From our engagement with communities working on sustainability and decarbonization, we have uniquely positioned ourselves to be the experts to help incubators, universities, emerging technology startups and projects at scale to solve their automation needs where they are at on their individual process journey.

-Charles Hakala, VP of Sales, Caltrol

Initiatives

1 Sales Environmental Upskilling	2 Customer Focus	3 Environmental Product Solutions	4 Quantifiable Business Results
--	-------------------------------	---	---

GOALS

Maintain focus on the collective positive environmental impact that our customers create by using our products and services to meet their needs and accomplish their goals.

Automation Solutions



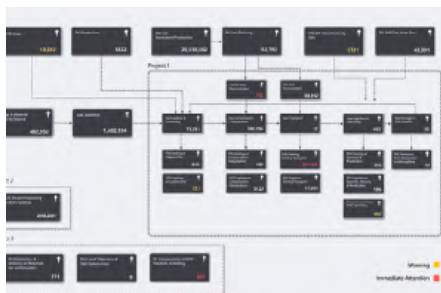
Compressor Packing Slipstream

Caltrol is working with our oil & gas production and gas distribution customers to capture thousands of tons of CO₂e previously emitted due to compressor packing leaks.



Hydrogen Blending Skid

SoCal Gas Hydrogen Home of the Future Partner, a project edge of green hydrogen. Partnering with Emerson and Spartan Controls, the hydrogen blending skid and control system for the home were our projects.



Blue Marvel Carbon Accounting

We offer advanced carbon management solutions to track, analyze, and reduce carbon emissions. Carbonvue empowers our customers to achieve their sustainability goals by identifying key areas for improvement, leading to significant reductions in their carbon footprint.



Blue Marvel Energy Solution

Optimizing energy usage and efficiency through real-time monitoring and data analytics, BlueMarvel enables our customers to reduce energy consumption and minimize their carbon footprint, contributing to more sustainable operations.



Heap Leach

SX Extraction uses 30% less energy than milling & smelting, with five projects helping Arizona mines increase SX production levels to 45% of their output.



Odorization

Odorization is a critical tool for preventing emissions leaks in natural gas systems. By adding a distinct scent to the gas, leaks are quickly detected and addressed, significantly reducing the release of methane—a potent greenhouse gas—into the atmosphere.

ENVIRONMENTAL Greening With Caltrol

Insights

AREAS OF FOCUS

1 Industry Associations

2 Government, Educational & Policy Groups

3 Emerson & Emerson Impact Partner Network



INDUSTRY ASSOCIATIONS

California Hydrogen Business Council



We attended the California Hydrogen Leadership Summit for the second time last year, as a member of the organization providing a sponsorship and in support of our principal partner, Emerson. Seth Harris, Director of Sustainability for the Americas, at Emerson, was a guest moderator for a panel discussion concerning building successful

hydrogen projects. The event is designed to create cross-sector collaboration and alliances to develop new, sustainable hydrogen projects and decarbonize areas of the economy that require complex problem-solving. At the next event, we will attend as a presenting sponsor.

GOVERNMENT, EDUCATIONAL & POLICY GROUPS Sustain Southern California Membership



Caltrol is a proud member of Sustain Southern California, which is an organization dedicated to innovation, collaboration and education for sustainability and cleantech within part of our territory. We partner with this group to lend our knowledge and expertise to the cause of building sustainable and resilient communities. Members of the organization benefit from networking, partnerships with public, private and academic sectors, in addition to mentorship and advisory. Our membership began last year, and we have consistently participated in conferences and other events, as sponsors or presenters as opportunities arise. One of our Caltrol employee owners, Brian Burkowsky, is on the Sustain Southern California Board of Directors, and others within our organization participate in working groups for advancements in energy, water, transportation, agriculture and food, waste and many other topics. We look forward to working with Sustain Southern California now and in the future, as we partner to make local communities more sustainable for the present and future generations to come.

“I’m very appreciative of the opportunity to represent Caltrol on the board of Sustain Southern California. Our engagement allows us to help share knowledge and establish connections that impact the economic progress and sustainable future of the area and its residents, businesses and visitors. Participation also enables us to help create the solutions required by utilizing our people, processes and technology for sustainable opportunities.” -Brian Burkowsky, Sr. Director of Advanced Solutions, Caltrol

EMERSON & THE IMPACT PARTNER NETWORK Network-Wide Collaboration



We support our principal partner, Emerson, as they strive towards their sustainability goals of helping to deliver a net zero world. Emerson has set targets to achieve net zero operations by 2030, operational zero waste to landfill by 2032, and zero greenhouse gas emissions across Scopes 1, 2, and 3 of the GHG Protocol standard by 2045. Our partnership allows us to share in their progress toward building a more sustainable future. Emerson Impact Partners are local, single points of contact for sales, service, and applied engineering for Emerson’s Automation Solutions business.

We participate in collaborative events throughout each year to help one another in our pursuit of providing sustainable solutions to meet our goals and those of our customers. Last year, we attended and presented at Emerson’s Fisher™ Planning conference. We also presented at their North America Final Control Sustainability Summit, covering our progress with sustainability reporting, current sustainability projects, pursuits, opportunities and more. This collective approach not only accelerates the development of new sustainable technologies but also enhances the implementation of eco-friendly practices across our industries. Working together, we can leverage each other’s strengths and resources, leading to a stronger, unified commitment to sustainability and more impactful environmental outcomes.



SOCIAL

Impact Committee

Insights

The Social Impact Committee, a small team of individuals responsible for managing and enhancing our societal impact through internal and external initiatives, has been pivotal as we enter the third year of our sustainability program. Internally this year, we have taken new steps to explore automation to bolster our efforts. One example of this includes our launching Nava, a benefits tool that automates employee access to benefits with personalized representatives available to assist with any questions and decisions. We are also in our second year partnering with Gallup for the annual Q12 survey, which provides invaluable insights for planning to meet employee owner needs and a better understanding of their level of engagement. The Social Impact Committee's time and commitment keep us on track with each of our initiatives throughout each year.



“ Corporate social responsibility is measured in terms of businesses improving conditions for their employees, shareholders, communities and environment. But moral responsibility goes further, reflecting the need for corporations to address fundamental issues such as inclusion, dignity, and equality.

- Klaus Schwab, Founder and Executive Chairman of the World Economic Forum

GOALS

Safety

Develop and enhance the safety programs within our organization, maximizing the impact these have on our employee owners and their families



Employee Engagement

Increase employee engagement by working through exercises like our Gallup Q12 Engagement Survey, and providing more opportunities for the Caltrol team to give back to local communities



Initiatives

Benefits Optimization

We diligently source the best available options for benefits to offer our employee owners. Ensuring they have access to fair and affordable benefits packages with many free or low cost add-ons as well.

Core Values

Our core values define the character of our organization and the way we conduct our daily business. Our employee owners embody our core values in their interactions with internal and external customers.

Diversity, Equity & Inclusion

We strive for excellence in diversity, equity, and inclusion. Our employee owners come from diverse geographical and cultural backgrounds, and we celebrate their unique perspectives.

Employee Engagement

Employee engagement is a core goal of our Social Impact Committee. At Caltrol, we nurture relationships among employee owners and align them with company goals through transparency and inclusivity.

Safety

Safety, our second social goal, is central to our policies, procedures, and training. We prioritize it to ensure every Caltrol employee owner remains safe, happy, and healthy.

Training & Development

We create effective training and development opportunities to encourage our employee owners to grow, stay motivated and fully engage in enhancing their lives and our ownership culture.

Philanthropy

Our philanthropic efforts thrive thanks to our compassionate employee owners' dedication. We deeply appreciate their ongoing commitment to finding new ways to give back.

Insights

Caltrol University: Cultivating Talent for a Sustainable Future



Caltrol University, launched in 2023, is our innovative recruiting and onboarding program designed to attract and develop the next generation of Inside Sales Engineers (ISE). By maintaining a strong presence at college career fairs, particularly at UNLV, University of Arizona, and UC Irvine, we introduce students and recent graduates to a rewarding career path they may not have previously considered. Through this initiative, we strive to build a diverse pipeline of talent and occasionally discover outstanding individuals for other roles within our organization.

The core of Caltrol University is its comprehensive rotational experience, which spans various business units (BUs) within our company. This program is meticulously designed to provide new ISEs with a holistic understanding of our operations and foster collaborative relationships across different teams. Whether the candidate is a fresh graduate or someone with prior experience, our goal remains the same: to hire long-term employee-owners dedicated to growing with us. By shadowing experienced employee-owners, new hires gain invaluable insights and skills, ensuring they are well-prepared for their roles and aligned with our company's mission and values.

Isabel Beeley, Caltrol's first graduate of the Caltrol U program, joined the organization in June 2023 and spent her first four months completing the program's rotation; visiting many of our offices in California, Arizona, and Nevada. Upon reflection of her completion in Caltrol University and what it means for her future as an engineer, Isabel believes that Caltrol's decision to

As we continue to invest in the professional growth of our employees, we affirm our commitment to long-term sustainability.

invest in this style of training and onboarding positively impacted her perception of its commitment to her professional development.

“It showed me that Caltrol is looking for employees who envision a lifelong career path and development here. That exemplifies the employee ownership mentality, to me. After I completed CaltrolU, I was able to present my experience and perspective on the program to the C-suite executives and business unit leads. This made me feel like my opinions are valued here. I was able to connect with all the talented people at this company and looking back at my experience, I feel grateful for each individual who invested their time in my professional growth.”

Caltrol University represents more than just a training program; it shows our dedication to sustainability by cultivating future leaders who are equipped to navigate and drive positive change across diverse industries. As we continue to invest in the professional growth of our employees, we affirm our commitment to long-term sustainability. The comprehensive training and practical, hands-on experience provided by Caltrol University empowers our new hires to contribute to groundbreaking and innovative solutions, from advancing biofuel transitions in refineries to optimizing processes in emerging industries. This approach ensures that our team is prepared to lead with a sustainable mindset, ultimately aligning with Caltrol’s mission to create lasting positive impacts both locally and globally.

MANAGEMENT FUNDAMENTALS TRAINING

A second training program, also launched in 2023, was our Management Fundamentals Training. The program was led by our Vice President of Human Resources, Lena Bradshaw. It included 12 modules, each designed to give existing, new, and upcoming managers the tools and skills required to perform to the best of their abilities in their roles. Module topics ranged from selecting top talent to building trust in leadership to utilizing emotional intelligence in day-to-day tasks or conflict management. Our first round of the program included over 20 Caltrol employee owners in middle management, and reviews of the program indicate that it was largely a success. We plan to repeat the program next year with a new group of team members, and we are looking forward to the results.

“As a new manager, I found the program to be invaluable. The camaraderie within the group was excellent. I especially enjoyed the role playing and other exercises that helped us practice our skills for real-world situations.”

Shanti Taylor, Marcom Manager

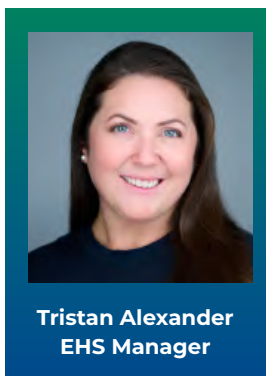
“The Management Fundamentals Training Program provided a good mix of leadership concepts and tools, including communication, team building, and conflict resolution. Each module had something different to offer, and as a cohort, it was helpful to hear various perspectives from the group. The training offered practical insights, some with immediate application, but overall it gave me a solid foundation.”

Keith Kornegger, Sales Director - Arizona

SIX SIGMA DEVELOPMENT TRAINING



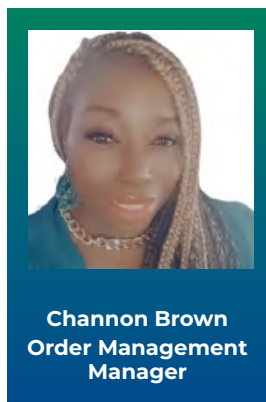
To further our commitment to professional development and operational excellence, we sent some of our employee owners to Six Sigma training in 2023. Six Sigma training is an esteemed methodology that employs statistical tools to identify and eliminate process variations or defects. Accredited Six Sigma Certification signifies a deep understanding of these principles, which enhances individuals' value in any industry. By investing in this training, we not only enhanced our employees' career development, but we also equipped our organization with the skills necessary to drive continuous improvement and innovation.



Tristan Alexander
EHS Manager

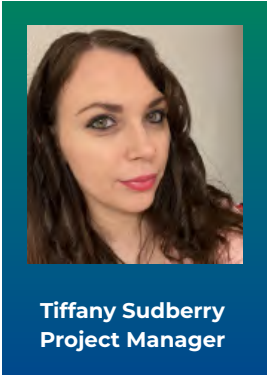
"My experience in the Six Sigma program was excellent. Overall, the program was easily accessible and well-structured, which greatly contributed to my positive experience. I gained extensive knowledge of different types of lean methods, and I learned when to apply these methods based on customer requirements and cost analysis. Additionally, I developed skills in identifying waste, streamlining processes, and improving efficiency, which are crucial for enhancing productivity and reducing costs. I feel more confident in my ability to improve processes and solve problems after attending the training.

Currently, I am collaborating with the sales team to optimize our customers' online portal processes. By applying lean process management principles learned from Six Sigma, we aim to streamline our internal workflows. Specifically, we are mapping out the current process to identify inefficiencies and eliminate redundant steps. This will result in a faster turnaround for quotes, orders, and invoicing, ultimately improving our responsiveness and customer satisfaction. This will not only enhance our service quality but also boost our sales efficiency and productivity. Caltrol sending me to the training demonstrated that the company values continuous learning and is willing to invest in the growth and advancement of its employees. This investment has made me feel more aligned with the company's mission and goals, knowing that my development is a priority."



Channon Brown
Order Management
Manager

"I would rate my Sigma Six training experience as a 9 out of 10. I love a challenge, and this training program gave me that. I obtained new knowledge and skills by learning how to define current processes and determine root causes through the DMAIC roadmap. I began utilizing process mapping, brainstorming, and additional skills to increase our process efficiency for Order Management. I believe Six Sigma gave me the tools to be very successful. I feel confident in my abilities, which I am using to implement documenting processes and guidelines to help support Order Management's day-to-day tasks. Caltrol's decision to send me to this training showed me that our company cares about my professional development and wants to see me succeed."



"I think the Six Sigma training was good and very valuable. I learned about budgeting, change management, how to apply more statistical analysis to process efficiencies and how to ensure proper follow-through with process improvement implementations and closing projects. Working on Caltrol's business improvement team for the last 5 years, process improvement is the main focus of my day to day job. Still, seeing examples of case studies from other companies, learning alternative approaches to solutioning, and learning how I could apply methods such as DMAIC on a higher level, left me feeling excited to implement what I'd learned. I immediately began applying these skills while managing our ERP system upgrade. I used my new understanding to improve the rollout process for the project by creating a post go-live support plan and resource model, which continues to be effective today. I appreciate our company's willingness to invest in my individual career growth. The investment shows that Caltrol wants to see its employees grow."

CALTROL LEARNING MANAGEMENT SYSTEM

Our primary tool for internal training, Biz Library, was used extensively last year, as we onboarded new employees and implemented additional safety and quality training courses for our existing employee base. Due to its flexibility, ease of use, and scalability, we have had success for many years using the platform. In total, our employee owners completed a total of 930 training hours for 2023.



Training Topics Sampling

- Safety
- Quality
- Wellness
- Emotional Intelligence
- Anti-Harassment
- Leadership

OUR TRAINING AND DEVELOPMENT PARTNERS

In addition to Biz Library, we also coordinate with other education partners for training our staff.





We take immense pride in our employees' willingness to grow and excel within our organization. Their readiness to embrace new roles and promotions shows their dedication and ambition to help us excel. Our commitment to internal promotion not only highlights the exceptional talent within our employee base but also reinforces our belief in nurturing career development from within. This approach ensures that our team remains highly skilled, motivated, and aligned with our strategic vision, driving sustained success.

We enjoy spotlighting those employees who have transitioned roles within our company, and hearing about their experiences. This year, we are excited to introduce Channon Brown, who was promoted in 2023 from Project Coordinator to Manager of our Order Management department. Channon began working for Caltrol as an order manager

for our Isolation and Actuation business unit. She then progressed to becoming one of our project coordinators, and she is now in her third role as Order Management Manager. We spoke to Channon about her time here at Caltrol and the steps she took to reach her position today, inquiring about her transition process, her prior roles' contributions to her success, and future plans she has for leading her department:

THE PAST SHAPES THE PRESENT

Q: How has your transition from Project Coordinator to Order Management Manager been so far? Can you tell us a bit about that and how your prior roles have prepared you for this new one?

A: My transition to managing the order management department has been quite an experience. It has been exciting, but not without its challenges. So far, it's required the use of many skills I gained in prior roles in addition to new ones I'm learning specifically concerning managing a team. In my prior roles, during my career here, I was given the opportunity to learn various business units and their various methods for processing orders. Gaining years of that knowledge and experience gave me many of the qualifications required to best fit my role today.

Q: Can you elaborate on the challenges you mentioned having faced during this transition?

A: I was referring to the challenges I faced when transitioning from my old role to the new role. I had to offload some of the projects and tasks I was working on to other project coordinators within Caltrol, which took time and patience. Once I had successfully handed off my current workload in projects, I could then focus on the responsibilities for my new role. It was kind of a balancing act, but everything worked out well in the end.

Q: How do you feel about your new role? Are you enjoying it?

A: I am feeling optimistic about my new role. I really enjoy what I do at Caltrol, helping customers and problem solving internal and external issues. Additionally, having a great team contributes to the success of the Order Management department.

CALTRON SUPPORT & TRAINING

Q: What are your thoughts on the support you received from Caltrol in facilitating your role change?

A: I greatly appreciated how I was given time to meet with each of our order management specialists and other individuals within the company that provided more insight into the department. I was able to spend time getting to know my team. Understanding their processes better helped me to see where improvements were needed.

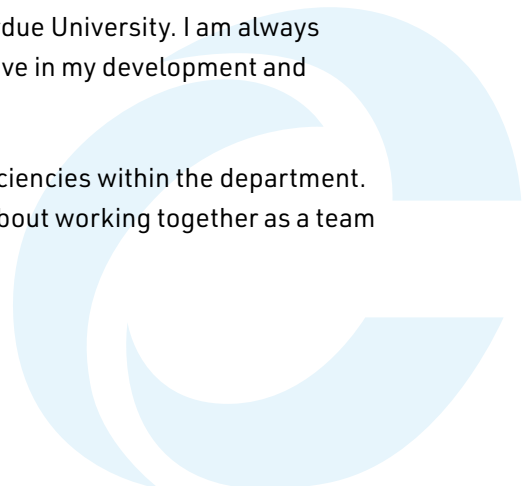
Also, our human resources department provided a great Management Fundamental Training Program. That was very beneficial, and it was wonderful to have the support and communication from our vice presidents and other management during my transition.

FUTURE PLANS

Q: What is your vision for the future, meaning your plans and goals, now that you have taken on this new role?

A: My future plans and goals are to keep learning. Never stop striving for success when there are unlimited opportunities. I am planning to take additional trainings. I have obtained certification in Project Management at Cal State Fullerton and Sigma Green Belt at Purdue University. I am always willing to learn new things. I believe Caltrol will continue to be supportive in my development and learning.

I am also looking forward to improving processes and minimizing inefficiencies within the department. I am very enthusiastic about the opportunities my new role offers. It's about working together as a team to reflect Caltrol's mission, vision, purpose and values.



Benefits Optimization: Caltrol Cares



We continue to prioritize the well-being of our workforce, recognizing that a happy and healthy team is crucial to our organization's success. To this end, in 2023 we expanded our comprehensive benefits to further support our employees' holistic wellness. Our Wellable Healthy Rewards program remains a base for motivating employees to make healthier lifestyle choices and rewarding their efforts. Additionally, our Employee Assistance Program has been strengthened to offer an even wider array of resources, helping employees navigate both personal and professional challenges. This ensures that their mental and emotional health is well-supported. Our Fitness & Personal Growth program continues to empower employees by providing access to state-of-the-art fitness facilities, diverse wellness classes, and a variety of training opportunities aimed at personal development. To deepen our commitment to our employees' futures, our Educational Assistance Program offers tuition reimbursement and student loan matching benefits. This initiative reflects our steadfast dedication to continuous learning and career advancement by easing the financial burdens tied to education.

Through these initiatives, we are dedicated to cultivating a culture of well-being and happiness, enabling our employees to thrive both within the workplace and in their personal lives.

WELLABLE HEALTHY REWARDS PROGRAM

The Wellable platform has been a positive and user-friendly solution for our company. It provides our employee owners with many helpful tips regarding their mental and physical health. We are committed to reviewing other healthy rewards programs and ways to enhance the existing program with new activities and incentives to keep our team engaged in their well-being.

Total # of Steps Completed: **109,396,386**

Total # of Miles Walked: **23,838**

Total Percentage of Participants: **43%**

Most Popular Challenge: **Mental Health Matters**

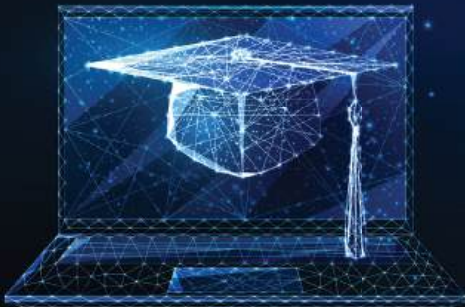
FITNESS & PERSONAL GROWTH PROGRAM

Caltrol's Fitness and Personal Development program is in place so our employees can continue to enrich their minds and bodies by engaging in the interests and activities that inspire them the most. We actively encourage our team to utilize reimbursable funds to further their education, enhance their physical, mental, and emotional health, or acquire new skillsets. All of which directly contribute to their personal growth and development. Through this program, we remain committed to supporting our employees' overall health and well-being, ensuring they have the resources to pursue their passions and achieve their personal and professional goals. **In 2023, Caltrol saw 235 employees utilize the benefits of this program and reimbursed a total of \$108,348.**

EDUCATIONAL ASSISTANCE PROGRAM

Our Educational Assistance program is one that exemplifies our commitment to our employees in areas such as furthering their education and professional growth. Through tuition reimbursement, employee owners are able to seek out continuous learning opportunities to invest in their future. Our student loan match opportunity gives those who previously completed schooling, and are now a valued member of our organization, an opportunity to receive assistance in getting their educational loans paid down faster. Through our tuition reimbursement and student loans match programs, employee owners feel supported in pursuing their professional goals while hopefully alleviating some of the fear and stress that can come from the financial constraints of paying for additional education.

Tuition Reimbursement



Shelley Porchia is one employee owner who utilized the tuition reimbursement program in 2023. Shelley joined the Caltrol team in May 2012 and becoming a Project Manager has always been both a personal and professional goal of hers. She knew about the tuition reimbursement opportunity from going through our employee handbook and conversations with peers throughout her tenure. Motivated by career growth and a desire to become the most valuable asset she could be, Shelley completed a live, virtual Project Management Professional (PMP) course earning her PMP Certification through PMI (Project Management Institute).

“This program allowed me to attain my PMP certification in Project Management. The additional skills and knowledge obtained during this schooling empowered me to take the next steps in my career and be promoted from Project Coordinator to Project Manager.” When asked about her experience going through the tuition reimbursement program to further her education and professional skills, she claims it was one of “affirming success” and an opportunity she would recommend to other colleagues.



Shelly Porchia
PMP Project Manager

NAVA BENEFITS



In 2023 we partnered with a new benefits broker, Nava Benefits, which offers all-in-one support and serves as an extension of our HR team. Employee owners are encouraged to download the Nava Benefits app. The app provides access to their insurance ID cards, and they can self-serve other benefits information, like checking their deductible, finding in-network care, getting help with bills from providers, and chatting with dedicated Nava experts. Nava provides excellent service and assists our employee owners with understanding how their benefits work. Nava even contacts carriers on the behalf of our employees to help resolve issues. Since starting the partnership, we have received positive feedback, and we are excited to see increased usage.

Employee Engagement

Since 1985, Caltrol has been an employee owned company. Becoming 100% employee owned in 2007, it has been clear to us over the years, the importance of the employee ownership mentality. We believe in the importance of creating a culture throughout the organization that will continue to grow through all the ebbs and flows of sustainable business. In order to support the culture aspect of employee ownership, we've comprised a committee with 17 members who work to educate, communicate and celebrate all things ESOP.



OUR ESOP COMMITTEE MISSION

The ESOP Committee's mission is to educate, communicate, and celebrate the benefits of Caltrol employee ownership culture.

2023 VESTING STATISTICS

Total Employee Base Fully Vested: **37%**

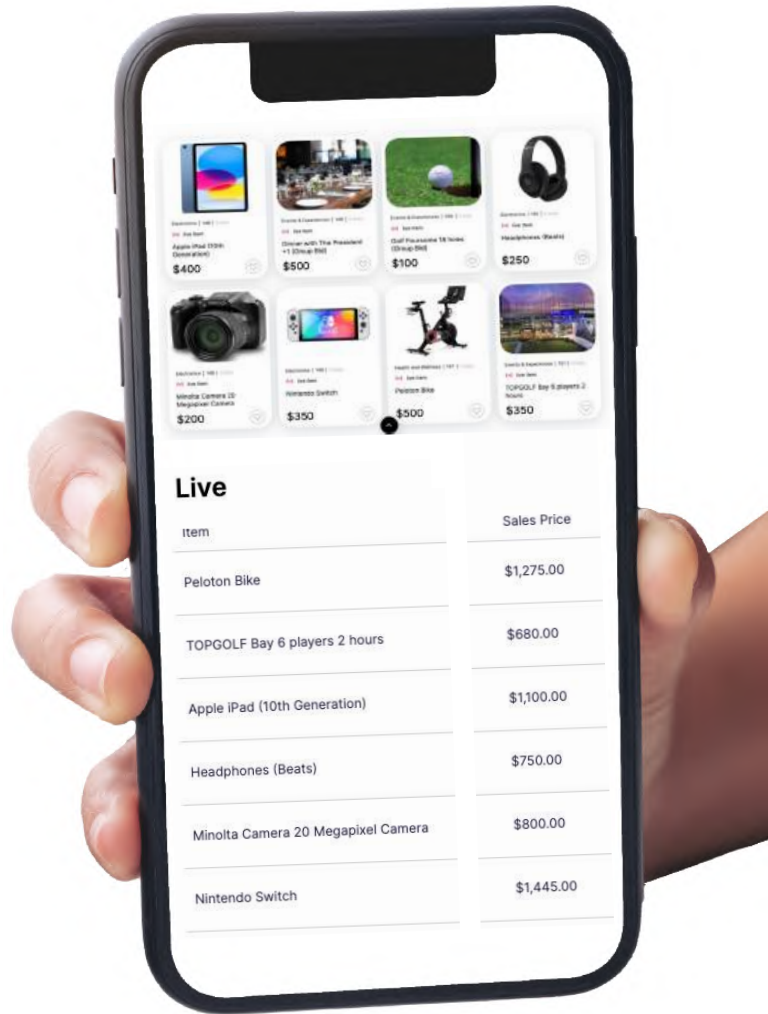
Increase in Fully Vested Employee Owners: **21**



EMPLOYEE AUCTION

Over the past few years, and more specifically through our involvement with Gallup, we received a generous amount of useful feedback regarding our company culture and employee engagement. One of the items mentioned was a request for the return of our Caltrol ESOP Auction, a cherished tradition previously ended due to the pandemic. In partnership with Cigna Health, using an auction application called Handbid, we are excited to say that in 2023, our ESOP auction made its triumphant return. The excitement during auction week was contagious and we intend to keep it going. From the start of our NectarHR Rewards & Recognition Program launch until our ESOP month celebrations

began in October, employee owners had numerous opportunities to earn 'points' that they would use in the auction. Points could be earned for their participation in company events & philanthropy activities, but also attached to recognition from their managers and peers for exemplifying one of our core values or going above and beyond. They were then able to utilize those points and bid on items they wanted in the auction. Last year's auction included a variety of items such as company swag, healthy cookbooks, Massage Envy and Amazon gift cards, iPads and Apple Watches, a team dinner with our President, and a Peloton bike. Our 2023 auction had 111 items with 91 of those obtaining bids. Our bid count was 2101 bids total coming in from 111 different bidders.



CORE VALUES



The refreshing of our Core Values in 2022 involved all members of Caltrol, as we asked our employee owners for their input and opinions for choosing the values at the heart of who we are as an organization. We chose: Attitude, Customer Focus, Ethics, Expertise, Innovation, and Teamwork. To further promote the adoption of our core values, we created signage to commemorate their launch. We now display them proudly in each of our locations. The set featured in the photo is from our headquarters in Las Vegas, but the same or similar signage is displayed in each of our offices across Arizona, California and Hawaii.

The refreshing of our Core Values in 2022 involved all members of Caltrol, as we asked our employee owners for their input and opinions for choosing the values at the heart of who we are as an organization. We chose: Attitude, Customer Focus, Ethics, Expertise, Innovation, and Teamwork. To further promote the adoption of our core values, we created signage to commemorate their launch. We now display them proudly in each of our locations. The set featured in the photo is from our headquarters in Las Vegas, but the same or similar signage is displayed in each of our offices across Arizona, California and Hawaii.



President's Council Awards Program

Since 2006 we have carried on a special tradition called the President's Council Awards. Each year, employee owners are nominated by their managers and peers through commendations submitted for review by our leadership team to select winners. President's Council winners are those employees who consistently exceed expectations in how they conduct themselves in their work with internal and external customers, in the way they embody our company core values, and in their embracing the meaning of being an employee owner of our organization.



2023 President's Council Winners
Destination: Del Mar, California

Nominees selected for this award are announced each year at our Annual Shareholders Meeting, and they are also invited on a trip with our president and other council winners to a different vacation destination each year. Each winner is allowed to bring a guest, and travel expenses are covered by the company. This award serves as way for Caltrol to show appreciation for the dedicated employee owners that help our organization to grow and those that influence our company culture every day.

President's Council Criteria:

Significant and/or strategic contributions to Caltrol's business results last year

Demonstrate actions and behaviors that exemplify an employee ownership culture

Long-term exemplary performers

Models for our company Core Values

Exhibit a "can-do" positive attitude

Going above and beyond

Loyal to the company and our customers

In addition to President’s Council winners, we also select two relatively new employee owners to receive a special award called Rookie of the Year. To win this award, individuals must have 18 months or less time spent working for Caltrol. These award recipients must meet the criteria in the table below, and they also attend the President’s Council annual trip with a guest.

Rookie of the Year Criteria:

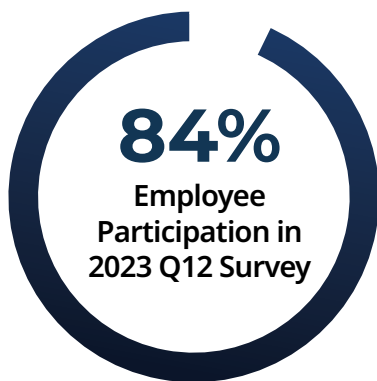
<p>Coming Up to Speed Quickly Knowledgable Well adjusted to “Customer First” culture Ownership of responsibilities</p>	<p>Big Impact in Short Period of Time Goes the extra mile Participates in culture and activities</p>
<p>Entrepreneurial Work Ethic Fiscally responsible Accountability (time and behavior) “Do what it takes” attitude</p>	<p>Personal Attributes Team player Respectful Positive attitude</p>



These traditions uphold our commitment to recognizing exceptional performance and dedication within our team. By celebrating in such a meaningful way, we acknowledge individual achievements and also instill a culture of appreciation and motivation. This annual tradition significantly boosts employee engagement and morale, as it reinforces the value we place on hard work and excellence.

GALLUP: Q12 SURVEY

GALLUP®



We completed our second year of collaboration with Gallup in 2023, leveraging their Q12 Survey to better understand and enhance employee engagement. Overall, our employee engagement score is improving year over year. With an impressive 84% participation rate, the survey provided crucial insights into employee needs, guiding us to develop action plans focused on areas in need of improvement. As we moved into 2023, participation remained strong, and we identified two key areas in which to focus our efforts: clarifying employee role expectations and ensuring access to necessary equipment and materials. We look forward to implementing these changes and seeing their positive impact in our next survey results.

SAFETY

Safety remains a paramount focus for our organization, driven by our commitment to creating a secure and healthy environment for our employee owners and their families. As a core initiative of our social impact committee, we strive to develop and enhance safety programs that are both comprehensive and impactful. Our objective for 2023 has been to elevate these programs, put in place by our EHS Manager, Tristan Alexander, ensuring they provide robust protection and support. This dedication supports our belief that a safe workplace is fundamental to the well-being and success of our entire community. Over the past year, we diligently focused on continuous improvements, enhancing our Safety Dashboard, and introducing new training modules and policies. Our commitment to advancing safety measures remains unwavering. As we look forward, we are dedicated to refining our safety protocols and setting ambitious goals to uphold and exceed our high standards. We firmly believe that a safe workplace is fundamental to the well-being and success of our community, driving our persistent efforts and forward-thinking approach.

The future of the safety moment is not so much dependent upon the invention of safety devices as on the improvement of methods of educating people to the ideal of caution and safety.

- Walter Dill Scott



93% | 2023 average scores of Presidio Risk Assessments and Emerson Premier Service Provider Audits

364 | 2023 Employee Safety Training Hours

Our Safety Program Partners:

DIVERSITY

Diversity is the one true thing we all have in common. Celebrate it every day.

-Winston Churchill

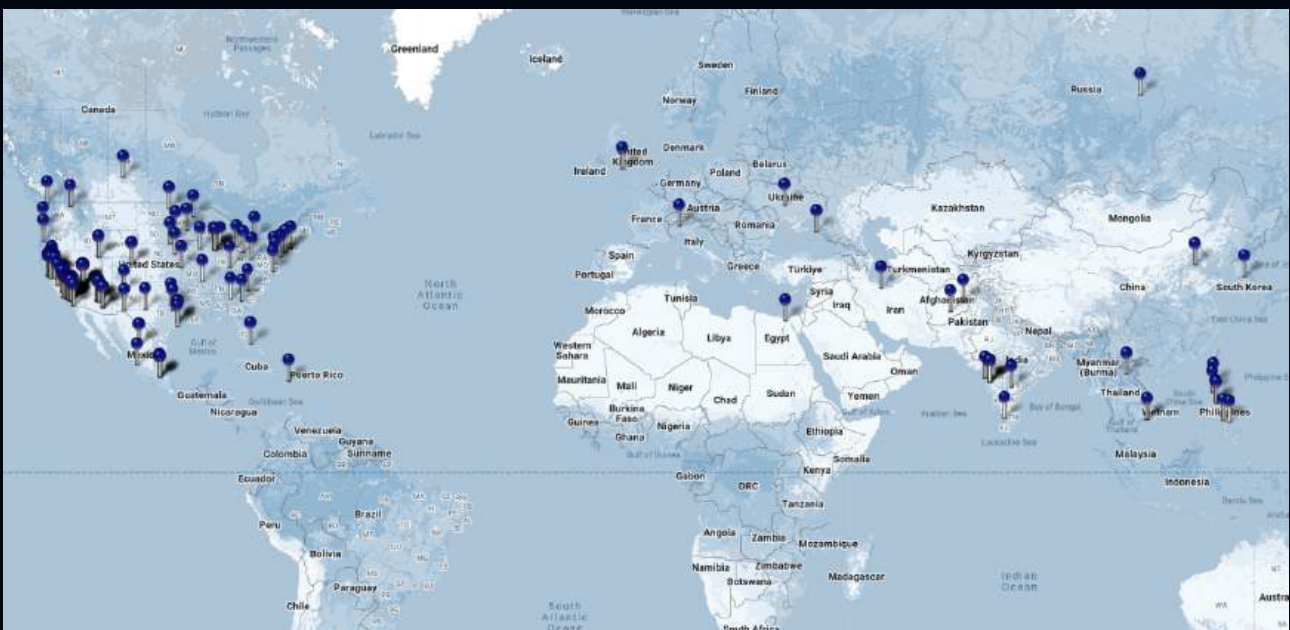


We celebrate the rich diversity of our workforce. Our employees originate from various corners of the globe, including the United States, the United Kingdom, Egypt, India, Ukraine, South Korea, Russia, China, Canada, and other regions. This diverse mosaic of backgrounds and perspectives creates an inclusive work environment where open-mindedness and collaboration thrive. By embracing and valuing the unique individual contributions from each of our employee owners, we not only enhance our

organizational capabilities but also reinforce our commitment to social responsibility and global unity. Through our sustained efforts to promote inclusivity and cultural understanding, we are dedicated to cultivating a workplace that reflects the diverse world we serve.

Employee Origins Map

To demonstrate the various cultural backgrounds perspectives within our employee base, we surveyed our team to gather specific insights. Using the data collected, we created the map below. Each pin represents a geographical area from where Caltrol employees originate. We look forward to seeing the number of locations grow, as we seek to find new ways to further increase inclusivity and grow our diversity over time.



Disclaimer: The graphic above was created using a sampling of data from approximately 70% of Caltrol's total employee base. As a result, the image above does not fully encompass the total number of geographical locations from which Caltrol employees originate.

CALTROL INDIA

Since its inception, Caltrol Pune has rapidly established itself as a crucial hub within our Automation Services Group, seamlessly integrating with our various offices across the southwest U.S. The Pune team has been pivotal in supporting and completing numerous projects, providing significant value to our clients within our territory. Their efforts have consistently contributed to our success, underscoring Pune's strategic importance to Caltrol's mission and vision.

The collaboration between the Pune team and our leadership has been a hallmark of our operations. Regular interactions ensure alignment with corporate goals and foster a culture of collaboration and innovation.

Welcoming Office Visitors



Team Collaboration



Strategic Recruitment and Growth

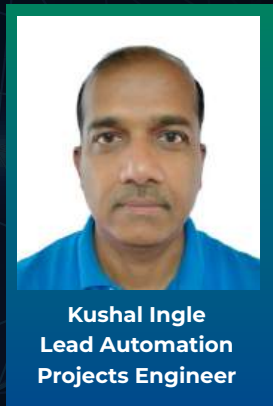
In line with our ambitious growth plans, we continue to engage in strategic recruitment, welcoming new team members from various global locations. This diverse talent pool enriches our team dynamics and enhances our ability to deliver exceptional service to our clients.

We are confident that our team of engineers with diverse skills and experiences will be invaluable as we work together to achieve our goals.

Employee Spotlight: Kushal Ingle

Lead Automation Projects Engineer

Kushal came to Caltrol after searching for a stable company where he could use his automation experience to grow technically and contribute to a company's success. Caltrol's opening an office in India was perfect for him.



"Caltrol was a perfect opportunity for me to use my management experience. I could help build and guide the new team, train them as needed, and create a positive work environment. Additionally, being part of Emerson allows me to work with the latest technologies."

Kushal holds a bachelor's degree in electrical engineering, and he has over 20 years of experience in pharma life sciences batch projects, including a decade at Emerson Process Management. He enjoys working on project design and focusing on expansion, referring to his team's technical growth.

Employee Spotlight: Kushal Ingle (Cont'd)

"I enjoy working on project design and focusing on my team's technical growth. These aspects not only help me gain knowledge but also boost my confidence to take on new challenges."

Kushal is looking forward to continuing his work at Caltrol, as he mentioned he feels accepted and valued. He says his manager includes him in planning and decision-making processes, the company appreciates his opinions and efforts, and the leadership team is always available to guide him. We are grateful for his contributions to Caltrol.

Kushal's Favorite quote:

"Challenges are what make life interesting, and overcoming them is what makes life meaningful." -Sir APJ Abdul Kalam

Cultural and Community Engagement

Caltrol Pune is committed to fostering a vibrant workplace culture and engaging with the community. Noteworthy activities include:

International Yoga Day

Promoting health and wellness among our team members.



Blood Donation Camp

Actively participating in a drive hosted by the defense and military hospital, demonstrating our commitment to social responsibility.



Fire Drills

Ensuring safety and preparedness through regular training exercises.



Diwali Festival

Embracing cultural diversity and celebrating the spirit of Diwali with enthusiasm.



These activities underscore our commitment to a holistic work environment that prioritizes both professional and personal growth. As we look to the future, Caltrol Pune stands ready to lead with innovation, collaboration, and dedication to excellence.

PHILANTHROPY

Philanthropy is central to our commitment to societal impact, and our dedicated ESOP committee at Caltrol plays a pivotal role in this mission. Our team of ESOP members annually evaluate each opportunity, ensuring that our contributions to local communities and beyond have a substantial and positive effect. From organizing donation drives and beach cleanups to sponsoring golf tournaments and more, our philanthropic and fundraising initiatives are driven by the sincere efforts of our compassionate employee owners. We deeply appreciate their steadfast dedication to discovering innovative ways to give back. These next two pages highlight some of the varied and meaningful impacts we are making in every area we touch. Internally, our ESOP team continuously seeks methods to engage employees, fostering a deeper understanding of the significance of ownership culture and its vital role in our organization. As we progress and strive to automate sustainability, we are exploring new technologies and processes to amplify our philanthropic efforts and ensure they remain impactful and efficient.



Caltrol once again participated in Marathon LA Refinery's Annual Golf Tournament as one of four presenting sponsors. Caltrol employee owner Mackenzie Muryn is one of the few non Marathon employees on their fund raising committee which raises money for local YMCA clubs.

“With your support we were able to raise over \$415,000 to support the low-income youth and families of the Wilmington, Gardena-Carson and Long Beach Fairfield YMCAs. Because of people like all of you, we are continuing to work hard to meet the ever-increasing critical needs of young people and families in our local community. We hope you all enjoyed the tournament and we look forward to your partnership in the year to come.”

In partnership with Cal State Long Beach MBA Programs, Caltrol sponsored an Earth Day beach cleanup. Some of our employee owners, along with their families, met at Junipero Beach and collected over 20 bags of trash and debris from along the shore.

These efforts have a profoundly positive impact on the environment and sustainability of our planet. Beyond the immediate benefits to marine life, beach clean-ups foster a sense of community and environmental stewardship, inspiring individuals to adopt more sustainable practices in their daily lives, promoting a sustainable future for all.



PHILANTHROPY (CONT'D)



At the end of every summer, for the past 8+ years, Caltrol employee owners throughout our various offices, have gathered together for our annual back to school drive. Caltrol provides the backpacks as a donation and our employee owners do the rest; bringing in various school supplies for grades K-12 and filling the backpacks before the donations are delivered. Our back to school drive is one of three

drive events we enjoy doing each year. We also participate in a food and toy drive, and we donate all items to organizations, such as Boys & Girls Club, Westcare Foundation, and local school districts. In 2023, Caltrol filled and donated 80 backpacks, along with various items for educators.

In our continuous efforts to make a difference, Caltrol Las Vegas hosted two blood drives in 2023. We collected a total of 22 units of life-saving blood that could be used to save up to 66 patients.

"Because of your cooperation and support, we are better able to provide area hospitals with blood products around the clock. Your contribution of time and energy is greatly appreciated, not only by the Vitalant staff, but by the many patients that benefit."

-Nancy Dewey, Vitalant Donor Recruitment Manager



Our Social Impact Partners



COMMITTEE OF Governance

Insights

The activities from our Governance committee emphasize our commitment to just corporate leadership, corporate ethics, transparent financial reporting, effective risk management, and maximizing shareholder value. This year, we are pleased to share highlights from our initiatives that further our commitment to automating sustainability within our organization. Highlights this year include our new Vice President of Human Resources, whose expertise will significantly enhance our strategic initiatives. Additionally, we have information to share on our quality program, plus a special project involving the implementation of an update to our ERP system, which is pivotal in streamlining our operations. These activities are at the forefront of our efforts to automate sustainability, reinforcing our dedication to operational excellence and long-term environmental stewardship.



Celebrating 90 years in business, the overriding mission of our Board of Directors and leadership team is to foster sustainable long-term value creation for our shareholders. Our governance program is critical to achieving this success.

- Mike Threet, CFO/COO, Caltrol

GOALS

Alignment

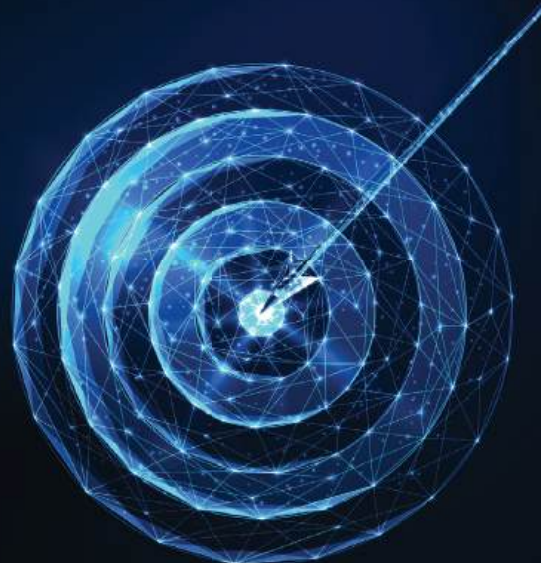
Maintaining the alignment of business transactions with company values to steer Caltrol towards long-term success and economic growth

Adherence

Continued strong adherence to corporate governance standards set forth by federal and state-mandated regulations

Improvements

Steady improvements to control management and information systems



Initiatives

Board of Directors

Our board of directors plays a crucial role in governance by overseeing company operations and ensuring compliance with regulations. They safeguard the interests of employee owners, ensuring that their voices are heard and their investments are protected. By maintaining a transparent and accountable governance structure, the board promotes a sustainable and successful business environment for all stakeholders.



Corporate Ethics

Upholding our ethics enables us to build trust with our stakeholders, including employees, customers, and partners. Adhering to ethical practices ensures compliance with laws and regulations, mitigating risks and protecting our organization from potential legal and reputational harm. Our strong ethical foundation has built a positive organizational culture, encouraging integrity and accountability.



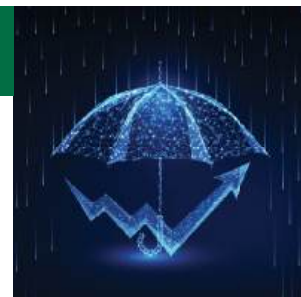
Financial Reporting

2023 was another successful year in terms of our three external audits, where we once again received three unqualified audit opinions. With continuous professional education for our Finance & Accounting departments, and the upcoming launch of Vena, a unique financial planning and analysis tool that assists with planning, reporting and gaining of insights, we remain committed to furthering our automation efforts and gaining efficiency.



Risk

By integrating advanced technologies and automated processes, we improve risk identification, evaluation, and management, creating value for employees, customers, and shareholders. 2023 began our partnership with Presidio, a captive insurance program for managing insurable assets like general liability and workers' compensation. Presidio has streamlined claims handling and provided financial benefits, lowering our insurance expense cost by 10% to market, and positioning us strongly for the future.



Shareholder Value

Creating value for our shareholders involves ensuring that the interests of our employee owners and partners are prioritized. We promote transparency, accountability, and strategic decision-making, so that our shareholders can thrive. This focus on value creation leads to sustainable growth and long-term success, benefiting all stakeholders involved.

	CAGR	
	3 YR	5 YR
Caltrol	5.4%	15.9%
DJIA	1.8%	6.1%
S&P 500	-0.1%	8.2%
NASDAQ	-1.4%	10.9%

Welcome, Lena Bradshaw



Vice President of Human Resources

Human resources play an integral role in our corporate governance program. To maintain effective standards and care for the department, we hired on a new leader for our HR group in 2023. Meet Lena Bradshaw, Caltrol's new Vice President of Human Resources. Lena has been a wonderful new addition to our team, already making significant and productive changes to our organization. We sat down with her to discuss her role and plans for the future of our company. Her extensive background, her experience, and her passion for her role are evident in the following interview.

Q: What is your background and experience in the field of Human Resources?

A: I have a diverse and enriching background. My journey began with Guess Clothing, where I started in Talent Acquisition and moved into HR management. This role gave me a solid foundation in fundamentals, such as recruitment, employee relations, and compliance. Over the years, I have worked with Yahoo, the Los Angeles Unified School District, Guitar Center, Providence & Health Services, and now Caltrol. My roles at each organization have given me a wide breadth of experience, including HR operations, union negotiations, regulatory compliance, strategic management of large teams and complex employee issues, workforce planning and organizational development.

Q: Why do you think Human Resources is such an important role and why is it fulfilling work for you?

A: Human Resources is important because it deals with a company's most valuable asset—its people. This role is incredibly fulfilling because it allows me to help employees grow and succeed while also contributing to the overall success of the organization. Seeing the positive impact of our programs on employee engagement and satisfaction is immensely rewarding. Moreover, HR plays a major role in aligning the workforce with the company's strategic goals, which is essential for long-term success.

Q: What motivated you to come and work for Caltrol?

A: Employee ownership was a significant draw for me. I was particularly impressed by the company's commitment to innovation and its focus on employee development. The opportunity to work in a dynamic and forward-thinking environment where I could make a meaningful impact on the company's HR strategies was very appealing. Additionally, I was excited about the prospect of contributing to a company that values its employees and invests in their growth and development.

Q: What are some of your primary responsibilities as the company's new VP, HR?

A: My primary responsibilities include overseeing all HR functions, such as talent acquisition, benefits, employee relations, employee development, and compliance with labor laws. I work closely with senior leadership to develop and implement HR strategies that align with the company's goals and objectives. Additionally, I focus on enhancing our employee engagement initiatives and ensuring that our HR practices support a positive and inclusive work environment.



By promoting open communication, providing ongoing training, and recognizing and rewarding innovative thinking, we can create an environment where continuous improvement is ingrained in our culture.

Q: Which parts of your role have you been enjoying most so far?

A: Absolutely, I have been thoroughly enjoying my role at Caltrol. One of the aspects I enjoy the most is the strategic nature of my job. Developing HR initiatives that drive business success and working with a talented team to implement these initiatives is incredibly rewarding. I also find it fulfilling to see the positive impact of our HR programs on employee engagement and satisfaction. Additionally, I enjoy the opportunity to work closely with senior leadership and contribute to the company's overall strategy.

Q: What major plans have you worked to implement since starting at Caltrol?

A: One of my primary goals has been to enhance our leadership development programs. I believe that strong leadership is essential for the success of any organization, and I have worked to implement programs that support the growth and development of our leaders. Additionally, I have focused on improving our employee engagement and retention strategies to ensure that our employees feel valued and supported. These initiatives are designed to improve the overall employee experience and support our business objectives.

Q: What steps do you plan to take to ensure compliance with regulations for human resources in our organization?

A: Ensuring that we follow all the necessary rules and guidelines is a top priority for me. To achieve this, I've taken a hands-on and proactive approach. Our human resources team conducts regular reviews of our policies and procedures to make sure they are up-to-date and in line with any new laws or changes. I also believe in the power of education and communication. The HR team holds regular training sessions for our managers to keep everyone informed about the latest requirements and best practices. This way, everyone is on the same page and feels confident in their roles. Additionally, I want to create an open and transparent environment where employees feel comfortable asking questions and raising concerns. By fostering a culture of openness, we can catch and address any compliance issues early on.

Welcome, Lena Bradshaw (Cont'd)

Q: What are some of the challenges you may face in your role?

A: Rather than viewing them as challenges, I see fostering a culture of continuous improvement and innovation as tremendous opportunities. Encouraging a mindset where employees are always looking for ways to enhance processes, develop their skills, and contribute fresh ideas can lead to significant growth and success for both the individuals and Caltrol. By promoting open communication, providing ongoing training, and recognizing and rewarding innovative thinking, we create an environment where continuous improvement is ingrained in our culture. This approach will help us stay agile and responsive to changes in the business environment, ensuring that we remain competitive and forward-thinking.

Q: How does your department measure success for the company's HR programs and initiatives?

A: We measure the success of our HR programs and initiatives through various metrics, such as employee engagement scores, retention rates, and performance metrics. Additionally, we gather feedback from employees and managers to assess the effectiveness of our programs and identify areas for improvement. Regularly reviewing these metrics and feedback allows us to make data-driven decisions and continuously improve our HR practices.

Q: How will you ensure that the company's HR programs and initiatives remain up-to-date and effective in the future?

A: To ensure our HR programs and initiatives remain up-to-date and effective, I continuously monitor industry trends and best practices, seek feedback from employees and managers, and regularly review and update our HR policies and procedures. Additionally, I encourage ongoing training and development for our HR team to ensure they have the skills and knowledge needed to support our evolving workforce. Staying agile and responsive to changes in the business environment will be key to maintaining the effectiveness of our HR programs.

Q: What do you hope to achieve in your role over the next year, 5 years, and beyond?

A: In the next year, I aim to enhance our talent acquisition and retention strategies to ensure we attract and keep top talent. Over the next five years, I hope to develop and implement comprehensive employee development programs that support career growth and succession planning. Beyond that, my goal is to establish Caltrol as a top place to work within our industry. I also hope to create a culture of continuous learning and development, where employees feel empowered to grow and succeed.

We are grateful to have employee owners like Lena as a part of the Caltrol team, and we are excited to watch her realize her plans and goals during her future years with the company.

QUALITY



In line with our goal of automating sustainability, the quality department is dedicated to enhancing efficiency and ensuring robust compliance practices through process improvements. By moving NCS's (Non-Compliance System) and CAPA's (Corrective Action Prevention Action) to IFS, our ERP system, we significantly improve efficiency and traceability for our Caltrolians. Utilizing audits and supplier performance within IFS facilitates better management decisions and organization. To optimize time for customer engagement, supplier evaluations and re-evaluations are shifting to SharePoint, along with a process change. Now evaluations will be handled by potential suppliers with a simple link, allowing our employee owners more time to focus on meeting customer needs. Additionally, all quality procedures are being updated to a new format that aligns with Emerson and Caltrol safety standards. Document control will also transition to SharePoint for easier

accessibility, complemented by the implementation of an approval process for document control, reinforcing our commitment to modernized and sustainable operations.

97%
**Emerson Audit
Score for Quality**

Each year, we are evaluated by Emerson, our principal partner, through a series of quality audits. These audits ensure we are maintaining the highest standard of quality within our organization, and we are pleased to announce our percentage rating for 2023 is 97%.

Statement of Quality Policy

Caltrol, Inc. automates the essential needs of modern life by delivering expertise and unique solutions, helping our customers solve the global challenges of tomorrow. This is achieved through commitment to our customers, so they receive a consistent, predictable, and positive result from Caltrol's staff of dedicated professionals.

We ensure that Caltrol's Core Values are known, understood, and applied:

Our culture is defined by a passionate, tenacious, positive, and fun Attitude. We use these traits to stay focused, especially in difficult times, and strive to find constructive solutions. We show our team members support and appreciation by recognizing their accomplishments and contributions.

A fundamental part of our ethos is Customer Focus. We grow and develop our customer relationships by offering respect, consistency, thoughtfulness, and efficiency. Our goal is to provide high-quality care the first time and every time.

We provide more than competence; we provide Expertise. We deliver transformative solutions that resolve the unique and complex challenges our customers face.

We believe the path to Innovation is paved with curiosity, persistence, and freedom of expression. Curiosity fuels our desire to consistently learn and grow. Persistence keeps us from giving up when problems are complex. Freedom of expression in discussing new ideas with others sharpens the mind and reveals opportunities for improvement.

We prioritize Ethics, Professionalism, and Integrity by embracing and promoting our unique ownership culture. Caltrol employee-owners have high standards, and their accountability to one another in maintaining those standards is of the utmost importance.

We believe Teamwork nurtures innovation, boosts morale, increases productivity, and creates unity in the workplace - all of which leads to improved success. We attribute each of our successes as a company to teamwork.

Our processes and the results of our actions will be subject to review to ensure that Caltrol, Inc. maintains its commitment to quality assurance and customer confidence by continuous monitoring and review of key company objectives.



ERP System Version Update: IFS Cloud

In 2023, we embarked on a critical upgrade of our ERP system, from version IFS Apps10 to IFS Cloud – driven by the need to replace an outdated version that was no longer going to be supported. This strategic decision was made to enhance our operational efficiency and ensure continued success throughout multiple areas of our organization. The upgraded system has significantly improved our organization’s agility, allowing us to adapt swiftly to market changes and operational demands.

One of the standout benefits of the new ERP system is its advanced system release and service update management, which streamlines our IT processes and minimizes downtime. Additionally, the system integrates native modules to support our quality and safety departments, providing robust tools that enhance compliance and operational excellence. The enhanced CRM capabilities introduced with IFS Cloud will revolutionize our sales activities, offering a comprehensive toolset that fosters cohesion and efficiency among team members upon future rollout. Moreover, in our pursuit of automating sustainability, we have transitioned the mechanical services team to digital processes within the ERP system, effectively reducing paper usage and contributing to our environmental goals.

This move has also improved workflow accuracy by cleaning up user permissions and establishing checks and balances to minimize errors. From the very beginning, the BI (Business Improvement) team demonstrated exceptional dedication and collaboration, transforming what could have been an overwhelming challenge into a remarkable success story. Effective project management and clear, consistent communication were pivotal in keeping the project on track, ensuring that every team member was aligned and working towards shared objectives.

During the project, Caltrol initially started as one of several Impact Partners aiming to complete the upgrade. However, unforeseen delays affected all other participants, elevating the



importance of Caltrol's success. The leadership team's trust in the IFS Cloud team's expertise and their ability to navigate risks was instrumental. Caltrol's perseverance and belief in their capabilities enabled us to become the first partner to successfully complete the upgrade. This accomplishment not only elevated Caltrol's standing but also highlighted their steadfast commitment, resilience, and leadership, marking a significant milestone that will inspire future projects.

A dedicated team of employee owners played a pivotal role in the training process, ensuring that the transition was smooth and that all employees were well-versed in the new system's functionalities. Their commitment and expertise were instrumental in maximizing the benefits of the upgrade. The implementation of IFS Cloud has not only addressed our immediate needs but also opened up numerous possibilities for future advancements. The new system lays the groundwork for further automation within our workflows and offers seamless integration with external tools, positioning us strongly for sustained growth and innovation. Our ERP upgrade shows our commitment to leveraging technology to drive efficiency, sustainability, and long-term success.

Project Metrics	Project Runtime: 15 months
	IFS Cloud Team: 32 Employees

BOARD OF DIRECTORS



MIKE THREET
CFO/COO
Caltrol



SCOTT BEDELL
President/CEO
Caltrol



RANDY SCHRAEDER
Former President/CEO
Applied Control



MIKE PACK
Partner
MC Squared Management



ROBERT GRANIER
President/CEO
General Fluidics

We are grateful for the exceptional leadership, knowledge, and expertise our board of directors has demonstrated in steering our company toward success. Their visionary guidance has not only propelled our organization to new heights but also inspired and motivated our entire team to achieve their best. Through their dedication and strategic thinking, they have helped to create a culture of innovation, collaboration, and excellence. The positive impact of their leadership is evident in our collective achievements. We express our gratitude for their being a driving force behind our continued growth and success.

Sustainability

2023 REPORT

www.caltrol.com/sustainability

Thank you for taking the time to read our 2023 Caltrol Sustainability Report. We appreciate your interest and support in our ongoing efforts to further sustainability in our daily operations, with our partners, and our customers through innovation and collaboration.

As we look ahead, we are excited to continue our journey towards a more sustainable future, working together to achieve our shared environmental goals. Your engagement and partnership are vital to our success, and we look forward to making even greater strides in the years to come. Together, we can build a brighter, greener tomorrow.

We extend our deepest gratitude to our employee owners for their participation and support as we continue building our sustainability program. Special thanks to the members of our steering committee, and our environmental, social and governance subcommittee teams.

Tristan Alexander	Chuck Hakala	Curtis Plowman
Scott Bedell	Rachel Kennedy	Garrett Ray
Keith Bowen	John Ketelsen	Shanti Taylor
Jenny Costa	Brittney Lease	Tim Terrell
Kent Chrisman	Ivan Michel	Stuart Thomas
Bill Flader	Brian Pitcher	Mike Threet

For more information about Caltrol and our sustainability journey, please visit our website at: www.caltrol.com/sustainability.