Applied Composites ("AC") supplies complex composite components, assemblies, engineering, and tooling to the aerospace, defense, and space systems markets.

**Enabling Energy Efficiency**

Aerospace, defense, and space system manufacturers are increasingly replacing metal content in their equipment with composites. Composites perform better than their metal counterparts across multiple aspects including fuel efficiency, weight reduction, thermal stability, corrosion and fatigue resistance, durability, repairability, design flexibility, and safety.

AC is competitively positioned to fulfill this growing demand for composites and help its consumers build more energy-efficient equipment through its build-to-print and build-to-spec services.

**Diversity, Equity, and Inclusion (DEI)**

- AC is committed to building a diverse and inclusive workforce. The company launched its Leading Ladies of Applied (LLA) program in 2021 (pictured below). LLA hosts 30 women across the business and focuses on female empowerment, growth, and development within the organization. The LLA represents a diverse array of careers and backgrounds.
- AC also runs a veterans program, helping men and women successfully transition from the military into civilian careers and explore leadership opportunities.
Environment, Health, and Safety (EHS)

AC is implementing sound EHS practices at its sites through baseline safety audits, environmental programs, key safety programs review and training, equipment assessments, and business continuity plans.

100% reduction in non-compliant findings and 80% reduction in partially compliant findings as per 2021 baseline safety audits.

28% reduction in overall Total Recordable Incident Rate (TRIR) owing to 2022 safety activities.

Annual sustainability audit conducted in Q1 2022.

AC leverages several workplace tools, practices, and methodologies such as the 5S (Sort, Set, Shine, Standardize, and Sustain) methodology, the Leader Standard Work program, and town hall meetings to foster continuous improvement at the workplace. Through Daily Communication & Accountability (DCA), a series of daily “Tier” meetings across the sites, AC provides employees an opportunity to voice safety concerns and actions, review weekly safety topics, and evaluate their performance on the dimensions of safety, quality, delivery, inventory, and productivity.

AC’s EHS initiatives include standardizing EHS-related forms, sharing 4-Blocker Root Cause and Corrective Action (RCCA) analysis for all injuries across the group, conducting weekly EHS calls and monthly safety committee meetings, and performing evacuation, shelter-in-place, and business continuity plan scenario drills. Executives review various safety metrics and indicators on a monthly basis related to safety audits, TRIR, injuries/incidents, safety calendar, and business continuity plan.

Hazardous Waste Management

AC implemented the following initiatives as part of its Hazardous Waste Program in 2021:

- Eliminated compliance risk
- Provided awareness training to all employees
- Reduced 44% waste from 2018 to 2019 by defining segregation criteria
- Reduced 24% waste from 2019 to 2020 by utilizing Carbon Fiber Recycler

In 2022, AC conducted a third-party hazardous waste profiling and identified 80% of its waste as non-hazardous.

Improving ESG Practices at North Coast Cleveland Facility

In April 2022, AC acquired North Coast - comprising North Coast Composites and North Coast Tool & Mold based in Cleveland, Ohio - from Unitech Holdings.

Post-acquisition, AC evaluated North Coast on several ESG dimensions including employee turnover, gender diversity, discrimination, safety, and environmental measures, and accordingly started implementing targeted ESG practices. As part of the environmental program, AC is prioritizing the air emissions permit, spill prevention control & countermeasures (SPCC), stormwater discharge permit or exemption, and hazardous waste generator registration for North Coast. AC implemented several initiatives such as new hire and exit surveys and a formal recruitment process to enhance employee engagement and workplace diversity.