

ROSS' Commitment to Environmental, Social and Governance Principles

ROSS Controls is committed to Environmental, Social & Governance (commonly abbreviated as “ESG”) principles and set forth below are some of the more significant measures taken by our global organization to address these areas. Before going forward, it is important to note ROSS’ ESG initiatives rest upon two fundamental pillars – our Core Values and our Code of Conduct.

The Company’s Core Values were prepared long before ESG took on the momentum we see today and reflect ROSS’ guiding principles which can be traced to the Company’s inception in 1921. Our Core Values address, among other things, Ethical Leadership, Sustainability and Employee Engagement and are specifically included in the second pillar, the ROSS Controls’ Code of Conduct. More information about the Company’s Core Values and Code of Conduct can be found below.

Environmental

Space

ROSS Controls has significantly altered the size of its footprint devoted to manufacturing, assembly, inventory storage and office activities and has done so while adding new products to its traditional product portfolio and manufacturing new products for markets and customers not previously serviced by the Company. Focusing on North America over the past five years, ROSS has consolidated operations, reduced its locations from six to four, and reduced its footprint, all while growing business. We’ve estimated location consolidation has reduced energy consumption related to heating, cooling and other operational needs by 35%.

Recycling

Annually and globally, ROSS recycles almost 315,000 lbs. of paper, cardboard, plastics, and metals.

Commuting

From work from home arrangements to four-day work weeks for certain manufacturing locations, we’ve taken a critical look at the way work is done and that has had a positive impact on energy consumption, energy usage, time spent commuting and employee engagement. We’ve estimated work from home arrangements and moving to (where practical) four-day work weeks has reduced annual employee commuting miles traveled by

515,000, which translates to 24,000 fewer gallons of gasoline/petrol consumed annually by ROSS employees.

Energy Savings

ROSS operations in Canada and Germany have recently replaced traditional fluorescent overhead lighting with LED lighting, thereby reducing energy consumption by between 70% and 80%. In 2021, prior to consolidating certain ROSS manufacturing and administrative operations into a newly refurbished circa 1950's industrial complex located in Ferndale, Michigan, all fluorescent overhead lighting was upgraded to LED. In addition, such lighting is linked to movement; if there is no movement within a pre-determined time period, lights switch to "off". ROSS Asia (Sagamihara, Japan) re-routed electricity used in its operations through high-voltage substations, thereby improving delivery and reducing carbon emissions by 16%. ROSS Europa (Langen, Germany) and ROSS Pneumatrol Ltd. (Oswaldtwistle, U.K.) are migrating to hybrid and all-electric company vehicles and, in fact, ROSS Europa erected charging stations on company property so that all employees can charge their private hybrid/all-electric vehicles while at work.

Compliance

ROSS Controls is committed to reducing all waste, including environmental waste, through application of Lean principles. ROSS works to ensure that its operations and those of its key suppliers comply with all applicable governmental regulations such as TSCA, REACH, RoHS, Conflict Minerals and California Proposition 65. Certificates reflecting compliance can be found on the Company's website by going to:

<https://www.rosscontrols.com/documents>

ROSS is actively engaged in compliance efforts related to employee and customer data protection and security pursuant to laws applicable in the United States, Europe and Asia. Any hazardous materials used in manufacturing operations are stored in an environmentally appropriate manner and are disposed of by licensed/certified hazardous waste disposal companies.

Social

Occupational Health & Safety

The health and safety of our workforce is our first priority and is rooted in our Core Values and Code of Conduct. Plainly and simply, our goal is **zero** lost time accidents. Although we are not perfect, we have achieved our goal in 2019, 2020, 2021 and 2022 in operations in Brazil, Canada, China, France, India, Japan, in our largest U.S. manufacturing and administrative facility, in our largest U.S. administrative office, and in our glass service

business based in Germany. We've gone almost 1.9 million hours worked in these facilities without a lost time accident. Our concern for Industrial Safety extends beyond the four walls of our facilities; it is the centerpiece of our global strategy. In fact, ROSS valves designed for mechanical press safety can be traced to the very early days of the Company. More recently, new products introduced for safety applications coupled with strategic acquisitions and partnerships have cemented our reputation as a world leader in Fluid Power Safety.

Diversity & Inclusion

Our global employee population work from ROSS facilities in the Americas, Asia, Europe, and the Pacific Rim; 63% of those employees work from facilities located in the U.S. and the U.K. and 44% of this group is female. Focusing on the U.S., the male/female employee ratio is nearly identical – 51% male and 49% female; minorities (Black, Hispanic, Asian, other) make up more than one-fifth of the workforce. Females and minorities are well represented in supervisory positions (including Leader positions in manufacturing operations) and hold 55% of supervisory roles.

Continuous Training

ROSS requires all U.S. based employees to participate annually in an extensive training curriculum which focuses on, among other things, discrimination and harassment in the workplace. As a result, ROSS maintains a strong record of compliance with the Equal Employment Opportunity Commission and state agencies charged with addressing discrimination based upon race, gender, age, harassment, sexual harassment, sexual orientation, national origin, or any other forms of discrimination. In addition, all worldwide Senior Managers participate annually in a Code of Conduct/business ethics workshop, covering such topics as conflicts of interest, the Foreign Corrupt Practices Act, competition, proprietary information, health and safety, and fair employment practices.

Governance

ROSS Controls is, and has been since its inception in 1921, a family-owned, privately held business. As ROSS has grown, oversight responsibilities have been transitioned to the Company's Board of Directors. The Board is charged with, among other things, overseeing and advising Senior Management and ensuring our Core Values are in lockstep with Company culture to serve the long-term interests of our customers, Shareholders, and employees. It's a concept coined **A-G-I-L-E** which bonds values and culture. **A-G-I-L-E** is an acronym standing for **A**ccountability, **G**rowth, **I**nnovation, **L**ean and **E**nergy. It is more than a catchphrase; it is a set of principles which guide the way employees interact with suppliers, customers, and each other – day to day, every day.

Board Composition, Objectives & Metrics.

Our Board is independent and is comprised of six elected members representing very diverse professional backgrounds. The Chair of the Board is female, as is one other Board member. The Chair is independent of the Company and does not act in a day-to-day management capacity as, say, Chief Executive Officer. On an annual basis, our Chair prepares Board Objectives and Metrics which are designed to ensure Company performance, Core Values, the Code of Conduct and Company culture are aligned. Objectives and Metrics are presented to Shareholders during the Annual Meeting of Shareholders.

On an annual basis, the Board conducts an ethics and compliance audit, during which a full report respecting claimed breaches of the Code of Conduct and subsequent investigations (whether done internally or with assistance from independent third parties) are reviewed. The Company retains independent auditors to conduct annual financial reviews of ROSS Controls and its global subsidiaries. Auditors determine whether financial reports/statements have been prepared in accordance with recognized accounting standards and ensure proper policies, procedures and oversight methodologies are in place. Independently prepared and audited consolidated financial statements have continually found no evidence of financial irregularities. From a taxation and legal perspective, ROSS Controls retains independent tax advisors and corporate counsel to ensure compliance with local laws, rules, and regulations – as required by our Core Values and Code of Conduct.

Looking Forward

In the coming years, ROSS will continue to find additional ways to reduce and conserve energy consumption by, among other things, utilizing machinery and equipment which is more efficient than that in service today, by continually assessing existing and new product designs to achieve optimal performance with minimal energy consumption, and by continually applying Lean techniques to identify and eliminate waste throughout the organization. ROSS is committed to developing a worldwide Lean project list. We intend to accelerate our efforts in community involvement and will assess employee engagement through a variety of methods, including surveys prepared and initiated by independent third parties.

