



HOOVER CIRCULAR SOLUTIONS

2022 ESG Highlights Report

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Letter from the CEO

I'm proud to share with you Hoover CS's 2022 ESG Highlights Report, our second annual report detailing the company's environmental, social and governance (ESG) programs and performance.

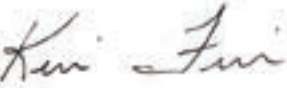
Hoover CS's vision is to make sustainable packaging the standard in the industries we serve. More than a catchphrase, this vision truly captures the value that we bring to the marketplace and is driving our business decisions large and small.

By holistically looking at our customers' needs, we can turn wasteful business models (one-way, single-use plastic containers) into a closed-loop, optimized system. With reusable containers, fleet management services, and convenient service stations, the result is an end-to-end solution that generates value for our customers and helps them achieve their own sustainability goals.

For Hoover CS, sustainability isn't just a component of our business strategy: it is our business strategy.

In addition to environmental sustainability, our safety culture means that each person is responsible for ensuring their own safety, but also that we look out for one another. In 2022, we had no recordable incidents—our second year in a row. And we know that people who take safety seriously also take their jobs seriously, so our Goal Zero program has benefits for productivity, quality and efficiency too.

Looking ahead, I am enthusiastic about Hoover CS and our place in the market. Sustainability is the common thread in how we deliver for our customers, how we perform as a team and for our shareholders, and how we serve the communities around us. Hoover CS will be an instrumental part of a transition to a low-carbon economy, and we are working hand-in-hand with our customers to improve efficiency across the entire value chain. It's these kinds of partnerships that accelerate and amplify our impact, and we couldn't be happier to share our results with you.



Kevin Friar
Chief Executive Officer



Letter from the CHRO



In 2022, I took responsibility for Hoover CS's sustainability performance, and I'm pleased to share this report showcasing some of our recent environmental, social and governance achievements. In particular:

- We announced ambitious 2025 corporate sustainability goals, focused on carbon intensity, packaging circularity and water efficiency. Looking at the full lifecycle impact of our own value chain has been essential in developing a short- and long-term plan to optimize our carbon footprint, which in turn helps our customers meet their own net zero goals.
- Hoover CS refinanced its senior credit facility with a sustainability-linked loan that provides favorable interest rates if we hit our sustainability goals. Connecting our financial and sustainability strategies helps Hoover CS save money and double-down on our environmental performance objectives.
- Customer usage of our FleetAI technology, which helps customers analyze and improve their fleet logistics, continues to grow, enabling our customers to realize environmental and financial benefits from smart planning and collaboration. This is another example of where smart planning and collaboration can result in significant environmental and financial benefits.
- Hoover CS continues to invest in its people, with new training programs, new hiring processes, and participation in multistakeholder talent development groups. As a small-but-mighty company, we know that our people are the real reason we're successful. We're committed to finding ways to make them successful too.

As we continue to execute our sustainability programs in 2023 and look ahead to our 2025 milestones, I am enthusiastic about the future. Thank you for joining us on that journey.



Matt Schmidt
Chief Human Resources Officer

2025 Sustainability Goals

In 2022, we formally announced our 2025 sustainability goals for the company, focused on three key impact areas:

CARBON

Source 50% of electricity from sustainable energy sources

PACKAGING CIRCULARITY

Reuse at least 30% of the packaging for bulk cleaning agents purchased by Hoover CS

WATER

Reduce disposed wastewater per tank washed by 25%



Our renewable energy strategy is described on page 18. Information on water recycling and reclamation is on page 19. Packaging circularity efforts can be found on page 15.

About Hoover CS

Hoover CS is paving the way for customers across the chemical, refining and general industrial-end markets to move away from single-use containers.

Through our large rental fleet of reusable IBCs, catalyst bins, and ISO tanks, combined with integrity management and fleet management services, Hoover CS's sustainable packaging solutions facilitate circularity across the supply chain, yielding an optimized environmental footprint through reduced plastic, water conservation, and lower greenhouse gas emissions.



Mission, Vision and Values

Our mission is to empower environmental responsibility through sustainable packaging solutions. Our vision is to make sustainable packaging the standard in the industries we serve. Our values are care, share and deliver.



WE CARE
Believing in the impact of our work while prioritizing safety above all else.

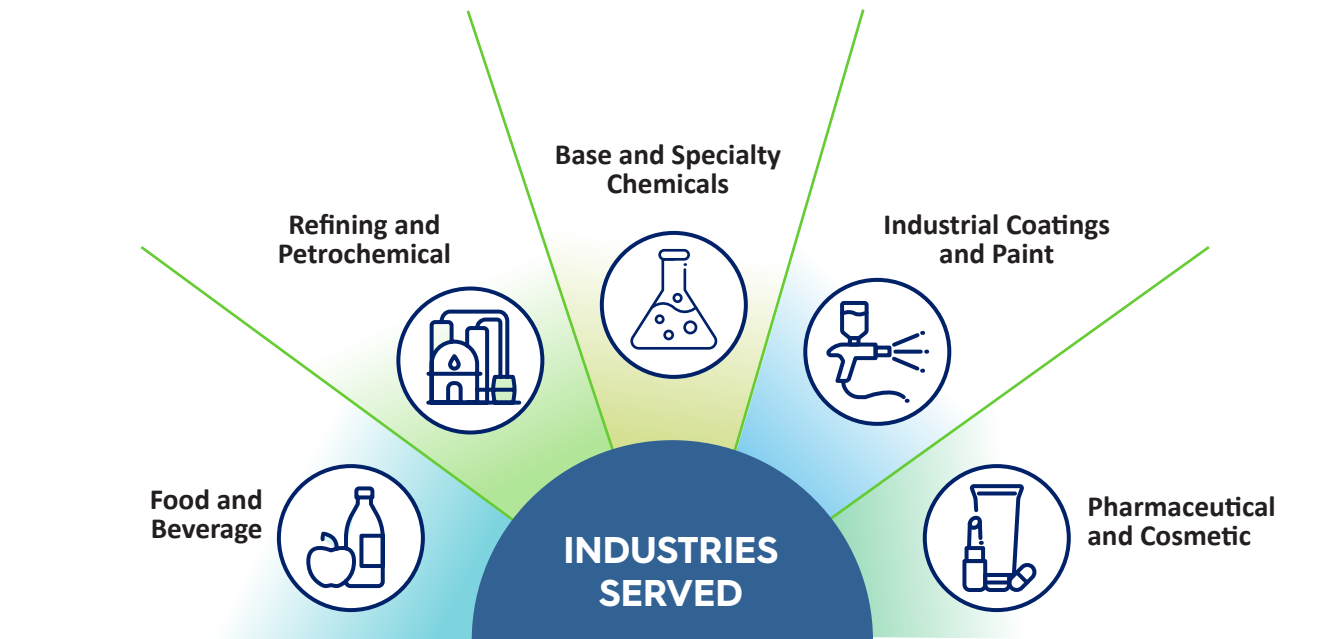


WE SHARE
Supporting one another with our knowledge, talents, and recognition.



WE DELIVER
Measuring what matters most while continually employing best practices.

Industries Served



Leadership



KEVIN FRIAR
CEO



PRESTON DAVIS
CFO



MATT SCHMIDT
CHRO



PETER OLASKY
General Counsel

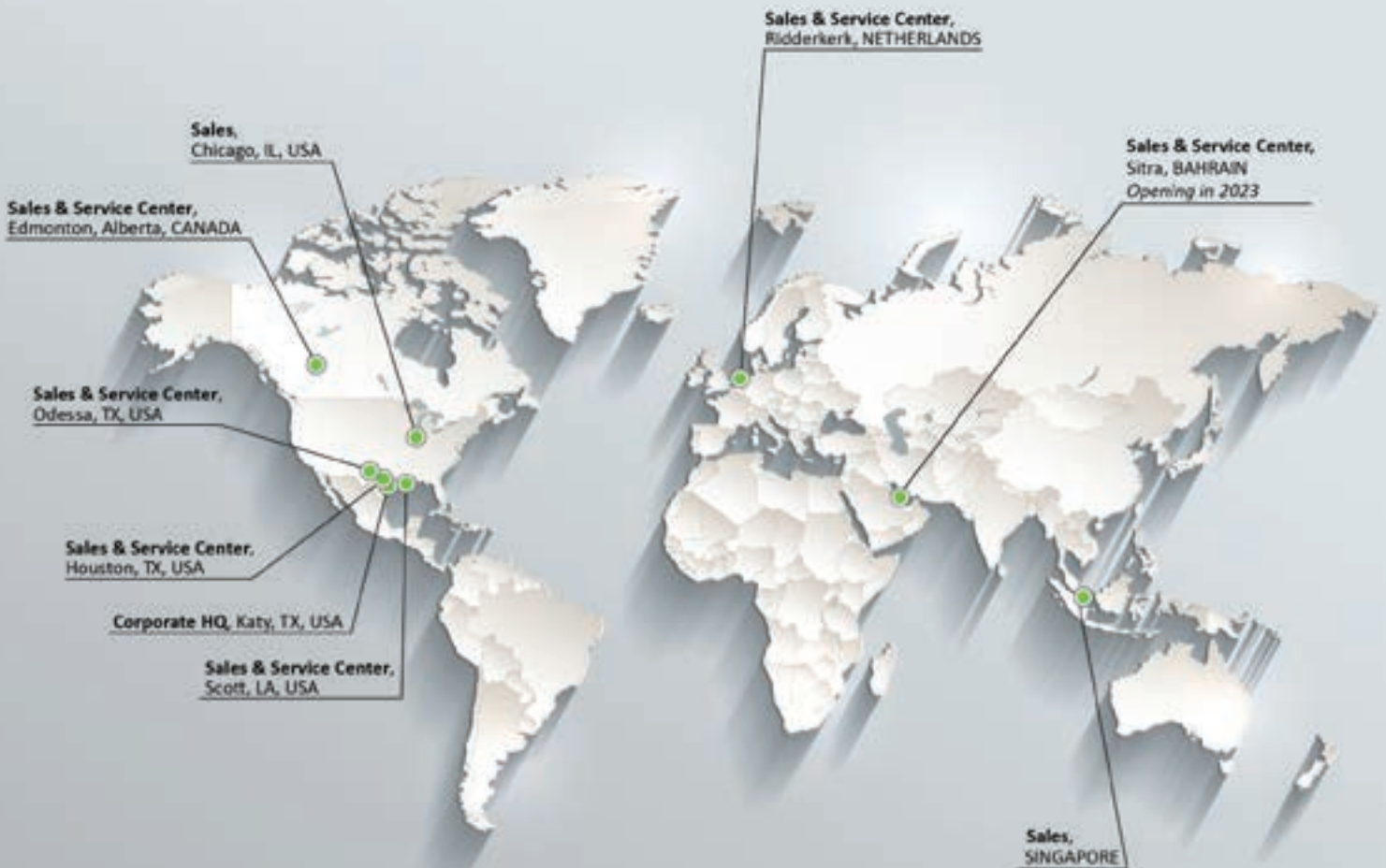


CHRIS WINKLER
SVP, Sales &
Operations



STEVEN KNUDSEN
VP, Strategy & Corporate
Development

Map of Operations



Products and Services

With one of the largest rental fleets available, Hoover CS offers simple and easy access to a range of IBCs for liquid and dry product as well as ISO tanks. Customers have depended on Hoover CS for more than 100 years for their short and long-term needs for high-quality tanks and containers.



INTERMEDIATE BULK CONTAINERS

- Hoover CS manages one of the largest IBC rental fleets, offering a variety of standard and specialty sizes to accommodate its customers' storage and transportation needs, backed by a range of comprehensive tank integrity services.
- Our IBCs are manufactured from different materials, primarily stainless steel, but also including durable and reusable high density polyethelene (HDPE) and linear low density polyethelene (LLDPE), and are suitable for liquids, chemicals, fuels, lubricants, and more.



ISO TANKS

- Hoover CS offers an extensive line of ISO tanks and chassis – with modifications to enhance field safety – to support intermodal transfer and storage of chemicals.
- For customers with onshore oil and gas operations in North America, Hoover CS provides Last-Mile Delivery services including wellsite delivery, quality control sampling, transloading, on-site/in-region storage capabilities, and chemical inventory management.



CATALYST BINS

- Hoover CS provides comprehensive packaging and logistics solutions across the petroleum refining, gas processing and petrochemical manufacturing industries for the handling of fresh, spent, and presulfided catalysts.
- We offer industry-leading standard designs and custom-engineered units to suit specific needs ranging from rigid steel packaging to high-efficiency bulk packaging.



INTEGRATED SERVICES

- To help maximize the efficiency and value of our tanks, bins, and containers, Hoover CS provides the industry's most comprehensive maintenance and management services. With a focus on quality control, our team meticulously inspects every container, checking for damage and leaks that could potentially affect functional integrity.
- Services include tank cleaning, testing, recertifications, reconditioning, restoration, and repairs. Additionally, we offer transportation and logistics services, bulk catalyst services, and last mile delivery.



FLEET MANAGEMENT

- Hoover CS unlocks new levels of cost-savings and risk reduction with our unique Fleet Management Program, consisting of detailed analytics and technology through our proprietary digital platform, FleetAI™, to improve fleet performance for a wide-range of customers.
- Benefits include fleet right-sizing, DOT compliance, and operational efficiency.

Logistics and Transportation

We improve cost savings and operational efficiencies for our customers by enabling them to track the transportation of IBCs, Catalyst Bins, and ISO Tanks to-and-from Hoover CS Service Centers, as well as between our customers' facilities.

In addition, Hoover CS offers last-mile transportation for bulk chemical delivery.

DIGITALLY-ENABLED FLEET ANALYSIS & TECHNOLOGY

Hoover CS performs an in-depth analysis on our customers' existing fleet, customizing solutions to match the rhythms of their operations for minimum disruption and maximum efficiency. Offering far more than just asset tracking, our teams tailor a holistic approach, analyzing potential deficiencies, setting appropriate KPIs, and strategizing initiatives for optimal performance and savings. Through our FleetAI digital platform, customers have access to:

- Tank Availability
- Asset Tracking
- Level Monitoring
- Document Storage
- Analytical Reporting

By tracking the most appropriate KPIs with real-time data, we give new insight into tank availability and customer demand, enhancing the safety and quality of our customers' operations while reducing waste and liability.

LAST-MILE DELIVERY

For bulk chemical transportation, our drivers are equipped to support last-mile delivery, including quality control sampling, transloading, on-site/in-region storage capabilities, chemical inventory management, and related services. As part of the company's Goal Zero safety program, all Hoover CS drivers are required to:

- Conduct a pre-trip inspection
- Confirm the bill of lading and all related documentation is accurate and in compliance
- Adhere to defined PPE requirements as needed
- Check in and receive final instruction from our customer for product delivery
- Complete any customer-specific training requirements as needed

In 2022, we had zero recordable road incidents, a testament to our commitment on safe driving.



Approach to Sustainability

At Hoover CS, sustainability is an integral part of everything we do. Through technology, information, on-site service, and training, we help companies around the world transition to more sustainable value chains, while achieving exceptional business results. Hoover CS is driven to empower businesses around the world to do more and be better. We focus every day on finding new solutions to maintain clean and safe environments, optimize water and energy use and improve operational efficiencies and sustainability for customers. Within our own facilities, we work on reducing our water consumption, carbon emissions and waste stream, and supporting a safe, diverse, and inclusive workforce.



Hoover CS was awarded a silver medal in recognition of our sustainability achievement, placing us in the top 25% for sustainable practices and performance. EcoVadis assessments are performed annually, rating our sustainability performance across four key themes – environment, labor & human rights, ethics, and sustainable procurement.

ESG Management and Oversight



SUSTAINABILITY COMMITTEE

- Cross-functional senior leadership team, led by the Chief Human Resources Officer, responsible for guiding the development and implementation of the company’s sustainability strategy. This group meets quarterly to:
 - Ensure the integration of sustainability decision-making into core business functions and planning processes
 - Explore emerging sustainability issues
 - Approve sustainability policies and public-facing sustainability reports
 - Monitor the company’s achievement of its corporate sustainability goals

DIRECTOR OF SUSTAINABILITY

- Responsible for managing and driving critical process enhancements and quality improvements to new and existing Hoover CS sustainability initiatives
- Communicates and coordinates with management, shareholders, customers, and employees to address sustainability issues
- Enacts or oversees the corporate sustainability strategy and provides direction and project management for all company sustainability projects, programs, and initiatives
- Manages the data collection to measure the company’s sustainability performance

SUSTAINABILITY TASK FORCE

- Ad-hoc group of subject matter experts responsible for the day-to-day integration of sustainability into every corner of the company

Environmental, social and governance (ESG) performance at Hoover CS is overseen by the Sustainability Committee, a cross-functional senior leadership team, led by the Chief Human Resources Officer, responsible for guiding the development and implementation of the sustainability strategy. In 2022, our Sustainability Committee met six times, discussing a range of issues, including:

- Development and finalization of Hoover CS’s 2025 sustainability goals
- Publication of the 2021 Sustainability Report
- Capital investments in water reclamation projects
- Enhancing data collection practices for measuring the company’s performance and achievement of its sustainability objectives



Materiality

Working with an outside sustainability consultancy, Hoover CS undertook a materiality assessment in early 2022 to understand the most salient environmental, social and governance (ESG) issues impacting the company. The process included:

- Interviews with leaders from around the company
- Analysis of customer and investor sustainability questionnaires and assessments
- Comparison of existing sustainability practices to the SASB Containers and Packaging Industry standard

The result was a formalization of our sustainability strategy into nine material topics, organized into three workstreams: Sustainable Solutions, Green Operations, and Great Company.

SUSTAINABLE SOLUTIONS

- Circularity
- Product Quality and Safety
- Logistics and Transportation

GREAT COMPANY

- Ethics and Integrity
- Supply Chain Management
- Workplace Practices

GREEN OPERATIONS

- Energy and Emissions
- Water Use
- Materials Management

Alignment with the United Nations' Sustainable Development Goals

Hoover CS is proud to support the Sustainable Development Goals (SDGs). Adopted by all United Nations member states in 2015, the SDGs are the blueprint to achieve a better and more sustainable future for all.

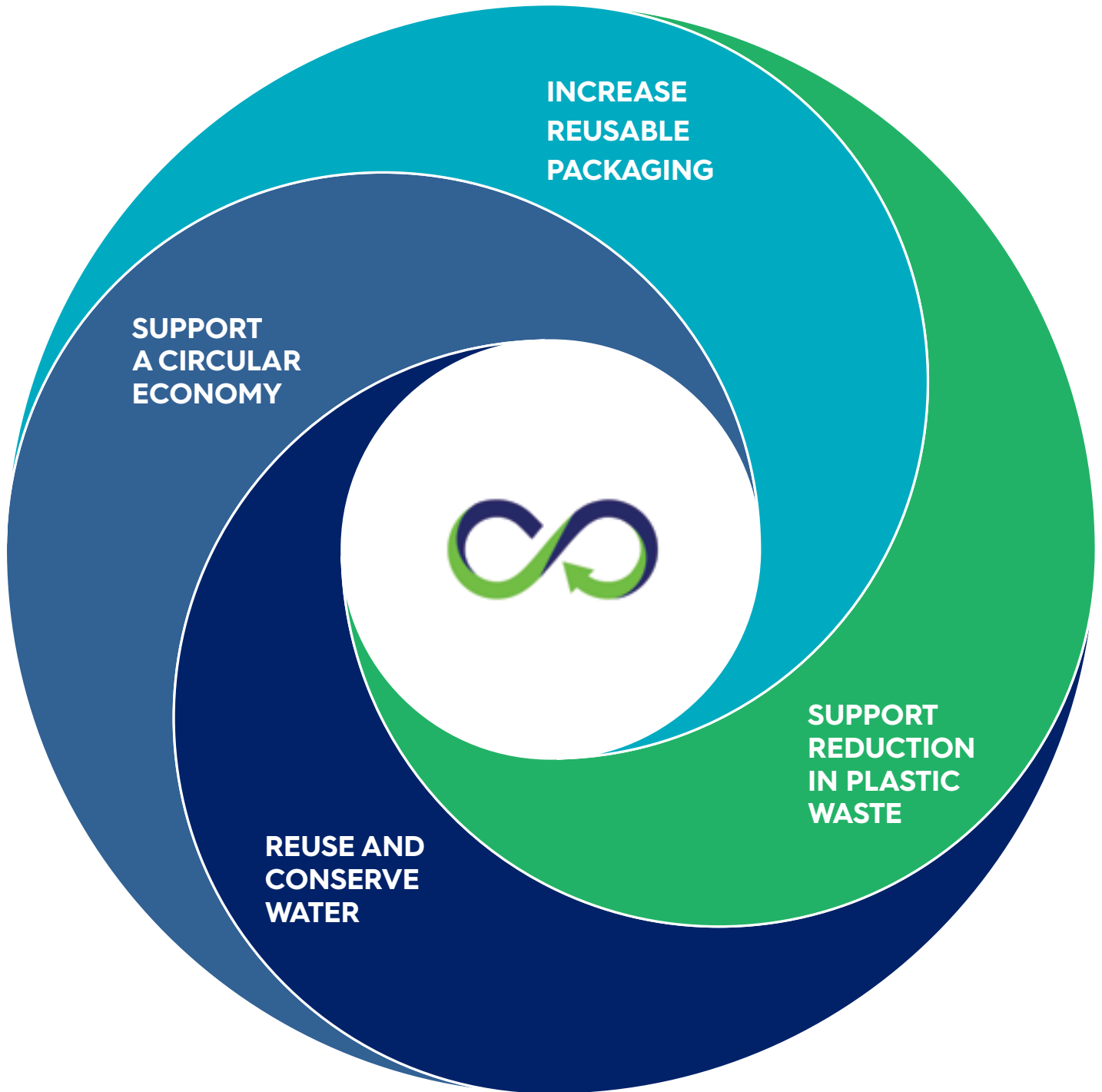
As an environmentally responsible packaging and service provider, we focus on six of the SDGs in particular—for ourselves and our customers.



Sustainable Solutions

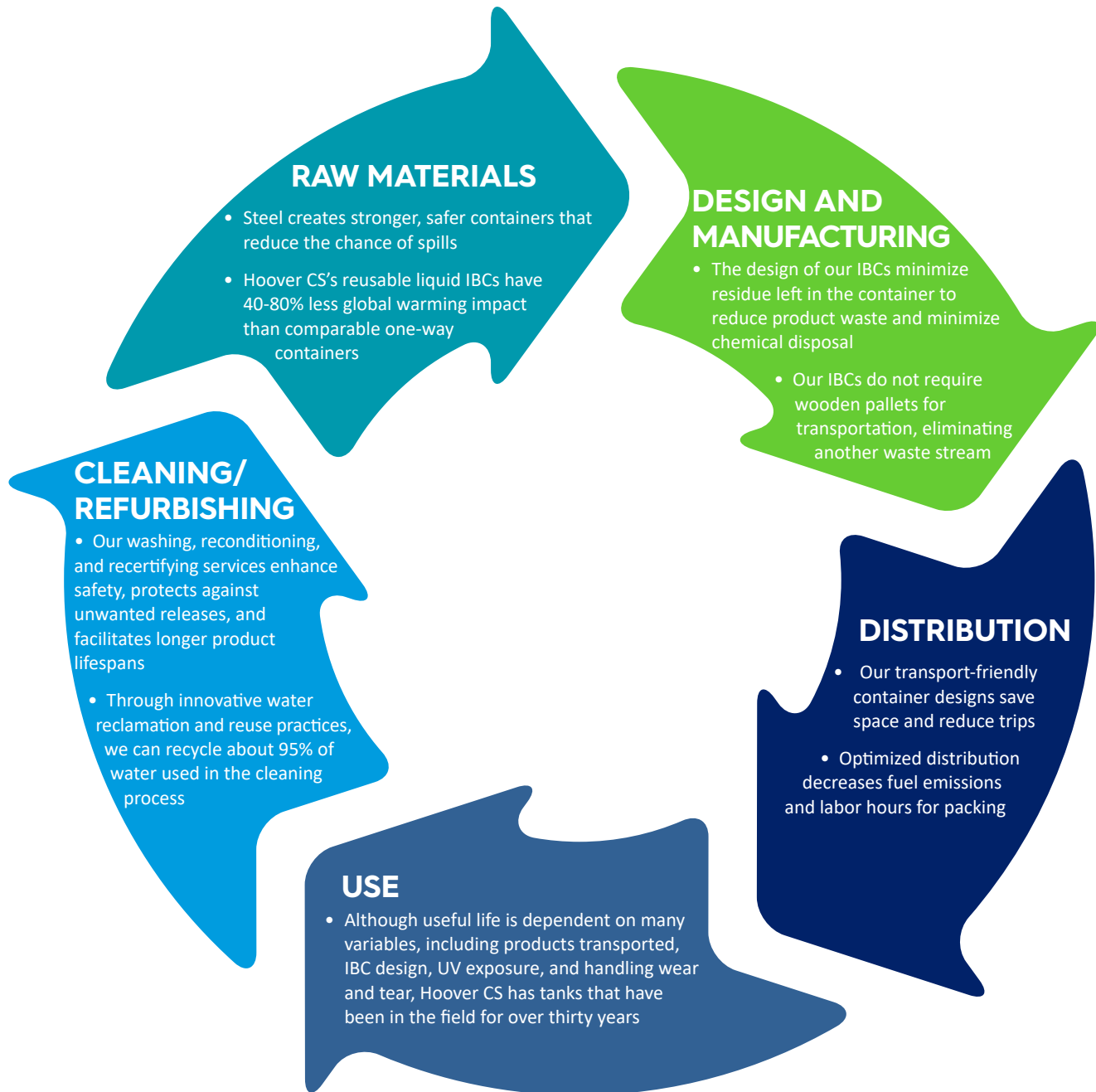
For companies needing to transport bulk materials, switching from wasteful, single-use containers to Hoover CS reusable packaging solutions can produce significant environmental benefits.

We are committed to showing the world how to create more value with less waste with our full suite of circular solutions.



Circularity

We serve customers from start, through delivery and for the future, by safely and sustainably packaging their product or raw material in reusable containers. We reduce the logistics complexity by providing fleet management and container reconditioning to make the transition to a circular solution easy for customers and positive for the environment.



REDUCING WASTE FROM DELIVERIES

Hoover CS's value proposition is that reusable containers save money and are better for the environment. Reusing containers, however, means we need to clean them before they go out for another turn, which requires us to purchase cleaning chemicals. Historically, those chemicals were delivered to us in plastic containers which were used once and then sent to landfill. In 2023, we launched a new initiative, using Hoover CS's own fleet of IBC containers to pick up cleaning agents directly from our supplier and bring them back to our facility. As the reusable tanks are emptied, they will be returned to our supplier and replenished with full containers. We estimate that this program will save approximately 200 large plastic containers from going into the landfill each year.

Product Quality and Safety

Because our products remain in the field for decades, ensuring they are built with quality and safety in mind is essential.

- **Quality Control:** Every container goes through a rigorous quality control process where parts are inspected, and the container is checked for damage and possible leaks.
- **Logistics:** Our team can facilitate prompt, convenient, and reliable transportation to and from customer facilities.
- **Parts Replacement:** We maintain a complete inventory of parts, to ensure all containers are fully restored when leaving our facilities.



IBCS

All reusable IBCs must be properly cleaned and tested at pre-determined intervals, per UN/DOT standards. Whether the containers have stored hazardous or non-hazardous materials, we provide a high-quality cleaning that protects the integrity of each and every tank. Our cleaning services for reusable IBCs include:

- Cleaning (and reconditioning, if necessary) IBCs, including valves and fittings
- Inspecting cleaned IBCs to certify they are clean, dry and odor-free
- Providing cleaning and testing certificates for each IBC
- Proper inventory reporting
- Providing interim storage for cleaned IBCs prior to shipment
- Shipment and delivery of cleaned IBCs

ISO TANKS

All ISOs processed through Hoover CS wash facilities are air tested and UN-thickness tested, with appropriate DOT record. Each ISO tank is given a complete external inspection prior to filling, including an examination of:

- The shell, piping, valves and other appurtenances for corroded areas, dents, defects in welds and other defects such as missing, damaged, or leaking gaskets
- All flanged connections or blank flanges for missing or loose nuts and bolts
- All emergency devices for corrosion, distortion, or any damage or defect that could prevent their normal operation
- All required markings on the tank for legibility
- Any device for tightening manhole covers to ensure such devices are operative and adequate to prevent leakage at the manhole cover
- Defects identified by this inspection are corrected prior to the ISO being offered for transportation

TECHNICAL COMPETENCY PROGRAM

In 2022, Hoover CS introduced a customized training program to provide employees with the skills they need to deliver outstanding performance. Combining classroom instruction, on-the-job training and a final exam, the training takes about 90 days to complete. First implemented at our Louisiana Service Center, 16 employees completed the technical competency system, including four Assessors and one Internal Verifier. In addition, eight employees are cross-training in competencies outside of their current job roles.

Looking ahead, we are using initial findings and feedback from 2022 to expand the program to other sites, and to build a skills matrix that more formally connects specific skills to job titles. This process will allow us to more quickly onboard and train new employees, cross-train existing employees to better meet our customers' needs and make it easier for employees to plan their career development and progression pathways.

Green Operations

Hoover CS is dedicated to conducting business in a way that reduces negative impacts on the environment, including minimizing the consumption of resources, optimizing the recycling of our waste, and preventing pollution.



Energy and Emissions

Environmental responsibility is built into everything we do, and that extends into how we manage energy and emissions. Our Environment, Health and Safety policy manual lays out a comprehensive approach to environmental management systems, including roles and responsibilities, training and continuous improvement, change management, and data tracking and auditing.

AIR QUALITY

Hoover CS is committed to tracking and managing our air quality in compliance with local, state, federal and international guidelines. We have air quality permits at three of our service facilities and have implemented a number of initiatives to manage air emissions, including the installation of thermal oxidizers at our Houston, TX and Scott, LA service facilities to remove hazardous air pollutants (HAP), volatile organic compounds (VOC), and odorous emissions discharged from our processes. In 2022, we had no environmental exceedances.

One project currently underway is a transition away from propane forklifts to electric forklifts, for use within our buildings. Electric forklifts have a smaller footprint, no emissions, and contribute to better indoor air quality for employees working at our sites.

ENERGY OPTIMIZATION

When done correctly, energy optimization offers both environmental and financial benefits. Over the last several years, we've achieved both through upgrading our lighting to high-efficiency LEDs, adding motion sensors and natural lighting via skylights.

In our Ridderkerk operations in the Netherlands, we took additional energy optimization actions in 2022 by installing an electric vehicle charging station, adding one hybrid and one electric vehicle to our local fleet and installing additional light sensors in the building. We also began the process of becoming certified to ISO 14001:2015, an internationally agreed standard that sets out the requirements for an environmental management system. It helps organizations improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage through efficiency and reduced environmental impact.

RENEWABLE ENERGY STRATEGY

In 2022, we committed to moving towards renewable energy procurement, with the goal to source 50 percent renewable electricity by 2025. Beginning in 2023, a portion of our electricity will come from renewable energy sources, with the goal to source 50 percent renewable electricity by 2025. We have focused first on our contract for Texas locations, which expired in early 2023. With Texas being a leading producer of wind energy, we locked in a long-term contract for 100% wind energy to supply our Texas service centers. We are proud to say that our Texas Service Centers are now powered 100 percent by wind.

CARBON AND CLIMATE

In 2022, Hoover CS partnered with carbon accounting firm Persefoni to calculate our greenhouse gas (GHG) emissions across our facilities and fleet. We now have three years of carbon footprint data, which are informing our approach to energy sourcing, prioritization of energy efficiency opportunities, and collaboration with value chain partners.

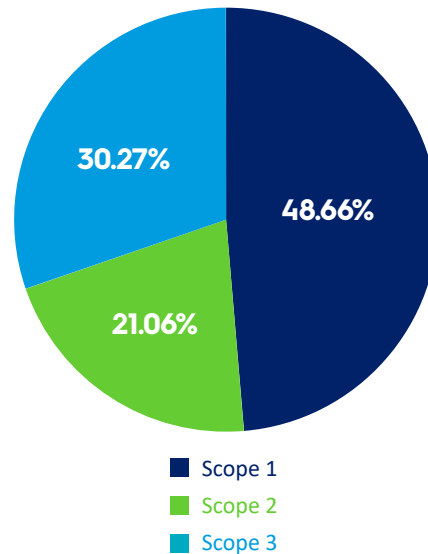
In particular, we are working to improve the scope of our data collection processes to include all relevant emissions-generating activities. In 2022, expanded tracking of travel for our sales and operations teams resulted in an increase of mobile combustion tracked under our Scope 1 emissions.

At the same time, we saw a significant decrease in GHG emissions for stationary combustion, related to the completion of construction projects that allowed us to connect buildings to the electricity grid, removing the need for generators as a temporary energy source.

Overall, in 2022:

- Scope 1 emissions, from stationary and mobile combustion, made up 48.66% of our carbon footprint, with the vast majority related to use of natural gas at our facilities.
- Scope 2 emissions made up 21.06% of our carbon footprint and were all related to electricity consumption from the utility grid.
- Scope 3 emissions, from waste generated at our operations and business travel, is 30.27% percent of our total carbon footprint.

2022 CARBON FOOTPRINT (TCO2E)



Water Use

The water resources we depend on are shared with the communities and customers where we operate, as well as surrounding areas, and accordingly, we will act responsibly to protect them for others, ourselves and future generations. We recognize that effective water efficiency and proper management must address present and long-term considerations and competing demands. Our water strategy includes:

- Identifying and assessing relevant near and long-term water issues across strategic planning, risk management, capital expenditures and business planning
- Integrating water resource considerations into the lifecycle of operations, products and services
- Establishing annual targets and long-term water management goals to drive performance
- Annually tracking and reporting on water availability/use and relevant issues internally and externally

- Employing Best Management Practices (BMP) and standards, to improve life-cycle water use and water quality and to reduce the risk of adverse impacts on operations and the environment
- Raising the awareness of employees, suppliers, and other key stakeholders of the strategic importance of water and the need for effective water use management to sustain operations, communities and the ecosystem
- Advocating on water and energy public policy issues based on sound science, competitive markets and universal safe drinking water and sanitation

We are committed to driving improvements and efficiencies across our facilities globally. In 2022, we set a goal to reduce disposed wastewater per tank washed by 25% by 2025.

THE GENERAL CLEANING PROCESS FOR IBCS, ISO TANKS & TRAILERS

Note: Different chemicals may require alternative cleaning processes

CYCLE	OBJECTIVE	OPERATION
1	Dirty Flush	Flush with recycled water and transfer to wastewater tank
2	Hot Detergent Wash	Wash and recirculate detergent (or caustic) in a closed circuit
3	Freshwater Rinse	Rinse with hot or cold freshwater and return back to recycled water tank
4	Steam Cycle	Steam interior with direct feed from boiler system
5	Drying Cycle	Dry interior with filtered ambient air

WATER RECYCLING

It is our policy to install water reclamation at our wash facilities to reuse water during our operations. This significantly reduces our water consumption. It also reduces our wastewater, which needs to be hauled offsite and treated.

In the spring of 2022, we installed a second water reclamation system at our facility in Houston, Texas. This system reclaims up to 600 gallons of water per hour, reducing the amount of water needed for wash cycles and allowing us to treat used water onsite.

Ultimately, the water will meet local standards for disposal in the municipal wastewater system and eliminate the need to store and truck the wastewater offsite for treatment by specialty waste vendors. Because the reclaimed water can be used an average of three times before discharge, the system will both reduce our water consumption and our Scope 3 emissions related to waste transportation.

WATER RISK

While our goal is to optimize water use at each of our locations, we are paying special attention to locations where there is a lack of fresh water resources to meet the local community’s water demands. Using the WRI Aqueduct Water Atlas tool, we evaluated each of our locations to determine their associated aquifer and water stress baseline. We found that none of our Hoover CS facilities are located in areas of high baseline water stress, although our Odessa, Texas location is directly adjacent to one. This information provides us with helpful information in planning future water efficiency and conservation investments.

Materials Management

From chemicals of concern to waste management, Hoover CS has systems in place to protect the environment and human health and safety.



CHEMICALS MANAGEMENT

The first step in managing risk from hazardous chemicals is to ensure that the right containers are being used. When determining the right packaging solution for the job, the following characteristics of what will go into the tank or container must be considered:

- Chemical concentration
- Viscosity
- Aeration
- Mixing of chemicals
- Impurities
- pH rating
- Duty cycle
- Pump RPM
- Temperature
- Vapor points

For example, Hoover CS offers tanks manufactured with LLDPE (Linear Low Density Polyethylene). This resin has good structural rigidity and impact resistance. It is resistant to a broad range of chemicals including sulfuric acid, sodium hypo chlorite, and sodium hydroxide. The seamless construction of these tanks means that they are easy to clean, impact and weather resistant and resistant to leaks, making them virtually maintenance free.

In addition, employees at our service centers receive training on the safe handling, labeling and storage of chemicals. We have strict rules about chemical handling to protect our personnel, and to ensure that chemicals that are washed from empty tanks and containers are properly captured and treated before entering a local waterway.

WASTE MANAGEMENT

We employ a variety of waste management strategies to divert waste from the landfill. These efforts vary by waste stream and are tailored to the local options for waste treatment, recycling and recovery.

In 2022, we expanded our recycling programs to all Hoover CS locations, allowing employees to segregate recyclable materials like aluminum, plastic and paper from municipal solid waste destined for the landfill. While waste generation in our offices is not significant in comparison to our other facilities, this program was an important step to align our business practices with our values, and to show our employees that we are serious about sustainability—whatever role they are in.



HAZARDOUS WASTE

- May consist of heel (residual chemicals) and spent catalyst
- We contain both types of materials in hazardous-rated drums and they are collected by waste companies



SPENT CONTAINERS, TANKS AND TOTES

- We partner with local metal scrap vendors who reclaim tanks for consolidation and recovery, extending the metals useful life in a secondary market



OFFICE WASTE

- We are moving from sticker labels to permanent labels to cut down on paper use and waste
- We use a local vendor to recycle our e-waste (computers, peripherals)

Great Company

We believe that great people make a winning company. Our goal is for each employee of Hoover CS to have a job that taps into their strengths, offers the training they need, and fans the flames for lifelong success.



Ethics and Integrity

Hoover CS is guided by an eight-member Board of Directors. Additionally, the Board has established an Audit and Governance committee with oversight responsibility for the effectiveness of Hoover CS's governance practices and our compliance with all legal, compliance and regulatory matters impacting the company.

The Hoover CS Code of Conduct sets out the company's requirements and expectations across a range of governance and ethical issues, including:

- Business integrity
- Fair dealing and anticorruption
- Environmental responsibility
- Workplace health and safety
- Fair working practices
- Working with suppliers

In addition, employees are required to complete mandatory compliance training annually, with additional compliance training included in the employee onboarding process. In 2022, 100% of employees completed Code of Conduct training.

CORPORATE GOVERNANCE

Within our Code of Conduct is a detailed anti-bribery and corruption policy, which sets out our responsibilities, and the responsibilities of those working for us, in relation to bribery and corruption and provides information and guidance on how to recognize and deal with bribery and corruption issues.

Corrupt practices are unacceptable, and we take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly, and with integrity and respect in all our business dealings and relationships wherever we operate and to implementing and enforcing effective systems to counter bribery. We will comply with the legal and regulatory framework in each country in which we operate.

We expect those that we do business with to take a similar zero tolerance approach to bribery and corruption. Before entering into an agreement with any third party who will act on behalf of Hoover CS, we will perform proper and appropriate due diligence and obtain from the third-party certain assurances of compliance.

We do not make contributions to political parties, organizations or individuals engaged in politics.

As Hoover CS continues to expand internationally, in early 2023 we implemented a stand-alone Anti-Corruption Policy and training program that reinforces the responsibilities outlined in the Code of Conduct. These additional procedures and guidance enable Hoover CS employees to navigate issues like meals, entertainment, gift giving and requests for facilitation payments across jurisdictions with varying laws and cultural norms.

SPEAKING UP POLICY

Our Code of Conduct includes a "Speaking Up" policy, which reinforces and reaffirms Hoover CS's commitment to an open speaking up process in which employees are encouraged to raise any concerns of wrongdoing they may have. In today's environment, Hoover CS employees remain Hoover CS's first and best line of defense against wrongdoing. When employees detect and report wrongdoing, Hoover CS can take prompt, corrective action to fix it. We recognize that the early detection and reporting of wrongdoing depends on maintaining a culture of trust and integrity in which all employees:

- Are encouraged to report potential wrongdoing as soon as possible, knowing that their concerns will be taken seriously, and that appropriate action will be taken
- Know and use the Ethics Hotline to report concerns of wrongdoing
- Trust that the speaking up process is confidential and that Hoover CS has no tolerance for retaliation or retribution.

WHISTEBLOWER PROTECTION

We have a variety of ways for employees and other stakeholders to report concerns or ethical issues, including a third-party ethics hotline that can be reached by phone or via email. Using the hotline, employees can report a concern or grievance, including anonymously if they wish.

We understand that employees are sometimes worried about possible repercussions associated with complaints of wrongdoing. We encourage openness and will support any employee who raises genuine concerns in good faith, even if they turn out to be mistaken. We will not tolerate retaliation or detrimental treatment of any kind towards any employee who reports a concern in good faith, or who participates in an investigation into a concern.

CYBERSECURITY

Hoover CS takes data protection and security seriously. Our cybersecurity practices include:

- A dedicated employee responsible for cybersecurity across the company
- A cybersecurity policy, acceptable use policy and website privacy policy
- Incident response procedure (IRP) to manage breaches of confidential information
- Regular discussion of cybersecurity at Board of Directors meetings
- Mandatory cybersecurity training for all employees
- Additional cybersecurity training as part of the employee onboarding process

In 2022, we continued to update our data protection and security programs to meet evolving threats. These initiatives included new platforms to automatically filter and generate security alerts, new auditing processes, proactive blocking on known cybersecurity threats, and new policies to better manage threats based on geo-location.

Supply Chain Management

Hoover CS expects our suppliers to share our commitment to sustainability, ethics and fair labor practices. Our Supplier Code of Conduct, updated in 2022 and integrated into our Vendor Terms and Purchase Orders, includes provisions on:

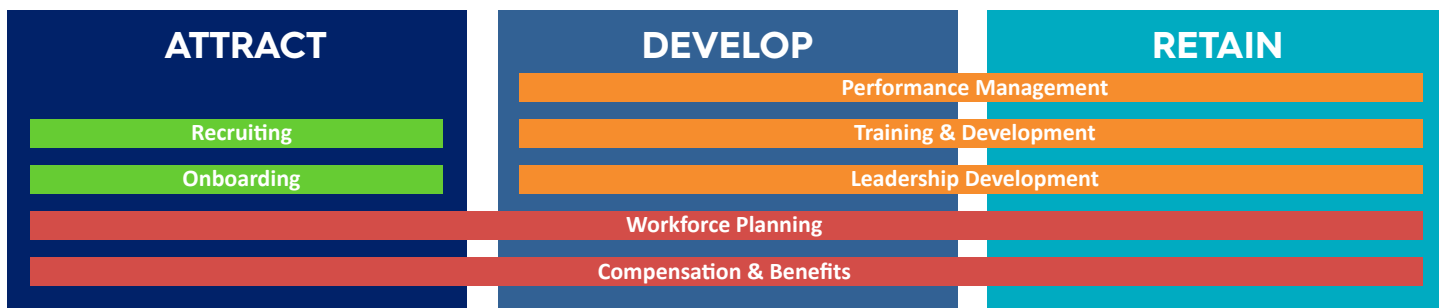
- Compliance with laws and regulations
- Fair competition and anticorruption
- Diversity and inclusion
- Labor and human rights
- Safe and healthy workplaces
- Environmental responsibility

In 2021, we developed a supplier questionnaire to assess suppliers' current environmental and social practices. In 2022, this questionnaire was sent to all suppliers with whom Hoover CS spent more than one percent of total spend. The results helped us understand where we need to engage more proactively with suppliers that chose not to participate, and where opportunities for collaboration with sustainability leaders may be.

Hoover CS does not use any so-called "conflict minerals" (tin, tantalum, tungsten, gold), or their derivatives, in our products.

Workplace Practices

Hoover CS is building a sustainable competitive advantage through our multi-prong talent strategy.



Our Human Rights Policy states our unequivocal commitment to labor and human rights and fair workplace practices, with provisions on diversity and inclusion, discrimination and harassment, work hours, wages and benefits, professional growth and development, employee privacy, workplace security, child labor, forced labor and human trafficking, and freedom of association. In addition, our Employee Handbook provides additional guidance on:

- Career management and training
- Annual performance reviews
- Open door policy

In 2022, we began a review of our employee engagement and development programs to identify opportunities to continue providing a great place to work, including:

- Education assistance – affording all employees the opportunity to receive financial support in their continuing education
- Employee Recognition – designed to celebrate and reward employees who exhibit the Care-Share-Deliver values of Hoover CS culture
- Workforce Planning – a three tiered approach used to identify, develop and retain Hoover CS’s talent in order to meet our growing business needs

The average Hoover CS employee received over 35 hours of training, contributing to a culture of skill-building and life-long learning.

TALENT MANAGEMENT

Hoover CS is a participating member in the Texas A&M Talent Development Council. This consortium of over 30 companies across multiple industries is designed to advance talent best practices, practical methods and applied tools. The Talent Development Council acts as a best practice sharing, learning and networking forum for industrial and construction companies from various channels. Through our participation in the Council, we are able to

- Benchmark our current efforts with best-in-class practices
- Discover new talent strategies, methods and tools
- Identify talent processes for improvement
- Better align talent strategy to business strategy
- Network with other people leaders
- Get better at recruiting, developing and retaining people

DIVERSITY

Hoover CS is committed to creating and maintaining a culture which delivers outstanding performance and results. Diversity is essential to Hoover CS’s long term success. Hoover CS values and fosters diversity because it allows:

- Customers’ needs, both today and in the future, to be recognized and addressed
- All employees to feel valued and able to perform to their best
- Hoover CS to have access to the widest possible talent pool

Hoover CS is committed to selecting, recruiting, developing, and supporting people solely on the basis of their professional capability and qualifications, irrespective of gender, ethnicity, nationality, class, color, age, sexual identity, disability, religion, marital status or political opinion. We believe that a diverse workforce provides the best source of talent, creativity, and experience. People with different backgrounds and life experiences can identify opportunities and address problems from different perspectives.

In 2022, Hoover CS implemented a behavior-based hiring process designed to predict the future success of candidates. This process evaluates candidates based on previous experiences and eliminates unconscious bias that can be present in other hiring practices.

Health and Safety

All Hoover CS employees are actively involved in living and promoting health and safety values every day. No job is so urgent that it cannot be done in a safe and responsible manner.

Our goal is to implement a safe and hazard-free professional working environment through training, awareness, employee participation and attitude. Our aim is to protect ourselves, our fellow employees, and the environment from harm through our Goal Zero program. For the second year in a row, Hoover CS has achieved zero safety incidents.

Our EHS program is led by our Director of Sustainability and guided by our Environment, Health and Safety Policy Manual, which covers topics including:

- Safety management and accountability
- Competency planning, training and assessment
- Safe work practices and occupational health
- Procurement, services and contractors
- Product quality assurance traceability and inspection
- Crisis management and emergency preparedness and response
- Non-conformity and corrective actions

The safety performance of our customers, sub-contractors and suppliers is integral to our own safety efforts. We evaluate and qualify contractors and suppliers to ensure that a single and comprehensive safety culture governs each project safely and effectively.



About This Report

BOUNDARY, SCOPE AND METHODOLOGY

This is Hoover CS's second ESG Highlights report. It covers calendar year 2022 activities unless otherwise noted and all Hoover CS facilities under operational control.

For our carbon footprint methodology, we are aligned with the GHG Protocol and have used a Scope 1 Stationary and Mobile combustions emissions fuel-based calculation method and a Scope 2 location-based calculation method for heat and steam consumption alongside utility grid consumption at the facility level.

The scope of the carbon footprint includes:

Scope 1

Mobile sources: all fleet vehicles and fuel types
Stationary combustion sources: heaters, boilers, and furnaces

Scope 2

Electricity and heat and steam consumed at each facility

Scope 3

Category 5: waste generated at operations
Category 6: business travel data

Emissions factors are drawn from:

IPCC Fourth Assessment Report (AR4)
IEA International Electricity Factors (2020)
IPCC 2006 Guidelines for National Greenhouse Gas Inventories, 2019 Refinement
UK DEFRA - Conversion Factors 2020
UK DEFRA - Conversion Factors 2021
US EPA - eGRID 2018 State
US EPA - Emission Factor Hub 2020
US EPA - Emission Factor Hub 2021
VitalMetrics - CEDA 5

CORRECTIONS AND RESTATEMENTS

This report corrects an error in total Scope 3 emissions published in the 2021 Sustainability Report. The 2021 report incorrectly aggregated Scope 3, Category 5 (Waste Generated in Operations) and Scope 3, Category 6 (Business Travel) totals.

This report is based on information and opinions as of the date of this report. Hoover CS believes that one of the many benefits of publishing a report of this type is developing the internal procedures for tracking sustainability-related data. Where our internal improvements lead us to review prior years' disclosure, we will endeavor to do so with full transparency.

ASSURANCE AND VERIFICATION

This report has been reviewed for accuracy, completeness and balance by Hoover CS's Sustainability Committee. It has not been externally assured or verified.

FOR MORE INFORMATION

For more information about this report, or about Hoover CS's sustainability initiatives, please contact:

Nick Moscariello, Global Director of Sustainability
Email: sustainability@hooversolutions.com
Office: +1 281.870.8402 Ext.1036

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

This ESG Highlights Report contains forward-looking statements that involve known and unknown risks, uncertainties, and other important factors that could cause the actual results, performance or achievements of Hoover CS, or general industry or broader economic performance in global markets in which Hoover CS operates or competes, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. As such, any forward-looking statements made by Hoover CS are made only as the date hereof and are not guarantees of future performance.

ESG Tearsheet

SASB Reference	Indicator	Unit	2022	2021
RT-CP-110a.1	Scope 1 emissions	Metric tons carbon dioxide equivalent (tCO ₂ e)	1,204	1,066
	<i>Mobile combustion</i>	Metric tons carbon dioxide equivalent (tCO ₂ e)	366 ¹	33
	<i>Stationary combustion</i>	Metric tons carbon dioxide equivalent (tCO ₂ e)	837	1,033
RT-CP-110a.1	<i>Percentage covered under emissions-limiting regulations</i>	Percent (%)	0	0
	Scope 2 emissions (location based)	Metric tons carbon dioxide equivalent (tCO ₂ e)	521	695
	<i>Purchased heat & steam</i>	Metric tons carbon dioxide equivalent (tCO ₂ e)	0	2
	<i>Electricity grid consumption</i>	Metric tons carbon dioxide equivalent (tCO ₂ e)	521	693
	Scope 3 emissions	Metric tons carbon dioxide equivalent (tCO ₂ e)	749	1048
	<i>Waste generated in operations (category 5)</i>	Metric tons carbon dioxide equivalent (tCO ₂ e)	271	353
	<i>Business travel (category 6)</i>	Metric tons carbon dioxide equivalent (tCO ₂ e)	254	208
RT-CP-110a.2	Long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussions and analysis		See page 19
RT-CP-130a.1	Total energy consumed	Gigajoules (GJ)	8,329	16,731
	Natural gas	Gigajoules (GJ)	4,301	6,882
	Electricity: grid	Gigajoules (GJ)	4,028	9,849
RT-CP-130a.1	Percent total energy from grid	Percent (%)	48.3	58.9
RT-CP-130a.1	<i>Percentage renewable additional</i>	Percent (%)	0	0
RT-CP-130a.1	Electricity: self-generated	Gigajoules (GJ)	0	0
RT-CP-130a.1	<i>Percentage renewable</i>	Percent (%)	N/A	N/A
RT-CP-120a.1	Air emissions: NO _x (excluding N ₂ O)	Metric tons (t)	3.14	3.14
RT-CP-120a.1	Air emissions: SO _x	Metric tons (t)	0.27	0.27
RT-CP-120a.1	Air emissions: Non-methane volatile organic compounds (VOCs)	Metric tons (t)	35.58	35.58
RT-CP-120a.1	Air emissions: Particulate matter (PM)	Metric tons (t)	.25	.25

¹ Increase was due to improved fuel tracking for all fleet and company-owned vehicles in 2022 based on implementation of expense management software at all locations.

SASB Reference	Indicator	Unit	2022	2021
RT-CP-140a.1	Total water withdrawn	Thousand cubic meters (m ³)	6.94	Not tracked
RT-CP-140a.1	<i>Percentage in regions with high baseline water stress</i>	Percent (%)	0	0
RT-CP-140a.1	Total water consumed	Thousand cubic meters (m ³)	0.96	Not tracked
RT-CP-140a.1	<i>Percentage in regions with high baseline water stress</i>	Percent (%)	0	0
RT-CP-140a.2	Water management risks and discussion of strategies and practices to mitigate those risks	Discussions and analysis	See page 20	
RT-CP-140a.3	Incidents of non-compliance associated with water quality permits, standards, and regulation	Number (#)	0	0
RT-CP-150a.1	Hazardous waste generated	Metric tons (t)	614	356
RT-CP-150a.1	<i>Percentage recycled</i>	Percent (%)	.008	0
RT-CP-250a.1	Number of recalls issued	Number (#)	0	0
RT-CP-250a.1	<i>Total units recalled</i>	Number (#)	0	0
RT-CP-250a.2	Process to identify and manage emerging materials and chemicals of concern	Discussions and analysis	See page 21	
RT-CP-410a.3	Strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussions and analysis	See page 15	
RT-CP-430a.1	Total wood fiber procured, percentage from certified sources	Metric tons (t)	0	0
RT-CP-430a.2	Total aluminum purchased, percentage from certified sources	Metric tons (t)	0	0
RT-CP-000.C	Total employees	Number (#)	182	154
	Executives and managers	Number (#)	19	15
	<i>Women</i>	Percent (%)	16	20
	<i>Racial/ethnic minority</i>	Percent (%)	16	6
	Exempt Employees	Number (#)	79	79
	<i>Women</i>	Percent (%)	34	34
	<i>Racial/ethnic minority</i>	Percent (%)	30	24
	Non-Exempt Employees	Number (#)	103	75
	<i>Women</i>	Percent (%)	24	28
	<i>Racial/ethnic minority</i>	Percent (%)	64	57
	Fatalities – employees	Number (#)	0	0
	Fatalities – contractors	Number (#)	0	0

SASB Reference	Indicator	Unit	2022	2021
	Total recordable incident rate – employees	Rate	0.0	0.0
	Total recordable incident rate – contractors	Rate	0.0	0.0
	Lost time incident rate – employees	Rate	0.0	0.0
	Lost time incident rate – contractors	Rate	0.0	0.0
	Employee turnover rate – voluntary	Rate	15.9	39.5
	Employee turnover rate – involuntary	Rate	10.8	29.6
	Average hours of training per employee	Number (#)	35.3	35.3
	Executives	Number (#)	5	5
	0-5 years	Percent (%)	80	80
	5-10 years	Percent (%)	0	0
	10+ years	Percent (%)	20	20
	Managers and Directors	Number (#)	21	27
	0-5 years	Percent (%)	52	56
	5-10 years	Percent (%)	19	22
	10+ years	Percent (%)	29	22
	Office/ Administrative	Number (#)	74	67
	0-5 years	Percent (%)	66	68
	5-10 years	Percent (%)	19	18
	10+ years	Percent (%)	15	14
	Operations	Number (#)	82	55
	0-5 years	Percent (%)	79	67
	5-10 years	Percent (%)	9	18
	10+ years	Percent (%)	12	15