

2024

# SUSTAINABILITY ANNUAL REPORT



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# 2024 OVERVIEW

by Doug Gudenburr, President

DMI Companies is excited to present this annual sustainability report, which offers a comprehensive look at our ongoing sustainability initiatives and highlights our accomplishments throughout 2024.

Since its founding in 1978, DMI has consistently prioritized sustainability. We actively foster strong relationships with our communities, business partners, and the natural world, based on our core belief that sustainability influences our business practices and every interaction we engage in. We are dedicated to proactively updating our goals to address emerging environmental challenges, striving to lead in the development and implementation of sustainable solutions for a brighter future.

DMI has always supported sustainability and will continue to pave the way for success. As we look to the future, we will continue to advocate for innovative solutions that reduce environmental impact and inspire industry-wide changes.

For any questions about our sustainable practices or the topics discussed in this report, please email [sustainability@dmicompanies.com](mailto:sustainability@dmicompanies.com). Thank you for joining DMI Companies on this journey to create a better, more sustainable future for generations to come.

## SUSTAINABILITY MISSION STATEMENT

DMI Companies are committed to the sustainable manufacturing of a myriad of products designed to increase the efficiency of heating and cooling systems.

Our mission is to create and maintain a culture that promotes sustainability and cultivates responsible environmental behavior throughout, and across, all DMI Companies with a pledge to incorporate this philosophy into our everyday lives.

With our constant in-house efforts to reduce, reuse, and recycle, we are focusing on maintaining ecological balance, with a goal that will result in a positive outcome for our employees, surrounding communities, and the environment.

Through implementation of sustainable practices and source reduction initiatives, we will diligently strive to diminish the impact that our internal operations have on the environment while simultaneously promoting conservation of our natural resources, leaving our little piece of the world a better place for generations to come.



# SUSTAINABILITY STRATEGY

by Edwin Hart, Sustainability & Environmental Compliance Specialist

DMI Companies have seen significant progress in sustainability over recent years. With an expanded Sustainability Department and broader influence across the organization, we're highlighting key initiatives and achievements that demonstrate our continued commitment to sustainable development and environmental stewardship.

## RENEWABLE POWER

DMI Sustainability has conducted detailed feasibility studies and planning for the implementation of on-site wind and solar power generation. This strategic initiative aims to reduce our dependence on grid-supplied electricity, directly supporting our Scope 2 goals for energy neutrality and a significant reduction in company-wide carbon and greenhouse gas (GHG) emissions.

In 2022, DMI Sustainability began its journey to identify optimal renewable energy solutions for the Monongahela facility. This involved comprehensive research and studies to determine the best options for offsetting purchased electricity. Weather monitoring stations were installed in 2023 to gather crucial data and provide detailed wind speed and solar analysis. This data confirmed sufficient wind resources for sustained power generation at the Monongahela location. Furthermore, throughout 2023 and 2024, DMI Sustainability conducted a solar feasibility study, financial assessment, and structural engineering analysis to evaluate the suitability of roof-mounted solar arrays on the Monongahela buildings. After conducting an engineering study of both buildings at the Monongahela facility, it has been recommended that we explore other options for solar array installation to meet proper building regulations and safety requirements.

In 2025, DMI Sustainability will continue to evaluate diverse renewable energy options for the Monongahela facility, including options that may include a roof-mounted solar array, solar parking ports, ground-mounted systems, and final planning and zoning for vertical wind turbine installation. Data collection will continue throughout Q1 of 2025 with the relocation of weather stations to the Wagoner facility to assess its wind and solar potential.

## TRUE CERTIFICATION: ZERO-WASTE TO LANDFILL

DMI's commitment to zero-waste initiatives continues to yield significant results. We have maintained our TRUE Gold Certification at our Monongahela, Pennsylvania, facility, and in 2023, our Wagoner, Oklahoma, facility achieved TRUE Certification with a 90.4% diversion rate. These achievements demonstrate our successful efforts to minimize environmental impact and divert waste from landfills.



## SUSTAINABILITY STRATEGY CONTINUED

Detailed waste diversion data for both facilities in 2024 is provided below:

### Monongahela 2023 vs. 2024 Comparison

Commodity	2023	2024	Disposal Method
Metal	2368 tons	2538 tons	Recycled
Wood	74 tons	116 tons	Recycled
Cardboard/Plastic Film	75 tons	34 tons	Recycled
Single Stream	4 tons	12 tons	Recycled
True Trash	0.35 tons	0.087 tons	Landfill
Waste-to-Energy (WTE)	104 tons	123 tons	Incineration

### Wagoner 2023 vs. 2024 Comparison

Commodity	2023	2024	Disposal Method
Metal	285 tons	407 tons	Recycled
Wood	5 tons	21 tons	Recycled
Cardboard/Plastic Film	22 tons	20 tons	Recycled
Insulation	N/A	20 tons	Recycled
True Trash	30 tons	24 tons	Landfill

In the 2024 data, Wagoner saw a notable increase from 90.4% to 95%, while Monongahela successfully maintained its 96% diversion rate. Based on current production trends and projected waste diversion, we anticipate that Wagoner will achieve a 96% diversion rate by the end of 2025. This will result in both facilities reaching our optimal waste diversion goal.

### Environmental Equivalents

The aggregate 2024 waste diversion data from the Monongahela and Wagoner facilities equates to the following environmental equivalents saved:



2,864 trees



1,460,711 cubic gallons of oil



22,611 cubic yards of landfill



1,201,622 gallons of water



59,117,499 kWh of energy



196,223 cubic feet of natural gas



10,280 tons of coal



13,454 metric tons of CO<sub>2</sub> equivalent of GHG

# SUSTAINABILITY STRATEGY CONTINUED

## FACILITY IMPROVEMENTS

Recognizing the increasing maintenance demands and inadequate waste disposal capacity of the existing trash compactor at our Monongahela facility, DMI Sustainability replaced it in 2024. Following a thorough evaluation, a new compactor was purchased and installed. The new machine has demonstrated a substantial improvement, processing an average of 16,000 pounds of waste-to-energy (WTE) material every six weeks, which is up from 10,000 pounds every four weeks. This upgrade has resulted in cost reductions and a higher rate of waste diversion from landfills through regulated incineration.

Additionally, after the launch of our newest business unit, DMI had a custom Airoverse Building Automation System (BAS) installed at its corporate headquarters in Charleroi, Pennsylvania. The system's precision allows for a wide range of adjustable settings, contributing to a consistent reduction in energy consumption, and is expected to be further strengthened as we continue to fine-tune system settings.

DMI Sustainability will expand its commitment to environmental stewardship in 2025 by integrating comprehensive land management and conservation practices across our facilities. This initiative underscores our dedication to ecological responsibility, which is stated in our sustainability mission statement. At the Wagoner facility, we are actively pursuing the implementation of native species reintroduction, tree planting, and grass planting projects to ensure compliance with state and local conservation district requirements.

## ENERGY EFFICIENCY

Energy efficiency has been a core principle of DMI Companies' Sustainability mission since its inception. To address growing energy challenges and reduce our carbon footprint, DMI Sustainability completed a comprehensive LED lighting upgrade at the Monongahela facility in 2024. Replacing T5 fluorescent tubes with LEDs throughout the facility has resulted in significant energy and cost savings.

Located in a 136-year-old historic building on the National Registry of Historic Places, DMI's Charleroi offices exemplify our dedication to sustainability. Our attainment of three ENERGY STAR certifications, including the most recent and impressive 87-point score in 2023, is a testament to this commitment, particularly considering the building's historical significance. Our Charleroi offices hold a unique position as the second-oldest building in Pennsylvania and the 44th oldest in the United States to earn ENERGY STAR certification, making us the sole office building in Washington County to achieve this distinction.

## SUSTAINABILITY STRATEGY CONTINUED

Once the Airoverse BAS was installed at our Charleroi offices, DMI was able to further optimize the building's energy efficiency through the use of highly advanced control algorithms. Airoverse's biggest energy impact can be seen from the Dynamic Air Balancing (DAB) application installed on the second and third-floor offices via the Airoverse Smart Dampers.

Now, with Airoverse, our Charleroi building is further optimized and on track to enhance our energy efficiency further. We are on track to achieve our fourth ENERGY STAR certification in early 2025, with an estimated 93-point score, demonstrating a remarkable progression from our original 77-point baseline score in 2013.

Building upon the proven success of the Airoverse system in Charleroi, DMI will implement it at the Monongahela facility sometime in 2025. We anticipate significant energy efficiency benefits from this upgrade and look forward to seeing the results.

## CARBON/ENERGY NEUTRALITY

DMI Sustainability is actively pursuing its Carbon Blue 2032 carbon/energy neutrality goals, as outlined in our Sustainability mission statement.

We have aligned our corporate climate targets with the United Nations (UN) Sustainable Development Goals and are implementing methodologies guided by the World Resources Institute to address Scopes 1, 2, and 3 greenhouse gas emissions. So far, we have completed energy assessments for purchased electricity (Scope 2) and natural gas combustion (Scope 1) and are working with Purchasing to advance Scope 3 initiatives.



# SUSTAINABLE PURCHASING

by Ashley Clawson, Purchasing Manager

To minimize our environmental impact, DMI employs sustainable procurement, also known as green procurement. This approach evaluates the entire lifecycle of a product or service, not just the initial purchase, enabling us to identify and eliminate waste effectively.

DMI's procurement policy supports sustainable concepts:

- Our mission is to enhance DMI's long-term profitability and sustainable growth. We support the business strategy by applying sourcing experience, business insight, market knowledge, and a global perspective to supply materials and solutions to exceed expectations.
- We apply highly effective and efficient procurement processes and systems to ensure the availability and quality of materials we require to serve our customers. We aim to add value by reducing costs and by connecting business challenges with solutions from our best-in-class suppliers.

At DMI, our deeply ingrained sustainable culture is a catalyst for sustainable growth. We are driven to achieve long-term success while actively contributing to the well-being of our communities. By integrating sustainable principles into every facet of our operations, we strive to be pioneers in responsible manufacturing without compromising the success of future generations.

Recognizing the vital role of supplier partnerships, we prioritize fair and honest relationships guided by our ethical principles.

As we navigate the complexities of the global economy in 2025, we will prioritize local and domestic sourcing to mitigate risks and comply with evolving regulations. We are dedicated to continuous improvement in all our endeavors.

# LEAN & SUSTAINABILITY

by Anna Shonts, Lean Specialist

Many businesses strive for both "Lean" and "Sustainability," but are often confused by what distinguishes these two concepts. While they often work together, their core objectives differ.

Lean methodologies focus on eliminating waste, both tangible and intangible, to enhance process efficiency. This translates to reduced production costs, ultimately benefiting the customer with more affordable products. Sustainability, on the other hand, centers on minimizing environmental impact. This involves reducing the amount of material waste sent to landfills and actively working to conserve natural resources.

Lean and Sustainability often support each other organically because Lean's focus on reducing scrap and defects aligns perfectly with Sustainability's goal of minimizing waste. Similarly, Sustainability's emphasis on energy conservation directly contributes to Lean's objective of reducing cycle times and operational costs.

A common misconception arises from the 7S methodology, where "Sustain" appears similar to "Sustainability." However, these terms have distinct meanings. "Sustain" in 7S refers to maintaining a process through regular inspections and adjustments. "Sustainability" addresses a much broader scope, aiming to minimize our environmental footprint and ensure long-term resource availability.

Fundamentally, Lean focuses on internal efficiency and customer value, while Sustainability emphasizes external environmental responsibility. Though their approaches differ, their goals often converge, creating a powerful synergy for businesses like DMI Companies that are committed to both efficiency and environmental stewardship.

# WORKFORCE DEVELOPMENT

by Katie Hager, Workforce Development Manager

DMI Companies' Workforce Development initiatives have expanded and evolved significantly in recent years. Working in close collaboration with Operations Assistants and key personnel across our sites, we have actively promoted DMI within local communities and forged strong partnerships with schools and workforce development organizations. These strategic efforts have produced impactful results, with a particularly notable achievement in Wagoner, Oklahoma, where we have successfully doubled our union workforce in the last two years.

While actively growing our team through strategic hiring, we have also focused on empowering existing employees through targeted upskilling initiatives. These programs are designed to prepare high-potential individuals for new roles and ensure they can effectively navigate the rapidly advancing technological landscape of manufacturing. The following is a sample of the training we conducted in 2024:

- To advance their proficiency in Industry 4.0 and Lean Manufacturing, seventeen employees from Monongahela and Wagoner are engaged in Tooling U courses, which will result in two micro-credentials from Tulsa Community College. Training emphasizes cutting-edge technologies and methodologies, including AI, Robotics, and Lean Smart Manufacturing.
- To enhance their leadership capabilities, seven employees, five in Wagoner and two in Portsmouth, completed our Leadership Development series for Managers, Crew Leaders, and Foremen. The program emphasized the development of critical management skills, such as effective communication, project management, and performance coaching.
- Several non-union employees enhanced their professional skills through training in management, leadership, project management, conflict resolution, and digital tools, including effective email practices, Microsoft Excel, and SharePoint.
- To enhance technical and process improvement skills, DMI has enrolled another employee in the Maintenance Technician training program at our Monongahela facility, where they will pursue an Associate's Degree in Advanced Manufacturing and Robotics at Westmoreland County Community College (WCCC). Additionally, a member of our Lean team in Monongahela is working towards Lean Black Belt certification.

Our Workforce Development programs are proving highly effective, attracting high-quality candidates who are excelling and advancing within DMI. Notably, several successful hires have come through MFG Day and other partner-related programs.



## WORKFORCE DEVELOPMENT CONTINUED

We have a strong track record of converting interns into full-time employees, with three former interns currently on staff and five individuals who have interned with DMI in the past four years. Additionally, we have welcomed five employees through school partnerships: two from the BotsIQ program, two graduates of the Maintenance Technician training program at WCCC, and one individual who participated in a job shadow program.

Moving forward, DMI is committed to further expanding its Workforce Development initiatives, creating even greater opportunities for our employees and strengthening our position as a leader in manufacturing talent development.

### DMI WORKFORCE TOTALS BY LOCATION



**500+ Total DMI Employees**

- 📍 **Charleroi, Pennsylvania**  
👤 60+ Employees
  
- 📍 **Monongahela, Pennsylvania**  
👤 250+ Employees
  
- 📍 **Wagoner, Oklahoma**  
👤 80+ Employees
  
- 📍 **Portsmouth, Virginia**  
👤 100+ Employees
  
- 📍 **Lodi, California**  
👤 5+ Employees

# OUR PEOPLE

by Melissa Lourimore, Human Resources Manager

"Great things in business are never done by one person; they are done by a team of people." Steve Jobs' words resonate deeply with DMI's journey. As the world approaches the fifth anniversary of the COVID-19 pandemic, it's clear that it was our shared commitment and collaborative spirit that allowed us to persevere. DMI's growth is a direct result of the dedication of each member of our team.

Founded in 1978, DMI has evolved from a small, family-owned company in the Pittsburgh area with just a handful of employees to a thriving organization with five locations across the country, reaching the significant milestone of exceeding 500 total employees in 2024. This strategic growth is carefully managed to ensure a sustainable headcount and the ability to meet the increasing demands of our customers. Our focus remains on attracting and retaining top talent, recognizing that our employees are the cornerstone of our success.

We understand that employees have many options, and DMI is committed to being an Employer of Choice. This commitment is reflected in our continuous evaluation and enhancement of compensation, benefits, training, and flexible work options. Manufacturing is a dynamic industry, requiring continuous adaptation to new technologies and evolving market demands in order to provide opportunities to the entire DMI team. The evolution of our roles at DMI is evident when we compare our initial skills and responsibilities to our current ones; for each of us, that transformation has been substantial.

As we move into the second half of this decade, DMI acknowledges the challenges posed by the changing political climate, economic fluctuations, supply chain disruptions, and labor market dynamics. We are confident in our team's ability to navigate these challenges through innovation and collaboration. We are actively exploring new solutions and strategies to ensure our continued success, including investments in sustainable practices and advanced technology. We are prepared to adapt and innovate to solve future challenges.

The growth and success of DMI are a direct result of the dedication and hard work of our employees. We are committed to fostering a supportive environment where every team member can thrive. We look forward to a future of continued growth and achievement, driven by the talent and commitment of our people.

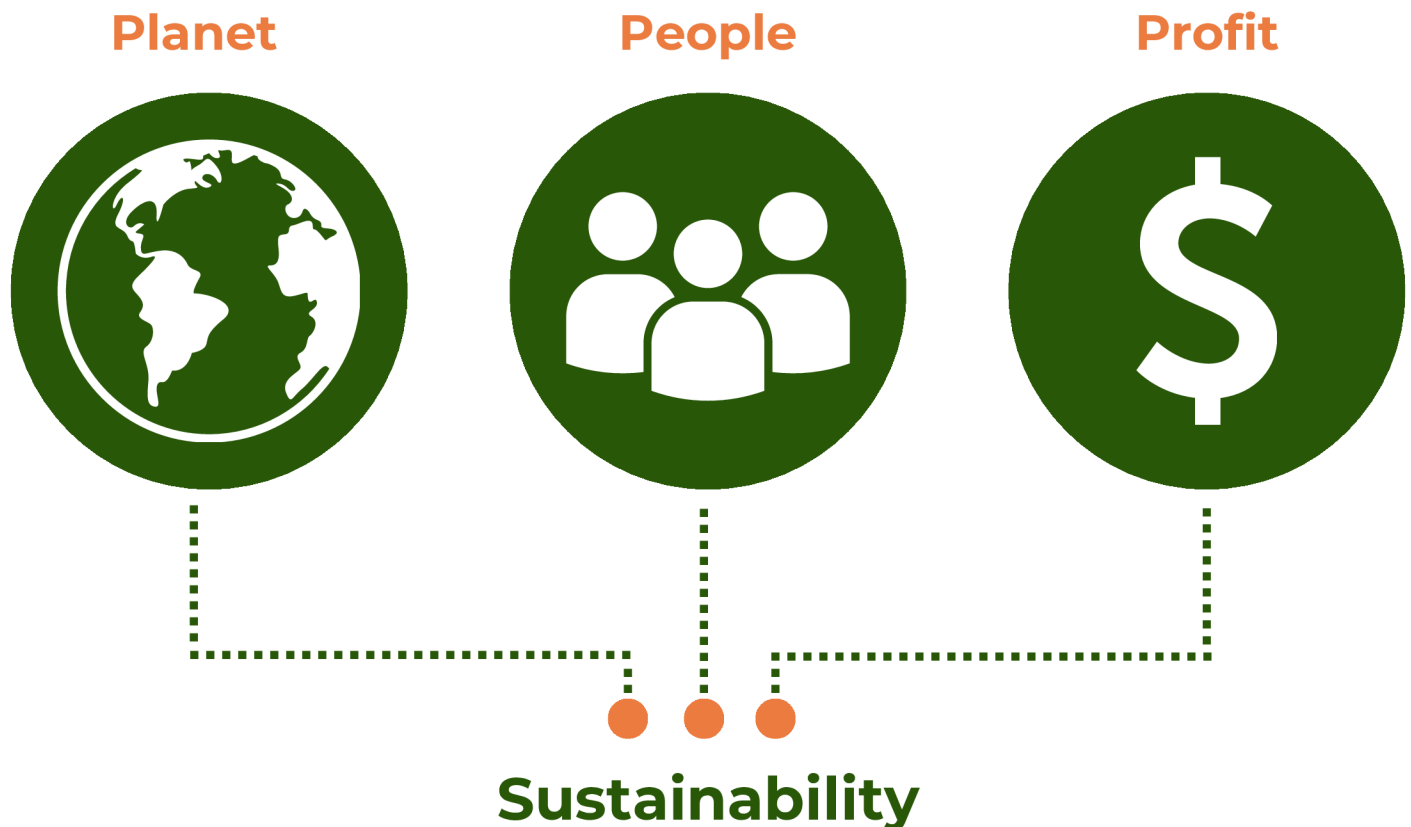
# FINANCIAL GROWTH & STABILITY

by Dan Bruno, Chief Financial Officer (CFO)

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 economic sustainability, and we always strive to act in ways that ensure those harmonies.

DMI follows the "planet, people, profit" triple bottom line approach to guide its corporate sustainability initiatives. We prioritize the **planet** through concrete actions like energy reduction, recycling, and waste minimization. This focus on environmental responsibility directly benefits **people** through strengthened community partnerships and broader consumer appeal. These combined efforts generate **profit** through cost efficiencies and revenue growth, demonstrating the mutually beneficial relationship between sustainability and financial success.

Our continued growth and financial success will never compromise our commitment to the sustainability of future generations.







For questions regarding our sustainable practices or content discussed in this report, please email [sustainability@dmicompanies.com](mailto:sustainability@dmicompanies.com).

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