



ANNUAL SUSTAINABILITY REPORT

2020

"DMI is providing solutions for a better world by improving the sustainable environment."

-Ray Yeager, President/CEO



TABLE OF
CONTENTS

- 3 CEO OVERVIEW
- 4 SUSTAINABILITY STRATEGY
- 5 WORKFORCE DEVELOPMENT
- 6 OUR PEOPLE & FINANCIAL GROWTH

*From the shop floor to
the board room, everyone
is a contributor.*

*Everyone is an
environmental steward.*

THE YEAR'S OVERVIEW

Presented by Ray Yeager,
President/CEO



Dear stakeholder,

2020 was an incredible year by all accounts - incredibly difficult, but also incredibly successful in spite of all the challenges. Although our face-to-face interactions were hindered, our sustainability efforts still can be considered one of our greatest successes of the year.

DMI Companies is a leader of sustainable efforts throughout the country. Our new five-year strategic plan places 'Sustainability' at the forefront, allowing our long term vision to be focused on innovative products and sustainable solutions. Our new, overarching strategic objectives guide our organization to operate in a manner that both protects and promotes the well-being of our environment. The corporate initiatives include a continuous emphasis on encouraging all DMI employees to build a better, more sustainable world. Each of our employees **make a difference**.

In 2020, we were able to emphasize our commitment to environmental, social and community stewardship. Here are just a few examples of what our sustainability program accomplished:

- **Our Monongahela facility became Gold recertified through the TRUE program!**
 - Our landfill diversion rate is now over 96%. I am proud of the Sustainability Team and all our employees for going the extra mile in 2020 to achieve this Top Tier Status.
- Adopted 'Environmentally Preferred Purchasing' strategies.
 - The goal of this is to encourage source reductions through procurement. Our purchasing department was trained on how to find the most eco-friendly, responsibly-sourced products and services for all our company needs. We always aim to find less/non-hazardous and energy efficient solutions.
- Monongahela's "Rag Roll-out":
 - Originally, our production staff utilized old pieces of clothing as rags. These rags were minimally absorbent and needed to be thrown into our dumpster once soiled. Now, we work with a local vendor to purchase efficient cotton rags which are collected once soiled, washed and resold. With this seemingly small change, we've been able to reduce our rag waste by 100%.
- Sustainable practices have started spreading to Wagoner, Oklahoma.
 - All cardboard and shrink wrap waste will now be diverted from landfill, baled and sold to local commodity buyers. It is our hope that Wagoner will be our next certified zero-waste site by 2023!
- Put Green Engineering strategies in motion:
 - In October, our engineering team designed and created a new semi-automated punch press for our Fire & Smoke department. Components were sourced from scrapped, discontinued or on-hand items which allowed us to cut costs and reduce waste during the construction process.
- Made our headquarters in Charleroi, Pennsylvania as energy efficient as possible.
 - Built in 1889, our current headquarter building was once a bank, hotel, and housed numerous other operations. With retrofits and redesigns, the building is now Energy Star certified. We first achieved this feat in 2012 when the building was 123 years old. Now, it is considered one of the most energy efficient buildings of its time in the world!
- Our Manufacturing Execution System (MES) implemented in 2020 with the roll-out of Industry 4.0 has allowed several of our production floors to go completely paperless.

We remain an active participant in every community in which we operate; albeit in 2020 most of our interaction was virtual. In 2021 we will again venture outside our doors to help our communities to thrive. Expect to see our amazing staff members help put our communities back together.

By thinking and acting sustainably, we will continue to deliver excellent customer service and produce strong financial results and position the company for a strong future. The future is here! If you have any questions or comments about this subject or any other topic, please feel free to correspond with me at ryeager@dmicompanies.com

SUSTAINABILITY STRATEGY

Presented By Paxton Bucheral,
Sustainability & Environmental Compliance Manager



ZERO WASTE STRATEGY

In last year's annual report, we made the announcement that our Monongahela facility became silver-certified through the Total Resource Use & Efficiency (TRUE) program, administered by GBCI. The TRUE Zero Waste certification program is an assessor-based program that rates how well facilities perform in minimizing their non-hazardous, solid wastes and maximizing their efficiency in the use of resources by awarding credits when certain milestones are achieved. I am pleased to announce that as of October 2020, our Monongahela facility has been recertified with the TRUE Gold Zero-Waste certification, reaching a waste diversion rate of 96.68%.

We committed to improving our diversion rate to over 97% in our 2019 annual report. Originally, we believed that it would take several years to achieve that goal but with everyone's combined efforts, we were able to complete it within 10 months. Much of our recertification effort stemmed from the Procurement Department's commitment to source reduction. In 2020, we challenged our vendors to redesign their packaging on the materials we buy and sought to buy the majority of our products locally, where applicable. Our buyers all received training on how to put EPA-based Environmentally Preferred Purchasing strategies to use.

Going forward, the TRUE program will be used to help us define, pursue, and maximize our zero-waste goals while reducing our carbon footprint and supporting community health. Our focus will be to continue pushing our sustainable strategies into each of DMI's facilities. Continued implementation of this program offers a platform for perpetual improvement that leads to advanced certification levels and aligns with DMI's sustainable core concepts: people, planet, and profit.

Our current waste program is providing a sustained benefit to the bottom line as we were able to avoid \$92,000 worth of expenses in 2020. The list below summarizes some of our recycling and reduction efforts during the calendar year:

- 2,379 tons of metal **recycled**
- 92 tons of wood **recycled**
- 40 tons (combined) of cardboard & plastic film **recycled**
- 18 tons of totes and drums **recycled**
- 78 tons of pallets **reused**
- 81 tons of steel pallets **returned** to vendor

Although 2020 was a challenging year for companies and commodity markets alike, our Monongahela location was able to divert 2,717 total tons of waste from landfill - a 96.68% diversion rate. We are committed to increasing this quantity year over year and incorporating our sustainability program throughout every single DMI facility across the country.

ENERGY & WATER CONSERVATION

Energy conservation continues to be a top priority at all DMI facilities. In 2020, we took advantage of multiple energy rebates to improve our infrastructure while simultaneously reducing energy consumption and costs. Solar panels, LED lighting, skylights and energy-efficient air compressors are a few examples of our continued initiatives. Continued on the next page are our combined energy statistics in 2020:

ENERGY & WATER CONSERVATION (CONT.)

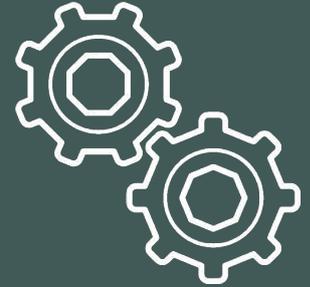
- Electricity consumption: +0.25%
- Water consumption: +3.87%
- Natural Gas consumption: -39.57%

With the vast majority of our office personnel working remotely or on staggered shifts, we were able to keep the buildings at a lower temperature throughout the cold months which led to a huge reduction of our natural gas usage. Although we were lucky that our production did not slow across 2020, it did cause us to see a slight increase in our electric usage. Throughout the year, we discovered several faulty toilets and sinks whose leaks caused an increase in our annual water usage.

Our headquarter building in Charleroi, Pennsylvania maintains an Energy Star score of 75, allowing the 130 year old building to be eligible for an Energy Star certification. All our facilities are outfitted with LED lighting, motion sensors and water-efficient fixtures. We will work towards addressing our water and electric usage to assure that we can maintain the greatest efficiency possible.

WORKFORCE DEVELOPMENT

Presented By Katie Hager,
Workforce Development Manager



We can all agree 2020 had its fair share of challenges! Despite them all, our workforce persevered and we have quite a few note-worthy accomplishments:

DMI's Wagoner facility is poised for great things. When DMI relocated its Tulsa, OK facility to Wagoner, OK in 2017, the plan was to, gradually, build the manufacturing operations of this much larger space to, somewhat, mirror Monongahela operations. This would allow key product lines to be moved or duplicated in a strategic location that would facilitate market expansion and growth across all SBUs. In fact, Wagoner is the only DMI location that manufactures products for all five SBUs. DMI also had a goal of having enough production in Wagoner to support employing 40 people within five years. Well, in 2020 Wagoner exceeded that goal early. They now have enough production to support over 40 jobs. Throughout 2020, and despite the challenges of the pandemic, teams from across DMI worked together to design and install the ATI Insulated Register Box (IRB) and GSI Pipe lines in Wagoner. This included training employees on standard operating procedures, quality control and scheduling, to name a few. The addition of these lines added five new employees and improved sales and distribution capabilities.

Bruce Ellsworth and David Verbanick of DMI Monongahela were the first graduates of DMI's Maintenance Technician (MT) program. During their 15-month program, they worked with the DMI Maintenance, Production and Engineering teams to assimilate what they learned in their classroom training into DMI's increasing culture of automation. In December 2020, they earned their certificates in Advanced Manufacturing and Robotics from Westmoreland County Community College and assumed their new roles. As Maintenance Technicians, David and Bruce will be responsible for the overall efficiency of our robotics and automated systems which is a vital component of DMI's Industry 4.0 and IT/OT initiatives.

Our workforce showed great resolve and resiliency. When other businesses shut down and left millions of people without jobs, benefits and hope, DMI was able to continue making our products because they were essential to people's everyday lives. A number of our products were used in the construction of temporary hospitals to help treat COVID-19 patients when hospitals were overrun. We even converted one of our lines to manufacture metal nose strips for N95 masks. We donated over a half million of these strips to help overcome the mask shortage so that medical personnel and first responders could continue to safely care for the sick. To make this happen, the entire DMI team learned new ways of doing business whether it was adjusting to alternate procedures, learning new skills or leveraging technology. Throughout these challenging circumstances, our workforce showed up in a big way to ensure DMI could do its part to contribute to the fight against COVID-19, continue to serve our customers' needs and remain a leader in our industry.

OUR PEOPLE

Presented By Melissa Lourimore,
Human Resources Manager



Nelson Mandela said, "It always seems impossible until it's done."

The year 2020 and the global COVID-19 pandemic was one for the record books! Its challenges often felt impossible but through hard work and ingenuity, we never gave up and kept our doors open to keep our workforce employed, and our customer needs met.

In 2020, the world confirmed what we always knew; DMI Companies is an "essential business." During the shutdown orders, we remained open and made products that enabled other essential businesses to function. DMI products were included in temporary hospitals erected to aid with the care of COVID-19 patients. Our employees did not face the challenges of losing their income or benefits that millions of other American workers faced due to the pandemic. Quite honestly, we could not find enough workers to do all the work we had available in our facilities.

As CDC, federal, state and local government guidance became available, the COVID Task Force reviewed and adapted to develop protocols necessary to keep our employees safe. Increased cleaning of high-touch areas, mandatory face mask usage, reworking of work stations to encourage social distancing and temperature checks of all employees are just a few examples of those protocols. All the extra handwashing kept other common illnesses away too!

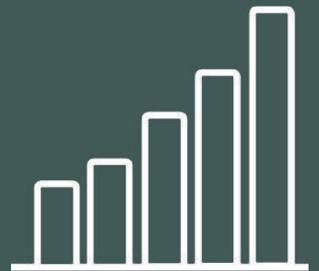
The pandemic created a historic deployment of remote work and digital access across all areas of our business, and we are stronger because of it. Business travel abruptly halted, and it forced us to enrich the customer experience through video conferencing and virtual trainings. Many of our staff worked remotely for the first time. We overcame equipment shortages and learning curves. It may not become the new normal, but it has become another tool in our toolbox.

It was often difficult, but in the end, we did the impossible and made it through 2020 intact - poised to be even stronger in the future. We missed being together in person and hope the vaccines will allow us to gather again in the near future. Our Ownership, Board of Directors and Senior Management were proud of our employee's courage to face the challenges of 2020 during such a difficult period of uncertainty.

Manufacturing will always be an essential part of any thriving community. We each play an important role in our success. 2020 made us resilient, more flexible, and able to think outside the box in a way we never thought possible.

FINANCIAL GROWTH & STABILITY

Presented By Dan Bruno,
Chief Financial Officer



DMI Companies takes pride in being a socially responsible corporate citizen, and recognizes the importance of sustainability in that role. We believe that there can most often be great harmony between environmental, ecological and economical sustainability, and we always strive to act in ways that ensure those harmonies. Our continued growth and financial success will never compromise our commitment to the sustainability of future generations!